



# HEALTHIER LIFE **OUR COMMITMENT**

Integrated Annual Report 2018-19



*In Search of Excellence*



Orion Pharma Limited is a reliable pharmaceutical company in Bangladesh and is dedicated in contributing to the improvement of human health by producing world class generic medicines of supreme quality and distributing them globally. We understand that quality is critical to satisfying customers and retaining their loyalty. We believe that improving quality is a continuous process and it is our commitment to the society to give our best in making lives healthier. As a part of this commitment, we have introduced 'Pharmacovigilance', whereby we monitor and manage the safety of all medicines of the company all over the country. Every procedure is conducted under close monitoring for compliance to enhance and support our product safety information, including the inspection of the product quality.

The quality of APIs has a significant effect on the efficacy and safety of medication. We have introduced US DMF (Drug Master File) grade raw materials 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. All these efforts are in consistent with our aim -

**Healthier life, our commitment**



Please scan the above QR code instead of printing the report.  
It contains the digital version of the Integrated Annual Report 2018-19 of Orion Pharma Limited.



# Letter of transmittal

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

Dear Sir/Madam (s):

## ANNUAL REPORT FOR THE YEAR ENDED JUNE 30, 2019

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 6, 2019, to hold 54<sup>th</sup> Annual General Meeting of the Company on December 15, 2019.

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, 2019, 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, 2019 along with notes as well as the Directors' Report of the Company thereon for your record/necessary measures.

Yours sincerely

Sd/-

**Md. Ferdous Jaman**

Company Secretary

Dated: November 6, 2019

## We are one of the early adopters of **Integrated Reporting in Bangladesh**

### **OUR APPROACH TO REPORTING**

#### **Scope and boundary**

The Integrated Annual Report 2018-19 comes through rigorous scrutiny and well defined good corporate governance. The report symbolizes the efforts, commitments and dedication of Orion Pharma Limited (OPL) to provide an insight and report its capitals, governance, financial as well as sustainability performance and prospects to its stakeholders which eventually lead to the creation of value over time and meet the potential stakeholders' demand for information. This Integrated Report concisely depicts the general picture of the company including how it is creating 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, 2019.

The Integrated 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. With a view to providing a true and transparent picture of the company as well as a full understanding of the financial and non-financial information 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.



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#### 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](http://www.orionpharmabd.com)



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### REQUEST FOR FEEDBACK

We would appreciate the views, comments, questions and opinions from all stakeholders on the Integrated Annual Report 2018-19. 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

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

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

## Journey to integrated reporting

Orion Pharma Limited first issued its Integrated Annual Report in financial year 2016-17. The reports published in subsequent years including the recent one have been developed and redefined to reflect improvements in integrated reporting.

## Reporting period

Orion Pharma Limited presents its 2018-19 Integrated Annual Report for the financial year July 1, 2018 to June 30, 2019 with comparative prior period information and its prospects where applicable.

## Reporting framework

The contents of this Integrated Report are presented in line with the guidelines issued by Institute of Chartered Accountants of Bangladesh (ICAB) in the form of 'Integrated Reporting Checklist', which is along the lines of International <IR> Framework issued by the International Integrated Reporting Council (IIRC).

Other reporting frameworks, where applicable, include:

- Companies Act, 1994;
- Bangladesh Securities and Exchange Rules 1987;
- Commission's Laws, Order, Notification, Directive, Guideline etc;
- The Income Tax Ordinance 1984;
- Core Guidelines of Global Reporting Initiative (GRI);
- International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs); and
- Other relevant laws and regulations of the land.

Throughout the report we have used cross-reference in order to limit repetition.

## Capitals of value creation

As we focus on building a sustainable business, we demonstrate the performance and activities related to the 6 (six) capitals of value creation, described in the Integrated Reporting Framework, and the following icons are used throughout this report:



## Approval and assurance of the integrity of the report

The company has applied combined assurance practices from various independent external assurers that have been given below:

Assurance on	Assurance provider
Consolidated and separate financial statements of Orion Pharma Limited	S.F. Ahmad & Co. 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.
Credit Rating	Credit Rating Agency of Bangladesh Ltd.

## Board approval and endorsement

The Committees of the Board reviewed the Integrated Report along with the annual financial statements and recommended the same to the Board for approval. The Board acknowledges its responsibility to apply their collective mind to the preparation and presentation of this report and ensures that all material matters have been addressed and fairly presented in this Integrated Report. The Board has verified and provides its opinion that the Integrated Report is presented as per the stated reporting frameworks.

Sd/-  
**Mohammad Obaidul Karim**  
Chairman

Sd/-  
**Salman Obaidul Karim**  
Managing Director

## 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 on the quality of our medicines, new markets etc. These statements do not guarantee any future outcome rather demonstrates 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 and are not intended to endorse, promote or recommend products listed in it which are for representation purpose only.



# Our approach to materiality & sustainability reporting

## Materiality assessment process

We always believe that issues which help our stakeholders derive a decision are material and need to be addressed in this Annual Report. We put a lot of emphasis on identifying the material issues to be included in our report. It is an essential part for us 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.

This year we have reviewed our Materiality Assessment Process and aligned it with our Strategic Objectives to make them more achievable. This amalgamation of our material issues and strategic objectives has been done in order to reflect our integrated thinking across our material issues, strategic objectives, risks and opportunities.

In our company, the Management Team and the Head of Departments go through extensive consultation and document review 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 with potential stakeholders are conducted to obtain inputs in the process of identifying material issues.

In the last financial year, once the material points were identified, they were quantified and evaluated on the basis of economic, environmental and social impacts in terms of GRI Reporting guidelines and were prioritized on the basis of their relative importance to value creation. Both financial and qualitative risks, opportunities and strategic objectives of the company were also taken into account when assessing the material aspects and determining how they affect our stakeholders and their goal of attaining maximum utility from our business operations. Furthermore the identified material factors that affect our 6 (six) capitals: financial, manufactured, intellectual, human, social & relationship and natural capital; were also considered in the preparation of this report.

## Reporting considerations

We have incorporated this year's sustainability report in this Integrated Annual Report by identifying the material issues as per the core guidelines of Global Reporting Initiative (GRI). Furthermore, the risks, opportunities and outcomes have been taken into account if they have material impact on the company's ability to create value and also keeping in mind the relevance of those points for the decision-making of all the stakeholders.

## Material issues

As aforementioned, this year we have made an extensive study on our material issues and have merged them with our strategies to exhibit the integration of the whole process of our action-plan. We identified 7 (seven) material issues that were categorized into the 3 (three) GRI dimensions: economic, social and environmental dimensions; as the most relevant and we hope that this will remain same for us for the years to come. However, their drivers and their relative importance may change in the future and the material issues will be updated accordingly.

MATERIAL ISSUES
<b>Economic dimension</b>
Patient health and safety
Market presence
Product specific strategy
<b>Social dimension</b>
Operational excellence
Ethical behavior and governance
Employee wellbeing and engagement
<b>Environmental dimension</b>
Eco-friendly environment practices



### Disclaimer

Sustainability Reporting is an essential part of this Integrated Annual Report. The three aspects of the Sustainability Reporting are the economic, social and environmental systems of the business. In our Annual Report, we have not segregated the chapters into these three spheres, but these pillars have been covered all around the Report whenever required or relevant in any chapter.





## Contribution to the Sustainable Development Goals

In 2015, the United Nations adopted 17 (seventeen) goals under "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. Referring to these goals, Orion Pharma Limited believes that it is extremely important for us to actively address environmental and social issues and accordingly contribute to the sustainability of the society.

We are actively committed to contributing to the achievement of the SDGs through various business activities and based on the evaluation of impacts of SDGs across the entire value creation model, we plan to focus our efforts on 9 (nine) goals primarily on Goal 3: Good Health and Well-being.





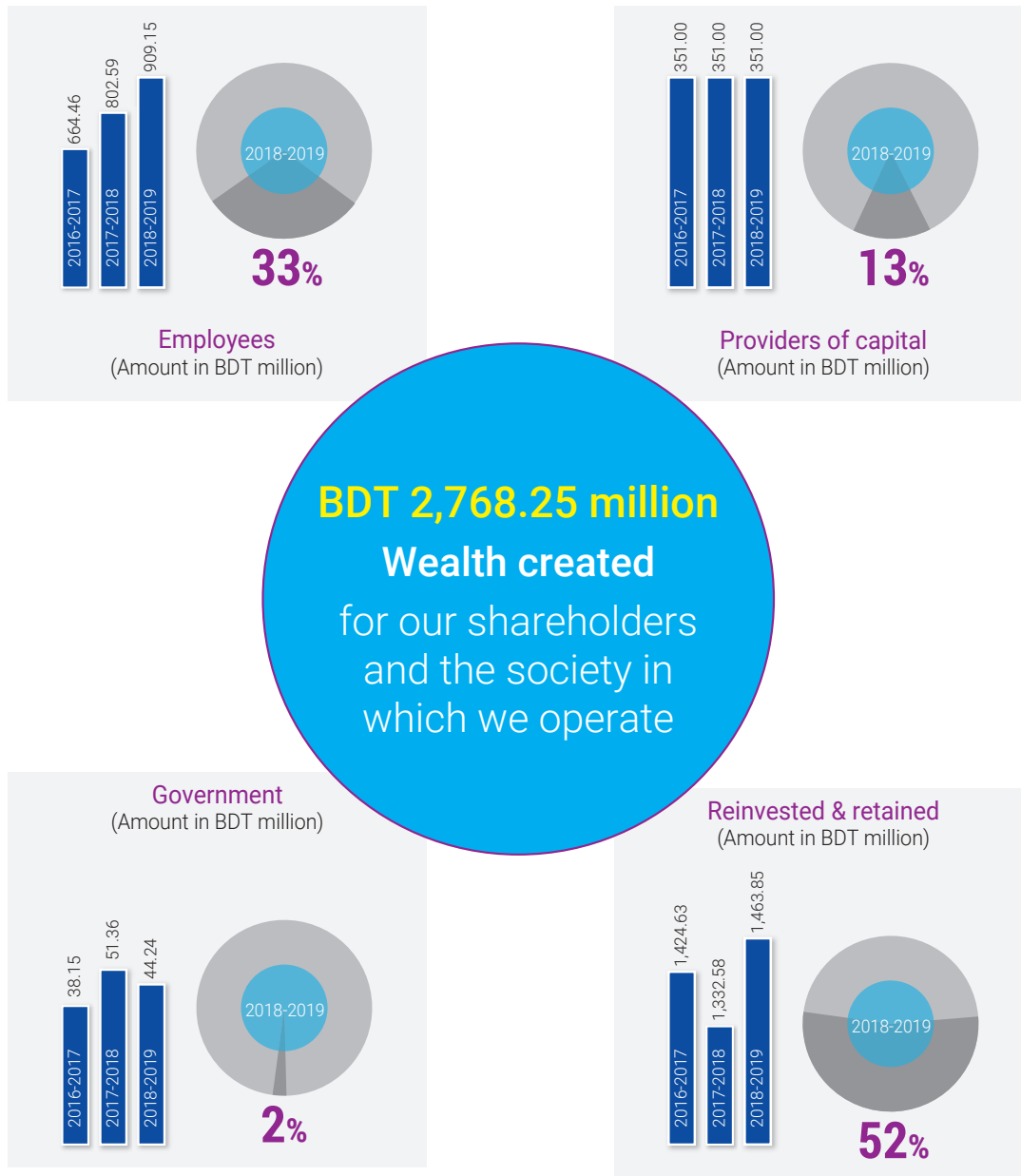
## Examples of OPL's activities for achieving SDGs

Goal 3 Good health and well-being	Goal 4 Quality education	Goal 6 Clean water and sanitation	Goal 8 Decent work and economic growth	
<ul style="list-style-type: none"><li>• Responding to the unmet medical needs of the society;</li><li>• Disease awareness campaigns through newspaper;</li><li>• Offering discounted price for medicine to cancer patients;</li><li>• Monitoring safety of medicines.</li></ul>	<ul style="list-style-type: none"><li>• Offering scholarship to medical students;</li><li>• Supporting the children of deceased employees' to complete their studies.</li></ul>	<ul style="list-style-type: none"><li>• Management of waste water through ETP;</li><li>• Reduced water usage.</li></ul>	<ul style="list-style-type: none"><li>• Maintenance of occupational health and safety;</li><li>• Employee training and development;</li><li>• Cultivation of productive workplace.</li></ul>	
Goal 9 Industry, innovation and infrastructure	Goal 10 Reduced inequalities	Goal 11 Sustainable cities and communities	Goal 12 Responsible consumption and production	Goal 15 Life on land
<ul style="list-style-type: none"><li>• Adoption of building structure ensuring maximum usage of daylight;</li><li>• Installation of solar PV panels in Orion Pharma Park.</li></ul>	<ul style="list-style-type: none"><li>• Equal treatment of employees regardless of religion, gender, race, age and ethnicity.</li></ul>	<ul style="list-style-type: none"><li>• Development of factory away from city area;</li><li>• Migration of workers from the city to the factory site.</li></ul>	<ul style="list-style-type: none"><li>• Production of medicines in a eco-friendly way.</li></ul>	<ul style="list-style-type: none"><li>• Maintenance of biodiversity;</li><li>• Proper treatment of waste and effluent before discharging to the environment.</li></ul>

## Performance highlights



## The value we create





## Invitation

The Annual General Meeting (AGM) creates an opportunity for us to have a discussion with Shareholders on some of the highlights and achievements of the reporting year and also to share the future plans of the Company.

The Board of Directors of Orion Pharma Limited invites all the Shareholders to attend our **54<sup>th</sup> Annual General Meeting**.

- **When**

Time: 11.15 am

Date: Sunday, December 15, 2019

- **Where**

Venue: Officers' Club  
26, Baily Road  
Ramna, Dhaka-1000  
Bangladesh

- **Queries for AGM**

Share Department

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

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E-mail: [orion.share@orion-group.net](mailto:orion.share@orion-group.net)



*In Search of Excellence*

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

## NOTICE OF THE 54<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the **54<sup>TH</sup> ANNUAL GENERAL MEETING (AGM)** of the Shareholders of Orion Pharma Limited will be held on Sunday, December 15, 2019 at 11.15 am at Officers' Club, 26, Baily Road, Ramna, Dhaka-1000, Bangladesh, to transact the following businesses:-

### Agenda

- To receive, consider and adopt the Consolidated Audited Financial Statements of the Company for the financial year ended June 30, 2019 together with the Auditors' Report and Directors' Reports thereon.
- To declare dividend for the financial year ended June 30, 2019.
- To elect/re-elect Directors who will retire by rotation as per the relevant provisions of Articles of Association.
- To consider the re- appointment of the Managing Director of the Company.
- To appoint External Auditors and to fix their remuneration for the financial year 2019-2020.
- To appoint Corporate Governance Compliance Auditor and to fix their remuneration for the financial year 2019-2020.
- To transact any other business with the permission of the Chair.

Date: November 30, 2018  
Dhaka

By Order of the Board

Sd/-  
Md. Ferdous Jaman  
Company Secretary

### Note

- "Record Date" shall be November 28, 2019 (Thursday).  
Shareholders whose names appeared in the Depository on the Record Date will be eligible to attend the meeting and will qualify for Dividend.
- A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. The Proxy Form, duly stamped (BDT 20.00), must be deposited at the Company's registered office 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, Attendance Slip and Proxy Form along with the notice are being sent to all the members through post/courier service. The members may collect the Annual Report or the Proxy Form from the registered office of the Company. Admission into the venue of the AGM will be allowed on the production of the Attendance Slip/Proxy Form sent with the Annual Report.
- Members are requested to notify change of address if any, to the Company.
- The Annual Report for the year 2018-2019 will be available in Company's Website : [www.orionpharmabd.com](http://www.orionpharmabd.com)

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



## About Orion Group

Orion Group is a leading and distinguished conglomerate in Bangladesh carrying a legendary brand name spanning over almost 4 (four) decades. The Group is built on a strong foundation of determination, excellence, integrity and a firm promise to deliver value to its key stakeholders. With its manufacturing facilities and operations taking place throughout the country, the Group is highly committed in bringing great changes in the socio-economic development in the country.

Starting its journey back in early 80's, the Group has undergone potential expansion in multiple sectors due to its responsible business practices. It is endowed with a diversified portfolio with several concerns consisting of pharma & healthcare, power generation & energy, infrastructure development, real estate & construction, cosmetics & toiletries, high-tech agro products, consumer products, food & restaurant chain, textiles & garments and home appliance.

There are 3 (three) publicly-listed companies under the banner of Orion namely; Orion Pharma Limited, Orion Infusion Limited and Kohinoor

Chemical Company (Bangladesh) Limited; with a combined market capitalization of BDT 15,405.94 million as on June 30, 2019.

Over the years, the Group has successively expanded its activities all over the country and become a key player in the business arena. Orion 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.

Global evidence suggests that trade-related performance is becoming increasingly important for the socio-economic development of many developing countries like Bangladesh for which Orion is striving to strengthen its market access, formulating its competitive strategies time to time and putting emphasis on productivity enhancement to meet the international standard, thus playing a pivotal role in the country's commerce & trade sectors. Orion Group keeps finding ways to overcome constraints that may arise in its business operations and is constantly focused on research to explore its innate potentials.

Orion Group will continue to adopt coherently set strategies and objectives to contribute to all our stakeholders. Our strategies also focus on addressing the economic and social development along with its long-term commitments to the citizen of our country. The Group will keep working to foster sustainable economic development of the country.



## Vision

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



## Mission

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



## Values

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



Our Group's journey is marked by numerous awards, excellence and achievements, including the following, during the financial year 2018-19:



Recently the Group has successfully undertaken an Independent Power Project to build a Heavy Fuel Oil (HFO) based power plant called Orion Power Rupsha Ltd. at Jabusha, Khulna. The plant has a capacity of 105 MW and entered into the commercial operation in October 2018. The Hon'ble Prime Minister Sheikh Hasina formally inaugurated the plant on February 2019. This is a great achievement and a contribution towards national development. This power plant is adding a significant value in mitigating power crisis in the southern region of the country.



The Group continues to invest in power generation to meet the demand for electricity for industrial developments and to overcome general power shortage all over the country. Taking a step further in this direction, last year Orion Group entered into a successful business transaction with Cargill Financial Services International Inc., a US conglomerate, for facilitating financing of USD 40.00 million for the construction of Orion Power Sonargaon Limited, a 104 MW HFO based power project being implemented at Sonargaon, Narayanganj.

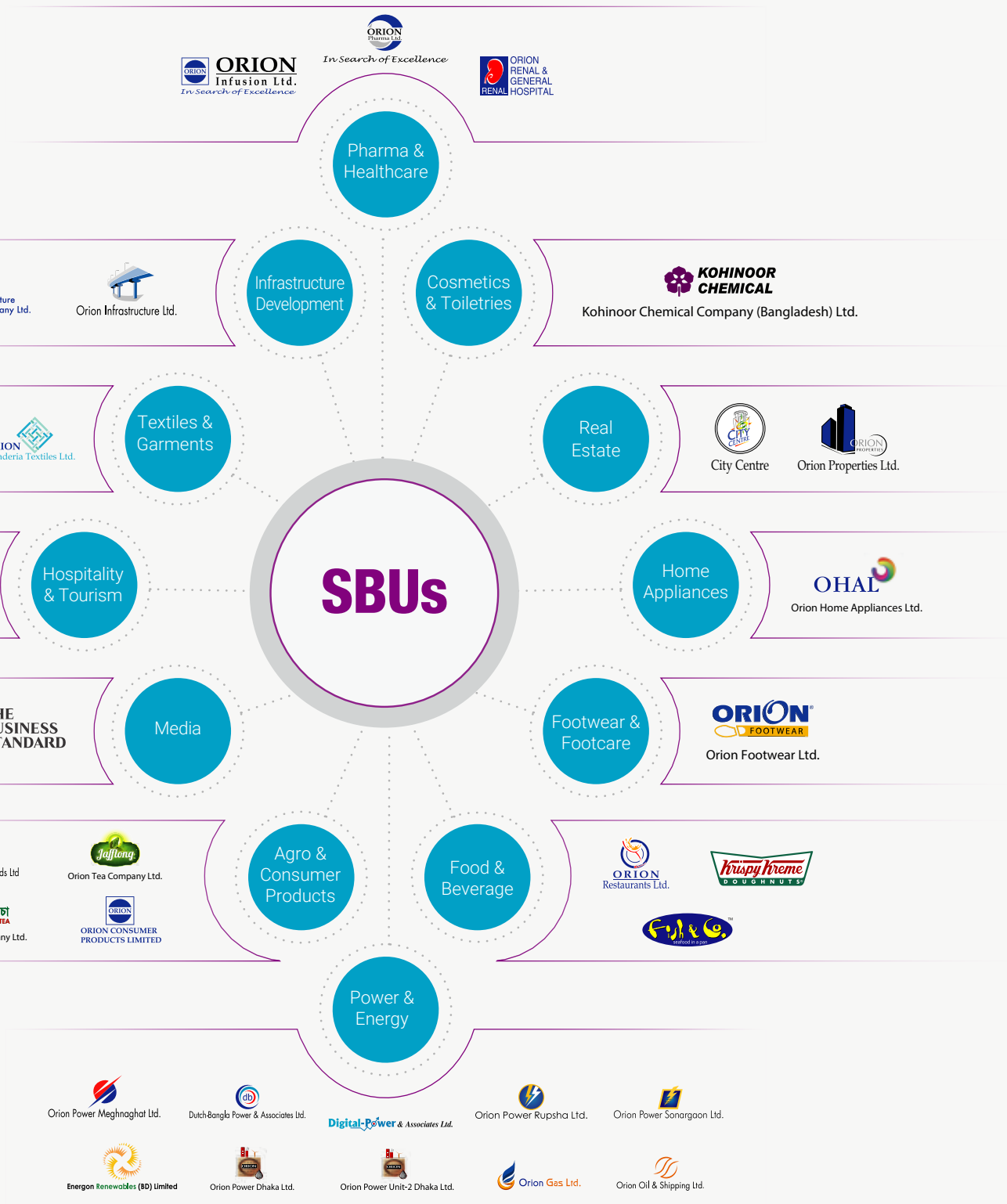


Another event that Orion Group was proud to be associated with last year was the National VAT Day, where the National Board of Revenue awarded 144 business entities across the country for depositing the highest amount of value-added tax to the government exchequer for the fiscal year of 2016-2017. Orion Infrastructure Limited clinched the 'First' place and earned the recognition for paying highest VAT under the 'Service' category and won the national award for 'Mayor Mohammad Hanif Flyover'.



## Corporate overview

Our governance .....  
 Our capitals .....  
 Sustainable business strategy .....  
 Performance & financials .....



## Milestone projects

### The LONGEST Flyover



The first milestone in the PPP model of Bangladesh Government is ORION's noteworthy accomplishment of Elevated Expressway Mayor Mohammad Hanif Flyover which has been implemented on BOOT basis with a concession period of 24 years. Having a length of 11.80 km with 11 ramps (5 entry and 6 exit ramps), this hi-tech and capital intensive project followed the AASHTO 2007 Design Code of the USA ensuring smooth transition curves for safe and comfortable traffic movement and adequate merging-demerging lanes for least disruption to traffic flow. This revolutionary project which connects Dhaka with 40 districts, has been operational upon inauguration by the Hon'ble Prime Minister since October 2013.

### The FASTEST HFO Power Plants



The 2 (two) 100 MW each and 1 (one) 105 MW HFO based power plants - Dutch Bangla Power & Associates Ltd. (DBPAL), Orion Power Meghnaghat Ltd. (OPML) and Orion Power Rupsha Ltd. (OPRL) at Siddhirganj & Meghnaghat (Narayanganj) and Jabusha (Khulna) respectively were completed in a record time of just 9 (nine) months each. DBPAL and OPML have been distributing electricity to the national grid since 2011 and OPRL has been distributing electricity to the national grid since 2018.

### The TALLEST Building



The 37-storied "City Centre" is the tallest building and the most prestigious landmark in country's skyline. This building at the heart of Dhaka City, is the first commercial cum multistoried parking complex at Motijheel, Dhaka. The skyscraper is equipped with the most modern firefighting equipment, automated car parking system, earthquake protection system and necessary amenities to re-define the working space. The building is professionally managed through Building Management System (BMS) and has its own architectural splendor, helipad, state of the art business center, modern office spaces, restaurants etc.

## The BIGGEST Pharma Park



Orion Group is implementing one of the biggest Pharma Parks of the country and so far the finest and most comprehensive pharmaceutical plant at Siddhirganj, Narayanganj where a complete array of pharmaceutical facilities and solutions will be incorporated within single complex. This unique establishment has been designed to follow all latest global standards like USFDA, UK MHRA, Health Canada, and Australian TGA. In addition to conventional pharma products, the new plant will also incorporate state of the art technologies to manufacture cephalosporin, biotech products, oncology, hormones drugs among others.

## The LARGEST Coal Based Power Plants



Orion Power Dhaka Limited (OPDL) is the largest single unit coal based Ultra Super-Critical power plant in Bangladesh being implemented in Gozaria, Munshiganj under IPP basis with a net capacity of 630 MW (Gross 700 MW). Orion Group has adopted "Clean Coal Technology", a collection of technologies including Flue Gas Desulphurization which has been developed to mitigate the environmental impacts and ensure zero emission to the atmosphere. Similar to OPDL, Orion Power Unit -2 Dhaka Limited is also one of the largest IPP based single unit coal based Ultra Super-Critical power plants being implemented in Gozaria, Munshiganj with a net capacity of 635 MW (Gross 700 MW).

## The LARGEST Tourism Complex



Orion has been awarded to implement the first ever PPP Project in Tourism & Hospitality Sector of Bangladesh, "Development of Tourism Resort and Entertainment Village" at Parjatan Holiday Complex, Cox's Bazar. The entertainment village would be first of its kind in the country. This mega project incorporates multiple resorts with diverse amenities encompassing villa resort, spa hotel, water sports, water taxis, health & fitness center, multiple sports facility, multiplex movie theatre, cultural show, food, beverage and retail, cultural walk promenade and a world class full-fledged Theme Park water and ground based rides and entertainment activities. This Project would be the most giant leap forward in the tourism of Bangladesh for domestic and international tourists.



# About Orion Pharma Limited





Corporate overview

Our governance

Our capitals

Sustainable business strategy

Performance & financials

Orion  
Pharma Ltd



Orion Pharma Limited (OPL) was formed in 1965 and after operating for more than 5 (five) decades, the company today has proliferated out into one of the leading pharmaceutical companies in Bangladesh. Though the company was incorporated in 1965, it was brought under the banner of Orion Group in the 80's after which the company started growing and making an impact in the economy. OPL was converted to a public limited company in 2010 and was listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) in 2013.

### Focus on quality

OPL is dedicated in contributing to the improvement of human health of the country by producing world class generic medicines of supreme quality and distributing them globally. The company always believes in 'Quality never ends' and refuses to settle for anything until it exceeds the existing standard. With the number of pharmaceutical giants increasing spontaneously in our country, competition within the industry is fierce. OPL believes in exceeding boundaries to deliver life changing results in the years to come by staying compliant with the ISO-9001:2015 guidelines and Good Manufacturing Practices (GMP). On May 29, 2019 OPL obtained certificate of renewal of licence from Directorate General of Drug Administration (DGDA) under the Ministry of Health & Family Welfare, Government of Bangladesh, to manufacture pharmaceutical products in our plant.

### Our portfolio

Our company produces capsules, tablets, syrup, suspension, injection, dry powder for syrup/suspension, cream/ointment etc. under different classification 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 100 brands and 196 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 the new manufacturing plant- Orion Pharma Park for new products of Cephalosporin and Oncology categories.

### Orion Pharma Park

With the aim to expand and upgrade the current quality & quantity of production, OPL is constructing a new pharmaceutical manufacturing plant named Orion Pharma Park, which is going to be one of the biggest and finest pharmaceutical complexes of the country. The Orion Pharma Park is located in Siddhirganj, Narayanganj. The first phase of construction is complete and it is expected that this new factory will increase our production capacity by almost 70%. The plant is well designed and equipped with all latest facilities and state-of-the-art technologies. OPL will start to operate pharmaceutical products' manufacturing facilities in the Orion Pharma Park very shortly.



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

### We focus on 196 products under 6 dosage forms

<b>90</b>	<b>23</b>	<b>31</b>	<b>20</b>	<b>31</b>	<b>05</b>
Tablet	Capsule	Injection	Powder for suspension	Liquid and Suspension	Cream/Ointment

**100**  
Brands

**196**  
Presentations

**33**  
Therapeutic Areas

**108**  
Generics

### 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.

### 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. The company is listed in DSE since 1994 and in CSE since 1996.



More information about the subsidiaries is discussed on pages 104, 212-213 & 294-343



## Our VISION



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

## 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



## Safety

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



## Quality

We are committed to the excellence of the quality of our products



## Teamwork

We encourage and nurture the culture of teamwork



## Respect

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



## Community

We collaborate to strengthen the communities in which we operate



## People

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



## Sustainability

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





## Awards & recognition

### Achievement in financial year 2018-19

Orion Pharma Limited awarded at the 18<sup>th</sup> ICAB National Award ceremony

Orion Pharma Limited was awarded the joint 3<sup>rd</sup> position for the "Best Presented Annual Report – 2017" under the category: Manufacturing Sector, by the Review Committee and Jury Board of the Review Committee for Published Accounts and Reports of Council ICAB. For the 3<sup>rd</sup> time in a row, we have been able to achieve this prestigious national recognition.

ICAB organized the 18<sup>th</sup> ICAB National Award ceremony for Best Presented Annual Reports 2017 at a beautiful event at the Pan Pacific Sonargaon Hotel On December 24, 2018. The

former Honorable Finance Minister AMA Muhith presented the awards to the winners. Mr. Md. Alauddin FCA, AVP, Accounts, Orion Pharma Limited, received the award on behalf of the company.

ICAB follows the evaluation criteria of the South Asian Federation of Accountants (SAFA) in evaluating the annual reports. A nine-member jury board chaired by M Matiul Islam, the country's first finance secretary, reviewed the recommended list of the winners for the award.



## Achievement in financial year 2017-18

Orion Pharma Limited was awarded the 2<sup>nd</sup> Runner-up position in the prestigious South Asian Federation of Accountants (SAFA) Awards in recognition of excellence in financial disclosure in Integrated Annual Report 2016. The award ceremony took place in January 2018 at Nepal. It is a matter of great joy for all the employees and management of the company to have been achieved this international recognition for compliance & presentation of our Annual Report.

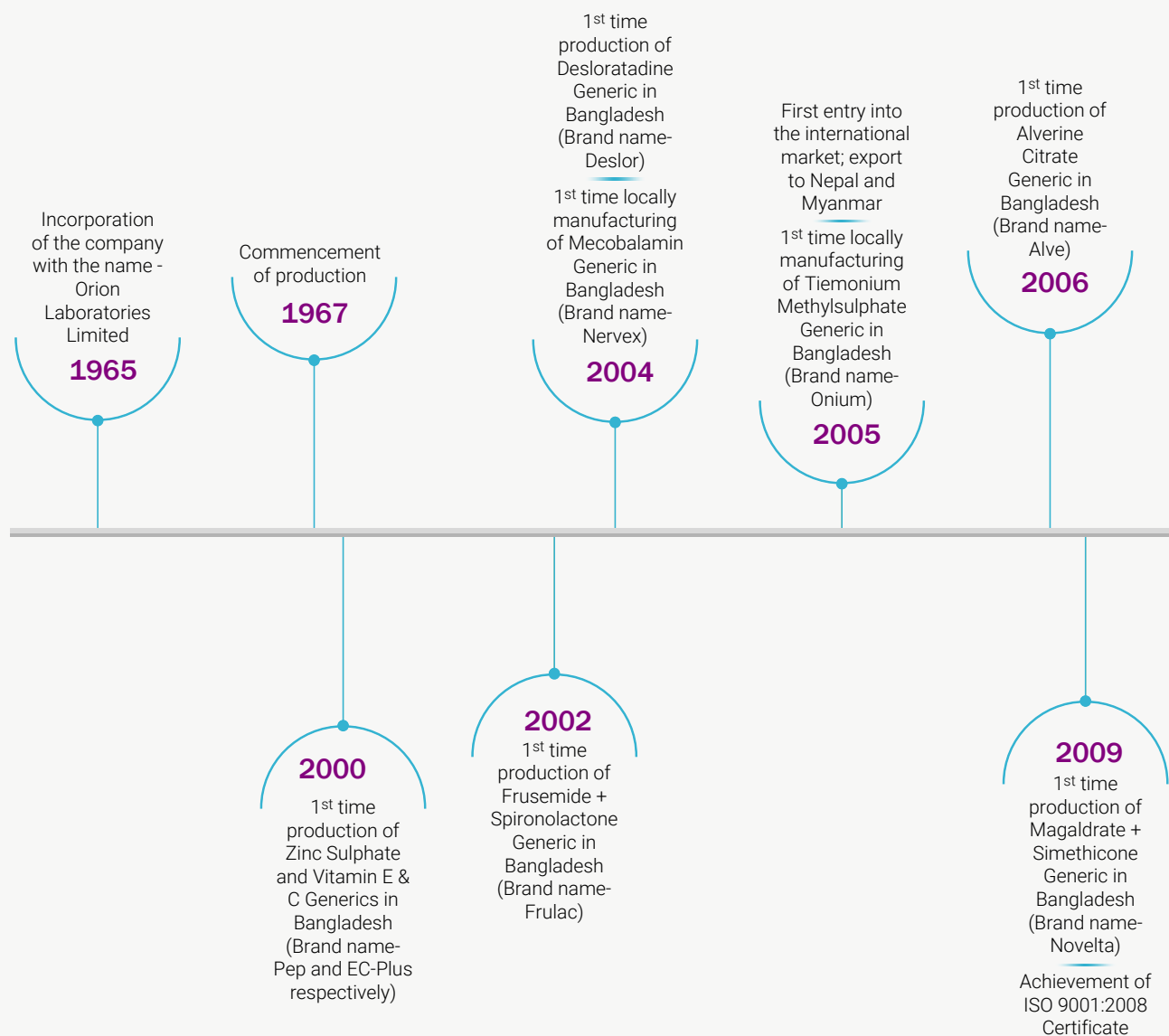
Orion Pharma Limited was also awarded the 2<sup>nd</sup> position for the "Best Presented Annual Report – 2016" in the 17<sup>th</sup> ICAB National Award ceremony under 'Category 4: Manufacturing Sector' in 2017. The trophy was presented on November 25, 2017 jointly by the former Finance Minister Mr. Abul Maal Abdul Muhith and former Commerce Minister Mr. Tofail Ahmed. ICAB awarded organizations for the best annual report presentations and compliance of good corporate governance and it gives us immense pleasure to know that we were one of the winners.

## Achievement in financial year 2015-16

Orion Pharma Limited was awarded the 2<sup>nd</sup> position for the "Best Presented Annual Report - 2014" by The Institute of Chartered Accountants of Bangladesh (ICAB) under 'Category 4: Manufacturing Sector.' The trophy was presented jointly by the former Finance Minister Mr. Abul Maal Abdul Muhith and former Commerce Minister Mr. Tofail Ahmed, in a function arranged by ICAB on December 10, 2015.

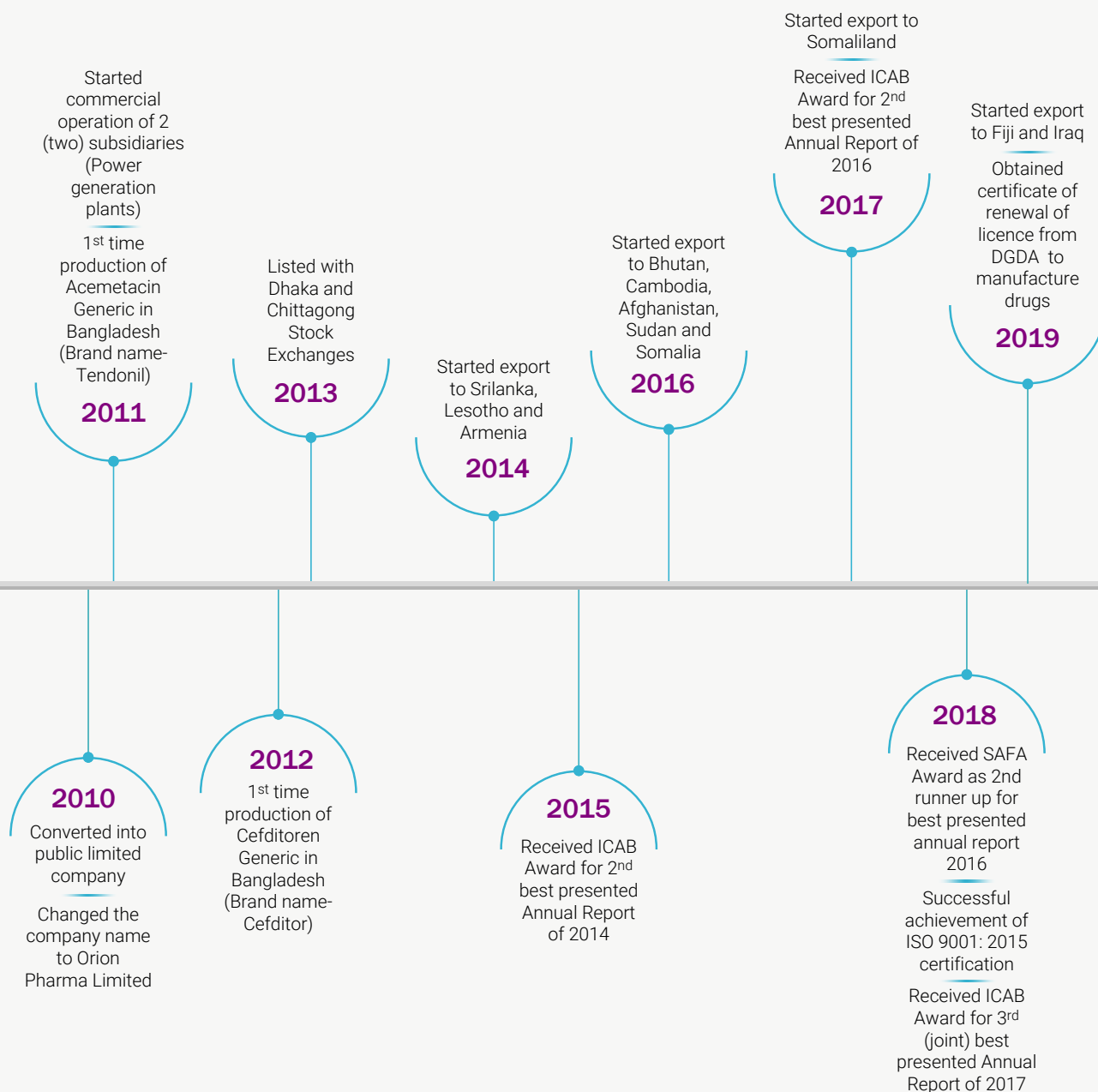


# Chronicle of strategic events



## Corporate overview

Our governance  
Our capitals  
Sustainable business strategy  
Performance & financials





# Corporate information





<b>Legal Form</b>	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
<b>Listing Status</b>	Listed with Dhaka Stock Exchange and Chittagong Stock Exchange since 2013
<b>Authorized Capital</b>	BDT 5,000,000,000
<b>Paid-up Capital</b>	BDT 2,340,000,000
<b>No. of Shareholders</b>	30,171
<b>No. of Employees</b>	2,743
<b>Corporate Office</b>	ORION HOUSE 153-154, Tejgaon Industrial Area, Dhaka-1208, Bangladesh Tel: +88 02 8870133 Fax: +88 02 8870130
<b>Factory Address</b>	Sumilpara, Siddhirganj Narayanganj, Bangladesh
<b>Company E-mail</b>	orion@orion-group.net orion.share@orion-group.net
<b>Company Website</b>	www.orionpharmabd.com www.orion-group.net
<b>Board of Directors</b>	Mr. Mohammad Obaidul Karim Mr. Salman Obaidul Karim Mrs. Arzuda Karim Mrs. Zareen Karim Mrs. Hasina Begum Mr. Md. Shafiqur Rahman Lt. Col. Kamal Ahmed, PSC (Retd.)
<b>Audit Committee</b>	Mr. Md. Shafiqur Rahman Lt. Col. Kamal Ahmed, PSC (Retd.) Mrs. Zareen Karim
<b>Nomination and Remuneration Committee</b>	Mr. Md. Shafiqur Rahman Lt. Col. Kamal Ahmed, PSC (Retd.) Mrs. Zareen Karim
<b>Risk Management Committee</b>	Lt. Col. Kamal Ahmed, PSC (Retd.) Mrs. Arzuda Karim Mr. Salman Obaidul Karim

<b>Company Secretary</b>	Mr. Md. Ferdous Jaman
<b>Chief Financial Officer</b>	Mr. Samaresh Banik
<b>Head of Internal Audit &amp; Compliance</b>	Mr. Md. Ibrahim Khalil
<b>Statutory Auditors</b>	S. F. Ahmed & Co. Chartered Accountants House 51 (2 <sup>nd</sup> Floor) Road 9, Block F Banani, Dhaka- 1213 Bangladesh
<b>Corporate Governance Compliance Auditor</b>	ARTISAN Chartered Accountants Shah Ali Tower (7 <sup>th</sup> Floor) 33, Kawran Bazar, Dhaka-1215 Bangladesh
<b>Bankers</b>	Agrani Bank Limited Sonali Bank Limited Rupali Bank Limited National Bank Limited Social Islami Bank Limited Bank Asia Limited Premier Bank Limited City Bank Limited AB Bank Limited
<b>Insurers</b>	Islami Commercial Insurance Co. Limited Phoenix Insurance Company Limited Green Delta Insurance Co. Limited
<b>Subsidiaries</b>	Orion Power Meghnaghat Limited Dutch Bangla Power & Associates Limited
<b>Associate</b>	Orion Infusion Limited

## Board of Directors



From left to right

**Mrs. Arzuda Karim**  
Non-Executive Director

**Mr. Mohammad Obaidul Karim**  
Chairman &  
Non-Executive Director

**Mr. Salman Obaidul Karim**  
Managing Director &  
Executive Director

**Mrs. Zareen Karim**  
Non-Executive Director





**Mrs. Hasina Begum**  
Non-Executive Director

**Lt. Col. Kamal Ahmed, PSC (Retd.)**  
Independent Director

**Mr. Md. Shafiqur Rahman**  
Independent Director





## **MR. MOHAMMAD OBAIDUL KARIM**

Chairman

### **Date of 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, Noakhali Gold Foods Limited, Orion Agro Products Limited, Orion Vegetable Oil & Foods Limited, Orion Capital Limited, Orion Natural Care Limited, Orion Restaurants Limited, Orion Tea Company Limited, Orion Tourism & Entertainment 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. Mr. Karim turned the company into one of the most successful businesses of the country. However, inspired by the success of this company, Mr. Karim founded another company in the same business sector named Orion Infusion Limited.

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 power 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 4 supercritical Coal based power plants of 3000 MW total 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.



## **MR. SALMAN OBAIDUL KARIM**

Managing Director

### **Date of appointment as Director**

Mr. Salman Obaidul Karim was appointed as the Director of the Board in 2010 and was subsequently appointed as the Managing Director of the company in 2014.

### **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 Risk Management Committee since 2018.

### **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 Co. Limited, Noakhali Gold Foods Limited, Orion Agro Products Limited, Orion Vegetable Oil & Foods Limited, Orion Natural Care Limited, Orion Restaurants Limited, Orion Tea Company Limited, Orion Tourism & Entertainment Limited, ORION Quaderia Textiles Limited, Orion Consumer Products Limited and The Business Standard.

### **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. The core management team of the company is being led by him and his prime responsibility has been leading the team towards the development, growth and success of the company.

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 (completed), City Center (completed), 5 HFO fueled power generation projects amounting to 500 MW (completed), 4 Coal Fired Power generation Projects amounting to 3000 MW (under construction).





## **MRS. ARZUDA KARIM**

Non-Executive Director

### **Date of appointment as Director**

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

### **Educational Qualification(s)**

Mrs. Karim holds 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 Co. Limited and Intergral Energy Limited and also holds the Directorship 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 Infrastructure Limited, Orion Infrastructure Development Company Limited, City Centre, Orion Gas Limited, Orion Oil & Shipping Limited, Orion Renal & General Hospital, Orion Hospitals Limited, Orion Holdings Limited, Orion Footwear Limited, Noakhali Gold Foods Limited, Orion Agro Products Limited, Orion Vegetable Oil & Foods Limited, Orion Natural Care Limited, Orion Tea Company Limited, Orion Tourism & Entertainment 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 inception. She has vast working experience of more than 37 (thirty seven) years 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. Mrs. Karim is also involved with the Orion Renal and General Hospital, which provides partly free medication to the underprivileged of the country.





## **MRS. ZAREEN KARIM**

Non-Executive Director

### **Date of appointment as Director**

Mrs. Zareen Karim has been serving as the Director of the Board since 2010.

### **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 Audit Committee and the Nomination and Remuneration Committee since 2018.

### **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 young entrepreneurs of the country and has been involved in different management roles in different business activities since her early career. She is the daughter of Mr. Mohammad Obaidul Karim, Chairman of the company. As 'Women Entrepreneur' she accepts challenging roles and has proven her worth beyond any doubt. She has expertise in the areas of strategic marketing, brand development across a wide variety of consumer products. She has strong insights and research skills and a deep understanding of customer and consumer strategy.



## **MRS. HASINA BEGUM**

Non-Executive Director

### **Date of 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. Begum is a graduate from a reputed university of Bangladesh.

### **Board Committee(s) served on**

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

### **Directorship(s) in other companies**

Mrs. 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.



## **LT. COL. KAMAL AHMED, PSC (RETD.)**

Independent Director

### **Date of appointment as Director**

Lt. Col. Kamal Ahmed, PSC (Retd.) has been an Independent Director of the company since 2014.

### **Educational Qualification(s)**

Mr. Ahmed graduated with a Bachelor of Science degree from University of Chittagong, post graduated in Defense Weapon Systems from Poona University of India and also holds MBA degree from Purdue University of USA.

### **Board Committee(s) served on**

Mr. Ahmed is the Chairman of Risk Management Committee since 2018, the member of the Audit Committee since 2014 and also the member of Nomination and Remuneration Committee since 2018.

### **Directorship(s) in other companies**

Mr. Ahmed does not hold any directorship of any other company.

### **Responsibilities and achievements**

Lt. Col. Kamal Ahmed, PSC (Retd.) was a former Chief of Overseas Deployment Desk of Army Headquarters of Bangladesh, with 21 (twenty one) years' experience in Bangladesh Army. During this period, he spent the last year as the Chief of Overseas Deployment Desk. Mr. Kamal Ahmed took different military trainings from China, Pakistan and India. Then he spent 1 (one) year as the General Manager of Panna Textiles Mills Limited. He was also the Vice-Chairman of Milk Vita and CEO of GRH Bangladesh Ltd. He also acted as the Independent Director of Kohinoor Chemical Company (Bangladesh) Limited.





## **MR. MD. SHAFIQR RAHMAN**

Independent Director

### **Date of appointment as Director**

Mr. Md. Shafiqur Rahman was appointed as an Independent Director of the company in 2018.

### **Educational Qualification(s)**

Mr. Rahman holds 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 of 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 of experience with expertise in investment, trade finance, Branch in-Charge. Just before being appointed as the Independent Director of Orion Pharma 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.

# Our Management Team

**MR. SALMAN OBAIDUL KARIM**, Managing Director and Chief Executive Officer



Mr. Salman Obaidul Karim has more than 14 (fourteen) years of experience in the pharmaceutical industry. As the company's Managing Director and Chief Executive Officer, he has been instrumental in the development, growth and success of the company. He started his career in the early 2000s, was appointed as the Director of Orion Pharma Limited in 2010 and was subsequently appointed to his current role as the Managing Director with effect from September 10, 2014. He obtained his Bachelor's degree in Business and Computing Management from Brunel University of UK in 2005. He is currently responsible for the overall operations of the company with emphasis on strategic business planning as well as for developing the company's business and investment plans and execution of business strategies. He is also acting as the bridge between the Board of Directors and the management to link expectations, accountability and performance.

Along with being the Managing Director of Orion Pharma Limited, he also has extensive and diverse experience in various industries including infrastructure development, power and energy, real estate, consumer products, food and restaurant chain, textiles and garments etc. as he is also holding the senior management position in many companies of aforesaid sectors under the banner of Orion Group.

**MR. MD. FERDOUS JAMAN**, Company Secretary



Mr. Jaman is a very dynamic and competent individual ensuring secretarial compliances as per the Companies Act 1994 of Bangladesh & other regulatory rules and regulations. He has the experience of attending meetings with company shareholders and the Board of Directors and acts as a point of communication between them. A very well presented and highly personable individual, Mr. Jaman has a deep knowledge of acts, rules and regulations related to company affairs and statutory requirements. He possesses excellent organizational skills with a good eye for detail. He is an expert in handling IPO's shareholder acquisition and raising funds in challenging environment. In addition to his secretarial profile, he is actively involved with the Finance Department and responsible for timely availability of fund for successful implementation of project.

Mr. Jaman is an accounting professional having experience spanning over 21 (twenty one) years in various big business groups in the complex finance intensive industries in Bangladesh. He hails from the new generation of professionals who have entered into the then nascent corporate world of Bangladesh. His commendable work over more than 2 (two) decades have made significant contributions towards his generation's effort to transform the business houses of Bangladesh into world class corporate organizations.



## Our Management Team

### MR. SAMARESH BANIK, Chief Financial Officer



Mr. Banik is a member of the Strategic Management Team of Orion Pharma Limited. He has more than 20 (twenty) years of experiences in Finance and Accounts Departments of the company with a proven track record of leading financial strategies to facilitate the company's ambitious growth plans. He is involved with providing direction and leadership to the Finance and Accounts division. He is also responsible to ensuring compliance and statutory reporting. Mr. Banik possesses the ability to provide a high standard of financial control and ensuring legal & regulatory compliance relating to taxation. He is also accountable for expenditure tracking, operating budgets and preparing long range financial plans for the company. As CFO, he also works in assisting business units in their budgeting and planning process. Ensuring preparation and dissemination of timely and accurate financial information to allow for efficient use and control over financial resources of the company also fall under some of his major tasks.

He is partly qualified Cost and Management Accountant from the Institute of Cost and Management Accounts of Bangladesh. He also holds a degree in Master of Commerce from the Department of Management of the University of Dhaka. He has attended many training sessions for his career ranging from institutes such as International Development under British Government, Institute of Chartered Secretaries and Managers of Bangladesh, Briddhi and many more.

### MR. MD. ARIF HOSSAIN, Senior Vice President - Marketing Operations



Mr. Md. Arif Hossain is a pharmacy professional with over 23 (twenty three) years of work experience. He joined Orion Pharma Limited as a Product Officer in 1996 in the Product Management Department and was gradually promoted to the position of Senior Vice President, Marketing Operations.

As the Head of Marketing Operations, Mr. Arif mostly concentrates on strategy planning and analytics towards OPL's mission to serve the ailing humanity around the globe through proliferation into manufacturing and marketing of generic drugs. He leads and monitors the Sales, Marketing, PMD, Distribution, MIS, Field Admin and Sales Training teams at OPL. He is further involved with territory development, market development, prescription monitoring, sales monitoring and maintaining balance between sales team and PMD. 'Streamlining the production' and 'planning for new product launching' are his forte.

Mr. Hossain attained his Master of Pharmacy (M.Pharm) from the University of Dhaka in the year 1993. Later on he was also accredited with his MBA, majoring in Marketing. During his long course of career, he has undergone many trainings on Pharmaceutical Marketing Strategies, Marketing of Ethical Pharmaceutical Products, Market Analysis and Right Product Selection and many more.



## MR. MD. ASHFAQUL ALAM, Vice President - Corporate Affairs



Mr. Md. Ashfaqul Alam is a resourceful corporate leader with over 23 (twenty three) years of work experience. He started working with OPL since 2005 as a Senior Executive, Project Management and was gradually promoted to the position of Vice President, Corporate Affairs.

Mr. Alam has become a key member for the organization due to his accomplishments in managing projects, representing organization and management, liaison with regulatory bodies and maintaining public relationships. His efforts and successes led him to be the Head of Corporate Affairs Department making him responsible of managing and taking care of all corporate and regulatory issues. He has integrated versatile management system in the corporate culture of the organization and is known to lead by example and setting standards for his subordinates.

Mr. Alam has obtained his Post-Graduation degree in the year 1995 in Management from the University of Rajshahi. He also holds an MBA degree in Management. During his long course of career, he has undergone many trainings on Effective Performance Management, Relationship building & Corporate Management, Credit Management & Debt Collection Strategies, Balanced Scorecard management and many more.

## MR. MD. IBRAHIM KHALIL, Vice President - Internal Audit & Compliance



Mr. Ibrahim is an accounting professional having a wide range of work experience spanning over a period of 19 (nineteen) years. In Orion Pharma Limited, he is responsible for developing and implementing risk based audit plan, policy/procedure giving priority of sensitive areas. He also works to identify deficiencies during audits and notify the significant audit findings to the Management and Audit Committee of the Board. He is also responsible for implementing, directing and overseeing the auditing and compliance programs and conduct and direct audits and ongoing reviews of organizational controls and operating procedures with policies and regulations. He also 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. He also creates and improves homogenous Compliance Culture throughout the organization that aligns with the control and business objectives of the company.

Mr. Ibrahim has a degree in Chartered Accountancy of Intermediate from Institute of Chartered Accountant in Bangladesh. He also has a degree in Master of Commerce. His expertise lies in Fraud and Operational risk knowledge along with Policy and Regulation interpretation and implementation. His outstanding analytical and effective decision making skill with advanced financial management knowledge are an asset for the company.

## Our Management Team

### MR. MD. FAISAL R FERDOUS, Vice President - Human Resources



Mr. Md. Faisal R Ferdous is an HR professional with over 20 (twenty) years of work experience. He has been assigned with the accountability of Head of Human Resources Department at OPL since 2018. In earlier tenures, Mr. Faisal had served OPL for another 11 (eleven) years.

Mr. Faisal is responsible for overall restructuring, policy planning, compensation analytics of the organization in regards to manpower. He oversees designing and reviewing of the organizational structure and is also responsible for implementing policies and procedures relating HR to facilitate smooth business operation. He is responsible for facilitating & supporting performance appraisal system. One of his another major tasks is to counsel and motivate employees to adapt company's prescribed policies and practices.

Mr. Faisal has obtained his MBA in the year 2002 in Human Resource Management from Asian University. With a view to improving his skills and caliber, Mr. Faisal has undergone various HR trainings during the entire course of his career.

### MR. MD. ZAKIR HOSSAIN, Assistant Vice President - Production



Mr. Md. Zakir Hossain has ample knowledge in the sphere of manufacturing and with his dedication he has become the leading person of the production unit of Orion Pharma Limited. He has a work experience of 24 (twenty four) years. He joined OPL as a Production Officer in 2001 and was gradually promoted to the position of Assistant Vice President under Production Department.

Some of Mr. Hossain's major job responsibilities are to approve standard procedures for Cleaning & Sanitation of production area, machine and utensils, Standard Operating Procedures of production machine and control equipment along with overseeing Batch Manufacturing Instruction and Batch Packaging Instruction. He is also responsible to ensure manufacturing of medicines as per standard procedure to obtain required quality. Mr. Hossain also ensures appropriate manufacturing conditions of products and their storage with proper documents.

Mr. Hossain has completed his Master of Pharmacy from Jahangirnagar University in the year 2001 and registered himself as an 'A' grade member of the Pharmacy Council of Bangladesh. He also holds an MBA degree and has undergone many trainings such as Good Manufacturing Practice, Quality Control, EHS Management in Pharmaceutical Industry, Awareness and Internal Audit Course on ISO 9001:2015, Team Building & Leadership Skill and many more.



**MRS. AYESHA AKHTER**, Assistant Vice President - Commercial, TSD & PPIC



Mrs. Ayesha Akhter looks after the activities of Procurement Planning & Inventory Control Department along with the Commercial and Technical Services Department of OPL. She has a work experience of 25 (twenty five) years and has made her mark in the organization with her strong determination and hardwork.

Mrs. Akhter is responsible for planning, monitoring and supervising material requirement, export requirements, new product launching requirements and controlling inventory management & functioning. She is also responsible for sourcing materials as well overseeing comparative statement for import along with documentation for receiving materials in the port.

Mrs. Akhter has a Master's degree in Chemistry from the University of Dhaka in 1993. She broke the glass ceilings of the society at a time when very few women were serious about their educational aspirations and thought of pursuing a career in the corporate world. Mrs. Akhter was always persistent and decided to use her intelligence and skills in order to contribute in the economy. With a view to improving her skills, Mrs. Akhter has undergone various trainings like Leadership & Change Management, Internal Quality Audits, Total Quality Management, Good Manufacturing Practice and many more.

**MR. MD. FORHAD HOSSAIN**, Manager - Administration



Mr. Md. Forhad Hossain has a work experience of over 20 (twenty) years and is in charge of OPL's Admin Department. He joined the organization as an Officer under Administration Department in 2005 and was gradually promoted to the position of Manager.

Mr. Hossain is responsible for the day-to-day functions of OPL as well as planning, coordinating and supervising administrative procedures and systems along with devising ways to streamline processes. He looks after office administration, maintenance, housekeeping, transport management, food management, protocol and other logistic support. Mr. Hossain further ensures the smooth and adequate flow of information within the company to facilitate other business operations. He also maintains liaison with outside agencies including government departments associated with the operational requirement.

Mr. Hossain attained his Master's degree from Dhaka College in 1996. He also holds an MBA degree and has undergone many trainings such as Leadership & Change Management, Effective Communication and many more.



## We use DMF grade raw materials

 <p><i>In Search of Excellence</i></p> <h1>Exor<sup>®</sup></h1> <p>Esomeprazole 20 &amp; 40 mg Capsule 40 mg IV Injection</p> <p>The Extraordinary Esomeprazole</p>  <p><b>Within Appropriate Limit of Residual Solvent</b></p> 	 <p><i>In Search of Excellence</i></p> <h2>We Use DMF Grade Raw Materials</h2>    	 <p><i>In Search of Excellence</i></p> <h1>FeroVen<sup>®</sup></h1> <p>Iron Sucrose USP 5 mg/10 ml Infusion</p> <p><b>High stream iron supplier</b></p>  
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# Our Governance

2018-19





# Governance structure



Corporate governance (CG) is an important effort to ensure accountability and responsibility and is a set of principles, which should be incorporated into every part of the organization. In order to obtain sustainable success of the company, Orion Pharma Limited is committed to ensuring the highest standards of governance designed to protect the interest of all stakeholders. We believe that fair practice of corporate governance will generate goodwill among business partners, customers and investors which ultimately creates value for the key stakeholders of company.



The members of the Board, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance at a Board meeting

## Governance practices and reporting framework

The Board of Directors lays out the code of conduct (the code of conduct for the Board Members and the Chief Executive Officer is provided in our company website). They put their best efforts to comply with the corporate governance code imposed by the Bangladesh Securities & Exchange Commission (BSEC) in order to ensure that OPL is governed for the best interest of all key stakeholders.

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

- Bangladesh Securities and Exchange Commission (BSEC) notification on corporate governance;
- The Companies Act, 1994;
- Listing regulations imposed by Security Exchanges;
- Related laws of the Land;
- Company's internal standards of code of conducts, ethics and compliance;
- 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.

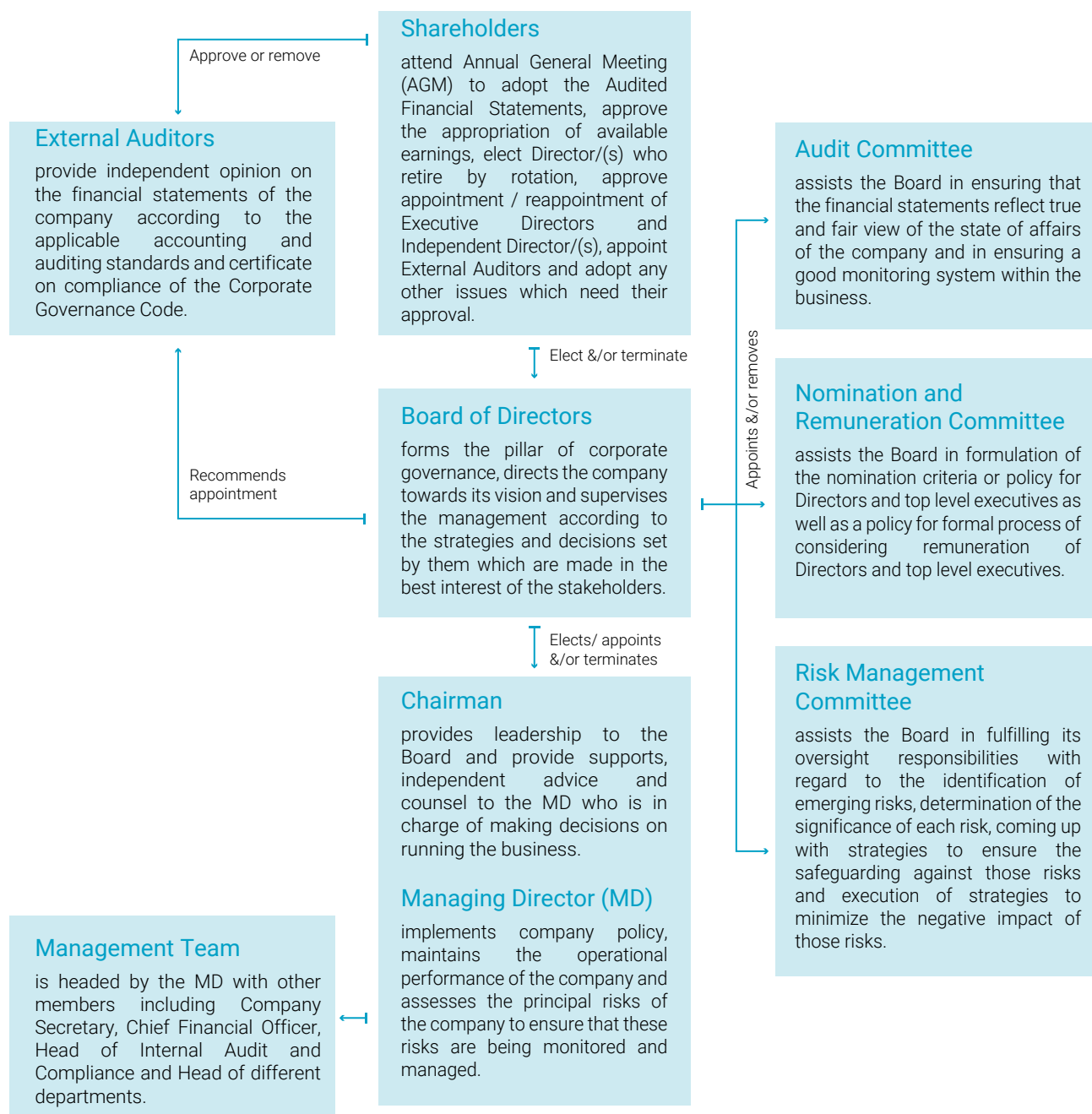
The above mentioned laws, policies, rules and regulations are the basis of standards of disclosures and throughout the year, the company has always been adherent to and applied or, if not applied, explained, these frameworks. The review of the corporate governance framework is done from time to time 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.

Here, the Board of Directors declares that OPL regularly submits accurate and periodic documents including financial statements to the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd., National Board of Revenue, Registrar of Joint Stock Companies and Firms and other relevant regulatory authorities.



## Governance structure as on June 30, 2019



## The governing Board

The highest degree of authority, control and leadership at Orion Pharma Limited is handed over to the Board of Directors. The Board of Directors 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. This group of professionals 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 group of distinguished people.

The Board of Directors of OPL ensures that all business strategies are formulated and all operations are carried out according to the notifications and recommendations of the corporate governance code of Bangladesh Securities and Exchange Commission (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 Board of Orion Pharma Limited consists of 7 (seven) Directors, including 6 (six) Non-Executive Directors of whom 2 (two) are Independent Directors having diverse and professional expertise and experiences which enables them to execute independent judgments on the Board where their views carry substantial weight in the decision making and policy formulation of OPL. The presence of 3 (three) female Directors brings variety in the Board. The combination of Executive, Non-Executive and Independent Directors in the Board of OPL adheres to the corporate governance code issued by the Bangladesh Securities & Exchange Commission (BSEC).

The Board of OPL as on June 30, 2019 is as follows

Sl.	Name	Status			
		BoD	AC	NRC	RMC
1	Mr. Mohammad Obaidul Karim	Chairman, Non-Executive Director	-	-	-
2	Mr. Salman Obaidul Karim	Managing Director, Executive Director	-	-	M
3	Mrs. Arzuda Karim	Non-Executive Director	-	-	M
4	Mrs. Zareen Karim	Non-Executive Director	M	M	-
5	Mrs. Hasina Begum	Non-Executive Director	-	-	-
6	Mr. Md. Shafiqur Rahman	Independent Director	C	C	-
7	Lt. Col. Kamal Ahmed, PSC (Retd.)	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

## Governance Structure

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.

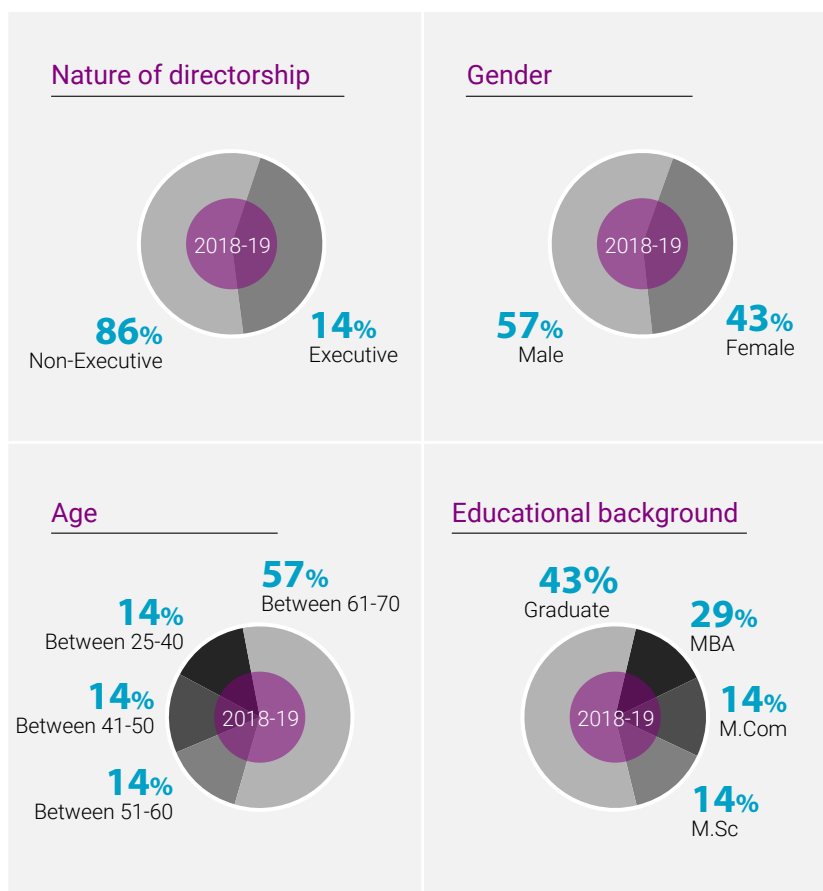
### Board diversity

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 of OPL;
- 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 practice and evaluate the effectiveness of the company's governance practices;
- Appoint the Executive and Non-Executive Directors, CEO, CS, 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 and 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, Mr. Mohammad Obaidul Karim, Chairman and Mrs. Zareen Karim, Director of the company will retire by rotation from the Board and also offered themselves for re-appointment at the ensuing AGM.



Brief profiles of the Directors seeking re-appointment are disclosed on pages 34 & 37

The company appointed Mr. Salman Obaidul Karim as its Managing Director for a period of 5 (five) years on September 10, 2014. Mr. Salman Obaidul Karim completed the tenure and in compliance with section 109 and 110 of Companies Act 1994, Mr. Karim can be re-appointed with the recommendation of the Board and by the consent of the shareholders in general meeting for a period of another 5 (five) years. Therefore, the Board recommended to re-appoint Mr. Salman Obaidul Karim as the Managing Director of the company for next 5 (five) years subject to the approval of shareholders in the ensuing AGM.



Brief profile of the Managing Director seeking re-appointment is disclosed on page 35

As per BSEC notification, 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. No Independent Director has been appointed or re-appointed during the reporting financial year.

### Induction of Directors

The new Directors including the Independent Director 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 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 by the Board with the approval of the shareholders. At our company, both the Independent Directors have successfully established trusting relationships with the other Board members and provide adequate time to their responsibilities.

### 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.

#### Lt. Col. Kamal Ahmed, PSC (Retd.)

Lt. Col. Kamal Ahmed, PSC (Retd.) has 21 (twenty one) years of experience in Bangladesh Army. He was the Chief of Overseas Deployment Desk of Army Headquarters of Bangladesh. During his more than 10 (ten) years' corporate career, he was involved with many organizations including Panna Textiles Mills Limited, Milk Vita and GRH Bangladesh Limited as top level executives. He completed his MBA from Purdue University, USA and also acted as the Independent Director of Kohinoor Chemical Company (Bangladesh) Limited.

### 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.

### Separation of work for the Chairman and the Managing Director/Chief Executive Officer (CEO)

The main purposes of splitting the position and roles of the Chairman from that of the Managing Director/CEO 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. However, he will retire by rotation and will be reappointed subject to the approval of the shareholders in the upcoming AGM.

Mr. Salman Obaidul Karim has been the Executive Director and is also the Managing Director / Chief Executive Officer since September 10, 2014. Mr. Salman's term has ended on September 9, 2019 and his re-appointment has recommended by the Board of Directors subject to the approval of the shareholders in the upcoming AGM. He 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 / Chief Executive Officer 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.

In accordance with the corporate governance code, the Managing Director of a listed company cannot hold the same position in any other listed company. However, the management has taken permission from the Government (Ministry of Commerce) to appoint Mr. Salman Obaidul Karim as the common Group Managing Director.

### Roles and responsibilities of the Chairman include:

- 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 annual general shareholders meeting schedule including date, time and location of meetings and develops agendas in consultation with the CEO and the Company Secretary;
- Acts as Chair at meeting of Shareholders (AGM), meeting of Board of Directors and reviews and signs minutes of Board 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 CEO 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 CEO;
- 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 CEO; and
- Reviews the Board's sub-committees performance to make sure that they work effectively.

### Roles and responsibilities of the Managing Director/Chief Executive Officer include:

- Formulates and successfully implements company policy;
- Develops strategic operating plans that reflect the longer-term objectives and priorities established by the Board and also directs strategy towards the profitable growth and operation of the company;
- 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 and 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.

## Chief Financial Officer (CFO)

Mr. Samaresh Banik is the Chief Financial Officer of the company. He is the Executive Vice President and also the Head of Finance & Accounts of the company. As one of the key members of management team, he reports to the CEO and has a strategic role in the overall management of the company. He has been serving as a credible, knowledgeable and trusted resource to the CEO. The CFO together with the MD/CEO, reviews and certifies on the financial statements to the Board.



MD/CEO and CFO certification on financial statements is disclosed on page 110

In compliance with the corporate governance code, Mr. Samaresh Banik cannot hold any executive position in any other company at the same time. As of now, Mr. Banik is also acting as the Chief Financial Officer of Orion Infusion Limited because these 2 (two) companies including OPL are operating under the banner of Orion Group. However, the Board of Orion Infusion Limited has decided to appoint different individual for the position of the Chief Financial Officer as required by the code and the company is working on it.

### Major duties and responsibilities of the CFO are as follows:

- Responsible for directing finance and accounting 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 CEO 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; and
- Develops and promotes a framework to drive financial acumen and accountability across the organization.

## Company Secretary (CS)

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

In Compliance with the corporate governance code, Mr. Jaman cannot hold any executive position in any other company at the same time. As of now, Mr. Jaman is also acting as the Company Secretary of Orion Infusion Limited and Kohinoor Chemical Company (Bangladesh) Limited because these 3 (three) companies including OPL are operating under the banner of Orion Group. However, the Boards of Orion Infusion Limited and Kohinoor Chemical Company

(Bangladesh) Limited have decided to appoint different individual for the position of the Company Secretary as required by the code and the companies are working on it.

### The key responsibilities of the Company Secretary include:

- Responsible to advice on the corporate governance and other rules and regulations imposed by different regulatory authorities including RJSC, DSE, CSE, BSEC;
- Most notably, the responsibility for developing and implementing processes to promote and sustain good corporate governance has fallen largely within the remit of the company secretary;
- Facilitates the distribution of information to the concerned office or person in a timely manner like agenda items for Board meetings, investor communications and any other corporate announcement including Price Sensitive Information which may have significant material impact on the performance of the company;
- Attends all the meetings of the Board and its sub-committees, records the minutes of the 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 meeting as well as taking correct record of proceedings; maintaining statutory books.



### Head of Internal Audit and Compliance (HIAC)

One of the important members of our management team, Mr. Ibrahim Khalil is the Head of Internal Audit and Compliance. He is not holding the same position in any other company at present. He is an extremely self-driven and clearheaded person who strives to be a diligent professional through team work and relationships with the colleagues. He is responsible for developing and implementing risk based Audit plan, policy/procedure giving priority of sensitive areas. He also works to identify deficiencies during Audits and notify the significant audit findings to the management and Audit Committee of the Board. Other than this, he is also responsible for implementing, directing and overseeing the auditing and compliance programs and conducts and directs audits and ongoing reviews of organizational controls and operating procedures with policies and regulations.

#### Major duties and responsibilities of the HIAC 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 6, 2019.



Detailed Directors' Report is articulated on pages 100-124

### Board meetings and procedure

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; review 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 Chief Financial Officer (CFO), the Company Secretary (CS) and the Head of Internal Audit and Compliance (HIAC) attended the meetings regularly.

### Number of Board meetings held and attendance of Directors

During the financial year ended June 30, 2019, 8 (eight) Board meetings were held. Other than Directors, the Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (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 Annual General Meeting (AGM) is stated in the table below:

Sl.	Name	Status	Meeting held	Meetings Attended	Attendance at the last AGM (held on 10.12.2018)
1	Mr. Mohammad Obaidul Karim	Chairman, Non-Executive Director	8	7	Yes
2	Mr. Salman Obaidul Karim	Managing Director, Executive Director	8	7	Yes
3	Mrs. Arzuda Karim	Non-Executive Director	8	7	No
4	Mrs. Zareen Karim	Non-Executive Director	8	7	No
5	Mrs. Hasina Begum	Non-Executive Director	8	6	No
6	Mr. Md. Shafiqur Rahman	Independent Director	8	7	Yes
7	Lt. Col. Kamal Ahmed, PSC (Retd.)	Independent Director	8	8	Yes

Sl.	Name of Directors	Attendance at the meetings							
		29.08.2018	30.09.2018	31.10.2018	14.11.2018	31.12.2018	31.01.2019	06.04.2019	30.04.2019
1	Mr. Mohammad Obaidul Karim	✓	✓	✓	–	✓	✓	✓	✓
2	Mr. Salman Obaidul Karim	✓	✓	✓	✓	–	✓	✓	✓
3	Mrs. Arzuda Karim	✓	✓	✓	✓	✓	✓	–	✓
4	Mrs. Zareen Karim	✓	✓	✓	✓	✓	✓	✓	–
5	Mrs. Hasina Begum	✓	✓	✓	–	✓	–	✓	✓
6	Mr. Md. Shafiqur Rahman	✓	✓	✓	✓	–	✓	✓	✓
7	Lt. Col. Kamal Ahmed, PSC (Retd.)	✓	✓	✓	✓	✓	✓	✓	✓

### Subsidiary Boards

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

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



Detailed discussions on the operation and performance of the subsidiaries are disclosed on pages 104, 212-213 & 294-343

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 issues 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 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-committee

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. Mr. Md. Shafiqur Rahman, Independent Director was duly appointed by the Board as the Chairman of the committee.

Other members are Mrs. Zareen Karim, Non-Executive Director and Lt. Col. Kamal Ahmed, PSC (Retd.), Independent Director. The Company Secretary of the company acts as the Secretary to the Audit Committee.

The Audit 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.



The detailed activities of the Audit Committee are disclosed on pages 62-66

### Nomination and 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 by 3 (three) members of the Board of Directors. Mr. Md. Shafiqur Rahman, Independent Director is the chair of the committee. Other members are Mrs. Zareen Karim, Non-Executive Director and Lt. Col. Kamal Ahmed, PSC (Retd.), Independent Director. The Company Secretary served 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.



The detailed activities of the Nomination and Remuneration Committee are disclosed on pages 67-73



## 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 Board's Non-Executive Directors together with the MD/CEO, namely, Mr. Salman Obaidul Karim, Managing Director and Chief Executive Officer; Lt. Col. Kamal Ahmed, PSC (Retd.), Independent Director and Mrs. Arzuda Karim, Non-Executive Director. Lt. Col. Kamal Ahmed, PSC (Retd.) is the Chairman of the Committee.



Details on Risk Management Committee are disclosed on pages 74-87

## Evaluation of the Board's performance

The Board members of OPL 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.



Details on Board evaluation is described in the Nomination and Remuneration Policy. 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](http://www.orionpharmabd.com/public/corporate_governance/replace/Nomination_and_Remuneration_policy_OPL.pdf)

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



Please refer to the following URL for detailed Code of Conduct:

[http://www.orionpharmabd.com/public/corporate\\_governance/replace/Code\\_of\\_Conduct\\_OPL.pdf](http://www.orionpharmabd.com/public/corporate_governance/replace/Code_of_Conduct_OPL.pdf)

## 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 (NRC) 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 of OPL 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 reappointment of external auditors. Complying with the rules, the Audit Committee suggests statutory auditors' appointment or reappointment to the Board and the Board recommends the same for the approval of shareholders at the next annual general meeting. Also the remuneration of the external auditors is 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. S.F. Ahmed & Co., 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, 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 S. F. Ahmed & Co., Chartered Accountants, as the Statutory Auditors of the company for the financial year to be ended June 30, 2020.

## Governance Structure

### Maintaining a website

OPL maintains an official website and the website address is [www.orionpharmabd.com](http://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.



This year's Annual Report as well as the reports of prior years, can also be viewed at:

<http://www.orionpharmabd.com/investor/annualreport>

### Appointment of professional for the certification on corporate governance

OPL assures of corporate compliance by obtaining a Compliance Certificate from a Chartered Accountants firm, namely ARTISAN, 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 as the corporate governance compliance certificate provider 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.



Details on share dealing is described in the Code of Conduct for the Directors and the Chief Executive Officer under section Insider Trading and please refer to the following URL for detailed Code of Conduct:

[http://www.orionpharmabd.com/public/corporate\\_governance/replace/Code\\_of\\_Conduct\\_OPL.pdf](http://www.orionpharmabd.com/public/corporate_governance/replace/Code_of_Conduct_OPL.pdf)

### 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 give plenty of room to our employees for opportunities to learn and fast-track their career. Our human resource practices are one of the best in the country and we are committed for establishing equal employee opportunity for our valued employees.

Our philosophy is to make the appropriate compensation and benefits to the service employees of the company. 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.

### Management team

In last financial year's annual report, we reported that we had a management team which comprises of the Heads of different departments as its members with the headship of the Chief Executive Officer. During the year under review, there is a modification in the composition of our management team. The former management team has been reshaped and the existing Management Team is as follows:

#### Mr. Salman Obaidul Karim

(Managing Director & Chief Executive Officer)

#### Mr. Md. Ferdous Jaman

(Company Secretary)

#### Mr. Samaresh Banik

(Chief Financial Officer)

#### Mr. Md. Arif Hossain

(Senior Vice President - Marketing Operations)

#### Mr. Md. Ashfaquul Alam

(Vice President - Corporate Affairs)

#### Mr. Md. Ibrahim Khalil

(Vice President - Internal Audit & Compliance)

#### Mr. Md. Faisal R Ferdous

(Vice President - HR)

#### Mr. Md. Zakir Hossain

(Assistant Vice President - Production)

#### Mrs. Ayesha Akhter

(Assistant Vice President - Commercial, TSD & PPIC)

#### Mr. Md. Forhad Hossain

(Manager - Administration)

## Communication with shareholders and stakeholders

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

The company aims to be transparent with all stakeholders, including the owners of the company – the shareholders. The company holds the annual general meetings regularly as per law with adequate notice and disclosures in the directors' report and the auditors' report on Financial Statements including notes to the Financial Statements and resolutions are passed with consensus and unanimity. The Chairman and other members of the Board answer the questions of the shareholders and note the views and suggestions of them offered at the AGM with utmost seriousness.

## Participation of the shareholders in the AGM

The Annual General Meeting 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 OPL's performance.

We give a lot of importance to the participation of shareholders in the AGMs and also try to ensure their

presence in these meetings to notify them about how their company is performing. This is because we at OPL follow the opinion that regular and transparent communication can help our shareholders feel connected to the company.

A Price Sensitive Information (PSI) convening the date, place and time of holding the general meeting of shareholders is published in 1 (one) bangla and 1 (one) english daily-newspapers as well as in electronic media in compliance with Listing Regulations, 2015. The annual reports are circulated and published in the company's website as per the provisions of DSE 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. A shareholder of the company 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

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



A detailed report on our human capital is disclosed in our human capital report on pages 152-167

## Denouement

Responsible and fair corporate governance is fundamental to the success of Orion Pharma Ltd. 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. This statement as well as the audit committee report provides details in respect of the composition and activities of the committee undertaken during the year. The table below depicts the activities carried out by the committee and the outcomes of these activities as on the reporting date:

Activities	Outcome
Oversight of financial statements and its reporting process	<ul style="list-style-type: none"> <li>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;</li> <li>Made submission to the Board the quarterly, half yearly and annual financial statements after review for approval;</li> <li>Confirmed that the financial statements reflect true and fair view of the state of affairs of the company and its subsidiaries;</li> <li>Oversaw the financial reporting process, the application of accounting policies and principles;</li> <li>Concluded that no material deviation, discrepancies or adverse findings in the areas of reporting and disclosures were found during the reporting financial year; and</li> <li>Verified compliance with all applicable laws and matters related to the preparation and presentation of financial statements.</li> </ul>
Assurance of internal control and internal audit	<ul style="list-style-type: none"> <li>Reviewed the statement of significant re-current related party transactions entered into by the company throughout the year;</li> <li>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;</li> <li>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;</li> <li>Assessed the adequacy of internal audit and internal control function; and</li> <li>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.</li> </ul>

Activities	Outcome
Engagement with the external auditors	<ul style="list-style-type: none"> <li>• 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;</li> <li>• Concluded that the external auditors did not provide any non-audit services to the company;</li> <li>• Oversaw the determination of audit fees to be paid to the external auditors;</li> <li>• Monitored the overall performance of the external auditors;</li> <li>• Recommended to the shareholders the appointment of external auditors, S. F. Ahmed &amp; Co., Chartered Accountants, of the company;</li> <li>• Held meeting with the external auditors, with and/or without the presence of any members of management team, to review the company's annual financial statements; and</li> <li>• Reviewed the external 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 external auditors.</li> </ul>
Preparation of report	<ul style="list-style-type: none"> <li>• Prepared a report of Audit Committee for publishing in the Annual Report 2018-19 of the company.</li> </ul>

## 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 (AC), a sub-committee of the Board, appointed by and responsible to the Board of Directors of OPL.

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.

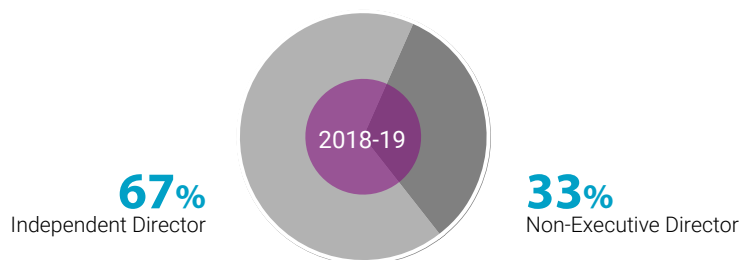
### Composition of the committee

To enhance effectiveness and corporate governance of the Audit Committee as well as to conform to the corporate governance code, the Board of Directors of OPL changed the composition of the committee during the reporting financial year, through replacement of Mr. Salman Obaidul Karim by Mrs. Zareen Karim. The Audit Committee of the company consist of 2 (two) Independent Directors, Mr. Md Shafiqur Rahman and Lt. Col. Kamal Ahmed, PSC (Retd.) with a minimum requirement of 1 (one) such member. The other member is a Non-Executive Director, Mrs. Zareen Karim. Each member of the committee is 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 (an Independent Director). The Board is confident that the

The Audit Committee of OPL as on reporting date is as follows:

Members	Joined the committee	Status with the committee	Status with the Board
Mr. Md. Shafiqur Rahman	2018	Chairman	Independent Director
Lt. Col. Kamal Ahmed, PSC (Retd.)	2014	Member	Independent Director
Mrs. Zareen Karim	2018	Member	Non-Executive Director
Secretary: Mr. Md. Ferdous Jaman, Company Secretary			



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, functions as the Secretary of the committee and attends all the meeting of the committee.



The biographical details of each member are shown on pages 37, 39 & 40



## Meetings and attendance

Name of the Directors	Nature of membership	Meeting(s) details	
		Held	Attended
Mr. Md. Shafiqur Rahman	Chairman	7	7
Lt. Col. Kamal Ahmed, PSC (Retd.)	Member	7	7
Mrs. Zareen Karim	Member	7	7

Name of Directors	Attendance at the meetings						
	21.08.2018	19.09.2018	28.10.2018	11.11.2018	26.12.2018	27.01.2019	25.04.2019
Mr. Md. Shafiqur Rahman	✓	✓	✓	✓	✓	✓	✓
Lt. Col. Kamal Ahmed, PSC (Retd.)	✓	✓	✓	✓	✓	✓	✓
Mrs. Zareen Karim	✓	✓	✓	✓	✓	✓	✓

The company held audit committee meetings at regular intervals. During the financial year ended June 30, 2019 the committee held 7 (seven) 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 OPL's financial disclosures with the Board and external 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 and its reporting process

- Supporting the Board in particular 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 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 prior to their publication.

### 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.

## Committee Report

### External auditors

- Review of the audit plan and methodology proposed by the external 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 external auditors' performance, qualifications, findings and recommendation;
- Recommendation of the appointment, re-appointment or replacement of the external auditors and prepares the proposal of the Board to the annual general meeting for the election of the external 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 external auditors from any material non-audit services including appraisal or valuation service or fairness opinions, financial information systems design and implementation, book-keeping, broker-dealer services, actuarial services and internal audit services.

### Internal audit function

- Oversight of the performance, 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

#### Reporting to the 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.

#### Reporting to the 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.

### Reporting to the shareholders and 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.

During the year under review, the committee met 7 (seven) times to discharge its duties and responsibilities and accordingly forwarded their reports to the Board. The Board is of the view that there was no other issue having significant material impact on the company's financial statements which needed to be disclosed to the Board or the regulatory authorities.

### Recommendation of Audit Committee report for approval by the Board

This Audit Committee report was recommended by the committee on November 3, 2019 for approval by the Board of Directors of Orion Pharma Limited which was granted on November 6, 2019.

On behalf of the Committee

Sd/-  
Md. Shafiqur Rahman  
Chairman

# Nomination and Remuneration Committee report

## Part One: Statement by the Chairman of the Nomination and 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 year ended June 30, 2019. 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 report on the nomination and remuneration policies and the evaluation criteria and activities of the NRC 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. This statement as well as the nomination and remuneration committee report provides details in respect of the composition and activities of the committee undertaken during the year. The table below depicts the activities carried out by the committee and the outcomes of these activities as on the reporting date:

Activities	Outcome
Establishment of Code of Conduct for Board members and CEO	<ul style="list-style-type: none"> <li>Established successfully the Code of Conduct for the Board members and the CEO of the company which was duly approved by the Board on April 6, 2019.</li> </ul>
Formulation of nomination and remuneration policy	<ul style="list-style-type: none"> <li>Developed nomination and remuneration policy considering the Terms and Reference (ToR) of the Nomination and Remuneration Committee covering the areas stated at the condition no: 6(5)(b) of the corporate governance code imposed by BSEC.</li> </ul>
Proposal for re-election	<ul style="list-style-type: none"> <li>Proposed the name of the Board members for retirement by rotation and re-election (being eligible) with regard to the appointment, retirement and re-appointment of Directors governed by the Articles of Association, the Companies Act, 1994 and other related rules and regulations.</li> </ul>
Re-appointment of Managing Director	<ul style="list-style-type: none"> <li>Proposed to re-appoint Mr. Salman Obaidul Karim as the Managing Director of the company for the next 5 (five) years upon successful completion of his tenure after evaluating his strong business development skills, managing capability and eligibility as per applicable laws, rules and regulations, subject to the approval of the shareholders in this upcoming Annual General Meeting.</li> </ul>



### Part One: Statement by the Chairman of the Nomination and Remuneration Committee (Contd.)

Activities	Outcome
Evaluation of performance	<ul style="list-style-type: none"> <li>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.</li> </ul>
Review remuneration	<ul style="list-style-type: none"> <li>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.</li> </ul>
Review of meeting attendance fee	<ul style="list-style-type: none"> <li>Proposed to revise Board meeting attendance fee payable to Non-Executive Directors and Independent Directors from BDT 7,500.00 to BDT 10,000.00 per Board meeting subject to the approval of shareholders at the ensuing extra-ordinary general meeting.</li> <li>Recommended to remunerate the members of the Audit Committee and Nomination and Remuneration Committee by way of committee meeting attendance fee at BDT 10,000.00 and the same was duly approved by the Board of Directors.</li> </ul>
Succession planning	<ul style="list-style-type: none"> <li>Reviewed the succession plan to ensure that the potential individuals are ready with proper skills, experience, ownership and engagement to fill gaps when necessary.</li> </ul>
Review HR and training policy	<ul style="list-style-type: none"> <li>Reviewed human resources and training policies for the future leaders of the company.</li> </ul>
Disclosure of remuneration	<ul style="list-style-type: none"> <li>Considered and confirmed that the remuneration disclosed in this integrated report is accurate, complete and transparent.</li> </ul>
Preparation of report	<ul style="list-style-type: none"> <li>Prepared a Nomination and Remuneration Committee Report for publishing in the Annual Report 2018-19 of the company.</li> </ul>

## Part Two: The report of Nomination and 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.

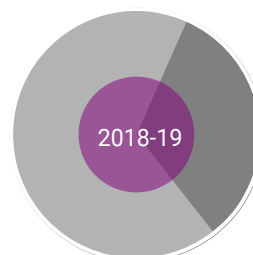
The committee was constituted by the Board of Directors of OPL in its meeting held on August 29, 2018 in accordance with the Guidance by Bangladesh Securities & Exchange Commission's (BSEC) Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969) under Condition No 6. The committee reports regularly to the Board on the performance of the activities it has been assigned.

Mr. Md. Shafiqur Rahman will attend the ensuing AGM to answer shareholder questions on the committee's activities.

The Nomination and Remuneration Committee of OPL as on reporting date is as follows:

Members	Joined the committee	Status with the committee	Status with the Board
Mr. Md. Shafiqur Rahman	2018	Chairman	Independent Director
Lt. Col. Kamal Ahmed, PSC (Retd.)	2017	Member	Independent Director
Mrs. Zareen Karim	2018	Member	Non-Executive Director
Secretary: Mr. Md. Ferdous Jaman, Company Secretary			

**67%**  
Independent Director



**33%**  
Non-Executive Director

### Composition of the committee

The Nomination and Remuneration Committee is comprised of 3 (three) members of whom 2 (two) are Independent Directors 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, an Independent Director. The Board is confident that the leadership of Mr. Md. Shafiqur Rahman as Chairman of the NRC is in the best interests of the company, based on his extensive knowledge of the specific areas of responsibilities of Nomination and Remuneration Committee.

The biographical details of each member are shown on pages 37, 39 & 40

Other than the committee members, the Company Secretary, Mr. Md. Ferdous Jaman, functions as the Secretary of the committee.

## Committee Report

### Meetings and attendance

Name of the Directors	Nature of membership	Meeting(s) details	
		Held	Attended
Mr. Md. Shafiqur Rahman	Chairman	2	2
Lt. Col. Kamal Ahmed, PSC (Retd.)	Member	2	2
Mrs. Zareen Karim	Member	2	2

Name of the Directors	Attendance at the meetings	
	19.01.2019	01.04.2019
Mr. Md. Shafiqur Rahman	✓	✓
Lt. Col. Kamal Ahmed, PSC (Retd.)	✓	✓
Mrs. Zareen Karim	✓	✓

This table demonstrates the attendance records of members at committee meetings during the financial year ended June 30, 2019. The committee held 2 (two) 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 (ToR)

The committee has formal Terms of Reference and it reports that the committee operates within the ToR defining the role and responsibilities of Nomination and Remuneration Committee as set out in its charter which is governed by the aforesaid BSEC notification. The charter governs the procedures of the NRC and outlines 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 management 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;
- Annually evaluating and reviewing the appropriate size of the Board, required mix of skills, experience and other qualities;

- 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 of Directors, 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;
- 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 for Board's approval for annual bonus and salary increment framework of the company;
- 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.
- Annually evaluating the structure, policies and amount of remuneration referred by the committee.

## Reporting to-

### • Board of Directors

It is mandatory for the committee to report and inform the Board of Directors from time to time about its regular activities and 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 Remuneration Report in the third part.

## Part Three: The nomination and remuneration policy and the remuneration report

### Nomination and remuneration policy

The committee formulated and recommended, to the Board for its approval, a nomination and remuneration policy as 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. Accordingly, the Board at its Board meeting held on April 6, 2019 has approved the same.

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

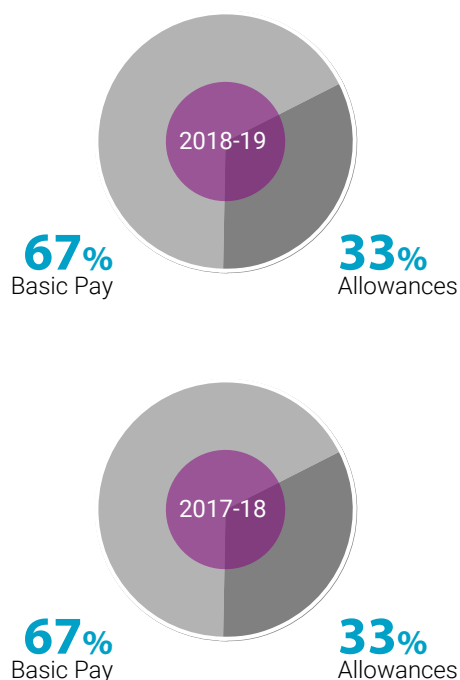
### Reappointment of MD

The company appointed Mr. Salman Obaidul Karim as its Managing Director for a period of 5 (five) years on September 10, 2014. Mr. Salman completed the tenure and in compliance with section 109 and 110 of Companies Act 1994, he can be re-appointed with the recommendation of the Board and by the consent of the shareholders in general meeting for a period of another 5 (five) years.

Therefore, the Board recommended Mr. Salman Obaidul Karim to be re-appointment as the Managing Director of the company for next 5 (five) years with post facto effect, subject to the approval of shareholders in the ensuing AGM.

### Total remuneration composition of Executive Director

Mr. Salman Obaidul Karim



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:

(in BDT million)

Name of the Executive Director	Year	Basic pay	Allowances	Total remuneration
Mr. Salman Obaidul Karim	2018-19	2.40	1.20	3.60
	2017-18	2.40	1.20	3.60

## Total fees of Non- Executive Directors and 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 2018-19. The following table demonstrates the meeting attendance fees received by each Directors for the reporting year:

(Amount in BDT)

Name of the Directors	Status with the Board	2017-18		2018-19	
		Board meeting attendance fee	Committee meeting attendance fee	Board meeting attendance fee	Committee meeting attendance fee
Mr. Mohammad Obaidul Karim	Non-Executive Director	-	-	52,500	N/A
Mrs. Arzuda Karim	Non-Executive Director	-	-	52,500	N/A
Mrs. Zareen Karim	Non-Executive Director	-	-	52,500	35,000
Mrs. Hasina Begum	Non-Executive Director	-	-	45,000	N/A
Mr. Md. Shafiqur Rahman	Independent Director	-	-	52,500	35,000
Lt. Col. Kamal Ahmed, PSC (Retd.)	Independent Director	-	-	60,000	35,000

### Changes in Non-Executive Directors' fees

The committee reviewed the Board meeting attendance fees payable to Non-Executive Directors including the Independent Director to ensure remuneration level is maintained in line with market expectations. The committee concluded that the existing remuneration for the Non-Executive Directors of OPL, as per the AOA, is essential to revise and it has proposed to make the total fee available to remunerate Non-Executive Directors is BDT 10,000 per Board/committee meeting. Shareholders are to approve the total Non-Executive Directors' meeting attendance fee at the ensuing Extra-Ordinary General Meeting.

### Recommendation of Nomination and Remuneration Committee report for approval by the Board

This Nomination and Remuneration Report was recommended by the committee on October 23, 2019 for approval by the Board of Directors of Orion Pharma Limited which was granted on November 6, 2019.

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, 2019. 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 during the financial year 2018-19:

Activities	Outcome
Assessment of risk management system	<ul style="list-style-type: none"> <li>Reshaped the risk management framework;</li> <li>Identified 'product pipeline' as an emerging risk that may have a huge impact in the company as it is expanding its business;</li> <li>Evaluated, on annual basis, the adequacy of the charter along with reviewing and assessing the quality, integrity and effectiveness of the risk management systems;</li> <li>Reviewed, when required, together with the external auditors, the risks associated with financial instruments that could affect the company's result and the measures planned for reducing those risks;</li> <li>Conducted assessment of material risks facing the company taking into account different sources of assurance including management, internal audit and external audit;</li> <li>Monitored the implementation of effective risk management policies, strategies and practices by management;</li> <li>Ensured that risk considerations are incorporated into management responsibilities and decision making; and</li> <li>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.</li> </ul>
Assurance in respect of risk management, mitigation and monitoring processes	<ul style="list-style-type: none"> <li>Opinioned that the disclosure provided in this integrated report on the risk management strategies &amp; 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</li> <li>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.</li> </ul>
Preparation of report	<ul style="list-style-type: none"> <li>Prepared a Risk Management Committee Report for publishing in the Annual Report 2018-19 of the company.</li> </ul>

## Part Two: The report of Risk Management Committee

### Introduction

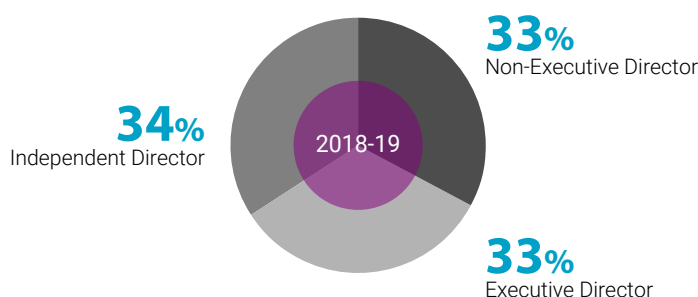
The Board of Orion Pharma Limited set up a Risk Management Committee (RMC), a sub-committee of the Board, to oversee and drive improvement in risk management practices of the company. The committee has been duly constituted with one primary objective - supporting the Board by looking after the total 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 external 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

During the year ended June 30, 2019, the risk management committee comprised of 3 (three) members of whom 1 (one) is Independent Director, Lt. Col. Kamal Ahmed, PSC (Retd.) and he is the Chairman of this committee. The other members are Mr. Salman Obaidul 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 committee, as a whole, is qualified to meet the responsibilities of a risk management committee.

The Risk Management Committee of OPL as on reporting date is as follows:

Members	Joined the committee	Status with the committee	Status with the Board
Lt. Col. Kamal Ahmed, PSC (Retd.)	2018	Chairman	Independent Director
Mr. Salman Obaidul Karim	2018	Member	Executive Director
Mrs. Arzuda Karim	2018	Member	Non-Executive Director
Secretary: Mr. Md. Ferdous Jaman, Company Secretary			



The biographical details of each member are shown on pages 35, 36 & 39

### Meetings and attendance

The following table demonstrates the attendance records of members at committee meetings during the financial year ended June 30, 2019. 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 meeting to act as the Secretary of the committee.

Name of the Directors	Nature of membership	Meeting(s) details	
		Held	Attended
Lt. Col. Kamal Ahmed, PSC (Retd.)	Chairman	3	3
Mr. Salman Obaidul Karim	Member	3	3
Mrs. Arzuda Karim	Member	3	2

## Committee Report

Name of the Directors	Attendance at the meeting		
	16.09.18	17.01.19	09.05.19
Lt. Col. Kamal Ahmed, PSC (Retd.)	✓	✓	✓
Mr. Salman Obaidul Karim	✓	✓	✓
Mrs. Arzuda Karim	✓	✓	–

### Terms of reference

The committee reports that this committee 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 OPL 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 to-

#### Board of Directors

It is mandatory for the committee to report and inform the Board of Directors from time to time about its regular activities and 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

OPL is aware of the risks that might have material impact on the business and the company extensively focuses on identifying risks and addressing them promptly. We face many risks as our company operates in a highly competitive market. The Board with assistance from its sub-committee, the Risk Management Committee (RMC), oversees and drives the risk management practices in the company. The RMC also consults with the Audit Committee (AC) regarding the risk management system, which encompassed the factors like identification of emerging risks, determination of the significance of each risk, coming up with strategies to ensure the safeguarding against these risks, execution of these strategies to minimize the negative impact of these risks.

This year the RMC has decided to categorize risks into 4 (four) different classifications, in order to be able to better focus upon them through structural and systematic targeting of common areas that have room of improvements. The Board ensures that this classification will make our risk management framework more efficient. The 4 (four) categories of risks are as follows:

Till financial year 2017-18 OPL has identified a total of 19 (nineteen) potential risks the business faced. After discussion with the management of OPL, this year the RMC has also identified an emerging risk that may have a huge impact in our company as we are expanding our business. 'Product pipeline' is the new risk identified which makes our total number of potential risks 20 (twenty).

Moreover, this year for the first time we have also presented the Risk Management Governance of OPL in our Annual Report, through a table that summarizes the roles and responsibilities of each level in discharging their duties on risk management.

Furthermore, we have also provided a detailed Risk Heat Map where we have represented all our 20 (twenty) risks. Here we have identified risks that need more attention than others on the basis of their occurrence-probability and impact on the organization.

### 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 external auditors are also integral parts of the framework reviewing audit and internal control.

### We focus on 20 risks under 4 categories

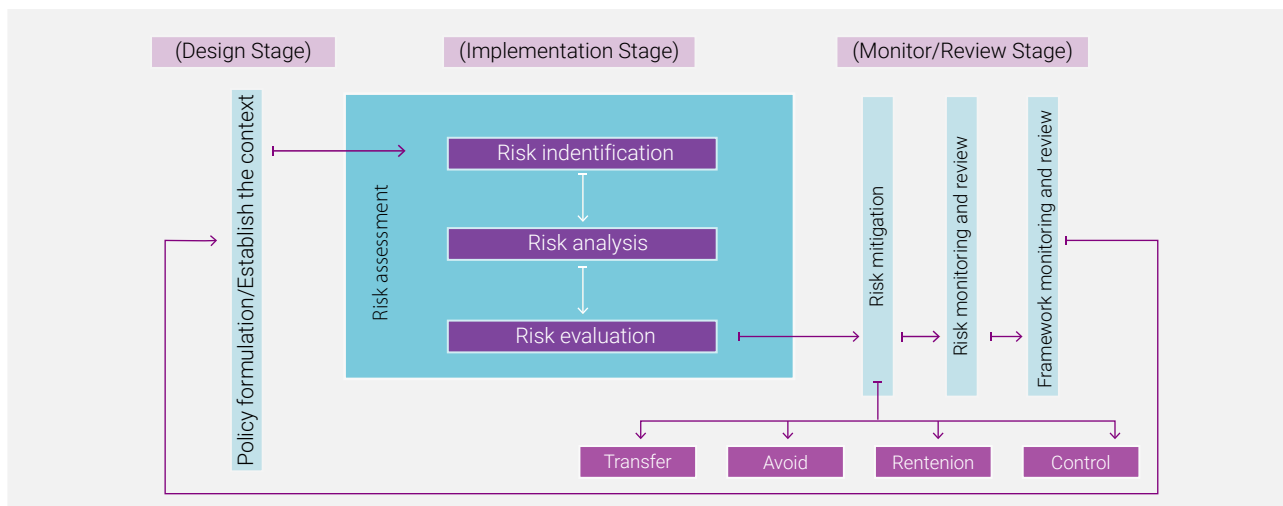


### Governance of risk management

Board of Directors	Define OPL's risk appetite and tolerance
	Frame risk strategy policies along with RMC
	Review risk management key outcomes
Risk Management Committee	Identify key risks and develop systems to manage them
	Facilitate and monitor the implementation of strategies and policies by management
	Oversee and review effectiveness of internal control processes along with AC
	Review risk reports from management, internal audit and external audit
	Provide independent and fair disclosure on risk management in Annual Report
	Continuously improve risk management policy and supporting framework
Audit Committee	Maintain effectiveness of risk management and internal control systems along with RMC
	Review assurance reports from management, internal audit and external audit
Management Team	Implement and comply with board and committee risk policies and procedures
	Identify, assess and manage risks within the organization regularly
	Foster a culture where risks are identified and mitigated following the policies of board
Internal Control	Review the effectiveness of the internal financial control systems and management responses
	Oversight of the performance, adequacy and effectiveness of internal audit function and compliance process
Compliance	Support management policies, defining roles and responsibilities, and setting goals for implementation of risk management processes
External Auditors	Review the audit plan and provide 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 6 (six) steps in our risk management cycle under the 3 (three) stages of our framework are as follows:



### A. Design stage

#### 1. Policy formulation/Establish the context

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

### B. Implementation stage

#### 2. 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.

#### 3. 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. Assessment of the probability of our 20

(twenty) risks according to their occurrence, probability and the potential

impact of the risks is visually represented through risk management heat-map.

Risk heat map of OPL

Impact	Very significant			5	8	6
	Significant		3	13, 16	1, 11	10
	Average		4, 15	2, 9, 20	14, 19	
	Minor		7	18		
	Negligible		17			
		Rare	Unlikely	Possible	Expected	Certain
Likelihood						

#### Key risks:

- Market demand and competition
- Potential conflict of interest
- Supply disruption
- Product pipeline & development
- Corporate reputation
- Stakeholder relationship
- Product quality
- Compliance issues
- Environmental consideration
- Political instability
- People and talent
- Health and safety
- Information technology failure
- Financial sector scenario
- Liquidity crisis
- Credit risk
- Interest in subsidiaries
- Value of investment
- Interest rate risk
- Exchange rate risk



#### 4. 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. Monitoring stage

##### 5. 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.







##### 6. Monitor and review the risks

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"> <li>• Market presence</li> <li>• Product specific strategy</li> </ul>		<ul style="list-style-type: none"> <li>• Improvement of on time delivery</li> <li>• Promotional activities for generic brand through right channel</li> <li>• Adoption of effective and efficient marketing strategies</li> <li>• Healthcare professionals engagement</li> <li>• Strong systems and processes to monitor and manage the performance of each product</li> </ul>
2. Potential conflict of interest				
The Directors of OPL are also involved with Orion Infusion Limited, which falls in the pharmaceutical sector that might cause a conflict of interest.	 Financial capital	<ul style="list-style-type: none"> <li>• Operational excellence</li> </ul>		<ul style="list-style-type: none"> <li>• Even though both companies belong to the pharmaceutical sector, their product lines are completely different</li> </ul>

Principal risks and their importance	Impact on capital	Link to material issues	Status	Mitigation process
 Strategic risks (Contd.)				
<b>3. Supply disruption</b>				
<p>Disruption of input materials due to machinery breakdown, fire and explosion, faulty design and manufacturing, operating error, interruption of power of suppliers can cause material shortages and production can be hampered at great extent.</p>	 Manufactured capital   Financial capital   Social and relationship capital	<ul style="list-style-type: none"> <li>Operational excellence</li> </ul>		<ul style="list-style-type: none"> <li>Adoption of strong supply chain management</li> <li>Inventory management</li> <li>Plan to have alternative supply of crucial materials</li> <li>Planning meetings are held regularly</li> <li>Development of contingency plan</li> </ul>
<b>4. Product pipeline and development</b>				
<p>Supply of new products in domestic and international market from the pipeline that meet market needs to provide continuous source of future growth. 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"> <li>Product specific strategy</li> <li>Patient health and safety</li> </ul>		<ul style="list-style-type: none"> <li>We offset this risk by going for regular market surveys and always develop new medicines as per market's medicinal need</li> <li>Continuous monitoring of product development progress</li> <li>Robust business strategies developed for selected upcoming products</li> </ul>
<b>5. Corporate reputation</b>				
<p>If the reputation falls, it will be difficult for OPL to recover it.</p>	 Social and relationship capital	<ul style="list-style-type: none"> <li>Operational excellence</li> <li>Market presence</li> </ul>		<ul style="list-style-type: none"> <li>Compliance with every standard and regulation applicable for the company</li> <li>Proper disclosure of necessary data for govt., customers and other stakeholders</li> <li>True and transparent process maintenance in every step for our business</li> <li>Alignment of CSR with our values</li> </ul>










## Committee Report

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








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"> <li>Eco-friendly environment practices</li> </ul>		<ul style="list-style-type: none"> <li>Maintenance of effective waste management through ETP</li> <li>Adoption of air pollution control mechanism</li> <li>Maximum usage of daylight</li> <li>Conservative use of natural resources</li> <li>Adoption of paperless office concept</li> <li>Installation of LED lights in both corporate office and plant</li> </ul>
 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. Political risks cannot be avoided but these can be managed. Sales decreased, production hampered due to strike are some risks arising from political instability.</p>	 Financial capital   Manufactured capital	<ul style="list-style-type: none"> <li>Operational excellence</li> </ul>		<ul style="list-style-type: none"> <li>Strong Corporate Affairs Division to stay on top of political risks such as keep up to date information about volatile political climate, macro and micro political risk environment, change in government, new laws and regulations etc. Careful analysis and evaluations of the situations can save the business from business downturn</li> <li>Active participation in key policy development and review</li> </ul>
11. People and talent				
<p>Human resources are keys to our success. Risks can come from failure of attracting and retaining sufficient number of quality staff. Again lack of right person in the right place at right time can cause huge loss and fail to achieve the planned growth.</p>	 Human capital   Social and relationship capital	<ul style="list-style-type: none"> <li>Employee well-being and engagement</li> </ul>		<ul style="list-style-type: none"> <li>Fair and transparent recruitment process</li> <li>Arrangement of succession planning</li> <li>Regular training and development programs</li> <li>Development in employee leadership and engagement</li> <li>Remuneration structure based on the industry analysis</li> </ul>

Principal risks and their importance	Impact on capital	Link to material issues	Status	Mitigation process
 Operational risks (Contd.)				
12. Health and safety				
<p>OPL products are manufactured with sensitive pharmaceutical materials. 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"> <li>Employee well-being and engagement</li> </ul>		<ul style="list-style-type: none"> <li>Precautionary equipment and safety measures</li> <li>Training of workers and employees so that they can take care of health and safety</li> <li>Availability of group insurance benefit</li> <li>Availability of full time doctors</li> <li>Ensuring balanced diet of employees</li> <li>Providing transport facility to employees</li> </ul>
13. Information technology failure				
<p>OPL is mostly IT based in its activity. 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"> <li>Operational excellence</li> </ul>		<ul style="list-style-type: none"> <li>Development of a strong access security to the server</li> <li>Well trained IT department taking care of the security and access over time</li> <li>Protective measures such as firewalls, antivirus, data encryption, routine back-ups, disaster recovery procedures etc</li> <li>Awareness campaign</li> </ul>
 Financial risks				
14. Financial sector scenario				
<p>Financial risks relates to the interest rate risk and exchange rate risk. Unfavorable movements in the interest rate occur mainly due to Government's monetary policy. Also, unfavorable volatility or currency fluctuation may affect the profitability of the Company in case of foreign transaction.</p>	 Financial capital	<ul style="list-style-type: none"> <li>Operational excellence</li> </ul>		<ul style="list-style-type: none"> <li>Maintaining liaison with a network of banks for lending and deposits</li> <li>Purchase of major portion of raw materials and export of our products are in USD. Therefore exchange rate risks are covered by balancing costs and selling prices of the products</li> </ul>

Principal risks and their importance	Impact on capital	Link to material issues	Status	Mitigation process
 Financial risks (Contd.)				
<b>15. Liquidity crisis</b>				
<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"> <li>Operational excellence</li> </ul>		<ul style="list-style-type: none"> <li>Mitigation of the risk by developing strategies and taking appropriate actions designed to ensure that necessary funds and collateral are available when needed</li> <li>Monitoring of cash flow regularly</li> <li>Incorporation of integrated risk management processes</li> </ul>
<b>16. Credit risk</b>				
<p>Credit Risk is the risk that may arise if customers fail to make required payments on due time.</p>	 Financial capital	<ul style="list-style-type: none"> <li>Operational excellence</li> </ul>		<ul style="list-style-type: none"> <li>Effort to make collections faster by constantly being in touch with our customers. This is also reflected in our financial statements as our collection period is always below 180 days and there has yet been no impairment and no bad debts</li> </ul>
<b>17. Interest in subsidiaries</b>				
<p>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.</p>	 Financial capital	<ul style="list-style-type: none"> <li>Operational excellence</li> </ul>		<ul style="list-style-type: none"> <li>Contract signed with BPDB for a fixed number of years ensures payment</li> </ul>
<b>18. Value of investment</b>				
<p>Risk in investing in the marketable securities being offered with comparison to other available investment option.</p> <p>It also consists of risks arising from making any capital investment through business expansion.</p>	 Financial capital	<ul style="list-style-type: none"> <li>Operational excellence</li> </ul>		<ul style="list-style-type: none"> <li>Maintenance of a diversified investment portfolio because the capital market of Bangladesh is volatile</li> <li>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</li> </ul>



## Committee Report

Principal risks and their importance	Impact on capital	Link to material issues	Status	Mitigation process
 Financial risks (Contd.)				
<b>19. Interest rate risk</b>				
<p>Risk that arises from fluctuating interest rates that occur due to macroeconomic reasons might have a negative impact on the company.</p>	 Financial capital	<ul style="list-style-type: none"> <li>Operational excellence</li> </ul>		<ul style="list-style-type: none"> <li>We maintain low debt/ equity ratio; and accordingly, adverse impact of interest rate fluctuation is insignificant</li> </ul>
<b>20. Exchange rate risk</b>				
<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"> <li>Operational excellence</li> </ul>		<ul style="list-style-type: none"> <li>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</li> </ul>

## 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 AC and RMC set appropriate policies on internal control and the Management works based on those policies adopted by the Board.

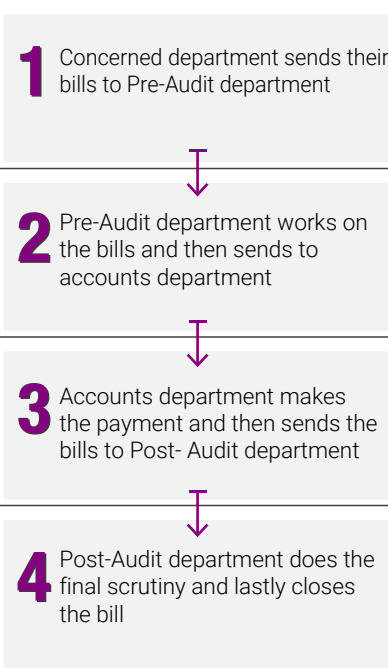
The charge of annual review of the efficiency and effectiveness of the internal control system rests with the Audit Committee to assure that internal control system is functioning properly and it is up-to-date with the changing business environment.

## Internal audit

Our internal audit department performs a very specific job that is designed to assist in financial audit and inventory audit function. Within the company, 2 (two) types of internal audit functions are carried out:

- Pre Audit: Bills are sent by the concerned employees of respective department to the pre audit department, including software entry through e-bill processing, before making any payment, If any change or correction is required, the bill is revert back to the 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.
- Post Audit: Following the payment made by the accounts department, all necessary documents are sent to this department for final checking and verification.

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



## Financial reporting control

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

mechanism which are designed to identify and solve key financial reporting problems including the risks of changes in accounting standards. The external 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. In addition, the Chief Financial Officer attends the quarterly Audit Committee meetings held on the quarterly and half yearly accounts of the company. Further to that the integrity of the financial statements are supported by the review and recommendation of the Audit 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 on September 9, 2019 for approval by the Board of Directors of Orion Pharma Limited which approval was granted on November 6, 2019.

On behalf of the Committee

Sd/-

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

Chairman

# Code of conduct and 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.



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.

An environment in full compliance with the standard of business conduct and commitment towards an effective application of code of conduct is a priority for OPL in every aspect. 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 along with special facilities for the women at all designation. Mutual respects among the employees are also maintained 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. 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.



# 1 Our commitments 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 opportunity

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, wage/salary adjustments, and/or bonuses.

## Families and relatives

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 qualifications, performance, skills and experience and provided that there is no direct or indirect reporting relationship between the employee and his or her relative. These principles of fair employment apply to all aspects of the employment, including compensation, promotions and transfers, even if the relationship develops after joining the company.

## Free of discrimination and harassment

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 safety

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 a 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 and behavior

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 monthly management meetings.

## 2 Our commitments to our company and 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. Employees over here avoid conflicts of interest whenever possible. If a situation that may involve or lead to a conflict of interest, the employees at OPL disclose it to the Line Manager and/or the 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 and proper use of company assets

Everyone at OPL is conscious and committed to ensure 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 our property and seek to protect property from loss, damage, misuse, theft, fraud, embezzlement and destruction. These obligations cover both tangible and intangible assets, including trademarks, know-how, confidential or proprietary information and information systems.

### Confidentiality

Confidential business information about our business strategies and operations 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 and retention of business records and documents

All business information including business and 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 and 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 and/or potential acquisitions or mergers or 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.

## 2 Our commitments to our company and shareholders (contd.)

### Intellectual property

Intellectual property is considered to be reserved with utmost sincerity. OPL has full respect for the intellectual property because it plays a significant role in promoting a creative and competitive environment. OPL's innovation is identified through its intellectual property thus the company is responsible to protect its intellectual property by exercising proper code of ethics. 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 while complying with the standard competition laws. 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.

There are documents prepared to make the company employees' aware of fair competition both inside and outside of organization.

### Information, communication and 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 complaint 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 and regulations

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

## 3 Our commitments to our customers and business partners

### Bribery and 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, even if he or she is not a government official, 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 and 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.

## 4 Our commitments to our communities

### Political contributions and 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.

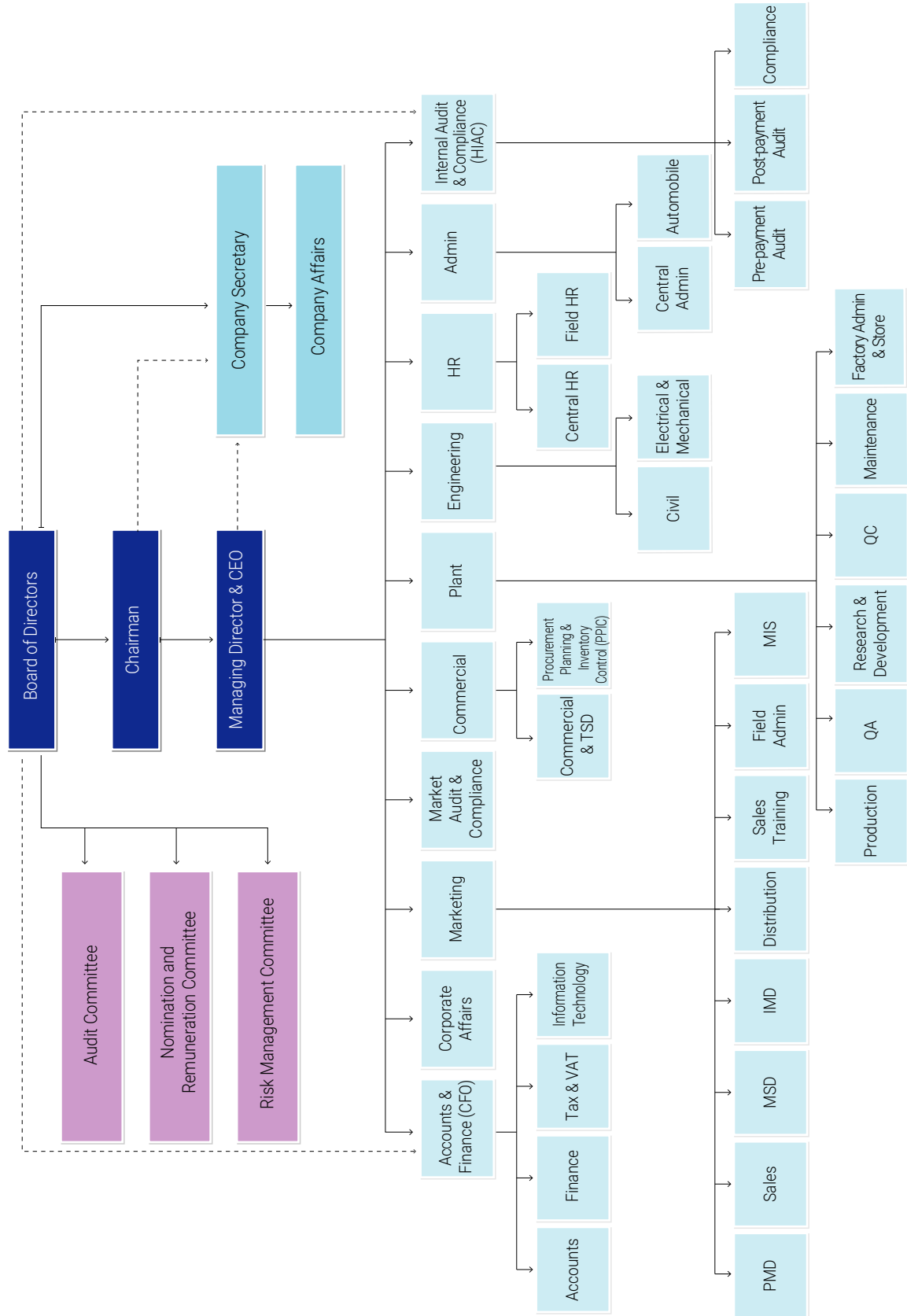
### Protection of environment

OPL has an ethical responsibility to protect the environment and comply with environmental laws and regulations. We are committed to the protection of the environment as part of every decision we make. 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 employees, the public or the environment. In addition,

environmental laws apply to our operations. We are all responsible for complying with both the letter and spirit of applicable environmental laws and regulations, including the proper use and disposal of materials and waste.



# Organizational chart



# Compliance with laws, rules, regulations & standards



We are committed to prove ourselves as a compliant company and we are assuring our stakeholders that we are conducting our operation and running our business in compliance with all the relevant laws, rules, regulations and standards applicable to our company.

We act in accordance with all relevant laws, rules and regulations including but not limited to the following:

Enforcing compliances in our business and corporate management implies obeying all rules and regulations relevant for the business in a highly regulated industry i.e. pharmaceutical sector. Adherence to compliance issues is a sign of how we are doing business, managing human resources, offering customers quality medicines and acting responsibly. Various categories like accounting and reporting, finance and commercial, labor and employment, company affairs, product & product quality, plant and production and international business conforms to different laws, rules and regulations imposed by the government and regulatory authorities.



## Company affairs

- Companies Act, 1994
- Securities and Exchange Ordinance, 1969
- Securities and Exchange Commission (Amendment) Act, 2012
- Securities and Exchange Rules, 1987
- Prescribed rules and regulations of Registrar of Joint Stock Companies
- Notifications, guidelines and directives and rules published by Bangladesh Securities and Exchange Commission and Stock Exchanges from time to time



## Financial and reporting

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



### Labor and employment

- Labor Law, 2013 (Amended)
- National Child Labor Elimination Policy, 2010
- Bangladesh Investment Development Authority's (BIDA) rules for foreign expatriates



### Product

- Rules of the Directorate General of Drug Administration (DGDA)
- Compliance with World Health Organization (WHO) on Good Manufacturing Practice (GMP)



### Plant and production

- ISO 9001:2015
- Bangladesh Environment Conservation Act, 1995
- Bangladesh Environment Conservation (Amendment) Act, 2010
- Bangladesh Environment Conservation Rules, 1997



### International business

- Customs Act, 1969
- Statutory Regulatory Order (SRO) of Customs published from time to time
- Import Export (Control) Act, 1950
- Import Policy Order 2012-2015
- Import Policy Order 2015-2018
- Export Policy 2012-2015
- Export Policy 2015-2018
- Rules of the Directorate General of Drug Administration (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 queries. OPL accords highest priority for resolving of investor complaints/disputes and therefore the company has a dedicated grievance redress 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.

## Procedure of submitting grievance/ complaint/ queries

Shareholders of OPL can communicate with the share department of the organization directly or address their queries/ complaint by the following ways:



### 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 complaints raised by investors be dealt promptly and with courtesy
- All complaints be resolved efficiently and fairly within the regulatory framework



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

**+88-02-8870147**



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**



## Redressal of investor complaints

- 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 regularly the status of pending complaints along with the settlement status.



Complaints received and redressed during the reporting year are as follows:

Sl. No.	Complaints/ Grievances	Received	Redressed
1	To receive copies of the Quarterly and Annual Report(s)	28	28
2	To re-issue dividend warrants	96	96
3	To "Demat" paper shares into electronic shares	126	126
4	To inspect the minute books of the general meetings and to receive copies thereof	7	7
5	To issue Income Tax Certificate deducted at source on Cash Dividend	71	71
<b>Total</b>		<b>328</b>	<b>328</b>

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 at least 14 (fourteen) days prior to the meeting. 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.



The Board of Directors, Company Secretary and Chief Financial Officer at the 53<sup>rd</sup> Annual General Meeting



The Chairman of the company giving his speech at the 53<sup>rd</sup> Annual General Meeting



General Shareholders at the 53<sup>rd</sup> Annual General Meeting



Our shareholders expressing their views at the 53<sup>rd</sup> Annual General Meeting



# 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, 2019.

## Industry scenario

### Local market

In Bangladesh, Pharmaceutical sector is one of the most developed hi-tech sectors which is contributing strongly in the country's economy. The sector is technologically the most developed manufacturing industry in Bangladesh and the third largest industry in terms of contribution to the government's revenue. The industry contributes about 1.83% of the total GDP for the country. The professional knowledge, thoughts and innovative ideas of the professionals working in this sector are the key factors for this development. Due to recent development of this sector, Bangladesh is exporting medicines to global market including European market.

Bangladesh's pharmaceutical industry and market is primarily based on branded generic formulations, mostly using imported APIs (Active Pharmaceuticals Ingredient). A Branded Generic is simply a drug that is bioequivalent to the original product, but is now marketed under another company's brand name. About 80% of the drugs sold in Bangladesh are generics and 20% are drugs still under patent.

Bangladesh pharmaceutical industry is now heading towards self-sufficiency in meeting the local demand. During the

last two decades, the pharmaceutical industry of Bangladesh has been taken to a newer height. Besides meeting the 98% need of local demand, Bangladesh is exporting the medicines into 147 countries.

Apart from regular forms such as tablets, capsules and syrups, Bangladesh is now also exporting high-tech specialized products like ozone benign HFA inhalers, suppositories, nasal sprays, injectables, lyophilized products, sterile ophthalmics, IV infusions, etc. and these have been well accepted by the regulatory bodies of all the importing countries. The packaging and the presentation of the pharmaceutical products from Bangladesh are comparable to any international standard brands.

Pharmaceutical imported products consist of essential life-saving drugs and other high quality drugs. It is expected that in the near future even such high quality drugs will be manufactured domestically in Bangladesh.

In 2018, the country's domestic pharmaceutical market size stood at BDT 20,511.8 crore with 15.6% compound annual growth rate (CAGR) for the last five years. On top of that, the sector is expected to grow at 15% year-on-year to reach USD 5.11 billion by 2023, propelled by high investment by local companies as they seek to grab a bigger share of the global market.

It is one of the fastest growing sectors in the country with an annual average growth rate of more than 15% over the last five years and 13% over the last decade. In addition, there is still significant potential for expansion of the domestic market as currently only approximately 20% of the rural population has access to medical care leaving the rest of the rural market yet un-serviced; besides extension of the product and treatment range addressed.

The pharmaceutical market in Bangladesh is still relatively small and nascent compared to the population size of the country, mainly because of the lack of spending power of the population. Pharmaceutical spending is also amongst the lowest in the world in per capita terms. Healthcare expenditures account for only around 3.35% of GDP. However, increased awareness of healthcare, increase in per capita income, emergence of private healthcare services and the government's increased expenditure in this sector, together with other factors, have caused the demand to rise in recent years. The sector is also protected from international competition as imports are restricted for drugs that are manufactured locally.



Bangladesh's pharmaceutical sector has achieved considerable growth over the last two decades. Reasons for such growth include a favorable government drug policy, development of the country's healthcare infrastructure, an increase in health awareness, increased rural penetration of the manufacturers, fast growing purchasing capacity of the people, an efficient and transparent regulatory framework, and the WTO's extended waiver of patent rights (as agreed under the TRIPS agreement) on drugs. In addition, the sector is protected from external competition as imports of drugs which are manufactured locally are forbidden. As a result, the Bangladeshi pharmaceuticals industry has been transformed from a predominantly import based industry to an exporting one.

### Export market

Branded generic drugs represent today around 25% of worldwide pharmaceuticals sales; however, given the popularity in emerging markets like China, India and Latin America, and cost savings pressure in the healthcare sectors of developed countries, lower cost branded generic drugs sales are increasing rapidly and may well exceed sales of patented drugs within a decade or so which ultimately has created opportunities to enter international markets with generic products.

According to Export Promotion Bureau (EPB) data, Bangladesh's medicine exports registered a 25.60% rise to \$130 million in FY19, which was \$103.46 million the previous year. According to Bangladesh Association of Pharmaceutical Industries (BAPI), approximately 1,200 pharmaceutical products received registration for export in the last two years.

Since the sector is very sophisticated and sensitive, manufacturers of medicine have adopted modern technology, which is hugely contributing to the growth of pharmaceuticals industry of Bangladesh both in

domestic and exports markets. Global certification and adoption of new technologies along with efforts to make local medicine familiar abroad and cash incentives against exports of medicine are the key reasons for the sharp rise in exports earnings

### Future outlook of the industry

According to Business Communications Company (BCC) Inc, a US-based research organization, the global market for generic drugs is expected to reach USD 533 billion by 2021 from USD 352 billion in 2016 at a compound annual growth rate (CAGR) of 8.7%.

Bangladesh is going to be a major global hub for high quality low cost generic medicine and vaccine as India and China are losing cost advantages. The future of this industry is bright because of the following reasons:

### High growth potential

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

- Rapid expansion in the older segments of the population;
- Increased life expectancies;
- Change in lifestyle;
- Large no. of untreated patient populations;
- Vast overseas market, especially in developing nations;
- Industry-friendly regulatory administration;
- Growth in per capita income; and
- Rapid urbanization.

As people are getting educated, they are now more conscious about healthcare leading them to consult physicians regularly and take different medicine as per the prescription. As a result, there will be increasing demand of "wellness" drugs, vaccines, medical devices, etc.

### Patent exemption

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

### Growing incidence of chronic diseases

Aging population increases the necessity for more healthcare spending.

Besides, chronic diseases continue to be the major factors for mortality worldwide, with developing nations suffering from high levels of public health problems related to chronic diseases. As per WHO projections, by 2020, chronic diseases will account for almost three-quarters of all deaths worldwide. Besides, senior citizens are vulnerable to four types of diseases such as cardiovascular diseases, cancer, diabetes and chronic respiratory diseases, which contribute to increased consumption of medicines.

### 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.

## Directors' Report

### Highlights on financial results

This point provides a high level snapshot of some of our key performance indicators (on consolidated figure) regarding our financial performance of the financial year 2018-19 along with the preceding financial period:

(Amount in BDT)

Particulars	2018-19	2017-18	% increase (decrease)
Net Turnover	8,705,172,867	10,423,101,099	-16.48%
Cost of Sales	(6,159,489,430)	(8,046,902,507)	-23.46%
Gross Profit	2,545,683,437	2,376,198,593	7.13%
Net Profit (Before Tax)	1,028,310,756	953,628,409	7.83%
Net Profit (After Tax)	882,354,974	801,763,805	7.30%
Basic Earnings per Share	3.77	3.43	10.05%

### 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) revenue generating subsidiary companies have been in operation in the power sector of our country since 2011.

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

#### Sector wise sales

(Amount in BDT)

Year	Pharmaceutical	Power	Total revenue
2018-19	2,222,541,814	6,482,631,053	8,705,172,867
2017-18	1,976,852,860	8,446,248,239	10,423,101,099

#### Local and export pharma sales

(Amount in BDT)

Year	Local	Export	Total revenue
2018-19	2,048,430,562	174,111,252	2,222,541,814
2017-18	1,866,787,564	110,065,296	1,976,852,860

### Pharma cost of goods sold and profit margin

The cost of goods sold compared to net turnover has remained almost same and reached to 44.37% from 44.18% over last year. The breakup of cost of goods sold along with the percentage of each element of COGS in terms of total COGS are as described here.

COGS	Amount in BDT		% of total COGS	
	2018-19	2017-18	2018-19	2017-18
Raw materials	423,581,407	408,335,545	42.95	46.75
Packing materials	222,552,717	202,166,048	22.57	23.15
Factory overhead	314,316,780	305,694,329	31.87	35.00
<b>Manufacturing cost</b>	<b>960,450,905</b>	<b>916,195,922</b>	<b>97.40</b>	<b>104.90</b>
WIP (Opening-Closing)	1,475,111	(8,276,212)	0.15	(0.95)
FG (Opening-Closing)	36,624,882	(23,299,269)	3.71	(2.67)
Cost of physician sample	(12,431,262)	(11,183,824)	(1.26)	(1.28)
<b>Cost of goods sold</b>	<b>986,119,636</b>	<b>873,436,617</b>	<b>100.00</b>	<b>100.00</b>

## Pharma sales

BDT 2,222.54 million

## Cost of goods sold

BDT 986.12 million

% of sales: 44.37%

## Gross profit

BDT 1,236.42 million

Margin 55.63%

## Net profit

BDT 212.61 million

Margin 9.57%

## 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 category	No. of Products
Tablet	90
Capsule	23
Liquid & Suspension	31
Injection	31
Powder for suspension	16
Cream & Ointment	5
<b>Total</b>	<b>196</b>

## Declaration of dividend

With the recommendation of Directors for a cash dividend of BDT 1.5 (15%) per share for the financial year 2018-19, the company will have a payout of BDT 351,000,000 subject to approval of the Shareholders at the 54th Annual General Meeting. The dividend will be applicable for the shareholders whose names will appear in the share register of the company and/or depository register of CDBL as on Record Date i.e. November 28, 2019.

### Cash Dividend (Amount in BDT million)

2018-19	351.00
2017-18	351.00
2016-17	351.00
2015-16	351.00
2014	351.00

## Utilization of production capacity

Item	Production capacity		Actual production	
	2018-19	2017-18	2018-19	2017-18
Tablet & Capsule	694.26	694.26	508.57	480.57
Oral Liquid, Injection, PFS, Cream & Ointment	23.68	23.68	15.49	16.2

Capacity utilization (%)			
Tablet & Capsule		Oral Liquid, Injection, PFS, Cream & Ointment	
2018-19	73.25%	2018-19	65.41%
2017-18	69.22%	2017-18	68.41%

## 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)	
	2018-19	2017-18
Land and land development	4,000,000	9,121,500
Factory and office building	15,633,633	95,195,594
Plant and machinery	464,726,665	216,642,247
Furniture and fixtures	52,738,958	5,301,115
Office equipment	49,333,485	29,681,975
Vehicles	5,835,438	128,400
Laboratory equipment	-	-
Construction work in progress	-	635,401,325
<b>Total</b>	<b>592,268,179</b>	<b>356,070,832</b>

## 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 2018-19:

(Amount in BDT)		
Net profit for the Period (2018-19)	212,611,542	
Add: Adjustment for depreciation on revaluation surplus	12,583,832	
Profit brought forward from previous year	377,899,364	
<b>Profit available for distribution</b>		<b>603,094,738</b>
Less: Appropriation proposed:		
Cash Dividend @ 15%		351,000,000
<b>Transfer to retained earnings</b>		<b>252,094,738</b>

### Subsidiary operation

#### Orion Power Meghnaghat Limited (OPML)

During the financial year ended June 30, 2019, the turnover of Orion Power Meghnaghat Limited is BDT 3,324.66 million broken up into BDT 1,311.31 million as Reference Rental Price, BDT 67.69 million as Reference Energy Price (Variable O&M), BDT 1,989.12 million as Sales revenue from HFO OOSL. The total revenue is derived after adding foreign exchange loss of BDT 43.45 million. Its net profit is BDT 575.83 million during the period under report. Since the company is not listed, its market price cannot be determined. The Earnings per Share and the NAV as on 30 June, 2019 stands at BDT 5.76 and BDT 44.76 per share respectively.

#### Dutch Bangla Power & Associates Limited (DBPAL)

During the financial year ended on June 30, 2019, the turnover of Dutch Bangla Power & Associates Limited is BDT 3,157.97 million broken up into BDT 1,305.97 million as Reference Rental Price, BDT 58.62 million as Reference Energy Price (Variable O&M), BDT 1,803.34 million as sales revenue from HFO OOSL and BDT 9.96 million as foreign exchange loss. Its net profit is BDT 183.14 million during the period under report. Since the company is not listed, its market price cannot be determined. The Earnings per Share and the NAV as on 30 June, 2019 stands at BDT 18.31 and BDT 282.07 per share respectively.

### Risks and concerns

The company is always aware of that business is subject to variety of risks and uncertainties e.g. industry risks, regulatory risks, market risk, operational risk, legal risk, interest rate risk, exchange rate risk and potential changes in global or national policies etc.

In this respect, Orion Pharma Limited has well defined it's risk management

policies and introduced periodic monitoring system that act as an effective tool in mitigating various risks to which our businesses are exposed to in the course of its day-to-day operations as well as in its strategic actions.



A detailed discussion on the risk management systems of OPL is mentioned on pages 74-87

### Reason of any extra-ordinary gain or loss

There is no extra-ordinary gain or loss in the financial statements prepared for the financial period 2018-19 as well as for the financial period 2017-18.

### Disclosure on related party transaction

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

All such transactions will be approved by the shareholders of the company in the ensuing Extra-ordinary General Meeting (EGM). A statement of all related party transactions containing the name of related parties, nature of transactions and total transaction values is mentioned under notes 3.14 and 37.1 of the audited financial statements as per IAS 24: Related Party Disclosure.

### Utilization of proceeds from public issues, right shares and/or through any other instrument

Initial Public Offering (IPO) of Orion Pharma Limited was made in 2013 and it mobilized a fund of BDT 2.4 billion with

the allocation of 40.00 million shares. The main purpose of raising this fund was to construct an expansion project of Orion Pharma Limited named as 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 offer and direct listing

Orion Pharma Limited went for IPO in 2013 and after that the company did not raise any fund by any sort of offerings upto 2018-19. Moreover, the financial results have improved during the year under review. Therefore, no explanation is required in this connection.

### Explanation about significant variance between quarterly and annual financial statements

Significant variation has occurred between the quarterly and annual financial statements of the company during the year for which net operating cash flow per share decreased because of huge payment made to suppliers compared to cash received from customers.

### 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. The net operating cash flow per share decreased due to huge payment made to suppliers compared to cash received from customers.



## Remuneration to Directors including Independent Directors

The Directors excluding the Managing Director of Orion Pharma Limited do not receive any other 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 have been disclosed as an expense under the head of General and Administrative Expenses in the note 29, 29a and also under note no 37.02 "related party transactions" of the financial statements.



Details on Directors' remuneration have been described on pages 68 & 72

## Corporate and financial reporting

The Directors are pleased to conform the following:

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

- 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.

## Shareholding structure of the company

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

## Going concern

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

## Consolidation of accounts

As per BSEC Regulations, the company has prepared consolidated financial statements following the codes of IAS-28 and 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, 2019 was BDT 494.08 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 22.23% of the net revenue.



Details on contribution to national economy have been described on page 232

## 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.



A detailed report on this is set out on pages 186-190.

## Board meetings held

A total of 8 (eight) Board meetings were held during the financial year ended June 30, 2019. 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.



A detailed report on Board meeting is set out on page 57

## Election of Directors

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

## Directors' Report

office in the Annual General Meeting.

Pursuant to the above, Mr. Mohammad Obaidul Karim, Chairman and Mrs. Zareen Karim, Director 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.

### Re-appointment of Managing Director

This is further to inform here that the company appointed Mr. Salman Obaidul Karim as its Managing Director for a period of 5 (five) years on September 10, 2014. Mr. Salman Obaidul Karim completed the tenure and in compliance with section 109 and 110 of Companies Act 1994, Mr. Karim can be re-appointed with the recommendation of the Board and by the consent of the shareholders in general meeting for a period of another 5 (five) years. Therefore, the Board recommended Mr. Karim's re-appointment as the Managing Director for next 5 (five) years with post facto effect subject to the approval of shareholders in the ensuing AGM.



Brief profile of the Managing Director being proposed for re-appointment is set out in page 35

### Appointment of auditors

The Directors hereby report that as per the Companies Act 1994 and the Articles of Association of the company the existing Auditors, S. F. Ahmed & Co., Chartered Accountants, who were appointed as auditors of the company in the last Annual General Meeting of the company, has carried out the audit for the reporting period ended June 30, 2019, will retire at the conclusion of the ensuing Annual General Meeting.

However, they have expressed their willingness to the Board to be appointed as statutory auditors of the company for the financial year 2019-20 and to continue till the next AGM, subject to the approval of the shareholders in the upcoming AGM.

### Status of compliance

Orion Pharma recognizes that the sustainability of the company as well as the relationship and trust between the company and the stakeholders relies on the application and adherence to the standard corporate governance. It is the Company Secretary who is responsible and accountable to make sure 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 3, 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 their report has been published in 'Annexure to the Directors' Report' in details. Considering the conditions imposed by the Code and necessary expertise, the Board has recommended to appoint ARTISAN, Chartered Accountants, as the Compliance Auditors for the next financial year to be ended June 30, 2020, 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)'. Under medical scholarship program a total of 8 (eight) underprivileged and meritorious students were selected in the reporting financial year. Under the EPAP Program, the company has enlisted and renewed 26 (twenty six) patients in the reporting financial year. Providing new clothes to orphan children, after 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.

## Company outlook

Orion Pharma Limited is dedicatedly working towards completing the construction work of Orion Pharma Park at Narayanganj. 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:

1. Shareholding pattern
2. CEO & CFO report to the Board
3. Compliance report on IAS/IFRS
4. Certification on compliance on the Corporate Governance Code
5. Checklist on Corporate Governance Code



## Annexure 1

# Shareholding pattern

as on June 30, 2019

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
	Mr. Salman Obaidul Karim	Managing Director	9,708,960	4.15
	Mrs. Arzuda Karim	Director	8,805,600	3.76
	Mrs. Zareen Karim	Director	6,413,040	2.74
	Mrs. Hasina Begum (Nominated by Panbo Bangla Mushroom Ltd.)	Nominated Director	14,400,000	6.15
	Mr. Md. Shafiqur Rahman	Independent Director	Nil	Nil
	Lt. Col. Kamal Ahmed, PSC (Retd.)	Independent Director	Nil	Nil
	Mr. Salman Obaidul Karim	Chief Executive Officer	9,708,960	4.15
	Mr. Md. Ferdous Jaman	Company Secretary	Nil	Nil
	Mr. Samaresh Banik	Chief Financial officer	Nil	Nil
	Mr. Md. Ibrahim Khalil	Head of Internal Audit and Compliance	Nil	Nil
(c) Executives	Mr. Md. Arif Hossain	SVP, Marketing Operations	Nil	Nil
	Mr. Md. Ashfaque Alam	VP, Corporate Affairs	Nil	Nil
	Mr. Md. Faisal R Ferdous	VP, Human Resources	Nil	Nil
	Mr. Md. Zakir Hossain	AVP, Production	Nil	Nil
	Mrs. Ayesha Akhter	AVP, Commercial, TSD & PPIC	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
	ICB	Shareholder	30,013,810	12.82



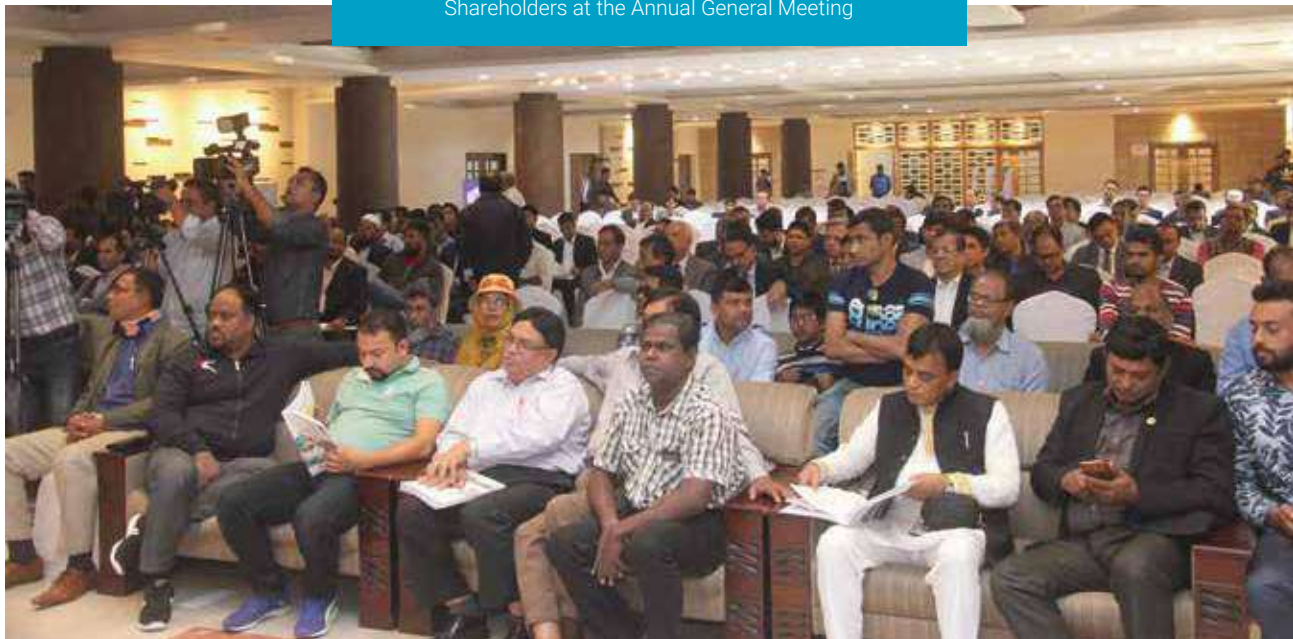
## Shareholding composition

as on June 30, 2019

<b>31.98%</b> Sponsors	<b>2.59%</b> Foreign Investors	<b>48.12%</b> Financial Institutions	<b>17.31%</b> 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	185	6,056,839	2.59
Financial Institutions	234	112,592,736	48.12
General Public	29,747	40,508,825	17.31
<b>Total</b>	<b>30,171</b>	<b>234,000,000</b>	<b>100.00</b>

Shareholders at the Annual General Meeting



Annexure 2

## CEO and CFO report to the Board

### Orion Pharma Limited Declaration by CEO and CFO

Date: November 6, 2019

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

Subject: Declaration on Financial Statements for the year ended on June 30, 2019

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, 2019 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, 2019 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/-

**Salman Obaidul Karim**  
Chief Executive Officer (CEO)

Sd/-

**Samaresh Banik**  
Chief Financial Officer (CFO)

## Annexure 3

# 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
17	Leases	Applied
19	Employee Benefits	Applied with some departure
20	Accounting of Government Grants and Disclosure of Government Assistance	N/A
21	The Effects of Changes in Foreign Exchange Rates	Applied with some departure
23	Borrowing Costs	Applied
24	Related Party Disclosures	Applied
26	Accounting and Reporting by Retirement Benefit Plans	Applied with some departure
27	Separate Financial Statements	Applied
28	Investment in Associates and Joint Ventures	Applied with some departure
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	N/A
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 with some departure
08	Operating Segments	Applied with some departure
09	Financial Instruments	Applied
10	Consolidated Financial Statements	Applied
11	Joint Arrangements	N/A
12	Disclosure of Interests in Other Entities	N/A
13	Fair Value Measurement	Applied
14	Regulatory Deferral Accounts	N/A
15	Revenue from Contracts with Customers	Applied
16	Lease	Not Adopted
17	Insurance Contracts	Not Adopted

Annexure 4



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

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We have examined the compliance status to the Corporate Governance Code of **ORION PHARMA LIMITED** for the year ended 30<sup>th</sup> June, 2019. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3<sup>rd</sup> 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 require, 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 except the condition No 3(1)(c) excluding the position of the Head of Internal Audit and Compliance (HIAC) of the Company.
- 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: 12<sup>th</sup> November, 2019



  
**Md. Selim Reza FCA FCS**  
**Partner**  
**ARTISAN-Chartered Accountants**

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Shah Ali Tower (7th Floor) 33, Kawran Bazar, Dhaka-1215 Bangladesh.  
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## Annexure 5

# Checklist on Corporate Governance Code

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 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	
<b>1.</b>	<b>Board of Directors (BOD) :</b>			
<b>1.1</b>	<b>Board's Size :</b>			
	[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.
<b>1.2</b>	<b>Independent Directors :</b>			
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)	<b>Independent Director means a Director :</b>			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;	✓		

## Directors' Report

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 (NBF);	✓		
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);	✓		Mr. Md. Shafiqur Rahman appointed by the Board on 14.06.2018 for 1st term and Lt. Col. Kamal Ahmed, PSC (Retd.) re-appointed on 14.12.17 for the second term. Their appointments were approved in the respective AGM of the company.
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 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].	✓		
<b>1.3</b>	<b>Qualification of Independent Director (ID) :</b>			
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)	<b>Independent director shall have following qualifications :</b>			
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	
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 Leader and have knowledge on Business, economics, finance etc. possessing more than 40 (Forty) 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

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 Leader and have knowledge on Business, economics, finance etc. possessing more than 40 (Forty) years of experience.
1.3(d)	In special cases, the above qualification or experiences may be relaxed subject to prior approval of the Commission.	N/A		No such situation has occurred during the year.
<b>1.4</b>	<b>Duality of Chairperson of the Board of Directors and Managing Directors or Chief Executive Officer :</b>			
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 CEO 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;	✓		Permission obtained from Ministry of Commerce for common Group MD.
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.	✓		
<b>1.5</b>	<b>The Directors' Report to Shareholders :</b>			
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

## Directors' Report

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;	✓		Do
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		15% 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;	✓		8 (eight) meetings were held during the year.
1.5(xxiii)	<b>Pattern of shareholding and name wise details (disclosing aggregate number of shares) :</b>			
1.5(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (Name wise details);	✓		Annexure-1
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).	✓		Do



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
1.5 (xxiv)	<b>In case of appointment/re-appointment of a Director, disclose :</b>			
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)	<b>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 :</b>			
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.	✓		
<b>1.6</b>	<b>Meetings of the Board of Directors :</b>			
	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.	✓		
<b>1.7</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer :</b>			
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;	✓		

## Directors' Report

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 for the Chairperson of the Board, other Board members and Chief Executive Officer of the company has been published in the website of the company.
<b>2. Governance of Board of Directors of Subsidiary Company :</b>				
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 and 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;	✓		
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;	✓		
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;	✓		
2(e)	The Audit Committee of the holding Company shall also review the financial statements, in particular the investments made by the subsidiary Company.	✓		
<b>3. Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):</b>				
<b>3.1</b>	<b>Appointment :</b>			
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 progress
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

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
<b>3.2</b>	<b>Requirement to attend Board of Directors' Meetings :</b>			
	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
<b>3.3</b>	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO) :</b>			
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.	✓		
<b>4.</b>	<b>Board of Directors' Committee :</b>			
4 (i)	Audit Committee;	✓		In Practice
4 (ii)	Nomination and Remuneration Committee.	✓		In Practice
<b>5.</b>	<b>Audit Committee :</b>			
<b>5.1</b>	<b>Responsibility to the Board of Directors :</b>			
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
<b>5.2</b>	<b>Constitution of the Audit Committee :</b>			
5.2(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		The Audit Committee is composed with 3 (Three) members who are non-executive Directors.

## Directors' Report

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
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 has occurred during this 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
<b>5.3</b>	<b>Chairperson of the Audit Committee :</b>			
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 has occurred during this financial year.
5.3(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM).	✓		In Practice
<b>5.4</b>	<b>Meeting of the Audit Committee :</b>			
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
<b>5.5</b>	<b>Role of Audit Committee :</b>			
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



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		In Practice
<b>5.6</b>	<b>Reporting of the Audit Committee :</b>			
5.6(a)	<b>Reporting to the Board of Directors :</b>			
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;	✓		In Practice
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;	✓		No such event occurred during the reporting year.
5.6(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	✓		No such event occurred during the reporting year.
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)	<b>Reporting to the Authorities :</b>	✓		In Practice
<b>5.7</b>	<b>Reporting to the Shareholders and General Investors :</b>	✓		In Practice
<b>6.</b>	<b>Nomination and Remuneration Committee (NRC) :</b>			
<b>6.1</b>	<b>Responsibility to the Board of Directors :</b>			
6.1(a)	The Company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓		In Practice

## Directors' Report

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
<b>6.2</b>	<b>Constitution of the NRC :</b>			
6.2(a)	The Committee shall comprise of at least three members including an independent director;	✓		The NRC is composed with 3 (Three) members.
6.2(b)	All members of the Committee shall be non-executive directors;	✓		All members of the NRC are non-executive Director.
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 where one is non-executive Director and two are Independent Directors.
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;	✓		No such situation has occurred during this 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 has occurred during this 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
<b>6.3</b>	<b>Chairperson of the NRC :</b>			
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

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).
<b>6.4</b>	<b>Meeting of the NRC :</b>			
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;	✓		No such event occurred
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
<b>6.5</b>	<b>Role of the NRC :</b>			
6.5(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		In Practice
6.5(b)	<b>NRC shall oversee, among others, the following matters and make report with recommendation to the Board :</b>	✓		In Practice
6.5(b)(i)	<b>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 :</b>	✓		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

## Directors' Report

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, 2019 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



# Our Capitals

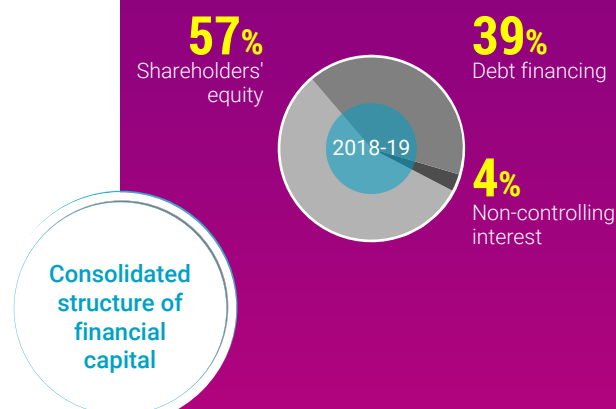
2018-19



The main prospect that integrated reporting provides us is the opportunity to think in a different way and make decisions on the basis of financial criteria along with the consideration of the socio-economic impacts of the decisions taken. Orion Pharma Limited incorporates 6 (six) capitals as a part of its long term business strategy which are influenced by the company's business activities to create values and we illustrate these capitals as per the International Integrated Reporting Council (IIRC)'s 6 (six) capitals framework in this Integrated Annual Report.

# Financial capital

## Capital structure



We emphasize on creating and delivering value to our stakeholders and on ensuring long term sustainable growth through strategic management of our financial capital. The increase in pharma net sales revenue of 12.43%, earnings per share of 16.67% and net operating cash flow per share of 132.71% has accordingly contributed to driving a sustainable value creation based business model.

### Sources of financial capital

Financial capital represents the funds being used to facilitate the process of building and strengthening the foundation for our ability to develop and create value for our providers of fund.

The main sources of this capital are:

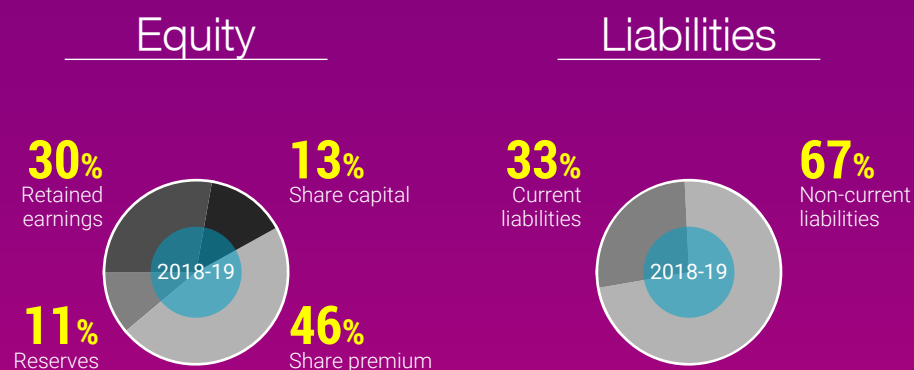
- equity,
- debt financing,
- earned surplus etc. which are raised through the financing, operating and investing activities.

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

### 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 from different banks 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.



## Approaches to maintenance of financial capital

- 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.

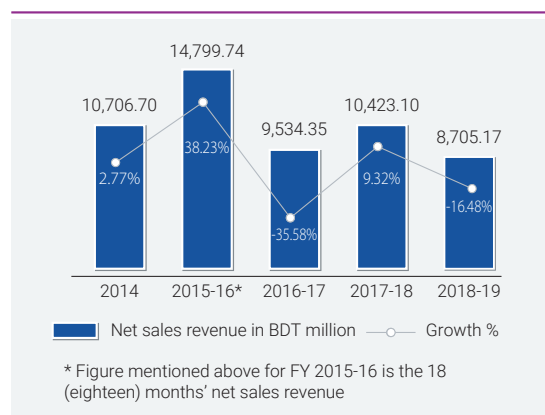


The overall financial performance for the reporting financial year 2018-19 is available in section "Performance and financials".

## Financial Capital

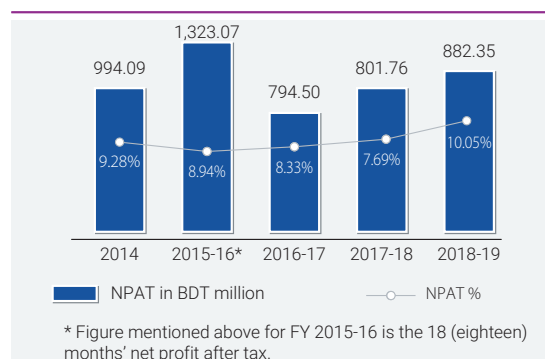
### KPI: Consolidated revenue from net sales

During the reporting financial year, consolidated net sales revenue decreased by 16.48% even though the pharma sales revenue has increased by 12.43%. This is mainly due to the decrease of revenue from power generation. We could not attain the expected CAGR yet and our revenue growth has mainly been affected by the delay in the commencement of production in our new plant. However, we are determined and positive about successful completion of all requirements of our new plant and our focus for upcoming years is on achieving a significant growth in sales portfolio for ensuring sustainable business operation.



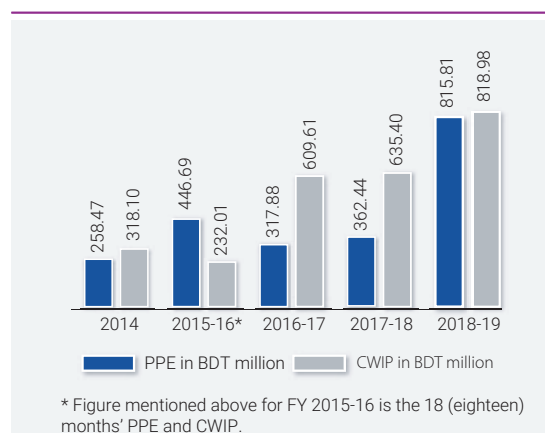
### KPI: Consolidated net profit after tax attributable to shareholders

As a consequence of decline in cost of goods sold and cost of power generation expenses, the gross profit margin and operating profit margin are higher than that of previous year. As a result, the net profit after tax saw a 10.05% upward movement during the reporting financial year. However, we are still working to attain a stable positive CAGR over the years which will ensures our sustainable business operations.



### KPI: Consolidated cash outflow in CAPEX

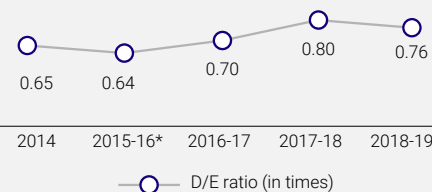
In addition to the regular acquisition of property, plant and equipment, we have a huge investment in capital work in progress in expanding our manufacturing capacities and upgrade the facilities in respect of technology, safety, environment etc. This capital work in progress denotes our continuous capital expenditure undertaken during the reporting year in the new plant as the plant is still underconstruction.





### KPI: Leverage ratio (Debt to equity)

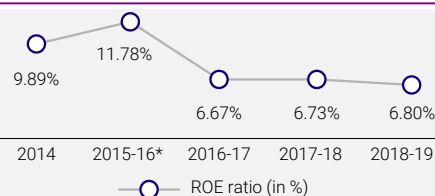
Over the last 5 (five) years, the company's debt financing has increased due to the huge funding requirement for the capital expenditure undertaken in the new plant. During the year, we have successfully imported 3 (three) equipment and funded the purchase of the said equipment under the loan agreement with ODDO BHF Bank Aktiengesellschaft, Germany. As a result of the increase in debt funding, our debt to equity ratio increased to 0.76 over the period of 5 (five) years from 0.65 of financial year 2014.



\* Ratio mentioned above for FY 2015-16 is the 18 (eighteen) months' debt to equity ratio

### KPI: Profitability ratio (Return on equity)

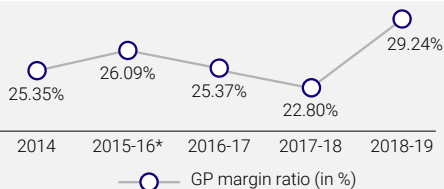
The company has experienced a 10.05% increase in net profit after tax and this has resulted in the 5.01% return on equity during the reporting financial year compare to 4.70% return on equity in previous year.



\* Ratio mentioned above for FY 2015-16 is the 18 (eighteen) months' return on capital employed ratio

### KPI: Profitability ratio (Gross profit margin)

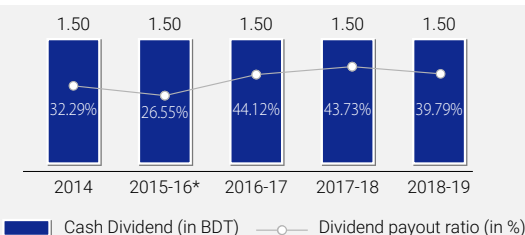
Gross profit margin has increased by 28.25% in the reporting financial year. Due to controlled and proper maintenance of expenses over the years, we have been able to maintain a stable and upward gross profit margin since last 5 (five) years. During the year, the gross profit margin is 29.24% which was 22.80% in previous year.



\* Ratio mentioned above for FY 2015-16 is the 18 (eighteen) months' return on capital employed ratio

### KPI: Market prospect ratio (Dividend payout)

Over the years, the dividend per share has remained the same and the dividend payout ratio showed a stable movement. As the company has been continuously investing in its expansion project, it prefers to reinvest its earnings which will eventually yield more earnings and return to the company's long-term shareholders.



\* Ratio mentioned above for FY 2015-16 is the 18 (eighteen) months' dividend payout ratio

# Manufactured capital



**5.49%** increased production of medicines



**BDT 1,634.79 million** invested in capital expenditure

Highlights of  
manufactured  
capital – FY  
2018-19



We continue our investment in our pharmaceutical finished products' manufacturing facilities, technologies and capacities. This investment is supported by our mission to produce high quality medicines in a widely accredited manufacturing plant which would in turn provide a sustainable competitive advantage.

## Sources of manufactured capital

Manufactured capital represents all the physical and technological objects that are available to an organization for use in carrying out the operational activities and enable the organization to create value for its potential stakeholders.

The main sources of this capital are:

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

## Approaches to maintenance of manufactured capital

In order to meet the growing demand for our products in both domestic and international markets, we at Orion Pharma Limited (OPL) make the best and effective use of our manufactured capital. Not only do we use the best technology available, we also implement the most professional approach when using the various machineries and equipment in compliance with the guidelines of Good Manufacturing Practices (GMP) and the requirements of ISO 9001:2015.

Our continued and ongoing investment in manufactured capital aims to safeguard our ability to deliver the values, satisfy the customer needs and achieve the strategic intent of the business.

We understand that the quality of manufactured capital has a direct impact on our long-term growth prospects, all investment requirements in manufacturing capital have been gone through a rigorous assessment process with the intention of creating a high quality technologically advanced asset base.



### **Construction of pharmaceutical complex**

at Orion Pharma Park,  
Siddhirganj, Narayanganj



### **Product code verification system**

for 2 products have been introduced to  
ensure the authenticity of the products



### **Installation of ETP**

with neutralizing capacity of  
375,000 litre per day.



**Obtained certificate of  
renewal of licence** from DGDA  
to manufacture drugs



## Orion Pharma Park

our new pharmaceutical manufacturing plant

One of the milestone events of the next financial year will be the commencement of commercial operation (phase 1) of our new manufacturing plant at Siddhirganj, Narayanganj. Pharmaceuticals produced at the new plant is destined for both domestic and international markets. Our new plant uses the latest technology, with automatic process control and supervision systems in order to produce quality medicine.

After completion of the construction work of full project, this Pharmaceutical Complex is going to be the biggest Pharma Park of the country and so far the finest and most comprehensive pharmaceutical in Bangladesh where a complete array of pharmaceutical facilities and solutions in one complex will be established. The new multiple formulation facilities are being constructed using the latest technologies so that it would be in compliance with the 'Current Good Manufacturing Practices' standards of international regulatory authorities like USFDA, UK MHRA, EU, TGA (Australia) WHO etc.

The total area of General Pharma Production Building 1 is about 44,000 square feet. Besides, the site houses other supplementary infrastructures including utility and admin building, ETP building, warehouse, gate house etc. Other production buildings including General Pharma Building 2, Cephalosporin, General Pharma Building 3, Oncology, Hormone and Nutraceuticals are currently under development stage.





In order to achieve the targeted growth, Orion Pharma Ltd. has increased the production capacity of new plant by procuring high capacity, sophisticated, GAMP 5, EU GMP, 21CFR part 11 FDA regulated compliant production machinery.

In terms of pharmaceutical plant design, engineering, and construction, varieties of dosage forms, pharmaceutical technology, covered area, waste management monitoring system and eco-friendliness in this new plant will be one of a kind in the pharmaceutical industry. The plant's utility infrastructure

has been designed including water purifier facility, boiler, compressor, generator and HVAC system to ensure adequate supply of water, electricity, steam and control of room temperature & relative humidity. Besides, we have a central ETP from Effwa, India for the whole Pharma Park. It's neutralizing capacity is 3,75,000 ltr / day. Process effluent from all units will come through underground pipeline and will pass through different neutralizing process. And finally the treated water will be drained out or used for gardening.

The production site will follow best practices for fire, water and air management systems and employee health and safety issues.

We always use the best technology & equipments and facilities in order to produce world-class medicines for our consumers. Our new pharma plant results in increased production capacity, compliance with more regulatory requirements, safeguarding the environment, safety and health protection of employees in the workplace.

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

## Orion Pharma Park at a glance

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Capsule Filling Machine



Bottle Washing Machine



Liquid Manufacturing Vessel



Blister Machine



Granulation Suite



Effluent Treatment Plant



Entrance of Production Building



Corridor of Production Floor



Water Treatment Plant



R&D Lab



QC Lab

## Key manufacturing equipment and technology

Facilities	Equipment	Technologies
Tablet	<ul style="list-style-type: none"> <li>• High shear mixer &amp; granulator</li> <li>• Fluid Bed Processor</li> <li>• Automatic bin washing machine</li> <li>• IBC Blender</li> <li>• Tablet press with auto powder loading</li> <li>• Tablet coater</li> <li>• HAPA printer for foil printing</li> <li>• Blister packing machine</li> <li>• Auto cartooning machine</li> <li>• Auto Tablet counting, filling and capping machine</li> </ul>	<ul style="list-style-type: none"> <li>• Sophisticated modern machine for pharmaceutical tableting &amp; packaging technology</li> <li>• 21 CFR part 11 &amp; GAMP 5, EU GMP, Annex 15 compliance machine</li> <li>• Capable to automatic product sampling, in process control in order to ensure quality</li> <li>• Auto defective tablet shorting and rejection systems</li> <li>• Automatic weight adjusting systems</li> <li>• Automatic metal detection and rejection systems</li> </ul>
Capsule	<ul style="list-style-type: none"> <li>• IBC Blender</li> <li>• Automatic capsule filler</li> <li>• Blister packing machine</li> </ul>	<ul style="list-style-type: none"> <li>• Encapsulation technology with automatic sampling &amp; In process quality control and faulty capsule rejection</li> <li>• Automatic metal detection and rejection systems</li> </ul>
Powder for suspension	<ul style="list-style-type: none"> <li>• IBC blender</li> <li>• Automatic, Bottle washing, Drying tunnel and filling line with online weigh checker</li> </ul>	<ul style="list-style-type: none"> <li>• Accurate powder for suspension filling technology</li> </ul>
Oral liquid	<ul style="list-style-type: none"> <li>• Mixing vessels with online homogenizer</li> <li>• Automatic Bottle washing, filling, Capping and labelling machine</li> </ul>	<ul style="list-style-type: none"> <li>• Liquid mixing &amp; filling technology with homogenous and fine particle size distribution</li> <li>• Automatic washing, filling &amp; labelling without hand touch</li> </ul>
Cream and ointment	<ul style="list-style-type: none"> <li>• Emulsifier</li> <li>• Tube filling machine</li> </ul>	<ul style="list-style-type: none"> <li>• Emulsification technology for preparation of Cream &amp; Ointment</li> </ul>
Injection	<ul style="list-style-type: none"> <li>• Vial washing, sterilization tunnel, filling and capping machine (Liquid &amp; Lyophilized vial)</li> <li>• Lyophilizer</li> <li>• Ampoule washing, sterilization tunnel and filling machine</li> <li>• Prefilled syringe machine with oRABS</li> <li>• Auto checking and labelling machine</li> <li>• Steam sterilizer</li> </ul>	<ul style="list-style-type: none"> <li>• Aseptic technology for vial and ampoule filling with oRABS facility</li> <li>• Automatic CIP and SIP systems</li> <li>• Automatic checking and rejection systems</li> </ul>
Ophthalmic	<ul style="list-style-type: none"> <li>• Mixing Vessel</li> <li>• Automatic eye drop filling machine</li> <li>• Blow fill seal machine (BFS)</li> </ul>	<ul style="list-style-type: none"> <li>• Automatic container forming, aseptic filling and capping in one machine</li> </ul>





## Specialties

- Tablet counting line with auto counting, pouch desiccant & induction sealing with auto rejection and jamming sensing
- Tablet & capsule machine is capable for automatic product sampling for In process quality control in order to ensure quality
- Tablet & capsule machine has the features of automatic powder and capsule loading with automatic metal check & polishing facility
- Tablet & capsule machine is 21 CFR part 11 & GAMP 5 compliance machine.
- Liquid line with no bottle no filling, no bottle no labeling and also having no bottle no capping
- Liquid line with automatic rejection system of low volume filled
- Liquid line with automatic rejection of unlabeled bottle and also have rejection of label without batch printing
- Closed granulation system for conventional products with automatic loading and unloading of materials, automatic washing of machine in place (WIP)
- Blister machine has the features of camera inspection & individual blister rejection system

## Manufacturing process





Output stage

## 4 Final products

- After packaging of the product, it is called finished product. The QA Head reviews all the relevant documents and if satisfies she/he gives approval for distribution or sales.
- QA department also keeps the representative sample from every batch up to shelf life for monitoring of the batch which is already distributed for sales.
- QA department also performs the real time stability study up to shelf life for further development.
- Before launching of a new product, R&D department develops the new products and performs accelerated and real time stability study.



## Manufactured Capital

### Ensuring quality in manufacturing

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.

We always think quality as a subject of continuous improvement. For this, we are taking care to improve quality of existing products through reformulation

work to enhance product quality and manufacturing process and also through conversion of Aqueous coating from Organic coating to avoid related health hazard issue and to reduce production cost.

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 and air management system

### Fire management system

Intelligent addressable fire detection system is also used. All the areas including production, QA, QC, R&D, warehouse, and utility areas is covered by smoke detectors, modern fire alarm system. The whole facility is equipped with adequate number of fire extinguisher, fire hose with fire hydrant. We also have proper evacuation system, assembly point with dedicated rescue and first aid team. Fire drills are done once in every six months and training is provided to the personnel who are the member of the fire team.

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

### Water management system

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

### Air management system

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

## Environment, health and safety consideration

In recent decades, many environmental problems have increased as the result of human activities and unplanned management of the technological development. We give utmost importance to environmental protection and strictly avoid the activities which may have any adverse impact on the environment. We have established an Effluent Water Treatment (ETP) Plant of Capacity: 375,000 Liters/day to treat the effluent from the plant. 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.

At OPL the management also focuses on the fact that safe workplace is a key component to developing a positive corporate culture. We abide by the concept that a safe working environment is the right of every employee. A safe and healthy working environment boosts employee morale which leads to employee loyalty, retention and productivity.

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.

The plant has been designed following the modern concept of safety guideline. 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.

A special care and training has been planned for the safe handling of hazardous chemical. Separate SOP is

issued in this matter. In the plant design several measures have been taken like:

- Emergency eye wash;
- Emergency shower;
- Using of Personal Protective Equipment (PPE);
- Solvent usage area with Anti-Static Flooring System;
- Solvent Transfer system by Pneumatic driven pumps in order to avoid electrical sparks related fire hazard;
- Use of Fume Hoods in all Acid Usage area.



More details on employees' occupational health and safety is described on page 63



# Intellectual capital

## Highlights of intellectual capital – FY 2018-19

**4** products successfully launched from the pipeline

**39** brands were recognized as flagship brands

**14** software and application are developed by in-house software engineer team.



We are using our intellectual capital with a vow to improve the lives of patients through the development of a wide ranged 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

Intellectual capital is the knowledge based intangible asset derived from the knowledge, skills, experiences, expertise, competencies nurtured by the human resources or human capital of Orion Pharma Limited.

The main sources of this 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.

### Approaches to maintenance of intellectual capital

Providing patients with access to better and affordable medicines is our priority. As a generic pharmaceutical company, continuous focus on manufacturing and distributing high quality medicines and developing a product portfolio is a priority and aims to promote and maintain health and wellbeing of patients through our global presence.





**75** products are in pipeline under various development stages



#### Migration towards IP phone system

to enjoy cost effectiveness, better sound quality and call management, secured communication and easy long distance communication.



#### Development and active involvement of Pharmacovigilance (PV) team

of the company in PV related activities to check the product quality if any adverse event is reported and provide technical supports, adverse event (AE) report to regulatory department for submission to DGDA.

## Our product portfolio

Our product portfolio is carefully selected and tailored to the requirements of 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. However, our 196 pharmaceutical products distributed under 100 brand names fall into the following portfolios:







#### Antibiotic portfolio

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.

#### Our strength

We are enriched in Oral Cephalosporins with brands like Truso, Co-axet, Axet, Cefditor, Torped, Pedicef etc. Our strong footprints in institutions and hospitals are covered by Cephalosporin & Carbapenem Injectables like Vertex, Magnova, Zidim, Meromax. We have strength in Macrolides & Flouroquinolones as well with Azalid, Maximox, Maprocin, Orlev & Xemi. Our antibiotics are always maintaining 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.

 <p><b>Anti-ulcerant portfolio</b></p>	<p>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.</p>	<p><b>Our strength</b></p> <p>We are strongly focusing on this area having one of the unique brand in Esomeprazole market- Exor, which is serving people of Bangladesh with immense pride of quality. OPL is also manufacturing several other strong anti-ulcerant brands like Procap, Novelta, Marvelta etc. and is gaining a solid footings in Gastro-Medicine segment.</p>
 <p><b>CVS portfolio</b></p>	<p>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.</p>	<p><b>Our strength</b></p> <p>Our cardiovascular portfolio includes the Frulac (Diuretics), Clognil, Clognil Plus (Anticoagulants), Olmesafe-20, Olmesafe-AM, Olmesafe-HT, Betacal, Bisoloc, CCB (Antihypertensive), Rovex, Lipex (Lipid Lowering Agents) etc.</p>
 <p><b>CNS portfolio</b></p>	<p>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.</p>	<p><b>Our strength</b></p> <p>OPL has 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.</p>
 <p><b>Respiratory portfolio</b></p>	<p>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.</p>	<p><b>Our strength</b></p> <p>We have the flagship pioneer brand like 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 have Arovent to treat both Asthma &amp; Allergic Rhinitis and we are supporting Respiratory Medicine Doctors with highest quality products for their patients.</p>





### Vitamin - Minerals and Hematinic portfolio

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 are converting 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.

### Our strength

OPL has 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 the Orion's most well-known brands like Pep, Maxical, Feroven, ESP, Goldage, Silvage, Newage etc.



### Pain management portfolio

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.

### Our strength

Orion supports 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.



### Dermatological portfolio

This portfolio is related to the treatment of a wide variety of diseases of the skin, hair and nails. Medicines used to treat skin conditions include topical and oral drugs. 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.

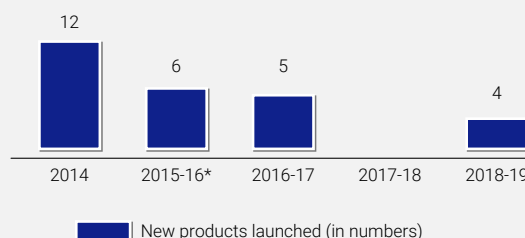
### Our strength

Avison, Miki-H, Conaz are the image carrying products 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 & quality, these products are providing excellent results to patients & bringing out the treatment satisfaction to the customer.

### KPI: New products launched

Developing, introducing and delivering new and effective medicines to cure and protect populations at risk of different diseases is one of the key factors to drive sustainable growth as well as survival of the company in the pharmaceutical industry. Apart from announcing new brand in the market, launching of a new product can be done through brand extensions. Orion Pharma Limited adopts brand extension as strategy to launch new medicines with the aim of benefiting from the brand knowledge achieved in the current.

During the reporting year, Orion Pharma Limited launched 4 (four) products under 2 (two) brand names in Bangladesh. 3 (three) of which are included in CVS portfolio and another one is included in CNS portfolio.



\* Numbers mentioned above under FY 2015-16 is the 18 (eighteen) months number of new product launched.



#### **Olmesafe-HT 20/12.5**

Olmesartan Medoxomil 20 mg  
Hydrochlorothiazide 12.5 mg

#### **Olmesafe-20**

Olmesartan Medoxomil 20 mg

#### **Olmesafe-AM 5/20**

Amlodipine 5 mg  
Olmesartan Medoxomil 20 mg

In October 2018, OPL launched the antihypertensive preparation Olmesartan, alongside its combination with Amlodipine & Hydrochlorothiazide, under brand name Olmesafe. Therapeutic class of Olmesafe is Angiotensin Receptor Blocker (ARB) which offers a wide range of antihypertensive coverage for a numerous group of patients due to its combinations.

In Olmesafe family, we have 3 (three) products:

#### **1. Olmesafe-20 Tablet**

Generic: Olmesartan Medoxomil 20 mg  
(for Initial Therapy)

#### **2. Olmesafe-AM 5/20 Tablet**

Generic: Amlodipine Besilate 5 mg +  
Olmesartan Medoxomil 20 mg  
(for Uncontrolled Hypertension)

#### **3. Olmesafe-HT 20/12.5 Tablet**

Generic: Olmesartan Medoxomil 20 mg  
+Hydrochlorothiazide 12.5 mg  
(for Systolic Hypertension)



In March 2019, OPL has launched new product Rivo-1 Tablet which is of Benzodiazepine group and line extension of Clonazepam preparation of Orion. With this inclusion, Rivo as a brand now having all the strengths available in market which was a profound demand from physicians for the dose titration during treatment of anxiety and panic disorder. In response to growing prevalence rate of anxiety and mental disorder in social life, Clonazepam has distinct clinical benefits and emerging

business opportunity in Bangladesh as it is one of the mostly prescribed molecule by doctors of most of the specialty. To maximize this opportunity Rivo-1 will definitely bring a significant boost up for brand Rivo.

#### 1. Rivo-1 Tablet

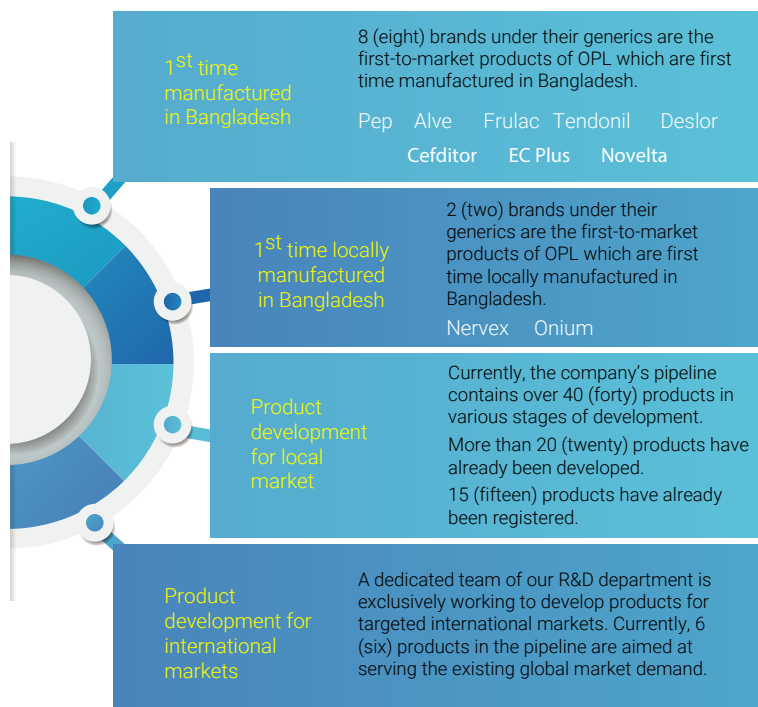
Generic: Clonazepam USP 1 mg  
 (for anxiety and panic disorder)

### KPI: Development of products

Research and Development (R&D) 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 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 & 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.



## Intellectual Capital

In its essence, developing new products are the ongoing jobs of this department. Their adequate knowledge and the concept of implementation helps to design future development & span the development of differentiated products, such as lyophilized injections, nasal sprays, oncology, hormone & ophthalmic products.

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

- Providing the best formulation with assurance of the maximum product stability
- Delivering an improved formulation with greater patient acceptability
- Minimizing the product cost
- Designing eco-friendly formulation
- Maximizing the productivity
- 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 experience. The proof behind this is that there are various products that we developed for

the first time in Bangladesh and quite a few that are for the first time by any local medicine manufacturer.

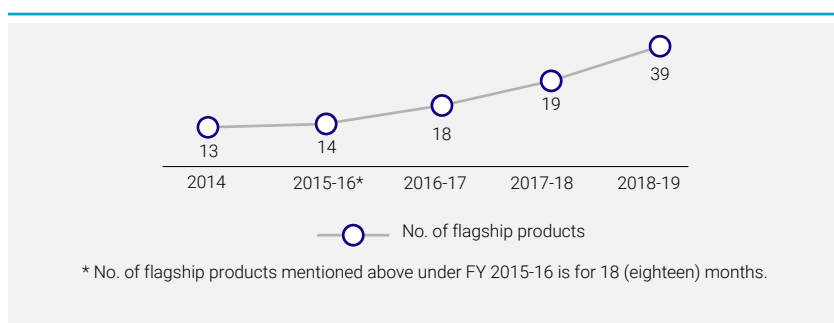
Developed and registered products in the pipeline are the intellectual property of the company. The company continues to invest in its pipeline of generic products. Given the prospective future of medicinal needs and emerging diseases profiles, our product pipeline mainly represents the opportunities 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.

### KPI: Flagship portfolio

Establishing the competitive advantage through product strategy, particularly building brand or flagship portfolio, is another category of measuring the key performance of intellectual capital. As on June 30, 2019, 39 (thirty nine) among 106 brands are being recognized as our flagship brands.





## Our Flagship Brands



### Antibiotics

- Co-axet
- Truso
- Azalid
- Cefditor
- Meromax
- Vertex
- Maximox

### Antiulcerants

- Exor
- Procap

### Antiasthmatics

- Arovent

### Anxiolytic

- Rivo
- U4
- Bromazep

### Antidepressant

- Timex

### Antioxidants

- EC Plus

### Antihypertensives

- Frulac
- Losan
- Betacal
- Olmesafe

### Antithrombotics

- Clognil
- Clognil plus

### Antihistamines

- Deslor
- Riz

### Anticancer

- Enliven

### Antacids & Antiflutulant

- Novelta
- Marvelta

### Antispasmodics

- Onium

### BPH Management

- Tamlostin

### Bone Modulating Agent

- Boncare

### Haematinics

- Feroven

### Lipid Lowering Drugs

- Rovex
- Fenocap

### NSAID

- Tendonil
- Baclon
- Tenorix

### Vitamins & Minerals

- Pep
- Goldage
- Silvage
- Maxical

### KPI: Patient safety

Pharmacovigilance (PV) activities are related to the detection, assessment, understanding & 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 & for management of 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 Pharmacovigilance (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. The Head of Marketing Operations is acting as the Head of Pharmacovigilance and is strictly monitoring overall activities of Pharmacovigilance. The Head of Quality Assurance is responsible to check the product quality if any adverse event is reported and provides technical supports, Adverse Event (AE) 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 & DGDA

Guidelines which ultimately ensures Rational & 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 that 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.

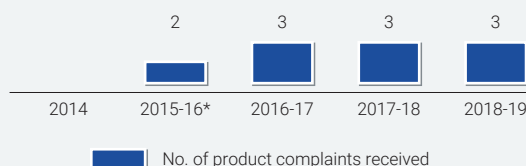
### KPI: Product safety, performance and quality

At Orion Pharma Limited, we consider patient safety as top priority and to ensure that we adopt a zero-defect approach in terms of delivering quality products. 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 are manufacturing 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.

There were 3 (three) product complaints received during the year. None of the complaints posed a high patient risk and they were managed as per our standard operating procedure (SOP) on customer complaints.



\* Numbers mentioned above under FY 2015-16 is the 18 (eighteen) months' number of product complaints received

## KPI: In-house software development

Another example to illustrate progress towards making the office paperless and achieving the performance goals of the company is continuously finding innovative ways to move forward with more advanced technologies. Our IT department constantly introduces new software and applications or updates the existing one to simplify the day to day official tasks and strengthening the technological base of Orion Pharma Limited. 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 purchased software from vendors, as on the reporting date, 14 (fourteen) software have been developed by our in-house software engineer team as per the operational requirements of different departments.

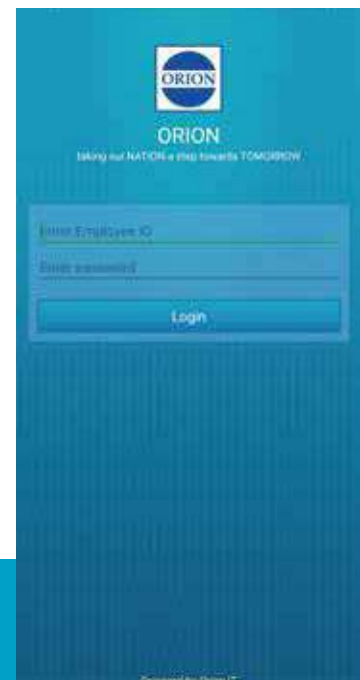
### List of areas for which in-house software are developed

- Online exam system (for recruitment and promotion)
- HR Management Information System including Orion portal (Mobile app)
- Employee performance evaluation (Monthly and yearly)
- Employee over time calculation
- Additional reporting system for accounts and payroll software
- Raising fund requisition
- Product management system
- Material management system
- Vehicle management system
- Fixed assets management system
- Tax and VAT calculation
- E- Bill processing system
- Field force target collection



Orion Online solution is the combination of different types of management systems software incorporated as per the departmental requirements. Different departments can access into it and make utilization of it to carry out their departmental activities efficiently.

Orion portal is a mobile app for all news and feeds for the employees. It contains different modules for the employees like daily attendance, payslip, appraisal, contacts and some other self-services.



# Human capital



**897** employees received training



**21** employees were sent to perform Holy Hajj and Umrah

Highlights of human capital  
– FY 2018-19



We recognize that the growth and development of both the employees and the company is driven by building a high performance culture through promoting employee relations, providing a safe and challenging environment and offering competitive rewards to all our employees.

## 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 conduct of the company are the fundamentals to foster this capital.

The main sources of this capital are –

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


## Approaches to maintenance of human capital

Providing employees a healthy and positive working environment is one of our main focuses. 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.





  
**4** deceased employees' families have  
 been benefited under the scheme  
 "Donation on Death"

  
 100% of OPL's workforce  
 received regular yearly  
 performance appraisal

  
**66** employees purchased the  
 medicines at a discounted price

  
 Arranged tours (local and  
 foreign), picnic for  
 employees

  
**217** employees got promotion  
 in January 2019

## Our employee value proposition

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 environments and conditions more conducive to optimizing employee potential, and to improving our long-term goals. The adoption of human resources strategy by the human resource department is underpinned by the theme of Employee Value Proposition (EVP).



### Objectives of EVP



Valuing equality and  
diversity



Attracting people and  
developing talent



Providing rewards and  
recognition



Confirming employee  
engagement



Ensuring employee health  
and safety



Respecting human rights



Handling employee grievance



Supporting employee wellbeing



Improving employee relation



Managing succession planning

## Human Capital

### Employee diversity and equal opportunity

OPL strives to build an organization which reflects the diverse talents of a wide range of employees with different characteristic 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. Nepotism and lobbying both are strictly prohibited in case of choosing or promoting employees. The promotion is also based on the performance of the employee. Therefore, career development is equally open for 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.

43% members of the Board are female. Even though our female employees comprise only 9% of total employees (excluding field force and distribution), we are working towards bringing a positive change in female workforce participation through prioritization of female employee recruitment and development.

### Management and Non-management category

As on June 30, 2019

Top Management	Mid Level Management	Low Level Management	Non-Management
Manager - Executive Vice President	Assistant Manager – Deputy Manager	Officer – Senior Executive	Staff Grade
5 layers	3 layers	5 layers	4 layers
27 employees	54 employees	1,675 employees	987 employees

### Nature of employment

Permanent employees (no.)		Part time employees (no.)		Contractual employees (no.)		Casual employees (no.)	
2018- 19	2017- 18	2018- 19	2017- 18	2018- 19	2017- 18	2018- 19	2017- 18
2,730	2,517	2	1	11	9	499	351

### Location

Head Office employees (no.)		Factory employees (no.)		Sales employees (no.)		Distribution employees (no.)	
2018- 19	2017- 18	2018- 19	2017- 18	2018- 19	2017- 18	2018- 19	2017- 18
566	524	546	510	1,224	1,106	407	387

### Age profile

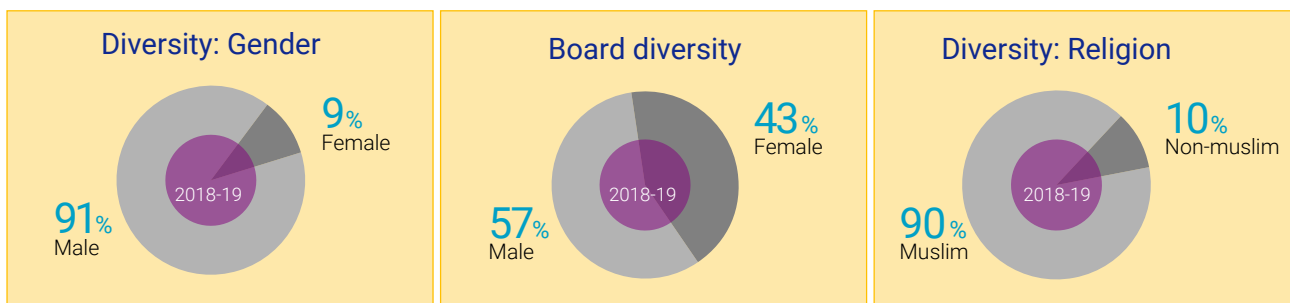
Employees (age)	Employees (no.)	
	2018- 19	2017- 18
30 year & below	1,158	978
31 – 40 year	1,051	1,061
41 – 50 year	451	415
51 – 60 year	77	63
61 year & above	6	10

### Educational qualification (sampling basis)

Employees (background)	Employees (%)	
	2018- 19	2017- 18
Professional	1%	1%
Post-Graduation	34%	27%
Graduation	29%	33%
Diploma	1%	1%
HSC	9%	10%
SSC	26%	27%



“My workplace is my second home. I come here everyday to give my best. I am very happy and proud to be associated with an organization that always acknowledges my dedication and lets me know that I make a difference.”



### Employee turnover



17%  
2018-19



6%  
Female employees



94%  
Male employees

### New employees



11%  
Female employees



89%  
Male employees

### Intern



6  
2018-19

### 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, skills 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.

We prioritized and focused on the areas and actions which likely to have most impact on our employees, our business and our sustainable growth. Some areas of responsibilities were related to the employment process.

During the year, we have worked on the existing policies and process in place and achieved progress in updating the company's Service Rules and HR Policy Manual, redesigning the company's as well as the departmental organogram, designing policy to set a central reference of matters that would regulate and govern the hiring procedures. All these form the base of our new policies to ensure a standard approach to offer equal or more favorable employment condition for our employees.

### Employment Procedure





## Training and leadership development

Developing our employees and giving them opportunities to grow are the key focus area for us. The basis of development of employees is to understand their true needs. All employee training 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. Technical and managerial skills have been identified as critical and these areas have continued to receive focus in this year. In total 897 employees (In 2017-18: 715 employees) were exposed to various trainings during the reporting financial year.

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.

## Induction and orientation

OPL organizes the induction and orientation programs where the new joiners are introduced to and informed about the organization, management, culture, values, rules/ policies, company's as well as departmental objectives, roles and responsibilities and many others. During the year under review, a total of 57 new employees (in 2017-18: 40 employees) received the induction and orientation trainings.

## 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. During the reporting financial year, 671 employees (in 2017-18: 457 employees) attended various in-house training and skill development programs. These programs included:

- Fire fighting practices;
- Basic level of MS Excel;
- Intermediate level of MS Excel;
- Basic Concepts of Accounts, Financial Reporting and International Accounting Standards; and
- Field Force Training.



Fire fighting practices at Orion Pharma Park



MS Excel training sessions for employees at Corporate Office



Financial reporting and IAS training



Sales people training



### 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. In the financial year 2018-19, 169 employees (In 2017-18: 218 employees) benefited from various external trainings. Such external trainings comprised:

- Self-leadership, managerial skills & communication excellence,
- Business communication skills,
- Environment, health and safety (EHS) compliance management in workplace,
- Assertive communication bitesize session (for female employees), and
- Global Reporting Initiative (GRI) Workshop on Corporate Transparency & Sustainability Reporting.



Self-leadership, managerial skills & communication excellence trainings



Human Capital

Business communication skills training



EHS compliance management in workplace training



Assertive communication bitesize session for female employees



Formal learning hours in 2018-19



**177,766** hours annually | Approx. **65** hours per employee



**83** female employees received training



## Remuneration and benefits

As we emphasize on sustainability, the remuneration system focuses on attracting and retaining them. 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 guaranteed remuneration package (fixed) and variable 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 and 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 includes 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.



### Subsidized transportation facility

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



### Collaborative workplace

Create collaborative culture through designing an open-office layout.



### Termed insurance facility

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



### Learning and development

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

## Human Capital

### Opportunity to perform Hajj and 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. During the financial year 2018-19, a total 21 (twenty one) employees (7 for Hajj and 14 for Umrah) were selected for this sacred purpose.



Some of the selected Holy Umrah participants

### "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. In the financial year 2018-19, the company has donated to the families of 4 (four) deceased employees under this benefit scheme.



Handing over the cheque of "Final Settlement with Donation on death" to the family members of a deceased employee

### Medicine 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. During the reporting financial year, 66 (sixty six) employees purchased medicines at discounted prices.

## Employees' occupational health and 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 at the manufacturing plant.



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:**

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

## Human Capital

 <p><b>Work related injuries</b> 2018-19 No. of injuries: 3 Lost days due to injuries: 23</p>	 <p><b>Fatalities</b> 2018-19 No. of fatalities: 4 Reasons: Heart Failure, road accident</p>	 <p><b>Productivity</b> 2018-19 0.19 million pcs per employee</p>	 <p><b>Paid absenteeism</b> 2018-19 Per employee lost days: 2.86</p>
<p>2017-18 No. of injuries: 5 Lost days due to injuries: 42</p>	<p>2017-18 No. of fatalities: NIL</p>	<p>2017-18 0.20 million pcs per employee</p>	<p>2017-18 Per employee lost days: 3.07</p>

## 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 always acts as a member of the team and is very focused on the goals to be achieved.

OPL is always committed to provide a workplace where employees remain motivated and engaged because only engaged and motivated employees are capable of giving their full capability. We try to make our employees engaged so that they actively participate in our long term goal attainment. It is our responsibility to make them understand about their role and how their involvement is crucial to us and the most vital thing for OPL is that they think 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 started conducting "Employee Engagement Survey" to obtain employee insights and in order to measure progress in creating a great workplace to work, we undertook the survey in the reporting financial year. This year, we achieved an engagement score of 73% (in 2017-18: 72%) meaning that 73% of employees responded favorably to questions. We will continue to ensure that employee engagement and wellbeing are further enhanced in the years to come.

## 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 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.



## Respect for human rights and 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 related information 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.

217 number of employees got promotion in January 2019 as a reward of their performance in 2018. On the other hand, number of people leaving job is showing a decreasing trend in this parameter which is a positive sign for the company. Because of all these positive response 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 subordinates 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.

 <h3>Physical wellness</h3> <p>OPL is committed to providing its employees with physical wellness. We have adopted best health and safety compliances both in corporate office and in manufacturing plant so that the employees perform and give the maximum output. Absenteeism, work related injuries of employees are insignificant that shows our concern over the wellness which has been strictly followed by the management and employees. Besides, we have a medical team comprising professional doctors and staffs in the office.</p>	 <h3>Social wellness</h3> <p>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.</p>	 <h3>Spiritual wellness</h3> <p>We are careful and respectful towards the spiritual value of our employees. We are respectful to their belief, religion and religious practice. We provide them with well-furnished prayer place. Our lunch is also maintained by their religious belief and foods are prepared keeping that in mind.</p>	 <h3>Environmental wellness</h3> <p>Environmental wellness is a major concern for OPL. Neat and clean working environment is a pre-condition for our employees. The environment is kept healthy and clean all the time. A number of cleaners are working to keep the environment healthy and clean.</p>
 <h3>Occupational wellness</h3> <p>The occupational dimension of wellness is ensured so that our employees are satisfied with their job and eagerly lead life with such job. We provide them with proper work rest, vacation, transportation, reward and promotion so that they feel valued here. As a part of sustainability, we want to retain our employees and we give them career wellness accordingly.</p>	 <h3>Intellectual wellness</h3> <p>Intellectual value of employees is highly encouraged in OPL. We believe, 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 the development of our employees' intellectual development.</p>	 <h3>Psychological wellness</h3> <p>Psychological wellness is crucial for professional world. As it can make both positive and negative vive in employees, our management always keeps them motivated through various initiatives. The employee turnover rate has reduced during the reporting year as a result of proper motivational approach.</p>	 <h3>Financial wellness</h3> <p>Financial wellness is vital to the employees and OPL is always careful to it. The financial benefits including salary, bonus, and increment are provided keeping the current competitive market in mind. Loans, advances and other benefits are also provided when required. Moreover, the employees' performance is evaluated on a monthly basis and financial appraisal is done yearly on the basis of identifying and differentiating the performers and non-performers.</p>



Our employees, our asset



# Social & relationship capital

 **29** medical students are receiving scholarship so that they can complete their studies and build up their medical career.

 **26** Chronic Myeloid Leukemia patients are getting Enliven capsule at a discounted price

 **120** orphan children received new clothes and shoes during the month of ramadan

Highlights of  
social and  
relationship  
capital – FY  
2018-19



We recognize that the relationship with our stakeholders is of utmost importance for achieving sustainable growth and our overall business operation stands on the idea that businesses should not only strive to make money but also bring benefits to the society. We are involved with many societal activities as a part of our corporate social responsibilities that allow us to do our bit for the society, environment, customers and other relevant stakeholders.

## Sources of social & relationship capital

Social & relationship capital represents the relationships with communities, stakeholders, and the ability to share information with them for mutual benefit.

The main sources of this capital are:

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

At OPL we feel that being a responsible participant in the larger society is no longer optional. In order to position our brand as a forward-thinking one, we must take authentic steps to provide solutions to common human problems in the society.

We also believe in maintaining a healthy and fruitful relationship with suppliers and customers.

## Approaches to maintenance of social & relationship capital

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 simultaneously helps to satisfy the demand of potential stakeholders accordingly. Corporate social responsibility allows us to do our bit for the society, environment, customers and other relevant stakeholders.


Relationship capital refers to one of the intangible capitals involving the sharing of information, the solving of problems and the creation of connections, brand and reputation among our stakeholders, who have interest in as well as potential impact directly or indirectly on our business activities.

The management at OPL has 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 always try to maintain both our internal and external relationships as they are key drivers of wealth and value creation.



**275**  Iftar packets per day were distributed to the distressed people of the society

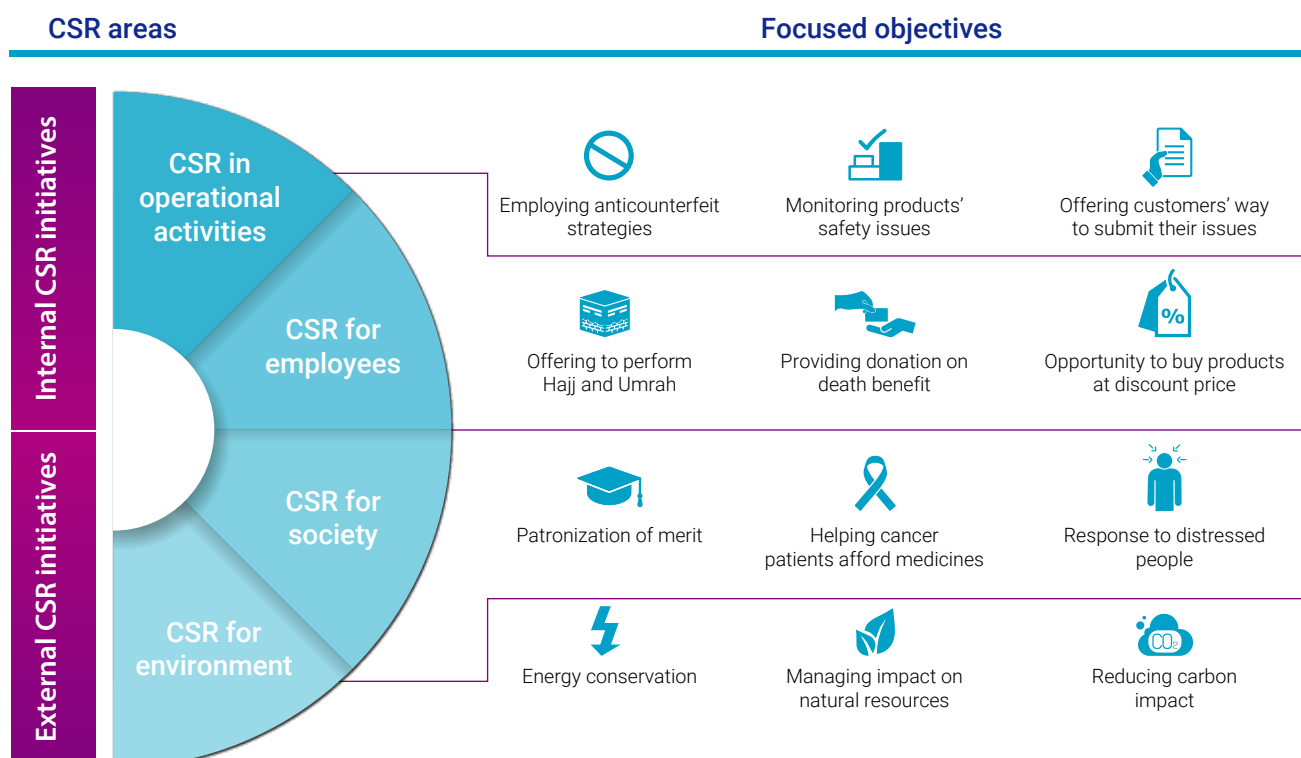
 **Knowledge sharing session** with teachers as a part of their research project on Integrated Reporting

**5600**  copies of Orion Medical Journal were circulated in 3 (three) quarters.

 **Employee motivation** through arranging picnic, celebrating different days or occasions and organizing local as well as foreign tours

This year the management has brought a modification in our CSR model. The following factors have been taken into account for bringing this timely and appropriate change:

- Overall CSR initiatives of OPL and its subsidiaries;
- Overall CSR initiatives of Orion Group;
- 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 and customers; and
- Sustainable development and enhanced accountability towards all the stakeholders.



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 our medicines.

1. Anti-counterfeit activities

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

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

Our Pharmacovigilance team is actively carrying out Pharmacovigilance (PV) activities for all types of medicines. They are responsible for monitoring and managing the safety of all medicines of the company. Both the Marketing Operations and Quality Assurance departments 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.



Details on Pharmacovigilance can be found under "Patient safety" on page 150

3. Response to inquiries

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



Details on product complaint form can be found under "Product safety, performance and quality" on page 150

## 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.

### 1. Sponsoring Hajj & Umrah

Every year OPL provides the opportunity to a few employees to perform Holy Hajj & Umrah. In this reporting year, 7 (seven) employees were sent to perform Hajj and 14 (fourteen) were sent to perform 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.



The selected Holy Hajj participants

### 2. 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. In this reporting year, family members of 4 (four) deceased employees were provided with instant support of BDT 2 Lacs each under this benefit program.



Handing over the cheque of " Final Settlement with Donation on death" to the family members of a deceased employee

### 3. Avail company products at a discounted price

OPL provides its employees with the scope to purchase products from its various concerns at a cheaper rate. For instance, employees can purchase medicines of OPL at a cheaper rate. They can also avail this facility of discounted products from other concerns of Orion Group such as Orion Footwear Limited, Orion Consumer Products Limited, Orion Agro Products Limited and many more. The management has also made it possible for employees to avail delicious cuisines from our 2 (two) franchise restaurants namely Fish & Co. and Krispy Kreme under Orion Restaurants Limited.

### CSR for society

OPL focuses on the 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 invites the top medical students from different Government Medical Colleges all over Bangladesh to reward them with scholarships. On April 27, 2019 'Orion Medical Scholarship' program was held at Orion Renal & General Hospital, another concern of Orion Group. The ceremony was presided by Mrs. Arzuda Karim.

On this year's program, a total of 8 (eight) meritorious students were selected for this scholarship. They expressed their gratitude towards Orion and praised its endeavor to help underprivileged students achieve their dreams of becoming doctors. Previous scholarship holders also graced the ceremony with their presence along with the guardians, and shared their experiences which were inspiring for the new recipients. Till the reporting date, a total of 29 (twenty nine) students are receiving scholarship.

The program ended with wise and motivating words from Mrs. Arzuda Karim and she urged the students to study well. She also asked them to try to help out other disadvantaged students achieve their dreams of becoming a doctor when in future they indeed become doctors.



Selected medical students for Orion Medical Scholarship

#### Enliven Patients Assistance Program (EPAP)

Orion Pharma Limited has been successfully running the Enliven Patients Assistance Program (EPAP) from 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 equivalents to 60% of the medicine's actual price. This discount reduces the price of the Enliven capsules which is a small step on behalf of the company to help cancer patients.

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 even in the future. In the financial year 2018-19, the company has enlisted 5 (five) new patients and renewed 21 (twenty one) patients under this program.



### 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. Following the events of previous years, this year too during the month of Ramadan, Orion provided new clothes and shoes to 120 orphan children compared to 80 children last year. The 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.



Children receiving new clothes in Ramadan

### Iftar to the underprivileged

Ramadan facilitates the path to paradise and keeping this notion in mind everyday in this holy month, a total of 275 Iftar packets were distributed to the underprivileged people of the society. This is a new effort undertaken by OPL to help out the needy people and make them happy by providing them with delicious iftar packets. Mr. Salman Obaidul Karim, Managing Director of OPL was present at many of such iftar distributions and was very happy to get the opportunity to feed the hungry people. Undoubtedly Orion will continue this endeavor in the future.



Underprivileged people receiving iftar in Ramadan

### Donation of land to DPDC

Orion Pharma Limited donated a piece of land of about 8.0 katha (5600 sft) to Bangladesh Power Distribution Company (DPDC) on July 16, 2018 to set up a sub-station in order to facilitate electricity transmission to support industrialization in Narayanganj area. OPL is developing the country's largest Pharma plant in Siddhirganj, Narayanganj with complete pharmaceutical solution. As part of its CSR, Orion Pharma has donated this land from the new factory to place a sub-station of DPDC to enhance the power generation and development in this area. DPDC will be able to transmit about 50 MW electricity per day from this sub-station. The glorious sense of responsibility towards the nation drives ORION to contribute to the nation's development in various aspects.

### CSR for environment

OPL believes that going beyond environmental compliance 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 make more efforts at building a more sustainable and green future for the future 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. The installation of 1,650 LED lights will result in energy savings per year.



#### 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.



Details on our ecofriendly initiatives can be found in "Natural Capital" chapter on pages 186-190

## 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.

### Employee rejuvenation through picnic

Every year we arrange picnics for our employees, reciprocating to all the hard works they do dedicatedly throughout the year. On February 9, 2019, OPL arranged a special refreshment program in Spring Valley Resort, Salna, Gazipur. Different departments of the company attended the program and all of them enjoyed the event. There were different types of sports and fun like - Football, Cricket, Badminton, Swimming etc. and the program ended up with delicious lunch & exclusive raffle draw.



OPL arranged picnics, different types of sports and fun activities like - Football, Cricket, Badminton, Swimming etc. and exclusive raffle draw for employees



## Social & Relationship Capital

### 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 mid level management as well as to different corporate houses, financial institutions, customers, suppliers and associates as greeting for the festival and as a symbol of bondage. The same trend is also followed on the beginning of the English New Year. Delicious cuisines are also served as lunch during those occasions for the employees to make the occasions more enjoyable and delightful with co-workers/colleagues.

We regularly organize cricket and football matches for employees and staffs. Such tournaments are sponsored by the company and many of the top management personnel attend the matches to cheer the participants. We also encourage our employees to participate in sporting events which are sponsored by third-parties and involve teams from other corporate houses. Such competitions do not only help stimulate teamwork between employees, but also improve communication and relationships within teams and encourage keen competition among companies.



Employees celebrating Pohela Falgun, Pohela Boishakh and International Women's Day



## Motivational tours

OPL believes in recognizing successful completion of special jobs with the view to boost the productivity of the company as a whole. Our company often organizes yearly tours for employees who have accomplished their tasks fruitfully and performed with utmost sincerity. This year 2 (two) groups of employees were sent to Sri Lanka and Cox's Bazar in February and March 2019. Each tour consisted of 8 (eight) people, with employees from different departments. The duration of each tour was three to four days to ensure that employees can enjoy the trip to its fullest by visiting beautiful and renowned sights, therefore, creating glorious memories with their coworkers.



Motivational tours to Sri Lanka and Cox's Bazar

## Coordination meeting

OPL conducts a Managers' 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, and development of human resources is hugely 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.



Employees participating and expressing views in Coordination Meeting

## Social & Relationship Capital

### Fire safety program

In the light of various fire incidents and tragedies in Dhaka during the last reporting year, fire safety regulations at OPL have undergone many changes in the last year. More emphasis was given to adopt integrated measures on prevention, detection and protection for

saving human-life and properties from fire. Occupational safety and health are very important in OPL and we fully believe that a safe work-place is one of the fundamental rights of the workers. A number of fire-fighting trainings were provided to 170 employees in different

phases along with day-long workshops by the local fire-station personnel of the area. At the end of the trainings the participants were skilled in fire-fighting management & went a step further towards keeping their workplace safe & secured from fire hazard.



Fire-fighting training at manufacturing plant

### 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 sales and PMD department receive the same from depots.

After that, the Quality Assurance department, which is mainly responsible to deal with this matter, after receiving it from Sales and PMD departments, works on it to solve the problems and ensures no repetition of same problem in the future. During the financial year 2018-19, only 3 (three) complaints were received from customers. Our Quality Assurance Department was able to solve these small issues and there were no other major issues during the last year.



Further details on this can be found in 'Intellectual Capital' under 'Product safety, performance and quality.'

#### 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 vertificate deducted at source on cash dividend;
- Keeping shareholders informed of developments and events that may influence the share price, in a transparent manner through PSI.

We also encourage shareholders to express their views and opinions in Annual General Meeting and the Board of Directors note their suggestions with utmost seriousness.



Further details on this can be found on pages 96-97

### Activities undertaken to update medical professionals

OPL aims at updating medical professionals with useful information on various subjects of medical interest, organizing and sponsoring clinical meeting from time to time, arranging video shows on acute medical emergencies and so forth.

The MSD carried out many programs in the financial year 2018-19 which included organizing Scientific Seminars, Round Table Meetings, Rural Promotional Campaigns, Intern Doctors Reception Programs and many more. Scientific Seminar is a Continuous Medical Education program (CME), where individual departments or host

institutions present a particular research based case study with medical professionals and learners. Round Table Meeting is a gathering of a small group of doctors of an individual department or section of host institution or a medical college. Rural Promotional Campaigns are conducted among Diploma in Medical Faculty doctors, who work as a community based health service provider. Such campaigns help to increase the involvement of rural level medical professionals with the company. Other than these, OPL also conducted Intern Doctors Reception Programs where many interns and doctors participated to acknowledge and celebrate the internship of interns.



Different programs organized by OPL with healthcare professionals

## Social & Relationship Capital

### Orion Medical Journal

OPL publishes the Orion Medical Journal on a quarterly basis. The journal was founded in September 1998 and recently it celebrated 20 years of trust and service to the medical professionals. 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. During the reporting year, 5,600 copies of the journal were published and circulated to healthcare professionals on quarterly basis.



### Knowledge sharing session on integrated reporting

During the month of August 2018 an interview session was held based upon Integrated Reporting of Orion Pharma Limited's Annual Report. Northumbria University Newcastle of UK and University of Dhaka of Bangladesh are conducting a collaborative research project funded by the worshipful company of Chartered Accountants in England and Wales, United Kingdom regarding adoption of Integrating Reporting in Bangladesh earlier.

University of Dhaka (DU) is represented by Dr. Mohammad Mehadi Masud Mazumder FCMA, faculty member of DU and Northumbria University Newcastle of UK is represented by its faculty member, Dr. Md. Abdus Sobhan. They conducted a knowledge sharing session with concerned personnel of OPL. In the research it was found out that Orion Pharma Limited is one of the early adopters of Integrating Reporting in Bangladesh.



Knowledge sharing session on integrated reporting for research purpose

In the session the faculty members basically wanted to know about the motivation, processes and outcomes of adoption of Integrated Reporting which was attended by the Senior Officials of OPL along with members who are directly involved with the preparation of the Annual Report. There were discussions on how the management motivates the team in preparing Integrated Reporting and continued further upon discussions on the pragmatic impact on the company and management's optimistic thinking regarding Annual Report in near future. It is an utmost pleasure for OPL to be an early adopter of Integrating Reporting in Bangladesh to have been selected as part of this international research project.



## Students of different institutions visited our power plant

Students from BRAC University and Ahsanullah University of Science and Technology went on a study tour to one of the subsidiaries of OPL, Dutch Bangla Power and Associates Ltd (DBPL), a 100 MW HFO fired engine based Quick Rental Power Plant. A total of 80 students from the Department of Electrical and Electronic Engineering (EEE) of BRAC University and Department of Mechanical and

Production Engineering visited the plant on March 2019 and February 2019 respectively. During the visit, students were briefed on the various sections of the power plant, which include the generators room, boiler section, cooling section, power organizers and the temperature management room. They also visited the transmission control room, load manageme monitoring

room, generating substations and distribution switch terminals. A question and answer session was also provided and undoubtedly it was a significant opportunity for the students to gain practical experiences of visiting the power plant and acquire knowledge about the practical applications of their university study materials.



Students visiting our power plant, DBPL and learning about its activities

# Our social awareness campaign in The Daily Star

## Belly fat linked to vitamin D deficiency

A new study reveals that individuals with higher levels of belly fat and larger waistlines are more likely to have lower vitamin D levels. In the past few months, Medical News Today have covered a wealth of research into the group of fat-soluble micronutrients more commonly known as vitamin D. For instance, recent studies have found that vitamin D might protect against heart failure, diabetes, cancer and that vitamin D deficiency causes hair loss.

**Vitamin D and belly fat increased**  
They discovered that in women, both total and abdominal fat were associated with lower vitamin D levels, but that abdominal fat had the greatest impact. In men, however, lower vitamin D levels were significantly linked with fat in the liver and abdomen.

**Across both sexes, more belly fat predicted lower levels of vitamin D.**  
Rafiq explains: "The strong relationship between increasing amounts of abdominal fat and lower levels of vitamin D suggests that individuals with larger waistlines are at a greater risk of developing deficiency and should consider having their vitamin D levels checked."  
Her next step is to understand why this relationship exists. Does a deficiency in vitamin D cause fat to be stored in the abdominal region or does belly fat decrease levels of vitamin D? It will take more work to tease apart cause and effect.

As Rafiq explains, "Due to the observational nature of this study, we cannot draw a conclusion on the direction or cause of the association between obesity and vitamin D levels."  
**However, this strong association may point to a possible risk for vitamin D in abdominal fat storage and function.** Rafiq adds.

The links between obesity and vitamin D deficiency are growing increasingly robust. The next challenge is working out a way to effectively tackle this issue.

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DHAKA SUNDAY JULY 1, 2018

## Emotional bond between humans & dogs waxes back 14,000 years

Prehistoric people may well have had an emotional bond with domesticated dogs much earlier than we thought. Leiden Ph.D. candidate and vet Luc Janssens discovered that a dog found at the start of the last century in a grave dating back 14,000 years had been sick for a long time and had been cared for. Publication in the Journal of Archaeological Science. Many dog owners believe their pets are able to pick up on their moods but scientists have demonstrated once and for all that man's best friend can actually recognize emotions in humans. When you feel sad, your dog will immediately pick up on this and adjust his behavior accordingly. He may become more subdued than usual, lose interest in his toys and even refuse his food.

Usually your dog will quietly observe you from a corner of the room. After a while, he may come over and lie down at your feet or gently rest his head in your lap. Many dogs will even try to lick away tears as they fall. A dog's master is the center of his entire world, so sensing your feelings of sadness will have an effect on him too. In a study published in the journal "Animal Cognition," researchers found that a dog was more likely to approach someone who was crying than someone who was humming or talking. Further more they found that dogs respond to weeping with submissive behavior. In other words dogs seem to be trying to placate a person who is upset. What is more dogs will approach anyone who is upset the same way regardless of whether that person is their owner or not.

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DHAKA SUNDAY JULY 8, 2018

## Top 10 General Considerations in Rabies Post-Exposure Prophylaxis (PEP)

Rabies is a deadly virus spread to people from the saliva of infected animals. The rabies virus is usually transmitted through a bite. Once a person begins showing signs and symptoms of rabies, the disease is nearly always fatal. For this reason, anyone who may have a risk of contracting rabies should receive rabies vaccines for protection.

1. Wounds must be immediately washed/thus for 15 minutes and disinfected.
2. Rabies PEP should be instituted immediately. PEP consists of a course of potent, effective rabies vaccine that meets WHO recommendations and administration of rabies immunoglobulin.
3. PEP must be applied using vaccine regimens and administration routes that have been proven to be safe and effective.
4. PEP does not have contraindications if purified rabies immunoglobulin and vaccine are used. Pregnancy/ lactation are not contraindications to PEP.
5. If rabies immunoglobulin is not available on first visit, use can be delayed by up to 7 days from the date of the first vaccine dose.
6. Initiation of PEP should not await the results of laboratory diagnosis or be delayed by dog observation when rabies is suspected.
7. When suspect rabid animal contacts (including bat) occur in areas free of carnivore-mediated rabies and where there is adequate surveillance in place, PEP may not be required. The decision must be based on expert risk assessment.
8. Patients presenting for rabies PEP even months after having been bitten should be treated as if the contact had recently occurred.
9. PEP should be administered even if the suspect animal is not available for testing or observation. However, vaccine and immunoglobulin administration may be discontinued if the animal involved is a vaccinated dog (cat or ferret) that following observation for 10 days, remains healthy or is humanely killed and declared negative for rabies by a WHO prescribed laboratory test.
10. In areas enzootic for (canine and wildlife) rabies, PEP should be instituted immediately unless adequate laboratory surveillance and data indicates that the species involved is not a vector of rabies.

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DHAKA SUNDAY JULY 15, 2018

## Generalized anxiety disorder or (GAD)

Generalized anxiety disorder (GAD) is characterized by excessive, exaggerated anxiety and worry about everyday life events with no obvious reasons for worry. People with symptoms of generalized anxiety disorder tend to always expect disaster and are constantly worrying about health, money, family, work or school. People with GAD, the worry often impedes or hinders their ability to function. GAD becomes a constant state of worry, fear and stress.

### Can GAD Be Prevented?

Anxiety disorders like GAD cannot be prevented. However, there are some things that you can do to control or lessen symptoms, including:

- Stop or reduce your consumption of products that contain caffeine, such as coffee, tea, cola and chocolate.
- Ask your doctor or pharmacist before taking any over-the-counter drugs or herbal remedies. Many contain chemicals that can increase anxiety symptoms.
- Exercise daily and eat a healthy balanced diet.
- Seek counseling and support after a traumatic or disturbing experience.
- Practice stress management techniques like yoga or meditation.

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DHAKA SUNDAY JULY 22, 2018

## World Breastfeeding Week is celebrated every year from 1 to 7 August to encourage breastfeeding and improve the health of babies around the world.

It commemorates the Incheon Declaration signed in August 1990 by government policymakers, WHO, UNICEF and other organizations to protect, promote and support breastfeeding.

### What are the benefits of breastfeeding for your baby?

Breast milk provides the ideal nutrition for infants. It has a nearly perfect mix of vitamins, protein and fat everything your baby needs to grow. It's all provided in a form more easily digested than infant formula. Breast milk contains antibodies that help your baby fight off viruses and bacteria. Breastfeeding lowers your baby's risk of having asthma or allergies. Plus, babies who are breastfed exclusively for the first 6 months without any formula, have fewer ear infections, respiratory illnesses and bouts of diarrhea. They also have fewer hospitalizations and visits to the doctor.

Breastfeeding has been linked to higher IQ scores in later childhood in some studies. What's more the physical closeness, skin-to-skin touching and eye contact all help your baby bond with you and feel secure. Breastfed infants are more likely to gain the right amount of weight as they grow rather than become overweight children. The AAP says breastfeeding also plays a role in the prevention of SIDS (sudden infant death syndrome). It's been thought to lower the risk of diabetes, obesity and certain cancers as well, but more research is needed.

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DHAKA SUNDAY AUGUST 5, 2018

## WORLD HUMANITARIAN DAY

World Humanitarian Day is a time to recognize those who face danger and adversity in order to help others. The day was designated by the General Assembly to coincide with the anniversary of the 2003 bombing of the United Nations headquarters in Baghdad, Iraq, which killed 22 UN staff.

Humanitarians provide life-saving assistance to millions of people worldwide. They place their own lives at risk to help others in conflict zones and areas of natural disasters. More than 170 humanitarian workers have died or experienced the most dangerous situations while trying to help those in need. Humanitarians provide support for different world challenges such as hunger, gender-based violence, refugees and displaced people, help for children, as well as clean water and access to sanitation.

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DHAKA SUNDAY AUGUST 19, 2018

## WORLD SUICIDE PREVENTION DAY

Suicide is not a movement towards death, it is a movement away from intolerable pain caused by an illness like bipolar disorder that can be diagnosed and treated.

- Know the warning signs.
- Intense feelings of sadness, hopelessness, shame, guilt, anxiety or anger, difficulty sleeping and/or a combination of depressive thoughts and the high energy of mania (mixed states) could lead to suicidal feelings.
- Realize your risk factors.
- Suicidal thoughts and actions are more likely to occur immediately after discharge from the hospital & during periods of combined mania and depression symptoms.
- Never stop taking your medication abruptly.
- If you feel like it is time for a change in medication, formulate a plan with your doctor to decrease your risk of relapse, side effects and suicidal thoughts. Remove potentially dangerous objects. If you are experiencing suicidal ideation, remove or restrict access to firearms, quantities of medications and other items that could be used to self-harm.
- Avoid isolation.
- Confide in a trusted friend or family member about your suicidal thoughts and enlist their help in seeking treatment & staying safe.
- Partner with professionals.
- Your doctor can put together a treatment plan to address, alleviate and prevent further suicidal thoughts.

Every 40 seconds someone in the world dies by suicide

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DHAKA SUNDAY SEPTEMBER 9, 2018

## September World Alzheimer's Month

### Facts About Alzheimer's Disease

- Alzheimer's disease is the most common form of dementia.
- Dementia is a brain condition that affects parts of the brain that control thought, memory & language.
- Alzheimer's disease and related dementias can seriously affect a person's ability to carry out daily activities.
- The risk of developing Alzheimer's disease increases with age, but Alzheimer's disease is not a normal part of aging.
- Most people living with Alzheimer's disease are older than 65 years. However, people younger than age 65 can develop Alzheimer's disease but it is not common.
- Scientists do not know what causes Alzheimer's disease. However, like other chronic conditions, it is probably a result of multiple factors.

### What kinds of brain exercises should I do?

That may be vary from person to person. But the main idea seems to be keeping your brain active and challenged. You could start with something as simple as eating with the hand you usually don't use from time to time.

You can also:

- Learn something new, such as a second language or a musical instrument.
- Play board games with your kids or grandkids. Or get your friends together for a weekly game of cards. Mix it up by trying new games. The extra bonus of activities like these? Social connections also help your brain.
- Work on crossword, number, or other kinds of puzzles.
- Play online memory games or video games.
- Read, write, or sign up for local adult education classes.
- of Alzheimer's disease.


Controlling high blood pressure, exercising regularly and quitting smoking may reduce your risk

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DHAKA SUNDAY SEPTEMBER 16, 2018





## KEEP YOUR HEART HEALTHY

**Simple Ways to Keep Your Heart Healthy**  
A healthy heart and a healthier you starts today with these quick tips.

**Manage your blood cholesterol**  
Cholesterol is a fatty substance carried in your blood. Your body needs cholesterol to be healthy, but an imbalance of cholesterol in your blood can lead to a heart attack or stroke.

**Manage your blood pressure**  
Blood pressure isn't usually something you can feel. If it's too high, it needs to be treated.

**Manage diabetes**  
It's important to manage your diabetes to help prevent a heart attack or stroke. For information on managing diabetes.

**Be physically active**  
Regular, moderate physical activity is great for your heart health. It's never too late to start and get the benefits. It's also important to sit less during your day and break up your sitting time.

**Active and maintain a healthy weight**  
Maintaining a healthy weight can reduce the risk of heart disease and other problems. It can help to know your body mass index and waist measurements and what these mean.

**Enjoy a variety of nutritious foods**  
Eating a varied diet of healthy foods can help with your weight, blood pressure and cholesterol.

**Look after your mental health**  
We know that there can be a greater risk of heart disease for people who have depression, are socially isolated or do not have good social support. Having a good social life with family and friends can help. Depression is more than feeling sad or low. If you feel depressed for more than two weeks, talk to your doctor, a family member or someone you know well.

**Be smoke-free**  
Being smoke-free is one of the best things you can do to protect your heart.


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DHAKA SUNDAY SEPTEMBER 30, 2018

## World Mental Health Day 2018

10 October



**Mental Health is just as Important as Physical Health**

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DHAKA SUNDAY OCTOBER 7, 2018

## International Infection Prevention Week (IIPW)

14-20 October 2018

International Infection Prevention Week (IIPW) is right around the corner. The 2018 theme: **Protecting Patients Everywhere**.

By joining your colleagues and healthcare facilities in celebrating IIPW, you are raising awareness of the role infection prevention plays to improve patient/client/resident/consumer safety.




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DHAKA SUNDAY OCTOBER 14, 2018

## DON'T FINISH SOMEONE'S SENTENCE IF THEY ARE STUTTERING



International Stammering Awareness Day (ISAD) happens on 22nd October every year. Stammering associations, individuals and groups around the world organize events to mark the day and to raise awareness of stuttering.

What he says is more important than how he says it. Do you agree?

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DHAKA SUNDAY OCTOBER 21, 2018

## October is National Bullying Prevention Month

Every October, schools and organizations across the country join STOMP Out Bullying™ in observing National Bullying Prevention Month. The goal: encourage communities to work together to stop bullying and cyber bullying by increasing awareness of the prevalence and impact of bullying on all children of all ages.

**A MONTH OF ANTI-BULLYING ACTIVITIES!**  
**A MONTH OF ACTION!**

Victims of cyber-crimes (including cyber bullying) can lodge a complaint to the Bangladesh Telecommunication Regulatory Commission (BTRC) by calling at 188-2951111 or by emailing at [regulatory@btrc.gov.bd](mailto:regulatory@btrc.gov.bd). BTRC is supported to take necessary actions within 24 hours and the perpetrators will be brought to justice within 3 days after the complaint is filed. The government has also launched a cyber-crime helpline. Victims can call at 188-76651888 to submit their complaints.



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DHAKA SUNDAY OCTOBER 28, 2018

## Dengue Fever

Dengue (pronounced DEN-gue) fever is a painful, debilitating mosquito-borne disease caused by any one of four closely related dengue viruses. An estimated 390 million dengue infections occur worldwide each year with about 96 million resulting in illness.

**Symptoms**  
Symptoms, which usually begin four to six days after infection and last for up to 10 days, may include:

- Sudden high fever
- Severe headache
- Pain behind the eyes
- Severe joint and muscle pain
- Fatigue
- Nausea
- Vomiting
- Skin rash, which appears two to five days after the onset of fever
- Mild bleeding such as nose bleed, bleeding gums, or easy bruising

Sometimes, symptoms are mild and can be mistaken for those of the flu or another viral infection.

**Prevention measures**  
There is no vaccine to prevent dengue fever. The best way to prevent the disease is to prevent bites by infected mosquitoes, particularly if you are living in or traveling to a tropical area.

**To protect yourself:**

- Stay away from heavily populated residential areas, if possible.
- Use mosquito repellents, even indoors.
- When outdoors, wear long-sleeved shirts and long pants tucked into socks.
- When indoors, use air conditioning if available.
- Make sure windows and door screens are secure and free of holes. If sleeping areas are not screened or air conditioned, use mosquito nets.
- If you have symptoms of dengue, speak to your doctor. To reduce the mosquito population, get rid of places where mosquitoes can breed. These include old tires, cans or flower pots that collect rain. Regularly change the water in outdoor bird baths and pets' water dishes.

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DHAKA SUNDAY NOVEMBER 4, 2018

## What is Scabies?

Scabies is not an infection, but an infestation. Tiny mites called *Sarcoptes scabiei* set up shop in the outer layers of human skin. The skin does not take kindly to the invasion. As the mites burrow and lay eggs inside the skin, the infestation leads to relentless itching and an angry rash.

**Symptoms**  
Scabies signs and symptoms include:

- Itching, often severe and usually worse at night
- Thin, irregular burrow tracks made up of tiny blisters or bumps on your skin

The burrows or tracks typically appear in folds of skin. Though almost any part of the body may be involved, in adults and older children scabies is most often found:

- Between the fingers
- Around the waist
- On the inner elbows
- Around the breasts
- On the buttocks
- In the armpits
- Along the sides of the wrists
- On the sides of the feet
- Around the male genital area
- On the knees

In infants and young children, common sites of infestation usually include the:

- Scalp
- Palms of the hands
- Sides of the feet

**Lifestyle and home remedies**  
Itching may persist for some time after you apply medication to kill the mites. These steps may help you find relief from itching:

- Cool and soak your skin. Soaking in cool water or an oatmeal bath, or applying a cool, wet washcloth to irritated areas of your skin may minimize itching.
- Apply soothing lotion. Calamine lotion, available without a prescription, can effectively relieve the pain and itching of minor skin irritations.
- Take antihistamines. At your doctor's suggestion, you may find that over-the-counter antihistamines relieve the allergic symptoms caused by scabies.

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DHAKA SUNDAY NOVEMBER 11, 2018

## TOP TEN FOODS FOR HEALTHY EYE

People often believe that falling eyesight is an inevitable result of aging or eye strain. In truth, a healthy lifestyle can significantly reduce the risk of eye health problems.

The Age-Related Eye Disease Study (AREDS), published in 2001, found that certain nutrients - zinc, copper, vitamin C, vitamin E, and beta carotene may reduce the risk of age-related declines in eye health by 25 percent.

This study was updated in 2013 to test different versions of the original formula. The variations included omega-3 fatty acids, zeaxanthin, lutein, and beta carotene; the study found that certain combinations may work better than others.

Organizations such as the American Optometric Association (AOA) and the American Academy of Ophthalmology (AAO) continue to recommend nutrients for eye health based on the AREDS reports.

**The AREDS reports support the following 10 nutrient-rich foods:**

1. Fish  
Many fish are rich sources of omega-3 fatty acids
2. Nuts and Berries  
Nuts are also rich in omega-3 fatty acids. Nuts also contain a high level of vitamin E, which can protect the eye from age-related damage.
3. Seeds
4. Citrus fruits
5. Leafy green vegetables
6. Carrots
7. Sweet potatoes
8. Beef
9. Eggs
10. Water

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DHAKA SUNDAY NOVEMBER 18, 2018

## WINTER SKIN CARE TIPS

**SEEK A SPECIALIST**  
A dermatologist can analyze your skin type, troubleshoot your current skin care regimen, and give advice on the skin care products that you should be using.

**MOISTURIZE MORE**  
Use an "oilment" moisturizer that's oil-based, rather than water-based, as the oil will create a protective layer on the skin that retains more moisture than a cream or lotion.

**SLATHER ON THE SUNSCREEN**  
Sunscreen isn't just for summertime. Winter sun can still damage your skin. Try applying a broad-spectrum sunscreen to your face and your hands (if they're exposed) about 30 minutes before going outside.

**GIVE YOUR HANDS A HAND**  
Wear gloves when you go outside. If you need to wear wool to keep your hands warm, slip on a thin cotton glove first to avoid any irritation the wool might cause.

**AVOID WET GLOVES AND SOCKS**  
Wet socks and gloves can irritate your skin and cause itching, cracking, sores or even a flare-up of eczema.

**HYDRATE FOR YOUR HEALTH, NOT FOR YOUR SKIN**  
Drinking water helps your skin stay young looking. Water is good for your overall health.

**GREASE UP YOUR FEET**  
Use lotions that contain petroleum jelly or glycerine and use exfoliants to get the dead skin off periodically.

**BAN SUPERHOT BATHS**  
The intense heat of a hot shower or bath actually breaks down the lipid barriers in the skin, which can lead to a loss of moisture.

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**The Daily Star**      DHAKA SUNDAY NOVEMBER 25, 2018

## National Handwashing Awareness Week 2018, December 2-8

The 4 Principles of Hand Awareness were endorsed by the American Medical Association and American Academy of Family Physicians in 2001.

1. Wash your hands when they are dirty and before eating.
2. Do not cough into hands.
3. Do not sneeze into hands.
4. Above all, do not put your fingers in your eyes, nose or mouth!

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**The Daily Star**      DHAKA SUNDAY DECEMBER 2, 2018

## Reasons You May Have Brain Fog

**What Is It ?**  
"Brain fog" isn't a medical condition, it's a term used for certain symptoms that can affect your ability to think. You may feel confused or disorganized or find it hard to focus or put your thoughts into words.

**Pregnancy**  
Many women find it's harder to remember things during pregnancy. Carrying a baby can change your body in lots of ways, and chemicals released to protect and nourish your baby may bring on memory problems.

**Multiple Sclerosis (MS)**  
This disease affects your central nervous system and can change the way your brain "takes" to the rest of your body. About half the people who have MS have issues with memory, attention, planning, or language. Learning and memory exercises can help, and a therapist can give you new ways to handle the tasks you have trouble with.

**Medication**  
Some kinds of drugs -- over-the-counter and prescribed -- can cause brain fog. If you take medicine and notice that your thinking isn't as clear as it should be or you suddenly can't remember things, call your doctor. Be sure to let him know all the medications you take.

**Cancer Treatment**  
Chemotherapy -- a treatment for cancer that uses strong drugs -- can lead to what's sometimes called "chemo brain." You may have trouble remembering details like names or dates, have a hard time multi-tasking, or take longer to finish things. It usually goes away fairly quickly, but some people can be affected for a long time after treatment.

**Depression**  
You may not remember things well or be able to think through problems easily. It's hard to know if this is linked to the loss of energy and motivation that comes with depression, or if depression affects your brain in a way that causes the fog. Treatment for your depression, which includes medication and talk therapy, should help get you back on track.

**Sleep**  
You need sleep to help your brain work the way it should, but too much can make you feel foggy, too. Aim for 7 to 9 hours. To get good rest at bedtime, you may want to avoid caffeine and alcohol after lunch and keep the computer and smartphone out of your bedroom. It also can help to get to bed and wake up at the same time every day.

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**The Daily Star**      DHAKA SUNDAY JANUARY 27, 2019

## World Cancer Day 2019 February 4

An estimated **9.5 million** people worldwide were expected to die from cancer in 2018 - about **26,000** cancer deaths a day - and that number is predicted to grow.

This year, the Union for International Cancer Control, which organizes World Cancer Day, is launching a new 3-year campaign with the theme: **"I Am and I Will."** It calls for a personal commitment to help reduce the global burden of cancer.

**How people can help themselves:**

- Make healthy lifestyle choices that include avoid using tobacco products, getting plenty of physical activity, eating a healthy diet, limiting alcohol, and staying safe in the sun.
- Know about signs and symptoms of cancer and early detection guidelines because finding cancer early often makes it easier to treat.
- Share stories about their own cancer experiences, communicate with decision-makers and join support groups to help make positive changes for all people affected by cancer.
- When possible, use work and other daily activities during and after cancer treatment as opportunities to maintain normality, routine, stability, social contact and income.

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**The Daily Star**      DHAKA SUNDAY FEBRUARY 2, 2019

## SIBLING BULLYING MAKES PSYCHOTIC DISORDERS THREE TIMES MORE LIKELY

**People who were bullied by siblings during childhood are up to three times more likely to develop psychotic disorders such as schizophrenia in early adulthood, according to new research by the University of Warwick.**

The researchers found that the more frequently children are involved in sibling bullying either as bully, victim or both the more likely they are to develop a psychotic disorder. Children who are victimized both at home and by school peers are even worse off being four times more likely to develop psychotic disorders than those not involved in bullying at all.

The researchers conclude that parents and health professionals should be made aware of the long-term mental health consequences that sibling bullying may have and that interventions must be developed in order to reduce and even prevent this form of aggression within families.

Psychotic disorders such as schizophrenia or bipolar disorder cause abnormal thoughts, perceptions and often involve hallucinations or delusions. Sufferers often experience severe distress and changes in behavior and mood and have a much increased risk of suicide and health problems.

**Causes of CKD**  
Kidney disease is usually caused by other conditions that put a strain on the kidneys. Often it's the result of a combination of different problems.

**CKD can be caused by**  
High blood pressure - over time, this can put strain on the small blood vessels in the kidneys & stop the kidneys working properly  
Diabetes - too much glucose in your blood can damage the tiny filters in the kidneys  
Glomerulonephritis - kidney inflammation  
Polycystic kidney disease - an inherited condition where growths called cysts develop in the kidneys  
Blockages in the flow of urine - for example, from recurrent kidney stones or an enlarged prostate  
Long-term, regular use of certain medicines - such as lithium and non-steroidal anti-inflammatory drugs (NSAIDs)

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**The Daily Star**      DHAKA SUNDAY FEBRUARY 10, 2019

## Chronic kidney disease (CKD) is a long-term condition where the kidneys don't work as well as they should

It's a common condition often associated with getting older. Anyone can get it, although it's more common in black people and people of south Asian origin.

CKD can get gradually worse over time and eventually the kidneys may stop working altogether, but this is uncommon. Many people with kidney disease are able to live long, largely normal lives.

**Treatments for CKD**  
There's no cure for CKD, but treatment can help relieve the symptoms and stop it getting worse.

Your treatment will depend on how severe your kidney disease is. The main treatments are:

- Lifestyle changes to ensure you remain as healthy as possible
- Medication to control associated problems such as high blood pressure and high cholesterol
- Dialysis - treatment to replicate some of the kidney's functions; this may be necessary in advanced CKD
- Kidney transplant - this may also be necessary in advanced CKD

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**The Daily Star**      DHAKA SUNDAY FEBRUARY 24, 2019

## World Glaucoma Week March 10-16, 2019

The number of people (aged 40-80 years) with glaucoma worldwide was estimated at 64.5 million in 2015, and is expected to increase to 76.0 million in 2020.

Glaucoma is an eye condition where the optic nerve, which connects your eye to your brain, becomes damaged. It can lead to loss of vision if not detected and treated early on.

Glaucoma doesn't usually have any symptoms to begin with and is often only picked up during a routine eye test.

Very occasionally, glaucoma can develop suddenly and cause:

- Intense eye pain
- A red eye
- A headache
- Tenderness around the eyes
- Seeing rings around lights
- Blurred vision

**When to get medical advice**

- Visit an optician or your GP if you have any concerns about your vision.
- If you have glaucoma, early diagnosis and treatment can help stop your vision getting worse.
- If you develop symptoms of glaucoma suddenly (see above), go to your nearest eye casualty unit or accident and emergency (A&E) department as soon as possible.
- This is a medical emergency that may require immediate treatment.

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**The Daily Star**      DHAKA SUNDAY MARCH 3, 2019

## World Oral Health Day 20th March

You can practice good oral hygiene by always brushing your teeth twice a day with a fluoride toothpaste, cleaning between your teeth once a day with floss or another interdental cleaner, replacing your toothbrush every three or four months and by eating a balanced diet and limiting between-meal snacks. Don't forget to schedule regular dental check-ups to **keep your smile and yourself healthy.**


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## TUBERCULOSIS (TB)

is a disease caused by a bacterium called *Mycobacterium Tuberculosis*. The bacteria usually attack the lungs, but TB bacteria can attack any part of the body such as the kidney, spine and brain. If not treated properly, TB disease can be fatal.



Tuberculosis infection initial in the right upper lobe  
The initial plaque progresses digging a hole  
Formation of numerous cavities and bronchial erosions  
Ref. Centers for Disease Control and Prevention (CDC)

### SIGNS & SYMPTOMS

- A bad cough that lasts 3 weeks or longer
- Pain in the chest
- Coughing up blood or sputum
- Weakness or fatigue
- Weight loss
- No appetite
- Chills
- Sweating at night
- Fever

### VACCINATION


Bacille Calmette-Guérin (BCG) is a vaccine for tuberculosis (TB) disease. It is often given to infants and small children in many countries where TB is common. BCG does not always protect people from getting TB though.

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DHAKA SUNDAY MARCH 24, 2019

## Food poisoning

is an illness caused by eating contaminated food. It's not usually serious and most people get better within a few days without treatment.



### Signs and symptoms

The symptoms of food poisoning usually begin within one to two days after eating contaminated food, although they may start at any point between a few hours and several weeks later.

### The main symptoms include

Feeling sick (nausea), vomiting, diarrhea (which may contain blood or mucus), stomach cramps and abdominal (tummy) pain, a lack of energy and weakness, loss of appetite, a high temperature (fever), aching muscles, chills. In most cases, these symptoms will pass in a few days and you will make a full recovery.

### What to do


Most people with food poisoning recover at home and don't need any specific treatment, although there are some situations where you should see your GP for advice. Until you feel better, you should rest and drink fluids to prevent dehydration. Try to drink plenty of water, even if you can only sip it. Eat when you feel up to it, but try small, light meals at first and stick to bland foods—such as toast, crackers, bananas and rice—until you begin to feel better. Oral rehydration solutions (ORS), which are available from pharmacies, are recommended for more vulnerable people, such as the elderly and those with another health condition.

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DHAKA SUNDAY MARCH 31, 2019

## Hidradenitis suppurativa (hi-drad-uh-NIE-tis sup-yoo-ruh-TIE-uh)

is rare, long-term skin condition that features small, painful lumps under the skin. They typically develop where the skin rubs together, such as the armpits, the groin, between the buttocks and under the breasts. The lumps may break open and smell or cause tunnels under the skin.



### Signs and symptoms of hidradenitis suppurativa include:

- Blackheads
- Painful, pea-size lumps
- Red, tender bumps
- Tunnels

### Complications

Persistent and severe hidradenitis suppurativa often causes complications, including:

- Infection
- Scars and skin changes
- Restricted movement
- Obstructed lymph drainage
- Social isolation
- Cancer

### When to see a doctor

Early detection of hidradenitis suppurativa is key to getting effective treatment. See your doctor if your condition:

- Is painful
- Doesn't improve in a few weeks
- Returns within weeks of treatment
- Appears in several locations
- Recur often

If you've already received a diagnosis of hidradenitis suppurativa, keep in mind that the warning signs of a disease flare (recurrence) are often similar to those that occurred originally. Also pay attention to any new signs or symptoms. These may indicate either a recurrence or a complication of treatment.

ORION Pharma Ltd  
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The Daily Star  
DHAKA SUNDAY APRIL 7, 2019

## Hyperemesis Gravidarum

Hyperemesis gravidarum is extreme, persistent nausea and vomiting during pregnancy. It can lead to dehydration, weight loss, and electrolyte imbalances.

### Signs and symptoms of HG include

- Prolonged and severe nausea and vomiting - some women report being sick up to 50 times a day
- Dehydration - not having enough fluids in your body because you can't keep drinks down; if you're drinking less than 500ml a day, you need to seek help
- Ketosis - a serious condition that results in the build-up of acidic chemicals in the blood and urine; ketones are produced when your body breaks down fat, rather than glucose, for energy
- Weight loss
- Low blood pressure (hypotension)

### Treatment

If your nausea and vomiting causes you to become dehydrated, you will receive fluids through an IV. You also may be given anti-nausea medicine. If nausea and vomiting is so severe that you and your baby might be in danger, you will be admitted to the hospital for treatment. If you can't eat enough to get the nutrients you and your baby need, you may get extra nutrients either through an IV or a tube placed into your stomach.

### To help manage symptoms at home, try these tips.

#### Avoid triggers.

You may notice that certain things can trigger nausea and vomiting. These may include:

- Certain noises and sounds, even the radio or TV
- Bright or flicking lights
- Toothpaste
- Smells such as perfume and scented bathing and grooming products
- Pressure on your stomach (wear loose-fitting clothes)
- Riding in a car
- Taking showers

### Eat and drink when you are able.

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The Daily Star  
DHAKA SUNDAY APRIL 21, 2019

## World Immunization Week 2019

(24 - 30 April 2019 Coordinated Universal Time)  
Theme: #VaccinesWork

World Immunization Week - celebrated in the last week of April - aims to promote the use of vaccines to protect people of all ages against disease. Immunization saves millions of lives every year and is widely recognized as one of the world's most successful and cost-effective health interventions. Yet, there are still nearly 20 million unvaccinated and under-vaccinated children in the world today.

The theme this year is *Protected Together: Vaccines Work!*, and the campaign will celebrate Vaccine Heroes from around the world - from parents and community members to health workers and innovators - who help ensure we are all protected through the power of vaccines.



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The Daily Star  
DHAKA SUNDAY APRIL 28, 2019

## Recommendations to stay healthy during Ramadan:

- Do not skip Suhoor (pre-dawn meal) as this will increase the length of your fast, which is not advisable in this hot season and may result in dehydration and fatigue.
- Drink as much water as possible between Iftar and sleeping time.
- Avoid salty foods during Iftar and Suhoor meals.
- Avoid caffeinated drinks such as coke, coffee or tea.
- Try not to consume heavy fatty foods, which often cause gastrointestinal disturbances (when using oil in food preparation, use only a small amount of olive oil or other polyunsaturated fats).
- Also avoid refined carbohydrates and sugar (e.g. white bread, white rice, sweets, and pastries) which can cause blood sugar surges, leading to weight gain.
- For Suhoor meal, it is advisable to eat proteins, oils, complex carbohydrates such as beans, and drink half a cup of fresh juice or eat half a piece of fruit.
- Break your fast by your Iftar meal with a simple, easily digestible food such as three pieces of dates, half a cup of orange juice or one cup of vegetable soup. These help your glucose level return to normal and help you control your appetite during the main meal.



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The Daily Star  
DHAKA SUNDAY MAY 26, 2019

## How to fast safely during Ramadan

The key to staying healthy during fasting is a simple three-way approach: eat smart, exercise smart, and stay hydrated. Dr. Maitre recommends approaching the fast with discipline, otherwise an opportunity to lose weight and be healthier could be wasted. "The underlying message behind Ramadan is self-discipline and self-control," he says. "This shouldn't fall apart at the end of the day."

### Aim for a balanced diet

Those observing the fast should have at least two meals a day: the pre-dawn meal (Suhoor) and a meal at dusk (Iftar). It should contain foods from all the major food groups:

- Fruit and vegetables
- Grains, cereals and potatoes
- Meat, fish or alternatives
- Milk and dairy foods
- Foods containing fat and sugar

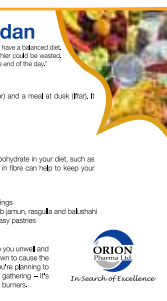
Try to limit the amount of sugary foods you eat and instead include healthier sources of carbohydrate in your diet, such as wholegrains, potatoes, vegetables, fruits, legumes, and lower fat dairy products. Foods high in fibre can help to keep your bowels healthy and add bulk to your meal, helping you to feel full.

### Foods to avoid

- deep-fried foods - such as pakoras, samosas and fried dumplings
- high-sugar and high-fat foods - including sweets such as gulab jamun, rasgulla and baklava
- highly cooked foods - such as pastries, oily curries and greasy pastries

### Avoid carbon monoxide poisoning while cooking

Carbon monoxide is a poisonous gas that has no smell or taste. When breathed in, it can make you unwell and can kill. Cooking for large numbers of people using overloaded pots on gas stoves has been shown to cause the build-up of carbon monoxide in some homes, particularly those that aren't well ventilated. If you're planning to cater for large numbers of people at your home - for example, at a pre- or post-Ramadan gathering - it's important that you don't use overloaded pots on your gas stove and don't block the flue around the burners.



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The Daily Star  
DHAKA SUNDAY JUNE 2, 2019

## WORLD ELDER ABUSE AWARENESS DAY 2019


World Elder Abuse Awareness Day (WEAAD) is commemorated each year on 15 June to highlight one of the most manifestations of ageing and inequality in our society, elder abuse. Elder abuse is any act which causes harm to an older person and is carried out by someone they know and trust such as a family member or friend. The abuse may be physical, social, financial, psychological or sexual and can include mistreatment and neglect.

WEAAD was officially recognized by the United Nations General Assembly in December 2011, following a request by the International Network for the Prevention of Elder Abuse (INPEA), who first established the commemoration in June 2006.

### 10 tips to promote respect and prevent elder abuse

- Love and cherish your older relatives
- Speak carefully to older people
- Include older people in your social activities
- Phone or visit them regularly
- Support and encourage them to spend their money however they wish
- Encourage them to make their own decisions
- Honour older people's wisdom
- Enable them to set their own pace
- Respect their stories, they often have important lessons for us to learn
- You can seek advice from Elder Abuse and Neglect Prevention Services when you think an older person is being neglected or abused.

### Help is in spreading awareness about this issue.



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The Daily Star  
DHAKA SUNDAY JUNE 16, 2019

# Natural capital

## Highlights of natural capital– FY 2018-19



Structural layout of building facilitates maximum utilization of natural light to reduce electric lighting and save energy.



The traditional paper-and-pen based exam system for recruitment of new employees and promotion of existing employees has been replaced by computer based exam system.



We rely on the utilization of natural resources in a sustainable manner for manufacturing our products and sharing values with our stakeholders. We acknowledge that our activities have direct and indirect impact on the environment and we, therefore, remain committed to reducing any adverse impact where possible through adoption of environment management strategies in conducting business activities.

### 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 this capital are:

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

### Approaches to maintenance of natural capital

#### Environmental management and stewardship

We believe that the sustainability of business is directly related to sustainability of the environment. Therefore, we are always focused on endeavors to minimize any negative impact that we might have on the environment through our business operation. Keeping our environment safe and pollution free remains OPL's utmost priority. Failure to ensure the eco-friendly use of machines and materials lead to risk of cancellation 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.



Yearly paper consumption has reduced by 2.52% (3,280 reams)



Installation of Effluent treatment plant (ETP) with capacity of 375,000 litre/day.



The annual water usage has decreased by 8.33% (7,757 m3)



The annual natural gas usage has decreased by 9.78% (91,305 m3)



Maintenance of production block by HVAC system of class 100000 area using HEPA filters which filter the air through removing at least 99.97% of airborne particles.



Installation of 1,650 LED light in both production plant and corporate office.

## Responsible management of waste and 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 cartoon, Poly bag, Paper bag etc.
- Packaging materials like film foil, lid foil, carton, label, insert, glass & PET bottle, spoon, torn papers, polythene etc.
- Rejected tablets, capsules, powders, blisters, ampoule, vials etc. from daily manufacturing
- Laboratory area chemical containers
- Used and rejected filters coming from HVAC system, process machines, laboratories etc.

These waste are collected and stored in separate place designated as Industrial Waste Salvage area every day after production.

Solid waste like cartoons, bags, blisters etc. which are not directly in contact with products are first shredded into small pieces with the help of Shredding Machine. Then this wastage is sold to third party for recycling.

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.

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.

During formulation of medicine, wastage or process loss is 2-3% which is not recoverable. This type of wastage will also 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.



## Natural Capital



Effluent Treatment Plant (ETP)

### 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 BMS (Building Management System)

BMS is a fully automation system which is able to control, monitor and ensure proper clean environment inside the production area as well as control temperature, humidity and pressure differential. All the utility systems are connected to BMS for automatic central control. Fire detection system is also integrated with BMS.

### Ecological plan

Appropriate landscaping is done so that no water can accumulate in case of

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

### 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. The installation of 1,650 LED lights will result in energy savings per year.

### 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 11 (eleven) rabbits are available. We have 2 (two) workers in 2 (two) shifts to look after our animals.

### 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 enhance efficiency of electricity supply within the plant and thus increasing sustainability of the company. It will also ensure to operate in an ecofriendly environment as OPL has always been aware of environmental factors and has operated in an environment friendly condition till now. Our company is looking forward to strive towards a pollution free environment in industrial zones with a better future for our country and this is a step in that direction.







### 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 to building. Maximizing the usage of daylight is a one of the cost-effective means of reducing the consumption of energy.

### 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 paper reduction 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 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, 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 and also Google Drive or Dropbox 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.

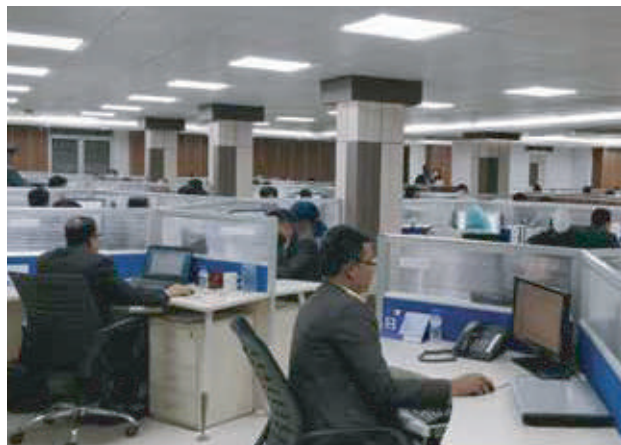
Parameters	2018-19	2017-18
Paper used (pages in ream)	126,800	130,080

The annual paper consumption has decreased by 2.52% (3,280 reams) in comparison to the prior year.

### Biodiversity

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

## Natural Capital



Application of computerized exam system for recruitment and promotion exams

### 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 (CO<sub>2</sub>), 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 are encouraging the use of teleconferencing and video conferencing, when possible, for long distance meetings. This system is also helping us reduce carbon emission as we can avoid use of vehicles.

### 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.

Parameters	2018-19	2017-18
Water used (m <sup>3</sup> )	85,350	93,107

The annual water usage has decreased by 8.33% (7,757 m<sup>3</sup>) in comparison to the prior year.

#### 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.

Parameters	2018-19	2017-18
Gas used (m <sup>3</sup> )	841,999	933,304

The annual natural gas usage has decreased by 9.78% (91,305 m<sup>3</sup>) in comparison to the prior year.



# Sustainable Business Strategy

2018-19



# Our strategic objectives

This year we have integrated our Strategic Objectives with our Material Issues to reflect the cohesiveness across our risks, opportunities, objectives and material issues. The amalgamation of the materiality process with our business strategy objectives makes sure that our integrated and sustainability reporting is relevant. The identified strategic objectives and plans are directly linked to the company's vision, mission, business model and value chain model. We have also taken into consideration the needs and expectations of our stakeholders when formulating our strategies. Hence, the strategies mentioned below are important for value creation and are formulated as a part of us being responsible corporate citizen.

The management team headed by the Managing Director meets on a regular basis to monitor and review realization of these plans. A strategic review is also conducted at regular intervals to identify new value-creating opportunities within our business. The strategic planning process and review forms a basis of a detailed program plan which helps us to come up with the implementation roadmap detailing the key initiatives to be implemented to bring the strategy to life.

## Patient health and safety



Focus area	Maintain quality products to retain loyalty	Respond to customers within a reasonable time	Pharma-covigilance
Strategic plan	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.	Customers expect to be responded to within a short span of time with appropriate service. Orion Pharma Limited always responds back to customers regarding any queries or services, within the shortest span of interval. We treat each customer complaint with compassion and respond to them in such a way that shows them care.	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.
Capital linkage	<ul style="list-style-type: none"> <li>• Manufactured</li> <li>• Intellectual</li> <li>• Social and relationship</li> </ul>		
Stakeholder linkage	<ul style="list-style-type: none"> <li>• Patients</li> <li>• Doctors and Pharmacies</li> <li>• Government and Regulators</li> <li>• Suppliers</li> </ul>		
Related risk	<ul style="list-style-type: none"> <li>• Product quality</li> <li>• Market demand and completion</li> <li>• Stakeholder relationship</li> <li>• Compliance issues</li> <li>• Financial issues</li> <li>• Corporate reputation</li> </ul>		
Related opportunity and outlook	<ul style="list-style-type: none"> <li>• Highest quality management standards in manufacturing plant</li> <li>• Post sale product quality assurance</li> </ul>		
Section of the report	Page no. 150, 170 & 178		



## Operational excellence



Focus area	Improved productivity	Strict cost control & management	Sustained financial performance	Community engagement
Strategic plan	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.	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.	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.	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.
Capital linkage	<ul style="list-style-type: none"> <li>• Manufactured</li> <li>• Financial</li> <li>• Social and relationship</li> </ul>			
Stakeholder linkage	<ul style="list-style-type: none"> <li>• Shareholders and investors</li> <li>• Society</li> <li>• Competitors</li> </ul>			
Related risk	<ul style="list-style-type: none"> <li>• Supply disruption</li> <li>• Stakeholder relationship</li> <li>• IT failure</li> <li>• Credit risk</li> <li>• Liquidity crisis</li> <li>• Financial sector scenario</li> <li>• Interest rate risk</li> <li>• Exchange rate risk</li> </ul>			
Related opportunity and outlook	<ul style="list-style-type: none"> <li>• State of art technology</li> <li>• Green initiatives</li> </ul>			
Section of the report	Page no. 102-104, 128-129, 172-173, 178-185 & 250-253			

## Our Strategic Objectives

### Product specific strategy



Focus area	Strong brand image	Strong research and development	New product development assessment
Strategic plan	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 promote our medicines.	Product research and development is very crucial in the pharmaceutical industry. OPL is no exception to this and the company takes every initiative to strengthen the research and development team, because they ultimately bring improvements in product lines.	OPL believes that adding a new product or entering a new market segment offers the opportunity for exponential growth. However, before deciding to develop new products, OPL assesses both the opportunity and risk of new product development.
Capital linkage	<ul style="list-style-type: none"> <li>• Intellectual</li> <li>• Financial</li> </ul>		
Stakeholder linkage	<ul style="list-style-type: none"> <li>• Patients</li> <li>• Doctors and Pharmacies</li> <li>• Competitors</li> </ul>		
Related risk	<ul style="list-style-type: none"> <li>• Product pipeline and development</li> <li>• Market demand and competition</li> </ul>		
Related opportunity and outlook	<ul style="list-style-type: none"> <li>• Enhance specialized segments</li> </ul>		
Section of the report	Page no. 142-151 & 217-226		

### Ethical behavior and governance



Focus area	Corporate governance	Business ethics & code of conduct	Compliance
Strategic plan	The Board at OPL develops policies in relation to the overall governance of the organization which play 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.	OPL has a company Code of Conduct for all its employees which is collection of rules and regulations that include 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.	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.
Capital linkage	<ul style="list-style-type: none"> <li>• Financial</li> <li>• Human</li> <li>• Social and relationship</li> </ul>		
Stakeholder linkage	<ul style="list-style-type: none"> <li>• Shareholders and investors</li> <li>• Government and regulators</li> <li>• Society</li> </ul>		
Related risk	<ul style="list-style-type: none"> <li>• Corporate reputation</li> <li>• Compliance issues</li> </ul>		
Related opportunity and outlook	<ul style="list-style-type: none"> <li>• Adoption of good governance</li> </ul>		
Section of the report	Page no. 48-124		

## Market presence



Focus area	Broader market with strong foundation	Knowledge based professional team	Global footprint expansion
Strategic plan	OPL is working to redefine the market by increasing the number of territories. OPL plans 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.	OPL is trying to make 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.	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.
Capital linkage	<ul style="list-style-type: none"> <li>Financial</li> <li>Intellectual</li> <li>Human</li> </ul>		
Stakeholder linkage	<ul style="list-style-type: none"> <li>Patients</li> <li>Doctors and Pharmacies</li> <li>Employees</li> </ul>		
Related risk	<ul style="list-style-type: none"> <li>Market demand and competition</li> <li>Supply disruption</li> <li>People and talent</li> </ul>		
Related opportunity and outlook	<ul style="list-style-type: none"> <li>Entry in new emerging markets</li> </ul>		
Section of the report	Page no. 203, 214 & 143-145		

## Employee wellbeing and engagement



Focus area	Talent management through training and education	Employee engagement	Occupational health & safety	Monthly appraisal
Strategic plan	Training and development is a continuous process in Orion Pharma Limited throughout the year so that the continuous improvement of employees is ensured. As a diverse working place, OPL conducts training for ethical, cultural and social interactions along with job oriented trainings.	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.	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.	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.

## Our Strategic Objectives

Capital linkage	<ul style="list-style-type: none"> <li>• Human</li> <li>• Financial</li> </ul>
Stakeholder linkage	<ul style="list-style-type: none"> <li>• Employees</li> <li>• Government and Regulators</li> </ul>
Related risk	<ul style="list-style-type: none"> <li>• People and talent</li> <li>• Health and safety</li> <li>• Corporate reputation</li> </ul>
Related opportunity and outlook	<ul style="list-style-type: none"> <li>• Opportunities for employee growth</li> </ul>
Section of the report	Page no. 152-167

## Eco-friendly environment practices



Focus area	Eco-friendly staff practices	Environment friendly production plan	Efficient waste management	Conservative use of natural resources	Safe expired product destruction
Strategic plan	Orion Pharma Limited implements sustainable business practices and also encourages employees to live a sustainable, eco-conscious life. The idea of reducing both waste and consumption is highly supported in the office premises. The company supports and follows the concepts of recycling, reusing, carpooling etc.	Orion Pharma Limited uses clean technology in its production process. The company's Environmental Management System (EMS) guarantees that it is operating without making the environment polluted. The company implements strategies in areas especially concentrating on air pollution and dust emission.	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.	At OPL we ensure conservative use of natural resources. We always try to efficiently use natural gas, water and electricity which 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.	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.
Capital linkage	<ul style="list-style-type: none"> <li>• Natural</li> <li>• Social and relation</li> <li>• Financial</li> </ul>				
Stakeholder linkage	<ul style="list-style-type: none"> <li>• Society</li> <li>• Government and regulators</li> </ul>				
Related risk	<ul style="list-style-type: none"> <li>• Environmental consideration</li> </ul>				
Related opportunity and outlook	<ul style="list-style-type: none"> <li>• Green initiatives</li> </ul>				
Section of the report	Page no. 141, 174 & 186-190				



# Competitive edge with our value proposition

## Strong foot step in cardiovascular drugs

About 17.7 million people die each year from CVDs (Cardiovascular diseases), an estimated 31% of all deaths worldwide. More than 75% of CVD deaths occur in low-income and middle-income countries. 80% of all CVD deaths are due to heart attack and strokes. 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 1<sup>st</sup> 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.

## World leading generics in the product lines

Global Rosuvastatin Calcium Market is valued at 430 million USD in 2017 and will reach 590 million USD by the end of 2025, growing at a CAGR of 4.0% during 2018-2025. 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".

## High quality API from world's renowned suppliers

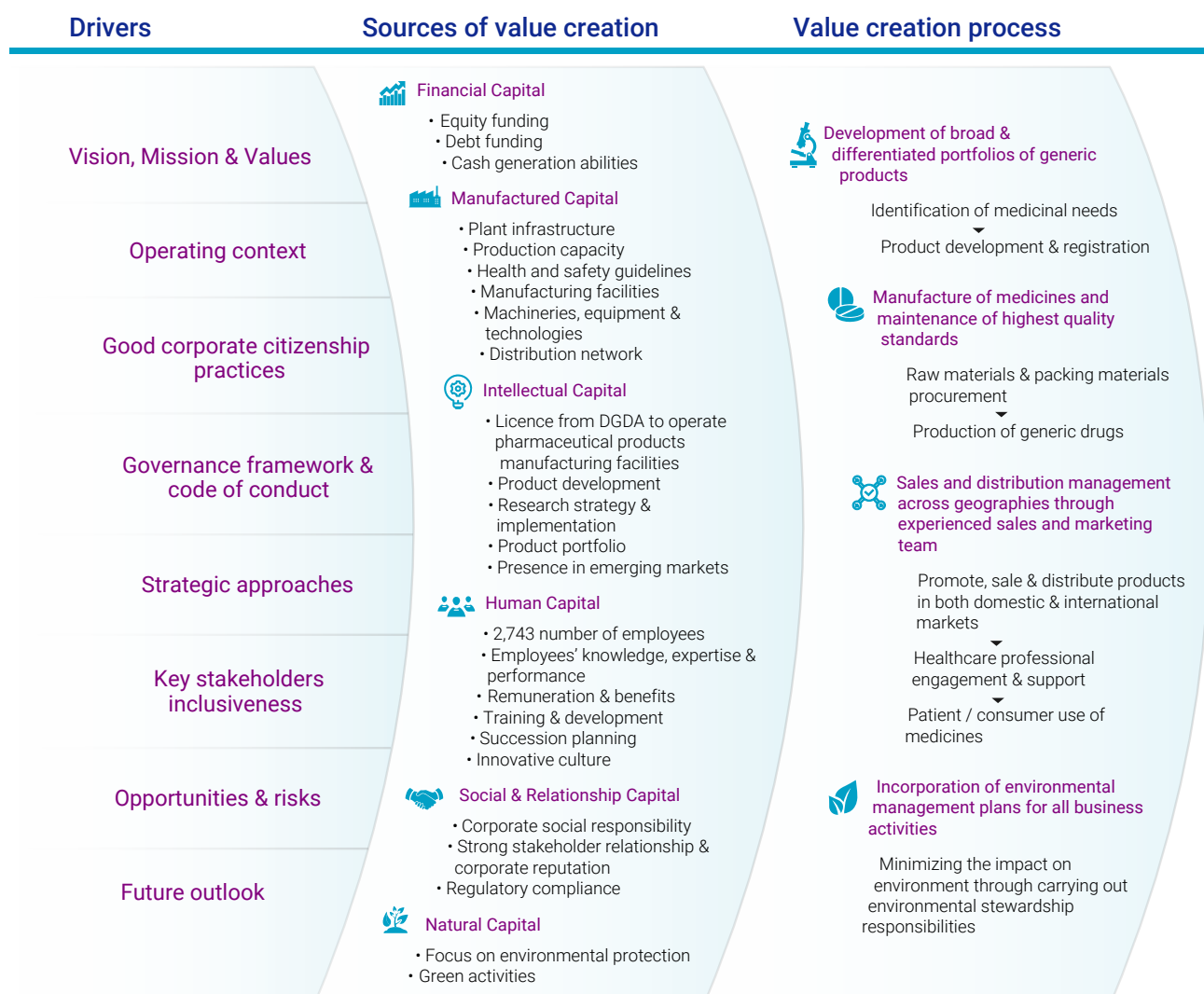
As far as quality is concerned, we are always in search of excellence. Therefore whenever we think of launching any new molecule, we search for the highest quality API. The quality of APIs has a significant effect on the efficacy and safety of medication. Poorly manufactured or compromised APIs have 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.

## Front runner – 1<sup>st</sup> 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 1<sup>st</sup> 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.

# 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 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 pages 8 & 9

### Strategic allocation of resources    Outputs of process    The value we create

- 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

No. of brands  
**100**

No. of presentations  
**196**

No. of therapeutic areas  
**33**

No. of generics  
**108**

#### Financial Capital

- Profit after tax - BDT 882.35 million
- EBITDA - BDT 2,347.49 million
- Earning per share - BDT 3.77
- Net cash generated from operation - BDT 1,448.55 million

#### Manufactured Capital

- Capital expenditure - BDT 1,634.79 million
- Production increased by 5.49%

#### Intellectual Capital

- No. of flagship products - 39
- No. of first to market products - 10
- No. of overseas markets - 13

#### Human Capital

- Fatality - 4
- Diversity - Female employee - 9%
- Work related injury - 3
- No. of employees received trainings - 897
- Employee engagement survey - 73%

#### Social & Relationship Capital

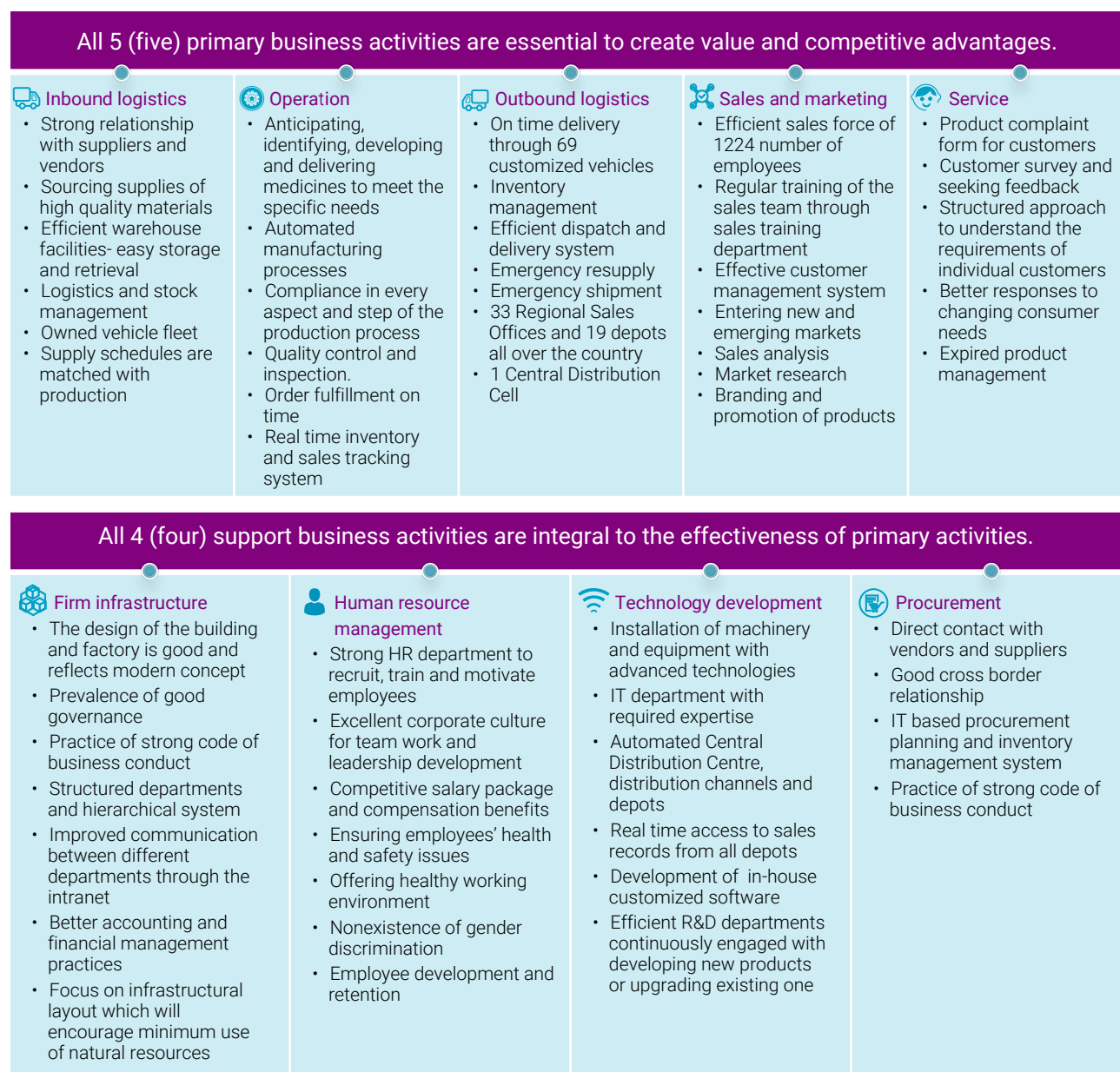
- Lives impacted through CSR activities - 8,220
- Payment to government - BDT 494.08 million
- Payment to shareholders as dividend - BDT 1.5 per share

#### Natural Capital

- Proper treatment of waste through ETP before discharging to the environment
- Dust free air emission from factory
- Conservative use of natural & other resources
- Maximum usage of daylight
- Reduced paper consumption

# Value chain model

We are portraying all business activities, carried out in regular business to create value for key stakeholders, by a value chain model. In order to do this, we have adopted Porter's Value Chain Analysis to examine all 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.





## Contributing to enhanced stakeholders values

### Patient benefits

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

**196** number of medicines  
under 33 therapeutic areas

### Society benefits

- Contributing to human healthcare both in domestic and global markets
- Participating in national development by contributing to national exchequer
- Reduced negative impacts on the environment
- Undertaking various CSR activities

BDT **494.08** million  
paid to government

**8.33%**  
reduced consumption of water

**9.78%**  
reduced consumption of natural gas

BDT **7.35** million  
invested in CSR activities

### Employee benefits

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

**897**  
employees received trainings

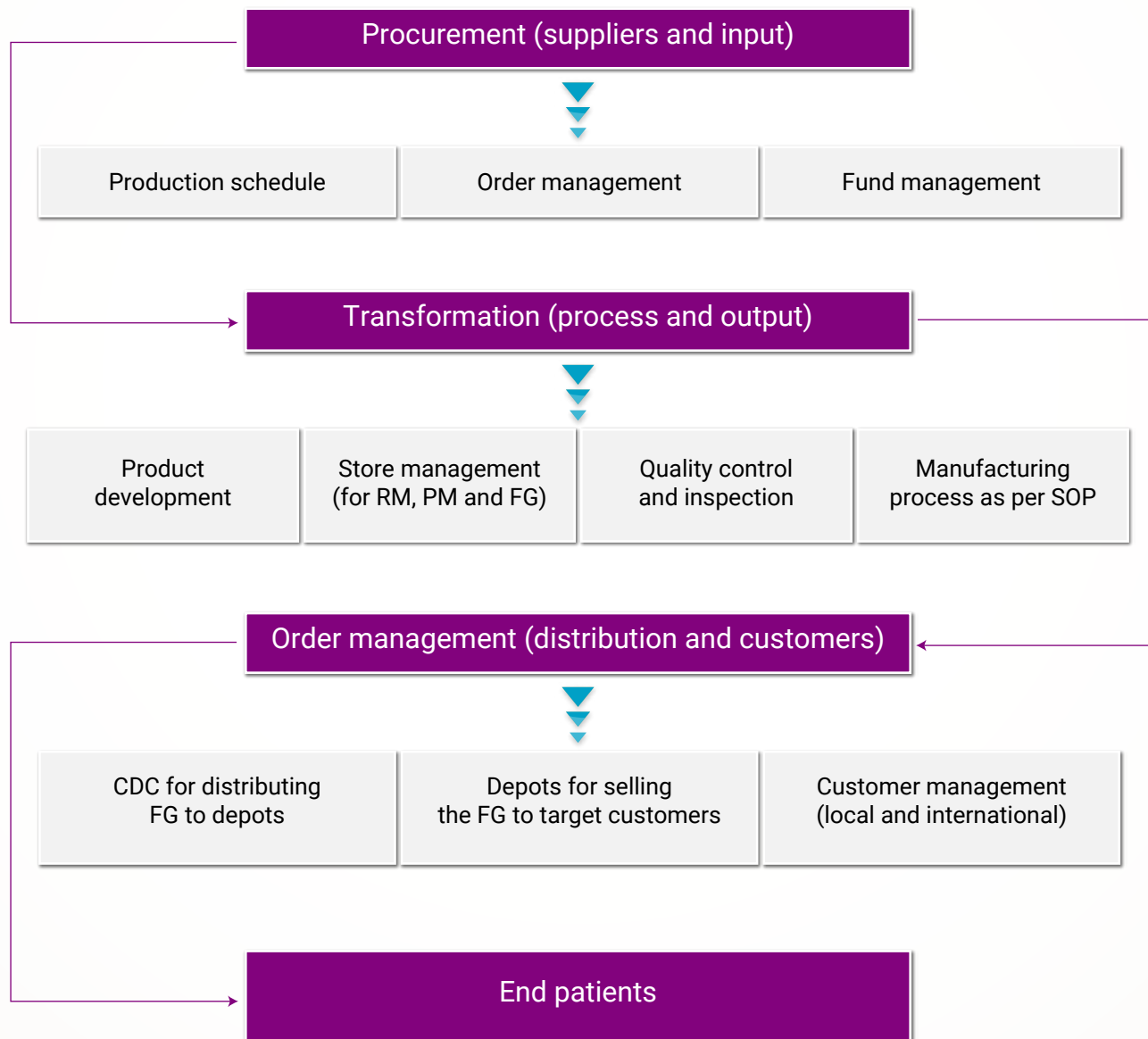
**217**  
employees got promotion

### Shareholder benefits

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

**15%** cash dividend proposed for  
shareholders

# Supply chain model



## Our global presence

**13**

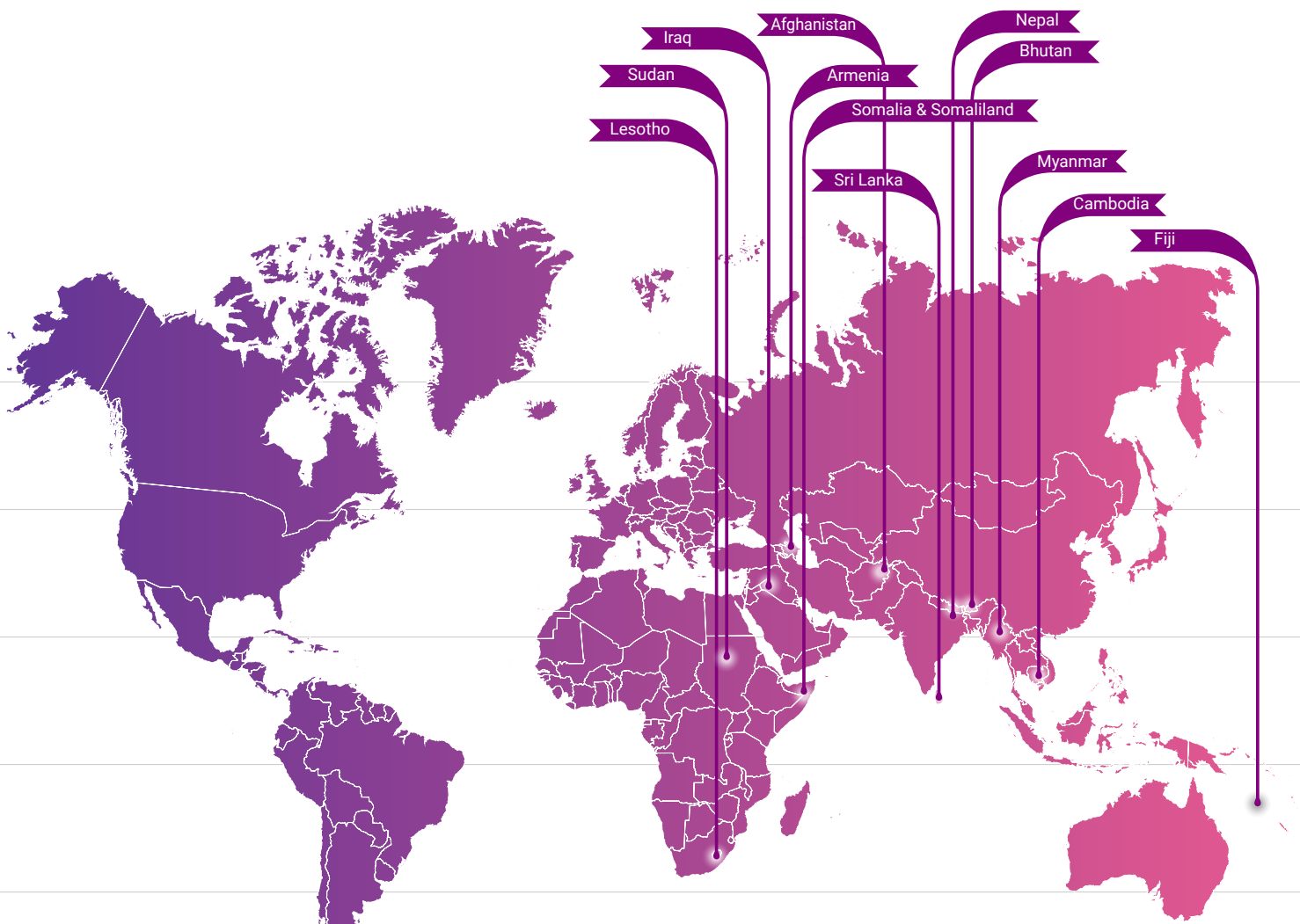
established international  
markets

**7.83%**

Contribution to  
revenue

**BDT 174.11 million**

Export revenue earned  
during the financial year 2018-19



# Opportunities & outlook

Over the last couple of years, we have observed the evolution of pharmaceutical industry and healthcare sector in Bangladesh as we as around the world. Pharmaceutical industry of Bangladesh is undoubtedly one of the sectors on which we feel proud of. 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 systems, processes 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. Our short, medium and long term opportunities and outlook are illustrated below:

**Innovative ideas, untiring efforts, perseverance and dedication with self-confidence will make Orion Pharm Limited to be the flagship company in home and abroad in pharma and healthcare sector.**

## Short, medium and long term outlook

### Highest quality management standards in manufacturing plant

Orion Pharma has already started first phase operation with state-of-the-art facilities featuring the most advanced equipment to guarantee the consistent delivery of best-in-class oral dosage products. All the manufacturing block 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 which will soon go into operation.

### State of art technology

Orion Pharma is going to set a benchmark for excellence in Bangladesh and in global market for life saving pharma products with wide range of dosage forms with hi-tech technology and utmost sophistication. Our first phase manufacturing block has the capability with optimum capacity of producing oral tablet, caplet, dispersible tablet, effervescence tablet, capsule, syrup, suspension, pediatrics drop 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 like liquids in ampoule, liquids in vial, lyophilized product, pre-filled syringe which encompass critical to curative care medications in particular antibiotics, cardiovascular, neurological, gastroenterological, anesthesia, gynecological, nephrological, hematology etc. It also has 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 Oncology facility has emerged 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 ensures 100% isolations and guaranteed zero discharge technology for all possible dosage forms: tablet, capsule, liquids in vial, lyophilized vial, pre-filled syringe, Injectable, biological and bio-similar monoclonal antibodies.

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



## Short, medium and long term outlook (contd.)

possible dosage form in separate and dedicated self-contained areas with auto prevention of all sorts of cross-contamination by in-built design. This block has dedicated R&D, QC and QA departments as per the cGMP guidelines.

Considering the increased global demand and future export prospect, Orion is planning to establish General Pharma Block-3 for Oral Dosage Form to export wide range of products to all regulated countries as per the accreditation of US FDA.

### Enhance specialized segment

We want to grow business through product development efforts and new launches and currently we are working on developing branded generic drugs in specialty segments specifically in cephalosporin, ophthalmology, dermatology, dietary supplement and oncology, to address clinically unmet needs of the patients.

### Entry in new emerging markets

Emerging markets are attractive because they tend to grow faster and have potential for success. OPL has a lot of potential in the international scenario as it is soon planning to enter countries like Kosovo, Albania, Yemen, Uzbekistan, Cameroon, Vietnam and Costa Rica. Registration process has started in these countries. OPL is also under process of entering more countries like Nigeria, Brunei Darussalam, Ivory Coast, Egypt, Botswana, Namibia, Zambia, Zimbabwe, Uganda, Venezuela, China and Azerbaijan.

### Post sale product quality assurance

OPL already had Customer Complaint Form as a way to respond back to customers regarding any queries or services. From the reporting year we have also introduced the Pharma-covigilance 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 it.

### Adoption of good governance

Good governance is at the heart of any successful business. It is very important for OPL to achieve its objectives and drive improvement, as well as maintain legal and ethical standing in the eyes of all our stakeholders. We 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.

### 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.

### Green initiatives

We at OPL believe that we are here not only to make money but also to fulfill our responsibility as a good corporate citizen. 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. We hope to make more efforts at building a more sustainable and green future for example we are planning to adopt Pharmaceutical Waste Incinerator System for solid waste.

# 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.

## Patients



Why they are important	• Ultimate users	• Eventual market	• Final revenue source	• Main source of sustainability of the business	
What matters to them	• Product quality	• Product information	• Availability of medicines	• Diversified products as per needs	• After sales service
How we engage with them	• Pharmacovigilance activities	• Launching new products	• Website	• Product complaint form	

## Employees



Why they are important	• Competent employees to attain objectives		• Our image holder and contributor to profit			
What matters to them	• Job security	• Transparent recruitment process	• Periodic salary review in view of adjusting the cost of living	• Healthy working environment	• Training & development	• Career growth
How we engage with them	• Adjusted salary package	• Offering other benefits & facilities	• Training opportunities	• Monthly performance reviews and appraisal	• Monthly coordination meeting	• Employee engagement

## Shareholders and Investors



Why they are important	• Invest for the betterment and growth of the company			• Accountable to them as they seek return on their investment			
What matters to them	• Return on investment	• Sustainability and going concern issues	• Effective corporate governance	• Strategic objectives	• Social and environmental contribution	• Career growth	
How we engage with them	• 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

## Government and Regulators



Why they are important	• Control and develop policy						• Provide license and certificates		• Control export and import			
What matters to them	• Legislative compliance		• Corporate governance		• Environmental and social credentials		• Timely reporting and VAT, tax payment		• Pricing		• Product quality	
How we engage with them	• 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	

## Suppliers



Why they are important	• Supply production materials and operational facilities	• On time delivery	• Quality of supplied products	• After sales service facility
What matters to them	• Fair and smooth transaction	• Sustainable growth of the company	• Fair payment	
How we engage with them	• Regular interaction	• Supplier visit and audit	• Timely payment to vendors	

## Society



Why they are important	• Sustainable business operation			• Social and environmental contribution	
What matters to them	• Ethical stance	• Social value creation	• Creation of employment opportunity	• Environmental preservation	• Health and safety measures
How we engage with them	• CSR initiatives	• Website	• Social awareness campaign	• Integrated Annual Report	• Social media

## Doctors and Pharmacies



Why they are important	• Influence prescription of our medicines		• Directly impact our business	• Information provider	
What matters to them	• Certification	• Product quality	• Availability of medicines	• Diversified product portfolio	• After sales service
How we engage with them	• Seminars, meetings and workshops		• The Orion Medical Journal	• Regular ongoing visit by field force	

## Competitors













Why they are important	• Influence strategic decisions and planning			• Directly impact the ability to succeed
What matters to them	• Financial performance	• Business trends	• Value creation for long run	• Competitive advantage
How we engage with them	• Social media	• Website	• Integrated Annual Report	

# Operating context analysis

## Porter's five forces

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

 <p>Threats of entry posed by new or potential competitors</p>	<ul style="list-style-type: none"> <li>Economies of scale achieved by the established businesses;</li> <li>Huge capital intensive business;</li> <li>Access to the distribution channel is difficult;</li> <li>Stringent government rules and regulations, particularly regulatory permission from the drug authority; and</li> <li>Customers brand loyalty.</li> </ul>	<p>Impact on business</p>  <p>Low</p>
 <p>Degree of rivalry among existing companies</p>	<ul style="list-style-type: none"> <li>High rivalry exists among the companies in the industry as same medicines under different brand names are available;</li> <li>Industry is benefited from the strong demand of the consumers; and</li> <li>In the long run companies require low fixed cost and high working capital.</li> </ul>	<p>Impact on business</p>  <p>High</p>
 <p>Bargaining power of buyers</p>	<ul style="list-style-type: none"> <li>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;</li> <li>If any drug is prescribed by medical practitioners or physicians, the end user prefers to buy that without thinking about any alternative</li> </ul>	<p>Impact on business</p>  <p>Low</p>
 <p>Bargaining power of suppliers</p>	<ul style="list-style-type: none"> <li>Bangladeshi pharmaceutical companies 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.</li> </ul>	<p>Impact on business</p>  <p>Medium</p>
 <p>Threat of substitute products</p>	<ul style="list-style-type: none"> <li>There exists threat from generic drugs, because generic drug companies do not expend in research and development of new drugs. So they can sell their medicines at cheaper rate. So threat exists in generic competition; and</li> <li>If any medicine is prescribed by medical practitioners then end user usually buys that medicine. Even though end customers can switch to another brand due to the unavailability of suggested brand as there are many substitute brands of a single medicine.</li> </ul>	<p>Impact on 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 are we doing well)

- OPL has overseas marketing network in 13 countries, products of OPL already have been registered in 7 countries and in the process of registering products in more than 10 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 of which the first phase has already started operation;
- 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 1<sup>st</sup> time launched in Bangladesh; and
- Existence of competitive advantages.



## Weaknesses (Where do we need to focus for improvement)

- 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.



## Opportunities (What can we 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.




## Threats (What obstacles do we face)

- 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; and
- Political instability and turbulence and disruption by the law enforcement agencies may disrupt supply chain, production and hamper cost competitiveness.

# PESTLE analysis

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

1	 <p>Political</p>	<p><b>Factors</b></p> <ul style="list-style-type: none"> <li>• Political instability e.g. hartal, strikes;</li> <li>• Export, import policy;</li> <li>• Government rules and regulations; and</li> <li>• Increase of government pressure on healthcare.</li> </ul>	<p><b>Our response</b></p> <ul style="list-style-type: none"> <li>• The political condition of Bangladesh has been quite stable during the last few financial year.</li> <li>• We neither faced any big troubles while carrying out our regular business activities nor any government rules and regulations were against us.</li> </ul>
2	 <p>Economical</p>	<p><b>Factors</b></p> <ul style="list-style-type: none"> <li>• Exchange rate and interest rate fluctuations;</li> <li>• Global economic crisis;</li> <li>• Intense competition in pharma industry;</li> <li>• Annual growth rate of pharmaceutical industry in Bangladesh; and</li> <li>• Increase in GDP growth rate.</li> </ul>	<p><b>Our response</b></p> <ul style="list-style-type: none"> <li>• Since we are in the beginning stage of our international operation, global economic factors do not have much impact on us.</li> <li>• The economic condition of Bangladesh is in favor of our activities.</li> <li>• 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.</li> </ul>

3	 <b>Social</b>	<p><b>Factors</b></p> <ul style="list-style-type: none"> <li>• Creation of job opportunities;</li> <li>• Increase in health conscious consumers;</li> <li>• Increase in population and diseases like obesity, diabetes and associated health risks;</li> <li>• Increase in demand of high quality healthcare products;</li> <li>• Betterment of the society;</li> <li>• Active participation in social networking with healthcare professionals; and</li> <li>• Change in lifestyle.</li> </ul>	<p><b>Our response</b></p> <ul style="list-style-type: none"> <li>• 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</li> <li>• 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.</li> </ul>
4	 <b>Technological</b>	<p><b>Factors</b></p> <ul style="list-style-type: none"> <li>• Advancement in technologies and machineries;</li> <li>• Customized treatment;</li> <li>• Development in ICT sector in Bangladesh; and</li> <li>• New technology development and obsolescence.</li> </ul>	<p><b>Our response</b></p> <ul style="list-style-type: none"> <li>• World class machinery and equipment are available at our new manufacturing plant.</li> <li>• 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.</li> </ul>
5	 <b>Legal</b>	<p><b>Factors</b></p> <ul style="list-style-type: none"> <li>• Increased litigation;</li> <li>• Change in rules and regulations from Bangladesh Food &amp; Drugs Authority;</li> <li>• Strict advertising law;</li> <li>• Strict price control policy of the government;</li> <li>• Health and safety regulations; and</li> <li>• Compliance with World Health Organization (WHO) on Good Manufacturing Practice (GMP).</li> </ul>	<p><b>Our response</b></p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul>
6	 <b>Environmental</b>	<p><b>Factors</b></p> <ul style="list-style-type: none"> <li>• Increase in environmental agenda about climate change; and</li> <li>• Increase in community awareness about environmental issues;</li> </ul>	<p><b>Our response</b></p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>



# The subsidiaries

## Orion Power Meghnaghat Ltd.

Orion Power Meghnaghat Limited, a power generation company, commits to make a role-play with a single focus on delivering reliable and affordable electricity across the country. With this commitment, Orion implemented a 100 MW HFO based power plant, under the Government's Quick Rental Power Plant (QRPP) policy, situated in the power village of Meghnaghat, Narayanganj, near the bank of river Meghna. Orion Pharma Limited holds the maximum equity share (95%) of this company. The total cost of the project was BDT 6,240 million.

The construction of the plant was completed in a record time of just 9 (nine) months with brand new European machineries and equipment. It is connected with National Grid, Sonargaon Substation. Total Plant area is around 8 (eight) acre. The plant has been distributing electricity to the national grid on regular basis since 2011. The plant is recognized as one of the most efficient power plants of the country and with this recognition the BPDB has renewed the contract with the company to generate and distribute electricity for 5 (five) more years till 2021.



Detailed discussion on the performance of OPML is disclosed on page 295



## Dutch Bangla Power & Associates Ltd.

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

Taking the commitment to provide cost effective electricity for poverty reduction and accelerated economic growth, Dutch Bangla Power & Associates Limited was implemented as a 100 MW HFO Quick Rental Power Plant (QRPP) in Siddhirganj, Narayanganj, beside the bank of river Shitalakshya, with brand new European machineries and equipment. Orion Pharma Limited holds the maximum equity share (67%) of this company. The total cost of the project was BDT 6,500 million.

This construction was also completed in only 9 (nine) months due to the use of world class equipment and deployment of world class EPC contractor. The generated output is regularly being supplied to national grid since 2011. It is connected with National Grid through Sidhiriganj Substation. This Plant has also been renewed to operate for further 5 (five) years till 2021.



Detailed discussion on the performance of DBPAL is disclosed on page 320

# Distribution network

We are committed to ensuring better life through quality medicines. Under the direct surveillance of the Central Distribution Cell, 780 people ensure the on-time delivery through 19 depots and 69 customized vehicles confer the quality till it reaches to the hand off-end-customers.



## Primary distribution

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

## Central distribution cell – Dhaka



## Secondary distribution

In accordance with the requirements, 'Regional Distribution Center/Depot' (RDC) receives medicines from CDC. RDCs are situated in different locations throughout the country.

## Regional distribution center –

Paltan	Mymensingh	Moulvibazar
Kalyanpur	Cumilla	Kustia
Chattogram	Khulna	Narayanganj
Bogura	Chawmohoni	Tangail
Sylhet	Faridpur	Cox's Bazar
Rangpur	Barishal	
Rajshahi	Dinajpur	

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. The distribution channel strengthens network to meet the need of the community. The width of the distribution network of OPL is very extensive and its channel of distribution takes place through a consecutive chain starting from CDC.



## Tertiary distribution

Products are supplied from RDC to respective urban and other remote markets' and customers through company owned customized vehicles.

**69**  
Customized vehicles

**780**  
Distribution personnel



## 1<sup>st</sup> time launched in Bangladesh



*In Search of Excellence*

# Frulac<sup>®</sup>

Frusemide BP 20 mg & 40 mg  
Spironolactone BP 50 mg



**1<sup>st</sup> time launched in Bangladesh**

Reduces the risk of  
**Cardiovascular Collapse**  
&  
**Hemodynamic Instability**  
in heart failure patients



*In Search of Excellence*

## OUR PRIDE

**1<sup>st</sup> time launched in Bangladesh**





*In Search of Excellence*

# Deslor<sup>®</sup>

Desloratadine  
5 mg Tablet, 0.5 mg/ml Pediatric Drops & 2.5 mg/5 ml Syrup



**the brand leader since 2002 in Desloratadine market**

**Non sedative, more effective Antihistamine for all age group**

**1<sup>st</sup> time launched in Bangladesh**

# Our product index

Trade Name	Generic Name	Therapeutic Area	Therapeutic Class	Indications
<b>Alve Tab</b>	Alverin citrate 60 mg	ANTISPASMODICS	Antispasmodic	Irritable Bowel Syndrome, Abdominal pain associated with menstrual periods (Primary dysmenorrhea)
<b>Ambronil PD 15 ml</b>	Ambroxol HCl BP 6 mg/ml	ANTI COUGHS	Metabolite of BROMHEXINE	Productive cough, Acute and chronic inflammatory disorders of upper and lower respiratory tracts associated with viscid mucus, Asthmatic bronchitis, Bronchial asthma with thick expectoration, Chronic pneumonia
<b>Ambronil Syp 100 ml</b>	Ambroxol HCl BP 15 mg/5 ml			
<b>Angimet 20 Tab</b>	Trimetazidine Dihydrochloride BP 20 mg	ANTIANGINALS	Cytoprotective Anti-ischemic Agent	Angina, Myocardial Infarction, Heart Failure
<b>Angimet MR Tab</b>	Trimetazidine Dihydrochloride BP Modified Release 35 mg			
<b>Anvert Tab</b>	Meclizine 25 mg & Pyridoxine 50 mg	ANTI-EMETICS	Antiemetic	Nausea & Vomiting, Pregnancy induced nausea & vomiting, Post-operative and Chemotherapy induced nausea & vomiting, Motion sickness
<b>Arovent 10 Tab</b>	Montelukast 10 mg	ANTIASTHMATICS	Leukotriene Receptor Antagonist	Indicated for the prophylaxis & chronic treatment of asthma in adults & pediatric patients
<b>Arovent 5 Tab</b>	Montelukast 5 mg			
<b>Avison Cream</b>	Econazole Nitrate 1.0% + Triamcinolone Acetonide 0.1%	TOPICAL PREPERATIONS	Antifungal	Dermatophytosis, Superficial mycosis, Cutaneous candidiasis, Ringworm, Eczematous mycosis
<b>Axet 125 Tab</b>	Cefuroxime Axetil 125 mg	ANTIBIOTICS	2 <sup>nd</sup> Generation Cephalosporin	Pharyngitis/Tonsillitis, Otitis media, Sinusitis, Acute bronchitis
<b>Axet 250 Tab</b>	Cefuroxime Axetil 250 mg			
<b>Axet 500 Tab</b>	Cefuroxime Axetil 500 mg			
<b>Axet 750 IV/IM Inj</b>	Cefuroxime Sodium			
<b>Axet PFS 70 ml</b>	Cefuroxime Axetil 125 mg/5 ml			



Trade Name	Generic Name	Therapeutic Area	Therapeutic Class	Indications
<b>Axofyl 200 Tab</b>	Doxofylline 200 mg	ANTIASTHMATICS	Bronchodilator	Asthma, COPD, Bronchospasm
<b>Azalid 250 Cap</b>	Azithromycin 250 mg	ANTIBIOTICS	Macrolide Antibiotic	Upper respiratory tract infections, Lower respiratory tract infections, STD
<b>Azalid 500 Tab</b>	Azithromycin 500 mg			
<b>Azalid PFS 15 ml</b>	Azithromycin 200 mg/5 ml			
<b>Azalid PFS 35 ml</b>	Azithromycin 200 mg/5 ml			
<b>Azalid PFS 50 ml</b>	Azithromycin 200 mg/5 ml			
<b>Baclon 10 Tab</b>	Baclofen 10 mg	MUSCLE RELAXANTS	Gamma-Aminobutyric Acid-ergic Agonist	Spasm & Spasticity, low back pain, GERD, Hiccups
<b>Baclon 5 Tab</b>	Baclofen 5 mg			
<b>Betacal Tab</b>	Atenolol 50 mg + Amlodipine 5 mg	ANTIHYPERTENSIVES	Beta Blocker + Calcium Channel Blocker	Hypertension, Angina
<b>Bisoloc 2.5 Tab</b>	Bisoprolol Fumarate 2.5 mg	ANTIHYPERTENSIVES	Beta Blocker	Hypertension, Angina
<b>Bisoloc 5 Tab</b>	Bisoprolol Fumarate 5 mg			
<b>Boncare Tab</b>	Ibandronic Acid 150 mg	BONE MODULATING AGENTS	Bisphosphonate	Prevention & treatment of osteoporosis in women (especially postmenopausal). Prevention & treatment of osteoporosis in men
<b>Broket Syb 100 ml</b>	Ketotifen 1 mg/5 ml	ANTI HISTAMINES	Histamine-1 Receptor Inhibitor	Prophylactic treatment of Bronchial asthma, Symptomatic treatment of allergic conditions including Rhinitis and Conjunctivitis
<b>Broket Tab</b>	Ketotifen 1 mg			
<b>Bromazep Tab</b>	Bromazepam 3 mg	ANXIOLYTICS & ANTIDEPRESSANTS	Benzodiazepine	Anxiety & tension states, Anxiety associated psychological problems & hypertension
<b>CCB-5 Tab</b>	Amlodipine 5 mg	ANTIHYPERTENSIVES	Calcium Channel Blocker	Hypertension, Angina
<b>Cefditor-200 Tab</b>	Cefditoren 200 mg	ANTIBIOTICS	3 <sup>rd</sup> Generation Cephalosporin	Lower Respiratory Tract Infections, Lower Abdominal Pain, Urinary Tract Infections, Fever
<b>Clognil 75 Tab</b>	Clopidogrel 75 mg	ANTITHROMBOTICS	P2Y12 Platelet Inhibitor	Ischemic events, Myocardial Infarction, Ischemic Stroke, Acute Coronary Syndrome, Peripheral vascular diseases
<b>Clognil Plus Tab</b>	Clopidogrel 75 mg + Aspirin 75 mg		P2Y12 Platelet Inhibitor + NSAIDs	
<b>Cloramin Syb 100 ml</b>	Chlorpheniramine Maleate 2 mg/5 ml	ANTI HISTAMINES	Sedating Antihistamines	Urticaria, Sensitivity reactions, Angioneurotic oedema, Seasonal hay fever, Vasomotor rhinitis, Cough, Common cold, Motion sickness

## Our Product Index

Trade Name	Generic Name	Therapeutic Area	Therapeutic Class	Indications
<b>Co-axet 250 Tab</b>	Cefuroxime Axetil 250 mg + Clavulanic Acid 62.5 mg	ANTIBIOTICS	2 <sup>nd</sup> Generation Cephalosporin with Beta lactamase inhibitor	Pharyngitis/Tonsillitis, Otitis media, Sinusitis, Acute bronchitis
<b>Co-axet 500 Tab</b>	Cefuroxime Axetil 500 mg + Clavulanic Acid 125 mg			
<b>Combivit Injection</b>	Vitamin B Complex	VITAMINS & MINERALS	Vitamin	Pre & post-operative treatment when requirements are increased as in Fever, Severe burns, Deficiency of Vitamin-B complex, Healing wounds
<b>Conaz 150 Cap</b>	Fluconazole 150 mg	ANTIFUNGALS	Azole antifungal	Vaginal candidiasis, Mucosal candida infections, Systemic candidiasis
<b>Conaz 50 Cap</b>	Fluconazole 50 mg			
<b>Cosy Susp 100 ml</b>	Domperidone 5 mg/5 ml	GASTROPROKINETICS	Gastroprokinetic agent	Nausea & Vomiting, Non-ulcer dyspepsia, Fullness and Abdominal distension, Heartburn
<b>Cosy Susp 60 ml</b>	Domperidone 5 mg/5 ml			
<b>Cosy Tab</b>	Domperidone 10 mg			
<b>Deconil Tab</b>	Butamirate Citrate 50 mg	ANTI-COUGHES	Cough Suppressant	Dry cough of any etiology, Cough due to lower respiratory tract infections, Pre & post-operative cough
<b>Deconil Syp</b>	Butamirate Citrate 7.5 mg/5 ml			
<b>Deslor Kidz PD 15 ml</b>	Desloratadine 0.5 mg/ml	ANTI-HISTAMINES	Histamine-1 Receptor Antagonist	Seasonal and perennial allergic rhinitis, such as Sneezing, Nasal discharge & itching, Congestion/stuffiness, Ocular itching, Tearing and redness, Itching of palate and coughing
<b>Deslor Syp 60 ml</b>	Desloratadine 2.5 mg/5 ml			
<b>Deslor Tab</b>	Desloratadine 5 mg			
<b>EC-Plus Tab</b>	Vitamin E 200 mg + Vitamin C 200 mg	ANTIOXIDANTS	Antioxidant/Vitamin	Coronary Heart Diseases, Stroke, Early aging, Atherosclerosis, Diabetic mellitus, Tumors and Cancers
<b>Enliven Cap</b>	Imatinib Mesylate 100 mg	ANTICANCERS	Anti-Leukemic	Philadelphia chromosome positive Chronic Myeloid Leukemia (CML) in all 3 phases, Gastrointestinal Stromal Tumors
<b>Eprel Tab</b>	Eperisone HCl 50 mg	MUSCLE RELAXANTS	Antispasmodic	Spastic paralysis in conditions such as Cerebrovascular disease, Spastic spinal paralysis, Cervical spondylosis
<b>Eroflam 90 Tab</b>	Etoricoxib 90 mg	NSAIDS	Selective COX-2 Inhibitor	Pain and inflammation in Osteoarthritis, Rheumatoid arthritis, Chronic musculoskeletal disorders, Acute gout pain of dysmenorrhea and pain following dental surgery
<b>Eroflam 60 Tab</b>	Etoricoxib 60 mg			

Trade Name	Generic Name	Therapeutic Area	Therapeutic Class	Indications
ESP Cap	Zinc Sulphate 61.8 mg + Folic Acid 500 mcg	VITAMINS & MINERALS	Mineral	Correction of Zinc & folate deficiency like Growth retardation, Immunological dysfunction, Anemia in pregnancy, Fatigability
Exor 20 Cap	Esomeprazole 20 mg	ANTIULCERANTS	Proton-Pump Inhibitor	Treatment of Gastro Esophageal Reflux Disease (GERD), Healing of erosive esophagitis, Maintenance of healing of erosive esophagitis, Symptomatic relief of Gastro Esophageal Reflux Disease (GERD), Risk reduction of NSAID associated gastric ulcer, H. pylori eradication (Triple therapy)
Exor 40 Cap	Esomeprazole 40 mg			
Exor 40 IV Inj	Esomeprazole 40 mg			
Ezylax Syp 100 ml	Lactulose 3.35 gm/5 ml	LAXATIVES	Synthetic Disaccharide	Management of Constipation, Hepatic encephalopathy
Fenocap Cap	Fenofibrate 200 mg	LIPID LOWERING DRUGS	Peroxisome Proliferator Receptor Alpha Agonist	Hyperlipidemia of types IIa, IIb, III & IV
Feroven IV Infusion	Iron Sucrose with normal saline 100 mg/5 ml	HAEMATINICS	Parenteral Iron Preparation	Prophylaxis of Iron, Folic acid and Zinc deficiency, especially during pregnancy and lactation
Ferrolin TR Cap	Ferrous Sulphate 150 mg + Zinc Sulphate 61.8 mg + Folic Acid 500 mcg	HAEMATINICS	Iron, Vitamin & Mineral Combined Preparation	Prophylaxis of Iron, Folic acid and Zinc deficiency, especially during pregnancy and lactation
Fevac Susp 60 ml	Paracetamol 120 mg/5 ml	NSAIDS	Analgesic & Antipyretic	Fever, Pain
Frulac 20 Tab	Furosemide 20 mg + Spironolactone 50 mg	DIURETICS	Potassium-sparing Diuretic & Aldosterone Antagonist	Congestive Heart Failure, Essential Hypertension, Edema, Ascites due to liver cirrhosis
Frulac 40 Tab	Furosemide 40 mg + Spironolactone 50 mg			
Gold Kid Syp 100 ml	Multivitamin with cod liver oil	VITAMINS & MINERALS	Vitamin	For the prevention & treatment of Vitamins and Mineral deficiencies, Children with increased requirement for vitamins
Goldage Tab	Multivitamin + Multimineral (32 Ingredients)	VITAMINS & MINERALS	Multivitamin + Multimineral	For the prevention & treatment of Vitamins and Mineral deficiencies
Hedex Tab	Paracetamol 500 mg + Caffeine 65 mg	NSAIDS	Analgesic & Antipyretic + CNS Stimulant	Headache & migraine, Fever & flu, Toothache & earache, Sore throat, Dysmenorrhea, Rheumatic & muscular pain
Ketorin-30 Inj	Ketorolac 30 mg	NSAIDS	Non-Opioid Analgesic	Moderate to severe pain, Post-operative pain, Post-partum pain, Pain associated with trauma, Musculoskeletal pain
Ketorin Tab	Ketorolac 10 mg			
Lipex 10 Tab	Atorvastatin 10 mg	LIPID LOWERING DRUGS	2 <sup>nd</sup> Generation Statin	Ensure better lipid management with higher strength, Dyslipidemia
Lipex 20 Tab	Atorvastatin 20 mg			

## Our Product Index

Trade Name	Generic Name	Therapeutic Area	Therapeutic Class	Indications
<b>Losan 25 Tab</b>	Losartan Potassium 25 mg	ANTIHYPERTENSIVES	Angiotensin 2 Receptor Blocker	Hypertension, Heart Failure
<b>Losan 50 Tab</b>	Losartan Potassium 50 mg			
<b>Losan Plus Tab</b>	Losartan Potassium 50 mg + Hydrochlorothiazide 12.5 mg		Angiotensin 2 Receptor Blocker + Thiazide Diuretic	
<b>Magnova 1 gm IV/IM Inj</b>	Cefepime 1 gm	ANTIBIOTICS	4 <sup>th</sup> Generation Cephalosporin	Moderate to severe Pneumonia, Uncomplicated and Complicated UTI, Uncomplicated Skin Infections
<b>Magnova 500 IV/IM Inj</b>	Cefepime 500 mg			
<b>Maprocin 500 Tab</b>	Ciprofloxacin HCl 500 mg	ANTIBIOTICS	2 <sup>nd</sup> Generation Fluoroquinolone	Urinary tract infections, Lower respiratory infections, Infectious diarrhea, Typhoid fever (Enteric fever)
<b>Maprocin PFS 60 ml</b>	Ciprofloxacin 250 mg/5 ml			
<b>Marvelta Susp 200 ml</b>	Sodium Alginate 500 mg + Potassium Bicarbonate 100 mg/5 ml	ANTACIDS	Acid Neutralizer	Symptoms of Gastro-oesophageal reflux, such as Acid regurgitation, Heartburn and indigestion (related to reflux), for example, following meals or during pregnancy or in patients with symptoms related to reflux esophagitis
<b>Maxical-D Tab</b>	Calcium 500 mg + Vitamin D3 200 IU	VITAMINS & MINERALS	Vitamin + Mineral	Osteoporosis, Rickets, Osteomalacia & tetany, Supplements during pregnancy & lactation, Calcium & Vitamin D deficiency
<b>Maxical-DX Tab</b>	Calcium 600 mg + Vit D <sub>3</sub> 400 IU	VITAMINS & MINERALS	Calcium Supplement	Calcium supplement during pregnancy, Osteoporosis, Calcium deficiency, Osteoarthritis
<b>Maxical-M Tab</b>	Calcium + Vitamin D, C, E & Multimineral	VITAMINS & MINERALS	Vitamin + Multimineral	Osteoporosis, Softening of bone, Supplement in pregnancy, Maintaining strong & healthy bone
<b>Maxical Tab</b>	Calcium 500 mg	VITAMINS & MINERALS	Mineral	Calcium deficiency, Osteoporosis
<b>Maximox 400 Tab</b>	Moxifloxacin 400 mg	ANTIBIOTICS	4 <sup>th</sup> Generation Fluoroquinolones	Acute Exacerbation of Chronic Bronchitis, Acute Bacterial Sinusitis, Complicated SSTI, Uncomplicated SSTI, Complicated Intra-abdominal Infection, Diabetic Foot Infection
<b>Meromax 1 gm IV Inj</b>	Meropenem 1 gm	ANTIBIOTICS	Carbapenem	Septicemia, Meningitis, Lower respiratory infections, Pneumonia
<b>Meromax 500 mg IV Inj</b>	Meropenem 500 mg			
<b>Miki-H Cream 40 gm</b>	Miconazole 2% + Hydrocortisone 1%	TOPICAL PREPERATIONS	Topical Steroid	Intertrigo, Infected eczema, Moist & dry eczema, Atopic eczema, Primary irritant



Trade Name	Generic Name	Therapeutic Area	Therapeutic Class	Indications
<b>Milk of Magnesia susp 100 ml</b>	Magnesium Hydroxide 400 mg/5 ml	LAXATIVES	Antacid	Constipation, Heart-burn, Gas and Nausea. Acute & chronic constipation due to Hyperacidity and Peptic ulcer
<b>Nervex Tab</b>	Mecobalamin 0.5 mg	NERVE REGENERATING AGENTS	Active Co-enzymes of Vitamin B <sub>12</sub>	Peripheral neuropathies , Vertebral syndrome, Diabetic neuropathy, Parkinson's disease, Drug induced neuropathy, Nerve compression syndrome, Entrapment neuropathy , Alzheimer's disease, Bell's palsy, Multiple sclerosis, Intercostal neuralgia, Diabetic retinopathy, Amyotrophic lateral sclerosis, Lumbago
<b>Newage Tab</b>	Multivitamin + Multimineral	VITAMINS & MINERALS	Multivitamin + Multimineral	Provide vitamins and minerals throughout the pregnancy & during postnatal period for both lactating and non-lactating mothers
<b>Nidazyl 400 Tab</b> <b>Nidazyl Susp</b>	Metronidazole 400 mg Metronidazole 200 mg/5 ml	ANTIPROTOZOALS	Nitroimidazole Antimicrobial	Trichomoniasis, Amoebiasis, Anaerobic bacterial infections, Intra-abdominal infections
<b>Noak Tab</b>	Aceclofenac 100 mg	NSAIDS	Analog of Diclofenac	Pain and inflammation in Osteoarthritis, Rheumatoid arthritis, Ankylosing spondylitis, Primary dysmenorrhea, Dental pain
<b>Nosedex Tab</b>	Fexofenadine HCl 120 mg	ANTI HISTAMINES	Histamine-1 Receptor Antagonist	Seasonal Allergic Rhinitis, Chronic Idiopathic Urticaria
<b>Novelta Susp 200 ml</b> <b>Novelta Chew. Tab</b>	Magaldrate 480 mg + Simethicone 20 mg/5 ml Magaldrate 480 mg + Simethicone 20 mg	ANTACIDS	Acid Neutralizer	Hyperacidity, Gastric and duodenal ulcer, Gastritis, Heartburn, Dyspepsia, Gastro esophageal reflux. Novelta is also indicated for the relief of Flatulence, Abdominal distention and Windy colic
<b>Novodol Tab</b>	Tramadol & Paracetamol	OPIOID ANALGESICS	Opioid Analgesic	Treatment of moderate to severe pain, such as Post-surgical pain, Acute and chronic low back pain, Osteoarthritic pain, Dental pain, Muscle pain etc.
<b>Novoxen 375 Tab</b> <b>Novoxen 500 Tab</b>	Naproxen 375 mg + Esomeprazole 20 mg Naproxen 500 mg + Esomeprazole 20 mg	NSAIDS	Propionic Acid Derivative & Proton Pump Inhibitor	Osteoarthritis, Rheumatoid arthritis, Ankylosing spondylitis and to decrease the risk of developing gastric ulcers in patients at risk of developing NSAIDs-associated gastric ulcers
<b>Nugesic Tab</b>	Vitamin B <sub>1</sub> 100 mg + Vit. B <sub>6</sub> 200 mg + Vit. B <sub>12</sub> 200 mg	ANTI NEUROPATHICS	Vitamin	Neuropathy, Neuritis, Neuralgia, Cervical Syndrome, Shoulder Arm Syndrome, Lumbago, Sciatica, Myalgia, Intercostal Neuralgia, Trigeminal Neuralgia and Arthritis

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Trade Name	Generic Name	Therapeutic Area	Therapeutic Class	Indications
<b>Oclazid MR Tab</b>	Gliclazide Modified Release 30 mg	ANTIDIABETICS	Sulfonylureas	Treatment of maturity-onset stable diabetics when dietary modification has failed to control hyperglycemia
<b>Oclazid Tab</b>	Gliclazide 80 mg			
<b>Olmesafe-20 Tab</b>	Olmesartan Medoxomil 20 mg	ANTIHYPERTENSIVES	Angiotensin Receptor Blocker	For Initial Hypertension
<b>Olmesafe-AM 5/20 Tab</b>	Olmesartan 20 mg + Amlodipine 5 mg	ANTIHYPERTENSIVES	Angiotensin Receptor Blocker + Calcium Channel Blocker	For Uncontrolled Hypertension
<b>Olmesafe-HT 20/12.5 Tab</b>	Olmesartan 20 mg + Hydrochlorothiazide 12.5 mg	ANTIHYPERTENSIVES	Angiotensin Receptor Blocker + Thiazide Diuretics	For Systolic Hypertension
<b>Onasia Inj</b>	Ondansetron 2 mg/5 ml	ANTIEMETICS	Antiemetic	Nausea & Vomiting, Pregnancy induced nausea & vomiting, Post-operative and Chemotherapy induced nausea & vomiting
<b>Onasia Oral Sol.</b>	Ondansetron 4 mg/5 ml			
<b>Onasia Tab</b>	Ondansetron 8 mg			
<b>Onium Inj</b>	Tiemonium Methylsulphate 5 mg/2 ml	ANTISPASMODICS	Antispasmodics	Gastroenteritis, Enterocolitis, Diarrhea, Cholecystitis, Dysentery, Smooth muscle spasm
<b>Onium Syp</b>	Tiemonium Methylsulphate 10 mg/5 ml			
<b>Onium Tab</b>	Tiemonium Methylsulphate 50 mg			
<b>Oranex Cap</b>	Tranexamic Acid 500 mg	ANTIFIBRINOLYTICS	Antifibrinolytic	Bleeding due to trauma, Heavy menstrual bleeding, Surgery
<b>Orfenac Plus Injection</b>	Diclofenac 75 mg & Lidocaine 20 mg/2 ml	NSAIDS	NSAID	Pain and inflammation in Osteoarthritis, Rheumatoid arthritis, Ankylosing spondylitis, Primary dysmenorrhea, Dental pain
<b>Orfenac TR Cap</b>	Diclofenac Sodium 100 mg			
<b>Oriodox Cap</b>	Doxycycline 100 mg	ANTIBIOTICS	Tetracycline Antibiotic	Bronchitis, Pneumonia, Sinusitis, Cystitis, Arthritis, Acne
<b>Orioplex Syp 100 ml</b>	Vitamin B Complex	VITAMINS & MINERALS	Vitamin B Complex	Vitamin B deficiency
<b>Orioplex Syp 200 ml</b>	Vitamin B Complex			
<b>Orioplex Tab</b>	Vitamin B Complex			
<b>Orioplex-M Tab</b>	Multivitamin + Minerals		Multivitamin + Mineral	
<b>Orlev 500 Tab</b>	Levofloxacin 500 mg	ANTIBIOTICS	3 <sup>rd</sup> Generation Fluoroquinolones	Acute bacterial sinusitis, Acute bacterial exacerbation of chronic bronchitis, Pneumonia, Skin Infections
<b>Ormin 500 Tab</b>	Metformin Hydrochloride 500 mg	ANTIDIABETICS	Biguanides	As monotherapy, as an adjunct to diet to lower blood glucose in patients with NIDDM, as adjunct therapy for IDDM with insulin
<b>Ormin 850 Tab</b>	Metformin Hydrochloride 850 mg			

Trade Name	Generic Name	Therapeutic Area	Therapeutic Class	Indications
<b>Orsal Syp 100 ml</b>	Salbutamol 2 mg/5 ml	ANTIASTHMATICS	$\beta_2$ -Adrenergic agonist	Asthma, Bronchospasm and reversible airways obstruction by widening the airways of the lungs
<b>Ortac Inj</b> <b>Ortac Tab</b>	Ranitidine 50 mg/2 ml Ranitidine 150 mg	ANTIULCERANTS	H <sub>2</sub> Antagonist	Gastric and duodenal ulcer, Prophylaxis and treatment of NSAID-induced ulcer, Gastro-esophageal reflux disease (GERD), Zollinger elision syndrome, Acid related dyspepsia, Heartburn
<b>Palostar Inj</b> <b>Palostar Tab</b>	Palonosetron 0.075 mg/1.5 ml Palonosetron 0.5 mg	ANTIEMETICS	Antiemetic	Nausea & Vomiting, Pregnancy induced nausea & vomiting, Post-operative and Chemotherapy induced nausea & vomiting
<b>Pedicef-DS PFS 50 ml</b> <b>Pedicef PFS 50 ml</b>	Cefpodoxime 80 mg/5 ml Cefpodoxime 40 mg/5 ml	ANTIBIOTICS	3 <sup>rd</sup> Generation Cephalosporin	Pharyngitis and/or tonsillitis, Community-acquired pneumonia, Acute bacterial exacerbation of chronic bronchitis
<b>Pedicon P.Drops 15 ml</b>	Simethicone 67 mg/ml	ANTIFLATULENTS	Mixture of Polydimethylsiloxane and Hydrated silica gel	Flatulence, Abdominal discomfort, Infant Colic
<b>Pep Syp 100 ml</b> <b>Pep-2 Syp 100 ml</b> <b>Pep-2 Syp 200 ml</b> <b>Pep-20 Syp 100 ml</b> <b>Pep-20 Tab</b>	Zinc 4.05 mg/5 ml Zinc 10 mg/5ml Zinc 10 mg/5ml Zinc 20 mg/5 ml Zinc 20 mg	VITAMINS & MINERALS	Zinc	Impaired immune function, Diarrhea, Pneumonia, Common cold, Growth retardation, Loss of appetite
<b>Pep-Plus Syp 100 ml</b> <b>Pep-Plus Syp 200 ml</b> <b>Pep-Plus Tab</b>	Zinc 10 mg + Vit B-complex/5 ml Zinc 10 mg + Vit B-complex/5 ml Zinc 10 mg + Vit B-complex	VITAMINS & MINERALS	Zinc +Vit B-complex	Impaired immune function, Diarrhea, Pneumonia, Common cold, Growth retardation, Loss of appetite, Poor memory condition, Neurological disorder
<b>Procap 20 Cap</b> <b>Procap 40 Cap</b> <b>Procap 40 IV Inj</b>	Omeprazole 20 mg Omeprazole 40 mg Lyophilized Omeprazole BP 40 mg	ANTIULCERANTS	Proton-Pump Inhibitor	Benign gastric and duodenal ulcers including those complicating NSAID therapy, Erosive reflux oesophagitis and for disorders associated with hypersecretion of gastric acid, such as the Zollinger-Ellison syndrome
<b>Rivo 0.5 Tab</b> <b>Rivo 1 Tab</b> <b>Rivo 2 Tab</b>	Clonazepam 0.5 mg Clonazepam 1 mg Clonazepam 2 mg	ANXIOLYTICS & ANTIDEPRESSANTS	Benzodiazepine	Panic attack, Epilepsy, Drug-induced dyskinesia, Resistant depression, Nocturnal myoclonus, Trigeminal neuralgia

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Trade Name	Generic Name	Therapeutic Area	Therapeutic Class	Indications
<b>Riz Syb 60 ml</b>	Cetirizine Dihydrochloride 5 mg/5 ml	ANTI HISTAMINES	Histamine-1 Receptor Antagonist	Seasonal allergic rhinitis and Conjunctivitis, Perennial allergic rhinitis, Pruritus and Urticaria of allergic origin
<b>Riz Tab</b>	Cetirizine Dihydrochloride 10 mg			
<b>Rovex 10 Tab</b>	Rosuvastatin 10 mg	LIPID LOWERING DRUGS	3 <sup>rd</sup> Generation Statin	Diabetic or Cardiac patient with High Cholesterol level, Any patients with High Cholesterol level
<b>Rovex 5 Tab</b>	Rosuvastatin 5 mg			
<b>Rupenta Tab</b>	Rupatadine 10 mg	ANTI HISTAMINES	2 <sup>nd</sup> Generation Histamine-1 Receptor Antagonist	Seasonal and perennial allergic rhinitis, such as Sneezing, Nasal discharge & itching, Congestion/stuffiness, as well as Ocular itching, Tearing and redness, Itching of palate and coughing
<b>Sefin 1 g IV/IM Inj</b>	Cephadrine 1 gm	ANTIBIOTICS	1 <sup>st</sup> Generation Cephalosporin	Respiratory tract infections, Skin and skin structure infections, Urinary tract infections
<b>Sefin 250 Cap</b>	Cephadrine 250 mg			
<b>Sefin 250 IV/IM Inj</b>	Cephadrine 250 mg			
<b>Sefin 500 Cap</b>	Cephadrine 500 mg			
<b>Sefin 500 IV/IM Inj</b>	Cephadrine 500 mg			
<b>Sefin DS PFS 100 ml</b>	Cephadrine 250 mg/5 ml			
<b>Sefin DS PFS 50 ml</b>	Cephadrine 250 mg/5 ml			
<b>Sefin P. Drops</b>	Cephadrine 125 mg/1.25 ml			
<b>Sefin PFS 100 ml</b>	Cephadrine 125 mg/5 ml			
<b>Silvage Tab</b>	Multivitamin + Multimineral (30 Ingredients)	VITAMINS & MINERALS	Multivitamin + Multimineral	For the prevention & treatment of vitamins and mineral deficiencies for patients over 45 age
<b>Stimulin 1 Tab</b>	Glimepiride 1 mg	ANTIDIABETICS	Sulfonylureas	Adjunct to diet and exercise for the management of Type-2 diabetic patients whose hyperglycemia cannot controlled by diet and exercise alone
<b>Stimulin 2 Tab</b>	Glimepiride 2 mg			
<b>Tamlosin Tab</b>	Tamsulosin 0.4 mg	DRUGS FOR URINARY RETENTION	Alpha Blocker	Benign Prostatic Hyperplasia, Urinary Incontinence, BPH symptoms like Hesitancy, Intermittency, Terminal dribbling
<b>Tendonil Cap</b>	Acemetacin 60 mg	NSAIDS	Cyclooxygenase inhibitor	Low back pain, Rheumatoid arthritis, Osteoarthritis, Post-operative pain



Trade Name	Generic Name	Therapeutic Area	Therapeutic Class	Indications
Tenorix Tab	Tenoxicam 20 mg	NSAIDS	Cyclooxygenase (COX-2) Inhibitor	Osteoarthritis, Rheumatoid arthritis, Ankylosing spondylitis, Acute gout, Tendinitis & Bursitis
Timex Tab	Clomipramine HCl 25 mg	ANXIOLYTICS & ANTIDEPRESSANTS	Tricyclic Antidepressant	Psychogenic depression, Depressive neuroses, Masked depression, Psychosomatic affections accompanied by anxiety and apathy, Menopausal depressions, Dysphoria and depression in alcoholics and drug-addicts
Torped 1 gm IV/IM Inj	Cefotaxime 1 gm	ANTIBIOTICS	3 <sup>rd</sup> Generation Cephalosporin	Lower respiratory tract infections, Genitourinary infections, Gynecologic infections, Central nervous system infections
Torped 250 IV/IM Inj	Cefotaxime 250 mg			
Torped 500 IV/IM Inj	Cefotaxime 500 mg			
Truso 200 Cap	Cefixime 200 mg	ANTIBIOTICS	3 <sup>rd</sup> Generation Cephalosporin	Respiratory tract infections, Uncomplicated urinary tract infections, Otitis media, Pharyngitis and tonsillitis, Acute exacerbations of Chronic bronchitis
Truso 400 Cap	Cefixime 400 mg			
Truso DS PFS 50 ml	Cefixime 200 mg/ 5 ml			
Truso PD 15 ml	Cefixime 25 mg/ 5 ml			
Truso PFS 37.5 ml	Cefixime 100 mg/ 5 ml			
Truso PFS 50 ml	Cefixime 100 mg/ 5 ml			
U4 Tab	Flupentixol 0.5 mg + Melitracen 10 mg	ANXIOLYTICS & ANTIDEPRESSANTS	Typical Antipsychotic +Tricyclic Antidepressant	Psychogenic depression, Depressive neurosis, Masked depression, Psychosomatic affections accompanied by anxiety and apathy, Menopausal depressions, Dysphoria and depression in alcoholics and drug-addicts
Vertex 1 gm IV Inj	Ceftriaxone 1 gm	ANTIBIOTICS	3 <sup>rd</sup> Generation Cephalosporin	Lower respiratory tract infections, Otitis Media, UTI, Gonorrhea, Septicemia
Vertex 1 gm IM Inj	Ceftriaxone 1 gm			
Vertex 2 gm IV Inj	Ceftriaxone 2 gm			
Vertex 250 IV Inj	Ceftriaxone 250 mg			
Vertex 250 IM Inj	Ceftriaxone 250 mg			
Vertex 500 IV Inj	Ceftriaxone 500 mg			
Vertex 500 IM Inj	Ceftriaxone 500 mg			

## Our Product Index

Trade Name	Generic Name	Therapeutic Area	Therapeutic Class	Indications
Xclor PFS 100 ml	Cefaclor 125 mg/5 ml	ANTIBIOTICS	2 <sup>rd</sup> Generation Cephalosporin	Otitis media, Lower Respiratory Tract Infections
Xemi Tab	Gemifloxacin Mesylate 320 mg	ANTIBIOTICS	4 <sup>rd</sup> Generation Fluoroquinolones	Acute bacterial exacerbation of chronic bronchitis, Mild to moderate community acquired pneumonia
Xenocort Cream 10 gm	Clobetasol Propionate BP 0.05%	TOPICAL PREPERATIONS	Topical Steroid	Hyper acute eczema, Chronic hyperkeratotic eczema, Chronic hyperkeratotic psoriasis, Acute light sensitivity
Xenocort Ointment 10 gm	Clobetasol Propionate BP 0.05%			
Xil-50 Cap	Pregabalin 50 mg	ANTI NEUROPATHICS	CNS Acting	Neuropathic pain, Fibromyalgia, Seizures/epilepsy, GAD (Generalized anxiety disorder)
Xil-75 Cap	Pregabalin 75 mg			
Xindal-150 Cap	Clindamycin 150 mg	ANTIBIOTICS	Lincosamide Antibiotic	Skin & Skin structure infection, RTI, Septicemia, Intra-abdominal Infections
Xindal-300 Cap	Clindamycin 300 mg			
Xzema Cream 10 gm	Fusidic Acid 2% + Betamethasone Valerate 0.1%	TOPICAL PREPERATIONS	Topical Corticosteroid with Antibacterial Agent	Atopic eczema, Discoid eczema, Stasis eczema, Psoriasis
Zidim 1 gm IV/IM Inj	Ceftazidime 1 gm	ANTIBIOTICS	3 <sup>rd</sup> Generation Cephalosporin	Lower Respiratory Tract Infections, Skin and Skin-Structure Infections, Urinary Tract Infections, Bacterial Septicemia
Zidim 250 mg IV/IM Inj	Ceftazidime 250 mg			
Zidim 500 mg IV/IM Inj	Ceftazidime 500 mg			
Zoana PFS 32 ml	Nitazoxanide 100 mg/5 ml	ANTIPROTOZOALS	Broad-spectrum Anti-parasitic & Antiviral	Diarrhea caused by protozoa, Amoebiasis, Helminth Infection
Zoana PFS 62 ml	Nitazoxanide 100 mg/5 ml			
Zoana Tab	Nitazoxanide 500 mg			

# Our Performance & Financials 2018-19





# Five years' highlights consolidated

BDT in million

Particulars	2018-19	2017-18	2016-17	2015-16	2014
<b>CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME DATA</b>					
Net sales revenue	8,705.17	10,423.10	9,534.35	14,799.74	10,706.70
Gross profit	2,545.68	2,376.20	2,419.25	3,861.26	2,714.48
Operating profit	1,041.78	965.18	968.87	1,608.70	1,168.66
Profit before tax	1,028.31	953.63	959.58	1,593.86	1,147.31
Net profit after tax	882.35	801.76	794.50	1,323.07	994.09
Earnings before interest, tax & depreciation (EBITDA)	2,347.49	2,343.97	2,377.60	3,763.93	2,886.66
<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION DATA</b>					
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	17,594.35	17,054.21	16,602.52	16,377.82	15,793.92
Non-controlling interest	1,154.63	1,065.40	962.62	838.31	758.02
Total equity	18,748.98	18,119.61	17,565.13	17,216.13	16,551.94
Total current liabilities	4,090.96	5,513.16	5,422.50	3,738.46	3,196.26
Total non-current liabilities	8,150.48	7,081.93	5,175.15	5,935.32	6,344.13
Total non-current assets	19,000.92	18,413.93	18,199.06	18,286.61	19,195.72
Property, plant & equipment	12,937.53	13,144.23	13,555.93	14,058.34	14,906.50
Total current assets	11,989.50	12,300.76	9,963.73	8,603.29	6,896.61
Total assets	30,990.42	30,714.70	28,162.79	26,889.91	26,092.33
Net current assets/(liabilities)	7,898.54	6,787.61	4,541.23	4,592.88	3,700.35
<b>FINANCIAL RATIOS</b>					
Gross profit ratio (%)	29.24	22.80	25.37	26.09	25.35
Current ratio (times)	2.93	2.23	1.84	2.30	2.16
Debt equity ratio (times)	0.76	0.80	0.70	0.64	0.65
Return on equity (%)	5.01	4.70	4.79	8.08	6.29
Return on capital employed (%)	5.86	6.55	6.67	11.78	9.89
Price earnings ratio – DSE (times)	8.80	12.08	14.94	6.51	10.71
Price earnings ratio – CSE (times)	8.75	12.29	14.88	6.54	10.71
<b>ORDINARY SHARES INFORMATION</b>					
Face value per share (BDT)	10	10	10	10	10
Quoted price per share-DSE (BDT)	33.20	41.40	50.80	36.80	45.50
Quoted price per share-CSE (BDT)	33.00	42.10	50.60	37.00	45.50
Number of shares outstanding	234,000,000	234,000,000	234,000,000	234,000,000	234,000,000
Dividend (Cash)	15%*	15%	15%	15%	15%
Net asset value per share (BDT) (including revaluation surplus)	75.19	72.88	70.95	69.99	67.50
Net asset value per share (BDT) (excluding revaluation surplus)	66.98	64.55	62.48	61.34	58.25
Net operating cash flow per share (BDT)	6.19	9.38	9.62	16.62	13.98
Earnings per share (BDT)	3.77	3.43	3.40	5.65	4.25
Number of shareholders	30,171	34,515	48,863	63,949	86,806
<b>OTHER INFORMATION</b>					
Number of employees	2,743	2,527	2,287	2,223	2,085

\* Proposed

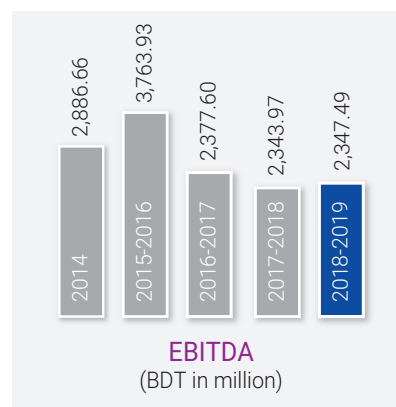
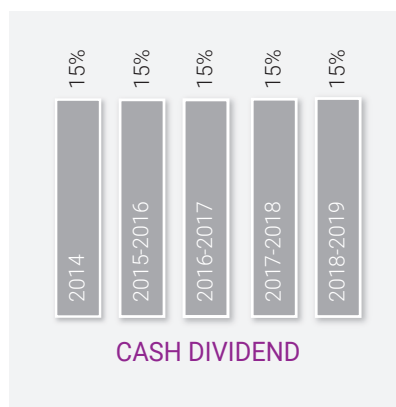
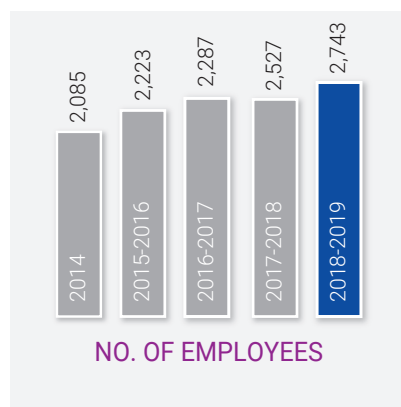
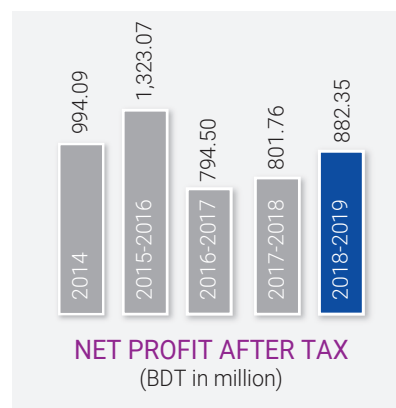
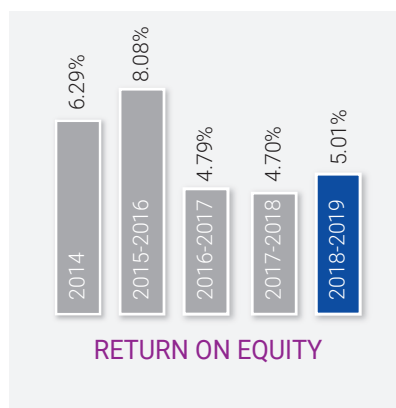
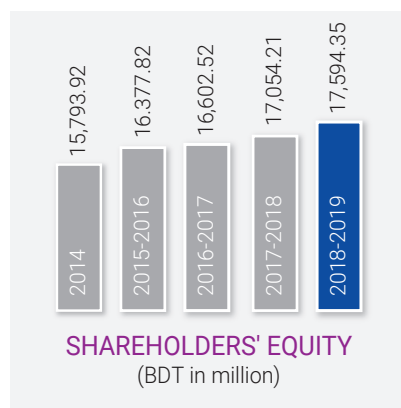
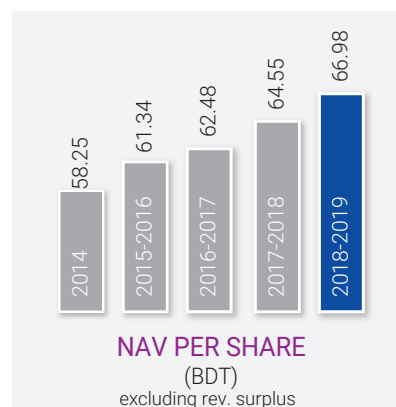
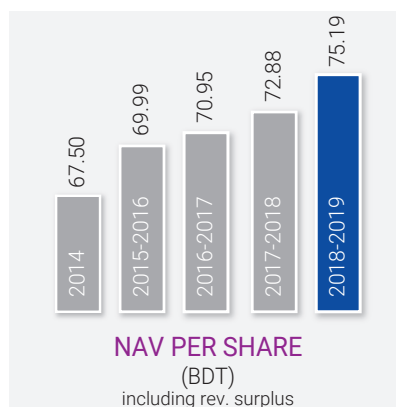
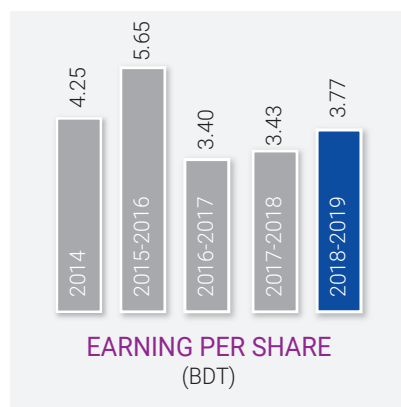


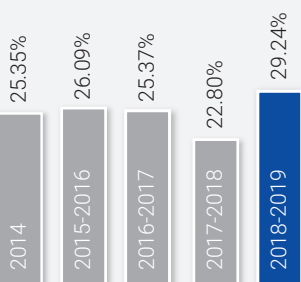
# Horizontal & vertical analysis consolidated

Horizontal	2018-19	2017-18	2016-17	2015-16	2014
<b>CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME DATA</b>					
Net sales revenue	81%	97%	89%	138%	100%
Gross profit	94%	88%	89%	142%	100%
Operating profit	89%	83%	83%	138%	100%
Profit before tax	90%	83%	84%	139%	100%
Net Profit after tax	89%	81%	80%	133%	100%
Earnings before interest, tax & depreciation	81%	81%	82%	130%	100%
Earnings per share*	89%	81%	80%	133%	100%
<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION DATA</b>					
Paid up capital	100%	100%	100%	100%	100%
Shareholders' equity	111%	108%	105%	104%	100%
Non-controlling interest	152%	141%	127%	111%	100%
Total equity	113%	109%	106%	104%	100%
Total current liabilities	128%	172%	170%	117%	100%
Total non-current liabilities	128%	112%	82%	94%	100%
Total non-current assets	99%	96%	95%	95%	100%
Property, plant & equipment	87%	88%	91%	94%	100%
Total current assets	174%	178%	144%	125%	100%
Total assets	119%	118%	108%	103%	100%
Net current assets/(liabilities)	213%	183%	123%	131%	100%
Vertical	2018-19	2017-18	2016-17	2015-16	2014
<b>CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME DATA</b>					
Net sales revenue	100.00%	100.00%	100.00%	100.00%	100.00%
Gross profit	29.24%	22.80%	25.37%	26.09%	25.35%
Operating profit	11.97%	9.26%	10.16%	10.87%	10.92%
Profit before tax	11.81%	9.15%	10.06%	10.77%	10.72%
Net Profit after tax	10.14%	7.69%	8.33%	8.94%	9.28%
Earnings before interest, tax & depreciation	26.97%	22.49%	24.94%	25.43%	26.96%
Earnings per share*	37.71%	34.26%	34.00%	56.54%	42.50%
<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION DATA</b>					
Paid up capital	7.55%	7.62%	8.31%	8.70%	8.97%
Shareholders' equity	56.77%	55.52%	58.95%	60.91%	60.53%
Non-controlling interest	3.73%	3.47%	3.42%	3.12%	2.91%
Total equity	60.50%	58.99%	62.37%	64.02%	63.44%
Total current liabilities	13.20%	17.95%	19.25%	13.90%	12.25%
Total non-current liabilities	26.30%	23.06%	18.38%	22.07%	24.31%
Total non-current assets	61.31%	59.95%	64.62%	68.01%	73.57%
Property, plant & equipment	41.75%	42.79%	48.13%	52.28%	57.13%
Total current assets	38.69%	40.05%	35.38%	31.99%	26.43%
Total assets	100.00%	100.00%	100.00%	100.00%	100.00%
Net current assets/(liabilities)	25.49%	22.10%	16.12%	18.09%	14.18%

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

# Graphical presentation consolidated

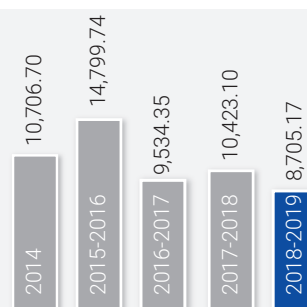




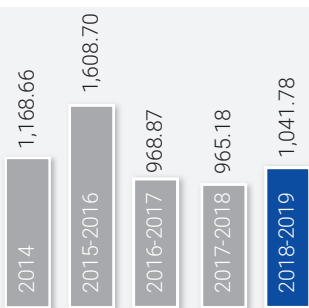
**GROSS PROFIT MARGIN**



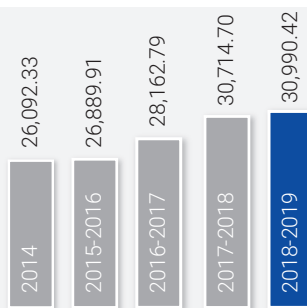
**GROSS PROFIT**  
(BDT in million)



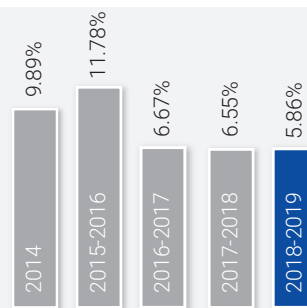
**NET REVENUE**  
(BDT in million)



**OPERATING PROFIT**  
(BDT in million)



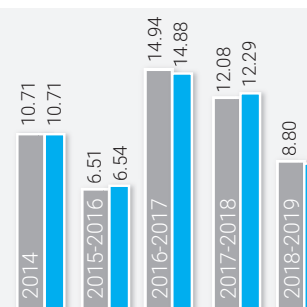
**TOTAL ASSETS**  
(BDT in million)



**ROCE**

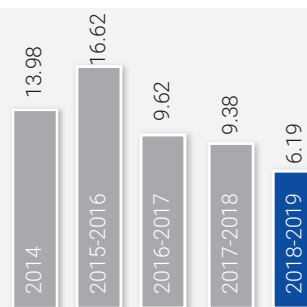


**NON-CURRENT LIABILITIES**  
(BDT in million)



**P/E RATIO**

■ DSE ■ CSE



**NOCF PER SHARE**  
(BDT)

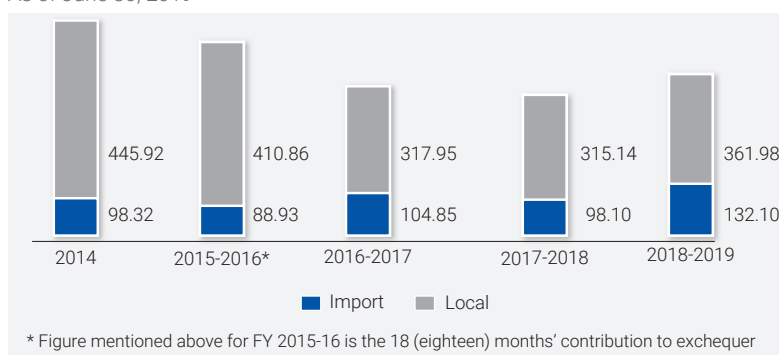
# Contribution to national exchequer

Since its inception OPL has been trying to play a significant role in the contribution to the national economy. The collective contribution to the National Exchequer from being listed with Stock Exchanges in 2013 up to June 2019 was BDT 2,480.04 million of which, BDT 413.25 million was made in FY 2018-19 alone. Out of total BDT 413.25 million, BDT 38.48 million & BDT 250.18 million were made on account of direct tax (income tax) charged against its own income and sales VAT respectively to Government treasury, BDT 98.10 million on account of Import Vat, Tax, Duty, SD on raw materials, packing materials, spare parts, Machineries & other assets and BDT 3.29 million as indirect payments on account of employees income taxes against salary paid and deducted at source.

We hope to increase this contribution it in the upcoming years. In order to be a valuable part of the Government's effort to establish a sustainable level of tax contribution the Company will continue its support to Government by dint of increasing its contribution to National Exchequer in upcoming years.

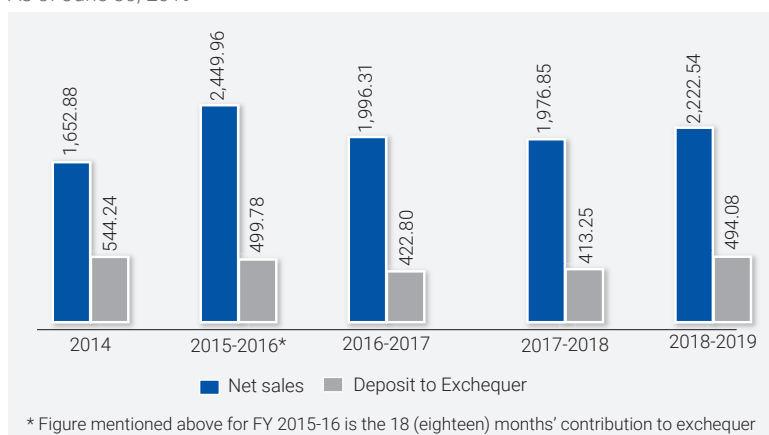
## Year-wise contribution to exchequer (in terms of criteria)

BDT in million  
As of June 30, 2019



## Year-wise contribution to exchequer (against sales)

BDT in million  
As of June 30, 2019





# Human resource accounting

Human Resource Accounting is the activity of knowing the cost invested for employees towards their recruitment, training them, payment of salaries & other benefits paid and in return knowing their contribution to organization towards its profitability. Orion Pharma Limited has undertaken this attempt to identify and report investments made in the human resources of the company and will provide information to the stakeholders regarding what changes overtime is occurring to the human resources of the business, and of the cost and value they are to the organization.

Our company uses the Lev and Schwartz model to assess the value of human resource. As per this model, human resource of a company is the summation of value of all the net present value (NPV) of expenditure on employees. According to the management of Orion Pharma Limited, the total value of human capital has been ascertained BDT 763.78 million for the financial year 2018-19 and BDT 663.74 million in the financial year 2017-18. The total value added to human capital has been ascertained BDT 274.02 million for the financial year 2018-19 and BDT 254.07 million in the financial year 2017-18.

## H.R Value Accounting: Lev & Schwartz model

BDT in million  
 As of June 30, 2019

Year	2018-19	2017-18	2016-17
Employees (no.)	2,743	2,527	2,287
Net Revenue	2,222.54	1,976.85	1,996.31
Value of Human Resources*	763.78	663.74	545.83
Value Added	274.02	254.07	240.31
<b>Ratio of:</b>			
Net Revenue/ Value of Human Resources	2.91	2.98	3.66
Value Added/ Value of Human Resources	0.36	0.38	0.44

*Value of Human Resources	2018-19	2017-18	2016-17
Salaries, wages & other allowances	716.92	613.40	491.94
Fooding Expenses	24.87	25.96	29.41
Training, overseas travel & conference	8.52	12.83	15.19
Workers profit participation fund	13.47	11.55	9.29
<b>Total</b>	<b>763.78</b>	<b>663.74</b>	<b>545.83</b>

# Value added statement consolidated

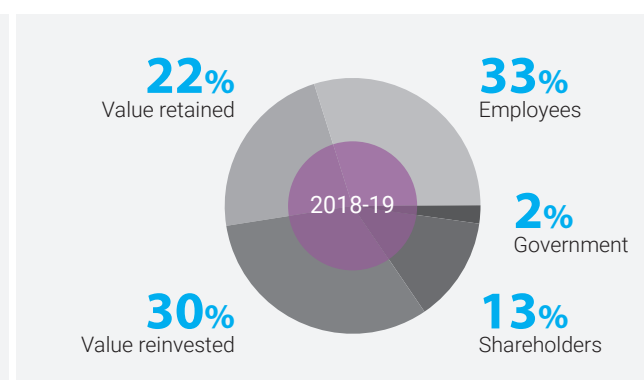
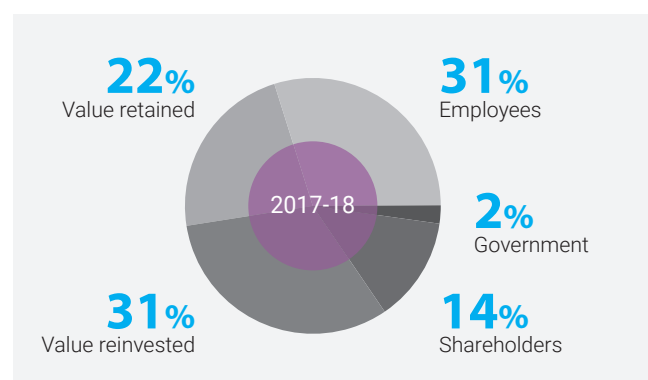
During the financial year 2018-19, 31.63% of the company's net value addition was distributed to employees, 13.83% to shareholders, 2.02% to Government and the remaining 52.51% was retained and reinvested for future expansion and growth.

With the aim of building long-term and sustainable value for all stakeholders, Orion Pharma Limited has increased its retained earnings for strategic expansion, modernization of our infrastructure and other investments to enhance its continued competitiveness. The increase in retained earnings by BDT 450.76 million against the last financial year's figure demonstrates the commitment to funding these initiatives.

VALUE ADDED	2018-19 BDT in million	2017-18 BDT in million
Value added by operating activities	2,737.28	2,380.64
Net revenue	8,705.17	10,423.10
Less: Cost of goods and services provided	(5,967.90)	(8,042.47)
Value added by investing activities	30.97	156.89
Interest and other income	22.25	149.72
Share of profit from associates	8.72	7.18
<b>Wealth created</b>	<b>2,768.25</b>	<b>2,537.53</b>

VALUE DISTRIBUTED	2018-19 BDT in million	%	2017-18 BDT in million	%
Distributed to employees	909.15	32.84	802.59	31.63
Salaries, wages, allowances and bonus	909.15	32.84	802.59	
Distributed to Government	44.24	1.60	51.36	2.02
Income tax	44.24	1.60	51.36	
Distributed to providers of capital	351.00	12.68	351.00	13.83
Dividend	351.00	12.68	351.00	
Value reinvested	843.27	30.46	779.03	30.70
Depreciation and amortization	822.06	29.70	774.14	
Deferred tax	21.21	0.77	4.89	
Value retained	620.58	22.42	553.55	21.81
Retained profit	531.35	19.19	450.76	
Non-controlling interest	89.23	3.22	102.78	
<b>Wealth created</b>	<b>2,768.25</b>	<b>100</b>	<b>2,537.53</b>	<b>100</b>



# Share performance

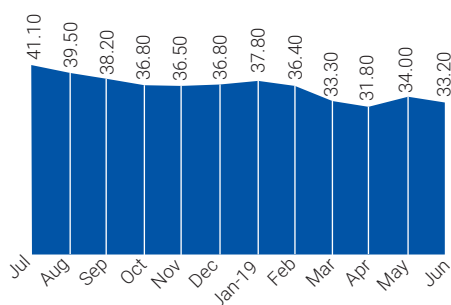
	DSE	CSE
Stock Symbol	ORIONPHARM	ORIONPHARM
Business Segment	Pharmaceuticals & chemicals	Pharma & chemicals
Company ID	18486	13027
Listing Year	2013	2013
Market Category	A	A
Electronic Share	Yes	Yes
Total Number of Outstanding Securities	234,000,000	234,000,000

	June 2019	June 2018
Market Capitalization – DSE (BDT in million)	7,768.80	9,687.60
Market Capitalization – CSE (BDT in million)	7,722.00	9,851.40
EPS (BDT)	0000	3.43
DPS (BDT)	0000	1.5
Payout Ratio (%)	0000	43.73
Share Price –DSE (BDT)	33.20	41.40
Share Price- CSE (BDT)	33.00	42.10
Weighted Average Number of Shares Outstanding	234.000.000	234,000,000

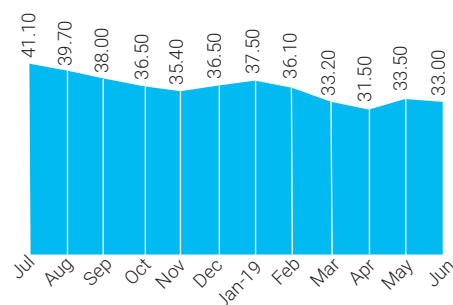
## MONTH END SHARE PRICE (DSE)

For a period of July 2018 to June 2019



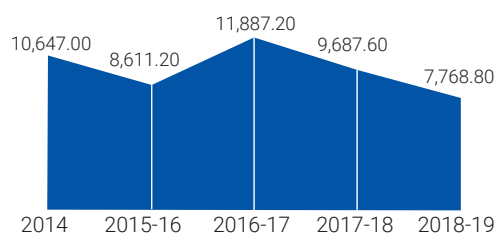
## MONTH END SHARE PRICE (CSE)

For a period of July 2018 to June 2019



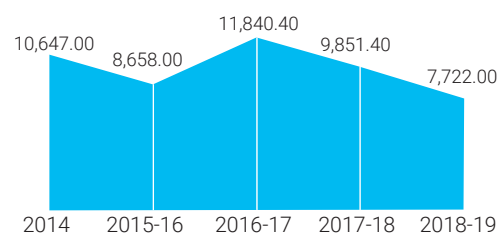
## MARKET CAPITALIZATION (DSE)

Million BDT



## MARKET CAPITALIZATION (CSE)

Million BDT



## Message from the Chairman



"Every year Orion Pharma Limited invites medical students from different Government Medical Colleges all over Bangladesh to reward them with scholarships for their studies. The company has also been successfully running the Enliven Patients Assistance Program (EPAP) from 2004 whereby we provide Enliven at subsidized price or free of cost for the underprivileged blood cancer patients in Bangladesh."

*Dear Shareholders,*

Assalamualaikum Wa Rahmatullah

With immense pleasure I take this opportunity to welcome all of you to the 54<sup>th</sup> Annual General Meeting (AGM) of Orion Pharma Limited and present the Integrated Annual Report for the financial year ended June 30, 2019. Our company started its journey with the vision to become a world-class pharmaceutical company in the field of generic finished products, and after operating for more than 5 (five) decades, the company today has proliferated out into one of the leading pharmaceutical companies in Bangladesh. All of you will be very happy to know that our company has done well in 2018-19 compared to 2017-18.

My dear Shareholders, you are all aware that we strive to provide our customers essential medicines of the finest quality. I am delighted to declare that during the year under review we have deeply focused on the development and active involvement of the Pharmacovigilance (PV) team of the company to monitor the product quality if any adverse event is reported and provide technical supports. This is another step towards our commitment of providing a healthier life to our customers. Moreover, this year the production facilities of your company has achieved the certificate of renewal of licence from DGDA to manufacture drugs.

My dear Shareholders, with great happiness I inform you all that the first phase construction of our Pharmaceutical Plant in Siddhirganj, Narayanganj, is complete and very soon we will start the production in our world-class Orion Pharma Park.



My fellow Shareholders, we strongly believe that developing new and effective medicines is mandatory for sustainable growth. In 2018-19 we have launched 4 (four) new products under 2 (two) brand names in Bangladesh; namely Olmesafe-20 Tablet, Olmesafe-AM 5/20 Tablet, Olmesafe-HT 20/12.5 Tablet and Rivo-1 Tablet. Furthermore, another 40 (forty) products are in pipeline under various stages of development.

In the financial year 2018-19, we have gone a step further in exploring markets and started exporting to Iraq and Fiji. We believe that this will help us generate more revenue and will also encourage us to discover other new markets.

It is also a matter of great honor for me to inform you all that our company was awarded the joint 3<sup>rd</sup> position for the "Best Presented Annual Report - 2017" under the category: Manufacturing Sector, by the Review Committee and Jury Board of the Review Committee for Published Accounts and Reports of Council ICAB. I take further pride in stating that we have been able to achieve this prestigious national recognition for the 3<sup>rd</sup> time in a row.

Dear Shareholders, let me take you all over the financial particulars now. You all will be delighted to know that in 2018-19 your company attained a Consolidated Net Revenue of BDT 8,705.17 million, Consolidated Gross Profit of BDT 2,545.68 million and the Consolidated Net Profit of BDT 882.35 million. The Consolidated Earnings per Share (EPS) is BDT 3.77 and taking into account the financial performance of the company in the reporting year, your Board has recommended 15% Cash Dividend for the shareholders.

Dear Shareholders, your company is aware about its responsibilities towards both the nation and the Government. 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 494.08 million which is equivalent to 22.23% of the company's Net Revenue.

Dear Shareholders, our company plays a vital role in performing social and humanitarian responsibilities in health and education sectors. Every year we invite medical students from different Government Medical Colleges all over Bangladesh to reward them with scholarships for their studies and in 2018-19 a total of 8 (eight) meritorious students were selected for this program. The company has also been successfully running the Enliven Patients Assistance Program (EPAP) from 2004 whereby we provide Enliven at subsidized price or free of cost for the underprivileged blood cancer patients in Bangladesh. In the financial year 2018-19, the company has enlisted 5 (five) new patients and renewed 21 (twenty-one) patients under this program. Other than these, we also undertake many other initiatives to help the society.

Dear Shareholders, every year we undertake various initiatives for our employees of which one of the remarkable ones is providing opportunity to a few employees to perform Holy Hajj & Umrah at company's expenses. In this reporting year, 7 (seven) employees were sent to perform Hajj and 14 (fourteen) were sent to perform Umrah. This facility is appreciated wholeheartedly by all our employees.

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 as they have done an admirable job in contributing to our success. I would like to applaud all our employees for doing such a commendable job.

Thank you

Sd/-

**Mohammad Obaidul Karim**  
 Chairman

# চেয়ারম্যান-এর প্রতিবেদন

## প্রিয় শেয়ারহোল্ডারবৃন্দ,

আসসালামু আলাইকুম ওয়া রাহ্মাতুল্লাহ

আমি অত্যন্ত আনন্দের সাথে আপনাদের সকলকে ওরিয়ন ফার্মা লিমিটেড-এর ৫৪তম বার্ষিক সাধারণ সভায় স্বাগত জানাচ্ছি এবং ৩০শে জুন ২০১৯ইং-এ সমাপ্ত অর্থ বছরের একীকৃত বার্ষিক প্রতিবেদন উপস্থাপন করছি। আপনাদের এই কোম্পানী একটি বিশ্বমানের ফার্মাসিউটিক্যালস প্রতিষ্ঠান হওয়ার লক্ষ্য নিয়ে জেনেরিক ঔষধ প্রস্তুতকারক হিসেবে যাত্রা শুরু করেছিল এবং সুদীর্ঘ ৫ দশকেরও বেশী সময় ধরে পরিচালনার পর প্রতিষ্ঠানটি আজ বাংলাদেশের একটি শীর্ষ স্থানীয় ঔষধ কোম্পানীতে উন্নীত হয়েছে। আপনারা জেনে খুশি হবেন যে, আপনাদের কোম্পানী গত বছরের তুলনায় এবার ভালো করেছে।

### প্রিয় শেয়ারহোল্ডারবৃন্দ,

আপনার সবাই জানেন যে, আমরা সব সময় গ্রাহকদেরকে সেরা মানের ঔষধ সরবরাহ করে আসছি। আমি আনন্দের সাথে ঘোষণা করছি যে, আমরা আমাদের পণ্যের মান যাচাই কার্যে যে কোন প্রতিকূল পরিস্থিতি মোকাবেলা এবং কারিগরী সহায়তার জন্য ফার্মাকোভিজিলেস (পিভি) টিমের উন্নয়ন এবং সক্রিয় অংশগ্রহণের ব্যাপারে মনোনিবেশ করেছি। এটি গ্রাহকদের স্বাস্থ্যকর জীবন নিশ্চিতকরণে আমাদের প্রতিশ্রুতিবদ্ধতার একটি গুরুত্বপূর্ণ পদক্ষেপ। আপনারা জেনে আরো খুশি হবেন যে, অত্র কোম্পানী ঔষধ উৎপাদনে DGDA কর্তৃক Certificate of renewal of licence অর্জন করেছে।

### প্রিয় শেয়ারহোল্ডারবৃন্দ,

অত্যন্ত আনন্দের সাথে আমি সকলকে জানাচ্ছি যে, নারায়ণগঞ্জের সিদ্ধিরগঞ্জে আমাদের ফার্মাসিউটিক্যালস প্লান্টের প্রথম পর্বের কাজ সম্পূর্ণ হয়েছে এবং খুব শীঘ্রই আমরা আমাদের বিশ্ব মানের ফার্মা পার্কে ঔষধ উৎপাদন শুরু করবো।

### আমার প্রিয় শেয়ারহোল্ডারবৃন্দ,

Sustainable growth-এর লক্ষ্যে সর্বদা নতুন এবং কার্যকর ঔষধের উৎপাদন এবং বাজারজাতকরণ বাধ্যতামূলক। তারই ধারাবাহিকতায় এই বছর আমাদের কোম্পানী বাংলাদেশে ২টি ব্র্যান্ড নামের অধীনে ৪ (চারটি) নতুন পণ্য বাজারজাত করেছে যেগুলো হলো- Olmesafe-20 Tablet, Olmesafe-AM 5/20 Tablet, Olmesafe-HT 20/12.5 Tablet এবং Rivo-1 Tablet. এছাড়াও আরো ৪০টিরও অধিক নতুন ঔষধ উন্নয়নের বিভিন্ন পর্যায়ে পাইপ লাইনে রয়েছে।

এ বছর আন্তর্জাতিক বাজারে আমাদের পণ্য প্রসারে আমরা আরো একধাপ এগিয়ে ইরাক এবং ফিজিতে রপ্তানী শুরু করেছি। আমরা বিশ্বাস করি যে, এটি আমাদের আয় বৃদ্ধিতে সহায়তা করবে এবং অন্যান্য নতুন বাজার সৃষ্টিতে আমাদের উৎসাহ যোগাবে।

### প্রিয় শেয়ারহোল্ডারবৃন্দ,

আমি আপনাদের জানাতে পেরে অত্যন্ত সম্মানিতবোধ করছি যে, আপনাদের প্রতিষ্ঠানটি Institute of Chartered Accountants of Bangladesh (ICAB) Gi Review Committee এবং Jury Board of the Review Committee for Published Accounts and Reports of Council কর্তৃক Manufacturing Sector category তে “Best Presented Annual Report – 2017” এর জন্য যৌথভাবে তৃতীয় পুরস্কারে ভূষিত হয়েছে। আমি আরো গর্বের সাথে বলতে চাই যে, আমরা এই সম্মানজনক জাতীয় স্বীকৃতিটি ধারাবাহিকভাবে তৃতীয় বারের মত অর্জন করতে সক্ষম হয়েছি।

### প্রিয় শেয়ারহোল্ডারবৃন্দ,

আমি এখন সমাপ্ত অর্থ বছরের আর্থিক বিবরণী উপস্থাপন করছি। আপনারা জেনে আনন্দিত হবেন যে, এই অর্থ বছরে আপনাদের কোম্পানী ৮,৭০৫.১৭ মিলিয়ন টাকা একীকৃত নীট







আয়, ২৫৪৫.৬৮ মিলিয়ন টাকা একীকৃত মোট মুনাফা এবং ৮৮২.৩৫ মিলিয়ন টাকা একীকৃত নীট মুনাফা অর্জন করেছে। আলোচিত অর্থ বছরে শেয়ার প্রতি একীকৃত আয় হয়েছে ৩.৭৭ টাকা এবং কোম্পানীর আর্থিক অবস্থা বিবেচনায় রেখে পরিচালনা পর্ষদ শেয়ারহোল্ডারদের জন্য ১৫% নগদ লভ্যাংশ প্রস্তাব করেছে।

#### প্রিয় শেয়ারহোল্ডারবন্দ,

আপনাদের কোম্পানী দেশ ও জাতির প্রতি সব সময় দায়িত্বশীল। আমরা কর্পোরেট ট্যাক্স, মূল্য সংযোজন কর (ভ্যাট) এবং অন্যান্য বিভিন্ন শুল্ক হিসেবে প্রতি বছর জাতীয় কোষাগারে গুরুত্বপূর্ণ অবদান রেখে আসছি। তারই ধারাবাহিকতায় এই বছর আপনাদের কোম্পানী ৪৯৪.০৮ মিলিয়ন টাকা জাতীয় কোষাগারে প্রদান করেছে, যা কোম্পানীর মোট আয়ের ২২.২৩%।

#### প্রিয় শেয়ারহোল্ডারবন্দ,

আপনারা অবগত আছেন যে, আপনাদের কোম্পানী স্বাস্থ্য ও শিক্ষা খাতে সামাজিক ও মানবিক দায়িত্ব পালনে গুরুত্বপূর্ণ অবদান রেখে আসছে। প্রতি বছর আমরা বিভিন্ন সরকারী মেডিক্যাল কলেজের শিক্ষার্থীদের বৃত্তি প্রদানে আমন্ত্রণ জানাই এবং এই কর্মসূচির আওতায় এই বছর মোট ৮ (আট) জন মেধাবী শিক্ষার্থী বাছাই করা হয়েছে। আমাদের কোম্পানী ২০০৪ সাল থেকে Enliven Patients Assistance Program (EPAP) সফলভাবে পরিচালনা করে আসছে যার মাধ্যমে আমরা বাংলাদেশে সুবিধা বঞ্চিত ব্লাড ক্যান্সারের রোগীদের জন্য ভর্তিক মূল্য বা বিনা মূল্যে Enliven সরবরাহ করে আসছি। ২০১৮-২০১৯ইং অর্থ বছরে কোম্পানী এই কর্মসূচীর আওতায় ৫ (পাঁচ) জন নতুন রোগী তালিকাভুক্ত করেছে এবং ২১ (একুশ) জনকে পুনঃ নবায়ন করেছে। এছাড়াও আমরা সামাজিক সহায়তায় আরো অনেক উদ্যোগ গ্রহণ করেছে।

#### প্রিয় শেয়ারহোল্ডারবন্দ,

প্রতি বছর আমরা আমাদের কর্মকর্তা ও কর্মচারীদের জন্য বিভিন্ন উদ্যোগ গ্রহণ করে থাকি, যার মধ্যে উল্লেখযোগ্য হলো কিছু সংখ্যক কর্মকর্তা ও কর্মচারীকে কোম্পানীর ব্যয়ে পবিত্র হজ্জ ও ওমরাহ পালনের সুযোগ প্রদান করা। তারই ধারাবাহিকতায় এই অর্থ বছরে ৭ (সাত) জন কর্মকর্তা-কর্মচারীকে হজ্জ ও ১৪ (চৌদ্দ) জনকে ওমরাহ পালনের জন্য প্রেরণ করা হয়েছিল। এই উদ্যোগটি সকল কর্মচারী ও কর্মকর্তাদের দ্বারা আন্তরিকভাবে প্রশংসিত হয়েছে।

#### প্রিয় শেয়ারহোল্ডারবন্দ,

আমাদের প্রতি সমর্থন এবং আত্মবিশ্বাসের জন্য আপনাদেরকে ধন্যবাদ জ্ঞাপন করছি। আমি ব্যবসায়িক অংশীদার, গ্রাহক, ব্যাংকার, সরবরাহকারী, সরকারী সংস্থা এবং নিয়ন্ত্রক কর্তৃপক্ষসহ আমাদের সকল স্টেকহোল্ডারদেরকে ধন্যবাদ জানাচ্ছি। আমাদের সাফল্যে অবদান এবং প্রশংসনীয় সহযোগিতার জন্য আমি আমার পক্ষ থেকে সকল কর্মকর্তা ও কর্মচারীবৃন্দের প্রতি কৃতজ্ঞতা প্রকাশ করছি এবং আন্তরিক ধন্যবাদ জানাচ্ছি।

ধন্যবাদান্তে

স্বা/-

মোহাম্মদ ওবায়দুল করিম  
চেয়ারম্যান

# Message from the Managing Director



"This year the Management focused on Human Resource Development as well as Operational Excellence. We have undertaken numerous employee oriented initiatives such as training and development programs that were aligned with the company's strategic and operational needs."

*Dear Shareholders,*

Assalamu Alaikum

I am pleased to present the Statement of the Managing Director of Orion Pharma Limited (OPL) for the year ended June 30, 2019 on behalf of the Management.

## **Commitment towards providing the best quality**

Our company is a reliable pharmaceutical brand and is dedicated in contributing to the improvement of human health by producing world class generic medicines of supreme quality and distributing them globally. Improving quality is a continuous process at our company and it is our commitment to the society to work towards making lives healthier. As a part of this commitment, this year we have undertaken various initiatives consistent with our aim - Healthier life, our commitment.

## **Evolving corporate governance**

Our company is committed to ensuring the highest standards of governance designed to protect the interest of all stakeholders. We believe that fair practice of corporate governance will generate goodwill among business partners, customers and investors which ultimately creates value for the key stakeholders of company.

## **Integrated reporting**

OPL is one of the early adopters of integrated reporting. The main prospect of integrated reporting is the opportunity to make decisions on the basis of financial criteria along with the consideration of the socio-economic impacts of the decision taken. In this report we have incorporated the 6 (six) capitals that have been used to create value for our stakeholders.



### Our performance

Our company attained a Consolidated Net Revenue of BDT 8,705.17 million in 2018-19 compared to BDT 10,423.10 million in 2017-18. This decrease was a result of reduction in revenue from power generation (our subsidiaries). This year OPL's individual Net Revenue stood at BDT 2,222.54 million compared to BDT 1,976.85 million registering a positive growth of 12.43%. OPL attained a Consolidated Gross Profit of BDT 2,545.68 million and individual Gross Profit of BDT 1,236.42 million. The Consolidated Net Profit stood at BDT 882.35 million and individual Net Profit stood at BDT 212.61 million. Consolidated EPS stood at BDT 3.77 registering a growth of 10.05% and individual EPS stood at BDT 0.91 registering a growth of 16.87%.

### Working towards UN SDGs

Our company actively contributes to the achievement of the SDGs through various business activities. Based on the evaluation of impacts of SDGs across the entire value creation model, through our operations, we are making a contribution to the SDGs focusing on 9 (nine) of the 17 (seventeen) goals. Further details have been provided in the chapter 'Contribution towards SDGs'.

### Steps towards sustainability

OPL always instructs and ensures utilization of natural resources in a sustainable manner for manufacturing our products and sharing values with our stakeholders. Therefore, we always focus on endeavors to minimize any negative impact that we might have on the environment through our business operation. In the chapter 'Natural Capital' it can be seen that how we have reduced water and gas consumption in

the reporting year. From installing LED lights to reducing paper usage, OPL has taken many initiatives towards protecting and sustaining the environment.

### Focus on human resource development

This year the Management focused on Human Resource Development as well as Operational Excellence. We have undertaken numerous employee oriented initiatives such as training and development programs that were aligned with the company's strategic and operational needs. We also conducted monthly appraisal of employees to better understand the areas that have room for further development. Monthly coordination meetings were arranged in presence of the mid-level management to know about the opinions and concerns of the employees and work on them.

Needless to say that OPL has a dedicated team that works tirelessly to achieve its targets. I would like to thank every employee of our Orion family for their hard work, loyalty and integrity.

Thank you

Sd/-

**Salman Obaidul Karim**  
 Managing Director

# Management discussion & analysis

## 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) & International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as applicable to the company.

During the financial year under review, IFRS 15 - Revenue from Contracts with Customers replaced IAS 18 Revenue & IAS 11 Construction contracts. IFRS 15 is conceptually similar to IAS 18, but includes in depth guidance on how to recognize and measure revenue.

Furthermore we are working towards complying with the Notification No. SEC/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).

## Economic scenario of the world

Let us start with a few words regarding the world-wide economic conditions in which our business is operating. According to the Department of Economic and Social Affairs of United Nations, global growth is expected to remain at 3.0 per cent in 2019 and 2020. However, the steady pace of expansion in the global economy covers an increase in downside risks that could potentially exacerbate development challenges in many parts of the world, according to the World Economic Situation and Prospects 2019. The global economy is facing a confluence of risks, which could severely disrupt economic activity and inflict significant damage on longer-term development prospects. These risks include an escalation of trade disputes, an abrupt tightening of global financial conditions, and intensifying climate risks. Subdued investment in emerging market and developing economies (EMDEs) is dampening potential growth prospects. Reforms to boost private investment and productivity growth are needed, particularly in low-income countries, which face more significant challenges today than they did in the early 2000s.

## Economic scenario of the country

After the world scenario, we may take a look at the condition of our country. According to the World Economic Situation and Prospects published by United Nations in 2019, Bangladesh will be the third fastest growing economy in the world in terms of achieving high Gross Domestic Product (GDP) in 2019. The economy is also set to continue expanding at a fast pace in the near term, above 7% per year, amid strong fixed investment, vigorous private consumption and accommodative monetary policy. The arrival of Rohingya refugees will test the resilience of the country's economy and its ability to maintain the social development momentum while providing humanitarian support. The country needs to form a stable macro-economic framework by addressing the problematic areas of exchange-rate volatility, poor banking and fiscal management.

## Pharmaceutical industry scenario of the country

The pharmaceutical industry is one of the most technologically advanced sectors currently in existence in Bangladesh. In 2018, the country's domestic pharmaceutical market size stood at BDT 20,511.8 crore with 15.6% compound annual growth rate (CAGR) for the last five years. Moreover, the sector is expected to grow at 15% year-on-year to reach USD 5.11 billion by 2023, propelled by high investment by local companies as they seek to grab a bigger share of the global market. The industry contributes about 1.83% of the total GDP for the country. The professional knowledge, thoughts and innovative ideas of the professionals working in this sector are the key factors for this development. Due to recent development of this sector, Bangladesh is exporting medicines to global market including European market.

According to Business Communications Company (BCC) Inc, a US-based research organization, the global market for generic drugs is expected to reach USD 533 billion by 2021 from USD 352 billion in 2016 at a compound annual growth rate (CAGR) of 8.7%. Bangladesh is going to be a major global hub for high quality low cost generic medicine and vaccine as India and China are losing cost advantages. The future of this industry is bright because of major reasons like rapid expansion in the older segments of the population, increased life expectancies, change in lifestyle, vast overseas market, industry-friendly Regulatory Administration etc.

## Company performance

Dear shareholders, please allow me to take you all through the comparative analysis of the financial performance and financial position of our company. If we consider 2013-2014 to be the base year for the sake of our comparative breakdown to see how we have performed over the last 5 (five) years, we can see that overall the company has been going through a moderate trend in the case of both the financial performance and financial position.

BDT in million					
Particulars	2018-19	2017-18	2016-17	2015-16	2014
Net Sales Revenue	8,705.17	10,423.10	9,534.35	14,799.74	10,706.70
Gross Profit	2,545.68	2,376.20	2,419.25	3,861.26	2,714.48
Net Profit after Tax	882.35	801.76	794.5	1323.07	994.09
EBITDA	2,347.49	2,343.97	2,377.60	3,763.93	2,886.66
Gross Profit Ratio (%)	29.24%	22.80%	25.37%	26.09%	25.35
Current Ratio (times)	2.93	2.23	1.84	2.30	2.16
Debt Equity Ratio (times)	0.76	0.80	0.70	0.64	0.65
Return on Equity (%)	5.01	4.70	4.79	8.08	6.29

## 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. If we look at the industry, we will find that there are many competitors and we have selected 9 (nine) of the listed companies from which we have determined the industry average. Now, if we look at the 5 (five) year's trend of ratios with the industry average, we can get a clear picture about our position.

Year	2017-18		2016-17		2015-16		2014-15		2013-14	
Financial ratios	OPL	Benchmark	OPL	Benchmark	OPL	Benchmark	OPL	Benchmark	OPL	Benchmark
Current Ratio (times)	1.81	1.26	1.84	1.75	2.30	1.57	2.16	1.63	0.79	1.19
Debt Equity Ratio (times)	0.80	1.57	0.70	0.71	0.64	0.72	0.65	0.63	0.62	0.76
Return on Equity (%)	4.70	13.41	4.79	13.94	8.08	16.88	6.29	15.55	5.72	13.62
Net Asset Value per Share (BDT)	72.88	66.78	70.95	60.07	69.99	57.08	67.50	37.43	65.23	55.48
Net Operating Cash flow per Share (BDT)	9.38	7.46	9.62	6.49	16.62	8.21	13.98	6.50	10.74	6.08
Earnings per Share (BDT)	3.43	10.73	3.40	9.06	5.65	7.52	4.25	7.93	4.06	5.65

Let me take you all over the different risks that we face. 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.

## Future plan

Dear stakeholders, I am pleased to inform you that in the last financial year 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/-

**Salman Obaidul Karim**

Managing Director & Chief Executive Officer

# Orion Pharma Limited

## Auditors' Report and Consolidated Financial Statements For the year ended 30 June 2019



**S.F. AHMED & CO.**

Chartered Accountants ...since 1958  
Member Firm of HLB International

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**INDEPENDENT AUDITORS' 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), which comprise the consolidated statement of financial position as at 30 June 2019 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Company as at 30 June 2019 and of its consolidated financial performance and its consolidated 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 Auditor's Responsibilities for the Audit of the Consolidated 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) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Bangladesh, 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**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

Key audit matter description	How the scope of our audit responded to the key audit matter
<b>Revenue</b>  ISAs require that, as part of our overall response to the risk of fraud, when identifying and assessing the risks of material misstatement due to fraud, we evaluate which types of revenue or revenue transactions might give rise to potential fraud risks.  The Group sells different kind of pharmaceutical products, animal health products, oncology-based products, agro-based products and power generation across a number of geographical areas in home and abroad. We have specifically focused this key audit matter to cut-off and occurrence for revenue recorded within June 2019. Pressures to meet stakeholders' expectations could provide incentives to record revenues where controls of the goods have not passed.	<b>Audit procedures performed</b>  We performed walkthroughs of the revenue cycle at significant components to gain an understanding of when the revenue should be recognized, to map out the relevant controls end to end and the processes in place.  We assessed the design and implementation of these controls. We tested a sample of individual sales transactions and traced to dispatch notes and subsequent cash receipt or other supporting documents. We performed analytical reviews to identify any unusual or one-off material revenue transactions.

## Auditors' Report

Key audit matter description	How the scope of our audit responded to the key audit matter
<p>The associated disclosure is included within Note 26. For specific detail on the Group's accounting policy, please see Note 3.1.</p>	<p>We identified and considered the impact of any credit notes or inventory returns occurring after year-end, including evaluating the impact of any material overdue debts from customers.</p> <p>With regard to the implementation of IFRS 15 "Revenue from Contract with Customers", we verified management's conclusion from assessing different types of contracts and the accuracy of the revised accounting policies in light of the industry specific circumstances and our understanding of the business. We tested the appropriateness of the accounting treatment on a sample basis. In addition, we verified the accuracy of IFRS 15 related disclosures.</p> <p><b>Key observations communicated to the Audit Committee</b></p> <p>We were satisfied that the revenue recognition policies have been applied appropriately. Based on the work performed, we concluded that revenue has been recorded appropriately.</p>
<b>Inventory</b>	
<p>At the reporting date, the carrying value of inventory amounted to Taka 918,051,609 which is 2.96% of total assets. Inventories were considered as a key audit matter due to the size of the balance and because inventory valuation involves management judgement.</p> <p>Inventory valuation and existence was an audit focus area because of the number of locations/stores that inventory was held at, and the judgement applied in the valuation of inventory to incorporate inventory shrinkage.</p> <p>According to the Group's accounting policy, inventories are measured at the lower of cost or net realizable value. The Group has specific procedures for identifying risk for obsolete items and measuring inventories at the lower of cost and net realizable value.</p> <p>The associated disclosure is included within Note 10. For specific detail on the Group's accounting policy, please see Note 3.4.</p>	<p><b>Audit procedures performed</b></p> <ul style="list-style-type: none"> <li>Assessing the compliance of Group's accounting policies over inventory with applicable accounting standards.</li> <li>Assessing the inventory valuation process &amp; practices. On major locations, we tested the effectiveness of the key controls.</li> <li>Assessing the analyses made by management with respect to slow moving and obsolete stock.</li> <li>Attending inventory count on 30 June 2019 and reconciling the count results to the inventory listings to test the completeness of data.</li> <li>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.</li> <li>Reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year.</li> <li>Evaluating the correctness of the valuation of raw materials and packing material as per FIFO method.</li> <li>Reviewing the calculation of standard labor hours and their regular comparison with actual labor hours of production; and reviewing the process of valuing work-in-progress.</li> </ul> <p><b>Key observations communicated to the Audit Committee</b></p> <p>We were satisfied that the inventory recognition and measurement policies have been applied appropriately. Based on the work performed, we concluded that inventories have been recorded appropriately.</p>

Key audit matter description	How the scope of our audit responded to the key audit matter
<p><b>Property, plant and equipment and capital work in progress</b></p> <p>At the reporting date, the carrying value of the Group's property, plant and equipment and capital work in progress amounted to Taka 12,937,529,084 and 3,369,075,037 respectively. The valuation of property, plant, and equipment was identified as a key audit matter due to the significance of this balance to the financial statements, as well as the significance of management's judgements in determining its valuation.</p> <p>In considering the valuation of property, plant, and equipment, we focused on the assessment of the followings:</p> <ul style="list-style-type: none"> <li>• Inherent risks associated with property, plant and equipment.</li> <li>• Potential misstatements in property, plant, and equipment on account of frauds and errors.</li> <li>• Assessment of useful lives of assets.</li> <li>• Assessment of impairment of assets.</li> </ul> <p><b>Inherent risks associated with property, plant and equipment</b></p> <ul style="list-style-type: none"> <li>• Property, plant and equipment may include assets that should have been derecognised following sale, other transfer of rights or abandonment.</li> <li>• Expenditure that should have been recognised as property, plant and equipment but has not been so recognised, including capitalised finance costs.</li> <li>• Depreciation may have been incorrectly calculated.</li> </ul> <p><b>Potential misstatements in property, plant and equipment on account of frauds and errors</b></p> <ul style="list-style-type: none"> <li>• Purchase of an asset at an inflated price especially from a related party.</li> <li>• Wrong write-off of the asset as scrap, obsolescence, missing, donated, or destroyed.</li> <li>• Expenditures for repairs and maintenance recorded as property, plant and equipment or vice versa.</li> <li>• Capitalization of expenditure which are not normally attributable to the cost of the property, plant and equipment.</li> <li>• Recording of an asset purchased, which in effect has not actually been received by the entity at all.</li> </ul> <p><b>Valuation of capital work in progress to PPE</b></p> <p>Management needs to ensure that the assets under construction or pending installation and not yet ready for intended use are classified as work in progress. An appropriate system needs to put in place to capture all directly identifiable costs, which can be capitalised, to be so</p>	<p><b>Audit procedures performed</b></p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the client and its environment to consider inherent risk related to property, plant, and equipment. Our understanding includes: <ul style="list-style-type: none"> <li>◆ Obtaining an understanding of the internal control over property, plant, and equipment.</li> <li>◆ Assessing the risks of material misstatement and designing tests of controls and substantive procedures that cover the following aspects: <ul style="list-style-type: none"> <li>✓ Substantiate the existence of property, plant and equipment.</li> <li>✓ Establish the completeness of recorded property, plant, and equipment.</li> <li>✓ Verify the cut-off of transactions affecting property, plant, and equipment.</li> <li>✓ Establish the proper valuation or allocation of property, plant, and equipment and the accuracy of transactions affecting property, plant, and equipment.</li> <li>✓ Determine the correctness and appropriateness of classification of property, plant and equipment.</li> </ul> </li> </ul> </li> <li>• We obtained an understanding of the potential misstatements in property, plant, and equipment on account of frauds and errors.</li> <li>• We evaluated the assumptions made by management in the determination of useful lives to ensure that these are consistent with the principles of IAS 16 "Property, Plant and Equipment".</li> <li>• We compared the useful lives of each class of asset in the current year to the prior year to determine whether there were any significant changes in the useful lives of assets, and considered the reasonableness of changes based on our knowledge of the business and the industry.</li> <li>• We verified records e.g. contractor bills, work orders and certification of work performed by the specialized personnel to ensure that the assets under construction or pending installation and not yet ready for intended use are classified as work in progress.</li> <li>• We also verified the date on which the assets are moved from the capital work in progress account to the property, plant and equipment (the date on which the asset is ready for intended use), so that the depreciation on property, plant and equipment may be computed correctly.</li> </ul>

## Auditors' Report

Key audit matter description	How the scope of our audit responded to the key audit matter
<p>accumulated to capital work in progress whilst expenses which are not eligible for being capitalised are identified and charged to revenue in the normal course.</p> <p><b>Assessment of useful lives of assets</b></p> <p>Management applies estimates and judgements in its determination of useful lives of assets and reviews the useful lives of assets at each financial year end and adjusts for changes, where appropriate.</p> <p><b>Impairment of assessment</b></p> <p>At the end of each reporting period, management assesses whether there is any indication that an asset may be impaired. If any such indication exists, management estimates the recoverable amount of the asset. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.</p> <p>The associated disclosure is included within Note 5 &amp; 6. For specific detail on the Group's accounting policy, please see Note 3.2.</p>	<ul style="list-style-type: none"> <li>• We reconciled the movement of capital work in progress from opening to closing, specifically verifying additions during the year, capital assets completed during the year and impairment of any opening capital work in progress items.</li> <li>• We assessed whether there are circumstances that indicate a possible impairment of property, plant and equipment and if such circumstances exist, how the same have been dealt with by the entity.</li> </ul> <p><b>Key observations communicated to the Audit Committee</b></p> <p>We were satisfied that the property, plant and equipment recognition and measurement policies have been applied appropriately. Based on the work performed, we concluded that property, plant and equipment have been recorded appropriately.</p>

### Reporting on Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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.

If we identify such material inconsistencies or apparent material misstatement, we are required to determine whether there is a material misstatement in the consolidated financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. **We have nothing to report in respect of these matters.**

### 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, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.



As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- 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 Group'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 consolidated 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 Group 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 financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group 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 auditor's 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 and relevant notifications issued by Bangladesh Securities and Exchange Commission, 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 Group so far as it appeared from our examination of these books;
- c) the consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts; and
- d) the expenditure incurred was for the purposes of the Group's business.

Dated, Dhaka;  
 06 November 2019

Sd/-  
**S. F. Ahmed & Co.**  
 Chartered Accountants

**ORION PHARMA LIMITED AND ITS SUBSIDIARIES**  
**Consolidated Statement of Financial Position**  
**As at 30 June 2019**

	Notes	Amount in Taka	
		30 June 2019	30 June 2018
<b>Assets</b>			
<b>Non-current assets</b>		<b>18,714,567,518</b>	<b>18,413,933,278</b>
Property, plant and equipment	5	12,937,529,084	13,144,226,580
Construction work in progress	6	3,369,075,037	2,836,431,969
Investment in associates	8	254,282,000	260,041,000
Other investments	9	2,153,690,397	2,173,233,729
<b>Current assets</b>		<b>12,275,841,589</b>	<b>12,300,762,446</b>
Inventories	10	918,051,609	1,188,512,467
Trade and other receivables	11	10,108,011,586	9,747,876,431
Advances, deposits and prepayments	12	1,145,562,629	849,757,878
Fixed deposit with banks	13	12,028,336	7,565,262
Cash and cash equivalents	14	92,187,429	507,050,408
<b>Total assets</b>		<b>30,990,418,107</b>	<b>30,714,695,724</b>
<b>Shareholder's equity and liabilities</b>			
<b>Shareholder's equity</b>		<b>17,594,351,998</b>	<b>17,054,211,260</b>
Share capital	15	2,340,000,000	2,340,000,000
Share premium		8,016,892,026	8,016,892,026
Reserves	16	1,908,891,010	1,944,512,923
Retained earnings	17	5,328,568,962	4,752,806,311
Non - controlling interest	18	1,154,626,813	1,065,399,016
<b>Total equity</b>		<b>18,748,978,811</b>	<b>18,119,610,276</b>
<b>Non-current liabilities</b>		<b>8,150,475,040</b>	<b>7,081,930,417</b>
Redeemable preference shares	Annexure-E	500,000,000	500,000,000
Provision for decommissioning of assets	Annexure-F	143,405,563	143,405,563
Long term loan	19	7,356,383,000	6,313,018,758
Finance lease obligation	20	26,573,217	16,591,900
Employee benefits payable	21	25,886,783	29,919,146
Deferred tax liability	22	98,226,477	78,995,050
<b>Current liabilities</b>		<b>4,090,964,256</b>	<b>5,513,155,031</b>
Current portion of long term loan	19.3	256,375,584	373,490,714
Current portion of finance lease obligation	20	15,417,560	8,784,096
Short term loans	23	565,283,464	582,351,265
Trade and other payables	24	2,590,499,077	3,847,479,764
Accrued expenses	25	663,388,571	701,049,192
<b>Total equity and liabilities</b>		<b>30,990,418,107</b>	<b>30,714,695,724</b>
<b>Number of shares used to compute NAV</b>		<b>234,000,000</b>	<b>234,000,000</b>
<b>Net asset value (NAV) including revaluation surplus</b>		<b>75.19</b>	<b>72.88</b>
<b>Net asset value (NAV) excluding revaluation surplus</b>		<b>66.98</b>	<b>64.55</b>

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.

Dated, Dhaka;  
06 November 2019

Sd/-  
**S. F. Ahmed & Co.**  
Chartered Accountants

**ORION PHARMA LIMITED**  
**Statement of Financial Position**  
**As at 30 June 2019**

	Notes	Amount in Taka	
		30 June 2019	30 June 2018
<b>Assets</b>			
<b>Non-current assets</b>		<b>12,040,783,721</b>	<b>11,096,227,931</b>
Property, plant and equipment	5a	5,246,736,287	4,809,521,233
Construction work in progress	6	3,369,075,037	2,836,431,969
Investment in subsidiaries	7	1,017,000,000	1,017,000,000
Investment in associates	8	254,282,000	260,041,000
Other investments	9	2,153,690,397	2,173,233,729
<b>Current assets</b>		<b>7,242,106,413</b>	<b>6,795,570,490</b>
Inventories	10a	270,587,251	271,925,189
Trade and other receivables	11a	6,020,796,815	5,524,979,159
Advances, deposits and prepayments	12a	907,965,205	658,445,869
Fixed deposit with banks	13	12,028,336	7,565,262
Cash and cash equivalents	14a	30,728,806	332,655,011
<b>Total assets</b>		<b>19,282,890,134</b>	<b>17,891,798,421</b>
<b>Shareholder's equity and liabilities</b>			
<b>Shareholder's equity</b>		<b>12,469,096,711</b>	<b>12,598,699,407</b>
Share capital	15	2,340,000,000	2,340,000,000
Share premium		8,016,892,026	8,016,892,026
Reserves	16a	1,509,109,947	1,528,864,782
Retained earnings	17a	603,094,738	712,942,599
<b>Non-current liabilities</b>		<b>5,091,407,432</b>	<b>3,590,186,688</b>
Long term loan	19a	4,940,720,955	3,464,680,591
Finance lease obligation	20	26,573,217	16,591,900
Employee benefits payable	21	25,886,783	29,919,147
Deferred tax liability	22	98,226,477	78,995,050
<b>Current liabilities</b>		<b>1,722,385,991</b>	<b>1,702,912,326</b>
Current portion long term loan	19.a.1	256,375,584	373,490,714
Current portion of finance lease obligation	20	15,417,560	8,784,096
Short term loans	23	565,283,464	582,351,265
Trade and other payables	24.a	623,062,003	506,384,796
Accrued expenses	25.a	262,247,380	231,901,455
<b>Total shareholder's equity and liabilities</b>		<b>19,282,890,134</b>	<b>17,891,798,421</b>
<b>Number of shares used to compute NAV</b>		<b>234,000,000</b>	<b>234,000,000</b>
<b>Net asset value (NAV) including revaluation surplus</b>		<b>53.29</b>	<b>53.84</b>
<b>Net asset value (NAV) excluding revaluation surplus</b>		<b>47.31</b>	<b>47.81</b>

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.

Dated, Dhaka;  
06 November 2019

Sd/-  
**S. F. Ahmed & Co.**  
Chartered Accountants

**ORION PHARMA LIMITED AND ITS SUBSIDIARIES**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 30 June 2019**

	Notes	Amount in Taka	
		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
Revenue from net sales	26	8,705,172,867	10,423,101,099
Cost of goods sold	27	(986,119,636)	(873,436,617)
Cost of power generation	28	(5,173,369,794)	(7,173,465,890)
<b>Gross profit</b>		<b>2,545,683,437</b>	<b>2,376,198,593</b>
<b>Operating expenses</b>		<b>(948,530,229)</b>	<b>(848,925,423)</b>
General and administrative expenses	29	(362,879,890)	(319,850,843)
Selling and distribution expenses	30	(585,650,340)	(529,074,580)
<b>Profit from operation</b>		<b>1,597,153,207</b>	<b>1,527,273,170</b>
Financial expenses	31	(577,625,205)	(711,810,898)
Interest and other income	32	22,249,730	149,716,281
<b>Net profit from operation</b>		<b>1,041,777,733</b>	<b>965,178,553</b>
Workers profit participation fund		(13,466,976)	(11,550,144)
<b>Net profit before tax</b>		<b>1,028,310,756</b>	<b>953,628,409</b>
<b>Income tax</b>		<b>(65,450,396)</b>	<b>(56,257,609)</b>
Current tax expenses	33	(44,244,820)	(51,363,436)
Deferred tax income/(expense)	22	(21,205,576)	(4,894,173)
<b>Net profit after tax</b>		<b>962,860,360</b>	<b>897,370,800</b>
Share of profit from associate	8	8,722,411	7,176,600
<b>Net profit for the year</b>		<b>971,582,771</b>	<b>904,547,400</b>
Less: Non controlling interest	18	(89,227,797)	(102,783,595)
		<b>882,354,974</b>	<b>801,763,806</b>
<b>Other comprehensive income</b>		<b>(14,264,018)</b>	<b>(13,143,064)</b>
Fair value gain/(loss) on marketable securities		(7,958,757)	(19,080,214)
Fair value gain/(loss) on investment in associates		(8,301,921)	4,217,843
Share of other comprehensive income of associate		22,510	(1,205,443)
Deferred tax income/(expenses) on revaluation surplus of PPE & fair value changes in marketable securities		1,974,149	2,924,749
<b>Total comprehensive income attributable to ordinary shareholders</b>		<b>868,090,956</b>	<b>788,620,742</b>
<b>Basic earning per share (EPS)</b>	34	<b>3.77</b>	<b>3.43</b>

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.

Dated, Dhaka;  
06 November 2019

Sd/-  
**S. F. Ahmed & Co.**  
Chartered Accountants



**ORION PHARMA LIMITED**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 30 June 2019**

	Notes	Amount in Taka	
		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
Revenue from net sales	26a	2,222,541,814	1,976,852,860
Cost of goods sold	27	(986,119,636)	(873,436,617)
<b>Gross profit</b>		<b>1,236,422,177</b>	<b>1,103,416,243</b>
<b>Operating expenses</b>		<b>(858,597,090)</b>	<b>(775,050,906)</b>
General and administrative expenses	29a	(272,946,751)	(245,976,326)
Selling and distribution expenses	30	(585,650,340)	(529,074,580)
<b>Profit from operation</b>		<b>377,825,087</b>	<b>328,365,338</b>
Financial expenses	31a	(117,268,314)	(235,528,600)
Interest and other income	32	22,249,730	149,716,281
<b>Net profit from operation</b>		<b>282,806,504</b>	<b>242,553,019</b>
Workers profit participation fund		(13,466,976)	(11,550,144)
<b>Net profit before tax</b>		<b>269,339,528</b>	<b>231,002,876</b>
<b>Income tax</b>		<b>(65,450,396)</b>	<b>(56,257,609)</b>
Current tax expenses	33	(44,244,820)	(51,363,436)
Deferred tax income/(expense)	22	(21,205,576)	(4,894,173)
<b>Net profit after tax</b>		<b>203,889,131</b>	<b>174,745,266</b>
Share of profit from associate	8	8,722,411	7,176,600
<b>Net profit for the year</b>		<b>212,611,542</b>	<b>181,921,866</b>
<b>Other comprehensive income</b>		<b>(14,264,019)</b>	<b>(13,143,064)</b>
Fair value gain/(loss) of marketable securities		(7,958,757)	(19,080,214)
Fair value gain/(loss) on investment in associates		(8,301,921)	4,217,843
Share of other comprehensive income of associate		22,510	(1,205,443)
Deferred tax income/(expenses) on revaluation surplus of PPE & fair value changes of marketable securities		1,974,149	2,924,749
<b>Total comprehensive income attributable to ordinary shareholders</b>		<b>198,347,523</b>	<b>168,778,802</b>
<b>Basic earning per share (EPS)</b>	34a	<b>0.91</b>	<b>0.78</b>

*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.

Dated, Dhaka;  
06 November 2019

Sd/-  
**S. F. Ahmed & Co.**  
Chartered Accountants

**ORION PHARMA LIMITED AND ITS SUBSIDIARIES**  
**Consolidated Statement of Changes in Equity**  
**For the year ended 30 June 2019**

Particulars	Ordinary Share Capital	Share Premium	Reserves	Retained Earnings	Sub Total	Non Controlling Interest	Total
<b>Balance as at 01 July 2018</b>	<b>2,340,000,000</b>	<b>8,016,892,026</b>	<b>1,944,512,923</b>	<b>4,752,806,311</b>	<b>17,054,211,260</b>	<b>1,065,399,016</b>	<b>18,119,610,276</b>
Prior year adjustment	-	-	-	15,956,766	15,956,766	-	15,956,766
Net profit after Tax	-	-	-	882,354,974	882,354,974	89,227,797	971,582,771
Fair value gain/(loss) on investment in associates	-	-	(8,301,921)	-	(8,301,921)	-	(8,301,921)
Dividend for the year 2017-2018	-	-	-	(351,000,000)	(351,000,000)	-	(351,000,000)
Adjustment for sale of marketable securities	-	-	7,093,015	-	7,093,015	-	7,093,015
Fair value gain/(loss) on marketable securities	-	-	(7,958,757)	-	(7,958,757)	-	(7,958,757)
Share of other comprehensive income of associate	-	-	22,510	-	22,510	-	22,510
Adjustment for deferred tax on revaluation surplus	-	-	1,974,149	-	1,974,149	-	1,974,149
Depreciation on revaluation surplus	-	-	(28,450,911)	28,450,911	-	-	-
<b>Balance as at 30 June 2019</b>	<b>2,340,000,000</b>	<b>8,016,892,026</b>	<b>1,908,891,010</b>	<b>5,328,568,962</b>	<b>17,594,351,998</b>	<b>1,154,626,813</b>	<b>18,748,978,811</b>

**ORION PHARMA LIMITED AND ITS SUBSIDIARIES**  
**Consolidated Statement of Changes in Equity**  
**For the year ended 30 June 2018**

Particulars	Ordinary Share Capital	Share Premium	Reserves	Retained Earnings	Sub Total	Non Controlling Interest	Total
<b>Balance as at 01 July 2017</b>	<b>2,340,000,000</b>	<b>8,016,892,026</b>	<b>1,976,561,162</b>	<b>4,269,065,600</b>	<b>16,602,518,787</b>	<b>962,615,421</b>	<b>17,565,134,208</b>
Prior year adjustment	-	-	-	2,851,455	2,851,455	-	2,851,455
Net profit after tax	-	-	-	801,763,806	801,763,806	102,783,595	904,547,400
Fair value gain/(loss) on investment in associates	-	-	4,217,843	-	4,217,843	-	4,217,843
Dividend for the year 2016-2017	-	-	-	(351,000,000)	(351,000,000)	-	(351,000,000)
Adjustment for sale of marketable securities	-	-	11,220,277	-	11,220,278	-	11,220,278
Fair value gain/(loss) on marketable securities	-	-	(19,080,214)	-	(19,080,214)	-	(19,080,214)
Share of other comprehensive income	-	-	(1,205,443)	-	(1,205,443)	-	(1,205,443)
Adjustment for deferred tax on revaluation surplus	-	-	2,924,749	-	2,924,749	-	2,924,749
Adjustment for depreciation on revaluation surplus	-	-	(30,125,451)	30,125,451	-	-	-
<b>Balance as at 30 June 2018</b>	<b>2,340,000,000</b>	<b>8,016,892,026</b>	<b>1,944,512,923</b>	<b>4,752,806,311</b>	<b>17,054,211,260</b>	<b>1,065,399,016</b>	<b>18,119,610,276</b>

Sd/-  
Managing Director

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Director

Sd/-  
Chief Financial Officer

Sd/-  
Company Secretary

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Dated, Dhaka,  
06 November 2019

Sd/-  
**S. F. Ahmed & Co.**  
Chartered Accountants

**ORION PHARMA LIMITED**  
**Statement of Changes in Equity**  
**For the year ended 30 June 2019**

Particulars	Ordinary Share Capital	Share Premium	Reserve	Retained Earnings	Total
<b>Balance as at 01 July 2018</b>	<b>2,340,000,000</b>	<b>8,016,892,026</b>	<b>1,528,864,782</b>	<b>712,942,598</b>	<b>12,598,699,407</b>
Prior year adjustment	-	-	-	15,956,766	15,956,766
Net profit after tax	-	-	-	212,611,542	212,611,542
Dividend for the period 2017- 2018	-	-	-	(351,000,000)	(351,000,000)
Fair value gain/(loss) on investment in associates	-	-	(8,301,921)	-	(8,301,921)
Share of other comprehensive income of associate	-	-	22,510	-	22,510
Adjustment for sale of marketable securities	-	-	7,093,015	-	7,093,015
Fair value gain/(loss) on marketable securities	-	-	(7,958,757)	-	(7,958,757)
Adjustment for deferred tax on revaluation surplus	-	-	1,974,149	-	1,974,149
Adjustment for depreciation on revaluation surplus	-	-	(12,583,832)	12,583,832	-
<b>Balance as at 30 June 2019</b>	<b>2,340,000,000</b>	<b>8,016,892,026</b>	<b>1,509,109,947</b>	<b>603,094,738</b>	<b>12,469,096,711</b>

**ORION PHARMA LIMITED**  
**Statement of Changes in Equity**  
**For the year ended 30 June 2018**

Particulars	Ordinary Share Capital	Share Premium	Reserve	Retained Earnings	Total
<b>Balance at 01 July 2017</b>	<b>2,340,000,000</b>	<b>8,016,892,026</b>	<b>1,545,045,941</b>	<b>864,910,904</b>	<b>12,766,848,872</b>
Prior year adjustment	-	-	-	2,851,455	2,851,455
Net profit after tax	-	-	-	181,921,866	181,921,866
Dividend for the period 2016- 2017	-	-	-	(351,000,000)	(351,000,000)
Fair value gain/(loss) on investment in associates	-	-	4,217,843	-	4,217,843
Share of other comprehensive income of associates	-	-	(1,205,443)	-	(1,205,443)
Adjustment for sale of marketable securities	-	-	11,220,278	-	11,220,278
Fair value gain/(loss) on marketable securities	-	-	(19,080,214)	-	(19,080,214)
Adjustment for deferred tax on revaluation surplus	-	-	2,924,749	-	2,924,749
Adjustment for depreciation on revaluation surplus	-	-	(14,258,373)	14,258,373	-
<b>Balance as at 30 June 2018</b>	<b>2,340,000,000</b>	<b>8,016,892,026</b>	<b>1,528,864,782</b>	<b>712,942,599</b>	<b>12,598,699,407</b>

Sd/-  
**Managing Director**

Sd/-  
**Director**

Sd/-  
**Chief Financial Officer**

Sd/-  
**Company Secretary**

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

Dated, Dhaka;  
06 November 2019

Sd/-  
**S. F. Ahmed & Co.**  
Chartered Accountants

**ORION PHARMA LIMITED AND ITS SUBSIDIARIES**  
**Consolidated Statement of Cash Flows**  
**For the year ended 30 June 2019**

	Amount in Taka	
	01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
<b>A. Cash flows from operating activities</b>		
Cash received from customers and others	9,692,190,702	9,688,657,545
Cash paid to suppliers and others	(7,394,162,508)	(6,466,373,463)
Cash payment for operating expenses	(801,728,472)	(967,254,445)
<b>Cash generated from operations</b>	<b>1,496,299,722</b>	<b>2,255,029,637</b>
Income taxes paid	(47,752,252)	(60,696,580)
<b>Net cash (used in)/ provided by operating activities</b>	<b>1,448,547,470</b>	<b>2,194,333,057</b>
<b>B. Cash flows from investing activities</b>		
Acquisition of property, plant & equipment	(815,813,155)	(362,435,968)
Proceeds from sale of PPE	1,350,000	-
Capital work in progress	(532,643,067)	(635,401,325)
Investment in securities and others	18,677,590	4,948,532
Investment in subsidiaries and associates	(461,351,605)	(383,712,325)
Investment in FDR	(4,463,074)	(419,417)
Interest, dividend & other income	21,999,242	149,716,281
<b>Net cash (used in)/ provided by investing activities</b>	<b>(1,772,244,069)</b>	<b>(1,227,304,221)</b>
<b>C. Cash flows from financing activities</b>		
Proceed from/(repayment of) long term loan	926,249,112	591,934,064
Proceed from/(repayment of) short term loan	(78,693,428)	(262,859,765)
Payment of finance lease obligation	(7,582,425)	-
Interest paid	(594,953,758)	(650,807,216)
Dividends paid	(336,185,883)	(417,048,480)
<b>Net cash (used in)/ provided by financing activities</b>	<b>(91,166,381)</b>	<b>(738,781,397)</b>
<b>Net cash increase/(decrease) during the year (A+B+C)</b>	<b>(414,862,980)</b>	<b>228,247,438</b>
Cash & cash equivalents at the beginning of the year	507,050,409	278,802,970
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>92,187,429</b>	<b>507,050,408</b>
<b>Net operating cash flows per share (NOCFPS)</b>	<b>6.19</b>	<b>9.38</b>

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Chief Financial Officer

Sd/-  
Company Secretary

Dated, Dhaka;  
06 November 2019



**ORION PHARMA LIMITED**  
**Statement of Cash Flows**  
**For the year ended 30 June 2019**

	<b>Amount in Taka</b>	
	<b>01 July 2018 to 30 June 2019</b>	<b>01 July 2017 to 30 June 2018</b>
<b>A. Cash flows from operating activities</b>		
Cash received from customers and others	2,194,277,763	1,974,788,375
Cash paid to suppliers and others	(761,305,773)	(696,142,576)
Cash payment for operating expenses	(801,728,472)	(967,254,445)
<b>Cash generated from operations</b>	<b>631,243,518</b>	<b>311,391,354</b>
Income taxes paid	(47,752,252)	(60,696,580)
<b>Net cash (used in)/ provided by operating activities</b>	<b>583,491,267</b>	<b>250,694,774</b>
<b>B. Cash flows from investing activities</b>		
Acquisition of property, plant & equipment	(809,807,368)	(150,764,448)
Proceeds from sale of PPE	1,350,000	-
Capital work in progress	(532,643,067)	(635,401,325)
Investment in securities and others	18,677,590	4,948,533
Investment in subsidiaries and associates	(461,351,605)	(383,712,325)
Investment in FDR	(4,463,074)	(419,417)
Interest, dividend & other income	21,999,242	149,716,281
<b>Net cash (used in)/ provided by investing activities</b>	<b>(1,766,238,282)</b>	<b>(1,015,632,700)</b>
<b>C. Cash flows from financing activities</b>		
Proceed from/(repayment of) long term loan	1,358,925,234	1,269,545,069
Proceed from/(repayment of) short term loan	(17,067,801)	409,360,613
Payment of finance lease obligation	(7,582,425)	-
Interest paid	(117,268,315)	(235,528,600)
Dividends paid	(336,185,883)	(417,048,480)
<b>Net cash (used in)/ provided by financing activities</b>	<b>880,820,810</b>	<b>1,026,328,602</b>
<b>Net cash increase/(decrease) during the year (A+B+C)</b>	<b>(301,926,205)</b>	<b>261,390,676</b>
Cash & cash equivalents at the beginning of the year	332,655,011	71,264,335
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>30,728,806</b>	<b>332,655,011</b>
<b>Net operating cash flows per share (NOCFPS)</b>	<b>2.49</b>	<b>1.07</b>

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
Chief Financial Officer

Sd/-  
Company Secretary

Dated, Dhaka;  
06 November 2019

**ORION PHARMA LIMITED AND ITS SUBSIDIARIES**  
**Notes, Comprising a Summary of Significant Accounting Policies and**  
**Other Explanatory Information**  
**For the year ended 30 June 2019**

**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.

**1.1.2 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

**1.2 Subsidiary companies**

**1.2.1 Orion Power Meghnaghat Limited**

Orion Power Meghnaghat Ltd. (IEL Consortium and Associate Ltd.) was incorporated on 30 June 2010 as a public limited company under the Companies Act, 1994 with authorized share capital of Tk. 4,000,000,000 divided into 400,000,000 Ordinary shares of Tk. 10 each. The company implemented a 100 MW HFO power based plant on quick rental basis in Meghnaghat, Dhaka with machineries and equipment supplied by Wartsila OY, Finland. The generated output of 105 MW electricity is being regularly supplied to national grid. Orion Pharma Ltd. holds 95% of equity share of this company directly.

**1.2.2 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. The generated output of 105 MW electricity is being regularly supplied to national grid. Orion Pharma Ltd. holds 67% of equity share of this company.

**1.3 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 5 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 financial statements

According to IAS-1 "Presentation of Financial Statements", the complete set of financial statements includes the following components-

- i. Statement of Financial Position as at 30 June 2019,
- ii. Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2019,
- iii. Statement of Changes in Equity for the year ended 30 June 2019,
- iv. Statement of Cash Flows for the year ended 30 June 2019, and
- v. Notes, comprising a summary of significant accounting policies and other explanatory information for the year ended 30 June 2019.

## 2.3 Basis of measurement

The financial statements have been prepared on historical cost basis except for certain assets which are stated either at revalued amount or fair market value as explained in the accompanying notes.

## 2.4 Functional and presentation currency

The financial statements are prepared and presented in Bangladesh Taka/Tk./BDT, which is the company's functional currency. The Company earns its major revenues in BDT and all other incomes/expenses and transactions are in BDT. Further, the entire funds from financing activities are presented in BDT.

## 2.5 Comparative information

Comparative information has been disclosed in respect of year 01 July 2017 to 30 June 2018 for all numerical information in the 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 2018 to 30 June 2019.

## 2.7 Use of estimates and judgments

The preparation of 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 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 financial statements.

## 2.10 Date of authorization

The financial statements were authorized for issue by the Board of Directors in its meeting held on 06 November 2019.

## Notes to the Financial Statements

### 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 17	Leases
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	Consolidated and 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

### 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.

#### Changes in accounting policies

The Group changes its accounting policy only if the change is required by an IFRS or results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the Group's financial position, financial performance or cash flows. Changes in accounting policies is to be made through retrospective application by adjusting opening balance of each affected components of equity i.e. as if new policy has always been applied.

#### Implementation of IFRS 9 'Financial Instruments'

The Group has applied IFRS 9 'Financial Instruments' with effect from 1 July 2018. IFRS 9 introduces new requirements for the classification and measurement of financial assets and financial liabilities and impairments for financial assets. Details of these new requirements as well as their impact on the Group's consolidated financial statements are described below. The Group has adopted IFRS 9 retrospectively but with certain permitted exceptions as detailed below:

#### Classification and measurement of financial assets

The date of initial application was 1 July 2018. The Group has not applied the requirements of IFRS 9 to instruments that were derecognised prior to 1 July 2018 and has not restated prior years. Any difference between the previous carrying amount and the revised carrying amount at 1 July 2018 has been recognised as an adjustment to opening retained earnings at 1 July 2018.

All financial assets that are within the scope of IFRS 9 are required to be measured at amortised cost or fair value, with movements through other comprehensive income or profit or loss statement on the basis of the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.



#### **IFRS 9 had the following impact on the Group's assets:**

The Group's trade receivables were all classified as financial assets measured at amortised cost under IAS 39. Under IFRS 9, the business model under which each portfolio of trade receivables held has been assessed. 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 amortised cost. There were no material changes in carrying value of financial assets as a result of these changes in measurement basis.

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 & to recognize changes in those expected credit losses at each reporting date.

#### **Implementation of IFRS 15 'Revenue from Contracts with Customers'**

The Group has applied IFRS 15 'Revenue from Contracts with Customers' with effect from 1 July 2018. IFRS 15 provides a single, principles-based approach to the recognition of revenue from all contracts with customers. It focuses on the identification of performance obligations in a contract and requires revenue to be recognised when or as those performance obligations are satisfied.

The Group has adopted IFRS 15 applying the modified retrospective approach. IFRS 15 did not have a material impact on the amount or timing of recognition of reported revenue. In accordance with the requirements of IFRS 15 where the modified retrospective approach is adopted, prior year results have not been restated.

#### **Changes in accounting estimates**

Estimates arise because of uncertainties inherent within them, judgment is required but this does not undermine reliability. Effect of changes of accounting estimates is included in profit or loss statement.

#### **Correction of error in prior period financial statements**

The Group corrects material prior period errors retrospectively by restating the comparative amounts for the prior period(s) presented in which the error occurred; or if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

### **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 Accounting Standards

## Notes to the Financial Statements

### 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:

Particular of Assets	Rate of Depreciation
Factory & office Building	10%
Plant & machinery	15%
Furniture and fixtures	15%
Vehicles	20%
Office equipment	15%
Laboratory equipment	15%

#### Revaluation of property, plant and equipment

Land, buildings & civil constructions and plant & machineries are subsequently measured at fair value. Valuations are performed at specific intervals to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

On 31 December 2008 & 31 December 2011 the company has made revaluation of the Company's Land and Land developments, Factory and Office Building and Plant and Machinery to reflect fair value thereof in terms depreciated current cost thereof. Details of revaluation as on 31 December 2011 are as follows:

Particulars of the assets	Name of the Valuer	Qualification of the Valuer	Date of Revaluation	The carrying amount of Assets	Value of Assets after revaluation	Revaluation Surplus
1. Land and Land development	Syful Shamsul Alam & Co. (Statutory auditor at that year S.F. Ahmed & Co.)	Chartered Accountants	31 December 2011	1,167,752,249	2,340,699,850	1,172,947,601
2. Factory and Office Building				144,440,015	198,198,786	53,758,771
3. Plant & Machinery				130,512,146	177,645,275	47,133,129
<b>Total</b>				<b>1,442,704,410</b>	<b>2,716,543,911</b>	<b>1,273,839,501</b>

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 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.

### **3.4 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.

### **3.5 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".

### **3.6 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).

### **3.7 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 - 34 of the financial statements.

## Notes to the Financial Statements

### Basic earnings

This represents earnings for the period attributable to the ordinary shareholders. As there no preference dividend, minority interest or extra ordinary items, the net profit for the year has been considered as fully attributable to ordinary shareholders. Basic earnings per has been calculated by dividing the net profit or loss by the number of ordinary share outstanding during the year.

### Diluted earnings per share (DEPS)

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding, for the effect of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there were no potential ordinary shares during the relevant period.

## 3.8 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.

- (a) Foreign currency monetary items are translated using the closing rate.
- (b) Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction.
- (c) Non-monetary items that are measured at fair value in a foreign currency is translated using the exchange rate at the date when the fair value is determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rate different from those at which they were translated on initial recognition during the period or in previous financial statements is recognized in Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise.

## 3.9 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 law Act 2006 (Amended in 2018), whereas 80% is allocated to "Workers profit participation fund", 10% to "Employee welfare fund" and 10% to "Bangladesh workers welfare foundation".

## 3.10 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.

## 3.11 Financial Instruments

### 3.11.1 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 & 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.

## **3.11.2 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.

## **3.11.3 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.

## **3.12 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.

## **3.13 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.

## Notes to the Financial Statements

### 3.14 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-37 in financial statements.

### 3.15 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.

#### 3.15.1 Current tax

Current tax expense has been recognized on the basis of the Finance Act 2019 and Income Tax Ordinance 1984.

#### 3.15.2 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.

### 3.16 Contingent assets and liabilities

#### 3.16.1 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.

#### 3.16.2 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.

### 3.17 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- 40 in the financial statements.

## 4 Risk exposure

### 4.1 Interest rate risk

#### 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.

## Notes to the Financial Statements

### 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. Construction work in progress

Opening balance  
Add: Addition during the year

#### Closing balance

Payments were made in relation to the construction of the factory building of Orion Pharma Limited at Siddirgonj, Narayangonj, for installation of plant and machinery, their components and other fixed assets procured which are yet to be capitalized.

### 7. Investment in subsidiaries

Name of the subsidiary company	Number of shares	Share holding (%)		Amount in Taka	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
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
<b>Total</b>				<b>1,017,000,000</b>	<b>1,017,000,000</b>

Investment in subsidiaries are stated at cost.

### 8. Investment in associates

#### 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

### 9. Other investment

Investment in marketable securities (Note 9.1)  
Investment in non-Quoted Shares (Note 9.2)

### 9.1 Investment on marketable securities

AB Investment Limited  
Bank Asia Securities Limited  
LankaBangla Securities Limited

Details have been presented in Annexure - B

### 9.2 Investment in non-quoted shares

Orion Power Khulna Limited  
Orion Power Dhaka Limited  
ICB Islami Bank Limited  
Orion Infrastructure Limited

Amount in Taka	
30 June 2019	30 June 2018
13,144,226,580	13,555,928,520
616,465,384	362,435,968
(1,099,512)	-
<b>13,759,592,453</b>	<b>13,918,364,488</b>
(822,063,368)	(774,137,907)
<b>12,937,529,084</b>	<b>13,144,226,580</b>
4,809,521,233	4,821,883,191
610,459,597	150,764,448
(1,099,512)	-
<b>5,418,881,318</b>	<b>4,972,647,639</b>
(172,145,031)	(163,126,406)
<b>5,246,736,287</b>	<b>4,809,521,233</b>
2,836,431,969	2,201,030,644
532,643,067	635,401,325
<b>3,369,075,037</b>	<b>2,836,431,969</b>
260,041,000	256,054,000
8,722,411	7,176,600
(6,202,000)	(6,202,000)
22,510	(1,205,443)
(8,301,921)	4,217,843
<b>254,282,000</b>	<b>260,041,000</b>
35,234,721	54,778,053
2,118,455,676	2,118,455,676
<b>2,153,690,397</b>	<b>2,173,233,729</b>
19,849,892	39,049,440
6,018,329	5,908,030
9,366,500	9,820,583
<b>35,234,721</b>	<b>54,778,053</b>
500,000	500,000
500,000	500,000
246,000	246,000
2,117,209,676	2,117,209,676
<b>2,118,455,676</b>	<b>2,118,455,676</b>



		Amount in Taka	
		30 June 2019	30 June 2018
<b>10. Inventories</b>			
Raw materials		126,896,948	98,045,864
Packing materials		42,072,240	52,195,944
Work-in-process		13,817,389	15,292,499
Finished goods		44,674,750	81,299,632
Stationeries & promotional materials		7,475,716	11,814,687
Goods in transit		136,980,104	96,978,671
Mobil		66,152,627	22,105,528
Spare parts		399,272,958	345,862,886
Inventory HFO & LFO & OOSL		80,708,877	464,916,755
		<b>918,051,609</b>	<b>1,188,512,467</b>
<b>10.a Inventories</b>			
Raw materials		126,896,948	98,045,864
Packing materials		42,072,240	52,195,944
Work-in-process		13,817,389	15,292,499
Finished goods		44,674,750	81,299,632
Stationeries & promotional materials		7,475,716	11,814,687
Goods in transit		35,650,208	13,276,562
		<b>270,587,251</b>	<b>271,925,189</b>
<b>11. Trade &amp; other receivables</b>			
Trade receivables		1,700,033,898	2,687,051,733
Other receivables (Note-11.1)		8,407,977,688	7,060,824,698
		<b>10,108,011,586</b>	<b>9,747,876,431</b>

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	1,700,033,898	2,687,051,732
Above 180 days	-	-
	<b>1,700,033,898</b>	<b>2,687,051,732</b>

SL. No.	Particulars	Amount in Taka	
		30 June 2019	30 June 2018
I	Trade receivables considered good in respect of which the company is fully secured	1,700,033,898	2,687,051,732
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	-	-
	<b>Total</b>	<b>1,700,033,898</b>	<b>2,687,051,732</b>

As on 30 June 2019 the company did not make any provision on the trade receivable as was no indication of impairment.

<b>11.1 Other receivables</b>			
Claim receivables, insurance & others		2,158,262	5,465,926
Divided receivable		6,202,000	6,202,000
Interest on FDR		260,876	67,168
Other receivables		179,159,898	155,659,340
Current account with other related companies (Note. 11.1.1)		8,220,196,653	6,893,430,264
		<b>8,407,977,688</b>	<b>7,060,824,698</b>

These are considered good and falling due within one year. No amount was due by the directors (including Managing Director), managing agent and other officers of the company.

<b>11.1.1 Current account with other related companies</b>			
Noakhali Gold Foods Limited		24,974,785	21,300,000
Orion Properties Limited		33,871,089	30,789,007
Orion GAS Limited		49,200,000	46,400,000
Orion Power Khulna Limited		1,029,967,694	1,028,367,023
Orion Power Dhaka Limited		2,412,647,852	2,388,557,215
Jafflong Tea Company Limited		2,408,371	2,408,371
Orion Agro Products Limited		235,180,820	233,259,435
Interior Accom Consortium Limited		155,495,459	155,495,459
Digital Power & Associate Limited		327,635,887	332,865,525

## Notes to the Financial Statements

	Amount in Taka	
	30 June 2019	30 June 2018
Orion Footwear Limited	91,600,000	76,600,000
Orion oil & Shipping Limited	151,412,851	179,033,065
Panbo Bangla Mushroom Limited	108,235,190	98,339,506
Orion Power Unit-2 Dhaka Limited	2,590,024,972	2,076,107,661
Orion Home Appliance Limited	7,848,000	7,318,000
Orion Knit Textiles Limited	219,000,000	19,000,000
Orion Hospitals Limited	4,400,000	800,000
Orion Power Rupsha Limited	245,563,731	129,850,890
Orion Power Sonargaon Limited	529,229,951	66,939,107
Energion Renewable (BD) Limited	1,500,000	-
	<b>8,220,196,653</b>	<b>6,893,430,264</b>
<b>11.a Trade &amp; other receivables</b>		
Trade receivables	170,170,631	141,906,580
Other receivables (Note - 11a.1)	5,850,626,183	5,383,072,579
	<b>6,020,796,815</b>	<b>5,524,979,159</b>

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	170,170,631	141,906,580
Above 180 days	-	-
	<b>170,170,631</b>	<b>141,906,580</b>

SL. No.	Particulars	Amount in Taka	
		30 June 2019	30 June 2018
I	Trade receivables considered good in respect of which the company is fully secured	170,170,631	141,906,580
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	-	-
	<b>Total</b>	<b>170,170,631</b>	<b>141,906,580</b>

As on 30 June 2019 the company did not make any provision on the trade receivable as was no indication of impairment.

### 11a.1 Other receivables

Claim receivables, insurance & others	2,158,262	5,465,926
Divided receivable	6,202,000	6,202,000
Interest on FDR	260,876	67,168
Other receivables	179,159,898	155,659,340
Current account with subsidiaries (11a.1.1)	370,748,526	436,462,969
Current account with other related companies (11a.1.2)	5,292,096,622	4,779,215,176
	<b>5,850,626,183</b>	<b>5,383,072,579</b>

#### 11a.1.1 Current account with subsidiaries

Dutch Bangla Power & Associates Limited	370,748,526	436,462,969
	<b>370,748,526</b>	<b>436,462,969</b>

These are considered good and falling due within one year. No amount was due by the directors (including Managing Director), managing agent and other officers of the company.

#### 11a.1.2 Current account with other related companies

Orion Properties Limited	20,331,532	20,331,532
Orion Power Khulna Limited	986,021,913	986,021,913
Orion Power Dhaka Limited	2,176,293,707	2,176,293,707
Interior Accom Consortium Limited	107,995,459	107,995,459
Orion Agro Product Limited	232,265,920	232,265,920
Orion Power Unit -2 Dhaka Limited	1,483,046,176	1,031,826,730
Orion Power Rupsha Limited	186,800,000	116,800,000
Digital Power & Associates Limited	97,341,915	107,679,915
Orion Hospitals Limited	2,000,000	-
	<b>5,292,096,622</b>	<b>4,779,215,176</b>

## 12. Advances, deposits and prepayments

### Advances:

Advance income tax (Note-12.1)
Advance imprest money
Advance motor cycle
Advance - car loan
Collection advance
Advance to C&F agents
Advance to Supplier
Advance against land purchase
Advance against material loan
Advance office rent
Advance to employee
Other advance
Advance to depot
Advance for machinery - BHF Bank

### Deposits:

Earnest money
Security deposit
Bank guarantee
L/C margin
VAT current account
Lease deposit

### Prepayments:

Insurance premium
Bank gurantee,commission & charge
Deferred expenses

## 12.1 Advance income tax

Opening balance
Add: Addition during the year
Less: Adjustment for previous years assessment
<b>Closing balance</b>

## 12.a Advances, deposits & prepayments

### Advances:

Advance income tax (Note -12a.1)
Advance imprest money
Motor cycle advance
Advance - car loan
Collection advance
Advance to C&F agents
Advance against material loan
Advance office rent
Advance against land purchase
Machinery & equipment
Electrical equipment
Construction
Advance to depot
Advance for machinery - BHF Bank

### Deposits

Earnest money
Security deposit
Bank guarantee
VAT current account
Lease deposit

Amount in Taka	
30 June 2019	30 June 2018
104,849,701	63,999,536
114,000	167,500
17,589,968	19,585,560
2,216,569	1,327,618
6,237,861	10,544,992
2,271,727	11,589,180
203,211,611	177,774,665
325,000,000	325,000,000
1,084,773	1,084,948
5,277,769	4,218,135
8,481,024	2,255,610
125,132,500	71,590,000
2,862,079	-
198,365,774	-
<b>1,002,695,356</b>	<b>689,137,743</b>
1,311,770	1,311,770
44,953,056	43,690,538
68,853,576	58,226,046
11,661,282	37,139,042
2,087	1,539,975
11,917,725	15,528,363
<b>138,699,495</b>	<b>157,435,734</b>
321,119	502,534
2,829,138	2,681,868
1,017,520	-
<b>4,167,777</b>	<b>3,184,402</b>
<b>1,145,562,629</b>	<b>849,757,878</b>
63,999,535	68,565,879
24,893,400	22,425,404
<b>88,892,935</b>	<b>90,991,283</b>
15,956,766	(26,991,747)
<b>104,849,701</b>	<b>63,999,536</b>
103,789,126	63,118,101
114,000	167,500
17,589,968	19,585,560
2,216,569	1,327,618
6,237,861	10,544,992
2,271,727	11,589,180
1,084,773	1,084,948
5,277,769	4,218,135
325,000,000	325,000,000
177,470,072	66,579,629
656,915	2,312,501
13,942,575	97,998,230
2,862,079	-
198,365,774	-
<b>856,879,207</b>	<b>603,526,394</b>
1,311,770	1,311,770
34,953,056	33,690,538
3,358,761	3,306,231
2,087	1,539,975
11,460,324	15,070,962
<b>51,085,998</b>	<b>54,919,476</b>
<b>907,965,205</b>	<b>658,445,869</b>

All advances, deposits and prepayments are considered regular and recoverable in the normal course of business.

## 12a.1 Advance income tax

Opening balance
Addition during the year
Less: Adjustment for previous years' assessment
<b>Closing balance</b>

63,118,100	67,889,752
24,714,260	22,220,096
15,956,766	(26,991,747)
<b>103,789,126</b>	<b>63,118,101</b>

## Notes to the Financial Statements

		Amount in Taka	
		30 June 2019	30 June 2018
<b>13. Fixed deposit with banks</b>			
Social Islami Bank Limited, Principal Branch, Dhaka.	8,028,336	7,565,262	
Agrani Bank Limited	4,000,000		
Details have been presented in Annexure -C	<b>12,028,336</b>	<b>7,565,262</b>	
<b>14. Cash &amp; cash equivalents</b>			
Cash in hand (Note -14.1)	9,995,563	8,126,220	
Cash at B/O account (Note -14.2)	7,830	103,707	
	<b>10,003,393</b>	<b>8,229,927</b>	
<b>Balance with banks on account</b>			
Current account	66,357,659	273,543,699	
Short term deposit account	15,826,377	225,276,782	
	<b>82,184,036</b>	<b>498,820,481</b>	
<b>Total:</b>	<b>92,187,429</b>	<b>507,050,408</b>	
<b>14.1 Cash in hand</b>			
Head office	6,334,646	4,050,887	
Depot office	3,660,917	4,075,334	
	<b>9,995,563</b>	<b>8,126,220</b>	
<b>14.2 Cash at B/O account</b>			
Bank Asia Securities Limited.	4,493	95,477	
Jahan Securities Limited.	3,324	3,774	
LankaBangla Securities Ltd	14	4,456	
	<b>7,830</b>	<b>103,707</b>	
<b>14.a Cash and cash equivalents</b>			
Cash in hand (Note -14a.1)	8,967,393	6,619,189	
Cash at B/O account (Note -14a.2)	7,830	103,707	
	<b>8,975,223</b>	<b>6,722,896</b>	
<b>Cash at Bank:</b>			
Current account	15,826,377	225,276,782	
Short term deposit account	5,927,206	100,655,333	
Details have been presented in Annexure-D	<b>21,753,583</b>	<b>325,932,115</b>	
	<b>30,728,806</b>	<b>332,655,011</b>	
<b>14a.1 Cash in hand</b>			
Head office - central cash & main cash	5,306,476	2,543,855	
Depot office - petty cash	3,660,917	4,075,334	
	<b>8,967,393</b>	<b>6,619,189</b>	
<b>14a.2 Cash at B/O account</b>			
Bank Asia Securities Limited	4,493	95,477	
Jahan Securities Limited	3,324	3,774	
LankaBangla Securities Limited	14	4,456	
	<b>7,830</b>	<b>103,707</b>	
<b>15. Share capital</b>			
<b>Authorized capital</b>			
500,000,000 ordinary shares of Tk. 10 each	<b>5,000,000,000</b>	<b>5,000,000,000</b>	
<b>Issued, subscribed and paid-up capital</b>			
234,000,000 ordinary shares of Tk. 10 each	<b>2,340,000,000</b>	<b>2,340,000,000</b>	

### Shareholding position of the company

Range of Shareholding	Number of Shareholders	Number of Shares	% of Holding	
			30 June 2019	30 June 2018
Up to 500 Shares	24,885	1,785,600	0.76	1.29
501 to 5,000 Shares	3,740	7,216,000	3.08	3.58
5001 to 10,000 Shares	745	5,370,300	2.30	2.38
10,001 to 20,000 Shares	420	6,116,100	2.61	2.30
20,001 to above	381	213,512,000	91.24	90.45
<b>Total</b>	<b>30,171</b>	<b>234,000,000</b>	<b>100.00</b>	<b>100.00</b>



Amount in Taka	
30 June 2019	30 June 2018

Categories of shareholders	Number of Shareholders	Number of Shares	% of holding	
			30 June 2019	30 June 2018
Sponsors	5	74,841,600	31.98	31.98
Foreign Investor	185	6,056,839	2.59	4.00
Financial institutions	234	112,592,736	48.12	46.83
General public	29,747	40,508,825	17.31	17.19
<b>Total</b>	<b>30,171</b>	<b>234,000,000</b>	<b>100.00</b>	<b>100.00</b>

Orion Power Meghnaghat Limited.	Number of Shares	30 June 2019		30 June 2018	
		Face Value	% of holding	Face Value	Total
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%	5,000,000	0.50%
Mrs. Arzuda Karim	350,000	3,500,000	0.35%	3,500,000	0.35%
Mrs. Nudrat S Karim	-	-	-	1,000,000	0.10%
Haarhuis Generation B.V.	50,000	500,000	0.05%	500,000	0.05%
<b>Total</b>	<b>100,000,000</b>	<b>1,000,000,000</b>	<b>100%</b>	<b>1,000,000,000</b>	<b>100%</b>

Dutch Bangla Power & Associates Limited	Number of Shares	30 June 2019		30 June 2018	
		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%
Mrs. Nudrat S Karim	-	-	-	500,000	0.50%
Orion Tea Company Limited	50,000	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%
<b>Total</b>	<b>10,000,000</b>	<b>100,000,000</b>	<b>100%</b>	<b>100,000,000</b>	<b>100%</b>

## 16. Reserves

Fair value gain/(loss) on investment in associates (Note -16.1)  
Fair value gain/(loss) on marketable securities (Note -16.2)  
Share of other comprehensive income of associate (Note - 16.3)  
Revaluation surplus on property, plant and equipment (Note -16.4)

173,844,211	182,146,130
(12,022,989)	(11,243,821)
5,996,659	5,974,149
1,741,073,129	1,767,636,465
<b>1,908,891,010</b>	<b>1,944,512,923</b>

### 16.1 Fair value gain on investment in associates

Opening balance  
Fair value gain/ (loss) during the year

182,146,131	177,928,288
(8,301,921)	4,217,843
<b>173,844,211</b>	<b>182,146,131</b>

### 16.2 Fair value gain/(loss) on marketable securities

Opening balance  
Adjustment of sale of marketable securities  
Fair value gain/(loss) on marketable securities D/Y (Note - 16.2.1)  
Transferred to deferred tax assets/(liabilities)

(11,243,821)	(4,169,879)
7,093,015	11,220,278
(7,958,757)	(19,080,214)
86,574	785,994
<b>(12,022,989)</b>	<b>(11,243,821)</b>

#### 16.2.1 Fair value gain/(loss) on marketable securities during the year

Unrealized gain/(loss) position (closing)  
Unrealized gain/(loss) position (opening)  
**Total change during the year**  
Fair value adjustment for sale of securities (realized loss)  
**Unrealized gain/(loss) during the year**

(13,358,875)	(12,493,134)
(12,493,134)	(4,633,198)
<b>(865,742)</b>	<b>(7,859,936)</b>
(7,093,015)	(11,220,278)
<b>(7,958,757)</b>	<b>(19,080,214)</b>

### 16.3 Share of other comprehensive income

Opening balance  
Add: Addition during the year

5,974,149	7,179,592
22,510	(1,205,443)
<b>5,996,659</b>	<b>5,974,149</b>

## Notes to the Financial Statements

		Amount in Taka	
		30 June 2019	30 June 2018
<b>16.4</b>	<b>Revaluation surplus on property, plant &amp; equipment</b>		
	Opening balance	1,767,636,465	1,795,623,161
	Adjustment during the year to retained earnings for depreciation	(28,450,911)	(30,125,451)
	Adjustment of deferred tax on revaluation surplus	1,887,575	2,138,756
		<b>1,741,073,129</b>	<b>1,767,636,465</b>
<b>16.a</b>	<b>Reserve</b>		
	Fair value gain on investment in associates (Note - 16a.1)	173,844,211	182,146,132
	Fair value gain/(loss) on marketable securities (Note - 16a.2)	(12,022,988)	(11,243,821)
	Share of other comprehensive income (Note - 16a.3)	5,996,659	5,974,149
	Revaluation surplus on property, plant & equipment (Note - 16a.4)	1,341,292,066	1,351,988,323
		<b>1,509,109,947</b>	<b>1,528,864,782</b>
<b>16a.1</b>	<b>Fair value gain on investment in associates</b>		
	Opening balance	182,146,132	177,928,288
	Fair value gain/(loss) during the year	(8,301,921)	4,217,843
		<b>173,844,211</b>	<b>182,146,132</b>
<b>16a.2</b>	<b>Fair value gain/(loss) on marketable securities</b>		
	Opening balance	(11,243,821)	(4,169,879)
	Adjustment of sale of marketable securities	7,093,015	11,220,278
	Fair value gain/(loss) on marketable securities D/Y (Note - 16a.2.1)	(7,958,757)	(19,080,214)
	Transferred to deferred tax assets/(liabilities)	86,574	785,994
		<b>(12,022,988)</b>	<b>(11,243,821)</b>
<b>16a.2.1</b>	<b>Fair value gain/(loss) on marketable securities during the year</b>		
	Unrealized gain/(loss) position (closing)	(13,358,875)	(12,493,134)
	Unrealized gain/(loss) position (opening)	(12,493,134)	(4,633,198)
	Fair value adjustment for sale of securities realized gain/(loss)	(7,093,015)	(11,220,278)
	<b>Unrealized gain/(loss) during the year</b>	<b>(7,958,757)</b>	<b>(19,080,214)</b>
<b>16a.3</b>	<b>Share of other comprehensive income</b>		
	Opening balance	5,974,149	7,179,592
	Add: Addition during the year	22,510	(1,205,443)
		<b>5,996,659</b>	<b>5,974,149</b>
<b>16a.4</b>	<b>Revaluation surplus on property, plant &amp; equipment</b>		
	Opening balance	1,351,988,323	1,364,107,940
	Adjustment during the year to retained earnings for depreciation	(12,583,832)	(14,258,373)
	Adjustment of deferred tax on revaluation surplus	1,887,575	2,138,756
		<b>1,341,292,066</b>	<b>1,351,988,323</b>
<b>17.</b>	<b>Retained earnings</b>		
	Opening balance	4,752,806,311	4,269,065,599
	Prior year adjustment	15,956,766	2,851,455
		<b>4,768,763,077</b>	<b>4,271,917,054</b>
	Net profit after tax	882,354,974	801,763,806
	Dividend for the year	(351,000,000)	(351,000,000)
	Adjustment for depreciation on revaluation surplus	28,450,911	30,125,451
		<b>5,328,568,962</b>	<b>4,752,806,311</b>
<b>17.a</b>	<b>Retained Earnings</b>		
	Opening balance	712,942,599	864,910,904
	Adjustment for previous years tax assessment	15,956,766	2,851,455
	Net profit after tax	212,611,542	181,921,866
	Dividend for the year	(351,000,000)	(351,000,000)
	Adjustment for depreciation on revaluation surplus	12,583,832	14,258,373
		<b>603,094,738</b>	<b>712,942,599</b>
<b>18.</b>	<b>Non controlling interest</b>		
	Opening balance	1,065,399,016	962,615,421
	Share of operating profit	89,227,797	102,783,595
	Closing balance	<b>1,154,626,813</b>	<b>1,065,399,016</b>
<b>19.</b>	<b>Long term loan</b>		
	Syndicated loan and other long term loans (Note 19.1)	7,607,068,438	6,674,620,758
	Working capital loan (Note 19.2)	5,690,146	11,888,714
		<b>7,612,758,584</b>	<b>6,686,509,472</b>
	Less: Current portion of long term loan (Note 19.3)	(256,375,584)	(373,490,714)
		<b>7,356,383,000</b>	<b>6,313,018,758</b>

## 19.1 Syndicated loan and other long term loans

Amount in Taka		
	30 June 2019	30 June 2018
Agrani Bank Limited, Principal. Br.	61,776,943	125,045,346
Janata Bank Limited	58,786,665	118,603,608
Term Loan - AB Bank Limited	317,837,274	387,012,443
Term Loan -Agrani Bank Limited	222,372,922	362,018,056
Term Loan Premier Bank Limited	488,400,000	488,400,000
Phoenix Finance & Investment Limited	224,410,610	239,253,652
BD Finance and Investment Limited	24,852,600	62,875,010
Mashreq bank PSC	-	855,370,000
Mercantile Bank Limited	750,000,000	-
International leasing and financial services Limited	157,664,496	359,222,863
Meridian finance & Investment Limited	22,697,487	30,735,038
Agrani Bank Limited, (BMRE)	2,284,532,768	1,872,237,598
Term Loan IPDC	510,798,096	500,000,000
SIBL - loan on L/C (Principle branch)	845,565,953	751,468,454
AL-Arafa Islami Bank Limited	1,596,609,845	522,378,690
ODDO BHF AG Finance	40,762,780	-
	<b>7,607,068,438</b>	<b>6,674,620,758</b>

Details have been presented in annexure- G

## 19.2 Working capital loan

Agrani Bank Limited, (CC Hypo)	5,690,146	11,888,714
	<b>5,690,146</b>	<b>11,888,714</b>

## 19.3 Current portion of long term loan

International leasing and Financial Services Limited	157,664,496	236,757,216
Meridian Finance & Investment Limited	12,119,184	12,119,184
Phoenix Finance & Investment Limited	61,739,304	61,739,304
BD Finance and Investment Limited	24,852,600	62,875,010
	<b>256,375,584</b>	<b>373,490,714</b>

## 19.a Long term loan

International leasing and Financial Services Limited	157,664,496	359,222,863
Meridian Finance & Investment Limited	22,697,487	30,735,038
Phoenix Finance & Investment Limited	224,410,610	239,253,652
BD Finance and Investment Limited	24,852,600	62,875,010
Agrani Bank Ltd. -BMRE	2,284,532,768	1,872,237,598
SIBL - loan on L/C (Principle branch)	845,565,953	751,468,454
AL-Arafa Islami Bank Limited	1,596,609,845	522,378,690
ODDO BHF AG Finance	40,762,780	-
	<b>5,197,096,539</b>	<b>3,838,171,305</b>

Less: Current portion of long term loan (Note 19.a.1)

(256,375,584)	(373,490,714)
<b>4,940,720,955</b>	<b>3,464,680,591</b>

## 19.a.1 Current portion long term loan

International leasing and Financial Services Limited	157,664,496	236,757,216
Meridian Finance & Investment Limited	12,119,184	12,119,184
Phoenix Finance & Investment Limited	61,739,304	61,739,304
BD Finance and Investment Limited	24,852,600	62,875,010
	<b>256,375,584</b>	<b>373,490,714</b>

## 20 Finance lease obligation

Phoenix Finance & Investment Limited	41,990,777	25,375,996
Less: Current portion of finance lease obligation	15,417,560	8,784,096
	<b>26,573,217</b>	<b>16,591,900</b>

## 21 Employee benefits

Employee welfare fund (Note -21.1)	3,970,221	4,373,457
Bangladesh workers welfare foundation (Note -21.2)	4,914,467	3,567,769
Workers profit participation fund (Note -21.3)	17,002,094	21,977,919
	<b>25,886,783</b>	<b>29,919,146</b>

## Notes to the Financial Statements

		Amount in Taka	
		30 June 2019	30 June 2018
<b>21.1 Employee welfare fund</b>			
Opening balance		4,373,458	3,748,157
Add: Addition for the year		1,346,698	1,155,014
Less: Payment during the year		(1,749,934)	(529,714)
		<b>3,970,221</b>	<b>4,373,458</b>
<b>21.2 Bangladesh workers welfare foundation</b>			
Opening balance		3,567,769	2,412,755
Add: Addition for the year		1,346,698	1,155,014
		<b>4,914,467</b>	<b>3,567,769</b>
<b>21.3 Workers profit participation fund</b>			
Opening balance		21,977,919	17,505,227
Add: Addition for the year		10,773,581	9,240,115
Less: Payment during the year		(15,749,406)	(4,767,422)
		<b>17,002,094</b>	<b>21,977,919</b>

WPPF is charged @ 5% of net profit before tax as per labour law Act 2006 (Amended in 2018 ), whereas 80% is allocated to "Workers profit participation fund", 10% to "Employee welfare fund" and 10% to "Bangladesh workers welfare foundation".

<b>22 Deferred tax liability</b>			
Opening balance		78,995,050	79,787,507
Adjustment for prior year		-	(2,761,881)
Adjustment for deferred tax expenses /(income) (Note-22.1)		21,205,576	4,894,173
Adjustment for deferred tax on revaluation surplus (Note-22.2)		(1,974,149)	(2,924,749)
		<b>98,226,477</b>	<b>78,995,050</b>
<b>22.1 Adjustment during the year on deferred tax on PPE</b>			
Deferred tax liability on PPE (closing)		45,726,312	24,520,736
Deferred tax liability on PPE (opening)		24,520,736	19,626,563
<b>Deferred tax expenses/(income)</b>		<b>21,205,576</b>	<b>4,894,173</b>

Particular	WDV as at 30 June 2019		Amount in Taka	
	Tax base	Accounting Base	Deferred tax liability as on 30.06.2019	Deferred tax liability as on 30.06.2018
Written down value of property, plant and equipment	1,196,675,971	1,379,581,221	(45,726,312)	(24,520,736)

<b>22.2 Adjustment of deferred tax on revaluation Surplus</b>			
Deferred tax liability on revaluation surplus (Closing) (Note-22.2.1)		52,500,165	54,474,314
Deferred tax liability on revaluation surplus (Opening)		54,474,314	57,399,063
<b>Deferred tax expenses/(income)</b>		<b>(1,974,149)</b>	<b>(2,924,749)</b>

### 22.2.1 Adjustment of deferred tax on revaluation surplus

Particulars	WDV as at 30 June 2019		Deferred Tax Liability as on 30.06.2019	Deferred Tax Liability as on 30.06.2018
	Tax Base	Accounting Base		
Revaluation reserved on land & land development	-	1,298,728,729	(38,961,862)	(38,961,862)
Revaluation reserved factory & office building	-	75,202,796	(11,280,419)	(12,533,799)
Revaluation reserved plant & machinery	-	23,958,473	(3,593,771)	(4,227,966)
Revaluation reserve on marketable securities	-	(13,358,875)	1,335,888	1,249,313
<b>Total</b>			<b>(52,500,165)</b>	<b>(54,474,314)</b>

<b>23. Shot term loans</b>			
Cash credit (Hypo), Agrani Bank Limited, WASA Corp. Branch		357,815,415	360,433,605
LTR Agrani Bank Ltd., WASA Corporate Branch		141,075,571	143,462,707
Loan against marketable securities		66,392,478	78,454,953
		<b>565,283,464</b>	<b>582,351,265</b>



		Amount in Taka	
		30 June 2019	30 June 2018
<b>24 Trade and other payables</b>			
Goods suppliers & manufacturer		2,007,663,158	3,280,666,194
Other payable		401,601,631	351,679,775
Current account with inter companies (Note -24.1)		181,234,288	215,133,794
		<b>2,590,499,077</b>	<b>3,847,479,764</b>
<b>24.1 Current account with inter companies</b>			
Interior Accom Consortium Limited		33,157,000	31,157,000
Orion Capital Limited		18,420,000	18,420,000
Digital Power & Associates Limited		54,095,379	86,409,773
Orion Power Rupsha Limited		75,561,909	79,147,022
		<b>181,234,288</b>	<b>215,133,794</b>
These are unsecured and payable within one year.			
<b>24.a Trade and other payables</b>			
Goods suppliers & manufacturer		274,202,851	202,711,334
Other payables		348,859,152	303,673,462
		<b>623,062,003</b>	<b>506,384,796</b>
<b>25. Accrued expenses</b>			
Salary and wages payable		85,781,615	74,831,439
Director remuneration payable		8,925,000	10,125,000
Depot expenses payable		-	1,559,377
Telephone & mobile bill payable		1,190,355	1,159,014
Payable for final settlement of employee		7,694,942	6,508,191
Utilities payable		2,164,166	2,343,125
Provision for income tax (Note 25.1)		188,622,950	167,416,122
Corporate governance audit fees		57,500	57,500
Statutory Audit fees		1,265,000	1,207,500
Interest on preference share		155,243,639	233,517,641
Retention money		3,618,657	3,618,657
Retirement benefit- P.F.		32,506,296	25,068,797
Provision for gratuity		16,997,422	13,362,839
Lease Finance- Phonix Finance		3,746,272	5,056,832
Interest payable on Mashreq Dubai		-	3,565,313
PAD-Agrani Bank Limited & AB Bank Limited		-	60,315,068
Interest payable on syndicate loan		129,101,742	64,590,980
Withholding VAT		15,722,265	15,964,491
Withholding tax		10,750,750	10,781,306
		<b>663,388,571</b>	<b>701,049,192</b>
<b>25.1 Provision for income tax</b>			
Opening balance		167,416,122	318,562,703
Add: Addition during the year		44,244,820	51,363,436
		<b>211,660,942</b>	<b>369,926,139</b>
Less: Payment/AIT adjustment during the year		(23,037,992)	(202,510,017)
		<b>188,622,950</b>	<b>167,416,122</b>
<b>25.a Accrued expenses</b>			
Salary and wages payable		61,642,468	50,840,626
Depot expenses payable		-	1,559,377
Director remuneration payable		300,000	1,500,000
Telephone & mobile bill payable		1,190,355	1,159,014
Payable for final settlement of employee		7,694,942	6,508,191
Utilities payable		2,164,166	2,343,125
Provision for income tax (Note - 25.a.1)		188,622,950	167,416,122
Corporate governance audit fees		57,500	57,500
Statutory Audit fees		575,000	517,500
		<b>262,247,380</b>	<b>231,901,455</b>
These are unsecured & is payable within one year.			
<b>25a.1 Provision for income tax</b>			
Opening balance		167,416,122	318,562,703
Add: Addition during the year		44,244,820	51,363,436
		<b>211,660,942</b>	<b>369,926,139</b>
Less: Payment/AIT adjustment during the year		(23,037,992)	(202,510,017)
<b>Closing balance</b>		<b>188,622,950</b>	<b>167,416,122</b>

## Notes to the Financial Statements

		Amount in Taka	
		30 June 2019	30 June 2018
<b>26. Revenue from net sales</b>			
Local sales	2,048,430,562	1,866,787,564	
Export sales	172,918,054	108,793,354	
Gain/(loss) in exchange rate fluctuation	1,193,198	1,271,942	
Revenue from power generation (Note-26.1)	6,482,631,053	8,446,248,239	
	<b>8,705,172,867</b>	<b>10,423,101,099</b>	
<b>26.1 Revenue from power generation</b>			
Reference rental price	2,617,280,770	2,495,553,633	
Reference energy price (variable - O&M)	126,309,511	246,545,140	
HFO received from OOSL	3,792,452,629	5,699,995,836	
Foreign exchange gain /(loss)	(53,411,857)	4,153,630	
	<b>6,482,631,053</b>	<b>8,446,248,239</b>	
<b>26.a Revenue from net sales</b>			
Local sales	2,048,430,562	1,866,787,564	
Export sales	172,918,054	108,793,354	
Gain/(loss) on foreign exchange transaction	1,193,198	1,271,942	
	<b>2,222,541,814</b>	<b>1,976,852,860</b>	
<b>27. Cost of goods sold</b>			
Raw materials consumed (Note - 27.1)	423,581,407	408,335,545	
Packing materials consumed (Note - 27.2)	222,552,717	202,166,048	
Work in process - opening	15,292,500	7,016,287	
Work in process - closing	(13,817,389)	(15,292,499)	
<b>Total consumption</b>	<b>647,609,236</b>	<b>602,225,381</b>	
Factory overhead (Note - 27.3)	314,316,780	305,694,328	
<b>Cost of goods manufactured</b>	<b>961,926,016</b>	<b>907,919,709</b>	
Add: Opening stock of finished goods	81,299,632	58,000,363	
<b>Cost of goods available for sale</b>	<b>1,043,225,648</b>	<b>965,920,072</b>	
Less: Closing stock of finished goods	(44,674,750)	(81,299,632)	
Less: Cost of physician sample	(12,431,262)	(11,183,824)	
<b>Cost of goods sold</b>	<b>986,119,636</b>	<b>873,436,616</b>	
<b>27.1 Raw materials consumed</b>			
Opening stock	98,045,864	105,022,645	
Add: Purchase during the year	452,432,491	401,358,764	
Goods Available for use	550,478,355	506,381,409	
Less: Closing stock	(126,896,948)	(98,045,864)	
<b>Consumed during the year</b>	<b>423,581,407</b>	<b>408,335,545</b>	
<b>27.2 Packing materials consumed</b>			
Opening stock	52,195,944	46,479,146	
Add: Purchase during the year	212,429,013	207,882,846	
Goods available for use	264,624,957	254,361,992	
Less: Closing stock	(42,072,240)	(52,195,944)	
<b>Consumed during the year</b>	<b>222,552,717</b>	<b>202,166,048</b>	
<b>27.3 Factory overhead</b>			
Salaries, wages & other allowances	121,556,543	113,095,327	
Travelling & conveyance	4,557,430	4,591,053	
Entertainment	2,463,240	1,903,262	
Worker's food expenses	15,697,794	16,958,981	
Uniform, liveries & others	139,663	191,400	
Godown rent	4,885,684	4,224,737	
Utilities	17,470,605	15,241,497	
Cleaning & washing	142,105	102,809	
Carrying inward	633,814	524,750	
Postage, telephone & others	524,808	375,801	
Fuel & lubricants	4,211,017	3,968,607	
Fees & taxes	721,022	1,195,196	
Books & periodicals	11,122	15,482	
Printing & stationery	5,154,464	4,907,421	
Insurance premium	1,258,835	1,222,934	
Repair & maintenance	8,286,711	8,465,329	
Depreciation	121,612,835	119,548,597	
Lease rent	557,688	557,688	
Research & development	1,150,636	741,112	
Spare parts	2,952,326	7,530,522	
Security services	328,438	331,823	
	<b>314,316,780</b>	<b>305,694,328</b>	

## 28. Cost of power generation

Opening balance  
Add: Purchase during the year (Note- 28.1)  
  
Less: Closing Balance  
  
Add : Plant Overhead

## 28.1 Purchase of raw materials

Mobil & chemical  
HFO - OOSL

### Plant overhead

O & M service  
Salaries & allowances  
Entertainment  
Plant office transport  
Plant office utilities  
Plant office communication  
Stationary, accessories & supplies  
Repair & maintenance  
Travelling & conveyance  
Insurance, taxes & duties  
Liquidity demerge  
Depreciation  
Miscellaneous expenses  
Test & others  
Foreign exchange gain/(loss)  
Land rent

## 29. General and administrative expenses

Salaries, allowance & bonus  
Director's remuneration  
Meeting attendance fees  
Fuel & lubricants  
Traveling & conveyance  
Entertainment  
Office rent  
Cleaning & washing  
Utilities  
Postages, telephone & fax  
Bank charges & commission  
Fees and taxes  
Fooding & other expenses  
Software consultancy & other fees  
Books & periodicals  
Printing & stationery  
Repairs & maintenance  
Depreciation  
Lease rent  
Statutory audit fees  
Corporate governance audit fees  
Annual listing & other fees  
Overseas travel & training expenses  
Insurance premium  
Miscellaneous expenses  
AGM expenses  
Donation & Subscription  
Security guard expenses  
Advertisement and publicity  
Corporate social responsibility (CSR)

Amount in Taka	
30 June 2019	30 June 2018
488,614,358	401,692,957
3,686,042,366	6,053,076,144
4,174,656,724	6,454,769,102
(146,861,504)	(488,614,358)
4,027,795,220	5,966,154,744
1,145,574,574	1,207,311,146
<b>5,173,369,794</b>	<b>7,173,465,890</b>
72,650,059	140,708,374
3,613,392,307	5,912,367,770
<b>3,686,042,366</b>	<b>6,053,076,144</b>
138,137,379	121,258,434
158,365,296	147,567,037
-	1,986,967
-	3,549,202
-	930,260
-	2,357,144
-	1,904,052
133,041,018	226,647,775
5,645,309	-
534,078	1,047,688
-	12,839,893
649,918,337	611,011,501
33,176,245	33,808,216
-	592,971
20,226,454	35,540,000
6,530,458	6,270,006
<b>1,145,574,574</b>	<b>1,207,311,146</b>
151,093,194	117,343,497
20,400,000	30,070,000
420,000	-
3,442,341	3,494,739
5,821,134	6,209,037
4,826,888	1,810,420
9,527,186	8,383,878
4,734,006	4,149,588
12,639,931	10,082,338
8,673,170	4,092,654
1,112,083	1,033,674
10,724,285	11,409,026
24,694,558	18,649,888
4,567,015	4,929,934
103,730	106,668
4,211,821	3,078,865
3,728,729	4,380,527
37,305,787	32,973,585
4,053,660	5,100,216
1,265,000	1,207,500
57,500	57,500
1,200,000	1,711,130
2,121,346	5,783,509
2,230,948	1,787,937
217,981	174,850
1,599,307	1,444,670
2,472,466	-
16,010,221	15,308,404
16,278,041	15,885,465
7,347,563	9,191,343
<b>362,879,890</b>	<b>319,850,843</b>

## Notes to the Financial Statements

### 29.a General and administrative expenses

Salaries, allowances & bonus
Directors' remuneration
Meeting attendance fees
Fuel & lubricants
Travelling & conveyance
Entertainment
Office rent
Cleaning & washing
Utilities
Postage, telephone & others
Bank charges & commission
Fees & taxes
Fooding expenses
Software consultancy & others
Books & periodicals
Printing & stationery
Repair & maintenance
Depreciation
Lease rent
Statutory audit fees
Corporate governance audit fees
Annual listing & other fees
Overseas travel & training expenses
Insurance premium
Miscellaneous expenses
AGM expenses
Donation & subscription
Security services
Advertisement & Publicity
Corporate social responsibility (CSR)

### 30. Selling and distribution expenses

Salaries, allowances & bonus
Field force TA/DA
Printing & stationery
Postage, telephone & others
Fooding expenses
Product renewal & development
Software consultancy & others
Training & conference
Office rent (Depot)
Repair & maintenance
Travelling & conveyance
Bank charges & commission
Carrying & distribution expenses
Entertainment
Promotional materials
Sample expenses
Export expenses
Depreciation
Lease rent
Fuel & lubricants
Fees & taxes
Overseas traveling & training
Security services
Utilities
Insurance premium
Books & periodicals
Advertisement & publicity

Amount in Taka	
30 June 2019	30 June 2018
151,093,194	117,343,497
3,600,000	18,070,000
420,000	-
3,442,341	3,494,739
2,803,044	2,687,578
2,343,082	1,810,420
9,527,186	8,383,878
4,734,006	4,149,588
11,562,846	10,082,338
4,532,801	4,092,654
1,112,083	1,033,674
4,296,118	4,590,159
7,674,241	7,008,020
3,546,535	3,239,934
103,730	106,668
2,839,364	3,078,865
3,728,729	4,380,527
37,305,787	32,973,585
4,053,660	5,100,216
575,000	517,500
57,500	57,500
1,200,000	1,711,130
2,121,346	5,783,509
2,230,948	1,787,937
217,981	174,850
1,599,307	1,444,670
2,472,466	-
1,169,858	809,597
511,036	420,797
2,072,563	1,642,496
<b>272,946,751</b>	<b>245,976,326</b>
444,271,030	382,959,573
11,623,138	22,866,084
8,145,528	8,084,498
8,427,040	8,619,681
1,497,410	1,989,071
2,242,654	1,345,729
5,071,500	4,830,000
5,738,564	6,408,708
10,872,417	10,190,864
820,425	721,256
1,239,154	1,109,765
2,215,289	2,244,010
19,561,236	20,312,966
1,201,581	928,421
15,164,175	15,235,850
12,431,262	11,183,824
2,071,509	1,590,466
13,226,408	10,604,224
6,756,624	7,280,184
2,124,311	2,046,147
606,136	581,762
661,535	642,672
1,864,331	1,506,776
1,265,677	1,082,517
4,307,397	2,526,614
9,836	119,098
2,234,173	2,063,822
<b>585,650,340</b>	<b>529,074,580</b>



### 31. Financial expense

Cash Credit ( H ) - 48, Agrani Bank Limited. (WASA Corpt.Branch,Dhaka)
LTR Loan - Agrani Bank Limited
Interest on Loan- BD Finance
Interest on Loan- Phoenix Finance
Interest on loan- ILFSL
Bank Charge ,commission & Fees
Interest on redeemable Preference Share
Meridian Finance & Investment Limited
AL-Arafah Islami Bank Limited
Interest Expense - Mashreq PSC
Loan Processing fees
Interest on Long Term Borrowing

31,715,956	40,617,464
11,869,943	18,809,855
3,763,579	12,829,784
28,936,193	33,493,689
37,416,767	36,449,218
13,608,753	7,971,295
121,725,998	120,435,447
4,081,633	4,631,462
-	89,402,889
26,502,555	68,045,754
2,505,000	9,265,916
295,498,828	269,858,126

**577,625,205** **711,810,898**

### 31.a Financial expenses

Cash credit ( H ) - 48, Agrani Bank Limited.(WASA corpt. Branch, Dhaka)
LTR loan - Agrani Bank Limited
Interest on Loan- Phoenix Finance
Interest on loan- ILFSL
Interest on Loan- BD Finance
Meridian Finance & Investment Limited
AL-Arafah Islami Bank Limited

31,715,956	40,617,464
11,869,943	18,809,855
28,420,436	32,787,929
37,416,767	36,449,218
3,763,579	12,829,784
4,081,633	4,631,462
-	89,402,889

**117,268,314** **235,528,600**

### 32. Interest & other income

Interest on FDR
Interest income
Dividend income
Insurance claim received
Sale of scrap & others
Gain/(loss) on sale of marketable securities (Note 32.1)

724,053	481,837
25,521,918	157,865,822
954,250	1,069,786
568,289	310,520
1,574,235	1,208,594
(7,093,015)	(11,220,278)

**22,249,730** **149,716,281**

### 32.1 Income on sale of marketable securities

Gain/(loss) on sale of marketable securities
Interest on portfolio credit and others

527,646	732,718
(7,620,662)	(11,952,996)

**(7,093,015)** **(11,220,278)**

### 33. Current tax

Profit before tax
Add: accounting depreciation
Less: Tax depreciation
Taxable income

269,339,528	231,002,876
172,145,031	163,126,406
257,130,779	159,611,498

**184,353,779** **234,517,783**

### Income tax provision

Particulars	Taxable income	Amount in Taka	
		30 June 2019	30 June 2018
25% income tax on taxable profit	169,032,231	42,258,058	44,825,686
Half of 25% Income tax on export net profit	14,367,298	1,795,912	6,328,793
20% income tax on dividend received	954,250	190,850	208,957
<b>Total</b>	<b>184,353,779</b>	<b>44,244,820</b>	<b>51,363,436</b>

### Minimum tax

### Calculation of gross receipt

Revenue from net sales	2,222,541,814	1,976,852,860
Interest on FDR	724,053	481,837
Interest Income	25,521,918	157,865,822
Dividend income	954,250	1,069,786
Insurance claim received	568,289	310,520
Sale of scrap & others	1,574,235	1,208,594

### Total Gross Receipts

**2,251,884,559** **2,137,789,419**

### Minimum Tax (.60% On Total Gross Receipts)

**13,511,307** **12,826,737**

Income tax provision is higher between tax at regular rate on income and minimum tax on gross receipts U/S 82(C) of ITO 1984. Hence tax at regular rate is accounted for as it is higher than the minimum tax.

## Notes to the Financial Statements

		Amount in Taka	
		30 June 2019	30 June 2018
<b>34. Earnings per share (EPS)</b>			
The computation is given below:			
<b>Basic EPS</b>			
Net profit after tax	882,354,974	801,763,805	
Weighted average ordinary shares outstanding during the year	234,000,000	234,000,000	
<b>Earning per share</b>	<b>3.77</b>	<b>3.43</b>	
<b>34.a Earnings per share</b>			
<b>Basic EPS :</b>			
The computation is given below:			
Net profit after tax	212,611,542	181,921,866	
Weighted average ordinary shares outstanding during the year	234,000,000	234,000,000	
<b>Basic earnings per share</b>	<b>0.91</b>	<b>0.78</b>	

During the reporting year the company did not issue any share. Hence there is no required to calculate weighted average ordinary share.

**35. 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-19	30-Jun-18
<b>Net profit before tax</b>	1,028,310,759	953,628,409
Workers profit participation fund	13,466,976	11,550,144
Interest & other income	(22,249,730)	(149,716,281)
Financial expenses	577,625,205	711,810,898
Depreciation	822,063,368	774,137,907
Increase/(Decrease) in inventory	270,460,857	(170,568,356)
Increase/(Decrease) in receivables	200,335,402	(734,443,554)
Increase/(Decrease) in advance deposit & prepayments	(31,588,748)	(16,098,652)
Increase/(Decrease) in employee benefit	(17,499,340)	(5,297,136)
Increase/(Decrease) in payable	(1,389,674,380)	917,423,118
Increase/(Decrease) in accrued expenses	24,822,898	(72,936,861)
Income taxes paid	(47,752,252)	(60,696,580)
Foreign exchange gain/(loss)	20,226,454	35,540,000
<b>Net cash flow from operating Activities</b>	<b>1,448,547,470</b>	<b>2,194,333,057</b>
<b>Net operating cash flow per share</b>	<b>6.19</b>	<b>9.38</b>

**35.a 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-19	30-Jun-18
<b>Net profit before tax</b>	269,339,528	231,002,875
Workers profit participation fund	13,466,976	11,550,144
Interest & other income	(22,249,730)	(149,716,281)
Financial expenses	117,268,314	235,528,600
Depreciation	172,145,031	163,126,405
Increase/(Decrease) in inventory	1,337,938	2,536,253
Increase/(Decrease) in receivables	(28,264,050)	(2,064,486)
Increase/(Decrease) in advance, deposit & prepayments	14,696,665	(70,689,534)
Increase/(Decrease) in employee benefit	(17,499,340)	(5,297,136)
Increase/(Decrease) in payable	101,863,089	55,209,191
Increase/(Decrease) in accrued expenses	9,139,098	(159,794,678)
Income taxes paid	(47,752,252)	(60,696,580)
<b>Net cash flow from operating activities</b>	<b>583,491,267</b>	<b>250,694,775</b>
<b>Net operating cash flow per share</b>	<b>2.49</b>	<b>1.07</b>

### 36. Segmental information

The Group's operational segments are pharmaceuticals and power. The operational segments results are as follows:

Particulars	Pharmaceuticals	Power	Totals
Revenue from sales	2,222,541,814	6,482,631,053	8,705,172,867
Expenses	(1,844,716,727)	(5,263,302,933)	(7,108,019,660)
<b>Segment result</b>	<b>377,825,087</b>	<b>1,219,328,120</b>	<b>1,597,153,207</b>
<b>Capital expenditure</b>			
Additions to property, plant & equipment	610,459,597	6,005,787	616,465,384
<b>Other segment information</b>			
Interest & other income	22,249,730	-	22,249,730
Financial cost	(117,268,314)	(460,356,891)	(577,625,205)
Provision for income tax	(44,244,820)	-	(44,244,820)
Share of profit from associate	8,722,411	-	8,722,411
Depreciation expenses	(172,145,031)	(649,918,337)	(822,063,368)
		-	
<b>Segment assets</b>	<b>17,895,141,608</b>	<b>13,095,276,499</b>	<b>30,990,418,107</b>
<b>Segment liabilities</b>	<b>6,813,793,423</b>	<b>5,427,645,873</b>	<b>12,241,439,296</b>

## Notes to the Financial Statements

### 37. Related party transactions

**37.1** 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 2019 are as follows:

Name of Related Party	Relationship	Nature of Transaction	Opening Balance as on 01.07.2018	Addition during the year	Adjustment during the year	Closing Balance as on 30.06.2019
Orion Power Meghnaghat Limited (95,000,000 Ordinary Shares @ TK 10 Each)	Subsidiary	Investment in Shares	950,000,000	-	-	950,000,000
Dutch Bangla Power & Associates Limited (6,700,000 Ordinary Shares @ Tk. 10 Each)	Subsidiary	Investment in Shares	67,000,000	-	-	67,000,000
Orion Infusion Limited (44,30,000 Ordinary Shares @ TK. 10 each)	Associate	Investment in Shares	44,300,000	-	-	44,300,000
Orion Power Khulna Limited (50,000 Ordinary Shares @ TK. 10 each)	Trade Investment	Investment in Shares	500,000	-	-	500,000
Orion Power Dhaka Limited (50,000 Ordinary Shares @ TK. 10 each)	Trade Investment	Investment in Shares	500,000	-	-	500,000
Orion Infrastructure Limited (200,000,000 Ordinary Shares @ TK. 10 each)	Trade Investment	Investment in Shares	2,117,209,676	-	-	2,117,209,676
Orion Infusion Limited	Associate	Receivable/ (Payable)	(54,399,940)	(9,328,333)	-	(63,728,273)
Dutch Bangla Power & Associate Limited	Subsidiary	Inter Company Current A/C	436,462,969		(65,714,443)	370,748,526
Orion Properties Limited	Common Director/ Shareholders	Inter Company Current A/C	20,331,532	-		20,331,532
Orion Power Khulna Limited	Trade Investment	Inter Company Current A/C	986,021,913	-	-	986,021,913
Orion Power Dhaka Limited	Trade Investment	Inter Company Current A/C	2,176,293,707	-	-	2,176,293,707
Orion Agro Product Limited	Common Director/ Shareholders	Inter Company Current A/C	232,265,920	-	-	232,265,920
Interior Accom Consortium Limited	Common Director/ Shareholders	Inter Company Current A/C	107,995,459	-	-	107,995,459
Orion Power Unit -2 Dhaka Limited	Common Director/ Shareholders	Inter Company Current A/C	1,031,826,730	452,119,446	(900,000)	1,483,046,176
Orion Power Rupsha Limited	Inter Company	Inter Company Current A/C	116,800,000	70,000,000		186,800,000
Digital Power & Associates Limited	Inter Company	Inter Company Current A/C	107,679,915	-	(10,338,000)	97,341,915
Orion Hospitals Limited	Inter Company	Inter Company Current A/C	-	2,000,000	-	2,000,000
Kohinoor Chemical Co. (BD) Limited	Inter Company	Receivable/ (Payable)	(2,557,712)	(1,317,251)	650,000.00	(3,224,963)
<b>Total:</b>			<b>8,338,230,169</b>	<b>513,473,862</b>	<b>(76,302,443)</b>	<b>8,775,401,588</b>

### 37.2 Payments/ Perquisites to Key Management Personnel

Payments and perquisites given to the Board of Directors, Company Secretary, Chief Financial Officer, Head of Internal Audit, Vice Presidents during the year are disclosed below:

Particulars	Amount in Taka	
	30 June 2019	30 June 2018
Basic salary	13,120,568	10,460,111
House rent	6,561,757	5,122,128
Medical allowance	857,467	834,000
Conveyance	748,033	624,000
Other allowance	3,225,034	1,892,100
Bonus	1,654,744	1,337,174
Profit participation fund	645,300	647,661
Contribution to provident fund (employer)	912,774	699,822
Interest from provident fund	-	986,066
LFA	455,886	280,702
	<b>28,181,563</b>	<b>22,883,764</b>

During the year no board meeting attendance fee was paid to the directors.



### 38. Production capacity

Item	Unit	Production Capacity		Yearly Production		Capacity Utilization	
		2019	2018	2019	2018	2019	2018
Tablet & capsule	Million Pcs	694.26	694.26	508.57	480.57	73.25%	69.22%
Oral liquid, injection, powder for suspension, cream & ointment	Million Pcs	23.68	23.68	15.49	16.20	65.41%	68.41%

### 39. General

#### 39.1 Capital expenditure commitment

There was capital expenditure contracted but not incurred or provided as on 30 June 2019 and material capital expenditure authorized by the board.

#### 39.2 Claims not acknowledged

There is no claim against the company not acknowledged as debt as on 30 June 2019.

#### 39.3 Credit facilities not availed

There is no credit facilities available to the company as on 30 June 2019 under any contract, other than trade credit available in the ordinary course of business.

#### 39.4 Director's responsibility statements

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

#### 39.5 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 2018 to 30 June 2019.

#### 39.6 Employee details

- During the year, there were 2,220 employees employed for the full year and 577 employees less than the full year at a remuneration of Taka 3,000 per month and above.
- At the end of the period, there were 2,743 employees in the Company.

#### 39.7 Rounding off

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

### 40 Events after the reporting period

**40.1** The Board of Directors meeting held on 06 November 2019 had recommended 15% cash dividend for the year ended 30 June 2019 for placement before the Shareholder's for approval at 54th AGM of the company. There is no material events after the reporting date that are not adjusting events came to management attention which may be needful for the stakeholders.

**40.2** 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

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

Dated, Dhaka;  
06 November 2019

**ORION PHARMA LIMITED AND ITS SUBSIDIARIES**  
**Schedule of property, plant and equipment**  
**As at 30 June 2019**

Annexure-A.1

Particulars	Amount in Taka						
	Written down value as at 01.07.2018	Additions during the year	Sale/disposal during the year	Total as on 30.06.2019	Rate of Dep.(%)	Depreciation charged during the year	Written down value as at 30.06.2019
Land & land development	2,717,799,334	4,000,000	-	2,721,799,334	-	-	2,721,799,334
Factory & office building	583,048,867	15,633,633	-	598,682,500	10%	114,024,962	484,657,538
Plant & machinery	7,659,229,788	464,726,665	-	8,123,956,453	15%	624,679,707	7,499,276,746
Furniture & fixtures	32,385,218	52,738,958	-	85,124,176	15%	10,115,185	75,008,991
Office equipment	67,655,848	49,333,485	-	116,989,333	15%	14,768,776	102,220,557
Vehicles	21,412,329	5,835,438	1,099,512	26,148,254	20%	5,057,066	21,091,188
Laboratory equipment	60,359,429	-	-	60,359,429	15%	9,053,914	51,305,515
<b>Sub-total:</b>	<b>11,141,890,814</b>	<b>592,268,179</b>	<b>1,099,512</b>	<b>11,733,059,481</b>		<b>777,699,610</b>	<b>10,955,359,870</b>

**At revaluation**

Land & land development	1,599,675,401	-	-	1,599,675,401	-	-	1,599,675,401
Factory & office building	99,719,106	-	-	99,719,106	10%	9,555,232	90,163,874
Plant & machinery	250,880,926	-	-	250,880,926	15%	20,742,750	230,138,177
<b>Sub-total:</b>	<b>1,950,275,432</b>	<b>-</b>	<b>-</b>	<b>1,950,275,433</b>		<b>30,297,982</b>	<b>1,919,977,451</b>
<b>Leased assets</b>							
Vehicle	52,060,334	24,197,205	-	76,257,539	20%	14,065,776	62,191,763
<b>Sub-total:</b>	<b>52,060,334</b>	<b>24,197,205</b>	<b>-</b>	<b>76,257,539</b>		<b>14,065,776</b>	<b>62,191,763</b>
<b>Total 2019</b>	<b>13,144,226,580</b>	<b>616,465,384</b>	<b>1,099,512</b>	<b>13,759,592,452</b>		<b>822,063,368</b>	<b>12,937,529,084</b>
<b>Total 2018</b>	<b>13,555,928,520</b>	<b>362,435,968</b>	<b>-</b>	<b>13,759,592,452</b>		<b>774,137,907</b>	<b>13,144,226,581</b>

**ORION PHARMA LIMITED**  
**Schedule of property, plant and equipment**  
**As at 30 June 2019**

Annexure-A.2

Amount in Taka							
SL. No.	Particulars	Written down value as at 01.07.2018	Addition during the year	Disposal/sale during the year	Balance as on 30.06.2019	Rate of Dep. (%)	Depreciation charged during the year
1	Land & land development	2,465,265,069	4,000,000	-	2,469,265,069	-	-
2	Factory & office Building	150,740,487	15,633,633	-	166,374,120	10%	16,029,642
3	Plant & machinery	556,492,571	464,726,665	-	1,021,219,236	15%	93,551,715
4	Furniture & fixtures	31,824,440	52,738,958	-	84,563,398	15%	9,554,406
5	Office equipment	65,468,137	46,287,698	-	111,755,836	15%	13,835,816
7	Vehicles	16,836,937	2,875,438	(1,099,512)	18,612,864	20%	3,469,930
8	Laboratory equipment	60,359,428	-	-	60,359,428	15%	9,053,914
	<b>A. Sub-Total</b>	<b>3,346,987,069</b>	<b>586,262,392</b>	<b>(1,099,512)</b>	<b>3,932,149,950</b>		<b>145,495,423</b>
							<b>3,786,654,527</b>

**At revaluation**

1	Land & land development	1,298,728,729	-	-	1,298,728,729	-	-
2	Factory & office building	83,558,662	-	-	83,558,662	10%	8,355,866
3	Plant & machinery	28,186,439	-	-	28,186,439	15%	4,227,966
	<b>B. Sub-Total</b>	<b>1,410,473,829</b>	<b>-</b>	<b>-</b>	<b>1,410,473,829</b>		<b>12,583,832</b>
							<b>1,397,889,997</b>

**Leased asset**

1	Vehicles	52,060,334	24,197,205	-	76,257,539	20%	14,065,776
	<b>Sub-total:</b>	<b>52,060,334</b>	<b>24,197,205</b>	<b>-</b>	<b>76,257,539</b>		<b>14,065,776</b>
							<b>62,191,762</b>

<b>TOTAL (A+B+C)-2019</b>	<b>4,809,521,233</b>	<b>610,459,597</b>	<b>(1,099,512)</b>	<b>5,418,881,318</b>		<b>172,145,031</b>	<b>5,246,736,287</b>
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<b>TOTAL - 2018</b>	<b>4,821,883,191</b>	<b>150,764,448</b>	<b>-</b>	<b>4,972,647,638</b>		<b>163,126,406</b>	<b>4,809,521,233</b>
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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	9,754,203	12,192,754	2,438,551	24,385,508
2	Plant & machinery	97,779,681	-	-	97,779,681
3	Furniture & fixtures	1,910,881	3,821,762	3,821,762	9,554,406
4	Office equipment	2,767,163	7,609,699	3,458,954	13,835,816
5	Vehicles	346,993	2,428,951	693,986	3,469,930
6	Lease-vehicle	-	11,252,621	2,813,155	14,065,776
7	Laboratory equipment	9,053,914	-	-	9,053,914
	<b>Total</b>	<b>121,612,835</b>	<b>37,305,787</b>	<b>13,226,408</b>	<b>172,145,031</b>

**ORION PHARMA LIMITED**  
**Investment in marketable securities**  
**For the year ended 30 June 2019**

## Annexure-B

Amount in Taka

Particulars	30 June 2019		30 June 2018
	Market value	Cost price	Cost price
<b>AB Investment Limited</b>			
Alif Industries Limited	2,768,669	4,554,183	11,906,693
Apex Footwear Limited	14,656,519	18,755,421	21,204,546
Central Pharmaceuticals Limited	75,726	161,317	7,192,418
Islami Bank Bangladesh Limited	2,348,979	3,484,013	5,950,612
<b>Sub- total</b>	<b>19,849,892</b>	<b>26,954,934</b>	<b>46,254,268</b>
<b>Bank Asia Securities Limited</b>			
Intech Online Limited	1,665,133	2,778,306	-
Islami Bank Bangladesh Limited	708,000	1,334,853	1,334,853
Summit Alliance Port Limited	956,000	2,074,000	2,074,000
Golden Harvest Agro Industries Limited	103,796	130,407	130,401
Agni Systems Limited	1,113,525	1,364,895	1,365,000
National Housing Finance & Investment Limited	468,600	622,270	-
Premier Leasing & Finance Limited	1,003,275	1,891,890	1,892,100
Nahee Aluminum Composite Panel Limited	-	-	3,254,016
<b>Sub- total</b>	<b>6,018,329</b>	<b>10,196,621</b>	<b>10,050,370</b>
<b>LankaBangla Securities Limited</b>			
Intech Online Limited	972,000	1,193,140	-
Legacy Footwear Limited	1,732,900	1,733,821	-
National Housing Limited	2,811,600	2,836,434	-
The ACME Laboratories Limited	3,850,000	5,678,647	4,750,796
Alif Industries Limited	-	-	3,249,267
Fortune Shoes Limited	-	-	301,903
Singer Bangladesh Limited	-	-	2,664,583
<b>Sub- total</b>	<b>9,366,500</b>	<b>11,442,042</b>	<b>10,966,550</b>
<b>Grand Total</b>	<b>35,234,721</b>	<b>48,593,597</b>	<b>67,271,187</b>

**Fair value adjustments**

Cost price	48,593,597
Market price	35,234,721
<b>Unrealized gain/(loss)</b>	<b>(13,358,875)</b>



**ORION PHARMA LIMITED**  
**Fixed deposit with banks**  
**As at 30 June 2019**

Annexure-C

Amount in Taka

Sl. No.	Name of Bank	Instrument no.	Opening balance 01.07.2018	Re-Invested amount	Interest income				Closing balance 30.06.2019
					Accrued during the year	Accrued previous year	Realized during the year	Income during the year	
1	Social Islmai Bank Ltd. -MTDR	0025311263757	1,624,109	1,725,015	5,463	4,200	112,118	113,381	1,725,015
2	Social Islmai Bank Ltd. -MTDR	0025311260179	2,507,739	2,660,608	17,294	13,318	169,855	173,831	2,660,608
3	Social Islmai Bank Ltd. -MTDR	0025311255512	3,433,414	3,642,713	43,105	33,832	232,554	241,828	3,642,713
	<b>Sub total</b>		<b>7,565,262</b>	<b>8,028,336</b>	<b>65,862</b>	<b>51,350</b>	<b>514,527</b>	<b>529,039</b>	<b>8,028,336</b>
4	Agrani Bank Ltd.-FDR	0200012681578	-	1,500,000	59,250	-	-	59,250	1,500,000
5	Agrani Bank Ltd.-FDR	0200012311958	-	2,500,000	135,764	-	-	135,764	2,500,000
	<b>Sub total</b>		<b>-</b>	<b>4,000,000</b>	<b>195,014</b>	<b>-</b>	<b>-</b>	<b>195,014</b>	<b>4,000,000</b>
	<b>Total</b>		<b>7,565,262</b>	<b>12,028,336</b>	<b>260,876</b>	<b>51,350</b>	<b>514,527</b>	<b>724,053</b>	<b>12,028,336</b>

**ORION PHARMA LIMITED**  
**Balance with Banks on Account**  
**As at 30 June 2019**

Annexure - D

Sl. No.	Name of Bank	Name of Branch	Account Number	Amount in Taka	
				30 June 2019	30 June 2018
Current account (main)					
1	Pubali Bank Ltd.	Tejgaon Branch,Dhaka	1256	1,575	3,185
2	Sonali Bank Ltd.	Tejgaon Branch,Dhaka	275/4	47,201	47,201
3	Agrani Bank Ltd.	Wasa Branch, Dhaka	797310/775-7	3,126,509	742,877
4	Rupali Bank Ltd.	TCB Branch, Dhaka	708	21,547	21,547
5	National Bank Ltd.	Mohakhali Branch	34017	2,775,435	79,684
6	ICB Islami Bank Ltd.	Principal Office,Dhaka	6417	2,898,792	2,901,522
7	The City Bank Ltd.	Principal Branch, Dhaka	110558491	5,000	5,000
8	The City Bank Ltd.	Gulshan Branch,Dhaka	11001	5,290	5,980
9	Social Islami Bank Ltd.	Principal Branch, Dhaka	55830	2,732,199	209,292,124
10	Bank Al-Falah Ltd.	Motijheel Branch,Dhaka	2965	8,500	8,500
11	Agrani Bank Ltd.	Principal Branch,Dhaka	3884	561,020	562,670
12	Sonali Bank Ltd.	Farmgate Branch	33010919	270,267	83,643
13	AB Bank Ltd	Principal Branch	4005-784715-000	33,434	183,608
14	The Premier Bank Ltd	Gulshan Branch	448	94,470	95,620
15	Brac Bank Ltd	Gulshan Branch	250001	608,261	598,376
16	AL-Arafah Islami Bank Ltd.	Corporat Branch,Dhaka	50228	29,555	6,997
Sub Total (i)				13,219,055	214,638,534
Current account (collection)					
17	Agrani Bank Ltd.	Chittagong Branch,Chattogram	363	15,979	15,979
18	Agrani Bank Ltd.	Bogura Branch,Bogura	1233	11,659	11,659
19	Agrani Bank Ltd.	Khulna Branch,Khulna	6069	21,046	552,493
20	Agrani Bank Ltd.	Barishal Branch,Barishal	1804	318	318
21	Agrani Bank Ltd.	Sylhet Branch,Sylhet	1866/1314	7,303	7,303
22	Agrani Bank Ltd.	Narayangong Branch	6467	91,563	848,690
23	Agrani Bank Ltd.	Rangpur Branch,Rangpur	4405	68	68
24	Agrani Bank Ltd.	Monoharpur Branch cumilla	5304	70	70
25	Agrani Bank Ltd.	Faridpur Branch,Faridpur	4008	2,344	1,148,753
26	National Bank Ltd.	Bogura Branch,Bogura	1565	9,263	297,113
27	National Bank Ltd.	Barisal Branch,Barishal	0382	644,308	1,667,491
28	National Bank Ltd.	Subid Bazar Branch,Sylhet	7190	315,754	1,030,350
29	National Bank Ltd.	Mymensingh Branch	2957	8,290	348,377
30	National Bank Ltd.	Rangpur Branch,Rangpur	6653	37,593	202,169
31	National Bank Ltd.	Babu Bazar Branch,Dhaka	2378	19,016	19,016
32	Sonali Bank Ltd.	Rajshahi Branch	1432	5,758	954,334
33	Agrani Bank Ltd.	Chowmohani Branch	9074	118,863	436,721
34	ICB Islami Bank Ltd.	Chattogram	2978	13,744	13,744
35	National Bank Ltd.	Gonestala Road, Dinajpur	3678	401,913	397,507
36	National Bank Ltd.	Tangail	2605	23,891	140,257
37	National Bank Ltd.	Moulavibazar	7153	461,367	549,359
38	Agrani Bank Ltd.	Kustia	8152	155,118	911,815
39	National Bank Ltd.	Cox's Bazar	13962	3,021	156,980
40	Agrani Bank Ltd.	BSCIC cumilla	6639	2,858	632,603
41	National Bank Ltd.	CDA, Chattogram	6171	207,000	291,448
42	National Bank Ltd.	Sikder Tower Branch Sylhet	9870	29,215	3,631
Sub Total (ii)				2,607,322	10,638,248
Sub Total (i+ii)				15,826,377	225,276,782
STD account					
43	National Bank Ltd.	Mohakhali Branch	2515	1,766,948	991,361
44	Bank Asia Ltd.	Mohakhali Branch	38	86,142	59,219
45	Agrani Bank Ltd.	WASA Branch	99023	3,736,958	99,112,977
46	Social Islmi Bank Ltd	Principal Branch	1464	5,566	172,049
47	AB Bank Ltd	Principal Branch	784715	129,194	127,467
48	Bank Asia Ltd.	Mohakhali Branch	190	129,881	120,075
49	AB Bank Ltd	Principal Branch	760188	72,517	72,186
Sub Total (iii)				5,927,206	100,655,333
Total balance in current & STD account (i+ii+iii)				21,753,583	325,932,115

**ORION PHARMA LIMITED AND ITS SUBSIDIARIES**  
**Redeemable Preference Share**  
**As at 30 June 2019**

**Annexure - E**

	Amount in Taka	
	30 June 2019	30 June 2018
Dutch Bangla Power & Associates Limited	500,000,000	500,000,000
	<b>500,000,000</b>	<b>500,000,000</b>

The redeemable preference shares bearing interest @ 15% per annum were issued by Agrani Bank Limited. As per IFRS 7-"Financial Instrument: Disclosure" the substance of a financial instrument rather than its legal form governs its classification on the entity's financial statements. Accordingly, the redeemable preference shares which, in substance, meet the conditions of a financial liability, have been classified as liabilities in the financial statements.

**ORION PHARMA LIMITED AND ITS SUBSIDIARIES**  
**Provision for Decommissioning of Assets**  
**As at 30 June 2019**

Annexure - F

	Amount in Taka	
	30 June 2019	30 June 2018
Plant & machinery	59,922,594	59,922,594
Building	83,482,969	83,482,969
	<b>143,405,563</b>	<b>143,405,563</b>

Orion Power Megnaghat Limited 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 2019 was BDT 143,405,563.



## ORION PHARMA LIMITED AND ITS SUBSIDIARIES

### Term Loan As at 30 June 2019

#### Annexure - G

Amount in Taka	
30 June 2019	30 June 2018

#### Orion Power Meghnaghat Limited

Syndicated loan (Term loan -Mashreq bank)

-	855,370,000
-	<b>855,370,000</b>

#### Dutch Bangla Power and Associates Limited

Syndication loan

2,409,971,899 1,981,079,453

Working capital loan

5,690,146 11,888,714

**2,415,662,045 1,992,968,167**

#### Syndication loan

##### Long term borrowings

Agrani Bank Limited - Principal Branch

61,776,943 125,045,346

Janata Bank Limited

58,786,665 118,603,608

Term Loan - Agrani Bank Limited.

222,372,922 362,018,056

Term Loan - AB Bank Limited.

317,837,274 387,012,443

Term Loan -Premier Bank Limited.

488,400,000 488,400,000

Term Loan IPDC

510,798,096 500,000,000

Mercantile Bank Limited

750,000,000 -

**2,409,971,899 1,981,079,453**

The loans from banks are secured first ranking fixed charge over land, buildings and civil constructions, plant & machineries of the company, a first ranking floating charge over the stocks, receivables, revenue/sale proceeds, proceeds of accounts, insurance proceeds in favour of the term loan lenders on pari passu and pro rata basis. The company has also assigned benefits under all insurance policies on pari passu basis to the lenders.

The loans are also secured by personal guarantee of all directors of the company and lien of initial paid up capital of the promoters of the company.

The sponsors have also given an undertaking to retain the majority share of the project during the tenor of the loan, to be in control of the management of the company and to inject necessary equity fund to finance any cost overrun of the project and to maintain all the covenants unless otherwise mutually agreed between the lenders and the company.

#### Working capital loan

Agrani Bank Limited- Principal Branch

5,690,146 11,888,714

**5,690,146 11,888,714**

Working capital loan under syndication loan arrangement bearing interest @ 9.00% per annum are repayable in 23 equal monthly installments starting from 09 September 2018.

## Subsidiaries 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, 2018, 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, 2019 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 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 8, 2011 for a period of 5 (five) years. Total area of this power plant is around 8 (eight) acre and it is connected with national grid, Sonargaon substation.

The company aims at delivering reliable and most affordable electricity across the country by using brand new European machineries and equipment. The term to supply electricity was expired in 2016 and has been extended for next 5 (five) years by executing an amendment to the contract for supply of power on rental basis by and between Bangladesh Power Development Board (BPDB) and the company dated December 28, 2016. OPML has been in profitable operation all over the years till date. There are 146 employees and stuffs and they are working round the clock in 3 (three) shifts. Orion Pharma Ltd. holds 95% of equity share of this company.

### Shareholding structure

The present shareholding pattern of the company is as follows:

Shareholders' name	No. of shares held	% of holding
Orion Pharma Limited	95,000,000	95.00
Integral Energy Limited	3,000,000	3.00
Jafflong Tea Company Limited	500,000	0.50
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
<b>Total</b>	<b>100,000,000</b>	<b>100.00</b>

### 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

During the reporting financial year 2018-19, Mrs. Nudrat Karim who was the Director of Orion Power Meghnaghat Limited resigned from the Board in November 2018 and all her shares in this company has been transferred.

### Financial reviews

The summary of the comparative analysis of results of 2018-19 and 2017-18 is as follows:

Particulars	Amount in BDT	
	2018-19	2017-18
Revenue	3,324,664,830	4,142,197,753
Gross profit	654,660,626	610,791,102
Profit from operation	610,457,168	566,407,297
Net Profit before tax	575,831,103	484,581,541
Net Profit after tax	575,831,103	484,581,541
Total assets	5,734,994,825	6,584,136,521
Shareholders' equity	4,476,229,570	3,900,398,466
Earnings per share	5.76	4.85
Net asset value per share	44.76	39.00

## Directors' Report

### Remuneration of Executive Director

The Board of Directors of the company has decided at its Board meeting held on October 4, 2018 to appoint Mr. Mohammad Obaidul Karim as the Director – Operation and Mrs. Arzuda Karim as the Director - Commercial of the company, subject to the approval of the shareholders in the upcoming General Meeting. The Board has also recommended that among the new Executive Directors, Mr. Mohammad Obaidul Karim, Director – Operation will be paid a monthly remuneration of BDT 2,50,000 and Mrs. Arzuda Karim, Director - Commercial will be paid a monthly remuneration of BDT 2,00,000 which will be effective from July 01, 2018.

### Appointment of Auditors

The Auditors, S. F. Ahmed & Co., Chartered Accountants, who were appointed as the statutory auditor of the company in the last Annual General Meeting, will retire in the 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



# Orion Power Meghnaghat Ltd.

Auditors' Report & Financial Statements

As at and for the year ended 30 June 2019

 **S. F. AHMED & CO.**  
Chartered Accountants

*(Member Firm of HLB International)*

*House # 51 (2nd & 3rd Floors), Road # 09, Block # F, Banani, Dhaka-1213*



**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 2019, and the statement of 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, in all material respects, of the financial position of the Company as at 30 June 2019, and of its performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.1.

**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.

**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 as explained in note 2, 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.

Dated, Dhaka;  
 09 September 2019

Sd/-  
**S. F. Ahmed & Co.**  
 Chartered Accountants

**Orion Power Meghnaghat Ltd.**  
**Statement of Financial Position**  
**As at 30 June 2019**

	Notes	Amount in BDT	
		30 June 2019	30 June 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4	3,407,463,900	3,753,240,410
		3,407,463,900	3,753,240,410
Current assets			
Inventories	5	362,361,806	504,291,143
Trade and other receivables	6	1,914,060,037	2,103,860,594
Advances, deposits and prepayments	7	44,061,834	49,638,489
Cash and cash equivalents	8	7,047,248	173,105,885
		2,327,530,925	2,830,896,110
TOTAL ASSETS		5,734,994,825	6,584,136,521
EQUITY AND LIABILITIES			
Equity			
Share capital	9	1,000,000,000	1,000,000,000
Revaluation surplus on property, plant and equipment		178,508,824	192,789,532
Retained earnings		3,297,720,746	2,707,608,935
		4,476,229,570	3,900,398,467
Non-current liabilities			
Long term borrowings	10	-	855,370,000
Provision for decommission of assets	11	143,405,563	143,405,563
		143,405,563	998,775,563
Current liabilities			
Trade and other payables	12	1,018,422,507	1,535,617,443
Accrued expenses	13	96,937,185	149,345,049
		1,115,359,692	1,684,962,492
TOTAL EQUITY AND LIABILITIES		5,734,994,825	6,584,136,521

The annexed notes form an integral part of these statements.

**Orion Power Meghnaghat Ltd.**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 30 June 2019**

	Notes	Amount in BDT	
		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
Revenue	14	3,324,664,830	4,142,197,753
Cost of power generation	15	(2,670,004,204)	(3,531,406,651)
<b>Gross profit</b>		<b>654,660,626</b>	<b>610,791,102</b>
<b>Operating expenses</b>			
General and administrative expenses	16	(44,203,458)	(44,383,805)
<b>Profit from operation</b>		<b>610,457,168</b>	<b>566,407,297</b>
Finance cost	17	(34,626,065)	(81,825,756)
<b>Net Profit before tax</b>		<b>575,831,103</b>	<b>484,581,541</b>
Income tax expenses		-	-
<b>Net Profit after tax</b>		<b>575,831,103</b>	<b>484,581,541</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>575,831,103</b>	<b>484,581,541</b>
<b>Basic Earnings Per Share (EPS)</b>	18	<b>5.76</b>	<b>4.85</b>

The annexed notes form an integral part of these statements.

Sd/-  
Chairman

Sd/-  
Managing Director

Sd/-  
Company Secretary

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

Dated, Dhaka;  
09 September 2019

Sd/-  
**S. F. Ahmed & Co.**  
Chartered Accountants

**Orion Power Meghnaghat Ltd.**  
**Statement of Changes in Equity**  
**For the year ended 30 June 2019**

	Amount in BDT			
	Share Capital	Revaluation Surplus on fixed assets	Retained Earnings	Total
<b>Balance at 01 July 2017</b>	1,000,000,000	207,070,240	2,208,746,686	3,415,816,926
Transfer of depreciation on revaluation surplus to retained earnings	-	(14,280,708)	14,280,708	-
Net profit after tax	-	-	484,581,541	484,581,541
<b>Balance at 30 June 2018</b>	<b>1,000,000,000</b>	<b>192,789,532</b>	<b>2,707,608,935</b>	<b>3,900,398,467</b>
<b>Balance at 01 July 2018</b>	1,000,000,000	192,789,532	2,707,608,935	3,900,398,467
Transfer of depreciation on revaluation surplus to retained earnings	-	(14,280,708)	14,280,708	-
Net profit after tax	-	-	575,831,103	575,831,103
<b>Balance at 30 June 2019</b>	<b>1,000,000,000</b>	<b>178,508,824</b>	<b>3,297,720,746</b>	<b>4,476,229,570</b>

Sd/-  
Chairman

Sd/-  
Managing Director

Sd/-  
Company Secretary

Dated, Dhaka;  
09 September 2019



**Orion Power Meghnaghat Ltd.**  
**Statement of Cash Flows**  
**For the year ended 30 June 2019**

	Amount in BDT	
	01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
<b>A. Cash flows from operating activities</b>		
Cash receipts from customers and others	3,638,140,604	3,737,602,012
Cash paid to suppliers, employees and other parties	(2,849,487,138)	(2,781,390,629)
<b>Net cash provided by / (used in) operating activities</b>	<b>788,653,466</b>	<b>956,211,383</b>
<b>B. Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(337,800)	(42,707,834)
<b>Net cash provided by / (used in) investing activities</b>	<b>(337,800)</b>	<b>(42,707,834)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from/(Repayment of) long term borrowings	(855,370,000)	(896,290,000)
Proceeds from/(Repayment of) short term borrowings	(60,812,925)	36,380,860
Payment against finance cost	(38,191,378)	(82,278,409)
<b>Net cash provided by / (used in) financing activities</b>	<b>(954,374,303)</b>	<b>(942,187,549)</b>
Net changes in cash and cash equivalents (A+B+C)	(166,058,637)	(28,684,002)
Cash and cash equivalents at 01 July 2018	173,105,885	201,789,886
<b>Cash and cash equivalents at 30 June 2019</b>	<b>7,047,248</b>	<b>173,105,885</b>

Sd/-  
Chairman

Sd/-  
Managing Director

Sd/-  
Company Secretary

Dated, Dhaka;  
09 September 2019

**ORION POWER MEGHNAGHAT LTD.**  
**Notes to the Financial Statements**  
**As at and for the year ended 30 June 2019**

**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 equipments supplied by Wartsila Finland OY for generation and supply of electricity. The company has signed the contract with Bangladesh Power Development Board (hereinafter referred as BPDB) acting as an off taker to supply power to them solely under the contract No. 09755 executed on June 30, 2010. According to the said contract, the Government will purchase the power for a period of 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.

**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 2018 to 30 June 2019.

## 2.10 Comparative information and rearrangement thereof

Comparative information has been disclosed in respect of the twelve months period from 01 July 2017 to 30 June 2018 for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

Figures for the period ended 30 June 2018 have been rearranged wherever considered necessary to ensure comparability with the current period.

## 2.11 Use of estimates and judgments

The preparation of financial statements in conformity with 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.

## Notes to the Financial Statements

### Subsequent costs

When significant parts of property, plant and equipment are required to be replaced at intervals, the company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognized in the income statement as incurred.

### Revaluation

Valuations are performed at specific intervals to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. On each reporting date, management assesses the fair value of the assets to ensure that fair value of revalued assets does not differ materially from its carrying amount. At 31 December 2011, the company made revaluation of its Building & Civil Constructions and Plant and Machineries by Syful Shamsul Alam & Co., Chartered Accountants to reflect fair value thereof in terms of depreciated current cost.

Any revaluation surplus on property, plant and equipment is recorded in other comprehensive income and hence, credited to the revaluation surplus on property, plant and equipment in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the income statement, in which case, the increase is recognized in the income statement. A revaluation deficit is recognized in the income statement, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

A transfer from the revaluation surplus on property, plant and equipment to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the asset's original cost on each reporting date. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to the retained earnings.

### Depreciation

Depreciation of an asset begins when it's get ready for use. Depreciation is charged on all property plant and equipment other than land and land developments, on a straight line basis over the expected economic lives as follows:

<u>Group of PPE</u>	<u>Expected economic life</u>
Building & civil construction	20 years
Vehicles	5 years
Office equipments	5 years
Furniture & fixtures	6 to 7 years
Plant & machineries	2 to 20 years

### Impairment

At each year end, the company assesses whether there is any indication that the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs to sell and its value in use. An impairment loss is recognized as an expense in the statement of profit or loss and other comprehensive income in accordance with the provision of 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 June 30, 2019 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.



## Notes to the Financial Statements

### 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-18).

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.

## Notes to the Financial Statements

### 3.13 Events after reporting date

There have not been any significant events since the reporting date to the date of issue of the financial statements, which could affect the figures stated in the financial statements.

### 3.14 Commitments and contingencies

Contingencies arising from claim, litigation assessment, fines, penalties etc. are recorded when it is probable that a liability has been incurred and the amount can reasonably be measured.

#### Capital commitments

The company has no commitment of capital expenditure as at June 30, 2019.

#### Guarantees

The company has given a bank guarantee of BDT 20,501,000 (BDT 20,501,000; 2018) to BPDB.

**4 Property, plant and equipment**

Sl. No.	Group of PPE	COST			Depreciation		Written Down Value as at 30.06.2019
		Balance as at 01.07.2018	Addition during the year	Balance as at 30.06.2019	Balance as at 01.07.2018	Charged during the year	
A. At historical cost							
1	Building & civil construction	541,035,963	-	541,035,963	414,112,526	76,971,610	491,084,136
2	Plant & machineries	5,337,605,102	-	5,337,605,102	1,907,086,128	253,698,528	2,160,784,656
3	Vehicles	12,106,948	-	12,106,948	10,097,033	542,004	10,639,037
4	Office equipments	14,654,915	337,800	14,992,715	14,016,916	260,908	14,277,824
5	Furniture & fixtures	3,804,777	-	3,804,777	3,444,225	360,552	3,804,777
Sub Total		5,909,207,705	337,800	5,909,545,505	2,348,756,828	331,833,602	2,680,590,430
B. Revaluation							
1	Building & civil construction	16,547,715	-	16,547,715	5,378,016	827,388	6,205,404
2	Plant & machineries	269,066,416	-	269,066,416	87,446,582	13,453,320	100,899,902
Sub Total		285,614,131	-	285,614,131	92,824,598	14,280,708	107,105,306
Total 30 June 2019 (A+B)		6,194,821,836	337,800	6,195,159,636	2,441,581,426	346,114,310	2,787,695,736
Total 30 June 2018		6,152,114,002	42,707,834	6,194,821,836	2,125,896,033	315,685,393	2,441,581,426
							3,753,240,410

## Notes to the Financial Statements

### 5 Inventories

Spare parts  
HFO, Mobil & Chemical  
Goods in transit

### 6 Trade receivables

Receivables from BPDB  
Current account with other related companies (Note-6.01)

#### 6.01 Current account with other related companies

Dutch Bangla Power and Associates Ltd.  
Panbo Bangla Mushroom Ltd.  
Orion Gas Ltd.  
Orion Footwear Ltd.  
Orion Oil & Shipping Ltd.  
Orion Power Unit-2 Dhaka Ltd.  
Orion Power Dhaka Ltd.  
Noakhali Gold Foods Ltd.  
Orion Agro Product Ltd.  
Orion Home Appliance Ltd.  
Orion Power Rupsha Ltd.  
Energon Renewables (BD) Ltd.  
Orion Power Sonargaon Ltd.  
Orion Hospital Ltd.  
Orion Properties Ltd.

### 7 Advances, deposits and prepayments

Advances (Note- 7.1)  
Deposits (Note- 7.2)  
Prepayments (Note- 7.3)

#### 7.1 Advances

Advance to employee  
TDR - Phoneix Finance  
Advance to supplier  
Advance income tax  
Other receivables

Amount in BDT	
30 June 2019	30 June 2018
265,978,652	195,175,744
80,708,877	246,522,908
15,674,276	62,592,491
<b>362,361,806</b>	<b>504,291,143</b>
946,392,067	1,259,867,841
967,667,970	843,992,753
<b>1,914,060,037</b>	<b>2,103,860,594</b>
305,503,260	332,705,771
52,537,596	45,678,861
12,700,000	9,900,000
50,600,000	40,600,000
46,930,733	60,360,897
345,812,957	283,115,092
68,301,013	51,862,471
3,974,785	300,000
1,530,572	414,796
1,048,000	518,000
58,763,731	13,050,890
1,500,000	-
15,095,766	4,328,500
1,600,000	600,000
1,769,557	557,475
<b>967,667,970</b>	<b>843,992,753</b>
5,394,194	14,766,496
36,041,582	33,495,506
2,626,058	1,376,487
<b>44,061,834</b>	<b>49,638,489</b>
1,637,870	1,371,784
135,500	135,500
2,815,605	2,585,605
805,219	673,607
-	10,000,000
<b>5,394,194</b>	<b>14,766,496</b>



		Amount in BDT	
		30 June 2019	30 June 2018
<b>7.2 Deposits</b>			
Bank guarantee margin - BPDB		20,501,000	20,501,000
Bank guarantee margin - Others		3,879,300	3,879,300
L/C margin account		11,661,282	9,115,206
		<b>36,041,582</b>	<b>33,495,506</b>
<b>7.3 Prepayments</b>			
Bank guarantee charges and commission		1,414,569	1,340,934
Insurance premium		193,969	35,553
Defferd security expense		1,017,520	-
		<b>2,626,058</b>	<b>1,376,487</b>
<b>8 Cash and cash equivalents</b>			
Cash in hand		277,341	1,128,054
Cash at bank (Note- 8.01)		6,769,907	171,977,830
		<b>7,047,248</b>	<b>173,105,885</b>
<b>8.1 Cash at bank</b>			
Agrani Bank Ltd. Principal Branch A/c no. 0200000121457		113,154	122,299
Bank Asia Ltd. A/c no. 02836000112		5,255,328	2,047,837
FSIBL A/c no. 1121110000572		15,131	1,691
Social Islami Bank Ltd. A/c no. 13300058029		736,279	260,229
AB Bank Ltd. A/c no. 4005788335000		249,266	271,925
Premier Bank Ltd. A/c no. 10811100017352		277,996	310,331
IBBL A/c no. 20501360100448316		46,975	48,125
Agrani Bank Ltd. FC A/c no. 5354-9		-	168,840,936
Agrani Bank Ltd. A/c no. 264033		75,778	74,458
		<b>6,769,907</b>	<b>171,977,830</b>
<b>9 Share capital</b>			
<b>Authorised capital</b>			
400,000,000 Ordinary shares of BDT 10/- each		4,000,000,000	4,000,000,000
		<b>4,000,000,000</b>	<b>4,000,000,000</b>
<b>Issued, subscribed, called - up &amp; paid up capital</b>			
100,000,000 Ordinary Shares of BDT 10/- each		1,000,000,000	1,000,000,000

The shareholding position of the company are as under:

Shareholder	Number of share	30 June 2019	30 June 2018
		BDT	BDT
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	5,000,000
Arzuda Karim	350,000	3,500,000	3,500,000
Nudrat S Karim	-	-	1,000,000
Haarhuis Genertoren B.V.	50,000	500,000	500,000
	<b>100,000,000</b>	<b>1,000,000,000</b>	<b>1,000,000,000</b>

## Notes to the Financial Statements

		Amount in BDT	
		30 June 2019	30 June 2018
<b>10 Long term borrowings</b>			
Syndicated loan (Note-10.1)		-	855,370,000
		-	<b>855,370,000</b>
<b>10.1 Syndicated loan</b>			
Term Loan - Mashreq Dubai		-	855,370,000
		-	<b>855,370,000</b>
<b>11 Provision for decommission of assets</b>			
Plant & machinery		59,922,594	59,922,594
Building		83,482,969	83,482,969
		<b>143,405,563</b>	<b>143,405,563</b>
<b>12 Trade and other payables</b>			
Accounts payable - suppliers		912,750,128	1,399,630,670
Current account with inter companies (Note-12.1)		105,672,379	135,986,773
		<b>1,018,422,507</b>	<b>1,535,617,443</b>
<b>12.1 Current account with inter companies</b>			
Interior Accom Consortium Ltd.		33,157,000	31,157,000
Orion Capital Ltd.		18,420,000	18,420,000
Digital Power and Associates Ltd.		54,095,379	86,409,773
		<b>105,672,379</b>	<b>135,986,773</b>
<b>13 Accrued expenses</b>			
Salary and other allowance		10,799,758	9,567,109
Director's remuneration		4,500,000	4,500,000
Provident fund		18,814,150	14,007,172
Lease Finance- Phoneix Finance		1,585,935	2,083,792
Interest Payable - Mashreq Dubai		-	3,565,313
Retention money		2,089,606	2,089,606
Withholding VAT		11,241,041	11,388,405
Withholding tax		8,578,452	8,342,631
Audit fees		345,000	345,000
Provision for gratuity		9,551,850	7,319,340
PAD- Agrani and AB Bank Ltd.		-	60,315,068
Other payable		29,431,393	25,821,613
		<b>96,937,185</b>	<b>149,345,049</b>
<b>14 Revenue</b>			
Reference rental price		1,311,310,000	1,283,295,000
Reference energy price (Variable - O&M)		67,690,844	121,172,869
Sales Revenue - HFO OOSL		1,989,116,394	2,736,242,783
Foreign exchange gain /(Loss)		(43,452,408)	1,487,101
		<b>3,324,664,830</b>	<b>4,142,197,753</b>
<b>15 Cost of power generation</b>			
Opening Balance		246,522,908	177,267,704
Add: Purchase (Note-15.1)		1,950,020,063	2,958,705,960
		<b>2,196,542,971</b>	<b>3,135,973,664</b>
Less: Closing Balance		80,708,877	246,522,908
		<b>2,115,834,094</b>	<b>2,889,450,756</b>
Add: Plant overhead (Note-15.2)		554,170,110	641,955,895
		<b>2,670,004,204</b>	<b>3,531,406,651</b>

### 15.1 Purchase of raw material

Mobil & Chemical  
HFO - OOSL

### 15.2 Plant overhead

O & M service  
Repair & maintenance  
Salaries & allowances  
Tours & travel  
Foreign exchange loss  
Land rent  
Depreciation  
Liquidity demurrage  
Insurance, taxes & duties  
Miscellaneous expenses

### 16 General and administrative expenses

Director's remuneration  
Advertisement  
Entertainment  
Fooding expenses  
Plant office transport  
Plant office utilities  
Plant office communication  
Fees & taxes  
Stationary, accessories & supplies  
Security service  
Consultancy fees  
Fuel test fees  
Audit fee  
CSR

### 17 Finance cost

Interest expense  
Loan processing fees  
Interest expenses- Lease Finance(Phoneix Finance)  
Bank commission & VAT on Comm.  
Bank charges

### 18 Basic earnings per share

The computation is given below:

Profit after tax  
Number of ordinary shares outstanding during the period  
Basic earnings per share (EPS)

Amount in BDT	
30 June 2019	30 June 2018
33,792,154	68,392,132
1,916,227,909	2,890,313,828
<b>1,950,020,063</b>	<b>2,958,705,960</b>
40,173,756	53,954,567
35,803,358	112,729,149
86,681,782	81,792,876
2,249,549	651,888
20,226,454	35,540,000
6,530,458	6,270,006
346,114,310	315,685,393
-	12,839,893
205,003	1,047,688
16,185,440	21,444,435
<b>554,170,110</b>	<b>641,955,895</b>
8,400,000	6,000,000
8,756,348	8,135,260
2,483,806	1,986,967
6,667,937	4,376,748
3,018,090	3,549,202
431,800	376,200
3,526,132	1,589,009
870,659	4,174,787
826,766	1,375,265
7,737,470	7,302,120
321,000	1,062,500
543,450	345,200
345,000	345,000
275,000	3,765,548
<b>44,203,458</b>	<b>44,383,805</b>
26,502,555	68,045,754
2,505,000	9,265,916
209,207	313,332
5,298,058	3,837,294
111,245	363,459
<b>34,626,065</b>	<b>81,825,756</b>
575,831,103	484,581,541
100,000,000	100,000,000
<b>5.76</b>	<b>4.85</b>

## Notes to the Financial Statements

### 19 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 arise 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, 2019:

Particulars	Long term borrowings	Provision for Decommission of Assets	Trade payables	Accruals and other payables	Total
Amount repayable within 1 year	-	-	1,018,422,507	96,937,185	1,115,359,692
Amount repayable within 2 to 5 years	-	143,405,563	-	-	143,405,563

## 20 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 2019 are as follows:

Name of related parties	Relationship	Nature of transaction	Opening balance as on 01. 07.2018	Addition	Adjustment	Closing balance as on 30. 06.2019
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	332,705,771	133,993,610	(161,196,122)	305,503,259
Panbo Bangla Mushroom Ltd.	Common director/ Share holding	Intercompany Current A/C	45,678,861	6,858,735	-	52,537,596
Interior Accom Consortium Ltd.	Common director/ Share holding	Intercompany Current A/C	(31,157,000)	-	(2,000,000)	(33,157,000)
Orion Gas Ltd.	Common director/ Share holding	Intercompany Current A/C	9,900,000	2,800,000	-	12,700,000
Digital Power & Associates Ltd.	Common director/ Share holding	Intercompany Current A/C	(86,409,773)	36,668,332	(4,353,937)	(54,095,379)
Orion Power Dhaka Ltd.	Common director/ Share holding	Intercompany Current A/C	51,862,471	16,438,542	-	68,301,013
Orion Properties Ltd.	Common director/ Share holding	Intercompany Current A/C	557,475	2,512,082	(1,300,000)	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	40,600,000	10,000,000	-	50,600,000
Orion Oil & Shipping Ltd.	Common director/ Share holding	Intercompany Current A/C	60,360,897	117,737,063	(131,167,227)	46,930,733
Noakhali Gold Foods Ltd.	Common director/ Share holding	Intercompany Current A/C	300,000	3,674,785	-	3,974,785
Orion Power Unit -2 Dhaka Ltd.	Common director/ Share holding	Intercompany Current A/C	283,115,092	195,061,738	(132,363,872)	345,812,958
Orion Agro Product Ltd.	Common director/ Share holding	Intercompany Current A/C	414,796	1,115,776	-	1,530,572
Orion Home Appliance Ltd.	Common director/ Share holding	Intercompany Current A/C	518,000	530,000	-	1,048,000
Orion Power Rupsha Ltd.	Common director/ Share holding	Intercompany Current A/C	13,050,890	72,295,660	(26,582,819)	58,763,731
Orion Power Sonargaon Ltd.	Common director/ Share holding	Intercompany Current A/C	4,328,500	21,767,266	(11,000,000)	15,095,766
Energon Renewables (BD) Ltd.	Common director/ Share holding	Intercompany Current A/C	-	1,500,000	-	1,500,000
Orion Hospital Ltd.	Common director/ Share holding	Intercompany Current A/C	600,000	1,000,000	-	1,600,000

### 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	-
Share Based payments	-
Other allowances and commission including guarantee commission	-
(i) Pensions	-
(ii) Gratuities	-
(iii) Payments from a provident funds, in excess of own subscription and interest thereon	-



## Notes to the Financial Statements

### 21 Capacity utilization

Licensed capacity	Installed capacity	Plant factor 2019	Plant factor 2018
		(% on licensed capacity)	(% on licensed capacity)
100.00 MW	106.80 MW	Average 24.00% Max. 62.00%	Average 43.00% Max. 65.00%

### 22 Employee details

During the period, there were 146 employees employed for the full year and the end of the period, there were 146 employees in the company with remuneration of BDT 7,700 per month and above.

### 23 Rounding off

Amounts appearing in these financial statements have been rounded off to the nearest BDT.

### 24 Authorisation of financial statements to issue

The financial statements were authorised for issue by the Board of Directors on 09 September 2019.

Sd/-  
Chairman

Sd/-  
Managing Director

Sd/-  
Company Secretary

## Subsidiaries 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, 2018, 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, 2019 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 for a period of 5 (five) years. It is connected with national grid through Siddhirganj substation.

The use of world class equipment and deployment of world class EPC contractor enabled us to finish this projects in due time, the erection period of this period was only 9 (nine) months. The term to supply electricity was expired in 2016 and has been extended for next 5 (five) years by executing an amendment to the contract for supply of power on rental basis by and between Bangladesh Power Development Board (BPDB) and the company dated December 28, 2016. DBPAL has been in profitable operation all over the years till date. There are 134 employees and stuffs and they are working round the clock in 3 (three) shifts. Orion Pharma Ltd. holds 67% of equity share of this company.

## Shareholding structure

The present shareholding pattern of the company is as follows:

Shareholders' name	No. of shares held	% of holding
Orion Pharma Limited	6,700,000	67.00
Mohammad Obaidul Karim	100,000	1.00
Salman Obaidul Karim	3,087,500	30.88
Shenzen Nanshan Power Co. Ltd.	50,000	0.50
Arzuda Karim	10,000	0.10
Jafflong Tea Company Limited	2,500	0.02
Orion Tea Company Limited	50,000	0.50
<b>Total</b>	<b>100,000,000</b>	<b>100.00</b>

## 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

During the reporting financial year 2018-19, Mrs. Nudrat Karim who was the Director of Orion Power Meghnaghat Limited resigned from the Board in November 2018 and all her shares in this company has been transferred.

## Financial reviews

The summary of the comparative analysis of results of 2018-19 and 2017-18 is as follows:

Particulars	Amount in BDT	
	2018-19	2017-18
Revenue	3,157,966,223	4,304,050,486
Gross profit	654,600,635	669,542,613
Profit from operation	608,870,954	632,500,537
Net Profit before tax	183,140,128	238,043,994
Net Profit after tax	183,140,128	238,043,994
Total assets	7,665,784,934	8,024,929,523
Shareholders' equity	2,820,652,531	2,637,512,403
Earnings per share	18.31	23.80
Net asset value per share	282.06	263.75

## Remuneration of Executive Director

The Board of Directors of the company has decided at its Board meeting held on October 4, 2018 to appoint Mr. Mohammad Obaidul Karim as the Director – Operation and Mrs. Arzuda Karim as the Director - Commercial of the company, subject to the approval of the shareholders in the upcoming General Meeting. The Board has also recommended that among the new Executive Directors, Mr. Mohammad Obaidul Karim, Director – Operation will be paid a monthly remuneration of BDT 2,50,000 and Mrs. Arzuda Karim, Director - Commercial will be paid a monthly remuneration of BDT 2,00,000 which will be effective from July 01, 2018.

## Appointment of Auditors

The Auditors, S. F. Ahmed & Co., Chartered Accountants, who were appointed as the statutory auditor of the company in the last Annual General Meeting, will retire in the 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



# Dutch Bangla Power & Associates Ltd.

Auditors' Report & Financial Statements

As at and for the year ended 30 June 2019

 **S. F. AHMED & CO.**  
Chartered Accountants

*(Member Firm of HLB International)*

*House # 51 (2nd & 3rd Floors), Road # 09, Block # F, Banani, Dhaka-1213*



## 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 2019, and the statement of 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, in all material respects, of the financial position of the Company as at 30 June 2019, and of its performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2.1.

### *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.

### *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 as explained in note 2, 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.

## Auditors' Report

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.

Dated, Dhaka;  
09 September 2019

Sd/-  
**S. F. Ahmed & Co.**  
Chartered Accountants

**Dutch Bangla Power and Associates Ltd.**  
**Statement of Financial Position**  
**As at 30 June 2019**

	Notes	Amount in BDT	
		30 June 2019	30 June 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	4,283,328,898	4,581,464,938
		<b>4,283,328,898</b>	<b>4,581,464,938</b>
<b>Current assets</b>			
Inventories	5	285,102,553	412,296,135
Trade and other receivables	6	2,849,406,521	2,888,205,417
Advances, deposits and prepayments	7	193,535,588	141,673,520
Cash and cash equivalents	8	54,411,375	1,289,513
		<b>3,382,456,037</b>	<b>3,443,464,586</b>
<b>TOTAL ASSETS</b>		<b>7,665,784,934</b>	<b>8,024,929,523</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	9	100,000,000	100,000,000
Revaluation surplus on property, plant and equipment		343,578,627	347,012,069
Retained earnings		2,377,073,904	2,190,500,334
		<b>2,820,652,531</b>	<b>2,637,512,403</b>
<b>Non-current liabilities</b>			
Long term borrowings	10	2,415,662,045	1,992,968,167
Preference share	11	500,000,000	500,000,000
		<b>2,915,662,045</b>	<b>2,492,968,167</b>
<b>Current liabilities</b>			
Trade and other payables	12	1,572,523,874	2,526,639,953
Accrued expenses	13	356,946,484	367,809,000
		<b>1,929,470,358</b>	<b>2,894,448,953</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,665,784,934</b>	<b>8,024,929,523</b>

The annexed notes form an integral part of these statements.

Sd/-  
Chairman

Sd/-  
Managing Director

Sd/-  
Company Secretary

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

Dated, Dhaka;  
09 September 2019

Sd/-  
**S. F. Ahmed & Co.**  
Chartered Accountants

**Dutch Bangla Power and Associates Ltd.**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 30 June 2019**

	Notes	Amount in BDT	
		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
Revenue	14	3,157,966,223	4,304,050,486
Cost of power generation	15	(2,503,365,589)	(3,634,507,873)
<b>Gross profit</b>		<b>654,600,635</b>	<b>669,542,613</b>
<b>Operating expenses</b>			
General and administrative expenses	16	(45,729,681)	(37,042,076)
<b>Profit from operation</b>		<b>608,870,954</b>	<b>632,500,537</b>
Finance cost	17	(425,730,826)	(394,456,543)
<b>Net Profit before tax</b>		<b>183,140,128</b>	<b>238,043,994</b>
Income tax expenses		-	-
<b>Net Profit after tax</b>		<b>183,140,128</b>	<b>238,043,994</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>183,140,128</b>	<b>238,043,994</b>
<b>Basic Earnings Per Share (EPS)</b>	18	<b>18.31</b>	<b>23.80</b>

The annexed notes form an integral part of these statements.

Sd/-  
Chairman

Sd/-  
Managing Director

Sd/-  
Company Secretary

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

Dated, Dhaka;  
09 September 2019

Sd/-  
**S. F. Ahmed & Co.**  
Chartered Accountants

**Dutch Bangla Power and Associates Ltd.**  
**Statement of Changes in Equity**  
**For the year ended 30 June 2019**

	Amount in BDT			
	Share Capital	Retained Earnings	Revaluation Surplus	Total
<b>Balance at 01 July 2017</b>	1,000,000,000	1,949,022,898	350,445,511	2,399,468,409
Transfer of depreciation on revaluation surplus to retained earnings	-	3,433,442	(3,433,442)	-
Net profit after tax	-	238,043,994	-	238,043,994
<b>Balance at 30 June 2018</b>	<b>1,000,000,000</b>	<b>2,190,500,334</b>	<b>347,012,069</b>	<b>2,637,512,403</b>
<b>Balance at 01 July 2018</b>	1,000,000,000	2,190,500,334	347,012,069	2,637,512,403
Transfer of depreciation on revaluation surplus to retained earnings	-	3,433,442	(3,433,442)	-
Net profit after tax	-	183,140,128	-	183,140,128
<b>Balance at 30 June 2019</b>	<b>1,000,000,000</b>	<b>2,377,073,904</b>	<b>343,578,627</b>	<b>2,820,652,531</b>

Sd/-  
Chairman

Sd/-  
Managing Director

Sd/-  
Company Secretary

Dated, Dhaka;  
09 September 2019



**Dutch Bangla Power and Associates Ltd.**  
**Statement of Cash Flows**  
**For the year ended 30 June 2019**

	Amount in BDT	
	01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
<b>A. Cash flows from operating activities</b>		
Cash receipts from customers and others	3,859,772,334	3,976,267,158
Cash paid to suppliers, employees and other parties	(3,783,369,597)	(2,988,840,259)
<b>Net cash provided by / (used in) operating activities</b>	<b>76,402,737</b>	<b>987,426,899</b>
<b>B. Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(5,667,987)	(168,963,686)
<b>Net cash provided by / (used in) investing activities</b>	<b>(5,667,987)</b>	<b>(168,963,686)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from/(Repayment of) long term borrowings	422,693,878	218,678,996
Payment against finance cost	(439,494,065)	(333,000,207)
Proceeds from/(Repayment of) short term borrowings	(812,702)	(708,601,238)
<b>Net cash provided by / (used in) financing activities</b>	<b>(17,612,889)</b>	<b>(822,922,449)</b>
Net changes in cash and cash equivalents (A+B+C)	53,121,862	(4,459,236)
Cash and cash equivalents at 01 July 2018	1,289,513	5,748,750
<b>Cash and cash equivalents at 30 June 2019</b>	<b>54,411,375</b>	<b>1,289,513</b>

Sd/-  
Chairman

Sd/-  
Managing Director

Sd/-  
Company Secretary

Dated, Dhaka;  
09 September 2019

## Dutch Bangla Power and Associates Ltd. Notes to the Financial Statements As at and for the year ended 30 June 2019

### 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 July 22, 2016 vide memo no-27.00.0000.071.14.122.2010.534 dated 01 December 2016.

### 2. Basis of preparation of financial statements

#### 2.1. Reporting framework and compliance thereof

The financial statements have been prepared in compliance with the requirements of the Companies Act 1994 and other relevant local laws and regulations, and in accordance with the 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.

## Notes to the Financial Statements

### 2.6 Materiality and aggregation

The company presents separately each material class of similar items and items of a dissimilar nature or function unless they are immaterial. Financial statements result from processing large numbers of transactions or other events that are aggregated into classes according to their nature or function.

### 2.7 Offsetting

The company does not offset assets and liabilities or income and expenses, unless required or permitted by a 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 2018 to 30 June 2019.

### 2.10 Comparative information and rearrangement thereof

Comparative information has been disclosed in respect of the twelve months period from 01 July 2017 to 30 June 2018 for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

Figures for the period ended on 30 June 2018 have been rearranged wherever considered necessary to ensure comparability with the current period.

### 2.11 Use of estimates and judgments

The preparation of financial statements in conformity with 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 it's Land and Land developments, Buildings and Plant and Machinery by Syful Shamsul Alam & Co., Chartered Accountants to reflect fair value thereof in terms of Depreciated Current Cost.

Any revaluation surplus on property, plant and equipment is recorded in the statement of profit or loss and other comprehensive income and hence, credited to the revaluation surplus on property, plant and equipment in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the income statement, in which case, the increase is recognized in the statement of profit or loss and other comprehensive income. A revaluation deficit is recognized in the statement of profit or loss and other comprehensive income, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

A transfer from the revaluation surplus on property, plant and equipment to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the asset's original cost on each reporting date. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to the retained earnings.

### Depreciation

Depreciation of an asset begins when it's get ready for use. Depreciation is charged on all property plant and equipment other than land and land developments, on a straight line basis over the expected economic lives as follows:

<u>Group of PPE</u>	<u>Expected economic life</u>
Building & civil construction	20 years
Vehicles	5 years
Office equipments	5 years
Furniture & fixtures	6 to 7 years
Plant & machineries	2 to 20 years

### Impairment

At each year end, the company assesses whether there is any indication that the carrying amount of an asset exceeds its recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs to sell and its value in use. An impairment loss is recognized as an expense in the statement of profit or loss and other comprehensive income in accordance with the provision of 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.

## Notes to the Financial Statements

### 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 recognised 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 recognised in profit or loss.

##### **Financial assets at fair value through other comprehensive income**

These assets are initially recognised 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 derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

##### **Amortised cost**

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

## Notes to the Financial Statements

### (iii) Non-derivative financial liabilities – measurement

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised 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 recognised 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 amortisation, if no impairment loss had been recognised.

### 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-18).

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there were no potential dilutive ordinary shares during the relevant periods.

### 3.12 Events after reporting date

There have not been any significant events since the reporting date to the date of issue of the financial statements, which could affect the figures stated in the financial statements.

### 3.13 Commitments and contingencies

Contingencies arising from claim, litigation assessment, fines, penalties etc. are recorded when it is probable that a liability has been incurred and the amount can reasonably be measured.

#### Capital commitments

The company has no commitment of capital expenditure as at June 30, 2019.

#### Guarantees

The company has given a bank guarantee of BDT 20,501,000 (BDT 20,501,000; 2018) to BPDB.

#### 4 Property, plant and equipment

Sl. No.	Group of PPE	COST			Depreciation		Written Down Value as at 30.06.2019
		Balance as at 01.07.2018	Addition during the year	Balance as at 30.06.2019	Charged during the year	Balance as at 30.06.2019	
A. At historical cost							
1	Land & land development	252,534,266	-	252,534,266	-	-	252,534,266
2	Building & civil construction	440,050,552	-	440,050,552	21,023,710	155,689,318	284,361,234
3	Plant & machineries	5,545,469,998	-	5,545,469,998	277,429,464	2,150,681,220	3,394,788,778
4	Vehicles	6,179,557	2,960,000	9,139,557	1,045,132	4,659,212	4,480,345
5	Office equipments	19,993,146	2,707,987	22,701,133	672,052	19,115,486	3,585,647
6	Furniture & fixtures	2,768,718	-	2,768,718	200,227	2,768,718	-
Sub Total		6,266,996,237	5,667,987	6,272,664,224	300,370,585	2,332,913,954	3,939,750,270
B. Revaluation							
1	Land	300,946,672	-	300,946,672	-	-	300,946,672
2	Building & civil construction	7,439,607	-	7,439,607	371,978	2,820,840	4,618,767
3	Plant & machineries	61,229,292	-	61,229,292	3,061,464	23,216,104	38,013,188
Sub Total		369,615,571	-	369,615,571	3,433,442	26,036,944	343,578,627
Total 30 June 2019 (A+B)		6,636,611,808	5,667,987	6,642,279,795	303,804,027	2,358,950,898	4,283,328,898
Total 30 June 2018		6,467,648,122	168,963,686	6,636,611,808	295,326,108	2,055,146,871	4,581,464,938

## Notes to the Financial Statements

### 5 Inventories

Goods in transit  
HFO, Mobile & Chemical  
Spare parts

### 6 Trade and other receivables

Receivables from BPDB  
Current account with other related companies (Note-6.1)

#### 6.1 Current account with other related companies

Digital Power and Associates Ltd.  
Orion Gas Ltd.  
Orion Footwear Ltd.  
Panbo Bangla Mushroom Ltd.  
Orion Power Unit 2 Dhaka Ltd.  
Noakhali Gold Foods Ltd.  
Interior Accom Consortium Ltd.  
Orion Homes Appliance Ltd.  
Jafflong Tea Company Ltd.  
Orion Oil & Shipping Ltd.  
Orion Power Dhaka Ltd.  
Orion Agro Products Ltd.  
Orion Power Sonargaon Ltd.  
Orion Knit Textiles Ltd.  
Orion Hospital Ltd.  
Orion Power Khulna Ltd.  
Orion Properties Ltd.

### 7 Advances, deposits and prepayments

Advances (Note- 7.1)  
Deposits (Note- 7.2)  
Prepayments (Note- 7.3)

#### 7.1 Advances

Advance to employee  
Advance to supplier  
Advance income tax  
TDR - Phoenix Finance  
Other receivables

Amount in BDT	
30 June 2019	30 June 2018
85,655,620	21,240,468
66,152,627	242,091,450
133,294,306	148,964,217
<b>285,102,553</b>	<b>412,296,135</b>
583,471,200	1,285,277,311
2,265,935,321	1,602,928,106
<b>2,849,406,521</b>	<b>2,888,205,416</b>
230,293,972	225,185,610
36,500,000	36,500,000
41,000,000	36,000,000
55,697,594	52,660,645
761,165,839	761,165,839
21,000,000	21,000,000
47,500,000	47,500,000
6,800,000	6,800,000
2,408,371	2,408,371
104,482,118	118,672,168
168,053,132	160,401,037
1,384,328	578,719
514,134,185	62,610,607
219,000,000	19,000,000
800,000	200,000
43,945,781	42,345,110
11,770,000	9,900,000
<b>2,265,935,321</b>	<b>1,602,928,106</b>
140,879,354	71,302,254
51,114,515	68,563,351
1,541,719	1,807,915
<b>193,535,588</b>	<b>141,673,520</b>
6,843,154	883,826
8,326,444	8,298,700
255,356	207,828
321,900	321,900
125,132,500	61,590,000
<b>140,879,354</b>	<b>71,302,254</b>

## 7.2 Deposits

Bank guarantee Margin-BPDB  
Bank guarantee Margin-Others  
Security deposit-IPDC  
L/C Margin

## 7.3 Prepayments

Insurance premium  
Bank guarantee charges and commission

## 8 Cash and cash equivalents

Cash in hand  
Cash at bank (Note-8.1)

### 8.1 Cash at bank

Agrani Bank Ltd. Pr. Branch-A/c no. 020000051380-(101506810)  
Bank Asia Ltd. A/c no. 02836000111  
AB Bank Ltd. A/c no. 4005788422000  
Social Islami Bank Ltd.-A/c no. 9021330449659  
United Commercial Bank Ltd. -A/c no. 0951101000009438  
Premier Bank Ltd. Motijheel- A/c no. 10811100017351  
Bank Asia Ltd. -A/c no. 04933001013  
National Bank Ltd. -A/c no. 1067003055909  
Mercantile Bank Ltd. -A/c no. 110111127382718

## 9 Share capital

### Authorised capital

100,000,000 Ordinary shares of TK. 10/- each

### Issued, subscribed, called - up & paid up capital

10,000,000 Ordinary Shares of Tk 10/- each

The shareholding position of the company are as under:

Name	No. of Share	30 June 2019	30 June 2018
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
Nudrat S Karim	-	-	500,000
Jafflong Tea Company Ltd.	2,500	25,000	25,000
Orion Tea Company Ltd.	50,000	500,000	-
Arzuda Karim	10,000	100,000	100,000
	<b>10,000,000</b>	<b>100,000,000</b>	<b>100,000,000</b>

Amount in BDT	
30 June 2019	30 June 2018
20,501,000	20,501,000
20,613,515	10,038,515
10,000,000	10,000,000
-	28,023,836
<b>51,114,515</b>	<b>68,563,351</b>
127,150	466,981
1,414,569	1,340,934
<b>1,541,719</b>	<b>1,807,915</b>
750,829	378,978
53,660,546	910,535
<b>54,411,375</b>	<b>1,289,513</b>
21,153,229	292,566
266,813	5,172
28,963,251	344,859
210,668	69,318
95,595	96,745
1,244	9,129
91,597	92,747
98,170	-
2,779,979	-
<b>53,660,546</b>	<b>910,535</b>
1,000,000,000	1,000,000,000
<b>1,000,000,000</b>	<b>1,000,000,000</b>
100,000,000	100,000,000
<b>100,000,000</b>	<b>100,000,000</b>



## Notes to the Financial Statements

		Amount in BDT	
		30 June 2019	30 June 2018
<b>10 Long term borrowings</b>			
Agrani Bank Ltd.	61,776,943	125,045,346	
Janata Bank Ltd.	58,786,665	118,603,608	
Agrani Bank Ltd. - (Working Capital )	5,690,146	11,888,714	
Term Loan - AB Bank Ltd.	317,837,274	387,012,443	
Term Loan - Agrani Bank Ltd.	222,372,922	362,018,056	
Term Loan - IPDC	510,798,096	500,000,000	
Marchentile Bank Ltd.	750,000,000	-	
Term Loan - Premier Bank Ltd.	488,400,000	488,400,000	
	<b>2,415,662,045</b>	<b>1,992,968,167</b>	
<b>11 Preference share</b>			
Agrani Bank Ltd.	500,000,000	500,000,000	
	<b>500,000,000</b>	<b>500,000,000</b>	
<b>12 Trade and other payables</b>			
Accounts payable - suppliers	820,710,179	1,678,324,190	
Current account with inter companies (Note-12.1)	751,813,695	848,315,763	
	<b>1,572,523,874</b>	<b>2,526,639,953</b>	
<b>12.1 Current account with inter companies</b>			
Orion Pharma Ltd.	370,748,526	436,462,969	
Orion Power Rupsha Ltd.	75,561,909	79,147,022	
Orion Power Meghnaghat Ltd.	305,503,260	332,705,771	
	<b>751,813,695</b>	<b>848,315,763</b>	
<b>13 Accrued expenses</b>			
Interest payable on syndicate loan	129,101,742	64,590,980	
Salary & others allowances	13,339,389	14,423,704	
Director's remuneration	4,125,000	4,125,000	
Interest payable on preference share	155,243,639	233,517,641	
Retention money	1,529,051	1,529,051	
Withholding VAT	4,481,224	4,576,086	
Withholding tax	2,172,298	2,438,675	
Other payable	23,311,086	22,184,700	
Audit Fee	345,000	345,000	
Lease Finance	2,160,337	2,973,039	
Provision for gratuity	7,445,572	6,043,499	
Provident fund	13,692,146	11,061,625	
	<b>356,946,484</b>	<b>367,809,000</b>	

#### 14 Revenue

Reference rental price	
Reference energy price (Variable-O&M )	
Sales Revenue HFO - OOSL	
Foreign exchange gain/(loss)	

Amount in BDT	
30 June 2019	30 June 2018
1,305,970,770	1,212,258,633
58,618,667	125,372,271
1,803,336,235	2,963,753,053
(9,959,449)	2,666,529
<b>3,157,966,223</b>	<b>4,304,050,486</b>

#### 15 Cost of power generation

Opening Balance	
Add: Purchase (Note-15.1)	

Less: Closing Balance

Add: Plant overhead (Note- 15.2)

242,091,450	224,425,253
1,736,022,303	3,094,370,184
<b>1,978,113,753</b>	<b>3,318,795,438</b>
66,152,627	242,091,450
<b>1,911,961,126</b>	<b>3,076,703,988</b>
591,404,463	557,803,885
<b>2,503,365,589</b>	<b>3,634,507,873</b>

#### 15.1 Purchase of raw material

Mobil & Chemical	
HFO - OOSL	

38,857,905	72,316,242
1,697,164,398	3,022,053,942
<b>1,736,022,303</b>	<b>3,094,370,184</b>

#### 15.2 Plant overhead

O & M service	
Repair & maintenance	
Salaries & allowances	
Travelling & conveyance	
Insurance	
Depreciation	
Miscellaneous Exp.	

97,963,623	67,303,867
97,237,660	113,918,626
71,683,514	65,774,161
3,395,760	2,869,571
329,075	247,771
303,804,027	295,326,108
16,990,805	12,363,780
<b>591,404,463</b>	<b>557,803,885</b>

## Notes to the Financial Statements

### 16 General and administrative expenses

	Amount in BDT	
	30 June 2019	30 June 2018
Director's remuneration	8,400,000	6,000,000
CSR	5,000,000	3,783,299
Advertisement	7,010,657	7,329,408
Fooding and entertainment	10,352,380	7,265,120
Office utilities	645,285	554,060
Office communication	614,237	768,135
Fees & taxes	5,014,058	2,644,080
Stationary, accessories & supplies	545,691	528,787
Security service	7,102,893	7,196,687
Professional and consultancy fees	699,480	627,500
Audit fee	345,000	345,000
	<b>45,729,681</b>	<b>37,042,076</b>

### 17 Finance cost

Interest on long term borrowings	295,498,828	269,858,126
Interest on redeemable preference share	121,725,998	120,435,447
Interest Expenses - Lease Finance	306,550	392,428
Bank charges, commission and fees	8,199,450	3,770,542
	<b>425,730,826</b>	<b>394,456,543</b>

### 18 Basic earnings per share

The computation is given below:

Profit after tax	183,140,128	238,043,994
Weighted average number of ordinary shares outstanding during the period	10,000,000	10,000,000
<b>Basic earnings per share (EPS)</b>	<b>18.31</b>	<b>23.80</b>

## 19 Financial risk management objectives and policies

The company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations. The Company has trade receivables, and cash and bank balances that arrive directly from its operations.

Financial instruments give rise to cash flow interest rate risk, foreign currency risk, other price risk, credit risk, and liquidity risk. Information on how these risks arise is set out below, as are the objectives, policies and processes agreed by the board for their management and the methods used to measure each risk.

The company's senior management oversees the management of these risks. The senior management ensures that the financial risk-taking activities are governed by appropriate policies and procedures and those financial risks are identified, measured and managed in accordance with policies and risk appetite.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As a policy, the Company has decided to obtain all its borrowings at fixed interest rates. Hence there is no exposure to the risk of changes in market interest rates.

### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The company's earnings and cash flows are significantly influenced by US dollars (USD) since USD is the currency in which the company's sales are denominated. The financial position and results of the company can be affected significantly by movements in the BDT / USD exchange rates. Presently, the company does not hedge any exposure on account of foreign currency risk.

### Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

### Trade receivables

At present all output of the company is sold to a single customer and trade receivable as on the reporting dates represents amounts receivable from the said customer. The party is a Government owned undertaking and the management does not foresee any risk relating to the credit quality of the customer.

The company evaluates the concentration of risk with respect to trade receivables as low irrespective of the fact that the company's trade receivables are related to a single customer. The above conclusion has been made since the entire receivable is from BPDB which is a Government of Bangladesh undertaking.

### Financial instruments and cash deposits

Credit risk from balances with banks is managed by the company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties. Counterparty credit limits are reviewed by the company's Board of Directors on regular basis, and may be updated throughout the year subject to approval of the Board of Directors. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty's failure.

### Liquidity risk

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price.

The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

The table below summarizes the maturity profile of the financial liabilities based on contractual undiscounted payments.

As at June 30, 2019:

Particulars	Long term borrowings	Redeemable preference share	Trade payables	Accruals and other payables	Total
Amount repayable within 1 year	-	-	1,572,523,874	356,946,484	1,929,470,358
Amount repayable within 2 to 5 years	2,415,662,045	500,000,000	-	-	2,915,662,045

## 20 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 2019 are as follows:

Name of related party	Relationship	Nature of transaction	Opening balance as on 01.07.2018	Addition	Adjustment	Closing balance as on 30.06.2019
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	(436,462,969)	66,267,858	(553,415)	(370,748,526)
Orion Power Meghnaghat Ltd.	Common director/ Share holding	Intercompany Current A/C	(332,705,771)	161,208,729	(134,006,217)	(305,503,260)
Panbo Bangla Mushroom Ltd.	Common director/ Share holding	Intercompany Current A/C	52,660,645	3,036,949	-	55,697,594
Digital Power & Associates Ltd.	Common director/ Share holding	Intercompany Current A/C	225,185,610	5,923,953	(815,590)	230,293,973
Orion Gas Ltd.	Common director/ Share holding	Intercompany Current A/C	36,500,000	-	-	36,500,000
Orion Power Dhaka Ltd.	Common director/ Share holding	Intercompany Current A/C	160,401,037	7,952,095	(300,000)	168,053,132
Orion Power Khulna Ltd.	Common director/ Share holding	Intercompany Current A/C	42,345,110	1,600,671	-	43,945,781
Noakhali Gold Foods Ltd.	Common director/ Share holding	Intercompany Current A/C	21,000,000	-	-	21,000,000
Orion Properties Ltd.	Common director/ Share holding	Intercompany Current A/C	9,900,000	2,070,000	(200,000)	11,770,000
Orion Oil & Shipping Ltd.	Common director/ Share holding	Intercompany Current A/C	118,672,168	77,645,943	(91,835,993)	104,482,118
Orion Footwear Ltd.	Common director/ Share holding	Intercompany Current A/C	36,000,000	5,000,000	-	41,000,000
Orion Power Unit-2 Dhaka Ltd.	Common director/ Share holding	Intercompany Current A/C	761,165,839	195,741,463	(195,741,463)	761,165,839
Interior Accom Consortium Ltd.	Common director/ Share holding	Intercompany Current A/C	47,500,000	-	-	47,500,000
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	(79,147,022)	12,936,103	(9,350,990)	(75,561,909)
Jafflong 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	578,719	805,609	-	1,384,328
Cargo Maritime Ltd.	Common director/ Share holding	Intercompany Current A/C	-	-	-	-
Orion Power Sonargaon Ltd.	Common director/ Share holding	Intercompany Current A/C	62,610,607	459,523,578	(8,000,000)	514,134,185
Orion Knit Textiles Ltd.	Common director/ Share holding	Intercompany Current A/C	19,000,000	201,500,000	(1,500,000)	219,000,000
Orion Hospital Ltd.	Common director/ Share holding	Intercompany Current A/C	200,000	600,000	-	800,000

## 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.	-
Share Based payments	-
Other allowances and commission including guarantee commission	-
(i) Pensions	-
(ii) Gratualities	-
(iii) Payments from a provident funds, in excess of own subscription and interest thereon	-



## 21 Capacity utilization

Licensed capacity	Installed capacity	Plant factor 2019	Plant factor 2018
		(% on licensed capacity)	(% on licensed capacity)
100.00 MW	106.80 MW	Average 21.00% Max. 62.00%	Average 46.00% Max. 62.00%

## 22 Employee details

During the period, there were 134 employees employed for the full year and the end of the year there were 134 employees in the company with remuneration of BDT 7,775 per month and above.

## 23 Rounding off

Amounts appearing in these financial statements have been rounded off to the nearest BDT.

## 24 Authorisation of financial statements to issue

The financial statements were authorised for issue by the Board of Directors on 9 September 2019.

Sd/-  
Chairman

Sd/-  
Managing Director

Sd/-  
Company Secretary

# Integrated Reporting Checklist

(Prescribed by ICAB)

Sl. No.	Items	Page Ref.
1.	Elements of an Integrated Report	
1.1	Organizational overview and external environment	
	An integrated report should disclose the main activities of the organization and the environment of which it operates	22-23 & 198-199
	An integrated report should identify the organization's mission and vision	24
	An integrated report should provide essential context by identifying matters such as:	
	- the organization's culture, ethics and values	25 & 198
	- the organization's ownership and operating structure including size of the organization, location of its operations	31, 203 & 214
	- the organization's principal activities and markets	31, 203, 214 & 304
	- the organization's competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, and the intensity of competitive rivalry)	197 & 208
	- the organization's position within the value	198-201
	- Key quantitative information e.g., the number of employees, revenue and number of countries in which the organization operates highlighting, in particular, significant changes from prior periods	104, 203 & 228
	- Significant factors affecting the external environment and the organization's response (include aspects of the legal, commercial, social, environmental and political context that affect the organization's ability to create value in the short, medium or long term) Eg.	210-211
	• The legitimate needs and interests of key stakeholders	210-211 & 206-207
	• Macro and micro economic conditions, such as economic stability, globalization, and industry trends	210-211
	• Market forces, such as the relative strengths and weaknesses of competitors and customer demand	209-211
	• The legislative and regulatory environment in which the organization operates and the political environment in countries where the organization operates and other countries that may affect the ability of the organization to implement its strategy	210-211
1.2	Governance	
	An integrated report should how does the organization's governance structure support its ability to create value in the short, medium and long term	48-49
	An integrated report needs to provide an insight about how such matters as the following are linked to its ability to create value:	
	- The organization's leadership structure, including the skills and diversity (e.g., range of backgrounds, gender, competence and experience) of those charged with governance and whether regulatory requirements influence the design of the governance structure	32-33, 34-45, 50 & 52
	- Mandatory and voluntary code of corporate governance adopted by the Company	67, 112-124
	- Code of ethical conduct adopted by the Company in relation to ethical business	88-92
	- Specific processes used to make strategic decisions and to establish and monitor the culture of the organization, including its attitude to risk and mechanisms for addressing integrity and ethical issues	77 & 198-199

Sl. No.	Items	Page Ref.
	- Particular actions those charged with governance have taken to influence and monitor the strategic direction of the organization and its approach to risk management	74-87
	- How the organization's culture, ethics and values are reflected in its use of and effects on the capitals, including its relationships with key stakeholders	198-201
	- Whether the organization is implementing governance practices that exceed legal requirements/ Key Policies	88-92 & 94-95
	- The responsibility those charged with governance take for promoting and enabling innovation	208-211
	- How remuneration and incentives are linked to value creation in the short, medium and long term, including how they are linked to the organization's use of and effects on the capitals	153, 161-162 & 171
<b>1.3</b>	<b>Stakeholder Identification/ relationships</b>	
	An integrated report should identify its key stakeholders and provide insight into the nature and quality of the organization's relationships with its key stakeholders, including how and to what extent the organization understands, takes into account and responds to their legitimate needs and interests. Stakeholders are the groups or individuals that can reasonably be expected to be significantly affected by an organization's business activities, outputs or outcomes or whose actions can reasonably be expected to significantly affect the ability of the organization to create value	168-185 & 206-207
	An entity may disclose the following in their integrated reports in respect of stakeholder relationships	
	- How the company has identified its stakeholders	206-207
	- Stakeholder engagement methodology	206-207
	- Identification of material matters of stakeholders	7, 192-196 & 206-207
	- How the Company has applied such matters	168-185 & 206-207
	- How the stakeholders are engaged in assessing impacts, implications and outlook unrespects of Company's business model	168-185 & 206-207
	<b>Capitals</b>	125-190
	An integrated report needs to provide insight about the resources and the relationships used and affected by the organization, which are referred to collectively as the capitals and how the organization interacts with the capitals to create value over the short, medium and long term	
	An integrated report need to identify the various forms of capitals which are essential for the success of its business operations Eg:	3, 6 & 125
	- <b>Financial Capital</b> – The pool of funds that is available to the organization for use in the production of goods or provision of services	126-129
	- <b>Manufacturing Capital</b> – Manufactured physical objects that are available to the organization for use in the production of goods and provision of services	130-141
	- <b>Intellectual Capital</b> – Organizational, Knowledge based intangibles	142-151
	- <b>Human Capital</b> – People's competencies, capabilities and experience, and their motivations to innovate	152-167
	- <b>Social and Relationship Capital</b> – The institutions and the relationships within and between communities, groups of stakeholders and other networks and the ability to share information to enhance individual and collective wellbeing	168-185
	- <b>Natural Capital</b> – All renewable and non-renewable environmental resources and processes that provide goods and services that support the past, current and future prosperity of the organization	186-190
	However an entity can do its own classification of capitals based on its business activities. An entity needs to ensure that it does not overlook a capital that it uses or affects	N/A
<b>1.4</b>	<b>Business model</b>	
	An integrated report should describe the organization's business model	198-199
	An integrated report need to describe the business model, including key:	
	- Inputs	198
	- Business activities	198

## Integrated Reporting Checklist

Sl. No.	Items	Page Ref.
	- Outputs	199
	- Outcomes	199
	Features that can enhance the effectiveness and readability of the description of the business model include:	
	- Explicit identification of the key elements of the business model	198-199
	- A simple diagram highlighting key elements, supported by a clear explanation of the relevance of those elements to the organization	198-201
	- Narrative flow that is logical given the particular circumstances of the organization	198-201
	- Identification of critical stakeholder and other (e.g., raw material) dependencies and important factors affecting the external environment	198-201
	- Connection to information covered by other Content Elements, such as strategy, risks and opportunities, and performance (including KPIs and financial considerations, like cost containment and revenues)	198-201
	<b>Inputs</b>	
	An integrated report shows how key inputs relate to the capitals on which the organization depends, or that provide a source of differentiation for the organization, to the extent they are material to understanding the robustness and resilience of the business model	198
	<b>Business activities</b>	
	An integrated report describes key business activities. This can include:	
	- How the organization differentiates itself in the market place (e.g., through product differentiation, market segmentation, delivery channels and marketing)	198-201
	- The extent to which the business model relies on revenue generation after the initial point of sale (e.g., extended warranty arrangements or network usage charges)	198-201
	- How the organization approaches the need to innovate	199
	- How the business model has been designed to adapt to change	198-199
	When material, an integrated report discusses the contribution made to the organization's long term success by initiatives such as process improvement, employee training and relationships management	198-199
	<b>Outputs</b>	
	An integrated report identifies an organization's key products and services. There might be other outputs, such as by-products and waste (including emissions), that need to be discussed within the business model disclosure depending on their materiality	199 & 216-226
	<b>Outcomes</b>	
	An integrated report describes key outcomes, including:	
	- Both internal outcomes (e.g., employee morale, organizational reputation, revenue and cash flows) and external outcomes (e.g., customer satisfaction, tax payments, brand loyalty, and social and environmental effects)	10, 199 & 201
	- Both positive outcomes (i.e., those that result in a net increase in the capitals and thereby create value) and negative outcomes (i.e., those that result in a net decrease in the capitals and thereby diminish value)	10, 199 & 201
1.5	<b>Performance</b>	
	An integrated report needs to explain the extent to which the organization has achieved its strategic objectives for the period and what are its outcomes in terms of effects on the capitals?	10 & 236-243
	An integrated report should contain qualitative and quantitative information about performance that may include matters such as:	
	- Quantitative indicators with respect to targets and risks and opportunities, explaining their significance, their implications, and the methods and assumptions used in compiling them	126-129
	- The organization's effects (both positive and negative) on the capitals, including material effects on capitals up and down the value chain	10

Sl. No.	Items	Page Ref.
	- The state of key stakeholder relationships and how the organization has responded to key stakeholders' legitimate needs and interests	168-185 & 206-207
	- The linkages between past and current performance, and between current performance and the organization's outlook	204 & 228
	KPIs that combine financial measures with other components (e.g., the ratio of greenhouse gas emissions to sales) or narrative that explains the financial implications of significant effects on other capitals and other causal relationships (e.g., expected revenue growth resulting from efforts to enhance human capital) may be used to demonstrate the connectivity of financial performance with performance regarding other capitals. In some cases, this may also include monetizing certain effects on the capitals (e.g., carbon emissions and water use)	10 & 186-190
	Include instances where regulations have a significant effect on performance (e.g., a constraint on revenues as a result of regulatory rate setting) or the organization's non-compliance with laws or regulations may significantly affect its operations	208-211
<b>1.6</b>	<b>Risks, opportunities and internal controls</b>	
	An integrated report should explain what are the specific risks and opportunities that affect the organization's ability to create value over the short, medium and long term, and how is the organization dealing with them? and effectiveness of the system of internal controls	80-87 & 204-205
	This can include identifying:	
	- The specific source of risks and opportunities, which can be internal, external or, commonly, a mix of the two	80-86 & 204-205
	- The organization's assessment of the likelihood that the risk or opportunity will come to fruition and the magnitude of its effect if it does	79
	- The specific steps being taken to mitigate or manage key risks (eg: Risk Management Framework, Risk Management review process and reporting structure) or to create value from key opportunities, including the identification of the associated strategic objectives, strategies, policies, targets and KPIs	80-86
	- Risk Management Report (Which includes details about risk, root cause, potential impact, response to risk, risk rating)	74
	- Response on the effectiveness of the internal controls and the board's responsibility for the disclosures on internal controls to safeguard stakeholder interest	62 & 105
<b>1.7</b>	<b>Strategy and resource allocation</b>	
	An integrated report should describe its strategic direction (Where does the organization want to go and how does it intend to get there)	24
	An integrated report need to identify:	
	- The organization's short, medium and long term strategic objectives	192-196
	- The strategies it has in place, or intends to implement, to achieve those strategic objectives	192-196
	- How the entity has positioned in the wider market	100-101
	- How the long term strategies relate to current business model	198-199
	- The resource allocation plans it has to implement its strategy	198-199
	- How it will measure achievements and target outcomes for the short, medium and long term	198-199
	This can include describing:	
	- The linkage between the organization's strategy and resource allocation plans, and the information covered by other Content Elements, including how its strategy and resource allocation plans:	
	• relate to the organization's business model, and what changes to that business model might be necessary to implement chosen strategies to provide an understanding of the organization's ability to adapt to change	198-199
	• are influenced by/respond to the external environment and the identified risks and opportunities affect the capitals, and the risk management arrangements related to those capitals	80-86



## Integrated Reporting Checklist

Sl. No.	Items	Page Ref.
	- What differentiates the organization to give it competitive advantage and enable it to create value, such as:	
	• the role of innovation	197
	• how the organization develops and exploits intellectual capital	142-157
	• the extent to which environmental and social considerations have been embedded into the organization's strategy to give it a competitive advantage	168-190
	- Key features and findings of stakeholder engagement that were used in formulating its strategy and resource allocation plans	206-207
1.8	<b>Outlook</b>	
	An integrated report should explain what challenges and uncertainties is the organization likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance?	101, 204-205, 237 & 243
	An integrated report should highlight anticipated changes over time and provides information on	
	- The organization's expectations about the external environment the organization is likely to face in the short, medium and long term	208-211
	- How that will affect the organization	208-211
	- How the organization is currently equipped to respond to the critical challenges and uncertainties that are likely to arise	208-211
	The discussion of the potential implications, including implications for future financial performance may include:	
	- The external environment, and risks and opportunities, with an analysis of how these could affect the achievement of strategic objectives	80-86
	- The availability, quality and affordability of capitals the organization uses or affects (e.g., the continued availability of skilled labour or natural resources), including how key relationships are managed and why they are important to the organization's ability to create value over time	198-199 & 233
	An integrated report may also provide lead indicators, KPIs or objectives, relevant information from recognized external sources, and sensitivity analyses. If forecasts or projections are included in reporting the organization's outlook, a summary of related assumptions is useful. Comparisons of actual performance to previously identified targets further enables evaluation of the current outlook	228
	Disclosures about an organization's outlook in an integrated report should consider the legal or regulatory requirements to which the organization is subject	6 & 204-205
1.9	<b>Basis of preparation and presentation</b>	
	An integrated report should answer the question: How does the organization determine what matters to include in the integrated report and how are such matters quantified or evaluated?	7
	An integrated report describes its basis of preparation and presentation, including:	
	- A summary of the organization's materiality determination process	7
	• Brief description of the process used to identify relevant matters, evaluate their importance and narrow them down to material matters	7
	• Identification of the role of those charged with governance and key personnel in the identification and prioritization of material matters	7
	- A description of the reporting boundary and how it has been determined	3 & 6
	Eg: Include process used for identifying the reporting boundary, geographic scope, the entities represented in the report and the nature of the information provided for each entity	3 & 6
	- A summary of the significant frameworks and methods used to quantify or evaluate material matters (e.g., the applicable financial reporting standards used for compiling financial information, a company-defined formula for measuring customer satisfaction, or an industry based framework for evaluating risks)	3, 6 & 304-305

Sl. No.	Items	Page Ref.
<b>2.</b>	<b>Responsibility for an integrated report</b>	
	An integrated report should include a statement from those charged with governance that includes:	6
	- An acknowledgement of their responsibility to ensure the integrity of the integrated report	6
	- An acknowledgement that they have applied their collective mind to the preparation and presentation of the integrated report	6
	- Their opinion or conclusion about whether the integrated report is presented in accordance with the Framework	6
	or, if it does not include such a statement , it should explain:	N/A
	- What role those charged with governance played in its preparation and presentation	
	- What steps are being taken to include such a statement in future reports	
	- The time frame for doing so, which should be no later than the organization's third integrated report that references this Framework	
<b>3.</b>	<b>Other Qualitative Characteristics of an Integrated Report</b>	
<b>3.1</b>	<b>Conciseness</b>	
	An integrated report should be concise	6
	An integrated report need to include sufficient context to understand the organization's strategy, governance, performance and prospects without being burdened with less relevant information Eg:	6
	- Follows logical structure and includes internal cross-reference as appropriate to limit repetition	
	- May link to more detailed information, information that does not change frequently or external sources	
	- Express concepts clearly and in as few words	
	- Favors plain language over the use of jargon or highly technical terminology	
	- Avoids highly generic disclosures	
<b>3.2</b>	<b>Reliability and completeness</b>	
	An integrated report should include all material matters, both positive and negative, in a balanced way and without material error	125-190
	The organization achieve the reliability and completeness through, Eg:	
	- Selection of presentation formats that are not likely to unduly or inappropriately influence assessments made on the basis of integrated report	6 & 7
	- Giving equal consideration to both increases and decreases in the capitals, both strengths and weaknesses of the organization, both positive and negative performance etc.	10
	- When information includes estimates, this is clearly communicated and the nature and limitations of the estimation process are explained	6
<b>3.3</b>	<b>Consistency and comparability</b>	
	The information in an integrated report should be presented:	
	- On a basis that is consistent over time	3 & 6
	- In a way that enables comparison with other organizations to the extent it is material to the organization's own ability to create value over time Eg:	228, 230-231 & 243
	• Using benchmark data, such as industry or regional benchmarks	243
	• Presenting information in the form of ratios (e.g., research expenditure as a percentage of sales, or carbon intensity measures such as emissions per unit of output)	228 & 230-231

## Integrated Reporting Checklist

Sl. No.	Items	Page Ref.
	<ul style="list-style-type: none"> <li>Reporting quantitative indicators commonly used by other organizations with similar activities, particularly when standardized definitions are stipulated by an independent organization (e.g., an industry body)</li> </ul>	243
	<ul style="list-style-type: none"> <li>Reporting policies are followed consistently from one period to other unless a change is needed to improve the quality of information reported</li> </ul>	105 & 242
	<ul style="list-style-type: none"> <li>Reporting the same KPIs if they continue to be material across reporting period</li> </ul>	228 & 230-231
	<ul style="list-style-type: none"> <li>When a significant change has been made, the organization explains the reasons for the change describing its effect</li> </ul>	242 & 260-261
<b>3.4</b>	<b>Connectivity of information</b>	
	An integrated report should show a holistic picture of the combination, interrelatedness and dependencies between the factors that affect the organization's ability to create value over time	198-201
	Eg: Connectivity between – Capitals	198-199
	- Content elements	4-5
	- Past , Present & Future	228, 230-231 & 237
	- Finance and other information	126-129
<b>3.5</b>	<b>Materiality</b>	
	An integrated report should disclose information about matters that substantively affect the organization's ability to create value over the short, medium and long term	7
<b>3.6</b>	<b>Assurance on the Report</b>	
	- The policy and practice relating to seeking assurance on the report	6
	- the nature and scope of assurance provided for this particular report	6
	- any qualifications arising from the assurance, and the nature of the relationship between the organization and the assurance providers	

# Annual Report 2018-19 Checklist

## (SAFA standard disclosure)

Sl. No.	Items	Page Ref.
<b>1.</b>	<b>Corporate Objectives, Values &amp; Structure</b>	
	Clarity and presentation:	
	- Vision and Mission	24
	- Overall Strategic Objectives	192-196
	- Core values and code of conduct/ethical principles	25 & 88-92
	- Profile of the Company	20-23
	- Director's profiles and their representation on Board of other companies & organizational chart	32-40 & 93
<b>2.</b>	<b>Management Report/Commentary and analysis including Directors' Report/Chairman's review/ CEO's Review etc.</b>	
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	- Description of the performance of the various activities/products/segments of the company and its group companies during the period under review	102 & 104
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<b>3.</b>	<b>Sustainability Reporting</b>	
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	- Accounting policy on subsidiaries	263
	<b>Segment Information</b>	
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	- Availability of information regarding different segments and units of the entity as well as non-segment entities/units	
	- Segment analysis of	
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## Annual Report Checklist

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	<ul style="list-style-type: none"> <li>• segment results</li> <li>• turnover</li> <li>• Operating profits</li> <li>• Carrying amount of net segment assets</li> </ul>	
<b>5. Financial Statements (including formats)</b>		
	- Disclosure of all contingencies and commitments	266
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	- Disclosures of remuneration and facilities provided to Directors & CEO	284
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	- Statement of Changes in Equity/ Reserves & Surplus Schedule	254 & 255
	- Disclosure of Types of Share Capital	272 & 273
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	- Disclosures/ Contents of Notes to Accounts	258-293
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Sl. No.	Items	Page Ref.
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	- Employees as Bonus / Remuneration	234
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	- Cover and printing including the theme on the cover page	
	- Appropriateness and effectiveness of photographs and their relevance	
	- Effectiveness of Charts and Graphs	
	- Clarity, simplicity and lucidity in presentation of Financial Statements	
<b>14.</b>	<b>Timeliness in issuing Financial Statements and holding AGMs</b>	
	- 3 months time to produce the Annual Report and hold AGM are considered reasonable for full marks	December 15, 2019
	- Delay after the initial period of 3 months – deduction of 2 marks is to be made for each month	
	- If the period is over 6 months- no marks shall be awarded	
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# Corporate Governance Disclosure Checklist

(in line with SAFA guidelines)

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1.7	Disclosure of policy on annual evaluation of the CEO by the Board	67 & 68
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Sl. No.	Items	Page Ref.
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3.2.2	Statement to indicate audit committee role in ensuring compliance with Laws, Regulations and timely settlements of Statutory dues	62
3.2.3	Statement of Audit committee involvement in the review of the external audit function <ul style="list-style-type: none"> <li>• Ensure effective coordination of external audit function</li> <li>• Ensure independence of external auditors</li> <li>• To review the external auditors findings in order to be satisfied that appropriate action is being taken</li> <li>• Review and approve any non-audit work assigned to the external auditor and ensure that such work does not compromise the independence of the external auditors.</li> <li>• Recommend external auditor for appointment/reappointment</li> </ul>	63
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## Corporate Governance Checklist

Sl. No.	Items	Page Ref.
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7.2	Organizational Chart	93
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9.2	Disclosure of specific activities undertaken by the entity in pursuance of these policies and practices.	168-190



## ORION PHARMA LIMITED

153-154, Tejgaon Industrial Area, Dhaka-1208

### PROXY FORM

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member of Orion Pharma Limited hereby appoint Mr./Mrs. \_\_\_\_\_ of \_\_\_\_\_ as my proxy to attend and vote for me/us on my/our behalf at the 54<sup>th</sup> Annual General Meeting of the Company to be held on Sunday, the 15<sup>th</sup> December, 2019 at 11:15 am at Officers' Club, 26, Baily Road, Ramna, Dhaka and at any adjournment thereof.

As witness my/our hand this \_\_\_\_\_ day of \_\_\_\_\_ 2019 signed by the said in presence of \_\_\_\_\_

\_\_\_\_\_  
(Signature of the Proxy)

Revenue  
Stamp  
Tk. 20.00/-

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Signature of the Shareholder(s)

Register Folio/BO ID No. \_\_\_\_\_

Dated \_\_\_\_\_

#### Note:

A member entitled to attend and vote at the General Meeting may appoint a proxy to attend and vote in his/her stead. The proxy form, duly stamped, must be deposited at the Registered Office of the Company not later than 48 hours before the time appointed for the meeting.

Signature Verified

\_\_\_\_\_  
Authorised Signatory



## ORION PHARMA LIMITED

153-154, Tejgaon Industrial Area, Dhaka-1208

### SHAREHOLDERS' ATTENDANCE SLIP

I/We hereby record my attendance at the 54<sup>th</sup> Annual General Meeting of the Company to be held on Sunday, the 15<sup>th</sup> December, 2019 at 11:15 am at Officers' Club, 26 Baily Road, Ramna, Dhaka.

Name of Member(s) \_\_\_\_\_ Register Folio / BO ID No. \_\_\_\_\_

holding of \_\_\_\_\_ ordinary Shares of Orion Pharma Limited.

\_\_\_\_\_  
(Signature of the Proxy)

\_\_\_\_\_  
Signature of the Shareholder(s)

#### N.B.

- Please note that AGM can only be attended by the honourable shareholder or properly constituted proxy. Therefore, any friend or children accompanying with honourable shareholder or proxy cannot be allowed into the meeting.
- Please present this slip at the reception Desk.





## Notes

[illegible]



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