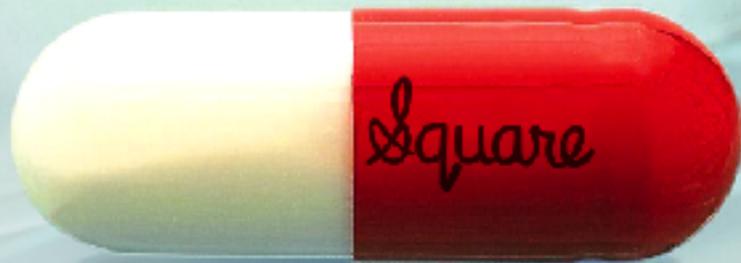


SQUARE PHARMACEUTICALS LTD.



Annual Report 2004-2005



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SQUARE PHARMACEUTICALS LTD.

TRANSMITTAL LETTER

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

Sub : Annual Report for the year ended March 31, 2005

Dear Sir (s):

We are pleased to enclose a copy of the Annual Report together with the Audited Accounts including Balance Sheet as at March 31, 2005 and Income Statement for the year ended March 31, 2005 along with notes thereon for your record/necessary action.

Yours sincerely



Md. Kabir Reza, FCMA
Company Secretary

Dated: 30 August, 2005





SQUARE PHARMACEUTICALS LTD.

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 39th ANNUAL GENERAL MEETING of the shareholders of **Square Pharmaceuticals Ltd.** will be held on Wednesday the 21st September, 2005 at 11.30 a.m at Darbar Hall, Bangladesh Rifles (BDR), Pilkhana, Dhaka to transact the following agenda:

Agenda :

1. To receive, consider and adopt the Accounts for the year ended March 31, 2005 together with the Report of the Directors' and the Auditors' thereon.
2. To declare dividend for the year ended March 31, 2005.
3. To elect Directors in terms of the relevant provision of the Articles of Association of the Company.
4. To re-appoint the Managing Director of the Company.
5. To appoint Auditors and to fix their remuneration.

By order of the Board

Md. Kabir Reza, FCMA
Company Secretary

Dated: 30 August, 2005

Notes:

- (i) The Proxy Form must be affixed with requisite revenue stamp and must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
- (ii) Admittance to the meeting venue will be on production of the attendance slip sent with the Annual Report.



SQUARE

Vision

We view business as a means to the material and social wellbeing of the investors, employees and the society at large, leading to accretion of wealth through financial and moral gains as a part of the process of the human civilization.

Mission

Our Mission is to produce and provide quality & innovative healthcare relief for people, maintain stringently ethical standard in business operation also ensuring benefit to the shareholders, stakeholders and the society at large.

Objectives

Our objectives are to conduct transparent business operation based on market mechanism within the legal & social frame work with aims to attain the mission reflected by our vision.

Corporate Focus

Our vision, our mission and our objectives are to emphasise on the quality of product, process and services leading to growth of the company imbued with good governance practices.

The Ten Principles of Global Compact (UN) :

The ten principles of Global Compact initiated by the UN Secretary General as have been adopted by Square Pharmaceuticals Ltd. are as follows :

Human Rights :

- (1) Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence; and
- (2) Make sure that they are not complicit in human rights abuses.

Labour Standards :

- (3) Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- (4) The elimination of all forms of forced and compulsory labour;
- (5) The effective abolition of child labour and
- (6) Eliminate discrimination in respect of employment and occupation.

Environment :

- (7) Business should support a precautionary approach to environmental challenges;
- (8) Undertake initiatives to promote greater environmental responsibility; and
- (9) Encourage the development and diffusion of environmentally friendly technologies.

Ethical Standards :

- (10) Business should work against corruption in all its forms, including extortion and bribery.

Corporate Governance:

Top Management: Board of Directors

As per provisions of the Article of Association, Board of Directors hold periodic meetings to resolve issue of policies and strategies, recording minutes/decisions for implementation by the Executive Management.

Executive Management:

The Executive Management is headed by the Managing Director, the Chief Executive Officer (CEO) who has been delegated necessary and adequate authority by the Board of Directors. The Executive Management operates through further delegations of authority at every echelon of the line management. The Executive Management is responsible for preparation of segment plans/sub-segment plans for every profit centres with budgetary targets for every items of goods & services and are held accountable for deficiencies with appreciation for exceptional performance. These operations are carried out by the Executive Management through series of committees, sub-committees, ad-hock committees, standing committees assisting the line management.



Standing Committees :

Audit Committees:

Internal Audit Committee
ISO Audit Committee
Social/Environmental Audit Committee
Performance/Evaluation Audit Committee

Employment Relation Committees:

Remuneration Committee
Work Environment Committee
Employees Welfare & Recreation Committee

Management Committees:

Product Planning & Development Committee
Quality Control & Research Committee
Production & Inventory Management Committee
Market Research Committee
Export Promotion Committee
Agency/Distribution Management Committee

Segment Report

The Company's chief operating decision makers review the profit and loss of the Company on an aggregate basis and manage the operations of the Company as a single operating segment. Accordingly, the Company operates in one segment, which is the business of developing, manufacturing and marketing of drugs for health care for all live is species.

Risk Perception

Company management perceives investment risks within the national and international economic situation in relation to legal requirements involving intellectual property rights, scientific invention, WTO regulations and monetary & fiscal investment policies and has prepared its production & marketing strategy to meet the challenges from these risks.



WE STRIVE FOR

- We in SQUARE, strive, above all, for top quality health care products at the least cost reaching the lowest rungs of the economic class of people in the country. We value our social obligations.
- We owe our shareholders and strive for protection of their capital as well as ensure highest return and growth of their assets.
- We strive for best compensation to all the employees who constitute the back-bone of the management and operational strength of the Company through a pay-package composing salary/wages, allowances, bonuses, profit participation, leave salary and superannuation & retirement benefits.
- We strive for the best co-operation of the creditors & debtors the banks & financial Institutions who provide financial support when we need them, the suppliers of raw materials & suppliers who offer them at the best prices at the opportune moments, the providers of utilities-power, gas & water etc. and the customers who buy our products & services by redeeming their claim in time by making prompt payment and by distributing proper product on due dates to our customers.
- We strive for fulfillment of our responsibility to the Government through payment of entire range of due taxes, duties and claims by various public agencies like municipalities etc.
- We strive, as responsible citizen, for a social order devoid of malpractices, anti-environmental behaviours, unethical and immoral activities and corruptive dealings.
- We strive for practicing good-governance in every sphere of activities covering inter alia not being limited to, disclosure & reporting to shareholders, holding AGM in time, distribution of dividends and other benefits to shareholders, reporting/dissemination of price sensitive information, acquisition of shares by insiders, recruitment & promotion of staff, procurement & supplies, sale of assets etc. all that directly and indirectly affect the interest of concerned groups - the shareholders, the creditors, suppliers, employees, government and the public in general.
- We strive for equality between sexes, races, religions and regions in all spheres of our operation without any discriminatory treatment.
- We strive for an environment free from pollution and poisoning.



SQUARE

DO NOT BREAK SEAL AND...



Corporate review



SQUARE PHARMACEUTICALS LTD.

MANAGEMENT APPARATUS

BOARD OF DIRECTORS

Mr. Samson H. Chowdhury	Chairman
Mr. Tapan Chowdhury	Managing Director
Dr. Kazi Harunar Rashid	Director
Mr. Samuel S. Chowdhury	Director
Mr. Anjan Chowdhury	Director
Mr. Kazi Iqbal Harun	Director
Mrs. Jahanara Chowdhury	Director

MANAGEMENT COMMITTEE

Mr. Tapan Chowdhury	Chairman
Mr. Parvez Hashim	Member
Mr. M Ashiqul Hoque Chowdhury	Member
Mr. Muhammadul Haque	Member
Mr. K M Saiful Islam	Member
Mr. Md. Kabir Reza, FCMA	Member

COMPANY SECRETARY

Mr. Md. Kabir Reza, FCMA

LEGAL ADVISORS

Mr. Rafique-ul Huq, Bar-at-Law
47/1, Purana Paltan, Dhaka

Mr. Rokanuddin Mahmud, Bar-at-Law
Walsow Tower
21-23, Kazi Nazrul Islam Avenue, Dhaka

Mr. M. Moniruzzaman Khan, Bar-at-Law
City Heart
67, Naya Paltan, V.I.P Road, Dhaka

AUDITORS

M/s. Chowdhury Bhattacharjee & Co.
Chartered Accountants
47/1, Indira Road
Dhaka-1215, Bangladesh

FACTORIES

- ☉ Square Road, Salgaria, Pabna, Bangladesh
- ☉ Kaliakoir, Gazipur, Bangladesh

BANKERS

Janata Bank
1, Dilkusha C.A, Dhaka

Citibank N.A
122-124, Motijheel C.A. Dhaka

Standard Chartered Bank
2, Dilkusha C.A, Dhaka

Commercial Bank of Ceylon Ltd.
47, Motijheel C.A, Dhaka

Eastern Bank Ltd.
31, North C.A, Gulshan Circle-2, Dhaka

Dhaka Bank Ltd.
73/B, Kemal Ataturk Avenue, Dhaka

Mercantile Bank Ltd.
61, Dilkusha C.A, Dhaka

Prime Bank Ltd.
69, Mohakhali C.A, Dhaka

INSURERS

Pioneer Insurance Co. Ltd.
10, Dilkusha C.A, Dhaka

Pragati Insurance Co. Ltd.
20-21, Kawran Bazar, Dhaka

REGISTERED OFFICE

"Square Centre"
48, Mohakhali C.A
Dhaka-1212, Bangladesh



GENERAL INFORMATION

CORPORATE HISTORY:

- ☉ Year of Establishment (Initially as a Partnership) : 1958
- ☉ Incorporated as a Private Limited Company : 1964
- ☉ Technical Collaboration Agreement with Janssen Pharmaceuticals of Belgium (a subsidiary of Johnson & Johnson International Ltd.) : 1975
- ☉ Technical Collaboration Agreement with F. Hoffman-La Roche & Co. Ltd. : 1984
- ☉ Converted into Public Limited Company : 1991
- ☉ Stock Exchange Listings (Dhaka & Chittagong) : 1995
- ☉ Agreement with M/s. Bovis Tanvec Ltd. of UK for implementation of Dhaka Plant : 1996
- ☉ Awarded ISO-9001 Certificate : 1998
- ☉ Business Lines : Manufacturing and Marketing of Pharmaceutical Finished Products, Basic Chemicals, AgroVet Products and Pesticide Products
- ☉ Authorized Capital : Tk. 1,000 million
- ☉ Paid-up Capital : Tk. 432 million
- ☉ Number of Employees : 2,394

CORPORATE OPERATIONAL RESULTS :

(Figure in thousand)

	2004-05	2003-04	2002-03	2001-02	2000-01
Turnover (Gross)	6,199,135	5,482,088	4,729,743	4,234,244	3,451,523
Value Added Tax	867,088	760,536	663,892	563,433	450,577
Turnover (Net)	5,332,047	4,721,552	4,065,851	3,670,811	3,000,946
Gross Profit	2,172,593	1,906,592	1,466,282	1,435,655	1,081,340
Net Profit before Tax	1,513,019	1,151,636	929,604	905,736	691,636
Net Profit after Tax	1,255,848	970,044	764,885	759,448	573,677
Shareholders' Equity	5,568,790	4,590,142	3,851,098	3,273,714	2,751,766
Total Assets	7,907,933	6,021,497	5,164,320	4,526,115	3,810,860
Total Bank Borrowings	1,902,331	988,611	1,070,163	1,098,874	938,371
Total Current Assets	3,242,502	2,016,056	1,441,552	1,452,494	1,017,574
Total Current Liabilities	1,949,949	1,250,676	1,247,967	1,181,473	708,993
Current Ratio	1.66	1.61	1.16	1.23	1.44
No. of Share Outstanding	4,320,000	3,600,000	3,000,000	2,500,000	2,500,000
Dividend per Share (Cash)	77	70	70	75	95
Dividend per Share (Stock)	15%	20%	20%	20%	-
Shareholders' Equity per Share	1,289	1,063	891	758	637
Earning per Share (SPL)	290.91	224.55	177.06	175.80	132.8
Earning per Share (Consolidated)	303.55	233.29	171.26	211.00	228.78
Quoted Price per Share - DSE	3,768	2,272	1,178	1,261	1,341
Quoted Price per Share - CSE	3,766	2,316	1,180	1,278	1,300
Price Earning Ratio-DSE (Time)	12.95	10.12	6.65	7.17	10.10
Number of Shareholders	10,486	9,270	9,295	9,358	9,539
Human Resources:					
Executives	949	895	846	692	645
Staff	740	686	618	479	386
Workers	705	661	656	602	548





Welcome

MESSAGE FROM THE CHAIRMAN

Dear Shareholder & Colleague, Ladies & Gentlemen,

I have the pleasure to welcome you to the Thirty Eighth Annual General Meeting on behalf of the Members of Board of Directors whose Report together with Annual Accounts & Auditors Report thereon for the year ended 31 March 2005 is being laid before you for your valued consideration.

I am sure you will observe from the Report and the Accounts that your Company has moved ahead with increased turnover and profit amidst continuation of wide spread law and order in all walks of life including trade, industry and commerce at home and abroad. The commitment of the Management to the shareholders have been largely fulfilled despite dominance of negative factors in the economic environment. I, however believe that though the Management would specifically highlight its successes especially the increase in revenues and profits, we would nevertheless expect the shareholders to demand more and more from the management who should not get drowsed in complacency.

The socio-politico-economic order and the financial sector have to improve greatly for accelerating investment, to enable us to attain desirable result for us as well as for the society by working hard with honest devotion.

The International situation also offers us greater risks with war on arms, poverty and adverse WTO regulations having negative impact on the future operations of the company.

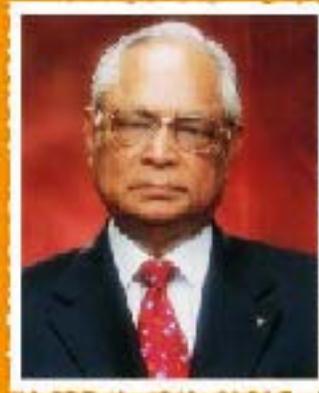
I am confident the Directors' Report will offer a picturesque view to you to enable you in framing your investment decision.

I look forward for better days for our shareholders, employees and the country.

A handwritten signature in black ink, appearing to read "Samson H. Chowdhury". The signature is stylized with a large initial 'S' and a long, sweeping underline.

Samson H. Chowdhury
Chairman

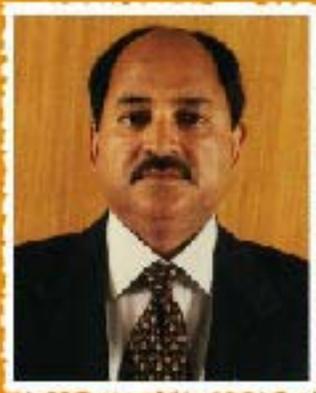
Board of Directors



Mr. Samson H. Chowdhury
Chairman



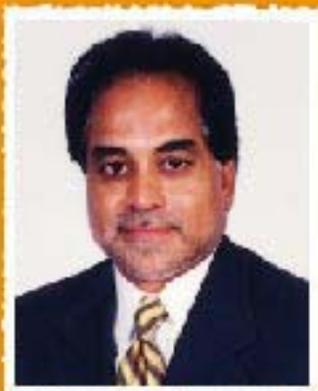
Mr. Samuel S. Chowdhury
Director



Mr. Tapan Chowdhury
Managing Director



Dr. Kazi Harunar Rashid
Director



Mr. Anjan Chowdhury
Director



Mr. Kazi Iqbal Harun
Director



Mrs. Jahanara Chowdhury
Director



SQUARE PHARMACEUTICALS LTD.

Directors' Report

TO THE SHAREHOLDERS FOR THE YEAR 2004-2005

REFERRAL :

In terms of provisions of Section 184 of the Companies Act 1994, Rule 12 (and the schedule there under) of the Securities and Exchange Rules 1987 and IAS - I (International Accounting Standards-I) codes as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB), it is the pleasure of the Board of Directors to submit its Report to the Shareholders for the year ended 31 March 2005 in the following paragraphs:

1. ECONOMIC & ENVIRONMENTAL SITUATION :

The year under review passed through yet another period of serious turbulent law and order situation with increased violence followed by a number of hartal and political agitations causing great losses to the economy, especially to the corporate sector. Though export earnings increased over the previous year, the public expenditure through ADP shrunk by about 14.2% as the revised budgetary allocation was reduced substantially as a result of which GDP growth rate fell to 5.3% against target of 5.5%. The foreign exchange reserve started falling primarily due to increased pressure from imports though remittance from NRBs increased by over 30%. However, the foreign portfolio and direct investment flow was still to show signs of growth despite various promotional steps by the government. As regards the capital market situation, there were no IPOs other than those of Banks and insurance which were oversubscribed by number of times and the share price index ascending to a new height at nearly 2000 mark, started declining and staging at around 1700 mark. The dematerialisation of scripts with CDBL, however, showed rapid progress.

2. PHARMACEUTICAL SECTOR :

The pharmaceuticals sector attained a lower growth of 8.60% only during the year 2004 as against 5.90% during the previous year. The lower growth rate of national pharma market may be attributed to various factors such as lower public expenditure on health care, natural calamities including floods, cyclones, epidemical diseases & lower agro-crop harvest. The national pharma market growth and that of the Company during the past few years are given below:

Year	National Market Growth Rate	Company's Growth Rate
2000	27.79%	29.95%
2001	22.46%	22.70%
2002	10.18%	11.70%
2003	5.90%	15.91%
2004	8.60%	13.08%

The above statistics prove that the Company has been performing at a higher rate than that of the national growth rate of pharmaceutical market ensuring continued leading position in the market.



3. OPERATIONS REVIEW:

(1) PHARMA UNIT AT PABNA:

The Company continued to upgrade qualitative capacity of Pabna Unit and about 74% of output was produced in this plant. The Company made a capital expenditure of Tk. 285.45 million at Pabna Plant divided as follows:

(a) Land	1.78
(b) Building/Civil Works	56.49
(c) Plant/Machinery	186.27
(d) Other Assets	40.91
Total Tk. (Million)	<u>285.45</u>

As against the above capital expenditure during the year under review, an amount of Tk. 77.00 million was invested in Pabna Plant during the previous year. All these investments have helped meet the increased demand both qualitatively and quantitatively.

(2) CHEMICAL PLANT:

The operations of the chemical Plant (at Pabna) during the last five (5) years are presented hereunder:

Years	No. of Products	Production (M. Tons)	Own Use (M. Tons)	Sales (M. Tons)	Own Use (%)	Turnover (Million Taka)
2000-01	7	227	82.39	144.61	36.30%	209.08
2001-02	7	201	85.30	115.70	42.44%	301.39
2002-03	9	219	89.34	129.66	40.79%	291.67
2003-04	9	242	129.71	112.29	53.59%	321.73
2004-05	9	257	117.71	139.29	45.80%	263.64

The production/capacity utilisation has been increasing due to increase in demand from the formulation unit and market operators.

(3) DHAKA PLANT:

As reported earlier, the State-of-Art Plant located at Kaliakoir, which commenced commercial operations with effect from 7th April 2002 with capital assets at Tk. 2,061,671,687 as on that date and Capitalised for charging depreciation as allowed by Tax Laws has been gradually increasing its capacity utilisation and by end of the accounting year, reached the level as hereunder:

(Quantity in thousand)

Sl. No.	Particulars/ Product	Unit	Capacity	Actual Output		Capacity Utilisation	
				2004-05	2003-04	2004-05	2003-04
1	Tablets	Pcs	836,256	483,608	417,352	57.83%	49.91%
2	Capsules	Pcs	202,320	254,681	108,307	125.88%	53.53%



DIRECTORS' REPORT

(4) PRODUCT DEVELOPMENT:

In order to meet the requirements by the WTO regulations and heavy competition from 2016 resulting from globalisation/liberalisation of trade and strict compliance of Intellectual Property Rights, the Company has been trying to develop new products every year.

The following table shows the position of existing and new products introduced during the year 2004-2005:

Sl. No.	Products Categories	Position as on 31-03-04	Added during the year	Total 31-03-05
1	Tablets	119	18	137
2	Capsules	40	6	46
3	Liquids	28	5	33
4	Injectables	33	2	35
5	E N T Preparations & Others	28	3	31
6	Ophthal Preparations & Others	7	-	7
7	Dry Syrup	14	-	14
8	Suppository	3	-	3
9	Inhaler	4	1	5
10	Basic Chemicals	9	-	9
11	Tablet, Powder, Liquid, Injectable -AgroVet	19	4	23
12	Aerosol	-	1	1
	Total	304	40	344

The new products have been well received by the medical profession and the market.

Sulprex® Inhaler
Salbutamol BP 100 µg & Ipratropium Bromide BP 20 µg/puff; 200 puffs

offers new life for COPD patients

For the first time in Bangladesh, we are pleased to make available **Sulprex®**, a Metered Dose Inhaler containing two bronchodilators- Salbutamol & Ipratropium. **Sulprex®** Inhaler is indicated for use in patients with Chronic Obstructive Pulmonary Disease (COPD) and is particularly useful for patients who continue to have evidence of bronchospasm despite being on regular Inhaled bronchodilator use.



(5) OUTPUT/CAPACITY UTILISATION:

The overall capacity utilisation of the plant operation continued to improve during the year as shown hereunder:

Sl. No.	Product Categories	Units	Production in thousand		% Increase/ (Decrease)	Capacity Utilization	
			2003-04	2004-05		2003-04	2004-05
1	Tablets	Pcs	2,115,330	2,132,440	0.81	122%	106%
2	Capsules	Pcs	344,100	435,911	26.7	112%	142%
3	Liquids	Bottles	23,485	28,951	23.3	112%	47%
4	Injectables (Vials & Ampoules)	Pcs	17,391	22,312	28.3	97%	89%
5	ENT Preparations & Others	Phials	10,669	11,127	4.3	237%	111%
6	Ophthal Preparations & Others	Phials	958	1,315	37.3	160%	66%
7	Dry Syrup	Bottles	3,639	3,355	(7.8)	152%	84%
8	Suppository	Pcs	2,729	3,412	25.0	45%	34%
9	Inhalers	Can	373	513	37.5	41%	26%
10	Basic Chemicals	Kg	242	257	6.2	71%	76%
11	Tablet - AgroVet	Pcs	1,463	13,142	798.3	77%	95%
12	Powder- AgroVet	Gm	8,758	11,530	31.7	66%	87%
13	Injection-AgroVet	Pcs	1,601	227	(85.8)	36%	5%
14	Liquids -AgroVet	Bottles	68	58	(14.7)	6%	5%

Production during 2004-05 increased in almost all major product lines as the new plant at Kaliakoir became more operative. The overall combined capacity utilisation of all the three plants (including chemical plant) however show a declining trend due increase in plant production capacity.

(6) QUALITY CONTROL:

The Company places total emphasis on maintaining and improving of quality of its products as 'life-science' biology following GMP standards of WHO by following strictly laid down criteria at every levels of production and handling. The Company also follow-up withdrawals from market of all expiry dated products through close inspection and surveillance. The quality control facilities include a high quality standard Laboratory Building, Computerized Equipments and Tools and a team of highly qualified/trained research personnel who are bent upon on unstinted attainment as ethical and moral objective. We are proud of them.



DIRECTORS' REPORT

(7) TECHNOLOGY:

The company is endeavoring to upgrade and adopt new technology in production, quality control, distribution and administration of its products to patients. During the year (2004-2005) the Company invested an amount of Tk. 28,730,029 in improving its Laboratory.

(8) EXPORT:

The company is continuously pressing hard for expanding its export sales. During the year under review, the exports amounted to Tk. 85.809 million as against Tk. 59.954 million in previous year, a 43% increase. The exports are expected to rise in the coming years.

(9) SUBSIDIARY OPERATION:

Square Spinnings Ltd.:

The Company (SPL) holds 98% equity in Square Spinnings Ltd. which has a production capacity of 7,470,360 kg. per annum (based on NE 20s) and commenced commercial production on 10 January 2001. The Company's operation results from first year with comparative position of performance over the years (2001-2004) is given below:

	2001	2002	2003	2004
Production (Kg)	6,116,123	7,619,072	8,728,975	7,985,642
Sales Revenue (Tk.)	703,524,368	768,539,068	883,390,854	994,196,910
Gross Profit (Tk.)	162,802,597	184,610,026	191,108,372	177,902,019
Net Profit (Tk.)	71,626,873	73,403,013	91,306,429	109,264,500
Gross Margin	23.14%	24.02%	21.63%	17.90%
Net Margin	10.18%	9.55%	10.34%	11.00%
EPS (Tk.)	71.63	73.40	91.31	109.26
NAV (Tk.)	171.63	245.03	336.34	445.60

Capacity Utilisation (SSL) :

The capacity utilisation and operating profitability show improvement resulting in increase in Net Asset Value to shareholders. However, despite adequate earnings per share, the Management has not yet considered it appropriate and opportune to declare dividend as fund generated from operations by profit and depreciation have been largely utilised for repayment of loans and liabilities which, as a result, have been substantially reduced /restructured with redemption of external debt risks. The Net Asset Value has thereby been enhanced to the benefit of the shareholders.



The following changes took place in the position as on 31-12-2004 and 31-03-2005 being the dates of closure of accounting year for Square Spinnings Ltd. and the Company (SPL) respectively:

(Taka)			
Sl. No.	Particulars	Position as on 31-12-2004	Position as on 31-03-2005
(1)	Fixed Asset Cost of Square Spinnings Ltd.	717,917,066	797,795,876
(2)	Investment by Square Pharmaceuticals Ltd.		
	- Share Capital	98,000,000	98,000,000
	- Short Term Loan	148,145,127	281,662,667
	- Medium Term Loan	30,000,000	-

Directors' Report on the Company together with Audited Accounts containing Balance Sheet, Profit & Loss Account and Cash Flow Statement and Auditors Report thereon are included herein.

(10) LONG TERM INVESTMENT (OTHER THAN SUBSIDIARY):

The investment portfolio of long term investment and marketable securities has been detailed in Notes (4 & 8) to Audited Accounts. The outlines of the portfolio with minority interest in shareholdings are described hereunder for further information of the shareholders:

LONG TERM INVESTMENTS : Tk. 1,660,833,364

The above investments include minority investments in ordinary shares/advance as Share Money Deposit in 9 (nine) different companies as follows:

(1) Square Textiles Ltd. (STXL):

As on 31-03-05 investment in this Company (after listing with Stock Exchanges) stands at Tk. 88,636,364 for 9,750,000 ordinary shares of Tk. 10 each (at cost) and the market value as on 31st March, 2005 stood at Tk. 935,025,000 (at Tk. 95.90 per share) showing 955% appreciation. The Company is in full operation and declared cash dividend @ 30% and stock dividend @ 10% (10:1B) for the year 2004. SPL hold 35.19% shares of the Company.

(2) Continental Hospital Ltd. (CHL) :

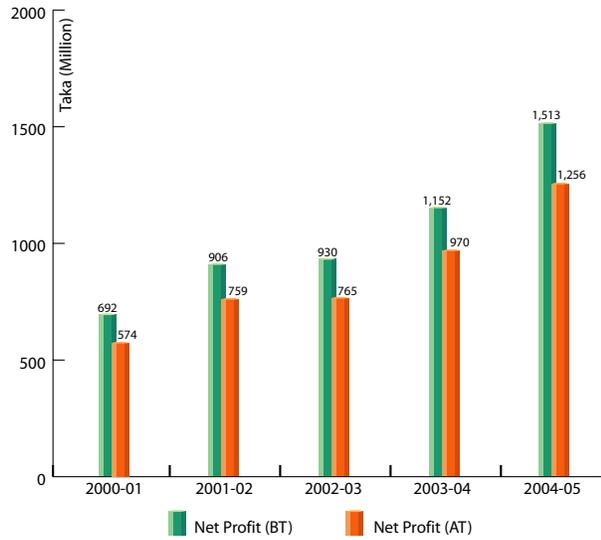
The Company (SPL) holds 120,000 shares of Tk. 100 each amounting to Tk. 12,000,000. Since the Company is not a listed one, it does not have any ready market value.



DIRECTORS' REPORT

(3) National Housing Finance and Investment Ltd. (NHFIL) :

The Company (SPL) holds 200,000 ordinary shares of Tk. 100 each for Tk. 20,000,000 out of total Tk. 400,000,000 (5%). The Company has a seat on the Board. NHFIL is in operation since 1999 and has declared dividends as 9% during the year 2004 as against 10% during the previous year.



(4) Central Depository Bangladesh Ltd. (CDBL) :

SPL has paid for 10 (ten) shares of Tk. 1,000,000.00 each in the Capital of CDBL which has been formed under the Central Depository Act 1999 for fungible and dematerialised share holding/trading which will do away with the physical possession of scrips and primarily prevent fraudulent/fake share trading as a result of which corporate expenditure on share office will substantially be saved. CDBL commenced its service w.e.f. July 2003. So far 73 companies have joined CDBL. The shares are not listed and therefore the market value can not be assessed. The Company has a seat on the Board of CDBL presently as its Chairman.

(5) Square Hospitals Ltd. (SHL) :

SPL holds 198,250 Ordinary Shares of Tk. 1,000/- each including 2,000 Shares with premium of Tk. 5,500/- each. The project originally conceived as a Five-Star Hotel at Panthapath, Dhaka is now being developed as a modern hospital with 300 beds and diversified medical services with special emphasis on cardio-vascular remedies. SHL has already entered into a Management Agreement with Bumrungrad Hospital of Bangkok. The project implementation is expected to be completed by end of 2005. SPL hold 49.56% of SHL. Since the Company is not a public and listed one the market value of investment can not be assessed now.

(6) Square Knit Fabrics Ltd. (SKFL) :

Due to changes in equity holdings by SPL (from 84% to 48.84%) the position of SKFL has changed from subsidiary to investment category. The Company started production from early 2002 and is trying to overcome initial teething problems as well as problems arising from international issues. The Management is keeping a close watch on its operations and would continue to endeavor for attaining profitable results. The Company did not declare any dividend for sustenance of losses. SPL now holds 1,260,000 ordinary shares of Tk. 100 each which is 48.84%. The Company is not a public/listed one and hence the market value can not be readily assessed.



(7) Square Fashions Ltd. (SFL):

SPL now holds 252,000 Shares of Tk. 100 each (48.46%) in the capital of SFL. The Company has not declared any dividend due to sustenance of losses. Since the Company is not a public/listed one, the market value can not be assessed readily.

(8) Square InformatiX Ltd. (SIL):

An amount of Tk. 100,000,000 has been invested in SIL as advance against share money deposit for 1,000,000 ordinary shares of Tk. 100 each. The investment has been made for Public Switched Telephone Network (PSTN) project. Present paid-up capital of the company is Tk. 2,500,000.

(9) Beg Rubber Industries Ltd. (BRIL):

SPL hold 2,596 ordinary shares of Tk. 100 each out of total 3,000 shares which has been purchased at a cost of Tk. 150,000,000. The company owns 1.9072 acres of land at 355-356, Tejgaon Industrial Area, Dhaka.

(11) INVESTMENT IN MARKETABLE SECURITIES:

Pioneer Insurance Company Ltd. (PICL):

SPL acquired 150,000 Ordinary Shares of Tk. 100 each at Tk. 135 each including premium of Tk. 35 each by way of Pre-IPO placement. This constitutes 10% of the issued capital of PICL. The Company (PICL) has declared dividends at the rate of 13% for the year 2004 as against 12% for the year 2003. The shares are listed and currently quoting at about Tk. 250 per share indicating about 85% capital gains.

(12) FINANCIAL RESULTS:

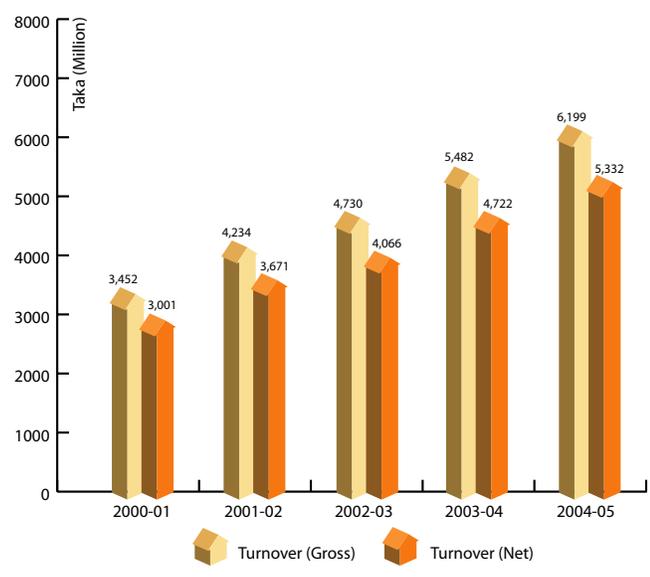
The operating financial results of the Company for the year 2004-2005 as compared to previous year are summarised hereunder:

Particular	2003-2004 (Taka)	2004-2005 (Taka)	% Increase/(Decrease)
◆ Gross Turnover	5,482,087,920	6,199,134,802	13.08%
◆ Net Turnover	4,721,551,742	5,332,046,635	12.93%
◆ Gross Profit	1,906,592,013	2,172,592,929	13.95%
◆ Net Profit (BT)	1,151,636,314	1,513,018,599	31.38%
◆ Provision for Taxation	181,592,771	257,170,446	41.62%
◆ Net Profit (AT)	970,043,543	1,255,848,153	29.46%
◆ Gross Margin (Net Turnover)	40.38%	40.75%	
◆ Net Margin (BT)	24.39%	28.38%	
◆ Net Margin (AT)	20.55%	23.55%	
◆ Earning Per Share (EPS) (Tk.)	224.55	290.71	
◆ EPS on IPO Paidup Capital	485.02	627.92	
◆ Consolidated Earning Per Share (EPS) (Tk.)	233.29	303.55	



DIRECTORS' REPORT

It may be observed that the Gross Turnover increased by 13.08% during the year under review over the previous year of 15.91% and the Gross Profit increased by 13.95% primarily due to decrease in cost of goods sold from 51.35% in the previous year to 50.97% during the current year. The incidences of packing materials & factory overhead also decreased marginally with positive impact on gross profit. Though operating & financial expenses marginally increased, net profit margin (BT) increased due to substantial increase in other income arising from increase in interest income, dividend income and gains from sale of marketable securities.



The Earning per Share of Tk. 290.71 is based on increased outstanding 4,320,000 shares of Tk. 100 each. However, if the original issued capital for cash at the time of IPO is considered, the EPS would stand at Tk. 627.92 in 2004-2005 as against Tk. 485.02 in 2003-2004 and TK. 382.44 in 2002-2003.

(13) APPROPRIATION OF PROFIT:

Considering the need for growing expansion and diversification of operations, increasing cost of external sources of funds, the Board of Directors have proposed and recommended for appropriation as follows:

(a) Un-appropriated Profit from previous Year	1,235,067,597
(b) Net Profit for the Year (2004-2005)	<u>1,255,848,153</u>
(c) Total funds available for appropriation	2,490,915,750
(d) Appropriation proposed:	
(i) Tax Holiday Reserve	65,905,082
(ii) Cash Dividend @ Tk. 77 per Share	332,640,000
(iii) Issuance of 648,000 Bonus Shares (Stock Dividend) @ 15% : Face Value of Bonus Share	<u>64,800,000</u>
	463,345,082
(e) Net unappropriated Profit	Tk. <u><u>2,027,570,668</u></u>



(14) DECLARATION OF DIVIDEND:

In the line of proposed appropriation of profit, the Board of Directors proposes and recommends for declaration of Cash Dividend at the rate of Tk. 77.00 per share for the year 2004-2005. This will involve an amount of Tk. 332.64 million. The Board also recommended for declaration of Bonus Shares (Stock Dividend) @ 15%. This will need issuance of 648,000 ordinary shares of Tk. 100 each with appropriation of Tk. 64,800,000 to Capital Account.

(15) SHARE HOLDERS' BENEFIT:

Investment in the Company's stock has substantially benefited the investors since IPO/listing of the shares. An evaluation of shareholder's benefit since IPO in 1994-95 may be presented as hereunder for a subscriber of 100 shares of Tk. 100 each at Tk. 900 per share:

Sl. No.	Accounting Years	Rate of Cash Dividend	Bonus Shares Issued	Cash Distribution as Dividend	Present Worth at 12.50% Discounted	
					Years	Amount
1	1994-95	32.00	-	3,200	10	10,392
2	1995-96	32.50	25	4,062	9	11,725
3	1996-97	35.00	-	4,375	8	11,225
4	1997-98	45.00	-	5,625	7	12,828
5	1998-99	55.00	-	6,875	6	13,937
6	1999-00	65.00	-	8,125	5	14,641
7	2000-01	70.00	-	8,750	4	14,015
8	2001-02	75.00	25	9,375	3	13,348
9	2002-03	70.00	30	10,500	2	13,289
10	2003-04	70.00	36	12,600	1	14,175
11	2004-05	77.00	32.40	16,632	0	16,632
	Total		148.40	90,119		146,207

	Without Discounting	At 12.50% Discounted
Present Market Value of 148.40 Shares (Bonus) at Tk. 3,566/- Share	529,194	529,194
Dividend Distribution	90,119	146,207
Present Value of 302.50 shares of Square Textiles Ltd. at Tk. 77/- Share	23,293	23,293
Dividend of Square Textiles Ltd.	3,125	3,757
Capital Gain from 100 Shares of SPL (Tk. 3,566 - 900)	266,600	266,600
Total Tk.	<u>912,331</u>	<u>969,051</u>

(16) CONSOLIDATION OF ACCOUNTS:

In terms of SEC Regulations, the Company has consolidated the Accounts following the codes of International Accounting Standard - 27 (IAS-27) reflecting shareholders gross benefits/value of investments.



DIRECTORS' REPORT

4. HUMAN RESOURCES DEVELOPMENT:

In order to improve productivity of human input, the Company continuously provide formal and informal training to the employees at every echelon of operation and management. During the year under review 1,503 persons received in-house/in operation/on the job training at home and abroad which will ultimately make great contribution to the Company's profitability as well their own remuneration in due course.

5. ENVIRONMENTAL ROLE:

The Company maintain a high standard of pollution free environment as per GMP Regulations/WHO standards/Government laws.

6. CONTRIBUTION TO NATIONAL EXCHEQUER:

The company contributed an amount of Tk. 1,233,438,339 (including Tk. 14,571,174 as contribution towards machinery & spare parts imports) to National Exchequer as against Tk. 1,102,617,542 in the previous year indicating an increase of 11.86%. The contribution constitutes 23.13% of the sales revenue (net) in 2004-2005 as against 23.35% in the previous year (2003-2004).

7. ELECTION OF DIRECTORS:

Mr. Samuel S. Chowdhury and Mr. Anjan Chowdhury retire as per articles 99 and 100 of the Articles of Association of the Company and being eligible, have offered themselves for re-election.

8. RE-APPOINTMENT OF MANAGING DIRECTOR :

The tenure of the Managing Director Mr. Tapan Chowdhury will expire on 06 October 2005. The Board of Directors propose to re-appoint him for a further term of 5 years w.e.f 07 October 2005.

9. APPOINTMENT OF AUDITORS:

M/s. Chowdhury Bhattacharjee & Co., Chartered Accountants, Auditors of the Company, retire at this Annual General Meeting and being eligible offer themselves for appointment as Auditors for the year 2005-2006 and refixation of their remuneration.

10. MANAGEMENT APPRECIATION:

The Board of Directors record with deep appreciation the contribution made and support & co-operation given by the Officers, Staff, Workers, Customers, Creditors, Banks, Insurance Companies, Utility Providers, SEC, DSE, CSE, CDBL and the Government in particular and look forward to the global role of the Company.

Samson H. Chowdhury
Chairman



পরিচালনা পর্ষদের প্রতিবেদন

স্কয়ার ফার্মাসিউটিক্যালস্ লিঃ

২০০৪-২০০৫ বছরের জন্য

শেয়ারহোল্ডারবৃন্দের প্রতি পরিচালনা পর্ষদের প্রতিবেদন

পরিচালনা পর্ষদ আনন্দের সাথে কোম্পানী আইন ১৯৯৪ এর ১৮৪ নং পরিচ্ছেদ, সিকিউরিটিজ এন্ড এক্সচেঞ্জ রুলস্ ১৯৮৭ এর ১২নং বিধির (এবং তফসিল অনুযায়ী) শর্তানুসারে এবং দি ইনস্টিটিউট অব চার্টার্ড একাউন্ট্যান্টস্ অব বাংলাদেশ কর্তৃক গৃহীত আইএএস-১ (আন্তর্জাতিক হিসাব মানদণ্ড-১) অনুসারে ৩১শে মার্চ ২০০৫ তারিখে সমাপ্ত আর্থিক বছরের প্রতিবেদন সম্মানিত শেয়ারহোল্ডারবৃন্দের কাছে নিম্নোক্ত পরিচ্ছদগুলোতে পেশ করছেন :

১. অর্থনৈতিক ও বাণিজ্যিক পরিস্থিতি :

বহুবিধ রাজনৈতিক ও আইন-শৃঙ্খলাজনিত অস্থিরতার এবং ঘনঘন হরতালের মধ্যে দিয়ে পর্যালোচিত বছরটি অতিক্রম করেছে, ক্ষতিগ্রস্ত হয়েছে দেশের অর্থনীতি, বিশেষ করে করপোরেট সেক্টর সমূহ। পূর্ববর্তি বছরের তুলনায় দেশের রপ্তানী আয় যদিও বৃদ্ধি পেয়েছে, তদুপরি সংশোধিত বাজেট বন্টনের কারণে বার্ষিক উন্নয়ন কর্মসূচীর ব্যয় উলেখযোগ্য হারে সংকুচিত হওয়ার ফলে জিডিপি লক্ষ্যমাত্রা শতকরা ৫.৫ এর বিপরীতে ৫.৩ অর্জিত হয়েছে। আমদানী হার বৃদ্ধি পাওয়ার কারণে বৈদেশিক মুদ্রার রিজার্ভ কমে যেতে থাকে তবে প্রবাসী বাংলাদেশী কর্তৃক স্বদেশে অর্থ প্রেরনের হার শতকরা প্রায় ১৪.২ ভাগ বৃদ্ধি পেয়েছে। সরকার কর্তৃক বিভিন্ন প্রকার অনুপ্রেরণা মূলক পদক্ষেপ নেয়া সত্ত্বেও সরাসরি বা পোর্টফলিওতে বৈদেশিক বিনিয়োগ এখনও পর্যন্ত উন্নতির ছোঁয়া লাগেনি। পূর্জিবাজারের সার্বিক অবস্থা বিবেচনা করে বলা যায় যে, কিছু সংখ্যক ব্যাংক এবং বীমা কোম্পানী ছাড়া কোন প্রাথমিক শেয়ার বাজারে আসেনি এবং শেয়ারের মূল্য সূচক বৃদ্ধি পেয়ে নতুন উচ্চতা প্রায় ২০০০ এ পৌঁছায় এবং হ্রাসপেয়ে ১৭০০ এর কাছাকাছি অবস্থান করে। সিডিবিএল এর অধীনে শেয়ার অজড়করণ প্রক্রিয়া দ্রুত গতিতে অগ্রসর হচ্ছে।

২. ফার্মাসিউটিক্যাল সেক্টর :

ফার্মাসিউটিক্যাল সেক্টর গত বছরে শতকরা ৫.৯০ ভাগ প্রবৃদ্ধির তুলনায় ২০০৪ সালে মাত্র শতকরা ৮.৬০ ভাগ প্রবৃদ্ধি অর্জন করেছে। ঔষধ খাতের প্রবৃদ্ধির হার কম হওয়ার কারণ হলো-স্বাস্থ্যখাতে জনগণের ব্যয় কমানো, বন্যা, ঘূর্ণিঝড়, মহামারী ইত্যাদি প্রাকৃতিক দুর্যোগ এবং কৃষকের ফসল উৎপাদন ইত্যাদি।

বিগত কয়েক বছরের ঔষধ খাত ও কোম্পানীর প্রবৃদ্ধির তুলনামূলক চিত্র নীচে দেয়া হলোঃ

বছর	জাতীয় প্রবৃদ্ধির হার	কোম্পানীর প্রবৃদ্ধির হার
২০০০	২৭.৭৯%	২৯.৯৫%
২০০১	২২.৪৬%	২২.৭০%
২০০২	১০.১৮%	১১.৭০%
২০০৩	৫.৯০%	১৫.৯১%
২০০৪	৮.৬০%	১৩.০৮%

উপরোক্ত পরিসংখ্যান এটাই প্রমাণ করে যে, ঔষধ খাতের জাতীয় প্রবৃদ্ধির চাইতে কোম্পানী উচ্চতর প্রবৃদ্ধি অর্জন বজায় রেখে ঔষধ শিল্পে শীর্ষস্থান ধরে রাখতে সক্ষম হয়েছে।



পরিচালনা পর্ষদের প্রতিবেদন

৩. কার্যক্রম পর্যালোচনা :

(১) পাবনাস্থ ফার্মা ইউনিট :

কোম্পানী পাবনা ইউনিটের গুণগত উৎপাদন ক্ষমতা বৃদ্ধির প্রচেষ্টা অব্যাহত রেখেছে যার ফলে মোট পণ্যের শতকরা ৭৪ ভাগ ঔষধ এই কারখানা থেকে উৎপাদিত হয়। পাবনা ইউনিটে মোট ২৮৫.৪৫ মিলিয়ন টাকা মূলধনী ব্যয় হয়েছে যা খাতওয়ারী হিসাব নীল্লে প্রদত্ত হলোঃ

(ক) জমি	১.৭৮
(খ) ভবন ও নির্মাণ কাজ	৫৬.৪৯
(গ) যন্ত্রপাতি	১৮৬.২৭
(ঘ) অন্যান্য সম্পদ	৪০.৯১
মোট-টাকা (মিলিয়ন)	২৮৫.৪৫

গত বছর এই ইউনিটে মূলধনী ব্যয় ছিল ৭৭.০০ মিলিয়ন টাকা। এই পুঁজি বিনিয়োগ কোম্পানীকে পরিমাণগত ও গুণগতভাবে ক্রেতাদের ঔষধের চাহিদা মেটাতে সক্ষম হয়েছে।

(২) কেমিক্যাল প্লান্ট :

পাবনাস্থ কেমিক্যাল প্লান্ট এর বিগত পাঁচ (৫) বছরের কার্যক্রম নীচে উপস্থাপন করা হলোঃ

বছর	পণ্যের সংখ্যা	উৎপাদনের পরিমাণ (মেঃ টন)	নিজস্ব ব্যবহার (মেঃ টন)	বিক্রয় (মেঃ টন)	নিজস্ব ব্যবহার (%)	বিক্রয় (মিলিয়ন টাকায়)
২০০০-০১	৭	২২৭	৮২.৩৯	১৪৪.৬১	৩৬.৩০%	২০৯.০৮
২০০১-০২	৭	২০১	৮৫.৩০	১১৫.৭০	৪২.৪৪%	৩০১.৩৯
২০০২-০৩	৯	২১৯	৮৯.৩৪	১২৯.৬৬	৪০.৭৯%	২৯১.৬৭
২০০৩-০৪	৯	২৪২	১২৯.৭১	১১২.২৯	৫৩.৫৯%	৩২১.৭৩
২০০৪-০৫	৯	২৫৭	১১৭.৭১	১৩৯.২৯	৪৫.৮০%	২৬৩.৬৪

ফরমুলেশন ইউনিট এবং বাজারের চাহিদা বৃদ্ধির কারণে এই প্লান্ট এর উৎপাদন ও উৎপাদন ক্ষমতা বৃদ্ধি পাচ্ছে।

(৩) ঢাকা ইউনিট :

বিগত বছরের রিপোর্ট অনুযায়ী কালিয়াকৈরে অবস্থিত স্টেট-অব-দা-আর্ট টেকনোলজি সমৃদ্ধ কারখানাটি ২,০৬১,৬৭১,৬৮৭ টাকা মূলধনী সম্পদ সহ গত ৭ই এপ্রিল ২০০২ তারিখ হতে বানিজ্যিক উৎপাদন শুরু করেছে এবং কর আইনের আওতায় বিধি মোতাবেক অবচয় ধার্য করা হয়েছে এবং উৎপাদন ক্ষমতার ব্যবহার ক্রমান্বয়ে সারা বছরের হিসাব অনুযায়ী বৃদ্ধি পেয়েছে যা নিল্লে দেয়া হলো :

ক্রমিক সংখ্যা	পণ্যের বিবরণ	ইউনিট	উৎপাদন (হাজার)	প্রকৃত উৎপাদন (হাজার)		উৎপাদন ক্ষমতার ব্যবহার	
				২০০৪-০৫	২০০৩-০৪	২০০৪-০৫	২০০৩-০৪
১	ট্যাবলেট	প্রতিটি	৮৩৬,২৫৬	৪৮৩,৬০৮	৪১৭,৩৫২	৫৭.৮৩%	৪৯.৯১%
২	ক্যাপসুল	প্রতিটি	২০২,৩২০	২৫৪,৬৮১	১০৮,৩০৭	১২৫.৮৮%	৫৩.৫৩%



(৪) নতুন ঔষধ সংযোজন :

ডবিঙটিওর নীতিমালা, ২০১৬ সাল হতে বিশ্বায়ন/উদার বাণিজ্য নীতির ফলশ্রুতিতে প্রবল প্রতিযোগিতা এবং ইনস্টেলেকচুয়াল প্রোপার্টি রাইটস্ এর নিয়মকানুনগুলো কঠোরভাবে পালন, আগামী দিনের এই চ্যালেঞ্জগুলো মোকাবিলার জন্য কোম্পানী প্রতিবছর নতুন নতুন ঔষধ সংযোজন করে যাচ্ছে।

নীচের সারণীতে ২০০৪-০৫ সালের সংযোজিত ঔষধ ও পূর্ববর্তী বছরের ঔষধের সংখ্যা উপস্থাপন করা হলো :

ক্রমিক নং	পণ্যের শ্রেণীবিন্যাস	৩১-০৩-২০০৪ তারিখে পণ্যের সংখ্যা	এ বছরের নতুন সংযোজিত পণ্য	মোট পণ্য ৩১-০৩-২০০৫
১	ট্যাবলেট	১১৯	১৮	১৩৭
২	ক্যাপসুল	৪০	৬	৪৬
৩	লিকুইড	২৮	৫	৩৩
৪	ইনজেক্টেবলস্	৩৩	২	৩৫
৫	ইএনটি প্রিপারেশন ও অন্যান্য	২৮	৩	৩১
৬	অপথাল প্রিপারেশন ও অন্যান্য	৭	-	৭
৭	ড্রাই সিরাপ	১৪	-	১৪
৮	সাপোজিটরী	৩	-	৩
৯	ইনহেলার	৪	১	৫
১০	বেসিক কেমিক্যালস্	৯	-	৯
১১	ট্যাবলেট, পাউডার, লিকুইড এন্ড ইনজেক্টেবলস্-এগ্রোভেট	১৯	৪	২৩
১২	এরোসল্	-	১	১
	মোট	৩০৪	৪০	৩৪৪

নতুন সংযোজিত পণ্যগুলো চিকিৎসক কর্তৃক ভালোভাবেই গৃহীত হয়েছে।





পরিচালনা পর্ষদের প্রতিবেদন

(৫) উৎপাদন/উৎপাদন ক্ষমতার ব্যবহার :

সার্বিকভাবে পাল্টের উৎপাদন ক্ষমতার উন্নয়ন এ বছরও ধারাবাহিক ভাবে অব্যাহত আছে, যা নিম্নে প্রদত্ত হলো :

ক্রমিক নং	পণ্যের শ্রেণীবিন্যাস	একক	উৎপাদন (হাজার)		শতকরা বৃদ্ধি/হ্রাস	উৎপাদন ক্ষমতার ব্যবহার	
			২০০৩-০৪	২০০৪-০৫		২০০৩-০৪	২০০৪-০৫
১	ট্যাবলেট	প্রতিটি	২,১১৫,৩৩০	২,১৩২,৪৪০	০.৮১	১২২%	১০৬%
২	ক্যাপসুল	প্রতিটি	৩৪৪,১০০	৪৩৫,৯১১	২৬.৭	১১২%	১৪২%
৩	লিকুইড	বোতল	২৩,৪৮৫	২৮,৯৫১	২৩.৩	১১২%	৪৭%
৪	ইনজেকটেবলস্	প্রতিটি	১৭,৩৯১	২২,৩১২	২৮.৩	৯৭%	৮৯%
৫	ইএনটি প্রিপারেশন ও অন্যান্য	ফাইল	১০,৬৬৯	১১,১২৭	৪.৩	২৩৭%	১১১%
৬	অপথাল প্রিপারেশন ও অন্যান্য	ফাইল	৯৫৮	১,৩১৫	৩৭.৩	১৬০%	৬৬%
৭	ড্রাই সিরাপ	বোতল	৩,৬৩৯	৩,৩৫৫	(৭.৮)	১৫২%	৮৪%
৮	সাপোজিটরী	প্রতিটি	২,৭২৯	৩,৪১২	২৫.০	৪৫%	৩৪%
৯	ইনহেলার	ক্যান	৩৭৩	৫১৩	৩৭.৫	৪১%	২৬%
১০	বেসিক কেমিক্যালস্	কেজি	২৪২	২৫৭	৬.২	৭১%	৭৬%
১১	ট্যাবলেট-এগ্রোভেট	প্রতিটি	১,৪৬৩	১৩,১৪২	৭৯৮.৩	৭৭%	৯৫%
১২	পাউডার-এগ্রোভেট	গ্রাম	৮,৭৫৮	১১,৫৩০	৩১.৭	৬৬%	৮৭%
১৩	ইনজেকটেবলস্-এগ্রোভেট	প্রতিটি	১,৬০১	২২৭	(৮৫.৮)	৩৬%	৫%
১৪	লিকুইড-এগ্রোভেট	বোতল	৬৮	৫৮	(১৪.৭)	৬%	৫%

কালিয়াকৈর এর নতুন পাল্ট আরও সক্রিয় হওয়ার ফলে ২০০৪-২০০৫ সালে এর প্রায় সকল গুরুত্বপূর্ণ প্রোডাক্ট লাইন এর উৎপাদন বৃদ্ধি পেয়েছে যদিও সার্বিকভাবে তিনটি পাল্টের (কেমিক্যাল পাল্টসহ) উৎপাদন ক্ষমতা বৃদ্ধি পাওয়ায় বিগত বছরের তুলনায় উৎপাদন ক্ষমতার ব্যবহার হার প্রান্তিক ভাবে কমেছে।



(৬) মান নিয়ন্ত্রণ :

ফার্মাসিউটিক্যালস্ পণ্যের অপর নাম জীবন রক্ষাকারী পণ্য। তাই এই পণ্যের সর্বোচ্চ মান নিশ্চিত করতে এবং উন্নয়ন সাধনে পণ্যের উৎপাদন সহ সকল স্তরে বিশ্ব স্বাস্থ্য সংস্থা প্রদত্ত গুড ম্যানুফ্যাকচারিং প্রাক্টিস এর নীতিমালা কঠোরভাবে অনুসরণে কোম্পানী সম্পূর্ণ গুরুত্ব আরোপ করেছে। পুংখানুপুংখরূপে অনুসন্ধান এর মাধ্যমে মেয়াদোত্তীর্ণ ঔষধ মার্কেট হতে ফেরত নেয়ার ক্ষেত্রে কোম্পানী প্রতিনিয়ত যত্নশীল। কোম্পানীর মান নিয়ন্ত্রণ সুবিধাদীর মধ্যে রয়েছে অত্যাধুনিক মান সম্পন্ন ল্যাবরেটরী বিল্ডিং, কম্পিউটারাইজড যন্ত্রপাতি এবং সর্বোব্যাপী উচ্চশিক্ষিত এবং আধুনিক প্রশিক্ষণপ্রাপ্ত কর্মচারী ও কর্মকর্তা যারা পণ্যের সর্বোচ্চ মান নিয়ন্ত্রণকে তাদের নৈতিক উদ্দেশ্য হিসাবে গ্রহন করে গবেষণা কার্যক্রমে ব্রতী হয়েছেন। আমরা তাঁদের জন্যে গর্বিত।

(৭) প্রযুক্তি :

পণ্য উৎপাদন, মান নিয়ন্ত্রণ, বিতরণ এবং সর্বোপরি রোগীর কাছে এই পণ্য পৌছানো পর্যন্ত সকল স্তরে আধুনিক প্রযুক্তি প্রয়োগে কোম্পানী অগ্রণী ভূমিকা পালন করেছে। এই লক্ষ্যে ২০০৪-২০০৫ বছরে কোম্পানী ল্যাবরেটরী আধুনিকায়নে বিনিয়োগ করেছে ২৮,৭৩০,০২৯ টাকা।

(৮) রপ্তানি :

কোম্পানী প্রতিনিয়তই রপ্তানি বাজার সম্প্রসারণে সর্বাত্মক প্রচেষ্টা চালাচ্ছে। পর্যালোচিত বছরে কোম্পানীর মোট রপ্তানির পরিমাণ ৮৫.৮০৯ মিলিয়ন টাকা যেখানে গত বছর ছিল ৫৯.৯৫৪ মিলিয়ন টাকা যা বিগত বছরের তুলনায় ৪৩ শতাংশ বৃদ্ধি পেয়েছে। আমরা আশা করছি আগামী বছরগুলোতে রপ্তানির পরিমাণ উত্তরোত্তর বৃদ্ধি পাবে।

(৯) সহযোগী প্রতিষ্ঠানগুলোর কার্যক্রম :

স্কয়ার স্পিনিংস্ লিঃ

স্কয়ার ফার্মাসিউটিক্যালস্ লিঃ, স্কয়ার স্পিনিংস্ লিঃ (এসএসএল) এর ইকুইটির ৯৮ শতাংশ সত্ত্বাধীকারি এবং কোম্পানীটি ২০০১ এর ১০ই জানুয়ারী হতে বাণিজ্যিক ভাবে সুতা উৎপাদন শুরু করে এবং এর বাৎসরিক উৎপাদন ক্ষমতা ৭,৪৭০,৩৬০ কেজি। কোম্পানীটির তুলনামূলক কার্যক্রম নিম্নে উপস্থাপন করা হলো :

বিবরণ	২০০১	২০০২	২০০৩	২০০৪
(ক) সুতা উৎপাদন (কেজি)	৬,১১৬,১২৩	৭,৬১৯,০৭২	৮,৭২৮,৯৭৫	৭,৯৮৫,৬৪২
(খ) বিক্রয় (টাকা)	৭০৩,৫২৪,৩৬৮	৭৬৮,৫৩৯,০৬৮	৮৮৩,৩৯০,৮৫৪	৯৯৪,১৯৬,৯১০
(গ) মোট মুনাফা (টাকা)	১৬২,৮০২,৫৯৭	১৮৪,৬১০,০২৬	১৯১,১০৮,৩৭২	১৭৭,৯০২,০১৯
(ঘ) নীট মুনাফা (টাকা)	৭১,৬২৬,৮৭৩	৭৩,৪০৩,০১৩	৯১,৩০৬,৪২৯	১০৯,২৬৪,৫০০
(ঙ) মোট আয়ের হার	২৩.১৪%	২৪.০২%	২১.৬৩%	১৭.৯০%
(চ) নীট আয়ের হার	১০.১৮%	৯.৫৫%	১০.৩৪%	১১.০০%
(ছ) শেয়ার প্রতি আয় (টাকা)	৭১.৬৩	৭৩.৪০	৯১.৩১	১০৯.২৬
(জ) নীট সম্পদের মূল্য (টাকা)	১৭১.৭৩	২৪৫.০৩	৩৩৬.৩৪	৪৪৫.৬০



পরিচালনা পর্ষদের প্রতিবেদন

উৎপাদন ক্ষমতার প্রয়োগ :

উৎপাদন ক্ষমতার প্রয়োগ এবং নীট মুনাফা বৃদ্ধির ফলে শেয়ারহোল্ডারদের নীট সম্পদের মূল্য বৃদ্ধি পেয়েছে। যদিও শেয়ার প্রতি আয় সন্তোষজনক কিন্তু মুনাফা এবং অবচয় হতে প্রাপ্ত অর্থের সিংহ ভাগই ঋণ ও বিভিন্ন দায় মেটাতে ব্যয় হচ্ছে সেজন্য কোম্পানী এখনোও ডিভিডেন্ড প্রদানের বিষয়টি যথার্থ এবং সময় উপযোগী মনে করছে না। এর ফলে নীট সম্পদের আয় বৃদ্ধি পাচ্ছে যা পক্ষান্তরে শেয়ারহোল্ডারদেরই উপকারে আসছে।

অর্থবছর সমাপ্তির দিনে যথাক্রমে, ৩১-১২-২০০৪ এবং ৩১-০৩-২০০৫ তারিখে স্কয়ার স্পিনিং লিঃ এবং স্কয়ার ফার্মাসিউটিক্যালস লিঃ এর পরিবর্তিত অবস্থা নিম্নে দেয়া হলোঃ

ক্রমিক নং	বিবরণ	৩১-১২-২০০৪	৩১-০৩-২০০৫
১	স্কয়ার স্পিনিং লিঃ এর স্থায়ী পরিসম্পদ	৭১৭,৯১৭,০৬৬	৭৯৭,৭৯৫,৮৭৬
২	স্কয়ার ফার্মাসিউটিক্যালস লিঃ কর্তৃক বিনিয়োগ :		
	- শেয়ার মূলধন	৯৮,০০০,০০০	৯৮,০০০,০০০
	- স্বল্প মেয়াদী ঋণ	১৪৮,১৪৫,১২৭	২৮১,৬৬২,৬৬৭
	- মধ্য মেয়াদী ঋণ	৩০,০০০,০০০	-

ব্যালেন্স শীট, আয়-ব্যয়ের হিসাব, মূলধনী পরিবর্তনের বিবরণী, নগদ তহবিল প্রবাহ এবং নিরীক্ষকের রিপোর্ট সহ পরিচালনা পর্ষদের প্রতিবেদন এর সাথে সন্নিবেশিত হলো।

(১০) দীর্ঘমেয়াদী বিনিয়োগ (সহযোগী প্রতিষ্ঠান ব্যতীত)

নিরীক্ষকের রিপোর্টের (৪ ও ৮) অংশে দীর্ঘমেয়াদী বিনিয়োগ পোর্টফোলিও এবং বিক্রয়যোগ্য শেয়ার সম্পর্কে বিস্তারিতভাবে উপস্থাপন করা হয়েছে। সম্মানিত শেয়ারহোল্ডারদের অবগতির জন্য নিম্নে এই পোর্টফোলিও সম্পর্কে সংক্ষেপে আলোকপাত করা হলোঃ

দীর্ঘমেয়াদী বিনিয়োগ : ১,৬৬০,৮৩৩,৩৬৪ টাকা

সাধারণ শেয়ার/শেয়ার মানি ডিপোজিট হিসাবে ৯টি বিভিন্ন কোম্পানীতে এই বিনিয়োগের হিসাব নিম্নে প্রদত্ত হলোঃ

(১) স্কয়ার টেক্সটাইলস লিঃ

৩১-০৩-০৫ তারিখে এই কোম্পানীতে বিনিয়োগের (ষ্টক এক্সচেঞ্জে তালিকাভুক্ত হওয়ার পর) পরিমাণ প্রতিটি ১০ টাকা শেয়ার হিসাবে ৯,৭৫০,০০০ টি শেয়ারের বিপরীতে মোট ৮৮,৬৩৬,৩৬৪ টাকা, ৩১শে মার্চ ২০০৫ এ যার বাজার দর ছিল ৯৩৫,০২৫,০০০ টাকা (প্রতিটি শেয়ার ৯৫.৯০ টাকা হিসাবে) এবং মূল্য বৃদ্ধির হার ছিল ৯৫.৫%। কোম্পানীতে পুরোদমে উৎপাদন চলছে। গত ২০০৪ সালে কোম্পানী শতকরা ৩০ ভাগ নগদ লভ্যাংশ এবং ১০ ভাগ বোনাস শেয়ার ঘোষণা করেছে। স্কয়ার ফার্মাসিউটিক্যালস লিঃ এই কোম্পানীর শতকরা ৩৫.১৯ ভাগ শেয়ারের মালিক।

(২) কন্টিনেন্টাল হস্পিটাল লিঃ

স্কয়ার ফার্মাসিউটিক্যালস লিঃ প্রতিটি ১০০ টাকা মূল্যমানের ১২০,০০০ শেয়ারের মালিক যার মূল্য ১২,০০০,০০০ টাকা। যেহেতু এই কোম্পানী ষ্টক এক্সচেঞ্জ এর অন্তর্ভুক্ত নয় সেহেতু এর কোন বাজার দর নেই।



(৩) ন্যাশনাল হাউজিং ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিঃ

স্কয়ার ফার্মাসিউটিক্যালস্ লিঃ উক্ত কোম্পানীর ২০০,০০০ টি ১০০ টাকা মূল্যমানের সাধারণ শেয়ারের মালিক যার মূল্য ২০,০০০,০০০ টাকা এবং এই টাকা মোট মূলধনের শতকরা ৫ ভাগ। এই কোম্পানী পরিচালনা পর্ষদ এ প্রতিনিধিত্ব করে। ন্যাশনাল হাউজিং ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিঃ কার্যক্রম শুরু করে ১৯৯৯ সাল থেকে এবং ২০০৪ সালে ৯% হারে লভ্যাংশ ঘোষণা করেছে যা গত বছর ছিল ১০%।

(৪) সেন্ট্রাল ডিপোজিটরী বাংলাদেশ লিঃ (সিডিবিএল)ঃ

সেন্ট্রাল ডিপোজিটরী ১৯৯৯ সালের বিধি অনুযায়ী গঠিত সিডিবিএল এর প্রতিটি শেয়ার ১০ লক্ষ টাকা মূল্যমানের ১০টি শেয়ারের জন্য কোম্পানী ১ কোটি টাকা বিনিয়োগ করেছে। সিডিবিএল গঠন করা হয়েছে মূলতঃ জাল শেয়ারের ট্রেডিং বন্ধ, ক্রীপ ছাড়াই ট্রেডিং এবং মার্কেট লট এর সমস্যা সমাধানের জন্য। এর ফলে শেয়ার বিভাগের খরচ উলেখযোগ্য হারে হ্রাস পাবে। জুলাই ২০০৩ হতে সেন্ট্রাল ডিপোজিটরী বাংলাদেশ লিঃ এর কার্যক্রম শুরু করে এবং এ পর্যন্ত প্রায় ৭৩টি কোম্পানী সিডিবিএল এর অর্ন্তভুক্ত হয়েছে। যেহেতু এর শেয়ার তালিকাভুক্ত হয়নি সেহেতু সিডিবিএল এর শেয়ার বাজার দরে মূল্যায়ন করা যাচ্ছে না। সিডিবিএল এর পরিচালনা পর্ষদে চেয়ারম্যান হিসেবে অত্র কোম্পানী প্রতিনিধিত্ব করছে।

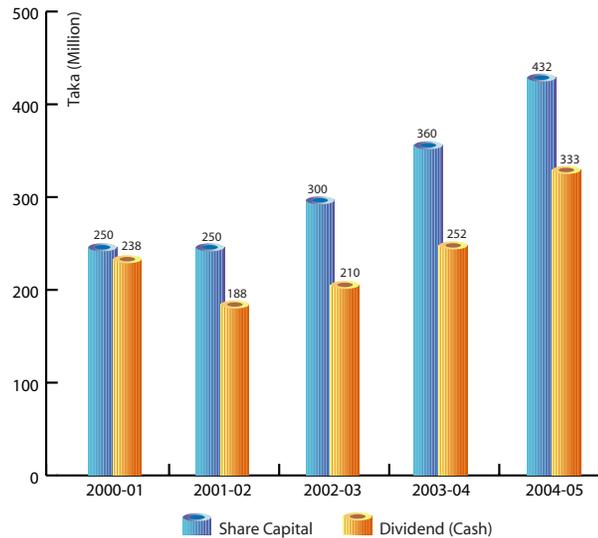
(৫) স্কয়ার হসপিটালস্ লিঃ

স্কয়ার ফার্মাসিউটিক্যালস্ লিঃ প্রতিটি ১,০০০ টাকা মূল্যমানের ১৯৮,২৫০ শেয়ারের মালিক যার মধ্যে ২০০০ শেয়ার হচ্ছে ৫,৫০০ টাকা প্রিমিয়াম সহ। পাল্পপথে পাঁচতারা হোটেল হিসাবে এই প্রকল্পের এর যাত্রা শুরু হলেও বর্তমানে একে ৩০০ শয্যা বিশিষ্ট আধুনিক হাসপাতাল প্রকল্পে রূপান্তরিত করা হয়েছে। মূলতঃ হার্টের রোগ নিরাময়ে গুরুত্ব দেয়া সহ এতে আরও থাকছে বহুমুখী চিকিৎসা সেবা।

ইতিমধ্যেই স্কয়ার হসপিটালস্ লিঃ ব্যাংককের স্বনামধন্য বামরুগ্নগ্রাদ হাসপাতালের সাথে ব্যবস্থাপনার চুক্তি স্বাক্ষরিত হয়েছে। এই প্রকল্পের কার্যক্রম ২০০৫ সালের মধ্যে শেষ হবে বলে আশা করা যাচ্ছে। স্কয়ার ফার্মাসিউটিক্যালস্ লিঃ এই প্রতিষ্ঠানের ৪৯.৫৬% শেয়ারের মালিক। যেহেতু কোম্পানীর শেয়ার তালিকাভুক্ত নয় সেহেতু এর বাজার দর মূল্যায়ন করা যায়নি।

(৬) স্কয়ার নীট্ ফেব্রিকস্ লিঃ

স্কয়ার ফার্মাসিউটিক্যালস্ লিঃ তার মালিকানাভুক্ত ৮৪% হতে ৪৮.৮৪% এ পরিবর্তন হওয়ায় স্কয়ার নীট্ ফেব্রিকস্ লিঃ সহায়ক কোম্পানী হতে বিনিয়োগ ধারার কোম্পানীতে পরিণত হয়েছে। কোম্পানী তার কার্যক্রম শুরু করে ২০০২ সালের প্রথম দিকে এবং আন্তর্জাতিক বাজারে মন্দার ফলে প্রথমদিকে যে অসুবিধার সম্মুখীন হয়েছিল তা দূর করার চেষ্টা চালিয়ে যাচ্ছে। ব্যবস্থাপনা কর্তৃপক্ষ এর কার্যক্রমের দিকে তীক্ষ্ণ দৃষ্টি রেখে একে একটি লাভবান কোম্পানীতে পরিণত করার আপ্রাণ চেষ্টা চালিয়ে যাচ্ছে। কোম্পানীটি কোন লভ্যাংশ ঘোষণা করে নাই। স্কয়ার ফার্মাসিউটিক্যালস্ লিঃ প্রতিটি ১০০ টাকা মূল্যমানের ১,২৬০,০০০ সাধারণ শেয়ারের মালিক যা মূলধনের শতকরা ৪৮.৮৪ ভাগ। এই কোম্পানীর শেয়ারগুলি তালিকাভুক্ত নয় বিধায় বর্তমানে শেয়ারগুলোর বাজার দর যাচাই করা সম্ভব নয়।





পরিচালনা পর্ষদের প্রতিবেদন

(৭) স্কয়ার ফ্যাশনস্ লিঃ

প্রতিটি ১০০ টাকা মূল্যমানের ২৫২,০০০ (৪৮.৪৬%) শেয়ারে বিনিয়োগ করা হয়েছে। কোম্পানী কোন লভ্যাংশ ঘোষণা করে নাই। যেহেতু কোম্পানীর শেয়ারগুলো তালিকাভুক্ত নয় সেহেতু শেয়ারগুলোর বাজার দর যাচাই করা সম্ভব নয়।

(৮) স্কয়ার ইনফরমেটিক্স লিঃ

প্রতিটি ১০০ টাকা মূল্যমানের ১০,০০,০০০ সাধারণ শেয়ারের বিপরীতে শেয়ার মানি ডিপোজিট হিসাবে ১০.০০ কোটি টাকা অগ্রিম প্রদান করা হয়েছে, যা পি.এস.টি.এন প্রকল্পে বিনিয়োগ করা হয়েছে। এই কোম্পানীর বর্তমান পরিশোধিত মূলধন হচ্ছে ২৫,০০,০০০ টাকা।

(৯) বেগ রাবার ইন্ডাস্ট্রিজ লিঃ

এই কোম্পানীর মোট ৩,০০০ শেয়ারের মধ্যে স্কয়ার ফার্মাসিউটিক্যালস্ লিঃ ২,৫৯৬ টি শেয়ারের মালিক। ৩,০০০টি শেয়ারের ক্রয় মূল্য ১৫০,০০০,০০০ টাকা। কোম্পানীটি ৩৫৫-৩৫৬, তেজগাঁ শিল্প এলাকা, ঢাকাতে ১.৯০৭২ একর নিজস্ব জমির মালিক।

(১১) বিক্রয়যোগ্য শেয়ারে বিনিয়োগঃ

পাইওনিয়ার ইনসিওরেন্স কোঃ লিঃ

পাইওনিয়ার ইনসিওরেন্স কোঃ লিঃ এর প্রতিটি ১০০ টাকা মূল্যমানের শেয়ার ১৩৫ টাকা হিসেবে স্কয়ার ফার্মাসিউটিক্যালস্ লিঃ ১৫০,০০০ সাধারণ শেয়ারে (প্রিমিয়াম ৩৫ টাকা) বিনিয়োগ করেছে, যা পাইওনিয়ার ইনসিওরেন্স কোঃ লিঃ এর মূলধনের ১০%। কোম্পানী ২০০৪ সালে ১৩% লভ্যাংশ ঘোষণা করেছে। শেয়ারগুলো তালিকাভুক্ত এবং প্রতিটি ১০০ টাকার শেয়ার ২৫০ টাকার উপরে কেনা বেচা হচ্ছে যা শতকরা ৮৫ ভাগ ক্যাপিটাল গেইন দেখা যাচ্ছে।

(১২) আর্থিক ফলাফলঃ

পূর্ববর্তী বছরের সাথে তুলনা করে ২০০৪-২০০৫ সালের আর্থিক ফলাফল নিম্নে উপস্থাপন করা হলোঃ

(টাকা)

বিবরণ	২০০৩-২০০৪	২০০৪-২০০৫	শতকরা + (-)
মোট বিক্রয়	৫,৪৮২,০৮৭,৯২০	৬,১৯৯,১৩৪,৮০২	১৩.০৮%
নীট বিক্রয়	৪,৭২১,৫৫১,৭৪২	৫,৩৩২,০৪৬,৬৩৫	১২.৯৩%
মোট মুনাফা	১,৯০৬,৫৯২,০১৩	২,১৭২,৫৯২,৯২৯	১৩.৯৫%
নীট মুনাফা (কর পূর্ব)	১,১৫১,৬৩৬,৩১৪	১,৫১৩,০১৮,৫৯৯	৩১.৩৮%
আয়কর সঞ্চিতি	১৮১,৫৯২,৭৭১	২৫৭,১৭০,৪৪৬	৪১.৬২%
নীট মুনাফা (করের পর)	৯৭০,০৪৩,৫৪৩	১,২৫৫,৮৪৮,১৫৩	২৯.৪৬%
মোট আয়ের হার	৪০.৩৮%	৪০.৭৫%	-
নীট আয়ের হার (কর পূর্ব)	২৪.৩৯%	২৮.৩৮%	-
নীট আয়ের হার (করের পর)	২০.৫৫%	২৩.৫৫%	-
প্রতিটি শেয়ারের আয় (টাকা)	২২৪.৫৫	২৯০.৭১	-
প্রতিটি শেয়ারের আয় (আইপিও পরিশোধিত মূলধন অনুসারে)	৪৮৫.০২	৬২৭.৯২	-
একত্রিকৃত প্রতিটি শেয়ারের আয় (টাকা)	২৩৩.২৯	৩০৩.৫৫	-

আলোচ্য বছরে লক্ষ্যণীয় বিষয় হচ্ছে যে, মোট বিক্রয় বৃদ্ধি পেয়েছে ১৩.০৮ শতাংশ যা গত বছরে ছিল ১৫.৯১ শতাংশ। বিক্রিত পণ্যের ব্যয় এবং ব্যবহৃত কাঁচা মালের দাম গত বছরের তুলনায় যথাক্রমে ৫১.৩৫ শতাংশ থেকে ৫০.৯৭ শতাংশে হ্রাস পাওয়ার পাশাপাশি প্যাকেটজাতকরণ মালামালের এবং কারখানার খরচ তুলনামূলক কম হওয়ায় মোট মুনাফা বৃদ্ধি পেয়েছে। যদিও পরিচালনা এবং আর্থিক ব্যয় গত বছরের তুলনায় কিছুটা বৃদ্ধি পেয়েছে তদুপরি নীট মুনাফা বৃদ্ধি পেয়েছে, বিক্রয়যোগ্য শেয়ার বিক্রির মাধ্যমে লাভ, লভ্যাংশ প্রাপ্তি এবং বর্ধিত হারে সুদ আয়ের কারণে।

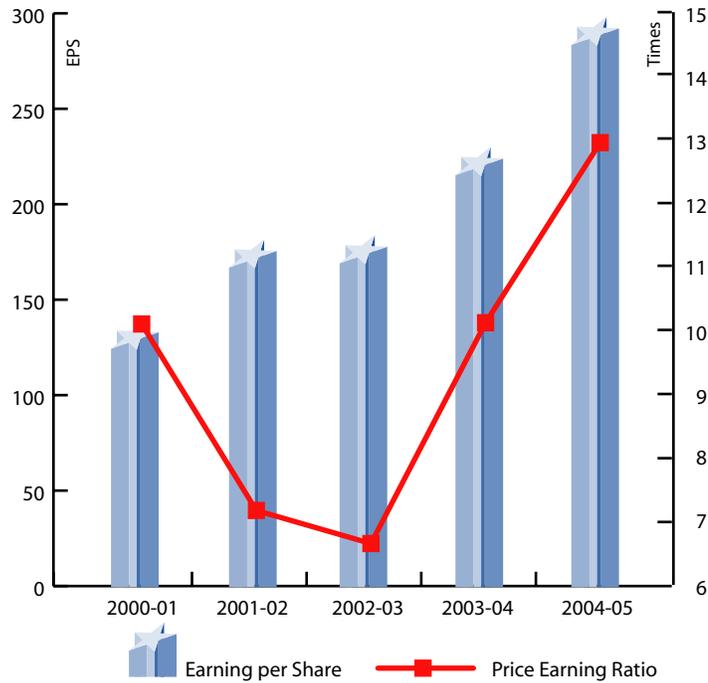
প্রতিটি ১০০ টাকা মূল্যমানের ৪,৩২০,০০০ টি শেয়ারের উপর ভিত্তি করে শেয়ার প্রতি আয় হয়েছে ২৯০.৭১ টাকা। তবে, আই.পি.ও সময়ে ইস্যুকৃত মূলধনের বিবেচনায় এই শেয়ার প্রতি আয় দাঁড়ায় ২০০২-০৩ সালে ৩৮২.৪৪ টাকা, ২০০৩-০৪ সালে ৪৮৫.০২ টাকা এবং ২০০৪-০৫ সালে ৬২৭.৯২ টাকা।



(১৩) মুনাফা বন্টন :

ব্যবসার সম্প্রসারণ ও বহুমুখী কার্যক্রমের জন্য বাহিরের তহবিলের ব্যয় বেড়ে যাওয়ার প্রেক্ষাপটে পরিচালনা পর্ষদ নিম্নোক্ত উপায়ে মুনাফা বন্টনের সুপারিশ করেছেন :

(ক) পূর্ববর্তী বছরের অবন্টনকৃত মুনাফা	১,২৩৫,০৬৭,৫৯৭
(খ) এ বছরের মুনাফা (২০০৪-২০০৫)	১,২৫৫,৮৪৮,১৫৩
(গ) বন্টনযোগ্য মোট তহবিল	২,৪৯০,৯১৫,৭৫০
(ঘ) প্রস্তাবিত বন্টনঃ	
▶ কর অবকাশ সঞ্চিতি	৬৫,৯০৫,০৮২
▶ নগদ লভ্যাংশঃ শেয়ার প্রতি ৭৭ টাকা হারে	৩৩২,৬৪০,০০০
▶ বোনাস শেয়ার (স্টক ডিভিডেন্ট)ঃ ১৫% হারে	
▶ বোনাস শেয়ারের লিখিত মূল্য	৬৪,৮০০,০০০
(ঙ) নীট অবন্টনকৃত মুনাফা (টাকা)	৪৬৩,৩৪৫,০৮২
	<u>২,০২৭,৫৭০,৬৬৮</u>





পরিচালনা পর্ষদের প্রতিবেদন

(১৪) লভ্যাংশ ঘোষণাঃ

মুনাফা বন্টনের প্রস্তাব অনুযায়ী কোম্পানীর পরিচালনা পর্ষদ ২০০৪-০৫ আর্থিক বছরে ১০০ টাকা মূল্যমানের প্রতিটি শেয়ারের বিপরীতে ৭৭ টাকা হিসেবে নগদ লভ্যাংশ ঘোষণার সুপারিশ করেছেন যার জন্য ৩৩২.৬৪ মিলিয়ন টাকার প্রয়োজন হবে। এ ছাড়াও পরিচালনা পর্ষদ ১৫% বোনাস শেয়ার ঘোষণার সুপারিশ করেছেন। এর জন্য ৬৪৮,০০০ টি শেয়ার ইস্যু এবং ৬৪,৮০০,০০০ টাকা শেয়ার মূলধনের সাথে সম্পূর্ণ করার প্রয়োজন হবে।

(১৫) শেয়ারহোল্ডারবৃন্দের সুফল/লাভঃ

১৯৯৪-৯৫ সালে আইপিও/স্টক একচেঞ্জ এ তালিকাভুক্তির পর থেকে যারা কোম্পানীর ১০০ টাকা মূল্যমানের শেয়ার ৯০০ টাকায় ১০০টি শেয়ারে বিনিয়োগ করেছেন তাদের পর্যায়ক্রমিক বিনিয়োগ সুফল/লাভ নিম্নে প্রদত্ত হলোঃ

ক্রমিক নং	হিসাব বর্ষ	নগদ লভ্যাংশের হার	বোনাস শেয়ার ইস্যু	নগদ লভ্যাংশ বিতরণ	বর্তমান মূল্যের উপর ১২.৫০% ছাড়	
					বছর	পরিমাণ
১	১৯৯৪-৯৫	৩২.০০	-	৩,২০০	১০	১০,৩৯২
২	১৯৯৫-৯৬	৩২.৫০	২৫	৪,০৬২	৯	১১,৭২৫
৩	১৯৯৬-৯৭	৩৫.০০	-	৪,৩৭৫	৮	১১,২২৫
৪	১৯৯৭-৯৮	৪৫.০০	-	৫,৬২৫	৭	১২,৮২৮
৫	১৯৯৮-৯৯	৫৫.০০	-	৬,৮৭৫	৬	১৩,৯৩৭
৬	১৯৯৯-০০	৬৫.০০	-	৮,১২৫	৫	১৪,৬৪১
৭	২০০০-০১	৭০.০০	-	৮,৭৫০	৪	১৪,০১৫
৮	২০০১-০২	৭৫.০০	২৫	৯,৩৭৫	৩	১৩,৩৪৮
৯	২০০২-০৩	৭০.০০	৩০	১০,৫০০	২	১৩,২৮৯
১০	২০০৩-০৪	৭০.০০	৩৬	১২,৬০০	১	১৪,১৭৫
১১	২০০৪-০৫	৭৭.০০	৩২.৪০	১৬,৬৩২	০	১৬,৬৩২
	মোট		১৪৮.৪০	৯০,১১৯		১৪৬,২০৭

	ডিসকাউন্টিং ছাড়া	ডিসকাউন্টেড ১২.৫% হারে
৩,৫৬৬ টাকা হিসাবে ১৪৮.৪০ টি বোনাস শেয়ারের বর্তমান মূল্য	৫২৯,১৯৪	৫২৯,১৯৪
লভ্যাংশ বিতরণ	৯০,১১৯	১৪৬,২০৭
স্কার টেক্সটাইলস্ লিঃ এর ৩০২.৫০ টি শেয়ার ৭৭ টাকা হিসাবে বর্তমান মূল্য	২৩,২৯৩	২৩,২৯৩
স্কার টেক্সটাইলস্ লিঃ এর লভ্যাংশ	৩,১২৫	৩,৭৫৭
স্কার ফার্মাসিউটিক্যালস লিঃ এর ১০০টি শেয়ার হতে ক্যাপিটাল গেইন (৩,৫৬৬-৯০০)	২৬৬,৬০০	২৬৬,৬০০
মোট (টাকা)	৯১২,৩৩১	৯৬৯,০৫১



(১৬) হিসাবের একত্রীকরণ :

এসইসি এর বিধিমালা ও ইন্টারন্যাশনাল একাউন্টিং স্ট্যান্ডার্ড (আইএএস-২৭) এর নিয়মাবলী অনুসরণ করে শেয়ারহোল্ডারবৃন্দের মোট সুবিধা/বিনিয়োগ মূল্য নির্ধারণ করা হয়েছে।

৪. মানব সম্পদ উন্নয়ন :

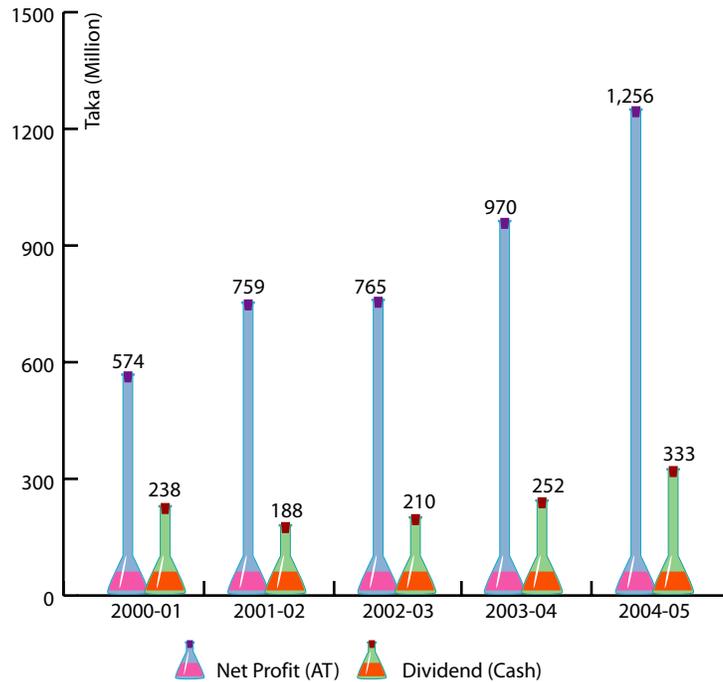
মানব সম্পদ উন্নয়নের জন্য কোম্পানী প্রতিটি স্তরের নির্বাহী ও শ্রমিক কর্মচারীদের আনুষ্ঠানিক ও অনানুষ্ঠানিক প্রশিক্ষণ দিয়ে যাচ্ছে। এ বছর ১,৫০৩ জন দেশে এবং বিদেশে প্রশিক্ষণ পেয়েছে। ফলে প্রশিক্ষণ প্রাপ্তরা কোম্পানীকে লাভজনক অবস্থায় রাখতে অবদান রেখেছে। সাথে সাথে তাদের পারিশ্রমিকও বৃদ্ধি পেয়েছে।

৫. পরিবেশগত ভূমিকা :

জিএমপি/ডিবিউএইচও স্ট্যান্ডার্ডস ও সরকারী নিয়মাবলী অনুযায়ী কোম্পানী সর্বোচ্চ দূষণমুক্ত পরিবেশ বজায় রেখেছে।

৬. জাতীয় কোষাগারে অবদান :

জাতীয় কোষাগারে কোম্পানীর এ বছরের অবদান ১,২৩৩,৪৩৮,৩৩৯ টাকা (যন্ত্রপাতি ও খুচরা যন্ত্রাংশ আমদানী ১৪,৫৭১,১৭৪ টাকা সহ) যা গত বছর ছিল ১,১০২,৬১৭,৫৪২ টাকা। এ টাকা গত বছরের তুলনায় ১১.৮৬% বেশী। এই অবদান ২০০৪-২০০৫ সালের বিক্রয়ের ২৩.১৩% যা গত বছর ছিল ২৩,৩৫% (২০০৩-২০০৪)।





পরিচালনা পর্ষদের প্রতিবেদন

৭. পরিচালক নির্বাচন :

সংঘ বিধির ৯৯ ও ১০০ অনুচ্ছেদ অনুযায়ী কোম্পানীর পরিচালক জনাব স্যামুয়েল এস. চৌধুরী এবং জনাব অঞ্জন চৌধুরী অবসর গ্রহণ করেছেন এবং তাঁরা পুনঃ নির্বাচিত হওয়ার যোগ্য বিধায় পুনঃ নির্বাচিত হওয়ার ইচ্ছা প্রকাশ করেছেন।

৮. ব্যবস্থাপনা পরিচালক পূর্ণ: নির্বাচন :

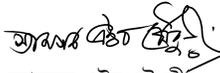
ব্যবস্থাপনা পরিচালক জনাব তপন চৌধুরীর মেয়াদ আগামী ৬ই অক্টোবর, ২০০৫ তারিখে শেষ হবে। পরিচালনা পর্ষদ জনাব তপন চৌধুরীকে পুনরায় পরবর্তী ৫ বছরের জন্য ব্যবস্থাপনা পরিচালক হিসাবে আগামী ৭ই অক্টোবর, ২০০৫ তারিখ থেকে নিয়োগ দানের প্রস্তাব করেছেন।

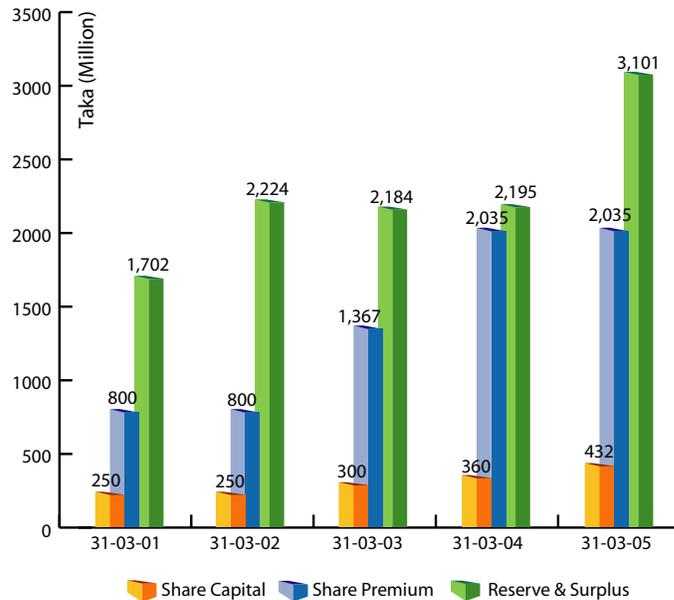
৯. নিরীক্ষক নিয়োগ :

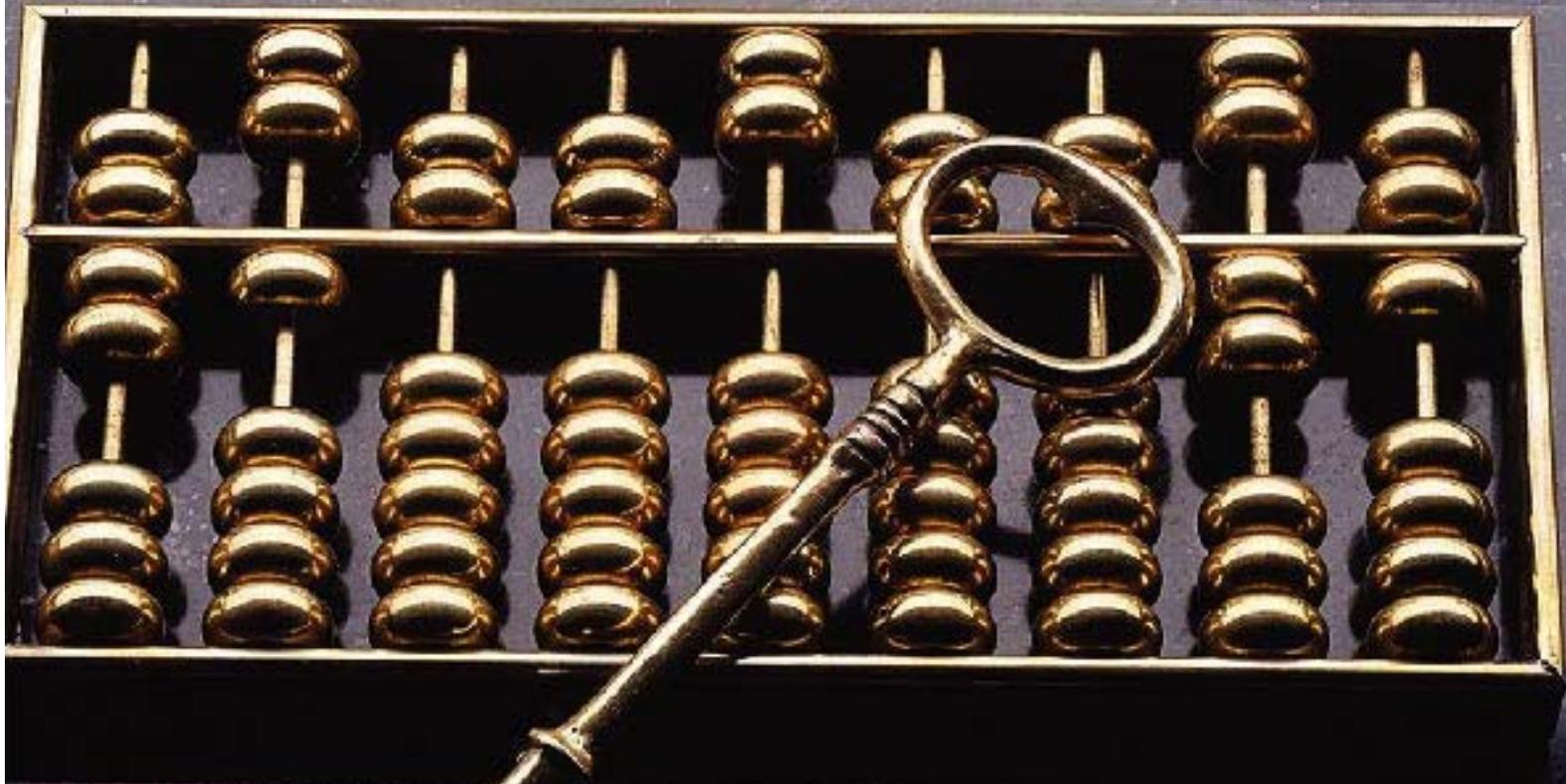
কোম্পানীর বর্তমান নিরীক্ষক মেসার্স চৌধুরী অট্টোচার্য এন্ড কোং, চার্টার্ড একাউন্ট্যান্টস্ অত্র সভায় অবসর গ্রহণ করেছেন এবং যোগ্য বিধায় ২০০৫-২০০৬ সালের জন্য নিরীক্ষক হিসেবে তাদের পারিশ্রমিক পুনঃ নির্ধারণ করে নিয়োগের ইচ্ছা প্রকাশ করেছে।

১০. ব্যবস্থাপনা কর্তৃপক্ষের স্বীকৃতি :

পরিচালনা পর্ষদ ব্যবসায়িক কার্যক্রমে আন্তরিকভাবে অবদান রাখার জন্য ব্যবস্থাপনা কর্মকর্তা, কর্মচারী, শ্রমিক, ক্রেতা সবাইকে আন্তরিক ধন্যবাদ জ্ঞাপন করেছেন। তা ছাড়াও ব্যাংক, এসইসি, ডিএসই, সিএসই, সিডিবিএল এবং বিশেষ ভাবে সরকারকে কোম্পানীর প্রতিটি কার্যক্রমে সহযোগিতার জন্য আন্তরিক ধন্যবাদ জানাচ্ছেন। পরিচালনা পর্ষদ আশা করে যে, এই কোম্পানী দেশের সীমানা ছাড়িয়ে বিদেশের মাটিতেও কার্যকর ভূমিকা রাখবে।


স্যামসন এইচ চৌধুরী
চেয়ারম্যান







Financial Report



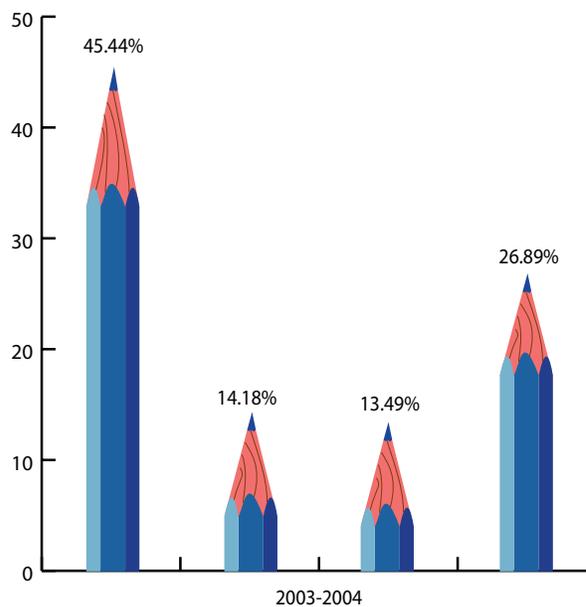
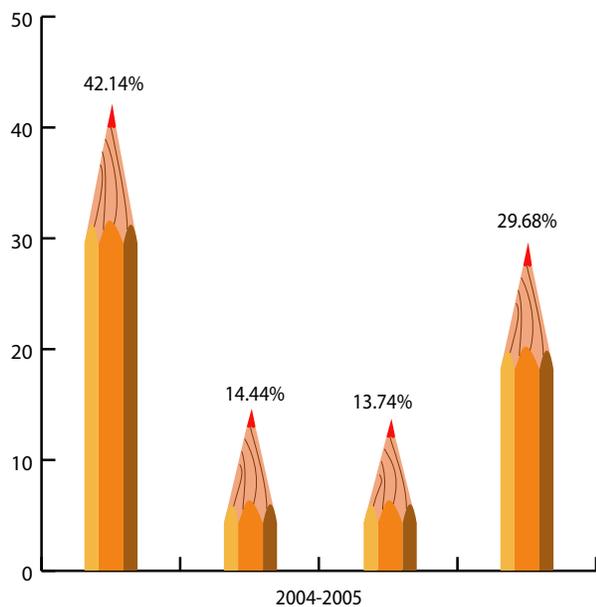
SQUARE PHARMACEUTICALS LTD.

VALUE ADDED STATEMENT

for the year ended 31 March 2005

(Figures in thousand Taka)

	2004-2005		2003-2004	
	Amount	%	Amount	%
Turnover (Gross)	6,199,135		5,482,088	
Less: Purchase of Materials & Services	3,306,691		3,079,854	
Value Added	2,892,444	100.00	2,402,234	100.00
Applications:				
National Exchequer	1,218,867	42.14	1,091,633	45.44
Employees Salaries, Wages & Other Benefits	417,729	14.44	340,557	14.18
Shareholders Dividend	397,440	13.74	324,000	13.49
Reserve & Surplus	858,408	29.68	646,044	26.89
	2,892,444	100.00	2,402,234	100.00





AUDITORS' REPORT

TO THE SHAREHOLDERS OF
SQUARE PHARMACEUTICALS LTD.

We have audited the accompanying Financial Statement of Square Pharmaceuticals Limited comprising Balance Sheet as at 31 March, 2005 and the related Income Statement, Statement of Changes in Equity, Cash Flow Statement together with related Notes and Schedules thereto for the year then ended. The preparation of these financial statements are the responsibility of the company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

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

In our opinion, the financial statement, prepared in accordance with the International Accounting Standards (IAS) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Accounting Standards (BAS), give a true and fair view of the state of affairs of the company and its subsidiary as at 31 March, 2005 and of the results of its operations and its cash flow for the year then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) in our opinion, the company management has followed relevant provisions of laws and rules in managing the affairs of the company and proper books of accounts, records and other statutory books have been maintained so far as it appeared from our examination of those books;
- (c) the Company's Balance Sheet and Income Statement dealt with by the report are in agreement with the books of account;
- (d) the expenditure incurred and payments were for the purpose of the company's business.

Dated, Dhaka
25 July, 2005

B.K. Bhattacharjee, FCA
Partner
Chowdhury Bhattacharjee & Co.
Chartered Accountants

SQUARE PHARMACEUTICALS LTD.

BALANCE SHEET

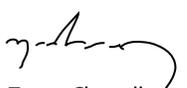
as at 31 March 2005

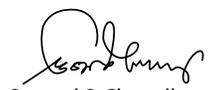
		31-03-05	31-03-04
NET ASSETS:			
	Notes		
Fixed Assets - At cost less depreciation	2	2,317,358,471	2,237,138,891
Capital Work-in-Progress	3	687,238,515	402,266,589
Investment - Long Term (at Cost)	4	1,660,833,364	1,221,900,000
		3,242,502,312	2,016,056,187
Current Assets:			
Stocks	5	1,144,912,356	795,856,209
Trade Debtors	6	267,527,741	225,115,010
Advances, Deposits and Prepayments	7	146,042,777	107,177,611
Investment in Marketable Securities (at Cost)	8	20,250,000	20,250,000
Short Term Loan	9	1,281,695,105	815,577,152
Cash and Bank Balances	10	382,074,333	52,080,205
		1,949,949,426	1,250,675,506
Less: Current Liabilities:			
Short Term Bank Loans	11	1,370,262,208	896,145,336
Long Term Loans - Current Portion	12	142,875,686	55,921,187
Trade Creditors	13	83,848,465	52,646,198
Liabilities for Expenses	14	102,395,447	16,928,468
Liabilities for Other Finance	15	250,567,620	229,034,317
Net Current Assets		1,292,552,886	765,380,681
	Tk.	5,957,983,236	4,626,686,161
FINANCED BY:			
Long Term Loans - Secured	17	389,193,080	36,544,158
SHAREHOLDERS' EQUITY:			
Share Capital	19	432,000,000	360,000,000
Share Premium	20	2,035,465,000	2,035,465,000
General Reserve		105,878,200	105,878,200
Tax Holiday Reserve	21	919,636,288	853,731,206
Retained Earnings - As per Statement of Changes in Equity		2,075,810,668	1,235,067,597
	Tk.	5,957,983,236	4,626,686,161

Attached notes form part of these Financial Statements.

These Financial Statements were approved and authorised by the Board of Directors on the 16 July, 2005 and signed on their behalf by :

As per our annexed report of even date.


Tapan Chowdhury
Managing Director


Samuel S. Chowdhury
Director


Md. Kabir Reza, FCMA
Company Secretary


B.K. Bhattacharjee, FCA
Partner
Chowdhury Bhattacharjee & Co.
Chartered Accountants

Dated, Dhaka: 25 July 2005



SQUARE PHARMACEUTICALS LTD.

INCOME STATEMENT

for the year ended 31 March 2005

		2004-2005	2003-2004
	Notes		
GROSS TURNOVER	22	6,199,134,802	5,482,087,920
Less: Value Added Tax		867,088,167	760,536,178
NET TURNOVER		5,332,046,635	4,721,551,742
COST OF GOODS SOLD	23	(3,159,453,706)	(2,814,959,729)
GROSS PROFIT		2,172,592,929	1,906,592,013
Operating & Financial Expenses	27	(941,318,581)	(786,053,506)
Other Income	31	357,395,181	88,679,623
NET PROFIT BEFORE WPPF		1,588,669,529	1,209,218,130
Allocation for WPPF	32	(75,650,930)	(57,581,816)
NET PROFIT BEFORE TAX		1,513,018,599	1,151,636,314
Provision for Income Tax	33	(257,170,446)	(181,592,771)
NET PROFIT AFTER TAX		1,255,848,153	970,043,543
(Transferred to the Statement of Changes in Equity)		Tk.	
Earnings Per Share (EPS)	36	Tk.	Tk.
		290.71	224.55

Attached notes form part of these Financial Statements.

These Financial Statements were approved and authorised by the Board of Directors on the 16 July, 2005 and signed on their behalf by :


Tapan Chowdhury
Managing Director


Samuel S. Chowdhury
Director


Md. Kabir Reza, FCMA
Company Secretary

As per our annexed report of even date.


B.K. Bhattacharjee, FCA
Partner
Chowdhury Bhattacharjee & Co.
Chartered Accountants

Dated, Dhaka: 25 July 2005



SQUARE PHARMACEUTICALS LTD.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2005

	Share Capital	Share Premium	General Reserve	Tax Holiday Reserve	Retained Earnings	Total
At 31 March 2004	360,000,000	2,035,465,000	105,878,200	853,731,206	1,235,067,597	4,590,142,003
Net Profit (2004-2005)	-	-	-	-	1,255,848,153	1,255,848,153
Transfer to Tax Holiday Reserve	-	-	-	65,905,082	(65,905,082)	-
Cash Dividend (2003-2004)	-	-	-	-	(252,000,000)	(252,000,000)
Stock Dividend (2003-2004)	72,000,000	-	-	-	(72,000,000)	-
Dividend Distribution Tax	-	-	-	-	(25,200,000)	(25,200,000)
At 31 March 2005 Tk.	432,000,000	2,035,465,000	105,878,200	919,636,288	2,075,810,668	5,568,790,156

STATEMENT OF CHANGES IN EQUITY

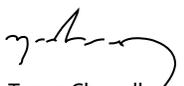
for the year ended 31 March 2004

	Share Capital	Share Premium	General Reserve	Tax Holiday Reserve	Retained Earnings	Total
At 31 March 2003	300,000,000	1,367,245,000	105,878,200	660,673,130	1,417,302,130	3,851,098,460
Net Profit (2003-2004)	-	-	-	-	970,043,543	970,043,543
Transfer to Tax Holiday Reserve	-	-	-	193,058,076	(193,058,076)	-
Cash Dividend (2002-2003)	-	-	-	-	(210,000,000)	(210,000,000)
Stock Dividend (2002-2003)	60,000,000	668,220,000	-	-	(728,220,000)	-
Dividend Distribution Tax	-	-	-	-	(21,000,000)	(21,000,000)
At 31 March 2004 Tk.	360,000,000	2,035,465,000	105,878,200	853,731,206	1,235,067,597	4,590,142,003

Attached notes form part of these Financial Statements.

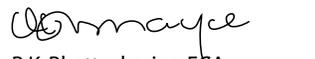
These Financial Statements were approved and authorised by the Board of Directors on the 16 July, 2005 and signed on their behalf by :

As per our annexed report of even date.


Tapan Chowdhury
Managing Director


Samuel S. Chowdhury
Director


Md. Kabir Reza, FCMA
Company Secretary


B.K. Bhattacharjee, FCA
Partner
Chowdhury Bhattacharjee & Co.
Chartered Accountants

Dated, Dhaka: 25 July 2005



SQUARE PHARMACEUTICALS LTD.

CASH FLOW STATEMENT

for the year ended 31 March 2005

	2004-2005	2003-2004
Cash Flows From Operating Activities:		
RECEIPTS:		
Collection from Sales	5,270,874,301	4,636,514,957
Others	8,055,418	3,819,687
	5,278,929,719	4,640,334,644
PAYMENTS:		
Purchase of Raw and Packing Materials	2,865,707,319	2,306,769,352
Manufacturing and Operating Expenses	1,107,779,843	908,233,758
Bank Interest	106,451,324	108,673,997
Income Tax	218,317,027	150,471,546
Workers Profit Participation Fund	60,369,785	51,715,671
Others	1,972,994	1,117,807
	4,360,598,292	3,526,982,131
Net cash provided by operating activities	918,331,427	1,113,352,513
Cash Flows From Investing Activities:		
Purchase of Fixed Assets	(231,031,794)	(149,347,275)
Disposal of Fixed Assets	4,047,289	6,420,759
Investment in Central Depository Bangladesh Ltd.	-	(4,000,000)
Investment in Square Hospitals Ltd.	(243,550,000)	(170,700,000)
Investment in Square Informatix Ltd.	(100,000,000)	-
Investment in Beg Rubber Industries Ltd.	(131,747,000)	-
Investment in Square Spinnings Ltd.	-	150,000,000
Capital Work-in-Progress	(435,867,058)	(244,625,414)
Interest Received	100,567,310	40,351,347
Sale of Marketable Securities	242,656,464	-
Dividend Received	41,300,150	36,785,756
Net cash used in investing activities	(753,624,639)	(335,114,827)
Cash Flows From Financing Activities:		
Long Term Loan Received	474,055,792	79,036,484
Long Term Loan Repaid	(39,567,371)	(152,540,589)
Short Term Bank Loan Increase /(Decrease)	474,116,872	(22,548,197)
Short Term Loan Increase	(466,117,953)	(429,242,338)
Dividend Paid	(252,000,000)	(210,000,000)
Dividend Distribution Tax	(25,200,000)	(21,000,000)
Net cash provided by financing activities	165,287,340	(756,294,640)
Increase in Cash and Bank Balances	329,994,128	21,943,046
Cash and Bank Balances at Opening	52,080,205	30,137,159
Cash and Bank Balances at Closing	Tk. 382,074,333	52,080,205

Attached notes form part of these Financial Statements.

These Financial Statements were approved and authorised by the Board of Directors on the 16 July, 2005 and signed on their behalf by :

As per our annexed report of even date.


Tapan Chowdhury
Managing Director


Samuel S. Chowdhury
Director


Md. Kabir Reza, FCMA
Company Secretary


B.K. Bhattacharjee, FCA
Partner
Chowdhury Bhattacharjee & Co.
Chartered Accountants

Dated, Dhaka: 25 July 2005

SQUARE PHARMACEUTICALS LTD.
AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

as at 31 March 2005

		31-03-05	31-03-04
NET ASSETS:			
Fixed Assets - At cost less depreciation	2.1	3,062,620,493	2,803,954,093
Capital Work-in-Progress	3	687,238,515	402,266,589
Investment - Long Term (at Cost)	4.1	142,000,000	42,000,000
Investment - Associates Undertaking	4.2	1,536,252,380	1,366,035,238
		3,537,099,059	2,226,934,087
Current Assets:			
Stocks	5.1	1,340,212,173	936,532,523
Trade Debtors	6.1	643,407,683	541,243,852
Advances, Deposits and Prepayments	7.1	158,418,668	119,677,603
Investment in Marketable Securities (at Cost)	8	20,250,000	20,250,000
Short Term Loan	9.1	971,598,876	554,378,421
Cash and Bank Balances	10.1	403,211,659	54,851,688
		2,374,331,277	1,659,486,278
Less: Current Liabilities :			
Short Term Bank Loans	11.1	1,564,847,537	1,245,993,748
Long Term Loans - Current Portion	12	142,875,686	55,921,187
Trade Creditors	13.1	284,559,469	71,627,753
Liabilities for Expenses	14.1	123,021,706	49,549,686
Liabilities for Other Finance	15.1	259,026,879	236,393,904
		1,162,767,782	567,447,809
	Tk.	6,590,879,170	5,181,703,729
FINANCED BY :			
Long Term Loans - Secured	17	389,193,080	36,544,158
Minority Interest	18	29,766,940	7,377,648
		6,171,919,150	5,137,781,923
SHAREHOLDERS' EQUITY :			
Share Capital	19	432,000,000	360,000,000
Share Premium	20	2,035,465,000	2,035,465,000
General Reserve		105,878,200	105,878,200
Tax Holiday Reserve	21.1	1,208,110,872	1,104,467,955
Retained Earnings - As per Statement of Changes in Equity		2,390,465,078	1,531,970,768
	Tk.	6,590,879,170	5,181,703,729

Attached notes form part of these Financial Statements.

These Financial Statements were approved and authorised by the Board of Directors on the 16 July, 2005 and signed on their behalf by :

As per our annexed report of even date.


Tapan Chowdhury
Managing Director


Samuel S. Chowdhury
Director


Md. Kabir Reza, FCMA
Company Secretary


B.K. Bhattacharjee, FCA
Partner
Chowdhury Bhattacharjee & Co.
Chartered Accountants

Dated, Dhaka: 25 July 2005



**SQUARE PHARMACEUTICALS LTD.
AND ITS SUBSIDIARIES**

CONSOLIDATED INCOME STATEMENT

for the year ended 31 March 2005

		2004-2005	2003-2004
	Notes		
GROSS TURNOVER	22.1	7,236,322,694	6,469,012,388
Less: Value Added Tax		867,088,167	760,536,178
NET TURNOVER		6,369,234,527	5,708,476,210
COST OF GOODS SOLD	23.1	(4,039,823,510)	(3,599,220,594)
GROSS PROFIT		2,329,411,017	2,109,255,616
Operating & Financial Expenses	27.1	(970,759,610)	(859,519,701)
Other Income	31.1	291,579,789	29,754,144
NET PROFIT BEFORE WPPF		1,650,231,196	1,279,490,059
Allocation for WPPF	32.1	(80,368,159)	(62,832,860)
NET PROFIT BEFORE TAX		1,569,863,037	1,216,657,199
Provision for Income Tax	33	(257,170,446)	(181,592,771)
NET PROFIT AFTER TAX		1,312,692,591	1,035,064,428
Profit/(Loss) from Associates Undertaking	34	530,928	(25,146,617)
Minority Interest		(1,886,292)	(2,100,418)
Balance transferred to the Statement of Changes in Equity	Tk.	1,311,337,227	1,007,817,393
Earnings Per Share (EPS)	Tk.	303.55	233.29

Attached notes form part of these Financial Statements.

These Financial Statements were approved and authorised by the Board of Directors on the 16 July, 2005 and signed on their behalf by :

As per our annexed report of even date.


Tapan Chowdhury
Managing Director


Samuel S. Chowdhury
Director


Md. Kabir Reza, FCMA
Company Secretary


B.K. Bhattacharjee, FCA
Partner
Chowdhury Bhattacharjee & Co.
Chartered Accountants

Dated, Dhaka: 25 July 2005

SQUARE PHARMACEUTICALS LTD.
AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2005

	Share Capital	Share Premium	General Reserve	Tax Holiday Reserve	Retained Earnings	Total
At 31 March 2004	360,000,000	2,035,465,000	105,878,200	1,104,467,955	1,531,970,768	5,137,781,923
Net Profit (2004-2005)	-	-	-	-	1,311,337,227	1,311,337,227
Transfer to Tax Holiday Reserve	-	-	-	103,642,917	(103,642,917)	-
Cash Dividend (2003-2004)	-	-	-	-	(252,000,000)	(252,000,000)
Stock Dividend (2003-2004)	72,000,000	-	-	-	(72,000,000)	-
Dividend Distribution Tax	-	-	-	-	(25,200,000)	(25,200,000)
At 31 March 2005	Tk. 432,000,000	2,035,465,000	105,878,200	1,208,110,872	2,390,465,078	6,171,919,150

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2004

	Share Capital	Share Premium	General Reserve	Tax Holiday Reserve	Retained Earnings	Total
At 31 March 2003	300,000,000	1,367,245,000	105,878,200	869,401,526	1,718,439,804	4,360,964,530
Net Profit (2003-2004)	-	-	-	-	1,007,817,393	1,007,817,393
Transfer to Tax Holiday Reserve	-	-	-	235,066,429	(235,066,429)	-
Cash Dividend (2002-2003)	-	-	-	-	(210,000,000)	(210,000,000)
Stock Dividend (2002-2003)	60,000,000	668,220,000	-	-	(728,220,000)	-
Dividend Distribution Tax	-	-	-	-	(21,000,000)	(21,000,000)
At 31 March 2004	Tk. 360,000,000	2,035,465,000	105,878,200	1,104,467,955	1,531,970,768	5,137,781,923

Attached notes form part of these Financial Statements.

These Financial Statements were approved and authorised by the Board of Directors on the 16 July, 2005 and signed on their behalf by :

As per our annexed report of even date.


Tapan Chowdhury
Managing Director


Samuel S. Chowdhury
Director


Md. Kabir Reza, FCMA
Company Secretary


B.K. Bhattacharjee, FCA
Partner
Chowdhury Bhattacharjee & Co.
Chartered Accountants

Dated, Dhaka: 25 July 2005



**SQUARE PHARMACEUTICALS LTD.
AND ITS SUBSIDIARIES**

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2005

	2004-2005	2003-2004
Cash Flows From Operating Activities:		
RECEIPTS:		
Collection from Sales	6,248,311,093	5,585,946,662
Others	8,063,738	3,835,601
	6,256,374,831	5,589,782,263
PAYMENTS:		
Purchase of Raw and Packing Materials	3,459,222,520	2,853,503,434
Manufacturing and Operating Expenses	1,236,751,093	955,938,728
Bank Interest	124,660,954	166,574,008
Income Tax	218,757,274	150,940,430
Workers Profit Participation Fund	63,654,473	54,299,689
Others	1,972,994	1,117,807
	5,105,019,308	4,182,374,096
Net cash provided by operating activities	1,151,355,523	1,407,408,167
Cash Flows From Investing Activities:		
Purchase of Fixed Assets	(310,910,604)	(180,516,513)
Disposal of Fixed Assets	4,047,289	6,420,759
Investment in Square Textiles Ltd.	37,500,150	33,995,896
Investment in Central Depository Bangladesh Ltd.	-	(4,000,000)
Investment in Square Hospitals Ltd.	(243,550,000)	(170,700,000)
Investment in Square Informatix Ltd.	(100,000,000)	-
Acquisition of Subsidiary	(131,837,296)	-
Capital Work-in-Progress	(435,867,058)	(244,625,414)
Interest Received	72,243,748	21,409,954
Sale of Marketable Securities	242,656,464	-
Dividend Received	3,800,000	2,789,860
Net cash used in investing activities	(861,917,307)	(535,225,458)
Cash Flows From Financing Activities:		
Long Term Loan Received	474,055,792	79,036,484
Long Term Loan Repaid	(39,567,371)	(276,147,642)
Short Term Loan Increase	(417,220,455)	(282,142,707)
Short Term Bank Loan Increase/(Decrease)	318,853,789	(138,017,404)
Dividend Paid	(252,000,000)	(210,000,000)
Dividend Distribution Tax	(25,200,000)	(21,000,000)
Net cash provided by financing activities	58,921,755	(848,271,269)
Increase in Cash and Bank Balances	348,359,971	23,911,440
Cash and Bank Balances at Opening	54,851,688	30,940,248
Cash and Bank Balances at Closing	Tk. 403,211,659	54,851,688

Attached notes form part of these Financial Statements.

These Financial Statements were approved and authorised by the Board of Directors on the 16 July, 2005 and signed on their behalf by :

As per our annexed report of even date.


Tapan Chowdhury
Managing Director


Samuel S. Chowdhury
Director


Md. Kabir Reza, FCMA
Company Secretary


B.K. Bhattacharjee, FCA
Partner
Chowdhury Bhattacharjee & Co.
Chartered Accountants

Dated, Dhaka: 25 July 2005



SQUARE PHARMACEUTICALS LTD.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2005

1. SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION

(a) Legal Form of the Enterprise:

Square Pharmaceuticals Ltd. was incorporated on 10 November 1964 under the Companies Act 1913 and it was converted into a Public Limited Company in 1991 and offered its share to the public with the approval of Securities and Exchange Commission in the month of December 1994. The shares of the company are listed in the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd.

(b) Address of Registered Office and Factory:

The registered office of the company is located at "Square Centre" 48, Mohakhali Commercial Area, Dhaka-1212, Bangladesh. Factory address of the company and it's subsidiary are as follows:

Square Pharmaceuticals Ltd.: (1) Square Road, Salgaria, Pabna, Bangladesh
(2) Kaliakoir, Gazipur, Bangladesh

Square Spinnings Ltd. : Saradaganj, Kashimpur, Gazipur, Bangladesh

(c) Nature of Business Activities:

The holding company owns and operates modern Pharmaceuticals Factories and produces and sells pharmaceuticals drugs and medicines. The Company has a separate division to operate a modern Basic Chemical Factory and produces Basic Chemical Products. The company has also an AgroVet Division producing AgroVet products. The subsidiary company own Textiles Spinning Mills and produces yarns of various counts.

(d) Basis of Measurement used in preparing the Financial Statements:

The elements of financial statements have been measured on "Historical Cost" convention in a going concern concept and on accrual basis in accordance with generally accepted accounting principle and practice in Bangladesh in compliance with the Companies Act 1994, the Securities and Exchange Rules 1987, Listing Regulations of DSE & CSE and International Accounting Standards as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), as Bangladesh Accounting Standards (BAS).

(e) Fixed Assets:

All property, plant and equipment is initially recorded at cost and depreciated over their expected useful life. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes. In respect of major projects involving construction, related pre-operational expenses form part of the value of asset capitalised. Expenses capitalised also include applicable borrowing cost. The assets and liabilities of the subsidiary, Beg Rubber Industries Ltd. has been measured at the fair value as at the date of acquisition (BAS-22).

(f) Depreciation:

No depreciation is charged on freehold land or on capital work-in-progress. Depreciation is charged on all other fixed assets on a reducing balance method for Square Pharmaceuticals Ltd. (SPL) while Square Spinnings Ltd. (SSL) has followed straight line method of depreciation. Depreciation for full years has been charged on additions irrespective of date when the related assets are put into use and no depreciation has been charged on assets disposed off during the year.



NOTES TO THE FINANCIAL STATEMENTS

The rates at which assets are depreciated per annum, depending on the nature and estimated useful life of assets are given below:

	SPL	SSL
Factory Building and Other Construction	10%	5%
Plant & Machinery	15%	6.67%
Laboratory & Office Equipment	10%	15%
Furniture & Fixture	10%	15%
Motor Vehicles	20%	20%
Electrical Installation	15%	15%
Books & Periodicals	30%	-

Uniform depreciation method could not be followed for preparation of consolidated financial statements because the companies are engaged in different nature of business (BAS-27).

(g) Stocks:

Stocks comprise Raw Materials, Packing Materials, Raw and Packing Materials in Transit, Work-in-Process, Finished Goods and Spares & Accessories. These are stated at the lower of cost and net realizable value after making due allowance for any obsolete or slow moving items. Value of stock other than stock of finished goods represents weighted average cost. Finished goods are valued at lower of cost or net realizable value and include allocation of production overheads while work-in-process are valued at material cost. Net realisable value means the sales price less VAT, estimated cost of completion and selling expenses.

(h) Taxation:

The Company is enjoying tax holiday for seven years in respect of its Tablet Unit and Metered Dose Inhaler Unit with effect from July 1997 and AgroVet Unit with effect from December 1998. The Company is also enjoying tax holiday for five years of its Dhaka Unit with effect from April 2002. The subsidiary is enjoying tax holiday with effect from January 2001.

The holding company is a publicly traded company as per income tax law and therefore, income tax at the rate of 30% has been provided for the year against the net profit of taxable unit and rebate of 10% has been deducted from the amount worked out on the said 30%

(i) Employees Separation Plans:

The Company has established a contributory provident fund scheme. The Fund is wholly administered by a Board of Trustees. No part of the Fund is included in the assets of the company. The company has an unfunded gratuity scheme under which an employee is entitled to the benefits depending on length of service.

The company has also a group insurance scheme for its permanent employees, premium for which is being charged to Income Statement annually as per the insurance policy.



(j) Turnover:

Turnover comprise the followings:

Holding Company:

- ▶ Sales of locally manufactured and imported Pharmaceuticals Drugs and Medicines.
- ▶ Export of Pharmaceuticals Drugs and Medicines.
- ▶ Local Sales of Basic Chemicals Products.
- ▶ Sales of locally manufactured and imported AgroVet Products.
- ▶ Local Sales of Pesticide Products

Subsidiary Company:

- ▶ Turnover of the subsidiary comprise both local and export sales of locally manufactured yarn only.

(k) Revenue Recognition (Disclosure under BAS-18):

Local and imported sales of Pharmaceuticals Drugs and Medicines, AgroVet Products and Pesticide Products are recognised at the time of delivery from depot. Exports of Pharmaceuticals Drugs and Medicines are recognised at the time of delivery from Factory Godown. Local sales of Basic Chemical Products are recognised at the time of delivery from Factory Godown. Dividend income has been accounted for on receipt basis.

(l) Foreign Currency Transactions:

Foreign currencies are translated into taka at the exchange rates ruling on the date of transactions. Bank deposit in foreign currency for retention quota account has been translated into taka at the year end at the rate of exchange ruling on that date and gain/(loss) have been accounted for as other income in the Income Statement.

(m) Cash Flow Statement:

Cash flow statement is prepared in accordance with BAS-7 "Cash Flow Statement" and cash flows from operating activities have been presented under direct method as outlined in the Securities and Exchange Rule 1987.

(n) Earning per Share (EPS):

Earning per Share (EPS) is calculated in accordance with the International Accounting Standard (BAS) 33 "Earning per Share" as adopted in Bangladesh.

The Bonus Shares issued during the year 2004-2005 were treated as if they had been in issue in previous years also. Hence, in computing the Basic EPS of 2004-2005, the total number of shares including the said bonus shares has been considered as the Weighted Average Number of Shares Outstanding during the year 2003-2004.

"Earning per Share" has been calculated by dividing the earnings attributable to the number of shares (ordinary) held by the members during the year. No diluted EPS was required to be calculated for the year under review as there is no dilution of EPS for the year.

(o) Subsidiary Company:

Profiles of the subsidiary company namely Square Spinnings Ltd. and Beg Rubber Industries Ltd. is annexed herewith in compliance with the requirement under Section 186 of the Companies Act, 1994.

(p) Related Party Transactions (Disclosure under BAS-24):

The company did not do any transaction with it's sister concern other than its subsidiary/associates undertakings viz Square Spinnings Ltd., Square Textiles Ltd., Square Knit Fabrics Ltd., Square Fashions Ltd., Square Hospitals Ltd. and Beg Rubber Industries Ltd.

(q) Borrowing Cost (Disclosure under BAS-23):

The company capitalises borrowing cost for new projects such as interest on Term Loan and other related fees/charges for the period till to commencement of commercial operation and charges the cost to revenue account as financial expenses after commencement of the commercial operation.



NOTES TO THE FINANCIAL STATEMENTS

(r) Consolidation of Accounts (BAS-27):

In terms of the requirements of International Accounting Standards adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) accounts of the company's own and that of its subsidiary has been consolidated as on 31 March, 2005 based on provisional accounts (un-audited) of the subsidiary for the period from 01-01-05 to 31-03-05 as the year ending of the subsidiary is at 31st December, 2004.

(s) Concentration of Counterparty Risk:

As of 31st March 2005, the company does not have any significant concentration of business transacted with a particular customer, supplier or lender that could, if suddenly eliminated severely impact the company's operations. The company also does not have any concentration of available source of labour, service or licenses or other rights that could, if suddenly eliminated, severely impact of the operations of the company.

(t) Net Profit before Tax:

Net Profit before Tax for the year were not materially affected by:

- (i) transaction of a nature not usually undertaken by the Company;
- (ii) circumstances of an exceptional or non-recurring nature;
- (iii) charges or credits relating to prior years; and
- (iv) changes in accounting policies.

(u) Cash and Cash Equivalent:

This comprises cash in hand and at bank.

(v) Segment Reporting:

As there is a single business and geographic segment within which the company operates, so no segment reporting was required.

(w) General:

Previous year's figures have been regrouped/reclassified wherever considered necessary to conform to current year's presentation. Figures have been rounded off to the nearest taka, as the currency represented in this financial statements.

	31-03-05	31-03-04
2. FIXED ASSETS : Tk. 2,317,358,471		
Details of Fixed Assets and Depreciation as at 31 March 2005 are shown in the annexed schedule - 01. This is arrived at as follows:		
Opening Balance (Cost)	3,408,474,009	3,257,825,743
Add: Net Addition during the Year	377,746,614	150,648,266
Closing Balance (Cost)	3,786,220,623	3,408,474,009
Less: Accumulated Depreciation	1,468,862,152	1,171,335,118
Written Down Value	Tk. <u>2,317,358,471</u>	<u>2,237,138,891</u>

Allocation of depreciation charge for the year has been made in the accounts as follows:

	2004-2005	2003-2004
Factory Overhead	266,535,177	255,336,864
Selling and Distribution Overhead	24,640,202	22,376,653
Administrative Overhead	12,779,153	11,732,057
	Tk. <u>303,954,532</u>	<u>289,445,574</u>



	31-03-05	31-03-04
2.1 CONSOLIDATED FIXED ASSETS : Tk. 3,062,620,493		
Details of Fixed Assets and Depreciation as at 31 March 2005 are shown in the annexed schedule - 02. This is arrived at as follows:		
Opening Balance (Cost)	4,126,391,075	3,944,573,571
Add: Net Addition during the Year	609,965,720	181,817,504
Closing Balance (Cost)	4,736,356,795	4,126,391,075
Less: Accumulated Depreciation	1,673,736,302	1,322,436,982
Written Down Value	Tk. 3,062,620,493	2,803,954,093

Allocation of depreciation charge for the year has been made in the accounts as follows:

	2004-2005	2003-2004
Factory Overhead	320,307,463	303,606,303
Selling and Distribution Overhead	24,640,202	22,376,653
Administrative Overhead	12,779,153	11,732,057
	Tk. 357,726,818	337,715,013

	31-03-05	31-03-04
3. CAPITAL WORK-IN-PROGRESS : Tk. 687,238,515		
This represents expenditure incurred in respect of Soft Geletine Project and Cephalosporin Project at Kaliakoir for Civil Construction and Plant & Machinery. The break-up of the above amount are given below:		
Building/Civil Work	579,627,805	234,681,388
Plant & Machinery	68,058,356	128,793,425
Other Assets	8,888,888	4,655,388
Interest during Construction Period	30,663,466	12,081,239
Unallocated Expenditure	-	22,055,149
	Tk. 687,238,515	402,266,589



NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT-Long Term (at Cost) : Tk. 1,660,833,364

This consists of the following:

	31-03-05	31-03-04
(a) 9,750,000 Ordinary Shares of Tk. 10/- each including Bonus Shares in Square Textiles Ltd.	88,636,364	125,000,000
(b) 980,000 Ordinary Shares of Tk. 100/- each in Square Spinnings Ltd.	98,000,000	98,000,000
(c) 120,000 Ordinary Shares of Tk.100/- each in Continental Hospital Ltd.	12,000,000	12,000,000
(d) 200,000 Ordinary Shares of Tk.100/- each in National Housing Finance and Investment Ltd.	20,000,000	20,000,000
(e) 10 Ordinary Shares of Tk.1,000,000/- each in Central Depository Bangladesh Ltd.	10,000,000	10,000,000
(f) Square Hospitals Ltd.:	209,250,000	16,700,000
◆ 2,000 Ordinary Shares of Tk. 1,000/- each with premium of Tk. 5,500/- each		
◆ 196,250 Ordinary Shares of Tk. 1,000/- each		
(g) Advance against Share Money with Square Hospitals Ltd. for 220,000 Shares of Tk.1,000/- each	220,000,000	169,000,000
(h) 1,260,000 Ordinary Shares of Tk. 100/- each in Square Knit Fabrics Ltd.	126,000,000	126,000,000
(i) Advance against Share Money with Square Knit Fabrics Ltd. for 4,000,000 Shares of Tk.100/- each	400,000,000	400,000,000
(j) 252,000 Ordinary Shares of Tk. 100/- each in Square Fashions Ltd.	25,200,000	25,200,000
(k) Advance against Share Money with Square Fashions Ltd. for 2,200,000 Shares of Tk.100/- each	220,000,000	220,000,000
(l) Advance against Share Money with Square Informatix Ltd. for 1,000,000 Shares of Tk.100/- each	100,000,000	-
(m) 2,596 Ordinary Shares of Tk. 100/- each in Beg Rubber Industries Ltd.	131,747,000	-
Tk.	1,660,833,364	1,221,900,000

4.1 CONSOLIDATED INVESTMENT-Long Term (at Cost) : Tk. 142,000,000

This consists of the following:

	31-03-05	31-03-04
(a) 120,000 Ordinary Shares of Tk.100/- each in Continental Hospital Ltd.	12,000,000	12,000,000
(b) 200,000 Ordinary Shares of Tk.100/- each in National Housing Finance and Investment Ltd.	20,000,000	20,000,000
(c) 10 Ordinary Shares of Tk.1,000,000/- each in Central Depository Bangladesh Ltd.	10,000,000	10,000,000
(d) Advance against Share Money with Square Informatix Ltd. for 1,000,000 Shares of Tk.100/- each	100,000,000	-
Tk.	142,000,000	42,000,000



31-03-05

31-03-04

4.2 INVESTMENT-Associates Undertaking : Tk. 1,536,252,380

This is arrived at as follows:

Opening Balance	1,366,035,238	1,260,481,855
Add: Investment made/(disposed off) during the Year	207,186,364	170,700,000
Add: Profit/(Loss) during the Year (Note-34)	530,928	(25,146,617)
Less: Dividend during the Year	(37,500,150)	(40,000,000)
Closing Balance	Tk. 1,536,252,380	1,366,035,238

List of Associates Undertaking (As per BAS 28) :

Name of Company	Country of Incorporation	Proportion of Ownership Interest
Square Textiles Ltd.	Bangladesh	31.99%
Square Knit Fabrics Ltd.	Bangladesh	48.84%
Square Fashions Ltd.	Bangladesh	48.46%
Square Hospitals Ltd.	Bangladesh	49.56%

Voting power is not different with proportion of ownership interest. The company are using equity method of accounting in preparation of consolidated financial statements.

5. STOCKS : Tk. 1,144,912,356

The break-up is as under:

Raw Materials	393,822,822	270,183,695
Packing Materials	95,789,420	79,437,102
Work-in-Process	81,224,388	55,927,314
Finished Goods	396,896,698	310,944,115
Spares & Accessories	36,229,340	28,243,397
Goods in Transit	140,949,688	51,120,586
Tk.	1,144,912,356	795,856,209

The basis of valuation is stated in Note-1 (g)

5.1 CONSOLIDATED STOCKS : Tk. 1,340,212,173

The break-up is as under:

Raw Materials	548,163,061	346,444,297
Packing Materials	96,938,782	81,073,943
Work-in-Process	85,294,715	59,506,204
Finished Goods	407,938,729	316,145,298
Spares & Accessories	59,410,396	43,582,940
Goods in Transit	142,466,490	89,779,841
Tk.	1,340,212,173	936,532,523

The basis of valuation is stated in Note-1 (g)



NOTES TO THE FINANCIAL STATEMENTS

	31-03-05	31-03-04
6. TRADE DEBTORS : Tk. 267,527,741		
(i) Trade debtors occurred in the ordinary course of business are unsecured but considered good. Ageing of the above debtors is as follows:		
Below 30 days	101,721,865	124,908,008
Within 31-60 days	29,920,553	28,052,118
Within 61-90 days	17,596,608	4,598,867
Above 90 days	118,288,715	67,556,017
Tk.	267,527,741	225,115,010

(ii) Debtors include Tk. 14,724,353 due from export sales of which Tk. 12,194,435 has since been realised.

(iii) There was no amount due by the Directors (including Managing Director), managing agent, manager and other officers of the company and any of them severally or jointly with any other person.

(iv) There was also no other amount due by associated undertakings.

6.1 CONSOLIDATED TRADE DEBTORS (Considered Good) : Tk. **643,407,683** **541,243,852**

7. ADVANCES, DEPOSITS & PREPAYMENTS (Considered Good) : Tk. 146,042,777

This consists of as follows:

Advances:	46,188,289	24,337,386
Employees	4,612,907	4,698,501
Motor Cycle Loan - Employees	2,572,761	1,913,439
Suppliers	39,002,621	17,725,446
Deposits:	94,408,652	78,612,434
L.C Margin	10,330,423	18,928,098
Value Added Tax	70,255,304	51,495,701
Earnest Money & Security Deposit	8,172,061	6,199,067
Lease Deposit	126,160	126,160
Others	5,524,704	1,863,408
Prepayments:	5,445,836	4,227,791
Office Rent	1,925,532	2,213,495
Insurance Premium	3,520,304	2,014,296
Tk.	146,042,777	107,177,611

(a) Employees advances of Tk. 4,612,907 includes advance to officers Tk. 3,871,359

(b) No amount was due by the Directors (including Managing Director) and managing agents, managers and any other officers of the company and any of them severally or jointly with any other person except as stated in (a) above.

(c) No amount was due by the associated undertaking.



	31-03-05	31-03-04
7.1 CONSOLIDATED ADVANCES, DEPOSITS & PREPAYMENTS (Considered Good) : Tk. 158,418,668		
This consists of as follows:		
Advances:	47,317,546	25,209,870
Employees	5,108,024	4,698,501
Motor Cycle Loan - Employees	2,572,761	1,913,439
Suppliers	39,636,761	18,597,930
Deposits:	105,655,286	87,650,030
L.C Margin	18,383,423	24,681,860
Value Added Tax	70,255,304	51,495,701
Earnest Money & Security Deposit	11,365,695	9,482,901
Lease Deposit	126,160	126,160
Others	5,524,704	1,863,408
Prepayments:	5,445,836	6,817,703
Office Rent	1,925,532	2,213,495
Insurance Premium	3,520,304	4,604,208
Tk.	158,418,668	119,677,603

8. INVESTMENT IN MARKETABLE SECURITIES (at Cost) : Tk. 20,250,000

150,000 Ordinary Shares of Tk. 100/- each with premium of Tk. 35/- in Pioneer Insurance Company Ltd.

20,250,000

20,250,000

9. SHORT TERM LOAN (Unsecured) : Tk. 1,281,695,105

This consists of the following:

(a) Square Spinnings Ltd.	309,986,229	261,198,731
(b) Square Knit Fabrics Ltd.	433,531,770	240,073,658
(c) Square Fashions Ltd.	323,204,005	196,325,277
(d) Square Hospitals Ltd.	214,863,101	117,979,486
(e) Beg Rubber Industries Ltd.	110,000	-
Tk.	1,281,695,105	815,577,152

Short term loan is receivable from the above subsidiary/associates undertakings and bearing interest @ 1% above the rate of interest charged by the commercial bank and considered good.



NOTES TO THE FINANCIAL STATEMENTS

	31-03-05	31-03-04
9.1 CONSOLIDATED SHORT TERM LOAN (Unsecured) :Tk. 971,598,876		
This consists of the following:		
(a) Square Knit Fabrics Ltd.	433,531,770	240,073,658
(b) Square Fashions Ltd.	323,204,005	196,325,277
(c) Square Hospitals Ltd.	214,863,101	117,979,486
Tk.	971,598,876	554,378,421

Short term loan is receivable from the above subsidiary/associates undertakings and bearing interest @ 1% above the rate of interest charged by the commercial bank and considered good.

10. CASH AND BANK BALANCES :Tk. 382,074,333

This is made-up as follows:

(a) Cash in Hand	923,824	772,425
(b) Cash at Bank :	381,150,509	51,307,780
◆ In Current Account	29,194,703	6,804,058
◆ In STD Account	368,246	7,413,352
◆ In Fixed Deposit Account	351,587,560	37,090,370
Tk.	382,074,333	52,080,205

The fixed deposit amount of Tk. 351,587,560 had to keep as lien against letter of credits and sanction of overdraft facilities for the company.

10.1 CONSOLIDATED CASH AND BANK BALANCES :Tk. 403,211,659

This is made-up as follows:

(a) Cash in Hand	1,874,425	1,643,946
(b) Cash at Bank :	401,337,234	53,207,742
◆ In Current Account	49,200,400	8,529,576
◆ In STD Account	549,274	7,587,796
◆ In Fixed Deposit Account	351,587,560	37,090,370
Tk.	403,211,659	54,851,688

The fixed deposit amount of Tk. 351,587,560 had to keep as lien against letter of credits and sanction of overdraft facilities for the company.



11. SHORT TERM BANK LOAN :Tk. 1,370,262,208

This consists of as follows:

	31-03-05	31-03-04
Cash Credit - Janata Bank, Pabna	133,307,386	143,086,252
Cash Credit - Janata Bank, Local Office, Dhaka	114,267,388	58,754,955
Short Term Loan - Citibank N.A, Dhaka	164,590,163	106,760,828
Trust Receipt - Citibank N.A, Dhaka	49,581,571	72,889,639
Overdraft - Bank Asia Ltd., Dhaka	-	26,670,107
Trust Receipt - Bank Asia Ltd., Dhaka	-	3,817,775
Short Term Loan - Commercial Bank of Ceylon Ltd., Dhaka	105,714,025	98,010
Trust Receipt -Commercial Bank of Ceylon Ltd., Dhaka	19,051,000	2,875,000
Short Term Loan - Standard Chartered Bank, Dhaka	122,591,425	163,143,271
Trust Receipt - Standard Chartered Bank, Dhaka	32,732,524	21,201,887
Short Term Loan - Shamil Bank of Bahrain E.C, Dhaka	100,000,000	100,000,000
Overdraft - Eastern Bank Ltd., Dhaka	26,847,169	-
Trust Receipt - Eastern Bank Ltd., Dhaka	-	59,595,294
Overdraft - Mercantile Bank Ltd., Dhaka	26,724,011	47,120,975
Trust Receipt - Mercantile Bank Ltd., Dhaka	13,767,993	9,268,957
Short Term Loan - IIDFC Ltd., Dhaka	-	60,000,000
Short Term Loan - HSBC Ltd., Dhaka	250,000,000	-
Overdraft - Sonali Bank, Dhaka-Secured by FDR	-	2,772,408
Overdraft - Janata Bank, Mohakhali Corporate Br., Dhaka-Secured by FDR	8,352,043	10,683,843
Overdraft - Janata Bank, Mimi Super Market Br, Chittagong-Secured by FDR	4,909,353	305,829
Overdraft - The Trust Bank Ltd., Dhaka-Secured by FDR	62,589,531	-
Overdraft - Prime Bank Ltd., Dhaka-Secured by FDR	120,482,436	-
Overdraft - Janata Bank, Foreign Exchange Corporate Br., Sylhet-Secured by FDR	1,279,982	-
Overdraft - Janata Bank, Maizdee Court Corporate Br., Noakhali-Secured by FDR	36,345	-
Others	13,437,863	7,100,306
	Tk. 1,370,262,208	896,145,336

The above loans are secured against pledge and hypothecation of stocks to the bank and collateralized by first charge on company's fixed assets.

11.1 CONSOLIDATED SHORT TERM BANK LOAN :Tk. 1,564,847,537

This consists of as follows:

Cash Credit - Janata Bank, Pabna	133,307,386	143,086,252
Cash Credit - Janata Bank, Local Office, Dhaka	114,267,388	58,754,955
Short Term Loan - Citibank N.A, Dhaka	164,590,163	106,760,828
Trust Receipt - Citibank N.A, Dhaka	49,581,571	72,889,639
Overdraft - Bank Asia Ltd., Dhaka	-	26,670,107
Trust Receipt - Bank Asia Ltd., Dhaka	-	3,817,775
Short Term Loan - Commercial Bank of Ceylon Ltd., Dhaka	209,662,796	79,540,545
Trust Receipt & PAD - Commercial Bank of Ceylon Ltd., Dhaka	19,051,000	51,657,000
Short Term Loan - Standard Chartered Bank, Dhaka	122,591,425	163,143,271
Trust Receipt & LBD - Standard Chartered Bank, Dhaka	32,732,524	21,201,887
Short Term Loan - Shamil Bank of Bahrain E.C, Dhaka	100,000,000	100,000,000
Overdraft - Eastern Bank Ltd., Dhaka	26,847,169	-
Trust Receipt - Eastern Bank Ltd., Dhaka	-	59,595,294
Overdraft - Mercantile Bank Ltd., Dhaka	26,724,011	47,120,975
Trust Receipt - Mercantile Bank Ltd., Dhaka	13,767,993	9,268,957
Overdraft - Dhaka Bank Ltd., Dhaka	-	4,091,223
Trust Receipt - Dhaka Bank Ltd., Dhaka	-	20,239,146
Short Term Loan - IIDFC Ltd., Dhaka	-	60,000,000
Overdraft - Sonali Bank, Dhaka-Secured by FDR	-	2,772,408
Overdraft - Janata Bank, Mohakhali Corporate Br., Dhaka-Secured by FDR	8,352,043	10,683,843
Short Term Loan - HSBC Ltd., Dhaka	264,227,570	5,949,325
Trust Receipt & LBD - HSBC Ltd., Dhaka	76,408,988	163,219,811
Overdraft - Janata Bank, Mimi Super Market Br, Chittagong-Secured by FDR	4,909,353	305,829
Overdraft - The Premier Bank Ltd., Dhaka	-	4,251,760
Trust Receipt, PAD & LBD - The Premier Bank Ltd., Dhaka	-	23,872,612
Overdraft - The Trust Bank Ltd., Dhaka-Secured by FDR	62,589,531	-
Overdraft - Primre Bank Ltd., Dhaka-Secured by FDR	120,482,436	-
Overdraft - Janata Bank, Foreign Exchange Corporate Br., Sylhet-Secured by FDR	1,279,982	-
Overdraft - Janata Bank, Maizdee Court Corporate Br., Noakhali-Secured by FDR	36,345	-
Others	13,437,863	7,100,306
	Tk. 1,564,847,537	1,245,993,748



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12. LONG TERM LOANS - Current Portion : Tk. 142,875,686

This represents current portion of long term loans from financial institutions which are repayable within next 12 months from April, 2005 and consists of as follows:

(a) Standard Chartered Bank, Dhaka	42,397,890	-
(b) Eastern Bank Ltd., Dhaka	15,185,649	-
(c) Dhaka Bank Ltd., Dhaka	45,283,020	51,560,000
(d) Commercial Bank of Ceylon Ltd., Dhaka	33,333,332	-
(e) Minimum Lease Payments	6,675,795	4,361,187
Tk.	142,875,686	55,921,187

13. TRADE CREDITORS :

Tk. **83,848,465**

52,646,198

This represents amount payable to regular suppliers of raw materials, packing materials, promotional materials etc. All suppliers were paid on a regular basis.

13.1 CONSOLIDATED TRADE CREDITORS :

Tk. **284,559,469**

71,627,753

This represents amount payable to regular suppliers of raw materials, packing materials, promotional materials etc. All suppliers were paid on a regular basis.

14. LIABILITIES FOR EXPENSES : Tk. 102,395,447

This consists of as follows:

Accrued Expenses	94,828,304	14,312,127
Clearing & Forwarding	7,417,143	2,466,341
Audit Fees	150,000	150,000
Tk.	102,395,447	16,928,468

14.1 CONSOLIDATED LIABILITIES FOR EXPENSES : Tk. 123,021,706

This consists of as follows:

Accrued Expenses	115,429,563	46,908,345
Clearing & Forwarding	7,417,143	2,466,341
Audit Fees	175,000	175,000
Tk.	123,021,706	49,549,686

15. LIABILITIES FOR OTHER FINANCE : Tk. 250,567,620

This consists of as follows:

Sundry Creditors	57,635,534	90,389,647
Income Tax (Deduction at Source)	1,265,812	627,339
Retention Money	867,256	1,352,877
Workers' Profit Participation Fund	99,375,271	84,094,126
Income Tax Payable (Note-16)	91,423,747	52,570,328
Tk.	250,567,620	229,034,317



	31-03-05	31-03-04
15.1 CONSOLIDATED LIABILITIES FOR OTHER FINANCE : Tk. 259,026,879		
This consists of as follows:		
Sundry Creditors	58,386,408	91,140,521
Income Tax (Deduction at Source)	1,331,277	690,426
Retention Money	972,256	1,352,877
Workers' Profit Participation Fund	109,115,567	92,401,881
Income Tax Payable (Note-16.1)	89,221,371	50,808,199
Tk.	259,026,879	236,393,904

16. INCOME TAX PAYABLE : Tk. 91,423,747

This is arrived at as follows:

Income Tax Payable:	309,740,774	344,133,805
- Balance at 01-04-2004	52,570,328	(2,178,263)
- Provision made during the Year 2002-03	-	164,719,297
- Provision made during the Year 2003-04 (Note-33)	-	181,592,771
- Provision made during the Year 2004-05 (Note-33)	257,170,446	-
Less: Payment of Income Tax:	218,317,027	291,563,477
- During the Year 2002-03	-	134,600,327
- During the Year 2003-04	36,514,032	156,963,150
- During the Year 2004-05	181,802,995	-
Closing Balance	91,423,747	52,570,328
Tk.		

16.1 CONSOLIDATED INCOME TAX PAYABLE : Tk. 89,221,371

This is arrived at as follows:

Income Tax Payable:	307,978,645	343,188,940
- Balance at 01-04-2004	50,808,199	(3,123,128)
- Provision made during the Year 2002-03	-	164,719,297
- Provision made during the Year 2003-04 (Note-33)	-	181,592,771
- Provision made during the Year 2004-05 (Note-33)	257,170,446	-
Less: Payment of Income Tax:	218,757,274	292,380,741
- During the Year 2002-03	-	134,948,707
- During the Year 2003-04	36,514,032	157,432,034
- During the Year 2004-05	182,243,242	-
Closing Balance	89,221,371	50,808,199
Tk.		



NOTES TO THE FINANCIAL STATEMENTS

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17. LONG TERM LOANS (Secured) : Tk. 389,193,080

This represents long term loans from financial institutions are as follows :

(a) Standard Chartered Bank, Dhaka	161,858,887	-
(b) Eastern Bank Ltd., Dhaka	65,461,036	-
(c) Dhaka Bank Ltd., Dhaka	132,075,470	27,476,484
(d) Commercial Bank of Ceylon Ltd., Dhaka	23,786,668	-
(e) Minimum Lease Payments	6,011,019	9,067,674
Tk.	389,193,080	36,544,158

(a) Standard Chartered Bank:

- (i) The bank disbursed an amount of Tk. 123,500,000 for import of Machinery for Cephalosporin Project at Dhaka Unit, Kaliakoir, Gazipur. The loan is secured by fixed and floating assets of the project. The interest rate of loan will remain floating. Currently the rate applied to the loan is 9.50% per annum and the loan is repayable in 18 (eighteen) equal quarterly installments.
- (ii) The bank sanctioned total amount of Tk. 285,000,000 to finance machinery and equipment for Square Hospitals Ltd., out of which Tk. 87,617,888 has already been disbursed. The loan is secured on specific charge over the financed assets. The interest rate of loan will remain floating. Currently the rate applied to the loan is 9.50% per annum and the loan is repayable in 14 (fourteen) equal quarterly installments.

(b) Dhaka Bank Ltd.:

The bank disbursed an amount of Tk. 200,000,000 for import of Machinery, Equipment and other materials for Cephalosporin Project at Dhaka Unit, Kaliakoir, Gazipur. The loan is secured on fixed and floating assets of the project. The interest rate of loan will remain floating. Currently the rate applied to the loan is 10% per annum and the loan is repayable in 53 (fifty three) equal monthly installments.

(c) Eastern Bank Ltd.:

The bank sanctioned total amount of Tk. 150,000,000 to finance capital machinery of Cephalosporin Project at Dhaka Unit, Kaliakoir, Gazipur, out of which Tk. 80,646,685 has already been disbursed. The loan is secured on fixed and floating assets of the project. The interest rate of loan will remain floating. Currently the rate applied to the loan is 11% per annum and the loan is repayable in 18 (eighteen) equal quarterly installments.

(d) Commercial Bank of Ceylon Ltd.:

The bank sanctioned total amount of Tk. 100,000,000 to finance capital machinery of Cephalosporin Project at Dhaka Unit, Kaliakoir, Gazipur, out of which Tk. 57,120,000 has already been disbursed. The loan is secured on fixed and floating assets of the project. The interest rate of loan will remain floating. Currently the rate applied to the loan is 10.50% per annum and the loan is repayable in 12 (twelve) equal quarterly installments.

(e) Minimum Lease Payments - Tk. 6,011,019

(1) Bangladesh Finance & Investment Co. Ltd.:

An amount of Tk. 8,000,000 is recognized as Minimum Lease Payments under lease of Vehicle. The lease is repayable in 36 (thirty six) equal monthly installment of Tk. 272,800 starting from Nov'03.

(2) Industrial and Infrastructure Development Company Ltd.:

- (i) An amount of Tk. 6,500,000 is recognized as Minimum Lease Payments under lease of Vehicle. The lease is repayable in 36 (thirty six) equal monthly installment of Tk. 213,755 starting from Mar'04.
- (ii) An amount of Tk. 3,030,000 is recognized as Minimum Lease Payments under lease of Vehicle. The lease is repayable in 36 (thirty six) equal monthly installment of Tk. 99,650 starting from May'04.
- (iii) An amount of Tk. 2,085,000 is recognized as Minimum Lease Payments under lease of Vehicle. The lease is repayable in 36 (thirty six) equal monthly installment of Tk. 68,570 starting from Apr'04.



31-03-05

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18. MINORITY INTEREST : Tk. 29,766,940

This represents minority interest of Square Spinings Ltd. and Beg Rubber Industries Ltd. are as follows:

Paid-up Capital	2,040,400	2,000,000
Retained Earnings	4,544,813	3,384,798
Tax Holiday Reserve	2,747,367	1,992,850
Revaluation Surplus	20,434,360	-
Tk.	29,766,940	7,377,648

List of Subsidiary (As per IAS -27):

Name of Company	Country of Incorporation	Proportion of Ownership Interest
Square Spinings Ltd.	Bangladesh	98.00%
Beg Rubber Industries Ltd.	Bangladesh	86.53%

Voting power is not different from proportion of ownership interest. The company is using equity method of accounting in preparation of consolidated financial statements.





NOTES TO THE FINANCIAL STATEMENTS

19. SHARE CAPITAL : Tk. 432,000,000

This is made-up as follows:

Authorised:

10,000,000 Ordinary Shares of Tk.100/- each

31-03-05

1,000,000,000

31-03-04

1,000,000,000

Issued, subscribed and paid-up:

a) By Cash:

1,009,230 Ordinary Shares of Tk.100/- each
fully paid-up in cash

100,923,000

100,923,000

b) Other than Cash:

4,002 Ordinary shares of Tk.100/- each
fully paid-up for consideration other than cash

400,200

400,200

c) By issue of Bonus Share:

3,306,768 Ordinary Shares of Tk.100/- each
fully paid-up as Bonus Shares

330,676,800

258,676,800

Tk. **432,000,000**

360,000,000

The position of Shareholders as on 31 March 2005 is as follows :

	No. of Investors	Number of Shares	% of Share Holding 2004-05	% of Share Holding 2003-04
Sponsors	14	2,340,049	54.17%	54.10%
Foreign Investors	15	386,901	8.95%	9.03%
Others	10,457	1,593,050	36.88%	36.87%
	10,486	4,320,000	100.00%	100.00%



The distribution schedule showing the number of shareholders and their share holdings in percentage has been disclosed below as per requirement of the Regulation 37 (3) of Dhaka Stock Exchange and Chittagong Stock Exchange.

Range of Holdings	No. of Share Holders	No. of Shares	Holdings %
Less than 500 Shares	10,220	481,387	11.14%
501 to 5,000 Shares	225	267,923	6.20%
5,001 to 10,000 Shares	13	87,305	2.02%
10,001 to 20,000 Shares	5	61,449	1.42%
20,001 to 30,000 Shares	1	28,027	0.65%
30,001 to 40,000 Shares	2	65,974	1.53%
40,001 to 50,000 Shares	2	93,857	2.17%
50,001 to 100,000 Shares	4	298,824	6.92%
100,001 to 1,000,000 Shares	14	2,935,254	67.95%
Over 1,000,000 Shares	-	-	-
Total	10,486	4,320,000	100.00%

31-03-05

31-03-04

20. SHARE PREMIUM :Tk. 2,035,465,000

This is arrived at as follows:

Balance as on 01-04-04	2,035,465,000	1,367,245,000
Add: Premium for Bonus Shares	-	668,220,000
Balance as on 31-03-05	Tk. 2,035,465,000	2,035,465,000

Out of the total premium Tk. 2,035,465,000, an amount of Tk. 800,000,000 was raised at the time of Initial Public Offering (IPO) which has been utilised for BMRE at Pabna and for a new Pharmaceuticals Project at Kaliakoir, Gazipur. The balance amount of Tk. 1,235,465,000 has been raised for issue of Bonus Shares in compliance with Circular No.SEC/CFD/2001/Admin/02-02 dated October 04, 2001 of Securities and Exchange Commission.

21. TAX HOLIDAY RESERVE :Tk. 919,636,288

This has been provided as per provisions of section 45 of the Income Tax Ordinance 1984 which is arrived at as follows:

Opening Balance	853,731,206	660,673,130
Add: Provided during the Year	65,905,082	193,058,076
Closing Balance	Tk. 919,636,288	853,731,206

Tax holiday reserve provided during the year represents 40% of the net profit of tax holiday units viz Tablet Unit and AgroVet Unit which is to be invested within two years from the end of the exemption period in the same undertaking or in any new industrial undertaking or in stocks and shares of public limited companies or in government bonds or securities.



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21.1 CONSOLIDATED TAX HOLIDAY RESERVE : Tk. 1,208,110,872

This has been provided as per provisions of section 45 of the Income Tax Ordinance 1984 which is arrived at as follows:

Opening Balance	1,104,467,955	869,401,526
Add: Provided during the Year	103,642,917	235,066,429
Closing Balance	Tk. 1,208,110,872	1,104,467,955

2004-2005

2003-2004

22. GROSS TURNOVER : Tk. 6,199,134,802

This is made-up as follows:

Local:

Pharmaceuticals Products	5,722,189,584	5,073,041,083
Basic Chemicals	263,635,775	321,728,657
AgroVet Products	95,338,731	27,363,822
Pesticide Products	32,161,439	-
Total Local Turnover	6,113,325,529	5,422,133,562

Export:

Pharmaceuticals Products (US \$ 1,159,878 & EURO 197,649)	85,809,273	59,954,358
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Gross Turnover	Tk. 6,199,134,802	5,482,087,920
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(i) Sales consists of 340 Pharmaceuticals Products, 9 Basic Chemicals Products, 23 AgroVet Products and 6 Pesticide Products . The summarised quantity are as under:

(Quantity in Thousand)

	Unit	Opening	Production/Purchase	Sales	Closing
Tablets	Pcs	156,507	2,132,440	2,150,308	138,639
Capsules	Pcs	38,493	435,911	445,260	29,144
Liquids	Bottles	1,861	28,951	28,280	2,532
Injectables (Vials & Ampoules)	Pcs	1,809	22,312	22,279	1,842
ENT Preparations & Others	Phials	1,038	11,127	10,896	1,269
Ophthal Preparations & Others	Phials	87	1,315	1,224	178
Dry Syrups	Bottles	541	3,355	3,350	546
Suppository	Pcs	356	3,412	3,085	683
Inhalers	Cans	39	513	488	64
Basic Chemicals	Kg	19	257	269	7
Tablets - AgroVet	Pcs	289	13,142	13,273	158
Powder - AgroVet	Gm	4,702	11,530	12,962	3,270
Injectables - AgroVet	Pcs	935	227	1,100	62
Liquids - AgroVet	Bottles	23	58	69	12
Liquids - Insecticide	Bottles	-	229	86	143
Powder - Fungicide	Kg	-	17	16	1
Granuler - Insecticide	Kg	-	80	42	38
Aerosol	Pcs	-	229	209	20

(ii) 117.71 M.T of basic chemicals valued at Tk. 127,655,000 has been transferred from chemical plant to pharma formulation plant of the company which has not been included in the above turnover.

(iii) The company has no Sales Agent on commission basis.



	2004-2005	2003-2004
22.1 CONSOLIDATED GROSS TURNOVER : Tk. 7,236,322,694		
Square Pharmaceuticals Ltd.	6,199,134,802	5,482,087,920
Square Spinnings Ltd.	1,037,187,892	986,924,468
Gross Turnover	Tk. 7,236,322,694	6,469,012,388

		2004-2005	2003-2004
23. COST OF GOODS SOLD : Tk. 3,159,453,706			
This is arrived at as follows:	Notes		
Raw Materials Consumed	24	1,961,452,096	1,743,317,690
Packing Materials Consumed	25	627,944,685	535,700,203
		2,589,396,781	2,279,017,893
Work-in-Process (Opening)		55,927,314	45,642,241
Work-in-Process (Closing)		(81,224,388)	(55,927,314)
TOTAL CONSUMPTION		2,564,099,707	2,268,732,820
Factory Overhead	26	598,677,945	554,567,105
COST OF PRODUCTION		3,162,777,652	2,823,299,925
Purchase of Finished Goods		82,628,637	52,349,184
Finished Goods (Opening)		310,944,115	250,254,735
Finished Goods (Closing)		(396,896,698)	(310,944,115)
		Tk. 3,159,453,706	2,814,959,729

		2004-2005	2003-2004
23.1 CONSOLIDATED COST OF GOODS SOLD : Tk. 4,039,823,510			
This is arrived at as follows:	Notes		
Raw Materials Consumed	24.1	2,700,942,194	2,310,766,590
Packing Materials Consumed	25.1	639,321,083	547,182,876
		3,340,263,277	2,857,949,466
Work-in-Process (Opening)		59,506,204	48,766,472
Work-in-Process (Closing)		(85,294,715)	(59,506,204)
TOTAL CONSUMPTION		3,314,474,766	2,847,209,734
Factory Overhead	26.1	734,513,538	664,249,754
COST OF PRODUCTION		4,048,988,304	3,511,459,488
Purchase of Finished Goods		82,628,637	52,349,184
Finished Goods (Opening)		316,145,298	351,557,220
Finished Goods (Closing)		(407,938,729)	(316,145,298)
		Tk. 4,039,823,510	3,599,220,594



NOTES TO THE FINANCIAL STATEMENTS

2004 -2005

2003-2004

24. RAW MATERIALS CONSUMED : Tk. 1,961,452,096

This is arrived at as follows:

Opening Stock	270,183,695	264,633,606
Purchase	2,085,091,223	1,748,867,779
Closing Stock	(393,822,822)	(270,183,695)
Tk.	<u>1,961,452,096</u>	<u>1,743,317,690</u>

Summarised quantity and total value of ingredients are stated as under:

Particulars	Pcs Cap-Shell	Quantity (Kg)				Total	Total Value (Tk.)
		Active	Excepients	Colour	Flavour		
Opening Balance	41,591,400	228,592	606,210	55,915	7,287	898,004	270,183,695
Purchase	445,947,440	1,246,428	2,301,506	71,058	14,153	3,633,145	2,085,091,223
Available for use	487,538,840	1,475,020	2,907,716	126,973	21,440	4,531,149	2,355,274,918
Closing Balance (-)	33,832,184	349,737	694,444	24,739	4,945	1,073,865	393,822,822
Consumption	453,706,656	1,125,283	2,213,272	102,234	16,495	3,457,284	1,961,452,096

Raw materials consists of 472 items of which 86.76% (in value) are imported.

24.1 CONSOLIDATED RAW MATERIALS CONSUMED : Tk. 2,700,942,194

This is arrived at as follows:

Opening Stock	345,821,946	327,446,660
Purchase	2,903,283,309	2,329,141,876
Closing Stock	(548,163,061)	(345,821,946)
Tk.	<u>2,700,942,194</u>	<u>2,310,766,590</u>

25. PACKING MATERIALS CONSUMED : Tk. 627,944,685

This is arrived at as follows:

Opening Stock	79,437,102	71,702,895
Purchase	644,297,003	543,434,410
Closing Stock	(95,789,420)	(79,437,102)
Tk.	<u>627,944,685</u>	<u>535,700,203</u>



Summarised quantity of packing materials are stated as under:

Name of Item	Unit	Opening	Purchase	Consumption	Closing
Inner Carton	Pcs	9,286,526	90,305,338	80,952,457	18,639,407
Shipper's Carton	Pcs	161,033	1,819,338	1,490,866	489,505
Label	Pcs	5,773,411	48,123,184	44,317,782	9,578,813
Direction Slip	Pcs	8,353,947	84,193,322	78,964,671	13,582,598
Container	Pcs	757,450	9,554,053	8,557,263	1,754,240
Blister Foil	Kg	46,583	141,565	151,084	37,064
Strip Foil	Kg	27,250	258,353	182,218	103,385
PVC Film	Kg	89,997	353,988	293,381	150,604
Bottles	Pcs	3,734,025	37,398,377	38,338,485	2,793,917
Ampoules	Pcs	4,112,983	28,074,850	25,037,740	7,150,093
Vials	Pcs	963,855	6,106,647	5,758,703	1,311,799
P.P Caps	Pcs	5,055,718	30,700,321	31,600,805	4,155,234
Tubes	Pcs	648,386	7,890,781	6,440,751	2,098,416

Packing materials consists of 1,213 items of which 35.77% (in value) are imported.

2004-2005

2003-2004

25.1 CONSOLIDATED PACKING MATERIALS CONSUMED :Tk. 639,321,083

This is arrived at as follows:

Opening Stock	81,073,943	73,927,489
Purchase	655,185,922	554,329,330
Closing Stock	(96,938,782)	(81,073,943)
Tk.	639,321,083	547,182,876

26. FACTORY OVERHEAD :Tk. 598,677,945

This is made-up as follows:

Salaries, Allowances and Wages	142,068,760	123,632,811
Factory Employees Free Lunch	9,667,676	8,684,283
Factory Staff Uniform	2,526,702	2,294,752
Travelling & Conveyance	1,422,296	1,191,534
Printing & Stationery	3,793,683	2,807,130
Postage, Telephone & Fax	2,084,191	1,913,633
Repairs & Maintenance	71,000,815	59,990,350
Laboratory Consumable Stores	15,398,048	12,825,105
Fuel, Petrol, Light Diesel etc.	13,481,832	16,837,749
Electricity, Gas & Water	51,442,970	46,929,304
Municipal & Other Tax	1,228,761	846,039
Insurance Premium	7,671,022	9,937,762
Factory Sanitation Expenses	4,331,619	3,839,582
Depreciation	266,535,177	255,336,864
Security Services	4,910,092	5,127,534
Other Expenses	1,114,301	2,372,673
Tk.	598,677,945	554,567,105



NOTES TO THE FINANCIAL STATEMENTS

	2004- 2005	2003-2004
26.1 CONSOLIDATED FACTORY OVERHEAD : Tk. 734,513,538		
This is made-up as follows:		
Salaries, Allowances and Wages	153,530,621	133,829,691
Factory Employees Free Lunch	9,871,467	8,847,367
Factory Staff Uniform	2,536,346	2,306,971
Travelling & Conveyance	1,424,341	1,193,347
Printing & Stationery	3,914,122	3,024,067
Postage, Telephone & Fax	2,111,588	1,921,915
Repairs & Maintenance	104,465,402	85,987,311
Laboratory Consumable Stores	15,398,048	12,825,105
Fuel, Petrol, Light Diesel etc.	14,880,478	17,260,453
Electricity, Gas & Water	82,595,129	67,472,763
Municipal & Other Tax	1,267,261	846,039
Insurance Premium	11,083,000	13,140,811
Factory Sanitation Expenses	4,331,619	3,839,582
Depreciation	320,307,463	303,606,303
Security Services	5,515,978	5,732,157
Other Expenses	1,280,675	2,415,872
Tk.	734,513,538	664,249,754

27. OPERATING & FINANCIAL EXPENSES : Tk. 941,318,581

	Notes		
This is made-up as follows:			
Selling & Distribution Overhead	28	675,241,846	536,102,740
Administrative Overhead	29	159,625,411	141,276,769
Financial Expenses	30	106,451,324	108,673,997
Tk.		941,318,581	786,053,506

27.1 CONSOLIDATED OPERATING & FINANCIAL EXPENSES : Tk. 970,759,610

	Notes		
This is made-up as follows:			
Selling & Distribution Overhead	28.1	682,846,792	547,955,188
Administrative Overhead	29.1	163,251,864	144,990,505
Financial Expenses	30.1	124,660,954	166,574,008
Tk.		970,759,610	859,519,701



28. SELLING & DISTRIBUTION OVERHEAD : Tk. 675,241,846

This consists of as follows:

	2004-2005	2003-2004
Salaries and Allowances	72,406,698	58,501,938
Travelling and Conveyance	8,487,958	5,661,169
Training Expenses	678,494	1,161,492
Printing and Stationery	13,737,409	10,802,184
Postage, Telephone, Fax & Telex	5,285,164	3,401,777
Electricity, Gas and Water	2,257,499	1,776,802
Tiffin and Refreshment	2,004,315	1,417,578
Office and Godown Rent	5,110,992	4,968,292
Bank Charges	3,927,720	3,922,171
Repairs and Maintenance including car maintenance	52,168,248	36,619,890
Govt. Taxes and Licence Fees	5,293,383	4,824,565
Field Staff Salaries, Allowances, TA and DA	159,314,956	122,191,638
Marketing and Promotional Expenses	105,297,459	70,492,864
Advertisement	1,269,000	1,035,132
Delivery and Packing Expenses	19,930,428	17,267,854
Export Expenses	12,133,950	7,764,035
Special Discount	148,039,526	130,606,515
Sample Expenses	27,540,306	26,057,084
Security Services	5,349,255	4,979,949
Depreciation	24,640,202	22,376,653
Other Expenses	368,884	273,158
Tk.	675,241,846	536,102,740

28.1 CONSOLIDATED SELLING & DISTRIBUTION OVERHEAD : Tk. 682,846,792

This consists of as follows:

	2004-2005	2003-2004
Salaries and Allowances	72,406,698	58,501,938
Travelling and Conveyance	8,487,958	5,661,169
Training Expenses	678,494	1,161,492
Printing and Stationery	13,737,409	10,802,184
Postage, Telephone, Fax & Telex	5,285,164	3,401,777
Electricity, Gas and Water	2,257,499	1,776,802
Tiffin and Refreshment	2,004,315	1,417,578
Office and Godown Rent	5,110,992	4,968,292
Bank Charges	5,415,445	5,112,692
Repairs and Maintenance including car maintenance	52,168,248	36,619,890
Govt. Taxes and Licence Fees	5,982,483	4,824,565
Field Staff Salaries, Allowances, TA and DA	159,314,956	122,191,638
Marketing and Promotional Expenses	105,297,459	70,492,864
Advertisement	1,289,000	1,035,132
Delivery and Packing Expenses	20,130,653	17,445,235
Export Expenses	12,133,950	10,353,185
Special Discount	148,039,526	130,606,515
Sample Expenses	27,540,306	26,057,084
Security Services	5,349,255	4,979,949
Distribution Commission	5,207,896	7,895,396
Depreciation	24,640,202	22,376,653
Other Expenses	368,884	273,158
Tk.	682,846,792	547,955,188



NOTES TO THE FINANCIAL STATEMENTS

29. ADMINISTRATIVE OVERHEAD : Tk. 159,625,411

This consists of as follows:

	2004-2005	2003-2004
Salaries and Allowances	43,938,755	36,231,087
Directors Remuneration	9,232,500	9,025,462
Travelling and Conveyance	14,771,019	11,776,828
Training Expenses	83,400	89,411
Printing and Stationery	5,153,253	3,432,814
Postage, Telephone, Fax & Telex	5,431,169	6,187,969
Electricity, Gas & Water	4,742,345	5,349,282
Tiffin and Refreshment	6,483,613	5,391,693
Office Rent	1,869,000	1,995,000
Sanitation Expenses	821,358	812,628
Books and Periodicals	1,452,223	800,005
Subscription and Donation	2,092,853	2,264,465
Advertisement	1,198,399	4,732,632
Repairs and Maintenance	8,747,910	6,849,257
Bank Charges	7,435,228	8,296,544
Insurance	3,870,561	2,988,792
Govt. Taxes, Stamp Duty & Licence Fee	4,996,315	4,182,525
Lease Rent	3,284,302	2,841,540
Security Services	3,668,172	3,359,006
Management Consultant Fees	1,900,798	1,181,330
Legal Charges	461,916	563,688
Audit Fees	150,000	150,000
Depreciation	12,779,153	11,732,057
Annual General Meeting Expenses	2,154,568	1,923,120
Software & Hardware Support Services	9,556,556	8,570,491
Other Expenses	3,350,045	549,143
Tk.	159,625,411	141,276,769

Audit fees of Tk. 150,000 represents fees for auditing the accounts of the company for the year 2004-2005.



2004-2005

2003-2004

29.1 CONSOLIDATED ADMINISTRATIVE OVERHEAD : Tk. 163,251,864

This consists of as follows:

Salaries and Allowances	45,489,811	37,686,631
Directors Remuneration	9,232,500	9,025,462
Travelling and Conveyance	14,797,793	11,826,799
Training Expenses	112,386	132,631
Printing and Stationery	5,393,878	3,546,166
Postage, Telephone, Fax & Telex	5,462,883	6,206,802
Electricity, Gas & Water	5,047,801	5,584,197
Tiffin and Refreshment	6,739,156	5,711,086
Office Rent	2,283,398	2,354,775
Sanitation Expenses	859,167	844,069
Books and Periodicals	1,452,223	800,005
Subscription and Donation	2,145,785	2,314,575
Advertisement	1,198,399	4,732,632
Repairs and Maintenance	9,303,001	7,252,963
Bank Charges	7,499,167	8,723,521
Insurance	3,872,630	2,988,792
Govt. Taxes, Stamp Duty & Licence Fee	4,996,315	4,323,896
Lease Rent	3,284,302	2,841,540
Security Services	3,702,657	3,399,134
Management Consultant Fees	1,900,798	1,181,330
Legal Charges	461,916	563,688
Audit Fees	175,000	175,000
Depreciation	12,779,153	11,732,057
Annual General Meeting Expenses	2,154,568	1,923,120
Software & Hardware Support Services	9,556,556	8,570,491
Other Expenses	3,350,621	549,143

Tk.

163,251,864

144,990,505

30. FINANCIAL EXPENSES : Tk. 106,451,324

This is made-up as follows:

Interest on Cash Credit	14,325,935	22,665,041
Interest on Overdraft	12,696,945	17,323,035
Interest on LATR & LPO	21,729,359	33,579,096
Interest on Short Term Loan	55,729,913	28,599,486
Interest on Long Term Loan	-	6,000,723
Interest on Lease	1,969,172	506,616

Tk.

106,451,324

108,673,997



NOTES TO THE FINANCIAL STATEMENTS

2004-2005

2003-2004

30.1 CONSOLIDATED FINANCIAL EXPENSES : Tk. 124,660,954

This is made-up as follows:

Interest on Cash Credit	14,325,935	22,665,041
Interest on Overdraft	14,426,021	26,310,553
Interest on Long Term Loan	-	8,394,795
Interest on TR, PAD & LPO	31,032,135	79,859,184
Interest on Short Term Loan	62,907,691	28,837,819
Interest on Lease	1,969,172	506,616
Tk.	124,660,954	166,574,008

31. OTHER INCOME : Tk. 357,395,181

This is arrived at as follows:

Interest on FDR	26,769,685	2,043,069
Interest on Savings Account	52,127	115,448
Interest on Loan to Sister Concern	73,745,498	38,192,830
Rental Income	-	300,000
Sale of Scrap	5,852,836	3,686,659
Dividend	41,300,150	43,277,360
Foreign Exchange Fluctuation Gain/(Loss) on Retention Quota Account	385,614	(161,320)
Foreign Exchange Fluctuation Gain/(Loss) against Collection on Export Bill	(15,054)	(5,652)
Gain on Sale of Marketable Securities	206,292,828	-
Technology Transfer Fee	1,832,022	-
	356,215,706	87,448,394
Profit/(Loss) on Sale of Fixed Assets (Note-38)	1,179,475	1,231,229
Tk.	357,395,181	88,679,623

31.1 CONSOLIDATED OTHER INCOME : Tk. 291,579,789

This is arrived at as follows:

Interest on FDR	26,769,685	2,043,069
Interest on Savings Account	60,447	131,362
Rental Income	-	300,000
Sale of Scrap	5,852,836	3,686,659
Foreign Exchange Fluctuation Gain/(Loss) on Retention Quota Account	385,614	(161,320)
Foreign Exchange Fluctuation Gain/(Loss) against Collection on Export Bills	(15,054)	(5,652)
Dividend	3,800,000	3,277,360
Gain on Sale of Marketable Securities	206,292,828	-
Interest on Loan to Sister Concern	45,421,936	19,251,437
Technology Transfer Fee	1,832,022	-
	290,400,314	28,522,915
Profit/(Loss) on Sale of Fixed Assets (Note-38)	1,179,475	1,231,229
Tk.	291,579,789	29,754,144



	2004-2005	2003-2004
32. ALLOCATION FOR WPPF :		
Tk.	75,650,930	57,581,816

This represents 5% of Net Profit before Tax after charging the allocation as per provisions of the Workers' Profit Participation Act, 1968 and is payable to workers as defined in the said Act.

32.1 CONSOLIDATED ALLOCATION FOR WPPF :	Tk.	80,368,159	62,832,860
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33. PROVISION FOR INCOME TAX FOR THE YEAR : Tk. 257,170,446

This represents estimated Income Tax liability for the year 2004-05 as follows:

1) 30% Income Tax on the aggregate amount of Net Profit of Tk. 970,223,212 of Taxable Unit	291,066,964	198,907,771
2) Half of 30% Income Tax on Export Net Profit of Tk. 20,238,424	3,035,763	2,861,975
	294,102,727	201,769,746
Less: 10% Exemption for declaration of Dividend above 20%	29,410,273	20,176,975
	264,692,454	181,592,771
Less: Excess Provision of Income Tax (Previous Year)	(7,522,008)	-
Tk.	257,170,446	181,592,771

34. PROFIT/(LOSS) FROM ASSOCIATES UNDERTAKING : Tk. 530,928

This is arrived at as follows:

a) Square Textiles Ltd.	63,557,438	83,313,680
b) Square Knit Fabrics Ltd.	(28,040,734)	(60,968,489)
c) Square Fashions Ltd.	(34,985,776)	(47,491,808)
Tk.	530,928	(25,146,617)

35. APPROPRIATION DURING THE YEAR :

In accordance with BAS 1 "Presentation of Financial Statements", the appropriations for the year have been reflected in the "Statement of Changes in Equity".

During the year under review, an amount of Tk. 65,905,082 has been transferred to Tax Holiday Reserve being 40% of Net Profit of Tax Holiday Units as per section 45 of the Income Tax Ordinance, 1984. A part of the balance of Net Profit though carried forward in the Balance Sheet will be applied for payment of this year's cash dividend proposed by the Board of Directors @ Tk. 77/- per share and will be recognised as liability in the accounts as and when approved by the Shareholders in the Annual General Meeting. The total amount of Proposed Cash Dividend for the year 2004-2005 is calculated at Tk. 332,640,000.

The Board of Directors also proposed 648,000 Bonus Shares (Stock Dividend) @ 15% per share and total amount of proposed Bonus Share (Stock Dividend) for the year is calculated at Tk. 64,800,000.



NOTES TO THE FINANCIAL STATEMENTS

2004-2005

2003-2004

36. BASIC EARNINGS PER SHARE (EPS) - (Disclosure under BAS 33 "Earning Per Share")

The computation is given below:

Surplus for the year attributable to Shareholders (Net Profit after Tax)	1,255,848,153	970,043,543
Weighted average number of Shares outstanding during the year	4,320,000	4,320,000
Basic EPS	Tk. 290.71	224.55

37. PAYMENTS/PERQUISITES TO DIRECTORS AND OFFICERS

The aggregate amount paid/provided during the year in respect of "Directors" and "Officer" of the company as defined in the Securities and Exchange Rules 1987 are disclosed below:

Directors' Remuneration	9,232,500
Managerial Remuneration	19,954,142
Managerial Benefits:	
Company's Contribution to Provident Fund	1,918,448
Bonus	4,958,611
House Rent	5,406,927
Medical & Conveyance	546,000

(a) no compensation was made to the Managing Director of the company except as stated in (37) above.

(b) no amount was spent by the company for compensating any member of the Board of Directors except as stated in (37) above.





38. PARTICULARS OF DISPOSAL OF FIXED ASSETS DURING THE YEAR :

Particulars of Assets	Cost	Acc. Depn Upto 31-03-04	WDV as on 31-03-04	Sales Price	Profit/ (Loss)	Name of Parties	Mode of Disposal
Betford Truck	475,000	464,972	10,028	352,000	341,972	Ahsan Motor	Negotiation
Toyota Liteace	228,000	218,599	9,401	55,000	45,599	Mr. Md. Zadu Sarker	Negotiation
Toyota Toyoace	280,000	268,455	11,545	55,000	43,455	Mr. Md. Zadu Sarker	Negotiation
Toyota Townace	320,000	294,230	25,770	55,000	29,230	Mr. Md. Zadu Sarker	Negotiation
Toyota Toyoace	345,000	317,217	27,783	65,001	37,218	Mr. Alamgir Hossain	Negotiation
Isuzu Truck	495,000	481,938	13,062	280,000	266,938	Mr. Maznu Shaikh	Negotiation
Toyota Townace	265,000	254,074	10,926	65,520	54,594	Basher Bhai Trade Int.	Negotiation
Betford Truck	365,000	361,844	3,156	300,000	296,844	Mr. Ahsan Ullah	Negotiation
Toyota Townace	280,000	268,455	11,545	70,000	58,455	G.C Saha Sujon	Negotiation
Toyota Townace	347,500	325,112	22,388	68,550	46,162	Union Distribution	Negotiation
Toyota Corolla LX Ltd.	400,000	268,928	131,072	100,000	(31,072)	Mr. Md. Mizanur Rahman	Negotiation
Toyota Corolla XE Saloon	720,000	259,200	460,800	591,667	130,867	Mr. Md. Farhad Akhter	Negotiation
Toyota Corolla LX Ltd.	500,000	336,160	163,840	125,000	(38,840)	Mr. Shakil Ahmed	Negotiation
Toyota Corolla LX Ltd.	400,000	268,928	131,072	100,000	(31,072)	Mr. K M Ashraf Hossain	Negotiation
Toyota Corolla DX	400,000	268,928	131,072	100,000	(31,072)	Mr. Md. Mokter Hossain	Negotiation
Toyota Corolla XE Saloon	730,000	430,992	299,008	289,000	(10,008)	Mr. Ahsan Ali Shaikh	Negotiation
Honda CG 125 CC Motor Cycle	95,158	46,437	48,721	47,579	(1,142)	Mr. Nazrul Islam	Negotiation
Suzuki AX 100 CC Motor Cycle	70,846	34,572	36,274	35,423	(851)	Mr. Nuruzzaman	Negotiation
Suzuki AX 100 CC Motor Cycle	78,464	38,290	40,174	39,232	(942)	Mr. Nurul Huda	Negotiation
Suzuki AX 100 CC Motor Cycle	65,504	31,966	33,538	32,752	(786)	Mr. M M Shahinul Islam	Negotiation
Honda CG 125 CC Motor Cycle	87,707	42,801	44,906	43,854	(1,052)	Mr. Nazim Uddin Talukder	Negotiation
Suzuki AX 100 CC Motor Cycle	76,620	37,390	39,230	38,310	(920)	Mr. Utpal Kumer Banik	Negotiation
Suzuki AX 100 CC Motor Cycle	70,980	34,638	36,342	35,490	(852)	Mr. Ariful Islam	Negotiation
Suzuki AX 100 CC Motor Cycle	71,077	34,685	36,392	35,539	(853)	Mr. Sk. Mustafizur Rahman	Negotiation
Suzuki AX 100 CC Motor Cycle	39,976	19,508	20,468	19,988	(480)	Mr. Mohammad Zakaria	Negotiation
Suzuki AX 100 CC Motor Cycle	74,410	36,312	38,098	37,205	(893)	Mr. Anwar Hossain	Negotiation
Suzuki AX 100 CC Motor Cycle	74,166	36,193	37,973	37,083	(890)	Mr. Humayun Kabir	Negotiation
Suzuki AX 100 CC Motor Cycle	72,220	35,243	36,977	36,110	(867)	Mr. Masud Kabir	Negotiation
Suzuki AX 100 CC Motor Cycle	70,627	34,465	36,162	35,314	(848)	Mr. Noor Alam	Negotiation
Suzuki AX 100 CC Motor Cycle	64,375	31,415	32,960	32,188	(772)	Mr. Idrish Ali	Negotiation
Suzuki AX 100 CC Motor Cycle	61,085	29,810	31,275	30,543	(732)	Mr. Anisur Rahman	Negotiation
Suzuki AX 100 CC Motor Cycle	65,124	31,781	33,343	32,562	(781)	Mr. Kamrul Anam	Negotiation
Suzuki AX 100 CC Motor Cycle	62,951	30,720	32,231	31,476	(755)	Mr. Shahab Uddin	Negotiation
Suzuki AX 100 CC Motor Cycle	46,544	22,714	23,830	23,272	(558)	Mr. A H M Kamruzzaman	Negotiation
Suzuki AX 100 CC Motor Cycle	59,805	29,185	30,620	29,903	(717)	Mr. Salim Khan	Negotiation
Suzuki AX 100 CC Motor Cycle	69,636	33,982	35,654	34,818	(836)	Mr. Anwar Hossain	Negotiation
Suzuki AX 100 CC Motor Cycle	65,888	32,154	33,734	32,944	(790)	Mr. Mollah Sekender Ali	Negotiation
Suzuki AX 100 CC Motor Cycle	66,124	32,269	33,855	33,062	(793)	Mr. Shawkat Hossain	Negotiation
Honda CG 125 CC Motor Cycle	59,775	29,170	30,605	29,888	(717)	Mr. Mir Mosharaf Hossain	Negotiation
Suzuki AX 100 CC Motor Cycle	65,710	32,067	33,643	32,855	(788)	Mr. Delwar Hossain Talukder	Negotiation
Suzuki AX 100 CC Motor Cycle	67,479	32,930	34,549	33,740	(809)	Mr. A N M Humayun Kabir	Negotiation
Suzuki AX 100 CC Motor Cycle	67,711	33,043	34,668	33,856	(812)	Mr. Mokammel Hossain	Negotiation
Suzuki AX 100 CC Motor Cycle	30,431	14,850	15,581	15,216	(365)	Mr. Jahiduzzaman	Negotiation
Suzuki AX 100 CC Motor Cycle	64,857	31,650	33,207	32,429	(778)	Mr. Lokman Hossain Bhuiyan	Negotiation
Suzuki AX 100 CC Motor Cycle	60,694	29,619	31,075	30,347	(728)	Mr. T M Mahmudul Kabir	Negotiation
Suzuki AX 100 CC Motor Cycle	62,770	30,632	32,138	31,385	(753)	Mr. Khan Nazmus Sultan	Negotiation
Suzuki AX 100 CC Motor Cycle	62,934	30,712	32,222	31,467	(755)	Mr. Mahmudul Haque	Negotiation
Honda CG 125 CC Motor Cycle	84,682	41,324	43,358	42,341	(1,017)	Mr. Subash Chandra Podder	Negotiation
Honda CG 125 CC Motor Cycle	81,733	39,886	41,847	40,867	(980)	Mr. Khaleduzzaman	Negotiation
Suzuki AX 100 CC Motor Cycle	70,342	34,327	36,015	35,171	(844)	Mr. A B M Sobhan Howlader	Negotiation
Suzuki AX 100 CC Motor Cycle	71,927	35,100	36,827	35,964	(863)	Mr. Shajedul Haque	Negotiation
Suzuki AX 100 CC Motor Cycle	64,539	31,495	33,044	32,270	(774)	Mr. S M Saiful Islam	Negotiation
Honda CG 125 CC Motor Cycle	86,112	42,022	44,090	52,762	8,672	Mr. Saiful Islam	Negotiation
Suzuki AX 100 CC Motor Cycle	57,840	28,226	29,614	28,920	(694)	Mr. K M Mahbubur Rahman	Negotiation
Suzuki AX 100 CC Motor Cycle	63,076	30,781	32,295	34,326	2,031	Mr. Kh. Mahbulul Hossain	Negotiation
Honda CG 125 CC Motor Cycle	112,913	55,102	57,811	47,100	(10,711)	Mr. Mokhesur Rahman	Negotiation
Total Tk.	9,295,312	6,427,498	2,867,814	4,047,289	1,179,475		



NOTES TO THE FINANCIAL STATEMENTS

39. PRODUCTION CAPACITY AND UTILISATION

(Quantity in thousand)

Category	Unit	Rated Capacity	Actual Production	Capacity Utilisation
Tablets	Pcs	2,016,256	2,132,440	106%
Capsules	Pcs	307,320	435,911	142%
Liquids	Bottle	61,000	28,951	47%
Injectables (Vials & Ampouls)	Pcs	25,000	22,312	89%
ENT Preparations & Others	Phials	10,000	11,127	111%
Ophthal Preparations & Others	Phials	2,000	1,315	66%
Dry Syrups	Bottle	4,000	3,355	84%
Suppository	Pcs	10,000	3,412	34%
Inhalers	Pcs	2,000	513	26%
Basic Chemicals	Kg	340	257	76%
Tablets - AgroVet	Pcs	13,892	13,142	95%
Powder - AgroVet	Gm	13,200	11,530	87%
Injection - AgroVet	Pcs	4,480	227	5%
Liquids - AgroVet	Bottle	1,100	58	5%
Aerosol	Pcs	1,470	229	16%

Fluctuation of capacity utilisation is due to change of technology, product line and marketing strategy.

40. NUMBER OF EMPLOYEES

The number of employees engaged for the whole year who received a total remuneration of Tk. 3,000 and above per month was 2,006 for the whole year and 258 for part of the year.

41. CAPITAL EXPENDITURE COMMITMENT

Contract for capital expenditure are being executed by the Contractors and the running bills are accounted for but the unfinished contracts has not been reflected in this Financial Statements. There was no material capital expenditure authorised by the Board but not contracted for at 31, March 2005.

42. During the year under review an amount of GBP 11,210 and USD 4,771 equivalent to Tk. 1,900,798 has been paid to expatriate consultants as fees for their services rendered to the company.
43. During the year under review total dividend for 2003-2004 amounting to Tk.252,000,000 has been paid to the Shareholders and also bonus shares for the year 2003-2004 have been accounted for. Dividend of Tk. 22,613,109 were paid to 16 non-residents shareholders. Dividend were paid in local currency to the local custodian bank of the shareholders as such no dividend was remitted in foreign currency.
44. There was no claim against the company not acknowledged as debt as on 31-03-05
45. There was no credit facility available to the company under any contract but not availed of as on 31-03-05 other than bank credit facility and trade credit available in the ordinary course of business.
46. Contingent liability of the company was Tk.652,074,019 as on 31-03-05 for opening letters of credit by the banks in favour of foreign suppliers for raw materials, packing materials and plant & machineries.
47. There is no significant event other than normal activities between the financial year closing date and Financial Statement signing date.



SQUARE PHARMACEUTICALS LTD.

Fixed Assets - Tk. 2,317,358,471

Schedule-01

PARTICULARS	COST				DEPRECIATION				Written Value as at 31 March 2005	Rate of Depn
	At 31 March 2004	During the year		At 31 March 2005	At 31 March 2004	During the year		At 31 March 2005		
		Additions	Sales/ Transfer			Charged	Adjustments/ Transfer			
FACTORIES:										
Freehold Land	164,747,493	1,963,190	-	166,710,683	-	-	-	166,710,683	-	
Building	1,280,475,874	54,543,299	-	1,335,019,173	312,571,255	102,244,793	-	414,816,048	920,203,125	10%
Building under Construction	1,700,125	1,950,300	1,176,076	2,474,349	-	-	-	-	2,474,349	-
Building Materials in Transit	178,834	-	178,834	-	-	-	-	-	-	-
Plant & Machinery	1,291,996,466	207,804,703	-	1,499,801,169	573,091,719	139,006,418	-	712,098,137	787,703,032	15%
Laboratory Equipment	76,284,119	28,730,092	-	105,014,211	26,771,133	7,824,307	-	34,595,440	70,418,771	10%
Furniture & Fixture	66,736,429	13,209,855	-	79,946,284	15,783,213	6,416,307	-	22,199,520	57,746,764	10%
Office Equipment	61,826,458	2,556,367	-	64,382,825	23,913,767	4,046,908	-	27,960,675	36,422,150	10%
Motor Vehicle	57,367,567	11,105,618	5,030,500	63,442,685	40,368,577	5,312,222	4,290,976	41,389,823	22,052,862	20%
Plant & Machinery in Transit	2,223,213	9,794,788	27,840	11,990,161	-	-	-	-	11,990,161	-
Electrical Installation	13,058,609	2,360,801	-	15,419,410	10,045,388	806,103	-	10,851,491	4,567,919	15%
Gas Line Installation	5,444,009	1,494,000	-	6,938,009	1,083,882	878,119	-	1,962,001	4,976,008	15%
TOTAL	3,022,039,196	335,513,013	6,413,250	3,351,138,959	1,003,628,934	266,535,177	4,290,976	1,265,873,135	2,085,265,824	
HEAD OFFICE & OTHERS:										
Land	47,554,419	161,828	-	47,716,247	-	-	-	-	47,716,247	-
Building	72,919,357	-	-	72,919,357	46,420,018	2,649,934	-	49,069,952	23,849,405	10%
Furniture & Fixture	17,466,315	1,790,750	-	19,257,065	9,248,262	1,000,880	-	10,249,142	9,007,923	10%
Office Equipment	52,140,521	5,071,405	-	57,211,926	24,320,346	3,289,158	-	27,609,504	29,602,422	10%
Motor Vehicle	128,072,458	31,467,580	1,520,000	158,020,038	60,115,067	19,740,406	797,056	79,058,417	78,961,621	20%
Motor Cycle	67,649,104	14,420,100	2,744,812	79,324,392	27,030,356	10,726,700	1,339,466	36,417,590	42,906,802	20%
Books & Periodicals	528,794	-	-	528,794	507,455	6,402	-	513,857	14,937	30%
Electrical Installation	103,845	-	-	103,845	64,680	5,875	-	70,555	33,290	15%
TOTAL	386,434,813	52,911,663	4,264,812	435,081,664	167,706,184	37,419,355	2,136,522	202,989,017	232,092,647	
GRAND TOTAL Tk.	3,408,474,009	388,424,676	10,678,062	3,786,220,623	1,171,335,118	303,954,532	6,427,498	1,468,862,152	2,317,358,471	
TOTAL- 2004 Tk.	3,257,825,743	180,608,887	29,960,621	3,408,474,009	889,899,023	289,445,574	8,009,479	1,171,335,118	2,237,138,891	

SQUARE PHARMACEUTICALS LTD.

Consolidated Fixed Assets - Tk. 3,062,620,493

Schedule-02

PARTICULARS	COST			DEPRECIATION				Written Down Value as at 31 March 2005	Rate of Depn
	At 31 March 2004	During the year		At 31 March 2004	During the year		At 31 March 2005		
		Additions	Sales/ Transfer		Charged	Adjustments/ Transfer			
FACTORIES:									
Freehold Land	178,754,699	154,303,486	-	333,058,185	-	-	-	333,058,185	-
Building	1,396,576,125	56,643,299	-	1,453,219,424	-	-	-	1,013,497,790	10%
Building under Construction	1,700,125	1,950,300	1,176,076	2,474,349	-	-	-	2,474,349	-
Building Materials in Transit	178,834	-	178,834	-	-	-	-	-	-
Plant & Machinery	1,835,398,069	285,583,513	-	2,120,981,582	-	-	-	1,253,518,912	15%
Laboratory Equipment	76,284,119	28,730,092	-	105,014,211	-	-	-	70,418,771	10%
Furniture & Fixture	69,040,496	13,209,855	-	82,250,351	-	-	-	58,605,615	10%
Office Equipment	62,962,898	2,556,367	-	65,519,265	-	-	-	36,868,316	10%
Motor Vehicle	58,982,567	11,105,618	5,030,500	65,057,685	-	-	-	22,328,362	20%
Plant & Machinery in Transit	2,223,213	9,794,788	27,840	11,990,161	-	-	-	11,990,161	-
Deep Tubewell	1,265,772	-	-	1,265,772	-	-	-	889,205	-
Workshop Tools	490,588	-	-	490,588	-	-	-	149,028	-
Electrical Installation	45,253,620	2,360,801	-	47,614,421	-	-	-	17,450,192	15%
Gas Line Installation	10,845,137	1,494,000	-	12,339,137	-	-	-	9,278,960	15%
TOTAL	3,739,956,262	567,732,119	6,413,250	4,301,275,131	6,413,250	4,290,976	1,470,747,285	2,830,527,846	
HEAD OFFICE & OTHERS:									
Land	47,554,419	161,828	-	47,716,247	-	-	-	47,716,247	-
Building	72,919,357	-	-	72,919,357	-	-	-	23,849,405	10%
Furniture & Fixture	17,466,315	1,790,750	-	19,257,065	-	-	-	9,007,923	10%
Office Equipment	52,140,521	5,071,405	-	57,211,926	-	-	-	29,602,422	10%
Motor Vehicle	128,072,458	31,467,580	1,520,000	158,020,038	-	797,056	79,058,417	78,961,621	20%
Motor Cycle	67,649,104	14,420,100	2,744,812	79,324,392	-	1,339,466	36,417,590	42,906,802	20%
Books & Periodicals	528,794	-	-	528,794	-	-	-	14,937	30%
Electrical Installation	103,845	-	-	103,845	-	-	-	33,290	15%
TOTAL	386,434,813	52,911,663	4,264,812	435,081,664	4,264,812	2,136,522	202,989,017	232,092,647	
GRAND TOTAL Tk.	4,126,391,075	620,643,782	10,678,062	4,736,356,795	10,678,062	6,427,498	1,673,736,302	3,062,620,493	
TOTAL - 2004 Tk.	3,944,573,571	211,778,125	29,960,621	4,126,391,075	29,960,621	8,009,479	1,322,436,982	2,803,954,093	





SQUARE SPINNINGS LTD.





SQUARE SPINNINGS LTD.
DIRECTORS' REPORT TO THE SHAREHOLDERS
UNDER SECTION 184 OF THE COMPANIES ACT 1994

Dear Shareholders,

I feel delighted to welcome you on behalf of the Board of Directors of the company to the Fifth Annual General Meeting and place their Report along with the Audited Accounts containing Balance Sheet as at 31 December, 2004, Profit & Loss Account and Cash Flow Statement together with Notes and Auditors' Report thereon for the year ended 31 December, 2004.

COMPANY'S OPERATIONS:

1. PRODUCTION/CAPACITY:

The company's installed production capacity during the year 2004 remained at the same level of the previous year at 2,880 Rotor Heads with production capacity (at average NE 20s) unchanged. A year wise comparative position of capacity, output and productive efficiencies are highlighted hereunder:

	2004	2003
(1) Installed Production Facilities:		
Rotor Heads	2,880	2,880
(2) In Operations:		
Rotor Heads	2,880	2,880
(3) Production Capacity (Kg)	8,875,000	8,875,000
(4) Actual Production (Kg)	7,985,642	8,728,975
(5) Operating Efficiency Attained	90%	98%

Though the production capacity is same as previous year, actual production decreased by about 8.5% over the previous year and the capacity utilization attained the level of 89.98% as against 98.35% in the previous year.

2. COST OF PRODUCTION:

The cost of goods sold, unit costs, raw materials costs and cost of other materials/services have been varying at varying degree over the last two years as analyzed below:

	2004	2003
(1) Total Output Produced (Kg)	7,985,642	8,728,975
(2) Cost of Production (Tk.)	821,983,115	670,070,342
(3) Raw Materials Consumed (Tk.)	686,863,939	552,371,745
(4) Packing Materials Consumed (Tk.)	10,959,867	11,770,653
(5) Factory Overhead (Tk.)	124,911,259	107,514,414
(6) Power, Gas & Water (Tk.)	28,236,443	19,495,758
(7) Unit Cost (Tk.):		
(a) Cost of Production per Kg	102.93	76.76
(b) Raw Materials per Kg	86.02	63.28
(c) Packing Materials per Kg	1.37	1.35
(d) Factory Overhead per Kg	15.64	12.32
(e) Power, Gas & Water per Kg	3.54	2.23



DIRECTORS' REPORT

From the above information it will transpire that the cost of production per Kg has increased by 34.09% during 2004 over that 2003 and the cost of raw materials increased by 35.93% during 2004 over the previous year. The cost of packing materials however is almost the same during 2004 over 2003, though factory overhead increased by 26.95% during 2004 over 2003. Cost of utilities (power, gas & water) also increased by 58.75% in 2004 from that of 2003. Factors responsible for increase are mostly extraneous and beyond the control of management.

3. MARKETING OPERATIONS:

The Company's marketing operations continued to concentrate on export over the years as depicted below:

	2004		2003	
(1) Quantity Sold (Kg) :				
(a) Local Sales	92,198	1.24%	243,825	2.85%
(b) Export Sales	7,332,200	98.76%	8,303,700	97.15%
Total Sales	7,424,398	100.00%	8,547,525	100.00%
(2) Sales Revenue (Tk) :				
(a) Local Sales	11,547,642	1.16%	26,481,452	3.00%
(b) Export Sales	982,649,268	98.84%	856,909,402	97.00%
Total Sales	994,196,910	100.00%	883,390,854	100.00%
(3) Selling Prices :				
(a) Local Sales (Tk/Kg)	125.25	-	108.60	-
(b) Export Sales (Tk/Kg)	134.02	-	103.20	-
(c) Average Sales (Tk/Kg)	133.91	-	103.25	-

The quantity sold during 2004 fell by 13.14% over that of 2003 while the sales revenue increased by only 12.54% over the same period. This is primarily due to rise in export prices by 29.86% in 2004 over 2003. The overall prices rose by 29.56% in 2004 over that of 2003. The rise in the export prices was primarily due to increase in RMG exports from Bangladesh.

4. CAPITAL EXPENDITURES:

The company made a capital investment of Tk. 973,565 during the year 2004 for electrical installations for ensuring and improving power supply for higher productivity.



5. DEBT SERVICE:

The medium/short term loan from Bank has been fully redeemed during the year 2004 by payment of Tk. 414.235 million and a medium term loan of Tk. 30.00 million is payable to SPL.

6. CONTRIBUTION TO NATIONAL EXCHEQUER:

The Company contributed an amount of Tk. 17.01 million to the National Exchequer consisting of the following:

	2004	2003
(1) Advance Income Tax (Deducted at Source)	0.24	1.75
(2) Excise/VAT/Import Duties/Taxes etc.	13.40	15.00
(3) Govt. Taxes/Stamp Duties/License Fees etc.	3.37	0.07
Total Tk. (Million)	<u>17.01</u>	<u>16.82</u>

The above is 1.13 % higher than that of 2003.

7. FOREIGN EXCHANGE EARNED/SAVED:

The company contributed an amount of Tk. 246.31 million to the Foreign Exchange Reserve of the country during the year 2004 as follows:

	2004	2003
(1) Total Export Earnings	982.65	856.91
(2) Less: Import Costs/Expenses:		
(a) Raw Cotton (Tk.)	686.86	552.37
(b) Spare Parts (Tk.)	49.48	54.61
	736.34	606.98
(3) Net Export Earnings in million (Tk.)	<u>246.31</u>	<u>249.93</u>
Net Export Earnings in US Dollar (At average Tk. 61.70/\$)	3,992,058.35	4,309,120.69

8. CORPORATE OWNERSHIP:

The share paid-up capital of the company as at 31 December 2004 stood at Tk. 100 million, which is held as follows:

(1) Square Pharmaceuticals Ltd.	98%
(2) Sponsors/Directors of SPL	2%
Total	<u>100%</u>



DIRECTORS' REPORT

9. FINANCIAL RESULTS:

The Company's operating financial results, as compared to the previous year, are summarized hereunder:

	Year 2004 (Taka)	Year 2003 (Taka)
(1) Sales Turnover	994,196,910	883,390,854
(2) Cost of Goods Sold	816,294,891	692,282,482
(3) Gross Profit	177,902,019	191,108,372
(4) Operating & Financial Expenses	63,183,869	95,249,265
(5) Operating Income	114,718,150	95,859,107
(6) Other Income	9,575	12,643
(7) Net Profit before WPPF	114,727,725	95,871,750
(8) Contribution to WPPF	5,463,225	4,565,321
(9) Net Profit for the Year	109,264,500	91,306,429
(10) Performance Analysis :		
◆ Gross Margin	17.90%	21.63%
◆ Operating Margin	11.54%	10.85%
◆ Net Margin	11.00%	10.34%
◆ Outstanding Shares	1,000,000	1,000,000
◆ Earning per Share (Tk.)	109.26	91.31

The Sales Turnover in 2004 increased by 12.54% over the previous year while net profit increased by 19.67% over the same period due to decrease in operating and financial expenses. However, due to increased level of Earning Per Share (EPS), the Net Asset Value (NAV) per share stood at Tk. 445.60 against par value of Tk. 100 each indicating substantial gains.

10. APPROPRIATION:

The net profit of Tk. 109,264,500 has been proposed by the Directors to be appropriated as follows:

Tax Holiday Reserve	43,705,800
Transferred to General Reserve & Surplus	65,558,700
Total Tk.	<u>109,264,500</u>

11. DECLARATION OF DIVIDEND:

The Board of Directors have not recommended for declaration of dividend as yet due to the future need of ploughing back of profits for expansion and investment for cost reduction schemes arising from the need for increasing competitive ability after the year 2005.



12. CORPORATE GOVERNANCE:

Though the Company is a private limited one the Management considers it necessary to uphold the principles of good-governance in matters of disclosures, transparency, accountability to shareholders and government, authenticity of text & public, communicable language, timely and concerted action as a good corporate citizen. We also maintain superiority in matters of legal and professional standards.

13. APPOINTMENT OF AUDITORS:

M/s. Chowdhury Bhattacharjee & Co., Chartered Accountants, retire at this Annual General Meeting and being eligible offer themselves for reappointment for the year 2005 and refix their remuneration.

14. MANAGEMENT APPRECIATION:

In line with moderate growth in the economy and rise in exports, especially the RMG products, the company's out-put and sales increased due to earnest efforts by the workers, staff and officers of the company. The supports from the customers, suppliers, banks and various government agencies are also recorded with appreciation. It is hoped that with success in world peace efforts, trade, commerce and industry will flourish to the ultimate benefits of the mankind.

Samson H. Chowdhury
Chairman



AUDITORS' REPORT

AUDITORS' REPORT TO THE SHAREHOLDERS OF **SQUARE SPINNINGS LTD.**

We have audited the accompanying Financial Statements of Square Spinnings Limited comprising Balance Sheet as at 31 December, 2004 and the related Profit & Loss Account, Statement of Changes in Equity, Cash Flow Statement together with related Notes and Schedule thereto for the year then ended. The preparation of these financial statements are the responsibility of the company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

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

In our opinion, the financial statements, prepared in accordance with BAS, give a true and fair view of the state of the company's affairs as of 31 December, 2004 and of the results of its operations and its cash flow for the year then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

We also report that:

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

Dated, Dhaka
25 June, 2005

B.K. Bhattacharjee, FCA
Partner
Chowdhury Bhattacharjee & Co.
Chartered Accountants



SQUARE SPINNINGS LTD.

BALANCE SHEET

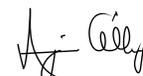
as at 31 December 2004

		31-12-04	31-12-03
NET ASSETS:	Notes		
Fixed Assets - At cost less depreciation	2	529,719,176	577,015,050
Current Assets:		663,503,762	564,165,186
Stocks	3	271,336,344	214,157,404
Trade Debtors	4	357,362,450	325,536,527
Advances, Deposits and Prepayments	5	22,313,891	13,491,814
Cash and Bank Balances	6	12,491,077	10,979,441
Less: Current Liabilities:		717,622,123	654,843,921
Short Term Loan	7	320,171,264	614,406,585
Sundry Creditors	8	-	15,461,881
Liabilities for Expenses	9	396,634,692	24,238,977
Liabilities for Other Finance	10	816,167	736,478
Net Current Assets		(54,118,361)	(90,678,735)
	Tk.	475,600,815	486,336,315
FINANCED BY:			
SHAREHOLDERS' EQUITY:		445,600,815	336,336,315
Share Capital	11	100,000,000	100,000,000
General Reserve & Surplus		214,523,178	148,964,478
Tax Holiday Reserve		131,077,637	87,371,837
Term Loan:		30,000,000	150,000,000
Medium Term Loan	12	30,000,000	150,000,000
	Tk.	475,600,815	486,336,315

Attached notes form an integral part of these Statements.

These Financial Statements were authorised by the Board of Directors on 16 March 2005 and signed on their behalf by :

As per our annexed report of even date.


Anjan Chowdhury
Managing Director


Samuel S. Chowdhury
Director


Md. Kabir Reza, FCMA
Company Secretary


B.K. Bhattacharjee, FCA
Partner
Chowdhury Bhattacharjee & Co.
Chartered Accountants

Dated, Dhaka: 25 June 2005



SQUARE SPINNINGS LTD.

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2004

		2004	2003
	Notes		
SALES	13	994,196,910	883,390,854
LESS: COST OF GOODS SOLD	14	816,294,891	692,282,482
GROSS PROFIT		177,902,019	191,108,372
Less: Operating & Financial Expenses	15	63,183,869	95,249,265
Operating Income		114,718,150	95,859,107
Add: Other Income		9,575	12,643
NET PROFIT BEFORE WPPF		114,727,725	95,871,750
Less: Allocation for WPPF		5,463,225	4,565,321
NET PROFIT FOR THE YEAR (Transferred to the Statement of Changes in Equity)	TK.	<u>109,264,500</u>	<u>91,306,429</u>
Basic Earnings Per Share (Par Value Taka 100/-)	TK.	<u>109.26</u>	<u>91.31</u>

Attached notes form an integral part of these Statements.

These Financial Statements were authorised by the Board of Directors on 16 March 2005 and signed on their behalf by :


Anjan Chowdhury
Managing Director


Samuel S. Chowdhury
Director


Md. Kabir Reza, FCMA
Company Secretary


B.K. Bhattacharjee, FCA
Partner
Chowdhury Bhattacharjee & Co.
Chartered Accountants

Dated, Dhaka: 25 June 2005

As per our annexed report of even date.



SQUARE SPINNINGS LTD.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2004

	Share Capital	Tax Holiday Reserve	Retained Earnings	Total
At 31 December 2003	100,000,000	87,371,837	148,964,478	336,336,315
Net Profit for the Year 2004	-	-	109,264,500	109,264,500
Transfer to Tax Holiday Reserve	-	43,705,800	(43,705,800)	-
At 31 December 2004 Tk.	100,000,000	131,077,637	214,523,178	445,600,815

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2003

	Share Capital	Tax Holiday Reserve	Retained Earnings	Total
At 31 December 2002	100,000,000	50,849,267	94,180,619	245,029,886
Net Profit for the Year 2003	-	-	91,306,429	91,306,429
Transfer to Tax Holiday Reserve	-	36,522,570	(36,522,570)	-
At 31 December 2003 Tk.	100,000,000	87,371,837	148,964,478	336,336,315

Attached notes form an integral part of these Statements.

These Financial Statements were authorised by the Board of Directors on 16 March 2005 and signed on their behalf by :


Anjan Chowdhury
Managing Director


Samuel S. Chowdhury
Director


Md. Kabir Reza, FCMA
Company Secretary

As per our annexed report of even date.


B.K. Bhattacharjee, FCA
Partner
Chowdhury Bhattacharjee & Co.
Chartered Accountants

Dated, Dhaka: 25 June 2005



SQUARE SPINNINGS LTD.

CASH FLOW STATEMENT

for the year ended 31 December 2004

	2004	2003
Cash Flows from Operating Activities :		
RECEIPTS:		
Collection from Sale	962,370,987	922,295,389
Others	9,575	12,643
	962,380,562	922,308,032
PAYMENTS:		
Purchase of Raw and Packing Materials	391,585,529	624,284,660
Manufacturing and Operating Expenses	101,709,588	75,596,046
Bank Interest	49,738,136	80,437,690
Workers Profit Participation Fund	2,626,787	2,787,750
	545,660,040	783,106,146
Net cash provided by operating activities (A)	416,720,522	139,201,886
Cash Flows from Investing Activities:		
Purchase of Fixed Assets	(973,565)	(30,195,674)
Net cash used in investing activities (B)	(973,565)	(30,195,674)
Cash Flows from Financing Activities:		
Medium Term Loan Received/(Repaid)	(120,000,000)	(160,546,078)
Short Term Loan Received/(Repaid)	(294,235,321)	62,021,669
Net cash used in financing activities (C)	(414,235,321)	(98,524,409)
Increase in Cash and Bank Balances (A+B+C)	1,511,636	10,481,803
Cash and Bank Balance at Opening	10,979,441	497,638
Cash and Bank Balance at Closing	TK. 12,491,077	10,979,441

Attached notes form an integral part of these Statements.

These Financial Statements were authorised by the Board of Directors on 16 March 2005 and signed on their behalf by :

Anjan Chowdhury
Managing Director

Samuel S. Chowdhury
Director

Md. Kabir Reza, FCMA
Company Secretary

B.K. Bhattacharjee, FCA
Partner
Chowdhury Bhattacharjee & Co.
Chartered Accountants

As per our annexed report of even date.

Dated, Dhaka: 25 June 2005



BEG RUBBER INDUSTRIES LIMITED

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS FOR THE PERIOD: 2004-05

Dear Shareholders,

In terms in the provisions of section 184 of the Companies Act 1994 and IAS Codes, I on behalf of the Board of Directors, have the pleasure to submit its Report to the shareholders for the period ended 31 March 2005 in the following paragraphs:

1. CORPORATE OWNERSHIP & MANAGEMENT:

In terms of the Deed of Agreement for Purchase of Shares dated 30th May 2004, the entire fully paid-up shares of the company, that is, 3,000 ordinary shares of Tk. 100 each, were sold by the shareholders as of the dated to the purchasers as enumerated below:

A. Share-Owners/Sellers:

No of Shares

01. Mr. Fazlul Hoq Beg	338
02. Dr M A S M Mazharul Hoq Beg	338
03. Mr Azizul Islam Beg	338
04. Mr Habibul Islam Beg	338
05. Mr Anwarul Islam Beg	338
06. Mr Mahmudul Hoq Beg	338
07. Mr Bazlul Hoq Beg	138
08. Mr Azharul Hoq Beg	138
09. Mr Manzurul Hoq Beg	67
10. Mr Toriqul Islam Hoq Beg	66
11. Mrs Khodeja Akhtar Khatoon	563
Total	<u>3,000</u>

B. Purchasers:

01. Mr. Samson H. Chowdhury	100
02. Mr. Samuel S. Chowdhury	76
03. Mr. Tapan Chowdhury	76
04. Mr. Anjan Chowdhury	76
05. Mrs. Ratna Patra	76
06. Square Pharmaceuticals Ltd.	2,596
Total	<u>3,000</u>

The Sale/Purchase and the transfer of 3,000 Shares as described above were effected on 12-08-2004 and all the shares now stand registered in the names of the purchasers as above.

DIRECTORS' REPORT

In terms of the provision of the Deed of Agreement for Purchase of Shares, all the Directors resigned with effect from 12-08-2004 and the following Directors were appointed by way of filling of casual vacancies under provisions of clause (c) of sub-section (1) of section 91 of the Companies Act 1994 as follows:

1. Mr. Samson H. Chowdhury
2. Mr. Samuel S. Chowdhury
3. Mr. Tapan Chowdhury
4. Mr. Anjan Chowdhury
5. Mrs. Ratna Patra

In terms of the provisions of Articles of Association of the Company, Mr. Samson H. Chowdhury was elected chairman by the Directors. The Board also appointed Mr. Samuel S. Chowdhury as Managing Director.

2. OPERATIONS:

The company ceased its operations since the transfer of Management as the Plant and Machinery were scrapped. The management is reviewing the prospect of use of the space for long term benefit of the shareholders. A suitable proposal would be submitted to the shareholders in due course of time.

3. CHANGE OF ACCOUNTING PERIOD/YEAR:

In order to match the accounting period of the company, which is a subsidiary of Square Pharmaceuticals Ltd. as defined by sub-section (2) of section 2 of the Companies Act 1994, with that of the parent company for consolidation etc, the accounting year has been changed to close on 31 March instead of 30 June every year.

4. FINANCIAL POSITION:

Since the company's business operation had remained suspended, no Profit & Loss Account for the period under review could be prepared for submission. However, company's Balance Sheet as at 31 March 2005 duly audited is enclosed for consideration and approval of the shareholders.

5. APPOINTMENT OF AUDITORS:

Irshadullah Patwary & Co., Chartered Accountants, the present auditors, retire in this AGM and being eligible have offered for reappointment for the year 2005-06 at existing remuneration.

6. ACKNOWLEDGEMENT:

The management records with thanks the services rendered by the officers/employees, outgoing Directors and the incoming Directors in re-structuring the corporate Ownership/Management smoothly in terms of the provisions of Laws/Regulations. I wish all the shareholders a bright prospect for their investments.



Samson H. Chowdhury
Chairman

AUDITORS REPORT

We have audited the accompanying Balance Sheet of BEG RUBBER INDUSTRIES LTD. as of 31st March 2005. The preparation of this financial statement is the responsibility of the company's management. Our responsibility is to express an independent opinion on this financial statement based on our audit.

We conducted our audit in accordance with Bangladesh Standards on Accounting (BSA). Those standards require that we plan perform the audit to reasonable assurance about whether the financial statement is free of materials misstatement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.

In our opinion, the financial statement give a true and fair view of the state of affairs of the company as of 31st March 2005 (Period from 1st July 2004 to 31st March 2005) and comply with the company Act. 1994 and other applicable laws and regulations.

We further report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof.
- b) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of those books; and
- c) The company's Balance Sheet dealt with by the report are in agreement with the books of account.

Note: It is important to mention here that the operation activities of the company was closed on 1st July 2004, as a result it has not been needed to prepare Manufacturing, Trading and Profit and Loss Account for the period under audit.

Dated: May 15, 2005



Irshadullah Patwary & Co.
Chartered Accountants

BEG RUBBER INDUSTRIES LTD.

BALANCE SHEET

as at 31st March 2005

	31-03-2005	30-06-2004
CAPITAL AND LIABILITIES:		
AUTHORISED CAPITAL		
25,000 Ordinary shares of Tk. 100/- each	2,500,000	2,500,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
3,000 Ordinary shares of Tk. 100/- each	300,000	300,000
Deposit against Allotment of Shares	-	2,064,000
Outstanding Liabilities	-	3,180,806
Loan Account (Leasing)	-	3,632,000
Loan from Square Pharmaceuticals Ltd.	110,000	-
Profit and Loss Appropriation Account	209,704	209,704
Tk.	619,704	9,386,510
PROPERTY AND ASSETS:		
Fixed Assets	600,000	7,971,256
CURRENT ASSETS:		
Stock and Stores	-	922,263
Advance, Deposit and Prepayments	-	435,500
Income Tax Deducted at Source	-	46,859
Cash and Bank Balances	19,704	10,632
Cash at Bank with Pubali Bank Ltd.	656	10,331
Cash in Hand	19,048	301
Tk.	619,704	9,386,510


Samuel S. Chowdhury
Managing Director


Tapan Chowdhury
Director


Irshadullah Patwary & Co.
Chartered Accountants

Dated: May 15, 2005

Square in International Business

Square Pharmaceuticals' delighted and surprised Ambassador of Japan

The honorable Ambassador of Japan H. E. Mr. Matsushiro Horiguchi showed his great satisfaction on the quality commitment demonstrated at Square Pharmaceuticals during his visit to the Square Pharmaceuticals' Dhaka Plant on July 26, 2005.

He stated the SQUARE's facility excellent and expressed his genuine delight and indeed surprise to see such a state of the art facility in Bangladesh. The honorable Ambassador visited the production and quality assurance facilities of the Square Pharmaceuticals with deep interest.

The honorable Ambassador also praised Square Group's contribution to the social and economic development of the country.

During a discussion with Mr. Tapan Chowdhury, Managing Director of the Square Pharmaceuticals, he outlined the potential for investment and business between Japan and Bangladesh.



Health Secretaries from 11 SEAR countries visited SQUARE Pharmaceuticals' Plant

Health secretaries from 11 SEAR (South East Asian Region) countries and WHO delegates visited Square's Dhaka Unit at the invitation of Ministry of Health & Family Welfare, Govt. of Bangladesh on 4th July, 2005. State-of-art technology in manufacturing and quality assurance of Square Pharmaceuticals' impressed the visitors. The Effluent Treatment System, computerized Building Energy Management System (BEMS) and Water Treatment Plant of the facility also attracted the distinguished visitors. Dhaka Unit of Square Pharmaceuticals is one of the best among such facilities in South East Asia Region.



Libyan GMP Inspectors audited Square's manufacturing facility

4 GMP Inspectors of Ministry of Health, Libya inspected and audited the manufacturing facility of Square Pharmaceuticals Ltd. (Dhaka Unit) as a compulsory requirement for the export of pharmaceuticals to Libya. The factory was built as per the US FDA and UK MHRA guidelines. And, Square is the first Bangladeshi company to take initiative to export pharmaceuticals to Libya.

Libya is an oil rich country, but because of international trade embargo on the country from long, relations with the outer world was very limited. Consequent to the recent withdrawal of the embargo the huge potential of the Libyan market has opened up. Pharmaceutical is one of the very prospective sectors in Libya and Square Pharmaceuticals Ltd. is one of the many renowned pharmaceutical companies from across the world who took initiatives in serving the market.

On completion of the registration process of Square Pharmaceuticals Ltd., the pharmaceutical export from Bangladesh will enter into a new prospective era.



Drug Inspection Team from Yemen visited SQUARE Pharmaceuticals' Plant



A three-member inspector's team from the Drug Regulatory Authority of Yemen visited Square's Pabna Unit & Dhaka Unit from 27th - 28th June, 2005. State-of-art technology in manufacturing and quality assurance of Square Pharmaceuticals' impressed the visitors.

SQUARE has been exporting its finished pharmaceuticals to Yemen since 1996 and expects to get further momentum based on the inspection report. The inspection team hoped there would be increased bilateral trade relations between Yemen and Bangladesh in the pharmaceutical sector.

Square started its export operation since 1987. Its regular export includes 13 countries and Square products are in the process of registration in 14 other countries.

Square Pharmaceuticals to export to Sudan



Sudan, the largest country of Africa, showed interest in importing medicines from Square Pharmaceuticals Ltd. of Bangladesh. The Govt. of Sudan imports a huge quantity of medicines on a regular basis. The Sudan Government is working on strengthening and reforming the healthcare sector and importation of quality medicine will be given top priority.

With a view to that a high level Inspection Team of Ministry of Health, Govt. of Sudan audited Square Pharmaceuticals' facility in Pabna and Gazipur during 13 to 16 July, 2005 as a regulatory requirement in Sudan

It can be quoted that Square Pharmaceuticals already exports pharmaceuticals to 5 African countries and 6 other countries including Sudan are in process.



The 38th Annual General Meeting of the Shareholders of Square Pharmaceuticals Ltd. was held on 21st September 2004





SQUARE PHARMACEUTICALS LTD.

Registered Office: "Square Centre" 48, Mohakhali Commercial Area, Dhaka-1212

PROXY FORM

I/We _____

of _____

being a member of Square Pharmaceuticals Ltd. do hereby appoint

Mr/Mrs/Miss _____

of _____

as my/our proxy to attend and vote for me/us on my/our behalf at the 39th Annual General Meeting of the Company to be held on Wednesday the 21st September 2005 at 11:30 a.m. at Darbar Hall, Bangladesh Rifles (BDR), Pilkhana, Dhaka and at any adjournment thereof.

As witness my hand this day of _____ September 2005.

Affix
Revenue
Stamp

(Signature of the Proxy)

(Signature of the Shareholder)

Register Folio/BOID No. _____

Dated _____

Dated _____

Note: The proxy form should reach the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.

Signature Verified

Authorized Signatory
Square Pharmaceuticals Ltd.



স্কয়ার ফার্মাসিউটিক্যালস্ লিঃ

রেজিষ্টার্ড অফিসঃ স্কয়ার সেন্টার, ৪৮ মহাখালী বাণিজ্যিক এলাকা, ঢাকা-১২১২

প্রক্সি ফরম

আমি/আমরা _____

ঠিকানা _____

স্কয়ার ফার্মাসিউটিক্যালস্ লিঃ এর সদস্য হিসেবে

জনাব/বেগম _____

ঠিকানা _____

আমার/আমাদের প্রতিনিধি হিসেবে আগামী বুধবার ২১শে সেপ্টেম্বর ২০০৫ সকাল ১১:৩০ মিনিটে দরবার হল, বাংলাদেশ রাইফেলস্ (বিডিআর), পিলখানা, ঢাকা-এ অনুষ্ঠিতব্য কোম্পানীর ৩৯তম বার্ষিক সাধারণ সভায় এবং এর মূলতবী ঘোষিত সভায় আমার/আমাদের পক্ষে উপস্থিত থাকার এবং ভোট প্রদান করার জন্য নিযুক্ত করলাম।

স্বাক্ষর হিসেবে অদ্য _____ সেপ্টেম্বর ২০০৫ তারিখে আমি/আমরা এই দলিলে সজ্ঞানে স্বাক্ষর করলাম।

রেজিষ্টার্ড স্ট্যাম্প
সংযুক্ত করুন

প্রতিনিধির স্বাক্ষর

সদস্যের স্বাক্ষর

তারিখ _____

রেজিষ্টার ফলিও/বিওআইডি নম্বর _____

তারিখ _____

বিঃ দ্রঃ প্রক্সি ফরম যথাযথ পূরণের পর সভা অনুষ্ঠানের ৪৮ ঘন্টা পূর্বে কোম্পানীর রেজিষ্টার্ড অফিসে জমা দিতে হবে।

স্বাক্ষর পরীক্ষিত

অনুমোদনকারীর স্বাক্ষর
স্কয়ার ফার্মাসিউটিক্যালস্ লিঃ



SQUARE PHARMACEUTICALS LTD.

CORPORATE HEADQUARTERS

SQUARE CENTRE, 48 Mohakhali C.A., Dhaka-1212, Bangladesh

Phone : 880-2-882 7729-38, 881 7729-38, Fax : 880-2-882 8609, 880-2-882 8608

Email : info@squaregroup.com, Web page : www.square-bd.com



SQUARE
PHARMACEUTICALS LTD.
BANGLADESH