

Annual Report

2009-2010



SQUARE
PHARMACEUTICALS LTD.
BANGLADESH



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SQUARE PHARMACEUTICALS LTD.
TRANSMITTAL LETTER

The
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, 2010

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, 2010, Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year ended March 31, 2010 along with notes thereon and all related consolidated financial statements for your record / necessary measures.

Yours sincerely



Khandaker Habibur Rahman
Company Secretary

Dated : 30th August, 2010

SQUARE PHARMACEUTICALS LTD.
NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 44th ANNUAL GENERAL MEETING of the shareholders of Square Pharmaceuticals Ltd. will be held on **Tuesday the 21st September, 2010 at 10:30 a.m.** at **Factory Premises**, Board Ghar Bazar, Kaliakoir, Gazipur to transact the following business:

Agenda -1: To receive, consider and adopt the Accounts for the year ended March 31, 2010 together with the Report of the Directors and the Auditors thereon.

Agenda -2: To declare dividend for the year ended March 31, 2010.

Agenda -3: To elect Directors in terms of the relevant provision of Articles of Association.

Agenda -4: To re-appoint the Managing Director of the Comapny.

Agenda -5: To appoint Auditors and to fix their remuneration.

By order of the Board



Khandaker Habibuzzaman
Company Secretary

Dated: 30th August, 2010

Notes: The proxy form must be affixed with requisite revenue stamp and be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.



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 framework 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.

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.
- We strive for the achievement of millennium development goals for the human civilization

CORPORATE GOVERNANCE:

Corporate Governance involves decision making processes for any corporate body as a going concern for the benefit of all concerned, present and future. These decisions may be categorised as policy & strategic, operational and executing, performance & evaluation and sharing of the accretional assets between present & future cohorts. The involvement of the entrepreneur in all these areas invokes decision making governance on a continuous basis, the degree of involvement being variable with the extent of delegation of authority top down and reporting for accountability bottom up of the Management echelon. These aspects of governance are shared by the Board of Directors, Executive Management, operational participants and workers and others in fulfillment of the common goals that converge in increasing the benefits of all stakeholders. To this end entire corporate governance efforts are blended with "good governance practices" as ethically and morally acceptable standards under a given socio politico environmental phenomenon of our society in which we work, live and exist.

The organisms through which the corporate governance functions are carried out are:

BOARD OF DIRECTORS:

(a) Constitution:

The Board of Directors, the top Management echelon, consisting of the founding entrepreneurs/ successors and an Independent Director, provides the policy and strategic support and direction for the entire range of the corporate activities. The Board of Directors consist of nine (9) members including the Independent Director with varied education and experience which provides a balancing character in decision making process. The Board is re-constituted every year at each Annual General Meeting when one-third of the members retire and seek re-election. A director is liable to be removed if the conditions of the Articles of Association and the provisions of the Companies Act 1994 are not fulfilled.

(b) Role & Responsibilities:

The main role of the Board of Directors, which is the highest level of authority, is to provide general superintendence, oversee the operations and control the affairs of the company through appropriate delegation and accountability processes via the lines of command. However the Board of Directors hold the ultimate responsibility & accountability with due diligence for conducting the activities of the company as per provisions of law in the interest of the shareholders, the stakeholders, the state and the society. The Board of Directors, in fulfillment of its responsibility hold periodic meetings, at least once a quarter and provide appropriate decisions/directions to the Executive Management. Such meetings usually consider operational performance, financial results, review of budgets, capital expenditure proposals for BMRE or new projects/divisions/product lines, procurement of funds by issue of shares or borrowing, procurement of raw materials, plant & machinery, pricing of products/discounts, recruitment, training and promotion of officers, approval of audited accounts and distribution of dividends and other interest of the stakeholders including the employees and workers. The Board of Directors take special care in designing and articulating productivity and compensation plans of employees and workers and rewarding them appropriately on the basis of quality and quantity of performance as an incentive. Board also remains responsible for removal of operational hazards to life and health of workers, friendly environmental work condition and social relationship as demanded of good citizen in a country.

CORPORATE GOVERNANCE

(c) Relationship with Shareholders & Public:

The shareholders as owners, are required to be provided with material information on the company's operation half-yearly and annually, the latter at the AGM. They are also provided routine services by the Company Secretary in matters of transfer of shares, replacement in case of loss or damage of shares, payment of dividends etc. The Board is however responsible to the public for publication of any price sensitive information as per SEC regulation. A qualified Chartered Secretary is in charge for all these responsibilities as Company Secretary.

(d) Relationship with Government:

In its role on accountability to the government, the Board of Directors ensure payment of all dues to government in the form of import duty, custom duty and port charges, VAT, Corporate Taxes and other levies as and when they become due on the basis of actual operations and make sure to avoid corruption. This has enabled the company to enhance its contribution to the National Exchequer on a progressive rate year after year.

(e) Relationship with Financers/Bankers:

The Board oversees the financial transactions and ensures to meet company's commitments to the lenders without default. This has resulted in securing lower interest rates from them.

(f) Relationship with Suppliers:

As the company has to import plant and machinery and almost all the raw materials from abroad, it maintains cordial and mutually beneficial interest with its international as well as local suppliers. This has enabled the company to avoid any legal disputes in international/local courts and enhanced the company's image as a good customer.

(g) Corporate Social Responsibilities (CSR):

The Board of Directors is also awoken of the Corporate Social Responsibilities (CSR) especially in the areas of gender equality, race-religion-regional equality, non-employment of child labour, human rights, environmental pollution, social-marketing, social activities (promotion of sports & culture, health care and population control programs, elimination of corruption programs, participation in charitable activities etc. in non-partisan manner) right to form and participate in Union under ILO convention, employment of disabled etc.

AUDIT COMMITTEE OF BOARD

The Board of Directors has constituted an Audit Committee of the Board consisting of three Directors. The Audit Committee is headed by the Independent Director, Mr. M. Sekander Ali, an MBA and a Senior Development and Investment Banker of the country. Other members are Mr. Samuel S. Chowdhury, Director and Mr. Kazi Iqbal Harun, Director. The Audit Committee carries out its responsibilities as per the provisions of law and submits its report to the Board of Directors from time to time. The Audit Committee shall also co-ordinate with the Internal and external Auditors as and when required. The Audit Committee ensures that adequate internal checks & balances supported by adequate MIS are in place for detection of errors frauds and other deficiencies. The other responsibilities include inter alia, not being limited to, the prevention of conflict of interest between the company and its Directors officials, customers, suppliers, government and any other interest groups and detect or remove any scope of insider trading in the company's stock. The Audit Committee also ensures compliance of requirements of SEC and other agencies.

EXECUTIVE MANAGEMENT

The Executive Management is led by the Managing Director (CEO) who is appointed by the Board of Directors for a term of 5 years (renewable) with the approval of shareholders in the Annual General Meeting. The Managing Director is supported by professional, well educated, trained and experienced team consisting of Executive Directors, Directors, General Managers and a host of Senior Executives in the hierarchy of management. The Board has approved an organogram with modern features ensuring clear lines of delegation of authority and reporting for accountability for effective decision making evaluation of performance on merit for both rewarding and disciplinary action. The Executive Management is responsible for preparation of budgetary segment plans/sub-segment plans for every cost/profit centres and are held accountable for performance therefor. The Executive Management is aided by committee(s)/sub-committee(s) in carrying out its functions.

OTHER GOVERNANCE APPARATUS

The Company, in its efforts for Corporate Good Governance Practices, uses a series of top ranking professional service providers including Legal experts, Bankers, Insurers and Technical experts who continuously assist the Board of Directors and the Executive Management in properly discharging their duties to all the shareholders, stakeholders, the Government and the public as highlighted below:

(1) Independent Director:

In compliance of the SEC Regulations on Good Governance, the Board of Directors as empowered by the Regulations, appointed Mr. M Sekander Ali, one of the Senior Development/Investment Bankers of the country, former Managing Director of Bangladesh Shilpa Bank/Bangladesh Shilpa Rin Sangstha/Investment Corporation of Bangladesh and Senior Adviser, the Securities and Exchange Commission, as the non-shareholder Independent Director. It is expected that his expertise would help contribute to the further disclosure and protect the interest of all investors in general and smaller investors in particular.

(2) Legal Advisers:

In order to avail the best legal services for Good Corporate Governance, the company has empanelled the following top ranking legal professionals:

Mr. Rafiqul-ul Huq, Bar-at-Law

Mr. Rokonuddin Mahmud, Bar-at-Law

Ms. Nihad Kabir, Bar-at-Law

The expertise of the above named professionals have had long term fundamental support to the company's Good Governance efforts.

CORPORATE GOVERNANCE

(3) Bankers:

The degree of efficient business operation largely depends on the quality of efficiency of banking services received by the company. Efficient banking service brings down cost of operations. On the other hand, cost of financial services and interest on the lending by the banks are also required to be the minimum. With this end of view, the company has established long term business relationship with the following banks who provide most efficient service at minimum cost/interest that benefit the shareholders:

Janata Bank Ltd.
Citibank N. A
Standard Chartered Bank
HSBC Ltd.
Eastern Bank Ltd.
Commercial Bank of Ceylon Ltd.
Mercantile Bank Ltd.
Bank Alfalah Ltd.
Shahjalal Islami Bank Ltd.
Trust Bank Ltd.
Bank Asia Ltd.
DEG, Germany

The company has neither ever defaulted in any commitment with its Bankers nor did get entangled in legal dispute at any court premises.

(4) Insurer:

Insurance services cover certain operational risks which are required by law/business practices to be covered by legitimate insurance service providers for protection of the interest of the company, nay, the investors. To this end, the company has to select insurer with the most efficient, reputed and financially sound history so that claims, if any, are settled promptly and the premium rates are market competitive. The company, based on these considerations, is maintaining insurance business relationships with the following highly reputed and publicly listed companies:

Pragati Insurance Ltd.
Pioneer Insurance Co. Ltd.

The company has not yet faced any dispute over any claims and the company enjoys special premium

(5) Auditors:

The role of the auditors in certification of the financial statement is the most significant aspect of Corporate Governance and protection of interest of investors. As evident from the Annual Reports, the company rigidly follows the code of International Accounting Standards (IAS) and International Standard of Auditing (ISA) with legally required disclosures of Accounts and Financial Statements. This has been possible due to the high level capability and integrity of M/s. Chowdhury Bhattacharjee & Co, Chartered Accountants whose unchallenging performance has played a very trustworthy role in the protection of interest of the investors for which the Regulatory Authority has allowed their continuation as Auditors.

DIVIDEND POLICY

Ethics is an ingredient of Good Governance and involves a determination of what is right and what is wrong and deals with things to be sought and things to be avoided with way of life and the end of life. Ethics invokes the management of the environment within which we function from a perspective broader than, but obviously inclusive of, the current cohort. Since the corporate environment is in theory an infinitely lived entity owned by finitely lived shareholders, a governance ethic must represent a system that serves the needs of the current ownership while preserving the ability of the corporation to sustain itself and benefit future cohorts. The corporate ethic must necessarily promote efficiency in co-existing with the environment to generate the quality of life for a current cohort and yet also provide an equity that does not disadvantage a future cohort by the decisions of a current cohort. As an environmental ethic analogy, those living today naturally believe in dividend payouts today with less regard for the consequence tomorrow and those living tomorrow would prefer dividend payouts tomorrow without regard for the sacrifices we make today to allow their greater consumption tomorrow.

Based on the above concept, the company is committed to show a stable policy of distribution (cash outlay) of the accretional wealth (profits) between the current and the future generation of shareholders. This would enable the company to enhance its capital wealth and sustain for perpetuity of existence, benefiting both the present cohorts and the progeny.

SHAREHOLDERS' RELATIONSHIP

Corporate Governance issues include how major policy decisions are made in business corporations, how various stakeholders can influence the process, who is held accountable for performance and what performance standards are applied. In a nutshell power and influence are crucial in corporate governance. As shareholders belong to the most important stakeholders, ownership structure has an impact on the balance of power among shareholders. Though sponsors usually hold majority shares required for ordinary resolutions, public shareholders have a definite role and influence in the passing of special resolutions required for changes in the business object, sale of business/productive assets, merger and amalgamation, winding up or dissolution and amendments to Memorandum and Articles of Association for protection of minority interest up to 49.9% of the shareholdings. The position of shareholders as on 31-03-2009 indicates that the sponsors of the company do not hold the required shareholdings (75%) for passing special resolutions. This allows the public shareholders (individuals & institutions) to play an effective role in protecting their legal corporate rights.

The Company holds regularly as per law the Annual General Meeting with adequate notice and disclosures in the Directors' Report and the Auditors' Report on Accounts/Notes and resolutions are passed with consensus and unanimity. All reasonable and practicable suggestions are implemented with good grace. Special Resolutions are passed in General Meeting with due notices.

All enquiries are attended by the Company Secretary. Where necessary, Internal Audit Committee investigates matters of significant merit for consideration by the Management Committee/Managing Director/Audit Committee of Board/Board of Directors as the case may be.

CORPORATE GOVERNANCE

CORPORATE SOCIALISATION

In order to play a model role for Good Governance characteristics in the corporate sector, the company has become members of country's leading chamber - Metropolitan Chamber of Commerce & Industries (MCCI), Bangladesh Association of Publicly Listed Companies (BAPLC), Central Depository Bangladesh Limited (CDBL), Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE). These memberships have provided scope to the company for improvement of Governance Practices for the benefit of the shareholders /stakeholders.

RESEARCH AND NEW PRODUCTS DEVELOPMENT

As a part of Corporate Social Responsibility for Good Governance the company maintains a team of scientific pharmaceutical experts who continuously conduct research & development programs for improving quality of products, reduction of cost, adoption of products that are free of intellectual property rights and innovative products. These efforts have enabled the company to add new products to its product lines every year to the benefit of the common men of the country and the shareholders. The success in this field has secured the leading position for the company in the pharmaceutical sector.

BEYOND THE BORDER

Corporate social responsibility, an element of Good Corporate Governance, extend to the society to the government and beyond the borders of the country for social good as well as for contribution of Foreign Exchange Resources to the National Exchequer. To this end, the company is making entry into foreign markets and making efforts in registering its products in USA/EU countries for which is has already set up a modern state-of-art production facilities at Kaliakoir, Gazipur. The company has already secured permission for marketing its products in UK/EU countries.

SEGMENT REPORT

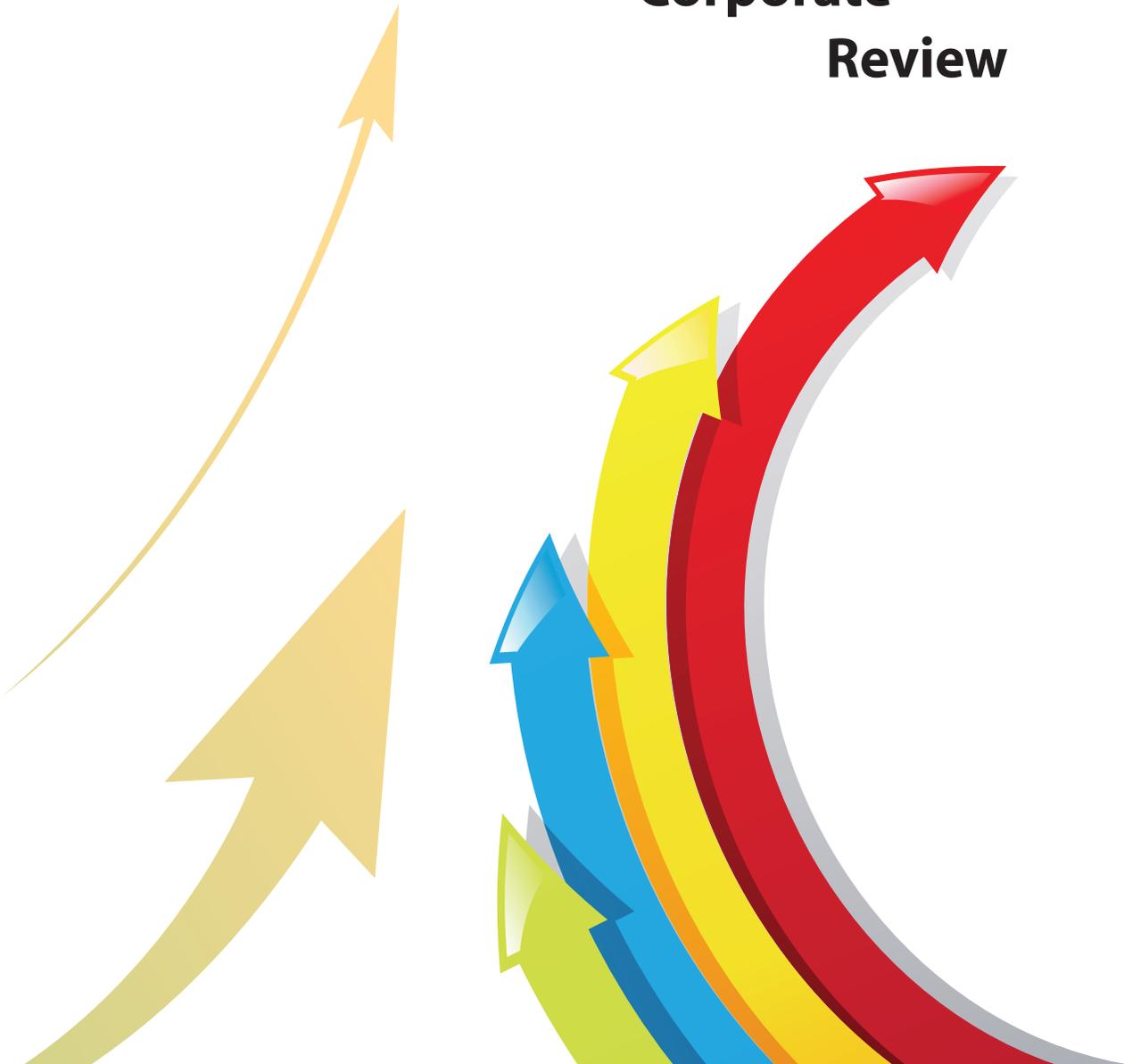
The company's chief operating decision makers review the profit and loss of the company on an aggregate basis and manage the operations of the company as a single operating segment. Accordingly, the company operates in one segment, which is the business of developing, manufacturing and marketing of drugs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



**Corporate
Review**





MANAGEMENT APPARATUS

BOARD OF DIRECTORS

Mr. Samson H. Chowdhury	Chairman
Mr. Samuel S. Chowdhury	Vice Chairman
Mr. Tapan Chowdhury	Managing Director
Dr. Kazi Harunar Rashid	Director
Mr. M. Sekander Ali	Independent Director
Ms. Ratna Patra	Director
Mr. Anjan Chowdhury	Director
Mr. Kazi Iqbal Harun	Director
Mr. K. M Saiful Islam	Director

AUDIT COMMITTEE

Mr. M. Sekander Ali	Chairman
Mr. Samuel S. Chowdhury	Member
Mr. Kazi Iqbal Harun	Member

MANAGEMENT COMMITTEE

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

MANAGEMENT APPARATUS

SENIOR CORPORATE OFFICIALS

Mr. Md. Kabir Reza, FCMA Chief Financial Officer
Mr. Khandaker Habibuzzaman, MBA, ACS Company Secretary
Mr. Md. Majibur Rahman Bhuiyan, M.Com Head of Internal Audit

COMPANY SECRETARY

Mr. Khandaker Habibuzzaman, MBA, ACS

AUDITORS

M/s. Chowdhury Bhattacharjee & Co.
Chartered Accountants
47/2, Indira Road
Dhaka-1215, Bangladesh

LEGAL ADVISORS

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

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

Ms. Nihad Kabir, Bar-at-Law
House No. 62, Road No. 11A
Dhanmondi, Dhaka

BANKERS

Janata Bank Ltd.
1, Dilkusha C.A, Dhaka

Citibank N.A
109, Gulshan Avenue, Gulshan, Dhaka

Standard Chartered Bank
67, Gulshan Avenue, Gulshan, Dhaka

HSBC Ltd.
Anchor Tower, 1/1-B, Sonargaon Road, Dhaka

Commercial Bank of Ceylon Ltd.
2, Dilkusha, C.A, Dhaka

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

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

Bank Alfalah Ltd.
5, Rajuk Avenue, Motijheel, Dhaka

Shahjalal Islami Bank Ltd.
House-6, Road-32, Gulshan Avenue, Dhaka

Trust Bank Ltd.
110, Gulshan Avenue, Dhaka

Bank Asia Ltd.
82, Mohakhali C.A, Dhaka

DEG, Germany

INSURERS

Pioneer Insurance Co. Ltd.
Plot No. SE (F) 9, Road No. 142
South Avenue, Gulshan-1, Dhaka

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

LISTING

Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

REGISTERED OFFICE

"Square Centre"
48, Mohakhali C.A
Dhaka-1212, Bangladesh
Phone: 8833047-56, 8859007
www.squarepharma.com.bd

FACTORIES

- Square Road, Salgaria, Pabna, Bangladesh
- Board Ghar Bazar
Kaliakoir, Gazipur, Bangladesh



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
● Initially Public Offering (IPO)	: 1994
● Stock Exchange Listings	: 1995
● Agreement with M/s. Bovis Tanvec Ltd. of UK for implementation of Dhaka Plant	: 1996
● Awarded ISO-9001 Certificate	: 1998
● Awarded UK-MHRA Certificate	: 2007
● Business Lines	: Manufacturing and Marketing of Pharmaceutical Finished Products, Basic Chemicals, AgroVet Products Pesticide Products, Small Volume Parental Ophthalmic Products and Insulin Products
● Authorized Capital	: Tk. 5,000 million
● Paid-up Capital	: Tk. 1,509.03 million
● Number of Employees	: 4,197
● Subsidiary Company	: Square Cephalosporins Ltd. Square Biotech Ltd. Square Multi Fabrics Ltd.
● Associate Company	: Square Textiles Ltd. Square Knit Fabrics Ltd. Square Fashions Ltd. Square Hospitals Ltd.

CORPORATE OPERATIONAL RESULTS:

(Figures in thousand)

	2009-10	2008-09	2007-08	2006-07	2005-06
Turnover (Gross)	13,279,142	11,366,598	9,565,716	8,711,035	7,085,553
Value Added Tax	1,816,563	1,545,801	1,307,872	1,210,223	995,648
Turnover (Net)	11,462,578	9,820,797	8,257,844	7,500,811	6,089,905
Gross Profit	4,901,290	4,148,231	3,401,782	3,232,364	2,564,503
Net Profit before Tax	2,825,069	2,511,259	1,868,634	1,722,906	1,533,043
Net Profit after Tax	2,087,872	1,890,053	1,381,863	1,303,243	1,165,865
Net Assets Value (NAV)	11,554,380	9,949,398	8,417,041	7,333,258	6,402,015
Total Assets	15,029,500	13,251,243	12,703,127	10,486,940	9,298,987
Total Bank Borrowings	2,231,167	2,279,694	3,569,280	2,536,524	2,334,925
Total Current Assets	4,774,311	3,843,513	4,411,836	3,682,511	4,031,685
Total Current Liabilities	2,216,744	2,640,869	3,500,845	2,555,566	2,260,755
Current Ratio	2.15	1.46	1.26	1.44	1.78
No. of Share Outstanding	15,090,300	12,072,240	8,942,400	5,961,600	4,968,000
Dividend per Share (Cash)	35	40	40	50	75
Dividend per Share (Stock)	30%	25%	35%	50%	20%
Net Assets Value per Share (NAV)	766	659	558	486	424
Net Operating Cash Flow per Share	176.51	164.87	86.20	96.08	78.80
Earning per Share (SPL)	138.36	125.25	91.57	86.36	77.26
Earning per Share (Consolidated)	165.48	136.40	101.10	96.63	89.76
EPS at Original Capital at IPO	1,043.94	945.03	690.93	651.62	582.93
Quoted Price per Share - DSE	3,581	2,935	4,110	2,447	2,276
Quoted Price per Share - CSE	3,597	2,923	4,107	2,462	2,289
Price Earning Ratio-DSE (Time)	25.88	23.43	44.88	28.33	29.46
Number of Shareholders	40,797	47,258	31,688	13,009	13,206
Human Resources:					
Executives	1,909	1,786	1,525	1,242	1,143
Staff	1,259	1,084	1,110	913	796
Workers	1,029	941	929	846	764



GOODWILL

MESSAGE FROM THE CHAIRMAN

Dear Shareholder, Colleague and Ladies & Gentlemen

I am delighted to meet you all at this 44th Annual General Meeting of the company and submit the Annual Report containing Audited Accounts and the Reports thereon for your consideration and approval. As you will find the trend of growth in turnover, gross profit and net profit in the positive direction as the sectoral leader, you would be happy that the company is continuously expanding its product lines with emphasis on the high-end products like Insulin and Cancer caring items. During the year the company has invested more than Tk.1.4 billion.

As the healthcare services are being expanded by the private as well as public sector, and the GDP is on the increase, the demand trend for medicines is also increasing. The company is geared to play its due role as the leading corporate house and capture the market at a higher rate than the national growth rate. This gives your company an opportunity to continue to grow at more than proportionate share of market.

Despite operational and procedural hazards in the export market, your company is continuing to enter new markets world over. I am confident that next year we shall come across a brighter result.

I wish you all success in life.

Sincerely yours



Samson H. Chowdhury

Chairman



ADDRESS OF WELCOME BY THE MANAGING DIRECTOR

Esteemed Shareholders, Ladies & Gentlemen

It is a great pleasure for me to welcome you on behalf of the Board of Directors to the 44th Annual General Meeting of the shareholders for your consideration and approval of the Annual Report for 2009 - 10 containing Balance Sheet, Income Statement, Cash Flow Statement and Auditors Report thereon. While presenting these reports, I would like to submit that the management headed by me has been carrying out its responsibilities with highest degree of professionalism under the able direction of the Chairman in particular and the Board of Directors in general. The Management success is evident from the increased level of turnover, gross profit and the net profit despite recessionary impact on the ability of the people on healthcare. The inflationary effect on cost of living has necessitated increase in remuneration of all employees. Despite these factors, company's net profit has increased over the previous year. I assure you all that the management would still work harder for holding its leading position in the industry and earn higher return for the shareholders.

Thanking you all.


Tapan Chowdhury
Managing Director



Mr. Samson H. Chowdhury
Chairman

Members of the Board of Directors



Mr. Samuel S. Chowdhury
Vice Chairman



Mr. Tapan Chowdhury
Managing Director



Dr. Kazi Harunar Rashid
Director



Mr. M. Sekander Ali
Independent Director



Mrs. Ratna Patra
Director



Mr. Anjan Chowdhury
Director



Mr. Kazi Iqbal Harun
Director



Mr. K. M Saiful Islam
Director

3. OPERATIONS REVIEW:

(1) PHARMA PLANTS:

The production plants at Pabna and Kaliakoir had continued to improve their operational efficiency both qualitatively and quantitatively by upgrading technological process, research and training. The company made substantive investments in this regard at factory installations during the year as detailed below:

Factory:		Kvi Lvbr:	
(a) Land	224,047,978	(K) Rwg	224,047,978
(b) Building	4,467,654	(L) Feb	4,467,654
(c) Plant & Machinery	848,271,232	(M) hšcwZ	848,271,232
(d) Laboratory Equipments	39,709,590	(N) MtelYvi hšcwZ	39,709,590
(e) Other Equipment/Assets	84,435,119	(O) Ab'vb' hšcwZ/m'ú`	84,435,119
	1,200,931,573		1,200,931,573
(f) Head Office & Others	204,390,032	(P) tnW Awdm I Ab'vb'	204,390,032
Total Tk.	1,405,321,605	tgU UvKv	1,405,321,605

The capital expenditures of Tk. 1,405,321,605 during 2009-10 was almost at the level of 2008-09. The major part of investments were made from internal generation of funds. The overall combined output (Tablets and Capsules) of Pabna and Dhaka plants increased during the year over the previous year as follows:

৩. কার্যক্রম পর্যালোচনা:

(১) ফার্মা প্লান্টস:

cvebv Ges Kwj qv%Ki -G Aew`Z Kvi Lvbrv Drcv`b qIgzv, `qIzv, cwi gvYMZ Ges yMZ gv b epxi j t'q' Dbz cthv³, MtelYv Ges cškwY Kvhpig Ae'vnZ AvtQ| GB wltq Avtj vP' eQt i tKv'úvbx cšKZ wltqvtMi weeiY vbtgacD È ntj v t

2009-10 A_@Qt i gj aYx e`q ntqtQ 1,405,321,605 UvKv hv MZ 2008-09 mtj i cšq mgZj`| gj aYx e`tqi AwaKvsk A_@Avf' šixY Drm ntZ msMpxZ| cvebv Ges XvKv cšUv i wgvj Z Drcv`Z ctY' i cwi gvY (U'vetj U I K'vcmj) MZ eQt i i Zj bvg epx' tctqtQ hv vbtgacD È ntj vt

(Quantity in thousand)

Sl. No.	Particulars/ Product	Unit	Capacity	Actual Output		Capacity Utilisation	
				2009-10	2008-09	2009-10	2008-09
1	Tablets	Pcs	6,925,995	3,543,632	2,924,947	51%	42%
2	Capsules	Pcs	838,334	849,071	667,065	101%	80%

(2) CHEMICAL PLANT:

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

(২) কেমিক্যাল প্লান্ট:

cvebv` tKvgK'vj cšU Gi wemZ cšP (5) eQt i i Kvhpig bxtP Dc`vcb Kiv ntj v t

Years	No. of Products	Production (M.Tons)	Own Use (M.Tons)	Sales (M.Tons)	Own Use (%)	Turnover (Million Taka)
2005-06	9	244	121.19	122.81	49.67%	245.96
2006-07	9	318	160.25	157.75	50.39%	270.88
2007-08	11	308	214.44	117.83	69.62%	356.99
2008-09	16	280	207.44	61.49	74.03%	227.54
2009-10	15	398	258.13	140.57	64.86%	280.57

DIRECTORS' REPORT

(3) PRODUCT DEVELOPMENT:

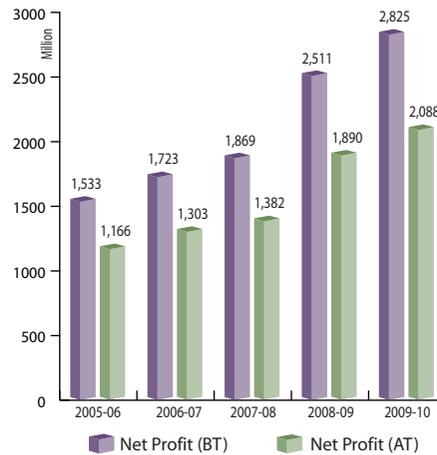
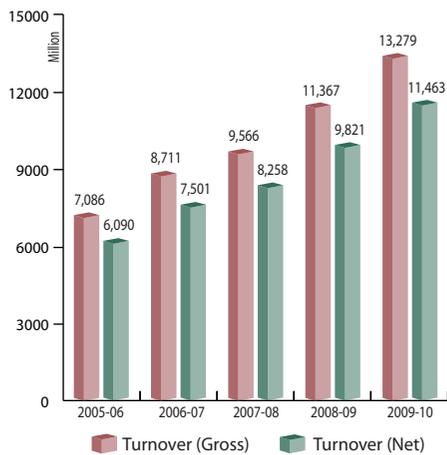
The following table shows the position of existing, discarded and new products introduced during the year 2009-2010:

(৩) নতুন ঔষধ সম্প্রসারণ:

২০০৯-২০১০ সালের মধ্যে বর্তমান, বর্জিত এবং নতুন ঔষধের অবস্থা নিম্নলিখিত তালিকায় প্রদর্শিত:

Sl. No.	Products Categories	Position as on 31-03-09	Added during the year	Discarded	Total Net 31-03-10
1	Tablet	235	17	-	252
2	Capsule	59	1	-	60
3	Liquid	58	3	-	61
4	Injectable	44	1	-	45
5	E N T Preparation & Others	46	8	-	54
6	Ophthal Preparation & Others	11	1	-	12
7	Dry Syrup	21	-	-	21
8	Suppository	6	-	-	6
9	Inhaler	12	2	-	14
10	Isulin	-	3	-	3
11	Basic Chemical	9	-	1	8
12	Pellet	7	-	-	7
13	Tablet, Powder, Liquid, Injectable - AgroVet	29	3	-	32
14	Aerosol & Pesticide	19	-	-	19
	Total	556	39	1	594

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



(4) OUTPUT/CAPACITY UTILISATION:

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

(৪) উৎপাদন/উৎপাদন ক্ষমতার ব্যবহার:

মোট উৎপাদন ক্ষমতার ব্যবহারের পরিমাণ বছরভেদে উন্নত হতে থাকবে।

Sl. No.	Product Categories	Units	Production in thousand		% Increase/ (Decrease)	Capacity Utilization	
			2009-10	2008-09		2009-10	2008-09
1	Tablets	Pcs	3,543,632	2,924,947	21.15	51%	42%
2	Capsules	Pcs	849,071	667,065	27.28	101%	80%
3	Liquids	Bottles	63,838	59,525	7.25	36%	33%
4	Injectables (Vials & Ampoules)	Pcs	43,063	30,595	40.66	92%	65%
5	ENT Preparations & Others	Phials	16,777	14,015	19.71	42%	35%
6	Ophthal Preparations & Others	Phials	41,145	4,415	(6.10)	44%	46%
7	Dry Syrup	Bottles	7,868	5,232	50.38	66%	44%
8	Suppository	Pcs	15,490	10,666	45.23	19%	13%
9	Inhalers	Pcs	2,530	2,353	7.52	51%	47%
10	Insulin	Pcs	92	-	-	1%	0%
11	Basic Chemicals	Kg	378	256	47.72	111%	75%
12	Pellets	Kg	42	24	76.77	59%	33%
13	Tablet -AgroVet	Pcs	5,669	4,070	39.29	35%	25%
14	Powder- AgroVet	Gm	32,861	31,978	2.76	188%	183%
15	Injection-AgroVet	Pcs	828	1,152	(28.13)	14%	19%
16	Liquids -AgroVet	Bottles	180	145	24.14	9%	7%
17	Aerosol & Pesticide	Pcs/Kg	357	235	51.91	24%	16%

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

(5) 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 follows-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.

(৫) মান নিয়ন্ত্রণ:

কম্পানি তার পণ্যের গুণমান বৃদ্ধি এবং উন্নতি করার জন্য WHO গুণমান মানদণ্ড অনুসরণ করে।

DIRECTORS' REPORT

(6) 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 (2009-2010) the company invested an amount of Tk. 39,709,590 in improving its Laboratory.

(7) EXPORT:

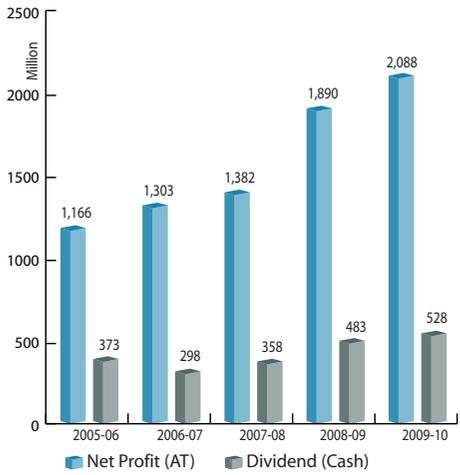
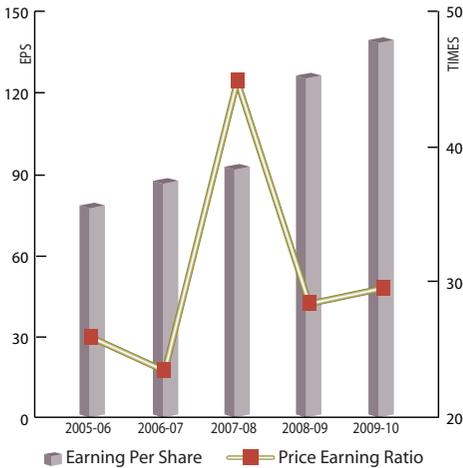
The company is continuously pressing hard for expanding it's export sales. During the year under review, the exports amounted to Tk. 364.54 million as against Tk. 336.34 million in previous year, a 8.39% increase. The exports are expected to rise in the coming years. Present export market covers Myanmar, Nepal, Kenya, Libya, Mauritius, Papua New Guinea, Somalia, Sri Lanka, Vietnam, Yemen, Bhutan, Cambodia, Afganistan, Tanzania, North Korea, Belize, Hong Kong, Mouritania, Philippine, Eritrea, Ghana, Malawi, Malayasia, Suriname, Tajekistan and UK.

(৬) প্রযুক্তি:

চরিত্রিত, গুণমান উন্নয়ন, উন্নত মানের ঔষধ তৈরিতে নতুন প্রযুক্তি গ্রহণ করা হয়েছে। ২০০৯-২০১০ অর্থবছরে ঔষধ উৎপাদন, গুণমান নিয়ন্ত্রণ, বিতরণ এবং প্রশাসনিক কার্যক্রমে উন্নয়নের জন্য ৩৯,৭০৯,৫৯০ টাকা ব্যয় করা হয়েছে।

(৭) রপ্তানি:

ঔষধ উৎপাদন, গুণমান নিয়ন্ত্রণ, বিতরণ এবং প্রশাসনিক কার্যক্রমে উন্নয়নের জন্য ৩৯,৭০৯,৫৯০ টাকা ব্যয় করা হয়েছে।



(8) SUBSIDIARY OPERATION:

(a) Square Cephalosporins Ltd. (SCL):

SCL has fully implemented the pharmaceuticals project for production of Drugs & Medicines at Kaliakoir, Gazipur and also has been in commercial operation since November 2006. The operations of the Company has been profitable since inception. The Company made additional investment of Tk. 141,037,748 during the year 2009-2010 as follows.

	2010
Building	129,761,185
Plant & Machinery	3,111,934
Laboratory Equipment	879,818
Electro Mechanical Equipment	242,212
Other Assets	7,042,599
Total Tk.	<u>141,037,748</u>

The operating results of SCL for the period ended 31 March 2009 and 2010 are given below:

	2010 Taka	2009 Taka
Gross Turnover	1,754,692,569	1,475,556,620
Net Turnover	1,508,338,331	1,262,430,253
Gross Profit	711,572,398	552,265,124
Net Profit	329,677,072	187,652,674
Earnings Per Share	345.21	196.49
Net Assets Value Per Share	1,023.78	678.57

(b) সাবসিডিয়ারি প্রতিষ্ঠানগুলোর কার্যক্রম:

(ক) স্কয়ার সেফালস্পোরিনস লিঃ (এসসিএল):

SCL has fully implemented the pharmaceuticals project for production of Drugs & Medicines at Kaliakoir, Gazipur and also has been in commercial operation since November 2006. The operations of the Company has been profitable since inception. The Company made additional investment of Tk. 141,037,748 during the year 2009-2010 as follows.

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Net Profit	329,677,072	187,652,674
Earnings Per Share	345.21	196.49
Net Assets Value Per Share	1,023.78	678.57

DIRECTORS' REPORT

Directors' Report on the Company together with Audited Accounts containing Balance Sheet, Income Statement, Statement of Changes in Equity and Cash Flow Statement and Auditors Report thereon are included therein.

(b) Square Biotechs Ltd. (SBL):

The company was incorporated on June 12, 2006 with Authorised Capital of Tk. 100 crore of which Tk. 67,000,000 was paid up. SPL holds 99.25% shares of the company. As the company could not commence business due to technical problems, the management adjusted the assets against share money deposit, bank loans and ceased /suspended the operation for the time being as detailed in the Directors' Report.

(c) Square Multi Fabrics Ltd. (SMFL):

The SMFL was incorporated on June 24, 2008 with Authorised Capital of Tk. 50 crore of which Tk. 100,000,000 was paid up. SPL holds 99.50% shares of the company. SPL has also made a share money deposit of Tk. 150,000,000 as on 31 March 2010. As on 31 March 2010 the company has incurred a Capital Investment as follows:

	2010
* Building/Civil work	152,773,914
* Plant/Machinery	321,509,790
* Other Assets	28,210,461
Total Tk.	502,494,165

Directors Report as on 31 March 2010 is enclosed.

(9) INVESTMENT PORTFOLIO:

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. 3,990,050,169

The above investments include both majority and minority investments in ordinary shares/advance as Share Money Deposit in 12 (twelve) different companies as follows:

এঁত্জঁ Y কঁU, Avq e'iqi wmw, gj abx cwieZ'bi weeiYx, bM` Znwj c'evn Ges vbix'q'iki c'Zte`b mn cwip'j bv cl' i c'Zte`b Gi mv' m'ub'ek'Z n'j v|

(খ) স্কয়ার বায়োটেক্স লিঃ (এসবিএল):

GmweGj MZ 12-06-2006Bs Zwi'tL ube'UbKZ n'tq'Q| t'Kv'ub'x'Li 100 t'Kw'U Uv'Kvi Ab't'gw' Z gj ab hvi g'ta' cw'ik'waZ gj a't'bi cw'ig'Y 67,000,000 Uv'Kv| 'qvi d'vg'w'Dw'K'ij n' wj'w'g't'Uw k'ZKiv 99.25 f'vM t'k'q'v'i g'w'j K| t'Kv'ub'x'Li K'wi'M'wi m'gm'vi Rb' e'em'w'q'K K'v'h'p'g' i' K'it'Z c'v't'ib| Z'te e'e'v'cbv K'Z'q' t'k'q'vi g'w'b w'w't'c'w'RU l e'v'sK F't'Yi w'ec'ix'Z m'Kj m'w'v'Em'g' Awa'M'h'Y K't'i't'Qb Ges K'v'h'p'g m'v'g'w'K'f'v'te e'U K't'i't'Q hv cw'ip'j bv cl' i c'Zte`b Dc`v'cb Kiv n'tq'Q|

(গ) স্কয়ার মাল্টি ফেব্রিক্স লিঃ (এসএমএফএল):

GmGgGdGj MZ 24tk Rp, 2008 Zwi'tL ube'UbKZ n'tq'Q| t'Kv'ub'x'Li 50 t'Kw'U Uv'Kvi Ab't'gw' Z gj ab hvi g'ta' cw'ik'waZ gj a't'bi cw'ig'Y 100,000,000 Uv'Kv| 'qvi d'vg'w'Dw'K'ij n' wj'w'g't'Uw k'ZKiv 99.50 f'vM t'k'q'v'i g'w'j K| Gm'w'c'Gj 150,000,000 Uv'Kv t'k'q'vi g'w'b w'w't'c'w'RU w'n't'm'te c'v'v' K't'i't'Q| t'Kv'ub'x'Li 31tk g'v'P, 2010 Zwi'L ch's'w'eb't'q'v'i M'i cw'ig'Y w'b't'g'ac'v' E' n'j v|

	2010
* 'vj vb/wbg'w' LiP	152,773,914
* h's'c'w'Z	321,509,790
* Ab'v'b' m'w'v'	28,210,461
t'g'u Uv'Kv	502,494,165

31tk g'v'P, 2010 Zwi't'Li cw'ip'j bv cl' i c'Zte`b Gi mv' m'ub'ek'Z n'j v|

(ঈ) বিনিয়োগসমূহ:

vbix'q'iki w'ic'v'U' (4 l 8) Ast'k `x'N'q'q'v'x w'eb't'q'v'M t'c'v'U'c'w'j l Ges w'e'p'q't'h'v'M t'k'q'vi m'w'v'K'w'e'w'w'Z'f'v'te Dc`v'cb Kiv n'tq'Q| m'w'v'Z t'k'q'vi t'v'i v'i't' i Ae'M'w'Zi Rb' w'b't'g'GB t'c'v'U'c'w'j l m'w'v'K'w'ns't'q'v'c Av't'j v'K'c'v'Z Kiv n'j v|

দীর্ঘমেয়াদী বিনিয়োগ: ৩,৯৯০,০৫০,১৬৯ টাকা

D'w'j w'L'Z w'eb't'q'v'M 12w' w'e'f'b'e t'Kv'ub'x' m'v'v'i Y t'k'q'vi/t'k'q'vi g'w'b w'w't'c'w'RU w'n't'm'te w'eb't'q'v'M Kiv n'tq'Q hvi weeiY w'b't'g'v'cb Kiv n'j v|



(i) Majority Investments (Subsidiaries):

(a) Square Cephalosporins Ltd.:

SPL holds 950,000 shares of Tk. 100 each out of total issued capital of 955,000 shares. as SCL is not listed, its market price cannot be determined. However NAV as on 31 March stand at Tk. 604.93 per share. SPL has also deposited Tk. 400,000,000 as share money deposit which has not yet been capitilised.

(b) Square Biotechs Ltd.:

SPL holds 665,000 shares of Tk. 100 each out of 670,000 issued shares which is not listed.

(c) Square Multi Fabrics Ltd.:

SPL holds 99,000 shares of Tk. 100 each out of 1,000,000 issued shares which is not listed. SPL has also deposited Tk. 150,000,000 as Share Money. The Company is yet to commence commercial operations.

(ii) Minority Investments:

(a) Square Textiles Ltd. (STXL):

As on 31-03-2010 investment in this company stands at Tk. 183,442,369 (at cost) for 32,784,641 Ordinary Shares of Tk. 10 each including bonus shares. The market value as on 31 March, 2010 stood at Tk. 3,914,486,135 (at Tk. 119.40 per share). The company is in full operation and declared cash dividend @ 16% and stock dividend @ 15% for the year 2009.

(b) United Hospital Ltd. (UHL):

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.

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

The company (SPL) holds 245,526 ordinary shares of Tk. 100 each out of total 5,200,000 (4.72%) shares and investment in this compnay stands at Tk. 23,157,800 (at cost). NHFIL is in operation since 1999 and has declared cash dividends @17.50% during the year 2009 as against 12.50% cash dividend during the previous year. The shares are listed and currently quoting at about Tk. 951 (31st March, 2010) per share indicating about 908.28% capital gain.

(i) মেজোরিটি বিনিয়োগ (সাবসিডিয়ারিজ)

(ক) স্কয়ার সেফালোসপোরিনস লিঃ (এসসিএল):

স্বত্বাধীনে ৯৫০,০০০ টুকুড়া ১০০ টাকার করে মোট ইস্যুড কাপিটাল ৯৫৫,০০০ টুকুড়া। যেহেতু এ কোম্পানি লিস্টেড নয়, তাই এর মার্কেট প্রাইস নির্ধারণ করা যায় না। তবে ৩১ মার্চ ২০১০ তারিখের অবস্থান অনুযায়ী প্রতি শেয়ারে ৬০৪.৯৩ টাকার নেট অ্যাসেট রয়েছে। কোম্পানি ৪০০,০০০,০০০ টাকা শেয়ার মনি ডিপোজিট করেছে যা এখনো ক্যাপিটালিসেড হয়নি।

(খ) স্কয়ার বায়োটেক্স লিঃ

৬৬৫,০০০ টুকুড়া ১০০ টাকার করে মোট ৬৭০,০০০ টুকুড়া ইস্যুড শেয়ার রয়েছে।

(গ) স্কয়ার মাল্টি ফ্যাব্রিক্স লিঃ

৯৯,০০০ টুকুড়া ১০০ টাকার করে মোট ১,০০,০০০ টুকুড়া ইস্যুড শেয়ার রয়েছে। কোম্পানি ১৫০,০০০,০০০ টাকা শেয়ার মনি ডিপোজিট করেছে। কোম্পানি এখনো বাণিজ্যিক কার্যক্রম শুরু করেনি।

(ii) মাইনরিটি বিনিয়োগ

(ক) স্কয়ার টেক্সটাইলস্ লিঃ (এসটিএক্সএল):

৩১-০৩-২০১০ তারিখে এই কোম্পানিতে ১৮৩,৪৪,২৩,৬৯৯ টাকার (কস্ট) ৩২,৭৮,৬৪,১ টুকুড়া ১০ টাকার করে সাধারণ শেয়ার রয়েছে। ৩১ মার্চ ২০১০ তারিখের অবস্থান অনুযায়ী প্রতি শেয়ারের মার্কেট প্রাইস ৩,৯১,৪৪,৬১,৩৫৫ টাকা (১১৯.৪০ টাকা প্রতি শেয়ার)। কোম্পানি পূর্ণ কার্যক্রমে লিপেট এবং ২০০৯ সালে ১৬% ক্যাশ ডিভিডেন্ড এবং ১৫% স্টক ডিভিডেন্ড ঘোষণা করেছে।

(খ) ইউনাইটেড হস্পিটাল লিঃ (ইউএইচএল):

কোম্পানি (সপ্ল) ১২০,০০০ টুকুড়া ১০০ টাকার করে মোট ১২,০০,০০০ টাকার মূলধন রয়েছে। যেহেতু কোম্পানি লিস্টেড নয়, তাই এর মার্কেট প্রাইস নির্ধারণ করা যায় না।

(গ) ন্যাশনাল হাউজিং ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিঃ (এনএইচএফ এন্ড আইএল):

কোম্পানি (সপ্ল) ২,৪৫,৫২৬ টুকুড়া ১০০ টাকার করে মোট ২,৪৫,৫২,৬০০ (৪.৭২%) শেয়ার এবং এই কোম্পানিতে ২৩,১৫,৭৮,০০০ টাকা (কস্ট) বিনিয়োগ রয়েছে। কোম্পানি ১৯৯৯ সাল থেকে কার্যক্রমে লিপেট এবং ২০০৯ সালে ১৭.৫০% ক্যাশ ডিভিডেন্ড এবং ১২.৫০% ক্যাশ ডিভিডেন্ড ঘোষণা করেছে। শেয়ার লিস্টেড এবং বর্তমান প্রাইস ৯৫১ টাকা (৩১ মার্চ ২০১০) প্রতি শেয়ারে যা ৯০৮.২৮% ক্যাপিটাল গেনেরেশন নির্দেশ করে।

DIRECTORS' REPORT

(11) FINANCIAL RESULTS:

The operating financial results of the Company for the year 2009-2010 as compared to previous year are summarised hereunder:

Particular	2009-2010 (Taka)	2008-2009 (Taka)	% Increase
◆ Gross Turnover	13,279,141,757	11,336,597,928	17.14%
◆ Net Turnover	11,462,578,410	9,820,796,568	16.72%
◆ Gross Profit	4,901,289,925	4,148,230,595	18.15%
◆ Net Profit (BT)	2,825,069,248	2,511,259,218	12.50%
◆ Provision for Taxation	737,197,452	621,206,289	18.67%
◆ Net Profit (AT)	2,087,871,791	1,890,052,929	10.47%
◆ Gross Margin (Net Turnover)	42.76%	42.24%	
◆ Net Margin (BT)	24.65%	25.57%	
◆ Net Margin (AT)	18.21%	19.25%	
◆ Earning Per Share (EPS) (Tk.)	138.36	125.25	
◆ EPS on IPO Paidup Capital	1,043.99	945.03	
◆ Consolidated Earning Per Share (EPS) (Tk.)	165.48	136.40	

It may be observed that the Gross Turnover increased by 17.14% during the year as against 18.51% in the previous year. The growth in gross profit had positive impact on net profit.

The Earning per Share of Tk. 138.36 is based on increased outstanding 15,090,300 shares of Tk. 100 each. However, if the original issued capital at the time of IPO is considered, the EPS would stand at Tk. 1,043.99 in 2009-2010 as against Tk. 945.03 in 2008-2009.

(12) 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) Net Profit for the Year (2009-2010)	2,087,871,791	
(b) Appropriation proposed:		
(i) Cash Dividend @ Tk. 35 per Share	528,160,500	
(ii) Issuance of 4,527,090 Bonus Shares (Stock Dividend) @ 30% : Face Value of Bonus Share	452,709,000	980,869,500
(c) Net unappropriated Profit	Tk. <u><u>1,107,002,291</u></u>	

(১১) আর্থিক ফলাফল:

একজিএসএস মার্চ ২০০৯-২০১০ মার্চের আগের
দায়িত্ব বহনকারী হিসাবে:

এটি পরিলক্ষিত হয় যে কোম্পানির মোট
কাজের পরিমাণ আগের বছর ১৮.৫১%
বৃদ্ধি পেয়েছে। মোট মুনাফার
বৃদ্ধি নেট মুনাফার উপর
স্বপ্নায়ক প্রভাব ফেলেছে।

একজন শেয়ারের মুনাফা ১৩৮.৩৬ টকা
এর উপর ভিত্তি করে ১৫,০৯০,৩০০
শেয়ারের উপস্থিতিতে। তবে, IPO
কালের মূল মুনাফা ১,০৪৩.৯৯ টকা
এর উপস্থিতিতে ২০০৯-২০১০
মার্চের ১,০৪৩.৯৯ টকা এবং ২০০৮-২০০৯
মার্চের ৯৪৫.০৩ টকা

(১২) মুনাফা বন্টন:

একটি বিস্তৃত এবং বহুমুখী
কাজের পরিমাণ বৃদ্ধি, বহু
বহু বহু বহু বহু বহু বহু বহু
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ANNEXURE-I

The Directors also report that:

- ❖ The financial statements of the Company present true and fair view of Company's state of affairs, result of its operations, cash flows and changes in equity.
- ❖ Proper books of accounts as required by law have been maintained.
- ❖ Appropriate accounting policies have been followed in formulating the financial statements and accounting estimates were reasonable and prudent.
- ❖ The financial statement was prepared in accordance with International Accounting Standard (IAS) as applicable in Bangladesh.
- ❖ The internal control system is sound in design and effectively implemented and monitored.
- ❖ There are no significant doubts upon the company's ability to continue as a going concern.
- ❖ There is no significant deviation from the operating result of the last year.
- ❖ The number of board meetings and the attendance of directors during the year 2009-2010 were as follows:

Name of Directors	Position	Meeting Held	Attended
Mr. Samson H. Chowdhury	Chairman	7	7
Mr. Samuel S. Chowdhury	Vice Chairman	7	7
Mr. Tapan Chowdhury	Managing Director	7	6
Dr. Kazi Harunar Rashid	Director	7	6
Mr. M Sekander Ali	Independent Director	7	7
Mr. Anjan Chowdhury	Director	7	7
Mr. Kazi Iqbal Harun	Director	7	6
Ms. Ratna Patra	Director	7	6
Mr. K M Saiful Islam	Director	7	7

- ❖ The pattern of shareholding (along with name wise detail) of Parent/Subsidiary/Associated companies and other related parties, Directors, Chief Executives Officer, Company Secretary, Chief Financial Officer, Head of Internal audit and their spouse and minor children, Executives, shareholders holding 10% or more voting interest in the company as at 31 March,2010 were as stated in ANNEXURE-II
- ❖ Securities and Exchange Commission compliance report is enclosed herewith as ANNEXURE-III.
- ❖ Key operating and financial data of last five years have been presented in summarized form in the Corporate Result at Page No. 17.

ANNEXURE-II

Pattern of Shareholding as on March 31, 2010

Particulars	Nos. Share holding	Percentage	Remark
Parent Company	-	-	The Company is not subsidiary of any company
Associated Companies:			
Square Textiles Limited	32,784,641	46.45%	
United Hospitals Limited	120,000	0.86%	
National Housing Finance and Investment Ltd.	245,526	5.22%	
Central Depository Bangladesh Ltd.	2,000,000	2.89%	
Square Hospitals Limited	198,250	49.56%	
Square Knit Fabrics Limited	1,260,000	48.84%	
Square Fashions Limited	252,000	48.46%	
Square Cephalosporins Limited	950,000	99.48%	
Square Biotechs Limited	665,000	99.25%	
Square Multi Fabrics Limited	995,000	99.50%	
Other Related Parties			
Directors:			
Mr. Samson H. Chowdhury	1,492,512	9.89%	
Mr. Samuel S. Chowdhury	637,555	4.22%	
Mr. Tapan Chowdhury	659,916	4.37%	
Dr. Kazi Harunar Rashid	463,365	3.07%	
Mr. M Sekendar Ali	Non Shareholding Independent Director		
Mr. Anjan Chowdhury	672,455	4.46%	
Mr. Kazi Iqbal Harun	456,233	3.02%	
Mrs. Ratna Patra	597,131	3.96%	
Mr. K M Saiful Islam	1,665	0.01%	
Chief Executive Officer (CEO) and his Spouse and Minor Children:	659,916	4.37%	
Chief Financial Officer (CFO) and his Spouse and Minor Children:	137	-	
Company Secretary (CS) and his spouse and minor children:	-	-	
Head of Internal Audit (HIA) and his Spouse and Minor Children:	-	-	
Executives (Top five Salaried person other than CEO,CFO,CS,HIA):			
1. Mr. Parvez Hashim	472	0.003%	
2. Mr. Muhammadul Haque	747	0.005%	
3. Mr. Golam Rabbani	596	0.004%	
4. Mr. M Ashiqul Hoque Chawdhury	400	0.003%	
5. Mr. Anjan Kumar Paul	2,536	0.017%	
Shareholders Holding 10% or more voting right:			

ANNEXURE-III

Status of compliance with the conditions imposed by the Securities and Exchange Commission's notification No.SEC/CMRRCD/2006-158/Admin/02-08 dated February 20, 2006

Condition No.	Title	Compliance Status	Explanation for non compliance with the condition
1.1	Board's Size: Board members should not be less than 5(Five) and more than 20(Twenty)	Complied	
1.2(i)	Independent Director: At least 1/10 th	Complied	
1.2(ii)	Appointment of Independent Director by elected Directors	Complied	
1.3	Individual Chairman of the Board, Chief Executive and clearly defined roles and responsibilities	Complied	
1.4	The Directors report to Shareholders on:-		
1.4(a)	Fairness of Financial Statements	Complied	
1.4(b)	Maintenance of Proper books of accounts	Complied	
1.4(c)	Adaptation of appropriate Accounting policies and estimates	Complied	
1.4(d)	Compliance with International Accounting Standard	Complied	
1.4(e)	Soundness of Internal Control System	Complied	
1.4(f)	Ability to Continue as Going Concern	Complied	
1.4(g)	Significant deviation from last year	Complied	
1.4(h)	Presentation of last three years data	Complied	
1.4(i)	Declaration of Dividend	Complied	
1.4(j)	Details of Board Meeting	Complied	
1.4(k)	Shareholding Pattern	Complied	
2.1	Appointment of CFO, Head of Internal Audit and company secretary and defining of their respective roles, responsibilities and duties.	Complied	

DIRECTORS' REPORT

Condition No.	Title	Compliance Status	Explanation for non compliance with the condition
2.2	Attendance of CFO and the company Secretary at Board of Directors meeting	Complied	
3.00	Audit Committee:		
3.1(i)	Constitution of Committee	Complied	
3.1(ii)	Constitution of Committee with Board members including one Independent Director	Complied	
3.1(iii)	Filling of Casual Vacancy in Committee	Not applicable	
3.2(i)	Chairman of the Committee	Complied	
3.2(ii)	Professional Qualification and experience of the Chairman of the Committee	Complied	
3.3.1(i)	Reporting to the Board of Directors	Complied	
3.3.1(ii)(a)	Reporting of Conflict of Interest to the Board of Directors	Not applicable	
3.3.1(ii)(b)	Reporting of any fraud or irregularity to the Board of Directors	Not applicable	
3.3.1(ii)(c)	Reporting of violation of laws to the Board of Directors	Not applicable	
3.3.1(ii)(d)	Reporting of any other matter to the Board of Directors	Not applicable	
3.3.2	Reporting of Qualified point to Commission	Not applicable	
3.4	Reporting to the Shareholders and General Investors	Complied (Annexure-IV)	
4.00	External/Statutory Auditors:		
4.00(i)	Non-engagement in appraisal or valuation	Complied	
4.00(ii)	Non- engagement in designing of Financial Information System	Complied	
4.00(iii)	Non-engagement in Book-Keeping	Complied	
4.00(iv)	Non-engagement in Broker-dealer service	Complied	
4.00(v)	Non-engagement in Actuarial Services	Complied	
4.00(vi)	Non-engagement in Internal Audit	Complied	
4.00(vii)	Non-engagement in any other services	Complied	

ANNEXURE-IV

AUDIT COMMITTEE REPORT

For the Year 2009-2010

The Audit Committee consists of the following members:

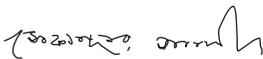
Mr. M Sekander Ali, Independent Director	- Chairman
Mr. Samuel S. Chowdhury, Vice Chairman	- Member
Mr. Kazi Iqbal Harun, Director	- Member

The scope of Audit Committee was defined as under:

- (a) Review and recommend to the Board to approve the financial statements prepared for statutory purpose;
- (b) Report to the Board of Directors on internal audit findings from time to time considering the significance of the issues;
- (c) Carry on a supervision role to safeguard the systems of governance and independence of statutory auditors; and
- (d) Review and consider the internal report and statutory auditors' observations on internal control

Activities carried out during the year

The Committee reviewed, discussed and guided the process of financial year end closing and the procedure and task of the internal audit, financial report preparation and the external audit reports. The Committee found adequate arrangement to present a true and fair view of the activities and the financial status of the company and didn't find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting.



M Sekander Ali
Chairman
Audit Committee



**Financial
Report**

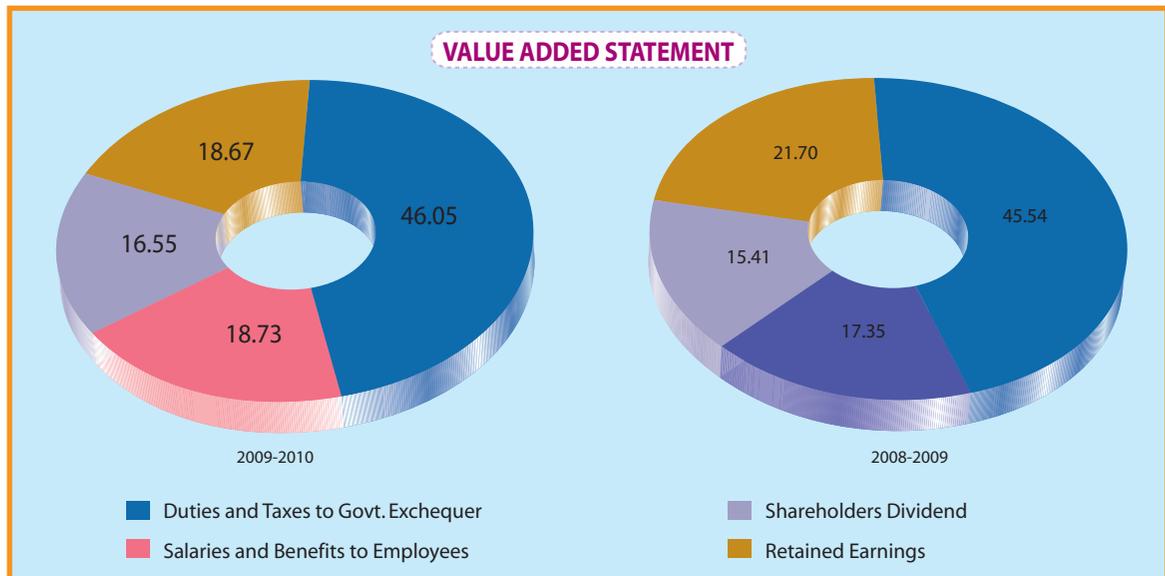
SQUARE PHARMACEUTICALS LTD.

VALUE ADDED STATEMENT

For the Year Ended 31 March 2010

(Figures in thousand Taka)

	2009-2010		2008-2009	
	Amount	%	Amount	%
Turnover & Other Income	13,864,707		12,032,119	
Less: Bought in Materials & Services	7,935,813		6,939,043	
	5,928,894	100.00	5,093,076	100.00
Applications:				
Duties and Taxes to Govt. Exchequer	2,730,483	46.05	2,319,622	45.54
Salaries and Benefits to Employees	1,110,539	18.73	883,401	17.35
Shareholders Dividend	980,870	16.55	784,696	15.41
Retained Earnings	1,107,002	18.67	1,105,357	21.70
	5,928,894	100.00	5,093,076	100.00



AUDITORS' REPORT

TO THE SHAREHOLDERS OF

SQUARE PHARMACEUTICALS LTD.

We have audited the accompanying financial statements of Square Pharmaceuticals Limited, which comprises the Balance Sheet as at 31 March 2010 and Income Statement, Statement of Changes in Equity and Statement of Cash Flows for the year ended, and all related Consolidated Financial Statements and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards, give a true and fair view of the state of the company's affairs as at 31 March, 2010 and of the results of its operations and its cash flows for the period then ended and comply with the companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations.

Further to our opinion in the above paragraph, we state that:

- (i) 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;
- (ii) In our opinion, proper books of account as required by law have been kept by Square Pharmaceuticals Limited so far as it appeared from our examination of those books;
- (iii) The company's Balance Sheet, Income Statement and its Cash Flows dealt with by the report are in agreement with the books of account and returns;
- (iv) The expenditure incurred was for the purpose of the company's business.

Dated, Dhaka
29 July, 2010



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

SQUARE PHARMACEUTICALS LTD.**BALANCE SHEET**

As At 31 March 2010

		31-03-10	31-03-09
ASSETS:	Notes		
Non-Current Assets:		10,255,189,084	9,407,730,001
Property, Plant and Equipment-Carrying Value	2	5,630,791,822	4,899,679,832
Capital Work-in-Progress	3	634,347,093	-
Investment - Long Term (at Cost)	4	3,990,050,169	4,508,050,169
Current Assets:		4,774,311,194	3,843,512,855
Inventories	5	2,207,078,082	2,098,755,231
Trade Debtors	6	508,249,174	477,562,002
Advances, Deposits and Prepayments	7	358,250,076	260,330,162
Investment in Marketable Securities (at Cost)	8	221,269,226	20,250,000
Short Term Loan	9	1,220,736,941	693,157,720
Cash and Cash Equivalents	10	258,727,695	293,457,740
TOTAL ASSETS	Tk.	15,029,500,278	13,251,242,856
SHAREHOLDERS' EQUITY AND LIABILITIES:			
Shareholders' Equity:		11,554,379,825	9,949,397,634
Share Capital	11	1,509,030,000	1,207,224,000
Share Premium	12	2,035,465,000	2,035,465,000
General Reserve		105,878,200	105,878,200
Tax Holiday Reserve	13	1,101,935,237	1,101,935,237
Retained Earnings		6,802,071,388	5,498,895,197
Non-Current Liabilities:		1,258,376,052	660,976,668
Long Term Loans - Secured	14	1,032,633,110	449,757,608
Deferred Tax Liability	15	225,742,942	211,219,060
Current Liabilities:		2,216,744,401	2,640,868,554
Short Term Bank Loans	16	736,443,848	1,534,345,782
Long Term Loans - Current Portion	17	462,090,211	295,590,601
Trade Creditors	18	394,715,915	124,222,699
Liabilities for Expenses	19	56,463,570	69,573,702
Liabilities for Other Finance	20	567,030,857	617,135,770
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	Tk.	15,029,500,278	13,251,242,856

Attached notes form part of these Financial Statements.

As per our annexed report of even date.


 Tapan Chowdhury
 Managing Director


 Samuel S. Chowdhury
 Vice Chairman


 Khandaker Habibuzzaman
 Company Secretary


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

Dated, Dhaka: 29 July, 2010

SQUARE PHARMACEUTICALS LTD.

INCOME STATEMENT

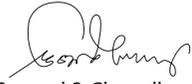
For the Year Ended 31 March 2010

		2009-2010	2008-2009
	Notes		
GROSS TURNOVER	22	13,279,141,757	11,366,597,928
Less: Value Added Tax		1,816,563,347	1,545,801,360
NET TURNOVER		11,462,578,410	9,820,796,568
COST OF GOODS SOLD	23	(6,561,288,485)	(5,672,565,973)
GROSS PROFIT		4,901,289,925	4,148,230,595
Operating Expenses:		(2,211,670,939)	(1,779,793,368)
Selling and Distribution Expenses	27	(1,687,210,447)	(1,319,362,317)
Administrative Expenses	28	(524,460,492)	(460,431,051)
PROFIT FROM OPERATIONS		2,689,618,986	2,368,437,227
Other Income	29	585,564,826	665,520,915
Financial Expenses	30	(308,861,107)	(397,135,963)
NET PROFIT BEFORE WPPF		2,966,322,705	2,636,822,179
Allocation for WPPF	31	(141,253,462)	(125,562,961)
NET PROFIT BEFORE TAX		2,825,069,243	2,511,259,218
Provision for Income Tax	32	(688,499,602)	(592,644,226)
Provision for Deferred Income Tax	15	(48,697,850)	(28,562,063)
NET PROFIT AFTER TAX (Transferred to the Statement of Changes in Equity)	Tk.	2,087,871,791	1,890,052,929
Earnings Per Share (EPS)	33 Tk.	138.36	125.25
Number of Shares used to compute EPS		15,090,300	15,090,300

Attached notes form part of these Financial Statements.

As per our annexed report of even date.


Tapan Chowdhury
Managing Director


Samuel S. Chowdhury
Vice Chairman


Khandaker Habibuzzaman
Company Secretary


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

Dated, Dhaka: 29 July, 2010

SQUARE PHARMACEUTICALS LTD.**STATEMENT OF CHANGES IN EQUITY**

For the Year Ended 31 March 2010

	Share Capital	Share Premium	General Reserve	Tax Holiday Reserve	Retained Earnings	Total
At 31 March 2009	1,207,224,000	2,035,465,000	105,878,200	1,101,935,237	5,498,895,197	9,949,397,634
Net Profit (2009-2010)	-	-	-	-	2,087,871,791	2,087,871,791
Cash Dividend (2008-2009)	-	-	-	-	(482,889,600)	(482,889,600)
Stock Dividend (2008-2009)	301,806,000	-	-	-	(301,806,000)	-
At 31 March 2010	Tk. 1,509,030,000	2,035,465,000	105,878,200	1,101,935,237	6,802,071,388	11,554,379,825

SQUARE PHARMACEUTICALS LTD.**STATEMENT OF CHANGES IN EQUITY**

For the Year Ended 31 March 2009

	Share Capital	Share Premium	General Reserve	Tax Holiday Reserve	Retained Earnings	Total
At 31 March 2008	894,240,000	2,035,465,000	105,878,200	1,101,935,237	4,279,522,268	8,417,040,705
Net Profit (2008-2009)	-	-	-	-	1,890,052,929	1,890,052,929
Cash Dividend (2007-2008)	-	-	-	-	(357,696,000)	(357,696,000)
Stock Dividend (2007-2008)	312,984,000	-	-	-	(312,984,000)	-
At 31 March 2009	Tk. 1,207,224,000	2,035,465,000	105,878,200	1,101,935,237	5,498,895,197	9,949,397,634

As per our annexed report of even date.



Tapan Chowdhury
Managing Director



Samuel S. Chowdhury
Vice Chairman



Khandaker Habibuzzaman
Company Secretary



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

Dated, Dhaka: 29 July, 2010

SQUARE PHARMACEUTICALS LTD.

CASH FLOW STATEMENT

For the Year Ended 31 March 2010

	2009-2010	2008-2009
Cash Flows From Operating Activities:		
RECEIPTS:		
Collection from Sales	11,401,786,553	9,706,402,257
Others	448,178,202	466,326,850
	11,849,964,755	10,172,729,107
PAYMENTS:		
Purchase of Raw and Packing Materials	4,993,049,492	4,595,248,761
Manufacturing and Operating Expenses	2,942,764,932	2,152,581,352
Bank Interest	308,861,107	397,135,963
Income Tax	855,888,639	475,997,448
Workers Profit Participation Fund	82,353,560	60,192,228
Others	3,529,132	3,666,917
	9,186,446,862	7,684,822,669
Net cash provided by operating activities	2,663,517,893	2,487,906,438
Cash Flows From Investing Activities:		
Purchase of Fixed Assets	(1,464,938,454)	(877,960,724)
Disposal of Fixed Assets	12,475,331	8,806,250
Investment in Square Hospitals Ltd.	-	(500,000,000)
Investment in Square Knit Fabrics Ltd.	92,000,000	-
Investment in Square Fashions Ltd.	48,000,000	-
Investment in Square Biotechs Ltd.	418,000,000	(150,000,000)
Investment in Square Multi Fabrics Ltd.	-	(249,500,000)
Investment in Orascom Telecom Bangladesh Ltd.	(40,000,000)	-
Investment in Marketable Securities	(213,679,839)	-
Capital Work-in-Progress	(634,347,093)	-
Sale of Marketable Securities	15,671,905	67,289,225
Interest Received	69,421,514	89,551,011
Dividend Received	58,144,341	42,007,687
Net cash used in investing activities	(1,639,252,295)	(1,569,806,551)
Cash Flows From Financing Activities:		
Long Term Loan Received	1,091,897,800	151,162,607
Long Term Loan Repaid	(342,522,688)	(305,401,660)
Short Term Bank Loan Increase/(Decrease)	(797,901,934)	(1,135,347,402)
Short Term Loan Increase/(Decrease)	(527,579,221)	817,344,614
Dividend Paid	(482,889,600)	(357,696,000)
Net cash used in financing activities	(1,058,995,643)	(829,937,841)
Increase/(Decrease) in Cash and Cash Equivalents	(34,730,045)	88,162,046
Cash and Cash Equivalents at the Opening	293,457,740	205,295,694
Cash and Cash Equivalents at the Closing	Tk. 258,727,695	293,457,740

As per our annexed report of even date.


Tapan Chowdhury
Managing Director


Samuel S. Chowdhury
Vice Chairman


Khandaker Habibuzzaman
Company Secretary


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

Dated, Dhaka: 29 July, 2010

SQUARE PHARMACEUTICALS LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2010

1. SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION

1.1 Legal Form of the Company:

(a) Reporting Company

Square Pharmaceuticals Ltd. was incorporated on November 10, 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 the 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) Subsidiaries Company

(i) Square Cephalosporins Ltd.:

Square Cephalosporins Ltd. was incorporated on August 29, 2005 under Companies Act 1994 as a private limited company.

(ii) Square Biotechs Ltd.:

The company was incorporated on June 12, 2006 and registered by the Registrar of Joint Stock Companies & Firms, Dhaka vide Reg. No. C-62167 (4176)/06 dated June 12, 2006 under Companies Act 1994 as a private limited company.

(iii) Square Multi Fabrics Ltd.:

The company was incorporated on June 24, 2008 under Companies Act. 1994 as a private limited company.

1.2 Address of Registered Office and Factories:

The registered office of the company is situated at "Square Centre" 48, Mohakhali Commercial Area, Dhaka-1212, Bangladesh. Factory address of the company and its subsidiaries are as follows:

Square Pharmaceuticals Ltd. : (1) Square Road, Salgaria, Pabna, Bangladesh
(2) Kaliakoir, Gazipur, Bangladesh
Square Cephalosporins Ltd. : Kaliakoir, Gazipur, Bangladesh
Square Biotechs Ltd. : Kaliakoir, Gazipur, Bangladesh
Square Multi Fabrics Ltd. : Jamirdia, Valuka, Mymensingh, Bangladesh

1.3 Nature of Business Activities:

(a) Reporting Company:

The 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 and sells Basic Chemical Products. The company has an AgroVet Division producing and sells AgroVet products. The company has also a Pesticide Division producing and sells Pesticide Products.

(b) Subsidiary Companies:

(i) Square Cephalosporins Ltd.:

The company owns modern pharmaceuticals factory and produces and sells Pharmaceuticals Drugs and Medicines.

(ii) Square Biotechs Ltd.:

To carry on the business of inter alia manufacturing, marketing, sales and distribution of all kinds of biotechnological medicines/drugs for life saving and healthcare.

(iii) Square Multi Fabrics Ltd.:

To carry on the business of manufacturing, marketing in all types of knit fabrics, yarn, garments for gents, ladies and children's including the preparation, sizing, mercerizing, processing, printing, embroidering, dyeing, coloring and finishing and other ancillary work.

NOTES TO THE FINANCIAL STATEMENTS

1.4 Basis of Preparation and Presentation of 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 Dhaka Stock Exchange Ltd. (DSE) & Chittagong Stock Exchange Ltd. (CSE) and International Accounting Standards (IAS) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB), as Bangladesh Accounting Standard (BAS).

1.5 Principal Accounting Policies:

Specific accounting policies were selected and applied by the company's management for significant transactions and events that have a material effect within the framework of BAS-1 "Presentation of Financial Statements" in preparation and presentation financial statements. The previous years' figures were presented according to the same accounting principles. Compared to the previous year, there were no significant changes in the accounting and valuation principles affecting the financial position and performance of the company. However, changes made to the presentation are explained in the note for each respective item.

Accounting and valuation methods are disclosed for reasons of clarity. The company classified the expenses using the function of expenses method as per BAS-1.

1.6 Application of Bangladesh Accounting Standards (BAS):

The following BASs are applicable for the financial statements for the year under review:

BAS - 1	Presentation of Financial Statements
BAS - 2	Inventories
BAS - 7	Cash Flow Statements
BAS - 8	Accounting Policies, Changes in Accounting Estimates and Errors
BAS - 10	Events after the Balance Sheet Date
BAS - 12	Income Taxes
BAS - 14	Segment Reporting
BAS - 16	Property, Plant and Equipment
BAS - 17	Leases
BAS - 18	Revenue
BAS - 19	Employee Benefits
BAS - 21	The effects of Changes in Foreign Exchange Rates
BAS - 23	Borrowing Costs
BAS - 24	Related Party Disclosures
BAS - 25	Accounting for Investments
BAS - 26	Accounting and Reporting by Retirement Benefit Plans
BAS - 27	Consolidated Financial Statements and Accounting for Investment in Subsidiary
BAS - 28	Accounting for Investment in Associates
BAS - 33	Earnings Per Share
BAS - 37	Provisions, Contingent Liabilities and Contingent Assets
BAS - 38	Intangible Assets

1.7 Property, Plant and Equipment:

All property, plant and equipment is initially accounted for at cost and depreciated over their expected useful life in accordance with BAS-16. 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.

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

1.8 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 Cephalosporins Ltd. (SCL) 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.

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

	SPL	SCL
Factory Building and Other Construction	10%	10%
Plant & Machinery	15%	15%
Laboratory & Office Equipment	10%	10%
Furniture & Fixture	10%	10%
Motor Vehicle	20%	20%
Electrical Installation	15%	15%
Books & Periodicals	30%	-
Electro Mechanical Equipment	-	15%
Computer	10%	10%

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

1.9 Inventories:

Inventories are stated at the lower of cost or net realizable value in compliance to the requirements of Para 21 & 25 of BAS-2.

Types of Stock

Basis of Valuation

Raw Materials, Packing Materials and Work-in-Process	Weighted Average Cost
Finished Goods	At lower of cost or net estimated realizable value
Spare & Accessories	Weighted Average Cost
Goods in Transit	At Cost

The cost is determined on weighted average cost basis. Net realizable value is based on estimated selling price less any further costs anticipated to be incurred to make the sale. Any obsolete stock or abnormal losses are recognized as expenses.

1.10 Income Taxes:

Current Tax

Provision for income tax has been made as per Income Tax Rules after adjustment of 10% rebate for declaration of Dividend above 20%.

Deferred Tax

Provision is made for taxable temporary differences for the prior years and will be adjusted in due course of time as and when required.

1.11 Employees Separation Plans:

Staff Provident Fund

The company has established a recognized 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.

Gratuity

The company has an unfunded gratuity scheme under which an employee is entitled to the benefits depending on the length of service.

Insurance

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.

Workers Profit Participation Fund and Welfare Fund

The company makes a regular allocation of 5% on net profit before tax to this fund and payment is made to the workers as per provisions of the Companies Profit under Labour Law 2006, Chapter-15.

NOTES TO THE FINANCIAL STATEMENTS

1.12 Revenue Recognition:

(a) Sales of Goods:

In compliance with the requirements of BAS-18 revenue is recognised for local sales of Pharmaceuticals Drugs and Medicines, AgroVet Products and Pesticide Products at the time of delivery from depot and Exports of Pharmaceuticals Drugs and Medicines at the time of delivery from Factory Godown. Local sales of Basic Chemical Products are recognised at the time of delivery from Factory Godown i.e when the significant risk and rewards of ownership is transferred to the buyer, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

(b) Dividend income is recognized when the right to received payment is established.

(c) Interest income is recognized when accrued on a time proportion basis.

1.13 Turnover:

Turnover comprises the following:

Reporting Company:

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

Subsidiary Company:

- Sales of locally manufactured Pharmaceuticals drugs and medicines.

1.14 Foreign Currency Transactions:

Foreign currencies are translated into taka at the exchange rates ruling on the date of transactions in accordance with BAS-21 "The Effects of Changes in Foreign Exchange Rates". 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/(loss) in the Income Statement.

1.15 Cash Flow Statement:

Cash flow statement is prepared in accordance with BAS-7 under direct method as outlined in the Securities and Exchange Rule 1987.

1.16 Earnings per Share (EPS):

Earnings per Share (EPS) is calculated in accordance with the Bangladesh Accounting Standard BAS-33 "Earnings per Share".

Earnings per Share

"Earnings per Share" has been calculated by dividing the earnings attributable to the number of shares (ordinary) held by the shareholders' during the year.

Weighted Average Number of Ordinary Shares Outstanding during the year

The Bonus Shares issued during the year 2009-2010 were treated as if they had been in issue in previous years also. Hence, in computing the Basic Earnings Per Share (EPS) of 2009-2010, the total number of shares including the said bonus shares has been considered as the Weighted Average Number of Shares Outstanding during the year 2008-2009.

Diluted Earnings per Share

No diluted Earnings Per Share was required to be calculated for the year under review as there is no scope for dilution of Earnings Per Share for the year.

1.17 Basis of Consolidation:

Percentage of Holding Share on Subsidiaries Company:

Subsidiary Company	Holding of Share	Percentage of Holding
Square Cephalosporins Ltd.	950,000	99.48%
Square Biotechs Ltd.	665,000	99.25%
Square Multi Fabrics Ltd.	995,000	99.50%

Subsidiaries entities are controlled by Square Pharmaceuticals Ltd. (SPL). Control exists when SPL has the power to govern the financial and operating policies of the entity. In assessing control potential voting rights that are presently exercisable are considered.

1.18 Consolidation of Accounts:

In terms of the requirements of Bangladesh Accounting Standards (BAS) accounts of the company's own and that of its subsidiaries have been consolidated as follows:

Subsidiary Company	Year Ending	Remarks
Square Cephalosporins Ltd.	31, March 2010	Audited Balance Sheet
Square Biotechs Ltd.	31, March 2010	Audited Balance Sheet
Square Multi Fabrics Ltd.	31, March 2010	Audited Balance Sheet

1.19 Related Party Transactions:

The company did not do any transaction with it's sister concern other than its subsidiaries/associate undertakings viz Square Textiles Ltd., Square Knit Fabrics Ltd., Square Fashions Ltd., Square Hospitals Ltd., Square Cephalosporins Ltd., Square InformatiX Ltd., Square Biotechs Ltd. and Square Multi Fabrics Ltd.

1.20 Borrowing Cost:

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.

1.21 Concentration of Counterparty Risk:

As of 31st March 2010, the company does not have any significant concentration of business transacted with a particular customer, supplier or lender that could, if suddenly eliminated, have severe 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, have severe impact of the operations of the company.

1.22 Net Profit before Tax:

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

- transaction of a nature not usually undertaken by the company;
- circumstances of an exceptional or non-recurring nature;
- charges or credits realting to prior years; and
- changes in accounting policies.

1.23 Cash and Cash Equivalent:

This comprises cash in hand and cash at bank which are available for use by the company.

NOTES TO THE FINANCIAL STATEMENTS

1.24 Segment Reporting:

As there is a single business and geographic segment within which the company operates as such no segment reporting is felt necessary.

1.25 Share Premium:

The balance in share premium account shall be utilized in accordance with provisions of the Companies Act 1994 and as directed by the Securities and Exchange Commission in this respect.

1.26 Provisions, Contingent Liabilities and Contingent Assets:

Provisions were made considering risk and un-certainties at best estimate of the probable expenditure that would require to meet the current obligation on the Balance Sheet date.

Contingent liabilities and assets are current or possible obligations or on liabilities or assets, arising from past events and existence of which depends upon the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the company. In accordance with BAS-37, they are disclosed in the Note No. 44 hereunder.

1.27 Research, Development and Experimental Costs:

In compliance with the requirements of BAS-38 "Intangible Assets" research, development and experimental costs are usually absorbed as revenue charges as and when incurred, as being not that much material in the company's and /local context.

1.28 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.

	31-03-10	31-03-09
2. PROPERTY, PLANT AND EQUIPMENT: Tk. 5,630,791,822		
Details of Property, Plant and Equipment and Depreciation as at 31 March 2010 are shown in the annexed Schedule - 01. This is arrived at as follows:		
Opening Balance (At Cost)	8,343,690,703	6,893,452,889
Add: Net Addition during the Year	1,405,321,605	1,450,237,814
Closing Balance (At Cost)	9,749,012,308	8,343,690,703
Less: Accumulated Depreciation	4,118,220,486	3,444,010,871
Carrying Value	Tk. <u>5,630,791,822</u>	<u>4,899,679,832</u>

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

	2009-2010	2008-2009
Factory Overhead	544,008,828	454,290,404
Selling and Distribution Expenses	66,440,925	57,334,928
Administrative Expenses	117,710,857	140,936,267
	Tk. <u>728,160,610</u>	<u>652,561,599</u>

31-03-10

31-03-09

3. CAPITAL WORK-IN-PROGRESS: Tk. 634,347,093

This represents expenditure incurred for Liquid Project, Metered Dose Inhaler Project and expansion of General Production Facility of Dhaka Unit. The break-up of the above amount are given below:

Land & Land Development	8,400,000	-
Building/Civil Work	360,251,540	-
Plant & Machinery	257,121,390	-
Other Assets	8,574,163	-
Tk.	634,347,093	-

4. INVESTMENT-Long Term (at Cost): Tk. 3,990,050,169

This consists of the following:

Subsidiaries:

(a) 950,000 Ordinary Shares of Tk. 100/- each in Square Cephalosporins Ltd.	95,000,000	95,000,000
(b) Advance against Share Money with Square Cephalosporins Ltd. for 4,000,000 Shares of Tk. 100/- each	400,000,000	400,000,000
(c) 665,000 Ordinary Shares of Tk. 100/- each in Square Boitechs Ltd.	66,500,000	66,500,000
(d) Advance against Share Money with Square Biotechs Ltd. for 4,180,000 Shares of Tk. 100/- each *	-	418,000,000
(e) 995,000 Ordinary Shares of Tk. 100/- each in Square Multi Fabrics Ltd.	99,500,000	99,500,000
(f) Advance against Share Money with Square Multi Fabrics Ltd. for 1,500,000 Shares of Tk. 100/- each	150,000,000	150,000,000

Associates & Others:

(a) 32,784,641 Ordinary Shares of Tk. 10/- each including Bonus Shares in Square Textiles Ltd.	183,442,369	183,442,369
(b) 120,000 Ordinary Shares of Tk. 100/- each United Hospitals Ltd.	12,000,000	12,000,000
(c) National Housing Finance and Investment Ltd:	23,157,800	23,157,800
• 235,000 Ordinary Shares of Tk.100/- each including 35,000 Bonus Shares		
• 10,526 Ordinary Shares of Tk. 100/- each with Premium of Tk. 200/- each		
(d) 2,000,000 Ordinary Shares of Tk.10/- each including 1,000,000 Bonus Share in Central Depository Bangladesh Ltd.	10,000,000	10,000,000
(e) Square Hospitals Ltd.:	209,250,000	209,250,000
• 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		
(f) Advance against Share Money with Square Hospitals Ltd. for 2,000,000 Shares of Tk.1,000/- each	2,000,000,000	2,000,000,000
(g) 1,260,000 Ordinary Shares of Tk. 100/- each in Square Knit Fabrics Ltd.	126,000,000	126,000,000
(h) Advance against Share Money with Square Knit Fabrics Ltd. for 3,000,000 Shares of Tk.100/- each	300,000,000	392,000,000
(i) 252,000 Ordinary Shares of Tk. 100/- each in Square Fashions Ltd.	25,200,000	25,200,000
(j) Advance against Share Money with Square Fashions Ltd. for 1,500,000 Shares of Tk.100/- each	150,000,000	198,000,000
(k) Advance against Share Money with Square Informatix Ltd. for 1,000,000 Shares of Tk.100/- each	100,000,000	100,000,000
(l) 4 Senior Secured Bond of Tk. 10,000,000/- each in Orascom Telecom Bangladesh Ltd.	40,000,000	-
Tk.	3,990,050,169	4,508,050,169

* Advance against Share Money with Square Biotechs Ltd. has been realized through acquisition of their assets.

NOTES TO THE FINANCIAL STATEMENTS

	31-03-10	31-03-09
5. INVENTORIES: Tk. 2,207,078,082		
The break-up is as under:		
Raw Materials	762,451,128	712,447,113
Packing Materials	220,790,578	203,170,462
Work-in-Process	150,454,182	146,340,693
Finished Goods	579,540,927	568,607,732
Spares & Accessories	136,742,538	99,673,071
Goods in Transit	357,098,729	368,516,160
Tk.	2,207,078,082	2,098,755,231

The basis of valuation is stated in note-1 (1.9)

6. TRADE DEBTORS: Tk. 508,249,174

(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	189,657,421	209,027,961
Within 31-60 days	43,329,446	32,015,833
Within 61-90 days	12,010,002	9,245,177
Above 90 days	263,252,305	227,273,031
Tk.	508,249,174	477,562,002

(ii) Debtors include Tk. 31,693,422 due from export sales of which Tk. 16,089,143 has since been realised.

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

7. ADVANCES, DEPOSITS & PREPAYMENTS (Considered Good) : Tk. 358,250,076

This consists of as follows:

Advances:	173,369,044	122,253,445
Employees	13,507,171	11,532,938
Motor Cycle Loan - Employees	3,566,161	2,632,762
Suppliers	156,295,712	108,087,745
Deposits:	169,747,709	125,373,221
L.C Margin	28,080,081	27,052,081
Value Added Tax	91,409,901	61,305,216
Earnest Money & Security Deposit	19,522,510	15,993,378
Lease Deposit	1,071,758	1,071,758
Others	29,663,459	19,950,788
Prepayments:	15,133,323	12,703,496
Office Rent	2,048,812	2,016,462
Insurance Premium	13,084,511	10,687,034
Tk.	358,250,076	260,330,162

(a) Employees advances of Tk. 13,507,171 includes advance to officers Tk. 12,219,600

(b) No amount was due by the Directors (including Managing Director) and Managing Agents 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 associate undertakings.

8. INVESTMENT IN MARKETABLE SECURITIES (At Cost): Tk. 221,269,226

SL. No	Name of Company	No. of Shares Held	Face Value per Share	Cost Holding	Average Cost	Quoted Rate per Share as on 31-03-10	Total Market Value of Shares as on 31-03-10	Unrealised Gain/(Loss)
1	Pioneer Insurance Co.Ltd.	150,000	100.00	20,250,000.00	135.00	1,172.00	175,800,000.00	155,550,000.00
2	1st ICB Mutual Fund	405	100.00	2,937,096.00	7,252.09	7,800.00	3,159,000.00	221,904.00
3	3rd ICB Mutual Fund	1,440	100.00	2,484,223.00	1,725.15	1,700.00	2,448,000.00	(36,223.00)
4	4th ICB Mutual Fund	1,680	100.00	2,804,937.00	1,669.61	1,811.00	3,042,480.00	237,543.00
5	5th ICB Mutual Fund	2,530	100.00	3,910,198.00	1,545.53	1,675.00	4,237,750.00	327,552.00
6	6th ICB Mutual Fund	1,300	100.00	943,623.00	725.86	612.00	795,600.00	(148,023.00)
7	7th ICB Mutual Fund	6,250	100.00	5,948,476.00	951.76	920.00	5,750,000.00	(198,476.00)
8	8th ICB Mutual Fund	3,650	100.00	2,563,029.00	702.00	685.00	2,500,250.00	(62,779.00)
9	BATA Shoe Ltd.	700	10.00	202,891.00	289.84	535.00	374,500.00	171,609.00
10	BATBC	3,000	10.00	594,181.00	198.06	494.00	1,482,000.00	887,819.00
11	IBBL MP Bond	143,330	1,000.00	133,574,294.00	931.94	999.00	143,186,670.00	9,612,376.00
12	Islami Bank	4,000	100.00	2,212,850.00	553.21	575.00	2,300,000.00	87,150.00
13	Padma Oil	400	10.00	91,069.00	227.67	678.00	271,200.00	180,131.00
14	Shahjalal Islami Bank Ltd.	2,000	100.00	427,870.00	213.94	369.00	738,000.00	310,130.00
15	Titans Gas TDCL	16,500	100.00	11,398,830.00	690.84	666.00	10,989,000.00	(409,830.00)
16	Uttara Bank Ltd.	800	100.00	929,257.00	1,161.57	1,438.00	1,150,400.00	221,143.00
17	ACI 20% Convertible Zero Coupon Bond	40,070	1,000.00	29,996,402.00	748.60	-	-	-
	Total			221,269,226.00				166,952,026

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9. SHORT TERM LOAN (Unsecured): Tk. 1,220,736,941

This consists of as follows:

(a) Square Textiles Ltd.	391,301,298	224,861,953
(b) Square Knit Fabrics Ltd.	217,457,229	100,788,884
(c) Square Fashions Ltd.	65,848,624	89,346,424
(d) Square Hospitals Ltd.	210,163,574	64,295,970
(e) Square InformatiX Ltd.	171,722,922	130,014,016
(f) Square Cephalosporins Ltd.	-	28,340,200
(g) Square Biotechs Ltd.	-	22,219,763
(h) Square Multi Fabrics Ltd.	164,243,294	33,290,510
Tk.	1,220,736,941	693,157,720

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

10. CASH AND CASH EQUIVALENTS: Tk. 258,727,695

This is made-up as follows:

(a) Cash in Hand	611,159	855,285
(b) Cash at Bank :	258,116,536	292,602,455
• Current Account	35,801,069	23,349,564
• STD Account	5,028,759	5,329,561
• Fixed Deposit Account (BD Taka)	23,264,312	23,280,799
• Fixed Deposit Account (USD)	57,228,391	57,098,863
• Export Retention Quota Account	136,794,005	183,543,668
Tk.	258,727,695	293,457,740

The fixed deposit amount of Tk. 23,264,312 had to keep as lien against sanction of overdraft facilities for the company.

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11. SHARE CAPITAL: Tk. 1,509,030,000		
This is made-up as follows:		
Authorised:		
50,000,000 Ordinary Shares of Tk.100/- each	5,000,000,000	5,000,000,000
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:		
14,077,068 Ordinary Shares of Tk.100/- each fully paid-up as Bonus Shares	1,407,706,800	1,105,900,800
Tk.	1,509,030,000	1,207,224,000

Shareholding Position as on 31 March 2010 is as follows:

	No. of Investors	Number of Shares	% of Share Holding 2009-2010	% of Share Holding 2008-2009
Sponsors	22	8,174,154	54.17	54.16
Foreign Investors	19	927,355	6.14	6.30
Others	40,756	5,988,791	39.69	39.54
	40,797	15,090,300	100.00	100.00

The distribution schedule showing the number of shareholders and their share holdings in percentage has been disclosed below:

Range of Holdings	As per Folio		As per BOID		Total Share Holdings	%
	No. of Holders	Holdings	No. of Holders	Holdings		
Less than 500 Shares	2,880	161,898	36,635	1,547,260	1,709,158	11.33%
501 to 5,000 Shares	86	96,446	1,052	1,219,492	1,315,938	8.72%
5,001 to 10,000 Shares	2	13,835	55	390,859	404,694	2.68%
10,001 to 20,000 Shares	7	99,446	23	329,421	428,867	2.84%
20,001 to 30,000 Shares	3	73,112	15	376,714	449,826	2.98%
30,001 to 40,000 Shares	3	113,455	3	98,766	212,221	1.41%
40,001 to 50,000 Shares	-	-	3	131,122	131,122	0.87%
50,001 to 100,000 Shares	-	-	9	673,175	673,175	4.46%
100,001 to 1,000,000 Shares	12	5,222,333	7	2,006,137	7,228,470	47.90%
Over 1,000,000 Shares	1	1,492,512	1	1,044,317	2,536,829	16.81%
Total	2,994	7,273,037	37,803	7,817,263	15,090,300	100.00%

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12. SHARE PREMIUM:	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 the Securities and Exchange Commission.

13. TAX HOLIDAY RESERVE:	Tk. 1,101,935,237	1,101,935,237
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14. LONG TERM LOANS (Secured): Tk. 1,032,633,110

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

(a) Standard Chartered Bank, Dhaka	69,574,485	124,574,482
(b) Commercial Bank of Ceylon Ltd., Dhaka	11,071,834	22,143,941
(c) Trust Bank Ltd., Dhaka	45,704,418	80,651,774
(d) HSBC Ltd., Dhaka	93,217,266	103,849,440
(e) DEG, Germany	784,125,000	-
(f) Minimum Lease Payments	28,940,107	118,537,971
Tk.	1,032,633,110	449,757,608

(a) Standard Chartered Bank:

The loan of Tk. 220,000,000 was disbursed for BMRE and it is secured on fixed and floating assets of the company. 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 14 (fourteen) equal quarterly installment starting from May, 2008. The remaining balance stands at Tk. 69,574,485 as on 31.03.2010.

(b) Commercial Bank of Ceylon Ltd.:

The loan of Tk. 44,288,000 was disbursed for import of machinery and it is secured on specific imported machinery. 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 48 (forty eight) equal monthly installment starting from April, 2008. The remaining balance stands at Tk. 11,071,834 as on 31.03.2010.

(c) Trust Bank Ltd.:

The loan of Tk. 150,000,000 was disbursed for the Pellet Project and it is secured on fixed and floating assets of the company. 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 57 (fifty seven) equal monthly installment starting from October, 2007. The remaining balance stands at Tk. 45,704,418 as on 31.03.2010.

(d) HSBC Ltd.:

The loan of Tk. 197,560,407 was disbursed for import of machinery and it is secured on specific imported machinery. 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 15 (fifteen) equal quarterly installment starting from January, 2009. The remaining balance stands at Tk. 93,217,266 as on 31.03.2010.

(e) DEG Germany:

The loan of Tk. 1,029,000,000 (USD 15,000,000 @ BDT 68.60) was disbursed for capital expenditure purposes and capacity expansion in normal course of business. The interest rate of loan is 06 months LIBOR+2.70% and the loan is repayable in 08 (eight) equal half-yearly installment of USD 1,875,000 starting from August, 2010.

NOTES TO THE FINANCIAL STATEMENTS

(f) Minimum Lease Payments- Tk. 28,940,107

(1) Shahjalal Islami Bank Ltd.:

An amount of Tk. 150,000,000 was recognized as Minimum Lease Payments under lease of machineries for Small Volume Parrental Ophthalmic Unit. The lease is repayable in 10 (ten) equal half-yearly installment of Tk. 21,357,000 starting from December 2006 and the remaining balance stands at Tk. 19,959,749 as on 31.03.2010.

(2) Industrial Development Leasing Company of Bangladesh Ltd.:

An amount of Tk. 38,442,000 was recognized as Minimum Lease Payments under lease of Vehicle. The lease is repayable in 60 (sixty) equal monthly installment of Tk. 914,540 starting from March 2007 and the remaining balance stands at Tk. 8,980,358 as on 31.03.2010.

(3) Industrial Promotion and Development Company of Bangladesh Ltd.:

An amount of Tk. 4,600,000 was recognized as Minimum Lease Payment under lease of Vehicle. The lease is repayable in 36 (thirty six) equal monthly installment of Tk. 157,217 starting from April 2008. The remaining balance Tk. 1,751,000 which is shown under Note- 17 (f).

15. DEFERRED TAX LIABILITY: Tk. 225,742,942

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This represents provision is made for deferred income tax to pay future income tax liability for temporary differences which is arrived at as follows:

Opening Balance	211,219,060	182,656,997
Provision made	48,697,850	28,562,063
Adjustment	(34,173,968)	-
Closing Balance	Tk. 225,742,942	211,219,060

16. SHORT TERM BANK LOAN: Tk. 736,443,848

This consists of as follows:

Cash Credit - Janata Bank Ltd., Pabna	115,727,343	28,587,651
Cash Credit - Janata Bank Ltd., Local Office, Dhaka	50,230,200	20,146,821
Short Term Loan - Citibank N.A, Dhaka	59,785	7,600,852
Trust Receipt - Citibank N.A, Dhaka	38,390,075	275,825,852
Short Term Loan - Commercial Bank of Ceylon Ltd., Dhaka	30,493,989	26,053,906
Trust Receipt - Commercial Bank of Ceylon Ltd., Dhaka	31,899,000	23,045,000
Short Term Loan - Standard Chartered Bank, Dhaka	24,403,546	305,243,050
Trust Receipt - Standard Chartered Bank, Dhaka	31,819,326	171,803,110
Short Term Loan - Bank Alfalah Ltd., Dhaka	100,000,000	100,000,000
Trust Receipt - Bank Alfalah Ltd., Dhaka	-	10,672,300
Overdraft - Eastern Bank Ltd., Dhaka	14,101,091	23,689,189
Trust Receipt - Eastern Bank Ltd., Dhaka	-	39,693,127
Overdraft - Mercantile Bank Ltd., Dhaka	22,745,361	26,611,755
Trust Receipt - Mercantile Bank Ltd., Dhaka	20,256,652	129,219,538
Trust Receipt - Shahjalal Islami Bank Ltd., Dhaka	10,720,795	57,271,601
Short Term Loan - HSBC Ltd., Dhaka	-	135,000,000
Trust Receipt - HSBC Ltd., Dhaka	52,683,214	-
Overdraft - Pubali Bank Ltd., Dhaka	3,654,386	-
Trust Receipt - Pubali Bank Ltd., Dhaka	11,946,951	12,827,000
Overdraft - Bank Asia Ltd., Dhaka	19,136,921	-
Trust Receipt - Bank Asia Ltd., Dhaka	32,478,517	44,632,686
Overdraft - Sonali Bank Ltd., Custom House Dhaka-Secured by FDR	-	6,556,171
Overdraft - Sonali Bank Ltd., Mohakhali Branch, Dhaka-Secured by FDR	-	61,818
Overdraft - Janata Bank Ltd., Mohakhali Corporate Br., Dhaka-Secured by FDR	106,300,353	66,757,772
Overdraft - Janata Bank Ltd., Mimi Super Market Br, Chittagong-Secured by FDR	4,178,930	6,892,274
Overdraft - Janata Bank Ltd., Foreign Exchange Corporate Br., Sylhet-Secured by FDR	1,530,539	1,539,615
Overdraft - Janata Bank Ltd., Maizdee Court Corporate Br., Noakhali-Secured by FDR	1,068,429	-
Others	12,618,445	14,614,694
	Tk. 736,443,848	1,534,345,782

The loans of Janata Bank Ltd. are secured by registered mortgage and other loans are secured against pledge and hypothecation of stocks and book debts.

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17. LONG TERM LOANS - Current Portion: Tk. 462,090,211

This represents current portion of long term loans from financial institutions which are repayable within next 12 months from April, 2010 and consists of as follows:

(a) Standard Chartered Bank, Dhaka	55,000,000	55,000,000
(b) Commercial Bank of Ceylon Ltd., Dhaka	11,072,004	11,072,004
(c) Trust Bak Ltd., Dhaka	34,947,356	30,557,084
(d) HSBC Ltd., Dhaka	52,908,559	38,914,202
(e) DEG, Germany	261,375,000	-
(f) Minimum Lease Payments	46,787,292	160,047,311
Tk.	462,090,211	295,590,601

18. TRADE CREDITORS:Tk. **394,715,915****124,222,699**

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

19. LIABILITIES FOR EXPENSES: Tk. 56,463,570

This consists of as follows:

Accrued Expenses	47,243,229	60,140,449
Clearing & Forwarding	8,970,341	9,233,253
Audit Fees	250,000	200,000
Tk.	56,463,570	69,573,702

20. LIABILITIES FOR OTHER FINANCE: Tk. 567,030,857

This consists of as follows:

Sundry Creditors	161,186,629	135,561,661
Income Tax (Deduction at Source)	382,973	1,381,663
Retention Money	826,620	1,242,644
Workers' Profit Participation Fund	325,514,827	266,614,925
Income Tax Payable (Note-21)	79,119,808	212,334,877
Tk.	567,030,857	617,135,770

21. INCOME TAX PAYABLE: Tk. 79,119,808

This is arrived at as follows:

Opening balance	212,334,877	95,688,099
Provision made (Note-32)	688,499,602	592,644,226
Tax paid (including Advance Income Tax during the year)	(821,714,671)	(475,997,448)
Closing balance	79,119,808	212,334,877

NOTES TO THE FINANCIAL STATEMENTS

	2009-2010	2008-2009
22. GROSS TURNOVER: Tk. 13,279,141,757		
This is made-up as follows:		
Local:		
Pharmaceuticals Products	12,121,417,280	10,341,891,716
Basic Chemicals	280,573,953	227,535,823
AgroVet Products	342,837,295	281,767,970
Pesticide Products	169,769,785	179,065,247
Total	12,914,598,313	11,030,260,756
Export:		
Pharmaceuticals Products (USD 5,247,475)	359,412,007	331,843,047
AgroVet Products (USD 75,081)	5,131,437	4,494,125
Total	364,543,444	336,337,172
Gross Turnover	Tk. 13,279,141,757	11,366,597,928

(i) Sales consists of 528 Pharmaceuticals Products, 15 Basic Chemical Products, 32 AgroVet Products and 19 Pesticide Products .The summarised quantity are as under:

(Quantity in Thousand)

Category	Unit	Opening	Production/Purchase	Sales	Closing
Tablet	Pcs	294,746	3,543,632	3,549,696	288,682
Capsule	Pcs	38,122	849,071	834,614	52,579
Liquid	Bottles	2,885	63,838	63,712	3,011
Injectable (Vial & Ampoule)	Pcs	2,399	43,036	41,611	3,824
ENT Preparation & Others	Phials	1,029	16,777	15,952	1,854
Ophthal Preparation & Others	Phials	378	4,145	4,097	426
Dry Syrup	Bottles	509	7,868	8,163	214
Suppository	Pcs	2,555	15,490	16,740	1,305
Inhaler	Cans	515	2,530	2,680	365
Insulin	Pcs	-	92	91	1
Basic Chemical	Kg	16	378	385	9
Pellet	Kg	6	42	36	12
Tablet - AgroVet	Pcs	303	5,669	5,242	730
Powder - AgroVet	Gm	5,182	32,861	36,464	1,579
Injectable - AgroVet	Pcs	48	828	808	68
Liquid - AgroVet	Bottles	11	180	168	23
Liquid - Insecticide	Litre	5	65	63	7
Powder - Fungicide	Kg	49	1,234	1,236	47
Granuler - Insecticide	Kg	91	206	252	45
Aerosol	Pcs	12	357	368	1

(ii) 222.35 M.T of basic chemicals valued at Tk. 215,357,930 and 35.78 M.T. of Pellet valued at Tk. 50,601,700 has been transferred from chemical plant to pharma formulation plants of the company which has not been included in the above turnover.

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

		2009 -2010	2008 -2009
23. COST OF GOODS SOLD: Tk. 6,561,288,485			
This is arrived at as follows:	Notes		
Raw Materials Consumed	24	3,513,411,701	3,023,072,192
Packing Materials Consumed	25	1,490,267,842	1,326,521,349
		5,003,679,543	4,349,593,541
Work-in-Process (Opening)		146,340,693	141,106,414
Work-in-Process (Closing)		(150,454,182)	(146,340,693)
TOTAL CONSUMPTION		4,999,566,054	4,344,359,262
Factory Overhead	26	1,379,739,832	1,123,414,629
COST OF PRODUCTION		6,379,305,886	5,467,773,891
Purchase of Finished Goods		226,814,860	218,136,279
Finished Goods (Opening)		568,607,732	581,543,862
Finished Goods (Closing)		(579,540,927)	(568,607,732)
		6,595,187,551	5,698,846,300
Cost of Physician Sample		(33,899,066)	(26,280,327)
		6,561,288,485	5,672,565,973
		Tk.	

24. RAW MATERIALS CONSUMED: Tk. 3,513,411,701

This is arrived at as follows:

Opening Stock	712,447,113	688,846,968
Purchase	3,563,415,716	3,046,672,337
Closing Stock	(762,451,128)	(712,447,113)
	3,513,411,701	3,023,072,192
	Tk.	

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

Particulars	Pcs Cap-Shell	Quantity (Kg)					Total Value (Tk.)
		Active	Excipients	Colour	Flavour	Total	
Opening Balance	161,698,400	549,763	784,046	35,428	10,053	1,379,290	712,447,113
Purchase	942,824,000	2,992,046	5,215,029	281,005	23,579	8,511,659	3,563,415,716
Available for use	1,104,522,400	3,541,809	5,999,075	316,433	33,632	9,890,949	4,275,862,829
Closing Balance	218,024,400	596,301	1,269,997	115,929	5,765	1,987,992	762,451,128
Consumption	886,498,000	2,945,508	4,729,078	200,504	27,867	7,902,957	3,513,411,701

Raw materials consists of 876 items of which 82.30% (in value) are imported.

25. PACKING MATERIALS CONSUMED: Tk. 1,490,267,842

This is arrived at as follows:

Opening Stock	203,170,462	186,341,475
Purchase	1,507,887,958	1,343,350,336
Closing Stock	(220,790,578)	(203,170,462)
	1,490,267,842	1,326,521,349
	Tk.	

NOTES TO THE FINANCIAL STATEMENTS

Summarised quantity of packing materials are stated as under:

Name of Item	Unit	Opening	Purchase	Consumption	Closing
Inner Carton	Pcs	23,224,851	139,410,415	142,932,818	19,702,448
Shipper's Carton	Pcs	256,236	2,616,169	2,602,899	269,506
Label	Pcs	29,420,138	114,940,710	106,350,333	38,010,515
Direction Slip	Pcs	17,184,834	101,367,068	104,453,624	14,098,278
Container	Pcs	1,449,877	18,601,229	19,355,517	695,589
Blister Foil/Alu Lid Foil	Kg	47,968	244,728	200,192	92,504
Strip Foil	Kg	56,402	388,127	375,007	69,522
PVC/PVDC Film	Kg	196,725	438,458	450,230	184,953
Alu Bottom Foil	Kg	63,146	175,602	184,105	54,643
Bottle	Pcs	1,460,726	70,728,214	70,020,102	2,168,838
Ampoule	Pcs	6,005,751	46,936,996	44,653,095	8,289,652
Vial	Pcs	409,534	3,103,359	2,831,259	681,634
P.P Cap/Plastic Clouser	Pcs	3,414,764	69,851,000	70,859,686	2,406,078
Tube	Pcs	2,917,439	9,763,546	10,694,578	1,986,407
Can	Pcs	2,049,747	6,158,690	6,174,143	2,034,294
Actuator	Pcs	1,112,650	1,296,000	1,285,620	1,123,030
Metered Valve	Pcs	1,653,553	2,379,686	2,488,047	1,545,192
Plastic Applicator	Pcs	252,639	686,667	824,357	114,949

Packing materials consists of 2,134 items of which 39.10% (in value) are imported.

	2009-2010	2008-2009
26. FACTORY OVERHEAD: Tk. 1,379,739,832		
This is made-up as follows:		
Salaries, Allowances and Wages	337,137,463	278,835,599
Factory Employees Free Lunch	25,905,419	20,837,109
Factory Staff Uniform	8,896,079	8,340,078
Travelling & Conveyance	8,725,793	5,522,779
Printing & Stationery	22,919,852	18,186,749
Postage, Telephone & Fax	2,800,594	2,355,933
Repairs & Maintenance	214,391,550	165,302,993
Laboratory Consumable Stores	62,271,807	42,700,967
Fuel, Petrol, Light Diesel etc.	16,423,563	15,414,680
Electricity, Gas & Water	83,798,770	76,243,253
Rental Expense	1,227,550	1,210,000
Municipal & Other Tax	1,770,192	1,081,238
Insurance Premium	16,756,776	8,489,399
Factory Sanitation Expenses	10,708,235	4,023,380
Depreciation	544,008,828	454,290,404
Security Services	11,466,607	10,539,139
Research & Development	5,107,477	1,213,270
Software & Hardware Support Service	4,623,493	7,895,000
Other Expenses	799,784	932,659
Tk.	1,379,739,832	1,123,414,629

2009-2010**2008-2009****27. SELLING & DISTRIBUTION EXPENSES: Tk. 1,687,210,447**

This consists of as follows:

Salaries and Allowances	265,797,633	193,387,244
Travelling and Conveyance	29,270,911	18,763,484
Training Expenses	3,337,446	2,220,394
Printing and Stationery	28,315,650	22,740,086
Postage, Telephone & Fax	12,035,971	9,577,683
Electricity, Gas and Water	6,875,772	5,247,236
Tiffin and Refreshment	7,558,001	5,261,984
Office and Godown Rent	5,191,625	5,221,330
Bank Charges	5,836,854	5,372,313
Repairs and Maintenance including car maintenance	106,604,639	83,515,314
Govt. Taxes and Licence Fees	6,035,987	5,666,326
Field Staff Salaries, Allowances, TA and DA	396,883,133	317,347,851
Marketing and Promotional Expenses	317,139,405	226,674,739
Advertisement	3,432,483	1,079,500
Delivery and Packing Expenses	34,982,119	29,779,185
Export Expenses	46,122,101	34,405,956
Special Discount	269,870,286	231,611,444
Sample Expenses	59,067,896	50,485,561
Security Services	14,074,969	11,500,798
Depreciation	66,440,925	57,334,928
Software & Hardware Support Services	276,000	726,000
Other Expenses	2,060,641	1,442,961
Tk.	1,687,210,447	1,319,362,317

NOTES TO THE FINANCIAL STATEMENTS

	2009-2010	2008-2009
28. ADMINISTRATIVE EXPENSES: Tk. 524,460,492		
This consists of as follows:		
Salaries and Allowances	110,720,812	93,829,820
Directors' Remuneration	24,434,059	20,103,627
Travelling and Conveyance	49,099,699	34,892,556
Training Expenses	2,721,645	2,004,923
Printing and Stationery	9,112,070	8,560,095
Postage, Telephone & Fax	5,460,872	4,713,658
Electricity, Gas & Water	6,141,458	5,620,883
Tiffin and Refreshment	16,602,016	14,279,433
Office Rent	1,800,000	1,788,000
Sanitation Expenses	2,030,018	1,759,805
Books and Periodicals	688,252	1,047,043
Subscription and Donation	4,283,929	2,857,948
Advertisement	3,060,296	3,211,834
Repairs and Maintenance	69,830,862	55,438,400
Bank Charges	36,672,467	16,609,799
Insurance Premium	7,663,097	3,266,202
Govt. Taxes, Stamp Duty & Licence Fee	6,716,401	4,181,814
Lease Rent	974,250	495,000
Security Services	8,638,630	7,323,574
Management Consultant Fees	2,385,101	621,230
Legal Charges	815,950	838,055
Audit Fees	250,000	200,000
Depreciation	117,710,857	140,936,267
Annual General Meeting Expenses	5,847,630	12,046,784
Software & Hardware Support Services	21,806,273	18,047,140
Share Demat, Remat & Transfer Fees	8,590,135	3,361,118
Commission on Sale of Marketable Securities	-	336,446
Other Expenses	403,713	2,059,597
Tk.	524,460,492	460,431,051

Audit fees of Tk. 250,000 represents fees for audit of the financial statements of the company for the year 2009-2010.

	2009-2010	2008-2009
29. OTHER INCOME: Tk. 585,564,826		
This is arrived at as follows:		
Interest on FDR	9,402,824	3,177,888
Interest on Savings Account	165,733	174,681
Interest on Loan to Sister Concern	59,852,957	86,198,442
Rental Income	153,719,770	239,892,264
Sale of Scrap	18,251,781	19,824,980
Dividend Received	58,144,341	42,007,687
Foreign Exchange Fluctuation Gain/(Loss) on Retention Quota Account	2,938,847	2,035,239
Foreign Exchange Fluctuation Gain/(Loss) against Collection on Export Bill	161,419	14,948
Commission Received	273,106,385	204,559,419
Gain on Sale of Marketable Securities	3,011,292	64,095,230
	578,755,349	661,980,778
Profit on Sale of Property, Plant and Equipment (Note-36)	6,809,477	3,540,137
Tk.	585,564,826	665,520,915

30. FINANCIAL EXPENSES: Tk. 308,861,107

This is made-up as follows:

Interest on Cash Credit	14,350,850	21,820,760
Interest on Overdraft	17,749,159	37,764,410
Interest on LATR	105,737,732	135,144,391
Interest on Short Term Loan	39,092,764	93,716,961
Interest on Lease	33,298,290	43,122,332
Interest on Long Term Loan	98,632,312	65,567,109
Tk.	308,861,107	397,135,963

31. ALLOCATION FOR WPPF:

Tk. **141,253,462** **125,562,961**

This represents 5% of Net Profit before Tax after charging the allocation as per provisions of the Companies Profit under Labour Law 2006, Chapter-15.

32. PROVISION FOR INCOME TAX: Tk. 688,499,602

This represents estimated Income Tax Liability for the year 2009-2010 as follows:

1) 27.50% Income Tax on Taxable Profit of Tk. 2,676,013,091	735,903,600	638,766,108
2) Half of 27.50% Income Tax on Export Net Profit of Tk. 71,222,776	9,793,132	11,325,938
3) 20% Income Tax on Dividend of Tk. 58,144,341	11,628,868	8,401,538
	757,325,600	658,493,584
Less: 10% Exemption for declaration of Dividend above 20%	75,732,560	65,849,358
	681,593,040	592,644,226
Add: Short Provision (2007-2008)	6,906,562	-
Tk.	688,499,602	592,644,226

NOTES TO THE FINANCIAL STATEMENTS

	2009-2010	2008-2009
33. EARNINGS PER SHARE (EPS): Tk. 138.36		
The computation is given below:		
Surplus for the year attributable to Shareholders (Net Profit after Tax)	2,087,871,791	1,890,052,929
Weighted average number of shares outstanding during the year	15,090,300	15,090,300
Earnings Per Share	Tk. 138.36	125.25

34. 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".

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. 35 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 2009-2010 is calculated at Tk. 528,160,500.

The Board of Directors also proposed Bonus Shares (Stock Dividend) @30% per share and total amount of proposed Bonus Share (Stock Dividend) for the year is calculated at Tk. 452,709,000.

35. PAYMENTS/PERQUISITES TO DIRECTORS AND OFFICERS:

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

Directors' Remuneration	24,434,059
Managerial Remuneration	75,555,286
Managerial Benefits:	
Bonus	17,717,991
House Rent	16,533,632
Conveyance	1,669,500
Company's Contribution to Provident Fund	6,722,260

- (a) no compensation was made to the Managing Director of the company except as stated in (35) above.
- (b) no amount was spent by the company for compensating any member of the Board of Directors except as stated in (35) above.

36. PARTICULARS OF DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT DURING THE YEAR:

Particulars of Assets	Cost	Acc. Deprn Upto 31-03-09	WDV as on 31-03-09	Sales Price	Profit/ (Loss)
Motor Vehicle	14,483,944	10,866,607	3,617,337	8,312,140	4,694,803
Motor Cycle	7,861,362	5,812,845	2,048,517	4,163,191	2,114,674
Total	22,345,306	16,679,452	5,665,854	12,475,331	6,809,477

37. PRODUCTION CAPACITY AND UTILISATION:

(Quantity in thousand)

Category	Unit	Rated Capacity	Actual Production	Capacity Utilisation
Tablet	Pcs	6,925,995	3,543,632	51%
Capsule	Pcs	838,334	849,071	101%
Liquid	Bottle	179,000	63,838	36%
Injectable (Vial & Ampoul)	Pcs	47,025	43,036	92%
ENT Preparation & Others	Phials	40,000	16,777	42%
Ophthal Preparation & Others	Phials	9,520	4,145	44%
Dry Syrup	Bottle	12,000	7,868	66%
Suppository	Pcs	80,000	15,490	19%
Inhaler	Cans	5,000	2,530	51%
Insulin	Pcs	14,000	92	1%
Basic Chemical	Kg	340	378	111%
Pellet	Kg	72	42	58%
Tablet - AgroVet	Pcs	16,000	5,669	35%
Powder - AgroVet	Gm	17,500	32,861	188%
Injectable - AgroVet	Pcs	6,000	828	14%
Liquid - AgroVet	Bottle	2,000	180	9%
Aerosol	Pcs	1,470	357	24%

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

38. 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 3,488 for the whole year and 709 for part of the year.

39. 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 2010.

40. EXPATRIATE CONSULTANTS FEES:

During the year under review an amount of USD 33,866 equivalent to Tk. 2,385,101 has been paid to expatriate consultants as fees for their services rendered to the company.

41. DIVIDEND PAID TO THE SHAREHOLDERS:

During the year under review total cash dividend for 2008-2009 amounting to Tk. 482,889,600 has been paid to the Shareholders and also bonus shares amounting to Tk. 301,806,000 for the year 2008-2009 have been accounted for. Dividend were paid in local currency to the local custodian bank of the shareholders as such no dividend was remitted in foreign currency.

NOTES TO THE FINANCIAL STATEMENTS

42. CLAIM NOT ACKNOWLEDGED AS DEBT:

There was no claim against the company not acknowledged as debt as on 31-03-2010.

43. UN-AVAILED CREDIT FACILITIES:

There was no credit facility available to the company under any contract but not availed of as on 31-03-10 other than bank credit facility and trade credit available in the ordinary course of business.

44. CONTINGENT LIABILITY:

Contingent liability of the company was Tk. 1,235,087,232 as on 31-03-10 for opening letter of credit by the banks in favour of foreign suppliers for raw materials, packing materials and plant & machineries.

45. EVENTS AFTER THE BALANCE SHEET DATE:

There is no significant event other than normal activities between the financial year closing date and Financial Statement signing date.

SQUARE PHARMACEUTICALS LTD.

Property, Plant and Equipment: Tk. 5,630,791,822

Schedule-01

PARTICULARS	COST			DEPRECIATION				Carrying Value as at 31 March 2010	Rate of Depn	
	At 31 March 2009	During the year		At 31 March 2010	At 31 March 2009	During the year				At 31 March 2010
		Additions	Sales/ Transfer			Charged	Sales/ Transfer			
FACTORIES:										
Freehold Land	334,672,932	224,047,978	-	558,720,910	-	-	-	558,720,910	-	
Building	1,851,729,648	287,235,396	166,849,017	1,972,116,027	816,844,960	119,254,260	37,271,543	1,073,288,350	10%	
Building under Construction	130,101,820	1,267,133	117,185,858	14,183,095	-	-	-	14,183,095	-	
Plant & Machinery	3,156,011,774	848,271,232	-	4,004,283,006	1,487,313,617	377,545,409	-	2,139,423,980	15%	
Laboratory Equipment	236,000,345	39,709,590	-	275,709,935	84,643,241	19,106,670	-	1,864,859,026	10%	
Furniture & Fixture	138,787,054	10,748,910	-	149,535,964	53,684,843	9,585,113	-	86,266,008	10%	
Office Equipment	78,081,000	1,733,140	-	79,814,140	41,047,825	3,876,632	-	34,889,683	10%	
Computer	15,339,567	3,743,640	-	19,083,207	6,231,614	1,285,161	-	11,566,432	10%	
Motor Vehicles	104,660,769	13,970,000	6,085,944	112,544,825	66,561,787	10,047,191	4,252,920	40,188,767	20%	
Motor Vehicle Lease	2,085,000	-	-	2,085,000	1,401,787	136,643	-	546,570	20%	
Plant & Machinery in Transit	36,911,045	60,361,218	35,845	97,236,418	16,501,941	1,739,655	-	97,236,418	-	
Electrical Installation	28,099,644	-	-	28,099,644	7,524,425	1,432,094	-	9,858,048	15%	
Gas Line Installation	17,071,716	-	-	17,071,716	-	-	-	8,115,197	15%	
Total	6,129,552,314	1,491,088,237	290,156,664	7,330,483,887	2,581,756,040	544,008,828	41,524,463	4,246,243,482		
HEAD OFFICE & OTHERS:										
Land	422,025,461	80,879,214	-	502,904,675	-	-	-	502,904,675	-	
Building	219,082,216	31,378,286	-	250,460,502	81,882,029	16,857,847	-	151,720,626	10%	
Building under Construction	19,359,205	26,542,516	31,378,286	14,523,435	-	-	-	14,523,435	-	
Furniture & Fixture	50,797,118	8,886,645	-	59,683,763	20,775,693	3,890,806	-	35,017,264	10%	
Office Equipment	898,665,110	3,571,000	-	902,236,110	440,745,308	90,271,806	-	371,218,996	10%	
Computer	47,317,691	6,039,069	-	53,356,760	23,396,104	2,996,066	-	26,392,170	10%	
Motor Vehicle	333,966,211	66,410,950	8,398,000	391,979,161	175,911,991	44,536,171	6,613,687	178,144,686	20%	
Motor Vehicle-Lease	64,472,040	-	-	64,472,040	35,454,317	5,803,545	-	23,214,178	20%	
Motor Cycle	147,160,606	28,320,000	7,861,362	167,619,244	79,438,316	18,798,754	5,812,845	75,195,019	20%	
Books & Periodicals	528,794	-	-	528,794	525,208	1,076	-	2,510	30%	
Electrical Installation	10,763,937	-	-	10,763,937	4,125,865	995,711	-	5,642,361	15%	
Total	2,214,138,389	252,027,680	47,637,648	2,418,528,421	862,254,831	184,151,782	12,426,532	1,384,548,340		
Grand Total Tk.	8,343,690,703	1,743,115,917	337,794,312	9,749,012,308	3,444,010,871	728,160,610	53,950,995	5,630,791,822		
Total- 2009 Tk.	6,893,452,889	1,682,756,660	232,518,846	8,343,690,703	2,805,020,718	652,561,599	13,571,446	4,899,679,832		

SQUARE PHARMACEUTICALS LTD.

The experience and expertise

- More than 50 years of successful operation since 1958
- ISO certified for quality management
- Certified by UK MHRA

The leadership

- Leader of domestic pharma market since 1985
- 1st company from Bangladesh to obtain UK MHRA approval

The commitment

- Ensuring better life through quality medicine
- Strict compliance to WHO cGMP standards

The vision

- Healthcare solutions at an affordable price



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BANGLADESH

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**SQUARE PHARMACEUTICALS LTD.
AND ITS SUBSIDIARIES**

CONSOLIDATED BALANCE SHEET

As At 31 March 2010

		31-03-10	31-03-09
ASSETS:	Notes		
Non-Current Assets:		11,400,824,643	10,773,806,085
Property, Plant and Equipment-Carrying Value	2.1	6,681,282,992	5,462,139,607
Capital Work-in-Progress	3.1	634,347,093	1,200,808,268
Investment - Long Term (at Cost)	4.1	185,157,800	145,157,800
Investment - Associate Undertakings	4.2	3,900,036,758	3,958,738,620
Pre-Operating/Preliminary Expenses		-	6,961,790
Current Assets:		5,004,928,113	4,130,759,561
Inventories	5.1	2,574,728,918	2,405,531,069
Trade Debtors	6.1	511,977,702	477,562,002
Advances, Deposits and Prepayments	7.1	370,650,819	303,720,667
Investment in Marketable Securities (at Cost)	8.1	221,269,226	20,250,000
Short Term Loan	9.1	1,056,493,647	609,307,247
Cash and Cash Equivalents	10.1	269,807,801	314,388,576
TOTAL ASSETS	Tk.	16,405,752,756	14,904,565,646
SHAREHOLDERS' EQUITY AND LIABILITIES:			
Shareholders' Equity:		12,940,209,559	10,925,978,216
Share Capital	11.1	1,509,030,000	1,207,224,000
Share Premium	12.1	2,035,465,000	2,035,465,000
General Reserve		105,878,200	105,878,200
Tax Holiday Reserve	13.1	1,440,910,734	1,248,026,732
Retained Earnings		7,848,925,625	6,329,384,284
Minority Interest	13.2	4,024,660	2,298,602
Non-Current Liabilities:		1,368,376,052	997,553,246
Long Term Loans - Secured	14.1	1,142,633,110	786,334,186
Deferred Tax Liability	15.1	225,742,942	211,219,060
Current Liabilities:		2,093,142,485	2,978,735,582
Short Term Bank Loans	16.1	879,742,205	1,712,213,040
Long Term Loans - Current Portion	17.1	502,090,211	430,698,517
Trade Creditors	18.1	103,428,870	127,550,930
Liabilities for Expenses	19.1	61,271,985	93,613,902
Liabilities for Other Finance	20.1	546,609,214	614,659,193
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES:	Tk.	16,405,752,756	14,904,565,646

Attached notes form part of these Financial Statements.

As per our annexed report of even date.


Tapan Chowdhury
Managing Director


Samuel S. Chowdhury
Vice Chairman


Khandaker Habibuzzaman
Company Secretary


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

Dated, Dhaka: 29 July, 2010

**SQUARE PHARMACEUTICALS LTD.
AND ITS SUBSIDIARIES**

CONSOLIDATED INCOME STATEMENT

For the Year Ended 31 March 2010

		2009-2010	2008-2009
	Notes		
GROSS TURNOVER	22.1	15,033,834,326	13,585,146,515
Less: Value Added Tax		2,062,917,585	1,758,927,727
NET TURNOVER		12,970,916,741	11,826,218,788
COST OF GOODS SOLD	23.1	(7,352,497,818)	(7,012,826,452)
GROSS PROFIT		5,618,418,923	4,813,392,336
Operating Expenses:		(2,292,516,965)	(1,884,364,484)
Selling and Distribution Expenses	27.1	(1,759,891,706)	(1,408,896,855)
Administrative Expenses	28.1	(532,625,259)	(475,467,629)
PROFIT FROM OPERATIONS		3,325,901,958	2,929,027,852
Other Income	29.1	257,724,880	409,051,677
Financial Expenses	30.1	(320,320,168)	(454,691,855)
NET PROFIT BEFORE WPPF		3,263,306,670	2,883,387,674
Allocation for WPPF	31.1	(157,737,316)	(137,835,606)
NET PROFIT BEFORE TAX		3,105,569,354	2,745,552,068
Provision for Income Tax	32.1	(688,499,602)	(601,423,429)
Provision for Deferred Income Tax	15.1	(48,697,850)	(28,562,063)
NET PROFIT AFTER TAX		2,368,371,902	2,115,566,576
Profit/(Loss) from Associate Undertakings	32.2	130,475,099	(54,772,057)
Minority Interest		(1,726,058)	(2,408,467)
Balance transferred to the Statement of Changes in Equity	Tk.	2,497,120,943	2,058,386,052
Earnings Per Share (EPS)	33.1	165.48	136.40
Number of Shares used to compute EPS		15,090,300	15,090,300

Attached notes form part of these Financial Statements.

As per our annexed report of even date.


Tapan Chowdhury
Managing Director


Samuel S. Chowdhury
Vice Chairman


Khandaker Habibuzzaman
Company Secretary


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

Dated, Dhaka: 29 July, 2010

**SQUARE PHARMACEUTICALS LTD.
AND ITS SUBSIDIARIES**
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 March 2010

	Share Capital	Share Premium	General Reserve	Tax Holiday Reserve	Retained Earnings	Total
At 31 March 2009	1,207,224,000	2,035,465,000	105,878,200	1,248,026,732	6,329,384,284	10,925,978,216
Net Profit (2009-2010)	-	-	-	-	2,497,120,943	2,497,120,943
Transfer to Tax Holiday Reserve	-	-	-	192,884,002	(192,884,002)	-
Cash Dividend (2008-2009)	-	-	-	-	(482,889,600)	(482,889,600)
Stock Dividend (2008-2009)	301,806,000	-	-	-	(301,806,000)	-
At 31 March 2010 Tk.	1,509,030,000	2,035,465,000	105,878,200	1,440,910,734	7,848,925,625	12,940,209,559

**SQUARE PHARMACEUTICALS LTD.
AND ITS SUBSIDIARIES**
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 March 2009

	Share Capital	Share Premium	General Reserve	Tax Holiday Reserve	Retained Earnings	Total
At 31 March 2008	894,240,000	2,035,465,000	105,878,200	1,425,702,780	5,045,646,657	9,506,932,637
Adjustment for Merger of Square Spinnings Ltd.	-	-	-	(177,676,048)	(103,968,425)	(281,644,473)
Net Profit (2008-2009)	-	-	-	-	2,058,386,052	2,058,386,052
Cash Dividend (2007-2008)	-	-	-	-	(357,696,000)	(357,696,000)
Stock Dividend (2007-2008)	312,984,000	-	-	-	(312,984,000)	-
At 31 March 2009 Tk.	1,207,224,000	2,035,465,000	105,878,200	1,248,026,732	6,329,384,284	10,925,978,216

As per our annexed report of even date.


Tapan Chowdhury
Managing Director


Samuel S. Chowdhury
Vice Chairman


Khandaker Habibuzzaman
Company Secretary


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

Dated, Dhaka: 29 July, 2010

**SQUARE PHARMACEUTICALS LTD.
AND ITS SUBSIDIARIES**
CONSOLIDATED CASH FLOW STATEMENT
For the Year Ended 31 March 2010

	2009-2010	2008-2009
Cash Flows From Operating Activities:		
RECEIPTS:		
Collection from Sales	12,906,933,353	11,677,966,424
Others	169,515,217	251,183,431
	13,076,448,570	11,929,149,855
PAYMENTS:		
Purchase of Raw and Packing Materials	5,921,892,997	5,595,458,591
Manufacturing and Operating Expenses	3,080,105,963	2,541,251,019
Bank Interest	320,320,168	454,691,855
Income Tax	881,207,178	505,424,834
Workers Profit Participation Fund	86,103,540	70,930,941
Others	3,529,132	3,134,717
	10,293,158,978	9,170,891,957
Net cash provided by operating activities	2,783,289,592	2,758,257,898
Cash Flows From Investing Activities:		
Purchase of Fixed Assets	(900,700,309)	(897,466,307)
Disposal of Fixed Assets	12,475,331	8,806,250
Pre-operating Cost	-	(4,113,273)
Investment in Square Hospitals Ltd.	-	(500,000,000)
Investment in Square Knit Fabrics Ltd.	92,000,000	-
Investment in Square Fashions Ltd.	48,000,000	-
Investment in Orascom Telecom Bangladesh Ltd.	(40,000,000)	-
Investment in Marketable Securities	(213,679,839)	-
Capital Work-in-Progress	(634,347,093)	(644,064,111)
Sales of Marketable Securities	15,671,905	95,143,362
Interest Received	69,421,514	65,652,466
Dividend Received	58,144,341	42,978,091
Others	-	(13,198,790)
Net cash used in investing activities	(1,493,014,150)	(1,846,262,312)
Cash Flows From Financing Activities:		
Long Term Loan Received	1,150,897,800	442,162,607
Long Term Loan Repaid	(723,207,182)	(449,654,520)
Short Term Loan Increase/(Decrease)	(447,186,400)	787,757,711
Short Term Bank Loan Decrease	(832,470,835)	(1,246,150,351)
Dividend Paid	(482,889,600)	(357,696,000)
Net cash used in financing activities	(1,334,856,217)	(823,580,553)
Increase/(Decrease) in Cash and Cash Equivalents	(44,580,775)	88,415,033
Cash and Cash Equivalents at the Opening	314,388,576	225,973,543
Cash and Cash Equivalents at the Closing	Tk. 269,807,801	314,388,576

As per our annexed report of even date.


Tapan Chowdhury
Managing Director


Samuel S. Chowdhury
Vice Chairman


Khandaker Habibuzzaman
Company Secretary


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

Dated, Dhaka: 29 July, 2010

SQUARE PHARMACEUTICALS LTD.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Year Ended 31 March 2010

31-03-10**31-03-09****2.1 CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT: Tk. 6,681,282,992**

Details of Property, Plant and Equipment and Depreciation as at 31 March 2010 are shown in the annexed Schedule - 02. This is arrived at as follows:

Opening Balance (At Cost)	9,324,737,035	8,667,315,528
Add: Net Addition during the Year	2,048,853,518	1,469,690,747
Less: Adjustment for Merger of Square Spinnings Ltd	-	(812,269,240)
Closing Balance (At Cost)	11,373,590,553	9,324,737,035
Less: Accumulated Depreciation	4,692,307,561	3,862,597,428
Carrying Value	Tk. 6,681,282,992	5,462,139,607

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

	2009-2010	2008-2009
Factory Overhead	699,248,946	628,920,304
Selling and Distribution Expenses	66,440,925	57,334,928
Administrative Expenses	117,971,257	141,149,167
	Tk. 883,661,128	827,404,399
	31-03-10	31-03-09

3.1 CONSOLIDATED CAPITAL WORK-IN-PROGRESS: Tk. 634,347,093

This represents expenditure incurred in respect of the following:

Land & Land Development	8,400,000	-
Building/Civil Work	360,251,540	264,421,525
Plant & Machinery	257,121,390	883,755,028
Other Assets	8,574,163	7,876,006
Interest during Construction Period	-	44,755,709
	Tk. 634,347,093	1,200,808,268

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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4.1 CONSOLIDATED INVESTMENT-Long Term (at Cost): Tk. 185,157,800

This consists of the following:

(a) 120,000 Ordinary Shares of Tk.100/- each in United Hospital Ltd.	12,000,000	12,000,000
(b) National Housing Finance and Investment Ltd. * 235,000 Ordinary Shares of Tk.100/- each including 35,000 Bonus Shares * 10,526 Ordinary Shares of Tk. 100/- each with premium of Tk. 200/- each	23,157,800	23,157,800
(c) 2,000,000 Ordinary Shares of Tk.10/- each including 1,000,000 Bonus Shares 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	100,000,000
(e) 4 Senior Secured Bond of Tk. 10,000,000/- each in Orascom Telecom Bangladesh Ltd.	40,000,000	-
Tk.	185,157,800	145,157,800

4.2 INVESTMENT-Associate Undertakings: Tk. 3,900,036,758

This is arrived at as follows:

Opening Balance	3,958,738,620	3,039,213,986
Add: Investment made/(disposed off) during the Year	(140,000,000)	1,007,735,304
Add: Profit/(Loss) during the Year (Note-32.2)	130,475,099	(54,772,057)
Less: Dividend during the Year	(49,176,961)	(33,438,613)
Closing Balance	3,900,036,758	3,958,738,620

List of Associate Undertakings (As per BAS-28):

Name of Company	Country of Incorporation	Proportion of Ownership Interest
Square Textiles Ltd.	Bangladesh	46.45%
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.

5.1 CONSOLIDATED INVENTORIES: Tk. 2,574,728,918

The break-up is as under:

Raw Materials	900,437,772	825,608,137
Packing Materials	259,858,420	238,346,615
Work-in-Process	190,718,142	169,294,751
Finished Goods	675,123,128	654,202,816
Spares & Accessories	166,523,457	132,988,909
Goods in Transit	382,067,999	385,089,841
Tk.	2,574,728,918	2,405,531,069

The basis of valuation is stated in Note-1 (1.9)

	31-03-10	31-03-09
6.1 CONSOLIDATED TRADE DEBTORS (Considered Good):	Tk. 511,977,702	477,562,002
7.1 CONSOLIDATED ADVANCES, DEPOSITS & PREPAYMENTS (Considered Good):	Tk. 370,650,819	
This consists of as follows:		
Advances:	179,366,409	162,373,478
Employees	13,507,171	11,532,938
Motor Cycle Loan - Employees	3,566,161	2,632,762
Suppliers	162,293,077	148,207,778
Deposits:	176,151,087	128,643,693
L.C Margin	31,749,984	27,052,081
Value Added Tax	94,064,238	64,496,550
Earnest Money & Security Deposit	19,601,648	16,072,516
Lease Deposit	1,071,758	1,071,758
Others	29,663,459	19,950,788
Prepayments:	15,133,323	12,703,496
Office Rent	2,048,812	2,016,462
Insurance Premium	13,084,511	10,687,034
	Tk. 370,650,819	303,720,667
8.1 CONSOLIDATED INVESTMENT IN MARKETABLE SECURITIES (at Cost):	Tk. 221,269,226	20,250,000

9.1 CONSOLIDATED SHORT TERM LOAN (Unsecured): Tk. 1,056,493,647

This consists of the following:

(a) Square Textiles Ltd.	391,301,298	224,861,953
(b) Square Knit Fabrics Ltd.	217,457,229	100,788,884
(c) Square Fashions Ltd.	65,848,624	89,346,424
(d) Square Hospitals Ltd.	210,163,574	64,295,970
(e) Square InformatiX Ltd.	171,722,922	130,014,016
	Tk. 1,056,493,647	609,307,247

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	31-03-10	31-03-09
10.1 CONSOLIDATED CASH AND CASH EQUIVALENTS: Tk. 269,807,801		
This is made-up as follows:		
(a) Cash in Hand	611,159	855,285
(b) Cash at Bank :	269,196,642	313,533,291
• Current Account	46,881,175	43,211,512
• STD Account	5,028,759	5,329,561
• Fixed Deposit Account (BDT)	23,264,312	23,280,799
• Fixed Deposit Account (USD)	57,228,391	57,098,863
• Export Retention Quata Account	136,794,005	184,612,556
Tk.	269,807,801	314,388,576

The fixed deposit amount of Tk. 23,264,312 had to keep as lien against sanction of overdraft facilities for the company.

11.1 SHARE CAPITAL:	Tk. 1,509,030,000	1,207,224,000
12.1 SHARE PREMIUM:	Tk. 2,035,465,000	2,035,465,000

13.1 CONSOLIDATED TAX HOLIDAY RESERVE: Tk. 1,440,910,734

This has been provided as per provisions of section 46 A (3) of the Income Tax Ordinance 1984 which is arrived at as follows:

Opening Balance	1,248,026,732	1,425,702,780
Add: Provided during the year	192,884,002	-
Less: Adjustment for Merger of Square Spinnings Ltd.	-	(177,676,048)
Closing Balance	1,440,910,734	1,248,026,732

13.2 MINORITY INTEREST: Tk. 4,024,660

This represents minority interest of Square Cephalosporins Ltd., Square Biotechs Ltd. and Square Multi Fabrics Ltd. are as follows:

Paid-up Capital	1,500,000	1,500,000
Retained Earnings	2,524,660	798,602
Tk.	4,024,660	2,298,602

List of Subsidiary (As per BAS -27):

Name of Company	Country of Incorporation	Proportion of Ownership Interest
Square Cephalosporins Ltd.	Bangladesh	99.48%
Square Biotechs Ltd.	Bangladesh	99.25%
Square Multi Fabrics Ltd.	Bangladesh	99.50%

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

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14.1 CONSOLIDATED LONG TERM LOANS (Secured): Tk. 1,142,633,110

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

(a) Standard Chartered Bank, Dhaka	179,574,485	215,574,482
(b) Commercial Bank of Ceylon Ltd., Dhaka	11,071,834	22,143,941
(c) HSBC Ltd., Dhaka	93,217,266	103,849,440
(d) Trust Bank Ltd., Dhaka	45,704,418	80,651,774
(e) Bank Asia Ltd., Dhaka	-	63,540,755
(f) Citibank N.A, Dhaka	-	182,035,823
(g) DEG, Germany	784,125,000	-
(h) Minimum Lease Payments	28,940,107	118,537,971
Tk.	1,142,633,110	786,334,186

15.1 DEFERRED TAX LIABILITY: Tk. 225,742,942

This represents provision is made for deferred income tax to pay future income tax liability for temporary differences which is arrived at as follows:

Opening balance	211,219,060	224,726,826
Add: Provision made	48,697,850	28,562,063
Less: Adjustment	(34,173,968)	-
Less: Adjustment for Merger of Square Spinings Ltd.	-	(42,069,829)
Closing balance	225,742,942	211,219,060

16.1 CONSOLIDATED SHORT TERM BANK LOAN: Tk. 879,742,205

This consists of as follows:

Cash Credit - Janata Bank Ltd., Pabna	115,727,343	28,587,651
Cash Credit - Janata Bank Ltd., Local Office, Dhaka	50,230,200	20,146,821
Short Term Loan - Citibank N.A, Dhaka	8,772,009	17,619,769
Trust Receipt - Citibank N.A, Dhaka	38,390,075	275,825,852
Short Term Loan - Commercial Bank of Ceylon Ltd., Dhaka	30,493,989	26,053,906
Trust Receipt - Commercial Bank of Ceylon Ltd., Dhaka	31,899,000	23,045,000
Short Term Loan - Standard Chartered Bank, Dhaka	45,648,693	314,793,715
Trust Receipt - Standard Chartered Bank, Dhaka	39,400,561	183,477,818
Short Term Loan- Bank Alfalah Ltd., Dhaka	100,000,000	100,000,000
Trust Receipt - Bank Alfalah Ltd., Dhaka	-	10,672,300
Overdraft - Eastern Bank Ltd., Dhaka	16,439,568	23,689,189
Trust Receipt - Eastern Bank Ltd., Dhaka	694,500	39,693,127
Overdraft - Mercantile Bank Ltd., Dhaka	22,745,361	26,611,755
Trust Receipt - Mercantile Bank Ltd., Dhaka	20,256,652	129,219,538
Short Term Loan - HSBC Ltd., Dhaka	54,581,142	230,346,777
Trust Receipt - HSBC Ltd., Dhaka	100,828,846	51,276,191
Trust Receipt - Shahjalal Islami Bank Ltd., Dhaka	10,720,795	57,271,601
Overdraft - Bank Asia Ltd., Dhaka	19,136,921	-
Trust Receipt - Bank Asia Ltd., Dhaka	32,478,517	12,827,000
Overdraft - Pubali Bank Ltd. Dhaka	3,654,386	-
Trust Receipt - Pubali Bank Ltd. Dhaka	11,946,951	44,632,686
Overdraft - Sonali Bank Ltd., Custom House, Dhaka-Secured by FDR	-	6,556,171
Overdraft - Sonali Bank Ltd., Mohakhali Branch, Dhaka-Secured by FDR	-	61,818
Overdraft - Janata Bank Ltd., Mohakhali Corporate Br., Dhaka-Secured by FDR	106,300,353	66,757,772
Overdraft - Janata Bank Ltd., Mimi Super Market Br, Chittagong-Secured by FDR	4,178,930	6,892,274
Overdraft - Janata Bank Ltd., Foreign Exchange Corporate Br., Sylhet-Secured by FDR	1,530,539	1,539,615
Overdraft - Janata Bank Ltd., Maizdee Court Corporate Br., Noakhali-Secured by FDR	1,068,429	-
Others	12,618,445	14,614,694
Tk.	879,742,205	1,712,213,040

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	31-03-10	31-03-09
17.1 CONSOLIDATED LONG TERM LOANS - Current Portion: Tk. 502,090,211		
This represents current portion of long term loans from financial institutions which are repayable within next 12 months from April, 2010 and consists of as follows:		
(a) Standard Chartered Bank, Dhaka	95,000,000	61,861,111
(b) Eastern Bank Ltd., Dhaka	-	4,888,302
(c) Commercial Bank of Ceylon Ltd., Dhaka	11,072,004	11,072,004
(d) HSBC Ltd., Dhaka	52,908,559	71,308,039
(e) Trust Bank Ltd., Dhaka	34,947,356	30,557,084
(f) Bank Asia Ltd., Dhaka	-	73,000,489
(g) Citibank N. A, Dhaka	-	17,964,177
(h) DEG, Germany	261,375,000	-
(i) Minimum Lease Payments	46,787,292	160,047,311
Tk.	502,090,211	430,698,517

18.1 CONSOLIDATED TRADE CREDITORS:	103,428,870	127,550,930
This represents amount payable to regular suppliers of raw materials, packing materials, promotional materials etc. All suppliers were paid on a regular basis.		

19.1 CONSOLIDATED LIABILITIES FOR EXPENSES: Tk. 61,271,985

This consists of as follows:

Accrued Expenses	51,986,644	84,130,649
Clearing & Forwarding	8,970,341	9,233,253
Audit Fees	315,000	250,000
Tk.	61,271,985	93,613,902

20.1 CONSOLIDATED LIABILITIES FOR OTHER FINANCE: Tk. 546,609,214

This consists of as follows:

Sundry Creditors	161,186,629	136,708,908
Income Tax (Deduction at Source)	807,053	6,018,897
Retention Money	826,620	1,242,644
Workers' Profit Participation Fund	347,702,131	276,068,355
Income Tax Payable (Note- 21.1)	36,086,781	194,620,389
Tk.	546,609,214	614,659,193

	31-03-10	31-03-09
21.1 CONSOLIDATED INCOME TAX PAYABLE: Tk. 36,086,781		
This is arrived at as follows:		
Opening Balance	194,620,389	107,031,716
Provision made (Note-32.1)	688,499,602	601,423,429
Adjustment for Merger of Square Spinnings Ltd.	-	(20,122,820)
Tax paid (including advance Income Tax during the year)	(847,033,210)	(493,711,936)
Closing Balance	36,086,781	194,620,389

	2009-2010	2008-2009
22.1 CONSOLIDATED GROSS TURNOVER: Tk. 15,033,834,326		
Square Pharmaceuticals Ltd.	13,279,141,757	11,366,597,928
Square Spinnings Ltd.	-	742,991,967
Square Cephalosporins Ltd.	1,754,692,569	1,475,556,620
Gross Turnover	15,033,834,326	13,585,146,515

23.1 CONSOLIDATED COST OF GOODS SOLD: Tk. 7,352,497,818

	Notes		
This is arrived at as follows:			
Raw Materials Consumed	24.1	3,950,008,408	3,896,852,277
Packing Materials Consumed	25.1	1,626,970,803	1,472,653,565
Work-in-Process (Opening)		5,576,979,211	5,369,505,842
Adjustment for Merger of Square Spinnings Ltd.		174,715,973	171,959,825
Work-in-Process (Closing)		(5,421,222)	-
		(170,572,382)	(174,715,973)
TOTAL CONSUMPTION		5,575,701,580	5,366,749,694
Factory Overhead	26.1	1,604,800,756	1,434,171,008
COST OF PRODUCTION		7,180,502,336	6,800,920,702
Purchase of Finished Goods		226,814,860	218,136,279
Finished Goods (Opening)		655,585,406	675,635,204
Adjustment for Merger of Square Spinnings Ltd.		(1,382,590)	-
Finished Goods (Closing)		(675,123,128)	(655,585,406)
		7,386,396,884	7,039,106,779
Cost of Physician Sample		(33,899,066)	(26,280,327)
	Tk.	7,352,497,818	7,012,826,452

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2009-2010	2008-2009
24.1 CONSOLIDATED RAW MATERIALS CONSUMED: Tk. 3,950,008,408		
This is arrived at as follows:		
Opening Stock	1,062,601,926	1,029,480,730
Adjustment for Merger of Square Spinnings Ltd.	(236,993,789)	-
Purchase	3,982,871,660	3,929,973,473
Closing Stock	(858,471,389)	(1,062,601,926)
Tk.	3,950,008,408	3,896,852,277

25.1 CONSOLIDATED PACKING MATERIALS CONSUMED: Tk. 1,626,970,803		
This is arrived at as follows:		
Opening Stock	242,488,694	225,021,621
Adjustment for Merger of Square Spinnings Ltd.	(4,142,079)	-
Purchase	1,647,894,788	1,490,120,638
Closing Stock	(259,270,600)	(242,488,694)
Tk.	1,626,970,803	1,472,653,565

26.1 CONSOLIDATED FACTORY OVERHEAD: Tk. 1,604,800,756		
This is made-up as follows:		
Salaries, Allowances and Wages	357,397,184	308,848,852
Factory Employees Free Lunch	27,697,574	23,427,684
Factory Staff Uniform	9,276,672	8,500,779
Travelling & Conveyance	9,196,003	5,663,322
Printing & Stationery	24,997,297	20,722,115
Postage, Telephone & Fax	2,818,908	2,434,650
Repairs & Maintenance	237,447,102	221,782,540
Laboratory Consumable Stores	70,973,326	53,527,897
Fuel, Petrol, Light Diesel etc.	16,423,563	16,745,038
Electricity, Gas & Water	93,306,571	101,360,550
Rental Expenses	1,227,550	1,210,000
Municipal & Other Tax	1,885,630	1,085,838
Insurance Premium	19,973,968	13,858,660
Factory Sanitation Expenses	10,918,877	4,525,296
Depreciation	699,248,946	628,920,304
Security Services	11,466,607	11,495,381
Research & Development	5,107,477	1,213,270
Software & Hardware Support Services	4,623,493	7,895,000
Other Expenses	814,008	953,832
Tk.	1,604,800,756	1,434,171,008

2009- 2010**2008- 2009****27.1 CONSOLIDATED SELLING & DISTRIBUTION EXPENSES: Tk. 1,759,891,706**

This consists of as follows:

Salaries and Allowances	273,392,241	193,387,244
Travelling and Conveyance	29,270,911	18,763,484
Training Expenses	3,337,446	2,220,394
Printing and Stationery	28,315,650	22,740,086
Postage, Telephone & Fax	12,035,971	9,577,683
Electricity, Gas and Water	6,875,772	5,247,236
Tiffin and Refreshment	7,558,001	5,261,984
Office and Godown Rent	5,191,625	5,221,330
Bank Charges	5,836,854	6,281,685
Repairs and Maintenance including car maintenance	106,604,639	83,515,314
Govt. Taxes and Licence Fees	6,035,987	6,753,376
Field Staff Salaries, Allowances, T.A and D.A	451,626,792	359,540,070
Marketing and Promotional Expenses	318,023,532	232,766,980
Advertisement	3,432,483	1,131,000
Delivery and Packing Expenses	34,982,119	29,876,497
Export Expenses	47,366,477	34,810,146
Special Discount	269,870,286	260,384,016
Sample Expenses	67,282,385	60,413,643
Security Services	14,074,969	11,500,798
Depreciation	66,440,925	57,334,928
Software & Hardware Support Services	276,000	726,000
Other Expenses	2,060,641	1,442,961
Tk.	1,759,891,706	1,408,896,855

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2009-2010	2008-2009
28.1 CONSOLIDATED ADMINISTRATIVE EXPENSES: Tk. 532,625,259		
This consists of as follows:		
Salaries and Allowances	111,823,390	96,535,002
Directors' Remuneration	29,860,536	27,267,770
Travelling and Conveyance	49,831,242	35,864,259
Training Expenses	2,721,645	2,004,923
Printing and Stationery	9,112,070	8,641,611
Postage, Telephone & Fax	5,483,104	4,755,368
Electricity, Gas & Water	6,141,458	5,794,936
Tiffin and Refreshment	16,602,016	14,375,469
Office Rent	1,800,000	2,109,202
Sanitation Expenses	2,030,018	1,766,205
Books and Periodicals	688,252	1,047,043
Subscription and Donation	4,346,504	3,968,897
Advertisement	3,060,296	3,216,834
Repairs and Maintenance	69,999,712	56,745,557
Bank Charges	36,980,204	17,105,510
Insurance Premium	7,663,097	3,266,202
Govt. Taxes, Stamp Duty & Licence Fee	6,773,776	4,233,349
Lease Rent	974,250	495,000
Security Services	8,638,630	7,564,955
Management Consultant Fees	2,385,101	621,230
Legal Charges	815,950	838,055
Audit Fees	275,000	250,000
Depreciation	117,971,257	141,149,167
Annual General Meeting Expenses	5,847,630	12,046,784
Software & Hardware Support Services	21,806,273	18,047,140
Share Demat, Remat & Transfer Fees	8,590,135	3,361,118
Commission on Sale of Marketable Securities	-	336,446
Other Expenses	403,713	2,059,597
Tk.	532,625,259	475,467,629

29.1 CONSOLIDATED OTHER INCOME: Tk. 257,724,880

This is arrived at as follows:		
Interest on FDR	9,402,824	3,177,888
Interest on Savings Account	165,733	174,681
Rental Income	148,163,170	229,308,264
Sale of Scrap	18,251,781	19,824,980
Foreign Exchange Fluctuation Gain/(Loss) on Retention Quota Account	2,938,847	2,035,239
Foreign Exchange Fluctuation Gain/(Loss) against Collection on Export Bills	161,419	14,948
Dividend Received	8,967,380	9,054,276
Interest on Loan to Sister Concern	59,852,957	62,299,897
Gain on Sale of Marketable Securities	3,011,292	79,621,367
	250,915,403	405,511,540
Profit on Sale of Property, Plant and Equipment (Note-36)	6,809,477	3,540,137
Tk.	257,724,880	409,051,677

	2009-2010	2008-2009
30.1 CONSOLIDATED FINANCIAL EXPENSES: Tk. 320,320,168		
This is made-up as follows:		
Interest on Cash Credit	14,350,850	21,820,760
Interest on Overdraft	20,832,090	43,740,633
Interest on LATR & LPO	109,569,777	145,419,971
Interest on Short Term Loan	42,154,456	120,192,539
Interest on Lease	33,298,290	43,122,332
Interest on Long Term Loan	100,114,705	80,395,620
Tk.	320,320,168	454,691,855

31.1 CONSOLIDATED ALLOCATION FOR WPPF: Tk. 157,737,316

This consists of as follows:

Square Pharmaceuticals Ltd.	141,253,462	125,562,961
Square Spinnings Ltd.	-	2,890,011
Square Cephalosporins Ltd.	16,483,854	9,382,634
Tk.	157,737,316	137,835,606

32.1 CONSOLIDATED PROVISION FOR INCOME TAX: Tk. 688,499,602

This is made-up as follows:

Square Pharmaceuticals Ltd.	688,499,602	592,644,226
Square Spinnings Ltd.	-	8,779,203
Tk.	688,499,602	601,423,429

32.2 PROFIT/(LOSS) FROM ASSOCIATE UNDERTAKINGS: Tk. 130,475,099

This is arrived at as follows:

Square Textiles Ltd.	121,058,395	109,862,607
Square Knit Fabrics Ltd.	52,075,388	49,683,830
Square Fashions Ltd.	67,025,896	59,519,648
Square Hospitals Ltd.	(109,684,580)	(273,838,142)
Tk.	130,475,099	(54,772,057)

33.1 CONSOLIDATED EARNINGS PER SHARE (EPS): Tk. 165.48

The computation is given below:

Surplus for the year attributable to Shareholders (Net Profit after Tax)	2,497,120,943	2,058,386,052
Weighted average number of shares outstanding during the year	15,090,300	15,090,300
Earnings Per Share	165.48	136.40

SQUARE PHARMACEUTICALS LTD.

Consolidated Property, Plant and Equipment: Tk. 6,681,282,992

Schedule-02

PARTICULARS	COST			DEPRECIATION			Carrying Value as at 31 March 2010	Rate of Depn	
	At 31 March 2009	During the year		At 31 March 2009	During the year				At 31 March 2010
		Additions	Sales/Transfer		Charged	Sales/Transfer			
FACTORIES:									
Freehold Land	334,672,932	224,047,978	-	558,720,910	-	-	558,720,910	-	
Building	1,851,729,648	569,770,495	166,849,017	2,254,651,126	166,849,017	37,271,543	1,342,847,330	10%	
Building under Construction	130,101,820	1,935,418	117,185,858	14,851,380	-	-	14,851,380	-	
Plant & Machinery	3,507,412,616	1,172,892,956	-	4,680,305,572	1,642,407,604	2,073,129,929	2,607,175,643	15%	
Laboratory Equipment	340,190,503	40,589,408	-	380,779,911	114,765,232	144,378,900	236,401,011	10%	
Electromechanical Equipments	510,935,147	242,212	-	511,177,359	229,920,816	306,597,420	204,579,939	15%	
Furniture & Fixture	140,670,729	17,501,650	-	158,172,379	54,022,834	9,947,644	94,201,901	10%	
Office Equipment	78,436,343	5,689,453	-	84,125,796	41,124,128	3,914,366	39,087,302	10%	
Computer	17,018,033	4,093,935	-	21,111,968	6,708,543	1,488,037	12,915,388	10%	
Motor Vehicles	104,660,769	16,410,000	6,085,944	114,984,825	66,561,787	10,267,191	42,408,767	20%	
Motor Vehicle Lease	2,085,000	-	-	2,085,000	1,401,787	136,643	546,570	20%	
Plant & Machinery in Transit	40,985,233	61,545,848	35,845	102,495,236	18,539,681	2,819,995	102,495,236	-	
Electrical Installation	33,326,157	19,900,797	-	53,226,954	7,524,425	1,432,094	31,867,278	15%	
Gas Line Installation	17,071,716	-	-	17,071,716	-	-	8,115,197	15%	
Total	7,109,296,646	2,134,620,150	290,156,664	8,953,760,132	2,999,821,797	41,524,463	5,296,213,852		
HEAD OFFICE & OTHERS:									
Land	422,025,461	80,879,214	-	502,904,675	-	-	502,904,675	-	
Building	219,082,216	31,378,286	-	250,460,502	16,857,847	-	151,720,626	10%	
Building under Construction	19,359,205	26,542,516	31,378,286	14,523,435	-	-	14,523,435	-	
Furniture & Fixture	50,797,118	8,886,645	-	59,683,763	20,775,693	3,890,806	35,017,264	10%	
Office Equipment	898,665,110	3,571,000	-	902,236,110	440,745,308	90,271,806	371,218,996	10%	
Computer	47,317,691	6,039,069	-	53,356,760	23,396,104	2,996,066	26,392,170	10%	
Motor Vehicle	335,268,211	66,410,950	8,398,000	393,281,161	176,432,791	44,796,571	178,665,486	20%	
Motor Vehicle-Lease	64,472,040	-	-	64,472,040	35,454,317	5,803,545	23,214,178	20%	
Motor Cycle	147,160,606	28,320,000	7,861,362	167,619,244	79,438,316	18,798,754	75,195,019	20%	
Books & Periodicals	528,794	-	-	528,794	525,208	1,076	2,510	30%	
Electrical Installation	10,763,937	-	-	10,763,937	4,125,865	995,711	5,642,361	15%	
Total	2,215,440,389	252,027,680	47,637,648	2,419,830,421	862,775,631	184,411,182	1,385,069,140		
Grand Total Tk.	9,324,737,035	2,386,647,830	337,794,312	11,373,590,553	3,862,597,428	883,661,128	6,681,282,992		
Total-2009 Tk.	8,667,315,528	1,702,209,593	1,044,788,086	9,324,737,035	3,082,401,735	827,404,399	5,462,139,607		

SQUARE PHARMACEUTICALS LTD.



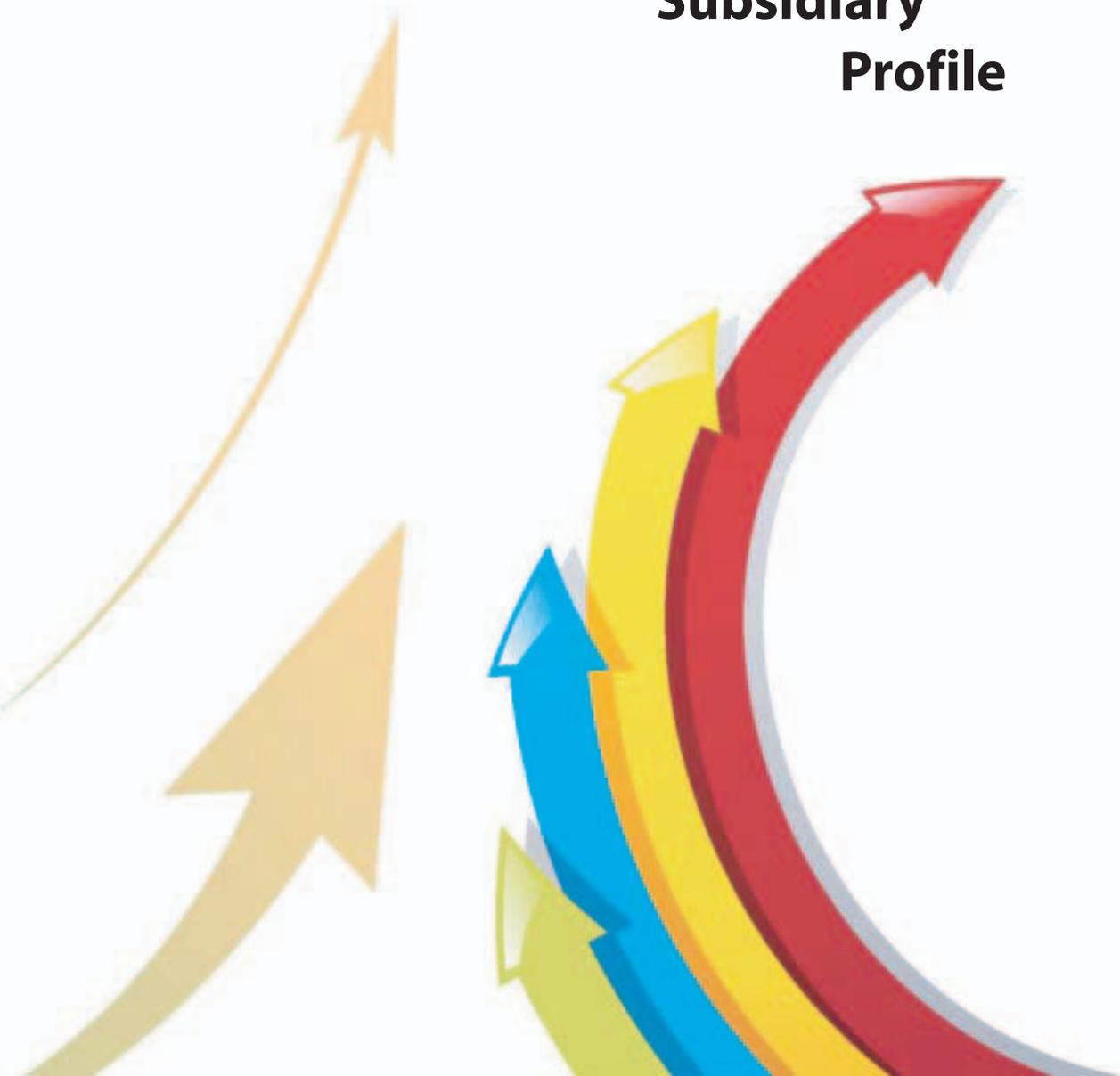
SQUARE
PHARMACEUTICALS LTD.
BANGLADESH

www.squarepharma.com.bd



SQUARE

Subsidiary Profile



SQUARE CEPHALOSPORINS LIMITED
DIRECTOR'S REPORT TO THE SHAREHOLDERS
FOR THE PERIOD 2009-2010

Dear Shareholders,

In terms of 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 you at the third annual general meeting for the period ended 31 March, 2010 in the following paragraphs:

1. IMPLEMENTATION:

The company completed implementation of the project in October 2006 and the plant commencement production from November 2006. The total cost of project incurred up to 31 March 2010 stood as follows:

	2010	2009
* Buildings (Factory)	129,761,185	-
* Plant & Machinery	354,512,776	351,400,842
* Laboratory Equipment	105,069,975	104,190,158
* Electro Mechanical Equipment	511,177,359	515,009,335
* Other Assets	<u>20,260,785</u>	<u>9,143,997</u>
Total Tk.	<u><u>1,120,782,080</u></u>	<u><u>979,744,332</u></u>

2. SHAREHOLDING:

The company has issued 950,000 shares of Tk. 100 each to Square Pharmaceuticals Ltd. (SPL.) In addition 5,000 shares of Tk.100 each have been issued to the individual shareholders as follows:

* Mr. Samson H. Chowdhury	1,000	Shares
* Mr. Samuel S. Chowdhury	1,000	"
* Mr. Tapan Chowdhury	1,000	"
* Mr. Anjan Chowdhury	1,000	"
* Mr. Charles C R Patra	<u>1,000</u>	"
Total:	<u><u>5,000</u></u>	

On the basis of the above shareholdings, Square Cephalosporins Ltd. (SCL.) has the status of subsidiary to SPL.

3. OPERATIONS:

The company had operated only for about 5 months/during 2006-2007 and the output, cost and expense levels could not reach optimum level as yet. The operational performance during the years 2006-2007, 2007-2008, 2008-2009 and 2009-2010 are as follows:

		2006-2007	2007-2008	2008-2009	2009-2010
Gross Turnover	Tk.	72,355,039	1,129,832,873	1,475,556,620	1,754,692,569
Gross Profit (Loss)	Tk.	(96,331,009)	399,808,653	552,265,124	711,572,398
Net Profit (Loss)	Tk.	(120,466,871)	85,347,129	187,562,674	329,677,072
Earnings Per Share		(126.16)	89.37	196.50	345.21
Net Assets Value		(26.16)	63.23	259.72	604.93

The above reveals that the Turnover increased by 18.92% during 2009-10 over the previous year as against 30% increase 2008-09 over 2007-08. The Gross Profit and Net Profit however increased by 28.85% and 75.77% respectively during the year over the previous year.

4. ACCOUNTING YEAR:

Financial Position:

The company's (SCL) Accounting Year ended on 31 March 2010. The Balance Sheet, Income Statement, Statement of Changes in Equity and Cash Flow Statement as at 31 March 2010 are placed hereunder.

5. BOARD OF DIRECTORS:

The Board of Directors as included in the Articles of Association continue to serve and no vacancy has been yet created therein.

6. APPOINTMENT OF AUDITORS:

In terms of provisions of sub-section (1) of section 210 of the Companies Act 1994, the shareholders' are required to appoint Auditors' of the company. Being eligible M/s. Chowdhury Bhattachajee & Co., Chartered Accountants', the statutory auditors, who retired at this AGM, have offered to be reappointed as Auditors for the year 2010-2011 as per proviso (a) of sub-section (6) of section 210 of the Act.

7. ACKNOWLEDGEMENT:

The Directors record with appropriation the services rendered by all concerned.



Samson H. Chowdhury
Chairman

AUDITORS' REPORT

TO THE SHAREHOLDERS OF

SQUARE CEPHALOSPORINS LTD.

We have audited the accompanying financial statements of Square Cephalosporins Limited, which comprises the Balance Sheet as at 31 March 2010 and Income Statement, Statement of Changes in Equity and Statement of Cash Flows for the year ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards, give a true and fair view of the state of the company's affairs as at 31 March, 2010 and of the results of its operations and its cash flows for the period then ended and comply with the companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations.

Further to our opinion in the above paragraph, we state that:

- (i) 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;
- (ii) In our opinion, proper books of account as required by law have been kept by Square Cephalosporins Limited so far as it appeared from our examination of those books;
- (iii) The company's Balance Sheet, Income Statement and its Cash Flows dealt with by the report are in agreement with the books of account and returns;
- (iv) The expenditure incurred was for the purpose of the company's business.

Dated, Dhaka
5 July, 2010



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

SQUARE CEPHALOSPORINS LTD.

BALANCE SHEET

as at 31 March 2010

		31-03-10	31-03-09
ASSETS:	Notes		
Non Current Assets:		547,997,005	562,459,775
Property, Plant & Equipment-At Cost less Depreciation	2	547,997,005	562,459,775
CURRENT ASSETS:		598,651,827	348,794,803
Inventories	3	299,424,376	306,775,838
Accounts Receivable	4	241,635,294	-
Advance, Deposit and Prepayments	5	52,329,100	28,425,760
Cash and Cash Equivalents	6	5,263,057	13,593,205
TOTAL ASSETS		Tk. 1,146,648,832	911,254,578
SHAREHOLDERS' EQUITY AND LIABILITIES:			
Shareholders' Equity:		577,710,005	248,032,933
Share Capital	7	95,500,000	95,500,000
Tax Holiday Reserve	8	192,884,002	-
Retained Earnings		289,326,003	152,532,933
NON CURRENT LIABILITIES:		400,000,000	400,000,000
Share Money Deposit		400,000,000	400,000,000
CURRENT LIABILITIES:		168,938,827	263,221,645
Short Term Borrowings	9	133,402,251	196,188,541
Current Portion of Long Term Bank Loan	10	-	44,143,250
Liabilities for Expenses	11	10,271,391	3,328,231
Other Liabilities	12	25,265,185	19,561,623
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES:		Tk. 1,146,648,832	911,254,578

Attached notes form part of these Financial Statements.

As per our annexed report of even date.



Samson H. Chowdhury
Managing Director



Samuel S. Chowdhury
Director



Khandaker Habibuzzaman
Company Secretary



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

Dated, Dhaka: 5 July, 2010

SQUARE CEPHALOSPORINS LTD.

INCOME STATEMENT

for the year ended 31 March 2010

		2009-2010	2008-2009
	Notes		
GROSS TURNOVER	13	1,754,692,569	1,475,556,620
Less: Value Added Tax		(246,354,238)	(213,126,367)
NET TURNOVER		1,508,338,331	1,262,430,253
Cost of Goods Sold	14	(796,765,933)	(710,165,129)
GROSS PROFIT		711,572,398	552,265,124
Administrative, Selling and Distribution Expenses	15	(353,952,411)	(296,077,891)
PROFIT FROM OPERATIONS		357,619,987	256,187,233
Financial Expenses	16	(11,459,061)	(59,151,925)
NET PROFIT BEFORE WPPF		346,160,926	197,035,308
Allocation for WPPF	17	(16,483,854)	(9,382,634)
NET PROFIT BEFORE TAX		329,677,072	187,652,674
Provision for Income Tax		-	-
NET PROFIT AFTER TAX		329,677,072	187,652,674
(Transferred to the Statement of Changes in Equity)	Tk.		

Attached notes form part of these Financial Statements.

As per our annexed report of even date.



Samson H. Chowdhury
Managing Director



Samuel S. Chowdhury
Director



Khandaker Habibuzzaman
Company Secretary



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

Dated, Dhaka: 5 July, 2010

SQUARE CEPHALOSPORINS LTD.

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31 2010

	Share Capital	Share Premium	General Reserve	Tax Holiday Reserve	Retained Earnings	Total
At March 31, 2009	95,500,000	-	-	-	152,532,933	248,032,933
Tax Holiday Reserve	-	-	-	192,884,002	(192,884,002)	-
Net Profit for 2009-2010	-	-	-	-	329,677,072	329,677,072
At March 31, 2010 Tk.	95,500,000	-	-	192,884,002	289,326,003	577,710,005

SQUARE CEPHALOSPORINS LTD.

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2009

	Share Capital	Share Premium	General Reserve	Tax Holiday Reserve	Retained Earnings	Total
At March 31, 2008	95,500,000	-	-	-	(35,119,741)	60,380,259
Net Profit for 2008-2009	-	-	-	-	187,652,674	187,652,674
At March 31, 2009 Tk.	95,500,000	-	-	-	152,532,933	248,032,933

As per our annexed report of even date.



Samson H. Chowdhury
Managing Director



Samuel S. Chowdhury
Director



Khandaker Habibuzzaman
Company Secretary



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

Dated, Dhaka: 5 July, 2010

SQUARE CEPHALOSPORINS LTD.

CASH FLOW STATEMENT

for the year ended 31 March 2010

	2009-2010	2008-2009
Cash Flow from Operating Activities:		
Receipts from Customers	1,513,057,275	1,245,701,644
Payment to Suppliers	(567,251,173)	(408,182,232)
Payment to Employees & Others	(689,828,573)	(336,293,288)
Payment of Interest on Borrowings	(11,459,061)	(59,151,925)
Net cash provided by operating activities	244,518,469	442,074,199
Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(141,037,748)	(19,452,934)
Net cash used in investing activities	(141,037,748)	(19,452,934)
Cash Flow from Financing Activities:		
Short Term Borrowing	41,550,429	1,332,883,945
Payment of Short Term Loan	(109,218,048)	(1,657,209,686)
Payment of Long Term Loan	(44,143,250)	(85,366,227)
Net cash used in financing activities	(111,810,869)	(409,691,968)
Increase/(Decrease) in Cash and Cash Equivalents	(8,330,148)	12,929,297
Opening Cash and Cash Equivalent	13,593,205	663,908
Closing Cash and Cash Equivalent	Tk. 5,263,057	13,593,205

As per our annexed report of even date.



Samson H. Chowdhury
Managing Director



Samuel S. Chowdhury
Director



Khandaker Habibuzzaman
Company Secretary



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

Dated, Dhaka: 5 July, 2010

SUBSIDIARY PROFILE

SQUARE BIOTECHS LTD. DIRECTORS' REPORT TO THE SHAREHOLDERS FOR THE YEAR 2009-2010

Dear Shareholders,

In terms of provision of Section 184 of the Companies Act. 1994 and IAS-1 codes, I am pleased to submit to you on behalf of the Board of Directors their Report along with the Audited Accounts containing Balance Sheet as on 31 March, 2010 at this 3rd Annual General Meeting.

1. OPERATIONS:

As the company has not commenced commercial production, no Income Statement has been prepared.

2. FINANCIAL POSITION:

The total investment made by the company upto 31 March, 2008, 2009 and 2010 as detailed below:

Fixed Assets:

	2008	2009	2010
* Building/Civil works	46,833,353	75,103,755	-
* Plant & Machinery	509,910,804	751,340,091	-
* Other Assets	-	42,127,732	-
* Interest during Construction Period	-	4,709,766	-
* Pre-operating Expenses	2,873,517	24,855	-
	<u>559,617,674</u>	<u>873,306,199</u>	-
Current Assets	11,048,974	180,213	75,742,224
Total Tk.	<u>570,666,648</u>	<u>873,486,412</u>	<u>75,742,224</u>

The above investment have been financed as follows:

* Paid-up Capital	67,000,000	67,000,000	67,000,000
* Share Money Deposit	268,000,000	418,000,000	-
* Short Term Bank Loan	136,541,244	245,576,578	8,712,224
* Current Liabilities	99,125,404	142,909,834	30,000
Total Tk.	<u>570,666,648</u>	<u>873,486,412</u>	<u>75,742,224</u>

3. SALE OF ASSETS:

In order to avoid operational and management hazards the company has sold the entire fixed & other assets to SPL at cost as on 31 May 2009.

4. ACCOUNTING YEAR:

The company's (SBL) Accounting Year ended on 31 March, 2010. As the company did not commence production during the year ended 31 March, 2010, no Income Statement and Statement of Changes in Equity and Cash Flow Statement has been prepared.

5. BOARD OF DIRECTORS:

The Board of Directors as included in the Articles of Association continue to serve and no vacancy has yet been created therein.

6. APPOINTMENT OF AUDITORS:

The present auditor's M/S Chowdhury Bhattacharjee & Co. Chartered Accountants retire at this AGM. Being eligible they have offered to continuing for 2010-2011 and sought re-appointment by shareholders.

7. ACKNOWLEDGEMENT:

The Directors record with deep appreciation the hardship taken by the management in implementation of the project despite multifarious obstacles involved in such a State-of-Art life-science project. The board also acknowledge the support given by the shareholders, the bankers and the government agencies involved.

I thank every one for successful implementation and expect their continued cooperation and devotion in operations of the project.


Samson H. Chowdhury
Chairman

AUDITORS' REPORT

TO THE SHAREHOLDERS OF

SQUARE BIOTECHS LTD.

We have audited the accompanying financial statements of Square Biotechs Limited, which comprises the Balance Sheet as at 31 March 2010 and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards, give a true and fair view of the state of the company's affairs as at 31 March, 2010 and of the results of its operations and its cash flows for the period then ended and comply with the companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations.

Further to our opinion in the above paragraph, we state that:

- (i) 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;
- (ii) In our opinion, proper books of account as required by law have been kept by Square Biotechs Limited so far as it appeared from our examination of those books;
- (iii) The company's Balance Sheet dealt with by the report are in agreement with the books of account and returns;
- (iv) The expenditure incurred was for the purpose of the company's business.

Dated, Dhaka
13 July, 2010



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

SQUARE BIOTECHS LTD.

BALANCE SHEET

as at 31 March 2010

		31-03-10	31-03-09
ASSETS:			
Non Current Assets:			
Pre-Operating Expenses	Notes 2	-	873,306,199
Capital Work-in-Progress	3	-	4,709,766
			868,596,433
		75,742,224	180,213
Advance, Deposit & Prepayments	4	-	179,218
Short Term Loan	5	75,741,229	-
Cash and Cash Equivalents	6	995	995
	Tk.	75,742,224	873,486,412
CAPITAL & LIABILITIES:			
Share Capital:			
Authorised Capital			
10,000,000 Ordinary Shares of Tk. 100/- each		1,000,000,000	1,000,000,000
Issued & Subscribed Capital:			
950,000 Ordinary Shares of Tk. 100/- each		95,000,000	95,000,000
Paid-up Capital:			
670,000 Ordinary Shares of Tk. 100/- each		67,000,000	67,000,000
Paid-up in Cash			
Share Money Deposit	7	-	418,000,000
		8,742,224	245,576,578
NON CURRENT LIABILITIES:			
Long Term Bank Loan	8	-	245,576,578
		8,742,224	142,909,834
CURRENT LIABILITIES:			
Short Term Borrowings	9	8,712,224	32,238,680
Long Term Bank Loan-Current Portion	10	-	90,964,666
Liabilities for Expenses	11	30,000	19,706,488
	Tk.	75,742,224	873,486,412

Attached notes form part of these Financial Statements.

Signed as per our annexed report of even date.



Samson H. Chowdhury
Managing Director



Samuel S. Chowdhury
Director



Khandaker Habibuzzaman
Company Secretary



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

Dated, Dhaka: 13 July, 2010

SQUARE MULTI FABRICS LTD.

DIRECTORS' REPORT TO THE SHAREHOLDERS
FOR THE YEAR 2009-2010

Dear Shareholders,

In terms of provision of Section 184 of the Companies Act. 1994 and IAS-1 codes, I am pleased to submit to you on behalf of the Board of Directors their Report along with the Audited Accounts containing Balance Sheet as on 31 March, 2010 at this Second Annual General Meeting.

1. OPERATIONS/INSTRUMENTS:

The company is implementing the project for production of 6 (six) MT of knit fabrics per day at Bhaluka. The company has so far invested as follows by 31 March 2010 and 2009.

Fixed Assets:	2010	2009
* Capital Work in Progress/Fixed Assets	502,494,165	329,583,858
* Pre-operating Expenses	-	4,880,001
	<u>502,494,165</u>	<u>334,463,859</u>
Current Assets	77,147,184	39,836,651
Total Tk.	<u>579,641,349</u>	<u>374,300,510</u>

2. SOURCES OF FINANCING:

The above investement have been financed as follows:

* Share Capital	100,000,000	100,000,000
* Share Money Deposit	150,000,000	150,000,000
* Long Term Loan	110,000,000	91,000,000
* Current Liabilities	219,641,349	33,300,510
Total Tk.	<u>579,641,349</u>	<u>374,300,510</u>

3. ACCOUNTING STATEMENTS:

Company's Accounting Year ended on 31 March 2010. Since the company has not yet commenced production, no Income Statement and Statement of Changes in Equity has been prepared.

4. BOARD OF DIECTORS:

There has been no change in the constitution of the Board of Directors. As such existing board member are continuing to serve.

5. APPOINTMENT OF AUDITORS:

The present auditor M/S Chowdhury Bhattachargee & Co., Chartered Accountants retire at this AGM. Being eligible they have offered to continuing for 2010-2011 and sought re-appointment by shareholders.

6. ACKNOWLEDGEMENT:

The Board of Directors record with appreciation the services rendered by all concerns in implementing the project on schedule.

I wish you best in life


Samson H. Chowdhury
Chairman

AUDITORS' REPORT

TO THE SHAREHOLDERS OF

SQUARE MULTI FABRICS LTD.

We have audited the accompanying financial statements of Square Multi Fabrics Limited, which comprises the Balance Sheet as at 31 March 2010 and Statement of Cash Flows for the year ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards, give a true and fair view of the state of the company's affairs as at 31 March, 2010 and of the results of its operations and its cash flows for the period then ended and comply with the companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations.

Further to our opinion in the above paragraph, we state that:

- (i) 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;
- (ii) In our opinion, proper books of account as required by law have been kept by Square Multi Fabrics Limited so far as it appeared from our examination of those books;
- (iii) The company's Balance Sheet and its Cash Flows dealt with by the report are in agreement with the books of account and returns;
- (iv) The expenditure incurred was for the purpose of the company's business.

Dated, Dhaka
5 July, 2010



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

SQUARE MULTI FABRICS LTD.

BALANCE SHEET

as at 31 March 2010

		31-03-10	31-03-09
ASSETS & PROPERTY:			
	Notes		
Non-Current Assets:			
Fixed Assets	2	502,494,165	329,583,858
Pre-operating Expenses		-	4,880,001
Current Assets:			
Inventory	3	68,226,460	-
Advance, Deposit & Prepayments	4	3,104,670	32,500,015
Cash and Bank Balances	5	5,816,054	7,336,636
Current Liabilities:			
Short Term Loan	6	165,427,176	33,290,510
Long Term Loan-Current Portion		40,000,000	-
Trade Creditors	7	12,089,559	-
Liabilities for Expenses	8	2,124,614	10,000
Net Current Assets		(142,494,165)	6,536,141
Net Assets	Tk.	360,000,000	341,000,000
FINANCED BY:			
Equity:			
Share Capital	9	100,000,000	100,000,000
Share Money Deposit		150,000,000	150,000,000
Long Term Loan	10	110,000,000	91,000,000
	Tk.	360,000,000	341,000,000

Attached notes form an integral part of these Financial Statement.

As per our annexed report of even date.


Samuel S. Chowdhury
Managing Director


Tapan Chowdhury
Director


Khandaker Habibuzzaman
Company Secretary


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

Dated, Dhaka: 5 July, 2010

SQUARE MULTI FABRICS LTD.

CASH FLOW STATEMENT

for the year ended 31 March, 2010

	2009-2010	2008-2009
Cash Flow from Operating Activities:		
Cash Payments for Raw Materials and Expenses	(24,626,942)	-
Net Cash Used in Operating Activities	(24,626,942)	-
Cash Flow from Investing Activities:		
Acquisition of Property, Plant and Equipment	(168,030,306)	(366,953,874)
Net Cash Used in Investing Activities	(168,030,306)	(366,953,874)
Cash Flow from Financing Activities:		
Share Capital Received	-	100,000,000
Share Money Deposit Received	-	150,000,000
Long Term Bank Loan Received/(Paid)	59,000,000	91,000,000
Short Term Bank Loan Received/(Paid)	1,183,882	-
Loan from SPL Received/ (Paid)	130,952,784	33,290,510
Net Cash Generated in Financing Activities	191,136,666	374,290,510
Net Cash & Bank Balance Increase/(Decrease)	(1,520,582)	7,336,636
Cash & Bank Balance at beginning of the year	7,336,636	-
Cash & Bank Balance at end of the year	5,816,054	7,336,636

As per our annexed report of even date.



Samson H. Chowdhury
Managing Director



Samuel S. Chowdhury
Director



Khandaker Habibuzzaman
Company Secretary



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

Dated, Dhaka: 5 July, 2010

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 44th Annual General Meeting of the Company to be held on Tuesday the 21st September 2010 at 10:30 a.m. at Factory Premises, Board Ghar Bazar, Kaliakoir, Gazipur and at any adjournment thereof.

As witness my hand this day of _____ September 2010.

Affix
Revenue
Stamp

(Signature of the Proxy)

(Signature of the Shareholder)

Register Folio/BOID No. _____

Dated

Dated _____

Signature Verified

Authorized Signatory
Square Pharmaceuticals Ltd.

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

স্বয়ং পরিচয়পত্র

স্বয়ং পরিচয়পত্র, ৪৪ নং লজ এক্সপ্লোরার্স গজিট, খুলনা-১২১২

প্রতি ফর্ম

নাম/পিতা _____

ঠিকানা _____

স্বয়ং পরিচয়পত্রের মধ্যস্থতায় গিএমসি

স্বয়ং পরিচয়পত্র _____

ঠিকানা _____

নাম/পিতা গিএমসি সিস্টেমের অধীনে ২১তম জুলাই ২০১০ সন্ধ্যা ১০:৩০ থেকে দুপুর ১২:৩০, স্বয়ং পরিচয়পত্র, মনোহর-গ এডভান্সড টেকনিক্যাল ইন্সটিটিউট ৪৪ নং লজ এক্সপ্লোরার্স গজিট, খুলনা-১২১২।

স্বয়ং পরিচয়পত্রের আবেদন _____ ২০১০ সালের জুলাই ২১ তারিখে স্বয়ং পরিচয়পত্রের মধ্যস্থতায় গিএমসি

স্বয়ং পরিচয়পত্র
মধ্যস্থতায় গিএমসি

স্বয়ং পরিচয়পত্রের _____

স্বয়ং পরিচয়পত্র _____

স্বয়ং পরিচয়পত্রের _____

স্বয়ং পরিচয়পত্রের মধ্যস্থতায় গিএমসি _____

স্বয়ং পরিচয়পত্র _____

স্বয়ং পরিচয়পত্রের _____

স্বয়ং পরিচয়পত্রের মধ্যস্থতায় গিএমসি



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