



Annual Report

2011-2012



WE MOURN, NATION MOURNS DEEPLY

CONDOLENCE MEETING OF THE BOARD OF DIRECTORS

**To pay condolence and tribute to the departed soul of the beloved and honorable founder
Chairman of the Company late Mr. Samson H Chowdhury**

At the outset, Mr. Samuel S Chowdhury, with heavy heart and choked voice, informed the Board of Directors of the saddest and shocking news of the sudden demise of the Founder Chairman Mr. Samson H Chowdhury on 5th January, 2012 at the Raffles Hospitals at Singapore leaving his family members, colleagues, employees of the Square Group, Business Community, Corporate Houses, Government officials, Members of the Parliament, Respected Prime Minister & her Cabinet Members and the Honorable President of the Country, in a state of shock and mourning. His demise was deeply felt and continued to be mourned throughout the post-funeral days. The bereaved family of the late Chairman acknowledge with deep gratitude the heartfelt condolence offered by the people of all strata of the Country.

As proposed by Mr. M Sekander Ali, Independent Director, the Board observed a minute of silence as a mark of respect to the departed soul of the beloved and honorable founder Chairman of the Company late Mr. Samson H Chowdhury.

Thereafter, Dr. Kazi Harunar Rashid, only living founding Director of the Company apprised the Board of the colorful, honest, devoted and righteousness of his industrious life that brought him to the peak that only a few can ascend to. He observed that his life-story will act as a philosophy and guide to those who would aspire to rise to high peaks of life in any sphere of activities. He observed that the post liberation generation and the posterity will do justice to themselves and to the nation by learning lesson from his career.

Mr. M Sekander Ali, Independent Director recalled the history of industrial development, especially the pharmaceuticals sector and the role played by the late Chairman in achieving the present position of the group. He specially mentioned late Chairman's deep concern for accountability to the shareholders, national exchequer, employees of the Company and CSR to the society at large. He said all these aspects made the late Chairman a shining example to those who would love to serve the people and the nation.

On the proposal by Dr. Kazi Harunar Rashid, the Board of Directors passed the following resolutions:

The Board of Directors, being shocked and grieved at the sudden demise of the Founder Chairman Mr. Samson H Chowdhury, deeply mourn and condole his death with heavy heart and pray for the salvation of his departed soul with rest in peace.

The condolence be offered in writing to the wife of late Samson H Chowdhury on behalf of the Board of Directors.

The Directorship as well as the Chairmanship of late Samson H Chowdhury be and is hereby declared vacant w.e.f. 5th January, 2012 and necessary returns be filed with appropriate authorities as per prevailing law.

‘যেতে নাহি দিব’ । হায়,
তবু যেতে দিতে হয়, তবু চলে যায় ।’

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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 31st March, 2012

Dear Sir(s)

We are pleased to enclose a copy of the Annual Report together with the Audited Accounts including Statement of Financial Position as at 31st March, 2012, Statement of Comprehensive Income, Changes in Equity and Cash Flows for the year ended 31st March, 2012 along with notes thereon and all related Consolidated Financial Statements for your record/necessary measures.

Yours sincerely



Khandaker Habibuzzaman
Company Secretary

Dated: 3rd September, 2012

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



Square Pharmaceuticals Ltd.

Square Centre, 48 Mohakhali Commercial Area
Dhaka 1212

Notice of the 46th Annual General Meeting

Notice is hereby given that the 46th ANNUAL GENERAL MEETING of the shareholders of Square Pharmaceuticals Ltd. will be held on **Tuesday the 25th September, 2012 at 11:00 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 31st March, 2012 together with the Report of the Directors' and the Auditors' thereon.

Agenda -2: To declare dividend for the year ended 31st March, 2012.

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

Agenda -4: To appoint Auditors and to fix their remuneration.

Agenda -5: To approve appointment of the Independent Director.

By order of the Board



Khandaker Habibuzzaman
Company Secretary

Dated: 3rd September, 2012

Notes:

- (i) The proxy form must be affixed with requisite revenue stamp and must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
- (ii) Members are requested to submit to the Company's Share Office on or before 27th September, 2012, their written option to receive dividend. In case of non-submission of such option within the stipulated time, the dividend will be paid off as deemed appropriate by the Company.
- (iii) The Annual Report is available in the Company's website at www.squarepharma.com.bd





Corporate Profile

Management Apparatus

Board of Directors

Mr. Samuel S. Chowdhury	Chairman
Mrs. Ratna Patra	Vice Chairman
Mr. Tapan Chowdhury	Managing Director
Dr. Kazi Harunar Rashid	Director
Mr. Anjan Chowdhury	Director
Mr. Kazi Iqbal Harun	Director
Mr. M. Sekander Ali	Independent Director

Audit Committee

Mr. M. Sekander Ali	Chairman
Mr. Anjan Chowdhury	Member
Mr. Kazi Iqbal Harun	Member

Management Committee

Mr. Tapan Chowdhury	Chairman
Mr. Parvez Hashim	Member
Mr. M. Ashiqul Hoque Chawdhury	Member
Mr. Muhammadul Haque	Member
Mr. Md. Kabir Reza	Member

Company Secretary

Mr. Khandaker Habibuzzaman	
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Operational Management Team

Mr. Parvez Hashim	Head of Operations
Mr. M Ashiqul Hoque Chawdhury	Head of Admin & Supply Chain
Mr. Muhammadul Haque	Head of Marketing
Mr. Md. Kabir Reza	Head of Accounts & Finance
Mr. Mahbubur Rahman	Head of Engineering
Mr. Anjan Kumar Paul	Head of Human Resources
Mr. Imtiaz Ahmed Khilji	Head of Quality Operations
Mr. Jiban Kumar Ghosh	Head of Production (Pabna Unit)
Mr. Amalesh Chandra Shome	Head of Production (Dhaka Unit)
Mr. Md. Majibur Rahman Bhuiyan	Head of Internal Audit

Auditors

M/s. Ahsan Zamir & Co.
Chartered Accountants
2/2, Purana Paltan
Dhaka-1000, Bangladesh

Legal Advisors

- Mr. Rafique-ul Huq, Bar-at-Law
47/1, Purana Paltan, Dhaka
- Mr. Rokanuddin Mahmud, Bar-at-Law
Walsow Tower
21-23, Kazi Nazrul Islam Avenue, Dhaka
- Ms. Nihad Kabir, Bar-at-Law
House No. 62, Road No. 11A
Dhanmondi, Dhaka

Listing

- Dhaka Stock Exchange Ltd.
- Chittagong Stock Exchange Ltd.

Registered Office

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

Factories

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

Phone

8833047-56, 9859007 (10 lines)

Website

www.squarepharma.com.bd

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.
Shanta Western Tower, 186 Bir Uttam Mir Shawkat Ali Road
Tejgaon I.A, 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
- Deutsche Investitions –
und Entwicklungsgesellschaft mbH
(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

Vision

We view business as a means to the material and social well being 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.

Board of Directors



Mr. Samuel S Chowdhury
Chairman



Mrs. Ratna Patra
Vice Chairman



Mr. Tapan Chowdhury
Managing Director



Dr. Kazi Harunar Rashid
Director



Mr. M. Sekander Ali
Independent Director



Mr. Anjan Chowdhury
Director



Mr. Kazi Iqbal Harun
Director

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 delligence 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.

(c) Relationship with Shareholders & Public:

The shareholders as owners, are required to be provided with material information on the company's operation quarterly, 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 disableds etc.

Separate role of the Chairman and Managing Director

The positions of Chairman and Managing Director are held separate persons. The Chairman is responsible for the functions of the Board while the Managing Director serves as the Chief Executive of the Company.

Chief Financial Officer, Head of Internal Audit and Company Secretary

The Company has appointed Mr. Md. Kabir Reza, FCMA as Chief Financial Officer, Mr. Khandaker Habibuzzaman, FCS as Company Secretary and Mr. Md. Majibur Rahman Bhuiyan, CA(I), MBA as Head of Internal Audit of the company as per requirement of Securities and Exchange Commission.

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. Anjan 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:

(a) 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.

(b) 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.

(c) 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 banks namely 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. and DEG Germany who provide most efficient service at minimum cost/interest that benefit the shareholders.

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

(d) 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 highly reputed and publicly listed insurance companies namely Pragati Insurance Ltd. and Pioneer Insurance Co. Ltd.

The company has not yet faced any dispute over any claims and the company enjoys special premium rates which protects the interest of the investors.

(e) 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. Ahsan Zamir & Co., Chartered Accountants whose unchallenging performance has played a very trustworthy role in the protection of interest of the investors.

Compliances

Square has an established procedures to ensure compliance with all applicable statutory and regulatory requirements. Respective officers are responsible for ensuring proper compliance with applicable laws and regulations.

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 31-03-2012 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 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 Corporate 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 Achievement

- 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 with F. Hoffman-La Roche & Co. Ltd. : 1984
- Market leadership in the Pharmaceuticals market of Bangladesh among all national and multinational companies. : 1985
- Pioneer in Pharmaceuticals export from Bangladesh : 1987
- Converted into Public Limited Company : 1991
- Initially Public Offering (IPO) : 1994
- Listing with Dhaka and Chittagong Stock Exchanges : 1995
- Agreement with M/s. Bovis Tanvec Ltd. of UK for implementation of Dhaka Plant : 1996
- Won the National Export Trophy for exporting pharmaceuticals : 1997
- Awarded ISO-9001 Certificate : 1998
- US FDA/UK MHRA standard new Pharmaceuticals factory goes into operation : 2001
- Enlisted as UNICEF's global suppliers. : 2002
- Awarded UK-MHRA Certificate : 2007
- Awarded TGA Certificate : 2012

- 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. 1,961.74 million
- Number of Employees : 5,290

- Subsidiary Company
 - Square Cephalosporins Ltd.
 - Square Biotechs Ltd.
 - Square Multi Fabrics Ltd.
 - Square Formulation Ltd.

- Associate Company
 - Square Textiles Ltd.
 - Square Knit Fabrics Ltd.
 - Square Fashions Ltd.
 - Square Hospitals Ltd.



Message from the Chairman

Dear Shareholders, Colleague, Ladies and Gentlemen

Ordaied by Fate & Faith, on mortal exit of our beloved Founder Chairman Mr. Samson H Chowdhury on 5th January of the year, with heavy heart, I, on being elected, assumed the Chair of the Board of Directors on 8th March and in order to discharge my obligations to the shareholders/stakeholders I hereby welcome you all to this 46th Annual General Meeting and submit the Annual Report containing Audited Accounts and Reports thereon for your consideration and approval.

Though we have lost our Mentor, we have not slipped away from the Mission set by him. This is evident from the performance of the Company, which out-shined national growth in GDP, under the able leadership the Managing Director, with full support and contribution of you all, the Board of Directors, officers, staff and workers. I also feel obliged to unambiguously mention the other contributors including, but not being limited to, the Government, Banks, Financiers, Insurers, Distributors, Patrons and the Society at large who consider the Company as their own.

The Company is holding high its position amongst the peers with outstanding contribution to the society with quality products, ethical standards, economic costs, market coverage along with all types of Compliances, Regulatory, CSR and Financial. All these make the Company a unique one in the Country's Corporate Register.

The Future Business Outlook offers us tremendous opportunities as the industrialization advances alongwith meaningful growth rate of GDP despite continued recession in the West/Developed economics. Investment in specialized productlines seems to be inevitable.

I wish you all to mournfully recall the services rendered by the Founder Chairman and pray for salvation of his soul and rest in peace.

Thanking you all with wishes of peaceful prosperity.


Samuel S Chowdhury
Chairman

Corporate Operational Results

(Figures in thousand)

	2011-12	2010-11	2009-10	2008-09	2007-08
Turnover (Gross)	18,592,856	15,576,488	13,279,142	11,366,598	9,565,716
Value Added Tax	2,538,431	2,105,063	1,816,563	1,545,801	1,307,872
Turnover (Net)	16,054,425	13,471,424	11,462,578	9,820,797	8,257,844
Gross Profit	6,887,172	5,767,763	4,901,290	4,148,231	3,401,782
Net Profit before Tax	3,978,939	3,414,752	2,825,069	2,511,259	1,868,634
Net Profit after Tax	2,897,711	2,532,055	2,087,872	1,890,053	1,381,863
Net Assets Value (NAV)	16,266,884	13,817,709	11,554,380	9,949,398	8,417,041
Total Assets	21,453,785	19,444,410	15,029,500	13,251,243	12,703,127
Total Bank Borrowings	3,002,471	3,761,330	2,231,167	2,279,694	3,569,280
Total Current Assets	6,745,507	7,022,214	4,774,311	3,843,513	4,411,836
Total Current Liabilities	4,252,935	4,668,189	2,216,744	2,640,869	3,500,845
Current Ratio	1.59	1.50	2.05	1.45	1.26
Shares Outstanding	264,834,760	19,617,390	15,090,300	12,072,240	8,942,400
Face Value per Share	10.00	100.00	100.00	100.00	100.00
Dividend (Cash)	25%	30%	35%	40%	40%
Dividend (Stock)	40%	35%	30%	25%	35%
Net Assets Value per Share (NAV)	61.42	704.00	777.00	832.00	558.00
Net Operating Cash Flow per Share	13.76	146.95	176.51	164.87	86.20
EPS-Earning per Share (SPL)	10.94	95.61	78.84	71.37	52.18
EPS-Earning per Share (Consolidated)	13.66	123.00	94.29	77.72	57.61
EPS at Original Capital at IPO	2,897.71	2,532.05	2,087.87	1,890.05	1,389.86
Quoted Price per Share - DSE	237.30	3,272.00	3,581.00	2,935.00	4,110.00
Quoted Price per Share - CSE	237.80	3,261.00	3,597.00	2,923.00	4,107.00
Price Earning Ratio-DSE (Time)	21.69	25.35	33.65	30.46	58.35
Price Earning Ratio-CSE (Time)	21.74	25.26	33.80	30.34	58.30
Number of Shareholders	53,291	54,278	40,797	47,258	31,688
Human Resources:					
Executives	2,409	2,055	1,909	1,786	1,525
Non Executives	1,679	1,433	1,259	1,084	1,110
Workers	1,202	1,129	1,029	941	929



Assurance to the Shareholders from the Managing Director

Respected Shareholders, Ladies and Gentlemen

I take the opportunity to thank you on behalf of the Board of Directors for attending the 46th Annual General Meeting of the Company and present the Annual Report containing Audited Accounts, Auditors Report thereon for the year under review for your approval. I am sure you will observe that the Company has successfully continued its strides and has held high its position amongst the corporate world. The return to Shareholders in terms of dividends and Net Assets Value has increased over the years. Our compliance records with Regulatory Authorities, employees, customers, distributors, National Exchequer, creditors and the Society at large have remained untarnished. I assure you all, as head of the Management Team, that the operations of the Company shall be continued with total commitment and sophistication in order to offer you the utmost result. The Management shall leave no stone unturned for continuous better result in the days ahead.

Thanking you all with best wishes.


Tapan Chowdhury
Managing Director

Directors' Report

TO THE SHAREHOLDERS FOR THE YEAR 2011-2012

In terms of provisions of Section 184 of the Companies Act 1994, Rule 12 (and the schedule there under) of the Securities and Exchange Rules 1987, SEC Notification dated 3rd July, 2012 and IAS-1 (International Accounting Standards-1) codes as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB), it is the pleasure of the Board of Directors to submit its Report to the Shareholders for the year ended 31 March, 2012 in the following paragraphs:

PHARMACEUTICAL SECTOR:

The pharmaceutical sector attained a growth of 22.30% during the year 2011 as against 23.80% during the previous year. The national pharma market growth and that of the company during the past few years are given below:

Year	National Market Growth Rate	Company's Growth Rate
2007	15.80%	9.81%
2008	6.91%	18.93%
2009	16.83%	16.72%
2010	23.80%	17.53%
2011	22.30%	19.17%

Source: IMS Report, 2011

The growth trend indicate positive outlook. The growth of the economy at 6.7% during FY 2011-12 offers scope for further growth in investment for expansion in this sector.

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:	2010-11	2011-12
(a) Land	115,718,375	158,077,734
(b) Building	342,203,170	587,648,991
(c) Plant & Machinery	919,978,243	1,048,222,382
(d) Laboratory Equipments	102,383,378	125,828,200
(e) Other Equipment/Assets	319,156,412	522,132,262
	1,799,440,118	2,441,909,569
(f) Head Office & Others	394,028,154	39,145,763
Total Tk.	2,193,468,272	2,481,055,33

স্কয়ার ফার্মাসিউটিক্যালস লিঃ

২০১১-২০১২ বছরের জন্য শেয়ারহোল্ডারবন্দের প্রতি পরিচালনা পর্ষদের প্রতিবেদন

এই প্রতিবেদনটি ১৯৬৩ সালের ১৪৮ নং কোম্পানি আইন, ১৯৬৩ (১৯৬৩ সালের ১২ নং কোম্পানি আইন, ১৯৬৩) এবং ১৯৮৭ সালের ১২ নং কোম্পানি আইন, ১৯৮৭ (১৯৮৭ সালের ১২ নং কোম্পানি আইন, ১৯৮৭) এবং ২০১২ সালের ৩ জুলাই, ২০১২ এবং ১-১ (আন্তর্জাতিক হিসাববিজ্ঞানীরা) কোডসমূহের অধীনে প্রস্তুত করা হয়েছে।

ফার্মাসিউটিক্যালস সেক্টর:

ফার্মাসিউটিক্যালস সেক্টর ২০১১ সালে ২২.৩০% বৃদ্ধি অর্জন করেছে যা ২০১০ সালের ২৩.৮০% বৃদ্ধির বিরুদ্ধে। জাতীয় ফার্মাসিউটিক্যালস বাজারের বৃদ্ধি এবং কোম্পানির বৃদ্ধি গত কয়েক বছরে নিম্নলিখিত তথ্যে দেওয়া হয়েছে:

২০১১-১২ অর্থবছরে জাতীয় অর্থনীতির বৃদ্ধি ৬.৭% হওয়ায় ২০১১-১২ অর্থবছরে ফার্মাসিউটিক্যালস সেক্টরে বৃদ্ধির সুযোগ রয়েছে।

কার্যক্রম পর্যালোচনা:

(১) ফার্মা প্লান্টস:

পাবনা এবং কালিকোইর উৎপাদন প্লান্টস তাদের কার্যকারিতা উন্নত করতে প্রযুক্তিগত প্রক্রিয়া, গবেষণা এবং প্রশিক্ষণের মাধ্যমে উৎপাদন কার্যকারিতা উন্নত করেছে। কোম্পানি এই ক্ষেত্রে উল্লেখযোগ্য বিনিয়োগ করেছে।

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:

গ্ৰহণ কৰা বিনিয়োগৰ অধিকাংশ ভাগেই আভ্যন্তৰীণ উৎসৰ পৰা কৰা হৈছে। পাবনা আৰু ঢাকা প্ৰতিষ্ঠানৰ মুঠ উৎপাদন আগৰ বছৰৰ তুলনাত বৃদ্ধি পাইছে।

(Quantity in thousand)

Sl. No.	Particulars/ Product	Unit	Capacity	Actual Output		Capacity Utilisation	
				2010-11	2011-12	2010-11	2011-12
1	Tablets	Pcs	7,345,114	3,811,424	4,090,900	55%	56%
2	Capsules	Pcs	933,519	889,987	1,170,856	99%	125%

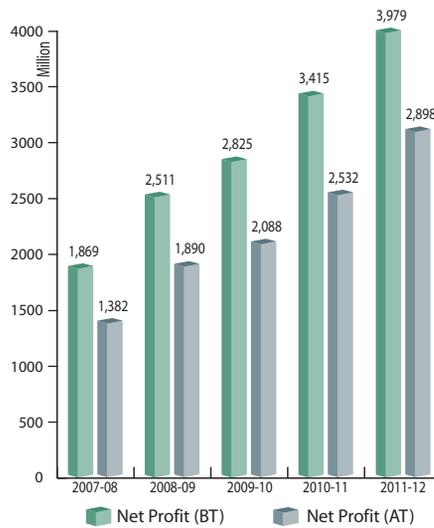
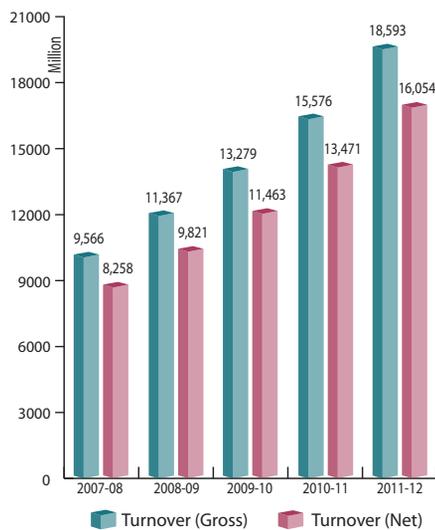
(2) Chemical Plant:

(২) কেমিক্যাল প্লান্ট:

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

কেমিক্যাল প্লান্টৰ (পাবনা) প্ৰতিষ্ঠানৰ প্ৰতি বছৰেৰে পাছৰ পাঁচ বছৰৰ (৫) বছৰৰ কাৰ্য্যকৰণৰ বিষয়ে তলত দিয়া তথ্য আগবঢ়োৱা হৈছে।

Years	No. of Products	Production (M.Tons)	Own Use (M.Tons)	Sales (M.Tons)	Own Use (%)	Turnover (Million Taka)
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
2010-11	20	437	326.63	101.36	74.74%	192.07
2011-12	22	513.89	378.94	136.27	73.74%	189.13



(3) Product Development:

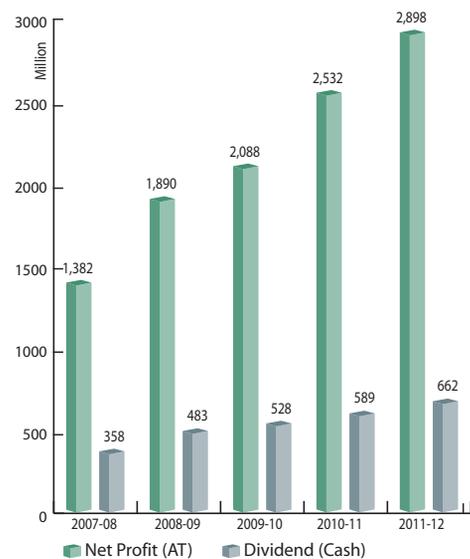
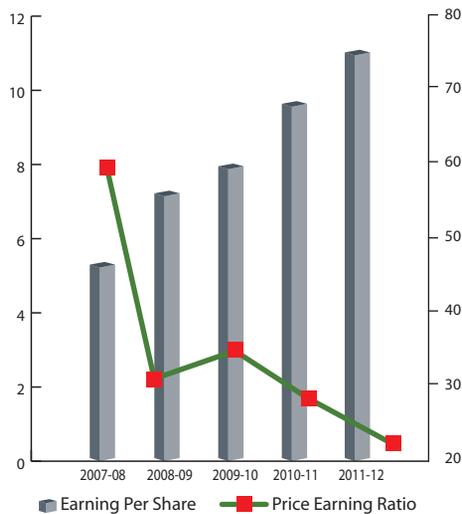
The following table shows the position of existing, discarded and new products introduced during the year 2011-2012:

(৩) নতুন ঔষধ সম্প্রসারণ:

২০১১-২০১২ সালে মোট ৬০টি নতুন ঔষধ, ৮টি ঔষধ বাতিল করা হয়েছে এবং ৭০৪টি ঔষধের অবস্থা নিম্নলিখিত তালিকায় উল্লেখ করা হয়েছে:

Sl. No.	Products Categories	Position as on 31-03-11	Added during the year	Discarded	Total Net 31-03-12
1	Tablet	268	22	6	284
2	Capsule	59	-	-	59
3	Liquid Capsule	3	-	-	3
4	Liquid	65	3	-	68
5	Injectable	54	5	1	58
6	Infusion	-	3	-	3
7	E N T Preparation & Others	57	6	1	62
8	Ophthal Preparation	13	2	-	15
9	Powder for Suspension	22	1	-	23
10	Suppository	7	-	-	7
11	Sachet	2	-	-	2
12	Inhaler	14	3	-	17
13	Isulin	3	1	-	4
14	Basic Chemical	8	-	-	8
15	Pellet	12	2	-	14
16	Tablet, Powder, Liquid, Injectable -AgroVet	45	5	-	50
17	Aerosol & Pesticide	20	7	-	27
	Total	652	60	8	704

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 বছরভিত্তিক উন্নতি হয়েছে।

Sl. No.	Product Categories	Units	Production in thousand		% Increase/ (Decrease)	Capacity Utilization	
			2010-11	2011-12		2010-11	2011-12
1	Tablets	Pcs	3,811,424	4,090,900	7.33	55%	56%
2	Capsules	Pcs	883,900	1,164,094	31.70	98%	125%
3	Liquid Capsules	Pcs	6,087	6,762	11.09	6%	7%
4	Liquids	Bottles	60,170	73,587	22.30	34%	41%
5	Injectables (Vials & Ampoules)	Pcs	43,728	45,516	4.09	85%	90%
6	Infusion	Bags	-	141	-	0%	123%
7	ENT Preparations-Drops, Spray, Gel & Others	Phials	28,111	27,239	(3.10)	94%	91%
8	Steroid- Cream, Ointment, Spray, Gel & Others	Phials	4,392	6,130	39.57	9%	12%
9	Non steroid- Cream, Ointment, Spray, Gel & Others	Phials	7,928	7,503	(5.36)	47%	44%
10	Ophthalmic Preparations	Phials	1,795	2,845	58.50	90%	142%
11	Powder of Suspension	Bottles	7,217	7,237	0.28	52%	46%
12	Suppository	Pcs	17,370	21,091	21.42	22%	26%
13	Sachet	Pcs	1,445	640	(55.71)	14%	6%
14	Inhalers	Pcs	1,588	2,936	84.89	22%	41%
15	Insulin	Pcs	203	384	89.16	4%	79%
16	Basic Chemicals	Kg	353	389	10.20	104%	114%
17	Pellets	Kg	84	125	48.81	117%	89%
18	Tablet -AgroVet	Pcs	5,577	6,538	17.23	35%	46%
19	Powder- AgroVet	Gm	46,748	81,542	74.43	267%	114%
20	Injection-AgroVet	Pcs	781	861	10.24	13%	25%
21	Liquids -AgroVet	Bottles	162	524	223.46	8%	5%
22	Aerosol	Pcs	518	505	(2.51)	35%	34%

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 প্রযুক্তিগত এবং মানবিক দৃষ্টিকোণ থেকে গুণমান বৃদ্ধি এবং উন্নতি করার জন্য WHO গুণমান মানদণ্ড অনুসরণ করে। প্রতিটি উৎপাদন এবং পরিচালনা স্তরে কঠোর মান নিয়ন্ত্রণের মানদণ্ড অনুসরণ করা হয়েছে। কোম্পানি মার্কেট থেকে সর্বসম্মত পণ্যের প্রত্যাহার এবং পর্যবেক্ষণের মাধ্যমে মান নিয়ন্ত্রণের মানদণ্ড অনুসরণ করে। গুণমান নিয়ন্ত্রণের সুযোগসুবিধা রয়েছে। উচ্চ মানের মানবিক পরিবেশ, কম্পিউটারাইজড যন্ত্রপাতি এবং সরঞ্জাম এবং একটি উচ্চ মানের গবেষণা কর্মী রয়েছে। আমরা তাদের জন্য গর্বিত।

The operating results of SCL for the period ended 31 March 2012 and 2011 are given below:

	2011 Taka	2012 Taka
Gross Turnover	2,039,091,032	2,227,536,818
Net Turnover	1,753,001,793	1,908,934,564
Gross Profit	827,382,274	902,049,050
Provision for Income Tax	56,581,363	143,822,805
Net Profit After Tax	289,293,008	239,704,674
Earnings Per Share	302.92	251.00
Net Assets Value Per Share	1,363.09	1,599.99

Directors' Report on the Company together with Audited Accounts containing Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows 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. 10.00 crore was paid up. SPL holds 99.50% shares of the Company. SPL has also made a share money deposit of Tk. 15 crore as on 31 March 2012.

31তক গ্ৰুপে 2012 Ges 2011 Zwi tL tKv ubvxi Kv hKix
dj vdj wbtgac d E ntj v:

	2011 UKr	2012 UKr
tgvU wepμq	2,039,091,032	2,227,536,818
bxU wepμq	1,753,001,793	1,908,934,564
tgvU gbvdv	827,382,274	902,049,050
AvqKi mwAwZ	56,581,363	143,822,805
Ki cieZPbxU gbvdv	289,293,008	239,704,674
tkqvi cUz Avq	302.92	251.00
tkqvi cUz bxU maw` gj`	1,363.09	1,599.99

Aw`K Ae`vi weeiYx, mgwS Z Avtqi weeiYx, gj abx
cwieZPbi weeiYx, bM` Znwej cEvn Ges wbxv tKix
cUz te`b mn cwipj bv clP i cUz te`b Gi mvt`
mwbteukZ ntj v|

(খ) স্কয়ার বায়োটেকস্ লিঃ (এসবিএল):

GmweGj MZ 12-06-2006Bs Zwi tL wbeUbKZ
ntqtQ| tKv ubvxi 100 tKwU UvKvi Abtgvw` Z gj ab
hvi gta` cwitkwaZ gj atbi cwigvY 67,000,000
UvKv| `qvi dvgmDwJK`vj n vj vgtUW kZKiv 99.25
fvM tkqvtii gvij K| tKv ubvxi Kwi Mwi mgn`vi Rb`
e`emwqK Kv hPrg` ii` Ki tZ cvt`vb| Zte e`e`vcbv
KZ`P| tkqvi gvb w/tcwrU l e`vsK FtYi wecixZ
mKj maw`Emgn AwamhY Kti tQb Ges Kv hPrg
mvguqK fite eU Kti tQ hv cwipj bv clP i cUz te`b
Dc`vcv Kiv ntqtQ|

(গ) স্কয়ার মাল্টি ফেব্রিকস্ লিঃ (এসএমএফএল):

GmGgGdGj MZ 24tk Rb, 2008 Zwi tL wbeUbKZ
ntqtQ| tKv ubvxi 50 tKwU UvKvi Abtgvw` Z gj ab hvi
gta` cwitkwaZ gj atbi cwigvY 10 tKwU UvKv| `qvi
dvgmDwJK`vj n vj vgtUW kZKiv 99.50 fvM tkqvtii
gvij K| GmweGj 15 tKwU UvKv tkqvi gvb w/tcwrU
wntmte cUvb Kti tQ|

(d) Square Formulation Ltd.:

The Company was incorporated on 21st November, 2011 with an Authorised Capital of Tk. 50 crore and subscribed capital of Tk. 10.00 crore. The Company plans to produce formulation products. Square Pharmaceuticals Ltd. has paid of Tk. 5,00,000/- against 5,000 shares out of the subscribed 995,000 shares of Tk. 100/- each.

(9) Investment Portfolio:

The investment portfolio of long term investment and marketable securities has been detailed in Notes (4 & 5) to Audited Accounts. The outlines of the portfolio with minority interest in shareholdings are described hereunder for further information of the shareholders:

(9.1) Long Term Investments : Tk. 3,970,621,331

The above investments include both majority and minority investments in ordinary shares/advance as Share Money Deposit in 13 (thirteen) different companies as follows:

(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 2012 stand at Tk. 1,599.99 per share. SPL has also deposited Tk. 40 crore as share money deposit which has not yet been capitalised.

(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 995,000 shares of Tk. 100 each out of 1,000,000 issued shares which is not listed. SPL has also deposited Tk. 15 crore as Share Money.

(ii) Minority Investments:

(a) Square Textiles Ltd. (STXL):

As on 31-03-2012 investment in this company stands at Tk. 180,976,901 (at cost) for 44,642,804 Ordinary Shares of Tk. 10 each including bonus shares. The market value as on 31 March, 2012 stood at Tk. 5,607,136,182 (at Tk. 125.60 per share). The company is in full operation and declared cash dividend @ 16% and stock dividend @ 20% for the year 2011.

(গ) স্কয়ার ফর্মুলেশন লিঃ (এসএফএল):

MZ 21 tk btfm 2011 Zwi tL tkvubx wbenUZ ntqtQ| tkvubxi Abtgw Z gj ab 50 tkwU UvKv hvi gta mshZ gj ab 10 tkwU UvKv| tkvubxi digtj kb RvZxq cY Drcv` tbi cwi Kibv AvtQ| qvi dvgmDwK`vj mshj t Zvi mshZ` vbKZ 995,000w tkqvi Gi wecixZ G chS- 5,000w tkqvti i gj` 500,000 UvKv cwi tkva Kti tQ|

(৯) বিনিয়োগসমূহ:

wbix` tKi wi tcvU` (4 l 5) Astk` xlv`gqv`x webtqM tcvU`dvwj l Ges wepqt`hvm` tkqvi mshK` we` wv Zfvte Dc`vcb Kiv ntqtQ| mshZ` tkqvi`nvi vit` i AemvZi Rb` wbtg`GB tcvU`dvwj l mshK`mst` t`c Avtj vKvZ Kiv ntj v:

দীর্ঘমেয়াদী বিনিয়োগ: ৩,৯৭০,৬২১,৩৩১ টাকা

Dtj wLZ webtqM 13w wewf`b` tkvubxi mvavi Y tkqvi/tkqvi gmb wv`c`wRU wnmvte webtqM Kiv ntqtQ hvi weei Y wbtg`Dc`vcb Kiv ntj v:

(i) tg`Rvni wL webtqM (mvevml`Qvni R)

(ক) স্কয়ার সেফালোসপোরিনস লিঃ (এসসিএল):

`qvi dvgmDwK`vj m wj: c`ZwU 100 UvKv gj` gvtbi mefgvU 955,000w tkqvti i gta` 9,50,000w tkqvti i gwj K| th`nZi tkvubxi tkqvi wj Zvwj KvF`3 bq weavq tkqvi` tji evRvi gj` wba`Y Kiv msh` bq| Z`wic 31tk gP`2012 Aw`R eQi tk`l tkqvi c`Z bxU msh`Ei cwi gvY` wotqtQ 1,599.99 UvKv| GmncGj 40 tkwU UvKv tkqvi gmb wv`c`wRU wnmvte AMtg A`c`vY Kti tQ| hv GLbl gj` aYvqb Kiv nq`bvB|

(খ) স্কয়ার বায়োটেকস লি:

GmncGj c`ZwU 100 UvKv gj` gvtbi 670,000w tkqvti i gta` 665,000w tkqvti i gwj K, hv Zvwj KvF`3 bq|

(গ) স্কয়ার মাল্টি ফেব্রিকস্ লি:

GmncGj c`ZwU 100 UvKv gj` gvtbi 1,000,000w tkqvti i gta` 995,000w tkqvti i gwj K, hv Zvwj KvF`3 bq| GQvov GmncGj 15 tkwU UvKv tkqvi gmb wv`c`wRU wnmvte A`c`vY Kti tQ|

(ii) gvBvni wL webtqM

(ক) স্কয়ার টেক্সটাইলস্ লিঃ (এসটিএক্সএল):

31-03-2012 Zwi tL 10 UvKv AeinZ g`j` i 44,642,804w tkqvti i wecixZ (e`q wnmve Abhvqx) 180,976,901 UvKv webtqM Kiv ntqtQ| 31tk gP`2012 Zwi tL D`3 tkqvti i evRvi gj` wj 5,607,136,182 UvKv (c`ZwU tkqvi 125.60 wnmvte)| tkvubxwU c`j` ig Drcv`b Kiti Ges 2011 mtj` kZKiv 16 f`M bM` j` f`vsk Ges kZKiv 20 f`M tevbv`m tkqvi tNvI Yv Kti tQ|

245,329,519 during the year 2011 as against Tk. 212,441,944 during the previous year. Now the retained earnings stands at Tk. 833,210,973. The company did not declare any dividend. It may be mentioned that Tk. 150 million has been advanced by SPL as Share Money Deposit for 1,500,000 shares of Tk. 100 each. Since the Company is not a public/listed one, the market value can not be assessed readily. However the NAV per share stands at Tk. 1,990.79 as on 31-12-2011.

(g) Square InformatiX Ltd. (SIL):

An amount of Tk. 100,000,000 stand invested in SIL as advance against share money deposit for 1,000,000 ordinary shares of Tk. 100 each. Present paid-up capital of the company is Tk. 2,500,000. Market value can not be determined as it is not listed.

(h) Orascom Telecom Bangladesh Ltd.:

SPL holds 4 secured senior bonds of TK. 10,000,000 each amounting to Tk. 40,000,000 which is not listed.

(9.2) INVESTMENT IN MARKETABLE SECURITIES:

A statement of Markatable Securities (23 Securities) at a cost of Tk. 295,615,958 is given in Note No. 5. The portfolio shows a unrealized capital gain of Tk. 399,421,439 as on 31 March 2012 (135.11% gain).

(10) FINANCIAL RESULTS:

The operating financial results of the Company for the year 2011-2012 as compared to previous year are summarised hereunder:

Particular	2010-2011 (Taka)	2011-2012 (Taka)	% Increase
◆ Gross Turnover	15,576,487,536	18,592,856,236	19.36%
◆ Net Turnover	13,471,424,469	16,054,425,243	19.17%
◆ Gross Profit	5,767,763,459	6,887,171,623	19.41%
◆ Net Profit (BT)	3,414,752,310	3,978,939,088	16.52%
◆ Provision for Taxation	882,697,760	958,906,349	08.63%
◆ Net Profit (AT)	2,532,054,550	2,897,710,641	14.44%
◆ Gross Margin (Net Turnover)	42.81%	42.90%	
◆ Net Margin (BT)	25.35%	24.78%	
◆ Net Margin (AT)	18.80%	18.05%	
◆ Earning Per Share (EPS) (Tk.)	9.56	10.94	
◆ EPS on IPO Paidup Capital	253.21	289.77	
◆ Consolidated Earning Per Share (EPS) (Tk.)	12.30	13.66	

245,329,519 UvKv hv weMZ eQti wQj 212,441,944 UvKv | Ges eZgub cArfZ gbrdv `vovq 833,210,973 UvKv | tKvubwU tKvb j f'vsk tNvlbv Ktiwb | DtiL` th, `qvi dvqimDwUK`vj an wjt cUwU 100 UvKv gj` grtbi 1,500,000UwU tkqti i wecixZ 150 wgvj qb UvKv tkqvi gw b wWtcwRU wntmte AwMg cUvb KtiQ | thtnZi tKvubxi tkqvi `wvj Zwj Kvf` bq tmtnZytkqvi `tjvi evRvi `i hvPvB Kiv m`e bq | Z_wc 31-12-2011 ZwiL bxU m`ut` i gj` `vovq 1,990.79 UvKv |

(ছ) স্কার ইনফরমেটিস লিঃ (এসআইএল):

cUwU 100 UvKv gj` grtbi 1,000,000 mvaviY tkqti i wecixZ tkqvi gw b wWtcwRU wntmte 10.00 tKwU UvKv AwMg c`vb Kiv ntqtQ | GB tKvubxi eZgub cwitkwaZ gj ab nt`Q 2,500,000 UvKv | thtnZi tKvubxi tkqvi `wvj Zwj Kvf` bq tmtnZytkqvi `tjvi evRvi `i hvPvB Kiv m`e bq |

(জ) ওরাসকম টেলিকম বাংলাদেশ লিঃ

GmwcGj cUwU 10,000,000 UvKv gj` grtbi 4wU wWkdIW wmbqi etUi gwj K, hvi tguU gj` 40,000,000 UvKv hv Zwj Kvf` bttn |

(৯.২) বিক্রয়যোগ্য শেয়ারে বিনিয়োগ:

GKwU weeiYxtZ 23wU weYbthwM` tkqvimgr hv tbwU-5 G eYBv Kiv ntqtQ Ges K÷ cUtiR BnrtZ webtqvtMi cwigvY 295,615,958 UvKv | 31tk gwP©2011 ZwiL webtqvtMi wecixZ gj` aYx jvf t` Lv hvq 399,421,439 UvKv (kZKiv 135.11 f'wM) |

(১০) আর্থিক ফলাফল:

ceZPeQti i mt`_ Zj bv Kti 2011-2012 mtj i AwL` dj v dj wbtgdc`vc b Kiv ntj v:

It may be observed that the Gross Turnover increased by 19.36% during the year as against 17.30% in the previous year.

The Gross Profit, Operating Profit and Net Profit (BT) increased during FY 2011-12 at 19.41%, 20.71 and 16.52% respectively over the previous year. However, the Cost of Good Sold increased at 19.01% over previous year which helped increase Gross Profit and Operating Profit. The Company, however, did not earn any extra-ordinary income during the year. The Net Profit (AT), however, increased at 14.44% over the year due to provision for Taxes at increased rate (27.17%) over the rate (24.85%) of the previous rate.

The Earning per Share of Tk. 10.94 is based on increased outstanding 264,834,760 shares of Tk. 10 each. However, if the original issued capital at the time of IPO is considered, the EPS would stand at Tk. 289.77 in 2011-2012 as against Tk. 253.21 in 2010-2011.

(11) 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 (2011-2012)		2,897,710,641
(b) Appropriation proposed:		
(i) Cash Dividend @25% (Tk. 2.5 per Share)	662,086,900	
(ii) Issuance of 105,933,904 Bonus Shares (Stock Dividend) @ 40% : Face Value of Bonus Share	1,059,339,040	1,721,425,940
(c) Net unappropriated Profit		Tk. <u>1,176,284,701</u>

(12) DECLARATION OF DIVIDEND:

In the line of proposed appropriation of profit, the Board of Directors proposed and recommended for declaration of Cash Dividend at the rate of 25% for the year 2011-2012. This will involve an amount of Tk. 662,086,900. The Board also recommended for declaration of Stock Dividend (Bonus Shares) @40%. This will need issuance of 105,933,904 Ordinary Shares of Tk. 10 each with appropriation of Tk. 1,059,339,040 out of Retained Earnings (free reserves) to Capital Account.

Avtj vP" eQti j "Kiv hv"Q th, tgvU wepμq epμ tctqtQ kZKiv 19.36 fVM hv MZ eQi wQj kZKiv 17.30 fVM|

tgvU gbvdv, cwi Pj b gbvdv Ges bU gbvdv (AvqKi ceZ) ceZ eQti Zj bvq h_vμtg epμ tctqtQ kZKiv 19.41, 20.71 Ges 16.52 fVM| hv tnvK ceZ eQti Zj bvq wepμZ ctY'i e'q epμ tctqtQ 19.01 fVM hv tgvU gbvdv Ges cwi Pj b gbvdv epμtZ mnvqK fvgKv cvj b KtiQ| Avtj vP" eQti tKvúvbx tKvúv Amvavi Y Avq KtiU U'v- ctfkb ewaZ nti kZKiv 27.17 fVM Kivi ctI tKvúvbx bU gbvdv ceZ eQti Zj bvq epμ tctqtQ kZKiv 14.44 fVM|

cZU 10 UvKv gj "gvtbi 264,834,760U tkqti Dci wfiE Kti tkqvi cZ Avq ntqtQ 10.94 UvKv| Zte AvBicI mgq Bm-KZ gj atbi wepμbvq tkqvi cZ Avq "uovq 2011-2012 mtj 289.77 UvKv hv 2010-2011 mtj wQj 253.21 UvKv|

(১১) মুনাফা বন্টন:

e'emvi macthvi Y I eugLx Kvhftgi Rb" ewntii Znwtj e'q tefo hvlqvi tctvctU cwi Pj bv cl" wbtge Dcvtq gbvdv eU'tbi mpcwik KtiQb:

(১২) লভ্যাংশ ঘোষণা:

gbvdv eU'tbi c'le Abhvqx tKvúvbx cwi Pj bv cl" 2011-2012 Aw_R eQti 10 UvKv gj "gvtbi cZU tkqti wecixZ 25% wntmte bM" j f'vsk tNvYi mpcwik KtiQb hvi Rb" 662,086,900 UvKvi cQvRb nte| G QrovI cwi Pj bv cl" 40% nti tevbv tkqvi tNvYi mpcwik KtiQb| Gi Rb" 105,933,904U mvavib tkqvi Bmj Ges 1,059,339,040 UvKv tkqvi gj atbi mt_ m'ú, Kivi cQvRb nte|

(13) CONSOLIDATION OF ACCOUNTS:

In terms of SEC Regulations, the company has consolidated the Accounts following the codes of International Accounting Standard - 27 & 28 (IAS-27 & 28) reflecting shareholders gross benefits/value of investments.

HUMAN RESOURCES DEVELOPMENT:

In order to improve productivity of human input, the company continuously provide formal and informal training to the employees at every echelon of operation and management. During the year under review 2,647 persons received in-house/in operation/on the job training at home and abroad which will ultimately make great contribution to the company's profitability as well their own remuneration in due course.

ENVIRONMENTAL ROLE:

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

CONTRIBUTION TO NATIONAL EXCHEQUER:

The company contributed an amount of Tk. 3,901,754,041 (including Tk. 85,441,598 as contribution as duty/taxes towards machinery & spare parts imports) to National Exchequer as against Tk. 3,291,310,692 in the previous year. The contribution constitutes 24.30% of the sales revenue (net) in 2011-2012 as against 24.43% in the previous year (2010-2011).

ELECTION OF DIRECTORS:

Mrs. Ratna Patra, Mr. Anjan Chowdhury and Mr. Kazi Iqbal Harun retires as per Article-99 of the Articles of Association of the company and as per Article-100 of the Articles of Association of the company, being eligible, have offered themselves for re-election. Brief resume and other information of the above mentioned directors as per clause 1.5 (xxii) of SEC notification date 3rd July 2012 are depicted in Annexure-III.

APPOINTMENT OF AUDITORS:

M/s. Ahsan Zamir & Co., Chartered Accountants, Auditors of the Company, retire at this Annual General Meeting and being eligible offered themselves for re-appointment as auditors of the company for the year 2012-2013.

(১৩) হিসাবের একত্রীকরণ:

GmBim Gi weagujv I BvUvibvkbjy GKvDwUs óvUvW²⁷ Ges 28 (AvBGGM-27 Ges 28) Gi wbgqvejx Abjny Kti tkqviti nvi viep` i tglU mjeav/wbttqm gj` wbaflY Kiv ntqtQ|

মানব সম্পদ উন্নয়ন:

gybe m`ú` Dbqtbi Rb` tkv`úvbx cÚZwU `#i i wbevix I ktgK KgPvix`i AvbpbwK I AvbpbwK cÚK`Y w`tq hv`Q| G eQi 2,647 Rb t`tk Ges wett`k cÚK`Y tctqtQ| dtj cÚK`Y cÚBiv tkv`úvbxK jvFRBk Ae`vq ivLZ Ae`vb titLqtQ| mvt` mvt` Zvt` i cwii ktgKI ep` tctqtQ|

পরিবেশগত ভূমিকা:

wRGwC/WwDGBPI óvUvW¹¹ I mi Kvi x wbgqvej x Abjnvq tkv`úvbx mteP` tYg³ cwitek eRvq titLqtQ|

জাতীয় কোষাগারে অবদান:

RvZxq tkvLwvvti tkv`úvbx i G eQtii Ae`vb 3,901,754,041 UvKv (hšcwwZ I Lpiv hšysk Avg`vbx i`e 85,441,598 UvKv mn) hv MZ eQi wQj 3,291,310,692 UvKv| GB Ae`vb 2011-2012 mvtj i wemutqi kZKiv 24.30 fwm hv MZ eQi wQj kZKiv 24.43 fwm (2010-2011)|

পরিচালক নির্বাচন:

tkv`úvbx i msNwvxi 99 Abj`Q` Abjnvq wgtmm i Zv cvT, Rbve AAb tPšajx Ges Rbve KvRx BKeyj nvi`b Aemi MhY KtiQtQb Ges Abj`Q` 100 Abjvti Zwi v cjt wbevPZ nI qvi thwM` weavq cjt wbevPZ nI qvi B`Qv tcvl b KtiQtQb| 3iv Rj vB 2012 Zwi tL Gm.B.wm. tbwUwctKkb Gi 1.5 (xxii) Abjnvq Dctii Dttj wLZ cwii Pvj Kej` i mswflB Rxeb eEvš-Ges Ab`vb` Z` mshy³-III tZ ewyZ ntqtQ|

নিরীক্ষক নিয়োগ:

tkv`úvbx i eZgub wbiXJK tgmw[©]AvnmvB Rvvgxi GÚ tkvS, PwUw GKvD`U`vUm&A` mfvq Aemi MhB KtiQtQb Ges thwM` weavq tkv`úvbx i wbiXJK wntmte 2012-2013 A`[©] eQtii KvR Kivi Rb` Bt`Q cKvk KtiQtQb|

CORPORATE GOVERNANCE:

Corporate Governance is the practice of good citizenship, through which the Company is governed by the Board, keeping in view its accountability to the stakeholders and to the society. A statement in pursuance to clause 1.5, report of compliance, audit committee report as per clause 3.5, certificate from professional accountant as per clause 7(i) and a status of compliance as per clause 7(ii) of the SEC Notification No. SEC/CMRRCD/2006-158/129/Admin/43 dated 3rd July, 2012 are depicted/disclosed in the ANNEXURE-I, IV, V, VI and VII respectively.

MANAGEMENT APPRECIATION:

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



Samuel S Chowdhury
Chairman

কর্পোরেট গভর্নেন্স:

Kt̄c̄īu Mf̄t̄b̄ n̄t̄"Q m̄p̄m̄wi K̄t̄z̄ī P̄P̄ h̄vi ḡv̄t̄g c̄wi P̄j̄ b̄v c̄l̄ t̄K̄v̄ú̄v̄b̄xi c̄wi P̄j̄ b̄v K̄t̄īb, t̄k̄q̄vi t̄n̄v̄i v̄i/̄t̄m̄s̄īk̄ó ēv̄ēM̄Ges m̄ḡv̄t̄R̄i c̄Z̄ R̄ev̄ēw̄ w̄n̄Z̄v̄i ̄w̄ó̄f̄w̄z̄ w̄b̄t̄q̄| w̄m̄īK̄D̄w̄i w̄J̄R ḠĒ Ḡ- t̄P̄Ā K̄ūḡk̄b̄ Ḡi t̄b̄w̄Ūk̄ b̄s Ḡm̄B̄w̄m̄ḠḡĀv̄i Āv̄i w̄m̄w̄/2006-158/129/c̄k̄v̄m̄b̄/43 3̄iv R̄j̄ v̄B̄, 2012 Ḡi w̄b̄w̄i t̄L̄ ḠK̄ū w̄ēēi Ȳ 1.5 āv̄i Āb̄j̄m̄t̄i, c̄Z̄c̄j̄ b̄ c̄Z̄t̄ē`b, Āw̄Ū K̄ūḡū c̄Z̄t̄ē`b 3.5 āv̄i Āb̄j̄m̄t̄i, āv̄i 7(1) Āb̄j̄m̄t̄i c̄d̄k̄b̄j̄ ḠK̄v̄D̄b̄t̄ūŪ K̄Z̄R̄ m̄w̄Ūc̄t̄K̄U Ges K̄t̄c̄īu Mf̄t̄b̄ c̄Z̄c̄j̄ b̄ 7(2) Ḡi Āē`v̄ h̄_v̄m̄t̄g m̄sh̄ȳ³- I, IV, V, VI Ges VII Ḡi ḡt̄ā` ēȲw̄/c̄K̄v̄k̄ K̄iv n̄t̄j̄ v̄|

ব্যবস্থাপনা কর্তৃপক্ষের স্বীকৃতি:

c̄wi P̄j̄ b̄v c̄l̄ ē`em̄w̄q̄K̄ K̄v̄h̄t̄g Āv̄š̄w̄i K̄f̄v̄t̄ē Āē`v̄b̄ īv̄L̄i R̄b̄` ē`ē`v̄c̄b̄v̄ K̄ḡR̄Z̄P̄, K̄ḡP̄v̄īx, k̄īḡK̄,t̄μ̄Z̄v̄ m̄ēv̄B̄t̄K̄ Āv̄š̄w̄i K̄ āb̄`ēv̄` Āv̄c̄b̄ K̄t̄īt̄Q̄b̄| Z̄v̄ Q̄v̄ōv̄l̄ ē`v̄s̄K̄, Ḡm̄B̄w̄m̄, w̄w̄Ḡm̄B̄, w̄m̄Ḡm̄B̄, w̄m̄w̄v̄ēḠj̄ Ges w̄ēt̄k̄l̄ f̄v̄t̄ē m̄īK̄v̄īt̄K̄ t̄K̄v̄ú̄v̄b̄xi c̄Z̄w̄Ū K̄v̄h̄t̄g m̄n̄t̄h̄w̄M̄Z̄v̄i R̄b̄` Āv̄š̄w̄i K̄ āb̄`ēv̄` R̄v̄b̄v̄t̄`Q̄b̄| c̄wi P̄j̄ b̄v̄ c̄l̄ Āv̄k̄ K̄t̄ī t̄h, ḠB̄ t̄K̄v̄ú̄v̄b̄x̄ t̄`t̄k̄i m̄x̄ḡv̄b̄v̄ Q̄w̄ōt̄q̄ w̄ēt̄`t̄k̄i ḡw̄Ūt̄Z̄I K̄v̄h̄K̄i f̄ūḡK̄v̄ īv̄L̄t̄ē|



ANNEXURE
to the Directors' Report

ANNEXURE-I

The Directors also report that:

- ❖ Related Party Transactions are depicted in Note no. 46 in the Notes of Account.
- ❖ Remuneration of Directors including Independent Director have been shown in Note no. 28 in the Notes of Account.
- ❖ The Financial Statement of the Company present true and fair view of the Company's state of affairs, result of its operation, cash flows and changes in equity.
- ❖ Proper books of accounts as required by the prevailing 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 IAS/BAS/IFRS/BFRS.
- ❖ The internal control system is sound in design and is effectively implemented and monitored.
- ❖ There is no significant doubt about the company's ability to continue as a going concern.
- ❖ There is no significant deviation from the operating result of the last year.
- ❖ Key operating and financial data of last five years have been presented in summarized form in page no 20.
- ❖ The number of Board Meeting and the Attendance of Directors during the year 2011-2012 were as follows:

Name of Directors	Position	Meeting Held	Attended
Mr. Samuel S. Chowdhury	Chairman	11	11
Mrs. Ratna Patra	Vice Chairman	11	9
Mr. Tapan Chowdhury	Managing Director	11	11
Dr. Kazi Harunar Rashid	Director	11	8
Mr. Anjan Chowdhury	Director	11	11
Mr. Kazi Iqbal Harun	Director	11	11
Mr. K M Saiful Islam	Director	11	11
Mr. M Sekander Ali	Independent Director	11	11

- ❖ The pattern of shareholding as required by clause 1.5(xxi) of the SEC Notification dated 3rd July, 2012, stated in Annexure II.

ANNEXURE-II

Pattern of Shareholding as on 31st March , 2012

Name of the Shareholders	Status	Shares held	%
i. Parent/Subsidiary/Associated Companies and other related parties	-	-	-
ii. Directors:			
Mr. Samuel S Chowdhury	Chairman	18,693,775	7.06
Mrs. Ratna Patra	Vice Chairman	17,927,295	6.77
Mr. Tapan Chowdhury	Managing Director	19,112,535	7.22
Dr. Kazi Harunar Rashid	Director	8,132,040	3.07
Mr. Anjan Chowdhury	Director	19,354,535	7.31
Mr. Kazi Iqbal Harun	Director	8,006,870	3.02
Mr. M Sekendar Ali	Independent Director	-	-
iii. Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and their Spouses and Minor Childrens:			
Mr. Tapan Chowdhury	Chief Executive Officer	19,112,535	7.22
Mr. Md. Kabir Reza	Chief Financial Officer	2,403	0.001
Mr. Khandaker Habibuzzaman	Company Secretary	-	-
Mr. Md. Majibur Rahman Bhuiyan	Head of Internal Audit	4,400	0.002
iv. Executives:			
Mr. Parvez Hashim	Head of Operations	-	-
Mr. M Ashiqul Hoque Chawdhury	Head of Admin & SCM	8,000	0.003
Mr. Muhammadul Haque	Head of Marketing	15,700	0.006
Mr. Mahbubur Rahman	Head of Engineering	1,680	0.001
Mr. Imtiaz Ahmed Khilzi	Head of Quality Ops.	-	-
v. Shareholders Holding 10% or more voting interest in the company:	-	-	-

ANNEXURE-III

Brief Resume of the Directors who seek re-appointed in the ensuing AGM

Mrs. Ratna Patra

Mrs. Ratna Patra is a Director of the Company since 2007 and has been appointed as Vice Chairman in this year of 2012. She is the daughter of late Samson H Chowdhury, Founder Chairman of the Company. She graduated from Dhaka University and has a business experience of more than 10 years in the pharmaceuticals and textiles sector. Mrs. Ratna Patra is a sponsor director of Square Textiles Ltd. (listed company) designated as Vice Chairman. She is also Director in 19 other Private Limited Company namely Square Hospitals Limited, Square Toiletries Limited, Square Consumers Products Ltd., Square Securities Management Ltd. and Maasranga Television under the Square Group.

Mr. Anjan Chowdhury

Mr. Anjan Chowdhury is a Director of the Company since 1991, son of late Samson H Chowdhury, Founder Chairman of the Company. He obtained Bachelor's degree in Business Administration from the University of South Florida, USA and has a rich experience of more than 21 years in the pharmaceuticals, textiles, toiletries, media & communication sector including capital market operations. He has been awarded several times as a highest individual Taxpayer in the Country.

He has been instrumental in the execution of several projects of the Square Group namely Square Toiletries Ltd., Square Consumer Products Ltd. including the Maasranga Television.

Beside holding directorship in Square Group, Mr. Anjan Chowdhury is the Chairman of Industry skill Council (ISC) a US Aid Funded Project, President of Bangladesh Agro Processors Association, Vice-President of Bangladesh Cosmetics & Toiletries Manufacturers Association, EC Member of Metropolitan Chamber of Commerce & Industry and Director of Mutual Trust Bank Limited. He is also a member of the Audit Committee of the Company and Square Textiles Limited.

Mr. Kazi Iqbal Harun

Mr. Kazi Iqbal Harun is a Director of the Company since 1991, son of Dr. Kazi Harunar Rashid, one of the Founder/Sponsor Director of the Company. He obtained Master's degree in Applied Chemistry from the Rajshahi University, Bangladesh and has an experience of more than 21 years in the pharmaceuticals and textiles sector. Mr. Harun is a sponsor shareholder of Square Textiles Ltd. (listed company) and he is a Director in Square Toiletries Limited, a private limited company under the Square Group. He is also a member of the Audit Committee of the Company.

ANNEXURE-IV

Compliance of Notification No. SEC/CMRRCD/2006-158/129/Admin/43 dated 3rd July 2012.

1. Board of Directors:

1.1 Board Size:

The number of members of the Board of Directors as on 31st March, 2012 stands at 6 (excluding Independent Director) which is within the limits given by SEC.

1.2 Independent Director:

- (i) In terms of the provision under this sub-clause the Board of Directors has nominated Mr. M. Sekander Ali, B.Com (Hons), Dhaka University (1960), MBA (IBA), Karachi University (1962), having Capital Market Training in USA (1968-69), Former (retired) Managing Directors of Investment Corporation of Bangladesh, erstwhile Bangladesh Shilpa Bank & Bangladesh Shilpa Rin Shangstha (now Bangladesh Development Bank Ltd.), and Former Senior Advisor, SEC (1997-98), as the Independent Director (non shareholding).
- (ii) The Independent Director, nominated by the Board of Directors meets all the requirement as prescribed under the sub-clause (ii) of the SEC Notification under reference.
- (iii) In terms of provision of sub-clause (iii) of the Notification under reference the shareholders in the Annual General Meeting (AGM) are required to approve the appointment of Mr. M. Sekander Ali as Independent Director.
- (iv) The post of Independent Director shall not be kept vacant for more than 90 days.
- (v) The Board of Directors have laid down a Code of Conduct for all members of the Board as follows:
 - (1) They shall maintain honesty and integrity in all affairs.
 - (2) They shall abide by all laws and regulation of the Country.
 - (3) They shall disclose all matters of conflicts of interest.
 - (4) They shall not pursue any business which is competitive to the Company.
 - (5) They shall not engage in insider trading.
 - (6) They shall vacate office if they are convicted by any court of law or become defaulter to any financial institution or become bankrupt.
 - (7) They shall not violate any regulation of SEC/DSE/CSE.
 - (8) They shall not interfere in any functions of the officials.
 - (9) They should become and imbibe 'Green' to others.
 - (10) They shall strive for CSR attainment.
- (vi) As per sub-clause (vi) of the Notification, the tenure of office of the Independent Director as nominated above shall be 3 (three) years which may be extended for 1 (one) term only.

1.3 Qualifications of Independent Director (ID)

- (i) The Independent Director nominated by the Board of Directors is a highly qualified and knowledgeable person. He is able to ensure Compliance with financial regulatory and corporate laws and can make meaningful contribution to business.
- (ii) The recommended ID was CEO of public sector Investment/Development Banks for more than 15 years and senior advisor of SEC for one year.
- (iii) No relaxation of qualification of the ID is required.

1.4 Chairman of the Board and Chief Executive Officer:

The position of the Chairman of the Board and the Chief Executive Officer stand separated. The roles of the Chairman and CEO/Managing Director are clearly defined in the Articles of Association of the Company.

1.5 Directors Report to Shareholders:

All the requirement have been fulfilled.

2. Chief Financial Officer (CFO), Head of Internal Audit (HIA) and Company Secretary (CS).

Three separate persons, each of different specialized discipline, have been appointed. Their role have been defined by the Board. The CFO/CS regularly attend the Board meeting.

3. Audit Committee:

The Audit Committee, as a Sub-Committee of the Board, have been constituted with the Independent Director as Chairman and two other Directors. The Company Secretary acts as Secretary to the Committee. Role of the Audit Committee as per provision of the SEC regulation, have been duly adopted by the Board. Their Reports are being submitted as per SEC requirements.

4. External Statutory Auditors:

The SEC guidelines are being strictly followed in engaging statutory Auditors.

5. Subsidiary Company:

The SEC regulation relating to the constitution of the Board of Directors of the subsidiaries have been implemented and their duties are being carried out.

6. Duties of CEO & CFO:

The provision of SEC regulations are being complied with on regular basis.

7. Reporting and Compliance of Corporate Governance:

Requirements on the above are being complied with.

ANNEXURE-V

AUDIT COMMITTEE REPORT

For the Year 2011-2012

The Audit Committee consists of the following members:

Mr. M Sekander Ali, Independent Director	- Chairman
Mr. Anjan Chowdhury, Director	- 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 overseen and reviewed the integrity of the financial reporting process of the Company namely quarterly, half yearly and annual financial statement and recommended to the Board for consideration. The Committee also reviewed, approved and monitored 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

Date: 10th July, 2012

ANNEXURE-VI

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE GUIDELINES.

To the Members of Square Pharmaceuticals Ltd.

This is to certify that Square Pharmaceuticals Ltd. has complied with the conditions of Corporate Governance Guidelines imposed by the Securities and Exchange Commission vide their Notification No. SEC/CMRRCD/2006-158/129/ Admin/43 dated 3rd July 2012.

Dated: 31st July, 2012
Dhaka



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

ANNEXURE-VII

Status of compliance with the conditions imposed by the Securities and Exchange Commission's notification No. SEC/CMRCD/2006-158/229/Admin/43: dated 3rd July, 2012

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.1	Board's Size: The number of the board members shall not be less than 5 (five) and more than 20 (twenty)	✓		
1.2	Independent Directors:			
1.2 (i)	One fifth (1/5) of the total number of directors	✓		
1.2 (ii) a)	Does not hold any share or holds less than 1% shares of the total paid-up shares.	✓		
1.2 (ii) b)	Not connected with any sponsor/director/shareholder who holds 1% or more shares of the total paid-up shares on the basis of family relationship.	✓		
1.2 (ii) c)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	✓		
1.2 (ii) d)	Not a member, director or officer of any stock exchange	✓		
1.2 (ii) e)	Not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market	✓		
1.2 (ii) f)	Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any statutory audit firm.	✓		
1.2 (ii) g)	Not be an independent director in more than 3 (three) listed companies;	✓		
1.2 (ii) h)	Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a NBF	✓		
1.2 (ii) i)	Not been convicted for a criminal offence involving moral turpitude	✓		
1.2 (iii)	Nominated by the board of directors and approved by the shareholders in the AGM	✓		
1.2 (iv)	Not remain vacant for more than 90 (ninety) days.	✓		
1.2 (v)	Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.2 (vi)	Tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	✓		
1.3	Qualification of Independent Director (ID)			
1.3 (i)	Knowledge of Independent Directors	✓		
1.3 (ii)	Background of Independent Directors	✓		
1.3 (iii)	Special cases for qualifications			N/A
1.4	Individual Chairman of the Board and CEO	✓		
1.5	The Directors' Report to Shareholders :			
1.5 (i)	Industry outlook and possible future developments in the industry	✓		
1.5 (ii)	Segment-wise or product-wise performance	✓		
1.5 (iii)	Risks and concerns	✓		
1.5 (iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	✓		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	✓		
1.5 (vi)	Basis for related party transactions	✓		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others	✓		
1.5 (viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing.			N/A
1.5 (ix)	Explanation about significant variance occurs between Quarterly Financial performance and Annual Financial Statements			N/A
1.5 (x)	Remuneration to directors including independent directors	✓		
1.5 (xi)	Fairness of Financial Statement	✓		
1.5 (xii)	Maintenance of proper books of accounts	✓		
1.5 (xiii)	Adoption of appropriate accounting policies and estimates	✓		
1.5 (xiv)	Followed IAS, BAS, IFRS and BFRS in preparation of financial statements	✓		
1.5 (xv)	Soundness of internal control system	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.5 (xvi)	Ability to continue as a going concern	✓		
1.5 (xvii)	Significant deviations from the last year's	✓		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years	✓		
1.5 (xix)	Reasons for not declared dividend			N/A
1.5 (xx)	Number of board meetings held during the year and attendance	✓		
1.5 (xxi)	Pattern of shareholding:			
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties	✓		
1.5 (xxi) b)	Directors,CEO,CS,CFO,HIA and their spouses and minor children	✓		
1.5 (xxi) c)	Executives	✓		
1.5 (xxi) d)	10% or more voting interest	✓		
1.5 (xxii)	Appointment/re-appointment of director:			
1.5 (xxii) a)	Resume of the director	✓		
1.5 (xxii) b)	Expertise in specific functional areas	✓		
1.5 (xxii) c)	Holding of directorship and membership of committees of the board other than this company.	✓		
2.1	Appointment of CFO, HIA and CS:			
2.2	Attendance of CFO and CS at the meeting of the Board of Directors.	✓		
3	Audit Committee :			
3 (i)	Constitution of Audit Committee	✓		
3 (ii)	Assistance of the Audit Committee to Board of Directors	✓		
3 (iii)	Responsibility of the Audit Committee	✓		
3.1	Constitution of the Audit Committee:			
3.1 (i)	At least 3 (three) members	✓		
3.1 (ii)	Appointment of members of the Audit Committee	✓		
3.1 (iii)	Qualification of Audit Committee members	✓		
3.1 (iv)	Term of Service of Audit Committee members	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
3.1 (v)	Secretary of the Audit Committee	✓		
3.1 (vi)	Quorum of the Audit Committee	✓		
3.2	Chairman of the Audit Committee			
3.2 (i)	Board of Directors shall select the Chairman.	✓		
3.2 (ii)	Chairman of the audit committee shall remain present in the AGM.	✓		
3.3	Role of Audit Committee			
3.3 (i)	Oversee the financial reporting process	✓		
3.3 (ii)	Monitor choice of accounting policies and principles	✓		
3.3 (iii)	Monitor Internal Control Risk management process	✓		
3.3 (iv)	Oversee hiring and performance of external auditors	✓		
3.3 (v)	Review the annual financial statements before submission to the board for approval	✓		
3.3 (vi)	Review the quarterly and half yearly financial statements before submission to the board for approval	✓		
3.3 (vii)	Review the adequacy of internal audit function	✓		
3.3 (viii)	Review statement of significant related party transactions	✓		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors	✓		
3.3 (x)	Disclosure about the uses/applications of funds raised by IPO/RPO/Right issue	✓		
3.4	Reporting of the Audit Committee:			
3.4.1	Reporting to the Board of Directors:			
3.4.1 (i)	Activities of Audit Committee	✓		
3.4.1 (ii) a)	Conflicts of interests	✓		
3.4.1 (ii) b)	Material defect in the internal control system	✓		
3.4.1 (ii) c)	Infringement of laws, rules and regulations	✓		
3.4.1 (ii) d)	Any other matter	✓		
3.4.2	Reporting to the Authorities	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
3.5	Reporting to the Shareholders and General Investors	✓		
4	Engagement of External/Statutory Auditors:			
4 (i)	Appraisal or valuation services or Fairness opinions	✓		
4 (ii)	Financial information systems design and implementation	✓		
4 (iii)	Book-keeping	✓		
4 (iv)	Broker-dealer services	✓		
4 (v)	Actuarial services	✓		
4 (vi)	Internal audit services	✓		
4 (vii)	Services that the Audit Committee determines	✓		
4 (viii)	Audit firms shall not hold any share of the company they audit.	✓		
5	Subsidiary Company :			
5 (i)	Composition of the Board of Directors		✓	Under Process
5 (ii)	At least 1 (one) independent director to the subsidiary company		✓	Under Process
5 (iii)	Submission of Minutes to the holding company		✓	Under Process
5 (iv)	Review of Minutes by the holding company		✓	Under Process
5 (v)	Review of Financial Statement by the holding company		✓	Under Process
6.	Duties of Chief Executive Officer and Chief Financial Officer:			
6 (i) a)	Reviewed the materially untrue of the financial statement	✓		
6 (i) b)	Reviewed about compliance of the accounting standard	✓		
6 (ii)	Reviewed about fraudulent, illegal or violation of the company's code of conduct	✓		
7.	Reporting and Compliance of Corporate Governance:			
7 (i)	Obtain certificate about compliance of conditions of Corporate Governance Guidelines	✓		
7 (ii)	Annexure attached in the directors' report	✓		



Financial Report



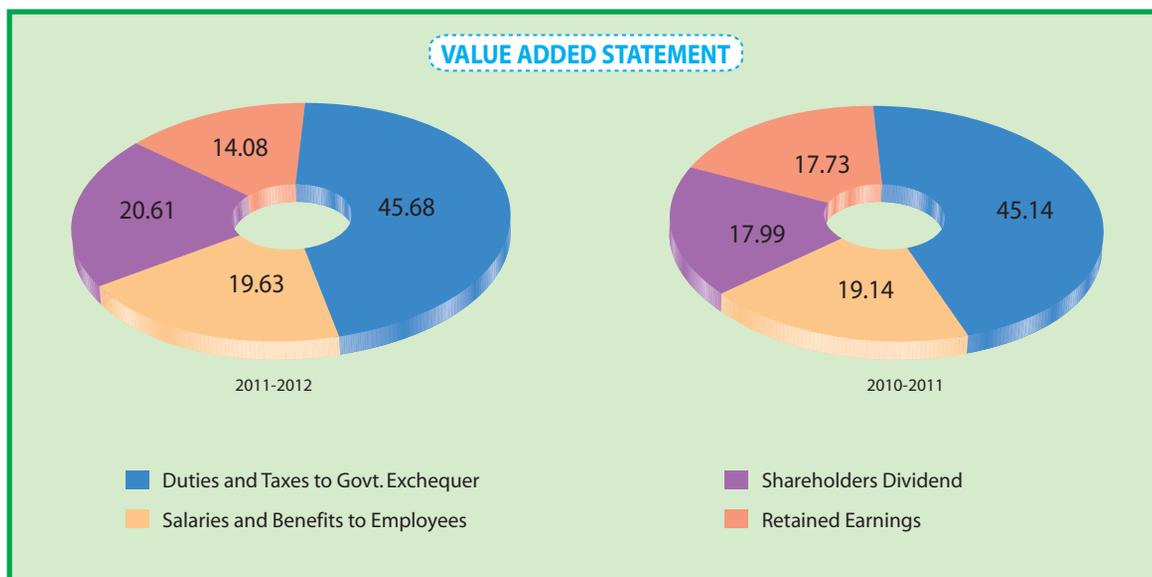
SQUARE PHARMACEUTICALS LTD.

VALUE ADDED STATEMENT

For the Year Ended 31 March 2012

(Figures in thousand Taka)

Value Added:	2011-2012		2010-2011	
	Amount	%	Amount	%
Turnover & Other Income	19,449,595		16,410,372	
Less: Bought in Materials & Services	11,096,073		9,320,937	
	8,353,522	100.00	7,089,435	100.00
Applications:				
Duties and Taxes to Govt. Exchequer	3,816,312	45.68	3,200,174	45.14
Salaries and Benefits to Employees	1,639,499	19.63	1,357,206	19.14
Shareholders Dividend	1,721,426	20.61	1,275,130	17.99
Retained Earnings	1,176,285	14.08	1,256,925	17.73
	8,353,522	100.00	7,089,435	100.00



AUDITORS' REPORT

TO THE SHAREHOLDERS

We have audited the accompanying financial statements of Square Pharmaceuticals Limited, which comprises the Statement of Financial Position as at 31 March 2012, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then 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 including consolidated 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, 2012 and of the results of its operations and its Statement of cash flow for the year 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 and its subsidiary so far as it appeared from our examination of those books;
- (iii) The company's Statement of Financial Position, Statement of Comprehensive Income 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
28 July, 2012



Ahsan Zamir, FCA
Ahsan Zamir & Co.
Chartered Accountants

SQUARE PHARMACEUTICALS LTD.
STATEMENT OF FINANCIAL POSITION

As At 31 March 2012

		31-03-2012	31-03-2011
		Taka	Taka
ASSETS:			
	Notes		
Non-Current Assets:			
Property, Plant and Equipment-Carrying Value	2	14,708,277,754	12,422,195,814
Capital Work-in-Progress	3	8,767,827,062	6,981,559,781
Investment - Long Term (at Cost)	4	1,274,390,572	887,584,197
Investment in Marketable Securities (Fair Value)	5	3,971,022,723	4,031,751,281
		695,037,397	521,300,555
Current Assets:			
Inventories	6	6,745,507,008	7,022,213,840
Trade Debtors	7	2,687,818,472	2,541,688,329
Advances, Deposits and Prepayments	8	808,311,714	772,421,345
Short Term Loan	9	577,156,445	523,991,079
Cash and Cash Equivalents	10	2,085,300,110	2,813,811,332
		586,920,267	370,301,755
TOTAL ASSETS		21,453,784,762	19,444,409,654
SHAREHOLDERS' EQUITY AND LIABILITIES:			
Shareholders' Equity:			
Share Capital	11	16,266,884,255	13,817,708,990
Share Premium	12	2,648,347,600	1,961,739,000
General Reserve		2,035,465,000	2,035,465,000
Tax Holiday Reserve	13	105,878,200	105,878,200
Gain on Marketable Securities (Unrealized)	5	-	1,101,935,237
Retained Earnings		399,421,439	259,435,115
		11,077,772,016	8,353,256,438
Non-Current Liabilities:			
Long Term Loans - Secured	14	933,965,662	958,511,238
Deferred Tax Liability	15	508,778,060	655,645,734
		425,187,602	302,865,504
Current Liabilities:			
Short Term Bank Loans	16	4,252,934,845	4,668,189,426
Long Term Loans - Current Portion	17	2,016,551,125	2,627,483,864
Trade Creditors	18	477,141,480	478,199,933
Liabilities for Expenses	19	875,431,555	733,369,218
Liabilities for Other Finance	20	95,361,435	79,499,584
		788,449,250	749,636,827
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		21,453,784,762	19,444,409,654

Attached notes form part of these Financial Statements.

As per our annexed report of even date.


 Samuel S Chowdhury
 Chairman


 Tapan Chowdhury
 Managing Director


 Khandaker Habibuzzaman
 Company Secretary


 Ahsan Zamir, FCA
 Ahsan Zamir & Co.
 Chartered Accountants

Dated, Dhaka: 28 July, 2012

SQUARE PHARMACEUTICALS LTD.
STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 March 2012

		2011-2012 Taka	2010-2011 Taka
	Notes		
GROSS TURNOVER	22	18,592,856,236	15,576,487,536
Less: Value Added Tax		2,538,430,993	2,105,063,067
NET TURNOVER		16,054,425,243	13,471,424,469
COST OF GOODS SOLD	23	(9,167,253,620)	(7,703,661,010)
GROSS PROFIT		6,887,171,623	5,767,763,459
Operating Expenses:		(3,566,024,910)	(3,016,158,062)
Selling and Distribution Expenses	27	(2,430,466,795)	(2,121,163,004)
Administrative Expenses	28	(701,977,079)	(626,145,987)
Financial Expenses	29	(433,581,036)	(268,849,071)
PROFIT FROM OPERATIONS		3,321,146,713	2,751,605,397
Other Income	30	856,739,329	833,884,528
PROFIT BEFORE WPPF		4,177,886,042	3,585,489,925
Allocation for WPPF	31	(198,946,954)	(170,737,615)
PROFIT BEFORE TAX		3,978,939,088	3,414,752,310
Provision for Income Tax	32	(958,906,349)	(805,575,198)
Provision for Deferred Income Tax	15	(122,322,098)	(77,122,562)
PROFIT AFTER TAX FOR THE YEAR		2,897,710,641	2,532,054,550
Other Comprehensive Income:			
Gain on Marketable Securities (Unrealized)	5	139,986,324	92,483,089
Total Comprehensive Income for the Year		3,037,696,965	2,624,537,639
Earnings Per Share (EPS)	33	10.94	9.56
Number of Shares used to compute EPS		264,834,760	264,834,760

Attached notes form part of these Financial Statements.

As per our annexed report of even date.


 Samuel S Chowdhury
 Chairman


 Tapan Chowdhury
 Managing Director


 Khandaker Habibuzzaman
 Company Secretary


 Ahsan Zamir, FCA
 Ahsan Zamir & Co.
 Chartered Accountants

Dated, Dhaka: 28 July, 2012

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

For the Year Ended 31 March 2012

	Share Capital Taka	Share Premium Taka	General Reserve Taka	Tax Holiday Reserve Taka	Gain on Marketable Securities (Unrealized) Taka	Retained Earnings Taka	Total Taka
At 31 March 2011	1,961,739,000	2,035,465,000	105,878,200	1,101,935,237	259,435,115	8,353,256,438	13,817,708,990
Total Comprehensive Income (2011-2012)	-	-	-	-	139,986,324	2,897,710,641	3,037,696,965
Transfer to Retained Earnings	-	-	-	(1,101,935,237)	-	1,101,935,237	-
Cash Dividend (2010-2011)	-	-	-	-	-	(588,521,700)	(588,521,700)
Stock Dividend (2010-2011)	686,608,600	-	-	-	-	(686,608,600)	-
At 31 March 2012	2,648,347,600	2,035,465,000	105,878,200	-	399,421,439	11,077,772,016	16,266,884,255

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

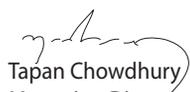
For the Year Ended 31 March 2011

	Share Capital Taka	Share Premium Taka	General Reserve Taka	Tax Holiday Reserve Taka	Gain on Marketable Securities (Unrealized) Taka	Retained Earnings Taka	Total Taka
At 31 March 2010	1,509,030,000	2,035,465,000	105,878,200	1,101,935,237	166,952,026	6,802,071,388	11,721,331,851
Total Comprehensive Income (2010-2011)	-	-	-	-	92,483,089	2,532,054,550	2,624,537,639
Cash Dividend (2009-2010)	-	-	-	-	-	(528,160,500)	(528,160,500)
Stock Dividend (2009-2010)	452,709,000	-	-	-	-	(452,709,000)	-
At 31 March 2011	1,961,739,000	2,035,465,000	105,878,200	1,101,935,237	259,435,115	8,353,256,438	13,817,708,990

As per our annexed report of even date.



Samuel S Chowdhury
Chairman



Tapan Chowdhury
Managing Director



Khandaker Habibuzzaman
Company Secretary



Ahsan Zamir, FCA
Ahsan Zamir & Co.
Chartered Accountants

Dated, Dhaka: 28 July, 2012

SQUARE PHARMACEUTICALS LTD.

STATEMENT OF CASH FLOWS

For the Year Ended 31 March 2012

Cash Flows From Operating Activities:

RECEIPTS:

Collection from Sales
Others

PAYMENTS:

Purchase of Raw and Packing Materials
Manufacturing and Operating Expenses
Value Added Tax
Bank Interest
Income Tax
Workers Profit Participation Fund
Others

Net cash provided by operating activities

Cash Flows From Investing Activities:

Purchase of Fixed Assets
Disposal of Fixed Assets
Investment in Square Formulations Ltd.
Investment in Central Depository Bangladesh Ltd.
Investment in Orascom Telecom Bangladesh Ltd.
Investment in Marketable Securities
Loan to Sister Concerns
Capital Work-in-Progress
Sale of Marketable Securities
Interest Received
Dividend Received

Net cash used in investing activities

Cash Flows From Financing Activities:

Long Term Loan Received
Long Term Loan Repaid
Short Term Bank Loan Increase/(Decrease)
Dividend Paid

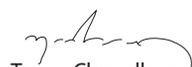
Net cash (used)/provided in financing activities

Increase in Cash and Cash Equivalents
Cash and Cash Equivalents at the Opening
Cash and Cash Equivalents at the Closing

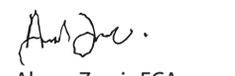
	2011-2012 Taka	2010-2011 Taka
RECEIPTS:		
Collection from Sales	18,579,768,546	15,264,808,445
Others	502,928,943	459,857,859
	19,082,697,489	15,724,666,304
PAYMENTS:		
Purchase of Raw and Packing Materials	6,951,917,263	5,972,234,287
Manufacturing and Operating Expenses	4,385,178,403	3,593,791,950
Value Added Tax	2,538,430,993	2,105,063,067
Bank Interest	433,581,036	268,849,071
Income Tax	923,732,161	802,383,301
Workers Profit Participation Fund	204,846,890	88,284,100
Others	-	10,673,726
	15,437,686,746	12,841,279,502
Net cash provided by operating activities	3,645,010,743	2,883,386,802
Cash Flows From Investing Activities:		
Purchase of Fixed Assets	(2,904,446,492)	(2,228,959,849)
Disposal of Fixed Assets	112,246,104	17,536,162
Investment in Square Formulations Ltd.	(901,392)	-
Investment in Central Depository Bangladesh Ltd.	28,472,150	(34,166,580)
Investment in Orascom Telecom Bangladesh Ltd.	10,000,000	(10,000,000)
Investment in Marketable Securities	(10,592,718)	(49,013,434)
Loan to Sister Concerns	728,511,222	(1,593,074,391)
Capital Work-in-Progress	(386,806,375)	(253,237,104)
Sale of Marketable Securities	-	125,126,871
Interest Received	252,604,901	171,776,894
Dividend Received	89,900,935	80,196,827
Net cash used in investing activities	(2,081,011,665)	(3,773,814,604)
Cash Flows From Financing Activities:		
Long Term Loan Received	419,919,621	114,435,352
Long Term Loan Repaid	(567,845,748)	(475,313,006)
Short Term Bank Loan Increase/(Decrease)	(610,932,739)	1,891,040,016
Dividend Paid	(588,521,700)	(528,160,500)
Net cash (used)/provided in financing activities	(1,347,380,566)	1,002,001,862
Increase in Cash and Cash Equivalents	216,618,512	111,574,060
Cash and Cash Equivalents at the Opening	370,301,755	258,727,695
Cash and Cash Equivalents at the Closing	586,920,267	370,301,755

As per our annexed report of even date.


Samuel S Chowdhury
Chairman


Tapan Chowdhury
Managing Director


Khandaker Habibuzzaman
Company Secretary


Ahsan Zamir, FCA
Ahsan Zamir & Co.
Chartered Accountants

Dated, Dhaka: 28 July, 2012

SQUARE PHARMACEUTICALS LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2012

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.

(iv) Square Formulations Ltd.:

The company was incorporated on November 21, 2011 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
Square Formulations Ltd. : Mirzapur, Tangail, 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.

(iv) Square Formulations Ltd.:

The company will produce and sell pharmaceuticals drugs and medicines.

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 - 32	Presentation of Financial Instruments
BAS - 33	Earnings Per Share
BAS - 37	Provisions, Contingent Liabilities and Contingent Assets
BAS - 38	Intangible Assets
BAS - 39	Financial Instruments: Recognition and Measurement
BFRS - 7	Financial Instruments: Disclosure

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 and 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) and Square Multi Fabrics Ltd. have 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	SMFL
Factory Building and Other Construction	10%	10%	5%
Plant & Machinery	15%	15%	15%
Laboratory & Office Equipment	10%	10%	15%
Furniture & Fixture	10%	10%	15%
Motor Vehicle	20%	20%	20%
Electrical Installation	15%	15%	15%
Books & Periodicals	30%	-	-
Electro Mechanical Equipment	-	15%	-
Computer	10%	10%	15%

Uniform depreciation method could not be followed for preparation of consolidated financial statements because of 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

Raw Materials, Packing Materials and Work-in-Process
Finished Goods
Spare & Accessories
Goods-in-Transit

Basis of Valuation

Weighted Average Cost
At lower of cost or net estimated realizable value
Weighted Average Cost
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:

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.

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 Companies:

- * Sales of locally manufactured Pharmaceuticals Drugs and Medicines.
- * Sales of Fabrics (Deemed Export).

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. Conversion Rate USD 1 = BDT 81.75

1.15 Cash Flow Statement:

Cash flow statement is prepared in accordance with BAS-7 under direct method and 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 2011-2012 were treated as if they had been in issue in previous years also. Hence, in computing the Earnings Per Share (EPS) of 2011-2012, the total number of shares including the said bonus shares has been considered as the Weighted Average Number of Shares Outstanding during the year 2010-2011.

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%
Square Formulations 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 2012	Audited Balance Sheet
Square Biotechs Ltd.	31, March 2012	Audited Balance Sheet
Square Multi Fabrics Ltd.	31, March 2012	Audited Balance Sheet
Square Formulations Ltd.	31, March 2012	Audited Balance Sheet

1.19 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.

1.20 Concentration of Counterparty Risk:

As of 31st March 2012, 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.

1.21 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 relating to prior years; and
- changes in accounting policies.

1.22 Cash and Cash Equivalent:

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

1.23 Segment Reporting:

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

1.24 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.

1.25 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 at the date of Statement of Financial Position.

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.

1.26 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.

1.27 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.

	31-03-12	31-03-11
2. PROPERTY, PLANT AND EQUIPMENT: Tk. 8,767,827,062		
Details of Property, Plant and Equipment and Depreciation as at 31 March, 2012 are shown in the annexed Schedule - 01. This is arrived at as follows:		
Opening Balance (At Cost)	11,942,480,580	9,749,012,308
Add: Net Addition during the Year	2,481,055,332	2,193,468,272
Closing Balance (At Cost)	14,423,535,912	11,942,480,580
Less: Accumulated Depreciation	5,655,708,850	4,960,920,799
Carrying Value	Tk. 8,767,827,062	6,981,559,781

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

	2011-2012	2010-2011
Factory Overhead	820,532,316	662,949,732
Selling and Distribution Expenses	99,077,497	81,215,000
Administrative Expenses	98,589,003	124,299,761
	Tk. 1,018,198,816	868,464,493

3. CAPITAL WORK-IN-PROGRESS: Tk. 1,274,390,572

This represents expenditure incurred for the Units of Square Pharmaceuticals Limited at Kaliakoir, Gazipur. The break-up of the above amount are given below:

	31-03-12	31-03-11
Land & Land Development	57,772,626	48,396,918
Building/Civil Work	1,202,177,527	729,264,056
Plant & Machinery	14,440,419	95,059,717
Other Assets	-	14,863,506
Tk.	1,274,390,572	887,584,197

4. INVESTMENT-Long Term (at Cost): Tk. 3,971,022,723

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) 995,000 Ordinary Shares of Tk. 100/- each in Square Multi Fabrics Ltd.	99,500,000	99,500,000
(e) Advance against Share Money with Square Multi Fabrics Ltd. for 1,500,000 Shares of Tk. 100/- each	150,000,000	150,000,000
(f) 5,000 Ordinary Shares of Tk. 100/- each in Square Formulations Ltd.	500,000	-
(g) Advance against Share Money with Square Formulations Ltd.	401,392	-

Associates & Others:

(a) 44,642,804 Ordinary Shares of Tk. 10/- each including Bonus Shares in Square Textiles Ltd.	180,976,901	180,976,901
(b) 120,000 Ordinary Shares of Tk. 100/- each United Hospital Ltd.	12,000,000	12,000,000
(c) 2,700,780 Ordinary Shares of Tk. 10/- each in National Housing Finance and Investment Ltd.:	-	23,157,800
(d) 5,711,804 Ordinary Shares of Tk. 10/- each including Bonus Share in Central Depository Bangladesh Ltd.	15,694,430	44,166,580
(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	300,000,000
(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	150,000,000
(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	50,000,000
Tk.	3,971,022,723	4,031,751,281

* 2,700,780 Ordinary Shares of Tk. 10/- each in National Housing Finance and Investment Ltd. have transferred to investment in Marketable Securities after expiry of lock in period.

5. INVESTMENT IN MARKETABLE SECURITIES (Fair Value): Tk. 695,037,397

SL. No	Name of Company Mutual Fund/Bond	No. of Shares Held	Face Value per Share	Cost Holding	Average Cost	Quoted Rate per Share as on 31-03-12	Total Market Value of Shares as on 31-03-12	Unrealised Gain/(Loss)
1	1st ICB Mutual Fund	6,050	10	4,700,114	776.88	914.00	5,529,700	829,586
2	2nd ICB Mutual Fund	6,600	10	1,925,234	291.70	281.00	1,854,600	(70,634)
3	3rd ICB Mutual Fund	17,250	10	3,072,523	178.12	164.90	2,844,525	(227,998)
4	4th ICB Mutual Fund	21,700	10	3,935,185	181.34	189.00	4,101,300	166,115
5	5th ICB Mutual Fund	50,600	10	8,771,343	173.35	135.00	6,831,000	(1,940,343)
6	6th ICB Mutual Fund	61,700	10	4,389,058	71.14	45.10	2,782,670	(1,606,388)
7	7th ICB Mutual Fund	77,500	10	7,671,229	98.98	86.70	6,719,250	(951,979)
8	8th ICB Mutual Fund	82,500	10	6,226,186	75.47	55.40	4,570,500	(1,655,686)
9	BATA Shoe Ltd.	700	10	202,891	289.84	527.50	369,250	166,359
10	BATBC Ltd.	3,000	10	594,181	198.06	584.70	1,754,100	1,159,919
11	IBBL MP Bond	143,330	1,000	133,574,294	931.94	1,018.75	146,017,437	12,443,143
12	Islami Bank Ltd.	78,300	10	2,877,463	36.75	55.50	4,345,650	1,468,187
13	Padma Oil Ltd.	400	10	91,069	227.67	733.20	293,280	202,211
14	Shahjalal Islami Bank Ltd.	32,500	10	427,870	13.17	30.80	1,001,000	573,130
15	Titas Gas TDCL	298,000	10	24,236,219	81.33	77.40	23,065,200	(1,171,019)
16	Uttara Bank Ltd.	14,400	10	929,257	64.53	60.70	874,080	(55,177)
17	Meghna Petroleum Ltd.	37,674	10	6,619,248	175.70	161.20	6,073,049	(546,199)
18	Usmania Glass Ltd.	37,320	10	5,530,662	148.20	112.00	4,179,840	(1,350,822)
19	EXIM Bank Ltd.	6,750	10	246,738	36.55	22.90	154,575	(92,163)
20	ACI Ltd.	15,700	10	3,189,553	203.16	217.70	3,417,890	228,337
21	Pioneer Insurance Co. Ltd.	2,718,750	10	35,250,000	12.97	84.50	229,734,375	194,484,375
22	National Housing Finance	2,700,780	10	23,157,800	8.57	81.40	219,843,492	196,685,692
23	ACI 20% Convertible Zero Coupon Bond	24,042	1,000	17,997,841	748.60	777.00	18,680,634	682,793
	Total Tk.			295,615,958			695,037,397	399,421,439

The above Investment in Marketable Securities that are designated as available for sale by the management. These are measured at fair value and presented as non-current asset and unrealized gain/(loss) from the above investment are recognized as other comprehensive income.

Gain/(Loss) On Marketable Securities (Unrealized):

	2011-2012	2010-2011
Unrealized Gain/(Loss) Position (Closing)	399,421,439	259,435,115
Unrealized Gain/(Loss) Position (Opening)	259,435,115	166,952,026
Gain on Marketable Securities during the year	Tk. 139,986,324	92,483,089

6. INVENTORIES: Tk. 2,687,818,472

The break-up is as under:

Raw Materials	877,288,969	825,289,196
Packing Materials	296,515,568	264,380,917
Work-in-Process	171,084,826	162,243,925
Finished Goods	710,800,446	653,544,141
Spares & Accessories	212,521,695	167,506,369
Goods-in-Transit	419,606,968	468,723,781
Tk.	2,687,818,472	2,541,688,329

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

7. TRADE DEBTORS: Tk. 808,311,714

(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	317,174,045	239,122,710
Within 31-60 days	188,262,890	78,672,302
Within 61-90 days	94,301,441	49,905,875
Above 90 days	208,573,338	404,720,458
Tk.	808,311,714	772,421,345

(ii) Debtors include Tk. 98,568,421 due from export sales of which Tk. 62,347,054 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.

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

	31-03-12	31-03-11
8. ADVANCES, DEPOSITS & PREPAYMENTS (Considered Good): Tk. 577,156,445		
This consists of as follows:		
Advances:	388,878,984	293,512,530
Employees	16,231,507	18,060,218
Motor Cycle Loan - Employees	3,505,229	3,547,088
Suppliers	369,142,248	271,905,224
Deposits:	169,452,699	210,797,441
L.C Margin	10,479,953	24,886,459
Value Added Tax	116,114,142	138,916,821
Earnest Money & Security Deposit	28,925,835	28,972,454
Lease Deposit	1,381,000	2,295,540
Others	12,551,769	15,726,167
Prepayments:	18,824,762	19,681,108
Office Rent	4,331,837	3,543,712
Insurance Premium	14,492,925	16,137,396
Tk.	577,156,445	523,991,079

- (a) Employees advances of Tk. 16,231,507 includes advance to officers Tk. 15,353,689.
- (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.

9. SHORT TERM LOAN (Unsecured): Tk. 2,085,300,110

This consists of as follows:

(a) Square Textiles Ltd.	282,963,645	540,790,520
(b) Square Knit Fabrics Ltd.	-	53,814,124
(c) Square Fashions Ltd.	209,146,494	968,133,272
(d) Square Hospitals Ltd.	1,075,521,388	767,910,176
(e) Square InformatiX Ltd.	149,641,795	174,193,808
(f) Square Multi Fabrics Ltd.	368,026,788	308,969,432
Tk.	2,085,300,110	2,813,811,332

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. 586,920,267

This is made-up as follows:

(a) Cash in Hand	1,624,128	1,064,226
(b) Cash at Bank :	585,296,139	369,237,529
● Current Account	220,607,898	26,456,824
● STD Account	12,448,943	7,718,165
● Fixed Deposit Account (BD Taka)	27,099,910	26,962,115
● Fixed Deposit Account (USD)	194,475,936	60,218,200
● Export Retention Quota Account	48,846,050	247,882,225
● Margin Held Account	81,817,402	-
Tk.	586,920,267	370,301,755

The fixed deposit amount of Tk. 26,962,115 had to keep as lien against sanction of overdraft facilities for the company.

11. SHARE CAPITAL: Tk. 2,648,347,600

This is made-up as follows:

Authorised:

500,000,000 Ordinary Shares of Tk.10/- each

31-03-12

31-03-11

5,000,000,000

5,000,000,000

Issued, subscribed and paid-up:

a) By Cash:

10,092,300 Ordinary Shares of Tk.10/- each
fully paid-up in cash

100,923,000

100,923,000

b) Other than Cash:

40,020 Ordinary Shares of Tk.10/- each
fully paid-up for consideration other than cash

400,200

400,200

c) By issue of Bonus Share:

254,702,440 Ordinary Shares of Tk.10/- each
fully paid-up as Bonus Shares

2,547,024,400

1,860,415,800

Tk. **2,648,347,600**

1,961,739,000

Shareholding Position as on 31 March 2012 is as follows:

	No. of Investors	Number of Shares	% of Share Holding 2011-2012	% of Share Holding 2010-2011
Sponsors	20	143,629,180	54.23	54.16
Foreign Investors	38	21,139,320	7.98	6.70
Financial and Other Institutions	441	44,882,888	16.95	23.89
General Public	52,792	55,183,372	20.84	15.25
	53,291	264,834,760	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	1,207	219,830	35,702	4,564,642	4,784,472	1.81
501 to 5,000 Shares	1,029	1,564,250	13,316	19,546,806	21,111,056	7.97
5,001 to 10,000 Shares	56	378,210	969	6,766,002	7,144,212	2.70
10,001 to 20,000 Shares	32	443,480	474	6,571,520	7,015,000	2.65
20,001 to 30,000 Shares	8	199,680	142	3,492,580	3,692,260	1.39
30,001 to 40,000 Shares	4	134,430	76	2,585,840	2,720,270	1.03
40,001 to 50,000 Shares	1	40,890	54	2,435,270	2,476,160	0.93
50,001 to 100,000 Shares	7	458,540	76	2,351,470	2,810,010	1.06
100,001 to 1,000,000 Shares	11	4,070,810	103	30,175,850	34,246,660	12.93
Over 1,000,000 Shares	13	136,616,440	11	42,218,220	178,834,660	67.53
Total	2,368	144,126,560	50,923	120,708,200	264,834,760	100.00

	31-03-12	31-03-11
12. SHARE PREMIUM:	Tk. 2,035,465,000	2,035,465,000
13. TAX HOLIDAY RESERVE: Tk. Nil		
Opening Balance	1,101,935,237	1,101,935,237
Less: Transfer to Retained Earnings	(1,101,935,237)	-
Closing Balance	Tk. -	1,101,935,237

14. LONG TERM LOANS (Secured): Tk. 508,778,060

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

(a) Standard Chartered Bank, Dhaka	68,036,905	14,574,485
(b) Commercial Bank of Ceylon Ltd., Dhaka	-	922,667
(c) Trust Bank Ltd., Dhaka	-	5,736,018
(d) HSBC Ltd., Dhaka	116,449,351	56,864,335
(e) DEG, Germany	306,562,500	545,775,000
(f) Minimum Lease Payments	17,729,304	31,773,229
Tk.	508,778,060	655,645,734

(a) Standard Chartered Bank:

An amount of Tk. 149,288,560 has been disbursed during the year 2011-2012 and it is secured on fixed and floating assets of the company. The interest rate of loan will remain floating. The remaining balance stands at Tk. 68,036,905 as on 31-03-2012.

(b) 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. The loan is repayable in 57 (fifty seven) equal monthly installment starting from October, 2007. The remaining balance stands at Tk. 5,736,018 which is shown under Note-17 (c).

(c) HSBC Ltd.:

An amount of Tk. 179,749,811 has been disbursed during the year 2011-2012 for import of machineries and it is secured on specific imported machinery. The interest rate of loan will remain floating. The remaining balance stands at Tk. 116,449,351 as on 31-03-2012.

(d) 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. The remaining balance stands at Tk. 306,562,500 as on 31-03-2012.

(f) Minimum Lease Payments- Tk. 17,729,304

Prime Bank Ltd.:

An amount of Tk. 54,000,000 was recognized as Minimum Lease Payments under lease of Vehicle. The lease is repayable in 48 (forty eight) equal monthly installment of Tk. 1,381,000 starting from July 2010 and the remaining balance stands at Tk. 17,729,304 as on 31-03-2012.

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15. DEFERRED TAX LIABILITY: Tk. 425,187,602

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	302,865,504	225,742,942
Provision made	122,322,098	77,122,562
Closing Balance	425,187,602	302,865,504

16. SHORT TERM BANK LOAN: Tk. 2,016,551,125

This consists of as follows:

Cash Credit - Janata Bank Ltd., Pabna	37,341,995	116,137,703
Cash Credit - Janata Bank Ltd., Local Office, Dhaka	-	78,529,155
Short Term Loan - Citibank N.A, Dhaka	-	3,404,009
Trust Receipt - Citibank N.A, Dhaka	513,604,361	630,240,357
Short Term Loan - Commercial Bank of Ceylon Ltd., Dhaka	-	83,362,597
Trust Receipt - Commercial Bank of Ceylon Ltd., Dhaka	14,616,000	31,935,000
Short Term Loan - Standard Chartered Bank, Dhaka	-	230,352,884
Trust Receipt - Standard Chartered Bank, Dhaka	668,958,248	405,956,648
Short Term Loan - Bank Alfalah Ltd., Dhaka	100,000,000	100,000,000
Overdraft - Eastern Bank Ltd., Dhaka	14,371,198	36,673,786
Trust Receipt - Eastern Bank Ltd., Dhaka	-	77,104,193
Overdraft - Mercantile Bank Ltd., Dhaka	-	54,367,373
Trust Receipt - Mercantile Bank Ltd., Dhaka	52,676,735	247,464,414
Trust Receipt - Shahjalal Islami Bank Ltd., Dhaka	897,476	47,173,348
Short Term Loan - HSBC Ltd., Dhaka	-	10,285,527
Trust Receipt - HSBC Ltd., Dhaka	340,384,591	231,854,503
Overdraft - Pubali Bank Ltd., Dhaka	403,932	349,524
Trust Receipt - Trust Bank Ltd., Dhaka	122,495,296	-
Trust Receipt - BRAC Bank Ltd., Dhaka	37,514,015	-
Overdraft - Bank Asia Ltd., Dhaka	-	11,897,284
Trust Receipt - Bank Asia Ltd., Dhaka	38,823,370	138,811,612
Overdraft - Janata Bank Ltd., Mohakhali Corporate Br., Dhaka-Secured by FDR	-	71,298,144
Overdraft - Janata Bank Ltd., Mimi Super Market Br, Chittagong-Secured by FDR	4,032,641	4,812,288
Overdraft - Janata Bank Ltd., Foreign Exchange Corporate Br., Sylhet-Secured by FDR	1,531,877	1,515,028
Overdraft - Janata Bank Ltd., Maizdee Court Corporate Br., Noakhali-Secured by FDR	1,828,190	1,592,111
Overdraft - Sonali Bank Ltd., Mohakhali Branch, Dhaka-Secured by FDR	9,011,470	-
Others	58,059,730	12,366,376
Tk.	2,016,551,125	2,627,483,864

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.

31-03-12

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17. LONG TERM LOANS - Current Portion: Tk. 477,141,480

This represents current portion of long term loans from financial institutions which are repayable within next 12 months from April, 2012 and consists of as follows:

(a) Standard Chartered Bank, Dhaka	64,337,332	55,000,000
(b) Commercial Bank of Ceylon Ltd., Dhaka	-	10,149,167
(c) Trust Bak Ltd., Dhaka	5,736,018	39,968,399
(d) HSBC Ltd., Dhaka	86,461,706	58,604,896
(e) DEG, Germany	306,562,500	272,887,500
(f) Minimum Lease Payments	14,043,924	41,589,971
Tk.	477,141,480	478,199,933

18. TRADE CREDITORS:Tk. **875,431,555** **733,369,218**

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. 95,361,435

This consists of as follows:

Accrued Expenses	78,766,922	65,016,467
Clearing & Forwarding	16,333,263	14,233,117
Audit Fees	261,250	250,000
Tk.	95,361,435	79,499,584

20. LIABILITIES FOR OTHER FINANCE: Tk. 788,449,250

This consists of as follows:

Sundry Creditors	266,934,992	249,935,379
Income Tax (Deduction at Source)	1,244,819	8,570,981
Retention Money	715,140	850,420
Workers' Profit Participation Fund	402,068,406	407,968,342
Income Tax Payable (Note-21)	117,485,893	82,311,705
Tk.	788,449,250	749,636,827

21. INCOME TAX PAYABLE: Tk. 117,485,893

This is arrived at as follows:

Opening balance	82,311,705	79,119,808
Provision made (Note-32)	958,906,349	805,575,198
Tax paid (including Advance Income Tax during the year)	(923,732,161)	(802,383,301)
Closing balance	117,485,893	82,311,705

2011-2012

2010-2011

22. GROSS TURNOVER: Tk. 18,592,856,236

This is made-up as follows:

Local Sales	18,054,201,699	15,134,053,882
Export Sales in US\$ 7,034,668 (FY 2010-2011 US\$ 6,357,091)	538,654,537	442,433,654
Tk.	18,592,856,236	15,576,487,536

(i) Sales consists of 605 Pharmaceuticals Products, 22 Basic Chemical & Pellet Products, 50 AgroVet Products and 27 Pesticide Products . The summarised quantity are as under:

(Quantity in Thousand)

Category	Unit	Opening	Production/Purchase	Sales	Closing
Tablet	Pcs	261,068	4,090,900	4,121,372	230,596
Capsule	Pcs	38,302	1,164,094	1,138,940	63,456
Liquid Capsule	Pcs	461	6,762	6,681	542
Liquid	Bottles	3,720	74,023	70,823	6,920
Injectable (Vial & Ampoule)	Pcs	4,179	45,516	44,265	5,430
Infusion (LVPO)	Bags	-	141	85	56
ENT Preparation- Drops, Spray, Gel & Others	Phials	141	27,239	26,821	559
Steroid- Cream, Ointment, Spray, Gel & Others	Phials	144	6,130	5,902	372
Non Steroid- Cream, Ointment, Spray, Gel & Others	Phials	506	7,503	7,251	758
Ophthal Preparation	Phials	124	2,845	2,406	563
Powder for Suspension	Bottles	850	6,801	6,753	898
Suppository	Pcs	2,577	21,091	20,796	2,872
Sachet	Pcs	24	640	273	391
Inhaler	Cans	114	2,936	2,530	520
Insulin	Pcs	7	384	293	98
Basic Chemical	Kg	18	389	387	20
Pellet	Kg	12	125	127	10
Tablet - AgroVet	Pcs	557	6,538	4,873	2,222
Powder - AgroVet	Gm	1,612	81,542	55,576	27,578
Injectable - AgroVet	Pcs	112	861	835	138
Liquid - AgroVet	Bottles	6	524	406	124
Liquid - Insecticide	Litre	7	37	37	7
Granuler - Insecticide	Kg	23	331	330	24
Powder - Insecticide	Kg	1	13	13	1
Powder / Liquids - Fungicide	Kg / Litre	55	492	536	11
Liquid - Weedicide	Litre	2	21	22	1
Granuler - Fertilizer	Litre	-	129	121	8
Liquid - Fertilizer	Kg	-	9	7	2
Powder - Fertilizer	Litre	-	112	88	24
Aerosol	Kg	21	505	504	22

(ii) 251.52 M.T of basic chemicals valued at Tk. 216,256,020 and 127.42 M.T. of Pellet valued at Tk. 180,664,877 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.

		2011 -2012	2010 -2011
23. COST OF GOODS SOLD: 9,167,253,620			
This is arrived at as follows: Notes			
Raw Materials Consumed	24	4,510,875,568	3,921,945,368
Packing Materials Consumed	25	2,091,523,212	1,863,215,814
		6,602,398,780	5,785,161,182
Work-in-Process (Opening)		162,243,925	150,454,182
Work-in-Process (Closing)		(171,084,826)	(162,243,925)
TOTAL CONSUMPTION		6,593,557,879	5,773,371,439
Factory Overhead	26	2,156,807,933	1,679,488,922
COST OF PRODUCTION		8,750,365,812	7,452,860,361
Purchase of Finished Goods		541,262,791	377,709,844
Finished Goods (Opening)		653,544,141	579,540,927
Finished Goods (Closing)		(710,800,446)	(653,544,141)
		9,234,372,298	7,756,566,991
Cost of Physician Sample		(67,118,678)	(52,905,981)
		Tk. 9,167,253,620	7,703,661,010

24. RAW MATERIALS CONSUMED: Tk. 4,510,875,568

This is arrived at as follows:

Opening Stock	825,289,196	762,451,128
Purchase	4,562,875,341	3,984,783,436
Closing Stock	(877,288,969)	(825,289,196)
	Tk. 4,510,875,568	3,921,945,368

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	355,599,000	638,302	2,051,843	100,907	11,464	2,802,516	825,289,196
Purchase	1,174,073,472	3,836,956	10,577,281	400,955	38,396	14,853,588	4,562,875,341
Available for use	1,529,672,472	4,475,258	12,629,124	501,862	49,860	17,656,104	5,388,164,537
Closing Balance	281,410,812	665,368	2,270,414	111,090	12,818	3,059,690	877,288,969
Consumption	1,248,261,660	3,809,890	10,358,710	390,772	37,042	14,596,414	4,510,875,568

Raw materials consists of 962 items of which 83.49% (in value) are imported.

25. PACKING MATERIALS CONSUMED: Tk. 2,091,523,212

This is arrived at as follows:

Opening Stock	264,380,917	220,790,578
Purchase	2,123,657,863	1,906,806,153
Closing Stock	(296,515,568)	(264,380,917)
	Tk. 2,091,523,212	1,863,215,814

Summarised quantity of packing materials are stated as under:

Name of Item	Unit	Opening	Purchase	Consumption	Closing
Inner Carton	Pcs	26,213,252	181,462,431	168,419,953	39,255,730
Shipper's Carton	Pcs	345,798	3,815,005	3,597,017	563,786
Label	Pcs	55,704,122	176,222,947	180,426,326	51,500,743
Direction Slip	Pcs	16,023,515	133,959,495	119,942,959	30,040,051
Container	Pcs	1,411,357	19,784,823	19,299,067	1,897,113
Blister Foil/Alu Lid Foil	Kg	119,569	481,818	515,751	85,636
Strip Foil	Kg	58,302	540,326	521,267	77,361
PVC/PVDC/PE Film	Kg	284,090	640,539	648,728	275,901
Alu Bottom Foil	Kg	79,460	276,997	296,839	59,618
Bottle (Pet/HDPE/Glass)	Pcs	5,462,294	84,892,569	87,577,049	2,777,814
Ampoule	Pcs	4,379,767	41,790,062	41,316,191	4,853,638
Vial	Pcs	3,231,882	8,027,854	9,187,436	2,072,300
Flip Off Seal	Pcs	2,399,823	5,125,260	5,840,499	1,684,584
P.P Cap/Plastic Clouser	Pcs	14,324,828	116,708,971	114,398,628	16,635,171
Tube	Pcs	2,390,350	14,825,460	14,185,721	3,030,089
Can	Pcs	1,951,824	6,745,608	6,730,987	1,966,445
Actuator	Pcs	1,305,855	5,212,000	4,951,636	1,566,219
Metered Valve	Pcs	1,052,302	8,011,252	4,262,023	4,801,531
Sachet	Pcs	1,249	192,223	78,775	114,697
Syringe/Needle	Pcs	1,332,429	3,129,200	2,743,257	1,718,372
Water for Injection	Pcs	457,407	10,123,270	8,937,981	1,642,696
Shrink Wrapping	Pcs	1,432,546	2,475,216	2,995,841	911,921
Silica Gel/Gum Tape	Pcs	957,494	15,378,350	14,959,278	1,376,566
Cup/Spoon/Dropper	Pcs	1,587,146	67,307,400	63,771,038	5,123,508
Plastic Applicator	Pcs	292,445	4,200,700	4,122,400	370,745

Packing materials consists of 2,906 items of which 40.88% (in value) are imported.

2011-2012

2010-2011

26. FACTORY OVERHEAD: Tk. 2,156,807,933

This is made-up as follows:

Salaries, Allowances and Wages	489,251,244	398,387,233
Factory Employees Free Lunch	45,260,093	35,975,959
Factory Staff Uniform	13,889,470	10,625,608
Travelling & Conveyance	12,322,915	13,130,084
Printing & Stationery	21,063,375	22,958,761
Postage, Telephone & Fax	13,533,191	8,517,739
Repairs & Maintenance	373,746,485	272,585,371
Laboratory Consumable Stores	69,685,982	69,629,589
Fuel, Petrol, Light Diesel etc.	36,370,487	28,722,482
Electricity, Gas & Water	125,267,133	92,051,467
Rental Expense	1,342,300	1,280,747
Municipal & Other Tax	1,171,301	1,857,759
Insurance Premium	19,518,422	16,116,879
Factory Sanitation Expenses	14,782,985	12,373,008
Depreciation	820,532,316	662,949,732
Security Services	21,637,805	14,285,954
Research & Development	47,885,007	12,481,045
Software & Hardware Support Service	5,068,223	4,893,750
Generator Rental Charges	17,462,069	-
Toll Charges	6,507,815	-
Other Expenses	509,315	665,755
	Tk. 2,156,807,933	1,679,488,922

27. SELLING & DISTRIBUTION EXPENSES: Tk. 2,430,466,795

This consists of as follows:

	2011-2012	2010-2011
Salaries and Allowances	399,623,177	340,965,647
Travelling and Conveyance	43,900,311	38,008,993
Training Expenses	3,686,443	3,140,431
Printing and Stationery	42,034,332	46,296,756
Postage, Telephone & Fax	17,486,614	12,869,071
Electricity, Gas and Water	11,815,067	9,082,224
Tiffin and Refreshment	13,688,423	11,847,413
Office and Godown Rent	8,428,505	8,683,143
Bank Charges	7,441,656	6,741,729
Repairs and Maintenance including car maintenance	157,335,053	135,181,498
Govt. Taxes and Licence Fees	11,200,551	8,092,928
Field Staff Salaries, Allowances, TA and DA	572,832,245	482,191,046
Marketing and Promotional Expenses	468,057,619	405,523,418
Advertisement	3,190,600	3,633,179
Delivery and Packing Expenses	46,118,767	41,535,670
Export Expenses	59,453,899	50,785,939
Special Discount	352,884,255	348,493,929
Sample Expenses	87,189,347	68,280,251
Security Services	23,133,530	16,469,266
Depreciation	99,077,497	81,215,000
Software & Hardware Support Services	-	168,475
Other Expenses	1,888,904	1,956,998
Tk.	<u>2,430,466,795</u>	<u>2,121,163,004</u>

	2011-2012	2010-2011
28. ADMINISTRATIVE EXPENSES: Tk. 701,977,079		
This consists of as follows:		
Salaries and Allowances	177,792,318	135,662,268
Directors' Remuneration	36,257,914	28,900,051
Travelling and Conveyance	70,174,431	56,054,775
Training Expenses	18,771,491	11,676,897
Printing and Stationery	16,390,093	13,908,781
Postage, Telephone & Fax	5,353,180	5,231,924
Electricity, Gas & Water	8,099,572	5,837,573
Tiffin and Refreshment	23,411,535	20,518,707
Office Rent	4,829,898	3,261,728
Sanitation Expenses	2,216,150	1,889,674
Books and Periodicals	900,704	800,971
Subscription and Donation	4,350,312	4,771,745
Advertisement	2,246,438	3,933,225
Repairs and Maintenance	87,520,434	76,422,798
Bank Charges	22,314,129	24,750,194
Insurance Premium	11,120,671	13,490,437
Govt. Taxes, Stamp Duty & Licence Fee	9,095,069	5,629,376
Lease Rent	1,162,500	1,059,500
Security Services	12,952,056	12,656,373
Management Consultant Fees	14,367,515	34,849,800
Legal Charges	1,366,682	1,001,215
Audit Fees	261,250	250,000
Depreciation	98,589,003	124,299,761
Annual General Meeting Expenses	5,861,968	4,601,372
Software & Hardware Support Services	44,511,961	30,195,067
Share Demat, Remat & Transfer Fees	20,803,148	3,562,427
Other Expenses	1,256,657	929,348
Tk.	701,977,079	626,145,987

Audit fees of Tk. 261,250 represents fees for audit of the financial statements of the company for the year 2011-2012.

29. FINANCIAL EXPENSES: Tk. 433,581,036

This is made-up as follows:

	2011-2012	2010-2011
Interest on Cash Credit	9,475,649	14,024,412
Interest on Overdraft	21,507,538	15,023,046
Interest on LATR	175,959,430	102,541,768
Interest on Short Term Loan	57,361,169	22,813,735
Interest on Lease	5,001,716	6,394,300
Interest on Long Term Loan	164,275,534	108,051,810
Tk.	433,581,036	268,849,071

30. OTHER INCOME: Tk. 856,739,329

This is arrived at as follows:

Interest on FDR	10,679,510	4,990,929
Interest on Savings Account	256,119	217,698
Interest on Senior Secured Bond	6,153,750	5,417,500
Interest on Loan to Sister Concern	235,515,522	161,150,767
Rental Income	88,815,032	114,834,632
Sale of Scrap	15,205,323	14,972,549
Dividend	89,900,935	80,196,827
Foreign Exchange Fluctuation Gain/(Loss) on Retention Quota Account	36,794,178	12,034,080
Foreign Exchange Fluctuation Gain/(Loss) against Collection on Export Bill	15,236,483	164,905
Commission Received	343,904,149	315,836,973
Gain on Sale of Marketable Securities	-	114,244,183
Gain on Redemption of Zero Coupon Bond	2,012,619	2,014,720
	844,473,620	826,075,763
Profit on Sale of Property, Plant and Equipment (Note-36)	12,265,709	7,808,765
Tk.	856,739,329	833,884,528

31. ALLOCATION FOR WPPF:

Tk. 198,946,954 **170,737,615**

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. 958,906,349

This represents estimated Income Tax Liability for the year 2011-2012 as follows:

1) 27.50% Income Tax on Taxable Profit of Tk. 3,756,608,910	1,033,067,450	855,965,016
2) Half of 27.50% Income Tax on Export Net Profit of Tk. 104,755,358	14,403,862	11,654,754
3) 20% Income Tax on Dividend of Tk. 89,900,935	17,980,187	16,039,365
4) 10% Income Tax against Gain on Sale of Marketable Securities	-	11,424,418
	1,065,451,499	895,083,553
Less: 10% Exemption for declaration of Dividend above 20%	106,545,150	89,508,355
Tk.	958,906,349	805,575,198

2011-2012

2010-2011

33. EARNINGS PER SHARE (EPS): Tk. 10.94

The computation is given below:

Surplus for the year attributable to Shareholders (Net Profit after Tax)	2,897,710,641	2,532,054,550
Weighted average number of shares outstanding during the year	264,834,760	264,834,760
Earnings Per Share	Tk. 10.94	9.56

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 Statement of Financial Position will be applied for payment of this year's cash dividend proposed by the Board of Directors @ Tk. 25 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 2011-2012 is calculated at Tk. 662,086,900.

The Board of Directors also proposed Bonus Shares (Stock Dividend) @40% per share and total amount of proposed Bonus Share (Stock Dividend) for the year is calculated at Tk. 1,059,339,040.

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	36,257,914
Managerial Remuneration	96,772,294
Managerial Benefits:	
Bonus	22,128,072
House Rent	17,717,783
Conveyance	1,773,000
Company's Contribution to Provident Fund	8,627,759

(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. Depn Upto 31-03-11	WDV as on 31-03-11	Sales Price	Profit
Motor Vehicle	38,733,459	27,500,400	11,233,059	19,516,189	8,283,130
Motor Cycle	15,260,280	11,512,944	3,747,336	7,729,915	3,982,579
Equipments	369,397,421	284,397,421	85,000,000	85,000,000	-
Total	423,391,160	323,410,765	99,980,395	112,246,104	12,265,709

37. PRODUCTION CAPACITY AND UTILISATION:

(Quantity in thousand)

Category	Unit	Rated Capacity	Actual Production	Capacity Utilisation
Tablet	Pcs	7,345,114	4,090,900	56%
Capsule	Pcs	933,519	1,164,094	125%
Liquid Capsule	Pcs	10,000	6,762	68%
Liquid	Bottle	179,000	73,587	41%
Injectable (Vial & Ampoul)	Pcs	50,625	45,516	90%
Infusion (LVPO)	Bags	115	141	123%
ENT Preparation & Others	Phials	30,000	27,239	91%
Steroid-Cream, Ointment, Spray, Gel & Others	Phials	50,000	6,130	12%
Non Steroid-Cream, Ointment, Spray, Gel & Others	Phials	17,000	7,503	44%
Ophthal Preparation	Phials	2,000	2,845	142%
Powder for Suspension	Bottle	15,716	7,237	46%
Suppository	Pcs	80,000	21,091	26%
Sachet	Pcs	10,000	640	6%
Inhaler	Cans	7,233	2,936	41%
Insulin	Pcs	487	384	79%
Basic Chemical	Kg	340	389	114%
Pellet	Kg	140	125	89%
Tablet - AgroVet	Pcs	14,250	6,538	46%
Powder - AgroVet	Gm	71,250	81,542	114%
Injectable - AgroVet	Pcs	3,420	861	25%
Liquid - AgroVet	Bottle	9,975	524	5%
Aerosol	Pcs	1,470	505	34%

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 3,928 for the whole year and 1,362 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 2012.

40. EXPATRIATE CONSULTANTS FEES:

During the year under review an amount of USD 121,208 equivalent to Tk. 8,898,787 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 2010-2011 amounting to Tk. 588,521,700 has been paid to the Shareholders and also bonus shares amounting to Tk. 686,608,600 for the year 2010-2011 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.

42. CLAIM NOT ACKNOWLEDGED AS DEBT:

There was no claim against the company not acknowledged as debt as on 31-03-2012.

43. UN-AVAILED CREDIT FACILITIES:

There was no credit facility available to the company under any contract but not availed of as on 31-03-2012 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. 2,200,771,440 as on 31-03-2012 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 REPORTING PERIOD:

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

46. RELATED PARTY TRANSACTIONS:

The company did not do any related transactions with its sister concern other than its subsidiaries/associates undertaking 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. during the year reporting. The summary is as follows:

	31-03-12	31-03-11
Transaction with Square Textiles Ltd.:		
Opening Balance	504,790,520	391,301,298
Total Paid during the Year	594,297,668	696,835,903
Total Realized during the Year	(852,124,543)	(547,346,681)
Closing Balance	Tk. 282,963,645	540,790,520
Transaction with Square Knit Fabrics Ltd.:		
Opening Balance	53,814,124	217,457,229
Total Paid during the Year	1,274,912,768	439,037,930
Total Realized during the Year	(1,328,726,892)	(602,681,035)
Closing Balance	Tk. -	53,814,124
Transaction with Square Fashions Ltd.:		
Opening Balance	968,133,272	65,848,624
Total Paid during the Year	1,687,361,274	1,414,342,451
Total Realized during the Year	(2,446,348,052)	(512,057,803)
Closing Balance	Tk. 209,146,494	968,133,272

	31-03-12	31-03-11
Transaction with Square Hospitals Ltd.:		
Opening Balance	767,910,176	210,163,574
Total Paid during the Year	406,573,758	570,796,383
Total Realized during the Year	(98,962,546)	(13,049,781)
Closing Balance	Tk. <u>1,075,521,388</u>	<u>767,910,176</u>
Transaction with Square InformatiX Ltd.:		
Opening Balance	174,193,808	171,722,923
Total Paid during the Year	77,417,743	90,101,646
Total Realized during the Year	(101,969,756)	(87,630,761)
Closing Balance	Tk. <u>149,641,795</u>	<u>174,193,808</u>
Transaction with Square Multi Fabrics Ltd.:		
Opening Balance	308,969,432	164,243,294
Total Paid during the Year	685,270,286	247,212,283
Total Realized during the Year	(626,212,930)	(102,486,145)
Closing Balance	Tk. <u>368,026,788</u>	<u>308,969,432</u>

SQUARE PHARMACEUTICALS LTD.

Property, Plant and Equipment: Tk. 8,767,827,062

Schedule-01

PARTICULARS	COST			DEPRECIATION				Carrying Value as at 31 March 2012	Rate of Depn
	At 31 March 2011	During the year		At 31 March 2011	During the year		At 31 March 2012		
		Additions	Sales/ Transfer		Charged	Sales/ Transfer			
FACTORIES:									
Freehold Land	674,439,285	158,077,734	-	832,517,019	-	-	-	832,517,019	-
Building	2,264,885,416	587,648,991	-	2,852,534,407	-	181,710,097	1,217,143,550	1,635,390,857	10%
Boundary Wall	541,500	52,403	-	593,903	-	53,975	108,125	485,778	10%
Building under Construction	63,617,416	107,022,579	20,816,001	149,823,994	-	-	-	149,823,994	-
Plant & Machinery	4,924,261,249	1,048,222,382	-	5,972,483,631	-	547,307,140	2,871,076,500	3,101,407,131	15%
Laboratory Equipment	378,093,313	125,828,200	-	503,921,513	-	37,273,727	168,457,979	335,463,534	10%
Furniture & Fixture	195,328,818	61,015,746	-	256,344,564	-	17,986,873	94,462,715	161,881,849	10%
Office Equipment	104,376,260	26,356,436	-	130,732,696	-	7,986,306	58,855,943	71,876,753	10%
Computer	24,903,409	6,735,047	-	31,638,456	-	2,238,302	11,493,741	20,144,715	10%
Motor Vehicles	138,212,291	50,868,000	7,508,000	181,572,291	-	20,875,821	98,069,010	83,503,281	20%
Motor Vehicle Lease	2,085,000	-	-	2,085,000	-	87,451	1,735,195	349,805	20%
Plant & Machinery in Transit	299,177,178	313,495,967	20,623,368	592,049,777	-	2,871,557	24,014,985	16,272,159	15%
Electrical Installation	37,587,144	2,700,000	-	40,287,144	-	2,141,067	13,116,467	12,132,712	15%
Gas Line Installation	22,415,726	2,833,453	-	25,249,179	-	-	-	-	-
Total	9,129,924,005	2,490,856,938	48,947,369	11,571,833,574	3,742,919,493	820,532,316	4,558,534,210	7,013,299,364	
HEAD OFFICE & OTHERS:									
Land	608,304,744	115,262,154	-	723,566,898	-	-	-	723,566,898	-
Building	251,002,678	43,728,382	-	294,731,060	-	18,076,491	132,042,648	162,688,412	10%
Boundary Wall	-	1,344,730	-	1,344,730	-	134,473	134,473	1,210,257	10%
Building under Construction	34,040,734	33,658,735	25,208,382	42,491,087	-	-	-	42,491,087	-
Furniture & Fixture	69,858,074	15,088,909	-	84,946,983	-	5,576,132	34,761,789	50,185,194	10%
Office Equipment	911,510,915	12,623,546	369,397,421	554,737,040	-	43,215,522	363,182,776	191,554,264	10%
Computer	58,908,631	79,651,871	-	138,560,502	-	10,891,670	40,535,486	98,025,016	10%
Motor Vehicle	519,757,721	121,302,000	31,225,459	609,834,262	-	73,404,421	316,291,838	293,542,424	20%
Motor Vehicle-Lease	118,472,040	-	-	118,472,040	-	12,354,268	69,054,966	49,417,074	20%
Motor Cycle	176,432,881	46,710,300	15,260,280	207,882,901	-	23,548,110	113,615,199	94,267,702	20%
Books & Periodicals	528,794	-	-	528,794	-	527	527,564	1,230	30%
SAP Software	52,975,426	7,211,700	-	52,975,426	-	8,476,068	19,071,153	33,904,273	20%
VSAT	-	-	-	7,211,700	-	721,170	721,170	6,490,530	10%
Electrical Installation	10,763,937	3,654,978	-	14,418,915	-	1,267,648	7,235,578	7,183,337	15%
Total	2,812,556,575	480,237,305	441,091,542	2,851,702,338	1,218,001,306	197,666,500	1,097,174,640	1,754,527,698	
Grand Total Tk.	11,942,480,580	2,971,094,243	490,038,911	14,423,535,912	4,960,920,799	1,018,198,816	5,655,708,850	8,767,827,062	
Total- 2011 Tk.	9,749,012,308	2,228,959,849	35,491,577	11,942,480,580	4,118,220,486	868,464,493	4,960,920,799	6,981,559,781	

**SQUARE PHARMACEUTICALS LTD.
AND ITS SUBSIDIARIES**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As At 31 March 2012

		31-03-2012	31-03-2011
		Taka	Taka
ASSETS:			
Non-Current Assets:	Notes	16,128,144,622	14,066,327,661
Property, Plant and Equipment-Carrying Value	2.1	9,171,791,457	8,059,462,294
Capital Work-in-Progress	3.1	1,274,390,572	887,584,197
Investment - Long Term (at Cost)	4.1	167,694,430	229,324,380
Investment - Associate Undertakings	4.2	4,709,080,125	4,273,562,289
Investment in Marketable Securities (Fair Value)	5.1	804,638,100	616,321,955
Pre-Operating/Preliminary Expenses		549,938	72,546
Current Assets:		8,248,571,022	8,454,124,714
Inventories	6.1	3,178,672,614	3,178,959,238
Trade Debtors	7.1	819,002,633	1,421,567,342
Advances, Deposits and Prepayments	8.1	694,844,720	597,979,121
Short Term Loan	9.1	1,717,273,322	2,504,841,900
Margin against BTB Letter of Credit		1,091,148,736	321,469,720
Cash and Cash Equivalents	10.1	747,628,997	429,307,393
TOTAL ASSETS		24,376,715,644	22,520,452,375
SHAREHOLDERS' EQUITY AND LIABILITIES:			
Shareholders' Equity:		19,120,019,851	15,963,712,784
Share Capital	11.1	2,648,347,600	1,961,739,000
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	449,870,449	1,532,954,925
Gain on Marketable Securities (Unrealized)	5.1	420,437,468	294,179,676
Retained Earnings		13,460,021,134	10,033,495,983
Non Controlling Interest	13.2	7,339,774	5,849,133
Non-Current Liabilities:		933,965,662	1,028,511,238
Long Term Loans - Secured	14.1	508,778,060	725,645,734
Deferred Tax Liability	15.1	425,187,602	302,865,504
Current Liabilities:		4,315,390,359	5,522,379,220
Short Term Bank Loans	16.1	2,237,495,956	2,914,113,426
Long Term Loans - Current Portion	17.1	477,141,480	518,199,933
Trade Creditors	18.1	531,295,427	1,208,102,997
Liabilities for Expenses	19.1	114,515,510	90,485,689
Liabilities for Other Finance	20.1	954,941,984	791,477,175
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		24,376,715,644	22,520,452,375

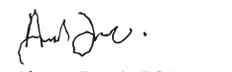
Attached notes form part of these Financial Statements.


Samuel S Chowdhury
Chairman


Tapan Chowdhury
Managing Director


Khandaker Habibuzzaman
Company Secretary

As per our annexed report of even date.


Ahsan Zamir, FCA
Ahsan Zamir & Co.
Chartered Accountants

Dated, Dhaka: 28 July, 2012

**SQUARE PHARMACEUTICALS LTD.
AND ITS SUBSIDIARIES**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 March 2012

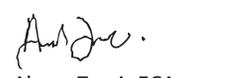
		2011-2012 Taka	2010-2011 Taka
	Notes		
GROSS TURNOVER	22.1	22,655,115,339	19,365,861,089
Less: Value Added Tax		2,857,033,247	2,391,152,306
NET TURNOVER		19,798,082,092	16,974,708,783
COST OF GOODS SOLD	23.1	(11,907,772,974)	(10,283,786,212)
GROSS PROFIT		7,890,309,118	6,690,922,571
Operating Expenses:		(3,739,386,892)	(3,183,501,616)
Selling and Distribution Expenses	27.1	(2,552,782,520)	(2,230,231,911)
Administrative Expenses	28.1	(721,989,831)	(643,480,785)
Financial Expenses	29.1	(464,614,541)	(309,788,920)
PROFIT FROM OPERATIONS		4,150,922,226	3,507,420,955
Other Income	30.1	419,629,753	453,850,083
PROFIT BEFORE WPPF		4,570,551,979	3,961,271,038
Allocation for WPPF	31.1	(220,479,798)	(191,129,833)
PROFIT BEFORE TAX		4,350,072,181	3,770,141,205
Provision for Income Tax	32.1	(1,102,730,091)	(862,156,561)
Provision for Deferred Income Tax	15.1	(122,322,098)	(77,122,562)
PROFIT AFTER TAX		3,125,019,992	2,830,862,082
Profit/(Loss) from Associate Undertakings	32.2	495,041,624	428,446,440
PROFIT FOR THE YEAR		3,620,061,616	3,259,308,522
Other Comprehensive Income:			
Gain on Marketable Securities (Unrealized)	5.1	126,257,792	127,227,650
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		3,746,319,408	3,386,536,172
Profit Attributable to:			
Owners of the Company		3,618,570,975	3,257,484,049
Non Controlling Interest		1,490,641	1,824,473
		3,620,061,016	3,259,308,522
Total Comprehensive Income Attributable to:			
Owners of the Company		3,744,828,767	3,384,711,699
Non Controlling Interest		1,490,641	1,824,473
		3,746,319,408	3,386,536,172
Earnings Per Share (EPS)	33.1	13.66	12.30
Number of Shares used to compute EPS		264,834,760	264,834,760

Attached notes form part of these Financial Statements.


Samuel S Chowdhury
Chairman


Tapan Chowdhury
Managing Director


Khandaker Habibuzzaman
Company Secretary


Ahsan Zamir, FCA
Ahsan Zamir & Co.
Chartered Accountants

Dated, Dhaka: 28 July, 2012

As per our annexed report of even date.

**SQUARE PHARMACEUTICALS LTD.
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 March 2012**

	Share Capital Taka	Share Premium Taka	General Reserve Taka	Tax Holiday Reserve Taka	Gain on Marketable Securities (Unrealized) Taka	Retained Earnings Taka	Non Controlling Interest Taka	Total Taka
At 31 March 2011	1,961,739,000	2,035,465,000	105,878,200	1,532,954,925	294,179,676	10,033,495,983	5,849,133	15,969,561,917
Total Comprehensive Income (2011-2012)	-	-	-	-	126,257,792	3,618,570,975	1,490,641	3,746,319,408
Transfer to Tax Holiday Reserve	-	-	-	(1,083,084,476)	-	1,083,084,476	-	-
Cash Dividend (2010-2011)	-	-	-	-	-	(588,521,700)	-	(588,521,700)
Stock Dividend (2010-2011)	686,608,600	-	-	-	-	(686,608,600)	-	-
At 31 March 2012	2,648,347,600	2,035,465,000	105,878,200	449,870,449	420,437,468	13,460,021,134	7,339,774	19,127,359,625

**SQUARE PHARMACEUTICALS LTD.
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 March 2011**

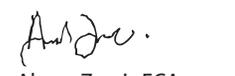
	Share Capital Taka	Share Premium Taka	General Reserve Taka	Tax Holiday Reserve Taka	Gain on Marketable Securities (Unrealized) Taka	Retained Earnings Taka	Non Controlling Interest Taka	Total Taka
At 31 March 2010	1,509,030,000	2,035,465,000	105,878,200	1,440,910,734	166,952,026	7,848,925,625	4,024,660	13,111,186,245
Total Comprehensive Income (2010-2011)	-	-	-	-	127,227,650	3,257,484,049	1,824,473	3,386,536,172
Transfer to Tax Holiday Reserve	-	-	-	92,044,191	-	(92,044,191)	-	-
Cash Dividend (2009-2010)	-	-	-	-	-	(528,160,500)	-	(528,160,500)
Stock Dividend (2009-2010)	452,709,000	-	-	-	-	(452,709,000)	-	-
At 31 March 2011	1,961,739,000	2,035,465,000	105,878,200	1,532,954,925	294,179,676	10,033,495,983	5,849,133	15,969,561,917

As per our annexed report of even date.


Samuel S Chowdhury
Chairman


Tapan Chowdhury
Managing Director


Khandaker Habibuzzaman
Company Secretary


Ahsan Zamir, FCA
Ahsan Zamir & Co.
Chartered Accountants

Dated, Dhaka: 28 July, 2012

**SQUARE PHARMACEUTICALS LTD.
AND ITS SUBSIDIARIES**
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended 31 March 2012

Cash Flows From Operating Activities:

RECEIPTS:

Collection from Sales
Others

PAYMENTS:

Purchase of Raw and Packing Materials
Manufacturing and Operating Expenses
Value Added Tax
Bank Interest
Income Tax
Workers Profit Participation Fund
Others

Net cash provided by operating activities

Cash Flows From Investing Activities:

Purchase of Fixed Assets
Disposal of Fixed Assets
Pre-operating Cost
Investment in Central Depository Bangladesh Ltd.
Investment in Orascom Telecom Bangladesh Ltd.
Investment in Marketable Securities
Loan to Sister Concerns
Capital Work-in-Progress
Sales of Marketable Securities
Interest Received
Dividend Received

Net cash used in investing activities

Cash Flows From Financing Activities:

Long Term Loan Received
Long Term Loan Repaid
Short Term Bank Loan Increase/(Decrease)
Dividend Paid

Net cash (used)/provided by financing activities

Increase in Cash and Cash Equivalents
Cash and Cash Equivalents at the Opening
Cash and Cash Equivalents at the Closing

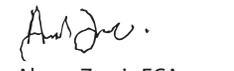
	2011-2012 Taka	2010-2011 Taka
	23,284,757,748	18,396,663,027
	165,078,544	149,438,386
	23,449,836,292	18,546,101,413
	10,770,195,743	7,982,113,885
	4,716,923,029	3,924,847,676
	2,857,033,247	2,391,152,306
	464,614,541	309,788,920
	951,133,375	824,832,364
	216,834,519	94,797,200
	-	10,681,159
	19,976,734,454	15,538,213,510
	3,473,101,838	3,007,887,903
	(2,949,747,382)	(2,476,083,845)
	615,505,590	17,536,162
	(477,392)	(72,546)
	28,472,150	(34,166,580)
	10,000,000	(10,000,000)
	(38,900,553)	(109,290,273)
	787,568,578	(1,448,348,253)
	(386,806,375)	(253,237,104)
	-	125,126,871
	211,354,562	154,278,638
	91,315,885	80,535,552
	(1,631,714,937)	(3,953,721,378)
	419,919,621	114,435,352
	(677,845,748)	(515,313,006)
	(676,617,470)	2,034,371,221
	(588,521,700)	(528,160,500)
	(1,523,065,297)	1,105,333,067
	318,321,604	159,499,592
	429,307,393	269,807,801
	747,628,997	429,307,393

As per our annexed report of even date.


Samuel S Chowdhury
Chairman


Tapan Chowdhury
Managing Director


Khandaker Habibuzzaman
Company Secretary


Ahsan Zamir, FCA
Ahsan Zamir & Co.
Chartered Accountants

Dated, Dhaka: 28 July, 2012

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

For the Year Ended 31 March 2012

31-03-12**31-03-11****2.1 CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT: Tk. 9,171,791,457**

Details of Property, Plant and Equipment and Depreciation as at 31 March 2012 are shown in the annexed Schedule - 02. This is arrived at as follows:

Opening Balance (At Cost)	13,814,182,821	11,373,590,553
Add: Net Addition during the Year	2,526,356,222	2,440,592,268
Less: Disposal during the Year (Assets of SMFL)	(571,537,979)	-
Closing Balance (At Cost)	15,769,001,064	13,814,182,821
Less: Accumulated Depreciation:	6,597,209,607	5,754,720,527
Opening Balance	5,754,720,527	4,692,307,561
Depreciation Charge during the Year	910,767,573	1,062,412,966
Disposal during the Year (Assets of SMFL)	(68,278,493)	-
Carrying Value	Tk. 9,171,791,457	8,059,462,294

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

	2011-2012	2010-2011
Factory Overhead	1,036,248,978	882,401,985
Selling and Distribution Expenses	99,077,497	81,215,000
Administrative Expenses	98,851,863	124,560,161
Tk.	1,234,178,338	1,088,177,146

31-03-12**31-03-11****3.1 CONSOLIDATED CAPITAL WORK-IN-PROGRESS: Tk. 1,274,390,572**

This represents expenditure incurred in respect of the following:

Land & Land Development	57,772,626	48,396,918
Building/Civil Work	1,202,177,527	729,264,056
Plant & Machinery	14,440,419	95,059,717
Other Assets	-	14,863,506
Tk.	1,274,390,572	887,584,197

4.1 CONSOLIDATED INVESTMENT-Long Term (at Cost): Tk. 167,694,430

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) 2,700,780 Ordinary Shares of Tk. 10/- each in National Housing Finance and Investment Ltd.	-	23,157,800
(c) 5,711,804 Ordinary Shares of Tk. 10/- each including Bonus Share in Central Depository Bangladesh Ltd.	15,694,430	44,166,580
(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	50,000,000
Tk.	167,694,430	229,324,380

31-03-12

31-03-11

4.2 INVESTMENT-Associate Undertakings: Tk. 4,709,080,125

This is arrived at as follows:

Opening Balance	4,273,562,289	3,900,036,758
Add: Investment made/(disposed off) during the Year	-	(2,465,468)
Add: Profit/(Loss) during the Year (Note-32.2)	495,041,624	428,446,440
Less: Dividend during the Year	(59,523,788)	(52,455,441)
Closing Balance	Tk. 4,709,080,125	4,273,562,289

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

Name of Company	Country of Incorporation	Proportion of Ownership Interest
Square Textiles Ltd.	Bangladesh	45.83%
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 INVESTMENT IN MARKETABLE SECURITIES (Fair Value): Tk. 804,638,100

This consists of as follows:

Square Pharmaceuticals Ltd.	695,037,397	521,300,555
Square Cephalosporins Ltd.	103,369,975	95,021,400
Square Multi Fabrics Ltd.	6,230,728	-
	Tk. 804,638,100	616,321,955

INVESTMENT OF SQUARE PHARMACEUTICALS LTD.

SL No	Name of Company Mutual Fund/Bond	No. of Shares Held	Face Value per Share	Cost Holding	Average Cost	Quoted Rate per Share as on 31-03-12	Total Market Value of Shares as on 31-03-12	Unrealised Gain/(Loss)
1	1st ICB Mutual Fund	6,050	10	4,700,114	776.88	914.00	5,529,700	829,586
2	2nd ICB Mutual Fund	6,600	10	1,925,234	291.70	281.00	1,854,600	(70,634)
3	3rd ICB Mutual Fund	17,250	10	3,072,523	178.12	164.90	2,844,525	(227,998)
4	4th ICB Mutual Fund	21,700	10	3,935,185	181.34	189.00	4,101,300	166,115
5	5th ICB Mutual Fund	50,600	10	8,771,343	173.35	135.00	6,831,000	(1,940,343)
6	6th ICB Mutual Fund	61,700	10	4,389,058	71.14	45.10	2,782,670	(1,606,388)
7	7th ICB Mutual Fund	77,500	10	7,671,229	98.98	86.70	6,719,250	(951,979)
8	8th ICB Mutual Fund	82,500	10	6,226,186	75.47	55.40	4,570,500	(1,655,686)
9	BATA Shoe Ltd.	7,00	10	202,891	289.84	527.50	369,250	166,359
10	BATBC Ltd.	3,000	10	594,181	198.06	584.70	1,754,100	1,159,919
11	IBBL MP Bond	143,330	1,000	133,574,294	931.94	1,018.75	146,017,437	12,443,143
12	Islami Bank Ltd.	78,000	10	2,877,463	36.75	55.50	4,345,650	1,468,187
13	Padma Oil Ltd.	400	10	91,069	227.67	733.20	293,280	202,211
14	Shahjalal Islami Bank Ltd.	32,500	10	427,870	13.17	30.80	1,001,000	573,130
15	Titas Gas TDCL	29,800	10	24,236,219	81.33	77.40	23,065,200	(1,171,019)
16	Uttara Bank Ltd.	14,400	10	929,257	64.53	60.70	874,080	(55,177)
17	Meghna Petroleum Ltd.	37,674	10	6,619,248	175.70	161.20	6,073,049	(546,199)
18	Usmania Glass Ltd.	37,320	10	5,530,662	148.20	112.00	4,179,840	(1,350,822)
19	EXIM Bank Ltd.	6,750	10	246,738	36.55	22.90	154,575	(92,163)
20	ACI Ltd.	15,700	10	3,189,553	203.16	217.70	3,417,890	228,337
21	Pioneer Insurance Co. Ltd.	2,718,750	10	35,250,000	12.97	84.50	229,734,375	194,484,375
22	National Housing Finance	2,700,780	10	23,157,800	8.57	81.40	219,843,492	196,685,692
23	ACI 20% Convertible Zero Coupon Bond	24,042	1,000	17,997,841	748.60	77.00	18,680,634	682,793
	Total Tk.			295,615,958			695,037,397	399,421,439

INVESTMENT OF SQUARE CEPHALOSPORINS LTD.:

SL. No	Name of Company	No. of Shares Held	Face Value per Share	Cost Holding	Average Cost	Quoted Rate per Share as on 31-03-12	Total Market Value of Shares as on 31-03-12	Unrealised Gain/(Loss)
1	4th ICB Mutual Fund	3,200	10	561,129	175.35	189.00	604,800	43,671
2	5th ICB Mutual Fund	100	10	15,197	151.97	135.00	13,500	(1,697)
3	6th ICB Mutual Fund	3,000	10	177,271	59.09	45.10	135,300	(41,971)
4	7th ICB Mutual Fund	2,000	10	180,406	90.20	86.70	173,400	(7,006)
5	8th ICB Mutual Fund	2,000	10	127,894	63.95	55.40	110,800	(17,094)
6	Islami Bank Ltd.	194,750	10	8,034,508	41.26	55.50	10,808,625	2,774,117
7	Lafarge Surma Cement Ltd.	26,000	10	705,034	27.12	30.10	782,600	77,566
8	Power Grid Ltd.	110,000	10	8,481,197	77.10	67.20	7,392,000	(1,089,197)
9	Praagati Insurance Ltd.	10,500	10	1,251,547	119.19	79.90	838,950	(412,597)
10	Shahjalal Ismami Bank	125,000	10	4,493,157	35.95	30.80	3,850,000	(643,157)
11	Square Textiles Ltd.	510,000	10	44,152,894	86.57	125.60	64,056,000	19,903,106
12	Titas Gas TDCL	180,000	10	13,026,904	72.37	77.40	13,932,000	905,096
13	Usmania Glass Ltd.	6,000	10	878,011	146.34	112.00	672,000	(206,011)
Total Tk.				82,085,149			103,369,975	21,284,826

INVESTMENT OF SQUARE MULTI FABRICS LTD.:

SL. No	Name of Company	No. of Shares Held	Face Value per Share	Cost Holding	Average Cost	Quoted Rate per Share as on 31-03-12	Total Market Value of Shares as on 31-03-12	Unrealised Gain/(Loss)
1	Islami Bank	22,000	10	1,042,530	47.39	55.50	1,221,000	178,470
2	Shahjalal Ismami Bank	92,300	10	3,504,453	37.97	30.80	2,842,840	(661,613)
3	Meghna Petroleum	6,240	10	849,593	136.15	161.20	1,005,888	156,295
4	Titas Gas TDCL	15,000	10	1,102,949	73.53	77.40	1,161,000	58,051
Total Tk.				6,499,525			6,230,728	(268,797)

Gain/(loss) on marketable securities (unrealized):

	2011-2012	2010-2011
Unrealized Gain/(Loss) Position (Closing)	420,437,468	294,179,676
Unrealized Gain/(Loss) Position (Opening)	294,179,676	166,952,026
Gain on Marketable Securities during the year	Tk. 126,257,792	127,227,650

6.1 CONSOLIDATED INVENTORIES: Tk. 3,178,672,614

The break-up is as under:

	31-03-12	31-03-11
Raw Materials	1,039,402,668	1,105,024,756
Packing Materials	366,378,404	326,237,232
Work-in-Process	212,584,428	244,818,460
Finished Goods	801,028,542	744,995,014
Spares & Accessories	251,319,802	222,563,449
Goods in Transit	507,958,770	535,320,327
Tk.	3,178,672,614	3,178,959,238

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

7.1 CONSOLIDATED TRADE DEBTORS (Considered Good):	Tk. 819,002,633	1,421,567,342
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8.1 CONSOLIDATED ADVANCES, DEPOSITS & PREPAYMENTS (Considered Good): Tk. 694,844,720

This consists of as follows:

Advances:	495,803,608	352,561,900
Employees	16,231,507	18,060,218
Motor Cycle Loan - Employees	3,505,229	3,547,088
Suppliers	476,066,872	330,954,594
Deposits:	180,216,350	225,736,113
L.C Margin	10,576,215	24,982,721
Value Added Tax	126,594,960	153,672,660
Earnest Money & Security Deposit	29,112,406	29,059,025
Lease Deposit	1,381,000	2,295,540
Others	12,551,769	15,726,167
Prepayments:	18,824,762	19,681,108
Office Rent	4,331,837	3,543,712
Insurance Premium	14,492,925	16,137,396
Tk.	694,844,720	597,979,121

31-03-12

31-03-11

9.1 CONSOLIDATED SHORT TERM LOAN (Unsecured): Tk. 1,717,273,322

This consists of the following:

(a) Square Textiles Ltd.	282,963,645	540,790,520
(b) Square Knit Fabrics Ltd.	-	53,814,124
(c) Square Fashions Ltd.	209,146,494	968,133,272
(d) Square Hospitals Ltd.	1,075,521,388	767,910,176
(e) Square InformatiX Ltd.	149,641,795	174,193,808
Tk.	1,717,273,322	2,504,841,900

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.

10.1 CONSOLIDATED CASH AND CASH EQUIVALENTS: Tk. 747,628,997

This is made-up as follows:

(a) Cash in Hand	1,624,128	1,064,226
(b) Cash at Bank :	746,004,869	428,243,167
• Current Account	234,139,184	29,774,535
• STD Account	12,448,943	7,718,165
• Fixed Deposit Account (BDT)	27,099,910	26,962,115
• Fixed Deposit Account (USD)	194,475,936	60,218,200
• Export Retention Quata Account	195,346,073	303,570,152
• Margin Held Account	82,494,823	-
Tk.	747,628,997	429,307,393

11.1 SHARE CAPITAL:Tk. **2,648,347,600** **1,961,739,000****12.1 SHARE PREMIUM:**Tk. **2,035,465,000** **2,035,465,000****13.1 CONSOLIDATED TAX HOLIDAY RESERVE: Tk. 449,870,449**

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	1,532,954,925	1,440,910,734
Add: Provided during the year	18,850,761	92,044,191
Less: Transfer to Retained Earnings	(1,101,935,237)	-
Closing Balance	449,870,449	1,532,954,925

13.2 NON CONTROLLING INTEREST: Tk. 7,339,774

This represents non controlling interest of Square Cephalosporins Ltd., Square Biotechs Ltd. and Square Multi Fabrics Ltd. is as follows:

Paid-up Capital (Investment)	1,500,000	1,500,000
Retained Earnings	5,839,774	4,349,133
Tk.	7,339,774	5,849,133

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%
Square Formulations Ltd.	Bangladesh	99.50%

31-03-12

31-03-11

14.1 CONSOLIDATED LONG TERM LOANS (Secured): Tk. 508,778,060

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

(a) Standard Chartered Bank, Dhaka	68,036,905	84,574,485
(b) Commercial Bank of Ceylon Ltd., Dhaka	-	922,667
(c) HSBC Ltd., Dhaka	116,449,351	56,864,335
(d) Trust Bank Ltd., Dhaka	-	5,736,018
(e) DEG, Germany	306,562,500	545,775,000
(f) Minimum Lease Payments	17,729,304	31,773,229
Tk.	508,778,060	725,645,734

15.1 DEFERRED TAX LIABILITY: Tk. 425,187,602

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	302,865,504	225,742,942
Provision made	122,322,098	77,122,562
Closing balance	425,187,602	302,865,504

16.1 CONSOLIDATED SHORT TERM BANK LOANS: Tk. 2,237,495,956

This consists of as follows:

Cash Credit - Janata Bank Ltd., Pabna	37,341,995	116,137,703
Cash Credit - Janata Bank Ltd., Local Office, Dhaka	-	78,529,155
Short Term Loan - Citibank N.A, Dhaka	-	3,404,009
Trust Receipt - Citibank N.A, Dhaka	513,604,361	630,240,357
Short Term Loan - Commercial Bank of Ceylon Ltd., Dhaka	-	83,362,597
Trust Receipt - Commercial Bank of Ceylon Ltd., Dhaka	14,616,000	31,935,000
Short Term Loan - Standard Chartered Bank, Dhaka	-	273,471,666
Trust Receipt - Standard Chartered Bank, Dhaka	668,958,248	411,163,239
Short Term Loan- Bank Alfalah Ltd., Dhaka	100,000,000	100,000,000
Overdraft - Eastern Bank Ltd., Dhaka	39,354,823	54,584,240
Trust Receipt - Eastern Bank Ltd., Dhaka	-	84,427,877
Overdraft - Mercantile Bank Ltd., Dhaka	-	54,367,373
Trust Receipt - Mercantile Bank Ltd., Dhaka	52,676,735	247,464,414
Short Term Loan - HSBC Ltd., Dhaka	16,668,355	33,311,670
Trust Receipt - HSBC Ltd., Dhaka	519,677,442	421,898,411
Trust Receipt - Shahjalal Islami Bank Ltd., Dhaka	897,476	47,173,348
Overdraft - Bank Asia Ltd., Dhaka	-	11,897,284
Trust Receipt - Bank Asia Ltd., Dhaka	38,823,370	138,811,612
Overdraft - Pubali Bank Ltd. Dhaka	403,932	349,524
Trust Receipt - Trust Bank Ltd. Dhaka	122,495,296	-
Trust Receipt - Brac Bank Ltd. Dhaka	37,514,015	-
Overdraft - Janata Bank Ltd., Mohakhali Corporate Br., Dhaka-Secured by FDR	-	71,298,144
Overdraft - Janata Bank Ltd., Mimi Super Market Br, Chittagong-Secured by FDR	4,032,641	4,812,288
Overdraft - Janata Bank Ltd., Foreign Exchange Corporate Br., Sylhet-Secured by FDR	1,531,877	1,515,028
Overdraft - Janata Bank Ltd., Maizdee Court Corporate Br., Noakhali-Secured by FDR	1,828,190	1,592,111
Overdraft - Sonali Bank Ltd., Mohakhali Corporate Br., Dhaka-Secured by FDR	9,011,470	-
Others	58,059,730	12,366,376
Tk.	2,237,495,956	2,914,113,426

31-03-12

31-03-11

17.1 CONSOLIDATED LONG TERM LOANS - Current Portion: Tk. 477,141,480

This represents current portion of long term loans from financial institutions which are repayable within next 12 months from April, 2012 and consists of as follows:

(a) Standard Chartered Bank, Dhaka	64,337,332	95,000,000
(b) Commercial Bank of Ceylon Ltd., Dhaka	-	10,149,167
(c) HSBC Ltd., Dhaka	86,461,706	58,604,896
(d) Trust Bank Ltd., Dhaka	5,736,018	39,968,399
(e) DEG, Germany	306,562,500	272,887,500
(f) Minimum Lease Payments	14,043,924	41,589,971
Tk.	477,141,480	518,199,933

18.1 CONSOLIDATED TRADE CREDITORS:Tk. **531,295,427** **1,208,102,997**

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. 114,515,510

This consists of as follows:

Accrued Expenses	97,836,332	75,937,822
Clearing & Forwarding	16,333,263	14,233,117
Audit Fees	345,915	314,750
Tk.	114,515,510	90,485,689

20.1 CONSOLIDATED LIABILITIES FOR OTHER FINANCE: Tk. 954,941,984

This consists of as follows:

Sundry Creditors	269,424,729	253,166,597
Income Tax (Deduction at Source)	12,114,378	20,014,092
Retention Money	715,140	850,744
Workers' Profit Participation Fund	447,680,043	444,034,764
Income Tax Payable (Note- 21.1)	225,007,694	73,410,978
Tk.	954,941,984	791,477,175

	31-03-12	31-03-11
21.1 CONSOLIDATED INCOME TAX PAYABLE: Tk. 225,007,694		
This is arrived at as follows:		
Opening Balance	73,410,978	36,086,781
Provision made (Note-32.1)	1,102,730,091	862,156,561
Tax paid (including advance Income Tax during the year)	(951,133,375)	(824,832,364)
Closing Balance	Tk. 225,007,694	73,410,978

	2011-2012	2010-2011
22.1 CONSOLIDATED GROSS TURNOVER: Tk. 22,655,115,339		
This consists of as follows:		
Square Pharmaceuticals Ltd.	18,592,856,236	15,576,487,536
Square Cephalosporins Ltd.	2,227,536,818	2,039,091,032
Square Multi Fabrics Ltd.	1,834,722,285	1,750,282,521
Tk.	22,655,115,339	19,365,861,089

		2011-2012	2010-2011
23.1 CONSOLIDATED COST OF GOODS SOLD: Tk. 11,907,772,974			
This is arrived at as follows:			
Raw Materials Consumed	Notes 24.1	6,626,023,956	5,992,967,096
Packing Materials Consumed	25.1	2,301,943,597	2,051,455,889
		8,927,967,553	8,044,422,985
Work-in-Process (Opening)		244,818,460	170,572,382
Work-in-Process (Opening) of Square Multi Fabrics Ltd.		-	20,145,760
Work-in-Process (Closing)		(212,584,428)	(244,818,460)
TOTAL CONSUMPTION		8,960,201,585	7,990,322,667
Factory Overhead	26.1	2,537,439,936	2,045,953,693
COST OF PRODUCTION		11,497,641,521	10,036,276,360
Purchase of Finished Goods		541,262,791	377,709,844
Finished Goods (Opening)		744,995,014	675,123,128
Finished Goods (Closing)		(801,028,542)	(744,995,014)
		11,982,870,784	10,344,114,318
Cost of Physician Sample		(75,097,810)	(60,328,106)
Tk.		11,907,772,974	10,283,786,212

2011-2012

2010-2011

24.1 CONSOLIDATED RAW MATERIALS CONSUMED: Tk. 6,626,023,956

This is arrived at as follows:

Opening Stock	1,105,024,756	858,471,389
Opening Stock of Square Multi Fabrics Ltd.	-	41,966,383
Purchase	6,560,401,868	6,197,554,080
Closing Stock	(1,039,402,668)	(1,105,024,756)
Tk.	6,626,023,956	5,992,967,096

25.1 CONSOLIDATED PACKING MATERIALS CONSUMED: Tk. 2,301,943,597

This is arrived at as follows:

Opening Stock	326,237,232	259,270,600
Opening Stock of Square Multi Fabrics Ltd.	-	587,820
Purchase	2,342,084,769	2,117,834,701
Closing Stock	(366,378,404)	(326,237,232)
Tk.	2,301,943,597	2,051,455,889

26.1 CONSOLIDATED FACTORY OVERHEAD: Tk. 2,537,439,936

This is made-up as follows:

Salaries, Allowances and Wages	551,209,377	451,109,808
Factory Employees Free Lunch	49,555,055	38,804,035
Factory Staff Uniform	14,094,726	10,849,585
Travelling & Conveyance	13,156,060	13,131,246
Printing & Stationery	24,546,228	26,240,690
Postage, Telephone & Fax	13,634,795	8,523,007
Repairs & Maintenance	416,369,424	314,417,330
Laboratory Consumable Stores	80,955,611	81,492,983
Fuel, Petrol, Light Diesel etc.	39,194,522	30,749,285
Electricity, Gas & Water	154,610,775	117,751,236
Rental Expenses	2,853,040	2,613,947
Municipal & Other Tax	1,305,415	1,893,634
Insurance Premium	25,711,923	21,242,920
Factory Sanitation Expenses	14,884,774	12,373,008
Depreciation	1,036,248,978	882,401,985
Security Services	21,637,805	14,285,954
Research & Development	47,885,007	12,481,045
Software & Hardware Support Services	5,068,223	4,893,750
Generator Rental Charges	17,462,069	-
Toll Charge	6,507,815	-
Other Expenses	548,314	698,245
Tk.	2,537,439,936	2,045,953,693

2011-2012

2010-2011

27.1 CONSOLIDATED SELLING & DISTRIBUTION EXPENSES: Tk. 2,552,782,520

This consists of as follows:

Salaries and Allowances	399,623,177	431,478,426
Travelling and Conveyance	43,900,311	38,008,993
Training Expenses	3,686,443	3,140,431
Printing and Stationery	42,034,332	46,296,756
Postage, Telephone & Fax	17,486,614	12,869,071
Electricity, Gas and Water	11,815,067	9,082,224
Tiffin and Refreshment	13,688,423	11,847,413
Office and Godown Rent	8,428,505	8,683,143
Bank Charges	7,537,236	6,936,578
Repairs and Maintenance including car maintenance	157,335,053	135,181,498
Govt. Taxes and Licence Fees	11,200,551	8,092,928
Field Staff Salaries, Allowances, T.A and D.A	673,435,003	482,191,046
Marketing and Promotional Expenses	477,570,681	411,856,427
Advertisement	3,190,600	3,633,179
Delivery and Packing Expenses	46,118,767	41,535,670
Export Expenses	61,054,990	53,053,770
Special Discount	352,884,255	348,493,929
Sample Expenses	97,692,581	78,040,690
Security Services	23,133,530	16,469,266
Depreciation	99,077,497	81,215,000
Software & Hardware Support Services	-	168,475
Other Expenses	1,888,904	1,956,998
Tk.	2,552,782,520	2,230,231,911

	2011-2012	2010-2011
28.1 CONSOLIDATED ADMINISTRATIVE EXPENSES: Tk. 721,989,831		
This consists of as follows:		
Salaries and Allowances	180,243,887	137,651,212
Directors' Remuneration	47,512,153	35,701,387
Travelling and Conveyance	74,077,204	61,946,756
Training Expenses	18,771,491	11,676,897
Printing and Stationery	16,403,884	13,935,114
Postage, Telephone & Fax	5,404,605	5,254,071
Electricity, Gas & Water	8,099,572	5,837,573
Tiffin and Refreshment	23,428,405	20,527,572
Office Rent	4,829,898	3,261,728
Sanitation Expenses	2,216,150	1,889,674
Books and Periodicals	900,704	800,971
Subscription and Donation	5,168,287	5,082,142
Advertisement	2,246,438	3,933,225
Repairs and Maintenance	88,288,326	77,542,912
Bank Charges	22,583,265	25,371,859
Insurance Premium	11,139,459	13,492,673
Govt. Taxes, Stamp Duty & Licence Fee	9,241,838	5,864,256
Lease Rent	1,162,500	1,059,500
Security Services	12,952,056	12,656,373
Management Consultant Fees	14,367,515	34,849,800
Legal Charges	1,366,682	1,001,215
Audit Fees	299,915	295,500
Depreciation	98,851,863	124,560,161
Annual General Meeting Expenses	5,861,968	4,601,372
Software & Hardware Support Services	44,511,961	30,195,067
Share Demat, Remat & Transfer Fees	20,803,148	3,562,427
Other Expenses	1,256,657	929,348
Tk.	721,989,831	643,480,785

29.1 CONSOLIDATED FINANCIAL EXPENSES: Tk. 464,614,541

This is made-up as follows:

Interest on Cash Credit	9,475,649	14,024,412
Interest on Overdraft	27,023,414	29,961,616
Interest on LATR & LPO	190,552,267	114,575,825
Interest on Short Term Loan	57,361,169	22,813,735
Interest on Lease	5,001,716	6,394,300
Interest on Long Term Loan	175,200,326	122,019,032
Tk.	464,614,541	309,788,920

	2011-2012	2010-2011
30.1 CONSOLIDATED OTHER INCOME: Tk. 419,629,753		
This is arrived at as follows:		
Interest on FDR	10,679,510	4,990,929
Interest on Savings Account	256,119	217,698
Interest on Senior Secured Bond	6,153,750	5,417,500
Rental Income	88,815,032	114,834,632
Sale of Scrap	15,205,323	14,972,549
Foreign Exchange Fluctuation Gain/(Loss) on Retention Quota Account	36,794,178	12,034,080
Foreign Exchange Fluctuation Gain/(Loss) against Collection on Export Bills	15,236,483	164,905
Dividend Received	31,792,097	28,080,111
Interest on Loan to Sister Concern	200,418,933	149,070,011
Gain on Sale of Marketable Securities	-	114,244,183
Gain on Redemption of Zero Coupon Bond	2,012,619	2,014,720
	407,364,044	446,041,318
Profit on Sale of Property, Plant and Equipment (Note-33.2)	12,265,709	7,808,765
Tk. 419,629,753	419,629,753	453,850,083

31.1 CONSOLIDATED ALLOCATION FOR WPPF: Tk. 220,479,798

This consists of as follows:

Square Pharmaceuticals Ltd.	198,946,954	170,737,615
Square Cephalosporins Ltd.	19,176,499	17,293,719
Square Multi Fabrics Ltd.	2,356,345	3,098,499
Tk. 220,479,798	220,479,798	191,129,833

32.1 CONSOLIDATED PROVISION FOR INCOME TAX: Tk. 1,102,730,091

This is made-up as follows:

Square Pharmaceuticals Ltd.	958,906,349	805,575,198
Square Cephalosporins Ltd.	143,823,742	56,581,363
Tk. 1,102,730,091	1,102,730,091	862,156,561

32.2 PROFIT/(LOSS) FROM ASSOCIATE UNDERTAKINGS: Tk. 495,041,624

This is arrived at as follows:

Square Textiles Ltd.	284,237,936	258,843,194
Square Knit Fabrics Ltd.	83,131,315	62,489,404
Square Fashions Ltd.	118,890,459	102,952,634
Square Hospitals Ltd.	8,781,914	4,161,208
Tk. 495,041,624	495,041,624	428,446,440

33.1 CONSOLIDATED EARNINGS PER SHARE (EPS): Tk. 13.66

The computation is given below:

Surplus for the year attributable to Shareholders	3,618,570,975	3,257,484,049
Weighted average number of shares outstanding during the year	264,834,760	264,834,760
Earnings Per Share	13.66	12.30

33.2 CONSOLIDATED PARTICULARS OF DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT DURING THE YEAR:

Particulars of Assets	Cost	Acc. Depn Upto 31-03-11	WDV as on 31-03-11	Sales Price	Profit
Factory Building	152,773,914	13,367,718	139,406,196	139,406,196	-
Plant & Machinery	370,195,671	42,159,181	328,036,490	328,036,490	-
Furniture & Fixture	5,393,908	1,358,480	4,035,428	4,035,428	-
Office Equipments	8,241,829	2,154,180	6,087,649	6,087,649	-
Computer	1,037,318	224,157	813,161	813,161	-
Electrical Installation	32,555,339	8,545,777	24,009,562	24,009,562	-
Motor Vehicle	40,073,459	27,969,400	12,104,059	20,387,189	8,283,130
Motor Cycle	15,260,280	11,512,944	3,747,336	7,729,915	3,982,579
Equipments	369,397,421	284,397,421	85,000,000	85,000,000	-
Total Tk.	994,929,139	391,689,258	603,239,881	615,505,590	12,265,709

SQUARE PHARMACEUTICALS LTD.

Consolidated Property, Plant and Equipment: Tk. 9,171,791,457

Schedule-02

PARTICULARS	COST			DEPRECIATION				Carrying Value as at 31 March 2012	Rate of Depn
	At 31 March 2011	During the year		At 31 March 2011	During the year		At 31 March 2012		
		Additions	Sales/ Transfer		Charged	Sales/ Transfer			
FACTORIES:									
Freehold Land	674,439,285	158,077,734	-	832,517,019	-	-	-	832,517,019	
Building	2,547,420,515	600,019,911	152,773,914	2,994,666,512	-	201,652,330	1,257,308,999	1,737,357,513	
Boundary Wall	541,500	52,403	-	593,903	-	53,975	108,125	485,778	
Building under Construction	64,285,701	107,022,579	20,816,001	150,492,279	-	-	-	150,492,279	
Plant & Machinery	5,791,939,985	1,078,120,519	370,195,671	6,499,864,833	-	644,969,690	3,235,515,317	3,264,349,516	
Laboratory Equipment	488,896,487	127,883,382	-	616,779,869	-	48,559,563	231,453,121	385,326,748	
Electromechanical Equipments	516,986,581	2,986,024	-	519,972,605	-	77,959,559	462,068,634	57,903,971	
Furniture & Fixture	205,153,926	61,841,076	5,393,908	261,601,094	-	19,119,341	96,170,291	165,430,803	
Office Equipment	114,350,666	26,944,624	8,241,829	133,053,461	-	9,078,865	59,248,067	73,805,394	
Computer	27,063,566	7,174,925	1,037,318	33,201,173	-	2,577,995	12,607,641	20,593,532	
Motor Vehicles	140,652,291	55,368,000	8,848,000	187,172,291	-	22,196,821	99,629,010	87,543,281	
Motor Vehicle Lease	2,085,000	-	-	2,085,000	-	87,451	1,735,195	349,805	
Plant & Machinery in Transit	325,161,951	313,829,467	29,344,237	609,647,181	-	7,852,321	29,769,640	609,647,181	
Electrical Installation	78,931,066	2,700,000	32,555,339	49,075,727	-	2,141,067	13,116,467	19,306,087	
Gas Line Installation	22,415,726	2,833,453	-	25,249,179	-	-	-	12,132,712	
Total	11,000,324,246	2,544,854,097	629,206,217	12,915,972,126	4,535,677,621	1,036,248,978	5,498,730,507	7,417,241,619	
HEAD OFFICE & OTHERS:									
Land	608,304,744	115,262,154	-	723,566,898	-	-	-	723,566,898	
Building	251,002,678	43,728,382	-	294,731,060	-	18,076,491	132,042,648	162,688,412	
Boundary Wall	-	1,344,730	-	1,344,730	-	134,473	134,473	1,210,257	
Building under Construction	34,040,734	33,658,735	25,208,382	42,491,087	-	-	-	42,491,087	
Furniture & Fixture	69,858,074	15,088,909	-	84,946,983	-	5,576,132	34,761,789	50,185,194	
Office Equipment	911,510,915	12,623,546	369,397,421	554,737,040	-	43,215,522	363,182,776	191,554,264	
Computer	58,908,631	79,676,471	-	138,585,102	-	10,894,130	40,537,946	98,047,156	
Motor Vehicle	521,059,721	121,302,000	31,225,459	611,136,262	-	73,664,821	317,593,838	293,542,424	
Motor Vehicle-Lease	118,472,040	-	-	118,472,040	-	12,354,268	69,054,966	49,417,074	
Motor Cycle	176,432,881	46,710,300	15,260,280	207,882,901	-	23,548,110	113,615,199	94,267,702	
Books & Periodicals	528,794	-	-	528,794	-	527	527,564	1,230	
SAP Software	52,975,426	-	-	52,975,426	-	8,476,068	19,071,153	33,904,273	
VSAT	-	7,211,700	-	7,211,700	-	721,170	721,170	6,490,530	
Electrical Installation	10,763,937	3,654,978	-	14,418,915	-	1,267,648	7,235,578	7,183,337	
Total	2,813,858,575	480,261,905	441,091,542	2,853,028,938	1,219,042,906	197,929,360	1,098,479,100	1,754,549,838	
Grand Total Tk.	13,814,182,821	3,025,116,002	1,070,297,759	15,769,001,064	5,754,720,527	1,234,178,338	6,597,209,607	9,171,791,457	
Total-2011 Tk.	11,373,590,553	2,476,083,845	35,491,577	13,814,182,821	4,692,307,561	1,088,177,146	5,754,720,527	8,059,462,294	



SQUARE

DO NOT BREAK SEAL AND...



Subsidiary Profile

SQUARE CEPHALOSPORINS LIMITED
 DIRECTOR'S REPORT TO THE SHAREHOLDERS
 FOR THE PERIOD 2011-2012

Dear Shareholders,

In terms of the provisions of section 184 of the Companies Act 1994 and IAS codes, I, m pleased to submit to you on behalf of the Board of Directors their Report along with Audited Accounts containing only Statement of Financial Position, Comprehensive Income, Change of Equity and Cash Flows for the year ended 31 March, 2012 at this 5th Annual General Meeting:

1. Operations:

The Company has commenced its production from November, 2006 and had been in profitable operations all over the years to date. As the project of Square Cephalosporins (SCL) is located within the premises of Square Pharmaceuticals Ltd. (SPL) (at kaliakoir), the separated operations of various aspects of SCL is considered uneconomic and a complex one. Since SPL holds 99.48% of the paid up capital of SCL with only 0.52% being held by the Minority shareholders, the Board of Directors has recommended for Amalgamation under provision of section 228 & 229 of the Companies Act 1994 along with a proposal to compensate the Minority shareholders in cash at a book value of shares as on 31 March, 2012 subject to approval by the Court of Jurisdiction, Hon'ble High Court division of the Supreme Court of Bangladesh. It may be mentioned that the Minority shareholders have already given their written consent to the proposed Merger and Amalgamation (Arrangement and Compromise) of the SCL with SPL and compensation to them in cash at book value of shares held by them based on the Audited Accounts as on 31st March, 2012 subject to approval by the Hon'ble Court of jurisdiction, which is under process.

2. Financial Position:

The total investment/cost incurred and operational performance during the year 2010-2011 and 2011-2012 are as follows:

	2010-2011	2011-2012
Building (Factory)	129,761,185	142,132,105
Plant & Machinery	513,496,013	527,623,414
Laboratory Equipment	110,803,174	112,858,356
Electro Mechanical Equipment	516,744,369	519,730,393
Other Assets	35,783,123	41,794,283
Net Profit (AT)	289,203,008	239,706,237
Earning Per Share	302.83	251.00
Net Assets Value Per Share	1,363.09	1,599.99

3. Shareholding:

The present shareholding pattern of the company is as follows:

Name of the shareholders	Shareholding	% of holding
Mr. Samuel S Chowdhury	1,166	0.12
Mr. Tapan Chowdhury	1,166	0.12
Mr. Anjan Chowdhury	1,166	0.12
Mr. Charles C R Patra	1,000	0.10
Mrs. Anita Chowdhury	336	0.04
Mrs. Ratna Patra	166	0.02
M/s Square Pharmaceuticals Ltd.	950,000	99.48

4. Board of Directors:

The following persons are the members of the Board of Directors of the Company.

Mr. Samuel S. Chowdhury	Chairman and Managing Director
Mr. Tapan Chowdhury	Director
Mr. Anjan Chowdhury	Director
Mr. Charles C R Patra	Director

5. Appointment of Auditors:

M/s. Chowdhury Bhattacharjee & Co., Chartered Accountants', Auditors of the Company, retire at this Annual General Meeting and being eligible have offered themselves for appointment as Auditors for the year 2012-2013.

6. Acknowledgement:

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


Samuel S Chowdhury
Chairman

AUDITORS' REPORT

TO THE SHAREHOLDERS

We have audited the accompanying financial statements of Square Cephalosporins Limited, which comprises the Statement of Financial Position as at 31 March, 2012 and Comprehensive Income Statement, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory 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 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, 2012 and of the results of its operations and its cash flows for the year then ended and comply with the companies Act 1994 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 Statement of Financial Position, Comprehensive Income Statement and its Cash Flows dealt with by the report are in agreement with the books of account and returns;

Dated, Dhaka
14 July, 2012



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

SQUARE CEPHALOSPORINS LTD.

STATEMENT OF FINANCIAL POSITION

As At 31 March 2012

		31-03-12	31-03-11
PROPERTY AND ASSETS	Notes		
Non Current Assets:		507,334,370	647,717,774
Fixed Asset Less Depreciation	2.00	403,964,395	552,696,374
Investment in Marketable Securities (Fair Value)	3.00	103,369,975	95,021,400
CURRENT ASSETS:		1,510,993,166	978,972,709
Inventories	4.00	490,854,143	453,141,131
Accounts Receivable	5.00	785,203,495	439,457,878
Advance, Deposit and Prepayments	6.00	209,060,199	79,849,903
Cash and Cash Equivalents	7.00	25,875,329	6,523,797
TOTAL ASSETS	Taka	<u>2,018,327,536</u>	<u>1,626,690,483</u>
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity:		1,127,994,076	901,747,574
Share Capital	8.00	95,500,000	95,500,000
Tax Holiday Reserve	9.00	284,928,193	284,928,193
Gain on Marketable Securities (Unrealized)		21,284,826	34,744,561
Retained Earnings		726,281,057	486,574,820
NON CURRENT LIABILITIES:		400,000,000	400,000,000
Share Money Deposit		400,000,000	400,000,000
CURRENT LIABILITIES:		490,333,460	324,942,909
Short Term Borrowings	10.00	220,944,831	262,790,988
Trade Creditors	11.00	5,692,500	14,042,777
Liabilities for Expenses	12.00	263,696,129	48,109,144
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES:	Taka	<u>2,018,327,536</u>	<u>1,626,690,483</u>

Attached notes form an integral part of these financial statements.

Signed as per our annexed report of even date.



Chairman & Managing Director



Director



Company Secretary



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

Dated, Dhaka: 14 July, 2012

SQUARE CEPHALOSPORINS LTD.
STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 March 2012

		2011-2012	2010-2011
	Notes		
GROSS TURNOVER	13.00	2,227,536,818	2,039,091,032
Less: Value Added Tax		(318,602,254)	(286,089,239)
NET TURNOVER		1,908,934,564	1,753,001,793
Cost of Goods Sold	14.00	(1,006,885,514)	(925,619,519)
GROSS PROFIT		902,049,050	827,382,274
OPERATING EXPENSES		(500,695,722)	(464,552,909)
Administrative, Selling and Distribution Overhead	15.00	(480,767,110)	(438,060,201)
Financial Expenses	16.00	(19,928,612)	(26,492,708)
PROFIT/(LOSS) FROM OPERATIONS		401,353,328	362,829,365
Other Income		1,353,150	338,725
NET PROFIT BEFORE WPPF		402,706,478	363,168,090
Allocation for WPPF		(19,176,499)	(17,293,719)
NET PROFIT BEFORE TAX		383,529,979	345,874,371
Income Tax		(143,823,742)	(56,581,363)
NET PROFIT AFTER TAX		239,706,237	289,293,008
Other Comprehensive Income:			
Gain/(Loss) on Marketable Securities (Unrealized)		13,459,735)	34,744,561
Total Comprehensive Income for the Year		226,246,502	324,037,569

Taka

Attached notes form an integral part of these financial statements.

Signed as per our annexed report of even date.


 Chairman & Managing Director


 Director


 Company Secretary


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

Dated, Dhaka: 14 July, 2012

SQUARE CEPHALOSPORINS LTD.

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 March 2012

	Share Capital	Share Premium	General Reserve	Tax Holiday Reserve	Gain/(Loss) on Marketable Securities (Unrealized)	Retained Earnings	Total
At March 31, 2011	95,500,000	-	-	284,928,193	34,744,561	486,574,820	901,747,574
Share Issued	-	-	-	-	-	-	-
Transfer to Tax Holiday Reserve	-	-	-	-	-	-	-
Unrealized Gain/(Loss) from Marketable Securities for the year	-	-	-	-	(13,459,735)	-	(13,459,735)
Net Profit/(Loss) during the year	-	-	-	-	-	239,706,237	239,706,237
At March 31, 2012 Taka	95,500,000	-	-	284,928,193	21,284,826	726,281,057	1,127,994,076

SQUARE CEPHALOSPORINS LTD.

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 March 2011

	Share Capital	Share Premium	General Reserve	Tax Holiday Reserve	Gain/(Loss) on Marketable Securities (Unrealized)	Retained Earnings	Total
At March 31, 2010	95,500,000	-	-	192,884,002	-	289,326,003	577,710,005
Transfer to Tax Holiday Reserve Up to October 2010	-	-	-	92,044,191	-	(92,044,191)	-
Total Comprehensive Income	-	-	-	-	34,744,561	289,293,008	324,037,569
At March 31, 2011 Taka	95,500,000	-	-	284,928,193	34,744,561	486,574,820	901,747,574

Signed as per our annexed report of even date.



Chairman & Managing Director



Director



Company Secretary



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

Dated, Dhaka: 14 July, 2012

SQUARE CEPHALOSPORINS LTD.

STATEMENT OF CASH FLOWS

For the Year Ended 31 March 2012

	2011-2012	2010-2011
Cash Flow from Operating Activities:		
Receipts from Customers	1,881,791,201	1,841,268,448
Payment to Suppliers	(825,365,050)	(662,288,983)
Payment to Employees & Others	(914,705,559)	(811,503,213)
Payment of Interest on Borrowings	(19,928,612)	(26,492,708)
Net Cash Provided by Operating Activities	121,791,980	340,983,544
Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(37,485,288)	(185,895,784)
Payment of Short Term Loan	(44,500,000)	(50,000,000)
Purchase of Securities	(21,808,310)	(60,276,839)
Dividend Income	1,353,150	338,725
Net Cash Used by Investing Activities	(102,440,448)	(295,833,898)
Cash Flow from Financing Activities:		
Short Term Loan Received	-	-
Payment of Short Term Loan	-	(43,888,906)
Payment of Long Term Loan	-	-
Net Cash Used by Financing Activities	-	(43,888,906)
Increase/(Decrease) in Cash & Cash Equivalents	19,351,532	1,260,740
Opening Cash and Cash Equivalents	6,523,797	5,263,057
Closing Cash and Cash Equivalents	Taka 25,875,329	6,523,797

Signed as per our annexed report of even date.



Chairman & Managing Director



Director



Company Secretary



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

Dated, Dhaka: 14 July, 2012

SQUARE BIOTECHS LIMITED
DIRECTOR'S REPORT TO THE SHAREHOLDERS
FOR THE PERIOD 2011-2012

Dear Shareholders,

In terms of the provisions of section 184 of the Companies Act 1994 and IAS codes, I,m pleased to submit to you on behalf of the Board of Directors their Report along with Audited Accounts containing only Statement of Financial Position for the year ended 31 March, 2012 at this 5th Annual General Meeting:

1. OPERATIONS:

As the Company has not commenced commercial production, no Statement of Comprehensive Income has been prepared. The Board of Directors has decided in principal to go for voluntary liquidation according to the prevailing law in order to avoid operational and management hazard.

2. FINANCIAL POSITION:

The total investment made by the Company upto 31 March, 2009, 2010, 2011 and 2012 as detailed below :

	2009	2010	2011	2012
Building/Civil works	75,103,755	-	-	-
Plant & Machinery	751,340,091	-	-	-
Other Assets	42,127,732	-	-	-
Interest during Construction period	4,709,766	-	-	-
Pre-operating Expenses	24,855	-	72,546	125,546
Current Assets	180,213	7574224	66,950,454	66,897,454
Total Tk.	873,486,412	75,742,224	67,023,000	67,023,000

The above investment have been financed as follows :

	2009	2010	2011	2012
Paid-up Capital	67,000,000	67,000,000	67,000,000	67,000,000
Share Money Deposit	418,000,000	-	-	-
Short Term Bank Loan	245,576,578	8,712,224	-	-
Current Liabilities	142,909,834	30,000	23,000	23,000
Total Tk.	873,486,412	75,742,224	67,023,000	67,023,000

3. SALE OF ASSETS:

The company has sold out its entire fixed and other assets to Square Pharmaceuticals Ltd. at cost as on 31 May, 2009.

4. BOARD OF DIRECTORS:

The following persons are the members of the Board of Directors of the Company.

Mr. Samuel S. Chowdhury	Chairman and Managing Director
Mr. Tapan Chowdhury	Director
Mr. Anjan Chowdhury	Director
Mr. Charles C R Patra	Director

5. APPOINTMENT OF AUDITORS:

M/s. Chowdhury Bhattacharjee & Co., Chartered Accountants', Auditors of the Company, retire at this Annual General Meeting and being eligible have offered themselves for appointment as Auditors for the year 2012-2013.

6. ACKNOWLEDGEMENT:

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


 Samuel S Chowdhury
 Chairman

AUDITORS' REPORT

TO THE SHAREHOLDERS

We have audited the accompanying financial statements of Square Biotechs Limited, which comprises the Statement of Financial Position as at 31 March 2012 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 and the 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, 2012 and of the results of its operations and comply with the companies Act 1994 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 Statement of Financial Position dealt with by the report are in agreement with the books of account and returns;

Dated, Dhaka
22 May, 2012



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

SQUARE BIOTECHS LTD.

STATEMENT OF FINANCIAL POSITION

as at 31 March 2012

		31-03-12 Taka	31-03-11 Taka
PROPERTY AND ASSETS:			
Non Current Assets:			
Pre-Operating Expenses	Notes 2	125,546 125,546	72,546 72,546
CURRENT ASSETS:			
Short Term Loan	3	66,897,454 66,895,979	66,950,454 66,948,979
Cash and Cash Equivalents	4	1,475	1,475
TOTAL ASSETS		67,023,000	67,023,000
SHAREHOLDERS' EQUITY & LIABILITIES:			
Shareholders' Equity:			
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 fully Paid-up in Cash		67,000,000	67,000,000
CURRENT LIABILITIES:			
Liabilities for Expenses	5	23,000 23,000	23,000 23,000
Shareholders' Equity & Liabilities		67,023,000	67,023,000

Attached notes form an integral part of this financial statements.

Signed as per our annexed report of even date.



Chairman & Managing Director



Director



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

Dated, Dhaka: 22 May, 2012

SQUARE MULTI FABRICS LIMITED
DIRECTOR'S REPORT TO THE SHAREHOLDERS
FOR THE PERIOD 2011-2012

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 along with Audited Accounts containing only Statement of Financial Position, Comprehensive Income, Change of Equity and Cash Flows for the year ended 31 March, 2012 at this Third Annual General Meeting:

1. OPERATIONS:

The Company has discontinued its commercial production from January, 2012 due to various technical and operational problems.

2. FINANCIAL POSITION:

The total investment made by the Company upto 31 March, 2010, 2011 and 2012 as detailed below :

	2009-2010	2010-2011	2011-2012
Factory Building	152,773,914	152,773,914	-
Plant & Machinery	321,509,790	354,424,935	-
Electrical Installation	17,925,047	32,555,339	-
Other Assets	10,285,414	15,247,320	-
Investment in Marketable Securities	-	-	6,230,728
Current Assets	77,147,184	1,205,094,097	1,226,992,041
Total Tk.	579,641,349	1,760,095,605	1,233,222,769

The above investment have been financed as follows :

	2009-2010	2010-2011	2011-2012
Paid-up Capital	100,000,000	100,000,000	100,000,000
Reserve & Surplus	-	100,486,203	108,828,070
Share Money Deposit	150,000,000	150,000,000	150,000,000
Non-Current Liabilities	110,000,000	70,000,000	-
Current Liabilities	319,641,349	1,339,609,402	874,394,699
Total Tk.	579,641,349	1,760,095,605	1,233,222,769

3. SALE OF ASSETS:

The company has sold out its entire fixed and other assets to Square Fashions Limited at a total Tk. 503,259,486.00.

4. BOARD OF DIRECTORS:

The following persons are the members of the Board of Directors of the Company.

Mr. Samuel S. Chowdhury	Chairman and Managing Director
Mr. Tapan Chowdhury	Director
Mr. Anjan Chowdhury	Director
Mr. Charles C R Patra	Director

5. APPOINTMENT OF AUDITORS:

M/s. Chowdhury Bhattacharjee & Co., Chartered Accountants', Auditors of the Company, retire at this Annual General Meeting and being eligible have offered themselves for appointment as Auditors for the year 2012-2013.

6. ACKNOWLEDGEMENT:

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


 Samuel S Chowdhury
 Chairman

AUDITORS' REPORT

TO THE SHAREHOLDERS

We have audited the accompanying financial statements of Square Multi Fabrics Limited, which comprises the Statement of Financial Position as at 31 March 2012, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory 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, 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.

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, 2012 and of the results of its operations for the year then ended and comply with the companies Act 1994, and other applicable laws and regulations.

Without modifying our opinion we draw attention to note no: 1 (d) and 1 (e) on the financial statements which reflects that the company has sold out its entire property, plant and machinery carrying value (WDV) Tk. 503,259,486.00 during the year. This condition along with other matters indicate the existence of material uncertainty about the operation of the company.

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 Statement of Financial Position, Statement of Comprehensive Income and its Cash Flows dealt with by the report are in agreement with the books of account and returns;

Dated, Dhaka
10 June, 2012



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

SQUARE MULTI FABRICS LTD.

STATEMENT OF FINANCIAL POSITION

as at 31 March 2012

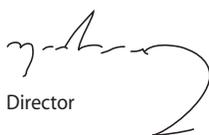
		31-03-12 Taka	31-03-11 Taka
ASSETS:	Notes		
Non-Current Assets:		6,230,728	516,485,270
Property, Plant and Equipment (Carrying Value)	2	-	516,485,270
Investment in Marketable Securities (Fair Value)	3	6,230,728	-
Current Assets:		1,226,992,041	1,205,094,097
Inventories	4	-	184,042,922
Trade Receivables	5	-	635,254,498
Advance, Deposit & Prepayments	6	1,511,379	11,846,591
Margin Against BTB Letter of Credit	7	1,091,148,736	321,469,720
Cash and Cash Equivalent	8	134,331,926	52,480,366
Total Assets		1,233,222,769	1,721,579,367
Shareholder's Equity and Liabilities:			
Shareholders Equity:		208,828,070	161,969,965
Share Capital	9	100,000,000	100,000,000
Tax Holiday Reserve		43,638,747	24,787,986
Gain/(Loss) on Marketable Securities (Unrealized)		(268,797)	-
Retained Earnings		65,458,120	37,181,979
Non-current Liabilities:		150,000,000	220,000,000
Share Money Deposit		150,000,000	150,000,000
Long Term Loan- Secured	10	-	70,000,000
Current Liabilities:		874,394,699	1,339,609,402
Trade Payables	11	491,579,927	953,206,360
Short Term Loan	12	368,026,788	332,808,006
Long Term Loan-Current Portion	13	-	40,000,000
Liabilities for Expenses	14	14,711,236	13,547,945
Liabilities for Other Finance	15	76,748	47,091
Total Equity and Liabilities		1,233,222,769	1,721,579,367

Attached notes form an integral part of these financial statements.

Signed as per our annexed report of even date.



Chairman & Managing Director



Director



Company Secretary



B.K. Bhattacharjee, FCA
Partner

Chowdhury Bhattacharjee & Co.
Chartered Accountants

Dated, Dhaka: 10 June, 2012

SQUARE MULTI FABRICS LTD.
STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 31 March 2012

		2011-2012 Taka	2010-2011 Taka
	Notes		
Revenue	16	1,834,722,285	1,750,282,521
Less: Cost of Sales	17	1,733,633,840	1,654,505,683
Gross Profit		101,088,445	95,776,838
Less: Operating Expenses:		51,666,998	30,708,374
Selling and Distribution Expenses	18	95,580	194,849
Administrative Expenses	19	5,369,936	3,985,628
Financial Expenses	20	46,201,482	26,527,897
Profit From Operations		49,421,447	65,068,464
Other Income/Dividend		61,800	-
NET PROFIT BEFORE WPPF AND WWF		49,483,247	65,068,464
Less: Allocation for WPPF and WWF:		2,356,345	3,098,499
Workers' Profit Participation Fund		1,885,076	2,478,799
Workers' Welfare Fund		471,269	619,700
Profit for the Year		47,126,902	61,969,965
Other Comprehensive Income:			
Gain/(Loss) on Marketable Securities (Unrealized)		(268,797)	-
Total Comprehensive Income for the Year		46,858,105	61,969,965

Attached notes form an integral part of these financial statements.

Signed as per our annexed report of even date.



Chairman & Managing Director



Director



Company Secretary



B.K. Bhattacharjee, FCA
Partner

Chowdhury Bhattacharjee & Co.
Chartered Accountants

Dated, Dhaka: 10 June, 2012

SQUARE MULTI FABRICS LTD.**STATEMENT OF CHANGES IN EQUITY**

For the Year Ended 31 March, 2012

	Share Capital	Share Premium	General Reserve	Gain/(Loss) on Marketable Securities (Unrealized)	Tax Holiday Reserve	Retained Earnings	Total
At 31 March, 2011	100,000,000	-	-	-	24,787,986	37,181,979	161,969,965
Comprehensive Income for the Year	-	-	-	(268,797)	-	47,126,902	46,858,105
Transfer to Tax Holiday Reserve	-	-	-	-	18,850,761	(18,850,761)	-
At 31 March, 2012 Tk.	100,000,000	-	-	(268,797)	43,638,747	65,458,120	208,828,070

SQUARE MULTI FABRICS LTD.**STATEMENT OF CHANGES IN EQUITY**

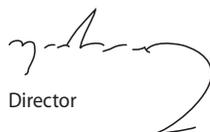
For the Year Ended 31 March, 2011

	Share Capital	Share Premium	General Reserve	Gain/(Loss) on Marketable Securities (Unrealized)	Tax Holiday Reserve	Retained Earnings	Total
At 31 March, 2010	100,000,000	-	-	-	-	-	100,000,000
Comprehensive Income for the Year	-	-	-	-	-	61,969,965	61,969,965
Transfer to Tax Holiday Reserve	-	-	-	-	24,787,986	(24,787,986)	-
At 31 March, 2011 Tk.	100,000,000	-	-	-	24,787,986	37,181,979	161,969,965

Signed as per our annexed report of even date.



Chairman & Managing Director



Director



Company Secretary


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

Dated, Dhaka: 10 June, 2012

SQUARE MULTI FABRICS LTD.

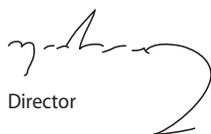
STATEMENT OF CASH FLOWS

For the Year Ended 31 March, 2012

	2011-2012 Taka	2010-2011 Taka
Cash Flow from Operating Activities:		
Cash Receipts:	2,470,038,583	1,115,028,023
Against Sales	2,469,976,783	1,115,028,023
Dividend from Investment in Shares	61,800	-
Cash Payments:	2,793,629,295	1,143,237,198
Purchase of Raw Materials	2,689,799,660	1,043,008,828
Manufacturing & Operating Expenses	57,447,514	72,470,208
Financial Expenses	46,201,482	26,527,897
Income Tax	180,639	1,230,265
Net Cash used in Operating Activities	(323,590,712)	(28,209,175)
Cash Flows from Investing Activities:		
Acquisition of Property, Plant and Equipment	(16,536,471)	(52,507,343)
Disposal of Property, Plant and Equipment	503,259,486	-
Investment in Marketable Securities	(6,499,525)	-
Net Cash Used in Investing Activities	480,223,490	(52,507,343)
Cash Flows from Financing Activities:		
Long Term Bank Loan Received/(Paid)	(110,000,000)	(40,000,000)
Short Term Bank Loan Received/(Paid)	(23,838,574)	22,654,692
Loan Received/ (Paid) from SPL	59,057,356	144,726,138
Net Cash Provided by Financing Activities	(74,781,218)	127,380,830
Cash and Cash Equivalents Increase/(Decrease)	81,851,560	46,664,312
Cash and Cash Equivalents at beginning of the Year	52,480,366	5,816,054
Cash and Cash Equivalents at end of the Year	134,331,926	52,480,366

Signed as per our annexed report of even date.


Chairman & Managing Director


Director


Company Secretary


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

Dated, Dhaka: 10 June, 2012

SQUARE FORMULATIONS LIMITED
DIRECTOR'S REPORT TO THE SHAREHOLDERS
FOR THE PERIOD 2011-2012

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 along with Audited Accounts containing only Statement of Financial Position for the year ended 31 March, 2012 at this First Annual General Meeting in the following paragraphs:

1. Operations:

As the company was incorporated on 21st November, 2011, Accounting Year ended 31st March, 2012 and has not yet commenced production, no Statement of Comprehensive Income, Changes in Equity and Cash Flow has been prepared.

2. Shareholding:

The shareholding (subscribers) pattern of the company is as follows:

Name of the shareholders	Shareholding	% of holding
Mr. Samson H Chowdhury	1,000	0.10
Mr. Samuel S Chowdhury	1,000	0.10
Mr. Tapan Chowdhury	1,000	0.10
Mrs. Ratna Patra	1,000	0.10
Mr. Anjan Chowdhury	1,000	0.10
M/s Square Pharmaceuticals Ltd.	995,000	99.50

On the basis of the above shareholdings, Square Formulations Ltd. has the status of subsidiary to Square Pharmaceuticals Ltd.

3. Board of Directors:

The following persons are the members of the Board of Directors of the Company.

Mr. Samuel S. Chowdhury	Chairman and Managing Director
Mr. Tapan Chowdhury	Director
Mr. Anjan Chowdhury	Director
Mr. Charles C R Patra	Director

4. Appointment of Auditors:

M/s. Chowdhury Bhattacharjee & Co., Chartered Accountants', Auditors of the Company, retire at this Annual General Meeting and being eligible have offered themselves for appointment as Auditors for the year 2012-2013.

5. Acknowledgement:

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


Samuel S Chowdhury
Chairman

AUDITORS' REPORT

TO THE SHAREHOLDERS

We have audited the accompanying financial statements of Square Formulations Limited, which comprises the Statement of Financial Position as at 31 March 2012 and Cash Flow Statement for the year then 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 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, 2012 and its cash flows for the period then ended and comply with the companies Act 1994 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 Formulations Limited so far as it appeared from our examination of those books;
- (iii) The company's Statement of Financial Position and its Cash Flow Statement dealt with by the report are in agreement with the books of account and returns;

Dated, Dhaka
14 July, 2012



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

SQUARE FORMULATIONS LTD.

STATEMENT OF FINANCIAL POSITION

As At 31 March 2012

		31-03-12
ASSETS	Notes	
Non Current Assets:		
Pre Operating Expenses	2.00	424,392
CURRENT ASSETS:		
Cash and Cash Equivalents	3.00	500,000
TOTAL ASSETS	Taka	<u>924,392</u>
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' Equity:		901,392
Share Capital	4.00	500,000
Share Money Deposit	5.00	401,392
CURRENT LIABILITIES:		
Liabilities for Other Expenses	6.00	23,000
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	Taka	<u>924,392</u>

Attached notes form an integral part of this financial statements.

Signed as per our annexed report of even date.



Chairman & Managing Director



Director



Company Secretary



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

Dated, Dhaka: 14 July, 2012

SQUARE FORMULATIONS LTD.

CASH FLOW STATEMENT

For the Year Ended 31 March 2012

	2011-2012
Cash Flow from Operating Activities:	
Payment to Employees & Others	(424,392)
Net Cash Provided by Operating Activities	(424,392)
Cash Flow from Investing Activities:	
Net Cash Used by Investing Activities	-
Cash Flow from Financing Activities:	
Receipts against Issuance of Share	500,000
Share Money Deposit Received	424,392
Net Cash Used by Financing Activities	924,392
Increase/(Decrease) in Cash & Cash Equivalents	500,000
Opening Cash and Cash Equivalent	-
Closing Cash and Cash Equivalent	500,000

Taka

Signed as per our annexed report of even date.



Chairman & Managing Director



Director



Company Secretary



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

Dated, Dhaka: 14 July, 2012

45th Annual General Meeting

21st September 2011

Factory Premises, Board Ghar Bazar, Kaliakoir, Gazipur



SQUARE
PHARMACEUTICALS LTD



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 46th Annual General Meeting of the Company to be held on Tuesday the 25th September 2012 at 11:00 a.m. at Factory Premises, Board Ghar Bazar, Kaliakoir, Gazipur and at any adjournment thereof.

As witness my hand this day of _____ September 2012.

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.

Another milestone of excellence in its global presence



SQUARE PHARMACEUTICALS LTD.

&



SQUARE CEPHALOSPORINS LTD.

the state-of-the-art manufacturing facilities are now



TGA approved*

* **The Therapeutic Goods Administration (TGA)** is Australia's regulatory authority for therapeutic goods. It carries out a range of assessment and monitoring activities to ensure therapeutic goods available in Australia are of an acceptable standard.

Square Pharmaceuticals Ltd. (Dhaka Unit) and **Square Cephalosporins Ltd.** are proud to announce that both have got the TGA approval for their manufacturing facilities.

Also, **Square Pharmaceuticals Ltd.** is the first ever company from Bangladesh to get **UK MHRA** (United Kingdom Medicines and Healthcare products Regulatory Agency) approval in 2007.



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This is circulated with the prior approval of Licensing authority (Dhaka)

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