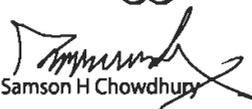




*Work hard and bring success-
that would be the biggest respect to me.*


Samson H Chowdhury

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Transmittal Letter

The
Shareholders
Bangladesh 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, 2013

Dear Sir(s)

We are pleased to enclose a copy of the Annual Report together with the Audited Financial Statements including Statement of Financial Position as at 31st March, 2013, Statement of Comprehensive Income, Changes in Equity and Cash Flows for the year ended 31st March, 2013 along with notes thereon and all related Consolidated Financial Statements for your record/necessary measures.

Yours sincerely



Khandaker Habibuzzaman
Company Secretary

Dated: 3rd September, 2013



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 frame work with aims to attain the mission reflected by our vision.

Corporate Focus

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

Square Pharmaceuticals Ltd.

Square Centre, 48 Mohakhali Commercial Area
Dhaka 1212

Notice of the 47th Annual General Meeting

Notice is hereby given that the 47th ANNUAL GENERAL MEETING of the shareholders of Square Pharmaceuticals Ltd. will be held on **Wednesday the 25th September, 2013 at 11:00 a.m.** at **Factory Premises**, Board Ghar Bazar, Kaliakoir, Gazipur to transact the following business:

Ordinary Business

- Agenda -1: To receive, consider and adopt the Audited Financial Statements for the year ended 31st March, 2013 together with the Report of the Directors' and the Auditors' thereon.
- Agenda -2: To declare dividend for the year ended 31st March, 2013.
- 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.

Special Business

- Agenda -6: To pass special resolution in order to increase the Authorized Capital of the Company from Tk. 500 crore (Taka five hundred crore) to Tk. 1000 crore (Taka one thousand crore) and to amend the Clause-V and Article-4 and 81 of the Memorandum and Articles of Association of the Company respectively.

By order of the Board



Khandaker Habibuzzaman
Company Secretary

Dated: 3rd September, 2013

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) Details of special business contained in the page no.34 of the annual report.
- (iii) Members are requested to submit to the Company's Share Office on or before 27th September, 2013, 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.
- (iv) The Annual Report is available in the Company's website at www.squarepharma.com.bd

The Ten Principles of Global Compact (UN):

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

Human Rights:

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

Labour Standards:

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

Environment:

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

Ethical Standards:

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

Corporate Profile





Management Apparatus

Board of Directors

Mr. Samuel S Chowdhury
 Mrs. Ratna Patra
 Mr. Tapan Chowdhury
 Dr. Kazi Harunar Rashid
 Mr. Anjan Chowdhury
 Mr. Kazi Iqbal Harun
 Mr. M. Sekander Ali
 Mrs. Nihad Kabir

Chairman
 Vice Chairman
 Managing Director
 Director
 Director
 Director
 Independent Director
 Independent Director

Audit Committee

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

Chairman
 Member
 Member

Management Committee

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

Chairman
 Member
 Member
 Member
 Member

Company Secretary

Mr. Khandaker Habibuzzaman

Operational Management Team

Mr. Parvez Hashim
 Mr. M Ashiqul Hoque Chowdhury
 Mr. Muhammadul Haque
 Mr. Md. Kabir Reza
 Mr. Mahbubur Rahman
 Mr. Anjan Kumar Paul
 Mr. Imtiaz Ahmed Khilji
 Mr. Jiban Kumar Ghosh
 Mr. Amalesh Chandra Shome
 Mr. Md. Majibur Rahman Bhuiyan

Head of Operations
 Head of Admin & Supply Chain
 Head of Marketing
 Head of Accounts & Finance
 Head of Engineering
 Head of Human Resources
 Head of Quality Operations
 Head of Production (Pabna Unit)
 Head of Production (Dhaka Unit)
 Head of Internal Audit

Auditors

M/s. Das Chowdhury Dutta & Co.
 Chartered Accountants
 Well Tower, 1st Floor, Flat-A/1
 12/A Purana Paltan Line, Dhaka

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. Nazia Kabir, Bar-at-Law
 Concord Ovalash (1st floor), House-62
 Road- 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
- Prime Bank Ltd.
 69, Mohakhali 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

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

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



Mrs. Nihad Kabir
Independent 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 eight (8) members including the Independent Directors with varied education and experience which provides a balancing character in decision making process. The Board is re-constituted every year at each Annual General Meeting when one-third of the members retire and seek re-election. A director is liable to be removed if the conditions of the Articles of Association and the provisions of the Companies Act 1994 are not fulfilled.

(b) Role & Responsibilities:

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

(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 BSEC 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 BSEC 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 Bangladesh Securities and Exchange Commission and Mrs. Nihad Kabir, Barrister-at-Law, an Advocate of Supreme Court of Bangladesh and the Senior Partner of Syed Ishtiaq Ahmed & Associates, a firm of legal consultants and practitioners in Bangladesh as the non-shareholder Independent Directors. 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. Nazia 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. Das Chowdhury Dutta & 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 31-03-2013 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
● Awarded "AA+" rating in the long term and "ST-1" rating in short term by CRISL	: 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. 3,707.68 million
● Number of Employees	: 5,868
● Subsidiary Company	<ul style="list-style-type: none"> ● Square Cephalosporins Ltd. ● Square Formulations Ltd.
● Associate Company	<ul style="list-style-type: none"> ● Square Textiles Ltd. ● Square Knit Fabrics Ltd. ● Square Fashions Ltd. ● Square Hospitals Ltd.



Message from the Chairman

Dear Shareholders, Colleagues, Ladies and Gentlemen

I feel grateful to you all for making time to attend this 47th Annual General Meeting of the Company, Second in my tenure. On this occasion we naturally feel the absence of our Founder Chairman who had presided over 45 AGMs of the Company since its founding. We also feel obliged to recall his outstanding services to the Company and the country and pray for salvation of his soul and rest in peace. We would also pray for the well-being of all of us, all the countrymen and peoples of the World.

While I welcome you on behalf of myself and the Board of Directors, I assume you all have received copies of the Annual Report 2012-13 of the Company containing Directors' Report along with Financial Statements and Notes to Accounts for your review and evaluation. I am sure you would note the growth in business operations and profits despite presence of obstructive factors through out the year under review. The success is due to the leadership of the Managing Director and cooperation of the workers, employees and the services providers including Banks, Insurance Companies, Utility Providers and various Government Agencies and other Corporate Associates. I express my thanks to all of them. I hope the investors would evaluate the Company's position in real perspective and make their decisions on rational analysis. Let us also hope that the Country and the Company would move in the right direction in the days ahead.

As we recount the performance of the Company and the growth of the sector, I feel free to forecast a great future for expansion both at home and abroad. The increasing export opportunities enkindles a hope to become another "RMG" giant in a quarter of a century or even exceed. The world demand and our advantages in cost-quality management may let us materialize that hypothesis.

Thanking you all with wishes of prosperous and healthy life .


Samuel S Chowdhury
Chairman



Corporate Operational Results

(Figures in thousand)

	2012-13	2011-12	2010-11	2009-10	2008-09
Turnover (Gross)	20,742,746	18,592,856	15,576,488	13,279,142	11,366,598
Value Added Tax	2,783,257	2,538,431	2,105,063	1,816,563	1,545,801
Turnover (Net)	17,959,489	16,054,425	13,471,424	11,462,578	9,820,797
Gross Profit	7,736,011	6,887,172	5,767,763	4,901,290	4,148,231
Net Profit before Tax	4,481,047	3,978,939	3,414,752	2,825,069	2,511,259
Net Profit after Tax	3,341,425	2,897,711	2,532,055	2,087,872	1,890,053
Net Assets Value (NAV)	18,844,746	16,266,884	13,817,709	11,554,380	9,949,398
Total Assets	23,447,646	21,453,785	19,444,410	15,029,500	13,251,243
Total Bank Borrowings	1,937,619	3,002,471	3,761,330	2,231,167	2,279,694
Total Current Assets	5,996,698	6,745,908	7,022,214	4,774,311	3,843,513
Total Current Liabilities	3,792,438	4,252,935	4,668,189	2,216,744	2,640,869
Current Ratio	1.58	1.59	1.50	2.05	1.45
Shares Outstanding	370,768,664	264,834,760	19,617,390	15,090,300	12,072,240
Face Value per Share	10.00	10.00	100.00	100.00	100.00
Dividend (Cash)	25%	25%	30%	35%	40%
Dividend (Stock)	30%	40%	35%	30%	25%
Net Assets Value per Share (NAV)	50.83	43.87	372.70	311.60	268.30
Net Operating Cash Flow per Share	12.41	9.83	77.80	75.10	74.40
EPS-Earning per Share (SPL)	9.01	7.82	68.30	56.30	51.00
EPS-Earning per Share (Consolidated)	11.13	9.76	87.90	67.30	55.50
EPS at Original Capital at IPO	334.14	289.77	2,532.10	2,087.90	1,890.10
Quoted Price per Share - DSE	178.60	237.30	3,272.00	3,581.00	2,935.00
Quoted Price per Share - CSE	178.40	237.80	3,261.00	3,597.00	2,923.00
Price Earning Ratio-DSE (Time)	19.82	30.35	25.35	33.65	30.46
Price Earning Ratio-CSE (Time)	19.80	30.41	25.26	33.80	30.34
Number of Shareholders	63,071	53,291	54,278	40,797	47,258
Human Resources:					
Executives	2,829	2,409	2,055	1,909	1,786
Non Executives	1,751	1,679	1,433	1,259	1,084
Workers	1,288	1,202	1,129	1,029	941



Statement of Performance from the Managing Director

Respected Shareholders, Ladies and Gentlemen

I feel delighted to submit herewith on behalf of the Board of Directors, the Annual Report 2012-13 containing the Directors' Report and Financial Statements as required under the Companies Act 1994 and Regulations of Bangladesh Securities and Exchange Commission for consideration and approval thereof by you at this 47th Annual General Meeting.

As the CEO, I would like to report that despite many odds and obstructive situation in the Country, Company's business, as revealed by the Financial Results/positions, has succeeded in attaining progressive growth rates over the year, both in the internal and international markets. It is to be noted that the growth in Gross Profit, Operating Profit, Profit before Tax and Earning per Share has exceeded the rates of growth in Turnover over the previous year. This has been possible due to containing of Costs of Production & Operating expenses through effective management measures at each echelon of operations. The credit goes to all the workers, employees & officials without whose efforts and cooperation the results would have been different.

While the Executive Management had succeeded in retaining its top position in the industry, corporate governance and social responsibilities have not been ignored in the event of national tragedies and environmental and social efficacies. The Company has been, as an obligation to humanity, maintaining the highest standard of its products at any cost. The uncompromising fond for the values of ethics and morality, as ingrained in us by our Founder Chairman, has not betrayed us at all. We promise to bear with it and live with it.

Thanking you all with best wishes.


Tapan Chowdhury
Managing Director

Directors' Report

TO THE SHAREHOLDERS FOR THE YEAR 2012-2013

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 7th August, 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, 2013 in the following paragraphs:

PHARMACEUTICAL SECTOR:

The pharmaceutical sector attained a growth of 11.91% during the year 2012 as against 22.30% 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
2008	6.91%	18.93%
2009	16.83%	16.72%
2010	23.80%	17.53%
2011	22.30%	19.17%
2012	11.91%	11.87%

Source: IMS Report, 2012

The growth trend indicate positive outlook. The growth of the economy at 6.30% during FY 2012-13 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:

	2011-12	2012-13
(a) Land	158,077,734	144,166,293
(b) Building	587,648,991	317,683,212
(c) Plant & Machinery	1,048,222,382	634,991,127
(d) Laboratory Equipments	125,828,200	158,386,302
(e) Other Equipment/Assets	522,132,262	138,111,956
Total Tk.	2,441,909,569	1,393,338,890

স্কয়ার ফার্মাসিউটিক্যালস্ লিঃ

২০১২-২০১৩ বছরের জন্য শেয়ারহোল্ডারবৃন্দের প্রতি পরিচালনা পর্ষদের প্রতিবেদন

কমিউনিটি সার্ভিসেস লিমিটেড আইন ১৯৯৪ সালের ১২ নং বিধি (১৯৯৪ সালের ১২ নং বিধি) এবং সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ রুলস ১৯৮৭, সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ নোটিফিকেশন ৭^ম অগাস্ট, ২০১২ এবং আইএস-১ (ইন্টারন্যাশনাল অ্যাকাউন্টিং স্ট্যান্ডার্ডস-১) কোডস অ্যাস অ্যাডপ্টেড বাই দ্য ইনস্টিটিউট অফ চার্টার্ড অ্যাকাউন্ট্যান্টস অফ বাংলাদেশ (আইসিএবি), এটি হলো বোর্ড অফ ডিরেক্টরসের পক্ষে এই প্রতিবেদনটি ৩১ মার্চ, ২০১৩ সালের নিম্নলিখিত প্যারাগ্রাফে:

ফার্মাসিউটিক্যালস্ সেক্টর:

ফার্মাসিউটিক্যালস্ সেক্টর ২০১২ সালে ১১.৯১% বৃদ্ধি অর্জন করেছে যা ২০১১ সালের ২২.৩০% বৃদ্ধির বিরুদ্ধে। জাতীয় ফার্মাসিউটিক্যালস্ বাজারের বৃদ্ধি এবং কোম্পানির বৃদ্ধি নিম্নলিখিত প্যারাগ্রাফে দেওয়া হয়েছে:

২০১২-১৩ আর্থিক বছরে আর্থিক বৃদ্ধি ৬.৩০% হওয়ায় ২০১২-১৩ আর্থিক বছরে বৃদ্ধির সুযোগ রয়েছে। এই ক্ষেত্রে বিনিয়োগের জন্য এই সেক্টরে সুযোগ রয়েছে।

কার্যক্রম পর্যালোচনা:

(১) ফার্মা প্লান্টস:

পাবনা এবং কালিকোইর উৎপাদন প্লান্টসের কার্যক্রম উন্নতমানের সাথে চলছে। উৎপাদন কার্যক্রম উন্নতমানের সাথে চলছে।

(3) Product Development:

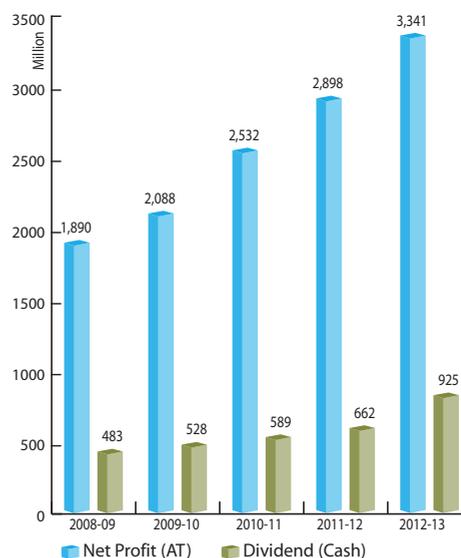
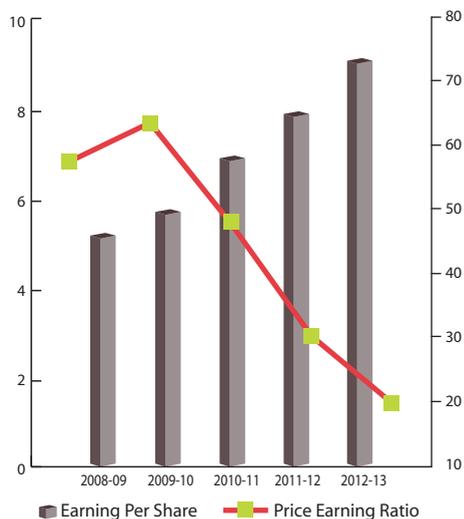
The following table shows the position of existing, discarded and new products introduced during the year 2012-2013:

(৩) নতুন ঔষধ সম্প্রসারণ:

২০১২-১৩ সালে বিদ্যমান, ত্যাগ করা এবং নতুন ঔষধ প্রস্তুতকৃত ঔষধের অবস্থা, বর্জিত এবং নতুন ঔষধ প্রস্তুতকৃত ঔষধের অবস্থা ২০১২-১৩ সালে:

Sl. No.	Products Categories	Position as on 31-03-12	Added during the year	Discarded	Total Net 31-03-13
1	Tablet	284	14	4	294
2	Capsule	59	1	2	58
3	Liquid Capsule	3	-	-	3
4	Liquid	68	4	-	72
5	Injectable	58	3	-	61
6	Infusion	3	2	-	5
7	E N T Preparation & Others	62	3	3	62
8	Ophthal Preparation	15	1	1	15
9	Powder for Suspension	23	-	-	23
10	Suppository	7	2	-	9
11	Sachet	2	1	-	3
12	Inhaler	17	-	1	16
13	Isulin	4	4	-	8
14	Basic Chemical	8	-	-	8
15	Pellet	14	-	-	14
16	Tablet, Powder, Liquid, Injectable -AgroVet	50	-	-	50
17	Aerosol & Pesticide	27	3	-	30
	Total	704	38	11	731

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



(6) Technology:

The company is endeavoring to upgrade and adopt new technology in production, quality control, distribution and administration of its products to patients. During the year (2012-2013) the company invested an amount of Tk. 158,386,302 in improving its Laboratory.

(7) Export:

The company is continuously pressing hard for expanding its export sales. During the year under review, the exports amounted to Tk. 538.65 million as against Tk. 442.43 million in previous year, a 21.75% increase. The exports are expected to rise in the coming years. Present export market covers Myanmar, Nepal, Kenya, Libya, Mauritius, Papua New Guinea, Somalia, Sri Lanka, Vietnam, Bhutan, Cambodia, Afganistan, Tanzania, North Korea, Belize, Hong Kong, Mauritania, Philippine, Eritrea, Ghana, Malaysia, Suriname, UK, Costa Rica, Maldives, Mozambic, Sudan, Netherlands, Gambia, Rwanda, Tazikistan, Uzbekistan, Thailand, Singapore, Fiji, Ivory Coast and Palau.

Square has submitted its first ANDA (Abbreviated New Drug Application) to US FDA (United States Food and Drug Administration) in June, 2012. Company is waiting for the GMP (Good Manufacturing Practive) inspection by the USFDA auditors. Two other ANDAs are in the pipeline for submission, by December 2013. Commercial supply to USA is expected to be started from the 4th quarter of 2015, on the approval of ANDAs.

(8) Subsidiary Operation:

(a) Square Cephalosporins Ltd. (SCL):

SCL has fully implemented the pharmaceuticals project for production of Drugs & Medicines at Kaliakoir, Gazipur and also has been in commercial operation since November 2006. The operations of the Company has been profitable since inception. The Company made additional investment of Tk. 60,959,439 during the year 2012-2013 as follows.

	2012-2013
Building	-
Plant & Machinery	49,068,059
Laboratory Equipment	9,045,364
Electro Mechanical Equipment	-
Other Assets	2,846,439
Total Tk.	60,959,862

(৬) প্রযুক্তি:

cY` Drcv` b, gvb nbcšY, weZiY Ges mte@ciw tivMri KrtQ GB cY` tcSQvrbv chš-mKj` ʃi AvaybK chʃc³ c@qvM †Kv=úvbx AMVx fvgKv cvj b KitiQ| GB jʃʃ| 2012-2013 A_@eQʃi †Kv=úvbx j`veʃiUix AvaybKvqʃb webtqvm KitiQ 158,386,302 UrKv|

(৭) রপ্তানি:

†Kv=úvbx c@ZnbqZB iBvnb evRvi m=cʃhviʃb meʃZK c@Pov Pvj vt`Q| chʃj vPZ eQʃi †Kv=úvbx tgvU iBvnb cwi gvY 538.65 wgvj qb UrKv thLvʃb MZ` eQi wQj 442.43 wgvj qb UrKv hv weMZ eQʃi Zj bvg 21.75 kZvsk ep× †ctqʃQ| Avgiv Avkv KimQ AvMvgx eQi tʃ vtZ iBvnb cwi gvY DEʃivEi ep× cvtel eZʃvʃb th me †kmgʃn cY` iBvnb Kiv nt`Q Zv ntʃvt gvqvbgvi, tbcvj, †Kvbqv, wj weqv, gwi mvm, cvcgv wD wnb, †mvgwv qv, kʃj sKv, wʃtqZbvg, fʃlvb, KʃmMwq, AvdMwb` vb, ZvbRvnbqv, DEi †Kwi qv, tevj R, nsKs, †gšwi Zvnbqv, wclvj cvBb, Bwi vl qv, Nvbv, gvʃj wkqv, mwi bvg, hʃi ivR, †Kv=wi Kv, gvj ʃxc, tgvRw=K, mʃ vb, †b` vij`vUm, Rw=qv, †ivqvUv, ZwiRwK vb DRʃemK` vb, _vBj`vU, wvʃvcj, wclwR, AvBʃix †Kv= Ges cvj vl |

`qvi Zvi cUg ANDA (hʃi ivt`Jla iBvbx Rb` Avʃe`b cT) 2012 mʃj i Rb gvʃm US-FDA (hʃi ivt`Jla cʃhvk b`Bi) †Z Rgv wʃtqʃQ| US-FDA wixʃK KZR GMP cwi`kʃbi Rb Atcʃʃvq AvʃQ| Avʃiv`vU ANDAs 2013 mʃj i wʃm=ʃii gʃa` Rgv cUvʃbi cʃuqvaxb AvʃQ| Abʃgv` bʃtʃ AvMvgx 2015 mʃj i PZL_@KvqvUʃi †_K USA †Z emwR`K mie in`ri` Kiv hrʃe etj Avkv Kiv hvʃQ|

(৮) সাবসিডিয়ারি প্রতিষ্ঠানগুলোর কার্যক্রম:

(ক) স্কয়ার সেফালস্পরিনস লিঃ (এসসিএল):

`qvi †mdvj mʃciw bm& wj wgtUW Jla I Jla mvgM@ cUʃZi Rb` Kwj qv%Ki MvRxcj G GKwU dvgʃmDwUK`vj m& dgʃj kb cKʃi`vcb KitiQ Ges hv 2006 mvj †_K emwR`Kfvʃe Drcv`b`ri` KitiQ| †Kv=úvbx 2012-2013 mʃj AwZwi` 60,959,439 UrKv webtqvm KitiQ hv wbtg@Dc`vcb Kiv ntʃv:

	2012-2013
Feb	-
hšcwZ	49,068,059
MʃelYvi hšcwZ	9,045,364
Bʃj †ʃʃ tʃgKwbK`vj hšcwZ	-
Ab`vb` m=ú`	2,846,439
†gvU UrKv	60,959,862

The operating results of SCL for the period ended 31 March 2013 and 2012 are given below:

	2012 Taka	2013 Taka
Gross Turnover	2,227,536,818	2,617,452,884
Net Turnover	1,908,934,564	2,242,516,426
Gross Profit	902,049,050	1,061,420,303
Provision for Income Tax	143,822,805	170,081,192
Net Profit After Tax	239,704,674	283,468,654
Earnings Per Share	251.00	296.83
Net Assets Value Per Share	1,599.99	1,890.85

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 has been voluntarily wound up by its members on August 30, 2012. Square Pharmaceuticals Ltd. got back its investment of Tk. 66,500,000.

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

The company has been voluntarily wound up by its members on October 20, 2012. Square Pharmaceuticals Ltd. got back its investment of Tk. 99,500,000.

(d) Square Formulations Ltd.:

SPL holds 995,000 shares of Tk. 100 each out of total issued 999,000 shares. Square Pharmaceuticals Ltd. has also deposited Tk. 376,000,000 as share money deposit. A copy of Directors' Report containing Financial Statements is enclosed.

31tk gvP© 2013 Ges 2012 Zwi tL tKv=úvbxí KvhKix dj v d j w b t g a c 0 È n t j v:

	2012 UkV	2013 UkV
tgvU weµq	2,227,536,818	2,617,452,884
bxU weµq	1,908,934,564	2,242,516,426
tgvU gbvdv	902,049,050	1,061,420,303
AvqKi mwÁwZ	143,822,805	170,081,192
Ki cieZPbxU gbvdv	239,704,674	283,468,654
tkqvi cÚZ Avq	251.00	296.83
tkqvi cÚZ bxU m=ú` gj`	1,599.99	1,890.85

Aw_ R Ae`vi weeiYx, mgwšZ Avtqi weeiYx, gj abx cwieZPbi weeiYx, bM` Znwej cÈvn Ges w b i x P t K i c Ú Z t e ` b m n c w i P v j b v c l P i c Ú Z t e ` b G i m v t _ m i b t e w k Z n t j v |

(খ) স্কার বায়োটেকস্ লিঃ (এসবিএল):

weMZ AvM÷ 30, 2012 Zwi tL tKv=úvbxí m`m`M t Y i Øv i v t K v = ú v b x U j i H w O K w e t j v c m v a b n t q t Q | ` q v i d v g m D u J K ` v j m & w j t Z v i w e b t q v M K Z A _ 66,500,000 U v K v t d i Z t c t q t Q |

(গ) স্কার মাল্টি ফেব্রিকস্ লিঃ (এসএমএফএল):

weMZ A t ± v e i 20, 2012 Zwi tL tKv=úvbxí m`m`M t Y i Øv i v t K v = ú v b x U j i H w O K w e t j v c m v a b n t q t Q | ` q v i d v g m D u J K ` v j m & w j t Z v i w e b t q v M K Z A _ 99,500,000 U v K v t d i Z t c t q t Q |

(গ) স্কার ফর্মুলেশনস্ লিঃ (এসএফএল):

GmwcGj cÚZ w U 100 U v K v g j ` g v t b i 999,000 w U t k q v t i i g t a ` 995,000 w U t k q v t i i g v w j K | G O v o v ` q v i d v g m D u J K ` v j m & w j t 376,000,000 U v K v t k q v i g w b w t c w R U w n m v t e A _ c 0 v b K t i t Q |

(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. 3,821,621,331

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 2013 stand at Tk. 1,890.85 per share. SPL has also deposited Tk. 40 crore as share money deposit which has not yet been capitalised. A copy of Directors' Report containing Financial Statements is enclosed.

(b) Square Formulations Ltd.:

SPL holds 995,000 shares of Tk. 100 each out of 999,000 issued shares which is not listed. SPL has also deposited Tk. 376,000,000 as Share Money.

(ii) Minority Investments:

(a) Square Textiles Ltd. (STxL):

As on 31-03-2013 investment in this company stands at Tk. 180,976,901 (at cost) for 53,571,364 Ordinary Shares of Tk. 10 each including bonus shares. The market value as on 31 March, 2013 stood at Tk. 5,416,064,900 (at Tk. 101.10 per share). The company is in full operation and declared cash dividend @ 18% and stock dividend @ 15% for the year 2012.

(b) United Hospital Ltd. (UHL):

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

(b) বিনিয়োগসমূহ:

দীর্ঘমেয়াদী বিনিয়োগ (4 I 5) আঁক`xNগুগু`x webtqM tcvUcdwj I Ges weμqthvM` tkqvi m`úK`we`wi Zfvte Dc`vcb Kiv ntqtQ| m`\$mbZ tkqvi tnví vî` i AeMzi Rb` wb`gáGB tcvUcdwj I m`úK`nst`jtc Avtj vKcivZ Kiv ntj v:

দীর্ঘমেয়াদী বিনিয়োগ: ৩,৮২১,৬২১,৩৩১ টাকা

DtjwLZ webtqM 13wU wevfbae tKv`úvbxí mvaviY tkqvi/tkqvi gwmb wWtcwRU wnmvte webtqM Kiv ntqtQ hvi weeiY wb`gáDc`vcb Kiv ntj v:

(i) তগ্গরমিউলি বিনিয়োগ (মবেমিউকমি R)

(ক) স্কয়ার সেফালোসপোরিনস লিঃ (এসসিএল):

`qvi dvg`mDwK`vj m`uj : c`ZwU 100 UvKv gj` gvtbi me`gUv 955,000wU tkqvti i gta` 9,50,000wU tkqvti i gwj K| th`nZi tKv`úvbxí tkqvi .uj ZwiJ KvF`³ bq weavq tkqvi .tj vi evRvi gj` wba`Y Kiv m`e bq| Z`wvc 31tk gvP`2013 Aw`R eQi tk`l tkqvi c`Z bxU m`úwEi cwi gyY `wotqtQ 1,890.85 UvKv| GmicGj 40 tKwU UvKv tkqvi gwmb wWtcwRU wntmte AMig A`c`vY Kti`tQ| hv GLbI gj` aYvqb Kiv nq bvB|

(খ) স্কয়ার ফর্মুলেশনস লিঃ

GmicGj c`ZwU 100 UvKv gj` gvtbi 999,000wU tkqvti i gta` 995,000wU tkqvti i gwj K, hv ZwiJ KvF`³ bq| GQvov GmicGj 376,000,000 UvKv tkqvi gwmb wWtcwRU wnmvte A`c`vY Kti`tQ|

(ii) গুব্বমিউলি বিনিয়োগ

(ক) স্কয়ার টেক্সটাইলস লিঃ (এসটিএক্সএল):

31-03-2013 Zwi`L 10 UvKv AemZ gj`i 53,571,364wU tkqvti i wecixtZ (e`q wnmve Abhvx) 180,976,901 UvKv webtqM Kiv ntqtQ| 31tk gvP`2013 Zwi`L D`³ tkqvti i evRvi gj` wQj 5,416,064,900 UvKv (c`ZwU tkqvi 101.10 wnmvte)| tKv`úvbxíU c`i v`tg Drcv`b Kti`tQ Ges 2012 mv`j kZKiv 18 f`wM bM` j f`vsk Ges kZKiv 15 f`wM tevbm tkqvi tNvI Yv Kti`tQ|

(খ) ইউনাইটেড হসপিটাল লিঃ (ইউএইচএল):

`qvi dvg`mDwK`vj m`uj t c`ZwU 100 UvKv gj` gvtbi 120,000wU tkqvti i gwj K, hvi gj` 12,000,000 UvKv| th`nZi GB tKv`úvbxíU ÷ K G. t`A`G ZwiJ KvF`³ bq tm`nZi Gi tkqvti i tKv`v evRvi `i gj` vqb Kiv hv`Q bv|

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

SPL holds 5,711,804 shares of Tk. 10 each in the Capital of CDBL which has been formed under the Central Depository Act 1999 for fungible and dematerialised share holding/trading which will do away with the physical possession of scrips and primarily prevent fraudulent/fake share trading. The shares are not listed and therefore the market value can not be assessed.

(d) Square Hospitals Ltd. (SHL):

SPL holds 199,750 Ordinary Shares of Tk. 1,000/- each. The project has been put to operation as a modern hospital with 300 beds and diversified medical services with special emphasis on cardio-vascular remedies. SPL hold 49.94% of SHL. SPL has also advanced a share money of Tk. 2.00 billion for 2,000,000 shares of Tk. 1,000 each. As the company is not listed, the market value cannot be easily ascertained.

The company earned a total revenue of Tk. 2,249,273,041 for the year ended 30 June, 2012. The net profit for the period amounted to Tk. 97,027,159 as against Tk. 17,718,869 net profit during the previous year.

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

SPL now holds 1,260,000 Shares of Tk. 100 each which is 48.84% of the capital of SKFL. The company has started earning profit from 2005 and earned Net Profit Tk. 225,865,523 for the year 2012 as against Tk. 170,221,264 during the previous year. The company did not declare any dividend. SPL has advanced Tk. 150,000,000 as share money deposit for 1,500,000 shares of Tk. 100 each. The company is not a public/listed one and hence, the market value can not be readily assessed. However, the NAV per share stands at Tk. 486.25.

(f) Square Fashions Ltd. (SFL):

SPL now holds 252,000 Shares of Tk. 100 each (48.46%) in the capital of SFL. The company has started earning profit and earned Net Profit Tk

(গ) সেন্ট্রাল ডিপোজিটরী বাংলাদেশ লিঃ (সিডিবিএল):

ত্ম>Uj wWtcwRUix 1999 mtj i weva Abjvqx MwZ | GmicGj cZwU 10 UvKv gj gvtbi 5,711,804w tkqvti i gwj K | wmwveGj MVb Kiv ntqtQ gj Zt Rvj tkqvti i tUWs eU, tcc QrovB tUWs Ges gvtKt jU Gi mgm'v mgvavtbi Rb | thnZi Gi tkqvi Zwj Kvf' nqub tmtnZi wmwveGj Gi tkqvi evRvi i gj vqb Kiv hv'Q bv |

(ঘ) স্কয়ার হসপিটালস্ লিঃ (এসএইচএল):

qvi dvgmDwK'vj m& wjt cZwU 1,000 UvKv gj gvtbi 199,750w mvaviY tkqvti i gwj K | cKiw eZv' 300 kh'v wekó AvaybK nmcvZj wntmte Pvj yAv'Q | gj Z: nvtUP' ti vM wivgtq i'Zj t' qv mn GtZ Avil vKtQ eúgEx wPwKrmv tmev | qvi dvgmDwK'vj m& wjt GB cZv' 49.94% tkqvti i gwj K | GmicGj 1,000 UvKv gj gvtbi 2,000,000 tkqvti i Rb 2.00 wej qb UvKv tkqvi gwmb wWtcwRU wntmte c'vb Kti'Q | thnZi tKv'vbx i tkqvi Zwj Kv f' b'q tmtnZi Gi evRvi i gj vqb Kiv hv'q |

2012 mtj i 30tk Rb mgv' eQti tKv'vbx i tgvU Av'q i cwi gvY vovq 2,249,273,041 UvKv | A' Aw' eQti b'U gb'vdi cwi gvY nq 97,027,159 UvKv hv ce'Z' eQti b'U gb'vdi cwi gvY wQj 17,718,869 UvKv |

(ঙ) স্কয়ার নীট ফেব্রিকস্ লিঃ (এসকেএফএল):

qvi dvgmDwK'vj m& wjt cZwU 100 UvKv gj gvtbi 1,260,000 mvaviY tkqvti i gwj K hv gj atbi kZKiv 48.84 f'wM | tKv'vbxwU 2005 A' eQi t'k gb'vdi AR' i i' Kti'Q | 2012 Aw' eQti i b'U gb'vdi Aw'RZ ntqtQ 225,865,523 UvKv hv weMZ eQti wQj 170,221,264 UvKv | tKv'vbxwU tKv' j f'vsk t'v'lv Kti'v | GmicGj cZwU 100 UvKv gj gvtbi 1,500,000 tkqvti i w'cixZ 150,000,000 UvKv tkqvi gwmb wWtcwRU wntmte Aw' c'vb Kti'Q | thnZi tKv'vbx i tkqvi wj Zwj Kvf' b'q tmtnZy tkqvi t'vi evRvi i hv'v'v Kiv m' b'q | Z'w'c tkqvi cZ' b'U m'v' i cwi gvY vovq 486.25 UvKv |

(চ) স্কয়ার ফ্যাশনস্ লিঃ (এসএফএল):

qvi dvgmDwK'vj m& wjt cZwU 100 UvKv gj gvtbi 252,000 (48.46%) tkqvti i gwj K | tKv'vbx gb'vdi AR' i i' Kti'Q Ges 2012 Aw' eQti b'U gb'vdi Aw'RZ ntqtQ

310,817,777 during the year 2012 as against Tk. 245,329,519 during the previous year. The company did not declare any dividend. 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. 2,588.51 as on 31-12-2012.

(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 3 secured senior bonds of TK. 10,000,000 each amounting to Tk. 30,000,000 which is not listed.

(9.2) INVESTMENT IN MARKETABLE SECURITIES:

A statement of Markatable Securities (23 Securities) at a cost of Tk. 291,368,395 is given in Note No. 5. The portfolio shows a unrealized capital gain of Tk. 297,945,485 as on 31 March 2013 (102.26% gain).

(10) FINANCIAL RESULTS:

The operating financial results of the Company for the year 2012-2013 as compared to previous year are summarised hereunder:

310,817,777 UvKv hv weMZ eQti wQj 245,329,519 UvKv | tKv=úbvWU tKvb j f'vsk tNvlbv Ktiwb | thtnZi tKv=úbxi tkqvi ,wj Zwj KvF³ bq tmtnZytkqvi ,tjvi evRvi `i hvPvB Kiv m=é bq | Z_wc 31-12-2012 Zwi tL bxU m=úf` i gj` cñZ tkqvi `vovq 2,588.51 UvKv |

(ছ) স্কয়ার ইনফরমেটিস লিঃ (এসআইএল):

cñZwU 100 UvKv gj`gvfbi 1,000,000 mvaviY tkqvti i wecixtZ tkqvi gwvb wWtcwRU wnmvte 10.00 tKwU UvKv AwMg c`vb Kiv ntqtQ | GB tKv=úbxi eZgub cwi tkwaZ gj ab nt`Q 2,500,000 UvKv | thtnZi tKv=úbxi tkqvi ,wj Zwj KvF³ bq tmtnZytkqvi ,tjvi evRvi `i hvPvB Kiv m=é bq |

(জ) ওরাসকম টেলিকম বাংলাদেশ লিঃ

GmwcGj cñZwU 10,000,000 UvKv gj`gvfbi 3wU wmwKDiW wmbqi etUi gwvj K, hvi tgvU gj` 30,000,000 UvKv hv Zwj KvF³ bñ |

(৯.২) বিক্রয়যোগ্য শেয়ারে বিনিয়োগ:

GKwU weeiYxtZ 23wU weCYbthwM` tkqvi mgñ hv tlvU-5 G eYbv Kiv ntqtQ Ges K÷ cñBtR BvntZ webtqvMi cwi gvY 291,368,395 UvKv | 31tk gvP©2012 Zwi tL webtqvMi wecixtZ gj aYx jvf t`Lv hvq 297,945,485 UvKv (kZKiv 102.26 f'wM) |

(১০) আর্থিক ফলাফল:

ce@ZP eQti i mvt_ Zj bv Kti 2012-2013 mvtj i Aw_R dj v dj wbtgdc`vcv Kiv ntjv:

Particular	2011-2012 (Taka)	2012-2013 (Taka)	% Increase
◆ Gross Turnover	18,592,856,236	20,742,746,372	11.56%
◆ Net Turnover	16,054,425,243	17,959,489,496	11.87%
◆ Gross Profit	6,887,171,623	7,736,011,423	12.32%
◆ Net Profit (BT)	3,978,939,088	4,481,047,443	12.62%
◆ Provision for Taxation	958,906,349	1,067,770,353	11.35%
◆ Net Profit (AT)	2,897,710,641	3,341,424,783	15.31%
◆ Gross Margin (Net Turnover)	42.90%	43.07%	
◆ Net Margin (BT)	24.78%	24.95%	
◆ Net Margin (AT)	18.05%	18.61%	
◆ Earning Per Share (EPS) (Tk.)	7.82	9.01	
◆ EPS on IPO Paidup Capital	289.77	334.14	
◆ Consolidated Earning Per Share (EPS) (Tk.)	9.76	11.13	

(13) CONSOLIDATION OF ACCOUNTS:

In terms of SEC Regulations, the company has consolidated the Accounts following the codes of International Accounting Standard - 28 & IFRS-10 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 4150 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. 4,346,954,149 (including Tk. 132,466,993 as contribution as duty/taxes towards machinery & spare parts imports) to National Exchequer as against Tk. 3,901,754,041 in the previous year. The contribution constitutes 24.20% of the sales revenue (net) in 2012-2013 as against 24.30% in the previous year (2011-2012).

ELECTION OF DIRECTORS:

Mr. Samuel S Chowdhury and Dr. Kazi Harunar Rashid 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 7th August, 2012 are depicted in Annexure-III.

(১৩) হিসাবের একত্রীকরণ:

GmBim Gi weagjv I B\Uvi b'vkbyj GKvDwUs óvUwM® 28 Ges AvBGdAvi Gm-10 Gi wbgqvej x AbjmiY Kti tkqvi:tvvi vief` i tgvU mjeav/weib:qvm gj` wbañ Y Kiv ntq:tQ|

মানব সম্পদ উন্নয়ন:

gvbe m:u` Dbq:tbi Rb` tKv:úvbx cÚZwU `ñi wbevñi I kñgK KgPvi:xi Avb:pbwK I Avb:pbwK cñk:ñY w`tq hv:t`Q| G eQi 4150 Rb t`tk Ges we:t`tk cñk:ñY tctq:tQ| dtj cñk:ñY cÚBiv tKv:úvbx:K jvFRbK Ae`vq ivL:tZ Ae`vb ti:tL:tQ| mv:t_ mv:t_ Z:t` i cwii kñgKl ep:x tctq:tQ|

পরিবেশগত ভূমিকা:

wRGguc/WweDGBPI óvUwñi I miKvix wbgqvej x Abjvqx tKv:úvbx mte:P` tYgy³ cwitek eRvq ti:tL:tQ|

জাতীয় কোষাগারে অবদান:

RvZxq tKvIvMv:xi tKv:úvbx: G eQ:ii Ae`vb 4,346,954,149 UvKv (hš:cwZ I Lpiv hš:ysk Avg`vbx i`é 132,466,993 UvKv mn) hv MZ eQi wQj 3,901,754,041 UvKv| GB Ae`vb 2012-2013 mv:tj i we:t`qi kZKiv 24.20 fvm hv MZ eQi wQj kZKiv 24.30 fvm (2011-2012)|

পরিচালক নির্বাচন:

tKv:úvbx: msñwewai 99 Ab:t`Q` Abjvqx Rbve m'vg:tqj Gm tPšajx Ges Wv: KvRx nvi`b Avi iw:` Aemi MñY Ki:tQb Ges Ab:t`Q` 100 Abjv:xi Zviiv c:pt wbevñZ nIqvi thvM` weavq c:pt wbevñZ nIqvi B`Qv tcvIb Kti:tQb| 7B AvM÷ 2012 Zwi:tL Gm.B.wm. tbnUwct:Kkb Gi 1.5 (xxii) Abjvqx Dc:tii Dtj wLZ cwii Pvj Ke:t` i msuññB Rieb eEvš-Ges Ab`vb` Z` mshy³-III tZ ewYñ ntq:tQ|

SPECIAL BUSINESS:

To pass special resolution in order to increase the Authorized Capital of the Company from Tk. 500 crore (Taka five hundred crore) to Tk. 1000 crore (Taka one thousand crore) and to amend the Clause-V and Article-4 and 81 of the Memorandum and Articles of Association of the Company respectively.

The Board of Director of the Company in its meeting held on 21st July, 2013 has decided in principle to increase the Authorized Capital of the Company from Tk. 500 crore (Taka five hundred crore) to Tk. 1000 crore (Taka one thousand crore) in view of BMRE, expansion of business in future and to amend the Clause-V and Article-4 and 81 of the Memorandum and Articles of Association of the Company respectively.

Therefore, if thought fit, the shareholders are requested to pass the following resolutions as special resolutions:

Resolved

- a. that the Authorized Capital of the Company be and is increased from Tk. 500,00,00,000/- (Taka five hundred crore) divided into 50,00,00,000 (fifty crore) shares of Tk. 10/- each to Tk. 1000,00,00,000/- (Taka one thousand crore) divided into 100,00,00,000 (one hundred crore) shares of Tk. 10/- each.**
- b. that the figures and words “Tk. 500,00,00,000/- (Taka five hundred crore)” and “50,00,00,000 (fifty crore)” appearing in the first and second line of Clause-V and Article-4 of the Memorandum and Articles of Association of the Company be substituted by the figures and words “Tk. 1000,00,00,000/- (Taka one thousand crore)” and “100,00,00,000 (one hundred crore) respectively.**
- c. that the existing Article-81 of the Articles of Association of the Company be and is substituted as follows :**

“ 81. The following are the present directors of the Company :

- 1. Mr. Samuel S Chowdhury**
- 2. Mrs. Ratna Patra**
- 3. Mr. Tapan Chowdhury**
- 4. Dr. Kazi Harunar Rashid**
- 5. Mr. Anjan Chowdhury**
- 6. Mr. Kazi Iqbal Harun**
- 7. Mr. M Sekander Ali (Non shareholding Independent Director)**
- 8. Mrs. Nihad Kabir (Non shareholding Independent Director)”**

- d. that a new printed copy of the Memorandum and Articles of Association of the Company incorporating the amendments made upto this date in substitution of the existing Memorandum and Articles of Association of the Company be and are hereby adopted as Memorandum and Articles of Association of the Company and the same be filed with the Registrar of Joint Stock Companies and Firms, Dhaka, Bangladesh.**

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 BSEC Notification No. SEC/CMRRCD/2006-158/129/Admin/43 dated 7th August, 2012 are depicted/disclosed in the ANNEXURE-I, IV, V and VI 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, BSEC, DSE, CSE, CDBL and the Government in particular and look forward to the global role of the Company.



Samuel S Chowdhury
Chairman

কর্পোরেট গভর্নেন্স:

কর্পোরেট গভর্নেন্স হল একটি ভাল নাগরিকত্বের প্রকৃতি, যার মাধ্যমে কোম্পানি পরিচালিত হয়, যার দৃষ্টিতে এর উত্তরাধিকারীদের এবং সমাজের প্রতি দায়িত্ব রয়েছে। এই বিবৃতিটি ১.৫, ৩.৫, ৭(ক) এবং ৭(খ) ক্লাউজের অধীনে প্রস্তুত করা হয়েছে।

ব্যবস্থাপনা কর্তৃপক্ষের স্বীকৃতি:

কোম্পানির পরিচালনা পর্ষদ গভীর প্রশংসা প্রকাশ করে এবং সমর্থন ও সহযোগিতা জ্ঞাপন করে।

Annexure to the Directors' Report



ANNEXURE-I

The Directors also report that:

- ❖ Related Party Transactions are depicted in Note no.45 in the Notes of Account.
- ❖ Remuneration of Directors including Independent Director have been shown in Note no. 27 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 2012-2013 were as follows:

Name of Directors	Position	Meeting Held	Attended
Mr. Samuel S. Chowdhury	Chairman	8	8
Mrs. Ratna Patra	Vice Chairman	8	8
Mr. Tapan Chowdhury	Managing Director	8	8
Dr. Kazi Harunar Rashid	Director	8	4
Mr. Anjan Chowdhury	Director	8	8
Mr. Kazi Iqbal Harun	Director	8	8
Mr. M Sekander Ali	Independent Director	8	8

- ❖ The pattern of shareholding as required by clause 1.5(xxi) of the BSEC Notification dated 7th August, 2012, stated in Annexure II.

ANNEXURE-II

Pattern of Shareholding as on 31st March , 2013

Name of the Shareholders	Status	Shares held	%
i. Parent/Subsidiary/Associated Companies and other related parties	-	-	-
ii. Directors:			
Mr. Samuel S Chowdhury	Chairman	26,187,385	7.06
Mrs. Ratna Patra	Vice Chairman	25,098,213	6.77
Mr. Tapan Chowdhury	Managing Director	26,757,549	7.22
Dr. Kazi Harunar Rashid	Director	11,384,856	3.07
Mr. Anjan Chowdhury	Director	27,096,349	7.31
Mr. Kazi Iqbal Harun	Director	11,209,618	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	26,757,549	7.22
Mr. Md. Kabir Reza	Chief Financial Officer	4,709	0.0013
Mr. Khandaker Habibuzzaman	Company Secretary	-	-
Mr. Md. Majibur Rahman Bhuiyan	Head of Internal Audit	6,360	0.0017
iv. Executives:			
Mr. Parvez Hashim	Head of Operations	-	-
Mr. Muhammadul Haque	Head of Marketing	22,274	0.0060
Mr. Mahbubur Rahman	Head of Engineering	3,710	0.0010
Mr. Anjan Kumar Paul	Head of HR	62,202	0.0168
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

Directors who seek re-appointed

Mr. Samuel S Chowdhury

Mr. Samuel S Chowdhury is a Director of the Company since 1991 and has been appointed as Chairman in the 2012. He is the son of late Samson H Chowdhury, Founder Chairman of the Company. He obtained Bachelor's degree from the Rajshahi University and Masters in Business Administration from the Trinity University, USA and has a rich experience of more than 35 years in the pharmaceuticals, textiles, toiletries, media & communication sector including capital market operations. Mr. Samuel S Chowdhury is also a sponsor director of Square Textiles Limited (Listed Company) designated as Chairman. He also Chairman in 33 other private limited Company namely Square Hospitals Limited, Square Toiletries Limited, Square Cephalosporins Limited, Square Fashions Ltd., Square Consumers Products Ltd., Square Securities Management Ltd. Sabazpur Tea Company Ltd. and Maasranga Television under the Square Group.

Mr. Samuel S Chowdhury has been awarded several times as a highest individual Taxpayer in the Country.

Dr. Kazi Harunar Rashid

Dr. Kazi Harunar Rashid, one of the Founder/Sponsor Director of the Company. He is a physician by profession since 1956, passed MBBS in 1954 from Dhaka Medical College, 2nd batch student of Dhaka Medical College.

Mr. Rashid is also a sponsor shareholder of Square Textiles Ltd. (listed company) and a Sponsor Director of Square Toiletries Limited, a private limited company under the Square Group. He is also a life member of LIONS, BAVS, Red Cross and Family Planning of Bangladesh.

Appointed Independent Directors:

Mrs. Nihad Kabir

Mrs. Nihad Kabir, Barrister-at-Law is an Advocate of Supreme Court of Bangladesh and the Senior Partner of Syed Ishtiaq Ahmed & Associates, a firm of legal consultants and practitioners in Bangladesh. She is the legal advisor of several leading national, multinational and foreign organisations in various sectors in Bangladesh and is also involved in rendering services to different business, social and development organizations.

Mrs. Kabir is a member of the Company Law Reform Committee formed by the Government of Bangladesh and She also is a life member of the Bangladesh Institute of Law and International Affairs. She was also the first Legal Counsel to the Bangladesh Securities and Exchange Commission (BSEC) of Bangladesh from 1993-96.

She is a Director of Infrastructure Development Company Ltd. (IDCOL), Palli Karma-Sahayak Foundation, bKash, Kedarpur Tea Company Ltd. and Shaistagonj CNG Company Ltd. and a co-owner of Sathgao Tea Estate. She is an Independent Director of BRAC Bank Ltd. and Apex Adelchi Footwear Ltd.

Mrs. Nihad Kabir has been appointed as Independent Director by the Board of Directors of Square Pharmaceuticals Limited on 9th May, 2013.

ANNEXURE-IV

AUDIT COMMITTEE REPORT

For the Year 2012-2013

The Audit Committee consists of the following persons:

Mr. M Sekander Ali, Independent Director	- Chairman
Mr. Anjan Chowdhury, Director	- Member
Mr. Kazi Iqbal Harun, Director	- Member
Mr. Khandaker Habibuzzaman, Company Secretary	- Member Secretary

The scope of Audit Committee was defined as under:

- (a) Review and recommend to the Board to approve the quarterly, half-yearly and annual financial statements prepared for statutory purpose;
- (b) Monitor and oversee choice of accounting policies and principles, internal control risk management process, auditing matter, hiring and performance of external auditors;
- (c) Review statement of significant related party transactions submitted by the management.
- (d) Carry on a supervision role to safeguard the systems of governance and independence of statutory auditors; and
- (e) Review and consider the report of internal auditors and statutory auditors' observations on internal control.

Activities carried out during the year

The Committee reviewed the integrity of the quarterly and annual financial statement and recommended to the Board for consideration. The Committee had overseen, reviewed and approved 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, 2013

ANNEXURE-V

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 Bangladesh Securities and Exchange Commission vide their Notification No. SEC/CMRRCD/2006-158/134/ Admin/44 dated 7th August, 2012.

Dated: 31st July, 2013
Dhaka



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

ANNEXURE-VI

Status of compliance with the conditions imposed by the Securities and Exchange Commission's notification No. SEC/CMRRCD/2006-158/134/ Admin/44 dated 7th August, 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 NBFI	✓		
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			N/A
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.	✓		
4 (ix)	Audit/certification services on compliance of corporate governance.	✓		
5	Subsidiary Company :			
5 (i)	Composition of the Board of Directors	✓		
5 (ii)	At least 1 (one) independent director to the subsidiary company	✓		
5 (iii)	Submission of Minutes to the holding company	✓		
5 (iv)	Review of Minutes by the holding company	✓		
5 (v)	Review of Financial Statement by the holding company	✓		
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 Reports



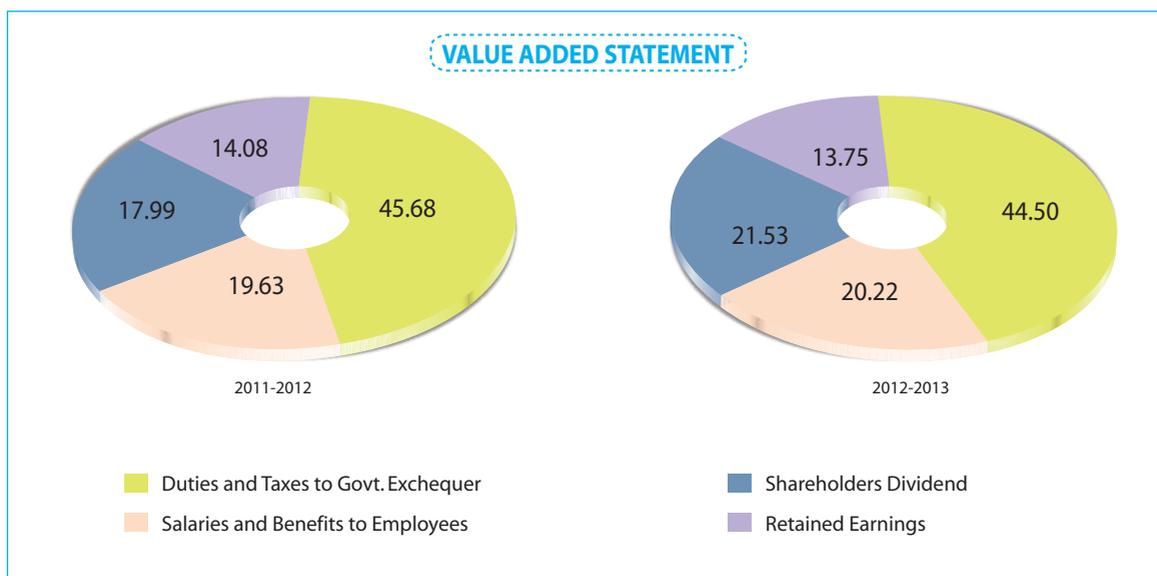
SQUARE PHARMACEUTICALS LTD.

VALUE ADDED STATEMENT

For the Year Ended 31 March 2013

(Figures in thousand Taka)

	2012-2013		2011-2012	
	Amount	%	Amount	%
Value Added:				
Turnover & Other Income	21,595,035		19,449,595	
Less: Bought in Materials & Services	12,123,598		11,096,073	
	9,471,437	100.00	8,353,522	100.00
Applications:				
Duties and Taxes to Govt. Exchequer	4,214,487	44.50	3,816,312	45.68
Salaries and Benefits to Employees	1,915,525	20.22	1,639,499	19.63
Shareholders Dividend	2,039,228	21.53	1,721,426	20.61
Retained Earnings	1,302,197	13.75	1,176,285	14.08
	9,471,437	100.00	8,353,522	100.00



AUDITORS' REPORT

TO THE SHAREHOLDERS

We have audited the accompanying financial statements of Square Pharmaceuticals Limited which comprises of the Statement of Financial Position as at 31 March 2013, 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 of financial statements that give a true and fair view in accordance with Bangladesh Financial Reporting Standards (BFRS) and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of these financial statements that are free from material misstatement whether due to fraud or error.

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 about whether the financial statements are free of 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 of the financial statements that give a true and fair view 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 the 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 give a true and fair view of the financial position of Square Pharmaceuticals Limited as at 31 March 2013 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards, the Companies Act 1994 and other applicable laws and regulations.

We also report that:

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

Dated, Dhaka
29 July, 2013


Das Chowdhury Dutta & Co.
Chartered Accountants

SQUARE PHARMACEUTICALS LTD.
STATEMENT OF FINANCIAL POSITION

As At 31 March 2013

		31-03-2013 Taka	31-03-2012 Taka
ASSETS:	Notes		
Non-Current Assets:		17,450,947,962	14,708,277,754
Property, Plant and Equipment-Carrying Value	2	9,322,186,497	8,767,827,062
Capital Work-in-Progress	3	3,718,326,254	1,274,390,572
Investment - Long Term (at Cost)	4	3,821,121,331	3,971,022,723
Investment in Marketable Securities (Fair Value)	5	589,313,880	695,037,397
Current Assets:		5,996,697,544	6,745,507,008
Inventories	6	2,503,683,240	2,687,818,472
Trade Debtors	7	800,974,912	808,311,714
Advances, Deposits and Prepayments	8	650,380,369	577,156,445
Short Term Loan	9	1,109,251,152	2,085,300,110
Cash and Cash Equivalents	10	932,407,871	586,920,267
TOTAL ASSETS		23,447,645,506	21,453,784,762
SHAREHOLDERS' EQUITY AND LIABILITIES:			
Shareholders' Equity:		18,844,746,184	16,266,884,255
Share Capital	11	3,707,686,640	2,648,347,600
Share Premium	12	2,035,465,000	2,035,465,000
General Reserve		105,878,200	105,878,200
Gain on Marketable Securities (Unrealized)	5	297,945,485	399,421,439
Retained Earnings		12,697,770,859	11,077,772,016
Non-Current Liabilities:		810,461,067	933,965,662
Long Term Loans - Secured	13	313,421,158	508,778,060
Deferred Tax Liability	14	497,039,909	425,187,602
Current Liabilities:		3,792,438,255	4,252,934,845
Short Term Bank Loans	15	1,112,694,131	2,016,551,125
Long Term Loans - Current Portion	16	511,504,034	477,141,480
Trade Creditors	17	1,086,097,881	875,431,555
Liabilities for Expenses	18	109,604,834	95,361,435
Liabilities for Other Finance	19	972,537,375	788,449,250
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		23,447,645,506	21,453,784,762

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.


 Das Chowdhury Dutta & Co.
 Chartered Accountants

Dated, Dhaka: 29 July, 2013

SQUARE PHARMACEUTICALS LTD.
STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 March 2013

		2012-2013 Taka	2011-2012 Taka
	Notes		
GROSS TURNOVER	21	20,742,746,372	18,592,856,236
Less: Value Added Tax		2,783,256,876	2,538,430,993
NET TURNOVER		17,959,489,496	16,054,425,243
COST OF GOODS SOLD	22	(10,223,478,073)	(9,167,253,620)
GROSS PROFIT		7,736,011,423	6,887,171,623
Operating Expenses:		(3,883,200,849)	(3,566,024,910)
Selling and Distribution Expenses	26	(2,820,582,797)	(2,430,466,795)
Administrative Expenses	27	(737,337,036)	(701,977,079)
Financial Expenses	28	(325,281,016)	(433,581,036)
PROFIT FROM OPERATIONS		3,852,810,574	3,321,146,713
Other Income	29	852,289,241	856,739,329
PROFIT BEFORE WPPF		4,705,099,815	4,177,886,042
Allocation for WPPF	30	(224,052,372)	(198,946,954)
PROFIT BEFORE TAX		4,481,047,443	3,978,939,088
Provision for Income Tax	31	(1,067,770,353)	(958,906,349)
Provision for Deferred Income Tax	14	(71,852,307)	(122,322,098)
PROFIT AFTER TAX FOR THE YEAR		3,341,424,783	2,897,710,641
Other Comprehensive Income:			
Gain/(Loss) on Marketable Securities (Unrealized)		(101,475,954)	139,986,324
Total Comprehensive Income for the Year		3,239,948,829	3,037,696,965
Earnings Per Share (EPS)	32	9.01	7.82
Number of Shares used to compute EPS		370,768,664	370,768,664

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


Das Chowdhury Dutta & Co.
Chartered Accountants

Dated, Dhaka: 29 July, 2013

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

For the Year Ended 31 March 2013

	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 2012	2,648,347,600	2,035,465,000	105,878,200	-	399,421,439	11,077,772,016	16,266,884,255
Total Comprehensive Income (2012-2013)	-	-	-	-	(101,475,954)	3,341,424,783	3,239,948,829
Cash Dividend (2011-2012)	-	-	-	-	-	(662,086,900)	(662,086,900)
Stock Dividend (2011-2012)	1,059,339,040	-	-	-	-	(1,059,339,040)	-
At 31 March 2013	3,707,686,640	2,035,465,000	105,878,200	-	297,945,485	12,697,770,859	18,844,746,184

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

As per our annexed report of even date.


 Samuel S Chowdhury
 Chairman


 Tapan Chowdhury
 Managing Director


 Khandaker Habibuzzaman
 Company Secretary


 Das Chowdhury Dutta & Co.
 Chartered Accountants

Dated, Dhaka: 29 July, 2013

SQUARE PHARMACEUTICALS LTD.

STATEMENT OF CASH FLOWS

For the Year Ended 31 March 2013

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 Square Biotechs Ltd.
Investment in Square Multi Fabrics Ltd.
Investment in Square Hospitals Ltd.
Investment in Square Knit Fabrics Ltd.
Investment in Square Fashions Ltd.
Investment in Marketable Securities
Loan to Sister Concerns
Capital Work-in-Progress
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 Decrease
Dividend Paid

Net cash used in financing activities

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

	2012-2013 Taka	2011-2012 Taka
RECEIPTS:		
Collection from Sales	20,695,259,012	18,579,768,546
Others	460,261,842	502,928,943
	21,155,520,854	19,082,697,489
PAYMENTS:		
Purchase of Raw and Packing Materials	7,313,390,135	6,951,917,263
Manufacturing and Operating Expenses	4,939,448,822	4,385,178,403
Value Added Tax	2,783,256,876	2,538,430,993
Bank Interest	325,281,016	433,581,036
Income Tax	971,870,716	923,732,161
Workers Profit Participation Fund	218,665,078	204,846,890
Others	2,340,659	-
	16,554,253,302	15,437,686,746
Net cash provided by operating activities	4,601,267,552	3,645,010,743
Cash Flows From Investing Activities:		
Purchase of Fixed Assets	(1,724,513,705)	(2,904,446,492)
Disposal of Fixed Assets	125,009,718	112,246,104
Investment in Square Formulations Ltd.	(474,598,608)	(901,392)
Investment in Central Depository Bangladesh Ltd.	-	28,472,150
Investment in Orascom Telecom Bangladesh Ltd.	10,000,000	10,000,000
Investment in Square Biotechs Ltd.	66,500,000	-
Investment in Square Multi Fabrics Ltd.	249,500,000	-
Investment in Square Hospitals Ltd.	(1,500,000)	-
Investment in Square Knit Fabrics Ltd.	150,000,000	-
Investment in Square Fashions Ltd.	150,000,000	-
Investment in Marketable Securities	4,247,563	(10,592,718)
Loan to Sister Concerns	976,048,958	728,511,222
Capital Work-in-Progress	(2,443,935,682)	(386,806,375)
Interest Received	181,743,100	252,604,901
Dividend Received	202,656,953	89,900,935
Net cash used in investing activities	(2,528,841,703)	(2,081,011,665)
Cash Flows From Financing Activities:		
Long Term Loan Received	356,214,376	419,919,621
Long Term Loan Repaid	(517,208,727)	(567,845,748)
Short Term Bank Loan Decrease	(903,856,994)	(610,932,739)
Dividend Paid	(662,086,900)	(588,521,700)
Net cash used in financing activities	(1,726,938,245)	(1,347,380,566)
Increase in Cash and Cash Equivalents	345,487,604	216,618,512
Cash and Cash Equivalents at the Opening	586,920,267	370,301,755
Cash and Cash Equivalents at the Closing	932,407,871	586,920,267

As per our annexed report of even date.


Samuel S Chowdhury
Chairman


Tapan Chowdhury
Managing Director


Khandaker Habibuzzaman
Company Secretary


Das Chowdhury Dutta & Co.
Chartered Accountants

Dated, Dhaka: 29 July, 2013

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), International Accounting Standards (IAS), International Financial Reporting Standard (IFRS) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB), as Bangladesh Accounting Standard (BAS) and Bangladesh Financial Reporting Standard (BFRS).

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 - 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 - 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
BFRS - 8	Operating Segment
BFRS - 10	Consolidated Financial Statements
BFRS - 12	Interest in Other Equity

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) and Square Cephalosporins Ltd. (SCL). Depreciation for full years has been charged on additions irrespective of date when the related assets are put into use and no depreciation has been charged on assets disposed off during the year.

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

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

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

Group 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 funds and payment is made to the workers as per provisions of 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.

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 2012-2013 were treated as if they had been in issue in previous years also. Hence, in computing the Earnings Per Share (EPS) of 2012-2013, the total number of shares including the said bonus shares has been considered as the Weighted Average Number of Shares Outstanding during the year 2011-2012.

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 Formulations Ltd.	995,000	95.50%

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 2013	Financial Statements
Square Formulations Ltd.	31, March 2013	Financial Statements

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 2013, 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 Bangladesh 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.

31-03-13**31-03-12****2. PROPERTY, PLANT AND EQUIPMENT: Tk. 9,322,186,497**

Details of Property, Plant and Equipment and Depreciation as at 31 March, 2013 are shown in the annexed Schedule - 01. This is arrived at as follows:

Opening Balance (At Cost)	14,423,535,912	11,942,480,580
Add: Net Addition during the Year	1,321,837,201	2,481,055,332
Closing Balance (At Cost)	15,745,373,113	14,423,535,912
Less: Accumulated Depreciation	6,423,186,616	5,655,708,850
Carrying Value	Tk. <u>9,322,186,497</u>	<u>8,767,827,062</u>

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

	2012-2013	2011-2012
Factory Overhead	866,182,113	820,532,316
Selling and Distribution Expenses	109,405,465	99,077,497
Administrative Expenses	77,184,320	98,589,003
Tk.	<u>1,052,771,898</u>	<u>1,018,198,816</u>

31-03-13

31-03-12

3. CAPITAL WORK-IN-PROGRESS: Tk. 3,718,326,254

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

Land & Land Development	63,412,626	57,772,626
Building/Civil Work	2,731,137,338	1,202,177,527
Plant & Machinery	922,772,750	14,440,419
Other Assets	1,003,540	-
Tk.	3,718,326,254	1,274,390,572

4. INVESTMENT-Long Term (at Cost): Tk. 3,821,121,331

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
(d) 995,000 Ordinary Shares of Tk. 100/- each in Square Multi Fabrics Ltd.	-	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
(f) 995,000 Ordinary Shares of Tk. 100/- each in Square Formulations Ltd.	99,500,000	500,000
(g) Advance against Share Money with Square Formulations Ltd. for 3,760,000 Shares of Tk. 100/- each	376,000,000	401,392

Associates & Others:

(a) 53,571,364 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 in United Hospital Ltd.	12,000,000	12,000,000
(c) 5,711,804 Ordinary Shares of Tk. 10/- each including Bonus Share in Central Depository Bangladesh Ltd.	15,694,430	15,694,430
(d) 199,750 Ordinary Shares of Tk. 1,000/- each in Square Hospitals Ltd.	210,750,000	209,250,000
(e) 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
(f) 1,260,000 Ordinary Shares of Tk. 100/- each in Square Knit Fabrics Ltd.	126,000,000	126,000,000
(g) Advance against Share Money with Square Knit Fabrics Ltd. for 1,500,000 Shares of Tk.100/- each	150,000,000	300,000,000
(h) 252,000 Ordinary Shares of Tk. 100/- each in Square Fashions Ltd.	25,200,000	25,200,000
(i) Advance against Share Money with Square Fashions Ltd. for 1,500,000 Shares of Tk.100/- each	-	150,000,000
(j) Advance against Share Money with Square InformatiX Ltd. for 1,000,000 Shares of Tk.100/- each	100,000,000	100,000,000
(k) 3 Senior Secured Bond of Tk. 10,000,000/- each in Orascom Telecom Bangladesh Ltd.	30,000,000	40,000,000
Tk.	3,821,121,331	3,971,022,723

5. INVESTMENT IN MARKETABLE SECURITIES (Fair Value): Tk. 589,313,880

SL. No	Name of Company	No. of Shares Held	Face Value per Share	Cost Holding	Average Cost	Quoted Rate per Share as on 31-03-13	Total Market Value of Shares as on 31-03-13	Unrealised Gain/(Loss)
1	1st ICB Mutual Fund	6,050	10	4,700,114	776.88	790.00	4,779,500	79,386
2	2nd ICB Mutual Fund	9,000	10	2,433,654	270.41	220.00	1,980,000	(453,654)
3	3rd ICB Mutual Fund	18,500	10	3,253,609	175.87	132.00	2,442,000	(811,609)
4	4th ICB Mutual Fund	23,500	10	4,189,228	178.26	129.60	3,045,600	(1,143,628)
5	5th ICB Mutual Fund	53,200	10	9,092,114	170.90	120.00	6,384,000	(2,708,114)
6	6th ICB Mutual Fund	65,000	10	4,546,218	69.94	44.50	2,892,500	(1,653,718)
7	7th ICB Mutual Fund	78,000	10	7,717,367	98.94	73.40	5,725,200	(1,992,167)
8	8th ICB Mutual Fund	88,000	10	6,510,285	73.98	50.00	4,400,000	(2,110,285)
9	BATA Shoe Ltd.	700	10	202,891	289.84	508.70	356,090	153,199
10	BATBC Ltd.	3,000	10	594,181	198.06	903.20	2,709,600	2,115,419
11	IBBL MP Bond	143,330	1,000	133,574,294	931.94	1,006.50	144,261,645	10,687,351
12	Islami Bank Ltd.	97,875	10	2,877,463	29.40	42.10	4,120,538	1,243,075
13	Padma Oil Ltd.	1,215	10	91,069	74.95	176.30	214,205	123,136
14	Shahjalal Islami Bank Ltd.	40,625	10	427,870	10.53	23.90	970,938	543,068
15	Titas Gas TDCL	312,900	10	24,236,219	77.46	67.40	21,089,460	(3,146,759)
16	Uttara Bank Ltd.	16,560	10	929,257	56.11	30.90	511,704	(417,553)
17	Meghna Petroleum Ltd.	48,976	10	6,619,248	135.15	167.20	8,188,787	1,569,539
18	Usmania Glass Ltd.	44,784	10	5,530,662	123.50	80.00	3,582,720	(1,947,942)
19	EXIM Bank Ltd.	7,695	10	246,738	32.06	16.30	125,429	(121,309)
20	ACI Ltd.	18,840	10	3,189,553	169.30	130.00	2,449,200	(740,353)
21	Pioneer Insurance Co. Ltd.	3,534,375	10	35,250,000	9.97	68.20	241,044,375	205,794,375
22	National Housing Finance	3,240,936	10	23,157,800	7.15	35.40	114,729,135	91,571,335
23	ACI 20% Convertible Zero Coupon Bond	16,028	1,000	11,998,561	748.60	830.50	13,311,254	1,312,693
	Total Tk.			291,368,395			589,313,880	297,945,485

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):

Unrealized Gain/(Loss) Position (Closing)

Unrealized Gain/(Loss) Position (Opening)

Gain/(Loss) on Marketable Securities during the year

	2012-2013	2011-2012
	297,945,485	399,421,439
	399,421,439	259,435,115
Tk.	(101,475,954)	139,986,324

6. INVENTORIES: Tk. 2,503,683,240

The break-up is as under:

Raw Materials

Packing Materials

Work-in-Process

Finished Goods

Spares & Accessories

Goods-in-Transit

	31-03-13	31-03-12
	905,853,511	877,288,969
	324,298,195	296,515,568
	175,271,519	171,084,826
	729,124,700	710,800,446
	192,018,538	212,521,695
	177,116,777	419,606,968
Tk.	2,503,683,240	2,687,818,472

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

7. TRADE DEBTORS: Tk. 800,974,912

(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

Within 31-60 days

Within 61-90 days

Above 90 days

	571,979,237	317,174,045
	91,055,884	188,262,890
	69,432,471	94,301,441
	68,507,320	208,573,338
Tk.	800,974,912	808,311,714

(ii) Debtors include Tk. 144,155,959 due from export sales of which Tk. 107,827,863 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.

	31-03-13	31-03-12
8. ADVANCES, DEPOSITS & PREPAYMENTS (Considered Good): Tk. 650,380,369		
This consists of as follows:		
Advances:	412,358,363	388,878,984
Employees	17,963,029	16,231,507
Motor Cycle Loan - Employees	3,491,493	3,505,229
Suppliers	390,903,841	369,142,248
Deposits:	219,498,265	169,452,699
L.C Margin	3,232,410	10,479,953
Value Added Tax	170,938,304	116,114,142
Earnest Money & Security Deposit	31,266,494	28,925,835
Lease Deposit	1,381,000	1,381,000
Others	12,680,057	12,551,769
Prepayments:	18,523,741	18,824,762
Office Rent	2,397,337	4,331,837
Insurance Premium	16,126,404	14,492,925
Tk.	650,380,369	577,156,445

- (a) Employees advances of Tk. 17,963,029 includes advance to officers Tk. 16,935,253.
- (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. 1,109,251,152

This consists of as follows:

(a) Square Textiles Ltd.	-	282,963,645
(b) Square Fashions Ltd.	-	209,146,494
(c) Square Hospitals Ltd.	953,678,685	1,075,521,388
(d) Square InformatiX Ltd.	155,079,229	149,641,795
(e) Square Multi Fabrics Ltd.	-	368,026,788
(f) Square Formulations Ltd.	493,238	-
Tk.	1,109,251,152	2,085,300,110

Short term loan is receivable from the above subsidiaries/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. 932,407,871

This is made-up as follows:

(a) Cash in Hand	2,102,958	1,624,128
(b) Cash at Bank :	930,304,913	585,296,139
● Current Account	492,235,604	220,607,898
● STD Account	6,526,242	12,448,943
● Fixed Deposit Account (BD Taka)	27,062,246	27,099,910
● Fixed Deposit Account (USD)	187,350,095	194,475,936
● Export Retention Quota Account	204,732,547	48,846,050
● Margin Held Account	12,398,179	81,817,402
Tk.	932,407,871	586,920,267

11. SHARE CAPITAL: Tk. 3,707,686,640

This is made-up as follows:

Authorised:

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

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:

360,636,344 Ordinary Shares of Tk.10/- each
fully paid-up as Bonus Shares

3,606,363,440

2,547,024,400

Tk. **3,707,686,640****2,648,347,600****Shareholding Position as on 31 March 2013 is as follows:**

	No. of Investors	Number of Shares	% of Share Holding 2012-2013	% of Share Holding 2011-2012
Sponsors	18	201,006,918	54.21	54.23
Foreign Investors	51	35,785,497	9.65	7.98
Financial and Other Institutions	478	100,778,061	27.18	16.95
General Public	60,234	33,198,188	8.96	20.84
	60,781	370,768,664	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	965	155,070	40,441	5,324,242	5,479,312	1.48
501 to 5,000 Shares	1,151	1,041,930	17,264	27,301,481	28,343,411	7.64
5,001 to 10,000 Shares	87	483,442	1,627	11,335,768	11,819,210	3.19
10,001 to 20,000 Shares	36	393,228	803	11,197,074	11,590,302	3.13
20,001 to 30,000 Shares	15	315,722	233	5,691,136	6,006,858	1.62
30,001 to 40,000 Shares	4	140,154	102	3,536,140	3,676,294	0.99
40,001 to 50,000 Shares	3	137,646	59	2,641,026	2,778,672	0.75
50,001 to 100,000 Shares	7	310,680	115	8,024,320	8,335,000	2.25
100,001 to 1,000,000 Shares	10	4,691,970	122	32,715,140	37,407,110	10.09
Over 1,000,000 Shares	12	191,403,016	15	63,929,479	255,332,495	68.86
Total	2,290	199,072,858	60,781	171,695,806	370,768,664	100.00

12. SHARE PREMIUM:

	31-03-13	31-03-12
Tk.	2,035,465,000	2,035,465,000

13. LONG TERM LOANS (Secured): Tk.313,421,158

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

(a) Standard Chartered Bank, Dhaka	71,061,669	68,036,905
(b) HSBC Ltd., Dhaka	241,420,118	116,449,351
(c) DEG, Germany	-	306,562,500
(d) Minimum Lease Payments	939,371	17,729,304
Tk.	313,421,158	508,778,060

(a) Standard Chartered Bank:

An amount of Tk. 96,975,232 has been disbursed during the year 2012-2013 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. 71,061,669 as on 31-03-2013.

(b) HSBC Ltd.:

An amount of Tk. 258,639,147 has been disbursed during the year 2012-2013 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. 241,420,118 as on 31-03-2013.

(c) 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. 293,062,500 which is shown under Note 16 (d).

(f) Minimum Lease Payments- Tk. 939,371

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. 939,371 as on 31-03-2013.

31-03-13

31-03-12

14. DEFERRED TAX LIABILITY: Tk. 497,039,909

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	425,187,602	302,865,504
Provision made	71,852,307	122,322,098
Closing Balance	497,039,909	425,187,602

Tk.

15. SHORT TERM BANK LOAN: Tk. 1,112,694,131

This consists of as follows:

Cash Credit - Janata Bank Ltd., Pabna	83,585	37,341,995
Trust Receipt - Citibank N.A, Dhaka	180,027,956	513,604,361
Short Term Loan - Commercial Bank of Ceylon Ltd., Dhaka	20,936,423	-
Trust Receipt - Commercial Bank of Ceylon Ltd., Dhaka	64,143,000	14,616,000
Trust Receipt - Standard Chartered Bank, Dhaka	179,748,522	668,958,248
Short Term Loan - Bank Alfalah Ltd., Dhaka	100,000,000	100,000,000
Overdraft - Eastern Bank Ltd., Dhaka	-	14,371,198
Trust Receipt - Eastern Bank Ltd., Dhaka	81,607,491	-
Trust Receipt - Mercantile Bank Ltd., Dhaka	1,828,932	52,676,735
Trust Receipt - Shahjalal Islami Bank Ltd., Dhaka	20,509,277	897,476
Trust Receipt - HSBC Ltd., Dhaka	180,016,869	340,384,591
Overdraft - Pubali Bank Ltd., Dhaka	-	403,932
Trust Receipt - Trust Bank Ltd., Dhaka	7,682,287	122,495,296
Overdraft - BRAC Bank Ltd., Dhaka	2,369,819	-
Trust Receipt - BRAC Bank Ltd., Dhaka	27,824,673	37,514,015
Overdraft - Bank Asia Ltd., Dhaka	7,909,075	-
Trust Receipt - Bank Asia Ltd., Dhaka	28,042,656	38,823,370
Trust Receipt - Prime Bank Ltd., Dhaka	137,332,697	-
Overdraft - Janata Bank Ltd., Mohakhali Corporate Br., Dhaka-Secured by FDR	25,515,496	-
Overdraft - Janata Bank Ltd., Mimi Super Market Br, Chittagong-Secured by FDR	4,610,727	4,032,641
Overdraft - Janata Bank Ltd., Foreign Exchange Corporate Br., Sylhet-Secured by FDR	1,493,538	1,531,877
Overdraft - Janata Bank Ltd., Maizdee Court Corporate Br., Noakhali-Secured by FDR	1,641,172	1,828,190
Overdraft - Sonali Bank Ltd., Mohakhali Branch, Dhaka-Secured by FDR	-	9,011,470
Others	39,369,936	58,059,730
Tk.	1,112,694,131	2,016,551,125

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.

31-03-13

31-03-12

16. LONG TERM LOANS - Current Portion: Tk. 511,504,034

This represents current portion of long term loans from financial institutions which are repayable within next 12 months from April, 2013 and consists of as follows:

(a) Standard Chartered Bank, Dhaka	82,087,928	64,337,332
(b) Trust Bak Ltd., Dhaka	-	5,736,018
(c) HSBC Ltd., Dhaka	119,820,677	86,461,706
(d) DEG, Germany	293,062,500	306,562,500
(e) Minimum Lease Payments	16,532,929	14,043,924
Tk.	511,504,034	477,141,480

17. TRADE CREDITORS:Tk. **1,086,097,881** **875,431,555**

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

18. LIABILITIES FOR EXPENSES: Tk. 109,604,834

This consists of as follows:

Accrued Expenses	107,688,171	78,766,922
Clearing & Forwarding	1,629,163	16,333,263
Audit Fees	287,500	261,250
Tk.	109,604,834	95,361,435

19. LIABILITIES FOR OTHER FINANCE: Tk. 972,537,375

This consists of as follows:

Sundry Creditors	348,826,212	266,934,992
Income Tax (Deduction at Source)	1,833,103	1,244,819
Retention Money	1,036,830	715,140
Workers' Profit Participation Fund	407,455,700	402,068,406
Income Tax Payable (Note-20)	213,385,530	117,485,893
Tk.	972,537,375	788,449,250

20. INCOME TAX PAYABLE: Tk. 213,385,530

This is arrived at as follows:

Opening balance	117,485,893	82,311,705
Provision made (Note-31)	1,067,770,353	958,906,349
Tax paid (including Advance Income Tax during the year)	(971,870,716)	(923,732,161)
Closing balance	213,385,530	117,485,893

2012-2013

2011-2012

21. GROSS TURNOVER: Tk. 20,742,746,372

This is made-up as follows:

Local Sales	19,943,693,922	18,054,201,699
Export Sales in US\$ 9,842,840 (FY 2011-2012 US\$ 7,034,668)	799,052,450	538,654,537
Tk.	20,742,746,372	18,592,856,236

(i) Sales consists of 629 Pharmaceuticals Products, 22 Basic Chemicals & Pellet Products, 50 AgroVet Products and 30 Pesticide Products . The summarised quantity are as under:

(Quantity in Thousand)

Category	Unit	Opening	Production/Purchase	Sales	Closing
Tablet	Pcs	230,596	4,862,000	4,697,984	394,612
Capsule	Pcs	63,456	1,176,601	1,140,495	99,562
Liquid Capsule	Pcs	542	8,238	8,410	370
Liquid	Bottles	6,920	75,882	78,169	4,633
Injectable (Vial & Ampoule)	Pcs	5,430	42,322	42,038	5,714
Infusion (LVPO)	Bags	56	356	309	103
ENT Preparation- Drops, Spray, Gel & Others	Phials	523	21,323	21,383	463
Steroid- Cream, Ointment, Spray, Gel & Others	Phials	372	5,429	5,261	540
Non Steroid- Cream, Ointment, Spray, Gel & Others	Phials	758	9,164	9,273	649
Ophthal Preparation & Others	Phials	563	2,647	2,843	367
Nebulizer	Phials	8	670	609	69
Powder for Suspension	Bottles	898	8,123	8,236	785
Powder	Phials	28	2,875	2,795	108
Suppository	Pcs	2,872	19,789	19,253	3,408
Sachet	Pcs	391	1,095	1,342	144
Inhaler	Cans	520	3,238	3,195	563
Insulin	Pcs	98	497	464	131
Basic Chemical	Kg	20	243	237	26
Pellet	Kg	10	152	122	40
Tablet - AgroVet	Pcs	2,222	9,608	9,929	1,901
Powder - AgroVet	Kg	27,578	266	27,805	39
Injectable - AgroVet	Pcs	138	1,131	883	386
Liquid - AgroVet	Bottles	124	490	514	100
Sachet - AgroVet	Pcs	-	13	1	12
Liquid - Insecticide	Litre	7	67	43	31
Granuler - Insecticide	Kg	24	202	171	55
Powder - Insecticide	Kg	1	10	8	3
Powder / Liquids - Fungicide	Kg / Litre	11	400	335	76
Liquid - Weedicide	Litre	1	12	10	3
Granuler - Fertilizer	Kg	8	78	85	1
Liquid - Fertilizer	Litre	2	17	16	3
Powder - Fertilizer	Kg	24	708	648	84
Aerosol	Pcs	22	433	445	10

(ii) 192.63 M.T of basic chemicals valued at Tk. 243,194,348 and 134.26 M.T. of Pellet valued at Tk. 196,595,433 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.

		2012 -2013	2011 -2012
22. COST OF GOODS SOLD: 10,223,478,073			
This is arrived at as follows:	Notes		
Raw Materials Consumed	23	5,126,010,808	4,510,875,568
Packing Materials Consumed	24	2,338,888,597	2,091,523,212
		7,464,899,405	6,602,398,780
Work-in-Process (Opening)		171,084,826	162,243,925
Work-in-Process (Closing)		(175,271,519)	(171,084,826)
TOTAL CONSUMPTION		7,460,712,712	6,593,557,879
Factory Overhead	25	2,528,670,282	2,156,807,933
COST OF PRODUCTION		9,989,382,994	8,750,365,812
Purchase of Finished Goods		322,163,508	541,262,791
Finished Goods (Opening)		710,800,446	653,544,141
Finished Goods (Closing)		(729,124,700)	(710,800,446)
		10,293,222,248	9,234,372,298
Cost of Physician Sample		(69,744,175)	(67,118,678)
		Tk. 10,223,478,073	9,167,253,620

23. RAW MATERIALS CONSUMED: Tk. 5,126,010,808

This is arrived at as follows:

Opening Stock	877,288,969	825,289,196
Purchase	5,154,575,350	4,562,875,341
Closing Stock	(905,853,511)	(877,288,969)
	Tk. 5,126,010,808	4,510,875,568

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

Particulars	Pcs Cap-Shell	Quantity (Kg)					Total Value (Tk.)
		Active	Excepients	Colour	Flavour	Total	
Opening Balance	281,410,812	665,368	2,270,414	111,090	12,818	3,059,690	877,288,969
Purchase	1,134,753,243	3,907,346	8,907,210	359,775	35,338	13,209,669	5,154,575,350
Available for use	1,416,164,055	4,572,714	11,177,624	470,865	48,156	16,269,359	6,031,864,319
Closing Balance	165,244,976	731,359	1,806,391	78,869	14,239	2,630,858	905,853,511
Consumption	1,250,919,079	3,841,355	9,371,233	391,996	33,917	13,638,501	5,126,010,808

Raw materials consists of 903 items of which 83.97% (in value) are imported.

24. PACKING MATERIALS CONSUMED: Tk. 2,338,888,597

This is arrived at as follows:

Opening Stock	296,515,568	264,380,917
Purchase	2,366,671,224	2,123,657,863
Closing Stock	(324,298,195)	(296,515,568)
	Tk. 2,338,888,597	2,091,523,212

Summarised quantity of packing materials are stated as under:

Name of Item	Unit	Opening	Purchase	Consumption	Closing
Inner Carton	Pcs	39,255,730	188,727,708	184,617,851	43,365,587
Shipper's Carton	Pcs	563,786	3,571,048	3,309,054	825,780
Label	Pcs	51,500,743	162,408,369	151,749,434	62,159,678
Direction Slip	Pcs	30,040,051	143,413,676	142,654,822	30,798,905
Container	Pcs	1,897,113	23,477,049	19,911,502	5,462,660
Blister Foil/Alu Lid Foil	Kg	85,636	415,610	383,580	117,666
Strip Foil	Kg	77,361	519,865	531,877	65,349
PVC/PVDC/PE Film	Kg	275,901	1,080,389	707,614	648,676
Alu Bottom Foil	Kg	59,618	226,911	210,408	76,121
Bottle (Pet/HDPE/Glass)	Pcs	2,777,814	110,006,453	95,132,098	17,652,169
Ampoule	Pcs	4,853,638	47,441,337	42,024,444	10,270,531
Vial	Pcs	2,072,300	4,289,481	4,552,512	1,809,269
HDPE Bag	Pcs	-	607,133	506,899	100,234
Over Bag (Infusion Bag)	Pcs	-	488,696	354,730	133,966
Flip Off Seal	Pcs	1,684,584	4,072,110	4,228,515	1,528,179
P.P Cap/Plastic Clouser	Pcs	16,635,171	119,760,579	118,209,087	18,186,663
Tube	Pcs	3,030,089	17,634,135	15,571,821	5,092,403
Can	Pcs	1,966,445	5,395,854	4,803,338	2,558,961
Actuator	Pcs	1,566,219	4,889,512	3,897,645	2,558,086
Metered Valve	Pcs	4,801,531	3,430,807	5,980,291	2,252,047
Sachet	Pcs	114,697	351,894	228,049	238,542
Syringe/Needle	Pcs	1,718,372	3,722,000	3,837,002	1,603,370
Water for Injection	Pcs	1,642,696	8,114,683	9,665,865	91,514
Shrink Wrapping	Pcs	911,921	3,322,217	3,694,850	539,288
Silica Gel/Gum Tape	Pcs	1,376,566	13,149,095	13,978,373	547,288
Cup/Spoon/Dropper	Pcs	5,123,508	65,069,614	65,701,614	4,491,508
Honey Comb	Pcs	-	431,018	217,756	213,262
Plastic Applicator	Pcs	370,745	1,217,338	1,222,451	365,632

Packing materials consists of 4,041 items of which 38.97% (in value) are imported.

2012-2013

2011-2012

25. FACTORY OVERHEAD: Tk. 2,528,670,282

This is made-up as follows:

Salaries, Allowances and Wages	572,816,907	489,251,244
Factory Employees Free Lunch	51,070,183	45,260,093
Factory Staff Uniform	19,990,231	13,889,470
Travelling & Conveyance	24,258,761	12,322,915
Printing & Stationery	34,264,150	21,063,375
Postage, Telephone & Fax	16,017,018	13,533,191
Repairs & Maintenance	444,889,766	373,746,485
Laboratory Consumable Stores	141,731,553	69,685,982
Fuel, Petrol, Light Diesel etc.	46,937,400	36,370,487
Electricity, Gas & Water	163,156,281	125,267,133
Rental Expense	1,520,400	1,342,300
Municipal & Other Tax	3,458,593	1,171,301
Insurance Premium	22,451,416	19,518,422
Factory Sanitation Expenses	19,058,401	14,782,985
Depreciation	866,182,113	820,532,316
Security Services	29,234,628	21,637,805
Research & Development	56,145,672	47,885,007
Software & Hardware Support Service	5,399,030	5,068,223
Generator Rental Charges	-	17,462,069
Toll Charges	8,184,351	6,507,815
Other Expenses	1,903,428	509,315
Tk.	2,528,670,282	2,156,807,933

26. SELLING & DISTRIBUTION EXPENSES: Tk. 2,820,582,797

This consists of as follows:

	2012-2013	2011-2012
Salaries and Allowances	478,905,340	399,623,177
Travelling and Conveyance	54,902,041	43,900,311
Training Expenses	4,254,786	3,686,443
Printing and Stationery	43,007,259	42,034,332
Postage, Telephone & Fax	20,322,540	17,457,898
Electricity, Gas and Water	13,769,500	11,815,067
Tiffin and Refreshment	15,093,793	13,688,423
Office and Godown Rent	11,482,804	8,428,505
Bank Charges	8,528,582	7,441,656
Repairs and Maintenance including car maintenance	188,310,346	157,335,053
Govt. Taxes and Licence Fees	11,139,762	11,200,551
Field Staff Salaries, Allowances, TA and DA	672,052,410	572,832,245
Marketing and Promotional Expenses	541,731,767	460,557,619
Advertisement	9,353,343	3,190,600
Delivery and Packing Expenses	53,141,886	46,118,767
Export Expenses	67,362,864	59,453,899
Special Discount	373,386,102	352,884,255
Sample Expenses	90,284,850	87,189,347
Security Services	29,847,328	23,133,530
Depreciation	109,405,465	99,077,497
Software, Hardware Support & VSAT Services	22,628,550	7,528,716
Other Expenses	1,671,479	1,888,904
Tk.	<u>2,820,582,797</u>	<u>2,430,466,795</u>

	2012-2013	2011-2012
27. ADMINISTRATIVE EXPENSES: Tk. 737,337,036		
This consists of as follows:		
Salaries and Allowances	191,750,259	177,792,318
Directors' Remuneration	40,635,944	36,257,914
Travelling and Conveyance	80,947,135	70,174,431
Training Expenses	18,941,710	18,771,491
Printing and Stationery	17,716,414	16,390,093
Postage, Telephone & Fax	5,864,337	5,353,180
Electricity, Gas & Water	14,004,385	8,099,572
Tiffin and Refreshment	26,951,640	23,411,535
Office Rent	5,132,248	4,829,898
Sanitation Expenses	2,340,972	2,216,150
Books and Periodicals	502,180	900,704
Subscription and Donation	6,943,074	4,350,312
Advertisement	6,477,018	2,246,438
Repairs and Maintenance	83,212,881	87,520,434
Bank Charges	17,752,441	22,314,129
Insurance Premium	14,323,332	11,120,671
Govt. Taxes, Stamp Duty & Licence Fee	13,015,981	9,095,069
Lease Rent	1,360,050	1,162,500
Security Services	14,306,296	12,952,056
Management Consultant Fees	25,247,236	14,367,515
Legal Charges	1,046,000	1,366,682
Audit Fees	287,500	261,250
Depreciation	77,184,320	98,589,003
Annual General Meeting Expenses	4,505,441	5,861,968
Software & Hardware Support Services	58,127,029	44,511,961
Share Demat, Remat & Transfer Fees	7,250,384	20,803,148
Other Expenses	1,510,829	1,256,657
Tk.	737,337,036	701,977,079

Audit fees of Tk. 287,500 represents fees for audit of the financial statements of the company for the year 2012-2013.

	2012-2013	2011-2012
28. FINANCIAL EXPENSES: Tk. 325,281,016		
This is made-up as follows:		
Interest on Cash Credit	8,753,582	9,475,649
Interest on Overdraft	21,148,472	21,507,538
Interest on LATR	221,986,922	175,959,430
Interest on Short Term Loan	18,038,621	57,361,169
Interest on Lease	2,932,897	5,001,716
Interest on Long Term Loan	52,420,522	164,275,534
Tk.	325,281,016	433,581,036

29. OTHER INCOME: Tk. 852,289,241

This is arrived at as follows:

Bank Interest	14,496,611	10,935,629
Interest on Senior Secured Bond	4,800,000	6,153,750
Interest on Loan to Sister Concern	162,446,489	235,515,522
Rental Income	40,647,700	88,815,032
Sale of Scrap	15,112,087	15,205,323
Dividend	202,656,953	89,900,935
Foreign Exchange Fluctuation Gain/(Loss) on Retention Quota Account	177,839	36,794,178
Foreign Exchange Fluctuation Gain/(Loss) against Collection on Export Bill	(5,063,230)	15,236,483
Commission Received	405,161,458	343,904,149
Technology Transfer Fees	2,211,269	-
Gain on Redemption of Zero Coupon Bond	2,014,719	2,012,619
	844,661,895	844,473,620
Profit on Sale of Property, Plant and Equipment (Note-35)	7,627,346	12,265,709
Tk.	852,289,241	856,739,329

30. ALLOCATION FOR WPPF:

Tk.	224,052,372	198,946,954
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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.

31. PROVISION FOR INCOME TAX: Tk. 1,067,770,353

This represents estimated Income Tax Liability for the year 2012-2013 as follows:

1) 27.50% Income Tax on Taxable Profit of Tk. 4,086,111,536	1,123,680,672	1,033,067,450
2) Half of 27.50% Income Tax on Export Net Profit of Tk. 161,450,476	22,199,440	14,403,862
3) 20% Income Tax on Dividend of Tk. 202,656,953	40,531,391	17,980,187
	1,186,411,503	1,065,451,499
Less: 10% Exemption for declaration of Dividend above 20%	118,641,150	106,545,150
Tk.	1,067,770,353	958,906,349

32. EARNINGS PER SHARE (EPS): Tk. 9.01

The computation is given below:

	2012-2013	2011-2012
Surplus for the year attributable to Shareholders (Net Profit after Tax)	3,341,424,783	2,897,710,641
Weighted average number of shares outstanding during the year	370,768,664	370,768,664
Earnings Per Share	Tk. 9.01	7.82

33. 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. 2.50 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 2012-2013 is calculated at Tk. 926,921,660.

The Board of Directors also proposed Bonus Shares (Stock Dividend) @30% per share and total amount of proposed Bonus Share (Stock Dividend) for the year is calculated at Tk. 1,112,305,990

34. 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 Bangladesh Securities and Exchange Rules 1987 are disclosed below:

Directors' Remuneration	40,635,944
Managerial Remuneration	101,376,632
Managerial Benefits:	
Bonus	32,854,723
House Rent	18,042,345
Conveyance	2,406,500
Company's Contribution to Provident Fund	9,255,385

(a) no compensation was made to the Managing Director of the company except as stated in (34) above.

(b) no amount was spent by the company for compensating any member of the Board of Directors except as stated in (34) above.

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

Particulars of Assets	Cost	Acc. Depn Upto 31-03-12	WDV as on 31-03-12	Sales Price	Profit
Motor Vehicle	37,641,450	24,666,939	12,974,511	15,702,996	2,728,485
Motor Cycle	18,026,106	13,744,436	4,281,670	9,117,955	4,836,285
Equipments	347,008,948	246,882,757	100,126,191	100,188,767	62,576
Total	402,676,504	285,294,132	117,382,372	125,009,718	7,627,346

36. PRODUCTION CAPACITY AND UTILISATION:

(Quantity in thousand)

Category	Unit	Rated Capacity	Actual Production	Capacity Utilisation
Tablet	Pcs	7,347,542	4,862,000	66%
Capsule	Pcs	1,150,922	1,176,601	102%
Liquid Capsule	Pcs	10,000	8,238	82%
Liquid	Bottle	198,000	75,882	38%
Injectable (Vial & Ampoul)	Pcs	50,625	42,322	84%
Infusion (LVPO)	Bags	200	356	178%
ENT Preparation - Drops, Spray, Gel & Others	Phials	30,000	21,323	71%
Steroid-Cream, Ointment, Spray, Gel & Others	Phials	50,000	5,429	11%
Non Steroid-Cream, Ointment, Spray, Gel & Others	Phials	17,000	9,164	54%
Ophthal Preparation	Phials	2,100	2,647	126%
Nebulizer	Phials	567	670	118%
Powder for Suspension	Bottle	18,092	8,123	45%
Powder	Phials	3,600	2,875	80%
Suppository	Pcs	80,000	19,789	25%
Sachet	Pcs	10,000	1,095	11%
Inhaler	Cans	7,233	3,238	45%
Insulin	Pcs	487	497	102%
Basic Chemical	Kg	340	243	71%
Pellet	Kg	152	152	100%
Tablet - AgroVet	Pcs	50,000	9,608	19%
Powder - AgroVet	Kg	1,500	266	18%
Injectable - AgroVet	Pcs	3,420	1,131	33%
Liquid - AgroVet	Bottle	20,000	490	2%
Aerosol	Pcs	1,470	433	29%

Fluctuation of Capacity utilisation is due to change of technology, product line and Market Strategy.

37. 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 4,693 for the whole year and 1,175 for part of the year.

38. 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 2013.

39. EXPATRIATE CONSULTANTS FEES:

During the year under review USD 137,254 equivalent to Tk. 11,104,843 and Euro 133,990 equivalent to Tk. 14,137,394 have been paid to expatriate consultants as fees for their services rendered to the company.

40. DIVIDEND PAID TO THE SHAREHOLDERS:

During the year under review total cash dividend for 2011-2012 amounting to Tk. 662,086,900 has been paid to the Shareholders and also bonus shares amounting to Tk. 1,059,339,040 for the year 2011-2012 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.

41. CLAIM NOT ACKNOWLEDGED AS DEBT:

There was no claim against the company not acknowledged as debt as on 31-03-2013.

42. UN-AVAILED CREDIT FACILITIES:

There was no credit facility available to the company under any contract but not availed of as on 31-03-2013 other than bank credit facility and trade credit available in the ordinary course of business.

43. CONTINGENT LIABILITY:

Contingent liability of the company was Tk. 1,618,640,764 as on 31-03-2013 for opening letter of credit by the banks in favour of foreign suppliers for raw materials, packing materials and plant & machineries.

44. 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.

45. RELATED PARTY TRANSACTIONS:

The company did not do any related transactions with it's sister concern other than its subsidiaries/associates undertaking viz Square Textiles Ltd., Square Fashions Ltd., Square Knit Fabrics Ltd., Square Hospitals Ltd., Square InformatiX Ltd., Square Multi Fabrics Ltd., Square Cephalosporins Ltd., Square Formulations Ltd. and Square Biotechs Ltd. during the year reporting. The summary is as follows:

	31-03-13	31-03-12
Transaction with Square Textiles Ltd.:		
Opening Balance	282,963,645	540,790,520
Total Paid during the Year	731,742,506	594,297,668
Total Realized during the Year	(1,014,706,151)	(852,124,543)
Closing Balance	Tk. -	282,963,645
Transaction with Square Fashions Ltd.:		
Opening Balance	209,146,494	968,133,272
Total Paid during the Year	1,667,958,984	1,687,361,274
Total Realized during the Year	(1,877,105,478)	(2,446,348,052)
Closing Balance	Tk. -	209,146,494
Transaction with Square Knit Fabrics Ltd.:		
Opening Balance	-	53,814,124
Total Paid during the Year	1,067,165,710	1,274,912,768
Total Realized during the Year	(1,067,165,710)	(1,328,726,892)
Closing Balance	Tk. -	-

	31-03-13	31-03-12
Transaction with Square Hospitals Ltd.:		
Opening Balance	1,075,521,388	767,910,176
Total Paid during the Year	316,929,772	406,573,758
Total Realized during the Year	(438,772,475)	(98,962,546)
Closing Balance	Tk. <u>953,678,685</u>	<u>1,075,521,388</u>
Transaction with Square InformatiX Ltd.:		
Opening Balance	149,641,795	174,193,808
Total Paid during the Year	108,807,197	77,417,743
Total Realized during the Year	(103,369,763)	(101,969,756)
Closing Balance	Tk. <u>155,079,229</u>	<u>149,641,795</u>
Transaction with Square Multi Fabrics Ltd.:		
Opening Balance	368,026,788	308,969,432
Total Paid during the Year	203,427,057	685,270,286
Total Realized during the Year	(571,453,845)	(626,212,930)
Closing Balance	Tk. <u>-</u>	<u>368,026,788</u>
Transaction with Square Cephalosporins Ltd.:		
Opening Balance	774,512,576	425,566,378
Total Paid during the Year	2,009,006,852	1,821,473,727
Total Realized during the Year	(1,703,812,907)	(1,472,527,529)
Closing Balance	Tk. <u>1,079,706,521</u>	<u>774,512,576</u>
Transaction with Square Formulations Ltd.:		
Opening Balance	-	-
Total Paid during the Year	475,191,846	901,392
Total Realized during the Year	(474,698,608)	(901,392)
Closing Balance	Tk. <u>493,238</u>	<u>-</u>
Transaction with Square Biotechs Ltd.:		
Opening Balance	66,895,979	66,948,979
Total Paid during the Year	(66,895,979)	(53,000)
Total Realized during the Year	-	-
Closing Balance	Tk. <u>-</u>	<u>66,895,979</u>

SQUARE PHARMACEUTICALS LTD.

Property, Plant and Equipment: Tk. 9,322,186,497

Schedule-01

PARTICULARS	COST			DEPRECIATION			Carrying Value as at 31 March 2013	Rate of Depn	
	At 31 March 2012	During the year		At 31 March 2012	During the year				At 31 March 2013
		Additions	Sales/ Transfer		Charged	Sales/ Transfer			
FACTORIES:									
Freehold Land	832,517,019	144,166,293	-	-	1,217,143,550	-	976,683,312	-	
Factory Building	2,852,534,407	377,290,049	-	3,229,824,456	1,217,143,550	201,268,090	1,811,412,816	10%	
Boundary Wall	593,903	-	-	593,903	108,125	48,578	437,200	10%	
Building under Construction	149,823,994	146,313,418	205,920,255	90,217,157	2,871,076,500	550,449,481	3,119,213,720	15%	
Plant & Machinery	5,972,483,631	568,256,070	-	6,540,739,701	168,457,979	49,384,985	444,464,851	10%	
Laboratory Equipment	503,921,513	158,386,302	-	662,307,815	94,462,715	21,053,486	189,481,387	10%	
Furniture & Fixture	256,344,564	48,653,024	-	304,997,588	58,855,943	10,836,739	69,692,682	10%	
Office Equipment	130,732,696	36,490,617	-	167,223,313	11,493,741	2,941,811	26,476,279	10%	
Computer	31,638,456	9,273,375	-	40,911,831	98,069,010	22,989,077	91,956,314	20%	
Motor Vehicles	181,572,291	35,845,440	11,345,000	206,072,731	1,735,195	69,961	279,844	20%	
Motor Vehicle Lease	2,085,000	-	-	2,085,000	-	-	658,784,834	-	
Plant & Machinery in Transit	592,049,777	138,854,544	72,119,487	658,784,834	24,014,985	4,372,448	24,777,211	15%	
Electrical Installation	40,287,144	12,877,500	-	53,164,644	13,116,467	2,767,457	15,682,255	15%	
Gas Line Installation	25,249,179	6,317,000	-	31,566,179	-	-	-	-	
Total	11,571,833,574	1,682,723,632	289,384,742	12,965,172,464	4,558,534,210	866,182,113	7,547,397,811		
HEAD OFFICE & OTHERS:									
Land	723,566,898	20,660,636	-	744,227,534	-	-	744,227,534	-	
Building	294,731,060	1,842,419	-	296,573,479	132,042,648	16,453,082	148,077,749	10%	
Boundary Wall	1,344,730	5,510,560	-	6,855,290	134,473	672,082	6,048,735	10%	
Building under Construction	42,491,087	46,940,823	-	89,431,910	-	-	89,431,910	-	
Furniture & Fixture	84,946,983	6,456,643	-	91,403,626	34,761,789	5,664,184	50,977,653	10%	
Office Equipment	554,737,040	7,845,066	346,662,348	215,919,758	363,182,776	15,730,768	83,668,562	10%	
Computer	138,560,502	12,049,765	-	150,610,267	40,535,486	11,007,478	99,067,303	10%	
Motor Vehicle	609,834,262	153,561,203	26,296,450	737,099,015	316,291,838	87,551,856	350,207,422	20%	
Motor Vehicle-Lease	118,472,040	-	-	118,472,040	69,054,966	9,883,415	39,533,659	20%	
Motor Cycle	207,882,901	64,962,700	18,372,706	254,472,895	113,615,199	31,119,142	124,476,567	20%	
Books & Periodicals	528,794	-	-	528,794	527,564	369	861	30%	
SAP Software	52,975,426	-	-	52,975,426	19,071,153	6,780,855	27,123,418	20%	
VSAT	7,211,700	-	-	7,211,700	721,170	649,053	5,841,477	10%	
Electrical Installation	14,418,915	-	-	14,418,915	7,235,578	1,077,501	6,105,836	15%	
Total	2,851,702,338	319,829,815	391,331,504	2,780,200,649	1,097,174,640	186,589,785	1,774,788,686		
Grand Total Tk.	14,423,535,912	2,002,553,447	680,716,246	15,745,373,113	5,655,708,850	1,052,771,898	9,322,186,497		
Total- 2012 Tk.	11,942,480,580	2,971,094,243	490,038,911	14,423,535,912	4,960,920,799	1,018,198,816	8,767,827,062		

**SQUARE PHARMACEUTICALS LTD.
AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As At 31 March 2013**

		31-03-2013 Taka	31-03-2012 Taka
ASSETS:	Notes		
Non-Current Assets:		20,310,355,617	16,128,144,622
Property, Plant and Equipment-Carrying Value	2.1	9,613,059,761	9,171,791,457
Capital Work-in-Progress	3.1	4,907,039,756	1,274,390,572
Investment - Long Term (at Cost)	4.1	157,694,430	167,694,430
Investment - Associate Undertakings	4.2	4,914,958,933	4,709,080,125
Investment in Marketable Securities (Fair Value)	5.1	686,985,768	804,638,100
Pre-Operating/Preliminary Expenses		30,616,969	549,938
Current Assets:		6,946,361,767	8,248,571,022
Inventories	6.1	3,091,263,712	3,178,672,614
Trade Debtors	7.1	812,741,029	819,002,633
Advances, Deposits and Prepayments	8.1	952,411,276	694,844,720
Short Term Loan	9.1	1,108,757,914	1,717,273,322
Margin against BTB Letter of Credit		-	1,091,148,736
Cash and Cash Equivalents	10.1	981,187,836	747,628,997
TOTAL ASSETS		27,256,717,384	24,376,715,644
SHAREHOLDERS' EQUITY AND LIABILITIES:			
Shareholders' Equity:		22,370,264,441	19,120,019,851
Share Capital	11.1	3,707,686,640	2,648,347,600
Share Premium	12.1	2,035,465,000	2,035,465,000
General Reserve		105,878,200	105,878,200
Tax Holiday Reserve	12.2	406,231,702	449,870,449
Gain on Marketable Securities (Unrealized)	5.1	313,532,224	420,437,468
Retained Earnings		15,801,470,675	13,460,021,134
Non Controlling Interest	12.3	7,678,418	7,339,774
Non-Current Liabilities:		1,603,367,092	933,965,662
Long Term Loans - Secured	13.1	1,106,327,183	508,778,060
Deferred Tax Liability	14.1	497,039,909	425,187,602
Current Liabilities:		3,275,407,433	4,315,390,357
Short Term Bank Loans	15.1	1,302,048,378	2,237,495,956
Long Term Loans - Current Portion	16.1	540,421,336	477,141,480
Trade Creditors	17.1	7,034,724	531,295,427
Liabilities for Expenses	18.1	173,261,777	114,515,510
Liabilities for Other Finance	19.1	1,252,641,218	954,941,984
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		27,256,717,384	24,376,715,644

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


Das Chowdhury Dutta & Co.
Chartered Accountants

Dated, Dhaka: 29 July, 2013

**SQUARE PHARMACEUTICALS LTD.
AND ITS SUBSIDIARIES**
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

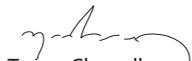
For the Year Ended 31 March 2013

		2012-2013 Taka	2011-2012 Taka
	Notes		
GROSS TURNOVER	21.1	23,360,199,256	22,655,115,339
Less: Value Added Tax		3,158,193,334	2,857,033,247
NET TURNOVER		20,202,005,922	19,798,082,092
COST OF GOODS SOLD	22.1	(11,404,574,196)	(11,907,772,974)
GROSS PROFIT		8,797,431,726	7,890,309,118
Operating Expenses:		(4,065,379,888)	(3,739,386,892)
Selling and Distribution Expenses	26.1	(2,965,919,911)	(2,552,782,520)
Administrative Expenses	27.1	(742,308,234)	(721,989,831)
Financial Expenses	28.1	(357,151,743)	(464,614,541)
PROFIT FROM OPERATIONS		4,732,051,838	4,150,922,226
Other Income	29.1	377,846,808	419,629,753
PROFIT BEFORE WPPF		5,109,898,646	4,570,551,979
Allocation for WPPF	30.1	(246,729,864)	(220,479,798)
PROFIT BEFORE TAX		4,863,168,782	4,350,072,181
Provision for Income Tax	31.1	(1,237,851,545)	(1,102,730,091)
Provision for Deferred Income Tax	14.1	(71,852,307)	(122,322,098)
PROFIT AFTER TAX		3,553,464,930	3,125,019,992
Profit/(Loss) from Associate Undertakings	31.2	575,807,315	495,041,624
PROFIT FOR THE YEAR		4,129,272,245	3,620,061,616
Other Comprehensive Income:			
Gain/(Loss) on Marketable Securities (Unrealized)	5.1	(107,174,041)	126,257,792
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		4,022,098,204	3,746,319,408
Profit Attributable to:			
Owners of the Company		4,127,788,116	3,618,570,975
Non Controlling Interest		1,484,129	1,490,641
		4,129,272,245	3,620,061,616
Total Comprehensive Income Attributable to:			
Owners of the Company		4,020,614,075	3,744,828,767
Non Controlling Interest		1,484,129	1,490,641
		4,022,098,204	3,746,319,408
Earnings Per Share (EPS)	32.1	11.13	9.76
Number of Shares used to compute EPS		370,768,664	370,768,664

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


Das Chowdhury Dutta & Co.
Chartered Accountants

Dated, Dhaka: 29 July, 2013

**SQUARE PHARMACEUTICALS LTD.
AND ITS SUBSIDIARIES**
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 March 2013

	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 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
Total Comprehensive Income (2012-2013)	-	-	-	-	(107,174,041)	4,127,788,116	1,484,129	4,022,098,204
Non Controlling Interest (Net)	-	-	-	-	-	-	(100,000)	(100,000)
Adjustment for Divestment of Square Multi Fabrics Ltd.	-	-	-	(43,638,747)	268,797	(64,912,635)	(1,045,485)	(109,328,070)
Cash Dividend (2011-2012)	-	-	-	-	-	(662,086,900)	-	(662,086,900)
Stock Dividend (2011-2012)	1,059,339,040	-	-	-	-	(1,059,339,040)	-	-
At 31 March 2013	3,707,686,640	2,035,465,000	105,878,200	406,231,702	313,532,224	15,801,470,675	7,678,418	22,377,942,859

**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

As per our annexed report of even date.


Samuel S Chowdhury
Chairman


Tapan Chowdhury
Managing Director


Khandaker Habibuzzaman
Company Secretary


Das Chowdhury Dutta & Co.
Chartered Accountants

Dated, Dhaka: 29 July, 2013

**SQUARE PHARMACEUTICALS LTD.
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS**

For the Year Ended 31 March 2013

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 Square Hospitals Ltd.
Investment in Square Knit Fabrics Ltd.
Investment in Square Fashions Ltd.
Investment in Marketable Securities
Loan to Sister Concerns
Capital Work-in-Progress
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 Decrease
Dividend Paid

Net cash used in financing activities

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

	2012-2013 Taka	2011-2012 Taka
	23,297,552,825	23,284,757,748
	59,900,384	165,078,544
	23,357,453,209	23,449,836,292
	7,955,128,138	10,770,195,743
	5,297,511,145	4,716,923,029
	3,158,193,334	2,857,033,247
	357,151,743	464,614,541
	1,050,658,124	951,133,375
	225,797,488	216,834,519
	13,377,027	-
	18,057,816,999	19,976,734,454
	5,299,636,210	3,473,101,838
	(1,786,775,567)	(2,949,747,382)
	125,009,718	615,505,590
	(30,067,031)	(477,392)
	-	28,472,150
	10,000,000	10,000,000
	(1,500,000)	-
	150,000,000	-
	150,000,000	-
	4,247,563	(38,900,553)
	608,515,408	787,568,578
	(3,632,649,184)	(386,806,375)
	176,943,100	211,354,562
	96,904,124	91,315,885
	(4,129,371,869)	(1,631,714,937)
	1,178,037,703	419,919,621
	(517,208,727)	(677,845,748)
	(935,447,578)	(676,617,470)
	(662,086,900)	(588,521,700)
	(936,705,502)	(1,523,065,297)
	233,558,839	318,321,604
	747,628,997	429,307,393
	981,187,836	747,628,997

As per our annexed report of even date.


Samuel S Chowdhury
Chairman


Tapan Chowdhury
Managing Director


Khandaker Habibuzzaman
Company Secretary


Das Chowdhury Dutta & Co.
Chartered Accountants

Dated, Dhaka: 29 July, 2013

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

For the Year Ended 31 March 2013

31-03-13**31-03-12****2.1 CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT: Tk. 9,613,059,761**

Details of Property, Plant and Equipment and Depreciation as at 31 March 2013 are shown in the annexed Schedule - 02. This is arrived at as follows:

Opening Balance (At Cost)	15,769,001,064	13,814,182,821
Add: Net Addition during the Year	1,382,797,063	2,526,356,222
Less: Disposal during the Year (Assets of SMFL)	-	(571,537,979)
Closing Balance (At Cost)	17,151,798,127	15,769,001,064
Less: Accumulated Depreciation:	7,538,738,366	6,597,209,607
Opening Balance	6,597,209,607	5,754,720,527
Depreciation Charged during the Year (Net)	941,528,759	910,767,573
Disposal during the Year (Assets of SMFL)	-	(68,278,493)
Carrying Value	Tk. 9,613,059,761	9,171,791,457

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

	2012-2013	2011-2012
Factory Overhead	1,041,016,046	1,036,248,978
Selling and Distribution Expenses	109,405,465	99,077,497
Administrative Expenses	77,703,380	98,851,863
Tk.	1,228,124,891	1,234,178,338

31-03-12**31-03-12****3.1 CONSOLIDATED CAPITAL WORK-IN-PROGRESS: Tk. 4,907,039,756**

This represents expenditure incurred in respect of the following:

Land & Land Development	63,412,626	57,772,626
Building/Civil Work	2,731,137,338	1,202,177,527
Plant & Machinery	2,105,214,422	14,440,419
Other Assets	7,275,370	-
Tk.	4,907,039,756	1,274,390,572

4.1 CONSOLIDATED INVESTMENT-Long Term (at Cost): Tk. 157,694,430

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) 5,711,804 Ordinary Shares of Tk. 10/- each including Bonus Share in Central Depository Bangladesh Ltd.	15,694,430	15,694,430
(c) Advance against Share Money with Square Informatix Ltd. for 1,000,000 Shares of Tk.100/- each	100,000,000	100,000,000
(d) 3 Senior Secured Bond of Tk. 10,000,000/- each in Orascom Telecom Bangladesh Ltd.	30,000,000	40,000,000
Tk.	157,694,430	167,694,430

4.2 INVESTMENT-Associate Undertakings: Tk. 4,914,958,933

This is arrived at as follows:

	31-03-13	31-03-12
Opening Balance	4,709,080,125	4,273,562,289
Add: Investment made/(disposed off) during the Year	(298,500,000)	-
Add: Profit/(Loss) during the Year (Note-31.2)	575,807,315	495,041,624
Less: Dividend during the Year	(71,428,507)	(59,523,788)
Closing Balance	Tk. 4,914,958,933	4,709,080,125

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	49.94%

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. 686,985,768

This consists of as follows:

Square Pharmaceuticals Ltd.	589,313,880	695,037,397
Square Cephalosporins Ltd.	97,671,888	103,369,975
Square Multi Fabrics Ltd.	-	6,230,728
	Tk. 686,985,768	804,638,100

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 31-03-13	Total Market Value of Shares as on 31-03-13	Unrealised Gain/(Loss)
1	1st ICB Mutual Fund	6,050	10	4,700,114	776.88	790.00	4,779,500	79,386
2	2nd ICB Mutual Fund	9,000	10	2,433,654	270.41	220.00	1,980,000	(453,654)
3	3rd ICB Mutual Fund	18,500	10	3,253,609	175.87	132.00	2,442,000	(811,609)
4	4th ICB Mutual Fund	23,500	10	4,189,228	178.26	129.60	3,045,600	(1,143,627)
5	5th ICB Mutual Fund	53,200	10	9,092,114	170.90	120.00	6,384,000	(2,708,114)
6	6th ICB Mutual Fund	65,000	10	4,546,218	69.94	44.50	2,892,500	(1,653,718)
7	7th ICB Mutual Fund	78,000	10	7,717,367	98.94	73.40	5,725,200	(1,992,167)
8	8th ICB Mutual Fund	88,000	10	6,510,285	73.98	50.00	4,400,000	(2,110,285)
9	BATA Shoe Ltd.	700	10	202,891	289.84	508.70	356,090	153,199
10	BATBC Ltd.	3,000	10	594,181	198.06	903.20	2,709,600	2,115,419
11	IBBL MP Bond	143,330	1,000	133,574,294	931.94	1,006.50	144,261,645	10,687,351
12	Islami Bank Ltd.	97,875	10	2,877,463	29.40	42.10	4,120,538	1,243,075
13	Padma Oil Ltd.	1,215	10	91,069	74.95	176.30	214,205	123,136
14	Shahjalal Islami Bank Ltd.	40,625	10	427,870	10.53	23.90	970,938	543,067
15	Titas Gas TDCL	312,900	10	24,236,219	77.46	67.40	21,089,460	(3,146,759)
16	Uttara Bank Ltd.	16,560	10	929,257	56.11	30.90	511,704	(417,553)
17	Meghna Petroleum Ltd.	48,976	10	6,619,248	135.15	167.20	8,188,787	1,569,539
18	Usmania Glass Ltd.	44,784	10	5,530,662	123.50	80.00	3,582,720	(1,947,942)
19	EXIM Bank Ltd.	7,695	10	246,738	32.06	16.30	125,429	(121,309)
20	ACI Ltd.	18,840	10	3,189,553	169.30	130.00	2,449,200	(740,353)
21	Pioneer Insurance Co. Ltd.	3,534,375	10	35,250,000	9.97	68.20	241,044,375	205,794,375
22	National Housing Finance	3,240,936	10	23,157,800	7.15	35.40	114,729,135	91,571,335
23	ACI 20% Convertible Zero Coupon Bond	16,028	1,000	11,998,561	748.60	830.50	13,311,254	1,312,693
	Total Tk.			291,368,395			589,313,880	297,945,485

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 31-03-13	Total Market Value of Shares as on 31-03-13	Unrealised Gain/(Loss)
1	4th ICB Mutual Fund	3,200	10	561,078	175.34	129.60	414,720	(146,358)
2	5th ICB Mutual Fund	100	10	15,197	151.97	120.00	12,000	(3,197)
3	6th ICB Mutual Fund	3,000	10	177,271	59.09	44.50	133,500	(43,771)
4	7th ICB Mutual Fund	2,000	10	180,406	90.20	73.40	146,800	(33,606)
5	8th ICB Mutual Fund	2,000	10	127,894	63.95	50.00	100,000	(27,894)
6	Islami Bank Ltd.	243,437	10	8,034,508	33.00	42.10	10,248,698	2,214,190
7	Lafarge Surma Cement Ltd.	26,000	10	705,034	27.12	30.00	780,000	74,966
8	Power Grid Ltd.	121,000	10	8,481,248	70.09	51.90	6,279,900	(2,201,348)
9	Pragati Insurance Ltd.	11,550	10	1,251,547	108.36	54.90	634,095	(617,452)
10	Shahjalal Islami Bank	156,250	10	4,493,157	28.76	23.90	3,734,375	(758,782)
11	Square Textiles Ltd.	612,000	10	44,152,894	72.15	101.10	61,873,200	17,720,306
12	Titas Gas TDCL	189,000	10	13,026,904	68.93	67.40	12,738,600	(288,304)
13	Usmania Glass Ltd.	7,200	10	878,011	121.95	80.00	576,000	(302,011)
	Total Tk.			82,085,149			97,671,888	15,586,739

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

	2012-2013	2011-2012
Unrealized Gain/(Loss) Position (Closing)	313,532,224	420,437,468
Square Pharmaceuticals Ltd.	297,945,485	399,421,439
Square Cephalosporins Ltd.	15,586,739	21,284,826
Square Multi Fabrics Ltd.	-	(268,797)
Adjustment for Divestment of Square Multi Fabrics Ltd.	268,797	-
Unrealized Gain/(Loss) Position (Opening)	420,437,468	294,179,676
Square Pharmaceuticals Ltd.	399,421,439	259,435,115
Square Cephalosporins Ltd.	21,284,826	34,744,561
Square Multi Fabrics Ltd.	(268,797)	-
Gain/(Loss) on Marketable Securities during the year	Tk. (107,174,041)	126,257,792

6.1 CONSOLIDATED INVENTORIES: Tk. 3,091,263,712

The break-up is as under:

	31-03-13	31-03-12
Raw Materials	1,073,672,663	1,039,402,668
Packing Materials	403,605,492	366,378,404
Work-in-Process	206,051,069	212,584,428
Finished Goods	865,358,754	801,028,542
Spares & Accessories	241,895,011	251,319,802
Goods in Transit	300,680,723	507,958,770
Tk.	3,091,263,712	3,178,672,614

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

7.1 CONSOLIDATED TRADE DEBTORS (Considered Good):

Tk.	812,741,029	819,002,633
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8.1 CONSOLIDATED ADVANCES, DEPOSITS & PREPAYMENTS (Considered Good): Tk. 952,411,276

This consists of as follows:

Advances:	678,469,872	495,803,608
Employees	17,963,029	16,231,507
Motor Cycle Loan - Employees	3,491,493	3,505,229
Suppliers	657,015,350	476,066,872
Deposits:	255,389,590	180,216,350
L.C Margin	3,328,672	10,576,215
Value Added Tax	195,502,995	126,594,960
Earnest Money & Security Deposit	42,489,433	29,112,406
Lease Deposit	1,381,000	1,381,000
Others	12,687,490	12,551,769
Prepayments:	18,551,814	18,824,762
Office Rent	2,397,337	4,331,837
Insurance Premium	16,154,477	14,492,925
Tk.	952,411,276	694,844,720

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31-03-12

9.1 CONSOLIDATED SHORT TERM LOAN (Unsecured): Tk. 1,108,757,914

This consists of the following:

(a) Square Textiles Ltd.	-	282,963,645
(b) Square Fashions Ltd.	-	209,146,494
(c) Square Hospitals Ltd.	953,678,685	1,075,521,388
(d) Square InformatiX Ltd.	155,079,229	149,641,795
Tk.	1,108,757,914	1,717,273,322

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. 981,187,836

This is made-up as follows:

(a) Cash in Hand	2,102,958	1,624,128
(b) Cash at Bank :	979,084,878	746,004,869
• Current Account	496,690,620	234,139,184
• STD Account	6,526,242	12,448,943
• Fixed Deposit Account (BDT)	27,062,246	27,099,910
• Fixed Deposit Account (USD)	187,350,095	194,475,936
• Export Retention Quota Account	242,417,272	195,346,073
• Margin Held Account	19,038,403	82,494,823
Tk.	981,187,836	747,628,997

11.1 SHARE CAPITAL:Tk. **3,707,686,640** **2,648,347,600****12.1 SHARE PREMIUM:**Tk. **2,035,465,000** **2,035,465,000****12.2 CONSOLIDATED TAX HOLIDAY RESERVE: Tk. 406,231,702**

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	449,870,449	1,532,954,925
Add: Provided during the year	-	18,850,761
Less: Transfer to Retained Earnings	-	(1,101,935,237)
Less: Adjustment for Divestment of Square Multi Fabrics Ltd.	(43,638,747)	-
Closing Balance	406,231,702	449,870,449

12.3 NON CONTROLLING INTEREST: Tk. 7,678,418

This represents non controlling interest of Square Cephalosporins Ltd. and Square Formulations Ltd. is as follows:

Paid-up Capital (Investment)	900,000	1,500,000
Retained Earnings	6,778,418	5,839,774
Tk.	7,678,418	7,339,774

List of Subsidiary (As per BAS -27):

Name of Company	Country of Incorporation	Proportion of Ownership Interest
Square Cephalosporins Ltd.	Bangladesh	99.48%
Square Formulations Ltd.	Bangladesh	99.50%

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

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13.1 CONSOLIDATED LONG TERM LOANS (Secured): Tk. 1,106,327,183

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

(a) Standard Chartered Bank, Dhaka	175,530,767	68,036,905
(b) HSBC Ltd., Dhaka	873,715,132	116,449,351
(c) BRAC Bank Ltd., Dhaka	56,141,913	-
(d) DEG, Germany	-	306,562,500
(e) Minimum Lease Payments	939,371	17,729,304
Tk.	1,106,327,183	508,778,060

14.1 DEFERRED TAX LIABILITY: Tk. 497,039,909

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	425,187,602	302,865,504
Provision made	71,852,307	122,322,098
Closing balance	497,039,909	425,187,602

15.1 CONSOLIDATED SHORT TERM BANK LOANS: Tk. 1,302,048,378

This consists of as follows:

Cash Credit - Janata Bank Ltd., Pabna	83,585	37,341,995
Trust Receipt- Citibank NA, Dhaka	180,027,956	513,604,361
Short Term Loan- Commercial Bank of Ceylon Ltd, Dhaka	20,936,423	-
Trust Receipt- Commercial Bank of Ceylon Ltd., Dhaka	64,143,000	14,616,000
Short Term Loan- Standard Chartered Bank, Dhaka	-	-
Trust Receipt- Standard Chartered Bank, Dhaka	179,748,522	668,958,248
Short Term Loan- Bank Alfalah Ltd., Dhaka	100,000,000	100,000,000
Overdraft- Eastern Bank Ltd., Dhaka	13,179,350	39,354,823
Trust Receipt- Eastern Bank Ltd., Dhaka	81,607,491	-
Trust Receipt- Mercantile Bank Ltd., Dhaka	1,828,932	52,676,735
Short Term Loan- HSBC Ltd., Dhaka	24,741,380	16,668,355
Trust Receipt- HSBC Ltd., Dhaka	331,450,386	519,677,442
Trust Receipt- Shahjalal Islami Bank Ltd., Dhaka	20,509,277	897,476
Overdraft- Bank Asia Ltd., Dhaka	7,909,075	-
Trust Receipt- Bank Asia Ltd., Dhaka	28,042,656	38,823,370
Overdraft- Pubali Bank Ltd., Dhaka	-	403,932
Overdraft- Brac Bank Ltd., Dhaka	2,369,819	-
Trust Receipt- Trust Bank Ltd., Dhaka	7,682,287	122,495,296
Trust Receipt- Brac Bank Ltd., Dhaka	27,824,673	37,514,015
Trust Receipt- Prime Bank Ltd., Dhaka	137,332,697	-
Overdraft- Janata Bank Ltd., Mohakhali Corporate Br. Dhaka-Secured by FDR	25,515,496	-
Overdraft- Janata Bank Ltd., Mimi Super Market Br. Chittagong-Secured by FDR	4,610,727	4,032,641
Overdraft- Janata Bank Ltd., Foreign Exchange Corporate Br. Sylhet-Secured by FDR	1,493,538	1,531,877
Overdraft- Janata Bank Ltd., Maizdee Court Corporate Br. Noakhali-Secured by FDR	1,641,172	1,828,190
Overdraft- Sonali Bank Ltd., Mohakhali Branch, Dhaka- Secured by FDR	-	9,011,470
Others	39,369,936	58,059,730
Tk.	1,302,048,378	2,237,495,956

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16.1 CONSOLIDATED LONG TERM LOANS - Current Portion: Tk. 540,421,336

This represents current portion of long term loans from financial institutions which are repayable within next 12 months from April, 2013 and consists of as follows:

(a) Standard Chartered Bank, Dhaka	89,016,872	64,337,332
(b) HSBC Ltd., Dhaka	134,035,097	86,461,706
(c) Trust Bank Ltd., Dhaka	-	5,736,018
(d) DEG, Germany	293,062,500	306,562,500
(e) Brac Bank Ltd., Dhaka	7,773,938	-
(f) Minimum Lease Payments	16,532,929	14,043,924
Tk.	540,421,336	477,141,480

17.1 CONSOLIDATED TRADE CREDITORS:Tk. **7,034,724****531,295,427**

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

18.1 CONSOLIDATED LIABILITIES FOR EXPENSES: Tk. 173,261,777

This consists of as follows:

Accrued Expenses	171,293,364	97,836,332
Clearing & Forwarding	1,629,163	16,333,263
Audit Fees	339,250	345,915
Tk.	173,261,777	114,515,510

19.1 CONSOLIDATED LIABILITIES FOR OTHER FINANCE: Tk. 1,252,641,218

This consists of as follows:

Sundry Creditors	356,750,470	269,424,729
Income Tax (Deduction at Source)	12,629,480	12,114,378
Retention Money	1,036,830	715,140
Workers' Profit Participation Fund	468,612,419	447,680,043
Income Tax Payable (Note- 20.1)	413,612,019	225,007,694
Tk.	1,252,641,218	954,941,984

	31-03-13	31-03-12
20.1 CONSOLIDATED INCOME TAX PAYABLE: Tk. 413,612,019		
This is arrived at as follows:		
Opening Balance	225,007,694	73,410,978
Adjustment for Business Combination of SMFL with SFL	1,410,904	-
Provision made (Note-31.1)	1,237,851,545	1,102,730,091
Tax paid (including advance Income Tax during the year)	(1,050,658,124)	(951,133,375)
Closing Balance	Tk. 413,612,019	225,007,694

	2012-2013	2011-2012
21.1 CONSOLIDATED GROSS TURNOVER: Tk. 23,360,199,256		
This consists of as follows:		
Square Pharmaceuticals Ltd.	20,742,746,372	18,592,856,236
Square Cephalosporins Ltd.	2,617,452,884	2,227,536,818
Square Multi Fabrics Ltd.	-	1,834,722,285
	Tk. 23,360,199,256	22,655,115,339

22.1 CONSOLIDATED COST OF GOODS SOLD: Tk. 11,404,574,196

	Notes		
This is arrived at as follows:			
Raw Materials Consumed	23.1	5,758,762,842	6,626,023,956
Packing Materials Consumed	24.1	2,663,319,391	2,301,943,597
		8,422,082,233	8,927,967,553
Work-in-Process (Opening)		212,584,428	244,818,460
Work-in-Process (Closing)		(206,051,069)	(212,584,428)
TOTAL CONSUMPTION		8,428,615,592	8,960,201,585
Factory Overhead	25.1	2,797,462,092	2,537,439,936
COST OF PRODUCTION		11,226,077,684	11,497,641,521
Purchase of Finished Goods		322,163,508	541,262,791
Finished Goods (Opening)		801,028,542	744,995,014
Finished Goods (Closing)		(865,358,754)	(801,028,542)
		11,483,910,980	11,982,870,784
Cost of Physician Sample		(79,336,784)	(75,097,810)
		Tk. 11,404,574,196	11,907,772,974

	2012-2013	2011-2012
23.1 CONSOLIDATED RAW MATERIALS CONSUMED: Tk. 5,758,762,842		
This is arrived at as follows:		
Opening Stock	1,039,402,668	1,105,024,756
Purchase	5,793,032,837	6,560,401,868
Closing Stock	(1,073,672,663)	(1,039,402,668)
Tk.	5,758,762,842	6,626,023,956

24.1 CONSOLIDATED PACKING MATERIALS CONSUMED: Tk. 2,663,319,391

This is arrived at as follows:		
Opening Stock	366,378,404	326,237,232
Purchase	2,700,546,479	2,342,084,769
Closing Stock	(403,605,492)	(366,378,404)
Tk.	2,663,319,391	2,301,943,597

25.1 CONSOLIDATED FACTORY OVERHEAD: Tk. 2,797,462,092

This is made-up as follows:		
Salaries, Allowances and Wages	604,821,682	551,209,377
Factory Employees Free Lunch	55,021,835	49,555,055
Factory Staff Uniform	22,169,404	14,094,726
Travelling & Conveyance	25,825,632	13,156,060
Printing & Stationery	35,993,844	24,546,228
Postage, Telephone & Fax	16,077,660	13,634,795
Repairs & Maintenance	462,763,648	416,369,424
Laboratory Consumable Stores	162,510,910	80,955,611
Fuel, Petrol, Light Diesel etc.	46,980,400	39,194,522
Electricity, Gas & Water	174,236,419	154,610,775
Rental Expenses	1,520,400	2,853,040
Municipal & Other Tax	3,464,593	1,305,415
Insurance Premium	24,652,938	25,711,923
Factory Sanitation Expenses	19,537,212	14,884,774
Depreciation	1,041,016,046	1,036,248,978
Security Services	29,234,628	21,637,805
Research & Development	56,145,672	47,885,007
Software & Hardware Support Services	5,399,030	5,068,223
Generator Rental Charges	-	17,462,069
Toll Charge	8,184,351	6,507,815
Other Expenses	1,905,788	548,314
Tk.	2,797,462,092	2,537,439,936

2012- 2013**2011- 2012****26.1 CONSOLIDATED SELLING & DISTRIBUTION EXPENSES: Tk. 2,965,919,911**

This consists of as follows:

Salaries and Allowances	478,905,340	399,623,177
Travelling and Conveyance	54,902,041	43,900,311
Training Expenses	4,254,786	3,686,443
Printing and Stationery	43,007,259	42,034,332
Postage, Telephone & Fax	20,322,540	17,457,898
Electricity, Gas and Water	13,769,500	11,815,067
Tiffin and Refreshment	15,093,793	13,688,423
Office and Godown Rent	11,482,804	8,428,505
Bank Charges	8,528,582	7,537,236
Repairs and Maintenance including car maintenance	188,310,346	157,335,053
Govt. Taxes and Licence Fees	11,139,762	11,200,551
Field Staff Salaries, Allowances, T.A and D.A	771,395,546	673,435,003
Marketing and Promotional Expenses	573,306,836	470,070,681
Advertisement	9,353,343	3,190,600
Delivery and Packing Expenses	53,141,886	46,118,767
Export Expenses	69,116,825	61,054,990
Special Discount	373,386,102	352,884,255
Sample Expenses	102,949,798	97,692,581
Security Services	29,847,328	23,133,530
Depreciation	109,405,465	99,077,497
Software, Hardware Support & VSAT Service Charges	22,628,550	7,528,716
Other Expenses	1,671,479	1,888,904
Tk.	2,965,919,911	2,552,782,520

	2012-2013	2011-2012
27.1 CONSOLIDATED ADMINISTRATIVE EXPENSES: Tk. 742,308,234		
This consists of as follows:		
Salaries and Allowances	193,791,840	180,243,887
Directors' Remuneration	41,602,182	47,512,153
Travelling and Conveyance	81,139,425	74,077,204
Training Expenses	18,941,710	18,771,491
Printing and Stationery	17,717,514	16,403,884
Postage, Telephone & Fax	5,966,975	5,404,605
Electricity, Gas & Water	14,004,385	8,099,572
Tiffin and Refreshment	26,951,640	23,428,405
Office Rent	5,132,248	4,829,898
Sanitation Expenses	2,340,972	2,216,150
Books and Periodicals	502,180	900,704
Subscription and Donation	7,096,574	5,168,287
Advertisement	6,477,018	2,246,438
Repairs and Maintenance	83,724,002	88,288,326
Bank Charges	18,087,621	22,583,265
Insurance Premium	14,323,332	11,139,459
Govt. Taxes, Stamp Duty & Licence Fee	13,133,096	9,241,838
Lease Rent	1,360,050	1,162,500
Security Services	14,306,296	12,952,056
Management Consultant Fees	25,247,236	14,367,515
Legal Charges	1,046,000	1,366,682
Audit Fees	318,875	299,915
Depreciation	77,703,380	98,851,863
Annual General Meeting Expenses	4,505,441	5,861,968
Software & Hardware Support Services	58,127,029	44,511,961
Share Demat, Remat & Transfer Fees	7,250,384	20,803,148
Other Expenses	1,510,829	1,256,657
Tk.	742,308,234	721,989,831

28.1 CONSOLIDATED FINANCIAL EXPENSES: Tk. 357,151,743

This is made-up as follows:		
Interest on Cash Credit	8,753,582	9,475,649
Interest on Overdraft	25,884,589	27,023,414
Interest on LATR & LPO	249,051,489	190,552,267
Interest on Short Term Loan	18,108,664	57,361,169
Interest on Lease	2,932,897	5,001,716
Interest on Long Term Loan	52,420,522	175,200,326
Tk.	357,151,743	464,614,541

	2012-2013	2011-2012
29.1 CONSOLIDATED OTHER INCOME: Tk. 377,846,808		
This is arrived at as follows:		
Bank Interest	14,496,611	10,935,629
Interest on Senior Secured Bond	4,800,000	6,153,750
Rental Income	40,647,700	88,815,032
Sale of Scrap	15,112,087	15,205,323
Foreign Exchange Fluctuation Gain/(Loss) on Retention Quota Account	177,839	36,794,178
Foreign Exchange Fluctuation Gain/(Loss) against Collection on Export Bills	(5,063,230)	15,236,483
Dividend Received	133,375,978	31,792,097
Interest on Loan to Sister Concern	162,446,489	200,418,933
Technology Transfer Fees	2,211,269	-
Gain on Redemption of Zero Coupon Bond	2,014,719	2,012,619
	<u>370,219,462</u>	<u>407,364,044</u>
Profit on Sale of Property, Plant and Equipment (Note-32.2)	7,627,346	12,265,709
Tk.	<u>377,846,808</u>	<u>419,629,753</u>

30.1 CONSOLIDATED ALLOCATION FOR WPPF: Tk. 246,729,864

This consists of as follows:

Square Pharmaceuticals Ltd.	224,052,372	198,946,954
Square Cephalosporins Ltd.	22,677,492	19,176,499
Square Multi Fabrics Ltd.	-	2,356,345
Tk.	<u>246,729,864</u>	<u>220,479,798</u>

31.1 CONSOLIDATED PROVISION FOR INCOME TAX: Tk. 1,237,851,545

This is made-up as follows:

Square Pharmaceuticals Ltd.	1,067,770,353	958,906,349
Square Cephalosporins Ltd.	170,081,192	143,823,742
Tk.	<u>1,237,851,545</u>	<u>1,102,730,091</u>

31.2 PROFIT FROM ASSOCIATES UNDERTAKINGS: Tk. 575,807,315

This is arrived at as follows:

a) Square Textiles Ltd.	266,299,599	284,237,936
b) Square Knit Fabrics Ltd.	110,306,418	83,131,315
c) Square Fashions Ltd.	150,627,077	118,890,459
d) Square Hospitals Ltd.	48,574,221	8,781,914
Tk.	<u>575,807,315</u>	<u>495,041,624</u>

32.1 CONSOLIDATED EARNINGS PER SHARE (EPS): Tk. 11.13

The computation is given below:

Surplus for the year attributable to Shareholders	4,127,788,116	3,618,570,975
Weighted average number of shares outstanding during the year	370,768,664	370,768,664
Earnings Per Share	<u>11.13</u>	<u>9.76</u>

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

Particulars of Assets	Cost	Acc. Depn Upto 31-03-12	WDV as on 31-03-12	Sales Price	Profit
Motor Vehicle	37,641,450	24,666,939	12,974,511	15,702,996	2,728,485
Motor Cycle	18,026,106	13,744,436	4,281,670	9,117,955	4,836,285
Equipments	347,008,948	246,882,757	100,126,191	100,188,767	62,576
Total Tk.	402,676,504	285,294,132	117,382,372	125,009,718	7,627,346

Consolidated Property, Plant and Equipment: Tk. 9,613,059,761

Schedule-02

PARTICULARS	COST			DEPRECIATION			Carrying Value as at 31 March 2013	Rate of Depn	
	At 31 March 2012	During the year		At 31 March 2012	During the year				At 31 March 2013
		Additions	Sales/Transfer		Charged	Sales/Transfer			
FACTORIES:									
Freehold Land	832,517,019	144,166,293	-	976,683,312	-	-	976,683,312	-	
Building	2,994,666,512	377,290,049	-	3,371,956,561	215,481,301	-	1,899,166,261	10%	
Boundary Wall	593,903	-	-	593,903	48,578	-	437,200	10%	
Building under Construction	150,492,279	146,313,418	205,920,255	90,885,442	-	-	90,885,442	-	
Plant & Machinery	6,499,864,833	622,474,173	-	7,122,339,006	637,725,709	-	3,249,097,980	15%	
Laboratory Equipment	616,779,869	167,431,666	-	784,211,535	61,575,357	-	491,183,057	10%	
Electromechanical Equipments	519,972,605	-	-	519,972,605	57,698,091	-	205,880	15%	
Furniture & Fixture	261,601,094	49,391,842	-	310,992,936	21,653,021	-	193,169,624	10%	
Office Equipment	133,053,461	36,490,617	-	169,544,078	11,002,092	-	99,293,919	10%	
Computer	33,201,173	9,571,975	-	42,773,148	3,194,666	-	26,970,841	10%	
Motor Vehicles	187,172,291	35,845,440	11,345,000	211,672,731	24,109,077	6,941,670	94,876,314	20%	
Motor Vehicle Lease	2,085,000	-	-	2,085,000	69,961	-	279,844	20%	
Plant & Machinery in Transit	609,647,181	139,357,564	77,269,530	671,735,215	-	-	671,735,215	-	
Electrical Installation	49,075,727	12,877,500	-	61,953,227	5,690,736	-	26,492,851	15%	
Gas Line Installation	25,249,179	6,317,000	-	31,566,179	2,767,457	-	15,682,255	15%	
Total	12,915,972,126	1,747,527,537	294,534,785	14,368,964,878	1,041,016,046	6,941,670	7,836,159,995		
HEAD OFFICE & OTHERS:									
Land	723,566,898	20,660,636	-	744,227,534	-	-	744,227,534	-	
Building	294,731,060	1,842,419	-	296,573,479	16,453,082	-	148,077,749	10%	
Boundary Wall	1,344,730	5,510,560	-	6,855,290	672,082	-	6,048,735	10%	
Building under Construction	42,491,087	46,940,823	-	89,431,910	-	-	89,431,910	-	
Furniture & Fixture	84,946,983	6,456,643	-	91,403,626	5,664,184	-	50,977,653	10%	
Office Equipment	554,737,040	7,845,066	346,662,348	215,919,758	15,730,768	40,425,973	83,668,562	10%	
Computer	138,585,102	12,099,765	-	150,684,867	11,014,938	-	99,131,983	10%	
Motor Vehicle	611,136,262	156,119,203	27,598,450	739,657,015	88,063,456	-	352,253,822	20%	
Motor Vehicle-Lease	118,472,040	-	-	118,472,040	18,254,101	-	78,938,381	20%	
Motor Cycle	207,882,901	64,962,700	18,372,706	254,472,895	31,119,142	14,738,013	124,476,567	20%	
Books & Periodicals	52,975,426	-	-	52,975,426	369	-	861	30%	
SAP Software	7,211,700	-	-	7,211,700	6,780,855	-	27,123,418	20%	
VSAT	14,418,915	-	-	14,418,915	649,053	-	5,841,477	10%	
Electrical Installation	14,418,915	-	-	14,418,915	1,077,501	-	6,105,836	15%	
Total	2,853,028,938	322,437,815	392,633,504	2,782,833,249	187,108,845	279,654,462	1,005,933,483		
Grand Total Tk.	15,769,001,064	2,069,965,352	687,168,289	17,151,798,127	1,228,124,891	286,596,132	7,538,738,366		
Total-2012 Tk.	13,814,182,821	3,025,116,002	1,070,297,759	15,769,001,064	1,234,178,338	391,689,258	6,597,209,607		
							9,171,791,457		



Subsidiary Profile



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, 2013 at this 6th Annual General Meeting:

1. Operations:

The Company 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 2011-2012 and 2012-2013 are as follows:

	2011-2012	2012-2013
Building (Factory)	142,132,105	142,132,105
Plant & Machinery	527,623,414	581,841,517
Laboratory Equipment	112,858,356	121,903,720
Electro Mechanical Equipment	519,730,393	519,730,393
Other Assets	41,794,283	38,184,677
Net Profit (AT)	39,706,237	283,468,654
Earning Per Share	251.00	296.83
Net Assets Value Per Share	1,599.99	1890.85

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
Mr. M Sekander Ali	Director
(Nominee of Square Pharmaceuticals Ltd.)	

Mr. M Sekander Ali, Independent Director of Square Pharmaceuticals Ltd. (holding company) represents as nominee director in the Board of Directors of Square Cephalosporins Limited in compliance of the condition No. 5 of the corporate governance guideline dated 7th August, 2012 of Bangladesh Securities and Exchange Commission.

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 2013-2014.

6. 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 Cephalosporins Limited, which comprises the Statement of Financial Position as at 31 March, 2013 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, 2013 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, 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
23 July, 2013



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

SQUARE CEPHALOSPORINS LTD.

STATEMENT OF FINANCIAL POSITION

As At 31 March 2013

		31-03-13	31-03-12
PROPERTY AND ASSETS	Notes		
Non Current Assets:		388,545,152	507,334,370
Fixed Asset Less Depreciation	2.00	290,873,264	403,964,395
Investment in Marketable Securities (Fair Value)	3.00	97,671,888	103,369,975
CURRENT ASSETS:		1,882,600,208	1,419,520,766
Inventories	4.00	587,580,472	490,854,143
Accounts Receivable	5.00	1,091,472,638	785,203,495
Advance, Deposit and Prepayments	6.00	156,642,976	117,587,799
Cash and Cash Equivalents	7.00	46,904,122	25,875,329
TOTAL ASSETS		Taka 2,271,145,360	1,926,855,136
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity:		1,405,764,643	1,127,994,076
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)		15,586,739	21,284,826
Retained Earnings		1,009,749,711	726,281,057
NON CURRENT LIABILITIES:		400,000,000	400,000,000
Long Term Bank Loan		-	-
Share Money Deposit		400,000,000	400,000,000
CURRENT LIABILITIES:		465,380,717	398,861,060
Short Term Borrowings	10.00	184,604,760	220,944,831
Trade Creditors	11.00	643,364	5,692,500
Liabilities for Expenses	12.00	28,750	26,125
Liabilities for other Finance	13.00	280,103,843	172,197,604
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES:		Taka 2,271,145,360	1,926,855,136

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: 23 July, 2013

SQUARE CEPHALOSPORINS LTD.

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 March 2013

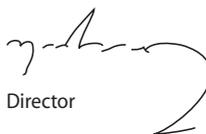
		2012-2013	2011-2012
PARTICULARS	Notes		
GROSS TURNOVER	14.00	2,617,452,884	2,227,536,818
Value Added Tax		(374,936,458)	(318,602,254)
NET TURNOVER		2,242,516,426	1,908,934,564
Cost of Goods Sold	15.00	(1,181,096,123)	(1,006,885,514)
GROSS PROFIT		1,061,420,303	902,049,050
OPERATING EXPENSES		(587,340,497)	(500,659,722)
Selling and Distribution Overhead	16.00	(550,498,572)	(466,124,294)
Administrative Overhead	17.00	(4,971,198)	(14,642,816)
Financial Expenses	18.00	(31,870,727)	(19,928,612)
PROFIT/(LOSS) FROM OPERATIONS		474,079,806	401,353,328
Other Income		2,147,532	1,353,150
NET PROFIT BEFORE WPPF		476,227,339	402,706,478
Allocation for WPPF		(22,677,492)	(19,176,499)
NET PROFIT BEFORE TAX		453,549,846	383,529,979
Income Tax		(170,081,192)	(143,823,742)
NET PROFIT AFTER TAX		283,468,654	239,706,237
Other Comprehensive Income:			
Gain/(Loss) on Marketable Securities (Unrealized)		(5,698,087)	(13,459,735)
Total Comprehensive Income for the Year	Taka	277,770,567	226,246,502

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: 23 July, 2013

SQUARE CEPHALOSPORINS LTD.

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 March 2013

	Share Capital	Share Premium	General Reserve	Tax Holiday Reserve	Gain/(Loss) on Marketable Securities (Unrealized)	Retained Earnings	Total
At March 31, 2012	95,500,000	-	-	284,928,193	21,284,826	726,281,057	1,127,994,076
Share Issued	-	-	-	-	-	-	-
Transfer to Tax Holiday Reserve	-	-	-	-	-	-	-
Unrealized Gain/(Loss) from Marketable Securities for April 2012 to March 2013	-	-	-	-	(5,698,087)	-	(5,698,087)
Net Profit/(Loss) during the year 2012-13	-	-	-	-	-	283,468,654	283,468,654
At March 31, 2013 Taka	95,500,000	-	-	284,928,193	15,586,739	1,009,749,711	1,405,764,643

SQUARE CEPHALOSPORINS LTD.

STATEMENT OF CHANGES IN EQUITY

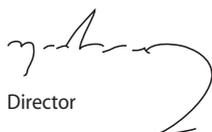
For the Year Ended 31 March 2012

	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

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: 23 July, 2013

SQUARE CEPHALOSPORINS LTD.

STATEMENT OF CASH FLOWS

For the Year Ended 31 March 2013

	2012-2013	2011-2012
Cash Flow from Operating Activities:		
Receipts from Customers	2,311,183,741	1,881,791,201
Payment to Suppliers	(1,060,012,458)	(825,365,050)
Payment to Employees & Others	(1,138,157,433)	(914,705,559)
Payment of Interest on Borrowings	(31,870,727)	(19,928,612)
Net Cash Provided by Operating Activities	81,143,123	121,791,980
Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(62,261,862)	(37,485,288)
Payment of Short Term Loan	-	(44,500,000)
Purchase of Securities	-	(21,808,310)
Dividend Income	2,147,532	1,353,150
Net Cash Used by Investing Activities	(60,114,330)	(102,440,448)
Cash Flow from Financing Activities:		
Short Term Loan Received	-	-
Payment of Short Term Loan	-	-
Payment of Long Term Loan	-	-
Net Cash Used by Financing Activities	-	-
Increase/(Decrease) in Cash & Cash Equivalents	21,028,793	19,351,532
Opening Cash and Cash Equivalents	25,875,329	6,523,797
Closing Cash and Cash Equivalents	Taka 46,904,122	25,875,329

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: 23 July, 2013

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, 2013 at this Second Annual General Meeting in the following paragraphs:

1. Operations:

As the company was incorporated on 21st November, 2011, accounting year ended 31st March, 2013 and has not yet commenced production, no Statement of Comprehensive Income 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	99.60

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

3. Financial Position:

The total investment made by the Company upto 31 March, 2013 as detailed below:

Plant & Machinery - Factory	941,673
Plant & Machinery in Transit	1,181,499,999
Other Assets	6,271,830
Pre-operating Expenses	30,616,969
Current Assets	147,263,774
Total Tk.	1,366,594,245

The above investment have been financed as follows :

Paid-up Capital	99,900,000
Share Money Deposit	376,000,000
Long Term Bank Loan	792,906,025
Current Liabilities	97,788,220
Total Tk.	1,366,594,245

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
Mr. M Sekander Ali	Director

(Nominee of Square Pharmaceuticals Ltd.)

Mr. M Sekander Ali, Independent Director of Square Pharmaceuticals Ltd. (holding company) represents as nominee director in the Board of Directors of Square Formulations Limited in compliance of the condition No. 5 of the corporate governance guideline dated 7th August, 2012 of Bangladesh Securities and Exchange Commission.

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 2013-2014.

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 2013 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, 2013 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 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
21 July, 2013



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

SQUARE FORMULATIONS LTD.

STATEMENT OF FINANCIAL POSITION

As At 31 March 2013

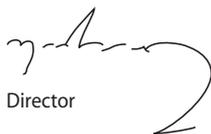
		31-03-2013	31-03-2012
ASSETS			
NON CURRENT ASSETS:			
Pre Operating Expenses	2.00	30,616,969	424,392
Capital Work in Progress	3.00	1,188,713,502	-
CURRENT ASSETS:			
Advance, Deposits & Prepayments	4.00	145,387,931	-
Cash and Cash Equivalents	5.00	1,875,843	500,000
TOTAL ASSETS		1,366,594,245	924,392
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity:			
Share Capital	6.00	99,900,000	500,000
Share Money Deposit	7.00	376,000,000	401,392
NON CURRENT LIABILITIES:			
Long Term Bank Loan	8.00	792,906,025	-
CURRENT LIABILITIES:			
Long Term Bank Loan (Current Portion)	9.00	28,917,303	-
Short Term Loan	10.00	5,242,725	-
Liabilities for Expenses	11.00	63,628,192	23,000
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,366,594,245	924,392

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: 21 July, 2013

SQUARE FORMULATIONS LTD.

CASH FLOW STATEMENT

For the Year Ended 31 March 2013

	2012-2013	2011-2012
Cash Flow from Operating Activities:		
Receipts from Customers	-	-
Payment to Suppliers	-	-
Pre-Operating Expense	-	(424,392)
Interest on Borrowings	-	-
Net Cash Used by Operating Activities	-	(424,392)
Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(473,622,765)	-
Payment of Short Term Loan	-	-
Purchase of Securities	-	-
Dividend Income	-	-
Net Cash Used by Investing Activities	(473,622,765)	-
Cash Flow from Financing Activities:		
Receipts Against Issuance of Share	99,400,000	500,000
Share Money Deposit Received	375,598,608	424,392
Net Cash Provided by Financing Activities	474,998,608	924,392
Increase/(Decrease) in Cash & Cash Equivalents	1,375,843	500,000
Opening Cash and Cash Equivalents	500,000	-
Closing Cash and Cash Equivalents	Taka 1,875,843	500,000

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: 21 July, 2013

৪৬তম বার্ষিক সাধারণ সভা

২৫শে সেপ্টেম্বর, ২০১২

কারখানা গ্রাঙ্গন, বোর্ড ঘর বাজার, কালিয়াকৈর, গাজীপুর



স্কয়ার ফার্মাসিউটিক্যালস লিমিটেড



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 47th Annual General Meeting of the Company to be held on Wednesday the 25th September 2013 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 2013.

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.



