SQUARE

ANNUAL REPORT
2016-2017

AMAR STOCK

SQUARE
PHARMACEUTICALS LTD.
BANGLADESH

Market Leader

Since 1985

In pharmaceuticals industry

Key Highlights of the operations

Square Pharma (Consolidated)
2016-2017

Gross Turnover ⇧ 10.33% BDT 42,285 million

Net Turnover ⇧ 10.49% BDT 36,543 million

Export ⇧ 23.02% BDT 1,387 million

Contribution to National Exchequer 25.59% of the sales revenue BDT 7,392 million

Gross Profit ⇧ 14.24% BDT 18,268 million

Net Profit (AT) ⇧ 15.69% BDT 10,978 million

EPS BDT 15.51

Net Asset Value ⇧ 20.89% BDT 49,028 million

Dividend Payout (Cash) BDT 2,401 million

In this Year's Report



In this Year's Report ➤➤

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Annual Report 2016-2017

Vision & Mission

Vision & Mission

Vision

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



Mission

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



Objective

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



Corporate Focus

- Our vision, our missiion abd our objectives are to emphasise on the quality of product, process and services leading to grow of the company imbibed with good governence practics.





SQUARE PHARMACEUTICALS LTD.

Transmittal Letter

To
The Members
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

Annual Report for the year ended June 30, 2017

Dear Sir(s)

We are pleased to enclose a copy of the Annual Report containing Directors' Report, Auditors' Report alongwith Audited Financial Statements including Statement of Financial Position as at June 30, 2017, Statement of Profit or Loss and other Comprehensive Income, Changes in Equity and Cash Flows for the year ended June 30, 2017 alongwith notes thereon and all related Consolidated and Subsidiary Financial Statements for your record and necessary measures.

Yours sincerely

Khandaker Habibuzzaman
Company Secretary

Dated: 12th November, 2017

AMAR STOCK

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.

Labor 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 labor.

5. The effective abolition of child labor 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.



SQUARE PHARMACEUTICALS LTD.

Notice 51st AGM

Notice is hereby given that the 51st Annual General Meeting of the Members of Square Pharmaceuticals Ltd. will be held on Monday the 4th December, 2017 at 10:00 a.m. at the Samson H Chowdhury Centre, Dhaka Club Limited, Ramna, Dhaka to transact the following business:

Ordinary Business:

Agenda-1: To receive, consider and adopt the Audited Financial Statement for the year ended 30th June, 2017 together with the reports of the Directors' and the Auditors' thereon

Agenda-2: To declare dividend for the year ended 30th June, 2017

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

Agenda-4: To appoint Auditors for the year 2017-2018 and to fix their remuneration.

Special Business:

Agenda-5: Amalgamation of Square Formulation Ltd. with Square Pharmaceuticals Ltd.

Agenda-6: Amalgamation of Square Herbal and Neutraceuticals Ltd. with Square Pharmaceuticals Ltd.

By order of the Board

Khandaker Habibuzzaman
Company Secretary

Dated: 12th November, 2017

Notes:

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

ii) Members are requested to submit to the Company's Share Office on or before 3rd December 2017, their written option to receive dividend. In case of non-submission of such option with the stipulated time, the dividend will be paid off as deemed appropriate by the Company.

iii) The Annual Report is available in the Company's web site at www.squarepharma.com.bd

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 behaviors, 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.



We strive for

Corporate Profile





Corporate Profile ➤➤



In Bangladesh Pharma Market

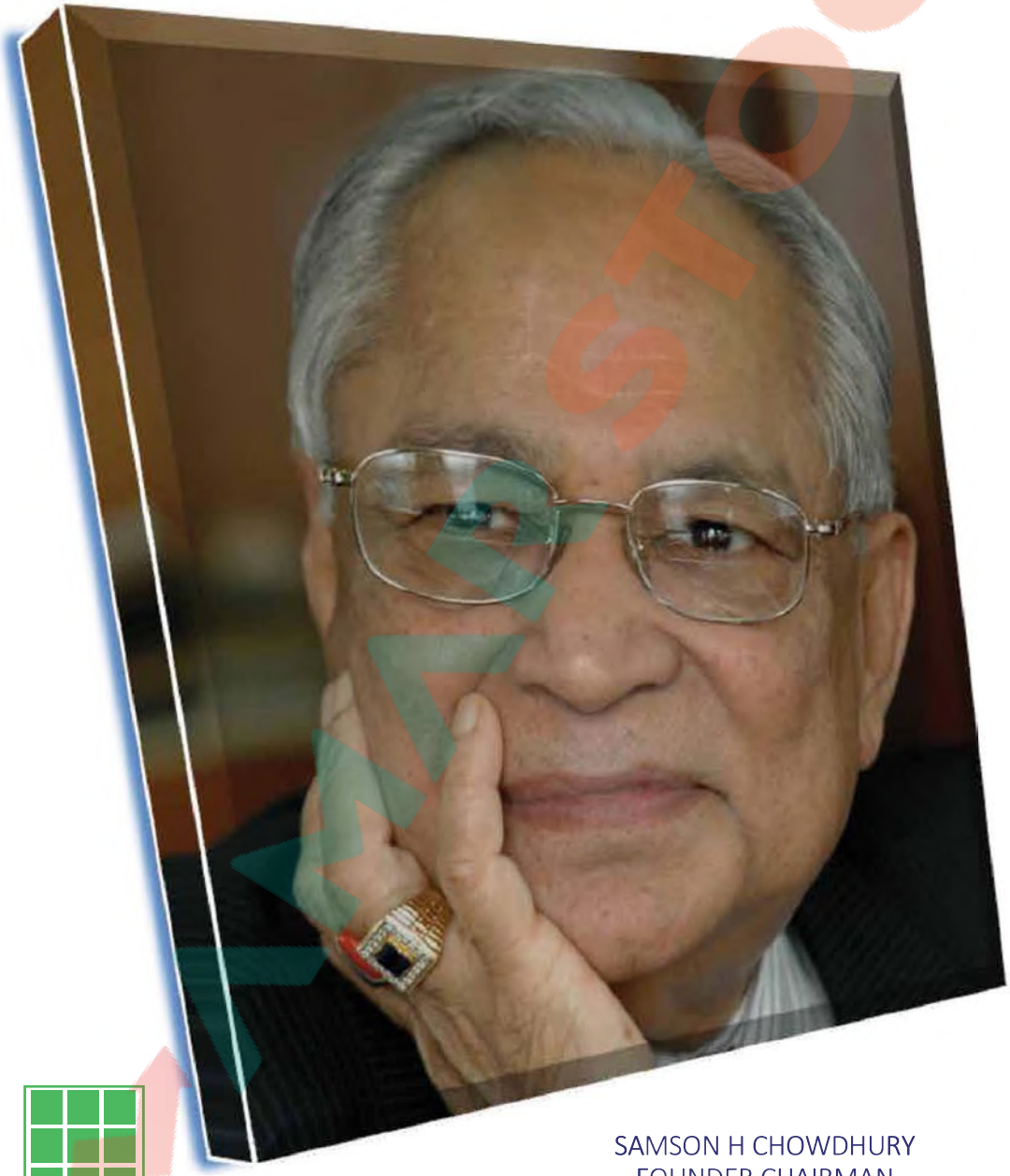
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Since 1985

08: The Founder
09: Board of Directors
10: Together We Are Strong
12: Corporate Governance
18: Corporate History
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The Founder

The Founder



SAMSON H CHOWDHURY
FOUNDER CHAIRMAN
1926-2012

Board of Directors


Mr. Samuel S Chowdhury


Mrs. Ratna Patra


Mr. Tapan Chowdhury


Mr. Anjan Chowdhury


Mr. Kazi Iqbal Harun


Mr. M Sekander Ali


Mrs. Nihad Kabir

Mr. Samuel S Chowdhury
Chairman

Mrs. Ratna Patra
Vice Chairman

Mr. Tapan Chowdhury
Managing Director

Mr. Anjan Chowdhury
Director

Mr. Kazi Iqbal Harun
Director

Mr. M. Sekander Ali
Independent Director

Mrs. Nihad Kabir
Independent Director

Together we are strong

Together we are Stronger



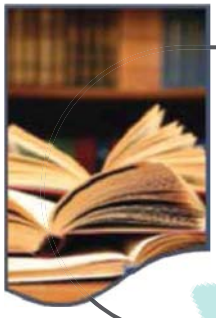
Management Comittee

Mr. Tapan Chowdhury	Chairman
Mr. Muhammadul Haque	Member
Mr. Md. Mizanur Rahman	Member
Mr. Md. Kabir Reza	Member



Audit Comittee

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



CFO, Compamy Secretary

Mr. Md. Kabir Reza, FCMA
Mr. Khandaker Habibuzzaman, FCS



Operational Management Team

Mr. Muhammadul Haque	Head of Marketing
Mr. Md. Mizanur Rahman	Head of Operations
Mr. M Nawabur Rahman	Head of Production (DU)
Mr. Anjan Kumar Paul	Head of Human Resources
Mr. Md. Ashraful Islam	Head of Quality Operations
Mr. Md. Mizanur Rahman	Head of Production (PU)
Mr. Shakhawat Hussain	Head of Engineering
Mrs. Nasrin Akter	Head of Internal Audit

AMAR STOCK



Statutory Auditors

M/s. Ahmed Zaker & Co., Chartered Accountants
45 Shaheed Syed Nazrul Islam Sarani, Bijoynagar
Saiham Tower, 2nd floor
Dhaka 1000



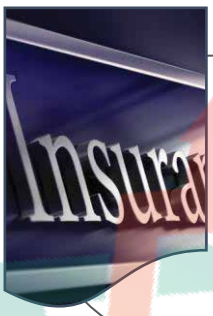
Legal Advisor

Mr. Rafique-ul Huq, Bar-at-Law
Mr. Rokanuddin Mahmud, Bar-at-Law
Ms. Nazia Kabir, Bar-at-Law



Bankers

Janata Bank Ltd.	Standard Chartered Bank	Citibank N.A,
HSBC Ltd.	Commercial Bank of Ceylon Ltd.	
Prime Bank Ltd.	Shahjalal Islami Bank Ltd.	Bank Alfalah Ltd.
BRAC Bank Ltd.	Marcantile Bank Ltd.	Bank Asia Ltd.
Eastern Bank Ltd.		



Insurers

Pioneer Insurance Co. Ltd.
Pragati Insurance Co. Ltd.

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 categorized 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 seven (7) 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 BSEC 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 labor, human rights, environmental pollution, social-marketing, social activities (promotion of sports & culture, health care and population control programs, elimination of corruption programs, participation in charitable activities etc. in non-partisan manner) right to form and participate in Union under ILO convention, employment of disabled's 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 Mrs. Nasrin Akter, FCA, as Head of Internal Audit of the company as per

requirement of Bangladesh 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 centers 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 empaneled the following top ranking legal professionals:

Mr. Raqul-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., Standard Chartered Bank, Citibank N. A, HSBC Ltd., Commercial Bank of Ceylon Ltd., Prime Bank Ltd., Shahjalal Islami Bank Ltd., Bank Alfalah Ltd., BRAC Bank Ltd., Mercantile Bank Ltd., Bank Asia Ltd. and Eastern Bank Ltd., 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. Ahmed Zaker & 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 coexisting 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 share-holdings. The position of shareholders as on 30-06-2017 indicates that the sponsors of the company do not hold the required shareholdings (75%) for passing special resolutions. This allows the public share-holders (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 Socialization:

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, adaptation 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:

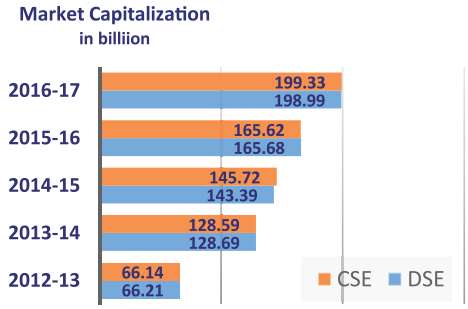
Corporate social responsibility, an element of Good Corporate Governance, extend to the society to the government and beyond the borders of the country for social good as well as for contribution of Foreign Exchange Resources to the National Exchequer. To this end, the company is making entry into foreign 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 History & Achievement



1958
Year of Establishment (Initially as Partnership)

1964
Incorporated as a Private Limited Company

1974
Technical Collaboration with Janssen Pharmaceuticals of Belgium, a subsidiary of Johnson & Johnson Int'l Ltd., USA

1985
Market leadership in the pharma market of Bangladesh among all national and multinational companies.

1987
Pioneer in pharmaceuticals export from Bangladesh.

1991
Converted into Public Limited Company

1994
Initial Public Offer (IPO) of Ordinary Shares.

1995
Production of pharmaceuticals bulk (API) product by Chemical Division

1995
Listing with Dhaka and Chittagong Stock Exchange.

1997
Won the National Export Trophy for exporting pharmaceuticals.

2001
US FDA/UK MHRA standard pharma factory goes into operation built under supervision of Bovis, UK.



2002
Enlisted as UNICEF's global suppliers.

2007
Dhaka Unit gets UK MHRA approval.

2009
Starts manufacturing of insulin, hormone & steroid maintaining qty. std. of USFDA & UK MHRA complying with cGMP of WHO.

2012
Dhaka Unit gets the Therapeutic Goods Administration (TGA) of Australia approval.

2015
Awarded "AAA" rating in the long term and "ST-1" rating in short term by CRISL.

2015
Pre Approval Inspection by USFDA was sucessful for Dhaka site's solid dosage unit.

2017
Won the National Environment Award

Message from the Chairman

Dear Shareholders, Colleagues,
Ladies and Gentlemen

It is a great pleasure for me to welcome you all at this august 51st Annual General Meeting of the Company at its 59th year of operations since 1958 when our Founder Chairman late Samson H Chowdhury and a few of his closest friends laid the foundation stone in a small location in his birth town in Pabna. The time has seen the seedling growing and growing, up and up, flowering and bearing fruits, encompassing the map day by day and reaching the top peak surpassing all rivals and competitors aside. With changes in socio-politico map of the Country and government policies and strategies, your investment value has grown and flowered spreading their wings and fragrance of increased assets value and reputation, at a rate that exceeded all matrixes of a healthy corporate enterprise.

The Company during the last five years, has attained an average growth rate of 20.06% as against national average growth rate of 16.37%. The other highlights including gross margin, net margin, earning per share also continue to show positive trend.

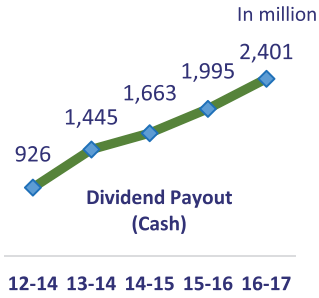
The Company has already entered into the global arena with approval of UK, EU and US governments for marketing its products there as well as approval of investment by GOB for setting up subsidiary manufacturing Company in Kenya.

As the Country is now on the high-way of economic growth targeting to reach the Middle-Income group by 2021 and Higher-Income group by 2041, the prospect of growth still at a higher rate as over the past, in becoming more and more certain.

The Company, which is enjoying unchallenging Management capability and reputation, shall, in no distant time, become a global challenger to the age-old MNC giants in the field of medicines and scientific research. We all shall be awaiting that dream to materialize.

With best wishes for long and healthy life.

Samuel S Chowdhury
Chairman



Corporate Operational Results

(Separate)

Figures in '000

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Turnover (Gross)	33,299,672	33,611,741	36,191,595	24,193,357	20,742,746
Value Added Tax	4,413,733	4,553,391	4,892,907	3,282,583	2,783,257
Turnover (Net)	28,885,939	29,058,349	31,298,688	20,910,774	17,959,489
Gross Profit	14,061,586	14,056,482	13,827,274	9,182,781	7,825,814
Net Profit (Before Tax)	10,366,856	9,943,836	8,597,457	5,504,460	4,584,376
Net Profit (After Tax)	7,792,497	7,510,265	6,523,933	4,031,811	3,419,785
Net Assets Value (NAV)	41,201,962	35,597,063	28,031,892	22,277,517	19,052,892
Total Assets	45,763,246	39,174,686	31,354,182	26,549,535	23,734,743
Total Bank Borrowings	-	-	121,599	418,654	1,937,619
Total Current Assets	22,268,597	17,053,295	9,739,782	7,768,068	5,996,698
Total Current Liabilities	2,505,604	2,581,822	2,390,848	3,416,620	3,792,438
Current Ratio	13.05	6.61	4.07	2.27	1.58
Shares Outstanding	685,945,200	623,586,546	554,299,152	481,999,263	370,768,664
Face Value per Share	10.00	10.00	10.00	10.00	10.00
Dividend (Cash)	35%	40%	30%	30%	25%
Dividend (Stock)	7.5%	10%	12.50%	15%	30%
Net Assets Value per Share (NAV)	60.07	51.89	40.87	32.48	27.78
Net Operating Cash Flow per Share	9.45	11.98	10.98	9.07	6.71
EPS-Earning per Share (SPL)	11.36	10.95	8.37	5.88	4.87
EPS-Earning per Share (Consolidated)	15.51	13.41	8.72	7.21	6.02
EPS at Original Capital at IPO	779.24	751.02	652.39	403.18	341.98
Quoted Price per Share - DSE	290.10	265.70	258.70	267.00	178.60
Quoted Price per Share - CSE	290.60	265.60	262.90	266.80	178.40
Price Earning Ratio-DSE (Time)	25.53	24.26	30.90	45.40	36.67
Price Earning Ratio-CSE (Time)	25.58	24.25	31.40	45.37	36.63
Market Capitalization-DSE (in billion)	198.99	165.69	143.40	128.69	66.22
Market Capitalization-CSE (in billion)	199.33	165.62	145.73	128.60	66.15



Number of Shareholders	52,565	63,157	70,902	69,825	60,781
Sponsors/Directors	6	6	17	18	18
Financial & other Institution	655	793	809	512	478
Foreign Investors	103	75	63	57	51
General Public	51,807	62,283	70,013	69,238	60,234
No. of Employees	7,390	7,174	6,710	6,313	5,868
Executives	3,486	3,354	3,197	3,017	2,829
Non Executives	1,983	1,975	1,882	1,827	1,751
Workers	1,921	1,845	1,631	1,469	1,288

Statement of performance from the Managing Director

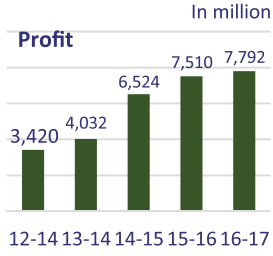
Dear Shareholders, Colleagues,
Ladies and Gentlemen

I take the opportunity to welcome you at this 51st Annual General Meeting of the Company and thank you for taking the trouble to attend the meeting. I understand you all must have received the copies of Annual Report for the year 2016-2017 containing Report of the Directors along with Audited Accounts/Financial Statements for the year ended 30 June, 2017. I hope you have carefully gone through the Report and observed that despite a marginal decline (0.93%) in its turnover (though Consolidated Turnover show an increase of 10.33%), the Gross Profit, Net Profit (both BT & AT) and EPS all indicate increasing trend. The same is the case in respect of consolidated position. The Company has been able to sustain the position due to hard work of the workers, employees, professionals and supervising Management who have done their duties with devotion and sincerity.

On an scrutiny, you will observe that while the overhead cost had increased by 8.02% only, the cost of fuel & power had increased by 18.4% which had mainly depressed the Gross Profit and consequently the Net Profit too. As the Government is considering further increase in price of gas, fuel & power a threat of lower profit in future seems to lie ahead.

Thanking you all again.

Tapan Chowdhury
Managing Director



Directors' Report

To the Members for the year ended 30 June 2017

In terms of provisions of Section 184 of the Companies Act 1994, Rule 12 (and the schedule there under) of the Bangladesh Securities and Exchange Rules 1987, BSEC 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 30 June, 2017 in the following paragraphs:

OPERATIONS AND STATE OF AFFAIRS OF THE COMPANY:

The Company's Standalone Revenues from operations were Tk. 33,299.67 million for the year ended 30th June, 2017 as compared to Tk. 33,611.74 million for the previous year, marginally lower by 0.93% only

The Company has made Net Profit of Tk. 7,792.50 million on standalone basis for the year under review as compared to Tk. 7,510.26 million for the previous year. Earning per share (EPS) stood at Tk. 11.36 against Tk. 10.95.

The Company has registered Consolidated Revenues from operations of Tk. 42,284.68 million for the year under review as compared to Tk. 38,325.60 million for the previous year, an increase by 10.33%

The Company has made a Consolidated Profit after tax of Tk. 10,977.57 million for the year under review as compared to Tk. 9,199.69 million for the previous year. Earning per share (EPS) stood at Tk. 15.51 against Tk. 13.41.

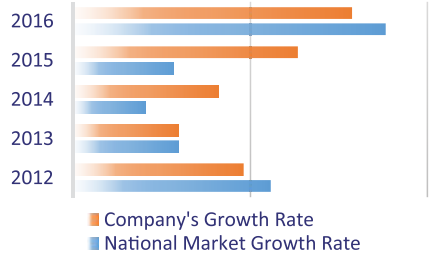
Sectoral Growth

The pharmaceutical sector attained a growth of 35.29% during the year 2016 as per IMS Report as against 15.18% during the previous year. The national pharma market growth and that of the company during the past few years are given hereafter:

Year	National Market Growth Rate	Company's Growth Rate
2012	11.91%	11.87%
2013	8.12%	16.43%
2014	11.36%	25.36%
2015	15.18%	15.13%
2016	35.29%	31.49%
Average	16.37%	20.06%

Source: IMS Report, 2016

The growth trend indicate positive outlook. The growth of the economy at 7.10% during FY 2016-17 offers scope for further growth in investment for expansion in this sector.



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 at factory installations during the year as detailed below:

Taka in million

Assets Title	2016-2017	2015-2016
Land	479.12	281.97
Building	385.55	463.08
Plant& Machinery	449.03	737.86
Laboratory Equipments	204.80	100.24
Other Equipment/ Assets	182.26	299.28
Total Tk.	1,700.76	1,882.43

The major part of investments were made from internal generation of funds.

The overall combined output (Tablets and Capsules) of Pabna and Dhaka plants increased during the year over the previous year as follows:

Figure in'000

	Tablets	Capsules
Unit	PCS	PCSw
Capacity	10,283,056	1,253,450
Actual output:		
2016-2017	49,25,207	502,173
2015-2016	52,95,545	944,643
Capacity Utilization		
2016-2017	48%	40%
2015-2016	59%	54%

Chemical Plant

The operations of the chemical Plant (at Pabna) for the last two years are presented hereunder:

Particulars	2016-17	2015-16
No. of Products	22	22
Production (MT)	627	608
Own use (MT)	265.17	341.45
Sales (MT)	379.83	239.55
Own use (%)	42.29	39.40
Turnover (Million Tk.)	420.40	244.75

(MT-Metric Ton)

The change in own use tonnage is due to variation in product mix according to marketing and value addition strategies.

Quality Control

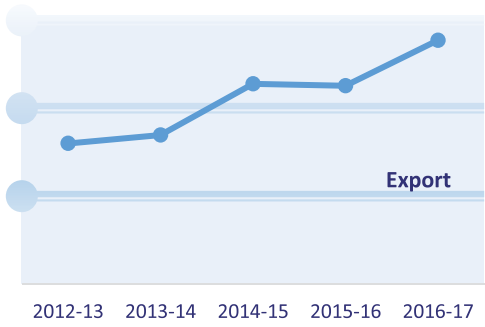
The company places total emphasis on maintaining and improving of quality of its products as 'life-science' biology following GMP standards of WHO by following strictly laid down criteria at every levels of production and handling. The company also follows-up withdrawals from market of all expiry dated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

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 2016-2017 the company invested an amount of Tk. 449.03 million in improving its Laboratory facilities.

Export

The company has given a thrust for increasing the export volume within the current capacity. During the year under review, the exports amounted to Tk. 1,386.83 million as against Tk. 1,127.33 million in previous year, a 23.02% increase. The exports are expected to rise in the coming years. Present export market covers over 42 Countries. Company has submitted several ANDAs to USFDA for approval. It has also focused on contract manufacturing options for USA and UK to increase volume of annual export.



FINANCIAL RESULTS

The standalone operating financial results of the Company for the year ended 30 June 2017 as compared to previous year are summarized hereunder:

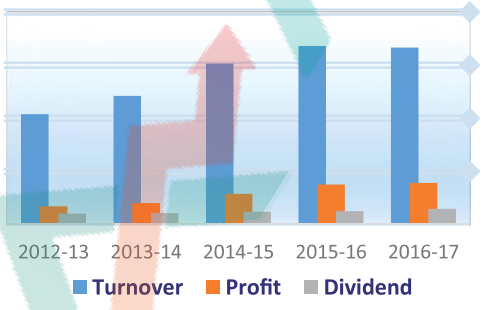
Particulars	2016-2017 Taka	2015-2016 Taka	⇧⇩ %
Gross Turnover	33,299,672,121	33,611,741,181	-0.93%
Net Turnover	28,885,939,051	29,058,349,851	-0.59%
Gross Profit	14,061,586,536	14,056,482,430	0.04%
Net Profit (Before Tax)	10,366,856,810	9,943,835,629	4.25%
Provision for Taxation	2,514,480,767	2,337,320,522	7.58%
Net Profit (After Tax)	7,792,497,513	7,510,265,333	3.76%
Gross Margin	48.68%	48.37%	0.63%
Net Margin (Before Tax)	35.89%	34.22%	4.88%
Net Margin (After Tax)	26.98%	25.85%	4.38%
EPS (Earning Per Share) Tk.	11.36	10.95	3.76%
EPS on IPO Paid-up Capital Tk.	779.24	751.02	3.76%
EPS Consolidated Tk.	15.51	13.41	15.62%

The Gross Turnover decreased at 0.93% during the FY 2016-17 over the previous year due to heavy rain disruption and extended devastating flood in the Country.

However Net Profit (BT) and Net Profit (AT) increased by 4.25% and 3.76% over the previous year.

The EPS for the year under review is Tk. 11.36, a 3.76% increase over the previous year. EPS calculation took place on the basis of present outstanding 685,945,200 shares of Tk. 10 each.

And the consolidated EPS increased by 15.62% which is Tk. 15.51 in the year 2016-2017 as against Tk. 13.41 of 2015-2016.



SUBSIDIARY OPERATION

Square Formulations Ltd.

Square Pharma holds 995,000 shares of Tk. 100 each out of total issued 1,000,000 shares. Square Pharma has also deposited Tk. 2,000,000,000 as share money deposit. The Directors' Report for the year ended 30 June, 2017 of the Company together with Audited Accounts containing Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows and Auditors Report thereon are included herein.

Square Pharmaceuticals Kenya EPZ Ltd. (SPL Kenya)

SPL Kenya incorporated as a pharmaceuticals manufacturing Company under the Companies Act, 2015 of Kenya as a private company limited by shares on 7th June, 2017 with a nominal share capital of KSH 800,000,000 (equivalent to USD 7,750 million) divided into 8,000,000 shares of KSH 100 each. The registered office of SPL Kenya is situated at Kenya Re Towers, LR No 209/11/ 20, 5th Floor, Ragati Close, Off Ragati Rd., Upperhill, Nairobi, Nairobi West.

The Directors and Shareholders of SPL Kenya are as follows:

Director/ Shareholders	Share holding	(%)
Mr. Samuel S Chowdhury Director (Nominee of SPL)	0	0.00
Mrs. Ratna Patra Director (Nominee of SPL)	0	0.00
Mr. Tapan Chowdhury Director (Nominee of SPL)	0	0.00
Mr. Anjan Chowdhury Director (Nominee of SPL)	0	0.00
Mrs. Nihad Kabir Director (Nominee of SPL)	0	0.00
Mr. Iruki Mwithali Kailemia Director (Nominee of SPL)	0	0.00
Square Pharmaceuticals Ltd. Shareholder	8,000,000	100.00
Total shares -	8,000,000	100.00

Initial estimated total project cost would be USD 20 million and to be financed by equity investment of USD 8 million by the Company for which Bangladesh Bank has given permission and the balance would be invested from loan. A total amount of USD 2,555,000 by two transactions (an amount of USD 1,000,000 on August 30, 2017 and an amount of USD 1,555,000 on Sep. 6, 2017) has been remitted to SPL Kenya as Equity Investment as per approval of the Bangladesh Bank.

As SPL Kenya incorporated on 7th June, 2017 and as of June 30, 2017 there was no financial transaction has been taken place, no Financial Statement is prepared as of June 30, 2017.

INVESTMENT PORTFOLIO

The investment portfolio of long term investment and marketable securities has been detailed in Notes (3 & 4) to Audited Accounts. The outlines of the portfolio with minority interest in shareholdings are described hereunder for general information of the shareholders:

Long Term Investment

Long term investment for an amount of total Tk. 4,812,888,360 both in majority and minority investments in ordinary shares/ advance as Share Money Deposit in 10 (Ten) different companies are described hereunder:

Majority Investment (Subsidiary)

Square Formulations Ltd. (SFrL)

Square Pharma holds 995,000 shares of Tk. 100 each out of 1,000,000 issued shares which is not listed. Square Pharma has also deposited Tk. 2,000 million as Share Money. The financial position and operational results are contained in the Director's Report of the Company as enclosed herewith.

Minority Investments

Square Textiles Ltd. (STxL)

As on 30-06-2017 investment in STxL stands at Tk. 225,129,795 (at cost) for 82,935,764 Ordinary Shares of Tk. 10/- each including bonus shares. The market value as on 30 June, 2017 stood at Tk. 5,614,751,222.80 (at Tk. 67.70 per share). STxL is in full operation and declared cash dividend @20% and stock dividend @5% for the year 2016-17.

Square Hospitals Ltd. (SHL)

Square Pharma 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. Square Pharma hold 49.94% of SHL. Square Pharma has also advanced a share money of Tk. 1.54 billion for 1,712,500 shares of Tk. 1,000 each. As SHL is not listed, the market value cannot be easily ascertained.

SHL earned a total revenue of Tk. 3,436,719,198 for the year ended 30 June, 2017. The net profit for the period amounted to Tk. 294,163,075 as against Tk. 244,816,120 during the previous year.

Square Fashions Ltd. (SFL)

Square Pharma holds 462,000 shares of Tk. 100 each (48.46%) in the capital of SFL. SFL earned a Net Profit of Tk. 1,366,753,484 during the year 2016-2017 as against Tk. 1,093,625,393 of previous year. SFL did not declare any dividend. Since SFL is not a public/listed one, the market value cannot be assessed readily. However the NAV per share stands at Tk. 8,655.92 as on 30-06-2017.

Square Informatix Ltd. (SIL)

Square Pharma invested an amount of Tk. 100,000,000 in SIL as advance against share money deposit for 1,000,000 ordinary shares of Tk. 100.00 each.

United Hospital Ltd. (UHL)

Square Pharma holds 120,000 shares of Tk. 100.00 each amounting to Tk. 12,000,000. Since UHL is not a listed one, it does not have any ready market value.

Central Depository Bangladesh Ltd. (CDBL)

Square Pharma holds 5,711,804 shares of Tk. 10.00 each in the Capital of CDBL which has been formed under the Central Depository Act 1999 for fungible and dematerialized shareholding/ trading which has done away with the physical possession of scripts and primarily prevent fraudulent/fake share trading.

The shares are not listed and therefore the market value cannot be assessed.

Lanka Bangla Finance Ltd.

Square Pharma holds 100,000 Zero Coupon Bonds amounting to Tk. 23,640,662.00 of Lanka Bangla Finance Ltd.

IDLC Finance Limited (IDLC)

Square Pharma holds 250,000 Zero Coupon Bonds amounting to Tk. 164,897,150.00 of IDLC.

Bangladesh Steels Re-Rolling Mills Ltd.

Square Pharma holds 200,000 Zero Coupon Bonds amounting to Tk. 127,121,773.00 of Bangladesh Steels Re-Rolling Mills Ltd.

Investment in Marketable Securities

A statement of Marketable Securities at a cost of Tk. 1,835,191,478 is given in Note No. 4. The portfolio shows an unrealized capital gain of Tk. 306,747,891 as on 30 June 2017.

Product Development

The following table shows the position of existing, discarded and new products introduced during the year 2016-2017:

Sl. #	Products Categories	Existing	Added	Discarded	Total
1	Tablet	308	19	5	322
2	Capsule	63	3	1	65
3	Liquid Capsule	5	-	1	4
4	Liquid	77	5	3	79
5	Injectable	63	2	2	63
6	Infusion	9	2	-	11
7	E N T Preparation & Others	62	5	2	65
8	Opthal Preparation	15	1	-	16
9	Powder for Suspension	17	1	1	17
10	Powder	1	-	-	1
11	Suppository	9	-	1	8
12	Sachet	2	-	-	2
13	Inhaler	16	-	-	16
14	Insulin	8	-	-	8
15	Basic Chemical	8	-	-	8
16	Pellet	14	-	-	14
17	Tablet, Powder, Liquid, Injectable- AgroVet	63	14	-	77
18	Aerosol & Pesticide	25	3	-	28
	Total	765	55	16	804

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

Output/Capacity Utilization

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

Sl. #	Product Categories	Unit	Production in thousand		% Increase/	Capacity Utilization	
			2016-17	2015-16	(Decrease)	2016-17	2015-16
1	Tablet	PCS	4,925,207	5,295,545	-6.99	48%	59%
2	Capsule	PCS	502,173	944,643	-46.84	40%	50%
3	Liquid Capsule	PCS	17,073	15,976	6.87	17%	16%
4	Liquid	Bottle	98,497	92,179	6.85	50%	47%
5	Injectable (Vial & Ampoule)	PCS	53,916	45,800	17.72	49%	46%
6	Infusion (LVPO)	Bag	1,590	863	84.24	14%	18%
7	ENT Preparations-Drop, Spray, Gel & Others	Phial	12,585	12,329	2.08	42%	41%
8	Steroid-Cream, Ointment, Spray, Gel & Others	Phial	12,062	10,443	15.50	24%	21%
9	Non steroid-Cream, Ointment, Spray, Gel & Others	Phial	16,784	17,245	-2.67	80%	82%
10	Opthal Preparation	Phial	5,330	5,408	-1.44	82%	90%
11	Nebulizer	Phial	2,900	2,313	25.38	97%	77%
12	Powder for Suspension	Bottle	16,061	17,270	-7.00	45%	49%
13	Topical Powder	Phial	7,039	4,046	73.97	98%	56%
14	Suppository	PCS	47,386	40,216	17.83	59%	50%
15	Sachet	PCS	1,928	1,734	11.19	10%	41%
16	Inhaler	Can	2,200	3,598	-38.85	41%	67%
17	Dry Powder Inhaler	PCS	27,241	22,838	19.28	24%	20%
18	Insulin & Insulin Cartridge	PCS	1,310	1,128	16.13	22%	19%
19	Basic Chemicals	Kg	375	394	-4.82	75%	79%
20	Pellets	Kg	252	215	17.21	97%	90%
21	Tablet-AgroVet	PCS	19,777	14,449	36.87	90%	66%
22	Powder-AgroVet	Kg	3,638	444	719.37	68%	30%
23	Injection - AgroVet	Lit	20	18	11.11	83%	75%
24	Liquids - AgroVet	Bottle	2,242	733	205.80	61%	15%

Though there have been decrease in capacity utilization in case of 7 products line due to marketing strategies, the overall capacity utilization has increased during the year 2016-2017

CONSOLIDATION OF ACCOUNTS

In terms of BSEC Regulations, the company has consolidated the Accounts following the codes of International Accounting Standard - 28 & IFRS-10 reflecting shareholders gross benefits/value of investments.

ENVIRONMENTAL ROLE

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

HUMAN RESOURCES DEVELOPMENT

In order to improve productivity of human input, the company continuously provides formal and informal training to the employees at every echelon of operation and management. During the year under review 5,716 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.

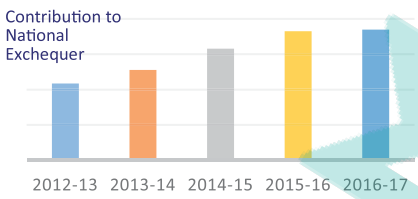
APPROPRIATION OF PROFIT

The Board of Directors recommended the appropriation of the net profit earned during the year 2016-2017 in the following manner:

		In Taka
➤ Net Profit for the year (2016-2017)		7,792,497,513
➤ Appropriation proposed:		
(i) Cash Dividend @35% (Tk. 3.50 per share)	2,400,808,200	
(ii) Stock Dividend @7.5%, face value of Stock Dividend (Bonus Share)	514,458,900	2,915,267,100
➤ Net Un Appropriate Profit		4,877,230,413

CONTRIBUTION TO NATIOANAL EXCHEQUER

The company contributed an amount of Tk. 7,392,467,365 (including Tk. 102,231,588 as contribution as duty/taxes towards machinery & spare parts imports) to National Exchequer as against Tk. 7,301,797,496 in the previous year. The contribution constitutes 25.59% of the sales revenue (net) in 2016-2017 as against 25.13% in the previous year of 2015-2016.



ELECTION OF DIRECTORS

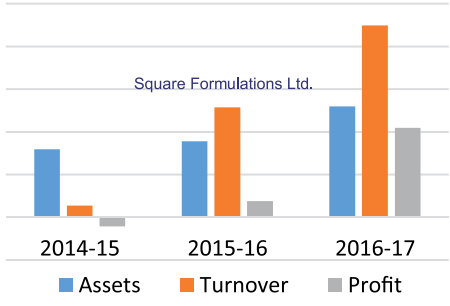
Mr. Samuel S Chowdhury and Mr. Kazi Iqbal Harun retires as per Article-99 of the Articles of Association of the company and as per Article-100 of the Articles of Association of the company, being eligible, have offered themselves for re-election. Brief resume and other information of the above mentioned directors are depicted in Annexure-ll.

APPOINTMENT OF AUDITORS

The existing Auditors of the company M/s Ahmed Zaker & Co., Chartered Accountant retires at the Annual General Meeting and being eligible, have offered themselves for re appointment as auditors of the Company for the year 2017-2018

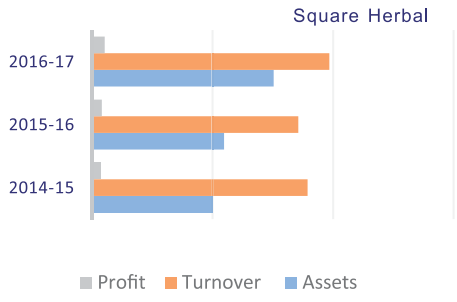
AMALGAMATION OF SQUARE FORMULATION LTD. WITH SQUARE PHARMACEUTICALS LTD.

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 30 June, 2017 subject to approval by the Court of Jurisdiction, Hon'ble High Court division of the Supreme Court of Bangladesh. Details are in Annexure VII.



AMALGAMATION OF SQUARE HERBAL AND NEUTRACEUTICALS LTD. WITH SQUARE PHARMACEUTICALS LTD.

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 shareholders in cash at a book value of shares as on 30 June, 2017 subject to approval by the Court of Jurisdiction, Hon'ble High Court division of the Supreme Court of Bangladesh. Details are in Annexure VIII.



MANAGEMENT APPRECIATION

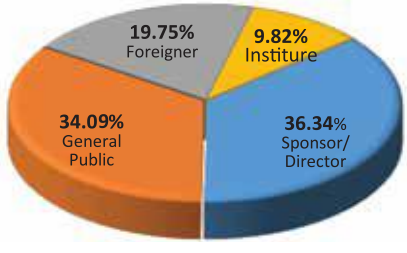
The Board of Directors record with deep appreciation the contribution made and support & co-operation given by the Officers, Staff, Workers, Customers, Creditors, Banks, Insurance Companies, Utility Providers, BSEC, DSE, CSE, CDBL and the Government in particular and look forward to the global role of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

Samuel S Chowdhury
Chairman

- In the event of conflict between English text and Bangla text of this report, English text shall be prevailed.

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 share-holders and to the society. A statement in pursuance to clause 1.5, Resume of the Directors who shall be reappointed, Audit Committee Report as per clause 3.5, Certificate from the CEO and CFO to the Board as per clause 6, Certificate from professional accountant as per clause 7(i) and status of compliance as per clause 7(ii) of the notification No. SEC/CMRRCD/2006-158/134/Admin/44 of 07th August, 2012 issued by BSEC is depicted in the Annexure - I, II, III, IV, V and VI respectively.



The Shareholders
Square Pharmaceuticals Ltd.

Annexure I

The Directors also report that:

- Related Party Transactions are depicted in Note no. 37 in the Notes of Account.
- Remuneration of Directors including Independent Director have been shown in Note no. 28 in the Notes of Account.
- The Financial Statement of the Company present true and fair view of the Company's state of affairs, result of its operation, cash flows and changes in equity.
- Proper books of accounts as required by the prevailing law have been maintained.
- Appropriate accounting policies have been followed in formulating the financial statements and accounting estimates were reasonable and prudent.
- The financial statement was prepared in accordance with IAS/BAS/IFRS/BFRS.
- The internal control system is sound in design and is effectively implemented and monitored.
- There is no significant doubt about the company's ability to continue as a going concern.
- There is no significant deviation from the operating result of the last year.
- Key operating and financial data of last five years have been presented in summarized form in page no. 20
- The number of Board Meeting and the Attendance of Directors during the year 2016-2017 were as follows:

Name of the Directors	Position	Meeting Held	Attended
Mr. Samuel S Chowdhury	Chairman	11	11
Mrs. Ratna Patra	Vice Chairman	11	11
Mr. Tapan Chowdhury	Managing Director	11	11
Mr. Anjan Chowdhury	Director	11	10
Mr. Kazi Iqbal Harun	Director	11	9
Mr. M Sekander Ali	Independent Director	11	11
Mrs. Nihad Kabir	Independent Director	11	10

- The pattern of shareholding as on 30 June 2017 are as follows:

Name of the Shareholders	Status	Shares held	%
i. Parent/Subsidiary/Associated Companies and other related parties	-	-	-
ii. Directors:			
Mr. Samuel S Chowdhury	Chairman	48,448,297	7.06
Mrs. Ratna Patra	Vice Chairman	46,433,260	6.77
Mr. Tapan Chowdhury	Managing Director	49,503,135	7.22
Mr. Anjan Chowdhury	Director	50,129,937	7.31
Mr. Kazi Iqbal Harun	Director	41,639,186	6.07
Mr. M Sekander Ali	Independent Director	-	-
Mrs. Nihad Kabir	Independent Director	-	-
iii. Chief Executive Officer, Chief Financial Officer, and their Spouses and Minor Childrens:	Company Secretary, Head of Internal Audit		
Mr. Tapan Chowdhury	Chief Executive Officer	49,503,135	7.22
Mr. Md. Kabir Reza	Chief Financial Officer	8709	0.0013
Mr. Khandaker Habibuzzaman	Company Secretary	357	-
Mrs. Nasrin Akter	Head of Internal Audit	-	-
iv. Executives:			
Mr. Muhammadul Haque	Executive Director, Marketing	29,000	0.0042
Mr. Md. Mizanur Rahman	Executive Director, Operations	-	-
Mr. M Nawabur Rahman	Director, Technical Operation	-	-
Mr. Muhammad Zahangir Alam	Director, A&F	8,000	0.0012
Mr. Md. Shakhawat Hossain	Head of Engineering	-	-
v. Shareholders Holding 10% or more voting interest in the company:	-	-	-

Annexure II

Directors Profile

Who are seeking re-appointment



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 Fashions Ltd., Square Food and Beverages Ltd., Square Denims Ltd. Square Apparels Ltd., Square Securities Management Ltd., Square Air 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.



Mr. Kazi Iqbal Harun

Mr. Kazi Iqbal Harun is a Director of the Company since 1991, son of late Dr. Kazi Harunar Rashid, one of the Founder/Sponsor Director of the Company.

Mr. Iqbal obtained Master's degree in Applied Chemistry from the Rajshahi University, Bangladesh and has an experience of more than 21 years in the pharmaceuticals and textiles sector.

Mr. Iqbal is a sponsor shareholder of Square Textiles Ltd. (listed company) and he is a Director in Square Toiletries Limited, a private limited company under the Square Group.

Mr. Kazi Iqbal Harun is also a member of the Audit Committee of the Company.

Audit Committee Report

For the year 2016-2017

Square Pharmaceuticals Ltd. having an Audit Committee as a subcommittee of the Board of Directors in order to assist the Board of Directors in ensuring and fulfilling its oversight responsibilities.

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

The scope of Audit Committee was defined as under:

(a) Review and recommend to the Board to approve the quarterly 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

10th October, 2017

Annexure IV

Certificate to the Board of Directors

on Compliance with the Condition No. 6 of the
Corporate Governance Guidelines of BSEC.

1. We the undersigned have reviewed the Financial Statements for the year ended June 30, 2017 and that to the best of our knowledge and belief:
   a) the Financial Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b) the Financial Statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during year ended June 30, 2017 which are fraudulent, illegal or violation of the company's code of conduct.

Tapan Chowdhury
Managing Director

Md. Kabir Reza
Chief Financial Officer

Annexure V

Certificate of Compliance

with the condition of
Corporate Governance Guideline

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 and subsequent amendment made there on.

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

10th October, 2017

Annexure VI

Corporate Governance Compliance Report

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August, 2012.

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1	**Board of Directors:**	✓		
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.	✓		
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 account	✓		
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	✓		
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.	✓		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
2	**Chief Financial Officer, Head of Internal Auditor and Company Secretary:**			
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 member	✓		
3.1 (iv)	Term of Service of Audit Committee members	✓		
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**	✓		
3.5	**Reporting to the Shareholders and General Investors**	✓		
4	**Engagement of External/Statutory Auditors:**			
4 (i)	Appraisal or valuation services or Fairness opinions	✓		
4 (ii)	Financial information systems design and implementation	✓		
4 (iii)	Book-keeping	✓		
4 (iv)	Broker-dealer services	✓		
4 (v)	Actuarial services	✓		
4 (vi)	Internal audit services	✓		
4 (vii)	Services that the Audit Committee determines	✓		
4 (viii)	Audit firms shall not hold any share of the company they audit	✓		
5	**Subsidiary Company :**			
5 (i)	Composition of the Board of Directors	✓		
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 Audit Committee of 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	✓		

Merger of Square Formulations Ltd. with the Square Pharmaceuticals Ltd.

Square Formulations Ltd. (SFrL), a private limited company incorporated on 21st November 2011, was set up at Kaliakoir industrial belt with a total operational area of 394,289 square feet for production of different pharmaceuticals products. The plant was designed and commissioned as per international regulatory and GMP guidelines with a capacity to produce 10 billion dosage units annually and commenced its production from 01 April 2014 and become a profitable operations from subsequent years to date as follows:

Year	Turnover	Net Profit	EPS
2014-15	551,857,502	(433,972,750)	(433.97)
2015-16	5153,514,099	754,566,662	776.28
2016-17	7657,201,055	2138,196,379	2,115.17

SFrL was incorporated with an authorised capital of Tk. 500.00 million divided into 5.00 million ordinary shares of Tk. 100.00 each. The paid up capital is Tk. 100.00 million for 1.00 million fully paid up shares of Tk. 100.00 each. The net worth per share as on 30-06-2017 stood at Tk. 2,557.85. The paid up Capital is held as follows:

Name of the Shareholders	Shareholding	(%)
Mr. Samuel S Chowdhury	1,166	0.116
Mr. Tapan Chowdhury	1,166	0.116
Mrs. Ratna Patra	1,166	0.116
Mr. Anjan Chowdhury	1,166	0.116
Mrs. Anita Chowdhury	336	0.034
Square Pharmaceuticals Ltd.	9,95,000	99.50
Total shares -	10,00,000	100.00

As the project of SFrL is located within the premises of Square Pharmaceuticals Ltd. (SPL) at kaliakoir, the separated operations of various aspects of SFrL is considered uneconomic and a complex one. Since SPL holds 99.50% of the paid up capital of SFrL with only 0.50% being held by the minority shareholders, 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 30 June, 2017 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 consent to the proposed Merger and Amalgamation of the SFrL with SPL and compensation them in cash at book value of shares held by them based on the audited accounts as on 30 June, 2017 subject to approval by the Hon'ble Court of jurisdiction.

If the proposal as above is approved by the shareholders, the following Special Resolution may be passed:

"Resolved that the proposal of Merger and Amalgamation of Square Formulation Ltd. with Square Pharmaceuticals Ltd. as per provision of section 228 & 229 and the compensation in cash to the minority shareholders as per book value of shares as on 30 June, 2017, be and is hereby approved subject to the sanction by the Hon'ble High Court division of the Supreme Court of Bangladesh."

Annexure-VIII

Merger of Square Herbal & Nutraceuticals Ltd. with the Square Pharmaceuticals Ltd.

Square Herbal & Nutraceuticals Ltd., a private limited company incorporated on 28th November 2002, was set up at BSCIC Industrial Estate, Pabna for production of various herbal and nutraceuticals products. The Company commenced production from April 2005 and had been in profitable operations all over the years to date. Last five operation, profit (AT) and EPS is as follows:

Year	Turnover	Net Profit	EPS
2012-13	203,722,372	25,267,918	505.36
2013-14	217,193,858	17,394,795	347.90
2014-15	357,581,278	14,529,469	290.59
2015-16	342,080,440	16,446,689	328.93
2016-17	393,903,640	20,890,900	417.80

Square Herbal was incorporated with an authorised capital of Tk. 500.00 million divided into 5.00 million ordinary shares of Tk. 100.00 each. The paid up capital is Tk. 5.00 million for 50.00 thousand fully paid up shares of Tk. 100.00 each. The net worth per share as on 30-06-2017 stood at Tk. 3,007.19. The paid up shares is held as follows:

Name of the Shareholders	Shareholding	(%)
Mr. Samuel S Chowdhury	11,666	23.332
Mr. Tapan Chowdhury	11,666	23.332
Mr. Anjan Chowdhury	11,666	23.332
Mr. Charles C R Patra	10,000	20.000
Mrs. Anita Chowdhury	3,336	6.672
Mrs. Ratna Patra	1,666	3.332
Total shares -	50,000	100.00

In view to transform Square Pharmaceuticals Ltd. into a diversified high performance and value added company, the Board of Directors considered a proposal for amalgamation of Square Herbal & Nutraceuticals Ltd. with Square Pharmaceuticals Ltd. under provision of section 228 & 229 of the Companies Act 1994 along with a proposal to compensate the shareholders of Square Herbal in cash at a book value of shares as on 30 June, 2017 subject to approval by the Court of Jurisdiction, Hon'ble High Court division of the Supreme Court of Bangladesh. This is to be mentioned that the shareholders of

Square Herbal have already given their written consent to the proposed Merger and Amalgamation (Arrangement and Compromise) of the Square Herbal with Square Pharma and compensate them in cash at book value of shares held by them based on the audited accounts as on 30 June, 2017 subject to approval by the Hon'ble Court of jurisdiction. This amalgamation is expected to create a significant value for the shareholders of Square Pharmaceuticals Ltd.

If the proposal as above is approved by the shareholders, the following Special Resolution may be passed:

"Resolved that the proposal of Merger of Square Herbal & Nutraceuticals Ltd. with Square Pharmaceuticals Ltd. as per provision of section 228 & 229 and the Compensation in cash to the shareholders of Square Herbal as per book value of shares as on 30 June, 2017, be and is hereby approved subject to the sanction by the Hon'ble High Court division of the Supreme Court of Bangladesh."

পরিচালনা পর্ষদের প্রতিবেদন

২০১৬–২০১৭

পরিচালনা পর্ষদ আনন্দের সাথে কোম্পানী আইন ১৯৯৪ এর ১৮৪ নং পরিচ্ছেদ, সিকিউরিটিজ এন্ড এক্সচেঞ্জ রুলস্ ১৯৮৭ এর ১২নং বিধির (এবং তফসিল অনুযায়ী) শর্তানুসারে, ৭ই আগস্ট, ২০১২ তারিখে বি.এস.ই.সি এর নোটিফিকেশন, দি ইনস্টিটিউট অব চার্টার্ড একাউন্ট্যান্টস্ অব বাংলাদেশ কর্তৃক গৃহীত আইএএস–১ (আন্তর্জাতিক হিসাব মানদন্ড–১) এবং অর্থআইন ২০১৬ অনুসারে ৩০ জুন ২০১৭ তারিখে সমাপ্ত বছরের প্রতিবেদন সম্মানিত কোম্পানীর সদস্যবৃন্দের কাছে নিম্নোক্ত পরিচ্ছেদগুলোতে পেশ করছেনঃ

কোম্পানির কার্যক্রম এবং সার্বিক অবস্থা:

আলোচ্য বছরে কোম্পানির একক ভাবে মোট বিক্রয় হয়েছিল ৩৩,২৯৯.৬৭ মিলিয়ন টাকা, বিগত বছরে ছিল ৩৩,৬১১.৭৪ মিলিয়ন টাকা যা বিগত বছরের তুলনায় ০.৯৩% কম।

কোম্পানি একক ভাবে ৭,৭৯২.৫০ মিলিয়ন টাকা মুনাফা লাভ করেছে। বিগত বছরে ছিল ৭,৫১০.২৬ মিলিয়ন। শেয়ার প্রতি আয় (ইপিএস) ১০.৯৫ টাকা থেকে বেড়ে ১১.৩৬ টাকা হয়েছে।

আলোচ্য বছরে কোম্পানির সমন্বিত মোট বিক্রয় ছিল ৪২,২৮৪.৬৮ মিলিয়ন টাকা, বিগত বছরে ছিল ৩৮,৩২৫.৬০ মিলিয়ন যা বিগত বছরের তুলনায় ১০.৩৩% বেশি।

কোম্পানির সমন্বিত কর পরবর্তি মুনাফা হয়েছে ১০,৯৭৭.৫৭ মিলিয়ন টাকা। বিগত বছরে ছিল ৯,১৯৯.৬৯ মিলিয়ন। শেয়ার প্রতি আয় (ইপিএস) ১৫.৫১ টাকা যা বিগত বছরে ১৩.৪১ টাকা ছিল।

ফার্মাসিউটিক্যাল্স সেক্টর

ফার্মাসিউটিক্যাল সেক্টর অত্র ২০১৬ সালে শতকরা ৩৫.২৯ ভাগ প্রবৃদ্ধি অর্জন করেছে যা বিগত সালে ছিল ১৫.১৮ ভাগ। বিগত কয়েক বছরের ঔষধ খাত ও কোম্পানীর প্রবৃদ্ধির তুলনামূলক চিত্র নিম্নে উপস্থাপন করা হলোঃ

বছর	জাতীয় প্রবৃদ্ধির হার	কোম্পানীর প্রবৃদ্ধির হার
২০১২	১১.৯১%	১১.৮৭%
২০১৩	৮.১২%	১৬.৪৩%
২০১৪	১১.৩৬%	২৫.৩৬%
২০১৫	১৫.১৮%	১৫.১৩%
২০১৬	৩৫.২৯%	৩১.৪৯%
গড়	১৬.৩৭%	২০.০৬%

সূত্র: আইএমএস রিপোর্ট ২০১৬

২০১৬-২০১৭ অর্থবছরে দেশের অর্থনীতি প্রবৃদ্ধি শতকরা ৭.১০ ভাগ বৃদ্ধি পেয়েছে। উল্লেখিত বৃদ্ধি প্রবণতা এই সেক্টরে পূনরায় বিনিয়োগের সুযোগ সৃষ্টির মাধ্যমে বিস্তৃত করার ইতিবাচক ইঙ্গিত প্রদান করেছে।

কার্যক্রম পর্যালোচনা

ফার্মা প্লান্টস

পাবনা এবং কালিয়াকৈর–এ অবস্থিত কারখানার উৎপাদন ক্ষমতা, দক্ষতা, পরিমাণগত এবং গুণগত মান বৃদ্ধির লক্ষ্যে উন্নত প্রযুক্তি, গবেষণা এবং প্রশিক্ষণ কাযক্রম অব্যাহত আছে। আলোচ্য বছরে কোম্পানীর প্রকৃত বিনিয়োগের পরিমাণ কারখানা স্থাপনে প্রণীত হয়েছে। এ বিষয়ে বিবরণ নিম্নে প্রদত্ত হলোঃ

মিলিয়ন টাকায়

সম্পদের বিবরণ	২০১৬–২০১৭	২০১৫–২০১৬
জমি	৪৭৯.১২	২৮১.৯৭
ভবন	৩৮৫.৫৫	৪৬৩.০৮
প্ল্যান্ট এবং যন্ত্রপাতি	৪৪৯.০৩	৭৩৭.৮৬
গবেষণার যন্ত্রপাতি	২০৪.৮০	১০০.২৪
অন্যান্য যন্ত্রপাতি/সম্পদ	১৮২.২৬	২৯৯.২৮
মোট টাকা -	১,৭০০.৭৬	১,৮৮২.৪৩

মূলধণী ব্যয়ের অধিকাংশ অর্থ আভ্যন্তরীণ উৎস হতে সংগৃহীত। পাবনা এবং ঢাকা প্ল্যান্টন্টের মিলিত উৎপাদিত পণ্যের পরিমাণ (ট্যাবলেট ও ক্যাপসুল) গত বছরের তুলনায় বৃদ্ধি পেয়েছে যা নিম্নে প্রদত্ত হলোঃ

পরিমাণ– হাজার

	ট্যাবলেট	ক্যাপসুল
একক	প্রতিটি	প্রতিটি
উৎপাদন ক্ষমতা	১০,২৮৩,০৫৬	১,২৫৩,৪৫০
প্রকৃত উৎপাদন:		
২০১৬–২০১৭	৪৯,২৫,২০৭	৫০২,১৭৩
২০১৫–২০১৬	৫২,৯৫,৫৪৫	৯৪৪,৬৪৩
উৎপাদন ক্ষমতার ব্যবহার:		
২০১৬–২০১৭	৪৮%	৪০%
২০১৫–২০১৬	৫৯%	৫৪%

কেমিক্যাল প্লান্ট

পাবনাস্থ কেমিক্যাল প্লান্ট এর বিগত দুই (২) বছরের কার্যক্রম নীচে উপস্থাপন করা হলোঃ

বিবরণ	২০১৬-১৭	২০১৫-১৬
পণ্যের সংখ্যা	২২	২২
উৎপাদনের পরিমাণ (মেঃ টন)	৬২৭	৬০৮
নিজস্ব ব্যবহার (মেঃ টন)	২৬৫.১৭	৩৪১.৪৫
বিক্রয় (মেঃ টন)	৩৭৯.৮৩	২৩৯.৫৫
নিজস্ব ব্যবহার (%)	৪২.২৯	৩৯.৪০
বাৎসরিক বিক্রয় (মিলিয়ন টাকা)	৪২০.৪০	২৪৪.৭৫

বাজার এবং মূল্য সংযোজন নীতি অনুযায়ী পণ্য মিশ্রণের তারতম্যের দরুন নিজস্ব ব্যবহার পরিবর্তন হয়েছে।

মান নিয়ন্ত্রণ

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

প্রযুক্তি

পণ্য উৎপাদন, মান নিয়ন্ত্রণ, বিতরণ এবং সর্বোপরি রোগীর কাছে এই পণ্য পৌছানো পর্যন্ত সকল স্তরে আধুনিক প্রযুক্তি প্রয়োগে কোম্পানী অগ্রণী ভূমিকা পালন করছে। এই লক্ষ্যে ২০১৬-২০১৭ অর্থ বছরে কোম্পানী ল্যাবরেটরী আধুনিকায়নে ৪৪৯.০৩ মিলিয়ন টাকা বিনিয়োগ করেছে।

রপ্তানি

কোম্পানী প্রতিনিয়তই রপ্তানি বাজার সম্প্রসারনে সর্বাত্নক প্রচেষ্টা চালাচ্ছে। পর্যালোচিত বছরে কোম্পানীর মোট রপ্তানির পরিমাণ ১,৩৮৬.৮৩ মিলিয়ন টাকা যেখানে গত বছর ছিল ১,১২৭.৩৩ মিলিয়ন টাকা যা বিগত বছরের তুলনায় ২৩.০২ শতাংশ বৃদ্ধি পেয়েছে। আমরা আশা করছি আগামী বছরগুলোতে রপ্তানির পরিমাণ উত্তরোত্তর বৃদ্ধি পাবে। বর্তমানে ৪২টির অধিক দেশে কোম্পানীর পণ্য রপ্তানী হচ্ছে। কোম্পানী ইউ এস এফ ডি এ-এর নিকট বিভিন্ন এ এন ডি এ অনুমোদনের জন্যে আবেদন করেছে।এই অনুমোদন রপ্তানী বাজার সম্প্রসারণ ক্ষেত্রে নতুন দিগন্তের সূচনা করবে।

আর্থিক ফলাফল

পূর্ববর্তী বছরের সাথে তুলনা করে ৩০শে জুন ২০১৭ বছরের আর্থিক ফলাফল নিম্নে উপস্থাপন করা হলো:

বিবরণ	২০১৬-২০১৭ (টাকায়)	২০১৫-২০১৬ (টাকায়)	⇧⇩ %
↗ মোট বিক্রয়	৩৩,২৯৯,৬৭২,১২১	৩৩,৬১১,৭৪১,১৮১	-০.৯৩%
↗ নীট বিক্রয়	২৮,৮৮৫,৯৩৯,০৫১	২৯,০৫৮,৩৪৯,৮৫১	-০.৫৯%
↗ মোট মুনাফ	১৪,০৬১,৫৮৬,৫৩৬	১৪,০৫৬,৪৮২,৪৩০	০.০৪%
↗ নীট মুনাফা (করপূর্ব)	১০,৩৬৬,৮৫৬,৮১০	৯,৯৪৩,৮৩৫,৬২৯	৪.২৫%
↗ আয়কর সঞ্চিতি	২,৫১৪,৪৮০,৭৬৭	২,৩৩৭,৩২০,৫২২	৭.৫৮%
↗ নীট মুনাফা (কর পরবর্তী)	৭,৭৯২,৪৯৭,৫১৩	৭,৫১০,২৬৫,৩৩৩	৩.৭৬%
↗ মোট আয়ের হার	৪৮.৬৮%	৪৮.৩৭%	০.৬৩%
↗ নীট আয়ের হার (কর পূর্ব)	৩৫.৮৯%	৩৪.২২%	৪.৮৮%
↗ নীট আয়ের হার (কর পরবর্তী)	২৬.৯৮%	২৫.৮৫%	৪.৩৮%
↗ শেয়ার প্রতি আয় (টাকা)	১১.৩৬	১০.৯৫	৩.৭৬%
↗ শেয়ার প্রতি আয় (আইপিও পরিশোধিত মূলধন অনুসারে)	৭৭৯.২৪	৭৫১.০২	৩.৭৬%
↗ একত্রীকৃত প্রতিটি শেয়ারের আয় (টাকা)	১৫.৫১	১৩.৪১	১৫.৬২%

সারা দেশে ভারী বৃষ্টিপাতের এবং বর্ধিত বন্যার কারণে বিগত বছরের তুলনায় ২০১৬-২০১৭ অর্থ বছরে মোট বিক্রয় ০.৯৩ ভাগ কমেছে।

তবে আগের বছরের তুলনায় নীট মুনাফা ((আয়কর পূর্ববর্তী)) এবং নীট লাভ ((আয়কর পরবর্তী) যথাক্রমে ৪.২৫ এবং ৩.৭৬ বৃদ্ধি পেয়েছে।

প্রতিটি ১০ টাকা মূল্যমানের ৬৮৫,৯৪৫,২০০টি শেয়ারের উপর ভিত্তি করে শেয়ার প্রতি আয় (ইপিএস) হয়েছে ১১.৩৬ টাকা, পূর্ববর্তী বছরের চেয়ে ৩.৭৬ ভাগ বৃদ্ধি হয়েছে।

এবং সমন্বিত ইপিএস ১৫.৬২% বৃদ্ধি পেয়েছে। ২০১৬-২০১৭ অর্থবছরে ইপিএস হয়েছে ১৫.৫১ টাকা যা ২০১৫-২০১৬ অর্থবছরে ১৩.৪১ ছিল।

সাবসিডিয়ারি প্রতিষ্ঠানের কার্যক্রম:

স্কয়ার ফর্মুলেশনস্ লিঃ

প্রতিটি ১০০ টাকা মূল্যমানের ১,০০০,০০০ টি শেয়ারের মধ্যে ৯৯৫,০০০ টি শেয়ারের মালিক। এছাড়া স্কয়ার ফার্মা ২,০০০,০০০,০০০ টাকা শেয়ার মানি ডিপোজিট হিসাবে অর্থ প্রদান করেছে। ৩০শে জুন ২০১৭ বছরের আর্থিক অবস্থার বিবরণী, সমন্বিত আয়ের বিবরণী মূলধনী পরিবর্তনের, নগদ তহবিল প্রবাহ এবং নিরীক্ষকের প্রতিবেদনসহ পরিচালনা পর্ষদের প্রতিবেদনের সাথে সন্নিবেশিত হলো।

স্কয়ার ফার্মাসিউটিক্যালস কেনিয়া ইপিজেড লিঃ। (এসপিএল কেনিয়া)

এসপিএল কেনিয়া, ফার্মাসিউটিক্যালস পণ্য উৎপাদনকারি হিসেবে কেনিয়া কোম্পানী অ্যাক্ট ২০১৫ এর অধীনে একটি প্রাইভেট কোম্পানী হিসেবে বিগত ৭ই জুন, ২০১৭ তারিখে নিবন্ধিত হয়েছে। নমিনাল শেয়ার ক্যাপিটাল হচ্ছে ৮০০,০০০,০০০ কে.এস.এইচ (৭,৭৫০ মিলিয়ন মার্কিন ডলার) ১০০ কে.এস.এইচ মূল্যমানের ৮,০০০,০০০ টি শেয়ারে বিভক্ত। এসপিএল কেনিয়া'এর নিবন্ধিত অফিস কেনিয়া রি টাওয়ার্স, এলআর নং ২০৯/১১/২০, ৫ম তলা, রাগটি ক্লোজ, অফ রাগটি রোড, আপারহিল, নাইরোবি, নাইরোবি ওয়েস্ট।

এসপিএল কেনিয়া এর পরিচালক এবং শেয়ারহোল্ডারগন নিম্নরূপ:

পরিচালক/শেয়ারহোল্ডার	শেয়ার হোল্ডিং	(%)
জনাব স্যামুয়েল এস চৌধুরী পরিচালক (স্কয়ার ফার্মা মনোনীত)	০	০.০০
জনাবা রত্না পাত্র পরিচালক (স্কয়ার ফার্মা মনোনীত)	০	০.০০
জনাব তপন চৌধুরী পরিচালক (স্কয়ার ফার্মা মনোনীত)	০	০.০০
জনাব অঞ্জন চৌধুরী পরিচালক (স্কয়ার ফার্মা মনোনীত)	০	০.০০
জনাবা নিহাদ কবির পরিচালক (স্কয়ার ফার্মা মনোনীত)	০	০.০০
জনাব ইরুকী মিথালি ক্যালিমিয়া পরিচালক (স্কয়ার ফার্মা মনোনীত)	০	০.০০
স্কয়ার ফার্মাসিউটিক্যালস লিঃ শেয়ারহোল্ডার	৮,০০০,০০০	১০০.০০
মোট শেয়ার -	৮,০০০,০০০	১০০.০০

প্রাথমিক আনুমানিক মোট প্রকল্প ব্যয় ২০ মিলিয়ন মার্কিন ডলার যা মধ্যে কোম্পানি ৮ মিলিয়ন মার্কিন ডলারের ইকুইটি হিসেবে অর্থায়ন করা হবে যার জন্য বাংলাদেশ ব্যাংক অনুমতি দিয়েছে এবং অবশিষ্টাংশ ঋণ গ্রহণ এর মাধ্যমে বিনিয়োগ করা হবে। ইতিমধ্যে দুইটি ট্রানসাকশানের দ্বারা মোট ২,৫৫৫,০০০ মার্কিন ডলার (৩০ আগস্ট ২০১৭ তারিখে ১,০০০,০০০ মার্কিন ডলার এবং ৬ সেপ্টেম্বর, ২০১৭ তারিখে ১,৫৫৫,০০০ মার্কিন ডলার) এসপিএল কেনিয়াতে বাংলাদেশ ব্যাংকের অনুমোদন অনুযায়ী ইক্যুইটি ইনভেস্টমেন্টে পাঠানো হয়েছে।

এসপিএল কেনিয়া ৭ই জুন, ২০১৭ তারিখে নিবন্ধিত হয়েছে এবং এর মধ্যে কোন লেনদেন হয় নাই বিধায় ৩০শে জুন, ২০১৭ সমাপ্ত অর্থবছরের কোন আর্থিক বিবৃতি প্রস্তুত করা হয় নাই।

বিনিয়োগসমূহ

নিরীক্ষকের রিপোর্টের (৩ ও ৪) অংশে দীর্ঘমেয়াদী বিনিয়োগ পোর্টফোলিও এবং বিক্রয়যোগ্য শেয়ার সম্পর্কে বিস্তারিতভাবে উপস্থাপন করা হয়েছে। সম্মানিত শেয়ারহোল্ডারদের অবগতির জন্য নিম্নে এই পোর্টফোলিও সম্পর্কে সংক্ষেপে আলোকপাত করা হলো:

দীর্ঘমেয়াদী বিনিয়োগ

উল্লেখিত ৪,৮১২,৮৮৮,৩৬০ টাকার ক্ষুদ্র ও বৃহৎ বিনিয়োগ ১০টি বিভিন্ন কোম্পানীর সাধারণ শেয়ার/শেয়ার মানি ডিপোজিট অগ্রিম হিসাবে বিনিয়োগ করা হয়েছে যার বিবরণ নিম্নে উপস্থাপন করা হলো:

মেজোরিটি বিনিয়োগ (সাবসিডিয়ারি)

স্কয়ার ফর্মুলেশনস্ লিঃ

প্রতিটি ১০০ টাকা মূল্যমানের ১,০০০,০০০টি শেয়ারের মধ্যে স্কয়ার ফার্মা ৯৯৫,০০০টি শেয়ারের মালিক, যা তালিকাভূক্ত নয়। এছাড়া স্কয়ার ফার্মা ২,০০০,০০০,০০০ টাকা শেয়ার মানি ডিপোজিট হিসাবে অর্থ প্রদান করেছে। পরিচালনা পর্ষদের প্রতিবেদনের সাথে আর্থিক বিবরণী সংযুক্ত করা হলো।

মাইনরিটি বিনিয়োগ

স্কয়ার টেক্সটাইলস্ লিঃ

৩০-০৬-২০১৭ তারিখে ১০ টাকা অভিহিত মূল্যের ৮২,৯৩৫,৭৬৪ টি শেয়ারের বিপরীতে (ব্যয় হিসাব অনুযায়ী) ২২৫,১২৯,৭৯৫ টাকা বিনিয়োগ করা হয়েছে। ৩০ জুন ২০১৭ তারিখে উক্ত শেয়ারের বাজার মূল্য ছিল ৫,৬১৪,৭৫১,২২২.৮০ টাকা (প্রতিটি শেয়ার ৬৭.৭০ হিসাবে)। কোম্পানীটি পূরোদমে উৎপাদন কার্যক্রমে সক্রিয় আছে। ২০১৬-১৭ অর্থ বছরে শতকরা ২০% ক্যাশ ডিভিডেন্ড এবং শতকরা ৫% স্টক (বোনাস) ডিভিডেন্ড ঘোষণা করেছে।

স্কয়ার হসপিটালস্ লিঃ

স্কয়ার ফার্মাসিউটিক্যালস্ লিঃ প্রতিটি ১,০০০ টাকা মূল্যমানের ১৯৯,৭৫০টি সাধারণ শেয়ারের মালিক। প্রকল্পটি বর্তমানে ৩০০ শয্যা বিশিষ্ট আধুনিক হাসপাতাল হিসাবে চালু আছে। মূলত: হার্টের রোগ নিরাময়ে গুরুত্ব দেয়া সহ এতে আরও আছে বহুমূখী চিকিৎসা সেবা ব্যবস্থা। স্কয়ার ফার্মা এই প্রতিষ্ঠানের ৪৯.৯৪% শেয়ারের মালিক এবং ১,০০০ টাকা মূল্যমানের ১,৭১২,৫০০ শেয়ারের জন্য ১৫৪.০০ বিলিয়ন টাকা শেয়ার মানি ডিপোজিট হিসাবে অগ্রিম প্রদান করেছে। যেহেতু স্কয়ার হসপিটালস-এর শেয়ার তালিকাভুক্ত নয় সেহেতু এর বাজার দর মূল্যায়ন করা যায়নি। স্কয়ার হসপিটালস ২০১৭ সালের ৩০শে জুন সমাপ্ত বছরে মোট ব্যবসা করেছে ৩,৪৩৬,৭১৯,১৯৮ টাকা এবং নীট মুনাফা হয়েছে ২৯৪,১৬৩,০৭৫ টাকা, পূর্ববর্তী বছরে নীট মূনাফার পরিমাণ ছিল ২৪৪,৮১৬,১২০ টাকা।

স্কয়ার ফ্যাশনস্ লিঃ

স্কয়ার ফার্মাসিউটিক্যাল্স লিঃ প্রতিটি ১০০ টাকা মূল্যমানের ৪৬২,০০০ টি শেয়ারের (৪৮.৪৬%) মালিক । স্কয়ার ফ্যাশনস ২০১৬-১৭ আর্থিক বছরে নীট মূনাফা অর্জিত হয়েছে ১,৩৬৬,৭৫৩,৪৮৪ টাকা, বিগত সময়ে ছিল ১,০৯৩,৬২৫,৩৯৩ টাকা। স্কয়ার ফ্যাশনস কোন লভ্যাংশ ঘোষনা করেনি। যেহেতু স্কয়ার ফ্যাশনস এর শেয়ারগুলি তালিকাভূক্ত নয় সেহেতু শেয়ারগুলোর বাজার দর যাচাই করা সম্ভব নয়। ৩০-০৬-২০১৭ তারিখে স্কয়ার ফ্যাশনস-এর শেয়ার প্রতি নীট সম্পদের মূল্য দাঁড়িয়েছে ৮,৬৫৫.৯২ টাকা।

স্কয়ার ইনফরমেটিক্স লিঃ

স্কয়ার ফার্মা প্রতিটি ১০০ টাকা মূল্যমানের ১,০০০,০০০ সাধারণ শেয়ারের বিপরীতে শেয়ার মানি ডিপোজিট হিসাবে ১০০,০০০,০০০ টাকা অগ্রিম প্রদান করা হয়েছে।

ইউনাইটেড হস্পিটাল লিঃ

স্কয়ার ফার্মাসিউটিক্যালস্ লিঃ প্রতিটি ১০০ টাকা মূল্যমানের ১২০,০০০টি শেয়ারের মালিক, যার মূল্য ১২,০০০,০০০ টাকা। যেহেতু এই কোম্পানীটি স্টক এক্সচেঞ্জে এ তালিকাভূক্ত নয় সেহেতু এর শেয়ারের কোন বাজার দর মূল্যায়ন করা যাচ্ছে না।

সেন্ট্রাল ডিপোজিটরী বাংলাদেশ লিঃ

সেন্ট্রাল ডিপোজিটরী ১৯৯৯ সালের বিধি অনুযায়ী গঠিত। স্কয়ার ফার্মাসিউটিক্যালস্ লিঃ প্রতিটি ১০ টাকা মূল্যমানের ৫,৭১১,৮০৪টি শেয়ারের মালিক। সেন্ট্রাল ডিপোজিটরী বাংলাদেশ লিঃ গঠন করা হয়েছে মূলত প্রতারণামূলক/জাল শেয়ার ট্রেডিং প্রতিরোধ করা, কাগজের শেয়ার ছাড়াই ট্রেডিং এবং শেয়ার ধারনের সমস্যা সমাধানের জন্য। যেহেতু এর শেয়ার তালিকাভুক্ত নয় সেহেতু এর শেয়ার বাজার দরে মূল্যায়ন করা যাচ্ছে না।

লংকাবাংলা ফাইন্যান্স লিঃ

স্কয়ার ফার্মাসিউটিক্যালস্ লিঃ মোট ২৩,৬৪০,৬৬২ টাকা মূল্যমানের ১০০,০০০ টি জিরো কুপন বন্ডের মালিক।

আইডিএলসি

স্কয়ার ফার্মাসিউটিক্যালস্ লিঃ মোট ১৬৪,৮৯৭,১৫০ টাকা মূল্যমানের ২৫০,০০০ টি জিরো কুপন বন্ডের মালিক।

বাংলাদেশ স্টীলস রি-রোলিং মিলস লিঃ

স্কয়ার ফার্মাসিউটিক্যালস্ লিঃ ১২৭,১২১,৭৭৩ টাকা মূল্যমানের ২০০,০০০ টি জিরো কুপন বন্ডের মালিক।

বিক্রয়যোগ্য শেয়ারে বিনিয়োগ

একটি বিবরণীতে বিপণনযোগ্য শেয়ারসমূহ যা নোট-৪ এ বর্ণনা করা হয়েছে এবং কস্ট প্রাইজে বিনিয়োগের পরিমাণ ১,৮৩৫,১৯১,৪৭৮ টাকা। ৩০ জুন ২০১৭ তারিখে বিনিয়োগের বিপরীতে মূলধণী লাভ দেখা যায় ৩০৬,৭৪৭,৮৯১ টাকা।

নতুন ঔষধ সম্প্রসারণ

আলোচ্য ২০১৬–২০১৭ সালে বিদ্যমান, নতুন সংযোজিত এবং বাতিলকৃত ঔষধের বিবরণ নিম্নের সারণীতে উপস্থাপন করা হলো:

ক্রমিক নং	পণ্যের শ্রেণীবিন্যাস	বর্তমান	নতুন সংযোজন	বাতিলকৃত	মোট পণ্য
১	ট্যাবলেট	৩০৮	১৯	৫	৩২২
২	ক্যাপসুল	৬৩	৩	১	৬৫
৩	লিকুইড ক্যাপসুল	৫	–	১	৪
৪	লিকুইড	৭৭	৫	৩	৭৯
৫	ইনজেক্টেবল	৬৩	২	২	৬৩
৬	ইনফিউশন	৯	২	–	১১
৭	ইএনটি প্রিপারেশন ও অন্যান্য	৬২	৫	২	৬৫
৮	অপথাল প্রিপারেশন	১৫	১	–	১৬
৯	সাসপেনশন পাউডার	১৭	১	১	১৭
১০	পাউডার	১	–	–	১
১১	সাপোজিটরি	৯	–	১	৮
১২	স্যাশে	২	–	–	২
১৩	ইনহেলার	১৬	–	–	১৬
১৪	ইনসুলিন	৮	–	–	৮
১৫	বেসিক ক্যামিকেল	৮	–	–	৮
১৬	পিলেট	১৪	–	–	১৪
১৭	ট্যাবলেট, পাউডার, লিকুইড, ইনজেক্টেবলস্–এগ্রোভেট	৬৩	১৪	–	৭৭
১৮	এরোসল ও পেস্টিসাইড	২৫	৩	–	২৮
	মোট –		৫৫	১৬	৮০৪

নতুন পণ্যসমূহ চিকিৎসা পেশায় নিয়োজিত ব্যক্তিবর্গের নিকট এবং বাজারে উত্তমরূপে গৃহীত হয়েছে

উৎপাদন/উৎপাদন ক্ষমতার ব্যবহার

সার্বিকভাবে প্লান্টের উৎপাদন ক্ষমতার উন্নয়ন এ বছরও ধারাবাহিক ভাবে অব্যাহত আছে যা নিম্নে প্রদত্ত হলোঃ

ক্রমিক নং	পণ্যের শ্রেণীবিন্যাস	একক	উৎপাদন (হাজার)		শতকরা বৃদ্ধি/হ্রাস	উৎপাদন ক্ষমতার ব্যবহার	
			২০১৬–১৭	২০১৫–১৬		২০১৬–১৭	২০১৫–১৬
১	ট্যাবলেট	প্রতিটি	৪,৯২৫,২০৭	৫,২৯৫,৫৪৫	–৬.৯৯	৪৮%	৫৯%
২	ক্যাপসুল	প্রতিটি	৫০২,১৭৩	৯৪৪,৬৪৩	–৪৬.৮৪	৪০%	৫০%
৩	লিকুইড ক্যাপসুল	প্রতিটি	১৭,০৭৩	১৫,৯৭৬	৬.৮৭	১৭%	১৬%
৪	লিকুইড	বোতল	৯৮,৪৯৭	৯২,১৭৯	৬.৮৫	৫০%	৪৭%
৫	ইনজেক্টেবল (ভায়াল ও আম্পুল)	প্রতিটি	৫৩,৯১৬	৪৫,৮০০	১৭.৭২	৪৯%	৪৬%
৬	ইনফিউশন (এলভিপিও)	ব্যাগ	১,৫৯০	৮৬৩	৮৪.২৪	১৪%	১৮%
৭	ইএনটি প্রিপারেশন ও অন্যান্য	ফাইল	১২,৫৮৫	১২,৩২৯	২.০৮	৪২%	৪১%
৮	স্টেরিয়ড–ক্রিম, অয়েন্টমেন্ট, স্প্রে, জেল ও অন্যান্য	ফাইল	১২,০৬২	১০,৪৪৩	১৫.৫০	২৪%	২১%
৯	নন স্টেরিয়ড–ক্রিম, অয়েন্টমেন্ট, স্প্রে, জেল ও অন্যান্য	ফাইল	১৬,৭৮৪	১৭,২৪৫	–২.৬৭	৮০%	৮২%
১০	অপথাল প্রিপারেশন	ফাইল	৫,৩৩০	৫,৪০৮	–১.৪৪	৮২%	৯০%
	নেবুলাইজার	ফাইল	২,৯০০	২,৩১৩	২৫.৩৮	৯৭%	৭৭%
১২	পাউডার সাসপেনশন	বোতল	১৬,০৬১	১৭,২৭০	–৭.০০	৪৫%	৪৯%
	পাউডার	ফাইল	৭,০৩৯	৪,০৪৬	৭৩.৯৭	৯৮%	৫৬%
১৪	সাপোজিটরি	প্রতিটি	৪৭,৩৮৬	৪০,২১৬	১৭.৮৩	৫৯%	৫০%
	স্যাশে	প্রতিটি	১,৯২৮	১,৭৩৪	১১.১৯	১০%	৪১%
১৬	ইনহেলার	ক্যান	২,২০০	৩,৫৯৮	–৩৮.৮৫	৪১%	৬৭%
১৭	ড্রাই পাউডার ইনহেলার	প্রতিটি	২৭,২৪১	২২,৮৩৮	১৯.২৮	২৪%	২০%
১৮	ইনসুলিন ও ইনসুলিন কার্টিজ	প্রতিটি	১,৩১০	১,১২৮	১৬.১৩	২২%	১৯%
১৯	বেসিক কেমিকেলস	কেজি	৩৭৫	৩৯৪	–৪.৮২	৭৫%	৭৯%
২০	পিলেটস	কেজি	২৫২	২১৫	১৭.২১	৯৭%	৯০%
	ট্যাবলেট–এগ্রোভেট	প্রতিটি	১৯,৭৭৭	১৪,৪৪৯	৩৬.৮৭	৯০%	৬৬%
২২	পাউডার–এগ্রোভেট	কেজি	৩,৬৩৮	৪৪৪	৭১৯.৩৭	৬৮%	৩০%
২৩	ইনজেকশন–এগ্রোভেট	লিটার	২০	১৮	১১.১১	৮৩%	৭৫%
২৪	লিকুইড–এগ্রোভেট	বোতল	২,২৪২	৭৩৩	২০৫.৮০	৬১%	১৫%

যদিও বাজারজাতকরণ কৌশলের কারনে ৭টি পণ্যের উৎপাদন ক্ষমতার ব্যবহার সামান্য কমেছে তথাপি বিগত বছরের তুলনায় ২০১৬–১৭ সালে সার্বিক উৎপাদন ক্ষমতার ব্যবহার বৃদ্ধি পেয়েছে। নতুন পণ্যগুলি মেডিকেল পেশায় এবং বাজারে ভালভাবে গৃহীত হয়েছে।

হিসাবের একত্রীকরণ

বিএসইসি এর বিধিমালা ও ইন্টারন্যাশনাল একাউন্টিং ষ্ট্যান্ডার্ড–২৮ এবং আইএফআরএস–১০ এর নিয়মাবলী অনুসরণ করে একাউন্টস্ একত্রীকৃত করা হয়েছে যাতে শেয়ারহোল্ডারবৃন্দের মোট সুবিধা/বিনিয়োগ মূল্য নির্ধারণ করা যায়।

পরিবেশগত ভূমিকা

জিএমপি/ ডব্লিউএইচও ষ্ট্যান্ডার্ডস ও সরকারী নিয়মাবলী অনুযায়ী কোম্পানী সর্বোচ্চ দূষণমুক্ত পরিবেশ বজায় রেখেছে।

মানব সম্পদ উন্নয়ন

মানব সম্পদ উন্নয়নের জন্য কোম্পানী প্রতিটি স্তরের নির্বাহী ও শ্রমিক কর্মচারীদের আনুষ্ঠানিক ও অনানুষ্ঠানিক প্রশিক্ষণ দিয়ে যাচ্ছে। এ বছর ৫,৭১৬ জন দেশে এবং বিদেশে প্রশিক্ষণ পেয়েছে। ফলে প্রশিক্ষণ প্রাপ্তরা কোম্পানীকে লাভজনক অবস্থায় রাখতে অবদান রেখেছে। সাথে সাথে তাদের পারিশ্রমিকও বৃদ্ধি পেয়েছে।

মুনাফা বন্টন

পরিচালনা পর্ষদ নিম্নোক্ত উপায়ে চলতি ২০১৬–২০১৭ বছরের নীট মুনাফা বন্টনের সুপারিশ করেছেন:

টাকায়

➤ চলতি বছরের মুনাফা (২০১৬-২০১৭)		৭,৭৯২,৪৯৭,৫১৩
➤ প্রস্তাবিত বন্টনঃ		
(১) নগদ লভ্যাংশ ৩৫% (টাকা ৩.৫০ শেয়ার প্রতি)	২,৪০০,৮০৮,২০০	
(২) স্টক লভ্যাংশ (বোনাস শেয়ার) ৭.৫%		
বোনাস শেয়ারের লিখিত মূল্য	৫১৪,৪৫৮,৯০০	২,৯১৫,২৬৭,১০০
➤ নীট অবন্টনকৃত মুনাফাঃ		৪,৮৭৭,২৩০,৪১৩

জাতীয় কোষাগারে অবদান

জাতীয় কোষাগারে কোম্পানীর এ বছরের অবদান ৭,৩৯২,৪৬৭,৩৬৫ টাকা (যন্ত্রপাতি ও খুচরা যন্ত্রাংশ আমদানী শুল্ক ১০২,২৩১,৫৮৮ টাকা সহ) যা গত বছর ছিল ৭,৩০১,৭৯৭,৪৯৬ টাকা। এই অবদান ২০১৬–২০১৭ সালের বিক্রয়ের শতকরা ২৫.৫৯ ভাগ যা গত বছর (২০১৪–২০১৫) ছিল শতকরা ২৫.১৩ ভাগ।

পরিচালক নির্বাচন

কোম্পানীর সংঘবিধির ৯৯ অনুচ্ছেদ অনুযায়ী জনাব স্যামুয়েল এস চৌধুরী এবং জনাব কাজী ইকবাল হারুন অবসর গ্রহণ করছেন এবং অনুচ্ছেদ ১০০ অনুসারে তাঁরা পুনঃ নির্বাচিত হওয়ার যোগ্য বিধায় পুনঃ নির্বাচিত হওয়ার ইচ্ছা পোষন করেছেন। উপরের উল্লেখিত পরিচালকবৃন্দের সংক্ষিপ্ত জীবন বৃত্তান্ত এবং অন্যান্য তথ্য সংযুক্তি–II তে বর্ণিত হয়েছে।

নিরীক্ষক নিয়োগ

বর্তমান কোম্পানীর নিরীক্ষক মেসার্স আহমদ জাকের এন্ড কোং, চার্টার্ড একাউনটেন্টস্ এই বার্ষিক সাধারণ সভায় অবসর গ্রহণ করছেন এবং যোগ্য বিধায় ২০১৭–১৮ সালের জন্য নিরীক্ষক হিসেবে পুনরায় নিয়োগের ইচ্ছা প্রকাশ করেছেন।

স্কয়ার ফার্মাসিউটিক্যালস লিমিটেড সঙ্গে স্কয়ার ফরমুলেশনস লিমিটেড এর একত্রীকরণ

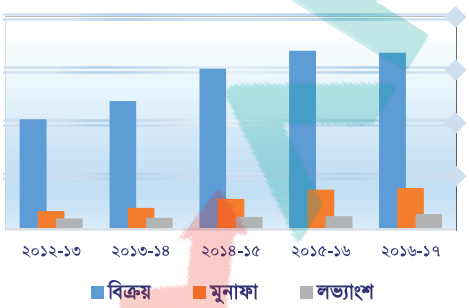
বোর্ড অফ ডিরেক্টরস স্কয়ার ফার্মাসিউটিক্যালস লিমিটেড সঙ্গে স্কয়ার ফরমুলেশনস লিমিটেড এর একত্রীকরণ বিষয়টি কোম্পানি আইন ১৯৯৪ এর ২২৮ ও ২২৯ ধারার বিধান অনুযায়ী এবং কোর্ট অব জাস্টিজ, সুপ্রিম কোর্ট বাংলাদেশের মাননীয় হাই কোর্ট বিভাগ অনুমোদন সাপেক্ষে সুপারিশ করেছে। ক্ষুদ্র শেয়ারহোল্ডারদের ৩০ জুন ২০১৭ তারিখের বুক ভ্যালু অনুসারে নগদ অর্থ প্রদানের প্রস্তাব করেছেন। বিস্তারিত সংযুক্তি VII এ দেওয়া আছে।

স্কয়ার ফার্মাসিউটিক্যালস লিমিটেড সঙ্গে স্কয়ার হারবাল এন্ড নিউট্রাসিউটিক্যালস লিমিটেড এর একত্রীকরণ

বোর্ড অফ ডিরেক্টরস স্কয়ার ফার্মাসিউটিক্যালস লিমিটেড সঙ্গে স্কয়ার হারবাল এন্ড নিউট্রাসিউটিক্যালস লিমিটেড এর একত্রীকরণ বিষয়টি কোম্পানি আইন ১৯৯৪ এর ২২৮ ও ২২৯ ধারার বিধান অনুযায়ী এবং কোর্ট অব জাস্টিজ, সুপ্রিম কোর্ট বাংলাদেশের মাননীয় হাই কোর্ট বিভাগ অনুমোদন সাপেক্ষে সুপারিশ করেছে। শেয়ারহোল্ডারদের ৩০ জুন ২০১৭ তারিখের বুক ভ্যালু অনুসারে নগদ অর্থ প্রদানের প্রস্তাব করেছেন। বিস্তারিত সংযুক্তি VIII এ দেওয়া আছে।

কর্পোরেট গভর্নেন্স

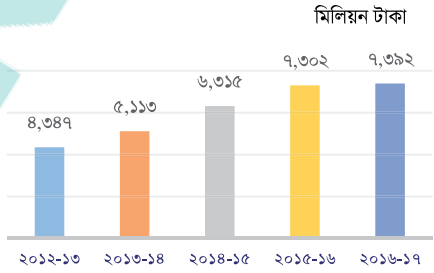
কর্পোরেট গভর্নেন্স হচ্ছে সুনাগরিকত্বের চর্চা যার মাধ্যমে পরিচালনা পর্ষদ কোম্পানীর পরিচালনা করেন, শেয়ার হোল্ডার/স্বার্থ সংশিষ্ট ব্যক্তিবর্গ এবং সমাজের প্রতি জবাবদিহিতার দৃষ্টিভঙ্গি নিয়ে। বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর নোটিশ নং এসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/১৩৪/প্রশাসন/৪৪ ৭ই আগস্ট, ২০১২ এর নিরিখে একটি বিবরণ ১.৫ ধারা অনুসারে প্রতিপালন প্রতিবেদন, পরিচালক যারা পুনর্নির্বাচিত হইবে তাদের জীবন বৃত্তান্ত, অডিট কমিটি প্রতিবেদন ৩.৫ ধারা অনুসারে, ধারা ৬ অনুযায়ী সিইও এবং সিএফও থেকে বোর্ডের সার্টিফিকেট, ধারা ৭(১) অনুসারে প্রফেশনাল একাউনটেন্ট কর্তৃক সার্টিফিকেট এবং কর্পোরেট গভর্নেন্স প্রতিপালন ৭(২) এর অবস্থা যথাক্রমে সংযুক্তি I, II, III, IV, V ও VI এর মধ্যে বর্ণনা/প্রকাশ করা হলো।

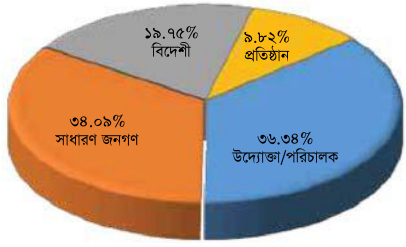


ব্যবস্থাপনা কর্তৃপক্ষের স্বীকৃতি

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

স্যামুয়েল এস চৌধুরী
চেয়ারম্যান





শেয়ারহোল্ডার
স্কয়ার ফার্মাসিউটিক্যালস লিঃ

Financial Statement



Financial Statement

46: Value Added Statement

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AAA
Credit Rating

AMAR STOCK

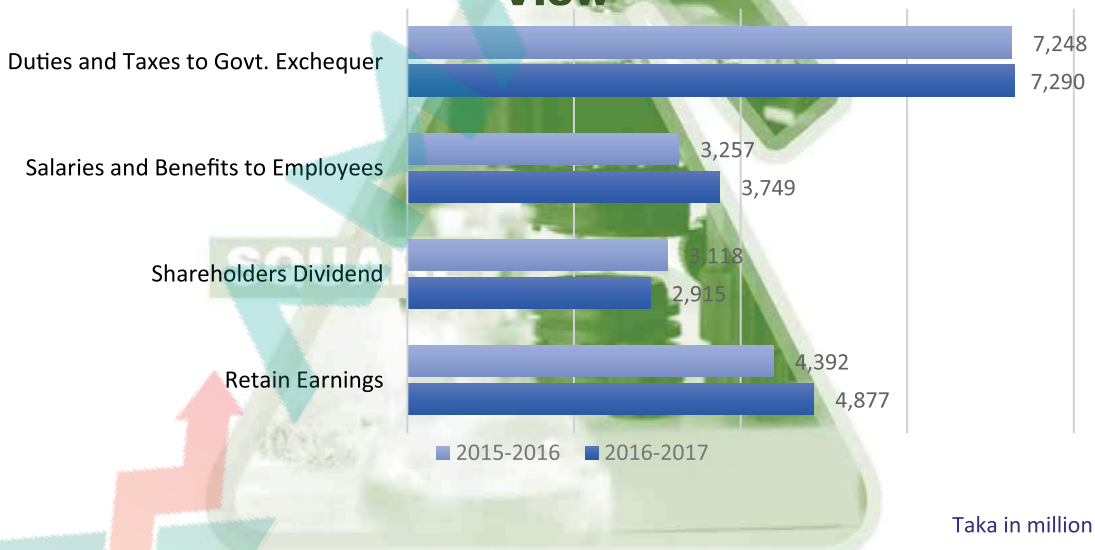
Statement of Value Added

For the year ended 30 June, 2017

Taka in million

	2016-2017 July 2016 - June 2017		2015-2016 July 2015 - June 2016	
	Amount	%	Amount	%
Value Added:				
Turnover & Other Income	36,016		35,142	
Less: Bought in Materials & Services	17,184		17,127	
	18,832	100.00	18,015	100.00
Application:				
Duties and Taxes to Govt. Exchequer	7,290	38.71	7,248	40.23
Salaries and Benefits to Employees	3,749	19.91	3,257	18.08
Shareholders Dividend	2,915	15.48	3,118	17.31
Retain Earnings	4,877	25.90	4,392	24.38
	18,832	100.00	18,015	100.00

Graphical View



Taka in million

AUDITORS' REPORT

To the Shareholders of Square Pharmaceuticals Ltd.

We have audited the accompanying Consolidated financial statements of **Square Pharmaceuticals Ltd.** which comprises the Consolidated Statement of Financial Position as at June 30, 2017 along with Consolidated Statement of Profit or Loss and other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year ended, and a summary of significant accounting policies and other explanatory information.

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), Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable rules 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, 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 Auditors' 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 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 Consolidated financial statements give a true and fair view of the financial position of **Square Pharmaceuticals Ltd.** as at June 30, 2017 and of its financial performance for the Year Ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report on other legal and regulatory requirements

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;
c) the Company's Consolidated Statement of Financial Position, Consolidated Statement of Profit or Loss and other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows dealt with by the report are in agreement with the books of accounts;
d) the expenditure incurred was for the purposes of the Company's business.

Ahmed Zaker & Co

Place: Dhaka
Dated: October 25, 2017

Ahmed Zaker & Co.
Chartered Accountants

SQUARE PHARMACEUTICALS LTD.

and its subsidiary

Consolidated Statement of Financial Position

As At 30 June 2017

Particulars	Notes	Amount in Taka	
		30-06-2017	30-06-2016
ASSETS:			
Non-Current Assets:		**29,355,222,227**	**27,240,402,799**
Property, Plant and Equipment-Carrying Value	2	19,323,568,164	18,848,282,139
Investment - Long Term (at Cost)	3	588,808,565	555,873,893
Investment - Associates Undertaking	4	7,504,636,420	6,764,511,325
Investment in Marketable Securities (Fair Value)	5	1,938,209,078	1,071,735,442
Current Assets:		**23,175,830,022**	**17,063,366,651**
Inventories	6	3,730,808,243	3,694,711,088
Trade Debtors	7	2,204,014,900	1,335,829,914
Advances,Deposits and Prepayments	8	1,450,936,735	1,131,340,560
Short Term Loan	9	21,386,290	2,378,929,958
Cash and Cash Equivalents	10	15,768,683,854	8,522,555,131
TOTAL ASSETS		**52,531,052,249**	**44,303,769,450**
SHAREHOLDERS' EQUITY AND LIABILITIES:			
Shareholders' Equity:		**49,027,700,210**	**40,555,055,362**
Share Capital	11	6,859,452,000	6,235,865,460
Share Premium	12	2,035,465,000	2,035,465,000
General Reserve		105,878,200	105,878,200
Tax Exemption Reserve	13	852,508,043	324,011,067
Gain on Marketable Securities (Unrealized)		596,561,713	266,786,579
Retained Earnings		38,577,835,254	31,587,049,056
Non Controlling Interest	14	12,674,141	2,098,295
Non-Current Liabilities:		**1,129,233,846**	**1,054,498,262**
Deferred Tax Liability	15	1,129,233,846	1,054,498,262
Current Liabilities:		**2,361,444,052**	**2,692,117,531**
Short Term Loan	16	-	2,693,932
Trade Creditors	17	843,937,277	693,982,698
Liabilities for Expenses	18	27,576,542	42,871,218
Liabilities for Other Finance	19	1,489,930,233	1,952,569,683
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**52,531,052,249**	**44,303,769,450**

The annexed notes (1-31) form an integral part of these financial statements.
Approved by the Board of Directors on October 16, 2017.

Signed as per our separate report on same date.

Samuel S Chowdhury
Chairman

Tapan Chowdhury
Managing Director

Khandaker Habibuzzaman
Company Secretary

Ahmed Zaker & Co.
Chartered Accountants

Dated, Dhaka: October 25, 2017

SQUARE PHARMACEUTICALS LTD.

and its subsidiary

Consolidated Statement of Profit or Loss and other Comprehensive Income

For the Year Ended 30 June 2017

Particulars	Notes	Amount in Taka	
		Jul'2016-Jun'2017	Jul'2015-Jun'2016
GROSS REVENUE	20	42,284,675,530	38,325,600,166
Less: Value Added Tax		5,741,535,424	5,251,839,594
NET REVENUE		**36,543,140,106**	**33,073,760,572**
Cost of Goods Sold	21	(18,274,858,914)	(17,082,336,657)
GROSS PROFIT		**18,268,281,192**	**15,991,423,915**
OPERATING EXPENSES:		**(5,972,216,599)**	**(5,200,155,109)**
Selling & Distribution Expenses	22	(5,056,851,926)	(4,349,841,995)
Administrative Expenses	23	(915,210,284)	(845,013,243)
Finance Cost	24	(154,389)	(5,299,871)
PROFIT FROM OPERATIONS		**12,296,064,593**	**10,791,268,806**
Other Income	25	1,093,575,634	657,143,316
PROFIT BEFORE WPPF		**13,389,640,227**	**11,448,412,122**
Allocation for WPPF	26	(646,577,651)	(545,162,482)
PROFIT BEFORE TAX		**12,743,062,576**	**10,903,249,640**
Income Tax Expenses-Current	27	(2,949,150,787)	(2,389,605,742)
Income Tax Expenses-Deferred		(74,735,584)	(227,100,343)
PROFIT AFTER TAX		**9,719,176,205**	**8,286,543,555**
Profit/(Loss) from Associate Undertakings	28	928,615,539	916,314,929
PROFIT AFTER TAX		**10,647,791,744**	**9,202,858,484**
Other Comprehensive Income:			
Gain/(Loss) on Marketable Securities (Unrealized)	29	329,775,134	(3,169,514)
Total Comprehensive Income for the Year		**10,977,566,878**	**9,199,688,970**
Profit Attributable to:			
Owners of the Company		10,637,215,898	9,198,977,093
Non Controlling Interest		10,575,846	3,881,391
		10,647,791,744	**9,202,858,484**
Total Comprehensive Income Attibutable to:			
Owners of the Company		10,966,991,032	9,195,807,579
Non Controlling Interest		10,575,846	3,881,391
		10,977,566,878	**9,199,688,970**
Earnings Per Share (EPS)	30	**15.51**	**13.41**

The annexed notes (1-31) form an integral part of these financial statements.
Approved by the Board of Directors on October 16, 2017.

Signed as per our separate report on same date.

Samuel S Chowdhury	Tapan Chowdhury	Khandaker Habibuzzaman	Ahmed Zaker & Co.
Chairman	Managing Director	Company Secretary	Chartered Accountants

Dated, Dhaka: October 25, 2017

SQUARE PHARMACEUTICALS LTD.

and its subsidiary

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2017

Particulars	Share Capital Taka	Share Premium Taka	General Reserve Taka	Tax Exemption Reserve Taka	Gain/(Loss) on Marketable Securities (Unrealized) Taka	Retained Earnings Taka	Non Controlling Interest Taka	Total Taka
At 30 June 2016	6,235,865,460	2,035,465,000	105,878,200	324,011,067	266,786,579	31,587,049,056	2,098,295	40,557,153,657
Total Comprehensive Income (Jul'2016-Jun'2017)	-	-	-	-	329,775,134	10,637,215,898	10,575,846	10,977,566,878
Transfer to Tax Exemption Reserve	-	-	-	528,496,976	-	(528,496,976)	-	-
Cash Dividend (2015-2016)	-	-	-	-	-	(2,494,346,184)	-	(2,494,346,184)
Stock Dividend (2015-2016)	623,586,540	-	-	-	-	(623,586,540)	-	-
At 30 June 2017	**6,859,452,000**	**2,035,465,000**	**105,878,200**	**852,508,043**	**596,561,713**	**38,577,835,254**	**12,674,141**	**49,040,374,351**

SQUARE PHARMACEUTICALS LTD.

and its subsidiary

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2016

Particulars	Share Capital Taka	Share Premium Taka	General Reserve Taka	Tax Exemption Reserve Taka	Gain/(Loss) on Marketable Securities (Unrealized) Taka	Retained Earnings Taka	Non Controlling Interest Taka	Total Taka
At 30 June 2015	5,542,991,520	2,035,465,000	105,878,200	-	269,956,093	25,067,854,426	(1,783,096)	33,020,362,143
Total Comprehensive Income/Loss (Jul'2015-Jun'2016)	-	-	-	-	(3,169,514)	9,198,977,093	3,881,391	9,199,688,970
Transfer to Tax Exemption Reserve	-	-	-	324,011,067	-	(324,011,067)	-	-
Cash Dividend (2014-2015)	-	-	-	-	-	(1,662,897,456)	-	(1,662,897,456)
Stock Dividend (2014-2015)	692,873,940	-	-	-	-	(692,873,940)	-	-
At 30 June 2016	**6,235,865,460**	**2,035,465,000**	**105,878,200**	**324,011,067**	**266,786,579**	**31,587,049,056**	**2,098,295**	**40,557,153,657**

The annexed notes (1-31) form an integral part of these financial statements.
Approved by the Board of Directors on October 16, 2017.

Signed as per our separate report on same date.

Samuel S Chowdhury
Chairman

Tapan Chowdhury
Managing Director

Khandaker Habibuzzaman
Company Secretary

Ahmed Zaker & Co.
Chartered Accountants

Dated, Dhaka: October 25, 2017

SQUARE PHARMACEUTICALS LTD.

and its subsidiary

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2017

Particulars	Amount in Taka	
	Jul'2016-Jun'2017	Jul'2015-Jun'2016
Cash Flows From Operating Activities:		
RECEIPTS:		
Collections from Sales	41,454,805,384	37,930,633,639
Others	201,824,119	112,691,000
	41,656,629,503	**38,043,324,639**
PAYMENTS:		
Purchase of Raw and Packing Materials	12,448,372,527	12,055,106,675
Manufacturing and Operating Expenses	9,708,309,353	8,466,672,238
Value Added Tax	5,741,535,424	5,251,839,594
Finance Cost	154,389	5,299,871
Income Tax Expense	3,596,322,058	2,047,639,860
Workers Profit Participation Fund	616,755,878	510,064,512
Others	-	91,420,912
	32,111,449,629	**28,428,043,662**
Net cash from operating activities	**9,545,179,874**	**9,615,280,977**
Cash Flows From Investing Activities:		
Purchase of Fixed Assets	(2,576,915,168)	(2,657,669,483)
Disposal of Fixed Assets	46,769,925	66,788,805
Investment	(569,633,173)	(80,310,552)
Short Term Loan	2,354,849,736	(1,281,324,584)
Gain on Sale of Marketable Securities	57,295,584	10,983,571
Interest Received	587,461,554	253,117,331
Dividend Received	295,466,575	47,172,498
Net cash used in investing activities	**195,295,033**	**(3,641,242,414)**
Cash Flows From Financing Activities:		
Long Term Loan Repaid	-	(309,810,998)
Short Term Bank Loan Decrease	-	(2,297,884)
Dividend Paid	(2,494,346,184)	(1,662,897,456)
Net cash used in financing activities	**(2,494,346,184)**	**(1,975,006,338)**
Increase in Cash and Cash Equivalents	7,246,128,723	3,999,032,225
Cash and Cash Equivalents at the Opening	8,522,555,131	4,523,522,906
Cash and Cash Equivalents at the Closing	**15,768,683,854**	**8,522,555,131**

Approved by the Board of Directors on October 16, 2017.

Signed as per our separate report on same date.

Samuel S Chowdhury
Chairman

Tapan Chowdhury
Managing Director

Khandaker Habibuzzaman
Company Secretary

Ahmed Zaker & Co.
Chartered Accountants

Dated, Dhaka: October 25, 2017

1. SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION

1.1 Legal Form of the Company:

(a) Reporting Company

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

(b) Subsidiary Company

(i) Square Formulations Ltd.:
The company was incorporated on November 21, 2011 under Companies Act 1994 as a Private Limited company.

1.2 Address of Registered Office and Factories:

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

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

1.3 Nature of Business Activities:

(a) Reporting Company:

The company is engaged in manufacturing and marketing of generic pharmaceuticals products, basic chemical products and animal health products. The company also engaged in marketing of pesticide products.

(b) Subsidiary Company:
Square Formulations Ltd.
The company is engaged in manufacturing and marketing of generic pharmaceuticals products.

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 Bangladesh 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 the purpose 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	Statement of Cash Flows
BAS - 8	Accounting Policies, Changes in Accounting Estimates and Errors
BAS - 10	Events after the Reporting Period
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 Investment
BAS - 26	Accounting and Reporting by Retirement Benefit Plans
BAS - 28	Investment in Associates and Joint Ventures
BAS - 32	Financial Instruments: Presentation
BAS - 33	Earnings Per Share
BAS - 37	Provisions, Contingent Liabilities and Contingent Assets
BAS - 38	Intangible Assets
BAS - 39	Financial Instruments: Recognition & Measurement
BFRS-7	Financial Instruments: Disclosure
BFRS-8	Operating Segment
BFRS-10	Consolidated Financial Statements
BFRS-12	Disclosure of 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 Formulations Ltd. (SFRL). Depreciation of an asset begins when it is available for use i. e when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with BFRS 5 and the date that the assets are derecognized.

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

	SPL	SFrL
Factory Building and Other Construction	10%	10%
Boundary Wall	10%	-
Plant & Machinery	15%	15%
Laboratory & Office Equipment	10%	10%
Furniture & Fixture	10%	10%
Motor Vehicle	20%	20%
Motor Cycle	20%	-
Electrical Installation	15%	15%
Gas Line Installation	15%	15%
Books & Periodicals	30%	30%
Electro Mechanical Equipment	-	15%
Computer & VSAT	10%	10%
Software	10%	10%

1.9 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets:

Financial assets of the company include cash and cash equivalents, equity instrument of another entity, trade receivable and other receivables. The company initially recognizes receivable on the date they are originated. All other financial assets are recognized initially on the date at which the company become a party to the contractual provisions of the transaction. The company derecognizes a financial assets when and only when contractual rights or probabilities of receiving the cash flows from the assets expire or it transfer the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and reward of ownership of the financial assets are transferred.

Cash and Cash Equivalents:

Cash and cash equivalents comprises cash in hand, in transit and with banks on current and deposit accounts that are subject to an insignificant risk of changes in their fair value and are used by the company without any restriction.

Available for Sale of Financial Assets:

Available for sale of financial assets comprise equity security are non-derivative financial assets that are recognized initially at fair value plus any attributable transactions costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses are cognised in Other Comprehensive Income and presented gain on marketable securities (unrealized).

Trade Receivable:

Trade receivable are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amount at the period end.

Financial Liabilities:

The company initially recognises financial liabilities on the transaction date at which the company become a party to the contractual provisions of the liability. The company derecognises a financial liability when it's contractual obligations are discharged or cancelled or expired. Financial liabilities are recognised initially at fair value less any directly attributable transactions costs. Subsequently to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Financial liabilities include loan and borrowing, trade creditors, liabilities for expenses and liabilities for other finance.

1.10 Inventories:

Inventories are stated at the lower of cost or net realizable value as per BAS-2.

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

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

1.11 Income Tax Expenses:

Current Income Tax

Current income tax is expected tax payable on the taxable income for the year. The company is a "Publicly Traded Company"; hence Tax Rate is applicable @25%. The applicable Tax Rate of subsidiary company (SFRL) was @ 21% from April, 2017 to June, 2017 and @ 14% from July, 2016 to March, 2017.

Deferred Tax

Deferred tax expenses is considered for the taxable temporary differences may arise for the reporting year, adjustments for prior years accumulated differences and changed in tax rate.

1.12 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. The costs for gratuity is accounted for cash basis.

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 these funds and payment is made to the workers as per provisions of Labour Law 2006 Chapter-15.

1.13 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.

1.14 Revenue:

Revenue comprises the following:

Reporting Company:

* Sales of locally manufactured generic Pharmaceuticals Drugs and Medicines.
* Export of generic Pharmaceuticals Drugs and Medicines.
* Local Sales of Basic Chemicals Products.
* Sales of locally manufactured and imported Animal Health Products.
* Sales of imported pesticide products.

Subsidiary Company:

* Sales of locally manufactured generic Pharmaceuticals Drugs and Medicines.
* Export generic Pharmaceuticals Drugs and Medicines.

1.15 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 79.85.

1.16 Statement of Cash Flows:

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

1.17 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 2015-2016 were treated as if they had been in issue in previous years also. Hence, in computing the Earnings per Share (EPS) of 2016-2017, the total number of shares including the said bonus shares has been considered as the Weighted Average Number of Shares Outstanding during the year 2015-2016.

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.

1.18 Basis of Consolidation:

Percentage of Holding Share on Subsidiaries Company:

Subsidiary Company	Holding of Share	Percentage of Holding
Square Formulations Ltd.	995,000	99.50%

Subsidiary entity is 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.

1.19 Consolidation of Accounts:

As per Conformity of BFRS-10, Consolidated Financial Statements consolidated of accounts has been made as follows:

Subsidiary Company	Year Ending	Remarks
Square Formulations Ltd.	30 June, 2017	Financial Statements

1.20 Borrowing Cost:

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

1.21 Concentration of Counterparty Risk:

As of June 30, 2017, the company does not have any significant concentration of business transacted with a particular customer, supplier or lender that could, if suddenly eliminated, have severe impact the company's operations. The company also does not have any concentration of available source of labour, service or licenses or other rights that could, if suddenly eliminated, have severe impact of the operations of the company.

1.22 Net Profit before Tax:

Net Profit before Tax for the year was 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.

1.23 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.

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.

1.28 Comparative Information:

Comparative information has been disclosed in respect of the previous year for all numerical information in the current financial statement. Narrative and descriptive information for comparative information have also been disclosed whenever it is relevant for understanding of current year's financial statements. Previous year's comparative information of the statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows are presented as unaudited.

	Amount in Taka	
	30-06-2017	30-06-2016

2. CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT: Tk. 19,323,568,164

Details of property, plant and equipment and depreciation as at 30 June 2017 are shown in the annexed schedule - 01.
This is arrived at as follows:

Fixed Assets at Cost:		
Opening Balance	31,085,332,766	28,378,010,122
Net Addition during the Year	2,470,906,763	4,333,798,734
	33,556,239,529	32,711,808,856
Sales/Transfer during the Year	(86,161,958)	(1,626,476,090)
Closing Balance	**33,470,077,571**	**31,085,332,766**
Accumulated Depreciation:		
Opening Balance	12,237,050,627	10,323,970,475
Charged during the Year	1,969,393,467	2,010,881,334
	14,206,444,094	12,334,851,809
Sales/Transfer during the Year	(59,934,687)	(97,801,182)
	14,146,509,407	**12,237,050,627**
Carrying Value	**19,323,568,164**	**18,848,282,139**
Allocation of depreciation charge for the year has been made in the accounts as follows:		
Factory Overhead	1,739,580,714	1,801,815,484
Selling and Distribution Expenses	153,929,440	142,986,027
Administrative Expenses	75,883,313	66,079,823
	1,969,393,467	**2,010,881,334**

3. CONSOLIDATED INVESTMENT-Long Term (at Cost): Tk. 588,808,565

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 Shares 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) 100,000 Zero Coupon Bond in Lanka Bangla Finance Ltd.	43,630,924	87,125,863
(e) 250,000 Zero Coupon Bond in IDLC Finance Ltd.	144,906,888	177,827,691
(f) 200,000 Zero Coupon Bond in Bangladesh Steel Re-Rolling Mills Ltd.	127,121,773	163,225,909
(g) 150,000 Preference Share in Raj Lanka Power Company Ltd.	145,454,550	-
	588,808,56	**555,873,893**

4. INVESTMENT-Associate Undertakings: Tk. 7,504,636,420

This is arrived at as follows:

Opening Balance	6,764,511,325	6,158,591,691
Add: Investment made/(disposed off) during the Year	-	(418,347,106)
Add: Profit/(Loss) during the Year (Note-28)	928,615,539	916,314,929
Less: Dividend during the Year	(188,490,444)	-
Add: Prior Year's Adjustment	-	107,951,811
Closing Balance	**7,504,636,420**	**6,764,511,325**

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

Name of Company	Country of Incorporation	Proportion of Ownership Interest
Square Textiles Ltd.	Bangladesh	46.36%
Square Fashions Ltd.	Bangladesh	48.63%
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.

SUMMARISED FINANCIAL INFORMATION FOR ASSOCIATE UNDERTAKINGS AS PER PARAGRAPH B14 AND B15 OF BFRS 12:

	Position as at	
	30-06-2017	30-06-2016
Square Textlies Ltd. :		
Current Assets	3,618,294,827	3,547,892,593
Non-Current Assets	3,893,030,120	3,147,296,521
Current Liabilities	1,948,729,056	965,543,991
Non-Current Liabilities	109,649,529	122,571,004
Revenue (Net)	5,020,425,409	4,998,757,600
Profit from Operations	307,873,381	589,575,954
Profit after Tax	252,493,568	486,235,901
Other Comprehensive Income	-	-
Total Comprehensive Income	252,493,568	744,076,096
Square Fashions Ltd. :		
Current Assets	3,110,900,055	5,136,443,633
Non-Current Assets	7,512,842,396	4,481,025,106
Current Liabilities	2,327,736,820	2,703,860,032
Non-Current Liabilities	72,877,491	57,234,051
Revenue (Net)	10,121,489,473	10,001,762,091
Profit from Operations	1,176,806,310	1,164,972,370
Profit after Tax	1,366,753,484	1,093,625,393
Other Comprehensive Income	-	-
Total Comprehensive Income	1,366,753,484	1,093,625,393
Square Hospitas Ltd. :		
Current Assets	345,121,204	262,020,481
Non-Current Assets	3,057,105,943	2,809,526,926
Current Liabilities	1,182,659,373	1,146,142,707
Non-Current Liabilities	-	-
Revenue (Net)	3,427,678,701	2,937,234,127
Profit from Operations	467,447,077	394,138,611
Profit after Tax	294,163,075	244,816,120
Other Comprehensive Income	-	-
Total Comprehensive Income	294,163,075	244,816,120

5. CONSOLIDATED INVESTMENT IN MARKETABLE SECURITIES (Fair Value): Tk. 1,938,209,078

	Postion of 2016-2017			Postion of 2015-2016		
	Total Cost	Total Market Value	Realized/ Unrealized Gain	Total Cost	Total Market Value	Realized/ Unrealized Gain
Opening Balance	804,948,863	1,071,735,442	266,786,579	628,441,483	898,397,576	269,956,093
Add: Investment made during the year	717,569,046	-	-	313,182,930	-	-
Less: Sold/Disposed off during the year	(180,870,544)	238,166,128	57,295,584	(136,675,550)	147,659,121	10,983,571
Closing Balance Tk.	**1,341,647,365**	**1,938,209,078**	**596,561,713**	**804,948,863**	**1,071,735,442**	**266,786,579**

6. CONSOLIDATED INVENTORIES: Tk. 3,730,808,243

The break-up is as under:

Raw Materials	1,302,801,676	1,370,045,188
Packing Materials	480,770,796	498,273,058
Work-in-Process	229,724,895	227,836,703
Finished Goods	1,117,324,819	985,672,758
Spares & Accessories	410,426,860	220,825,978
Goods- in-Transit	189,759,197	392,057,403
Tk.	**3,730,808,243**	**3,694,711,088**

The basis of valuation is stated in Note-1 (1.10)

7. CONSOLIDATED TRADE DEBTORS: Tk. 2,204,014,900

Trade Debtors	2,204,014,900	1,335,829,914
Tk.	**2,204,014,900**	**1,335,829,914**

	Amount in Taka	
	30-06-2017	30-06-2016
8. CONSOLIDATED ADVANCES, DEPOSITS & PREPAYMENTS (Considered Good): Tk. 1,450,936,735		
This consists of as follows:		
Advances:	**684,232,720**	**438,104,950**
Employees	135,033,960	160,305,121
Motor Cycle Loan – Employees	2,762,025	3,452,531
Land Purchase	195,139,482	89,168,477
Suppliers	351,297,253	185,178,821
Deposits:		
Value Added Tax	**716,575,116**	**648,682,605**
Earnest Money & Security Deposit	264,300,343	302,615,183
Interest on Fixed Deposit Receipts	103,298,243	128,262,788
Others	344,177,480	199,727,982
	4,799,050	18,076,652
Prepayments:	**50,128,899**	**44,553,005**
Office Rent	5,640,141	8,254,004
Insurance Premium	44,488,758	36,299,001
	1,450,936,735	**1,131,340,560**
9. CONSOLIDATED SHORT TERM LOAN (Un-secured): Tk. 21,386,290		
This consists of as follows:		
(a) Square Textiles Ltd.	21,386,290	42,781,579
(b) Square Fashions Ltd.	-	432,299,117
(c) Square InformatiX Ltd.	-	78,077,351
(d) Square Denims Ltd.	-	1,593,602,940
(e) Square Apparels Ltd.	-	232,168,971
	21,386,290	**2,378,929,958**
The above short term loan is unsecured but considered good and bears interest @1% above commercial bank's fixed deposit rate.		
10. CONSOLIDATED CASH AND CASH EQUIVALENTS: Tk. 15,768,683,854		
This is made up as follows:		
(a) Cash in Hand	2,299,488	9,542,848
(b) Cash at Bank:	**15,766,384,366**	**8,513,012,283**
* Current Account	804,844,947	627,829,051
* STD Account	111,249,701	48,562,678
* Fixed Deposit Account (BD Taka)	12,871,846,671	6,625,216,559
* Fixed Deposit Account (USD)	1,203,522,187	762,378,198
* Export Retention Quota Account	607,557,434	435,335,180
* Margin Held Account	167,363,426	13,690,617
	15,768,683,854	**8,616,385,240**
11. SHARE CAPITAL: Tk. 6,859,452,000		
Share Capital	6,859,452,000	6,235,865,460
	6,859,452,000	**6,235,865,460**
12. SHARE PREMIUM: Tk. 2,035,465,000		
Share Premium	2,035,465,000	2,035,465,000
	2,035,465,000	**2,035,465,000**
13. CONSOLIDATED TAX EXEMPTION RESERVE: Tk. 852,508,043		
This has been provided as per provisions of section 46B (1) (a) and 46B (2)(a) (i) of the Income Tax Ordinance 1984 which is arrived as follows:		
Opening Balance	324,011,067	-
Privision made during the Year	528,496,976	324,011,067
Closing Balance	**852,508,043**	**324,011,067**

	Amount in Taka	
	30-06-2017	30-06-2016

14. NON CONTROLLING INTEREST: Tk. 12,674,141

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

Paid-up Capital (Investment)	500,000	500,000
Retained Earnings	12,174,141	1,598,295
	12,674,141	**2,098,295**

List of Subsidiary (As per BAS-27):

Name of Company	Country of Incorporation	Proportion of Ownership Interest
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.

15. CONSOLIDATED DEFERRED TAX LIABILITY: Tk. 1,129,233,846

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	1,054,498,262	827,397,919
Addition during the Year	74,735,584	227,100,343
Closing Balance	**1,129,233,846**	**1,054,498,262**

16. CONSOLIDATED SHORT TERM LOAN (Un-secured): Tk. Nil

This consists of as follows:

(a) Square Hospitals Ltd.	-	2,693,932
	-	**2,693,932**

Short term loan is payable to the above associates undertakings and considered good.

17. CONSOLIDATED TRADE CREDITORS: Tk. 843,937,277

Trade Creditors	843,937,277	693,982,698
Tk.	**843,937,277**	**693,982,698**

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

18. CONSOLIDATED LIABILITIES FOR EXPENSES: Tk. 27,576,542

This consists of as follows:

Accrued Expenses	27,262,592	42,557,268
Audit Fees	313,950	313,950
	27,576,542	**42,871,218**

19. CONSOLIDATED LIABILITIES FOR OTHER FINANCE: Tk. 1,489,930,233

This consists of as follows:

Sundry Creditors	493,022,685	346,347,410
Income Tax (Deduction at Source)	60,176,480	51,559,622
Retention Money	7,114,330	7,696,415
Workers' Profit Participation Fund	688,490,710	658,668,937
Income Tax Payable (Note-19.1)	241,126,028	888,297,299
	1,489,930,233	**1,952,569,683**

19.1. CONSOLIDATED INCOME TAX PAYABLE: Tk. 241,126,028

This is arrived at as follows:

Opening balance	888,297,299	546,331,417
Provision made for the Year (Note-27)	2,949,150,787	2,389,605,742
Tax Paid (Including Advance Income Tax during the Year)	(3,596,322,058)	(2,047,639,860)
	241,126,028	**888,297,299**

		2016-2017 (Jul'2016-Jun'2017)	2015-2016 (Jul'2015-Jun'2016)
20. CONSOLIDATED GROSS REVENUE: Tk. 42,284,675,530			
This consists of as follows:			
Square Pharmaceuticals Ltd.		33,299,672,121	33,611,741,181
Square Formulations Ltd.		8,985,003,409	4,713,858,985
		42,284,675,530	**38,325,600,166**
21. CONSOLIDATED COST OF GOODS SOLD: Tk. 18,274,858,914			
This is arrived at as follows:			
Raw Materials Consumed	21.1	8,375,490,692	7,853,500,018
Packing Materials Consumed	21.2	4,122,027,655	3,451,287,946
		12,497,518,347	**11,304,787,964**
Work-in-Process (Opening)		227,836,703	230,351,431
Work-in-Process (Closing)		(229,724,895)	(227,836,703)
TOTAL CONSUMPTION		**12,495,630,155**	**11,307,302,692**
Factory Overhead	21.3	5,509,750,479	5,024,207,722
COST OF PRODUCTION		**18,005,380,634**	**16,331,510,414**
Purchase of Finished Goods		537,882,258	727,930,642
Finished Goods (Opening)		985,672,758	1,129,623,101
Finished Goods (Closing)		(1,117,324,819)	(985,672,758)
		18,411,610,831	**17,203,391,399**
Cost of Physician Sample		(136,751,917)	(121,054,742)
		18,274,858,914	**17,082,336,657**
21.1. CONSOLIDATED RAW MATERIALS CONSUMED: Tk. 8,375,490,692			
This is arrived at as follows:			
Opening Stock		1,370,045,188	1,432,496,912
Purchase		8,308,247,180	7,791,048,294
Closing Stock		(1,302,801,676)	(1,370,045,188)
		8,375,490,692	**7,853,500,018**
21.2. CONSOLIDATED PACKING MATERIALS CONSUMED: Tk. 4,122,027,655			
This is arrived at as follows:			
Opening Stock		498,273,058	488,420,526
Purchase		4,104,525,393	3,461,140,478
Closing Stock		(480,770,796)	(498,273,058)
		4,122,027,655	**3,451,287,946**
21.3. CONSOLIDATED FACTORY OVERHEAD: Tk. 5,509,750,479			
This is made up as follows:			
Salaries, Allowances and Wages		1,364,975,478	1,158,555,084
Factory Employees Free Lunch		103,768,768	89,421,125
Factory Staff Uniform		43,576,354	38,548,040
Travelling & Conveyance		34,992,800	30,879,856
Printing & Stationery		48,545,368	40,925,543
Postage, Telephone & Fax		5,438,372	5,946,814
Repairs & Maintenance		897,071,875	826,815,600
Laboratory Consumable Stores		322,563,702	238,170,434
Fuel, Petrol, Light Diesel etc.		269,025,060	225,742,878
Electricity, Gas & Water		402,760,794	329,220,592
Rental Expense		1,877,700	804,700
Municipal & Other Tax		9,745,019	9,967,400
Insurance Premium		24,387,503	25,954,353
Factory Sanitation Expenses		54,720,660	48,344,496
Depreciation		1,739,580,714	1,801,815,484
Security Services		46,384,388	46,533,701
Research & Development		72,378,884	61,375,946
Software & Hardware Support Services		59,987,060	37,595,285
Toll Charges		5,223,625	5,451,539
Other Expenses		2,746,355	2,138,852
		5,509,750,479	**5,024,207,722**

	2016-2017 (Jul'2016-Jun'2017)	2015-2016 (Jul'2015-Jun'2016)

22. CONSOLIDATED SELLING & DISTRIBUTION EXPENSES: Tk. 5,056,851,926

This consists of as follows:

Salaries and Allowances	928,200,127	788,144,657
Travelling and Conveyance	83,292,812	72,844,619
Training Expenses	2,335,426	2,183,545
Printing and Stationery	52,557,518	45,770,724
Postage, Telephone, Fax & Telex	34,966,066	27,228,738
Electricity, Gas and Water	24,904,210	23,005,151
Tiffin and Refreshment	22,407,508	20,710,536
Staff Uniform	3,480,278	-
Office and Godown Rent	20,513,321	25,300,375
Lease Rent	1,328,250	1,487,850
Bank Charges	10,881,721	13,417,763
Repairs and Maintenance including car maintenance	304,696,461	264,502,183
Govt. Taxes and Licence Fees	21,252,042	16,665,632
Field Staff Salaries, Allowances, TA and DA	1,333,091,268	1,164,517,011
Marketing and Promotional Expenses	857,055,683	765,577,372
Advertisement	719,500	1,222,264
Delivery and Packing Expenses	91,989,886	75,140,861
Export Expenses	114,049,006	104,921,407
Special Discount	705,098,469	519,308,857
Sample Expenses	182,996,601	173,813,771
Security Services	63,758,040	56,747,269
Depreciation	153,929,440	142,986,027
Software, Hardware Support & VSAT Services	29,459,620	31,752,862
Insurance Premium	12,487,846	10,874,608
Other Expenses	1,400,827	1,717,913
	5,056,851,926	**4,349,841,995**

23. CONSOLIDATED ADMINISTRATIVE EXPENSES: Tk. 915,210,284

This consists of as follows:

Salaries and Allowances	304,125,648	265,767,451
Directors' Remuneration	58,980,339	61,829,020
Travelling and Conveyance	114,201,219	103,659,572
Training Expenses	8,459,375	8,742,868
Printing and Stationery	12,884,714	11,878,326
Postage, Telephone, Internet	9,683,524	10,945,325
Electricity, Gas & Water	19,084,519	20,836,739
Tiffin and Refreshment	45,577,846	40,730,417
Staff Uniform	1,899,995	-
Office Rent	14,645,478	16,140,813
Sanitation Expenses	2,219,326	2,037,653
Books and Periodicals	282,316	542,997
Subscription and Donation	5,516,276	6,761,716
Advertisement	1,917,748	2,452,928
Repairs and Maintenance	121,411,008	105,012,116
Bank Charges	21,893,636	25,385,765
Insurance Premium	2,289,503	12,407,950
Govt. Taxes, Stamp Duty & Licence Fee	9,572,040	9,938,790
Security Services	32,442,664	21,803,623
Management Consultant Fees	709,169	1,423,453
Legal Charges	2,614,275	3,264,825
Audit Fees	313,950	313,950
Depreciation	75,883,313	66,079,823
Annual General Meeting Expenses	2,951,608	5,120,403
Software & Hardware Support Services	42,314,407	32,765,827
Share Demat, Remat & Transfer Fees	2,148,378	6,276,612
Other Expenses	1,188,010	2,894,281
	915,210,284	**845,013,243**

	2016-2017 (Jul'2016-Jun'2017)	2015-2016 (Jul'2015-Jun'2016)
24. CONSOLIDATED FINANCE COST: Tk. 154,389		
This is made up as follows:		
Interest on Cash Credit	58	68,035
Interest on Overdraft	154,331	466,321
Interest on Long Term Loan	-	4,765,515
	154,389	**5,299,871**
25. CONSOLIDATED OTHER INCOME: Tk. 1,093,575,634		
This is arrived at as follows:		
Bank Interest	642,085,111	364,216,536
Interest on Loan to Sister Concern	90,464,909	88,628,777
Rental Income	1,183,700	1,193,700
Sale of Scrap	23,554,220	15,013,549
Dividend	106,976,131	47,172,499
Foreign Exchange Fluctuation Gain	42,180,295	11,271,468
Commission Received	71,822,269	73,318,367
Gain on Redemption of Zero Coupon Bond	37,480,122	11,106,415
Gain/(Loss) on Marketable Securities (Realized)	57,295,584	10,983,571
Technology Transfer Fees	-	787,500
	1,073,042,341	623,692,382
Consolidated Profit on Sale of Property, Plant & Equipment (Note-31)	20,533,293	33,450,934
	1,093,575,634	**657,143,316**
26. CONSOLIDATED ALLOCATION FOR WPPF & WF: Tk. 646,577,651		
This is arrived at as follows:		
Allocation for WPPF & WF	646,577,651	545,162,482
	646,577,651	**545,162,482**
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.		
27. CONSOLIDATED INCOME TAX EXPENSES-Current: Tk. 2,949,150,787		
Current Tax (Provision for the Year)	2,949,150,787	2,389,605,742
	2,949,150,787	**2,389,605,742**
28. PROFIT/(LOSS) FROM ASSOCIATES UNDERTAKING: Tk. 928,615,539		
This is arrived at as follows:		
a) Square Textiles Ltd.	117,044,053	226,745,928
b) Square Fashions Ltd.	664,673,800	610,729,451
c) Square Hospitals Ltd.	146,897,686	78,839,550
	928,615,539	**916,314,929**
29. CONSOLIDATED GAIN/(LOSS) ON MARKETABLE SECURITIES (UNREALIZED): Tk. 329,775,134		
Unrealized Gain/(Loss) Position (Closing)	596,561,713	266,786,579
(-) Unrealized Gain/(Loss) Position (Opening)	266,786,579	269,956,093
Gain/(Loss) on Marketable Securities during the Year	**329,775,134**	**(3,169,514)**
30. CONSOLIDATED EARNINGS PER SHARE (EPS) - Tk. 15.51		
The computation is given below:		
Surplus for the year attributable to Shareholders (Net Profit after Tax)	10,637,215,898	9,198,977,093
Weighted average number of Shares outstanding during the year	685,945,200	685,945,200
Earnings per Share	**15.51**	**13.41**

31. PARTICULARS OF DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR July 2016- June 2017:

Particulars of Assets	Cost	Acc. Depreciation Upto 30-06-2017	Written Down Value as on 30-06-2017	Sales Price	Profit/(Loss)
Land & Land Development	2,552,795	-	2,552,795	4,733,406	2,180,611
Office Equipment	235,000	133,570	101,430	25,000	(76,430)
Motor Vehicle	56,159,750	40,451,608	15,708,142	27,182,813	11,474,671
Motor Cycle	27,214,413	19,340,148	7,874,265	14,828,706	6,954,441
Tk.	**86,161,958**	**59,925,326**	**26,236,632**	**46,769,925**	**20,533,293**

SQUARE PHARMACEUTICALS LTD.

Schedule of Property, Plant and Equipment
For the Year Ended June 30, 2017

Consolidated Property, Plant and Equipment-Carrying Value: Tk. 19,323,568,164

Schedule-01

PARTICULARS	COST				Rate of Dep.	DEPRECIATION				Net Book Value as at 30 June 2017
	At 30 June 2016	During the year		At 30 June 2017		At 30 June 2016	During the year		At 30 June 2017	
		Additions	Sales/ Transfer				Charged	Sales/ Transfer		
FACTORIES:										
Land	1,711,940,641	481,671,993	2,552,795	2,191,059,839	-	-	-	-	-	2,191,059,839
Building	7,031,615,995	317,721,529	-	7,349,337,524	10%	2,693,244,884	450,698,820		3,143,943,704	4,205,393,820
Boundary Wall	593,903	-	-	593,903	10%	282,721	31,118	-	313,839	280,064
Plant & Machinery	12,518,440,206	781,905,515	-	13,300,345,721	15%	6,276,462,497	963,521,842	-	7,239,984,339	6,060,361,382
Laboratory Equipment	1,597,709,480	207,029,647	-	1,804,739,127	10%	564,828,297	105,293,372	-	670,121,669	1,134,617,458
Furniture & Fixture	683,410,521	117,046,689	-	800,457,210	10%	226,899,484	48,623,324	-	275,522,808	524,934,402
Office Equipment	493,701,402	39,334,655	-	533,036,057	10%	155,417,551	34,696,794	-	190,114,345	342,921,712
Computer	120,600,167	27,107,791	37,400	147,670,558	10%	32,925,018	9,659,590	9,361	42,575,247	105,095,311
Motor Vehicles	364,609,782	58,349,940	14,705,000	408,254,722	20%	175,684,288	42,926,923	10,574,282	208,036,929	200,217,793
Motor Vehicle-Lease	2,085,000	-	-	2,085,000	20%	1,948,884	27,223	-	1,976,107	108,893
Electromechanical Equipments	1,099,988,899	-	-	1,099,988,899	15%	692,453,693	61,093,949	-	753,547,642	346,441,257
Electrical Installation	207,338,483	-	-	207,338,483	15%	80,817,739	18,978,113	-	99,795,852	107,542,631
Gas Line Installation	44,829,165	7,307,631	-	52,136,796	15%	24,245,967	4,029,646	-	28,275,613	23,861,183
Sub-Total	**25,876,863,644**	**2,037,475,390**	**17,295,195**	**27,897,043,839**		**10,925,211,023**	**1,739,580,714**	**10,583,643**	**12,654,208,094**	**15,242,835,745**
HEAD OFFICE & OTHERS:					-					
Land	1,743,890,523	88,589,853	-	1,832,480,376	-	-	-	-	-	1,832,480,376
Building	433,796,773	114,179,142	-	547,975,915	10%	219,353,981	27,843,967	-	247,197,948	300,777,967
Boundary Wall	10,855,163	-	-	10,855,163	10%	3,315,420	753,974	-	4,069,394	6,785,769
Furniture & Fixture	111,072,583	11,156,225	-	122,228,808	10%	48,778,780	6,720,324	-	55,499,104	66,729,704
Office Equipment	86,330,263	3,635,250	235,000	89,730,513	10%	45,546,485	4,256,388	133,570	49,669,303	40,061,210
Computer	195,382,851	11,831,883	-	207,214,734	10%	83,597,186	11,780,976	-	95,378,162	111,836,572
Motor Vehicle	1,071,162,006	174,554,280	41,454,750	1,204,261,536	20%	571,597,722	118,512,997	29,877,326	660,233,393	544,028,143
Motor Vehicle-Lease	118,472,040	-	-	118,472,040	20%	99,242,868	3,845,834	-	103,088,702	15,383,338
Motor Cycle	347,849,042	56,728,900	27,214,413	377,363,529	20%	166,576,159	43,944,474	19,340,148	191,180,485	186,183,044
Books & Periodicals	528,794	-	-	528,794	30%	528,521	82	-	528,603	191
SAP Software	104,943,274	39,796,917	-	144,740,191	20%	59,753,068	11,125,722	-	70,878,790	73,861,401
VSAT	7,559,700	-	-	7,559,700	10%	2,832,406	472,729	-	3,305,135	4,254,565
Electrical Installation	14,418,915	-	-	14,418,915	15%	10,717,008	555,286	-	11,272,294	3,146,621
Sub-Total	**4,246,261,927**	**500,472,450**	**68,904,136**	**4,677,830,214**		**1,311,839,604**	**229,812,753**	**49,351,044**	**1,492,301,313**	**3,185,528,901**
Grand Total Tk.	**30,123,125,571**	**2,537,947,840**	**86,199,358**	**32,574,874,053**		**12,237,050,627**	**1,969,393,467**	**59,934,687**	**14,146,509,407**	**18,428,364,646**
Plant & Machinery in Transit	419,596,834	298,752,099	419,596,835	298,752,098		-	-	-	-	298,752,098
Building under Construction	542,610,361	454,475,448	400,634,389	596,451,420		-	-	-	-	596,451,420
Carrying Value as on June 30, 2017	**31,085,332,766**	**3,291,175,387**	**906,430,582**	**33,470,077,571**		**12,237,050,627**	**1,969,393,467**	**59,934,687**	**14,146,509,407**	**19,323,568,164**

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

	(July'2016-June'2017
Factory Overhead	1,739,580,714
Selling and Distribution Expenses	153,929,440
Administrative Expenses	75,883,313
	1,969,393,467

Financial Statement

Separate



Financial Statement ➤➤

67-93: Separate
67: Auditors' Report
68: Statement of Financial Position
69: Statement of Profit or Loss and other Comprehensive Income
70: Statement of Changes in Equity
71: Statement of Cash Flows
72: Notes

SQUARE PHARMACEUTICALS LTD.

AMAR STOCK

AUDITORS' REPORT

To the Shareholders of Square Pharmaceuticals Ltd.

We have audited the accompanying financial statements of Square Pharmaceuticals Ltd. which comprises the Statement of Financial Position as at June 30, 2017 along with Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the Year Ended, and a summary of significant accounting policies and other explanatory information.

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), Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable rules 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, 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 Auditors' 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 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 Ltd. as at June 30, 2017 and of its financial performance for the Year Ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report on other legal and regulatory requirements

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;
c) the Company's Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows dealt with by the report are in agreement with the books of accounts;
d) the expenditure incurred was for the purposes of the Company's business.

Place: Dhaka
Dated: October 25, 2017

Ahmed Zaker & Co.
Chartered Accountants

SQUARE PHARMACEUTICALS LTD.

Statement of Financial Position

As at 30 June 2017

Particulars	Notes	Amount in Taka	
		30-06-2017	30-06-2016
ASSETS:			
Non-Current Assets:		**23,494,648,133**	**22,121,390,658**
Property, Plant and Equipment-Carrying Value	2	16,846,568,295	16,269,701,528
Investment - Long Term (at Cost)	3	4,812,888,360	4,779,953,688
Investment in Marketable Securities (Fair Value)	4	1,835,191,478	1,071,735,442
Current Assets:		**22,268,597,918**	**17,053,294,946**
Inventories	5	2,988,121,604	2,947,663,942
Trade Debtors	6	2,188,447,720	1,329,754,444
Advances, Deposits and Prepayments	7	1,381,066,856	1,050,060,488
Short Term Loan	8	21,386,290	3,280,174,547
Cash and Cash Equivalents	9	15,689,575,448	8,445,641,525
TOTAL ASSETS		**45,763,246,051**	**39,174,685,604**
SHAREHOLDERS' EQUITY AND LIABILITIES:			
Shareholders' Equity:		**41,201,962,311**	**35,597,063,091**
Share Capital	10	6,859,452,000	6,235,865,460
Share Premium	11	2,035,465,000	2,035,465,000
General Reserve		105,878,200	105,878,200
Gain on Marketable Securities (Unrealized)		573,534,470	266,786,579
Retained Earnings		31,627,632,641	26,953,067,852
Non-Current Liabilities:		**1,055,679,469**	**995,800,939**
Deferred Tax Liability	12	1,055,679,469	995,800,939
Current Liabilities:		**3,505,604,271**	**2,581,821,574**
Short Term Loan	13	1,700,295,979	2,693,932
Trade Creditors	14	720,284,653	648,412,068
Liabilities for Expenses	15	21,937,186	42,789,106
Liabilities for Other Finance	16	1,063,086,453	1,887,926,468
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**45,763,246,051**	**39,174,685,604**

The annexed notes (1-39) form an integral part of these financial statements.
Approved by the Board of Directors on October 16, 2017.

Signed as per our separate report on same date.

Samuel S Chowdhury
Chairman

Tapan Chowdhury
Managing Director

Khandaker Habibuzzaman
Company Secretary

Ahmed Zaker & Co.
Chartered Accountants

Dated, Dhaka: October 25, 2017

SQUARE PHARMACEUTICALS LTD.

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2017

Particulars	Notes	Amount in Taka	
		2016-2017	2015-2016
GROSS REVENUE	17	**33,299,672,121**	**33,611,741,181**
Less: Value Added Tax		4,413,733,070	4,553,391,330
NET REVENUE		**28,885,939,051**	**29,058,349,851**
COST OF GOODS SOLD	18	(14,824,352,515)	(15,001,867,421)
GROSS PROFIT		**14,061,586,536**	**14,056,482,430**
OPERATING EXPENSES:		**(5,892,241,850)**	**(5,145,890,966)**
Selling & Distribution Expenses	19	(4,978,783,909)	(4,300,022,396)
Administative Expenses	20	(913,309,549)	(840,996,443)
Finance Cost	21	(148,392)	(4,872,127)
PROFIT FROM OPERATIONS		**8,169,344,686**	**8,910,591,464**
Other Income	22	2,715,854,964	1,530,435,946
PROFIT BEFORE WPPF & WF		**10,885,199,650**	**10,441,027,410**
Allocation for WPPF & WF	23	(518,342,840)	(497,191,781)
PROFIT BEFORE TAX		**10,366,856,810**	**9,943,835,629**
Income Tax Expenses-Current	24	(2,514,480,767)	(2,337,320,522)
Income Tax Expenses-Deferred		(59,878,530)	(96,249,774)
PROFIT AFTER TAX		**7,792,497,513**	**7,510,265,333**
Other Comprehensive Income:			
Gain/(Loss) on Marketable Securities (Unrealized)	25	306,747,891	(3,169,514)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**8,099,245,404**	**7,507,095,819**
Earnings Per Share (EPS)	26	**11.36**	**10.95**

The annexed notes (1-39) form an integral part of these financial statements.
Approved by the Board of Directors on October 16, 2017.

Signed as per our separate report on same date.

Samuel S Chowdhury	Tapan Chowdhury	Khandaker Habibuzzaman	Ahmed Zaker & Co.
Chairman	Managing Director	Company Secretary	Chartered Accountants

Dated, Dhaka: October 25, 2017

SQUARE PHARMACEUTICALS LTD.

Statement of Changes in Equity

For the Year Ended 30 June 2017

Particulars	Amount in Taka					
	Share Capital	Share Premium	General Reserve	Gain on Marketable Securities (Unrealized)	Retained Earnings	Total
At 30 June 2016	6,235,865,460	2,035,465,000	105,878,200	266,786,579	26,953,067,852	35,597,063,091
Total Comprehensive Income (Jul'2016-Jun'2017)	-	-	-	306,747,891	7,792,497,513	8,099,245,404
Cash Dividend (2015-2016)	-	-	-	-	(2,494,346,184)	(2,494,346,184)
Stock Dividend (2015-2016)	623,586,540	-	-	-	(623,586,540)	-
At 30 June 2017	**6,859,452,000**	**2,035,465,000**	**105,878,200**	**573,534,470**	**31,627,632,641**	**41,201,962,311**

SQUARE PHARMACEUTICALS LTD.

Statement of Changes in Equity

For the Year Ended 30 June 2016

Particulars	Amount in Taka					
	Share Capital	Share Premium	General Reserve	Gain on Marketable Securities (Unrealized)	Retained Earnings	Total
At 30 June 2015	5,542,991,520	2,035,465,000	105,878,200	269,956,093	21,798,573,915	29,752,864,728
Total Comprehensive Income (Jul'2015-Jun'2016)	-	-	-	(3,169,514)	7,510,265,333	7,507,095,819
Cash Dividend (2014-2015)	-	-	-	-	(1,662,897,456)	(1,662,897,456)
Stock Dividend (2014-2015)	692,873,940	-	-	-	(692,873,940)	-
At 30 June 2016	**6,235,865,460**	**2,035,465,000**	**105,878,200**	**266,786,579**	**26,953,067,852**	**35,597,063,091**

Approved by the Board of Directors on October 16, 2017.

Signed as per our separate report on same date.

Samuel S Chowdhury
Chairman

Tapan Chowdhury
Managing Director

Khandaker Habibuzzaman
Company Secretary

Ahmed Zaker & Co.
Chartered Accountants

Dated, Dhaka: October 25, 2017

SQUARE PHARMACEUTICALS LTD.

Statement of Cash Flows

For the Year Ended 30 June 2017

Particulars	Amount in Taka	
	Jul'2016-Jun'2017	Jul'2015-Jun'2016
Cash Flows From Operating Activities:		
RECEIPTS:		
Collections from Sales	32,463,817,809	33,248,074,469
Others	1,617,278,968	855,962,351
	34,081,096,777	**34,104,036,820**
PAYMENTS:	**(27,504,422,032)**	**(25,977,362,265)**
Purchase of Raw and Packing Materials	9,987,933,493	10,808,469,949
Manufacturing and Operating Expenses	9,099,997,541	8,015,673,875
Value Added Tax	4,413,733,070	4,553,391,330
Finance Cost	148,392	4,872,127
Income Tax Expenses	3,391,911,300	2,000,524,560
Workers Profit Participation Fund	610,698,236	510,064,512
Others	-	84,365,912
Net cash from by operating activities	**6,576,674,745**	**8,126,674,555**
Cash Flows From Investing Activities:		
Purchase of Fixed Assets	(2,310,469,801)	(2,046,484,198)
Disposal of Fixed Assets	46,769,925	66,788,805
Investment	(489,642,816)	(80,310,550)
Short Term Loan	4,956,390,304	(747,284,076)
Gain on Sale of Marketable Securities	57,295,584	10,983,571
Interest Received	609,387,591	383,138,610
Dividend Received	291,874,575	47,172,498
Net cash used in investing activities	**3,161,605,362**	**(2,365,995,340)**
Cash Flows From Financing Activities:		
Long Term Loan Repaid	-	(95,947,106)
Dividend Paid	(2,494,346,184)	(1,662,897,456)
Net cash used by financing activities	(2,494,346,184)	(1,758,844,562)
Increase in Cash and Cash Equivalents	7,243,933,923	4,001,834,653
Cash and Cash Equivalents at the Opening	8,445,641,525	4,443,806,872
Cash and Cash Equivalents at the Closing	15,689,575,448	8,445,641,525

Approved by the Board of Directors on October 16, 2017.

Signed as per our separate report on same date.

Samuel S Chowdhury
Chairman

Tapan Chowdhury
Managing Director

Khandaker Habibuzzaman
Company Secretary

Ahmed Zaker & Co.
Chartered Accountants

Dated, Dhaka: October 25, 2017

1. SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION

1.1 Legal Form of the Company:

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

1.2 Address of Registered Office and Factories:

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

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

1.3 Nature of Business Activities:

The company is engaged in manufacturing and marketing of generic pharmaceuticals products, basic chemical products and animal health products. The company is also engaged in marketing of pesticide products.

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 Bangladesh 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). The significant accounting policies and estimates are same as it is set out in Note No. 1.6 to 1.27 of Consolidated Financial Statements of Square Pharmaceuticals Ltd.

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 the purpose 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	Statement of Cash Flows
BAS - 8	Accounting Policies, Changes in Accounting Estimates and Errors
BAS - 10	Events after the Reporting Period
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 - 26	Accounting and Reporting by Retirement Benefit Plans
BAS - 28	Investment in Associates and Joint Ventures
BAS - 32	Financial Instruments: Presentation
BAS - 33	Earnings Per Share
BAS - 37	Provisions, Contingent Liabilities and Contingent Assets
BAS - 38	Intangible Assets
BAS - 39	Financial Instruments: Recognition & Measurement
BFRS-7	Financial Instruments: Disclosure

1.7 Property, Plant and Equipment:

All property, plant and equipment is initially accounted for at cost and depreciated over their expected useful life in accordance with BAS-16. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes. In respect of major projects involving construction, related pre-operational expenses form part of the value of asset capitalised. Expenses capitalised also include applicable borrowing cost.

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

1.8 Depreciation:

No depreciation is charged on freehold land and on Capital Work-in-Progress. Depreciation is charged on all other fixed assets on a reducing balance method. Depreciation of an asset begins when it is available for use i. e when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with BFRS 5 and the date that the assets are derecognized.

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

Factory Building and Other Construction	10%
Boundary Wall	10%
Plant & Machinery	15%
Laboratory & Office Equipment	10%
Furniture & Fixture	10%
Motor Vehicle	20%
Motor Cycle	20%
Electromechanical Equipments	15%
Electrical Installation	15%
Gas Line Installation	15%
Books & Periodicals	30%
Computer & VSAT	10%
Software	20%

1.9 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets:

Financial assets of the company include cash and cash equivalents, equity instrument of another entity, trade receivable and other receivables. The company initially recognizes receivable on the date they are originated. All other financial assets are recognized initially on the date at which the company become a party to the contractual provisions of the transaction. The company derecognizes a financial assets when and only when contractual rights or probabilities of receiving the cash flows from the assets expire or it transfer the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and reward of ownership of the financial assets are transferred.

Cash and Cash Equivalents:

Cash and cash equivalents comprises cash in hand, in transit and with banks on current and deposit accounts that are subject to an insignificant risk of changes in their fair value and are used by the company without any restriction.

Available for Sale of Financial Assets:

Available for sale of financial assets comprise equity security are non-derivative financial assets that are recognized initially at fair value plus any attributable transactions costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses are recognized in Other Comprehensive Income and presented gain on marketable securities (unrealized).

Trade Receivable:

Trade receivable are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amount at the period end.

Financial Liabilities:

The company initially recognizes financial liabilities on the transaction date at which the company become a party to the contractual provisions of the liability. The company derecognizes a financial liability when it's contractual obligations are discharged or cancelled or expired. Financial liabilities are recognized initially at fair value less any directly attributable transactions costs. Subsequently to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. Financial liabilities include loan and borrowing, trade creditors, liabilities for expenses and liabilities for other finance.

1.10 Inventories:

Inventories are stated at the lower of cost or net realizable value as per BAS-2.

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

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

1.11 Income Taxe Expenses:

Current Income Tax

Current income tax is expected tax payable on the taxable income for the year. The company is a "Publicly Traded Company"; hence Tax Rate is applicable @25%.

Deferred Tax

Deferred tax expenses is considered for the taxable income difference may arise for the reporting period, adjustments for prior years accumulated differences and changed in tax rate.

1.12 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. The costs for gratuity is accounted for cash basis.

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 these funds and payment is made to the workers as per provisions of Labour Law 2006 Chapter-15.

1.13 Revenue Recognition:

(a)Sales of Goods:

In compliance with the requirements of BAS-18 revenue is recognized 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 recognized 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.

1.14 Revenue:

Revenue comprises the following:

* Sales of locally manufactured generic pharmaceuticals drugs and medicines.
* Export of generic pharmaceuticals drugs and medicines.
* Local Sales of basic chemicals products.
* Sales of locally manufactured and imported animal health products.
* Sales of imported pesticide products.

1.15 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 79.85.

1.16 Statement of Cash Flows:

Statement of cash flows is prepared in accordance with BAS-7 under direct method and as outlined in the Securities and Exchange Rule 1987.

1.17 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 2015-2016 were treated as if they had been in issue in previous years also. Hence, in computing the Earnings per Share (EPS) of 2016-2017, the total number of shares including the said bonus shares has been considered as the Weighted Average Number of Shares Outstanding during the year 2015-2016.

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.

1.18 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.

1.19 Concentration of Counterparty Risk:

As of June 30, 2017, 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.

1.20 Net Profit before Tax:

Net Profit before Tax for the year was 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.

1.21 Segment Reporting:

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

1.22 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.

1.23 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.

1.24 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.

1.25 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.

1.26 Comparative Information:

Comparative information has been disclosed in respect of the previous year for all numerical information in the current financial statement. Narrative and descriptive information for comparative information have also been disclosed whenever it is relevant for unstanding of current year's financial statements. Previous year's comparative information of the statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows are presented as unaudited.

		30-06-2017 Taka	30-06-2016 Taka
2.	**PROPERTY, PLANT AND EQUIPMENT: Tk. 16,846,568,295**		
	Details of property, plant and equipment and depreciation as at 30 June 2017 are shown in the annexed schedule - 01.		
	This is arrived at as follows:		
	Fixed Assets at Cost:		
	Opening Balance	27,745,535,143	25,649,397,784
	Net Addition during the Year	2,204,498,796	3,337,907,861
		29,950,033,939	28,987,305,645
	Sales/Transfer during the year	(86,161,958)	(1,241,770,502)
	Closing Balance **Tk.**	**29,863,871,981**	**27,745,535,143**
	Accumulated Depreciation:		
	Opening Balance	11,475,833,615	9,901,860,858
	Charged during the Year	1,601,395,397	1,671,773,939
		13,077,229,012	11,573,634,797
	Sales/Transfer during the Year	(59,925,326)	(97,801,182)
		13,017,303,686	11,475,833,615
	Carrying Value **Tk.**	**16,846,568,295**	**16,269,701,528**

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

		2016-2017 (Jul'2016-Jun'2017)	2015-2016 (Jul'2015-Jun'2016)
Factory Overhead		1,371,582,644	1,462,708,089
Selling and Distribution Expenses		153,929,440	142,986,027
Administrative Expenses		75,883,313	66,079,823
	Tk.	**1,601,395,397**	**1,671,773,939**

	30-06-2017 Taka	30-06-2016 Taka
3. INVESTMENT-Long Term (at Cost): Tk. 4,812,888,360		
This consists of the following:		
Subsidiary:		
(a) 995,000 Ordinary Shares of Tk. 100/- each in Square Formulations Ltd.	99,500,000	99,500,000
(b) Advance against Share Money with Square Formulations Ltd. for 20,000,000 Shares of Tk. 100/- each	2,000,000,000	2,000,000,000
	2,099,500,000	**2,099,500,000**
Associates:		
(a) 82,935,764 Ordinary Shares of Tk. 10/- each including Bonus Shares in Square Textiles Ltd.	225,129,795	225,129,795
(b) 199,750 Ordinary Shares of Tk. 1,000/- each in Square Hospitals Ltd.	210,750,000	210,750,000
(c) Advance against Share Money with Square Hospitals Ltd. for 1,712,500 Shares of Tk. 1,000/- each	1,537,500,000	1,537,500,000
(d) Investment in Square Fashions Ltd: - 252,000 Ordinary Shares of Tk. 100/- each - 210,000 Ordinary Shares of Tk. 600/- each*	151,200,000	151,200,000
	2,124,579,795	**2,124,579,795**
Others:		
(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 Shares 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) 100,000 Zero Coupon Bond in Lanka Bangla Finance Ltd.	23,640,662	87,125,863
(e) 250,000 Zero Coupon Bond in IDLC Finance Ltd.	164,897,150	177,827,691
(f) 200,000 Zero Coupon Bond in Bangladesh Steel Re-Rolling Mills Ltd.	127,121,773	163,225,909
(g) 150,000 Preference Share in Raj Lanka Power Company Ltd.	145,454,550	-
	588,808,565	**555,873,893**
Tk.	**4,812,888,360**	**4,779,953,688**

4. INVESTMENT IN MARKETABLE SECURITIES (Fair Value): Tk. 1,835,191,478

		Position of 2016-2017			Position of 2015-2016		
		Total Cost	Total Market Value	Realized/ Unrealized Gain	Total Cost	Total Market Value	Realized/ Unrealized Gain
Opening Balance		804,948,863	1,071,735,442	266,786,579	628,441,483	898,397,576	269,956,093
Add: Investment made during the year		637,578,689	-	-	313,182,930	-	-
Less: Sold/Disposed off during the year		(180,870,544)	238,166,128	57,295,584	(136,675,550)	147,659,121	10,983,571
Closing Balance	Tk.	**1,261,657,008**	**1,835,191,478**	**573,534,470**	**804,948,863**	**1,071,735,442**	**266,786,579**

		30-06-2017 Taka	30-06-2016 Taka
5.	**INVENTORIES: Tk. 2,988,121,604**		
	The break-up is as under:		
	Raw Materials	1,068,908,054	1,051,802,782
	Packing Materials	412,272,384	402,088,041
	Work-in-Process	202,282,486	198,930,191
	Finished Goods	843,915,800	830,137,717
	Spares & Accessories	341,336,971	184,124,631
	Goods- in-Transit	119,405,909	280,580,580
	Tk.	**2,988,121,604**	**2,947,663,942**

The basis of valuation is stated in Note-1 (1.10)

6. TRADE DEBTORS: Tk. 2,188,447,720

(i) Trade Debtors occurred in the ordinary course of business are unsecurred but considered good. Ageing of the Trade Debtors is as follows:

Below 30 days	1,817,336,785	891,862,814
Within 31-60 days	184,663,986	217,418,847
Within 61-90 days	104,264,354	157,419,888
Above 90 days	82,182,595	63,052,895
Tk.	**2,188,447,720**	**1,329,754,444**

(ii) Debtors include Tk. 413,844,650 due from export sales of which Tk. 233,836,460 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.

7. ADVANCES, DEPOSITS & PREPAYMENTS: Tk. 1,381,066,856

This consists of as follows:

Advances:	680,132,976	434,319,374
Employees	130,942,860	158,572,221
Motor Cycle Loan – Employees	2,762,025	3,452,531
Land Purchase	195,139,482	89,168,477
Suppliers	351,288,609	183,126,145
Deposits:	656,480,921	573,112,534
Value Added Tax	219,533,148	242,372,112
Earnest Money & Security Deposit	87,971,243	112,935,788
Interest on Fixed Deposit Receipts	344,177,480	199,727,982
Others	4,799,050	18,076,652
Prepayments:	44,452,959	42,628,580
Office Rent	5,640,141	8,254,004
Insurance Premium	38,812,818	34,374,576
Tk.	**1,381,066,856**	**1,050,060,488**

(a) Employees advances of Tk. 130,942,860 includes advance to officers Tk. 24,387,598.

(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 undertaking.

		30-06-2017 Taka	30-06-2016 Taka
8. SHORT TERM LOAN (Unsecured): Tk. 21,386,290			
This consists of as follows:			
(a) Square Textiles Ltd.		21,386,290	42,781,579
(b) Square Fashions Ltd.		-	432,299,117.00
(c) Square InformatiX Ltd.		-	78,077,351
(d) Square Formulations Ltd.		-	901,244,589
(e) Square Denims Ltd.		-	1,593,602,940
(f) Square Apparels Ltd.		-	232,168,971
	Tk.	**21,386,290**	**3,280,174,547**
9. CASH AND CASH EQUIVALENTS: Tk. 15,689,575,448			
This is made up as follows:			
(a) Cash in Hand		2,021,806	8,681,336
(b) Cash at Bank:		**15,687,553,642**	**8,436,960,189**
* Current Account		729,918,847	552,370,023
* STD Account		111,249,701	48,562,678
* Fixed Deposit Account (BD Taka)		12,871,846,671	6,625,216,559
* Fixed Deposit Account (USD)		1,203,522,187	762,378,198
* Export Retention Quota Account (USD)		603,652,810	434,742,113
* Margin Held Account (USD)		167,363,426	13,690,618
	Tk.	**15,689,575,448**	**8,445,641,525**
10. SHARE CAPITAL: Tk. 6,859,452,000			
This is made up as follows:			
Authorised:			
1,000,000,000 Ordinary Shares of Tk.10/- each issued,subscribed and paid-up:		10,000,000,000	10,000,000,000
(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:			
675,812,880 Ordinary Shares of Tk.10/- each fully paid-up as Bonus Shares		6,758,128,800	6,134,542,260
	Tk.	**6,859,452,000**	**6,235,865,460**

Composition of Shareholding of Ordinary Shares:

	2016-2017		2015-2016	
	No. of Shares	%	No. of Shares	%
Sponsors/Directors	249,277,499	36.34	226,615,910	36.34
Foreign Investors	135,496,218	19.75	95,991,069	15.39
Financial and Other Institutions	67,346,360	9.82	77,018,960	12.34
General Public	233,825,123	34.09	223,960,607	35.93
Total	**685,945,200**	**100.00**	**623,586,546**	**100.00**

The Distribution Schedule of each class of Equity Security setting out the number of holders and percentage as on 30 June 2017.

Range of Holdings	As per Folio		As per BOID		Total	
	No. of Holders	Holdings	No. of Holders	Holdings	Shareholding	%
Less than 500 Shares	784	138,201	32,427	3,969,556	4,107,757	0.60
501 to 5,000 Shares	844	1,428,966	15,857	26,316,066	27,745,032	4.04
5,001 to 10,000 Shares	189	1,146,219	2,151	15,012,449	16,158,668	2.36
10,001 to 20,000 Shares	60	776,211	1,073	14,964,913	15,741,124	2.29
20,001 to 30,000 Shares	14	343,476	344	8,348,434	8,691,910	1.27
30,001 to 40,000 Shares	6	208,643	179	6,222,607	6,431,250	0.94
40,001 to 50,000 Shares	9	400,162	88	3,959,194	4,359,356	0.63
50,001 to 100,000 Shares	7	491,924	193	13,844,340	14,336,264	2.09
100,001 to 1,000,000 Shares	8	3,829,834	206	57,152,070	60,981,904	8.89
Over 1,000,000 Shares	15	360,299,746	45	167,092,189	527,391,935	76.89
Total	**1,936**	**369,063,382**	**52,563**	**316,881,818**	**685,945,200**	**100.00**

		30-06-2017 Taka	30-06-2016 Taka

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

Shae Premium	**Tk.**	**2,035,465,000**	**2,035,465,000**

12. DEFERRED TAX LIABILITY: Tk. 1,055,679,469

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		995,800,939	899,551,165
Addition during the Year		59,878,530	96,249,774
Closing Balance	**Tk.**	**1,055,679,469**	**995,800,939**

13. SHORT TERM LOAN: Tk. 1,700,295,979

This consists of as follows:

(a) Square Formulations Ltd.		1,700,295,979	-
(b) Square Hospitals Ltd.		-	2,693,932
	Tk.	**1,700,295,979**	**2,693,932**

Short term loan is payable to the above associates undertakings and considered good.

14. TRADE CREDITORS: Tk. 720,284,653

Trade Creditors	**Tk.**	**720,284,653**	**648,412,068**

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

15. LIABILITIES FOR EXPENSES: Tk. 21,937,186

This consists of as follows:

Accrued Expenses		21,649,686	42,429,731
Audit Fees		287,500	359,375
	Tk.	**21,937,186**	**42,789,106**

16. LIABILITIES FOR OTHER FINANCE: Tk. 1,063,086,453

This consists of as follows:

Sundry Creditors		485,915,687	340,684,913
Income Tax (Deduction at Source)		21,496,582	21,681,442
Retention Money		6,614,330	6,714,330
Workers' Profit Participation Fund and		518,342,840	610,698,236
Income Tax Payable (Note-16.1)		30,717,014	908,147,547
	Tk.	**1,063,086,453**	**1,887,926,468**

16.1. INCOME TAX PAYABLE: Tk. 30,717,014

This is arrived at as follows:

Opening balance		908,147,547	571,351,585
Provision made for the Period (Note-24)		2,514,480,767	2,337,320,522
Tax Paid (Including Advance Income Tax during the Year)		(3,391,911,300)	(2,000,524,560)
	Tk.	**30,717,014**	**908,147,547**

		2016-2017 (Jul'2016-Jun'2017)	2015-2016 (Jul'2015-Jun'2016)

17. GROSS REVENUE: Tk. 33,299,672,121

This is made-up as follows:

Local Sales		31,912,843,729	32,484,408,513
Export Sales equivalent in US $ 17,344,764 (FY 2015-2016 US $ 14,474,776)		1,386,828,392	1,127,332,668
	Tk.	**33,299,672,121**	**33,611,741,181**

(i) Revenue consists 677 Pharmaceuticals Products, 22 Basic Chemicals & Pellet Products, 77 AgroVet Products and 28 Pesticide Products. The summarised quantities are as under:

(Quantity in thousand)

Category	Unit	Opening	Purchase/ Production	Sales/Transfer	(30-06-2017)
Tablet	Pcs	299,542	4,925,207	4,566,122	658,627
Capsule	Pcs	105,452	502,173	490,429	117,196
Liquid Capsule	Pcs	2,495	17,073	17,399	2,169
Liquid	Bottles	6,731	98,497	96,636	8,592
Injectable (Vial & Ampoule)	Pcs	3,201	53,916	51,870	5,247
Infusion (LVPO)	Bags	235	1,590	1,422	403
ENT Preparation-Drops, Spray,Gel & Others	Phials	1,490	12,585	13,009	1,066
Steroid-Cream,Ointment,Spray,Gel & Others	Phials	856	12,062	11,909	1,009
Non Steroid-Cream,Ointment,Spray,Gel & Others	Phials	1,248	16,784	17,150	882
Opthal Preparation	Phials	334	5,330	5,131	533
Nebulizer	Phials	162	2,900	2,841	221
Powder for Suspension	Bottles	797	16,061	15,671	1,187
Tropical Powder	Phials	333	7,039	6,572	800
Suppository	Pcs	2,349	47,386	48,185	1,550
Sachet	Pcs	49	1,928	1,786	191
Inhaler	Cans	676	2,200	2,423	453
Dry Powder Inhaler	Pcs	1,022	27,241	26,269	1,994
Insulin	Pcs	87	1,310	1,174	223
Basic Chemical	Kg	22	375	377	20
Pellet	Kg	32	252	268	16
Tablet - AgroVet	Pcs	671	19,777	19,208	1,240
Powder - AgroVet	Kg	32	3,638	3,538	132
Injectable - AgroVet	Litre	26	20	24	22
Liquid - AgroVet	Bottles	82	2,242	2,278	46
Liquid - Insecticide	Litre	5	43	37	11
Granuler - Insecticide	Kg	14	347	348	13
Powder-Insecticide	Kg	2	10	7	5
Powder/Liquids-Fungicide	Kg/Litre	21	353	360	14
Weedicide-Liquid	Litre	2	21	13	10
Granuler-Fertilizer	Kg	28	379	375	32
Powder-Fertilizer	Kg	78	1,467	1,345	200

	Jul'2016-Jun'2017		Jul'2015-Jun'2016	
	Metric Ton	Amount (Taka)	Metric Ton	Amount (Taka)
1) Basic Chemicals	208.27	294,048,564	228.42	291,220,300
2) Pellet	56.90	133,987,391	113.03	168,899,034
		428,035,955		**460,119,334**

(ii) The basic chemicals and Pellets have been transferred from chemical plant to pharma formulation plants of the company which has not been included in the above revenue.

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

	Notes	2016-2017 (Jul'2016-Jun'2017)	2015-2016 (Jul'2015-Jun'2016)

18. COST OF GOODS SOLD: Tk. 14,824,352,515

This is arrived at as follows:

Raw Materials Consumed	18.1	6,253,387,990	6,921,511,180
Packing Materials Consumed	18.2	3,523,105,885	3,145,239,014
		9,776,493,875	**10,066,750,194**
Work-in-Process (Opening)		198,930,191	198,164,946
Work-in-Process (Closing)		(202,282,486)	(198,930,191)
TOTAL CONSUMPTION		**9,773,141,580**	**10,065,984,949**
Factory Overhead	18.3	4,634,514,157	4,291,466,379
COST OF PRODUCTION		**14,407,655,737**	**14,357,451,328**
Purchase of Finished Goods		537,882,258	727,930,642
Finished Goods (Opening)		830,137,717	852,556,130
Finished Goods (Closing)		(843,915,800)	(830,137,717)
		14,931,759,912	**15,107,800,383**
Cost of Physician Sample		(107,407,397)	(105,932,962)
	Tk.	**14,824,352,515**	**15,001,867,421**

18.1. RAW MATERIALS CONSUMED: Tk. 6,253,387,990

This is arrived at as follows:

Opening Stock		1,051,802,782	1,158,094,201
Purchase		6,270,493,262	6,815,219,761
Closing Stock		(1,068,908,054)	(1,051,802,782)
	Tk.	**6,253,387,990**	**6,921,511,180**

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

Particulars	PCs	Quantity (Kg)					Total Value (Taka)
	Cap-shell	Active	Excepients	Colour	Flavour	Total	
Opening Balance	451,056,991	1,350,145	1,253,633	129,902	12,857	2,733,680	1,051,802,782
Purchase	442,740,600	7,937,904	8,308,880	403,112	23,593	16,649,896	6,270,493,262
Available for use	893,797,591	9,288,049	9,562,513	533,014	36,450	19,383,576	7,322,296,044
Closing Balance	452,029,549	1,613,136	1,512,330	143,238	10,154	3,268,704	1,068,908,054
Consumption	441,768,042	7,674,913	8,050,183	389,776	26,296	16,114,872	6,253,387,990

Raw Materials consists of 903 items of which 86.14% (in value) are imported.

	2016-2017 (Jul'2016-Jun'2017)	2015-2016 (Jul'2015-Jun'2016)

18.2. PACKING MATERIALS CONSUMED: Tk. 3,523,105,885

This is arrived at as follows:

Opening Stock	402,088,041	429,577,321
Purchase	3,533,290,228	3,117,749,734
Closing Stock	(412,272,384)	(402,088,041)
Tk.	**3,523,105,885**	**3,145,239,014**

Summarised quantity of Packing Materials are stated as under: (Quantity in thousand)

Category	Unit	Opening	Purchase	Consumption	Closing (30-06-17)
Inner Carton	Pcs	40,268	187,425	186,476	41,217
Shipper's Carton	Pcs	1,475	6,100	6,579	996
Label	Pcs	64,259	173,048	182,626	54,681
Direction Slip	Pcs	28,144	166,260	162,308	32,096
Container	Pcs	6,022	25,597	23,523	8,096
Blister Foil/Alu Lid Foil	Kg	59	181	175	65
Strip Foil	Kg	54	168	180	42
PVC/PVDC/PE Film	Kg	218	639	615	242
Auto Bottom Foil	Kg	113	396	383	126
Bottle (PET/HDPE/Glass)	Pcs	10,345	137,513	137,267	10,591
Ampoule	Pcs	9,418	46,708	46,322	9,804
Vial	Pcs	5,483	13,651	15,402	3,732
HDPE/LDPE Bag	Pcs	226	1,174	1,012	388
Over Bag (Infusion Bag)	Pcs	149	-	111	38
Flip Off Seal & Tear off Seal	Pcs	3,951	14,358	14,407	3,902
P.P Cap/Plastic Clousers	Pcs	19,544	210,317	199,674	30,187
Tube	Pcs	3,447	31,272	29,119	5,600
Can	Pcs	1,057	2,354	2,971	440
Actuator	Pcs	890	2,089	2,149	830
Metered Valves	Pcs	1,485	3,460	4,233	712
Sachet	Kg	12	517	210	319
Syringe/Needle/Infusion Set	Pcs	2,239	4,337	4,581	1,995
Water for Injection	Pcs	2,185	14,649	14,802	2,032
Shrink Wrapping	Pcs	814	5,068	5,032	850
Silica Gel/Gum Tape/Adhesive Tape	Pcs	4,923	23,512	25,845	2,590
Cup/Spoon/Dropper/Rubber Stopper	Pcs	10,325	111,996	110,707	11,614
Honey Comb	Pcs	196	464	548	112
Plastic Applicator	Pcs	264	2,447	2,207	504
Neck Lock & Zip Lock Bag	Pcs	591	3,110	3,178	523
Poly Pack,Poly Bag & Pouch Pack	Pcs	2,544	9,712	9,538	2,718

Packing Materials consists of 4,016 items of which 35.26% (in value) are imported.

	2016-2017 (Jul'2016-Jun'2017)	2015-2016 (Jul'2015-Jun'2016)

18.3. FACTORY OVERHEAD: Tk. 4,634,514,157

This is made up as follows:

Salaries, Allowances and Wages	1,211,751,773	1,062,183,375
Factory Employees Free Lunch	92,508,739	82,568,501
Factory Staff Uniform	40,687,138	35,209,090
Travelling & Conveyance	34,436,499	29,635,575
Printing & Stationery	45,051,339	36,336,609
Postage, Telephone & Fax	5,438,372	5,946,814
Repairs & Maintenance	752,240,737	680,948,910
Laboratory Consumable Stores	265,677,147	198,822,892
Fuel, Petrol, Light Diesel etc.	235,695,802	210,482,917
Electricity, Gas & Water	342,833,148	277,735,784
Rental Expense	1,877,700	804,700
Municipal & Other Tax	9,745,019	9,967,400
Insurance Premium	19,492,031	21,262,495
Factory Sanitation Expenses	35,948,492	29,622,583
Depreciation	1,371,582,644	1,462,708,089
Security Services	40,934,784	40,871,550
Research & Development	72,378,884	61,375,946
Software & Hardware Support Services	48,705,914	37,595,285
Toll Charges	5,223,625	5,451,539
Other Expenses	2,304,370	1,936,325
Tk.	**4,634,514,157**	**4,291,466,379**

	2016-2017 (Jul'2016-Jun'2017)	2015-2016 (Jul'2015-Jun'2016)

19. SELLING & DISTRIBUTION EXPENSES: Tk. 4,978,783,909

This consists of as follows:

Salaries and Allowances	928,200,127	788,144,657
Travelling and Conveyance	83,292,812	72,844,619
Training Expenses	2,335,426	2,183,545
Printing and Stationery	52,557,518	45,770,724
Postage, Telephone, Fax & Telex	34,966,066	27,228,738
Electricity, Gas and Water	24,904,210	23,005,151
Tiffin and Refreshment	22,407,508	20,710,536
Staff Uniform	3,480,278	-
Office and Godown Rent	20,513,321	25,300,375
Lease Rent	1,328,250	1,487,850
Bank Charges	10,881,721	13,417,763
Repairs and Maintenance including car maintenance	304,696,461	264,502,183
Govt. Taxes and Licence Fees	21,252,042	16,665,632
Field Staff Salaries, Allowances, TA and DA	1,304,831,414	1,141,259,851
Marketing and Promotional Expenses	857,055,683	765,577,372
Advertisement	719,500	1,222,264
Delivery and Packing Expenses	82,614,064	70,167,652
Export Expenses	112,902,670	104,873,274
Special Discount	705,098,469	519,308,857
Sample Expenses	143,710,596	152,272,674
Security Services	63,758,040	56,747,269
Depreciation	153,929,440	142,986,027
Software, Hardware Support & VSAT Services	29,459,620	31,752,862
Insurance Premium	12,487,846	10,874,608
Other Expenses	1,400,827	1,717,913
Tk.	**4,978,783,909**	**4,300,022,396**

20. ADMINISTRATIVE EXPENSES: Tk. 913,309,549

This consists of as follows:

Salaries and Allowances	304,125,648	265,767,451
Directors' Remuneration	58,980,339	61,829,020
Travelling and Conveyance	114,201,219	103,659,572
Training Expenses	8,459,375	8,742,868
Printing and Stationery	12,884,714	11,878,326
Postage, Telephone, Internet	9,683,524	10,945,325
Electricity, Gas & Water	19,084,519	20,836,739
Tiffin and Refreshment	45,577,846	40,730,417
Staff Uniform	1,899,995	-
Office Rent	14,645,478	16,140,813
Sanitation Expenses	2,219,326	2,037,653
Books and Periodicals	282,316	542,997
Subscription and Donation	5,475,276	6,546,966
Advertisement	1,917,748	2,452,928
Repairs and Maintenance	121,411,008	105,012,116
Bank Charges	20,877,710	22,582,285
Insurance Premium	2,289,503	12,407,950
Govt. Taxes, Stamp Duty & Licence Fee	8,754,681	8,966,670
Security Services	32,442,664	21,803,623
Management Consultant Fees	709,169	1,423,453
Legal Charges	2,614,275	3,264,825
Audit Fees	287,500	359,375
Depreciation	75,883,313	66,079,823
Annual General Meeting Expenses	2,951,608	5,120,403
Software & Hardware Support Services	42,314,407	32,765,827
Share Demat, Remat & Transfer Fees	2,148,378	6,276,612
Other Expenses	1,188,010	2,822,406
Tk.	**913,309,549**	**840,996,443**

		2016-2017 (Jul'2016-Jun'2017)	2015-2016 (Jul'2015-Jun'2016)

Audit fees of Tk. 287,500 represents fees for audit of the financial statements of the company for the year 2016-2017.

21. FINANCE COST: Tk. 148,392

This is made up as follows:

Interest on Cash Credit		58	68,035
Interest on Overdraft		148,334	412,847
Interest on Long Term Loan		-	4,391,245
	Tk.	**148,392**	**4,872,127**

22. OTHER INCOME: Tk. 2,715,854,964

This is arrived at as follows:

Bank Interest		642,085,111	364,216,536
Interest on Loan to Sister Concern		111,751,978	218,650,056
Rental Income		23,983,700	23,708,700
Sale of Scrap		23,554,220	15,013,549
Dividend		291,874,575	47,172,499
Foreign Exchange Fluctuation Gain/(Loss)		42,180,295	11,271,468
Commission Received		1,465,116,086	794,074,718
Gain on Redemption of Zero Coupon Bond		37,480,122	11,106,415
Gain on Marketable Securities (Realized)		57,295,584	10,983,571
Technology Transfer Fees		-	787,500
		2,695,321,671	1,496,985,012
Profit on Sale of Property, Plant & Equipment (Note-29)		20,533,293	33,450,934
	Tk.	**2,715,854,964**	**1,530,435,946**

23. ALLOCATION FOR WPPF & WF: Tk. 518,342,840

Allocation for WPPF & WF	**Tk.**	**518,342,840**	**497,191,781**

This represents 5% of Net Profit before Tax after charging the allocation as per provisions of the Companies Profit under Labour Law 2016, Chapter-15.

24. INCOME TAX EXPENSES-Current: Tk. 2,514,480,767

Current Tax (Provision for the Year)	**Tk.**	**2,514,480,767**	**2,337,320,522**

25. GAIN/(LOSS) ON MARKETABLE SECURITIES (UNREALIZED): Tk. 306,747,891

Unrealized Gain/(Loss) Position (Closing)		573,534,470	266,786,579
(-) Unrealized Gain/(Loss) Position (Opening)		266,786,579	269,956,093
Gain/(Loss) on Marketable Securities during the Year	**Tk.**	**306,747,891**	**(3,169,514)**

26. EARNINGS PER SHARE (EPS) - Tk. 11.36

The computation is given below:

Surplus for the year attributable to Shareholders (Net Profit after Tax)		7,792,497,513	7,510,265,333
Weighted average number of Shares outstanding during the year		685,945,200	685,945,200
Earnings per Share	**Tk.**	**11.36**	**10.95**

27. APPROPRIATION DURING THE PERIOD:

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.3.50 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 2016-2017 is calculated at Tk.2,400,808,200.

The Board of Directors also proposed Bonus Shares (Stock Dividend) @ 7.50% per share and total amount of proposed Bonus Share (Stock Dividend) for the year is calculated at Tk. 514,458,900.

	2016-2017 (Jul'2016-Jun'2017)	2015-2016 (Jul'2015-Jun'2016)

28. PAYMENTS/PERQUISITES TO DIRECTORS AND OFFICERS

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

Directors Remuneration	58,980,339	61,829,020
Managerial Remuneration	127,045,322	123,292,125
Managerial Benefits:		
Bonus	29,022,794	29,159,065
House Rent	34,931,500	31,108,960
Conveyance	3,607,500	3,617,500
Company's Contribution to Provident Fund	10,420,105	9,693,422

(a) no compensation was made to the Managing Director of the company except as stated in (28) above.

(b) no amount was spent by the company for compensating any member of the Board of Directors except as stated in (28) above.

29. PARTICULARS OF DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR JUL'2016-JUN'2017:

Particulars of Assets	Cost	Acc. Depreciation	W.D.V as on	Sales Price	Profit/(Loss)
		Upto 30-06-2017	30-06-2017		
Land & Land Development	2,552,795	-	2,552,795	4,733,406	2,180,611
Office Equipment	235,000	133,570	101,430	25,000	(76,430)
Motor Vehicle	56,159,750	40,451,608	15,708,142	27,182,813	11,474,671
Motor Cycle	27,214,413	19,340,148	7,874,265	14,828,706	6,954,441
Tk.	**86,161,958**	**59,925,326**	**26,236,632**	**46,769,925**	**20,533,293**

30. PRODUCTION CAPACITY AND UTILISATION:

(Quantity in thousand)

Category	Unit	Rated Capacity as on 30-06-2017	Actual Production	Capacity Utilisation (%)
Tablet	Piece	10,283,056	4,925,207	48%
Capsule	Piece	1,253,450	502,173	40%
Liquid Capsule	Piece	100,000	17,073	17%
Liquid	Bottle	198,000	98,497	50%
Injectable (Vial & Ampoule)	Piece	109,052	53,916	49%
Infusion (LVPO)	Bag	11,750	1,590	14%
ENT Preparation-Drops, Spray, Gel & Others	Phial	30,000	12,585	42%
Steroid-Cream, Ointment, Spray, Gel & Others	Phial	50,000	12,062	24%
Non Steroid-Cream, Ointment, Spray, Gel & Others	Phial	21,000	16,784	80%
Opthal Preparation	Phial	6,500	5,330	82%
Nebulizer	Phial	3,000	2,900	97%
Powder for Suspension	Bottle	35,456	16,061	45%
Tropical Powder	Phial	7,200	7,039	98%
Suppository	Piece	80,000	47,386	59%
Sachet	Piece	20,000	1,928	10%
Inhaler	Can	5,400	2,200	41%
Dry Powder Inhaler	Piece	114,000	27,241	24%
Insulin & Insulin Cartridge	Piece	5,850	1,310	22%
Basic Chemical	Kg	502	375	75%
Pellet	Kg	260	252	97%
Tablet - AgroVet	Piece	22,048	19,777	90%
Powder - AgroVet	Kg	5,319	3,638	68%
Injectable - AgroVet	Litre	24	20	83%
Liquid - AgroVet	Bottle	3,663	2,242	61%

31. NUMBER OF EMPLOYEES

As per Minimum Wage Notification No. 96-Law/2009/shrocom/sha-6/ni:ma:ni-12/2009 dated June 8, 2009 Tk. 3,625 per month. We have no employees to receive below this amount in this reporting period.

32. 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 30, June 2017.

33. DIVIDEND PAID TO THE SHAREHOLDERS:

During the year under review total cash dividend for 2015-2016 amounting to Tk. 2,494,346,184 has been paid to the Shareholders and also bonus shares amounting to Tk. 623,586,540 for the year 2015-2016 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.

34. CLAIM NOT ACKNOWLEDGED AS DEBT:

There was no claim against the company not acknowledged as debt as on 30-06-2017.

35. UN-AVAILED CREDIT FACILITIES:

There was no credit facility available to the company under any contract but not availed of as on 30-06-2017 other than bank credit facility and trade credit available in the ordinary course of business.

36. EVENTS AFTER THE REPORTING PERIOD:

There is no significant event between the cut of date and report signing date except an amount of US $ 2,555,000 has been remitted to Square Pharmaceuticals Kenya EPZ Limited, Kenya as Equity Investment for setting up a 100% owned Pharmaceutical Plant as per Approval Letter Ref. FCD/701/BOSI/MISC/2016-2017 dated 20-12-2016 of Bangladesh Bank.

37. RELATED PARTY TRANSACTIONS:

The company did not do any related transactions with it's sister concern other than its subsidiary/associates undertaking viz Square Textiles Ltd., Square Fashions Ltd., Square Hospitals Ltd., Square InformatiX Ltd., Square Formulations Ltd., Square Denims Ltd. & Square Apparels Ltd., Square Securities Management Ltd. and AEGIS Services Ltd. during the year reporting. The summary is as follows:

		2016-2017 (Jul'2016-Jun'2017)	2015-2016 (Jul'2015-Jun'2016)
Transaction with Square Textiles Ltd:			
Opening Balance		42,781,579	130,170,435
Total Paid during the Year		257,274,481	194,629,411
Total Realized during the Year		(278,669,770)	(282,018,267)
Closing Balance (Receivable)	**Tk.**	**21,386,290**	**42,781,579**
Transaction with Square Fashions Ltd.:			
Opening Balance		432,299,117	765,793,485
Total Paid during the Year		534,416,054	1,752,514,636
Total Realized during the Year		(966,715,171)	(2,086,009,004)
Closing Balance (Receivable)	**Tk.**	**-**	**432,299,117**
Transaction with Square Hospitals Ltd.:			
Opening Balance		(2,693,932)	32,909,345
Total Paid during the Year		491,250,012	52,102,905
Total Realized during the Year		(488,556,080)	(550,206,182)
Share Money Deposit Refunded		-	462,500,000
Closing Balance (Payable)	**Tk.**	**-**	**(2,693,932)**
Transaction with Square InformatiX Ltd.:			
Opening Balance		78,077,351	150,705,296
Total Paid during the Year		85,279,427	48,321,294
Total Realized during the Year		(163,356,778)	(120,949,239)
Closing Balance (Receivable)	**Tk.**	**-**	**78,077,351**

		2016-2017 (Jul'2016-Jun'2017)	2015-2016 (Jul'2015-Jun'2016)
Transaction with Square Textiles Ltd:			
Opening Balance		901,244,589	1,385,468,480
Total Paid during the Year		5,181,191,086	3,632,881,685
Total Realized during the Year		(7,782,731,654)	(4,117,105,576)
Closing Balance Receivable/(Payable)	**Tk.**	**(1,700,295,979)**	**901,244,589**
Transaction with Square Denims Ltd.:			
Opening Balance		1,593,602,940	-
Total Paid during the Year		218,793,539	1,595,919,062
Total Realized during the Year		(1,812,396,479)	(2,316,122)
Closing Balance (Receivable)	**Tk.**	**-**	**1,593,602,940**
Transaction with Square Apparels Ltd.:			
Opening Balance		232,168,971	-
Total Paid during the Year		354,131,226	232,224,764
Total Realized during the Year		(586,300,197)	(55,793)
Closing Balance (Receivable)	**Tk.**	**-**	**232,168,971**
Transaction with Square Securities Management Ltd.:			
Opening Balance		93,830,109	51,821,567
Total Paid during the Year		638,166,129	353,128,228
Total Realized during the Year		(637,708,216)	(311,119,686)
Closing Balance (Receivable)	**Tk.**	**94,288,022**	**93,830,109**
Transaction with AEGIS Services Ltd.:			
Total Received during the Year		229,527,985	199,417,824
Total Paid during the Year		(229,516,976)	(199,296,916)
Balance Payable	**Tk.**	**11,009**	**120,908**

		30-06-2017	30-06-2016
38. Contingent Liabilities:			
Bank Guarantee		43,819,586	57,936,377
Letter of Credit (L.C) Liabilities		1,979,052,982	1,511,066,810
	Tk.	**2,022,872,568**	**1,569,003,187**

Contingent Liabilities at the Balance Sheet date are as follows:

38.1 Bank Guarantee:			
Shahjalal Islami Bank Ltd.		29,803,986	42,026,216
Standard Chartered Bank		14,015,600	14,015,600
Prime Bank Ltd.		-	1,894,561
	Tk.	**43,819,586**	**57,936,377**

	2016-2017 (Jul'2016-Jun'2017)	2015-2016 (Jul'2015-Jun'2016)
38.2 Letter of Credit (L.C) Liabilities:		
Standard Chartered Bank	224,738,659	222,983,293
HSBC Ltd.	437,341,731	248,999,904
Citibank N.A	288,972,902	125,844,502
Commercial Bank of Cylon PLC	162,339,130	212,909,937
Prime Bank Ltd.	105,015,492	191,394,751
Mercantile Bank Ltd.	392,679,402	144,775,463
Bank Asia Ltd.	162,638,261	106,761,315
Brac Bank Ltd.	17,101,027	38,293,857
Eastern Bank Ltd.	4,713,600	75,280,370
Shahjalal Islami Bank Ltd.	59,487,200	104,336,016
Bank Alfalah Ltd.	124,025,578	39,487,402
Tk.	**1,979,052,982**	**1,511,066,810**

38.3 There were no claims legal or otherwise, not acknowledged as debt, ouststanding as of the end of the reporting period. There was no unprovided commited expenditure as at June 30, 2017.

39 Financial Risk Management:

International Financial Reporting Standard (IFRS) 7 - Financial instruments: Disclosures - requires disclosure of information relating to: both recognized and unrecognized financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information- the Company's policies for controlling risks and exposures.

The management has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. This note presents information about the company's exposure to each of the following risks, the company's objectives, policies and processes for measuring and managing risk, and its management of capital. The company has exposure to the following risks from its use of financial instruments.

a) Credit Risk
b) Liquidity Risk
c) Market Risk

39.1 Credit Risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from institutional and export customers etc.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

In monitoring credit risk, debtors are grouped according to their risk profile, i.e. their legal status, financial condition,ageing profile etc. Accounts receivable are related to sale of generic pharmaceuticals products, basic chemical products, animal health products and pesticide products. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

(a) Exposure of Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	30-06-2017	30-06-2016
Trade Debtors (Local & Export)	2,188,447,720	1,329,754,444
Advances,Deposits and Prepayments	1,381,066,856	1,050,060,488
Cash and Bank Balances	15,687,553,642	8,445,641,525
Tk.	**19,257,068,218**	**10,825,456,457**
(b) Ageing of Receivables		
Dues up to 6 months	2,002,000,771	1,109,281,661
Dues over 6 months	186,446,949	220,472,783
Tk.	**2,188,447,720**	**1,329,754,444**

(c) Credit Exposure by Credit Rating

	Credit Rating	As on 30-06-2017 Amount (Taka)	As on 30-06-2016 Amount (Taka)
Trade Debtors (Local & Export)	NR	2,188,447,720	1,329,754,444
Advances,Deposits and Prepayments	NR	1,381,066,856	1,050,060,488
Cash and Bank Balances:			
- Cash in Hand	NR	2,021,806	8,681,337
- Cash at Bank:		15,687,553,642	8,436,960,188
Bank Asia Ltd.	AA2	630,782	18,979,353
Bank Alfalah Ltd.	A1	34,883,841	22,510,689
Brac Bank Ltd.	AA1	769,573,738	1,032,729,244
Citibank N.A	A1	7,393,241	15,707,222
Commercial Bank of Ceylon Ltd.	AAA	42,339,312	28,925,434
Ductch-Bangla Bank Ltd.	AA+	714,368	2,245,699
Eastern Bank Ltd.	AA+	32,744,964	4,999,285
HSBC Ltd.	AAA	22,366,913	50,064,685
Janata Bank Ltd.	AAA	548,893,284	1,983,806,974
Mercantile Bank Ltd.	AA	1,236,939,672	31,840,371
Mutual Trust Bank Ltd.	AA	8,394,758	7,011,403
Prime Bank Ltd.	AA2	1,973,008,973	1,239,939,762
Standard Chartered Bank	AAA	148,227,280	130,534,233
Shahjalal Islami Bank Ltd.	AA2	944,746,511	5,016,538
Sonali Bank Ltd.	AAA	2,727,189,733	2,762,568,486
Trust Bank Ltd.	AA2	287,250	80,810
IDLC Finance Ltd.	AAA	728,396,000	400,000,000
National Housing Finance And Investments Ltd.	A1	1,437,980,000	500,000,000
Union Capital Ltd.	AA+	109,570,000	100,000,000
Prime Finance & Investment Ltd.	A	108,985,000	100,000,000
The City Bank Ltd.	AA2	600,000,000	-
IPDC Finance Ltd.	AA1	800,000,000	-
LankaBangla Finance Ltd.	AA3	850,000,000	-
Social Islami Bank Ltd.	AA-	900,000,000	-
Industrial and Infrastructure Development Company Ltd.	AA	300,000,000	-
Delta Brac Housing Finance Corporation Ltd.	AAA	750,000,000	-
IFIC Bank Ltd.	AA2	10,000,000	-
Southeast Bank Ltd.	AA	500,000,000	-
Square Securities Management Ltd.	-	94,288,022	-

39.2 Liquidity Risk:

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity (Cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or jeopartizing to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based on time line of payment of financial obligations and accordingly arrange for sufficient liquidity/fund to make the expected payments within due dates. Moreover, the company seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligation in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flow projections and credit lines with banks are negotiated accordingly.
The following are the contractual maturities of financial liabilities:

Category of Liabilities	Carrying Amount Taka	Maturity Period	Contractual Cash Flow Taka	Within 6 Months or Less Taka	Within 6-12 Months Taka
Creditors and Accruals	1,805,308,292	-	1,805,308,292	-	1,805,308,292
Short Term Loan	1,700,295,979	-	1,700,295,979	-	1,700,295,979
Total	**3,505,604,271**	**-**	**3,505,604,271**	**-**	**3,505,604,271**

39.3MARKET RISK

Market risk is the risk that any change in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments.

(a) Currency Risk

The company is exposed to currency risk on certain revenues and purchases such as raw material,packing material,spare parts and acquisition of machinaries & equipments. Majority of the company's foreign currency transactions are denominated in USD.

(i) Exposure to Currency Risk

The company have the foreign currency asset at the year end for which an exchange gain/(loss) are being accounted for during the year. As such the company have no significant exposure to currency risk.

The following significant exchange rates are applied at the year end:	30-06-2017	30-06-2016
Exchange Rate of US Dollar	79.85	77.70

(ii) Foreign Exchange Rate Sensitivity Analysis for Foreign Currency Expenditures:

There being no current risk exposure, sensitivity analysis has not been presented.

(b) Interest Rate Risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. short term bank borrowings are, however, not significantly affected by fluctuations in interest rates. The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

(i) Profile:

As at 30 June, 2017 the interest rate risk profile of the company's interest bearing financial instruments was:

	Carrying Amount June 30, 2017	Carrying Amount June 30, 2016
Fixed Rate Instrument		
- Financial Asset	14,075,368,858	7,387,594,757
- Financial Liability	Nil	Nil
Variable Rate Instrument		
- Financial Asset	Nil	Nil
- Financial Liability	Nil	Nil

(ii) Cash Flow Sensitivity Analysis for Variable Rate Instruments:

There being no variable rate instruments as such sensitivity analysis is not required.

39.4 Accounting Classification and Fair Value:

Fair value of financial assets and liabilities together with carrying amount shown in the statement of financial are as follows:

Particulars	Carrying Amount as on 30-06-2017 Taka	Fair Value as on 30-06-2017 Taka	Carrying Amount as on 30-06-2016 Taka	Fair Value as on 30-06-2016 Taka
Assets Carried at Fair Value through Statement of Comprehensive Income (Investment in Marketable Securities)	1,261,657,008	1,835,191,478	804,948,863	1,071,735,442
Held to Maturity Assets				
FDR with Banks and Financial Institutions	14,075,368,858	14,075,368,858	7,387,594,757	7,387,594,757
Loans on Receivables:				
Trade Receivables	2,188,447,720	2,188,447,720	1,329,754,444	1,329,754,444
Security Deposit	87,971,243	87,971,243	112,935,788	112,935,788
Cash and Bank Balances	15,689,575,448	15,689,575,448	8,445,641,525	8,445,641,525
Available for Sale of Financial Assets	1,974,538,423	1,974,538,423	1,210,810,929	1,210,810,929

* As per the requirements of BFRS 7 (ref: Para 29), determination of fair value is not required for instruments for which fair value is not likely to be significantly different from the carrying amounts.

SQUARE PHARMACEUTICALS LTD.

SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT

For the Year Ended June 30, 2017

Property, Plant and Equipment-Carrying Value: Tk. 16,846,568,295

Schedule-01

PARTICULARS	COST					DEPRECIATION				Carrying Value as at 30 June 2017
	At 30 June 2016	During the year		At 30 June 2017	Rate of Dep.	At 30 June 2016	During the year		At 30 June 2017	
		Additions	Sales/ Transfer				Charged	Sales/ Transfer		
FACTORIES:										
Land	1,711,940,641	481,671,993	2,552,795	2,191,059,839	-	-	-	-	-	2,191,059,839
Building	6,819,082,670	317,721,529	-	7,136,804,199	10%	2,650,636,623	433,706,314		3,084,342,937	4,052,461,262
Boundary Wall	593,903	-	-	593,903	10%	282,721	31,118	-	313,839	280,064
Plant & Machinery	10,797,733,823	569,875,151	-	11,367,608,974	15%	5,894,536,253	745,146,833	-	6,639,683,086	4,727,925,888
Laboratory Equipment	1,282,644,749	204,798,286	-	1,487,443,035	10%	501,990,127	79,940,502	-	581,930,629	905,512,406
Furniture & Fixture	485,864,743	82,306,906	-	568,171,649	10%	193,274,978	31,773,685	-	225,048,663	343,122,986
Office Equipment	287,377,322	26,688,860	-	314,066,182	10%	113,216,189	18,101,295	-	131,317,484	182,748,698
Computer	115,594,380	24,859,727	-	140,454,107	10%	32,208,030	9,058,381	-	41,266,411	99,187,696
Motor Vehicles	352,733,782	55,799,940	14,705,000	393,828,722	20%	174,975,703	41,610,784	10,574,282	206,012,205	187,816,517
Motor Vehicle-Lease	2,085,000	-	-	2,085,000	20%	1,948,884	27,223	-	1,976,107	108,893
Electromechanical Equipments	560,310,601	-	-	560,310,601	15%	528,144,833	4,824,865	-	532,969,698	27,340,903
Electrical Installation	84,374,212	-	-	84,374,212	15%	51,066,398	4,996,173	-	56,062,571	28,311,641
Gas Line Installation	31,566,179	7,307,631	-	38,873,810	15%	22,077,479	2,365,471	-	24,442,950	14,430,860
Sub-Total	**22,531,902,005**	**1,771,030,023**	**17,257,795**	**24,285,674,233**		**10,164,358,218**	**1,371,582,644**	**10,574,282**	**11,525,366,580**	**12,760,307,653**
HEAD OFFICE & OTHERS:										
Land	1,743,890,523	88,589,853	-	1,832,480,376	-	-	-	-	-	1,832,480,376
Building	433,796,773	114,179,142	-	547,975,915	10%	219,353,981	27,843,967	-	247,197,948	300,777,967
Boundary Wall	10,855,163	-	-	10,855,163	10%	3,315,420	753,974	-	4,069,394	6,785,769
Furniture & Fixture	111,072,583	11,156,225	-	122,228,808	10%	48,778,780	6,720,324	-	55,499,104	66,729,704
Office Equipment	86,330,263	3,635,250	235,000	89,730,513	10%	45,546,485	4,256,388	133,570	49,669,303	40,061,210
Computer	195,532,051	11,831,883	-	207,363,934	10%	83,590,959	11,780,976	-	95,371,935	111,991,999
Motor Vehicle	1,076,278,006	174,554,280	41,454,750	1,209,377,536	20%	571,239,742	118,512,997	29,877,326	659,875,413	549,502,123
Motor Vehicle-Lease	118,472,040	-	-	118,472,040	20%	99,242,868	3,845,834	-	103,088,702	15,383,338
Motor Cycle	347,849,042	56,728,900	27,214,413	377,363,529	20%	166,576,159	43,944,474	19,340,148	191,180,485	186,183,044
Books & Periodicals	528,794	-	-	528,794	30%	528,521	82	-	528,603	191
SAP Software	104,943,274	39,796,917	-	144,740,191	20%	59,753,068	11,125,722	-	70,878,790	73,861,401
VSAT	7,559,700	-	-	7,559,700	10%	2,832,406	472,729	-	3,305,135	4,254,565
Electrical Installation	14,418,915	-	-	14,418,915	15%	10,717,008	555,286	-	11,272,294	3,146,621
Sub-Total	**4,251,527,127**	**500,472,450**	**68,904,163**	**4,683,095,414**		**1,311,475,397**	**229,812,753**	**49,351,044**	**1,491,937,106**	**3,191,158,308**
Grand Total Tk.	**26,783,429,132**	**2,271,502,473**	**86,161,958**	**28,968,769,647**		**11,475,833,615**	**1,601,395,397**	**59,925,326**	**13,017,303,686**	**15,951,465,961**
Plant & Machinery in Transit	419,596,834	298,752,099	419,596,835	298,752,098	-	-	-	-	-	298,752,098
Building under Construction	542,509,177	454,475,448	400,634,389	596,350,236	-	-	-	-	-	596,350,236
Carrying Value as on June 30,2017	**27,745,535,143**	**3,024,730,020**	**906,393,182**	**29,863,871,981**		**11,475,833,615**	**1,601,395,397**	**59,925,326**	**13,017,303,686**	**16,846,568,295**

Subsidiary Profile



Subsidiary Profile ➤➤

Square Formulations Ltd.

Square Pharmaceuticals Kenya EPZ Ltd.

Subsidiary of
Square Pharma

Square FormulationsLtd.

95: Directors Report
97: Auditors Report
98: Statement of Financial Position
99: Statement of Profit or Loss and
Other Comprehensive Income
100: Statement of Changes in Equity
101: Statement of Cash Flows

Square Pharmaceuticals Kenya EPZ Ltd.
Square Pharmaceuticals Kenya EPZ Ltd. incorporated on 7th June, 2017. A statement given in the Directors' Report (Page # 24)

SQUARE FORMULATIONS LTD.

Directors' Report to the Members for the year ended 30 June, 2017.

In terms of the provisions of section 184 of the Companies Act 1994 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 30 June, 2017.

Square Formulations Ltd. is a state of the art facility, situated in Gorai, Mirzapur, Tangail. This is a steel and reinforced cement concrete structured vertically integrated design building which was designed jointly by international consultant and Square's project team. This plant was designed and commissioned as per international regulatory and GMP Guidelines.

It has the capacity to produce 10 billion dosage units annually. The dosage form includes tablets, capsules, powder for suspension. The total operational area is 394,289 square feet or 36,644 square meters.

SHAREHOLDING:

The Company has issued total of 10,00,000 share of Tk. 100 each. The present shareholding pattern of the company is as follows:

Name of the Shareholders	Shareholding Qty	%
Mr. Samuel S Chowdhury	1,166	0.116
Mr. Tapan Chowdhury	1,166	0.116
Mrs. Ratna Patra	1,166	0.116
Mr. Anjan Chowdhury	1,166	0.116
Mrs. Anita Chowdhury	336	0.034
Square Pharmaceuticals Ltd.	995,000	99.50

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

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
Mrs. Ratna Patra	Vice Chairman
Mr. Tapan Chowdhury	Director
Mr. Anjan Chowdhury	Director
Mr. M Sekander Ali (Nominee of Square Pharmaceuticals Ltd.)	Director

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

FINANCIAL POSITION:

The total assets of the Company upto 30 June, 2017 stood Tk. 5,187,545,552 as follows:

Assets Title	30-06-2017 (in Taka)
A. Fixed Assets (At written down value)	
Factory Building	152,932,558
Plant & Machinery	1,333,245,586
Laboratory Equipment	229,105,052
Electromechanical	318,858,142
Other Fixed Assets	442,858,531
Sub Total	2,476,999,869

Assets Title	30-06-2017 (in Taka)
B. Other Assets (At Cost)	
Other Assets	2,528,419,677
Cash & Cash Equivalents	79,108,406
Sub Total Tk.	2,607,528,083
C. Investment in Marketable Securities (Fair value)	103,017,600
Total Assets (A+B+C)	5,187,545,552

The total assets of the Company upto 30 June, 2017 Tk. 5,187,545,552 have been financed as follows:

Sources	30-06-2017 (in Taka)
Paid-up Capital	100,000,000
Share Money Deposit	2,000,000,000
Retain Earnings	1,582,320,128
Tax Exemption Reserve	852,508,043
Gain on Marketable Securities (unrealized)	23,027,243
Current Liabilities	556,135,761
Deferred Tax Liabilities	73,554,377
Total Tk.	5,187,545,552

OPERATIONS:

The company commenced its commercial production from 1st April, 2014

The operational performance during the year under review is as follows:

Items	2016-2017 (in Taka)
Gross Turnover	8,985,003,409
Gross Profit	4,183,894,656
Net Profit (AT)	2,115,169,136
Earning Per Share	2,115.17
Net Assets Value	2,557.86

APPOINTMENT OF AUDITORS:

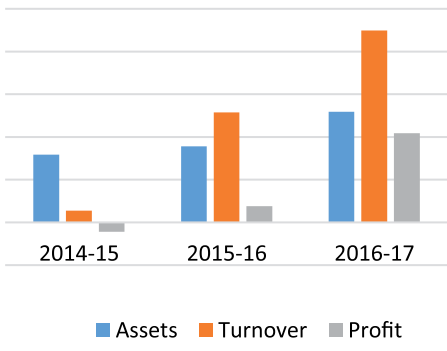
M/s. Chowdhury Bhattacharjee & Co., Chartered Accountants', Auditors of the Company, retire at this Annual General Meeting and being eligible have offered to be reappointed as Auditors for the year 2017-2018.

ACKNOWLEDGEMENT:

The Board of Directors thankfully acknowledge the devotion and dedication of all the workers, employees and officers without which the Company's operation could not have attained the successes as reported above.

The Board also record with appreciation the support, service and co-operation rendered by all concerned.

Samuel S Chowdhury
Chairman and Managing Director



AUDITORS' REPORT

We have audited the accompanying Financial Statements of Square Formulations Limited, which comprises the Statement of Financial Position as at 30 June, 2017, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable rules 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 (BFRS), give a true and fair view of the state of the company's affairs as at 30 June, 2017 and of the results of its operation and its Statement of Cash Flows for the year 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) iIn 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;

(ii) The company's Statement of Financial Position and it's Statement of Comprehensive Income and its Statement of Cash Flows dealt with by the report are in agreement with the books of account and returns.

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

Dated, Dhaka:
October 11, 2017

SQUARE FORMULATIONS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE, 2017

Particulars	Amount in Taka	
	30-06-2017	30-06-2016
ASSETS:		
Non-Current Assets:	**2,580,017,469**	**2,578,580,611**
Property Plant and Equipment (Carrying Value)	2,476,999,869	2,578,580,611
Investment in Marketable Securities (Fair Value)	103,017,600	-
Current Assets:	**2,607,528,083**	**983,451,762**
Inventories	742,686,639	747,047,146
Trade Debtors	1,715,863,159	6,075,470
Advances, Deposits and Prepayments	69,869,879	153,415,540
Cash and Cash Equivalents	79,108,406	76,913,606
TOTAL ASSETS	**5,187,545,552**	**3,562,032,373**
SHAREHOLDERS EQUITY AND LIABILITIES:		
Shareholders Equity:	**2,557,855,414**	**419,659,035**
Share Capital	100,000,000	100,000,000
Tax Exemption Reserve	852,508,043	324,011,067
Gain on Marketable Securities (Unrealised)	23,027,243	-
Retained Earnings	1,582,320,128	(4,352,032)
Non-Current Liabilities:	**2,073,554,377**	**2,058,697,323**
Share Money Deposit	2,000,000,000	2,000,000,000
Deffered Tax Liabilities	73,554,377	58,697,323
Current Liabilities:	**556,135,761**	**1,083,676,015**
Short term loan	-	901,244,589
Trade Creditors	123,652,624	45,570,630
Liabilities for expenses	5,639,357	82,113
Liabilities for other finance	426,843,780	136,778,683
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES	**5,187,545,552**	**3,562,032,373**

Signed as per our separate report on same date.

Samuel S Chowdhury
Chairman & MD

Tapan Chowdhury
Director

Khandaker Habibuzzaman
Company Secretary

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

Dated, Dhaka: October 11, 2017

SQUARE FORMULATIONS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE, 2017

Particulars	Amount in Taka	
	2016-2017	2015-2016
GROSS REVENUE	8,985,003,409	**4,713,858,985**
Less: Value Added Tax	1,327,802,354	698,448,264
NET TURNOVER	7,657,201,055	**4,015,410,721**
COST OF GOODS SOLD	(3,473,306,399)	(2,102,984,436)
GROSS PROFIT/LOSS	**4,183,894,656**	**1,912,426,285**
OPERATING EXPENSES:	**(1,494,555,635)**	**(905,041,773)**
Selling & Distribution Expenses	(1,471,361,834)	(770,575,950)
Administative Expenses	(1,900,735)	(4,016,800)
Finance Cost	(21,293,066)	(130,449,023)
PROFIT FROM OPERATIONS	**2,689,339,021**	**1,007,384,512**
Other Income	3,592,000	-
NET PROFIT BEFORE WPPF	**2,692,931,021**	**1,007,384,512**
Allocation for WPPF	(128,234,811)	(47,970,701)
NET PROFIT BEFORE TAX	**2,564,696,210**	**959,413,811**
Income Tax Expenses	**(449,527,074)**	**(183,135,789)**
Current Tax	(434,670,020)	(52,285,220)
Deferred Tax	(14,857,054)	(130,850,569)
NET PROFIT AFTER TAX	**2,115,169,136**	**776,278,022**
Gain/(Loss) on Marketable securities (Unrealised)	23,027,243	-
Total Comprehensive Income durring the year	**2,138,196,379**	**776,278,022**
Number of Shares	**1,000,000**	**1,000,000**
Earning per Share (EPS)	**2,115.17**	**776.28**

Signed as per our separate report on same date.

Samuel S Chowdhury
Chairman & MD

Tapan Chowdhury
Director

Khandaker Habibuzzaman
Company Secretary

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

Dated, Dhaka: October 11, 2017

SQUARE FORMULATIONS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE, 2017

Particulars	Amount in Taka				
	Share Capital	Tax Exemption Reserve Taka	Gain on Marketable Securities (Unrealised)	Retained Earnings Taka	Total Taka
As at 01 July, 2016	100,000,000	324,011,067	-	(4,352,032)	419,659,035
Transfer to Tax Examption Reserve	-	528,496,976	-	(528,496,976)	-
Total Comprehensive Income	-	-	23,027,243	2,115,169,136	2,138,196,379
As at 30 June, 2017	**100,000,000**	**852,508,043**	**23,027,243**	**1,582,320,128**	**2,557,855,414**

SQUARE FORMULATIONS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE, 2016

Particulars	Amount in Taka			
	Share Capital	Tax Exemption Reserve Taka	Retained Earnings Taka	Total Taka
As at 01 July, 2015	100,000,000	-	(456,619,187)	(356,619,187)
Transfer to Tax Examption Reserve	-	324,011,067	(324,011,067)	-
Total Comprehensive Income	-	-	776,278,222	776,278,222
As at 30 June, 2016	**100,000,000**	**324,011,067**	**(4,352,032)**	**419,659,035**

Signed as per our separate report on same date.

Samuel S Chowdhury
Chairman & MD

Tapan Chowdhury
Director

Khandaker Habibuzzaman
Company Secretary

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

Dated, Dhaka: October 11, 2017

SQUARE FORMULATIONS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE, 2017

Particulars	Amount in Taka	
	2016-2017	2015-2016
Cash Flows From Operating Activities:		
RECEIPTS:	**7,275,215,720**	**4,707,783,515**
Receipts from Customers	7,275,215,720	4,707,783,515
PAYMENTS:	**(6,028,932,607)**	**(3,221,474,979)**
Raw and Packing Materials Purchase	(2,489,783,554)	(1,259,740,807)
Manufacturing and Operating Expenses	(1,922,925,641)	(1,237,633,820)
Value Added Tax	(1,312,326,478)	(723,672,608)
Income Tax	(276,546,226)	-
Interest	(21,293,066)	(427,744)
Worker Profit Participation Fund	(6,057,642)	
Net cash provided/(used) by Operating Activities	**1,246,283,113**	**1,486,308,536**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(266,445,367)	(611,185,285)
Payment of Short Term Loan	(901,244,589)	(664,061,787)
Investment in Stock Market	(79,990,357)	-
Dividend Received	3,592,000	-
Net cash provided/(used) by Investing Activities	**(1,244,088,313)**	**(1,275,247,072)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of Long term Loan	-	(213,863,892)
Net cash provided/(used) by Financing Activities	**-**	**(213,863,892)**
Increase/(Decrease) in Cash and Cash Equivalents	2,194,800	(2,802,428)
Opening Cash and Cash Equivalents	76,913,606	79,716,034
Closing Cash and Cash Equivalents	**79,108,406**	**76,913,606**

Signed as per our separate report on same date.

Samuel S Chowdhury
Chairman & MD

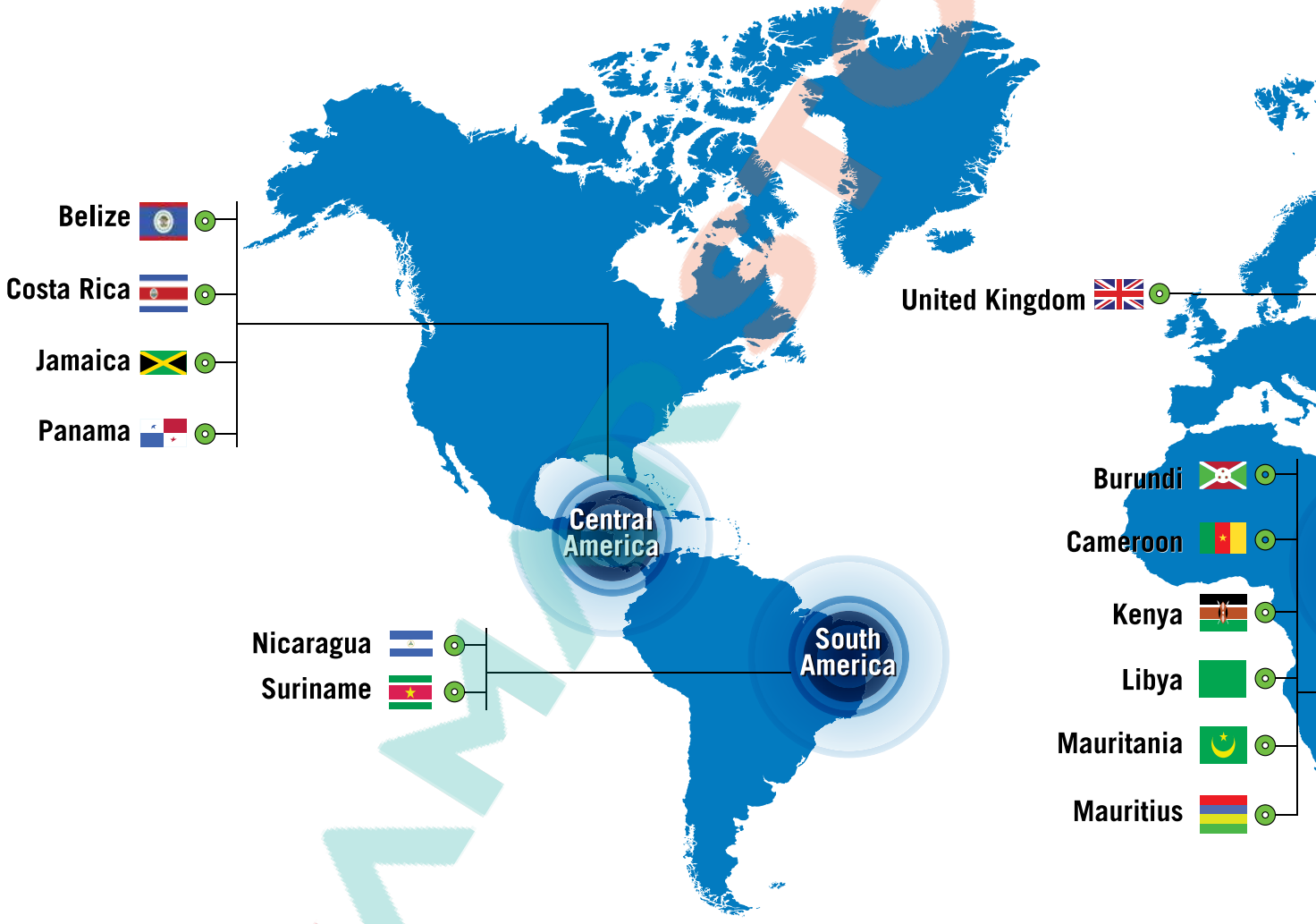
Tapan Chowdhury
Director

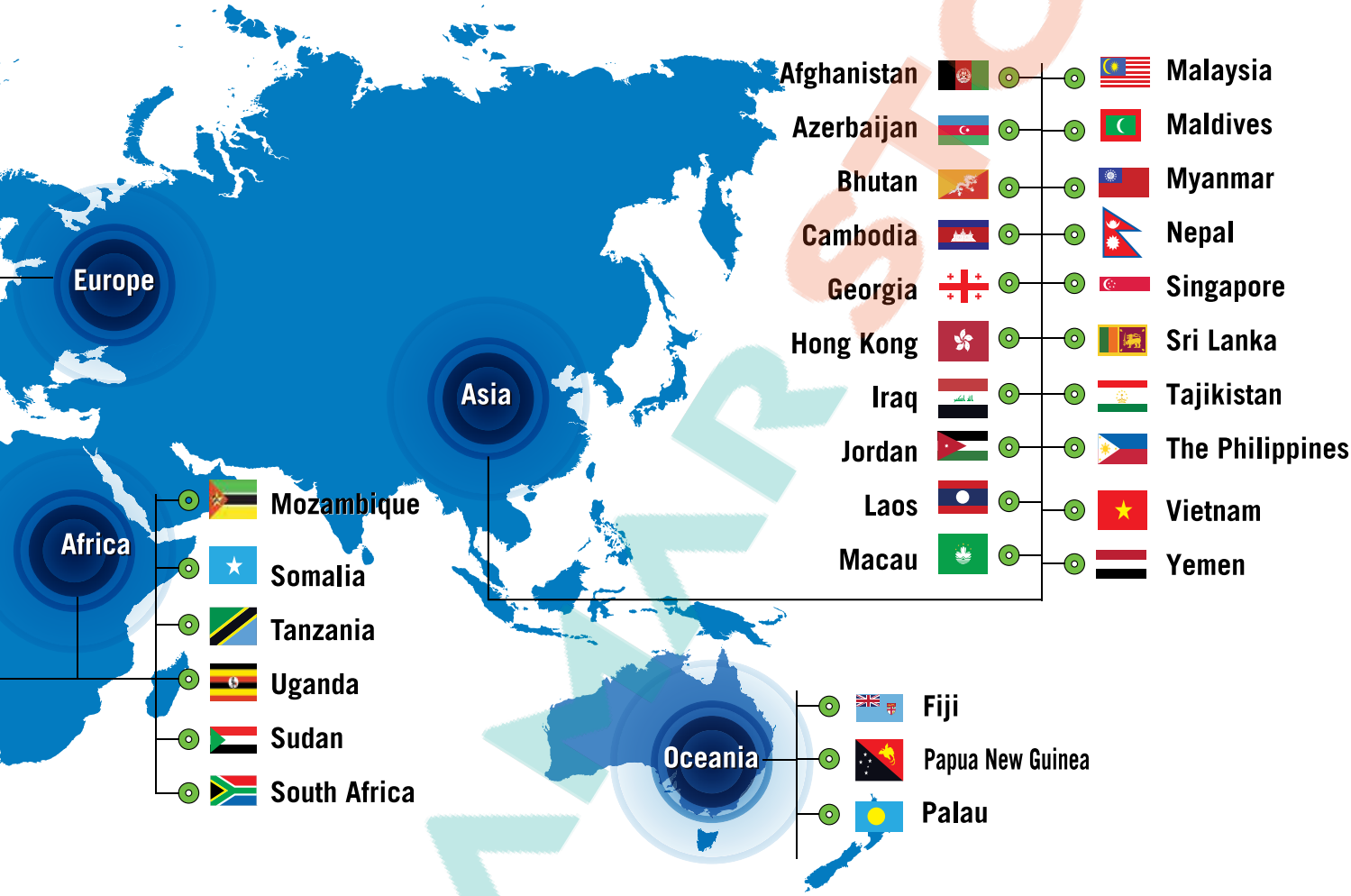
Khandaker Habibuzzaman
Company Secretary

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

Dated, Dhaka: October 11, 2017

We Export to ...


Belize
Costa Rica
Jamaica
Panama
Central America
Nicaragua
Suriname
South America
United Kingdom
Burundi
Cameroon
Kenya
Libya
Mauritania
Mauritius



Since 1958

SQUARE

PHARMACEUTICALS LTD.

BANGLADESH











Glimpse of 50th Annual General Meeting, 13 December, 2016







Square Pharmaceuticals Limited

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 51st Annual General Meeting of the Company to be held on Monday the 4th December, 2017 at 10:00 a.m. at Samson H Chowdhury Centre, Dhaka Club Ltd., Ramna, Dhaka.

As witness my hand this day of _____ 2017.

Affix Revenue Stamp

_____
Signature of the Proxy
Dated:

_____
Signature of the Member
Dated:

Folio/BOID | | | | | | | | | | | | | | | |

Note: A member entitled to attend and vote at the Annual General Meeting may appoint proxy to attend and vote in his/her stead. The proxy form should reach at the Registered Office of their Company not less than 48 hours before the time fixed for the meeting.

Signature Verified

Authorized Signatory
Square Pharmaceuticals Ltd.

AMARSTOCK

স্কয়ার ফার্মাসিউটিক্যালস্ লিমিটেড

স্কয়ার সেন্টার, ৪৮ মহাখালী বাণিজ্যিক এলাকা, ঢাকা-১২১২

প্রক্সি ফর্ম

আমি/আমরা_____

ঠিকানা _____

স্কয়ার ফার্মাসিউটিক্যালস্ লিমিটেড এর সদস্য হিসেবে

জনাব/বেগম_____

ঠিকানা_____

_____

আমরা/আমাদের প্রতিনিধি হিসেবে আগামী রোজ সোমবার, ৪ঠা ডিসেম্বর, ২০১৭ সকাল ১০:০০ ঘটিকায় স্যামসন এইচ চৌধুরী সেন্টার, ঢাকা ক্লাব লিঃ, রমনা, ঢাকা'য় অনুষ্ঠিতব্য কোম্পানীর ৫১তম বার্ষিক সাধারণ সভায় এবং এর মূলতবী ঘোষিত সভায় আমার/আমাদের পক্ষে উপস্থিত থাকিবার এবং ভোট প্রদান করিবার জন্য নিযুক্ত করিলাম।

স্বাক্ষ্য হিসেবে অদ্য ....., ২০১৭ তারিখে আমি/আমরা এই দলিলে সজ্ঞানে স্বাক্ষর করিলাম।

_____ _____

প্রতিনিধির স্বাক্ষর
তারিখ:

সদস্যের স্বাক্ষর
তারিখ:

ফলিও/বিওআইডি নম্বর

বিঃ দ্রঃ বার্ষিক সাধারণ সভায় যোগদানের অধিকারী শেয়ার হোল্ডার তার পরিবর্তে বার্ষিক সাধারণ সভায় যোগদানের জন্য একজন প্রক্সি নিয়োগ করিতে পারেন। প্রক্সি ফরম যথাযথ পূরণের পর সভা অনুষ্ঠানের ৪৮ ঘন্টা পূর্বে কোম্পানীর রেজিষ্টার্ড অফিসে জমা দিতে হইবে

স্বাক্ষর পরীক্ষিত

অনুমোদনকারীর স্বাক্ষর
স্কয়ার ফার্মাসিউটিক্যালস্ লিমিটেড

Information & Compliance

Corporate Information

Date of Incorporation
10 November 1964

Authorized Capital
Taka 10,000 million

Paid-up Capital
Taka 6,859.45 million

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

Factories
Pabna Unit
Square Road, Salgaria, Pabna
Bangladesh

Dhaka Unit
Board Ghar Bazar, Kaliakoir
Gazipur, Bangladesh

Listing
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

Subsidiary Company
Square Formulations Ltd.
Square Pharmaceuticals Kenya EPZ Ltd.

Associate Company
Square Textiles Ltd.
Square Fashions Ltd.
Square Hospitals Ltd.

Phone
8833047-56, 9859007 (10 lines)

Website
www.squarepharma.com.bd

Email
cs@squaregroup.com

Corporate Compliance

For the Financial Year 2015-2016

Dividend Recommended
16 October 2016

Record Date for 50th AGM
14 November 2016

50th Annual General Meeting
13 December 2016

Dividend Issued
28 December 2016

For the Financial Year 2016-2017

Publication of 1st Qtr. Financial Report
14 November 2016

Publication of 2nd Qtr. Financial Report
30 January 2017

Publication of 3rd Qtr. Financial Report
01 May 2017

Dividend Recommended
16 October 2017

Audited Financial Report to BSEC, DSE and CSE
09 November 2017

Record Date for 51st AGM
08 November 2017

Notice of 51st AGM
12 November 2017

51st Annual General Meeting
04 December 2017

Dividend Payable
By 03 January 2018

Dedicated to Advanced Technology

AMAR STOCK

SQUARE
PHARMACEUTICALS LTD.
BANGLADESH

Corporate Headquarters
Square Centre
48, Mohakhali Commercial Area, Dhaka-1212, Bangladesh
Phone: +88-02-9859007, +88-02-8833047-56 (10 Lines)
Fax: +88-02-8834941, +88-02-8828768
www.squarepharma.com.bd