SQUARE

Annual Report
2017-2018



Since 1958

SQUARE
PHARMACEUTICALS LTD.
BANGLADESH

2017-2018

Key Highlights
of the operations

Square Pharma
(Consolidated)

8.52%	Gross Revenue BDT 45,887 million
8.51%	Net Revenue BDT 39,654 million
4.59%	Export BDT 1,451 million
3.99%	Contribution to National Exchequer BDT 7,687 million
7.09%	Gross Profit BDT 19,564million
9.00%	Net Profit (AT) BDT 11,606 million
8.94%	EPS BDT 15.72
17.93%	Net Asset Value BDT 57,817 million
10.57%	Dividend Payout (Cash) BDT 2,655

SQUARE

Since 1985
Number One
In Bangladesh Pharma Market

Square Pharmaceuticals Ltd.



About Us

SQUARE Pharma, the largest pharmaceuticals company in the Country, is a trusted name in the pharmaceuticals sector of Bangladesh. Like most indigenous concern it made its debut in a humble way in 1958 as a Partnership Firm under the leadership of Late Samson H Chowdhury. The following year, 12 working people, occupied floor space of 3,000 sq. ft., first production EASTON'S syrup and made a turnover of Tk. 55,000.

In 1964, Partnership Firm converted into a Private Limited Company, then in 1991, converted into a Public Limited Company and become Publicly Listed Company in 1995.

SQUARE today symbolizes a name - a state of mind. From the inception in 1958, it has today burgeon into one of the top line conglomerates in Bangladesh. SQUARE Pharma, the flagship company, is holding the strong leadership position (#1) in the pharmaceutical industry of Bangladesh since 1985.

It has extended its range of services towards the highway of global market. It pioneered exports of medicines from Bangladesh in 1987 and has been exporting antibiotics and other pharmaceutical products. This extension in business and services has manifested the credibility of Square Pharma.

SQUARE Pharma is to emphasize on the quality of product, process and services leading to grow of the company imbibed with good governance practices.

60
years
of operations



Vision & Mission

Square Pharma

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 mission and our objectives are to emphasize on the quality of product, process and services leading to grow of the company imbibed with good governance practices.

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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 equality between sexes, races, religions and regions in all spheres of our operation without any discriminatory treatment.

We strive for practicing good-governance in every sphere of activities covering inter alia not being limited to, disclosure & reporting to share-holders, 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 an environment free from pollution and poisoning.

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



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, 2018

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, 2018, Statement of Profit or Loss and other Comprehensive Income, Changes in Equity and Cash Flows for the year ended June 30, 2018 alongwith notes thereon and all related Consolidated and Subsidiary Financial Statements for your record and necessary measures.

Yours sincerely



Khandaker Habibuzzaman
Company Secretary

Dated: 5th December, 2018

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
52nd AGM

Noticeis hereby given that the 52nd Annual General Meeting of the Members of Square Pharmaceuticals Ltd. will be held on Thursday the 20th December, 2018 at 10:00 a.m. at the Samson H Chowdhury Centre, Dhaka Club Limited, Ramna, Dhaka to transact the following business:

Agenda-1: To receive, consider and adopt the Audited Financial Statement for the year ended 30th June, 2018 together with the reports of the Directors' and the Auditors' thereon

Agenda-2: To declare dividend for the year ended 30th June, 2018

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

Agenda-4: To appoint Auditors for the year 2018-2019 and to fix their remuneration.

Agenda-5: To appoint Compliance Auditors for the year 2018-2019 and to fix their remuneration.

Agenda-6: To approve appointment of the Independent Director.

By order of the Board



Khandaker Habibuzzaman
Company Secretary

Dated: 5th December, 2018

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 19th December 2018, 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

The founder



Samson H Chowdhury
Founder Chairman
1926-2012

Corporate Profile



Market leader
In pharmaceuticals industry

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Annual Report 2017-2018

Corporate Achievement

2018
- Won National Export Trophy (Gold).
- Won ICMAB Award.
- Received approval of ANDA of Valsartan for US Market.
- Received GMP approval of manufacturing facilities from NPRA, Malaysia

2017 Received GMP certification from MOH Azerbaijan

2017 Won the National Environment Award

2016 Received MCC, South Africa and PIC/S approval

2015 Received USFDA's approval

2013 Samson H Chowdhury "Centre of Excellence" starts its journey

2009 Starts manufacturing of insulin, hormone & steroid maintaining quality standard of US FDA & UK MHRA complying with cGMP of WHO.

2007 Dhaka Unit Gets the UK MHRA approval.

2002 Enlisted as UNICEF's global suppliers.

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

1997 Won the National Export Trophy for exporting pharmaceu-ticals.

1995 Listing with Dhaka and Chittagong Stock Exchange.

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

1994 Initial Public Offer (IPO) of Ordinary Shares.

1991 Converted into Public Limited Company

1987 Pioneer in pharmaceutical export from Bangladesh.

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



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

1964 Incorporated as a Private Limited Company

1958 Year of Establishment (Initially as Partnership Firm)

Since 1958

TOP Management

Square Pharmaceuticals Ltd.



Mr. Samuel S Chowdhury



Mrs. Ratna Patra



Mr. Tapan Chowdhury



Mr. Anjan Chowdhury



Mr. Kazi Iqbal Harun



Mrs. Nihad Kabir



Mr. Syed Afzal Hasan Uddin

Board of Directors

Chairman
Mr. Samuel S Chowdhury

Vice Chairman
Mrs. Ratna Patra

Managing Director
Mr. Tapan Chowdhury

Director
Mr. Anjan Chowdhury

Director
Mr. Kazi Iqbal Harun

Independent Director
Mrs. Nihad Kabir

Independent Director
Mr. Syed Afzal Hasan Uddin

Statement of Value Added

For the period ended 30 June 2018

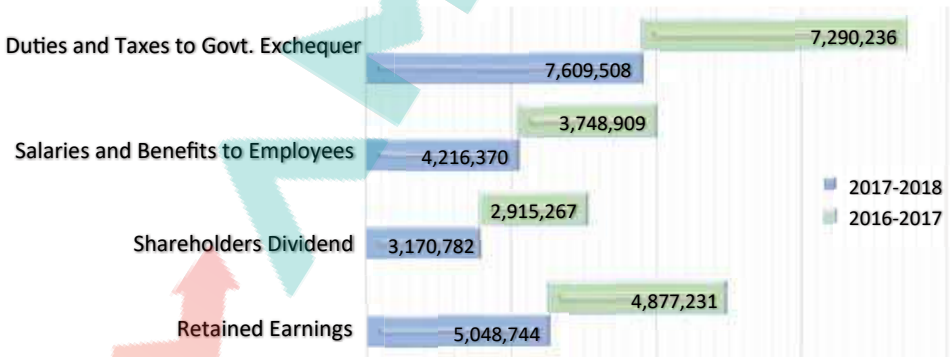


Figures in thousand 'Taka

	2017-2018 (Jul'2017-Jun'2018)		2016-2017 (Jul'2016-Jun'2017)	
	Amount	%	Amount	%
Value Added:				
Turnover & Other Income	38,217,652		36,015,527	
Less: Bought in Materials & Services	18,172,248		17,183,884	
	20,045,404		18,831,643	
Application:				
Duties and Taxes to Govt. Exchequer	7,609,508	37.96%	7,290,236	38.71%
Salaries and Benefits to Employees	4,216,370	21.03%	3,748,909	19.91%
Shareholders Dividend	3,170,782	15.82%	2,915,267	15.48%
Retained Earnings	5,048,744	25.19%	4,877,231	25.90%
	20,045,404	100.00%	18,831,643	100.00%

Graphical View

Figures in thousand 'Taka



Message from the Chairman

60th
Year of Operation

8.94%
EPS Increases
Consolidated
2017-18: BDT 15.72
2016-17: BDT 14.43

8.76%
Dividend payment increases
2017-18: 3,171 million
2016-17: 2,915 million
In BDT

+10%
Employment Increases

Won
National Export Trophy (Gold)

Dear Shareholders, Colleagues,
Ladies and Gentlemen

I am elated with high emotion to welcome you all to the Diamond Jubilee attendance at the 60th year of operation which was started by our Founder Chairman, Late Samson H Chowdhury who spent his life with dedication and led to the peak of success, We wish if he could have witnessed his baby going abroad to create production facilities in Kenya, a dream of him, which has materialized within 6 (six) years of his departure from us. Let us remember him with passion and pray for his soul in haven.

As you would find from Directors' Report and the Audited Financial Statements and notes thereon, the Company under the leadership of the Managing Director, Mr. Tapan Chowdhury and his Executive Management Team, is successfully and competitively leading to attain its goal with increasing level of production, turnover, profits and dividends.

We hope, with the socio-economic stability on its journey to the high-way of higher-income by 2040, the country's demand for health care would necessitate dramatic expansion for facilities for both domestic and export demand if the congenial atmosphere could be sustained.

We look forward to the dreams to realise for the benefits of the nation and the populace.

Thanking you all with best wishes.



Samuel S Chowdhury
Chairman

Corporate Operational Results

Square Pharmaceuticals Ltd. (Standalone) — Figures in '000

Particulars	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Gross Revenue	34,573,391	33,299,672	33,611,741	36,191,595	24,193,357
Value Added Tax	4,568,416	4,413,733	4,553,391	4,892,907	3,282,583
Gross Profit	30,004,975	28,885,939	29,058,349	31,298,688	20,910,774
Net Revenue	14,406,366	14,061,586	14,056,482	13,827,274	9,182,781
Net Profit (Before Tax)	10,825,055	10,366,856	9,943,836	8,597,457	5,504,460
Net Profit (After Tax)	8,219,526	7,792,498	7,510,265	6,523,933	4,031,811
Net Assets Value (NAV)	46,662,876	41,201,962	35,597,063	28,031,892	22,277,517
Total Assets	53,329313	45,763,246	39,174,686	31,354,182	26,549,535
Total Bank Borrowings	-	-	-	121,599	418,654
Total Current Assets	27,196,589	22,268,597	17,053,295	9,739,782	7,768,068
Total Current Liabilities	5,539,791	3,505,604	2,581,822	2,390,848	3,416,620
Current Ratio	4.91	6.35	6.61	4.07	2.27
Shares Outstanding	737,391,090	685,945,200	623,586,546	554,299,152	481,999,263
Face Value per Share	10.00	10.00	10.00	10.00	10.00
Dividend (Cash)	36.00%	35.00%	40.00%	30.00%	30.00%
Dividend (Stock)	7.00%	7.50%	10.00%	12.50%	15.00%
Net Assets Value per Share (NAV)	63.28	55.88	48.27	38.01	30.21
Net Operating Cash Flow per Share	12.97	9.45	11.98	10.98	9.07
EPS-Earnings per Share (SPL)	11.15	10.57	10.18	8.85	5.47
EPS-Earnings per Share (Consolidated)	15.72	14.43	12.48	8.11	6.71
EPS at Original Capital at IPO	821.95	779.25	751.03	652.39	403.18
Quoted Price per Share - DSE	293.10	290.10	265.70	258.70	267.00
Quoted Price per Share - CSE	292.80	290.60	265.60	262.90	266.80
Price EarningsRatio-DSE (Time)	26.29	25.53	24.26	30.90	45.40
Price Earnings Ratio-CSE (Time)	26.26	25.58	24.25	31.40	45.37
Market Capitalization-DSE (in billion)	216.13	198.99	165.69	143.40	128.69
Market Capitalization-CSE (in billion)	215.91	199.33	165.62	145.73	128.60

Shareholders:	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Sponsors/Directors	5	6	6	17	18
Financial & other Institution	825	655	793	809	512
Foreign Investors	107	103	75	63	57
General Public	54925	51,807	62,283	70,013	69,238
Total -	55,863	52,571	63,157	70,902	69,825

Employees:	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Executives	3,833	3,486	3,354	3,197	3,017
Non Executives	2,108	1,983	1,975	1,882	1,827
Workers	2,191	1,921	1,845	1,631	1,469
Total -	8,132	7,390	7,174	6,710	6,313

Statement of performance from the Managing Director

8.51%
Rise in
Net Revenue
Consolidated
2017-18: 39.65 billion
2016-17: 36.54 billion

9.00%
Increase in
Profit (AT)
Consolidated
2017-18: 11.61 billion
2016-17: 10.65 billion

4.59%
Increase in
Export

+216 billion
Market
Capitalization
In BDT

45
Products added
In 2017-2018

Dear Shareholders, Colleagues,

I feel highly delighted to welcome you all at this 52nd Annual General Meeting of the company. I also thank you for taking the trouble to attend the meeting despite your pre-occupation elsewhere, I hope the Annual Report for the year 2017-2018 has reached you in time and you had the scope to go through it for necessary examination, scrutiny and analysis of performance.

I would like you to note that your company has succeeded in increasing output, Turnover and all Profits Centres including other income heads through skillful financial and banking maneuvering transactions. As a result the Net Profit and Earning Per Share has increased from Tk. 10.57 during 2016-2017 to Tk. 11.15 per share during the year 2017-2018. The phenomenon, if continued would enable the Company to escape the rigors of operational hazards, still increasing the level of profitable position.

While, concluding, I would like to report to you that our overseas operations in Kenya would be able to take off by end of 2019 which will help increase our overseas business and profits.

With best wishes for you all.

Tapan Chowdhury
Managing Director

Together We are Stronger



Management Committee

Mr. Tapan Chowdhury Managing Director	Chairman
Mr. Muhammadul Haque Executive Director, Marketing	Member
Mr. Md. Kabir Reza Executive Director, A&F (CFO)	Member
Mr. Md. Mizanur Rahman Executive Director, Operations	Member



Audit Committee

Mr. Syed Afzal Hasan Uddin Independent Director	Chairman
Mr. Anjan Chowdhury Director	Member
Mr. Kazi Iqbal Harun Director	Member
Mr. Khandaker Habibuzzaman Company Secretary	Secretary



CFO, Company Secretary and HIAC

Mr. Md. Kabir Reza, FCMA
Mr. Khandaker Habibuzzaman, FCS
Mrs. Nasrin Akter, FCA



Statutory Auditors

M/s. Ahmed Zaker & Co.
Chartered Accountants
Green City Edge (10th Floor)
89 Kakrail
Dhaka



Compliance Auditors

M/s Chowdhury Bhattacharjee & Co.
Chartered Accountants
47/8, Indira Road (Gr. Floor)
Dhaka

AMARSTOCK



Operational Management Team

Mr. Muhammadul Haque	Head of Marketing
Mr. Md. Kabir Reza	Head of A&F
Mr. Md. Mizanur Rahman	Head of Operations
Mr. M. Nawabur Rahman	Head of Production (Dhaka Unit)
Dr. Md. Shamsur Rahman	Head of R&D
Mr. Anjan Kumar Paul	Head of HR
Mr. Md. Mizanur Rahman	Head of Production (Pabna Unit)
Mr. Bhushan Rajput	Head of Quality Operations
Mr. Shakhawat Hussain	Head of Engineering
Mrs. Nasrin Akter	Head of Internal Audit



Legal Advisor

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



Bankers

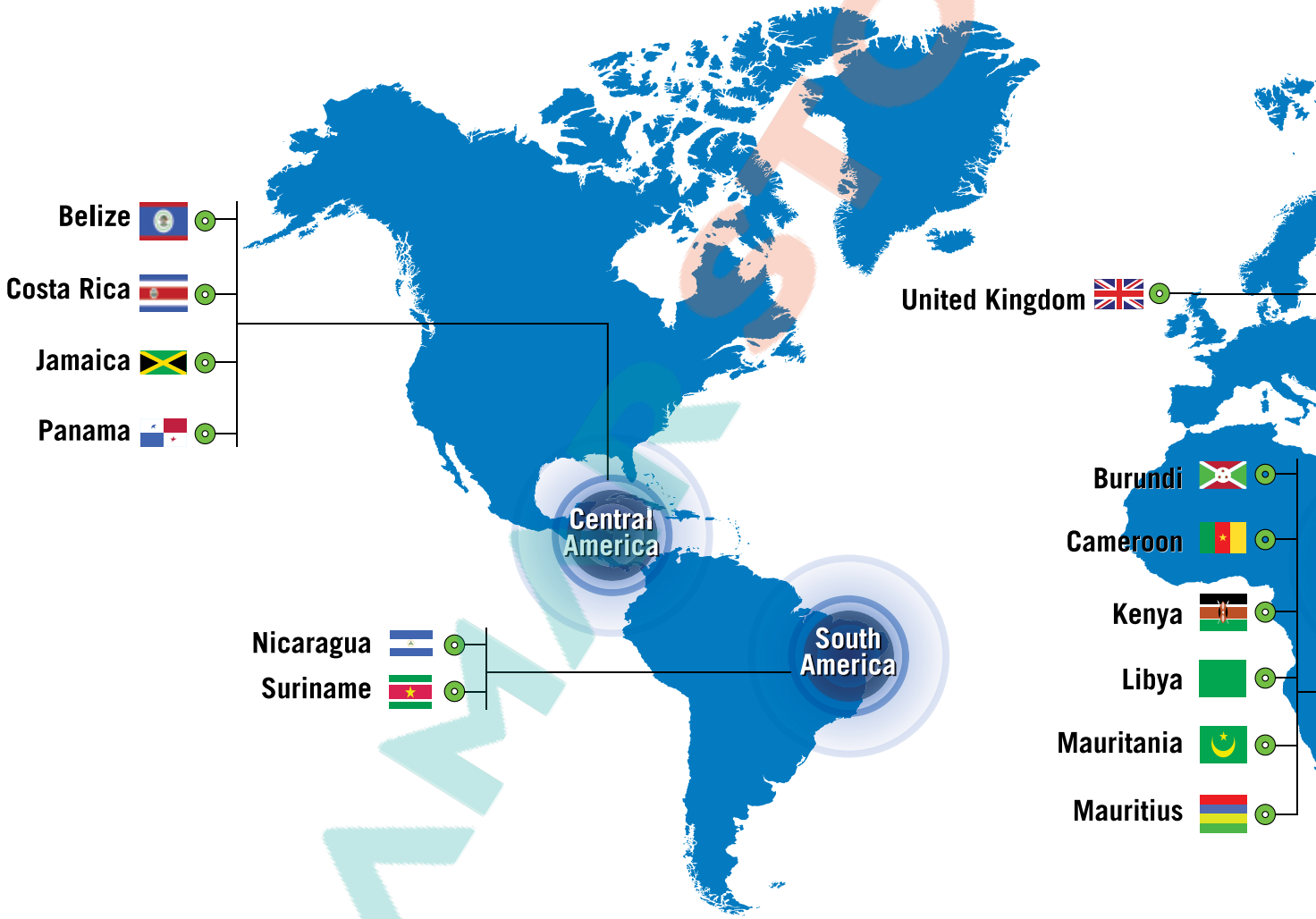
Janata Bank Ltd.	Standard Chartered Bank
Citibank N.A	Commercial Bank of Ceylon Ltd.
HSBC Ltd.	Shahjalal Islami Bank Ltd.
Prime Bank Ltd.	Bank Alfalah Ltd.
BRAC Bank Ltd.	Mercantile Bank Ltd.
Bank Asia Ltd.	Eastern Bank Ltd.

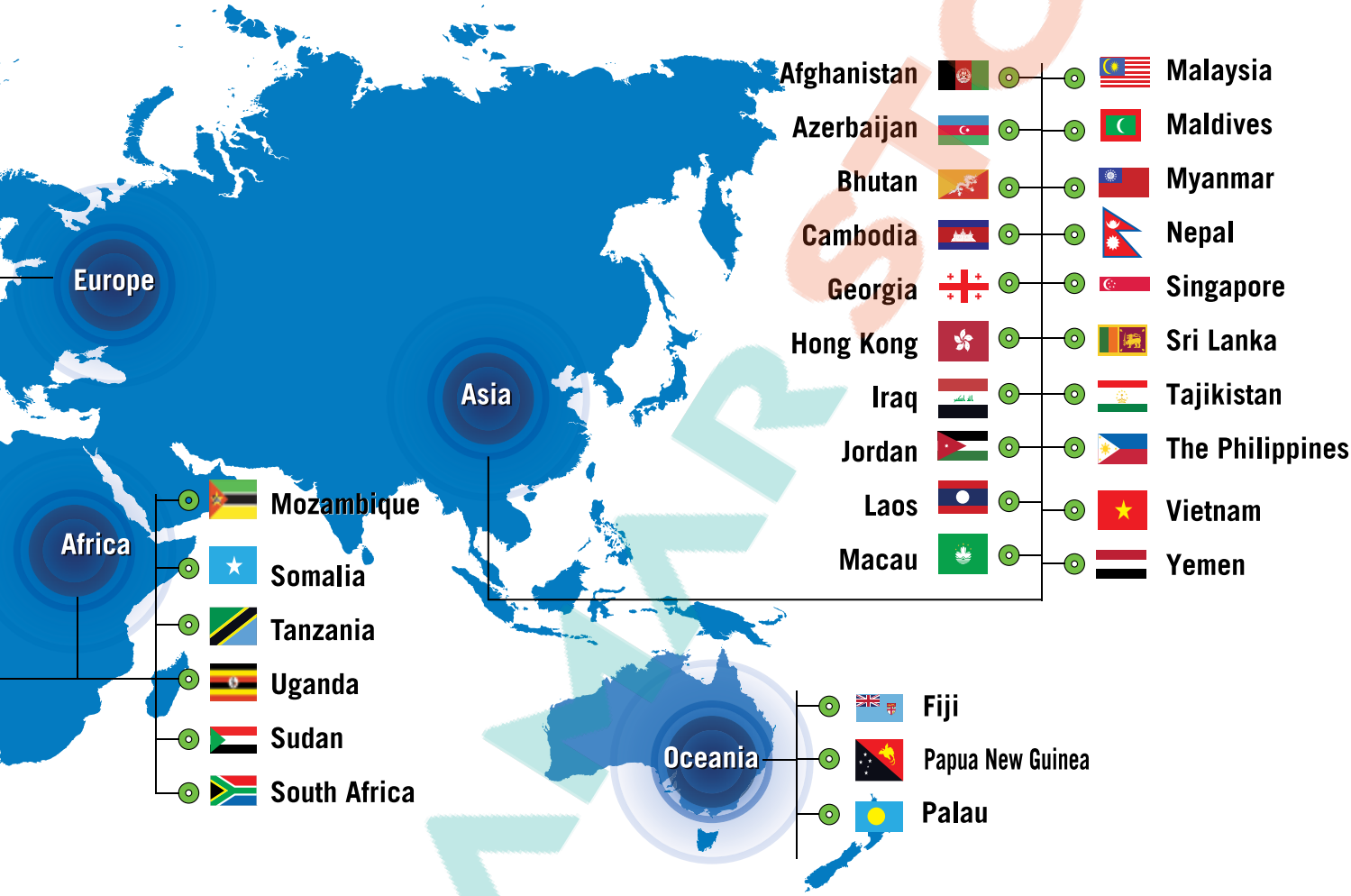


Insurers

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

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

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

❍ 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 present members of the Board of Directors are as follows:

Mr. Samuel S Chowdhury	Chairman
Mrs. Ratna Patra	Vice Chairman
Mr. Tapan Chowdhury	Managing Director
Mr. Anjan Chowdhury	Director
Mr. Kazi Iqbal Harun	Director
Mrs. Nihad Kabir	Independent Director
Mr. Syed Afzal Hasan Uddin	Independent Director

During the year under review the board held 13 (thirteen) meetings to transact various agenda.

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.

❍ 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.

❍ Relationship with Shareholders & and Public

The shareholders as owners, are required to be provided with material information on the company's operation every quarter and annually, the latter at the Annual General Meeting. They are also provided routine services by the Company Affairs Division in matters of their various queries, shares transfer, dematerialization, rematerialize-tion 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.

❍ 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.

❍ 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.

❍ 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.

❍ 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. Mr. Samuel S Chowdhury is the Chairman of the Company and responsible for the functions of the Board while Mr. Tapan Chowdhury is the Managing Director serves as the Chief Executive Officer of the Company.

CHIEF FINANCIAL OFFICER, COMPANY SECRETARY AND HEAD OF INTERNAL AUDIT AND COMPLIANCE

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 and Compliance of the Company as per requirement of the Corporate Governance Code 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 members of present audit committee is as follow:

Mr. Syed Afzal Hasan Uddin Independent Director	Chairman
Mr. Anjan Chowdhury Director	Member
Mr. Kazi Iqbal Harun Director	Member

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:

❍ Independent Director

In compliance of the BSEC Regulations on Good Governance, the Board of Directors as empowered by the Regulations, appointed 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 and Syed Afzal Hasan Uddin, Barrister-at-Law, an Advocate of Supreme Court of Bangladesh and the Managing Partner of Syed Ishtiaq Ahmed & Associates, a firm of legal consultants and practitioners in Bangladesh as the non-shareholding Independent Director with an expectation that their expertise would help contribute to the further disclosure and protect the interest of the stakeholders, investors in general and smaller investors in particular.

❍ 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.

❍ 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.

❍ 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.

❍ 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.

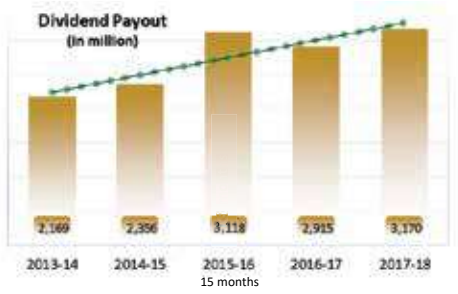
COMPLIANCES

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.

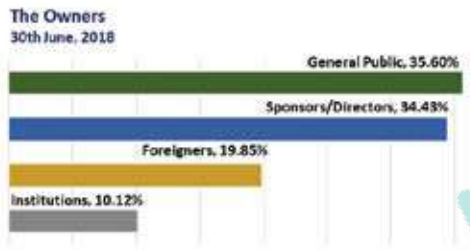
Based on the above concept, the company is committed to show a stable policy of distribution (cash outlay) of the accretional wealth (profits) between the current and the future generation of shareholders. This would enable the company to enhance its capital wealth and sustain for perpetuity of existence,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



The position of shareholders as on 30th June, 2018 indicates that the sponsors of the company do not hold the required shareholdings (75%) for passing special resolutions. This allows the public shareholders (individuals & institutions) to play an effective role in protecting their legal corporate rights.

The Company holds regularly as per law the Annual General Meeting (Shareholders 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 periods. 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.

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.

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 and 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.

45 Products added in 2017-2018

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.

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.

Directors' Report

To the Shareholders for the year ended
30 June 2018

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 (BSEC) Rules 1987, BSEC Notification dated 3rd June, 2018 on Corporate Governance Code and International Accounting Standards-1 codes as adopted by The Institute of Chartered Accountants of Bangladesh, it is the pleasure of the Board of Directors to submit its Report to the Shareholders for the year ended 30 June, 2018 in the following paragraphs:

OPERATIONS AND STATE OF AFFAIRS OF THE COMPANY

The Company's Standalone Revenues from operations were BDT 34,573.39 million for the year ended 30th June, 2018 as compared to BDT 33,299.67 million for the previous year, an increase by 3.83%.

Net Profit after tax increases 5.48% to BDT 8,219.53 million on standalone basis for the year under review as compared to BDT 7,792.50 million for the previous year. Earning per share (EPS) stood at BDT 11.15 against BDT 10.57.

The Company has registered Consolidated Revenues from operations of BDT 45,886.96 million for the year under review as compared to BDT 42,284.68 million for the previous year, an increase by 8.52%.

Consolidated Net Profit after tax increases 9.00% to BDT 11,606.19 million for the year under review as compared to BDT 10,647.79 million for the previous year. Earning per share (EPS) stood at BDT 15.72 against BDT 14.43.

The continuous growth performance in operational, financial and profitability has enabled the Company to hold on the top position in the industry for over several decades.

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	2017-18	2016-17
Land	743.28	479.12
Building	175.17	385.55
Plant& Machinery	921.18	449.03
Laboratory Equipment	202.74	204.80
Others	143.61	182.26
Total -	2,185.98	1,700.76

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 (Pcs)	Capsules (Pcs)
Capacity	7,887,473	1,205,090
Actual output:		
2017-2018	4,600,658	511,966
2016-2017	49,25,207	502,173
Capacity Utilization:		
2017-2018	58%	42%
2016-2017	48%	40%

Chemical Plant

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

Particulars	2017-18	2016-17
No. of Products	22	22
Production (MT)	761	627
Own use (MT)	291.33	265.17
Sales (MT)	470.76	379.83
Own use (%)	38.28	42.29
Revenue (Million Tk.)	511.80	420.40

(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

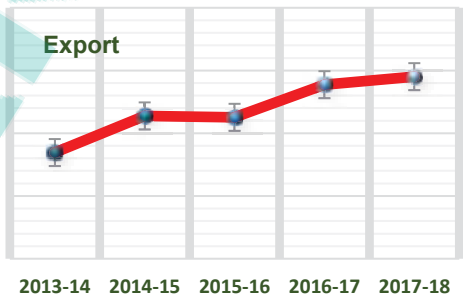
The company places total emphasis on maintaining and improving of quality of its products as 'life-science' biology following GMP standards of WHO by following strictly laid down criteria at every levels of production and handling. The company also follows-up withdrawals from market of all expiry dated products through close inspection and surveillance. The quality control facilities include a high quality standard Laboratory Building, Computerized Equipment 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 2017-2018 the company invested an amount of Tk. 202.74 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. 1,450.53 million as against Tk. 1,386.83 million in previous year, a 4.59% increase. The exports are expected to rise in the coming years. Present export market covers over 42 Countries. Company has received approval of first ANDA in last April and 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. Company has been awarded Export Trophy Gold for the year 2015-2016 in this October as largest exporter of pharmaceuticals from Bangladesh.



Sectoral Growth

The pharmaceutical sector providing about 98% of the total medicine requirement of the local market and exports to more than 125 countries.

The pharmaceutical sector attained a growth of 7.71% during the year 2018 as against 10.94% during the previous year. From 2014 to 2018 the Compound Annual Growth Rate (CAGR) of National Market Growth Rate and Company's Growth Rate was 15.63% and 12.85 respectively as per report of IMS Plus (MAT), 4Q 2018.

The Pharmaceutical sector of Bangladesh has the potential to grow at 15 percent for the next five years riding on the expanded domestic market as well as new export frontiers, according to a new research.

The growth of the economy at 7.65% during FY 2017-18 offers scope for further growth in investment for expansion in pharmaceuticals sector.

RISK AND CONCERN

Absence of long-range planning, inadequate strategize investment policies, variable fiscal & monetary policies, product pricing policies, international trade barriers, Socio-economic incohesive situation impose regressive impact on the growth of R&D in the sector.

FINANCIAL RESULT

The standalone operating financial result of the Company for the year ended 30 June 2018 as compared to previous year are summarized hereunder:

Particulars	2017-2018 Taka	2016-2017 Taka	⇧⇩ %
Gross Revenue	34,573,390,809	33,299,672,121	3.83%
Net Revenue	30,004,974,891	28,885,939,051	3.87%
Cost of Goods Sold	15,598,608,803	14,824,352,515	5.22%
Gross Profit	14,406,366,088	14,061,586,536	2.45%
Net Profit (Before Tax)	10,825,054,727	10,366,856,810	4.42%
Provision for Taxation	2,534,562,419	2,514,480,767	0.80%
Net Profit (After Tax)	8,219,525,804	7,792,497,513	5.48%

Gross Profit Margin	48.01%	48.68%	-1.38%
Net Profit Margin (Before Tax)	36.08%	35.89%	0.53%
Net Profit Margin (After Tax)	27.39%	26.98%	1.52%
EPS (Earning Per Share) Tk.	11.15	10.57	5.49%
EPS on IPO Paid-up Capital Tk.	821.95	779.24	5.48%
EPS Consolidated Tk.	15.72	14.43	8.94%

The Gross Revenue, Net Profit (BT) and Net Profit (AT) increased by 3.83%, 4.42% and 5.48% during the FY 2017-18 over the previous year. The Cost of Goods Sold increased at 5.22% over the previous year due to increase of procurement cost of raw materials and packing materials which registered a 1.38% decrease of Gross Profit Margin. However, the Company earned an extra ordinary income of Tk. 3,644.26 million (depicted in Note 21 of standalone accounts) during the year 2017-2018 resulting of Net Profit Margin increased by 1.52% against the previous year.

The EPS for the year under review is Tk. 11.15, a 5.49% increase over the previous year. EPS calculation took place on the basis of present outstanding 737,391,090 shares of Tk. 10 each. And the consolidated EPS increased by 8.94% which is Tk. 15.72 in the year 2017-2018 as against Tk. 14.43 of 2016-2017.

EXTRA-ORDINARY ACTIVITIES

The Company did not undertake or continue any extra-ordinary activities and did not suffer or gain any loss or gain from such activities.

RELATED PARTY TRANSACTION

The Company had undertaken several related party transaction detail of which are given in Note No. 36 of the standalone Accounts.

PRODUCT DEVELOPMENT

The following table shows the position of existing, discarded and new products introduced during the year 2017-2018:

Sl. #	Products Categories	Existing	Added	Discarded	Total
1	Tablet	322	3	18	307
2	Capsule	65	1	7	59
3	Liquid Capsule	4	3	-	7
4	Liquid	79	5	5	79
5	Injectable (Vial & Ampoule)	63	1	4	60
6	Infusion (LVPO)	11	3	-	14
7	ENT Preparation & Others	65	9	-	74
8	Opthal Preparation	16	2	-	18
9	Powder for Suspension	17	4	1	20
10	Tropical Powder	1	-	-	1
11	Suppository	8	-	2	6
12	Sachet	2	-	1	1
13	Inhaler & Nebulizer	16	-	8	8
14	Insulin	8	1	-	9
15	Dialysis Solution	-	1	-	1
16	Basic Chemical	8	-	-	8
17	Pellet	14	-	-	14
18	Tablet, Powder, Liquid, Injection, Granular- AgroVet Local	77	-	3	74
19	Pesticide	28	4	-	32
20	Tablet, Powder, Liquid, Injection, Granular- AgroVet Imported Product	52	8	5	55
	Total -	856	45	54	847

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		% Increase/ (Decrease)	Capacity Utilization	
			2017-18	2016-17		2017-18	2016-17
1	Tablet	PCS	4,600,65	4,925,20	-6.59	45%	48%
2	Capsule	PCS	511,966	502,173	1.95	42%	40%
3	Liquid Capsule	PCS	19,437	17,073	13.85	19%	17%
4	Liquid	Bottle	99,260	98,497	0.77	43%	50%
5	Injectable (Vial & Ampoule)	PCS	56,243	53,916	4.32	49%	49%
6	Infusion (LVPO)	Bag	2,810	1,590	76.73	24%	14%
7	ENT Preparations-Drop, Spray, Gel &	Phial	15,191	12,585	20.71	28%	42%
8	Steroid-Cream, Ointment, Spray, Gel & Others	Phial	14,048	12,062	16.46	38%	24%
9	Non steroid-Cream, Ointment, Spray, Gel & Others	Phial	23,194	16,784	39.19	68%	80%
10	Opthal Preparation	Phial	4,490	5,330	-15.76	90%	82%
11	Nebulizer	Phial	3,920	2,900	35.17	98%	97%
12	Powder for Suspension	Bottle	15,878	16,061	-1.14	49%	45%
13	Topical Powder	Phial	1,994	7,039	-29.05	58%	98%
14	Suppository	PCS	60,395	47,386	27.45	82%	59%
15	Sachet	PCS	2,019	1,928	4.72	66%	10%
16	Inhaler	Can	3,990	2,200	81.36	74%	41%
17	Dry Powder Inhaler	PCS	30,297	27,241	11.22	27%	24%
18	Insulin & Insulin Cartridge	PCS	1,350	1,310	3.05	23%	22%
19	Dialysis Solution	Cont.	10	-	-	1%	-
20	Basic Chemicals (API)	Kg	492	375	31.20	98%	75%
21	Pellets (API)	Kg	269	252	6.75	75%	97%
22	Tablet-AgroVet (Local)	PCS	21,754	19,777	10.00	77%	90%
23	Powder-AgroVet (Local)	Kg	4,002	3,638	4.27	65%	68%
24	Injection - AgroVet (Local)	Lit	22	20	10.00	81%	83%
25	Liquids - AgroVet (Local)	Bottle	5,379	2,242	139.92	73%	61%

Though there have been decrease in capacity utilization in case of 4 products line due to marketing strategies, the overall capacity utilization has increased during the year 2017-2018.

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, 2018 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)

Square Pharma subscribed 8,000,000 shares of KSH 100 each (KHS=Kenyan Shilling) out of total issued 8,000,000 shares. Square Pharma has invested Tk. 216,263,887 as share money deposit. The Directors' Report for the year ended 30 June, 2018 of the SPL Kenya together with Audited Accounts containing Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Cash Flows and Auditors Report thereon are included herein.

INVESTMENT PORTFOLIO

The investment portfolio of long term investment and marketable securities has been detailed in Notes (3 & 4) to standalone 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. 5,381,098,073 both in majority and minority investments in ordinary shares/advance as Share Money Deposit in 16 (Sixteen) different companies are described hereunder:

Majority Investment (Subsidiary):

Square Formulations Ltd.

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.

Square Pharmaceuticals Kenya EPZ Ltd. (SPL Kenya)

Square Pharma subscribed 8,000,000 shares of Square Pharma subscribed 8,000,000 shares of KSH 100 each (KHS=Kenyan Shilling) out of total issued 8,000,000 shares. Square Pharma has invested Tk. 216,263,887 as share money deposit. The financial position and operational status are contained in the Director's Report of the Company as enclosed herewith.

Minority Investments:

Square Textiles Ltd. (STxL)

As on 30-06-2018 investment in STxL stands at Tk. 225,129,795 (at cost) for 87,082,552 ordinary shares of Tk. 10/- each including bonus shares. The market value as on 30 June, 2018 stood at Tk. 4,415,085,386.40 (at Tk. 50.70 per share). STxL is in full operation and declared cash dividend @20% and stock dividend @5% for the year 2017-18.

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. 3,831,340,521 for the year ended 30 June, 2018. The net profit for the period amounted to Tk. 317,919,597 as against Tk. 294,163,075 during the previous year.

Square Fashions Ltd. (SFL)

Square Pharma holds 252,000 shares of Tk. 100 each (48.46%) in the capital of SFL. SFL earned a Net Profit of Tk. 1,689,611,825 during the year 2017-2018 as against Tk. 1,366,753,484 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. 10,434.46 as on 30-06-2018.

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 250,002 Zero Coupon Bonds amounting to Tk. 180,052,115.00 of Lanka Bangla Finance Ltd.

IDLC Finance Limited (IDLC)

Square Pharma holds 250,000 Zero Coupon Bonds amounting to Tk. 128,946,811.00 of IDLC Finance Ltd.

Bangladesh Steels Re-Rolling Mills Ltd.

Square Pharma holds 200,000 Zero Coupon Bonds amounting to Tk. 87,695,154.00 of Bangladesh Steels Re-Rolling Mills Ltd.

Raj Lanka Power Company Ltd.

Square Pharma holds 150,000 preference shares amounting to Tk. 116,363,640.00 of Raj Lanka Power Company Ltd.

Shanta Holdings Ltd.

Square Pharma holds 5 (five) Non-Convertible Zero Coupon Bonds amounting to Tk. 127,701,118.00 of Shanta Holdings Ltd.

Durable Plastics Ltd.

Square Pharma holds 5 (five) Non-Convertible Zero Coupon Bonds amounting to Tk. 40,806,477.00 of Durable Plastics Ltd.

Flamingo Fashions Ltd.

Square Pharma holds 100,000 Non-Convertible Zero Coupon Bonds amounting to Tk. 84,596,560.00 of Flamingo Fashions Ltd.

Envoy Textiles Ltd.

Square Pharma holds 40 Non-Convertible Zero Coupon Bonds amounting to Tk. 46,898,086.00 of Envoy Textiles Ltd.

Investment in Marketable Securities

A statement of Marketable Securities at a cost of Tk. 2,480,068,125 is given in Note No. 4 of standalone accounts. The portfolio shows an unrealized capital gain of Tk. 215,730,933 as on 30 June 2018.

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.

MINORITY INTERESTS

In compliance with code 1(5) (xvi) of the codes of corporate governance, the Board hereby confirms that the interests of the minority shareholders have been duly protected in the Company.

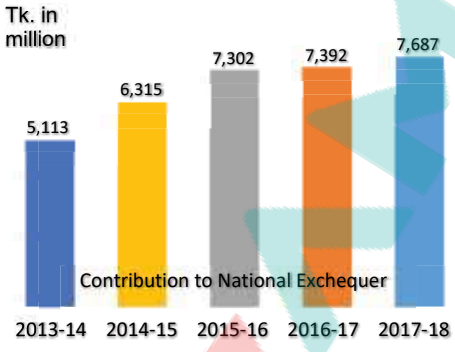
APPROPRIATION OF PROFIT

Board of Directors in its meeting held on 21st October, 2018 has recommended the appropriation of the net profit earned during the year 2017-2018 in the following manner:

		In Taka
➤ Net Profit for the year (2017-2018)		8,219,525,804
➤ Appropriation proposed:		
(i) Cash Dividend @36% (Tk. 10 per share)	2,654,607,924	
(ii) Stock Dividend @7%, face value of Stock Dividend (Bonus Share)	516,173,760	3,170,781,684
➤ Net Un Appropriate Profit		5,048,744,120

CONTRIBUTION TO NATIOANAL EXCHEQUER

The company contributed an amount of Tk. 7,687,489,973 (including Tk. 77,981,525 as contribution as duty/taxes towards machinery & spare parts imports) to National Exchequer as against Tk. 7,392,467,365 in the previous year. The contribution constitutes 25.62% of the sales revenue (net) in 2017-2018 as against 25.59% % in the previous year of 2016-2017.



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 6,252 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.

ELECTION OF DIRECTORS

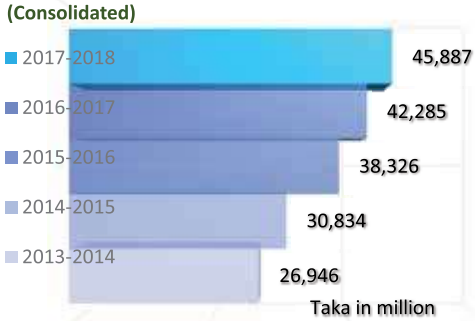
Mrs. Ratna Patra and Mr. Anjan Chowdhury retires as per Article-99 of the Articles of Association of the company and as per Article-100 of the Articles of Association of the company, being eligible, have offered themselves for re-election. Brief resume and other information of the above mentioned directors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

APPOINTMENT OF AUDITORS

The existing Auditors of the company M/s Ahmed Zaker & Co., Chartered Accountant retires at this Annual General Meeting on completion of consecutive 3 (three) years. They are not eligible for reappointment as per BSEC order.

M/s Mahfel Huq & Co., Chartered Accountant express their interest to be appointed as auditors of the Company for the year 2018-2019.

Growth of Revenue
(Consolidated)



ENVIRONMENTAL ROLE

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

AMALGAMATION OF SQUARE FORMULATION LTD. WITH SQUARE PHARMACEUTICALS LTD.

The Hon'ble High Court division of the Supreme Court of Bangladesh has sanctioned the Scheme of Amalgamation of Square Formulations Ltd with Square Pharmaceuticals Ltd. on 29th October, 2018.

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

The Hon'ble High Court division of the Supreme Court of Bangladesh has sanctioned the Scheme of Amalgamation of Square Herbal and Neutraceuticals Ltd. with Square Pharmaceuticals Ltd. on 29th October, 2018.

CORPORATE GOVERNANCE COMPLIANCE REPORT

In accordance with the requirement of the Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018, a statement in pursuance to clause 1(5), Resume of the Directors who shall be reappointed, Audit Committee Report as per clause 5(7), Certificate from the CEO and CFO to the Board, Certificate on compliance of conditions of CGC and Status of Compliance is depicted in the Annexure -I, II, III, IV, V and VI respectively.

MANAGEMENT APPRECIATION

The Board of Directors record with deep appreciation the contribution made and support & co-operation given by the Officers, Staff, Workers, Customers, Creditors, Banks, Insurance Companies, Utility Providers, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange, Chittagong Stock Exchange, Central Depository Bangladesh Ltd. 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.

The Directors also report that:

- 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.
- Remuneration of Directors including Independent Director have been shown in Note No. 19 in the Notes of standalone Account.
- Key operating and financial data of last 5 (five) years have been presented in summarized form in page no. 14.

- Total Board Meeting and Attendance during the year 2017-2018 by each Director:

Name of the Directors	Position	Meeting held	Attended
Mr. Samuel S Chowdhury	Chairman	13	13
Mrs. Ratna Patra	Vice Chairman	13	13
Mr. Tapan Chowdhury	Managing Director	13	13
Mr. Anjan Chowdhury	Director	13	13
Mr. Kazi Iqbal Harun	Director	13	12
Mr. M Sekander Ali	Independent Director	13	*10
Mrs. Nihad Kabir	Independent Director	13	13
Mr. Syed Afzal Hasan Uddin	Independent Director	13	**2

* Relieved on 29th April, 2018 ** Appointed on 29th April, 2018

- The pattern of shareholding as on 30 June 2018 are as follows:

Name of the Shareholders	Status	Shares held	%
i. Parent or Subsidiary or Associated Companies and other related parties.		-	-
ii. Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children:			
Mr. Samuel S Chowdhury	Chairman	52,081,919	7.06
Mrs. Ratna Patra	Vice Chairman	49,915,754	6.77
Mr. Tapan Chowdhury	Managing Director	53,215,870	7.22
Mr. Anjan Chowdhury	Director	53,889,682	7.31
Mr. Kazi Iqbal Harun	Director	44,762,124	6.07
Mrs. Nihad Kabir	Independent Director	-	-
Mr. Syed Afzal Hasan Uddin	Independent Director	-	-
Mr. Md. Kabir Reza	Chief Financial Officer	9362	0.0013
Mr. Khandaker Habibuzzaman	Company Secretary	383	-
Mrs. Nasrin Akter	Head of Internal Audit	-	-
Mrs. Bula Chowdhury	W/o Tapan Chowdhury	18,57,852	0.25
Mr. Charles C R Patra	H/o Mrs. Ratna Patra	18,60,493	0.25
iii. Executives:			
Mr. Muhammadul Haque	Executive Director, Marketing	25,025	0.0034
Mr. Md. Mizanur Rahman	Executive Director, Operations	-	-
Mr. Muhammad Zahangir Alam	Director, A&F	8,000	0.0012
Mr. M Nawabur Rahman	Director, Technical Operation	-	-
Mr. Anjan Kumar Paul	Head of HR	1,13,076	0.015
vi. Shareholders Holding 10% or more voting interest in the company.		-	-

Directors Profile

Who are seeking re-appointment

Re-appointment of Directors

Mrs. Ratna Patra is a Director of Square Pharmaceuticals Ltd. since 2007 and has been appointed as Vice Chairman in this year of 2012. She is the daughter of late Samson H Chowdhury, Founder Chairman of the Company. She graduated from Dhaka University and has a business experience of more than 12 years in the pharmaceuticals and textiles sector. Mrs. Ratna Patra is a sponsor director of Square Textiles Ltd. (Listed Company) designated as Vice Chairman. She is also Director in 18 other Private Limited Company namely Square Hospitals Limited, Square Toiletries Limited, Square Food & Beverage Ltd., Square Securities Management Ltd. and Maasranga Television under the Square Group.



Mr. Anjan Chowdhury is a Director of Square Pharmaceuticals Ltd. since 1991, son of late Samson H Chowdhury, Founder Chairman of the Company. He obtained Bachelor's degree in Business Administration from the University of South Florida, USA and has a rich experience of more than 23 years in the pharmaceuticals, textiles, toiletries, media & communication sector including capital market operations. He has been awarded several times as a highest individual Taxpayer in the Country.



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

Beside holding directorship of 27 companies under Square Group, Mr. Anjan Chowdhury is a Director of Mutual Trust Bank Ltd., Trustee Member of the Education, Science, Technology and Cultural Development Trust of the Independent University of Bangladesh, Founder Member and current Chairman of The Society for the Promotion of Bangladeshi Art and Director of Bangladesh Business Publications Limited, publishing company of the bi-monthly Business Bangladesh Magazine.

He is also a member of the Audit Committee of the Company and Square Textiles Limited.

Mr. Chowdhury participated in a good number of professional trainings and workshops held in USA, Canada, Europe, Australia and Asia.

Appointment of Independent Director

Syed Afzal Hasan Uddin, Barrister-at-Law is an Advocate of Supreme Court of Bangladesh and the Managing Partner of Syed Ishtiaq Ahmed & Associates, a firm of legal consultants and practitioners in Bangladesh. He is the legal advisor of several leading national, multinational and foreign organizations in various sectors in Bangladesh and is also involved in rendering services to different business & also renowned social and development organizations.



Mr. Afzal Hasan is a Member of the Board of Directors of AB Bank Ltd, Independent Directors of Square Textiles Ltd., Director of 8 (eight) other private limited company under Managewell Group and also on the Board of a well-known non-government organization.

Mr. Afzal has been appointed as Independent Director by the Board of Directors of Square Pharmaceuticals Limited on 29th April, 2018.

Audit Committee Report

For the year 2017-2018

Square Pharmaceuticals Ltd. having an Audit Committee as a sub-committee 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. Syed Afzal Hasan Uddin, Independent Director	- Chairman
Mr. Anjan Chowdhury, Director	- Member
Mr. Kazi Iqbal Harun, Director	- Member
Mr. Khandaker Habibuzzaman, Company Secretary	- Secretary

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.

Syed Afzal Hasan Uddin
Chairman
Audit Committee

11th October, 2018

Square Pharmaceuticals Ltd.

Declaration by CEO and CFO

Under Condition # 1(5)(xxvi) of CGC

The Board of Directors
Square Pharmaceuticals Ltd.
Square Centre, 48 Mohakhali C.A.
Dhaka.

Date: 10 October, 2018

Subject: Declaration on Financial Statements for the year ended on 30th June, 2018.

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006 -158/207/Admin/80 Dated 3 June, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of Square Pharmaceuticals Ltd. for the year ended on 30th June, 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

(i) We have reviewed the financial statements for the year ended on 30th June, 2018 and that to the best of our knowledge and belief:

   (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Tapan Chowdhury
Managing Director

Md. Kabir Reza
Chief Financial Officer

Square Pharmaceuticals Ltd.

Certificate of Compliance

Under Condition # 1(5)(xxvii) of CGC

**Report to the Shareholders of Square Pharmaceuticals Ltd.
on compliance on the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by Square Pharmaceuticals Ltd. for the year ended on 30th June, 2018. This Code relates to the Notification No. BSEC/ CMRRCD/2006 -158/207/Admin/80 Dated 3 June, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

(a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission or not complied (if not complied, specify non-compliances);

(b) The company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

(c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws and

(d) The governance of the company is satisfactory.

Place : Dhaka
Dated : 10 October, 2018

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

Status of Compliance

Under condition No. 1(5)(xxvii) of CGC

Condition No.	Title	Compliance Status		Remarks (If any)
		Compiled	Not Compiled	
1.00	**Board of Directors**			
1.(1)	Board Size (minimum - 5 and maximum - 20)	√		
1.(2)	**Independent Director**			
1.2.(a)	1/5th of total as Independent Director (ID)	√		
1.2 (b) (i)	Does not hold any share of less than 1% shares in the Company	√		
1.2(b) (ii)	Not a Sponsor of the Company	√		
1.2 (b)(iii)	Who has not been an executive of the company	√		
1.2 (b)(iv)	Does not have other relationship	√		
1.2 (b)(v)	Not a Member or TREC, Director or Officer of any Stock Exchange	√		
1.2 (b)(vi)	Not a Shareholder/Director/Officer of any Member/TREC holder of Stock Exch.	√		
1.2 (b)(vii)	Not a partner or an Executive or was not a partner or an Executive during the preceding 3 (Three) years of the concerned Company's statutory audit firm.	√		
1.2 (b)(viii)	Not an Independent Director in more than five listed Companies.	√		
1.2 (b)(ix)	Not Convicted by a court of competent jurisdiction as a defaulter in payment of any loan/advance to a Bank or a Non-Bank Financial Institution.	√		
1.2 (b)(x)	Not convicted for a Criminal Offence	√		
1.2 (c)	Appointed by the Board and approved by the shareholders in AGM.	√		
1.2 (d)	Post cannot remain vacant more than 90 days.	√		
1.2 (e)	Tenure of the Independent Director.	√		
1.3	**Qualification of Independent Director**			
1.3(a)	Independent Director shall be a knowledgeable individual.	√		
1.3(b)(i)	Business Leader who is or was a promoter or director of an unlisted company.	√		
1.(3)(b)(ii)	Should be a Corporate Leader/Business Leader.	√		
1(3)(b)(iii)	Former official of government.	√		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law.	√		
1(3)(b)(v)	Professional Chartered Accountant/ Secretary or equivalent qualification.	√		
1 (3) (c)	The independent director shall have at least 10(ten) years of experiences.	√		
1 (3) (d)	Relaxation in special cases.			N/A
1(4)	**Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer**			
1(4)(a)	The posts of Chairperson of the board and CEO are different individuals.	√		
1(4)(b)	MD and/or CEO of a listed Company shall not hold the same position in another listed Company.		√	Under process
1(4)(c)	The Chairperson shall be elected form among the non-executive directors.		√	Under process
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or CEO.	√		
1(4)(e)	In absence of Chairperson of the Board etc.	√		
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 including internal and external risk factor.	√		
1(5)(iv)	Discussion on Cost of Goods sold Gross profit Margin and Net Profit Margin.	√		
1(5)(v)	Discussion on continuity of any extraordinary activities and implications.	√		
1(5)(vi)	Detailed discussion and statement on related party transactions.	√		
1(5)(vii)	Utilization of proceeds from public/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, etc.			N/A
1(5)(ix)	Explanation by the Management if significant variance occurs between Quarterly Financial Performance and Annual Financial Statements.			N/A
1(5)(x)	Remuneration to Directors including Independent Director.	√		
1(5)(xi)	Statement that financial statements prepared by the management of the issuer present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	√		
1(5)(xii)	Proper books of account of the issuer company have been maintained.	√		
1(5)(xiii)	Appropriate accounting policies have been consistently applied in preparation to the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		
1(5)(xiv)	International Accounting Statement (IAS) Bangladesh Accounting Standard (BAS) /International Financial Reporting standard (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	√		
1(5)(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.	√		

Condition No.	Title	Compliance Status		Remarks (If any)
		Compiled	Not Compiled	
1(5)(xviii)	Significant deviations from the last year's operation results of the issuer company shall be highlighted and the reasons there of should be explained.	√		
1(5)(xix)	Key operating and financial data of at least preceding 5 (Five) years shall be summarized.	√		
1(5)(xx)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons there of shall be given.			N/A
1(5)(xxi)	Board's statement to the effect that no bonus shares or stock dividend paid as interim dividend.			N/A
1(5)(xxii)	The number of Board meetings held during the year and attendance by each Director shall be disclosed.	√		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate (name wise details).	√		
1(5)(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details).	√		
1(5)(xxiii)(b)	Directors, CEO, Company Secretary, CFO, HIAC and their spouses and minor children (name wise details).	√		
1(5)(xxiii)(c)	Executives	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		
1(5)(xxiv)(a)	A brief resume of the director in case of appointment or reappointment.	√		
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas.	√		
1(5)(xxiv)(c)	Names of the companies in which the person also holds the directorship and	√		
1(5)(xxv)	**Management discussion and analysis signed by CEO/MD presenting detail analysis of the company's position and**			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements.		√	Under process
1(5)(xxv()b)	Changes in accounting policies and estimation as well as cash flows on absolute figure for such changes		√	Under process
1(5)(xxv(c)	Comparative analysis and financial position as well as cash flew for current financial year with immediate preceding five years explaining reasons		√	Under process
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario.		√	Under process
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and		√	Under process
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements.		√	Under process
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation shall be explained to the shareholders in the next AGM		√	Under process
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(30) shall be disclosed as per Annexure-A	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed	√		
1(6)	**Meeting of the Board of Directors**			
1(6)	Compliance under Bangladesh Secretarial Standards (BSS).	√		
1(7)	**Code of Conduct for the Chairperson, other Board members and Chief Executive Officer**			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee(NRC)		√	Under process
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior…..		√	Under process
2	**Governance of Board of Directors of Subsidiary Company**			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary.	√		
2(b)	Independent Director of holding company also in the subsidiary company.	√		
2(c)	Minutes of subsidiary to be placed in the meeting of holding company.	√		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company.	√		
2(e)	The Audit Committee of the holding company shall also review the financial statements in particular the investments made by the subsidiary company.	√		
3	**Managing Director (MD) or Chief Executive Officer, Chief Financial Officer (CFO), Head of Internal Audit and**			
3.1	**Appointment**			
3(1)(a)	Board shall appoint a MD or CEO, Company Secretary, CFO, and HIAC.	√		
3(1)(b)	The positions of the MD,CEO,CS,CFO & HIAC shall be filled by different individuals.	√		
3(1)(c)	The MD or CEO, CS, CFO, and HIAC of a listed company shall not hold any executive position in any other company at the same time.		√	Under process
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS.	√		
3(1)(e)	MD or CEO, CS, CFO, and HIAC shall not be removed from their position without approval of the Board and be disseminated to the commission and exchange.	√		
3.2	**Requirement to attend Board of Directors' Meetings**			
3 (2)	MD or CEO,CS,CFO and HIAC shall attend the meetings of the Board.	√		
3.3	**Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)**			
3(3)(a)(i)	The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	√		
3(3)(a)(ii)	The statements together present a true and fair view of the company's affairs and are in compliance	√		
3(3)(b)	The MD or CEO and CFO to certify on due diligence in the Report.	√		

Condition No.	Title	Compliance Status		Remarks (If any)
		Compiled	Not Compiled	
3(3)(c)	The certification of the MD/CEO and CFO shall be disclosed in the Annual Report.	√		
4	**Board of Directors' Committee**			
4 (i)	Audit Committee	√		
4 (ii)	Nomination and Remuneration Committee			Under process
5	**Audit Committee**			
5.1	**Responsibility to the Board of Directors**			
5(1) (a)	Company shall have an Audit Committee as a sub-committee of the Board.	√		
5(1) (b)	Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company.	√		
5(1) (c)	Audit Committee shall report on its activities to the Board of Directors.	√		
5.2	**Constitution of the Audit committee**			
5(2) (a)	The Audit Committee shall be composed of at least 3 (three) members.	√		
5(2) (b)	Board shall appoint members of the Audit Committee who shall be non-executive director.		√	Under process
5(2) (c)	All members of the Audit Committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial.	√		
5(2) (d)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold ….	√		
5(2) (e)	The Company Secretary shall act as the Secretary of the Audit Committee	√		
5(2)(f)	Quorum of Audit Committee meeting, at least One independent director.	√		
5.3	**Chairperson of the Audit Committee**			
5(3)(a)	The Board shall select Chairperson of the Audit Committee who will be ID.	√		
5(3)(b)	Absence of the Chairperson of the Audit Committee members to elect one.	√		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the AGM.	√		
5.4	**Meeting of the Audit Committee**			
5(4)(a)	The Audit Committee shall conduct at least 4 meetings in a financial year.	√		
5(4)(b)	Quorum of Audit Committee, presence of 2 or 2/3 members whichever is higher.	√		
5.5	**Role of Audit Committee**			
5(5)(a)	Oversee the financial reporting process.	√		
5(5)(b)	Monitor choice of accounting policies and principles.	√		
5(5)(c)	Internal Audit and Compliance process to ensure that it is adequately resourced.	√		
5(5)(d)	Performance of external auditors.	√		
5(5)(e)	Hold meeting with the auditors, review the annual financial statements before submission to the Board for approval or adoption.	√		
5(5)(f)	Review with the management, the annual financial statements before submission to the Board for approval.	√		
5(5)(g)	Review with the management, the Quarterly and half yearly financial statements before submission to the Board for approval.	√		
5(5)(h)	The review adequacy of internal audit function.	√		
5(5)(i)	Review the management's discussion and analysis before disclosing in the Annual Report.		√	Under Process
5(5)(j)	Review statement of all related party transactions submitted by the Mgt.	√		
5(5)(k)	Review management letters or letter of Internal Control weakness issued by statutory auditors.	√		
5(5)(l)	Oversee determination of audit fees based on scope and magnitude.	√		
5(5)(m)	Oversee whether IPO proceeds utilized as per the published Prospectus.			N/A
5.6	**Reporting of the Audit Committee**			
5.6 (a)	**Reporting to the Board of Directors**			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5(6)(a)(ii)(a)	Report on conflicts of interests.	√		
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process.	√		
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliance including securities related laws, relies and regulation.	√		
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.	√		
5.6 (b)	**Reporting to the Authorities**			
5.7	**Reporting to the Shareholders and General Investors**			
5(7)	Reporting to the Shareholders and General Investors	√		
6	**Nomination and Remuneration Committee (NRC)**			
6.1	**Responsibility to the Board of Directors**			
6(1)(a)	The company shall have a NRC as a sub-committee of the Board.		√	Under process
6(1)(b)	NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications		√	Under process
6(1)(c)	The Terms of Reference of the NRC shall be clearly set forth in writing.		√	Under process
6.2	**Constitution of the NRC**			
6(2)(a)	The Committee shall comprise of at least three members including an ID.		√	Under process
6(2)(b)	All members of the Committee shall be non-executive directors.		√	Under process
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board.		√	Under process

Condition No.	Title	Compliance Status		Remarks (If any)
		Compiled	Not Compiled	
6(2)(d)	Board have authority to remove and appoint any member of the committee.		√	Under process
6(2)(e)	Board shall fill the vacancy within 180 days of such vacancy in the Committee.		√	Under process
6(2)(f)	The Chairperson of the Committee may appoint/co-opt any external expert.		√	Under process
6(2)(g)	The company secretary shall act as the secretary of the committee.		√	Under process
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director.		√	Under process
6(2)(i)	No member of the NRC shall receive any remuneration/advisory, other than Director's fees or honorarium form the company.		√	Under process
6.3	**Chairperson of the NRC**			
6(3)(a)	Board shall select 1 member of the NRC to be Chairperson of the Committee		√	Under process
6(3)(b)	Absence of chairperson, the remaining members may elect one of them.		√	Under process
6(3)(c)	Chairperson of the NRC shall attend the AGM.		√	Under process
6.4	**Meeting of the NRC**			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year.		√	Under process
6(4)(b)	The Chairperson of the NRC, may convene any emergency meeting.		√	Under process
6(4)(c)	Quorum of NRC meeting, presence of 2 or 2/3 members whichever is higher.		√	Under process
6(4)(d)	Proceedings of NRC meeting shall be recorded in the minutes and such minutes shall be confirmed in the next meeting.		√	Under process
6.5	**Role of NRC**			
6(5)(a)	NRC shall be independent and responsible/accountable to the Board and to the shareholders.		√	Under process
6(5)(b)(i)(a)	Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully.		√	Under process
6(5)(b)(i)(b)	Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.		√	Under process
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long term performance.		√	Under process
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, experience etc.		√	Under process
6(5)(b)(iii)	Identifying persons who are qualified the criteria laid down and recommend their appointment and removal to the Board.		√	Under process
6(5)(b)(iv)	Formulating criteria for evaluation of performance of independent directors and the Board.		√	Under process
6(5)(b)(v)	Identifying company's needs for employees at different levels and determine their selection, transfer or replacement.		√	Under process
6(5)(b)(vi)	Developing recommending and reviewing annually the company's human resources and training policies.		√	Under process
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC at a glance in its annual report.		√	Under process
7	**External or Statutory Auditors**			
7(1)	Issuer company shall not engage its external auditors to perform the following:			
7(1)(i)	Appraisal or valuation services or fairness opinions.	√		
7(1)(ii)	Financial information systems design and implementation.	√		
7(1)(iii)	Book keeping or other service related to the account ion records.	√		
7(1)(iv)	Broker–dealer services	√		
7(1)(v)	Actuarial services	√		
7(1)(vi)	Internal/special audit services.	√		
7(1)(vii)	Any services that the Audit Committee may determine.	√		
7(1)(viii)	Certification services on compliance of corporate governance.	√		
7(1)(ix)	Any other service that may create conflict of interest.	√		
7(2)	No partner or employees of the External/Statutory Auditors audit firms shall possess any share of the company they audit at least during the tenure.	√		
7(3)	Representative of External Auditors shall remain present in the AGM.	√		
8	**Maintaining a website by the company**			
8(1)	The company shall have an official website linked with that of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchanges.	√		
9	**Reporting and Compliance of Corporate Governance**			
9(1)	The company shall obtain a certificate from a practicing professional firm on yearly basis regarding compliance of conditions of Corporate.	√		
9(2)	The professional who will provide the certificate on compliance of Corporate Governance shall be appointed by the Shareholders in the AGM.		√	Under process
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors report whether the company has complied with these conditions.	√		

পরিচালনা পর্ষদের প্রতিবেদন

২০১৭–২০১৮

পরিচালনা পর্ষদ আনন্দের সাথে কোম্পানী আইন ১৯৯৪ এর ১৮৪ নং পরিচ্ছেদ, সিকিউরিটিজ এন্ড এক্সচেঞ্জ রুলস্ ১৯৮৭ এর ১২নং বিধির (এবং তফসিল অনুযায়ী) শর্তানুসারে, ৩রা জুন, ২০১৮ তারিখে বি.এস.ই.সি এর নোটিফিকেশন, দি ইনষ্টিটিউট অব চার্টার্ড একাউন্ট্যান্টস্ অব বাংলাদেশ কর্তৃক গৃহীত আইএএস-১ (আন্তর্জাতিক হিসাব মানদন্ড-১) এবং অর্থআইন ২০১৬ অনুসারে ৩০ জুন ২০১৮ 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 ৩৪,৫৭৩.৩৯ মিলিয়ন টাকা, বিগত বছরে ছিল ৩৩,২৯৯.৬৭ মিলিয়ন টাকা যা বিগত বছরের তুলনায় ৩.৮৩% বেশি।

৫.৪৮% বৃদ্ধির মাধ্যমে কোম্পানি একক ভাবে ৮,২১৯.৫৩ মিলিয়ন টাকা কর পরবর্তি মুনাফা করেছে, যা বিগত বছরে ছিল ৭,৭৯২.৫০ মিলিয়ন টাকা। শেয়ার প্রতি আয় (ইপিএস) ১০.৫৭ টাকা থেকে বেড়ে ১১.১৫ টাকা হয়েছে।

আলোচ্য বছরে কোম্পানির সমন্বিত মোট বিক্রয় ছিল ৪৫,৮৮৬.৯৬ মিলিয়ন টাকা, বিগত বছরে ছিল ৪২,২৮৪.৬৮ মিলিয়ন যা বিগত বছরের তুলনায় ৮.৫২% বেশি।

৯% বৃদ্ধির মাধ্যমে কোম্পানির সমন্বিত কর পরবর্তি মুনাফা হয়েছে ১১,৬০৬.১৯ মিলিয়ন টাকা। বিগত বছরে ছিল ১০,৯৭৭.৫৭ মিলিয়ন। শেয়ার প্রতি আয় (ইপিএস) ১৫.৭২ টাকা যা বিগত বছরে ১৪.৪৩ টাকা ছিল।

কার্যকরী কর্মক্ষমতা, আর্থিক এবং মুনাফা অর্জনে ক্রমাগত বৃদ্ধি কোম্পানিকে কয়েক দশক ধরে ঔষধ শিল্পের শীর্ষস্থানীয় অবস্থানে রাখতে সক্ষম করেছে।

ফার্মা প্লান্টস

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

মিলিয়ন টাকায়

সম্পদের বিবরণ	২০১৭-২০১৮	২০১৬-২০১৭
জমি	৭৪৩.২৮	৪৭৯.১২
ভবন	১৭৫.১৭	৩৮৫.৫৫
প্ল্যান্ট এবং যন্ত্রপাতি	৯২১.১৮	৪৪৯.০৩
গবেষণার যন্ত্রপাতি	২০২.৭৪	২০৪.৮০
অন্যান্য যন্ত্রপাতি/সম্পদ	১৪৩.৬১	১৮২.২৬
মোট টাকা-	২,১৮৫.৯৮	১,৭০০.৭৬

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

পরিমাণ– হাজার

	ট্যাবলেট	ক্যাপসুল
	প্রতিটি	প্রতিটি
উৎপাদন ক্ষমতা	৭,৮৮৭,৪৭৩	১,২০৫,০৯০
প্রকৃত উৎপাদন:		
২০১৭–২০১৮	৪,৬০০,৬৫৮	৫১১,৯৬৬
২০১৬–২০১৭	৪৯,২৫,২০৭	৫০২,১৭৩
উৎপাদন ক্ষমতার ব্যবহার:		
২০১৭–২০১৮	৫৮%	৪২%
২০১৬–২০১৭	৪৮%	৪০%

কেমিক্যাল প্লান্ট

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

বিবরণ	২০১৭-১৮	২০১৬-১৭
পণ্যের সংখ্যা	২২	২২
উৎপাদনের পরিমাণ (মেঃ টন)	৭৬১	৬২৭
নিজস্ব ব্যবহার (মেঃ টন)	২৯১.৩৩	২৬৫.১৭
বিক্রয় (মেঃ টন)	৪৭০.৭৬	৩৭৯.৮৩
নিজস্ব ব্যবহার (%)	৩৮.২৮	৪২.২৯
বাৎসরিক বিক্রয় (মিলিয়ন	৫১১.৮০	৪২০.৪০

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 ১,৪৫০.৫৩ মিলিয়ন টাকা যেখানে গত বছর ছিল ১,৩৮৬.৮৩ মিলিয়ন টাকা যা বিগত বছরের তুলনায় ৪.৫৯ 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।

সরকার কোম্পানিকে বৃহত্তম ফার্মাসিউটিক্যালস পণ্য রপ্তানিকারক হিসাবে ২০১৫-২০১৬ সালের জন্য গোল্ড রপ্তানি ট্রফি প্রদান করেছে।

সেক্টরাল বৃদ্ধি

ফার্মাসিউটিক্যাল সেক্টর স্থানীয় বাজারের মোট ঔষধের চাহিদা প্রায় ৯৮% সরবরাহ করে এবং ১২৫টিরও বেশি দেশে রপ্তানি করে।

ফার্মাসিউটিক্যাল সেক্টরটি ২০১৮ সালের ৭.৭১% প্রবৃদ্ধি হয়েছে, তবে গত বছরে ১০.৯৪% ছিল। ২০১৪ থেকে ২০১৮ সাল পর্যন্ত জাতীয় বাজার প্রবৃদ্ধির হারের যৌগিক প্রবৃদ্ধি হার (সিএজিআর) এবং কোম্পানির প্রবৃদ্ধির হার আইএমএস প্লাস (ম্যাট), ৪কিউ ২০১৮ এর প্রতিবেদন অনুসারে যথাক্রমে ১৫.৬৩% এবং ১২.৮৫% ছিল।

নতুন গবেষণা অনুযায়ী, বাংলাদেশের ফার্মাসিউটিক্যাল সেক্টরটি আগামি পাঁচ বছরের স্থানীয় বাজারে পাশাপাশি নতুন রপ্তানি ১৫ শতাংশ বৃদ্ধির সম্ভাবনা রয়েছে।

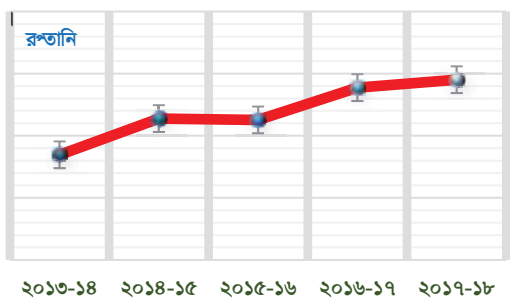
২০১৭-২০১৮ অর্থবছরে দেশের অর্থনীতি প্রবৃদ্ধি শতকরা ৭.৬৫% বৃদ্ধি পেয়েছে। উল্লেখিত বৃদ্ধি প্রবণতা এই সেক্টরে পূনরায় বিনিয়োগের সুযোগ সৃষ্টির মাধ্যমে বিস্তৃত করার ইতিবাচক ইঙ্গিত প্রদান করেছে।

ঝুঁকি এবং উদ্বেগ

দীর্ঘ পরিসীমা পরিকল্পনা অনুপস্থিতি, অপর্যাপ্ত বিনিয়োগ নীতি কৌশল, পরিবর্তনশীল রাজস্ব এবং আর্থিক নীতি, পণ্য মূল্য নীতি, আন্তর্জাতিক বাণিজ্য বাধা, আর্থ-সামাজিক অচলবস্থা পরিস্থিতি এই অঞ্চলে গবেষণা ও উন্নয়ন বৃদ্ধির উপর প্রতিক্রিয়াশীল প্রভাব চাপিয়ে দেয়।

রিলেটেড পার্টি লেনদেন

কোম্পানি বিভিন্ন রিলেটেড পার্টি লেনদেন করেছে, এর বিস্তারিত একক হিসেবের নোট নং ৩৬ এ দেওয়া হয়েছে।



আর্থিক ফলাফল

পূর্ববর্তী বছরের সাথে তুলনা করে ৩০শে জুন ২০১৮ বছররর আর্থিক ফলাফল নিম্নে উপস্থাপন করা হলো:

বিবরণ	২০১৭-২০১৮ (টাকায়)	২০১৬-২০১৭ (টাকায়)	⇧⇩ %
মোট বিক্রয়	৩৪,৫৭৩,৩৯০,৮০৯	৩৩,২৯৯,৬৭২,১২১	৩.৮৩%
নীট বিক্রয়	৩০,০০৪,৯৭৪,৮৯১	২৮,৮৮৫,৯৩৯,০৫১	৩.৮৭%
মোট মুনাফ	১৫,৫৯৮,৬০৮,৮০৩	১৪,০৬১,৫৮৬,৫৩৬	৫.২২%
নীট মুনাফা (করপূর্ব)	১৪,৪০৬,৩৬৬,০৮৮	১০,৩৬৬,৮৫৬,৮১০	২.৪৫%
আয়কর সঞ্চিতি	১০,৮২৫,০৫৪,৭২৭	২,৫১৪,৪৮০,৭৬৭	৪.৪২%
নীট মুনাফা (কর পরবর্তী)	২,৫৩৪,৫৬২,৪১৯	৭,৭৯২,৪৯৭,৫১৩	০.৮০%
মোট আয়ের হার	৪৮.০১%	৪৮.৬৮%	-১.৩৮%
নীট আয়ের হার (কর পূর্ব)	৩৬.০৮%	৩৫.৮৯%	০.৫৩%
নীট আয়ের হার (কর পরবর্তী)	২৭.৩৯%	২৬.৯৮%	১.৫২%
শেয়ার প্রতি আয় (টাকা)	১১.১৫	১০.৫৭	৫.৪৯%
শেয়ার প্রতি আয় (আইপিও পরিশোধিত মূলধন অনুসারে)	৮২১.৯৫	৭৭৯.২৪	৫.৪৮%
একত্রীকৃত প্রতিটি শেয়ারের আয় (টাকা)	১৫.৭২	১৪.৪৩	৮.৯৪%

গত বছররর তুলনায় ২০১৭-২০১৮ অর্থবছরে গ্রস রেভিনিউ, নীট মুনাফা (আয়কর পূর্ববর্তী) এবং নীট মুনাফা (আয়কর পরবর্তী) ৩.৮৩%, ৪.৪২% এবং ৫.৪৮% বৃদ্ধি পেয়েছে। গত বছররর তুলনায় পণ্যদ্রব্যের ব্যয় বেড়েছে ৫.২২% যা কাঁচা মাল এবং প্যাকিং উপ ররণর ক্রয়মূল্য বৃদ্ধির ফরল গ্রস মুনাফা মার্জিন ১.৩৮% হ্রাস পেয়েছে। তরব, কোম্পানি ৩,৬৪৪.২৬ মিলিয়ন টাকা অতিরিক্ত আয় করেছে। (স্বতন্ত্র হিসাবের নোট নম্বর ২১ এ বর্ণিত)। ফলে গত বছররর তুলনায় নীট মুনাফা মার্জিন ১.৫২% বৃদ্ধি পেয়েছে।

প্রতিটি ১০ টাকা মূল্যমানের ৭৩৭,৩৯১,০৯০টি শেয়ারের উপর ভিত্তি করে শেয়ার প্রতি আয় (ইপিএস) হয়েছে ১১.১৫ টাকা, পূর্ববর্তী বছরের চেয়ে ৫.৪৯ ভাগ বৃদ্ধি হয়েছে এবং সমন্বিত ইনপএস৮.৯৪% বৃদ্ধি পেয়েছে। ২০১৭-২০১৮ অর্থবছরে ইপিএস হয়েছে ১৫.৭২ টাকা যা ২০১৬-২০১৭ অর্থবছরে ১৫.৫১ ছিল।

অসাধারণ কার্যক্রম

কোম্পানীটি কোনও অসাধারণ কার্যক্রম গ্রহণ করেনি বা চালিয়ে যায়নি এবং এই ধরনের কার্যক্রম থেকে কোনও প্রকার ক্ষতি বা লাভও করেনি।

সাবসিডিয়ারি প্রতিষ্ঠানের কার্যক্রম

স্কয়ার ফর্মুলেশনস্ লিঃ

স্কয়ার ফার্মা প্রতিটি ১০০ টাকা মূল্যমানের ১,০০০,০০০ টি শেয়ারের মধ্যে ৯৯৫০,০০০ টি শেয়ারের মালিক। এ ছাড়া স্কয়ার ফার্মা ২,০০০,০০০,০০০ টাকা শেয়ার মানি ডিপোজিট হিসাবে অর্থ প্রদান করেছে। ৩০শে জুন ২০১৮ বছরের আর্থিক অবস্থার বিবরণী, সমন্বিত আয়ের বিবরণী মূলধনী পরিবর্তনের, নগদ তহবিল প্রবাহ এবং নিরীক্ষকের প্রতিবেদনসহ পরিচালনা পর্ষদের প্রতিবেদনের সাথে সন্নিবেশিত করা হয়েছে।

স্কয়ার ফার্মাসিউটিক্যালস কেনিয়া ইপিজেড লিঃ। (এসপিএল কেনিয়া)

স্কয়ার ফার্মা প্রতিটি ১০০ কেনিয়া সিলিং মূল্যমানের ৮,০০০,০০০ টি শেয়ারের মধ্যে ৮,০০০,০০০ টি শেয়ারের মালিক। এ ছাড়া স্কয়ার ফার্মা ২১৬,২৬৩,৮৮৭ টাকা শেয়ার মানি ডিপোজিট হিসাবে অর্থ প্রদান করেছে। ৩০শে জুন ২০১৮ বছররর আর্থিক অবস্থার বিবরণী, সমন্বিত আয়ের বিবরণী মূলধনী পরিবর্তনের, নগদ তহবিল প্রবাহ এবং নিরীক্ষকের প্রতিবেদনসহ পরিচালনা পর্ষদের প্রতিবেদনের সাথে সন্নিবেশিত করা হয়েছে।

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 ৫,৩৮১,০৯৮,০৭৩ টাকার ক্ষুদ্র ও বৃহৎ বিনিয়োগ ১৬টি বিভিন্ন কোম্পানীর সাধারণ শেয়ার/শেয়ার মানি ডিপোজিট অগ্রিম হিসাবে বিনিয়োগ করা হয়েছে যার বিবরণ নিম্নে উপস্থাপন করা হলো:

মেজোরিটি বিনিয়োগ (সাবসিডিয়ারি)

স্কয়ার ফর্মুলেশনস্ লিঃ

স্কয়ার ফার্মা 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।

স্কয়ার ফার্মাসিউটিক্যালস কেনিয়া ইপিজেড লিঃ। (এসপিএল কেনিয়া)

স্কয়ার ফার্মা প্রতিটি ১০০ কেনিয়া সিলিং মূল্যমানের ৮,০০০,০০০ টি শেয়ারের মধ্যে ৮,০০০,০০০ টি শেয়ারের মালিক। এ ছাড়া স্কয়ার ফার্মা ২১৬,২৬৩,৮৮৭ টাকা শেয়ার মানি ডিপোজিট হিসাবে অর্থ প্রদান করেছে। পরিচালনা পর্ষদের প্রতিবেদনের সাথে আর্থিক বিবরণী সংযুক্ত করা হলো।

মাইনরিটি বিনিয়োগ

স্কয়ার টেক্সটাইলস্ লিঃ

৩০-০৬-২০১৮ তারিখে ১০ টাকা অভিহিত মূল্যের ৮৭,০৮২,৫৫২ টি শেয়ারের বিপরীতে (ব্যয় হিসাব অনুযায়ী) ২২৫,১২৯,৭৯৫ টাকা বিনিয়োগ করা হয়েছে। ৩০ জুন ২০১৮ তারিখে উক্ত শেয়ারের বাজার মূল্য ছিল ৪,৪১৫,০৮৫,৩৮৬.৪০ টাকা (প্রতিটি শেয়ার ৫০.৭০ হিসাবে)। কোম্পানীটি পূরোদমে উৎপাদন কার্যক্রমে সক্রিয় আছে। ২০১৭-১৮ 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 ১.৫৪ 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 ২০১৮ সালের ৩০শে জুন সমাপ্ত বছরে মোট ব্যবসা করেছে ৩,৮৩১,৩৪০,৫২১ টাকা এবং নীট মুনাফা হয়েছে ৩১৭,৯১৯,৫৯৭ টাকা, পূর্ববর্তী বছরে নীট মূনাফার পরিমাণ ছিল ২৯৪,১৬৩,০৭৫ টাকা।

স্কয়ার ফ্যাশনস্ লিঃ

স্কয়ার ফার্মাসিউটিক্যাল্স লিঃ প্রতিটি ১০০ টাকা মূল্যমানের ২৫২,০০০ টি শেয়ারের (৪৮.৪৬%) মালিক । স্কয়ার ফ্যাশনস ২০১৭-১৮ আর্থিক বছরে নীট মূনাফা অর্জিত হয়েছে ১,৬৮৯,৬১১,৮২৫ টাকা, বিগত বছরে ছিল ১,৩৬৬,৭৫৩,৪৮৪ টাকা। স্কয়ার ফ্যাশনস কোন লভ্যাংশ ঘোষনা করেনি। যেহেতু স্কয়ার ফ্যাশনস এর শেয়ারগুলি তালিকাভূক্ত নয় সেহেতু শেয়ারগুলোর বাজার দর যাচাই করা সম্ভব নয়। ৩০-০৬-২০১৮ তারিখে স্কয়ার ফ্যাশনস-এর শেয়ার প্রতি নীট সম্পদের মূল্য দাঁড়িয়েছে ১০,৪৩৪.৪৬ 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 এক্সচেঞ্জ 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 ১৮০,০৫২,১১৫ টাকা মূল্যমানের ২৫০, ০০০ টি জিরো কুপন বন্ডের মালিক।

আইডিএলসি

স্কয়ার ফার্মাসিউটিক্যালস্ লিঃ মোট ১২৮,৯৪৬,৮১১ টাকা মূল্যমানের ২৫০,০০০ টি জিরো কুপন বন্ডের মালিক।

বাংলাদেশ স্টীলস রি–রোলিং মিলস লিঃ

স্কয়ার ফার্মাসিউটিক্যালস্ লিঃ ৮৭,৬৯৫,১৫৪ টাকা মূল্যমানের ২০০,০০০ টি জিরো কুপন বন্ডের মালিক।

রাজ লংকা পাওয়ার কোম্পানি লিমিটেড

স্কয়ার ফার্মাসিউটিক্যালস্ লিঃ ১১৬,৩৬৩,৬৪০ টাকা মূল্যমানের ১৫০,০০০ টি প্রেফারেন্স শেয়ারের মালিক।

সান্তা হোল্ডিং লিমিটেড

স্কয়ার ফার্মাসিউটিক্যালস্ লিঃ ১২৭,৭০১,১১৮ টাকা মূল্যমানের ৫টি নন-কনভার্টিবল জিরো কুপন বন্ডের মালিক।

ডিউরেবল প্লাস্টিক লিমিটেড

স্কয়ার ফার্মাসিউটিক্যালস্ লিঃ ৪০,৮০৬,৪৭৭ টাকা মূল্যমানের ৫টি নন-কনভার্টিবল জিরো কুপন বন্ডের মালিক।

ফ্লামিংগো ফ্যাসনস লিমিটেড

স্কয়ার ফার্মাসিউটিক্যালস্ লিঃ ৮৪,৫৯৬,৫৬০ টাকা মূল্যমানের ১০০,০০০টি নন-কনভার্টিবল জিরো কুপন বন্ডের মালিক।

এনভয় টেক্সটাইলস লিমিটেড

স্কয়ার ফার্মাসিউটিক্যালস্ লিঃ ৪৬,৮৯৮,০৮৬ টাকা মূল্যমানের ৪০টি নন-কনভার্টিবল জিরো কুপন বন্ডের মালিক।

বিক্রয়যোগ্য শেয়ারে বিনিয়োগ

একটি বিবরণীতে বিপণনযোগ্য শেয়ারসমূহ যা স্বতন্ত্র হিসাবের নোট নম্বর ৪ এ বর্ণনা করা হয়েছে এবং কস্ট প্রাইজে বিনিয়োগের পরিমাণ ২,৪৮০,০৬৮,১২৫ টাকা। ৩০ জুন ২০১৮ তারিখে বিনিয়োগের বিপরীতে মূলধণী লাভ দেখা যায় ২১৫,৭৩০,৯৩৩ টাকা।

নতুন ঔষধ সম্প্রসারণ

আলোচ্য ২০১৭-২০১৮ 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	৩২২	৩	১৮	৩০৭
২	ক্যাপসুল	৬৫	১	৭	৫৯
৩	লিকুইড ক্যাপসুল	৪	৩	-	৭
৪	লিকুইড	৭৯	৫	৫	৭৯
৫	ইনজেক্টেবল	৬৩	১	৪	৬০
৬	ইনফিউশন	১১	৩	-	১৪
৭	ইএনটি প্রিপারেশন ও অন্যান্য	৬৫	৯	-	৭৪
৮	অপথাল প্রিপারেশন	১৬	২	-	১৮
৯	সাসপেনশন পাউডার	১৭	৪	১	২০
১০	ট্রপিকাল পাউডার	১	-	-	১
১১	সাপোজিটরি	৮	-	২	৬
১২	স্যাশে	২	-	১	১
১৩	ইনহেলার ও নিবুলাইজার	১৬	-	৮	৮
১৪	ইনসুলিন	৮	১	-	৯
১৫	ডায়ালিসিস সলুউসন	-	১	-	১
১৬	বেসিক ক্যামিকেল	৮	-	-	৮
১৭	পিলেট	১৪	-	-	১৪
১৮	ট্যাবলেট, পাউডার, লিকুইড, ইনজেক্টেবলস্, গ্রানুলার- এগ্রোভেট লোকাল	৭৭	-	৩	৭৪
১৯	পেস্টিসাইড	২৮	৪	-	৩২
২০	ট্যাবলেট, পাউডার, লিকুইড, ইনজেক্টেবলস্, গ্রানুলার- এগ্রোভেট আমদানিকৃত পণ্য।	৫২	৮	৫	৫৫
	মোট-	৮৫৬	৪৫	৫৪	৮৪৭

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	
			২০১৭-১৮	২০১৬-১৭		২০১৭-১৮	২০১৬-১৭
১	ট্যাবলেট	প্রতিটি	৪,৬০০,৬৫৮	৪,৯২৫,২০৭	-৬.৫৯	৪৫%	৪৮%
২	ক্যাপসুল	প্রতিটি	৫১১,৯৬৬	৫০২,১৭৩	১.৯৫	৪২%	৪০%
৩	লিকুইড ক্যাপসুল	প্রতিটি	১৯,৪৩৭	১৭,০৭৩	১৩.৮৫	১৯%	১৭%
৪	লিকুইড	বোতল	৯৯,২৬০	৯৮,৪৯৭	০.৭৭	৪৩%	৫০%
৫	ইনজেক্টেবল (ভায়াল ও আম্পুল)	প্রতিটি	৫৬,২৪৩	৫৩,৯১৬	৪.৩২	৪৯%	৪৯%
৬	ইনফিউশন (এলভিপিও)	ব্যাগ	২,৮১০	১,৫৯০	৭৬.৭৩	২৪%	১৪%
৭	ইএনটি প্রিপারেশন ও অন্যান্য	ফাইল	১৫,১৯১	১২,৫৮৫	২০.৭১	২৮%	৪২%
৮	স্টেরিয়ড-ক্রিম, অয়েন্টমেন্ট, স্প্রে, জেল ও অন্যান্য	ফাইল	১৪,০৪৮	১২,০৬২	১৬.৪৬	৩৮%	২৪%
৯	নন স্টেরিয়ড-ক্রিম, অয়েন্টমেন্ট, স্প্রে, জেল ও অন্যান্য	ফাইল	২৩,১৯৪	১৬,৭৮৪	৩৯.১৯	৬৮%	৮০%
১০	অপথাল প্রিপারেশন	ফাইল	৪,৪৯০	৫,৩৩০	-১৫.৭৬	৯০%	৮২%
১১	নেবুলাইজার	ফাইল	৩,৯২০	২,৯০০	৩৫.১৭	৯৮%	৯৭%
১২	পাউডার সাসপেনশন	বোতল	১৫,৮৭৮	১৬,০৬১	-১.১৪	৪৯%	৪৫%
১৩	ট্রপিকাল পাউডার	ফাইল	১,৯৯৪	৭,০৩৯	-২৯.০৫	৫৮%	৯৮%
১৪	সাপোজিটরি	প্রতিটি	৬০,৩৯৫	৪৭,৩৮৬	২৭.৪৫	৮২%	৫৯%
১৫	স্যাশে	প্রতিটি	২,০১৯	১,৯২৮	৪.৭২	৬৬%	১০%
১৬	ইনহেলার	ক্যান	৩,৯৯০	২,২০০	৮১.৩৬	৭৪%	৪১%
১৭	ড্রাই পাউডার ইনহেলার	প্রতিটি	৩০,২৯৭	২৭,২৪১	১১.২২	২৭%	২৪%
১৮	ইনসুলিন ও ইনসুলিন কার্টিজ	প্রতিটি	১,৩৫০	১,৩১০	৩.০৫	২৩%	২২%
১৯	ডায়ালিসিস সলুউসন	প্রতিটি	১০	-	-	১%	-
২০	বেসিক ক্যামিকেল	কেজি	৪৯২	৩৭৫	-	১%	৭৫%
২১	পিলেটস	কেজি	২৬৯	২৫২	৩১.২০	৯৮%	৯৭%
২২	ট্যাবলেট-এগ্রোভেট	প্রতিটি	২১,৭৫৪	১৯,৭৭৭	৬.৭৫	৭৫%	৯০%
২৩	পাউডার-এগ্রোভেট	কেজি	৪,০০২	৩,৬৩৮	১০.০০	৭৭%	৬৮%
২৪	ইনজেকশন-এগ্রোভেট	লিটার	২২	২০	৪.২৭	৬৫%	৮৩%
২৫	লিকুইড-এগ্রোভেট	বোতল	৫,৩৭৯	২,২৪২	১০.০০	৮১%	৬১%

যদিও বাজারজাতকরণ কৌশলের কারনে ৪টি পণ্যের উৎপাদন ক্ষমতার ব্যবহার সামান্য কমেছে তথাপি বিগত বছরের তুলনায় ২০১৭-২০১৮ 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।

মুনাফা বন্টন

পরিচালনা পর্ষদ তার ২১-১০-২০১৮ তারিখের সভায় নিম্নোক্ত উপায়ে ২০১৭-২০১৮ হিসাব বছরের নীট মুনাফা বন্টনের সুপারিশ করেছেন:

টাকায়

➤ চলতি বছরের মুনাফা (২০১৭-২০১৮)		৮,২১৯,৫২৫,৮০৪
➤ প্রস্তাবিত বন্টনঃ		
(১) নগদ লভ্যাংশ ৩৬% (টাকা ৩.৬০ শেয়ার প্রতি)	২,৬৫৪,৬০৭,৯২৪	
(২) স্টক লভ্যাংশ (বোনাস শেয়ার) ৭%		
বোনাস শেয়ারের লিখিত মূল্য	৫১৬,১৭৩,৭৬০	৩,১৭০,৭৮১,৬৮৪
➤ নীট অবন্টনকৃত মুনাফাঃ		৫,০৪৮,৭৪৪,১২০

জাতীয় কোষাগারে অবদান

জাতীয় কোষাগারে কোম্পানীর এ বছরের অবদান ৭,৬৮৭,৪৮৯,৯৭৩ টাকা (যন্ত্রপাতি ও খুচরা যন্ত্রাংশ আমদানী শুল্ক ৭৭,৯৮১,৫২৫ টাকা সহ) যা গত বছর ছিল ৭,৩৯২,৪৬৭,৩৬৫ টাকা। এই অবদান ২০১৭-২০১৮ সালের বিক্রয়ের শতকরা ২৫.৬২ ভাগ যা গত বছর (২০১৬-২০১৭) ছিল শতকরা ২৫.৫৯ ভাগ।

পরিচালক নির্বাচন

কোম্পানীর সংঘবিধির ৯৯ অনুচ্ছেদ অনুযায়ী জনাবা রত্না পাত্র এবং জনাব অঞ্জন চৌধুরী 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

কোম্পানির বর্তমান নিরীক্ষক মেসার্স আহমদ জাকের এন্ড কোং, চার্টার্ড একাউনটেন্টস এই বার্ষিক সাধারণ সভায় ৩ (তিন) বছর পূর্ণ করার পর অবসর গ্রহণ করেন। বিএসইসির আদেশ অনুসারে তারা পুনরায় নিয়োগের যোগ্য নয়।

মেসার্স মাহফেল হক অ্যান্ড কোং, চার্টার্ড একাউন্টেন্ট ২০১৭-১৮ সালের জন্য কোম্পানি নিরীক্ষক হিসেবে নিয়োগের আগ্রহ প্রকাশ করেন।

স্কয়ার ফার্মাসিউটিক্যালস লিমিটেড সঙ্গে স্কয়ার ফরমুলেশনস লিমিটেড এর একত্রীকরণ

বাংলাদেশ সুপ্রীম কোর্টের মাননীয় হাইকোর্ট বিভাগ গত ২৯ অক্টোবর ২০১৮ তারিখে এ স্কয়ার ফার্মাসিউটিক্যালস লিমিটেড- এর সাথে স্কয়ার ফর্মুলেশনস লিমিটেড-এর একত্রীকরণ প্রকল্প অনুমোদন করেছেন।

স্কয়ার ফার্মাসিউটিক্যালস লিমিটেড সঙ্গে স্কয়ার হারবাল এন্ড নিউট্রাসিউটিক্যালস লিমিটেড এর একত্রীকরণ

বাংলাদেশ সুপ্রীম কোর্টের মাননীয় হাইকোর্ট বিভাগ গত ২৯ অক্টোবর ২০১৮ তারিখে এ স্কয়ার ফার্মাসিউটিক্যালস লিমিটেড- এর সাথে স্কয়ার হারবাল এন্ড নিউট্রাসিউটিক্যালস লিমিটেড -এর একত্রীকরণ প্রকল্প অনুমোদন করেছেন।

মানব সম্পদ উন্নয়ন

মানব সম্পদ উন্নয়নের জন্য কোম্পানী প্রতিটি স্তরের নির্বাহী ও শ্রমিক কর্মচারীদের আনুষ্ঠানিক ও অনানুষ্ঠানিক প্রশিক্ষণ দিয়ে যাচ্ছে। এ বছর ৬,২৫২ জন দেশে এবং বিদেশে প্রশিক্ষণ পেয়েছে। ফলে প্রশিক্ষণ প্রাপ্তরা কোম্পানীকে লাভজনক অবস্থায় রাখতে অবদান রেখেছে। সাথে সাথে তাদের পারিশ্রমিকও বৃদ্ধি পেয়েছে।

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 বিএসইসি/সিএমআরআর সিডি/২০০৬-১৫৮/২০৭/প্রশাসন/৮০ ৩রা জুন, ২০১৮ এর নিরিখে একটি বিবরণ ১(৫) ধারা অনুসারে প্রতিপালন প্রতিবেদন, পরিচালক যারা পুনর্নির্বাচিত হইবে তাদের জীবন বৃত্তান্ত, অডিট কমিটি প্রতিবেদন, সিইও এবং সিএফও থেকে সার্টিফিকেট, কর্পোরেট গভর্নেন্স-এর শর্ত মেনে চলার সার্টিফিকেট এবং কর্পোরেট গভর্নেন্স প্রতিপালন এর অবস্থা যথাক্রমে সংযুক্তি - I, II, III, IV, V ও VI এর মধ্যে বর্ণনা/প্রকাশ করা হলো।

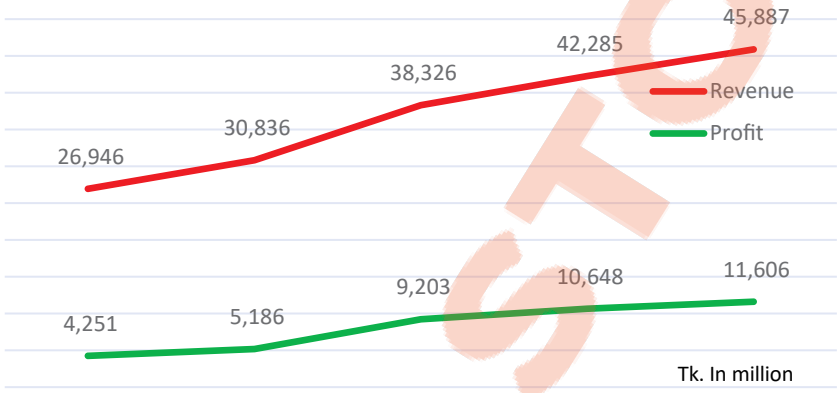
ব্যবস্থাপনা কর্তৃপক্ষের স্বীকৃতি

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

Financial Statement

Consolidated



AAA
Credit Rating

53-71: Consolidated
Auditors' Report
Statement of Financial Position
Statement of Profit or Loss and other Comprehensive Income
Statement of Changes in Equity
Statement of Cash Flows

73-99: Standalone
Auditors' Report
Statement of Financial Position
Statement of Profit or Loss and other Comprehensive Income
Statement of Changes in Equity
Statement of Cash Flows

Annual Report 2017-2018

AMARSTOCK

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, 2018 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 International Financial Reporting Standards (IFRS), 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 International 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 Consolidated financial position of **Square Pharmaceuticals Ltd.** as at June 30, 2018 and of its Consolidated financial performance for the Year Ended in accordance with International Financial Reporting Standards and comply with the Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable rules 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 were for the purposes of the Company's business.

Place: Dhaka
Dated: October 27, 2018

Ahmed Zaker & Co.
Chartered Accountants

SQUARE PHARMACEUTICALS LTD.

and its subsidiaries

Consolidated Statement of Financial Position

As at June 30, 2018

	Note	Amount in Taka	
		June 30, 2018	June 30, 2017
ASSETS:			
Non-Current Assets:		**32,831,465,294**	**29,355,222,227**
Property, Plant and Equipment-Carrying Value	2.0	20,545,437,633	19,323,568,164
Investment - Long Term (at Cost)	3.0	940,754,391	588,808,565
Investment - Associates Undertaking	4.0	8,454,064,733	7,504,636,420
Investment in Marketable Securities (Fair Value)	5.0	2,891,208,537	1,938,209,078
Current Assets:		**28,441,536,241**	**23,175,830,022**
Inventories	6.0	4,432,935,118	3,730,808,243
Trade Debtors	7.0	1,615,544,248	2,204,014,900
Advances,Deposits and Prepayments	8.0	2,280,668,747	1,450,936,735
Short Term Loan	9.0	3,131,975,363	21,386,290
Cash and Cash Equivalents	10.0	16,980,412,765	15,768,683,854
TOTAL ASSETS		**61,273,001,535**	**52,531,052,249**
SHAREHOLDERS' EQUITY AND LIABILITIES:			
Shareholders' Equity:		**57,816,566,831**	**49,027,700,210**
Share Capital	11.0	7,373,910,900	6,859,452,000
Share Premium	12.0	2,035,465,000	2,035,465,000
General Reserve		105,878,200	105,878,200
Tax Exemption Reserve	13.0	1,949,557,722	852,508,043
Gain on Marketable Securities (Unrealized)		192,272,252	596,561,713
Retained Earnings		46,159,482,757	38,577,835,254
Non Controlling Interest	14.0	24,901,060	12,674,141
Non-Current Liabilities:		**1,231,133,152**	**1,129,233,846**
Deferred Tax Liability	15.0	1,231,133,152	1,129,233,846
Current Liabilities:		**2,200,400,492**	**2,361,444,052**
Trade Creditors	16.0	524,676,136	843,937,277
Liabilities for Expenses	17.0	89,665,092	27,576,542
Liabilities for Other Finance	18.0	1,586,059,264	1,489,930,233
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**61,273,001,535**	**52,531,052,249**
Net Assets Value per Share (NAV)		78.41	66.49
Number of Shares used to compute NAV		737,391,090	737,391,090

The annexed notes (1-30) form an integral part of these financial statements.

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 27, 2018

SQUARE PHARMACEUTICALS LTD.

and its subsidiaries

Consolidated Statement of Profit or Loss and other Comprehensive Income

For the year ended June 30, 2018

	Note	Amount in Taka	
		2017-2018	2016-2017
GROSS REVENUE	19.0	45,886,959,303	42,284,675,530
Less: Value Added Tax		6,233,127,665	5,741,535,424
NET REVENUE		**39,653,831,638**	**36,543,140,106**
Cost of Goods Sold	20.0	(20,089,819,913)	(18,274,858,914)
GROSS PROFIT		**19,564,011,725**	**18,268,281,192**
OPERATING EXPENSES:		**(6,783,069,126)**	**(5,972,216,599)**
Selling & Distribution Expenses	21.0	(5,751,408,276)	(5,056,851,926)
Administrative Expenses	22.0	(1,031,567,251)	(915,210,284)
Finance Cost	23.0	(93,599)	(154,389)
PROFIT FROM OPERATIONS		**12,780,942,599**	**12,296,064,593**
Other Income	24.0	1,768,094,011	1,093,575,634
PROFIT BEFORE WPPF		**14,549,036,610**	**13,389,640,227**
Allocation for WPPF	25.0	(701,097,850)	(646,577,651)
PROFIT BEFORE TAX		**13,847,938,760**	**12,743,062,576**
Income Tax Expenses-Current	26.0	(3,255,148,172)	(2,949,150,787)
Income Tax Expenses-Deferred		(101,899,306)	(74,735,584)
PROFIT AFTER TAX		**10,490,891,282**	**9,719,176,205**
Profit/(Loss) from Associate Undertakings	27.0	1,115,299,919	928,615,539
PROFIT AFTER TAX		**11,606,191,201**	**10,647,791,744**
Other Comprehensive Income:			
Gain/(Loss) on Marketable Securities (Unrealized)	28.0	(404,289,461)	329,775,134
Total Comprehensive Income for the Year		**11,201,901,740**	**10,977,566,878**
Profit Attributable to:			
Owners of the Company		11,593,964,282	10,637,215,898
Non Controlling Interest		12,226,919	10,575,846
		11,606,191,201	**10,647,791,744**
Total Comprehensive Income Attibutable to:			
Owners of the Company		11,189,674,821	10,966,991,032
Non Controlling Interest		12,226,919	10,575,846
		11,201,901,740	**10,977,566,878**
Earnings Per Share (EPS)	29.0	**15.72**	**14.43**
Number of Shares used to compute EPS		737,391,090	737,391,090

The annexed notes (1-30) form an integral part of these financial statements.

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 27, 2018

SQUARE PHARMACEUTICALS LTD.

and its subsidiaries

Consolidated Statement of Changes in Equity

For the year ended June 30, 2018

	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 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
Total Comprehensive Income for the Year	-	-	-	-	(404,289,461)	11,593,964,282	12,226,919	11,201,901,740
Transfer to Tax Exemption Reserve	-	-	-	1,097,049,679	-	(1,097,049,679)	-	-
Cash Dividend (2016-2017)	-	-	-	-	-	(2,400,808,200)	-	(2,400,808,200)
Stock Dividend (2016-2017)	514,458,900	-	-	-	-	(514,458,900)	-	-
At June 30, 2018	**7,373,910,900**	**2,035,465,000**	**105,878,200**	**1,949,557,722**	**192,272,252**	**46,159,482,757**	**24,901,060**	**57,841,467,891**

SQUARE PHARMACEUTICALS LTD.

and its subsidiaries

Consolidated Statement of Changes in Equity

For the year ended June 30, 2017

	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 for the Year	-	-	-	-	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 June 30, 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**

The annexed notes (1-30) form an integral part of these financial statements.

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 27, 2018

SQUARE PHARMACEUTICALS LTD.

and its subsidiaries

Consolidated Statement of Cash Flows

For the year ended June 30, 2018

	Amount in Taka	
	2017-2018	2016-2017
Cash Flows From Operating Activities:		
RECEIPTS:		
Collections from Sales	46,195,703,039	41,454,805,384
Exchange Fluctuation Gain	83,957,932	42,180,295
Others	141,124,951	159,643,824
	46,420,785,922	**41,656,629,503**
PAYMENTS:		
Purchase of Raw and Packing Materials	14,895,596,440	12,451,066,459
Manufacturing and Operating Expenses	11,222,587,267	9,708,309,353
Value Added Tax	6,233,127,665	5,741,535,424
Finance Cost	93,599	154,389
Income Tax Expense	3,480,574,440	3,596,322,058
Workers Profit Participation Fund	526,322,070	616,755,878
Others	55,472,332	-
	36,413,773,813	**32,114,143,561**
Net cash Generated from operating activities	**10,007,012,109**	**9,542,485,942**
Cash Flows From Investing Activities:		
Purchase of Fixed Assets	(3,167,173,807)	(2,576,915,168)
Disposal of Fixed Assets	49,109,965	46,769,925
Investment	(1,709,234,747)	(569,633,173)
Short Term Loan	(3,110,589,073)	2,357,543,668
Gain on Sale of Marketable Securities	291,936,032	57,295,584
Interest Received	955,580,148	587,461,554
Dividend Received	295,896,484	295,466,575
Net cash used in investing activities	**(6,394,474,998)**	**197,988,965**
Cash Flows From Financing Activities:		
Dividend Paid	(2,400,808,200)	(2,494,346,184)
Net cash used in financing activities	(2,400,808,200)	(2,494,346,184)
Increase in Cash and Cash Equivalents	1,211,728,911	7,246,128,723
Cash and Cash Equivalents at the Opening	15,768,683,854	8,522,555,131
Cash and Cash Equivalents at the Closing	**16,980,412,765**	**15,768,683,854**
Net Operating Cash Flow per Share (NOCF)	13.57	12.94
Number of Shares used to compute NOCF	737,391,090	737,391,090

The annexed notes (1-30) form an integral part of these financial statements.

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 27, 2018

SQUARE PHARMACEUTICALS LTD.

and its subsidiaries

Notes to the Consolidated Financial Statements
For the Year Period Ended June 30, 2018

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.:
Square Pharmaceuticals Kenya EPZ 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
Square Formulations Ltd.		: Mirzapur, Tangail, Bangladesh
Square Pharmaceuticals Kenya EPZ Ltd.		: Athi River EPZ, Ketengala, Machakoas Country, Nairobi

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:

1. **Square Formulations Ltd.**
   The company is engaged in manufacturing and marketing of generic pharmaceuticals products.
2. **Square Pharmaceuticals Kenya EPZ Ltd.**
   The company is registered in manufacturing, marketing and distribution of 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).

1.5 Principal Accounting Policies:

Specific accounting policies were selected and applied by the company's management for significant transactions and events of that have a material effect within the framework of IAS-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 IAS-1

1.6 Application of International Accounting Standards (IAS):

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

IAS - 1	Presentation of Financial Statements
IAS - 2	Inventories
IAS - 7	Statement of Cash Flows
IAS - 8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS - 10	Events after the Reporting Period
IAS - 12	Income Taxes
IAS - 16	Property, Plant and Equipment
IAS - 17	Leases
IAS - 18	Revenue
IAS - 19	Employee Benefits
IAS - 21	The effects of Changes in Foreign Exchange Rates
IAS - 23	Borrowing Costs
IAS - 24	Related Party Disclosures
IAS - 25	Accounting for Investment
IAS - 26	Accounting and Reporting by Retirement Benefit Plans
IAS - 28	Investment in Associates and Joint Ventures
IAS - 32	Financial Instruments: Presentation
IAS - 33	Earnings Per Share
IAS - 37	Provisions, Contingent Liabilities and Contingent Assets
IAS - 38	Intangible Assets
IAS - 39	Financial Instruments: Recognition & Measurement
IFRS-7	Financial Instruments: Disclosure
IFRS-8	Operating Segment
IFRS-10	Consolidated Financial Statements
IFRS-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 IAS-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 IFRS 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
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	-	-

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 year 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 IAS-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 and any short fall of provision for previous years. The company (SPL) is a "Publicly Traded Company"; hence Tax Rate is applicable @25%. The applicable Tax Rate of subsidiary company (SFRL) was @ 22.50% from July, 2017 to March, 2018 and @30% from April, 2018 to June, 2018.

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 IAS-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 buyerw, 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 IAS-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 82.75.

1.16 Statement of Cash Flows:

Statement of cash flows is prepared in accordance with IAS-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 International Accounting Standard IAS-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 2016-2017 were treated as if they had been in issue in previous years also. Hence, in computing the Earnings per Share (EPS) of 2017-2018, the total number of shares including the said bonus shares has been considered as the Weighted Average Number of Shares Outstanding during the year 2016-2017.

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 Subsidiary Company:

Subsidiary Company	Holding of Share	Percentage of Holding
Square Formulations Ltd.	995,000	99.50%
Square Pharmaceuticals Kenya EPZ Ltd.	100% Share Capital	100.00%

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 IFRS-10, Consolidated Financial Statements consolidated of accounts has been made as follows:

Subsidiary Company	Year Ending	Remarks
Square Formulations Ltd.	30 June, 2018	Financial Statements
Square Pharmaceuticals Kenya EPZ Ltd.	30 June, 2018	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, 2018, 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 IAS 37.

1.26 Research, Development and Experimental Costs:

In compliance with the requirements of IAS 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.

	June 30, 2018	June 30, 2017

2. Consolidated Property, Plant And Equipment: Tk. 20,545,437,633

Details of property, plant and equipment and depreciation as at 30 June 2018 are shown in the annexed schedule - 01.
This is arrived at as follows:

Fixed Assets at Cost:		
Opening Balance	33,470,077,571	31,085,332,766
Net Addition during the Year	4,863,597,930	2,470,906,763
	38,333,675,501	33,556,239,529
Sales/Transfer during the Year	(1,699,503,602)	(86,161,958)
Closing Balance	**36,634,171,899**	**33,470,077,571**
Accumulated Depreciation:		
Opening Balance	14,146,509,407	12,237,050,627
Charged during the Year	1,997,935,652	1,969,393,467
	16,144,445,059	14,206,444,094
Sales/Transfer during the Year	(55,710,793)	(59,934,687)
	16,088,734,266	**14,146,509,407**
Carrying Value	**20,545,437,633**	**19,323,568,164**

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

	2017-2018 (Jul'2017-Jun'2018)	2016-2017 (Jul'2016-Jun'2017)
Factory Overhead	1,733,096,800	1,739,580,714
Selling and Distribution Expenses	164,768,982	153,929,440
Administrative Expenses	100,069,870	75,883,313
	1,997,935,652	**1,969,393,467**

	30-06-2018	30-06-2017

3. Consolidated Investment-Long Term (at Cost): Tk. 940,754,391

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.	180,052,115	43,630,924
(e) 250,000 Zero Coupon Bond in IDLC Finance Ltd.	128,946,811	144,906,888
(f) 200,000 Zero Coupon Bond in Bangladesh Steel Re-Rolling Mills Ltd.	87,695,154	127,121,773
(g) 150,000 Preference Share in Raj Lanka Power Company Ltd.	116,363,640	145,454,550
(h) 5 Non-Convertible Zero Coupon Bond in Shanta Holdings Ltd.	127,701,118	-
(i) 5 Non-Convertible Zero Coupon Bond in Durable Plastics Ltd.	40,806,477	-
(j) 100,000 Non-Convertible Zero Coupon Bond in Flamingo Fashions Ltd.	84,596,560	-
(k) 40 Non-Convertible Zero Coupon Bond in Envoy Textiles Ltd.	46,898,086	-
	940,754,391	**588,808,565**

4. Investment-Associate Undertakings: Tk. 8,454,064,733

This is arrived at as follows:

Opening Balance	7,504,636,420	6,764,511,325
Add: Profit/(Loss) during the Year (Note-27)	1,115,299,919	928,615,539
Less: Dividend during the Year	(165,871,606)	(188,490,444)
Add: Prior Year's Adjustment	-	-
Closing Balance	**8,454,064,733**	**7,504,636,420**

List of Associate Undertakings (As per IAS-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 IFRS 12:

	Position as at	
	June 30, 2018	June 30, 2017
Square Textlies Ltd. :		
Current Assets	4,430,793,243	3,618,294,827
Non-Current Assets	4,994,687,046	3,893,030,120
Current Liabilities	3,910,867,252	1,948,729,056
Non-Current Liabilities	128,579,505	109,649,529
Revenue (Net)	6,367,124,698	5,020,425,409
Profit from Operations	444,186,591	344,366,976
Profit after Tax	290,913,928	252,493,568
Other Comprehensive Income	-	-
Total Comprehensive Income	290,913,928	252,493,568
Square Fashions Ltd. :	**30-06-2018**	**30-06-2017**
Current Assets	2,675,112,328	3,110,900,055
Non-Current Assets	10,337,343,608	7,512,842,396
Current Liabilities	3,079,652,580	2,327,736,820
Non-Current Liabilities	20,063,391	72,877,491
Revenue (Net)	12,136,675,718	10,121,489,473
Profit from Operations	1,560,411,954	1,176,806,310
Profit after Tax	1,689,611,825	1,366,753,484
Other Comprehensive Income	-	-
Total Comprehensive Income	1,689,611,825	1,366,753,484
Square Hospitas Ltd. :	**30-06-2018**	**30-06-2017**
Current Assets	390,886,397	345,121,204
Non-Current Assets	2,991,362,079	3,057,105,943
Current Liabilities	844,761,104	1,182,659,373
Non-Current Liabilities	-	-
Revenue (Net)	3,831,340,521	3,427,678,701
Profit from Operations	489,557,485	467,447,077
Profit after Tax	317,919,597	294,163,075
Other Comprehensive Income	-	-
Total Comprehensive Income	317,919,597	294,163,075

5. Consolidated Investment In Marketable Securities (Fair Value): Tk. 2,891,208,537

This is arrived at as follows

	Postion of 2017-2018			Postion of 2016-2017		
	Total Cost	Total Market Value	Realized/ Unrealized Gain	Total Cost	Total Market Value	Realized/ Unrealized Gain
Opening Balance	1,341,647,365	1,938,209,078	596,561,713	804,948,863	1,071,735,442	266,786,579
Add: Investment made during the year	1,678,754,283	-	-	717,569,046	-	-
Less: Sold/Disposed off during the year	(321,465,363)	613,401,395	291,936,032	(180,870,544)	238,166,128	57,295,584
Closing Balance Tk.	**2,698,936,285**	**2,891,208,537**	**192,272,252**	**1,341,647,365**	**1,938,209,078**	**596,561,713**

6. Consolidated Inventories: Tk. 4,432,935,118

The break-up is as under:

Raw Materials		1,389,487,814	1,302,801,676
Packing Materials		548,723,855	480,770,796
Work-in-Process		258,840,704	229,724,895
Finished Goods		1,195,194,484	1,117,324,819
Spares & Accessories		535,109,509	410,426,860
Goods- in-Transit		505,578,752	189,759,197
	Tk.	**4,432,935,118**	**3,730,808,243**

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

7. Consolidated Trade Debtors:

	Tk.	1,615,544,248	2,204,014,900

		June 30, 2018	June 30, 2017
8. Consolidated Advances, Deposits & Prepayments: Tk. 2,280,668,747			
This consists of as follows:			
Advances:		**1,037,087,589**	**684,232,720**
Employees		190,480,656	135,033,960
Motor Cycle Loan – Employees		-	2,762,025
Land Purchase		114,804,755	195,139,482
Suppliers		531,802,178	351,297,253
Income Tax		200,000,000	-
Deposits:			
Value Added Tax		**1,200,845,735**	**716,575,116**
Earnest Money & Security Deposit		544,027,259	264,300,343
Interest on Fixed Deposit Receipts		158,770,575	103,298,243
Others		488,240,998	344,177,480
		9,806,903	4,799,050
Prepayments:		**42,735,423**	**50,128,899**
Office Rent		6,385,565	5,640,141
Insurance Premium		36,349,858	44,488,758
	Tk.	**2,280,668,747**	**1,450,936,735**
9. Consolidated Short Term Loan (Un-secured): Tk. 3,131,975,363			
This consists of as follows:			
(a) Square Textiles Ltd.		1,385,741	21,386,290
(b) Square Fashions Ltd.		79,314	-
(c) Square Denims Ltd.		2,168,142,032	-
(d) Square Apparels Ltd.		780,464,229	-
(e) Square Herbal & Nutraceuticals Ltd.		181,904,047	-
	Tk.	**3,131,975,363**	**21,386,290**
10. Consolidated Cash And Cash Equivalents: Tk. 16,980,412,765			
This is made up as follows:			
(a) Cash in Hand		5,939,209	2,299,488
(b) Cash at Bank:		**16,974,473,556**	**15,766,384,366**
* Current Account		1,683,199,425	804,844,947
* STD Account		214,854,684	111,249,701
* Fixed Deposit Account (BD Taka)		12,713,244,578	12,871,846,671
* Fixed Deposit Account (USD)		1,936,582,928	1,203,522,187
* Export Retention Quota Account		399,067,138	607,557,434
* Margin Held Account		27,524,803	167,363,426
	Tk.	**16,980,412,765**	**15,768,683,854**
11. Share Capital:	**Tk.**	7,373,910,900	6,859,452,000
12. Share Premium:	**Tk.**	2,035,465,000	2,035,465,000
13. Consolidated Tax Exemption Reserve: Tk. 1,949,557,722			
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		852,508,043	324,011,067
Privision made during the Year		1,097,049,679	528,496,976
Closing Balance	**Tk.**	**1,949,557,722**	**852,508,043**

		June 30, 2018	June 30, 2017

14. Non Controlling Interest: Tk. 24,901,060

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

Paid-up Capital (Investment)		500,000	500,000
Retained Earnings		24,401,060	12,174,141
	Tk.	**24,901,060**	**12,674,141**

List of Subsidiary (As per IAS-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. 1,231,133,152

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		1,129,233,846	1,054,498,262
Addition during the Year		101,899,306	74,735,584
Closing Balance		**1,231,133,152**	**1,129,233,846**

16. Consolidated Trade Creditors:

	Tk.	524,676,136	843,937,277

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

17. Consolidated Liabilities For Expenses: Tk. 89,665,092

This consists of as follows:

Accrued Expenses		89,334,542	27,262,592
Audit Fees		330,550	313,950
	Tk.	**89,665,092**	**27,576,542**

18. Consolidated Liabilities for Other Finance: Tk. 1,586,059,264

This consists of as follows:

Sundry Creditors		446,877,055	493,022,685
Income Tax (Deduction at Source)		56,596,629	60,176,480
Retention Money		3,619,330	7,114,330
Workers' Profit Participation Fund		863,266,490	688,490,710
Income Tax Payable (Note-18.1)		215,699,760	241,126,028
	Tk.	**1,586,059,264**	**1,489,930,233**

18.1. Consolidated Income Tax Payable: Tk. 215,699,760

This is arrived at as follows:

Opening balance		241,126,028	888,297,299
Provision made for the Year (Note-27)		3,255,148,172	2,949,150,787
Tax Paid (Including Advance Income Tax during the Year)		(3,280,574,440)	(3,596,322,058)
	Tk.	**215,699,760**	**241,126,028**

		2017-2018	2016-2017
19. Consolidated Gross Revenue: Tk. 45,886,959,303			
This consists of as follows:			
Square Pharmaceuticals Ltd.		34,573,390,809	33,299,672,121
Square Formulations Ltd.		11,313,568,494	8,985,003,409
	Tk.	**45,886,959,303**	**42,284,675,530**
20. Consolidated Cost of Goods Sold: Tk. 20,089,819,913			
This is arrived at as follows:	**Notes**		
Raw Materials Consumed	20.1	9,025,405,434	8,375,490,692
Packing Materials Consumed	20.2	4,109,048,221	4,122,027,655
		13,134,453,655	**12,497,518,347**
Work-in-Process (Opening)		229,724,895	227,836,703
Work-in-Process (Closing)		(258,840,704)	(229,724,895)
TOTAL CONSUMPTION		**13,105,337,846**	**12,495,630,155**
Factory Overhead	20.3	6,095,936,693	5,509,750,479
COST OF PRODUCTION		**19,201,274,539**	**18,005,380,634**
Purchase of Finished Goods		1,114,476,247	537,882,258
Finished Goods (Opening)		1,117,324,819	985,672,758
Finished Goods (Closing)		(1,195,194,484)	(1,117,324,819)
		20,237,881,121	**18,411,610,831**
Cost of Physician Sample		(148,061,208)	(136,751,917)
	Tk.	**20,089,819,913**	**18,274,858,914**
20.1. Consolidated Raw Materials Consumed: Tk. 9,025,405,434			
This is arrived at as follows:			
Opening Stock		1,302,801,676	1,370,045,188
Purchase		9,112,091,572	8,308,247,180
Closing Stock		(1,389,487,814)	(1,302,801,676)
	Tk.	**9,025,405,434**	**8,375,490,692**
20.2. Consolidated Packing Materials Consumed: Tk. 4,109,048,221			
This is arrived at as follows:			
Opening Stock		480,770,796	498,273,058
Purchase		4,177,001,280	4,104,525,393
Closing Stock		(548,723,855)	(480,770,796)
	Tk.	**4,109,048,221**	**4,122,027,655**
20.3. Consolidated Factory Overhead: Tk. 6,095,936,693			
This is made up as follows:			
Salaries, Allowances and Wages		1,561,153,791	1,364,975,478
Factory Employees Free Lunch		118,669,726	103,768,768
Factory Staff Uniform		55,102,916	43,576,354
Travelling & Conveyance		38,935,899	34,992,800
Printing & Stationery		53,466,936	48,545,368
Postage, Telephone & Fax		6,798,306	5,438,372
Repairs & Maintenance		1,060,251,345	897,071,875
Laboratory Consumable Stores		360,410,178	322,563,702
Fuel, Petrol, Light Diesel etc.		266,097,349	269,025,060
Electricity, Gas & Water		498,637,616	402,760,794
Rental Expense		18,549,716	1,877,700
Municipal & Other Tax		9,417,359	9,745,019
Insurance Premium		25,514,825	24,387,503
Factory Sanitation Expenses		60,225,471	54,720,660
Depreciation		1,733,096,800	1,739,580,714
Security Services		58,489,258	46,384,388
Research & Development		101,170,048	72,378,884
Software & Hardware Support Services		60,893,026	59,987,060
Toll Charges		5,709,253	5,223,625
Other Expenses		3,346,875	2,746,355
	Tk.	**6,095,936,693**	**5,509,750,479**

		2017-2018	2016-2017
21. Consolidated Selling & Distribution Expenses: Tk. 5,751,408,276			
This is made up as follows:			
Salaries and Allowances		1,022,411,149	928,200,127
Travelling and Conveyance		96,658,323	83,292,812
Training Expenses		2,608,502	2,335,426
Printing and Stationery		57,032,773	52,557,518
Postage, Telephone, Fax & Telex		43,224,424	34,966,066
Electricity, Gas and Water		27,622,946	24,904,210
Tiffin and Refreshment		23,878,053	22,407,508
Staff Uniform		3,875,130	3,480,278
Office and Godown Rent		21,846,963	20,513,321
Lease Rent		2,806,200	1,328,250
Bank Charges		11,473,588	10,881,721
Repairs and Maintenance including car maintenance		347,271,541	304,696,461
Govt. Taxes and Licence Fees		26,116,013	21,252,042
Field Staff Salaries, Allowances, TA and DA		1,525,704,048	1,333,091,268
Marketing and Promotional Expenses		995,510,073	857,055,683
Advertisement		726,070	719,500
Delivery and Packing Expenses		99,153,239	91,989,886
Export Expenses		123,667,329	114,049,006
Special Discount		837,183,408	705,098,469
Sample Expenses		198,549,988	182,996,601
Security Services		71,023,552	63,758,040
Depreciation		164,768,982	153,929,440
Software, Hardware Support & VSAT Services		31,784,460	29,459,620
Insurance Premium		12,087,192	12,487,846
Other Expenses		4,424,330	1,400,827
	Tk.	**5,751,408,276**	**5,056,851,926**
22. Consolidated Administrative Expenses: Tk. 1,031,567,251			
This is made up as follows:			
Salaries and Allowances		333,417,542	304,125,648
Directors' Remuneration		73,431,268	58,980,339
Travelling and Conveyance		124,414,844	114,201,219
Training Expenses		9,077,594	8,459,375
Printing and Stationery		14,267,100	12,884,714
Postage, Telephone, Internet		10,439,245	9,683,524
Electricity, Gas & Water		20,261,368	19,084,519
Tiffin and Refreshment		51,693,203	45,577,846
Staff Uniform		2,076,125	1,899,995
Office Rent		15,319,471	14,645,478
Lease Rent		3,470,889	-
Sanitation Expenses		2,404,250	2,219,326
Books and Periodicals		326,751	282,316
Subscription and Donation		6,176,352	5,516,276
Advertisement		2,278,617	1,917,748
Repairs and Maintenance		140,767,347	121,411,008
Bank Charges		24,183,882	21,893,636
Insurance Premium		12,260,031	2,289,503
Govt. Taxes, Stamp Duty & Licence Fee		10,064,128	9,572,040
Security Services		37,670,238	32,442,664
Management Consultant Fees		627,976	709,169
Legal Charges		2,788,129	2,614,275
Audit Fees		330,550	313,950
Depreciation		100,069,870	75,883,313
Annual General Meeting Expenses		2,933,924	2,951,608
Software & Hardware Support Services		19,690,635	42,314,407
Share Demat, Remat & Transfer Fees		8,895,950	2,148,378
Other Expenses		2,229,972	1,188,010
	Tk.	**1,031,567,251**	**915,210,284**

		2017-2018	2016-2017
23. Consolidated Finance Cost: Tk. 93,599			
This is made up as follows:			
Interest on Cash Credit		58,546	58
Interest on Overdraft		35,053	154,331
	Tk.	**93,599**	**154,389**
24. Consolidated Other Income: Tk. 1,768,094,011			
This is arrived at as follows:			
Bank Interest		1,031,252,228	642,085,111
Interest on Loan to Sister Concern		68,391,438	90,464,909
Rental Income		1,301,967	1,183,700
Sale of Scrap		26,978,784	23,554,220
Dividend		130,024,878	106,976,131
Foreign Exchange Fluctuation Gain		83,957,932	42,180,295
Commission Received		85,355,784	71,822,269
Gain on Redemption of Zero Coupon Bond		27,488,416	37,480,122
Gain/(Loss) on Marketable Securities (Realized)		291,936,032	57,295,584
		1,746,687,459	1,073,042,341
Consolidated Profit on Sale of Property, Plant & Equipment (Note-30)		21,406,552	20,533,293
	Tk.	**1,768,094,011**	**1,093,575,634**
25. Consolidated Allocation for WPPF & WF: Tk.701,097,850			
		701,097,850	646,577,651
Allocation for WPPF & WF	**Tk.**	**701,097,850**	**646,577,651**

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.

26. Consolidated Income Tax Expenses-Current: Tk. 3,255,148,172			
Current Tax (Provision for the Year)	**Tk.**	**3,255,148,172**	**2,949,150,787**
27. PROFIT/(LOSS) FROM ASSOCIATES UNDERTAKING: Tk. 1,115,299,919			
This is arrived at as follows:			
a) Square Textiles Ltd.		134,853,911	117,044,053
b) Square Fashions Ltd.		821,684,909	664,673,800
c) Square Hospitals Ltd.		158,761,099	146,897,686
	Tk.	**1,115,299,919**	**928,615,539**
28. Consolidated Gain/(Loss) on Marketable Securities (Unrealized): Tk. 404,289,461			
Unrealized Gain/(Loss) Position (Closing)		192,272,252	596,561,713
(-) Unrealized Gain/(Loss) Position (Opening)		596,561,713	266,786,579
Gain/(Loss) on Marketable Securities during the Year	**Tk.**	**(404,289,461)**	**329,775,134**
29. Consolidated Earnings Per Share (Eps) - Tk. 15.72			
The computation is given below:			
Surplus for the year attributable to Shareholders (Net Profit after Tax)		11,593,964,282	10,637,215,898
Weighted average number of Shares outstanding during the year		737,391,090	737,391,090
Earnings per Share	**Tk.**	**15.72**	**14.43**

30. Consolidated Particulars of Disposal of Property, Plant and Equipment for the year July 2017 - June 2018

Particulars of Assets	Cost	Acc. Depreciation Upto 30-06-2018	Written Down Value 30-06-2018	Sales Price	Profit/(Loss)
Land & Land Development	2,595,540	-	2,595,540	3,868,042	1,272,502
Office Equipment	281,216	239,187	42,029	915,000	872,971
Motor Vehicle	50,170,250	33,400,529	16,769,721	28,130,246	11,360,525
Motor Cycle	30,367,200	22,071,077	8,296,123	16,196,677	7,900,554
Tk.	**83,414,206**	**55,710,793**	**27,703,413**	**49,109,965**	**21,406,552**

SQUARE PHARMACEUTICALS LTD.

and its subsidiaries

Property, Plant and Equipment

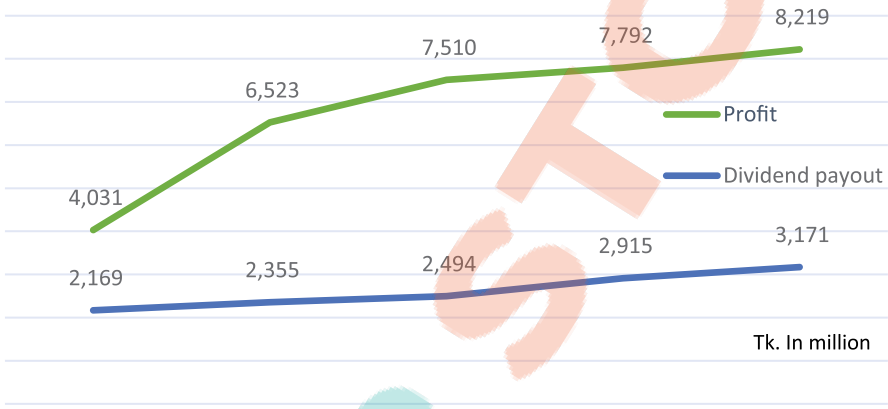
For the Year Ended June 30, 2018

Schedule-01

PARTICULARS	COST				DEPRECIATION				Net Book Value as at 30 June 2018	Rate of Dep.
	At 30 June 2017	During the year		At 30 June 2018	At 30 June 2017	During the year		At 30 June 2018		
		Additions	Sales/ Transfer			Charged	Sales/ Transfer			
FACTORIES:										
Land	2,191,059,839	743,281,553	-	2,934,341,392	-	-	-	-	2,934,341,392	-
Building	7,349,337,524	175,169,493	-	7,524,507,017	3,143,943,704	430,589,560	-	3,574,533,264	3,949,973,753	10%
Boundary Wall	593,903	-	-	593,903	313,839	28,006	-	341,845	252,058	10%
Plant & Machinery	13,300,345,721	1,013,787,095	281,216	14,313,851,600	7,239,984,339	959,532,896	239,187	8,199,278,048	6,114,573,552	15%
Laboratory Equipment	1,804,739,127	206,107,210	-	2,010,846,337	670,121,669	123,456,500	-	793,578,169	1,217,268,168	10%
Furniture & Fixture	800,457,210	52,708,375	-	853,165,585	275,522,808	54,938,174	-	330,460,982	522,704,603	10%
Office Equipment	533,036,057	64,324,325	-	597,360,382	190,114,345	37,467,010	-	227,581,355	369,779,027	10%
Computer	147,670,558	23,700,847	-	171,371,405	42,575,247	12,707,258	-	55,282,505	116,088,900	10%
Motor Vehicles	408,254,722	32,389,180	14,230,000	426,413,902	208,036,929	42,714,748	7,944,017	242,807,660	183,606,242	20%
Motor Vehicle-Lease	2,085,000	-	-	2,085,000	1,976,107	21,779	-	1,997,886	87,114	20%
Electromechanical Equipments	1,099,988,899	-	-	1,099,988,899	753,547,642	51,929,856	-	805,477,498	294,511,401	15%
Electrical Installation	207,338,483	815,907	-	208,154,390	99,795,852	16,131,836	-	115,927,688	92,226,702	15%
Gas Line Installation	52,136,796	-	-	52,136,796	28,275,613	3,579,177	-	31,854,790	20,282,006	15%
Sub-Total	**27,897,043,839**	**2,312,283,985**	**14,511,216**	**30,194,816,608**	**12,654,208,094**	**1,733,096,800**	**8,183,204**	**14,379,121,690**	**15,815,694,918**	
HEAD OFFICE & OTHERS:										
Land	1,832,480,376	19,177,694	2,595,540	1,849,062,530	-	-	-	-	1,849,062,530	-
Building	547,975,915	337,240,665	-	885,216,580	247,197,948	43,982,646	-	291,180,594	594,035,986	10%
Boundary Wall	10,855,163	-	-	10,855,163	4,069,394	678,577	-	4,747,971	6,107,192	10%
Furniture & Fixture	122,228,808	27,934,306	-	150,163,114	55,499,104	7,996,263	-	63,495,367	86,667,747	10%
Office Equipment	89,730,513	3,542,898	-	93,273,411	49,669,303	4,126,125	-	53,795,428	39,477,983	10%
Computer	207,214,734	115,397,449	-	322,612,183	95,378,162	20,378,570	-	115,756,732	206,855,451	10%
Motor Vehicle	1,204,261,536	168,372,409	35,940,250	1,336,693,695	660,233,393	125,121,610	25,456,512	759,898,491	576,795,204	20%
Motor Vehicle-Lease	118,472,040	-	-	118,472,040	103,088,702	3,076,668	-	106,165,370	12,306,670	20%
Motor Cycle	377,363,529	75,191,990	30,367,200	422,188,319	191,180,485	43,238,932	22,071,077	212,348,340	209,839,979	20%
Books & Periodicals	528,794	-	-	528,794	528,603	57	-	528,660	134	30%
SAP Software	144,740,191	2,983,973	-	147,724,164	70,878,790	15,143,437	-	86,022,227	61,701,937	20%
VSAT	7,559,700	-	-	7,559,700	3,305,135	425,457	-	3,730,592	3,829,108	10%
Electrical Installation	14,418,915	1,940,000	-	16,358,915	11,272,294	670,510	-	11,942,804	4,416,111	15%
Sub-Total	**4,677,830,214**	**751,781,384**	**68,902,990**	**5,360,708,608**	**1,492,301,313**	**264,838,852**	**47,527,589**	**1,709,612,576**	**3,651,096,032**	
Grand Total Tk.	**32,574,874,053**	**3,064,065,369**	**83,414,206**	**35,555,525,216**	**14,146,509,407**	**1,997,935,652**	**55,710,793**	**16,088,734,266**	**19,466,790,950**	
Plant & Machinery in Transit	298,752,098	1,092,819,150	1,320,873,036	70,698,212	-	-	-	-	70,698,212	-
Building under Construction	596,451,420	684,548,794	295,216,360	985,783,854	-	-	-	-	985,783,854	-
Capital Work in Progress	-	22,164,617	-	22,164,617	-	-	-	-	22,164,617	-
Carrying Value as on June 30,2018	**33,470,077,571**	**4,863,597,930**	**1,699,503,602**	**36,634,171,899**	**14,146,509,407**	**1,997,935,652**	**55,710,793**	**16,088,734,266**	**20,545,437,633**	

Financial Statement

Standalone



73-99: Standalone
Auditors' Report
Statement of Financial Position
Statement of Profit or Loss and other Comprehensive Income
Statement of Changes in Equity
Statement of Cash Flows

SQUARE PHARMACEUTICALS LTD.

Annual Report 2017-2018

AMARSTOCK

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, 2018 along with Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the Year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), 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 IASed on our audit. We conducted our audit in accordance with International 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 of June 30, 2018 and of its financial performance for the Year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable rules 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 were for the purposes of the Company's business.

Ahmed Zaker & Co

Place: Dhaka
Dated: October 27, 2018

Ahmed Zaker & Co.
Chartered Accountants

SQUARE PHARMACEUTICALS LTD.

Statement of Financial Position

As at June 30, 2018

Particulars	Note	Amount in Taka	
		June 30, 2018	June 30, 2017
ASSETS:			
Non-Current Assets:		**26,132,724,160**	**23,494,648,133**
Property, Plant and Equipment-Carrying Value	2	18,271,557,962	16,846,568,295
Investment - Long Term (at Cost)	3	5,381,098,073	4,812,888,360
Investment in Marketable Securities (Fair Value)	4	2,480,068,125	1,835,191,478
Current Assets:		**27,196,589,272**	**22,268,597,918**
Inventories	5	3,642,090,783	2,988,121,604
Trade Debtors	6	1,587,211,300	2,188,447,720
Advances, Deposits and Prepayments	7	2,131,347,122	1,381,066,856
Short Term Loan	8	3,131,975,363	21,386,290
Cash and Cash Equivalents	9	16,703,964,704	15,689,575,448
TOTAL ASSETS		**53,329,313,432**	**45,763,246,051**
SHAREHOLDERS' EQUITY AND LIABILITIES:			
Shareholders' Equity:		**46,662,876,378**	**41,201,962,311**
Share Capital	10	7,373,910,900	6,859,452,000
Share Premium	11	2,035,465,000	2,035,465,000
General Reserve		105,878,200	105,878,200
Gain on Marketable Securities (Unrealized)		215,730,933	573,534,470
Retained Earnings		36,931,891,345	31,627,632,641
Non-Current Liabilities:		**1,126,645,973**	**1,055,679,469**
Deferred Tax Liability	12	1,126,645,973	1,055,679,469
Current Liabilities:		**5,539,791,081**	**3,505,604,271**
Trade Creditors	13	4,414,979,709	2,420,580,632
Liabilities for Expenses	14	89,622,042	21,937,186
Liabilities for Other Finance	15	1,035,189,330	1,063,086,453
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**53,329,313,432**	**45,763,246,051**
Net Assets Value per Share (NAV)		63.28	55.88
Number of Shares used to compute NAV		737,391,090	737,391,090

The annexed notes (1-38) form an integral part of these financial statements.

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 27, 2018

SQUARE PHARMACEUTICALS LTD.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended June 30, 2018

Particulars	Note	Amount in Taka	
		2017-2018	2016-2017
GROSS REVENUE	16	**34,573,390,809**	**33,299,672,121**
Less: Value Added Tax		4,568,415,918	4,413,733,070
NET REVENUE		**30,004,974,891**	**28,885,939,051**
COST OF GOODS SOLD	17	(15,598,608,803)	(14,824,352,515)
GROSS PROFIT		**14,406,366,088**	**14,061,586,536**
OPERATING EXPENSES:		**(6,684,319,753)**	**(5,892,241,850)**
Selling & Distribution Expenses	18	(5,661,467,912)	(4,978,783,909)
Administrative Expenses	19	(1,022,766,391)	(913,309,549)
Finance Cost	20	(85,450)	(148,392)
PROFIT FROM OPERATIONS		**7,722,046,335**	**8,169,344,686**
Other Income	21	3,644,261,128	2,715,854,964
PROFIT BEFORE WPPF & WF		**11,366,307,463**	**10,885,199,650**
Allocation for WPPF & WF	22	(541,252,736)	(518,342,840)
PROFIT BEFORE TAX		**10,825,054,727**	**10,366,856,810**
Income Tax Expenses-Current	23	(2,534,562,419)	(2,514,480,767)
Income Tax Expenses-Deferred		(70,966,504)	(59,878,530)
PROFIT AFTER TAX		**8,219,525,804**	**7,792,497,513**
Other Comprehensive Income:			
Unrealized Gain/(Loss) on Marketable Securities	24	(357,803,537)	306,747,891
Total Comprehensive Income for the Year		**7,861,722,267**	**8,099,245,404**
Earnings Per Share (EPS)	25	**11.15**	**10.57**
Number of Shares used to compute EPS		737,391,090	737,391,090

The annexed notes (1-38) form an integral part of these financial statements.

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 27, 2018

SQUARE PHARMACEUTICALS LTD.

Statement of Changes in Equity

For the year ended June 30, 2018

Particulars	Amount in Taka					
	Share Capital	Share Premium	General Reserve	Gain on Marketable Securities (Unrealized)	Retained Earnings	Total
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
Total Comprehensive Income for the year	-	-	-	(357,803,537)	8,219,525,804	7,861,722,267
Cash Dividend (2016-2017)	-	-	-	-	(2,400,808,200)	(2,400,808,200)
Stock Dividend (2016-2017)	514,458,900	-	-	-	(514,458,900)	-
At June 30, 2018	**7,373,910,900**	**2,035,465,000**	**105,878,200**	**215,730,933**	**36,931,891,345**	**46,662,876,378**

SQUARE PHARMACEUTICALS LTD.

Statement of Changes in Equity

For the year ended June 30, 2017

Particulars	Amount in Taka					
	Share Capital	Share Premium	General Reserve	Gain on Marketable Securities (Unrealized)	Retained Earnings	Total
At June 30, 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 for the year	-	-	-	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 June 30, 2017	**6,859,452,000**	**2,035,465,000**	**105,878,200**	**573,534,470**	**31,627,632,641**	**41,201,962,311**

The annexed notes (1-38) form an integral part of these financial statements.

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 27, 2018

SQUARE PHARMACEUTICALS LTD.

Statement of Cash Flows

For the year ended June 30, 2018

Particulars	Amount in Taka	
	2017-2018	2016-2017
Cash Flows From Operating Activities:		
RECEIPTS:		
Collections from Sales	34,965,023,255	32,463,817,809
Exchange Fluctuation Gain	76,215,214	42,180,295
Others	1,884,307,253	1,575,098,673
	36,925,545,722	**34,081,096,777**
PAYMENTS:		
Purchase of Raw and Packing Materials	9,041,567,738	8,290,331,446
Manufacturing and Operating Expenses	10,452,627,005	9,099,997,541
Value Added Tax	4,568,415,918	4,413,733,070
Finance Cost	85,450	148,392
Income Tax Paid	2,728,132,899	3,391,911,300
Workers Profit Participation Fund	518,342,840	610,698,236
Others	53,861,023	-
	27,363,032,873	**25,806,819,985**
Net cash Generated from Operating Activities	**9,562,512,849**	**8,274,276,792**
Cash Flows From Investing Activities:		
Purchase of Fixed Assets	(3,033,214,978)	(2,310,469,801)
Disposal of Fixed Assets	49,109,965	46,769,925
Investment	(1,561,047,761)	(489,642,816)
Short Term Loan	(3,110,589,073)	3,258,788,257
Gain on Sale of Marketable Securities	242,021,406	57,295,584
Interest Received	983,068,564	609,387,591
Dividend Received	283,336,484	291,874,575
Net cash used in Investing Activities	**(6,147,315,393)**	**1,464,003,315**
Cash Flows From Financing Activities:		
Dividend Paid	(2,400,808,200)	(2,494,346,184)
Net cash used in financing activities	**(2,400,808,200)**	**(2,494,346,184)**
Increase in Cash and Cash Equivalents	**1,014,389,256**	**7,243,933,923**
Cash and Cash Equivalents at the Opening	15,689,575,448	8,445,641,525
Cash and Cash Equivalents at the Closing	**16,703,964,704**	**15,689,575,448**
Net Operating Cash Flow per Share (NOCF)	**12.97**	**11.22**
Number of Shares used to compute NOCF	737,391,090	737,391,090

The annexed notes (1-38) form an integral part of these financial statements.

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 27, 2018

SQUARE PHARMACEUTICALS LTD.

Notes to the Financial Statements

As at and for the year ended June 30, 2018

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). 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 IAS-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 IAS-1.

1.6 Application of International Accounting Standards (IAS):

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

IAS - 1	Presentation of Financial Statements
IAS - 2	Inventories
IAS - 7	Statement of Cash Flows
IAS - 8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS - 10	Events after the Reporting Period
IAS - 12	Income Taxes
IAS - 16	Property, Plant and Equipment
IAS - 17	Leases
IAS - 18	Revenue
IAS - 19	Employee Benefits
IAS - 21	The effects of Changes in Foreign Exchange Rates
IAS - 23	Borrowing Costs
IAS - 24	Related Party Disclosures
IAS - 26	Accounting and Reporting by Retirement Benefit Plans
IAS - 28	Investment in Associates and Joint Ventures
IAS - 32	Financial Instruments: Presentation
IAS - 33	Earnings Per Share
IAS - 37	Provisions, Contingent Liabilities and Contingent Assets
IAS - 38	Intangible Assets
IAS - 39	Financial Instruments: Recognition & Measurement
IFRS-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 IAS-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 IFRS 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:

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 IASed on a review of all outstanding amount at the year 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 IAS-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 IASed 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 and any shortfall of previous years. 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 IAS-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 IAS-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 82.75.

1.16 Statement of Cash Flows:

Statement of cash flows is prepared in accordance with IAS-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 International Accounting Standard IAS-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 2016-2017 were treated as if they had been in issue in previous years also. Hence, in computing the Earnings per Share (EPS) of 2017-2018, the total number of shares including the said bonus shares has been considered as the Weighted Average Number of Shares Outstanding during the year 2016-2017.

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, 2018, 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 IAS 37.

1.24 Research, Development and Experimental Costs:

In compliance with the requirements of IAS 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.

	Amount in Taka	
	June 30, 2018	**June 30, 2017**

2. Property, Plant and Equipment: Tk. 18,271,557,962

Details of property, plant and equipment and depreciation as at 30 June 2018 are shown in the annexed schedule - A.

This is arrived at as follows:

Fixed Assets at Cost:		
Opening Balance	29,863,871,981	27,745,535,143
Net Addition during the Year	4,729,639,101	2,204,498,796
	34,593,511,082	**29,950,033,939**
Sales/Transfer during the year	(1,699,503,602)	(86,161,958)
Closing Balance	**32,894,007,480**	**29,863,871,981**
Accumulated Depreciation:		
Opening Balance	13,017,303,686	11,475,833,615
Charged during the Year	1,660,856,625	1,601,395,397
	14,678,160,311	**13,077,229,012**
Sales/Transfer during the Year	(55,710,793)	(59,925,326)
	14,622,449,518	**13,017,303,686**
Carrying Value	**18,271,557,962**	**16,846,568,295**

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

	Amount in Taka	
	2017-2018	2016-2017
Factory Overhead	1,396,017,773	1,371,582,644
Selling and Distribution Expenses	164,768,982	153,929,440
Administrative Expenses	100,069,870	75,883,313
	1,660,856,625	**1,601,395,397**

3. Investment-Long Term (at Cost): Tk. 5,381,098,073

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
@ USD 2,555,000 has Invested in the Share of Square Pharmaceuticals Kenya EPZ Ltd.	216,263,887	-
	2,315,763,887	**2,099,500,000**
Associates:		
(a) 87,082,552 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 1,537,500 Shares of Tk. 1,000/- each	1,537,500,000	1,537,500,000
(d) Investment in Square Fashions Ltd:	151,200,000	151,200,000
- 252,000 Ordinary Shares of Tk. 100/- each		
- 210,000 Ordinary Shares of Tk. 600/- each*	**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) 250,002 Zero Coupon Bond in Lanka Bangla Finance Ltd.	180,052,115	43,630,924
(e) 250,000 Zero Coupon Bond in IDLC Finance Ltd.	128,946,811	144,906,888
(f) 200,000 Zero Coupon Bond in Bangladesh Steel Re-Rolling Mills Ltd.	87,695,154	127,121,773
(g) 150,000 Preference Share in Raj Lanka Power Company Ltd.	116,363,640	145,454,550
(h) 5 Non-Convertible Zero Coupon Bond in Shanta Holdings Ltd.	127,701,118	-
(i) 5 Non-Convertible Zero Coupon Bond in Durable Plastics Ltd.	40,806,477	-
(j) 100,000 Non-Convertible Zero Coupon Bond in Flamigo Fashions Ltd.	84,596,560	-
(k) 40 Non-Convertible Zero Coupon Bond in Envoy Textiles Ltd.	46,898,086	-
	940,754,391	**588,808,565**
	5,381,098,073	**4,812,888,360**

4. Investment in Marketable Securities (Fair Value): Tk. 2,480,068,125

	Position of 2017-2018			Position of 2016-2017		
	Total Cost	Total Market Value	Realized/ Unrealized Gain	Total Cost	Total Market Value	Realized/ Unrealized Gain
Opening Balance	1,261,657,008	1,835,191,478	573,534,470	804,845,863	1,071,735,442	269,956,093
Add: Investment made during the year	1,288,460,847	-	-	637,578,689	-	-
Less: Sold/Disposed off during the year	(285,780,663)	527,802,069	242,021,406	(180,870,544)	238,166,128	57,295,584
Closing Balance	**Tk. 2,264,337,192**	**2,480,068,125**	**215,730,933**	**1,261,554,008**	**1,835,191,478**	**573,637,470**

5. Inventories: Tk. 3,642,090,783

The break-up is as under:

Raw Materials	1,121,094,686	1,068,908,054
Packing Materials	469,946,615	412,272,384
Work-in-Process	204,086,317	202,282,486
Finished Goods	941,732,136	843,915,800
Spares & Accessories	444,000,926	341,336,971
Goods- in-Transit	461,230,103	119,405,909
	3,642,090,783	**2,988,121,604**

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

6. Trade Debtors: Tk. 1,587,211,300

(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	1,212,896,164	1,817,336,785
Within 31-60 days	151,314,845	184,663,986
Within 61-90 days	52,143,511	104,264,354
Above 90 days	170,856,780	82,182,595
	1,587,211,300	**2,188,447,720**

(ii) Debtors include Tk.466,729,518 due from export sales of which Tk. 248,569,226 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 peson.

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

7. Advances, Deposits & Prepayments: Tk. 2,131,347,122

This consists of as follows:

Advances:	**1,023,773,655**	**680,132,976**
Employees	177,166,722	130,942,860
Motor Cycle Loan – Employees	-	2,762,025
Land Purchase	114,804,755	195,139,482
Suppliers	531,802,178	351,288,609
Income Tax	200,000,000	-
Deposits:	**1,069,017,289**	**656,480,921**
Value Added Tax	429,137,122	219,533,148
Earnest Money & Security Deposit	141,832,266	87,971,243
Interest on Fixed Deposit Receipts	488,240,998	344,177,480
Others	9,806,903	4,799,050
Prepayments:	**38,556,178**	**44,452,959**
Office Rent	6,385,565	5,640,141
Insurance Premium	32,170,613	38,812,818
	2,131,347,122	**1,381,066,856**

(a) Employees advances of Tk. 177,166,722 includes advance to officers Tk. 85,026,990.

(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.

	30-06-2018	30-06-2017
8. Short Term Loan (Unsecured): Tk. 3,131,975,363		
This consists of as follows:		
(a) Square Textiles Ltd.	1,385,741	21,386,290
(b) Square Fashions Ltd.	79,314	-
(c) Square Denims Ltd.	2,168,142,032	-
(d) Square Apparels Ltd.	780,464,229	-
(e) Square Herbal & Nutraceuticals Ltd.	181,904,047	-
	3,131,975,363	**21,386,290**
9. Cash And Cash Equivalents: Tk. 16,703,964,704		
This is made up as follows:		
(a) Cash in Hand	**4,347,122**	**2,021,806**
(b) Cash at Bank:	**16,699,617,582**	**15,687,553,642**
* Current Account	1,413,887,145	729,918,847
* STD Account	214,854,684	111,249,701
* Fixed Deposit Account (BD Taka)	12,713,244,578	12,871,846,671
* Fixed Deposit Account (USD)	1,936,582,928	1,203,522,187
* Export Retention Quota Account (USD)	393,523,444	603,652,810
* Margin Held Account (USD)	27,524,803	167,363,426
	16,703,964,704	**15,689,575,448**
10. Share Capital: Tk. 7,373,910,900		
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:		
727,258,770 Ordinary Shares of Tk.10/- each fully paid-up as Bonus Shares	7,272,587,700	6,758,128,800
	7,373,910,900	**6,859,452,000**

Composition of Shareholding of Ordinary Shares:

	2017-2018		2016-2017	
	No. of Shares	%	No. of Shares	%
Sponsors/Directors	253,865,349	34.43	249,277,499	36.34
Foreign Investors	146,401,066	19.85	135,496,218	19.75
Financial and Other Institutions	74,652,754	10.12	67,346,360	9.82
General Public	262,471,921	35.60	233,825,123	34.09
	737,391,090	**100.00**	**685,945,200**	**100.00**

The Distribution Schedule of each class of Equity Security setting out the number of holders and percentage as on 30 June 2018

Range of Holdings	As per Folio		As per BOID		Total Shareholding	%
	No. of Holders	Holdings	No. of Holders	Holdings		
Less than 500 Shares	770	132,941	33,390	4,254,901	4,387,842	0.59
501 to 5,000 Shares	807	1,424,476	16,092	27,157,590	28,582,066	3.88
5,001 to 10,000 Shares	178	1,129,596	2,224	15,438,957	16,568,553	2.25
10,001 to 20,000 Shares	55	731,415	1,098	15,316,589	16,048,004	2.18
20,001 to 30,000 Shares	16	390,811	410	10,037,999	10,428,810	1.41
30,001 to 40,000 Shares	5	167,753	178	6,270,224	6,437,977	0.87
40,001 to 50,000 Shares	9	408,983	111	4,969,927	5,378,910	0.73
50,001 to 100,000 Shares	9	633,986	200	14,103,654	14,737,640	2.00
100,001 to 1,000,000 Shares	8	4,117,068	238	69,092,735	73,209,803	9.93
Over 1,000,000 Shares	14	387,322,220	51	174,289,265	561,611,485	76.16
	1,871	**396,459,249**	**53,992**	**340,931,841**	**737,391,090**	**100.00**

	June 30, 2018	June 30, 2017
11. Share Premium:	**2,035,465,000**	**2,035,465,000**

12. Deferred Tax Liability: Tk. 1,126,645,973

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	1,055,679,469	995,800,939
Addition during the Year	70,966,504	59,878,530
Closing Balance	**1,126,645,973**	**1,055,679,469**

13. Trade Creditors:	**4,414,979,709**	**2,420,580,632**

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

14. Liabilities For Expenses: Tk. 89,622,042

This consists of as follows:

Accrued Expenses	89,334,542	21,649,686
Audit Fees	287,500	287,500
Total	**89,622,042**	**21,937,186**

15. Liabilities For Other Finance: Tk. 1,035,189,330

This consists of as follows:

Sundry Creditors	442,013,565	485,915,687
Income Tax (Deduction at Source)	11,457,165	21,496,582
Retention Money	3,319,330	6,614,330
Workers' Profit Participation Fund and Welfare Fund	541,252,736	518,342,840
Income Tax Payable (Note-15.1)	37,146,534	30,717,014
	1,035,189,330	**1,063,086,453**

15.1. Income Tax Payable: Tk. 37,146,534

This is arrived at as follows:

Opening balance	30,717,014	908,147,547
Provision made for the Year (Note-23)	2,534,562,419	2,514,480,767
Tax Paid (Including Advance Income Tax during the Year)	(2,528,132,899)	(3,391,911,300)
	37,146,534	**30,717,014**

16. Gross Revenue: Tk. 34,573,390,809

This is made-up as follows:

Local Sales	33,122,860,868	31,912,843,729
Export Sales equivalent in US $ 17,130,884 (FY 2016-2017 US $ 17,344,764)	1,450,529,941	1,386,828,392
	34,573,390,809	**33,299,672,121**

(i) Revenue consists 669 Pharmaceuticals Products, 22 Basic Chemicals & Pellet Products, 74 (Locally Produced) AgroVet Products & 55 (Imported) AgroVet Products and 32 Pesticide Products. The summarised quantities are as under:

(Quantity in thousand)

Category	Unit	Opening	Purchase/ Production	Sales/Transfer	30-06-2018
Tablet	Pcs	658,627	4,600,658	4,726,986	532,299
Capsule	Pcs	117,196	511,966	499,299	129,863
Liquid Capsule	Pcs	2,169	19,437	19,106	2,500
Liquid	Bottles	8,592	99,260	97,981	9,871
Injectable (Vial & Ampoule)	Pcs	5,247	56,243	57,187	4,303
Infusion (LVPO)	Bags	403	2,810	2,705	508
ENT Preparation-Drops, Spray,Gel & Others	Phials	1,066	15,191	14,554	1,703
Steroid-Cream,Ointment,Spray,Gel & Others	Phials	1,009	14,048	13,536	1,521
Non Steroid-Cream,Ointment,Spray,Gel & Others	Phials	882	23,194	22,410	1,666
Opthal Preparation	Phials	533	4,490	4,390	633
Nebulizer	Phials	221	3,920	3,596	545
Powder for Suspension	Bottles	1,187	15,878	15,010	2,055
Tropical Powder	Phials	800	4,994	5,345	449
Suppository	Pcs	1,550	60,395	53,383	8,562
Sachet	Pcs	191	2,019	2,093	117
Inhaler	Cans	453	3,990	3,254	1,189
Dry Powder Inhaler	Pcs	1,994	30,297	28,326	3,965
Insulin	Pcs	223	1,350	1,385	188
Dialysis Splution	Container	-	10	8	2
Basic Chemical	Kg	20	492	464	48
Pellet	Kg	16	269	269	16
Tablet - AgroVet	Pcs	1,240	21,754	21,816	1,178
Powder - AgroVet	Kg	132	4,002	3,866	268
Injectable - AgroVet	Litre	22	22	37	7
Liquid - AgroVet	Bottles	46	5,379	5,356	69
Liquid - Insecticide	Litre	11	48	52	7
Granuler - Insecticide	Kg	13	621	557	77
Powder-Insecticide	Kg	5	29	29	5
Powder/Liquids-Fungicide	Kg/Litre	14	469	403	80
Weedicide-Liquid & Powder	Litre	10	58	60	8
Fertilizer-Granuler	Kg	32	664	634	62
Fertilizer-Powder	Kg	200	2,735	2,292	643
Plant Growth Regulator-Powder/Liquid	Kg/Litre	-	23	16	7

(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. **Breakup of Stock Transfer is under:**

	Jul'2017-Jun'2018		Jul'2016-Jun'2017	
	Metric Ton	Amount (Taka)	Metric Ton	Amount (Taka)
1) Basic Chemicals	238.32	338,507,052	208.27	294,048,564
2) Pellet	53.01	128,555,132	56.90	133,987,391
		467,062,184		**428,035,955**

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

	Note	2017-2018	2016-2017
17. Cost Of Goods Sold: Tk. 15,598,608,803			
This is arrived at as follows:			
Raw Materials Consumed	17.1	6,153,549,385	6,253,387,990
Packing Materials Consumed	17.2	3,423,114,588	3,523,105,885
		9,576,663,973	**9,776,493,875**
Work-in-Process (Opening)		202,282,486	198,930,191
Work-in-Process (Closing)		(204,086,317)	(202,282,486)
TOTAL CONSUMPTION		**9,574,860,142**	**9,773,141,580**
Factory Overhead	17.3	5,118,955,065	4,634,514,157
COST OF PRODUCTION		**14,693,815,207**	**14,407,655,737**
Purchase of Finished Goods		1,114,476,247	537,882,258
Finished Goods (Opening)		843,915,800	830,137,717
Finished Goods (Closing)		(941,732,136)	(843,915,800)
		15,710,475,118	**14,931,759,912**
Cost of Physician Sample		(111,866,315)	(107,407,397)
		15,598,608,803	**14,824,352,515**

17.1. Raw Materials Consumed: Tk. 6,153,549,385

Opening Stock	1,068,908,054	1,051,802,782
Purchase	6,205,736,017	6,270,493,262
Closing Stock	(1,121,094,686)	(1,068,908,054)
	6,153,549,385	**6,253,387,990**

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	452,029,549	1,613,136	1,512,330	143,238	10,154	3,278,858	1,068,908,054
Purchase	594,276,615	9,510,045	8,484,840	510,828	31,861	18,537,574	6,205,736,017
Available for use	1,046,306,164	11,123,181	9,997,170	654,066	42,015	21,816,432	7,274,644,071
Closing Balance	477,585,040	2,218,503	1,550,016	171,547	15,283	3,955,349	1,121,094,686
Consumption	568,721,124	8,904,678	8,447,154	482,519	26,732	17,861,083	**6,153,549,385**

Raw Materials consists of 989 items of which 86.68% (in value) are imported.

	2017-2018	2016-2017

17.2. Packing Materials Consumed: Tk. 3,423,114,588

Opening Stock	412,272,384	402,088,041
Purchase	3,480,788,819	3,533,290,228
Closing Stock	(469,946,615)	(412,272,384)
	3,423,114,588	**3,523,105,885**

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

Category	Unit	Opening	Purchase	Consumption	Closing (30-06-17)
Inner Carton	Pcs	41,217	194,297	193,452	42,062
Shipper's Carton	Pcs	996	6,559	6,432	1,123
Label	Pcs	54,681	190,799	183,462	62,018
Direction Slip	Pcs	32,096	170,705	167,402	35,399
Container	Pcs	8,096	28,550	28,101	8,545
Blister Foil/Alu Lid Foil	Kg	65	216	205	76
Strip Foil	Kg	42	194	220	16
PVC/PVDC/PE Film	Kg	242	658	650	250
Auto Bottom Foil	Kg	126	380	375	131
Bottle (PET/HDPE/Glass)	Pcs	10,591	143,439	143,692	10,338
Ampoule	Pcs	9,804	50,627	48,558	11,873
Vial	Pcs	3,732	14,600	13,870	4,462
HDPE/LDPE Bag	Pcs	388	1,247	1,227	408
Over Bag (Infusion Bag)	Pcs	38	-	30	8
Flip Off Seal & Tear off Seal	Pcs	3,902	15,133	15,474	3,561
P.P Cap/Plastic Clousers & Others	Pcs	30,187	220,506	217,857	32,836
Tube	Pcs	5,600	38,371	37,255	6,716
Can	Pcs	440	5,920	4,217	2,143
Actuator	Pcs	830	2,727	2,257	1,300
Metered Valves	Pcs	712	5,876	5,855	733
Sachet	Kg	319	265	279	305
Syringe/Needle/Infusion Set	Pcs	1,995	4,602	4,842	1,755
Water for Injection	Pcs	2,032	20,580	21,064	1,548
Shrink Wrapping	Kg	850	5,319	5,311	858
Silica Gel/Gum Tape/Adhesive Tape	Pcs	2,590	23,976	25,033	1,533
Cup/Spoon/Dropper/Rubber Stopper	Pcs	11,614	124,919	117,981	18,552
Honey Comb	Pcs	112	516	480	148
Plastic Applicator	Pcs	504	2,634	2,606	532
Neck Lock & Zip Lock Bag	Pcs	523	3,952	3,739	736
Poly Pack,Poly Bag & Pouch Pack	Pcs	2,718	10,247	10,356	2,609

Packing Materials consists of 4,447 items of which 34.57% (in value) are imported.

17.3. Factory Overhead: Tk. 5,118,955,065

This is made up as follows:

Salaries, Allowances and Wages	1,364,537,513	1,211,751,773
Factory Employees Free Lunch	105,286,194	92,508,739
Factory Staff Uniform	47,946,965	40,687,138
Travelling & Conveyance	37,947,623	34,436,499
Printing & Stationery	50,859,509	45,051,339
Postage, Telephone & Fax	6,798,306	5,438,372
Repairs & Maintenance	862,410,185	752,240,737
Laboratory Consumable Stores	295,476,430	265,677,147
Fuel, Petrol, Light Diesel etc.	225,922,494	235,695,802
Electricity, Gas & Water	427,151,187	342,833,148
Rental Expense	18,549,716	1,877,700
Municipal & Other Tax	9,417,359	9,745,019
Insurance Premium	19,263,816	19,492,031
Factory Sanitation Expenses	39,643,104	35,948,492
Depreciation	1,396,017,773	1,371,582,644
Security Services	52,920,554	40,934,784
Research & Development	101,170,048	72,378,884
Software & Hardware Support Services	49,133,143	48,705,914
Toll Charges	5,709,253	5,223,625
Other Expenses	2,793,893	2,304,370
	5,118,955,065	**4,634,514,157**

18. Selling & Distribution Expenses: Tk. 5,661,467,912

This consists of as follows:

	2017-2018	2016-2017
Salaries and Allowances	1,022,411,149	928,200,127
Travelling and Conveyance	96,658,323	83,292,812
Training Expenses	2,608,502	2,335,426
Printing and Stationery	57,032,773	52,557,518
Postage, Telephone, Fax & Telex	43,224,424	34,966,066
Electricity, Gas and Water	27,622,946	24,904,210
Tiffin and Refreshment	23,878,053	22,407,508
Staff Uniform	3,875,130	3,480,278
Office and Godown Rent	21,846,963	20,513,321
Lease Rent	2,806,200	1,328,250
Bank Charges	11,473,588	10,881,721
Repairs and Maintenance including car maintenance	347,271,541	304,696,461
Govt. Taxes and Licence Fees	26,116,013	21,252,042
Field Staff Salaries, Allowances, TA and DA	1,496,004,166	1,304,831,414
Marketing and Promotional Expenses	995,510,073	857,055,683
Advertisement	726,070	719,500
Delivery and Packing Expenses	91,421,612	82,614,064
Export Expenses	120,402,757	112,902,670
Special Discount	837,183,408	705,098,469
Sample Expenses	149,305,705	143,710,596
Security Services	71,023,552	63,758,040
Depreciation	164,768,982	153,929,440
Software, Hardware Support & VSAT Services	31,784,460	29,459,620
Insurance Premium	12,087,192	12,487,846
Other Expenses	4,424,330	1,400,827
	5,661,467,912	**4,978,783,909**

19. Administrative Expenses: Tk. 1,022,766,391

This consists of as follows:

Salaries and Allowances	333,417,542	304,125,648
Directors' Remuneration	73,431,268	58,980,339
Travelling and Conveyance	124,414,844	114,201,219
Training Expenses	9,077,594	8,459,375
Printing and Stationery	14,267,100	12,884,714
Postage, Telephone, Internet	10,439,245	9,683,524
Electricity, Gas & Water	20,261,368	19,084,519
Tiffin and Refreshment	51,693,203	45,577,846
Staff Uniform	2,076,125	1,899,995
Office Rent	15,203,271	14,645,478
Sanitation Expenses	2,383,500	2,219,326
Books and Periodicals	326,751	282,316
Subscription and Donation	5,577,709	5,475,276
Advertisement	2,278,617	1,917,748
Repairs and Maintenance	139,651,444	121,411,008
Bank Charges	22,952,287	20,877,710
Insurance Premium	12,260,031	2,289,503
Govt. Taxes, Stamp Duty & Licence Fee	9,074,385	8,754,681
Security Services	37,670,238	32,442,664
Management Consultant Fees	627,976	709,169
Legal Charges	2,238,125	2,614,275
Audit Fees	287,500	287,500
Depreciation	100,069,870	75,883,313
Annual General Meeting Expenses	2,933,924	2,951,608
Software & Hardware Support Services	19,690,635	42,314,407
Share Demat, Remat & Transfer Fees	8,895,950	2,148,378
Other Expenses	1,565,889	1,188,010
	1,022,766,391	**913,309,549**

Audit fees of Tk. 287,500 represents fees for audit of the financial statements of the company for the year 2017-2018.

	2017-2018	2016-2017
20. Finance Cost: Tk. 85,450		
This is made up as follows:		
Interest on Cash Credit	58,546	58
Interest on Overdraft	26,904	148,334
	85,450	**148,392**
21. Other Income: Tk. 3,644,261,128		
This is arrived at as follows:		
Bank Interest	1,031,252,228	642,085,111
Interest on Loan to Sister Concern	68,391,438	111,751,978
Rental Income	24,101,967	23,983,700
Sale of Scrap	26,978,784	23,554,220
Dividend	283,336,484	291,874,575
Foreign Exchange Fluctuation Gain	86,057,351	42,180,295
Commission Received	1,833,226,502	1,465,116,086
Gain on Redemption of Zero Coupon Bond	27,488,416	37,480,122
Gain on Marketable Securities (Realized)	242,021,406	57,295,584
	3,622,854,576	**2,695,321,671**
Profit on Sale of Property, Plant & Equipment (Note-28)	21,406,552	20,533,293
	3,644,261,128	**2,715,854,964**
22. Allocation for WPPF & WF:	**541,252,736**	**518,342,840**

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.

23. Income Tax Expenses-Current: Tk. 2,534,562,419		
Current Tax (Provision for the Year)	**2,534,562,419**	**2,514,480,767**
24. Gain/(Loss) on Marketable Securities (Unrealized): Tk. (357,803,537)		
Unrealized Gain/(Loss) Position (Closing)	215,730,933	573,534,470
(-) Unrealized Gain/(Loss) Position (Opening)	573,534,470	266,786,579
Gain/(Loss) on Marketable Securities during the Year	**(357,803,537)**	**306,747,891**
25. Earnings Per Share (Eps) - Tk. 11.15		
The computation is given below:		
Surplus for the year attributable to Shareholders (Net Profit after Tax)	8,219,525,804	7,792,497,513
Weighted average number of Shares outstanding during the year	737,391,090	737,391,090
Earnings per Share	**11.15**	**10.57**

26. Appropriation During the Period:

In accordance with IAS-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. 3.60 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 2017-2018 is calculated at Tk. 2,654,607,924.

The Board of Directors also proposed Bonus Shares (Stock Dividend) @ 7% per Share and total amount of proposed Bonus Share (Stock Dividend) for the year is calculated at Tk. 516,173,760.

	2017-2018	2016-2017

27. Key Management Personnel Compensation:

During the year, the amount of compensation paid to Key Management Personnel including Board of Directors is as under (As Para 17 of IAS 24 Related Party Disclosures):

Short-Term Employee Benefits	311,313,523	264,007,560
Post-Employment Benefits	7,792,010	23,471,152
Other Long-Term Benefits	-	-
Termination Benefits	-	-
Share-IASed Payment	-	-

28. Particulars of Disposal of Property, Plant and Equipment for The Year Jul'2017-Jun'2018:

Particulars of Assets	Cost	Acc. Depreciation Upto 30-06-2018	W.D.V as on 30-06-2018	Sales Price	Profit/(Loss)
Land & Land Development	2,595,540	-	2,595,540	3,868,042	1,272,502
Plant & Machinery	281,216	239,187	42,029	915,000	872,971
Motor Vehicle	50,170,250	33,400,529	16,769,721	28,130,246	11,360,525
Motor Cycle	30,367,200	22,071,077	8,296,123	16,196,677	7,900,554
Tk.	**83,414,206**	**55,710,793**	**27,703,413**	**49,109,965**	**21,406,552**

29. Production Capacity and Utilisation :

(Quantity in thousand)

Category	Unit	Rated Capacity as on 30-06-2018	Actual Production	Capacity Utilisation (%)
Tablet	Piece	7,887,473	4,600,658	58%
Capsule	Piece	1,205,090	511,966	42%
Liquid Capsule	Piece	100,450	19,437	19%
Liquid	Bottle	229,630	99,260	43%
Injectable (Vial & Ampoule)	Piece	113,764	56,243	49%
Infusion (LVPO)	Bag	11,750	2,810	24%
ENT Preparation-Drops, Spray,Gel & Others	Phial	53,539	15,191	28%
Steroid-Cream,Ointment,Spray,Gel & Others	Phial	37,195	14,048	38%
Non Steroid-Cream,Ointment,Spray,Gel & Others	Phial	33,919	23,194	68%
Opthal Preparation	Phial	5,000	4,490	90%
Nebulizer	Phial	4,000	3,920	98%
Powder for Suspension	Bottle	32,726	15,878	49%
Tropical Powder	Phial	8,682	4,994	58%
Suppository	Piece	74,046	60,395	82%
Sachet	Piece	3,068	2,019	66%
Inhaler	Can	5,400	3,990	74%
Dry Powder Inhaler	Piece	114,000	30,297	27%
Insulin & Insulin Cartridge	Piece	5,850	1,350	23%
Dialysis Solution	Container	1,000	10	1%
Basic Chemical	Kg	500	492	98%
Pellet	Kg	360	269	75%
Tablet - AgroVet	Piece	28,355	21,754	77%
Powder - AgroVet	Kg	6,117	4,002	65%
Injectable - AgroVet	Litre	27	22	81%
Liquid - AgroVet	Bottle	7,325	5,379	73%

30. 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.

31. 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 2018.

32. Dividend Paid to the Shareholders:

During the year under review total cash dividend for 2016-2017 amounting to Tk. 2,400,808,200 has been paid to the Shareholders and also bonus shares amounting to Tk. 514,458,900 for the year 2016-2017 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.

33. Claim not Acknowledged as Debt:

There was no claim against the company not acknowledged as debt as on 30-06-2018.

34. Un-Availed Credit Facilities:

There was no credit facility available to the company under any contract but not availed of as on 30-06-2018 other than bank credit facility and trade credit available in the ordinary course of business.

35. Events After the Reporting Period:

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

36. 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.,Square Herbal & Nutraceuticals Ltd., Pharma Packages (Pvt) Ltd. and AEGIS Services Ltd. during the year reporting.
The summary is as follows:

Transaction with Square Textiles Ltd:		**2017-2018**	**2016-2017**
Opening Balance		21,386,290	42,781,579
Total Paid during the Year		71,714,273	257,274,481
Total Realized during the Year		(91,714,822)	(278,669,770)
Closing Balance Receivable/(Payable)	**Tk.**	**1,385,741**	**21,386,290**
Transaction with Square Fashions Ltd.:			
Opening Balance		-	432,299,117
Total Paid during the Year		374,717,405	534,416,054
Total Realized during the Year		(374,638,091)	(966,715,171)
Closing Balance Receivable/(Payable)	**Tk.**	**79,314**	**-**
Transaction with Square Hospitals Ltd.:			
Opening Balance		-	(2,693,932)
Total Paid during the Year		415,658,564	491,250,012
Total Realized during the Year		(415,658,564)	(488,556,080)
Closing Balance Receivable/(Payable)	**Tk.**	**-**	**-**
Transaction with Square InformatiX Ltd.:			
Opening Balance		-	78,077,351
Total Paid during the Year		62,242,881	85,279,427
Total Realized during the Year		(65,910,229)	(163,356,778)
Closing Balance Receivable/(Payable)	**Tk.**	**(3,667,348)**	**-**

Transaction with Square Formulations Ltd.:		2017-2018	2016-2017
Opening Balance		(1,700,295,979)	901,244,589
Total Paid during the Year		8,075,724,157	5,181,191,086
Total Realized during the Year		(10,333,220,687)	(7,782,731,654)
Closing Balance Receivable/(Payable)	**Tk.**	**(3,957,792,509)**	**(1,700,295,979)**
Transaction with Square Denims Ltd.:			
Opening Balance		-	1,593,602,940
Total Paid during the Year		2,909,268,236	218,793,539
Total Realized during the Year		(741,126,204)	(1,812,396,479)
Closing Balance Receivable/(Payable)	**Tk.**	**2,168,142,032**	**-**
Transaction with Square Apparels Ltd.:			
Opening Balance		-	232,168,971
Total Paid during the Year		1,012,546,469	354,131,226
Total Realized during the Year		(232,082,240)	(586,300,197)
Closing Balance Receivable/(Payable)	**Tk.**	**780,464,229**	**-**
Transaction with Square Securities Management Ltd.:			
Opening Balance		94,288,022	93,830,109
Total Paid during the Year		1,227,802,069	638,166,129
Total Realized during the Year		(1,288,461,348)	(637,708,216)
Closing Balance Receivable/(Payable)	**Tk.**	**33,628,743**	**94,288,022**
Transaction with Square Herbal & Nutraceuticals Ltd.:			
Opening Balance		197,046,660	4,116,986
Total Paid during the Year		671,018,806	520,876,649
Total Realized during the Year		(390,162,273)	(327,946,975)
Closing Balance Receivable/(Payable)	**Tk.**	**477,903,193**	**197,046,660**
Transaction with Pharma Packages (Pvt.) Ltd.:			
Opening Balance		-	-
Total Paid during the Year		450,200,000	366,044,566
Total Realized during the Year		(350,000,000)	(366,044,566)
Closing Balance Receivable/(Payable)		**100,200,000**	**-**
Transaction with AEGIS Services Ltd.:			
Opening Balance		11,009	-
Total Received during the Year		49,226,916	229,527,985
Total Paid during the Year		(49,237,925)	(229,516,976)
Closing Balance Receivable/(Payable)	**Tk.**	**-**	**11,009**

37. Contingent Liabilities:

Bank Guarantee		58,762,118	43,819,586
Letter of Credit (L.C) Liabilities		1,500,255,266	1,979,052,982
	Tk.	**1,559,017,384**	**2,022,872,568**

Contingent Liabilities at the Balance Sheet date are as follows:

37.1 Bank Guarantee:

Shahjalal Islami Bank Ltd.		44,245,114	29,803,986
Standard Chartered Bank		14,517,004	14,015,600
	Tk.	**58,762,118**	**43,819,586**

		2017-2018	2016-2017
37.2 Letter of Credit (L.C) Liabilities:			
Standard Chartered Bank		221,451,912	224,738,659
HSBC Ltd.		303,031,532	437,341,731
Citibank N.A		377,705,483	288,972,902
Commercial Bank of Cylon PLC		48,977,137	162,339,130
Prime Bank Ltd.		38,486,406	105,015,492
Mercantile Bank Ltd.		170,293,690	392,679,402
Bank Asia Ltd.		70,425,765	162,638,261
Brac Bank Ltd.		8,118,250	17,101,027
Eastern Bank Ltd.		60,839,502	4,713,600
Shahjalal Islami Bank Ltd.		33,891,418	59,487,200
Bank Alfalah Ltd.		167,034,171	124,025,578
	Tk.	**1,500,255,266**	**1,979,052,982**

37.3 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, 2018.

38 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

38.1 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.

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:

		30-06-2018	30-06-2017
Trade Debtors (Local & Export)		1,587,211,300	2,188,447,720
Advances,Deposits and Prepayments		1,787,603,259	1,381,066,856
Cash and Bank Balances		16,703,964,704	15,689,575,448
	Tk.	**20,078,779,263**	**19,259,090,024**
(b) Ageing of Receivables			
Dues up to 6 months		1,364,211,009	2,002,000,771
Dues over 6 months		223,000,291	186,446,949
	Tk.	**1,587,211,300**	**2,188,447,720**

(c) Credit Exposure by Credit Rating

	Credit Rating	June 30, 2018 Amount (Taka)	June 30, 2017 Amount (Taka)
Trade Debtors (Local & Export)	NR	1,587,211,300	2,188,447,720
Advances,Deposits and Prepayments	NR	1,787,603,259	1,381,066,856
Cash and Bank Balances:			
- Cash in Hand	NR	4,347,122	2,021,806
- Cash at Bank:		16,699,617,582	15,687,553,642
Bank Asia Ltd.	AA2	45,785,739	630,782
Bank Alfalah Ltd.	AA	35,577,954	34,883,841
Brac Bank Ltd.	AA+	819,367,293	769,573,738
Citibank N.A	A1	82,010,501	7,393,241
Commercial Bank of Ceylon Ltd.	AAA	36,300,318	42,339,312
Dutch-Bangla Bank Ltd.	AA+	1,909,803	714,368
Eastern Bank Ltd.	AA+	72,692,160	32,744,964
HSBC Ltd.	AAA	627,876,157	22,366,913
Janata Bank Ltd.	AAA	309,097,867	548,893,284
Mercantile Bank Ltd.	AA	1,040,354,016	1,236,939,672
Mutual Trust Bank Ltd.	AA	934,639,395	8,394,758
Prime Bank Ltd.	AA	3,215,199,838	1,973,008,973
Standard Chartered Bank	AAA	1,020,374,614	148,227,280
Shahjalal Islami Bank Ltd.	AA2	1,130,141,706	944,746,511
Sonali Bank Ltd.	AAA	279,824,966	2,727,189,733
Trust Bank Ltd.	AA2	138,182	287,250
IDLC Finance Ltd.	AAA	774,929,218	728,396,000
National Housing Finance And Investments Ltd.	A1	882,684,112	1,437,980,000
Union Capital Ltd.	AA+	-	109,570,000
Prime Finance & Investment Ltd.	A+	-	108,985,000
The City Bank Ltd.	AA2	1,000,000,000	600,000,000
IPDC Finance Ltd.	AA1	667,085,000	800,000,000
LankaBangla Finance Ltd.	AA3	940,000,000	850,000,000
Social Islami Bank Ltd.	AA-	100,000,000	900,000,000
Industrial and Infrastructure Development Company Ltd.	AA+	450,000,000	300,000,000
Delta Brac Housing Finance Corporation Ltd.	AAA	600,000,000	750,000,000
IFIC Bank Ltd.	AA2	-	10,000,000
Southeast Bank Ltd.	AA	200,000,000	500,000,000
Square Securities Management Ltd.	-	33,628,743	94,288,022
Dhaka Bank Ltd.	AA	700,000,000	-
Al-Arafah Islami Bank Ltd.	AA	500,000,000	-
AB Bank Ltd.	A1	200,000,000	-

38.2 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, IASed 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	5,186,049,827	-	5,186,049,827	-	5,186,049,827

38.3 Market 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:	June 30, 2018	June 30, 2017
Exchange Rate of US Dollar	82.75	79.85

(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, 2018 the interest rate risk profile of the company's interest bearing financial instruments was:

	Carrying Amount June 30, 2018	Carrying Amount June 30, 2017
Fixed Rate Instrument		
- Financial Asset	14,649,827,506	14,075,368,858
- 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.

38.4 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:

	Carrying Amount as on June 30, 2018	Fair Value as on June 30, 2018	Carrying Amount as on June 30, 2017	Fair Value as on June 30, 2017
Assets Carried at Fair Value through Statement of Comprehensive Income (Investment in Marketable Securities)	2,264,337,192	2,480,068,125	1,261,657,008	1,835,191,478
Held to Maturity Assets				
FDR with Banks and Financial Institutions	14,649,827,506	14,649,827,506	14,075,368,858	14,075,368,858
Loans on Receivables:				
Trade Receivables	1,587,211,300	1,587,211,300	2,188,447,720	2,188,447,720
Security Deposit	141,832,266	141,832,266	87,971,243	87,971,243
Cash and Bank Balances	16,703,964,704	16,703,964,704	15,689,575,448	15,689,575,448
Available for Sale of Financial Assets	2,357,631,175	2,357,631,175	1,974,538,423	1,974,538,423

* As per the requirements of IFRS 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.

PROPERTY, PLANT AND EQUIPMENT

For the year ended June 30, 2018

Property, Plant and Equipment-Carrying Value: Tk. 18,271,557,962

Schedule-01

PARTICULARS	COST				DEPRECIATION				Net Book Value as at 30 June 2018	Rate of Dep.
	At 30 June 2017	During the year		At 30 June 2018	At 30 June 2017	During the year		At 30 June 2018		
		Additions	Sales/ Transfer			Charged	Sales/ Transfer			
FACTORIES:										
Land	2,191,059,839	743,281,553	-	2,934,341,392	-	-	-	-	2,934,341,392	-
Building	7,136,804,199	175,169,493	-	7,311,973,692	3,084,342,937	415,296,304	-	3,499,639,241	3,812,334,451	10%
Boundary Wall	593,903	-	-	593,903	313,839	28,006	-	341,845	252,058	10%
Plant & Machinery	11,367,608,974	921,177,705	281,216	12,288,505,463	6,639,683,086	758,721,020	239,187	7,398,164,919	4,890,340,544	15%
Laboratory Equipment	1,487,443,035	202,740,050	-	1,690,183,085	581,930,629	100,448,159	-	682,378,788	1,007,804,297	10%
Furniture & Fixture	568,171,649	40,865,893	-	609,037,542	225,048,663	36,165,352	-	261,214,015	347,823,527	10%
Office Equipment	314,066,182	61,571,826	-	375,638,008	131,317,484	21,451,217	-	152,768,701	222,869,307	10%
Computer	140,454,107	23,243,166	-	163,697,273	41,266,411	12,043,696	-	53,310,107	110,387,166	10%
Motor Vehicles	393,828,722	32,389,180	14,230,000	411,987,902	206,012,205	41,329,289	7,944,017	239,397,477	172,590,425	20%
Motor Vehicle-Lease	2,085,000	-	-	2,085,000	1,976,107	21,779	-	1,997,886	87,114	20%
Electromechanical Equipments	560,310,601	-	-	560,310,601	532,969,698	4,101,135	-	537,070,833	23,239,768	15%
Electrical Installation	84,374,212	50,907	-	84,425,119	56,062,571	4,247,187	-	60,309,758	24,115,361	15%
Gas Line Installation	38,873,810	-	-	38,873,810	24,442,950	2,164,629	-	26,607,579	12,266,231	15%
Sub-Total	**24,285,674,233**	**2,200,489,773**	**14,511,216**	**26,471,652,790**	**11,525,366,580**	**1,396,017,773**	**8,183,204**	**12,913,201,149**	**13,558,451,641**	
HEAD OFFICE & OTHERS:										
Land	1,832,480,376	19,177,694	2,595,540	1,849,062,530	-	-	-	-	1,849,062,530	-
Building	547,975,915	337,240,665	-	885,216,580	247,197,948	43,982,646	-	291,180,594	594,035,986	10%
Boundary Wall	10,855,163	-	-	10,855,163	4,069,394	678,577	-	4,747,971	6,107,192	10%
Furniture & Fixture	122,228,808	27,934,306	-	150,163,114	55,499,104	7,996,263	-	63,495,367	86,667,747	10%
Office Equipment	89,730,513	3,542,898	-	93,273,411	49,669,303	4,126,125	-	53,795,428	39,477,983	10%
Computer	207,363,934	115,397,449	-	322,761,383	95,371,935	20,378,570	-	115,750,505	207,010,878	10%
Motor Vehicle	1,209,377,536	168,372,409	35,940,250	1,341,809,695	659,875,413	125,121,610	25,456,512	759,540,511	582,269,184	20%
Motor Vehicle-Lease	118,472,040	-	-	118,472,040	103,088,702	3,076,668	-	106,165,370	12,306,670	20%
Motor Cycle	377,363,529	75,191,990	30,367,200	422,188,319	191,180,485	43,238,932	22,071,077	212,348,340	209,839,979	20%
Books & Periodicals	528,794	-	-	528,794	528,603	57	-	528,660	134	30%
SAP Software	144,740,191	2,983,973	-	147,724,164	70,878,790	15,143,437	-	86,022,227	61,701,937	20%
VSAT	7,559,700	-	-	7,559,700	3,305,135	425,457	-	3,730,592	3,829,108	10%
Electrical Installation	14,418,915	1,940,000	-	16,358,915	11,272,294	670,510	-	11,942,804	4,416,111	15%
Sub-Total	**4,683,095,414**	**751,781,384**	**68,902,990**	**5,365,973,808**	**1,491,937,106**	**264,838,852**	**47,527,589**	**1,709,248,369**	**3,656,725,439**	
Grand Total Tk.	**28,968,769,647**	**2,952,271,157**	**83,414,206**	**31,837,626,598**	**13,017,303,686**	**1,660,856,625**	**55,710,793**	**14,622,449,518**	**17,215,177,080**	
Plant & Machinery in Transit	298,752,098	1,092,819,150	1,320,873,036	70,698,212	-	-	-	-	70,698,212	-
Building under Construction	596,350,236	684,548,794	295,216,360	985,682,670	-	-	-	-	985,682,670	-
Carrying Value as on June 30,2018	**29,863,871,981**	**4,729,639,101**	**1,699,503,602**	**32,894,007,480**	**13,017,303,686**	**1,660,856,625**	**55,710,793**	**14,622,449,518**	**18,271,557,962**	

Subsidiary Profile

Square Formulations Ltd.
Square Pharmaceuticals Kenya EPZ Ltd.



Square Formulations Ltd.

101: Directors Report
103: Auditors Report
104: Statement of Financial Position
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Square Pharmaceuticals Kenya EPZ Ltd.

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Annual Report 2017-2018

Square Formulations Limited

Directors' Report to the Members for the year ended 30 June, 2018.

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, 2018.

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.

OPERATIONS

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

The operational performance of Square Formulations Ltd. during the year 2017-2018 is as follows:

(Taka in million)

Items	2017-18	2016-17
Assets	7,675	5,188
Gross Revenue	11,314	8,985
Gross Profit	5,135	4,184
Net Profit (AT)	2,445	2,115
EPS	2,445	2,115
NAV per share	4,957	2,558

NAV (Net Assets Value) per share stood at Tk. 4,956.75, a 93.90% increase against Tk. 2,557.86 of the previous year.

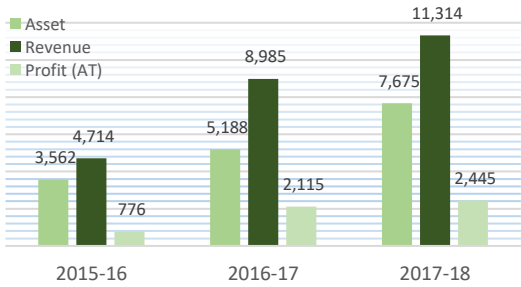
EPS (Earnings Par Share) for the year under review increases 15.61% over the previous year.

FINANCIAL POSITION

The total assets of the Company upto 30 June, 2018 stood Tk. 7,675,062,084 as follows:

in Taka

Assets Title	30-06-2018
A. Fixed Assets (At written down value)	
Factory Building	137,639,302
Plant & Machinery	1,225,043,101
Laboratory Equipment	209,463,871
Electromechanical Equipment	271,029,421
Other Fixed Assets	408,539,359
Sub Total -	2,251,715,054
B. Other Assets (At Cost)	
Other Assets	4,924,680,107
Cash & Cash Equivalents	87,526,511
Sub Total -	5,012,206,618
C. Investment in Marketable Securities (Fair value)	411,140,412
Total Assets (A+B+C)	7,675,062,084



The total assets of the Company upto 30 June, 2018 Tk. 7,675,062,084 have been financed as follows:

in Taka

Sources	30-06-2018
Share Capital	100,000,000
Share Money Deposit	2,000,000,000
Retain Earnings	2,930,654,173
Tax Exemption Reserve	1,949,557,722
Gain on Marketable	
Current Liabilities	613,821,691
Deferred Tax Liabilities	104,487,179
Total Tk.	7,675,062,084

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 MD
Mrs. Ratna Patra	Vice Chairman
Mr. Tapan Chowdhury	Director
Mr. Anjan Chowdhury	Director
Mrs. Nihad Kabir	Director
(Nominee of Square Pharmaceuticals Ltd.)	

AMALGAMATION OF SQUARE FORMULATIONS LTD. WITH SQUARE PHARMACEUTICALS LTD.

According to the consent of the shareholders of the Company, amalgamation of Square Formulations Ltd. with Square Pharmaceuticals Ltd. is under active consideration of the Hon'ble High Court division of the Supreme Court of Bangladesh and expected to be awarded court sanction by November, 2018.

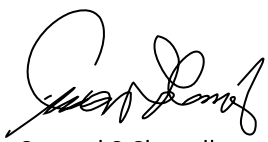
APPOINTMENT OF AUDITORS

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 2018-2019.

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

To the Shareholders of Square Formulations Ltd.

Opinion

We have audited the accompanying Financial Statements of "Square Formulations Limited", which comprises the Statement of Financial Position as at 30 June, 2018 Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and Notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the Financial Statements prepared in accordance with International Financial Reporting Standards (IFRS), give a true and fair view of the state of the company's affairs as at 30 June, 2018 and of the results of its operations and its Cash Flows for the year then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our Responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevent to our audit of the Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Mattres

We draw attention to Note : 1 (15) to the Financial Statements which discribes that the company is under process for amalgamation with "Square Pharmaceuticals Limited" under provision of Section: 228 & 229 of the Companies Act 1994. Our opinion is not qualified in respect of these matters.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, desclosing, as applicable, matters related to Going Concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with govrnance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). 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.

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

(i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(ii) In our opinion, proper books of account as required by law have been kept by "Square Formulations Limited" so far as it appeared from our examination of those books; and

(iii) The Company's Statement of Financial Position, Statement of Comprehensive Income and its Statement of Cash Flows dealt with by the report are in agreement with the books of account.

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

Dated, Dhaka:
October 20, 2018

SQUARE FORMULATIONS LIMITED

Statement of Financial Position

As at 30 JUNE, 2018

	30-06-2018 Taka	30-06-2017 Taka
ASSETS:		
Non-Current Assets:	**2,662,855,466**	**2,580,017,469**
Property Plant and Equipment (Carrying Value)	2,251,715,054	2,476,999,869
Investment in Marketable Securities (Fair Value)	411,140,412	103,017,600
Current Assets:	**5,012,206,618**	**2,607,528,083**
Inventories	790,844,335	742,686,639
Trade Debtors	3,986,125,456	1,715,863,159
Advances, Deposits and Prepayments	147,710,316	69,869,879
Cash and Cash Equivalents	87,526,511	79,108,406
TOTAL ASSETS	**7,675,062,084**	**5,187,545,552**
SHAREHOLDERS EQUITY AND LIABILITIES:		
Shareholders Equity:	**4,956,753,214**	**2,557,855,414**
Share Capital	100,000,000	100,000,000
Tax Exemption Reserve	1,949,557,722	852,508,043
Gain/(Loss) on Marketable Securities (Unrealized)	(23,458,681)	23,027,243
Retained Earnings	2,930,654,173	1,582,320,128
Non-Current Liabilities:	**2,104,487,179**	**2,073,554,377**
Share Money Deposit	2,000,000,000	2,000,000,000
Deferred Tax Liability	104,487,179	73,554,377
Current Liabilities:	**613,821,691**	**556,135,761**
Trade Creditors	62,925,307	123,652,624
Liabilities for Expenses	26,450	5,639,357
Liabilities for other Finance	550,869,934	426,843,780
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES	**7,675,062,084**	**5,187,545,552**

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 20, 2018

SQUARE FORMULATIONS LIMITED

Statement of Profit or Loss and other Comprehensive Income

For the year ended 30 June, 2018

	2017-2018 Taka	2016-2017 Taka
GROSS REVENUE	**11,313,568,494**	**8,985,003,409**
Less: Value Added Tax	1,664,711,747	1,327,802,354
NET REVENUE	**9,648,856,747**	**7,657,201,055**
COST OF GOODS SOLD	(4,514,011,110)	(3,473,306,399)
GROSS PROFIT	**5,134,845,637**	**4,183,894,656**
OPERATING EXPENSES:	**(1,840,572,870)**	**(1,494,555,635)**
Selling & Distribution Expenses	(1,837,811,082)	(1,471,361,834)
Administative Expenses	(2,761,788)	(1,900,735)
Finance Cost	-	(21,293,066)
PROFIT FROM OPERATIONS	**3,294,272,767**	**2,689,339,021**
Other Income	62,474,626	3,592,000
PROFIT BEFORE WPPF & WF	**3,356,747,393**	**2,692,931,021**
Allocation for WPPF & WF	(159,845,114)	(128,234,811)
PROFIT BEFORE TAX	**3,196,902,279**	**2,564,696,210**
Income Tax Expenses-Current	**(720,585,753)**	**(434,670,020)**
Income Tax Expenses-Deferred	(30,932,802)	(14,857,054)
PROFIT AFTER TAX	**2,445,383,724**	**2,115,169,136**
Gain/(Loss) on Marketable securities (Unrealised)	(46,485,924)	23,027,243
TOTAL COMPREHENSIVE INCOME DURRING THE YEAR	**2,398,897,800**	**2,138,196,379**
Number of Shares	**1,000,000**	**1,000,000**
Earning per Share (EPS)	**2,445.38**	**2,115.17**

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 20, 2018

SQUARE FORMULATIONS LIMITED

Statement of Changes in Equity

For the year ended 30 June, 2018

Particulars	Share Capital Taka	Tax Exemption Reserve Taka	Gain/(Loss) on Marketable Securities (Unrealised)	Retained Earnings Taka	Total Taka
As at 01 July, 2017	100,000,000	852,508,043	23,027,243	1,582,320,128	2,557,855,414
Total Comprehensive Income (July'2017 - June'2018)	-	-	(46,485,924)	2,445,383,724	2,398,897,800
Transfer to Tax Exemptions Reserve	-	1,097,049,679	-	(1,097,049,679)	-
As at 30 June, 2018	**100,000,000**	**1,949,557,722**	**(23,458,681)**	**2,930,654,173**	**4,956,753,214**

SQUARE FORMULATIONS LIMITED

Statement of Changes in Equity

For the year ended 30 June, 2017

Particulars	Share Capital Taka	Tax Exemption Reserve Taka	Gain/(Loss) 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
Total Comprehensive Income (July'2016 - June'2017)	-	-	23,027,243	2,115,169,136	2,138,196,379
Transfer to Tax exemptions Reserve	-	528,496,976	-	(528,496,976)	-
As at 30 June, 2017	**100,000,000**	**852,508,043**	**23,027,243**	**1,582,320,128**	**2,557,855,414**

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 20, 2018

SQUARE FORMULATIONS LIMITED

Statement of Cash Flows

For the year ended 30 June, 2018

	2017-2018 Taka	2016-2017 Taka
CASH FLOWS FROM OPERATING ACTIVITIES:		
RECEIPTS:	**8,973,183,255**	**7,275,215,720**
Receipts from Customers	8,973,183,255	7,275,215,720
PAYMENTS:	**(8,560,836,828)**	**(6,028,932,607)**
Purchase Raw and Packing Materials	(3,623,114,495)	(2,489,783,554)
Manufacturing and Operating Expenses	(2,512,589,815)	(1,922,925,641)
Value Added Tax	(1,664,711,747)	(1,312,326,478)
Income Tax Expense	(752,441,541)	(276,546,226)
Interest	-	(21,293,066)
Worker Profit Participation Fund	(7,979,230)	(6,057,642)
Net cash provided by Operating Activities	**412,346,427**	**1,246,283,113**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(111,794,212)	(266,445,367)
Investment in Marketable Securities	(354,608,736)	(79,990,357)
Payment of Short Term Loan	-	(901,244,589)
Gain on Sale of Marketable Securities	49,914,626	-
Dividend Received	12,560,000	3,592,000
Net cash used in Investing Activities	**(403,928,322)**	**(1,244,088,313)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash provided by Financing Activities		
Increase/(Decrease) in Cash and Cash Equivalents	8,418,105	2,194,800
Opening Cash and Cash Equivalents	79,108,406	76,913,606
Closing Cash and Cash Equivalents	**87,526,511**	**79,108,406**

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 20, 2018

Square Pharmaceuticals Kenya EPZ Ltd.

Directors' Report to the Members for the year ended 30 June, 2018

Square Pharmaceuticals Kenya EPZ Ltd. (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 800,000 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.

Shareholding

Square Pharmaceuticals Ltd., Dhaka, Bangladesh holds 100% nominal share capital of KSH 800,000,000 divided into 800,000 shares of KSH 100 each.

Board of Directors

The Board of Director of SPL Kenya consists of the following 6 members who all are nominees of Square Pharmaceuticals Ltd., Dhaka, Bangladesh:

Mr. Samuel S Chowdhury	Chairman
Mrs. Ratna Patra	Vice Chairman
Mr. Tapan Chowdhury	Managing Director
Mr. Anjan Chowdhury	Director
Dr. Iruki Mwithali Kailemia	Director
Mrs. Nihad Kabir	Director

Implementation

Initial estimated total project cost is USD 17 (seventeen) million with a working capital requirement of USD 4 (four) million. The project cost will be financed by following:

Equity Investment	- USD 8 million
Loan finance	- USD 9 million

The Company received clearance from the Pharmacy and Poisons Board of Kenya for setting up the pharmaceuticals formulation plant at Athi River in Export Processing Zone (EPZ). Detailed topological survey and soil tests are undertaken to judge the suitability of the ground for development purpose. Construction work for the formulation plant is underway which is expected to be completed in early 2020 and the trial production is estimated to be commencement by 5th February 2020.

Financial Statement

The Company's accounting year will end on 30 June each year. The first Auditors Report on the Financial Statement for the period from 7th June 2017 to 30th June 2018 is placed herewith.

Independent Auditor

Messrs. Shariff and Associates, Certified Public Accountants (Kenya) have expressed their willingness to continue in office in accordance with section 159(2) of the Companies Act, 2015.

Acknowledgement

The Directors record with appreciation support, services and co-operation rendered by all concern.



Samuel S Chowdhury
Chairman

AUDITORS' REPORT

To the Sharreholders of Square Pharmaceuticals Kenya EPZ Ltd.

We have audited the financial statements set out on pages 4 to 7 which have been prepared on the basis of accounting policies set out on pages 8 to 13. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and to provide a reasonable basis for the opinion. The financial statements are in agreement with the books of account.

Respective responsibilities of the Directors and auditors

As stated at page (2) the directors are responsible for the preparation of financial statements which give a true and fair view of the Company's state of affairs and its operating results Our responsibility is to express an independent opinion on the Financial Statements based on our audit.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform our audit to obtain reasonable assurance that the Financial Statements are free from material misstatement. An audit includes an examination on a test basis of evidence supporting the amounts and disclosures in the accounts. It also includes an assessment of the accounting policies used and significant estimates made by the directors as well as an evaluation of the overall presentation of the accounts.

Opinion

In our opinion, proper books of account have been kept and the financial statements give a true and fair view of the state of the Company's financial affairs as at 30th June, 2018 and of the loss and cash flows for the year then ended and comply with International Accounting Standards and the Companies Act (Cap 486).

Shariff and Associates
Certified Public Accountants (K)

Dated, Nairobi:
October 16, 2018

SQUARE PHARMACEUTICALS KENYA EPZ LTD.

Statement of Financial Position

as at 30 June, 2018
(Incorporated on 07 June 2017)

	Amount in KES
	30-Jun-18
ASSETS:	
Non-Current Assets	**26,704,358**
Property, Plant & Equipment, net	26,704,358
Current Assets	**229,557,661**
Advances, Deposits & Prepayments	1,941,336
Cash and Cash Equivalents	227,616,325
Total Assets	**256,262,019**
EQUITY AND LIABILITIES:	
Shareholders' Equity	**250,743,672**
Share Capital	-
Share Money Deposits	260,558,900
Retained Earnings	(9,815,228)
Non-current liabilities	**-**
Current Liabilities	**5,518,347**
Trade and Other Payables	5,498,347
Provision and Accrued expenses	20,000
Total Equity and Liabilities	**256,262,019**

The notes (1-13) are integral part of the Financial Statements.

Approved and authorized for issue by the board of directors on 16 September 2018 and signed for and on behalf of the Board :

Samuel S Chowdhury
Chairman

Tapan Chowdhury
Managing Director

Anjan Chowdhury
Director

As per our even date annexed.

Nairobi, 16 October 2018

Sharif and Associates
Certified Public Accountants (K)

AMARSTOCK

SQUARE PHARMACEUTICALS KENYA EPZ LTD.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June, 2018
(Incorporated on 07 June 2017)

	Amount in KES
	2018
Revenue	-
Cost of Sales	-
Gross Profit /(Loss)	-
Operating expenses	
Administrative Expenses	(7,275,990)
Profit /(Loss) from Operations	**(7,275,990)**
Finance Expenses	(9,818)
Foreign Exchange Loss, Net	(2,529,420)
Profit / (Loss) before Tax	**(9,815,228)**
Income Tax Expense	-
Profit after Tax for the Year	**(9,815,228)**
Other Comprehensive Income	-
Total Comprehensive Income for the year	**(9,815,228)**

The notes (1-13) are integral part of the Financial Statements.

Approved and authorized for issue by the board of directors on 16 September 2018 and signed for and on behalf of the Board :

Samuel S Chowdhury
Chairman

Tapan Chowdhury
Managing Director

Anjan Chowdhury
Director

As per our even date annexed.

Nairobi, 16 October 2018

Sharif and Associates
Certified Public Accountants (K)

SQUARE PHARMACEUTICALS KENYA EPZ LTD.

Statement of Changes In Equity

for the year ended 30 june, 2018
(Incorporated on 07 June 2017)

Amount in KES

	Share Capital	Share Money Deposit	Retained Earnings	Total
	1	2	3	4 (1+2+3)
Balance as at 01 July 2017	-	-	-	-
Transactions with the equity holders:				
Shares issued during the year	-	-	-	-
Share money deposits received / (adjusted) during the year	-	260,558,900	-	**260,558,900**
Total comprehensive income:				
Net Loss for the year	-	-	(9,815,228)	**(9,815,228)**
Other comprehensive income	-	-	-	-
Balance as at 30 June 2018	-	**260,558,900**	**(9,815,228)**	**250,743,672**

The notes (1-13) are integral part of the Financial Statements.

Approved and authorized for issue by the board of directors on 16 September 2018 and signed for and on behalf of the Board :

Samuel S Chowdhury
Chairman

Tapan Chowdhury
Managing Director

Anjan Chowdhury
Director

As per our even date annexed.

Nairobi, 16 October 2018

Sharif and Associates
Certified Public Accountants (K)

SQUARE PHARMACEUTICALS KENYA EPZ LTD.

Statement of Cash Flows (Direct method)

for the year ended 30 june, 2018
(Incorporated on 07 June 2017)

	Amount in KES
	2018
Cash flows from operating activities	
Cash receipts from customers and others	-
Cash paid to suppliers and employees	(6,150,108)
Cash generated from operations	(6,150,108)
Income Tax paid	-
Bank charges Paid	(9,818)
Net cash from / (used in) operating activities	**(6,159,926)**
Cash flows from investing activities	
Purchase of property, plant and equipment	(24,253,229)
Purchase of intangible assets	-
Advance payment for land purchases	-
Net cash from / (used in) investing activities	**(24,253,229)**
Cash flows from financing activities	
Procceds from the issue of share capital	-
Procceds from share money deposits	260,558,900
Procceds from shareholders' loan	-
Net cash Generated from financing activities	**260,558,900**
Net increase in cash and cash equivalents	230,145,745
Cash and cash equivalents at beginning of year	-
Effects of foreign exchange rate changes on the balance of cash held in foreign currencies	(2,529,420)
Cash and cash equivalents at end of year	**227,616,325**
	-

The notes are integral part of the Financial Statements.

Approved and authorized for issue by the board of directors on 16 September 2018 and signed for and on behalf of the Board :

Samuel S Chowdhury
Chairman

Tapan Chowdhury
Managing Director

Anjan Chowdhury
Director

As per our even date annexed.

Nairobi, 16 October 2018

Sharif and Associates
Certified Public Accountants (K)

The Last Year's AGM









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 52nd Annual General Meeting of the Company to be held on Thursday the 20th December, 2018 at 10:00 a.m. at Samson H Chowdhury Centre, Dhaka Club Ltd., Ramna, Dhaka.

As witness my hand this day of _____ 2018.

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 বৃহস্পতিবার, ২০শে ডিসেম্বর, ২০১৮ সকাল ১০:০০ ঘটিকায় স্যামসন এইচ চৌধুরী সেন্টার, ঢাকা ক্লাব লিঃ, রমনা, ঢাকা'য় অনুষ্ঠিতব্য কোম্পানীর ৫২তম বার্ষিক সাধারণ সভায় এবং এর মূলতবী ঘোষিত সভায় আমার/আমাদের পক্ষে উপস্থিত থাকিবার এবং ভোট প্রদান করিবার জন্য নিযুক্তি করিলাম।

স্বাক্ষ্য হিসেবে অদ্য ....., ২০১৮ 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

AMAR STOCK



Date of Incorporation
10 November 1964

Authorized Capital
Taka 10,000 million

Paid-up Capital
Taka 7,373.91 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

For the Financial Year 2016-2017

Dividend Recommended
16 October 2017

Record Date for 51st AGM
08 November 2017

51st Annual General Meeting
04 December 2017

Dividend Issued
31 December 2017

For the Financial Year 2017-2018

Publication of 1st Qtr. Financial Report
15 November 2017

Publication of 2nd Qtr. Financial Report
31 January 2018

Publication of 3rd Qtr. Financial Report
30 April 2018

Dividend Recommended
21 October 2018

Audited Financial Report to BSEC, DSE and CSE
08 November 2018

Record Date for 52nd AGM
27 November 2018

Notice of 52nd AGM
05 December 2018

52nd Annual General Meeting
20 December 2018

Dividend Payable
By 19 January 2019

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
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