

**Financial Statement 2021-2022**  
**Second Quarter**  
**(Unaudited)**



**SQUARE PHARMACEUTICALS LTD.**  
**(Consolidated and Standalone)**

# SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARIES

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Un-audited)

As at 31 December 2021

Particulars	Notes	31-12-2021	30-06-2021
		Taka	Taka
<b>ASSETS:</b>			
<b>Non-Current Assets:</b>			
Property, Plant and Equipment-Carrying Value	2	44,542,751,923	40,375,882,875
Investment - Long Term	3	25,649,651,644	22,884,103,636
Investment - Associates Undertaking	4	4,407,024,465	3,590,200,311
Investment in Marketable Securities (Fair Value)	5	10,232,021,726	9,277,247,222
		4,254,054,088	4,624,331,706
<b>Current Assets:</b>			
Inventories	6	62,059,740,179	55,076,379,705
Trade and Other Receivables	7	6,471,856,667	7,245,396,928
Advances, Deposits and Prepayments	8	2,784,606,771	2,916,178,759
Cash and Cash Equivalents	9	977,676,481	1,550,765,014
		51,825,600,260	43,364,039,004
<b>TOTAL ASSETS</b>		<b>106,602,492,102</b>	<b>95,452,262,580</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES:</b>			
<b>Shareholders' Equity:</b>			
Share Capital		95,165,790,561	90,894,643,168
Share Premium		8,864,510,100	8,864,510,100
General Reserve		2,035,465,000	2,035,465,000
FVOCI Reserve	10	105,878,200	105,878,200
Cumulative Translation Adjustment		1,123,688,621	1,139,626,144
Retained Earnings	11	(35,498,105)	(285,055)
		83,071,746,745	78,749,448,779
Non Controlling Interest	12	495,856	500,000
<b>Non-Current Liabilities:</b>			
Long Term Loan-Secured	13	2,634,707,025	1,378,560,486
Deffered Tax Liability	14	1,439,606,909	103,707,469
		1,195,100,116	1,274,853,017
<b>Current Liabilities:</b>			
Long Term Loan-Current Portion		8,801,498,660	3,178,558,926
Trade Payables	15	21,409,635	-
Other Payables	16	788,975,885	681,546,399
Income Tax Payables	17	6,698,598,017	1,366,122,637
Accrued Expenses	18	1,085,264,524	572,675,072
Unclaimed Dividend	19	107,842,383	183,049,079
		99,408,216	375,165,739
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>106,602,492,102</b>	<b>95,452,262,580</b>
Net Assets Value (NAV) per Share	29	107.36	102.54

Samuel S Chowdhury  
Chairman

Ratna Patra  
Vice Chairman

Tapan Chowdhury  
Managing Director

Md. Zahangir Alam  
Chief Financial Officer

Khandaker Habibuzzaman  
Company Secretary

# SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARIES

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Un-audited) For the 2nd Quarter Ended 31 December 2021

Particulars	Notes	Six Months Results		2nd Quarter Results	
		July-Dec 2021 Taka	July-Dec 2020 Taka	Oct-Dec 2021 Taka	Oct-Dec 2020 Taka
GROSS TURNOVER	20	33,849,842,101	29,079,325,231	16,432,304,952	14,354,708,501
Less: Value Added Tax		4,777,604,285	4,137,684,976	2,236,928,261	1,988,649,026
<b>NET TURNOVER</b>		<b>29,072,237,816</b>	<b>24,941,640,255</b>	<b>14,195,376,691</b>	<b>12,366,059,475</b>
Cost of Goods Sold	21	(13,872,746,372)	(11,911,964,319)	(6,609,679,501)	(5,757,913,054)
<b>GROSS PROFIT</b>		<b>15,199,491,444</b>	<b>13,029,675,936</b>	<b>7,585,697,190</b>	<b>6,608,146,421</b>
<b>OPERATING EXPENSES:</b>		<b>(5,323,354,014)</b>	<b>(4,579,715,971)</b>	<b>(2,830,871,691)</b>	<b>(2,413,864,812)</b>
Selling & Distribution Expenses	22	(4,720,430,087)	(4,027,074,623)	(2,492,499,990)	(2,111,474,381)
Administrative Expenses	23	(602,901,018)	(552,636,063)	(338,371,006)	(302,390,431)
Finance Cost		(22,909)	(5,285)	(695)	-
Operating Income	24	89,047,158	39,809,037	38,421,032	11,116,534
<b>PROFIT FROM OPERATIONS</b>		<b>9,965,184,588</b>	<b>8,489,769,002</b>	<b>4,793,246,531</b>	<b>4,205,398,143</b>
Other Income	25	1,684,366,560	1,644,252,523	732,832,208	759,069,310
PROFIT BEFORE WPPF		11,649,551,148	10,134,021,525	5,526,078,739	4,964,467,453
Allocation for WPPF		(555,278,173)	(482,358,623)	(263,315,574)	(236,343,621)
PROFIT BEFORE TAX		11,094,272,975	9,651,662,902	5,262,763,165	4,728,123,832
<b>Income Tax Expenses:</b>		<b>(2,408,047,597)</b>	<b>(2,363,037,273)</b>	<b>(1,152,426,418)</b>	<b>(1,167,796,538)</b>
Current Tax	26	(2,435,737,779)	(2,378,203,901)	(1,170,840,618)	(1,167,545,860)
Deferred (Tax)/Assets		27,690,182	15,166,628	18,414,200	(250,678)
<b>PROFIT AFTER TAX</b>		<b>8,686,225,378</b>	<b>7,288,625,629</b>	<b>4,110,336,747</b>	<b>3,560,327,294</b>
Profit/(Loss) from Associates Undertaking	27	954,774,504	480,969,386	534,016,873	277,302,235
<b>PROFIT FOR THE PERIOD</b>		<b>9,640,999,882</b>	<b>7,769,595,015</b>	<b>4,644,353,620</b>	<b>3,837,629,529</b>
<b>OTHER COMPREHENSIVE INCOME:</b>					
Gain/(Loss) on FVOCI Financial Assets	28	(68,000,242)	910,206,046	(556,964,689)	132,017,379
Related Tax		52,062,719	(91,020,605)	55,696,469	(13,201,738)
<b>Other Comprehensive Income (Net of Tax)</b>		<b>(15,937,523)</b>	<b>819,185,441</b>	<b>(501,268,220)</b>	<b>118,815,641</b>
Exchange Difference on Translation of Foreign Operation		(35,213,049)	(17,881,764)	(21,000,837)	(3,229,650)
<b>Total Comprehensive Income for the Period</b>		<b>9,589,849,310</b>	<b>8,570,898,692</b>	<b>4,122,084,563</b>	<b>3,953,215,520</b>
<b>Profit Attributable to:</b>					
Owners of the Company		9,641,004,026	7,769,595,015	4,644,331,874	3,837,629,529
Non Controlling Interest		(4,144)	-	21,746	-
		<b>9,640,999,882</b>	<b>7,769,595,015</b>	<b>4,644,353,620</b>	<b>3,837,629,529</b>
Total Comprehensive Income Attributable to:					
Owners of the Company		9,589,853,454	8,570,898,692	4,122,062,817	3,953,215,520
Non Controlling Interest		(4,144)	-	21,746	-
		<b>9,589,849,310</b>	<b>8,570,898,692</b>	<b>4,122,084,563</b>	<b>3,953,215,520</b>
Earnings Per Share (EPS)	30	10.88	8.76	5.24	4.33

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# SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARIES

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Un-audited) For the 2nd Quarter Ended 31 December 2021

Particulars	Share Capital	Share Premium	General Reserve	Tax Exemption Reserve	FVOCI Reserve	Cumulative Translation Adjustment	Retained Earnings	Non Controlling Interest	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
At 30 June 2021	8,864,510,100	2,035,465,000	105,878,200	-	1,139,626,144	(285,055)	78,749,448,779	500,000	90,895,143,168
Net Profit after Tax (Jul'2021-Dec'2021)	-	-	-	-	-	-	9,641,004,026	-	9,641,004,026
Other Comprehensive Income (Jul'2021-Dec'2021)	-	-	-	-	(15,937,523)	(35,213,049)	-	(4,144)	(51,154,716)
Cash Dividend (Jul'2020-Jun'2021)	-	-	-	-	-	-	(5,318,706,060)	-	(5,318,706,060)
<b>At 31 December 2021</b>	<b>8,864,510,100</b>	<b>2,035,465,000</b>	<b>105,878,200</b>	<b>-</b>	<b>1,123,688,621</b>	<b>(35,498,104)</b>	<b>83,071,746,745</b>	<b>495,856</b>	<b>95,166,286,418</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Un-audited) For the 2nd Quarter Ended 31 December 2020

Particulars	Share Capital	Share Premium	General Reserve	Tax Exemption Reserve	FVOCI Reserve	Cumulative Translation Adjustment	Retained Earnings	Non Controlling Interest	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
At 30 June 2020	8,442,390,580	2,035,465,000	105,878,200	2,211,743,936	(452,626,946)	(18,078,434)	64,981,071,577	-	77,305,843,913
Deferred Tax Recognized for FVOCI Financial Assets	-	-	-	-	-	-	59,821,223	-	-
<b>At 30 June 2020 (Restated)</b>	<b>8,442,390,580</b>	<b>2,035,465,000</b>	<b>105,878,200</b>	<b>2,211,743,936</b>	<b>(452,626,946)</b>	<b>(18,078,434)</b>	<b>65,040,892,800</b>	<b>-</b>	<b>77,305,843,913</b>
Total Comprehensive Income (Jul'2020-Dec'2020)	-	-	-	-	819,185,441	(17,881,764)	7,769,595,015	-	8,570,898,692
Non Controlling Interest	-	-	-	-	-	-	-	400,000	400,000
Cash Dividend (2019-2020)	-	-	-	-	-	-	(3,967,923,573)	-	(3,967,923,573)
Stock Dividend (2019-2020)	422,119,520	-	-	-	-	-	(422,119,520)	-	-
<b>At 31 December 2020</b>	<b>8,864,510,100</b>	<b>2,035,465,000</b>	<b>105,878,200</b>	<b>2,211,743,936</b>	<b>366,558,495</b>	<b>(35,960,198)</b>	<b>68,420,444,722</b>	<b>400,000</b>	<b>81,909,219,032</b>

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# SQUARE PHARMACEUTICALS LTD.

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## CONSOLIDATED STATEMENT OF CASH FLOWS (Un-audited)

For the 2nd Quarter Ended 31 December 2021

Particulars	Notes	2nd Quarter Ended 31 December 2021 Taka	2nd Quarter Ended 31 December 2020 Taka
<b>Cash Flows From Operating Activities:</b>			
Receipts from Customers		34,200,473,481	29,336,919,010
Receipts from Others		65,960,133	80,893,602
Payments to Suppliers		(9,369,387,692)	(9,412,442,531)
Payments for Manufacturing and Operating Expenses		(7,929,166,303)	(7,022,402,043)
Payment of Value Added Tax		(4,777,604,285)	(4,137,684,976)
<b>Cash Generated from Operating Activities</b>		<b>12,190,275,334</b>	<b>8,845,283,062</b>
Interest Paid		(22,909)	(5,285)
Payment of Income Tax		(1,933,325,350)	(1,968,647,863)
Payment of WPPF		(601,118,783)	(424,989,091)
Other Payments		-	(2,407,901)
<b>Net Cash Generated from Operating Activities</b>		<b>9,655,808,292</b>	<b>6,449,232,922</b>
<b>Cash Flows From Investing Activities:</b>			
Acquisition of Property, Plant and Equipment		(3,698,122,303)	(1,620,967,442)
Pre-Operating Expenses		-	(123,746)
Investment		(514,546,778)	(1,333,557,466)
Investment made by Sponsors Shareholders of Square Lifesciences Ltd.		-	400,000
Short Term Loan		-	2,140,509,139
Proceeds from Sale of Marketable Securities		232,206,381	1,898,816
Interest Received		1,654,471,097	1,979,067,347
Dividend Received		35,835,709	164,504,929
<b>Net Cash used in Investing Activities</b>		<b>(2,290,155,894)</b>	<b>1,331,731,577</b>
<b>Cash Flows From Financing Activities:</b>			
Long Term Loan Received		1,357,309,075	-
Payment of Unclaimed Dividend		(275,757,523)	-
<b>Net Cash used in Financing Activities</b>		<b>1,081,551,552</b>	<b>-</b>
Increase in Cash and Cash Equivalents		8,447,203,950	7,780,964,499
Net Effect of Foreign Currency Translation on Cash and Cash Equivalent		14,357,306	(6,754,943)
Cash and Cash Equivalents at the Opening		43,364,039,004	32,564,329,438
Cash and Cash Equivalents at the Closing		<b>51,825,600,260</b>	<b>40,338,538,994</b>
<b>Net Operating Cash Flow per Share (NOCF)</b>	32	<b>10.89</b>	<b>7.28</b>

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# SQUARE PHARMACEUTICALS LTD.

## Notes to the Consolidated Interim Financial Statements For the 2nd Quarter Ended December 31, 2021

### 1. Basis of Preparation of the Consolidated Interim Financial Statements:

These Financial Statements (They) are the unaudited consolidated Interim Financial Statements (here after 'the Interim Financial Statements') of Square Pharmaceuticals Ltd., a company incorporated in Bangladesh under Companies Act, 1994; Square Pharmaceuticals Kenya EPZ Ltd., incorporated in Kenya under Companies Act, 2015, Kenya, and Square Lifesciences Ltd., incorporated in Bangladesh under Companies Act, 1994 for the 2nd Quarter Ended on December 31, 2021 (here after the interim period). They are prepared in accordance with the International Accounting Standard (IAS-34) 'Interim Financial Reporting'. These financial statements should be read in conjunction with the Annual Financial Statements as of June 30, 2021, as they provide an update of previously reported information.

The accounting policies and presentation used are consistent with those used in the Annual Financials, except where noted below, Where necessary, the comparative figures have been reclassified or extended from the previously reported Interim Financial Statements to take into account any presentational changes made in the Annual Financial Statements or in these Interim Financial Statements.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and disclosure of contingent liabilities at the date of the Interim Financial Statement. If in the future such estimates and assumptions, which are based on management 's best judgement at the date of the Interim Financial Statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

We understand that our business is growing every year that means our assets are performing according to the intention of procurement and the discounted future cash flow from the operation of the assets would be positive if we disposed those assets at the date of financial reporting. But at present, we have no intention to dispose these assets. Therefore, it is not required to record the impairment gain as provisions of IAS-36.

The company operates in industries where significant seasonal or cyclical variations in total sales are not experienced during the reporting period.

The company has no reportable operating segments as per IFRS-8.

Figures have been rounded off to the nearest Taka.

### Foreign Currency Translation:

The Financials of Square Pharmaceuticals Kenya EPZ Ltd. have been drawn in KHS (Kenyan Shilling) as reporting currency in Kenya. These Financials are converted in BDT to Consolidate with the Financials of Square Pharmaceuticals Ltd. as the parent company (it holds 100% Shares). 1 KHS= 0.7580 BDT.

### 2. CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT: Tk. 25,649,651,644

Details of Property, Plant and Equipment and Depreciation as at December 31, 2021 are as follows:

This is arrived at as follows:

#### Fixed Assets at Cost:

Opening Balance	41,570,311,740	39,680,473,955
Addition during the Period/Year	806,722,156	2,071,017,068
	42,377,033,896	41,751,491,023
Sales/Transfer during the Period/Year	-	(181,179,283)
Closing Balance	42,377,033,896	41,570,311,740

#### Accumulated Depreciation:

Opening Balance	21,793,391,083	20,046,381,983
Charged during the Period/ Year	899,793,995	1,882,490,971
	22,693,185,078	21,928,872,954
Sales/Transfer during the Period/Year	-	(135,481,871)
	22,693,185,078	21,793,391,083

#### Net Book Value as at December 31, 2021

Property, Plant & Equipment in Transit (Note-2.1)	823,499,764	646,809,312
Building under Construction (Note-2.2)	2,004,514,043	1,345,864,835
Capital Work in Progress (Note-2.3)	3,137,789,019	1,114,508,832
Carrying Value	25,649,651,644	22,884,103,636

Tk.

	<b>2021-2022</b> (Jul'2021-Dec'2021)	<b>2020-2021</b> (Jul'2020-Jun'2021)
Allocation of depreciation charged for the period/year has been made in the accounts as follows:		
Factory Overhead	748,171,108	1,571,753,195
Selling and Distribution Expenses	101,383,494	203,574,635
Administrative Expenses	50,239,393	107,163,141
<b>Tk.</b>	<b>899,793,995</b>	<b>1,882,490,971</b>

#### 2.1 CONSOLIDATED PROPERTY, PLANT & EQUIPMENT IN TRANSIT: Tk. 823,499,764

Opening Balance	646,809,312	514,957,056
Addition during the Period/Year	1,030,930,927	1,469,618,444
	1,677,740,239	1,984,575,500
Transfer during the Period/Year	(854,240,475)	(1,337,766,188)
Closing Balance	<b>823,499,764</b>	<b>646,809,312</b>

#### 2.2 CONSOLIDATED BUILDING UNDER CONSTRUCTION: Tk. 2,004,514,043

Opening Balance	1,345,864,835	418,153,362
Addition during the Period/Year	658,649,208	927,711,473
	2,004,514,043	1,345,864,835
Transfer during the Period/Year	-	-
Closing Balance	<b>2,004,514,043</b>	<b>1,345,864,835</b>

#### 2.3 CONSOLIDATED CAPITAL WORK IN PROGRESS: Tk. 3,137,789,019

Opening Balance	1,114,508,832	306,495,911
Addition during the Period/Year	2,060,157,211	808,012,921
	3,174,666,043	1,114,508,832
Transfer during the Period/Year	(36,877,024)	-
Closing Balance	<b>3,137,789,019</b>	<b>1,114,508,832</b>

#### 3. CONSOLIDATED INVESTMENT-Long Term : Tk. 4,407,024,465

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) 150,000 Preference Share in Raj Lanka Power Company Ltd.	14,545,455	29,090,910
(d) 1 Non-Convertible Zero Coupon Bond in Durable Plastics Ltd.	5,684,678	11,905,164
(e) 12 Non-Convertible Zero Coupon Bond in Envoy Textiles Ltd.	16,130,346	21,509,807
(f) 400 Non Convertable Zero Coupon Bond in BRAC	402,509,850	-
(g) 498 Non Convertible Zero Coupon Bond in LankaBangla Finance Ltd.	440,459,706	-
(h) 200 Non-Convertible Subordinated Bond in Mutual Trust Bank Ltd.	2,000,000,000	2,000,000,000
(i) 5,000 Non-Convertible Subordinated Bond in Southeast Bank Ltd.	500,000,000	500,000,000
(j) 50 Mudaraba Redeemable Non-Convertible Subordinated Bond in Islami Bank BD. Ltd.	500,000,000	500,000,000
(k) 50 Non-Convertible Subordinated Bond in Trust Bank Ltd.	500,000,000	500,000,000
<b>Tk.</b>	<b>4,407,024,465</b>	<b>3,590,200,311</b>

#### 4. INVESTMENT-Associate Undertakings: Tk. 10,232,021,726

This is arrived at as follows:

Opening Balance	9,277,247,222	8,077,472,192
Add: Investment made/(disposed off) during the Period/Year	-	-
Add: Profit/(Loss) during the Period/Year (Note-27)	954,774,504	1,291,211,707
Less: Dividend during the Period/Year	-	(91,436,677)
Closing Balance	<b>10,232,021,726</b>	<b>9,277,247,222</b>

31-12-202130-06-2021**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.

**5. CONSOLIDATED INVESTMENT IN MARKETABLE SECURITIES (Fair Value): Tk. 4,254,054,088**

Particulars	2021-2022 (Jul'2021-Dec'2021)		2020-2021 (Jun'2021-Jul'2021)	
	Cost	Market Value	Cost	Market Value
Opening Balance	3,307,788,552	4,624,331,706	3,144,519,813	2,691,892,867
Add: Investment made during the Period/Year	58,821,960	223,028,099	487,296,823	2,345,407,225
Less: Sold/Disposed Off during the Period/Year	(361,099,336)	(593,305,717)	(324,028,084)	(412,968,386)
Closing Balance Tk.	<b>3,005,511,176</b>	<b>4,254,054,088</b>	<b>3,307,788,552</b>	<b>4,624,331,706</b>

**6. CONSOLIDATED INVENTORIES: Tk. 6,471,856,667**

The break-up is as under:

Raw Materials	2,338,202,814	2,647,266,800
Packing Materials	798,673,434	829,398,759
Work-in-Process	420,141,908	415,013,847
Finished Goods	1,835,505,313	2,118,362,474
Spares & Accessories	994,054,125	831,527,919
Goods- in-Transit	85,279,073	403,827,129
Tk.	<b>6,471,856,667</b>	<b>7,245,396,928</b>

**7. CONSOLIDATED TRADE & OTHER RECEIVABLES: Tk. 2,784,606,771**

This consists of as follows:

Trade Receivables (Note-7.1)	1,743,011,153	1,636,136,514
Other Receivables (Note-7.2)	1,041,595,618	1,280,042,245
Tk.	<b>2,784,606,771</b>	<b>2,916,178,759</b>

**7.1 Consolidated Trade Receivables: Tk. 1,743,011,153**

Receivable from Domestic Sales	1,426,601,237	1,307,259,341
Receivable from Exports	316,409,916	328,877,173
Tk.	<b>1,743,011,153</b>	<b>1,636,136,514</b>

**7.2 Consolidated Other Receivables: Tk. 1,041,595,618**

Interest Receivable from Fixed Deposit Receipts	941,443,011	1,222,146,132
Interest Receivable from Short Notice Deposits	321,044	-
Interest Receivable from Subordinated Bonds	93,497,294	57,891,734
Gain against Zero Coupon Bond (Receivable)	6,334,269	4,379
Tk.	<b>1,041,595,618</b>	<b>1,280,042,245</b>

**8. CONSOLIDATED ADVANCES, DEPOSITS & PREPAYMENTS : TK. 977,676,481**

This consists of as follows:

<b>Advances:</b>	<b>509,865,479</b>	<b>571,119,493</b>
Employees	160,211,138	239,013,230
Land Purchase	49,283,677	16,503,377
Suppliers	288,095,183	313,504,428
Income Tax	12,275,481	2,098,458
<b>Deposits:</b>	<b>441,971,154</b>	<b>933,470,716</b>
Value Added Tax	154,206,395	611,712,414
Earnest Money & Security Deposit	287,764,759	313,948,089
Others	-	7,810,213
<b>Prepayments:</b>	<b>25,839,848</b>	<b>46,174,805</b>
Office Rent	7,552,745	6,936,747
Insurance Premium	18,287,103	39,238,058
Tk.	<b>977,676,481</b>	<b>1,550,765,014</b>



	<b>31-12-2021</b>	<b>30-06-2021</b>
<b>9. CONSOLIDATED CASH AND CASH EQUIVALENTS: Tk. 51,825,600,260</b>		
This is made up as follows:		
(a) Cash in Hand	15,621,224	14,025,716
(b) Cash at Bank:	<b>51,809,979,036</b>	<b>43,350,013,288</b>
* Current Account	1,003,780,471	443,983,864
* STD Account	5,654,604,101	3,486,902,772
* Fixed Deposit Account (BD Taka)	35,653,848,645	35,653,848,645
* Fixed Deposit Account (USD)	3,662,558,495	2,862,046,153
* Export Retention Quota Account (USD)	479,498,329	891,345,538
* Margin Held Account (USD)	36,982,935	11,886,316
* Dividend Account	5,318,706,060	-
Tk.	<b>51,825,600,260</b>	<b>43,364,039,004</b>

#### 10. CONSOLIDATED FVOCI RESERVE : Tk. 1,123,688,621

This consists of as follows:		
Opening Balance	1,139,626,144	(452,626,946)
Add: Adjustment for Related Tax on FVOCI Financial Assets	-	59,821,223
Opening Balance (Restated)	1,139,626,144	(392,805,723)
Add: Unrealised Gain/(Loss) on Marketable Securities for the Period/Year (Note-29)	(68,000,242)	1,769,170,100
Less: Related Deferred Tax (Note-14.2)	52,062,719	(236,738,233)
Closing Balance	Tk. <b>1,123,688,621</b>	<b>1,139,626,144</b>

#### 11. CONSOLIDATED RETAINED EARNINGS : Tk. 83,071,746,745

This consists of as follows:		
Opening Balance (Restated)	78,749,448,779	64,980,297,214
Add: Transferred from Tax Exemption Reserve	-	2,211,743,936
Add: Profit/(Loss) for the Period/Year	9,641,004,026	15,947,450,722
Less: Cash Dividend for the Year 2020-2021	(5,318,706,060)	(3,967,923,573)
Less: Stock Dividend for the Year 2020-2021	-	(422,119,520)
Closing Balance	Tk. <b>83,071,746,745</b>	<b>78,749,448,779</b>

#### 12. NON CONTROLLING INTEREST: Tk. 495,856

This represents non controlling interest of Square Lifesciences Ltd. and Square Pharmaceuticals Kenya EPZ Ltd. are as follows:

Paid-up Capital (Investment)	500,000	500,000
Retained Earnings	(4,144)	-
Tk.	<b>495,856</b>	<b>500,000</b>

List of Subsidiaries (As per IFRS-3):

Name of Company	Country of Incorporation	Proportion of Ownership Interest
Square Lifesciences Ltd.	Bangladesh	99.95%
Square Pharmaceuticals Kenya EPZ Ltd.	Kenya	100%

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

#### 13. LONG TERM LOAN-SECURED: Tk. 1,439,606,909

This consists of as follows:

* Standard Chartered Bank, Kenya	189,606,909	103,707,469
* Standard Chartered Bank, Dhaka	1,250,000,000	-
Tk.	<b>1,439,606,909</b>	<b>103,707,469</b>

\* The loan has been disbursed by Standard Chartered Bank, Kenya for Square Pharmaceuticals Kenya EPZ Ltd., Kenya

\* The loan has been disbursed by Standard Chartered Bank, Dhaka for Square Lifesciences Ltd., Pabna, Bangladesh

	<u>31-12-2021</u>	<u>30-06-2021</u>
<b>14. CONSOLIDATED DEFERRED TAX LIABILITY: Tk. 1,195,100,116</b>		
This represents provision is made for deferred income tax to pay future income tax liability for temporary differences which is arrived at as follows:		
Deferred Tax Related to Property, Plant & Equipment (Note-14.1)	1,070,245,825	1,097,936,007
Deferred Tax Related to FVOCI (Note-14.2)	124,854,291	176,917,010
Tk.	<u>1,195,100,116</u>	<u>1,274,853,017</u>
<b>14.1 Deferred Tax Related to Property, Plant &amp; Equipment:</b>		
A. Property, Plant and Equipments excluding Cost of Land (Carrying Amount)	13,347,060,314	13,686,544,416
B. Property, Plant and Equipments excluding Cost of Land (Tax Base)	8,590,412,203	8,806,828,831
C. Taxable/(Deductable) Temporary Difference (A-B)	4,756,648,111	4,879,715,585
D. Tax Rate	22.50%	22.50%
E. Deferred Tax Liabilities as on December 31, 2021	1,070,245,825	1,097,936,007
F. Deferred Tax Liabilities as on 30 June, 2021	1,097,936,007	1,272,750,021
G. Current Year's Deferred Tax Expense/(Income) (E-F)	<u>Tk. (27,690,182)</u>	<u>(174,814,014)</u>
<b>14.2 Deferred Tax Related to FVOCI:</b>		
A. FVOCI-Carrying Amount	4,254,054,088	1,769,170,100
B. FVOCI-Tax Base	3,005,511,176	-
C. Taxable/(Deductable) Temporary Difference (A-B)	1,248,542,912	1,769,170,100
D. Tax Rate	10%	10%
E. Deferred Tax Liabilities as on December 31, 2021	124,854,291	176,917,010
F. Deferred Tax Liabilities as on 30 June, 2021	176,917,010	(59,821,223)
G. Current Year's Deferred Tax Expense/(Income) (E-F)	<u>Tk. (52,062,719)</u>	<u>236,738,233</u>
<b>15. LONG TERM LOAN-Current Portion: Tk. 21,409,635</b>		
This consists of as follows:		
Standard Chartered Bank, Kenya	21,409,635	-
Tk.	<u>21,409,635</u>	<u>-</u>
<b>16. CONSOLIDATED TRADE PAYABLES</b>	<u>788,975,885</u>	<u>681,546,399</u>
This represents amount payable to regular suppliers of raw materials, packing materials, promotional materials etc. All suppliers were paid on a regular basis.		
<b>17. CONSOLIDATED OTHER PAYABLES: Tk. 6,698,598,017</b>		
This consists of as follows:		
Sundry Creditors	459,541,875	400,854,734
Income Tax (Deduction at Source)	18,707,997	19,532,856
Retention Money	9,686,068	7,938,420
Workers' Profit Participation Fund and Welfare Fund (Note-17.1)	891,956,017	937,796,627
Dividend Payable	5,318,706,060	-
Tk.	<u>6,698,598,017</u>	<u>1,366,122,637</u>
<b>17.1 CONSOLIDATED WORKERS' PROFIT PARTICIPATION FUND AND WELFARE FUND : Tk. 891,956,017</b>		
This consists of as follows:		
Opening Balance	937,796,627	859,269,098
Add: Allocation for the Period/Year	555,278,173	937,796,627
Less: Payment made during the Period/Year	(601,118,783)	(859,269,098)
Closing Balance	<u>Tk. 891,956,017</u>	<u>937,796,627</u>
<b>18. CONSOLIDATED INCOME TAX PAYABLES: Tk. 1,085,264,524</b>		
This is arrived at as follows:		
Opening balance	572,675,072	978,037,537
Provision made for the Period	2,435,737,779	4,187,481,946
Tax Paid (Including Advance Income Tax during the Period/Year)	(1,923,148,327)	(4,592,844,411)
Tk.	<u>1,085,264,524</u>	<u>572,675,072</u>

	<u>31-12-2021</u>	<u>30-06-2021</u>
<b>19. CONSOLIDATED ACCRUED EXPENSES: Tk. 107,842,383</b>		
This consists of as follows:		
Accrued Expenses	107,842,383	182,320,469
Audit Fees	-	728,610
Tk.	<u>107,842,383</u>	<u>183,049,079</u>
<b>20. CONSOLIDATED UNCLAIMED DIVIDEND: Tk. 99,408,216</b>		
This is arrived at as follows:		
Opening balance	375,165,739	330,431,723
Add: Dividend Returned during the Period/Year	-	46,944,513
Less: Payment made during the Period/Year	(275,757,523)	(2,210,497)
	<u>99,408,216</u>	<u>375,165,739</u>
	<u>2021</u>	<u>2020</u>
	(Jul'2021-Dec'2021)	(Jul'2020-Dec'2020)
<b>21. CONSOLIDATED GROSS REVENUE: Tk. 33,849,842,101</b>		
This is made-up as follows:		
Local Sales	33,026,645,613	28,408,319,360
Export Sales Equivalent in US \$ 9,755,878 (Jul'2020-Dec'2020 US \$ 7,992,921)	823,196,488	671,005,871
Tk.	<u>33,849,842,101</u>	<u>29,079,325,231</u>
<b>22. CONSOLIDATED COST OF GOODS SOLD: Tk. 13,872,746,372</b>		
Materials	10,420,693,858	8,603,272,177
Factory Overhead (Note-22.1)	3,452,052,514	3,308,692,142
Tk.	<u>13,872,746,372</u>	<u>11,911,964,319</u>
<b>22.1 CONSOLIDATED FACTORY OVERHEAD: Tk. 3,452,052,514</b>		
This is made up as follows:		
Salaries, Allowances and Wages	1,161,001,815	1,052,984,960
Factory Employees Free Lunch	59,558,473	55,161,080
Factory Staff Uniform	54,693,508	46,517,123
Travelling & Conveyance	21,402,803	20,269,734
Printing & Stationery	37,978,041	36,344,503
Postage, Telephone & Fax	4,004,651	3,879,800
Repairs & Maintenance	489,897,081	469,478,239
Laboratory Consumable Stores	214,093,357	176,321,127
Fuel, Petrol, Light Diesel etc.	78,978,134	120,087,625
Electricity, Gas & Water	333,921,569	328,734,382
Rental Expense	658,115	669,168
Municipal & Other Tax	10,363,706	11,187,740
Insurance Premium	10,932,903	11,448,208
Factory Sanitation Expenses	55,625,665	49,518,022
Depreciation	748,171,108	766,506,581
Security Services	35,324,716	37,267,835
Research & Development	95,983,750	87,290,503
Software & Hardware Support Services	28,731,303	26,432,094
Toll Charges	9,795,642	8,081,179
Other Expenses	936,174	512,239
Tk.	<u>3,452,052,514</u>	<u>3,308,692,142</u>

	<b>2021</b>	<b>2020</b>
	(Jul'2021-Dec'2021)	(Jul'2020-Dec'2020)
<b>23. CONSOLIDATED SELLING &amp; DISTRIBUTION EXPENSES: Tk. 4,720,430,087</b>		
This consists of as follows:		
Salaries and Allowances	730,691,500	673,044,006
Travelling and Conveyance	68,004,808	62,382,851
Printing and Stationery	36,554,929	35,875,507
Postage, Telephone, Fax & Telex	31,693,725	36,516,867
Electricity, Gas and Water	16,097,784	14,929,954
Office and Godown Rent	12,615,881	13,051,820
Repairs and Maintenance including car maintenance	250,694,128	234,702,360
Govt. Taxes and Licence Fees	21,391,363	39,937,628
Field Staff Salaries, Allowances, TA and DA	1,343,080,136	1,112,356,374
Marketing and Sales Promotional Expenses	655,776,862	545,380,929
Event, Programs and Conference	95,811,511	81,252,070
Delivery and Packing Expenses	100,766,053	86,655,099
Literature and Publications	57,434,926	46,330,630
Export Expenses	96,482,484	55,751,447
Research and Product Development	6,095,854	3,188,853
Special Discount	892,034,761	697,677,547
Security Services	42,138,812	45,525,819
Depreciation	101,383,494	92,868,810
Other Expenses	161,681,076	149,646,052
<b>Tk.</b>	<b>4,720,430,087</b>	<b>4,027,074,623</b>
<b>24. CONSOLIDATED ADMINISTRATIVE EXPENSES: Tk. 602,901,018</b>		
This consists of as follows:		
Salaries and Allowances	240,496,485	213,251,751
Directors' Remuneration	34,361,667	32,935,421
Travelling and Conveyance	61,083,881	55,958,171
Printing and Stationery	8,511,209	8,049,109
Postage, Telephone, Internet	4,590,398	5,428,885
Electricity, Gas & Water	11,468,468	11,995,400
Tiffin and Refreshment	23,324,423	21,726,964
Repairs and Maintenance	101,688,146	91,695,010
Bank Charges	6,306,740	7,508,595
Insurance Premium	9,150,617	3,008,500
Govt. Taxes, Stamp Duty & Licence Fee	10,571,781	7,477,008
Security Services	18,568,938	19,708,039
Legal Charges	981,669	480,815
Depreciation	50,239,393	52,741,397
Software & Hardware Support Services	1,280,024	1,351,696
Other Expenses	20,277,179	19,319,302
<b>Tk.</b>	<b>602,901,018</b>	<b>552,636,063</b>
<b>25. OPERATING INCOME: Tk. 89,047,158</b>		
This is arrived at as follows:		
Rental Income	875,030	460,823
Sale of Scrap	22,279,746	19,498,710
Foreign Exchange Fluctuation Gain	51,552,382	12,234,504
Cash Incentive Received against Export	14,340,000	7,615,000
	<b>89,047,158</b>	<b>39,809,037</b>
<b>26. OTHER INCOME: Tk. 1,684,366,560</b>		
This is arrived at as follows:		
Bank Interest	1,188,154,141	943,426,236
Interest on Loan to Sister Concern	-	160,061,143
Dividend	35,835,709	164,504,929
Gain on Marketable Securities (Realized)	232,206,381	1,898,816
Gain on Redemption of Zero Coupon Bond	6,979,944	19,854,240
Interest Income from Subordinated Bond	93,673,521	292,960,979
Interest Income from Subordinated Bond	127,216,864	29,334,794
P.F Forfeited Amount **	-	31,667,264
Others	300,000	544,122
<b>Tk.</b>	<b>1,684,366,560</b>	<b>1,644,252,523</b>

	<b>2021</b>	<b>2020</b>
	(Jul'2021-Dec'2021)	(Jul'2020-Dec'2020)
<b>27. CONSOLIDATED INCOME TAX EXPENSES-Current</b>	<b>2,435,737,779</b>	<b>2,378,203,901</b>

**28. PROFIT FROM ASSOCIATES UNDERTAKING: Tk. 954,774,504**

This is arrived at as follows:

a) Square Textiles Ltd.	404,126,226	68,670,543
b) Square Fashions Ltd.	452,950,018	343,212,173
c) Square Hospitals Ltd.	97,698,260	69,086,670
Tk.	<b>954,774,504</b>	<b>480,969,386</b>

**29. UNREALISED GAIN/(LOSS) ON MARKETABLE SECURITIES: Tk. (68,000,242)**

Marketable Securites Purchased during the Period:

Market Value	223,028,099	925,553,522
Less: Cost	(58,821,960)	(13,448,660)
Total Gain/(Loss) during the Period (A)	164,206,139	912,104,862

Marketable Securites Sold during the Period:

Market Value	593,305,717	11,945,131
Less: Cost	(361,099,336)	(10,046,315)
Realised Gain/(Loss) during the Period (B)	232,206,381	1,898,816

Total Unrealised Gain/(Loss) during the Period C=(A-B)

	<b>(68,000,242)</b>	<b>910,206,046</b>
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**30. NET ASSET VALUE PER SHARE (NAV) - Tk. 107.36**

The computation is given below:

Equity Attributable to the Ordinary Shareholders	95,165,790,561	90,894,643,168
Weighted average number of Shares outstanding during the Period	886,451,010	886,451,010
Net Asset Value Per Share (NAV)	<b>107.36</b>	<b>102.54</b>

**31. EARNINGS PER SHARE (EPS) - Tk. 10.88**

The computation is given below:

Surplus for the year attributable to Shareholders (Net Profit after Tax)	9,640,999,882	7,769,595,015
Weighted average number of Shares outstanding during the Period	886,451,010	886,451,010
Earnings per Share	<b>10.88</b>	<b>8.76</b>

Increase in sales revenue along with proficient usage of materials let to increased gross profit for the reporting period. Favorable movement in foreign exchange transactions has also aided in increased net operating profit. The reduced corporate tax rate for the period resulted in the increment Earnings Per Share.

**32. NET OPERATING CASH FLOW PER SHARE (NOCF) - Tk. 10.89**

The computation is given below:

Net Cash Generated from Operating Activities	9,655,808,292	6,449,232,922
Weighted average number of Shares outstanding during the Period	886,451,010	886,451,010
Net Operating Cash Flow Per Share (NOCF)	<b>10.89</b>	<b>7.28</b>

The growth in our business volume and efficient utilization of working capital along with reduction in tax expense resulted in increased Net Cash Operating Cash Flows Per Share (NOCF).

	<b>2021</b>	<b>2020</b>
	(Jul'2021-Dec'2021)	(Jul'2020-Dec'2020)
<b>32.1. RECONCILIATION OF NET PROFIT WITH CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Profit after Tax</b>	8,686,225,378	7,288,625,629
Adjustment to Reconcile Net Profit to Net Cash Provided by Operating Activities:		
<b>Non-Cash Expenses:</b>	857,746,507	903,700,499
Depreciation	899,793,995	912,112,184
Exchange Rate Fluctuation	(14,357,306)	6,754,943
Deferred Tax	(27,690,182)	(15,166,628)
<b>Non-Operating Items:</b>	(1,719,279,610)	(1,609,922,901)
Dividend Income	(35,835,709)	(164,504,929)
Others	(1,683,443,901)	(1,445,417,972)
<b>Changes in Working Capital:</b>	1,831,116,017	(133,170,305)
(Increase)/Decrease in Inventories	773,540,261	(846,545,658)
(Increase)/Decrease in Trade and Other Receivables	(106,874,639)	(167,669,461)
(Increase)/Decrease in Advances, Deposits and Prepayments	605,868,833	490,438,685
Increase/(Decrease) in Trade Payables	107,429,486	(62,200,466)
Increase/(Decrease) in Other Payables	13,769,320	115,204,147
Increase/(Decrease) in Income Tax Payables	512,589,452	409,556,038
Increase/(Decrease) in Accrued Expenses	(75,206,696)	(71,953,590)
<b>Net Cash Generated from Operating Activities</b>	Tk. <u>9,655,808,292</u>	<u>6,449,232,922</u>

### 33. RELATED PARTY TRANSACTIONS:

The company did not do any related transactions with its sister concern other than its subsidiary/associates undertaking viz Square Textiles Ltd., Square Fashions Ltd., Square Hospitals Ltd., Square InformatiX Ltd., Square Lifesciences Ltd., Square Denims Ltd., Square Apparels Ltd., Square Securities Managment Ltd., Pharma Packages (Pvt) Ltd. and AEGIS Services Ltd. during the year reporting. The summary is as follows:

#### Transaction with Square Textiles Ltd. (Associate Undertaking and holding 46.36% Shares):

Opening Balance	-	3,277,576,394
Total Paid during the Period	-	1,253,455,326
Total Realized during the Period	-	(2,800,000,000)
Closing Balance (Receivable)	Tk. <u>-</u>	<u>1,731,031,720</u>

#### Transaction with Square Fashions Ltd. (Associate Undertaking and holding 48.36% Shares):

Opening Balance	-	2,411,950
Total Paid during the Period	135,560,551	1,059,596,055
Total Realized during the Period	(135,560,551)	(1,062,008,005)
Closing Balance	Tk. <u>-</u>	<u>-</u>

#### Transaction with Square Hospitals Ltd. (Associate Undertaking and holding 49.94% Shares):

Opening Balance	-	1,604,350,413
Total Paid during the Period	107,229,837	205,557,332
Total Realized during the Period	(107,229,837)	(797,109,847)
Closing Balance (Receivable)	Tk. <u>-</u>	<u>1,012,797,898</u>

#### Transaction with Square InformatiX Ltd. (Service Provider):

Opening Balance	-	(2,197,662)
Total Paid during the Period	44,089,296	65,757,614
Total Realized during the Period	(44,089,296)	(63,559,952)
Closing Balance	Tk. <u>-</u>	<u>-</u>

	<b>2021</b>	<b>2020</b>
	(Jul'2021-Dec'2021)	(Jul'2020-Dec'2020)
<b>Transaction with Square Lifesciences Ltd. (Subsidiary Company and holdings 99.50% Shares):</b>		
Opening Balance	-	751,363
Total Paid during the Period	2,120,004,050	1,121,826
Total Realized during the Period	(2,120,004,050)	-
Closing Balance (Receivable)	Tk. -	1,873,189
<b>Transaction with Square Denims Ltd. (Subsidiary of Associate, Square Fashions Ltd.):</b>		
Opening Balance	-	-
Total Paid during the Period	-	67,330,413
Total Realized during the Period	-	(67,330,413)
Closing Balance	Tk. -	-
<b>Transaction with Square Apparels Ltd. (Subsidiary of Associate, Square Fashions Ltd.):</b>		
Opening Balance	-	-
Total Paid during the Period	-	37,395,529
Total Realized during the Period	-	(37,395,529)
Closing Balance	Tk. -	-
<b>Transaction with Square Securities Management Ltd. (Port Folio Management):</b>		
Opening Balance	160,545,334	34,874,272
Total Paid during the Period	593,305,717	11,945,131
Total Realized during the Period	(58,827,246)	(13,449,159)
Closing Balance (Receivable)	Tk. 695,023,805	33,370,244
<b>Transaction with Pharma Packages (Pvt.) Ltd. (Supplier):</b>		
Opening Balance	52,600,036	12,206,021
Total Paid during the Period	218,130,373	364,117,660
Total Realized during the Period	(206,237,938)	(360,000,000)
Closing Balance (Receivable)	Tk. 64,492,471	16,323,681
<b>Transaction with AEGIS Services Ltd. (Service Provider):</b>		
Opening Balance	-	-
Total Paid during the Period	21,866,191	19,610,034
Total Realized during the Period	(21,866,191)	(23,314,366)
Closing Balance (Payable)	Tk. -	(3,704,332)

**34. The Consolidated Contingent Liabilities as of December 31, 2021 were as follows:**

This consists of as follows:

- Square Pharmaceuticals Ltd.	3,754,177,887
- Square Lifesciences Ltd.	830,523,819
- Square Pharmaceuticals Kenya EPZ Ltd.	15,504,337
Tk.	<u>4,600,206,043</u>

# SQUARE PHARMACEUTICALS LTD.

## STATEMENT OF FINANCIAL POSITION (Un-audited) As at 31 December 2021

Particulats	Notes	31-12-2021	30-06-2021
		Taka	Taka
<b>ASSETS:</b>			
<b>Non-Current Assets:</b>			
		<b>33,745,263,661</b>	<b>31,656,449,304</b>
Property, Plant and Equipment-Carrying Value	2	22,511,862,625	21,769,594,804
Investment - Long Term	3	6,979,346,948	5,262,522,794
Investment in Marketable Securities (Fair Value)	4	4,254,054,088	4,624,331,706
<b>Current Assets:</b>			
		<b>61,686,726,999</b>	<b>54,945,934,391</b>
Inventories	5	6,376,716,693	7,245,396,928
Trade and Other Receivables	6	2,784,606,771	2,916,178,759
Advances, Deposits and Prepayments	7	755,513,022	1,429,389,286
Cash and Cash Equivalents	8	51,769,890,513	43,354,969,418
<b>TOTAL ASSETS</b>		<b>95,431,990,660</b>	<b>86,602,383,695</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES:</b>			
<b>Shareholders' Equity:</b>			
		<b>85,580,447,223</b>	<b>82,217,574,950</b>
Share Capital		8,864,510,100	8,864,510,100
Share Premium		2,035,465,000	2,035,465,000
General Reserve		105,878,200	105,878,200
FVOCI Reserve	9	1,123,688,621	1,139,626,144
Retained Earnings	10	73,450,905,302	70,072,095,506
<b>Non-Current Liabilities:</b>			
		<b>1,195,100,116</b>	<b>1,274,853,017</b>
Deferred Tax Liability	11	1,195,100,116	1,274,853,017
<b>Current Liabilities:</b>			
		<b>8,656,443,321</b>	<b>3,109,955,728</b>
Trade Payables	12	666,282,004	614,279,333
Other Payables	13	6,697,646,194	1,366,122,637
Income Tax Payable	14	1,085,264,524	572,675,072
Accrued Expenses	15	107,842,383	181,712,947
Unclaimed Dividend	16	99,408,216	375,165,739
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>95,431,990,660</b>	<b>86,602,383,695</b>
Net Assets Value per Share (NAV)	25	96.54	92.75

Samuel S Chowdhury  
Chairman

Ratna Patra  
Vice Chairman

Tapan Chowdhury  
Managing Director

Md. Zahangir Alam  
Chief Financial Officer

Khandaker Habibuzzaman  
Company Secretary



# SQUARE PHARMACEUTICALS LTD.

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Unaudited) For the 2nd Quarter Ended 31 December 2021

Particulars	Notes	Six Months Results		2nd Quarter Results	
		July-Dec 2021 Taka	July-Dec 2020 Taka	Oct-Dec 2021 Taka	Oct-Dec 2020 Taka
<b>GROSS TURNOVER</b>	17	<b>33,849,842,101</b>	<b>29,079,325,231</b>	<b>16,432,304,952</b>	<b>14,354,708,501</b>
Less: Value Added Tax		4,777,604,285	4,137,684,976	2,236,928,261	1,988,649,026
<b>NET TURNOVER</b>		<b>29,072,237,816</b>	<b>24,941,640,255</b>	<b>14,195,376,691</b>	<b>12,366,059,475</b>
<b>COST OF GOODS SOLD</b>	18	<b>(13,872,746,372)</b>	<b>(11,911,964,319)</b>	<b>(6,609,679,501)</b>	<b>(5,757,913,054)</b>
<b>GROSS PROFIT</b>		<b>15,199,491,444</b>	<b>13,029,675,936</b>	<b>7,585,697,190</b>	<b>6,608,146,421</b>
<b>Operating Expenses:</b>		<b>(5,311,510,882)</b>	<b>(4,576,094,005)</b>	<b>(2,827,128,160)</b>	<b>(2,413,856,628)</b>
Selling & Distribution Expenses	19	(4,720,430,087)	(4,027,074,623)	(2,492,499,990)	(2,111,474,381)
Administrative Expenses	20	(591,057,886)	(549,014,097)	(334,627,475)	(302,382,247)
Finance Cost		(22,909)	(5,285)	(695)	-
Operating Income	21	88,494,504	31,696,624	38,225,813	9,856,941
<b>PROFIT FROM OPERATIONS</b>		<b>9,976,475,066</b>	<b>8,485,278,555</b>	<b>4,796,794,843</b>	<b>4,204,146,734</b>
Other Income	22	1,684,366,560	1,644,252,523	732,832,208	759,069,310
<b>PROFIT BEFORE WPPF &amp; WF</b>		<b>11,660,841,626</b>	<b>10,129,531,078</b>	<b>5,529,627,051</b>	<b>4,963,216,044</b>
Allocation for WPPF & WF		(555,278,173)	(482,358,623)	(263,315,574)	(236,343,621)
<b>PROFIT BEFORE TAX</b>		<b>11,105,563,453</b>	<b>9,647,172,455</b>	<b>5,266,311,477</b>	<b>4,726,872,423</b>
<b>Income Tax Expenses:</b>		<b>(2,408,047,597)</b>	<b>(2,363,037,273)</b>	<b>(1,152,426,418)</b>	<b>(1,167,796,538)</b>
Current Tax	23	(2,435,737,779)	(2,378,203,901)	(1,170,840,618)	(1,167,545,860)
Deferred Tax	11.1	27,690,182	15,166,628	18,414,200	(250,678)
<b>NET PROFIT AFTER TAX FOR THE PERIOD</b>		<b>8,697,515,856</b>	<b>7,284,135,182</b>	<b>4,113,885,059</b>	<b>3,559,075,885</b>
<b>OTHER COMPREHENSIVE INCOME:</b>					
Gain/(Loss) on FVOCI Financial Assets	24	(68,000,242)	910,206,046	(556,964,689)	132,017,379
Related Tax	11.2	52,062,719	(91,020,605)	55,696,469	(13,201,738)
<b>Other Comprehensive Income (Net of Tax)</b>		<b>(15,937,523)</b>	<b>819,185,441</b>	<b>(501,268,220)</b>	<b>118,815,641</b>
<b>Total Comprehensive Income</b>		<b>8,681,578,333</b>	<b>8,103,320,623</b>	<b>3,612,616,839</b>	<b>3,677,891,526</b>
Earnings Per Share (EPS)	26	9.81	8.22	4.64	4.01

Samuel S Chowdhury  
Chairman

Ratna Patra  
Vice Chairman

Tapan Chowdhury  
Managing Director

Md. Zahangir Alam  
Chief Financial Officer

Khandaker Habibuzzaman  
Company Secretary

# SQUARE PHARMACEUTICALS LTD.

## STATEMENT OF CHANGES IN EQUITY (Unaudited) For the 2nd Quarter Ended 31 December 2021

Particulars	Share Capital Taka	Share Premium Taka	General Reserve Taka	Tax Exemption Reserve Taka	FVOCI Reserve Taka	Retained Earnings Taka	Total Taka
<b>At 30 June 2021</b>	<b>8,864,510,100</b>	<b>2,035,465,000</b>	<b>105,878,200</b>	-	<b>1,139,626,144</b>	<b>70,072,095,506</b>	<b>82,217,574,950</b>
Net Profit after Tax (Jul'2021-Dec'2021)	-	-	-	-	-	8,697,515,856	8,697,515,856
Other Comprehensive Income (Jul'2021-Dec'2021)	-	-	-	-	(15,937,523)	-	(15,937,523)
Cash Dividend (2020-2021)	-	-	-	-	-	(5,318,706,060)	(5,318,706,060)
<b>At 31 December 2021</b>	<b>8,864,510,100</b>	<b>2,035,465,000</b>	<b>105,878,200</b>	-	<b>1,123,688,621</b>	<b>73,450,905,302</b>	<b>85,580,447,223</b>

## STATEMENT OF CHANGES IN EQUITY (Unaudited) For the 2nd Quarter Ended 31 December 2020

Particulars	Share Capital Taka	Share Premium Taka	General Reserve Taka	Tax Exemption Reserve Taka	FVOCI Reserve Taka	Retained Earnings Taka	Total Taka
<b>At 30 June 2020</b>	<b>8,442,390,580</b>	<b>2,035,465,000</b>	<b>105,878,200</b>	<b>2,211,743,936</b>	<b>(452,626,946)</b>	<b>57,507,130,053</b>	<b>69,849,980,823</b>
Deferred Tax Recognized for FVOCI Financial Assets	-	-	-	-	-	59,821,223	59,821,223
<b>At 30 June 2020 (Restated)</b>	<b>8,442,390,580</b>	<b>2,035,465,000</b>	<b>105,878,200</b>	<b>2,211,743,936</b>	<b>(452,626,946)</b>	<b>57,566,951,276</b>	<b>69,909,802,046</b>
Total Comprehensive Income (Jul'2020-Dec'2020)	-	-	-	-	819,185,441	7,284,135,182	8,103,320,623
Cash Dividend (2019-2020)	-	-	-	-	-	(3,967,923,573)	(3,967,923,573)
Stock Dividend (2019-2020)	422,119,520	-	-	-	-	(422,119,520)	-
<b>At 31 December 2020</b>	<b>8,864,510,100</b>	<b>2,035,465,000</b>	<b>105,878,200</b>	<b>2,211,743,936</b>	<b>366,558,495</b>	<b>60,461,043,365</b>	<b>74,045,199,096</b>

Samuel S Chowdhury  
Chairman

Ratna Patra  
Vice Chairman

Tapan Chowdhury  
Managing Director

Md. Zahangir Alam  
Chief Financial Officer

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Company Secretary

# SQUARE PHARMACEUTICALS LTD.

## STATEMENT OF CASH FLOWS (Unaudited) For the 2nd Quarter Ended 31 December 2021

Particulars	Notes	2nd Quarter Ended	
		31 December 2021 Taka	31 December 2020 Taka
<b>Cash Flows From Operating Activities:</b>			
Receipts from Customers		34,257,628,532	29,336,919,010
Receipts from Others		66,922,243	80,893,602
Payments to Suppliers		(9,424,814,507)	(9,411,809,526)
Payments for Manufacturing and Operating Expenses		(7,789,305,340)	(7,129,834,959)
Payment of Value Added Tax		(4,777,604,285)	(4,137,684,976)
<b>Cash Generated from Operating Activities</b>		<b>12,332,826,643</b>	<b>8,738,483,151</b>
Interest Paid		(22,909)	(5,285)
Payment of Income Tax		(1,923,148,327)	(1,968,647,863)
Payment of WPPF		(601,118,783)	(424,989,091)
Other Payments		-	(2,430,289)
<b>Net Cash Generated from Operating Activities</b>		<b>9,808,536,624</b>	<b>6,342,410,623</b>
<b>Cash Flows From Investing Activities:</b>			
Acquisition of Property, Plant and Equipment		(1,674,842,116)	(1,151,736,971)
Investment		(1,414,546,778)	(1,493,430,166)
Short Term Loan		-	2,139,387,313
Proceeds from Sale of Marketable Securities		232,206,381	1,898,816
Interest Received		1,654,471,097	1,979,067,347
Dividend Received		35,835,709	164,504,929
<b>Net Cash used in Investing Activities</b>		<b>(1,166,875,707)</b>	<b>1,639,691,268</b>
<b>Cash Flows From Financing Activities:</b>			
Payment of Unclaimed Dividend		(275,757,523)	-
<b>Net Cash used in Financing Activities</b>		<b>(275,757,523)</b>	<b>-</b>
Increase in Cash and Cash Equivalents		8,365,903,394	7,982,101,891
Net Effect of Foreign Currency Translation on Cash and Cash Equivalent		49,017,701	3,014,408
Cash and Cash Equivalents at the Opening		43,354,969,418	32,233,314,319
Cash and Cash Equivalents at the Closing		<b>51,769,890,513</b>	<b>40,218,430,618</b>
<b>Net Operating Cash Flow per Share (NOCF)</b>	27	<b>11.06</b>	<b>7.15</b>

Samuel S Chowdhury  
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Ratna Patra  
Vice Chairman

Tapan Chowdhury  
Managing Director

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Chief Financial Officer

Khandaker Habibuzzaman  
Company Secretary

# SQUARE PHARMACEUTICALS LTD.

## Notes to the Interim Financial Statements For the 2nd Quarter Ended December 31, 2021

### 1. Basis of Preparation of the Interim Financial Statements:

These Financial Statements (They) are the unaudited Interim Financial Statements (here after 'the Interim Financial Statements') of Square Pharmaceuticals Ltd. for the 2nd Quarter Ended on December 31, 2021 (here after the interim period). They are prepared in accordance with the International Accounting Standard (IAS-34) 'Interim Financial Reporting'. These financial statements should be read in conjunction with the Annual Financial Statements as of June 30, 2021, as they provide an update of previously reported information.

The accounting policies and presentation used are consistent with those used in the Annual Financials, except where noted below, Where necessary, the comparative figures have been reclassified or extended from the previously reported Interim Financial Statements to take into account any presentational changes made in the Annual Financial Statements or in these Interim Financial Statements.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and disclosure of contingent liabilities at the date of the Interim Financial Statement. If in the future such estimates and assumptions, which are based on management 's best judgement at the date of the Interim Financial Statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

We understand that our business is growing every year that means our assets are performing according to the intention of procurement and the discounted future cash flow from the operation of the assets would be positive if we disposed those assets at the date of financial reporting. But at present, we have no intention to dispose these assets. Therefore, it is not required to record the impairment gain as provisions of IAS-36.

The company operates in industries where significant seasonal or cyclical variations in total sales are not experienced during the reporting period.

The company has no reportable operating segments as per IFRS-8.

Figures have been rounded off to the nearest Taka.

### 2. PROPERTY, PLANT AND EQUIPMENT: Tk. 22,511,862,625

Details of Property, Plant and Equipment and Depreciation as at December 31, 2021 are as follows:

This is arrived at as follows:

#### Fixed Assets at Cost:

Opening Balance	41,570,311,740	39,680,473,955
Addition during the Period/Year	806,722,156	2,071,017,068
	<u>42,377,033,896</u>	<u>41,751,491,023</u>
Sales/Transfer during the Period/Year	-	(181,179,283)
Closing Balance	<u>42,377,033,896</u>	<u>41,570,311,740</u>

#### Accumulated Depreciation:

Opening Balance	21,793,391,083	20,046,381,983
Charged during the Period/ Year	899,793,995	1,882,490,971
	<u>22,693,185,078</u>	<u>21,928,872,954</u>
Sales/Transfer during the Period/Year	-	(135,481,871)
	<u>22,693,185,078</u>	<u>21,793,391,083</u>

#### Net Book Value as at December 31,2021

Property, Plant & Equipment in Transit (Note-2.1)	823,499,764	646,809,312
Building under Construction (Note-2.2)	2,004,514,043	1,345,864,835
Carrying Value	<u>22,511,862,625</u>	<u>21,769,594,804</u>

Tk.

	<b>2021-2022</b> (Jul'2021-Dec'2021)	<b>2020-2021</b> (Jul'2020-Jun'2021)
Allocation of depreciation charged for the period/year has been made in the accounts as follows:		
Factory Overhead	748,171,108	1,571,753,195
Selling and Distribution Expenses	101,383,494	203,574,635
Administrative Expenses	50,239,393	107,163,141
Tk.	<b>899,793,995</b>	<b>1,882,490,971</b>
<b>2.1 PROPERTY, PLANT &amp; EQUIPMENT IN TRANSIT: Tk. 823,499,764</b>		
Opening Balance	646,809,312	514,957,056
Addition during the Period/Year	1,030,930,927	1,469,618,444
	1,677,740,239	1,984,575,500
Transfer during the Period/Year	(854,240,475)	(1,337,766,188)
Closing Balance	<b>823,499,764</b>	<b>646,809,312</b>
Tk.	<b>823,499,764</b>	<b>646,809,312</b>
<b>2.2 BUILDING UNDER CONSTRUCTION: Tk. 2,004,514,043</b>		
Opening Balance	1,345,864,835	418,153,362
Addition during the Period/Year	658,649,208	927,711,473
	2,004,514,043	1,345,864,835
Transfer during the Period/Year	-	-
Closing Balance	<b>2,004,514,043</b>	<b>1,345,864,835</b>
Tk.	<b>2,004,514,043</b>	<b>1,345,864,835</b>
	<b>31-12-2021</b>	<b>30-06-2021</b>
<b>3. INVESTMENT-Long Term : Tk. 6,979,346,948</b>		
This consists of the following:		
<b>Subsidiary:</b>		
(a) 4,000,000 Shares in Square Pharmaceuticals Kenya EPZ Ltd.	332,000,000	332,000,000
(b) Advance against Share Money Deposit with Square Pharmaceuticals Kenya EPZ Ltd.	653,742,688	653,742,688
(c) 9,995,000 Ordinary Shares of Tk. 100/- each in Square Lifesciences Ltd.	999,500,000	99,500,000
	<b>1,985,242,688</b>	<b>1,085,242,688</b>
<b>Associates:</b>		
(a) 91,436,679 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) Investment in Square Fashions Ltd: - 252,000 Ordinary Shares of Tk. 100/- each - 210,000 Ordinary Shares of Tk. 600/- each *	151,200,000	151,200,000
	<b>587,079,795</b>	<b>587,079,795</b>
<b>Others:</b>		
(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) 15,000 Preference Share in Raj Lanka Power Company Ltd.	14,545,455	29,090,910
(d) 1 Non-Convertible Zero Coupon Bond in Durable Plastics Ltd.	5,684,678	11,905,164
(e) 12 Non-Convertible Zero Coupon Bond in Envoy Textiles Ltd.	16,130,346	21,509,807
(f) 400 Non-Convertible Zero Coupon in BRAC	402,509,850	-
(g) 498 Non-Convertible Zero Coupon Bond in LankaBangla Finance Ltd.	440,459,706	-
(h) 200 Non-Convertible Subordinated Bond in Mutual Trust Bank Ltd.	2,000,000,000	2,000,000,000
(i) 5,000 Non-Convertible Subordinated Bond in Southeast Bank Ltd.	500,000,000	500,000,000
(j) 50 Mudaraba Redeemable Non-Convertible Subordinated Bond in Islami Bank Bangladesh Ltd.	500,000,000	500,000,000
(k) 50 Non-Convertible Subordinated Bond in Trust Bank Ltd.	500,000,000	500,000,000
	<b>4,407,024,465</b>	<b>3,590,200,311</b>
Tk.	<b>6,979,346,948</b>	<b>5,262,522,794</b>

**31-12-2021**      **30-06-2021**

**4. INVESTMENT IN MARKETABLE SECURITIES (Fair Value): Tk. 4,254,054,088**

Particulars	2021-2022 (Jul'2021-Dec'2021)		2020-2021 (Jul'2020-Jun'2021)	
	Cost	Market Value	Cost	Market Value
Opening Balance	3,307,788,552	4,624,331,706	3,144,519,813	2,691,892,867
Add: Investment made during the Period	58,821,960	223,028,099	487,296,823	2,345,407,225
Less: Sold/Disposed Off during the Period	(361,099,336)	(593,305,717)	(324,028,084)	(412,968,386)
Closing Balance	<b>3,005,511,176</b>	<b>4,254,054,088</b>	<b>3,307,788,552</b>	<b>4,624,331,706</b>

**5. INVENTORIES: Tk. 6,376,716,693**

The break-up is as under:

Raw Materials	2,338,202,814	2,647,266,800
Packing Materials	798,673,434	829,398,759
Work-in-Process	420,141,908	415,013,847
Finished Goods	1,835,505,313	2,118,362,474
Spares & Accessories	898,914,151	831,527,919
Goods- in-Transit	85,279,073	403,827,129
<b>Tk.</b>	<b>6,376,716,693</b>	<b>7,245,396,928</b>

**6. TRADE & OTHER RECEIVABLES: Tk. 2,784,606,771**

This consists of as follows:

Trade Receivables (Note-6.1)	1,743,011,153	1,636,136,514
Other Receivables (Note-6.2)	1,041,595,618	1,280,042,245
<b>Tk.</b>	<b>2,784,606,771</b>	<b>2,916,178,759</b>

**6.1 Trade Receivables: Tk. 1,743,011,153**

Receivable from Domestic Sales	1,426,601,237	1,307,259,341
Receivable from Exports	316,409,916	328,877,173
<b>Tk.</b>	<b>1,743,011,153</b>	<b>1,636,136,514</b>

**6.2 Other Receivables: Tk. 1,041,595,618**

Interest Receivable from Fixed Deposit Receipts	941,443,011	1,222,146,132
Interest Receivable from Short Notice Deposits	321,044	-
Interest Receivable from Subordinated Bonds	93,497,294	57,891,734
Gain Receivable from Zero Coupon Bond	6,334,269	4,379
<b>Tk.</b>	<b>1,041,595,618</b>	<b>1,280,042,245</b>

**7. ADVANCES, DEPOSITS & PREPAYMENTS : TK. 755,513,022**

This consists of as follows:

<b>Advances:</b>	<b>359,162,866</b>	<b>463,087,450</b>
Employees	160,199,438	239,013,230
Land Purchase	49,283,677	16,503,377
Suppliers	149,679,751	207,570,843
<b>Deposits:</b>	<b>370,510,308</b>	<b>920,127,031</b>
Value Added Tax	84,753,276	599,414,346
Earnest Money & Security Deposit	285,757,032	312,902,472
Others	-	7,810,213
<b>Prepayments:</b>	<b>25,839,848</b>	<b>46,174,805</b>
Office Rent	7,552,745	6,936,747
Insurance Premium	18,287,103	39,238,058
<b>Tk.</b>	<b>755,513,022</b>	<b>1,429,389,286</b>

	<u>31-12-2021</u>	<u>30-06-2021</u>
<b>8. CASH AND CASH EQUIVALENTS: Tk. 51,769,890,513</b>		
This is made up as follows:		
(a) Cash in Hand	15,521,224	13,925,716
(b) Cash at Bank:	<b>51,754,369,289</b>	<b>43,341,043,702</b>
* Current Account	948,170,724	435,014,278
* STD Account	5,654,604,101	3,486,902,772
* Fixed Deposit Account (BD Taka)	35,653,848,645	35,653,848,645
* Fixed Deposit Account (USD)	3,662,558,495	2,862,046,153
* Export Retention Quota Account (USD)	479,498,329	891,345,538
* Margin Held Account (USD)	36,982,935	11,886,316
* Dividend Account	5,318,706,060	-
Tk.	<b><u>51,769,890,513</u></b>	<b><u>43,354,969,418</u></b>
<b>9. FVOCI RESERVE : Tk. 1,123,688,621</b>		
This consists of as follows:		
Opening Balance	1,139,626,144	(452,626,946)
Add: Adjustment for Related Tax on FVOCI Financial Assets	-	59,821,223
Opening Balance (Restated)	<u>1,139,626,144</u>	<u>(392,805,723)</u>
Add: Unrealised Gain/(Loss) on Marketable Securities for the Period/Year (Note-24)	(68,000,242)	1,769,170,100
Less: Related Deferred Tax (Note-11.2)	52,062,719	(236,738,233)
Closing Balance	<b>Tk. <u>1,123,688,621</u></b>	<b><u>1,139,626,144</u></b>
<b>10. RETAINED EARNINGS : Tk. 73,450,905,302</b>		
This consists of as follows:		
Opening Balance	70,072,095,506	57,507,130,053
Add: Transferred from Tax Exemption Reserve	-	2,211,743,936
Add: Net Profit/(Loss) for the Year/Period	8,697,515,856	14,743,264,610
Less: Cash Dividend for the Year 2020-2021	(5,318,706,060)	(3,967,923,573)
Less: Stock Dividend for the Year 2020-2021	-	(422,119,520)
Closing Balance	<b>Tk. <u>73,450,905,302</u></b>	<b><u>70,072,095,506</u></b>
<b>11. DEFERRED TAX LIABILITY: Tk. 1,195,100,116</b>		
This represents provision is made for deferred income tax to pay future income tax liability for temporary differences which is arrived at as follows:		
Deferred Tax Related to Property, Plant & Equipment (Note-11.1)	1,070,245,825	1,097,936,007
Deferred Tax Related to FVOCI (Note-11.2)	124,854,291	176,917,010
Tk.	<b><u>1,195,100,116</u></b>	<b><u>1,274,853,017</u></b>
<b>11.1 Deferred Tax Related to Property, Plant &amp; Equipment:</b>		
A. Property, Plant and Equipments excluding Cost of Land (Carrying Amount)	13,347,060,314	13,686,544,416
B. Property, Plant and Equipments excluding Cost of Land (Tax Base)	8,590,412,203	8,806,828,831
C. Taxable/(Deductable) Temporary Difference (A-B)	4,756,648,111	4,879,715,585
D. Tax Rate	22.50%	22.50%
E. Deferred Tax Liabilities as on December 31, 2021	1,070,245,825	1,097,936,007
F. Deferred Tax Liabilities as on June 30, 2021	1,097,936,007	1,272,750,021
G. Current Year's Deferred Tax Expense/(Income) (E-F)	<b>Tk. <u>(27,690,182)</u></b>	<b><u>(174,814,014)</u></b>
<b>11.2 Deferred Tax Related to FVOCI:</b>		
A. FVOCI-Carrying Amount	4,254,054,088	1,769,170,100
B. FVOCI-Tax Base	3,005,511,176	-
C. Taxable/(Deductable) Temporary Difference (A-B)	1,248,542,912	1,769,170,100
D. Tax Rate	10%	10%
E. Deferred Tax Liabilities as on December 31, 2021	124,854,291	176,917,010
F. Deferred Tax Liabilities as on June 30, 2021	176,917,010	(59,821,223)
G. Current Year's Deferred Tax Expense/(Income) (E-F)	<b>Tk. <u>(52,062,719)</u></b>	<b><u>236,738,233</u></b>

	<u>31-12-2021</u>	<u>30-06-2021</u>
<b>12. TRADE PAYABLES</b>	<b>Tk. 666,282,004</b>	<b>614,279,333</b>

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

**13. OTHER PAYABLES: Tk. 6,697,646,194**

This consists of as follows:

Sundry Creditors	459,473,173	400,854,734
Income Tax (Deduction at Source)	18,414,911	19,532,856
Retention Money	9,096,033	7,938,420
Workers' Profit Participation Fund and Welfare Fund (Note-13.1)	891,956,017	937,796,627
Dividend Payable	5,318,706,060	-
<b>Tk.</b>	<b><u>6,697,646,194</u></b>	<b><u>1,366,122,637</u></b>

**13.1 WORKERS' PROFIT PARTICIPATION FUND AND WELFARE FUND : Tk. 891,956,017**

This consists of as follows:

Opening Balance	937,796,627	859,269,098
Add: Allocation for the Period/Year	555,278,173	937,796,627
Less: Payment made during the Period/Year	(601,118,783)	(859,269,098)
<b>Closing Balance</b>	<b><u>891,956,017</u></b>	<b><u>937,796,627</u></b>

**14. INCOME TAX PAYABLE: Tk. 1,085,264,524**

This is arrived at as follows:

Opening balance	572,675,072	978,037,537
Provision made for the Period	2,435,737,779	4,187,481,946
Tax Paid (Including Advance Income Tax during the Period/Year)	(1,923,148,327)	(4,592,844,411)
<b>Tk.</b>	<b><u>1,085,264,524</u></b>	<b><u>572,675,072</u></b>

**15. ACCRUED EXPENSES: Tk. 107,842,383**

This consists of as follows:

Accrued Expenses	107,842,383	181,022,947
Audit Fees	-	690,000
<b>Tk.</b>	<b><u>107,842,383</u></b>	<b><u>181,712,947</u></b>

**16. UNCLAIMED DIVIDEND: Tk. 99,408,216**

This consists of as follows:

Opening balance	375,165,739	330,431,723
Add: Dividend Returned during the Period/Year	-	46,944,513
Less: Payment made during the Period/Year	(275,757,523)	(2,210,497)
<b>Tk.</b>	<b><u>99,408,216</u></b>	<b><u>375,165,739</u></b>

**17. GROSS REVENUE: Tk. 33,849,842,101**

This is made-up as follows:

Local Sales	33,026,645,613	28,408,319,360
Export Sales Equivalent in US \$ 9,755,878 (Jul'2020-Dec'2020 US \$ 7,992,921)	823,196,488	671,005,871
<b>Tk.</b>	<b><u>33,849,842,101</u></b>	<b><u>29,079,325,231</u></b>

**18. COST OF GOODS SOLD: Tk. 13,872,746,372**

	<u>2021</u>	<u>2020</u>
	(Jul'2021-Dec'2021)	(Jul'2020-Dec'2020)
Materials	10,420,693,858	8,603,272,177
Factory Overhead (Note-18.1)	3,452,052,514	3,308,692,142
<b>Tk.</b>	<b><u>13,872,746,372</u></b>	<b><u>11,911,964,319</u></b>



	<b>2021</b>	<b>2020</b>
	(Jul'2021-Dec'2021)	(Jul'2020-Dec'2020)
<b>18.1 FACTORY OVERHEAD: Tk. 3,452,052,514</b>		
This is made up as follows:		
Salaries, Allowances and Wages	1,161,001,815	1,052,984,960
Factory Employees Free Lunch	59,558,473	55,161,080
Factory Staff Uniform	54,693,508	46,517,123
Travelling & Conveyance	21,402,803	20,269,734
Printing & Stationery	37,978,041	36,344,503
Postage, Telephone & Fax	4,004,651	3,879,800
Repairs & Maintenance	489,897,081	469,478,239
Laboratory Consumable Stores	214,093,357	176,321,127
Fuel, Petrol, Light Diesel etc.	78,978,134	120,087,625
Electricity, Gas & Water	333,921,569	328,734,382
Rental Expense	658,115	669,168
Municipal & Other Tax	10,363,706	11,187,740
Insurance Premium	10,932,903	11,448,208
Factory Sanitation Expenses	55,625,665	49,518,022
Depreciation	748,171,108	766,506,581
Security Services	35,324,716	37,267,835
Research & Development	95,983,750	87,290,503
Software & Hardware Support Services	28,731,303	26,432,094
Toll Charges	9,795,642	8,081,179
Other Expenses	936,174	512,239
<b>Tk.</b>	<b><u>3,452,052,514</u></b>	<b><u>3,308,692,142</u></b>
<b>19. SELLING &amp; DISTRIBUTION EXPENSES: Tk. 4,720,430,087</b>		
This consists of as follows:		
Salaries and Allowances	730,691,500	673,044,006
Travelling and Conveyance	68,004,808	62,382,851
Printing and Stationery	36,554,929	35,875,507
Postage, Telephone, Fax & Telex	31,693,725	36,516,867
Electricity, Gas and Water	16,097,784	14,929,954
Office and Godown Rent	12,615,881	13,051,820
Repairs and Maintenance including car maintenance	250,694,128	234,702,360
Govt. Taxes and Licence Fees	21,391,363	39,937,628
Field Staff Salaries, Allowances, TA and DA	1,343,080,136	1,112,356,374
Marketing and Sales Promotional Expenses	655,776,862	545,380,929
Event, Programs and Conference	95,811,511	81,252,070
Delivery and Packing Expenses	100,766,053	86,655,099
Literature and Publications	57,434,926	46,330,630
Export Expenses	96,482,484	55,751,447
Research and Product Development	6,095,854	3,188,853
Special Discount	892,034,761	697,677,547
Security Services	42,138,812	45,525,819
Depreciation	101,383,494	92,868,810
Other Expenses	161,681,076	149,646,052
<b>Tk.</b>	<b><u>4,720,430,087</u></b>	<b><u>4,027,074,623</u></b>
<b>20. ADMINISTRATIVE EXPENSES: Tk. 591,057,886</b>		
This consists of as follows:		
Salaries and Allowances	233,914,373	213,251,751
Directors' Remuneration	34,361,667	32,935,421
Travelling and Conveyance	61,083,881	55,958,171
Printing and Stationery	8,511,209	8,049,109
Postage, Telephone, Internet	4,590,398	5,428,885
Electricity, Gas & Water	11,242,934	11,995,400
Tiffin and Refreshment	23,321,755	21,726,964
Repairs and Maintenance	101,616,255	91,695,010
Bank Charges	5,784,081	7,456,340
Insurance Premium	9,119,839	3,008,500
Govt. Taxes, Stamp Duty & Licence Fee	6,187,460	3,945,663
Security Services	18,568,938	19,708,039
Legal Charges	958,500	462,400
Depreciation	50,239,393	52,736,793
Software & Hardware Support Services	1,280,024	1,351,696
Other Expenses	20,277,179	19,303,955
<b>Tk.</b>	<b><u>591,057,886</u></b>	<b><u>549,014,097</u></b>

	<b>2021</b> <small>(Jul'2021-Dec'2021)</small>	<b>2020</b> <small>(Jul'2020-Dec'2020)</small>
<b>21. OPERATING INCOME: Tk. 88,494,504</b>		
This is arrived at as follows:		
Rental Income	875,030	460,823
Sale of Scrap	22,279,746	19,498,710
Foreign Exchange Fluctuation Gain	50,999,728	4,122,091
Cash Incentive Received against Export	14,340,000	7,615,000
	<b>88,494,504</b>	<b>31,696,624</b>

**22. OTHER INCOME: Tk. 1,684,366,560**

This is arrived at as follows:

Bank Interest	1,188,154,141	943,426,236
Interest on Loan to Sister Concern	-	160,061,143
Dividend	35,835,709	164,504,929
Gain on Marketable Securities (Realized)	232,206,381	1,898,816
Gain on Redemption of Zero Coupon Bond	6,979,944	19,854,240
Interest Income from Short Notice Deposits	93,673,521	292,960,979
Interest Income from Subordinated Bond	127,216,864	29,334,794
P.F Forfeited Amount	-	31,667,264
Others	300,000	544,122
Tk.	<b>1,684,366,560</b>	<b>1,644,252,523</b>

**23. INCOME TAX EXPENSES-Current Tax**

Tk. **2,435,737,779**      **2,378,203,901**

**23.1 CALCULATION OF RECONCILIATION OF EFFECTIVE TAX RATE WITH INCOME TAX EXPENSES:**

Income Tax Expnses-Current	2,435,737,779	2,378,203,901
Income Tax Expnses/(Income)-Deferred (Note-11.1)	(27,690,182)	(15,166,628)
Tk.	<b>2,408,047,597</b>	<b>2,363,037,273</b>

**RECONCILIATION OF EFFECTIVE TAX RATE:**

Particulars	Jul'2021-Dec'2021		Jul'2020-Dec'2020	
	%	Amount (Taka)	%	Amount (Taka)
<b>Profit before Tax</b>		<b>11,105,563,453</b>		<b>9,647,172,455</b>
Tax using Corporate Tax Rate	22.50%	2,498,751,777	25%	2,411,793,114
Effect of Tax Exempted Income	-0.28%	(31,299,807)	-0.41%	(39,103,522)
Effect of Lower Tax Rate	-0.29%	(31,714,191)	-0.10%	(9,652,319)
	21.93%	<b>2,435,737,779</b>	24.49%	<b>2,363,037,273</b>
Effect of Deferred Tax	-0.25%	(27,690,182)	-	-
	<b>21.68%</b>	<b>2,408,047,597</b>	<b>24.49%</b>	<b>2,363,037,273</b>

**24. UNREALISED GAIN/(LOSS) ON MARKETABLE SECURITIES: Tk. (68,000,242)**

Marketable Securites Purchased during the Period:

Market Value	223,028,099	925,553,522
Less: Cost	(58,821,960)	(13,448,660)
Total Gain/(Loss) during the Period (A)	164,206,139	912,104,862

Marketable Securites Sold during the Period:

Market Value	593,305,717	11,945,131
Less: Cost	(361,099,336)	(10,046,315)
Realised Gain/(Loss) during the Period (B)	232,206,381	1,898,816

Total Unrealised Gain/(Loss) during the Period C=(A-B) **(68,000,242)**      **910,206,046**

**25. NET ASSET VALUE PER SHARE (NAV) - Tk. 96.54**

The computation is given below:

Equity Attributable to the Ordinary Shareholders	85,580,447,223	82,217,574,950
Weighted average number of Shares outstanding during the Period	886,451,010	886,451,010
Net Asset Value Per Share (NAV)	<b>96.54</b>	<b>92.75</b>

	<b>2021</b>	<b>2020</b>
	(Jul'2021-Dec'2021)	(Jul'2020-Dec'2020)
<b>26. EARNINGS PER SHARE (EPS) - Tk. 9.81</b>		
The computation is given below:		
Surplus for the year attributable to Shareholders (Net Profit after Tax)	8,697,515,856	7,284,135,182
Weighted average number of Shares outstanding during the Period	886,451,010	886,451,010
Earnings per Share	Tk. <b>9.81</b>	<b>8.22</b>

Increase in sales revenue along with proficient usage of materials let to increased gross profit for the reporting period. Favorable movement in foreign exchange transactions has also aided in increased net operating profit. The reduced corporate tax rate for the period resulted in the increment Earnings Per Share.

#### 27. NET OPERATING CASH FLOW PER SHARE (NOCF) - Tk. 11.06

The computation is given below:		
Net Cash Generated from Operating Activities	9,808,536,624	6,342,410,623
Weighted average number of Shares outstanding during the Period	886,451,010	886,451,010
Net Operating Cash Flow Per Share (NOCF)	Tk. <b>11.06</b>	<b>7.15</b>

The growth in our business volume and efficient utilization of working capital along with reduction in tax expense resulted in increased Net Cash Operating Cash Flows Per Share (NOCF).

#### 27.1. RECONCILIATION OF NET PROFIT WITH CASH FLOWS FROM OPERATING ACTIVITIES:

<b>Profit after Tax</b>	8,697,515,856	7,284,135,182
Adjustment to Reconcile Net Profit to Net Cash Provided by Operating Activities:		
<b>Non-Cash Expenses:</b>	823,086,112	893,931,148
Depreciation	899,793,995	912,112,184
Exchange Rate Fluctuation	(49,017,701)	(3,014,408)
Deferred Tax	(27,690,182)	(15,166,628)
<b>Non-Operating Items:</b>	(1,684,066,560)	(1,592,041,137)
Dividend Income	(35,835,709)	(164,504,929)
Others	(1,648,230,851)	(1,427,536,208)
<b>Changes in Working Capital:</b>	1,972,001,216	(243,614,570)
(Increase)/Decrease in Inventories	868,680,235	(846,545,658)
(Increase)/Decrease in Trade and Other Receivables	(106,874,639)	(167,669,461)
(Increase)/Decrease in Advances, Deposits and Prepayments	706,656,564	378,627,288
Increase/(Decrease) in Trade Payables	52,002,671	(61,567,461)
Increase/(Decrease) in Other Payables	12,817,497	115,204,147
Increase/(Decrease) in Income Tax Payables	512,589,452	409,556,038
Increase/(Decrease) in Accrued Expenses	(73,870,564)	(71,219,463)
<b>Net Cash Generated from Operating Activities</b>	Tk. <b>9,808,536,624</b>	<b>6,342,410,623</b>

<b>2021</b>	<b>2020</b>
<i>(Jul'2021-Dec'2021)</i>	<i>(Jul'2020-Dec'2020)</i>

## 28. RELATED PARTY TRANSACTIONS:

The company did not do any related transactions with its sister concern other than its subsidiary/associates undertaking viz Square Textiles Ltd., Square Fashions Ltd., Square Hospitals Ltd., Square InformatiX Ltd., Square Lifesciences Ltd., Square Denims Ltd., Square Apparels Ltd., Square Securities Management Ltd., Pharma Packages (Pvt) Ltd. and AEGIS Services Ltd. during the year reporting. The summary is as follows:

### Transaction with Square Textiles Ltd. (Associate Undertaking and holding 46.36% Shares):

Opening Balance	-	3,277,576,394
Total Paid during the Period	-	1,253,455,326
Total Realized during the Period	-	(2,800,000,000)
Closing Balance (Receivable)	Tk. -	<u>1,731,031,720</u>

### Transaction with Square Fashions Ltd. (Associate Undertaking and holding 48.36% Shares):

Opening Balance	-	2,411,950
Total Paid during the Period	135,560,551	1,059,596,055
Total Realized during the Period	(135,560,551)	(1,062,008,005)
Closing Balance	Tk. -	<u>-</u>

### Transaction with Square Hospitals Ltd. (Associate Undertaking and holding 49.94% Shares):

Opening Balance	-	1,604,350,413
Total Paid during the Period	107,229,837	205,557,332
Total Realized during the Period	(107,229,837)	(797,109,847)
Closing Balance (Receivable)	Tk. -	<u>1,012,797,898</u>

### Transaction with Square InformatiX Ltd. (Service Provider):

Opening Balance	-	(2,197,662)
Total Paid during the Period	44,089,296	65,757,614
Total Realized during the Period	(44,089,296)	(63,559,952)
Closing Balance	Tk. -	<u>-</u>

### Transaction with Square Lifesciences Ltd. (Subsidiary Company and holdings 99.05% Shares):

Opening Balance	-	751,363
Total Paid during the Period	2,120,004,050	1,121,826
Total Realized during the Period	(2,120,004,050)	-
Closing Balance (Receivable)	Tk. -	<u>1,873,189</u>

### Transaction with Square Denims Ltd. (Subsidiary of Associate, Square Fashions Ltd.):

Opening Balance	-	-
Total Paid during the Period	-	67,330,413
Total Realized during the Period	-	(67,330,413)
Closing Balance	Tk. -	<u>-</u>

### Transaction with Square Apparels Ltd. (Subsidiary of Associate, Square Fashions Ltd.):

Opening Balance	-	-
Total Paid during the Period	-	37,395,529
Total Realized during the Period	-	(37,395,529)
Closing Balance (Receivable)	Tk. -	<u>-</u>

### Transaction with Square Securities Management Ltd. (Port Folio Management):

Opening Balance	160,545,334	34,874,272
Total Paid during the Period	593,305,717	11,945,131
Total Realized during the Period	(58,827,246)	(13,449,159)
Closing Balance (Receivable)	Tk. <u>695,023,805</u>	<u>33,370,244</u>

	<b>2021</b>	<b>2020</b>
	(Jul'2021-Dec'2021)	(Jul'2020-Dec'2020)
<b>Transaction with Pharma Packages (Pvt.) Ltd. (Supplier):</b>		
Opening Balance	52,600,036	12,206,021
Total Paid during the Period	218,130,373	364,117,660
Total Realized during the Period	(206,237,938)	(360,000,000)
Closing Balance (Receivable)	<b>64,492,471</b>	<b>16,323,681</b>
Tk.		
<b>Transaction with AEGIS Services Ltd. (Service Provider):</b>		
Opening Balance	-	-
Total Paid during the Period	21,866,191	19,610,034
Total Realized during the Period	(21,866,191)	(23,314,366)
Closing Balance (Payable)	<b>-</b>	<b>(3,704,332)</b>
Tk.		

#### 28.1 KEY MANAGEMENT PERSONNEL COMPENSATION:

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

Short-Term Employee Benefits	194,846,057	188,478,339
Post-Employment Benefits	17,408,915	8,536,590
Other Long-Term Benefits	-	-
Termination Benefits	-	-
Share-Based Payment	-	-
	<b>212,254,972</b>	<b>197,014,929</b>

#### 29. The Contingent Liabilities as of December 31, 2021 was as follows:

\* For Sight Letter of Credits for Tk. 375.41 crore of Square Pharmaceuticals Ltd.