

*Since 1958*



**2021-2022**

**SQUARE PHARMACEUTICALS LTD.**

# **ANNUAL REPORT**

Year Ended June 2022

Performance

# Key Highlights

2021-2022

Standalone

## Revenue

2021-22: BDT **66.41** Billion  
2020-21: BDT **58.35** Billion **+ 13.81%**

## Domestic Revenue

2021-22: BDT **64.71** Billion  
2020-21: BDT **56.84** Billion **+ 13.85%**

## Export Revenue

2021-22: BDT **1.70** Billion  
2020-21: BDT **1.51** Billion **+ 12.58%**

## Zero Bank Loan

From the FY 2018-19

## Profit (AT)

2021-22: BDT **16.42** Billion  
2020-21: BDT **14.74** Billion **+ 11.40%**

## AAA Credit Rating

By CRISL  
From the FY 2015-16

## EPS Earning per share

2021-22: BDT **18.52**  
2020-21: BDT **16.63** **+ 11.37%**

## Dividend Payout

2021-22: BDT **8.86** Billion  
2020-21: BDT **5.32** Billion **+ 66.54%**

## NAV Net Asset Value

2021-22: BDT **93.01** Billion  
2020-21: BDT **82.22** Billion **+ 13.12%**

## NOCF Net Operating Cash Flow

2021-22: BDT **12.35** Billion  
2020-21: BDT **10.88** Billion **+ 13.51%**



# ANNUAL REPORT

Year ended 30 June 2022

## 2021-2022

## In this year's Report

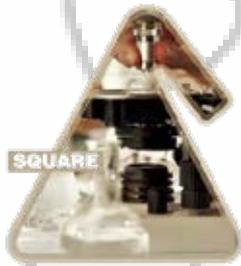
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## Square Pharmaceuticals Ltd.

Square Centre  
48 Mohakhali Commercial Area  
Dhaka, Bangladesh

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## The Founder 1925-2012



Never stand still, Never slow down and Never stop thinking.

  
Samson H Chowdhury

Since 1958

## 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 next year, 12 workers inhabited a 3,000 sq. ft. facility, produced the first 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 imbued with good governance practices.

**SQUARE** Pharma's turnover during the year 2021-2022 was BDT 66.41 billion (US\$ 780.26 million) with about 18.74% market share and a growth rate of about 10.24% and having around 11,199 employees across the country and abroad.

The market capitalization of **SQUARE** Pharma is around BDT 193 billion (US \$2.26 billion), which places it 1<sup>st</sup> in ranking in the pharmaceuticals sector.



**Square Pharmaceuticals Ltd.**



[www.squarepharma.com.bd](http://www.squarepharma.com.bd)

শ্রদ্ধা ও ভালোবাসায়  
বিদায় স্কয়ার মাতা



অনিতা চৌধুরী  
(১৯৩২ - ২০২২)



শোকাহত স্কয়ার পরিবার



**SQUARE**  
**PHARMACEUTICALS LTD.**

Square Centre  
48 Mohakhali Commercial Area  
Dhaka, Bangladesh

## Transmittal Letter

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

### **Annual Report for the year ended June 30, 2022**

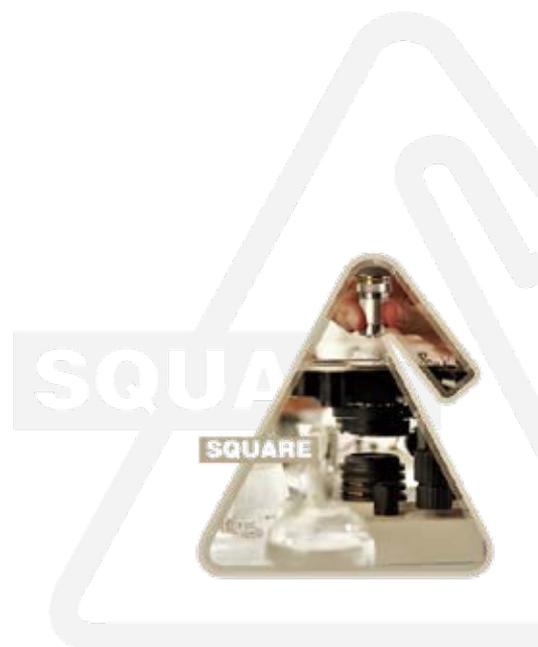
Dear Sir(s)

We are pleased to enclose a copy of the Annual Report containing the Directors' Report and Auditors' Report along with Audited Financial Statements including the Statement of Financial Position as at June 30, 2022, Statement of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flows for the year ended June 30, 2022 along with notes thereon and all related Consolidated and Subsidiary Financial Statements for your record and necessary measures.

With best regards.

Khandaker Habibuzzaman  
Company Secretary

Dated: 01 December, 2022



# Vision & Mission



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.

**V**ision



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.

**M**ission



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.

**O**bjectives



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

**C**orporate Focus

Vision & Mission



**SQUARE**  
**PHARMACEUTICALS LTD.**

Square Centre  
48 Mohakhali Commercial Area  
Dhaka, Bangladesh

## Notice of 56<sup>th</sup> AGM

### Notice to the Members

Notice is hereby given that the 56<sup>th</sup> Annual General Meeting of the Members of Square Pharmaceuticals Ltd. will be held on Saturday the 24th December, 2022 at 10:00 a.m. under the virtual platform through the link <https://agmbd.live/squarepharma2022> to transact the following business:

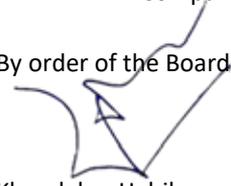
#### Ordinary Business

- Agenda-1: To receive, consider and adopt the Audited Financial Statements for the year ended 30<sup>th</sup> June, 2022 together with the reports of the Directors' and the Auditors' thereon.
- Agenda-2: To declare a dividend for the year ended 30<sup>th</sup> June, 2022.
- Agenda-3: To elect Directors in terms of the relevant provision of Articles of Association.
- Agenda-4: To approve the reappointment of the Independent Directors.
- Agenda-5: To appoint Statutory Auditors for the year 2022-2023 and fix their remuneration.
- Agenda-6: To appoint Compliance Auditor for the year 2022-2023 and to fix their remuneration.

#### Special Business

- Agenda-7: To pass a special resolution in regard to changing the name of the Company from "Square Pharmaceuticals Ltd." to "Square Pharmaceuticals PLC." as per provision of the Companies Act, 1994 (2nd amendment 2020) and to amend Clause-i and Article-1(b), 24, 76 and 81 of the Memorandum and Articles of Association of the Company.

By order of the Board

  
Khandaker Habibuzzaman  
Company Secretary

01 December, 2022

#### Notes:

- i) Details of Special Business are contained on Page No. 25 of this Annual Report 2021 - 2022.
- ii) 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.
- iii) Members are requested to submit to the Company's Share Office on or before 21<sup>st</sup> December 2022, 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.
- iv) The Annual Report is available in the Company's web site at [www.squarepharma.com.bd](http://www.squarepharma.com.bd)



Square Pharmaceuticals Ltd.

## 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 -**  
Mr. Syed Afzal Hasan Uddin

**Independent Director -**  
Mr. S M Rezaur Rahman



**Mr. Samuel S Chowdhury**  
**Chairman**

Non-Executive Director.  
Appointed to the Board in the year 1990.  
Appointed as Chairman in the year 2012.  
MBA from the Trinity University, USA.  
Eldest Son of Late Samson H Chowdhury  
(Founder Chairman).

Chairman of Square Pharmaceuticals Kenya EPZ Ltd.,  
Square Lifesciences Ltd., Square Hospitals Ltd.,  
Square Toiletries Ltd., Square Food & Beverages Ltd.,  
Square Fashions Ltd., Square Denims Ltd., Square Apparels Ltd., Square Air Ltd.,  
Mediacom Ltd., Maasranga Communications Ltd. (Maasranga TV),  
and other 13 companies under Square Group.

Managing Director of Square Textiles Limited.



**Mrs. Ratna Patra**  
**Vice Chairman**

Executive Director.  
Appointed to the Board in the year 2007.  
Appointed as Vice Chairman in the year 2012.  
Arts Graduate from the University of Dhaka.  
Only Daughter of Late Samson H Chowdhury  
(Founder Chairman)

Vice Chairman of Square Pharmaceuticals Kenya EPZ  
Ltd., Square Lifesciences Ltd., Square Hospitals Ltd.,  
Square Textiles Ltd., Square Toiletries Ltd., Square  
Fashions Ltd., Square Denims Ltd., Square Apparels Ltd., Square Air Ltd.,  
Mediacom Ltd., Maasranga Communications Ltd. (Maasranga TV),  
and other 8 companies under Square Group.



**Mr. Tapan Chowdhury**  
**Managing Director**

Executive Director.  
Appointed to the Board in the year 1980.  
Appointed as Managing Director in the year 1995.  
Science Graduate from the University of Dhaka.  
Diploma in Marketing & Management, UK.  
2<sup>nd</sup> son of Late Samson H Chowdhury  
(Founder Chairman).

Chairman of Square Textiles Ltd. and  
Square Health Ltd.

Director of Square Pharmaceuticals Kenya EPZ Ltd., Square Lifesciences Ltd.,  
Square Hospitals Ltd., Square Toiletries Ltd., Square Food & Beverages Ltd.,  
Square Fashions Ltd., Square Denims Ltd., Square Apparels Ltd., Square Air Ltd.,  
Mediacom Ltd., Maasranga Communications Ltd. (Maasranga TV) and other 15  
companies under Square Group.

**Mr. Anjan Chowdhury**  
**Director**

Non-Executive Director.  
Appointed to the Board in the year 1990.  
BBA from the University of South Florida, USA.  
Youngest son of Late Samson H Chowdhury  
(Founder Chairman).

Managing Director of Square Toiletries Ltd.,  
Square Food & Beverages Ltd., Square  
Texcom Ltd., Square Air Ltd., Mediacom  
Ltd., Maasranga Communications  
Ltd. (Maasranga TV) and Square Securities Management Ltd.

Director of Square Pharmaceuticals Kenya EPZ Ltd., Square Hospitals Ltd.,  
Square Lifesciences Ltd., Square Textiles Ltd., Square Fashions Ltd.,  
Square Denims Ltd., Square Apparels Ltd., and other 8 companies  
under Square Group.



**Mr. Kazi Iqbal Harun**  
**Director**

Non-Executive Director.  
Appointed to the Board in the year 1990.  
M.Sc. in Applied Chemistry, Rajshahi University  
Son of late Dr. Kazi Harunar Rashid,  
(One of the Founder Director)

Director of Square Toiletries Ltd.



**Mr. Syed Afzal Hasan Uddin**  
**Independent Director**

Appointed to the Board in the year 2018.  
A Graduate from King's College, UK.  
Bar-at-Law from Lincoln's Inn, UK.  
Advocate of Supreme Court of Bangladesh.  
Managing Partner of Syed Ishtiaq Ahmed &  
Associates.  
Legal Advisor of leading national, multinational  
and foreign organizations of various sectors  
in Bangladesh.



**Mr. S. M. Rezaur Rahman**  
**Independent Director**

Appointed to the Board in the year 2019.  
Economics Graduate from the University of Dhaka.  
Capital Market Consultant.  
Director of United Corporate Advisory Services Ltd.  
Former Partner of AAA Consultant &  
Financial Advisors.  
Former MD of SofSys Computing & Data Proc. Ltd.  
Former Independent Director of Aramit Cement  
Ltd., Aramit Ltd. and CVO Petrochemical  
Refinery Ltd.,



**Constitution -**  
Not less than 3 or more than 11

**Type of Mandate -**  
Unitary Board of 7 (seven)  
Directors

**Female Member -**  
1 (one)

**Male Member -**  
6 (six)

**Non-Executive Director -**  
5 (Five)

**Executive Director -**  
2 (two)

**Independent Director -**  
2 (two)

**Board Meeting during the**  
**year 2021-2022 -**  
10 (Ten)



## 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.

# Chairman's Message

*Dear Shareholders, Ladies  
and Gentlemen*

I consider it as a great opportunity to meet and welcome you all at the 56th Annual General Meeting of the Company at this time when the world order is passing through an unknowable and unknown dilemma unseen by the current generation since the World War Two that had left a deep wound in every nook and corner of human society. As you all shall appreciate that "PEACE" is not only a word, it means and refers to any or all events in the lives of all, Large or Tiny, living, beings in our Mother Earth. This seems to be a cry in the wilderness as was in the past or present with an evil leading force for tomorrow. The crises emanating from Covid-19 still continuing, though marginally, had not only medically injured over 650 million people and taken the lives of over 6.6 million during the past two years, its toll on the economy of the world over ran in trillions incalculable by the human judgment. The current worst law and order situation leads us all to believe that the days ahead shall not be easier for the civilization to bear the burden on lives of any living beings and survive the enormous toll that is becoming more and more visible in the horizon of the world economic order.

As most of the peace loving people, at every strata, foresee, the year 2023, at least, is likely to see great socio economic disasters for the shortage of food, spiral fuel oil price rises, break-down in transport for movement of man and materials, fear of recession/depression in economies of various sizes and importance, job losses, mass migration, wars and skirmishes here and there for control of all or every kind of resources and facilities that are required for survival and domination by the big powers.

While on the subject of an overview analysis of the world order, existing and likely to continue, I would like you all to be cautious while making investment decisions in any sector during the coming days. As a matter of fact, our Government policies, as are being continuously reviewed/ redone, we, the Board of Directors are also continuously analyzing the entire operational facets every now and then and sharing with the Management Team so that the company and its shareholders remain protected from any greedy steps. We expect you to keep your eyes open and enlighten yourselves from the past performance of the company and stay safe.

As I would like to conclude my observations, I would thank you all for staying with the company as it grows and glows.

With best wishes for a bright and healthful life.

  
Samuel S Chowdhury  
Chairman



# Statement of Value Addition

Square Pharmaceuticals Ltd.

Year Ended  
June 2022

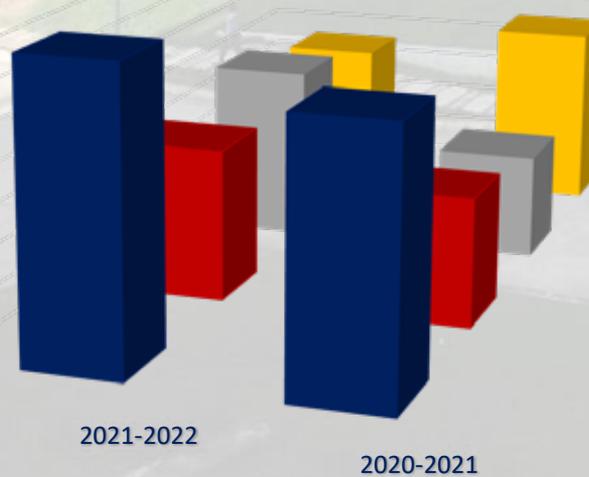
Figures in thousand Taka

	2021-2022		2020-2021	
	(Jul'2021-Jun'2022)		(Jul'2020-Jun'2021)	
	Amount	%	Amount	%
<b>Value Added:</b>				
Turnover, Other Operating Income & Other Income.	70,614,603		61,913,869	
Less: Bought in Materials & Services	31,832,722		27,665,622	
	<b>38,781,881</b>	<b>100.00</b>	<b>34,248,247</b>	<b>100.00</b>
<b>Application:</b>				
Duties and Taxes to Govt. Exchequer	14,716,755	37.95	13,093,196	38.23
Salaries and Benefits to Employees	7,647,629	19.72	6,411,786	18.72
Shareholders Dividend	8,864,510	22.86	5,318,706	15.53
Retained Earnings	7,552,987	19.47	9,424,559	27.52
	<b>38,781,881</b>	<b>100.00</b>	<b>34,248,247</b>	<b>100.00</b>

Value Added

**+13.24%**

- Duties and Taxes to Govt. Exchequer
- Salaries and Benefits to Employees
- Shareholders Dividend
- Retained Earnings



# Report from the Managing Director

*Respected Shareholders, Ladies  
and Gentlemen*

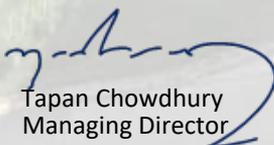
Following the visionary Message from the Chairman, I am pleased to submit to you at this Annual General Meeting an analytical review of the performance by the Management under the supervision and direction of the Board of Directors for the year 2021-2022 under review along with the Annual Report containing, inter alia, required Financial/operational statements/information for the use by the shareholders for their investment decisions. In this regard, I would request you to note a few parameters that would help you to understand your position for holding the shares you own in the company vis-a-vis the others/other forms of investment.

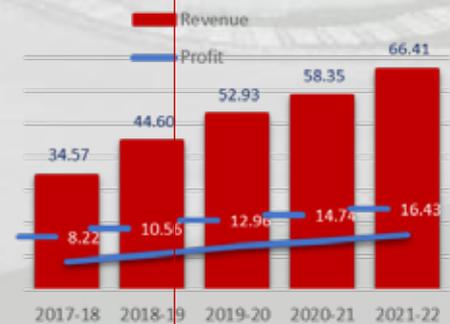
An analysis of the Company's Balance-sheet as a standalone position indicates a highly satisfactory growing position while the total assets have increased during 2021-2022 over the previous year by 12.62%. The shareholders' equity increased by 13.12%. The company has no long-term loan. The liquidity position as determined by the current ratio remains highly comfortable at above 1.5. The position as reflected by the consolidated one remains similar.

I would now like you to have an overview of the operational results (as standalone) which show continuous growth parameters in Turnover, Gross Profit, Net profit & EPS. The success goes to the credit of the entire operating personnel despite the anarchical market situation created by COVID-19 and the Ukraine Russia war creating an obstruction in the movement of men and materials in the way of Exports/imports of goods/services. The application of various types of sanctions, currency crises, oil price hikes as well as food crises continues to threaten normal business operations with rising costs both in buying and selling operations.

While concluding the review of basic operations, I would like to thank you all for staying with the Company on a long-term basis for future cohorts. The Management Team feels obliged always to work hard and bring the success that would be the biggest respect to our revered Founder Chairman late Samson H Chowdhury and of course consequents to you all.

With best wishes.

  
Tapan Chowdhury  
Managing Director



# Together we are stronger

## Management Committee

Mr. Tapan Chowdhury Managing Director	Chairman
Mr. Md. Kabir Reza Head of Accounts & Finance	Member
Mr. Md. Mizanur Rahman Head of Operations	Member
Mr. Md. Atiquzzaman Head of Marketing	Member
Mr. Anjan Kumar Paul Head of Human Resource	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

## Nomination and Remuneration 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. Muhammad Zahangir Alam FCA, FCMA	Chief Financial Officer
Mr. Khandaker Habibuzzaman FCS	Company Secretary
Mr. Sanjit Kumar Nath ACA	Head of Internal Audit and Compliance

## Statutory Auditors

M/s. Ahmed Zaker & Co.  
Chartered Accountants  
Green City Edge (10<sup>th</sup> floor)  
89 Kakrail, Dhaka-1000

## Operational Management Team

Mr. Md. Kabir Reza	Head of A&F
Mr. Md. Mizanur Rahman	Head of Operations
Mr. M. Nawabur Rahman	Head of Production (Dhaka Unit)
Mr. Md. Atiquzzaman	Head of Marketing
Mr. Santosh Sadashiv Chothe	Head of R&D
Mr. Anjan Kumar Paul	Head of HR
Mr. Md. Mizanur Rahman	Head of Production (Pabna Unit)
Mr. Rajasekar Shunmugam	Head of Quality Operations
Mr. Sanjit Kumar Nath	Head of Internal Audit

## Compliance Auditors

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

## Legal Advisor

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

## Bankers

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

## Insurers

Guardian Life Insurance Ltd.  
Pioneer Insurance Co. Ltd.  
Pragati Insurance Co. Ltd.

**T**ogether we are stronger

**1995**

- Production of pharmaceuticals bulk (API) product by Chemical Division.
- Listing with Dhaka and Chittagong Stock Exchange.

**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**  
(As Partnership Firm)

**2013**

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

**2012**

Dhaka Unit got the 'Therapeutic Goods Administration' (TGA) of Australia approval.

**2009**

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

**2007**

Dhaka Unit got the UK MHRA approval.

**2006**

Received Bankers' Forum Award for ethical and socially responsible business practices and smooth operations with bankers.

**2002**

Enlisted as UNICEF's global suppliers.

**2001**

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

**1997**

Awarded National Export Trophy for exporting pharmaceuticals.

Secretary  
Ministry of Industries

# Milestone of Excellence

1958-2022

2019

- Won the "President's Award for Industrial Development" as a successful Enterprise in the category of Large Scale Industry.
- Won the Occupational Health and Safety Good Practice Award.
- Awarded National Export Trophy

2018

- Awarded National Export Trophy (Gold).
- Won the ICMAB Best Corporate Award.
- Received approval of ANDA of Valsartan for US market.
- Received GMP approval of manufacturing facilities from NPRA, Malaysia.
- Won the National Productivity & Quality Excellence Award.

2017

- Received GMP certification from MOH Azerbaijan.
- Won the National Environment Award.

2016

- Received MCC, South Africa and PIC/S approval.
- Won the HSBC Export Excellence Award.
- Won the ICMAB Best Corporate Award.

2015

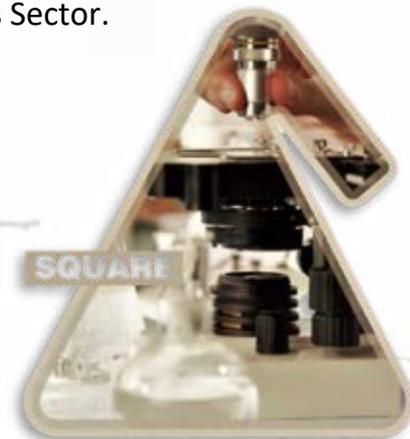
- Received USFDA's approval.

2021

- Received special recognition from the Large Taxpayer Unit (LTU) of the National Board of Revenue (NBR) as one of the Top Taxpayers in the Country.
- Awarded National Export Trophy (Gold).
- Won the ICMAB Best Corporate Award.
- Won Green Factory Award
- Received the Bangabandhu Sheikh Mujib Industrial Award 2020 in the category of the country's best largest industries.

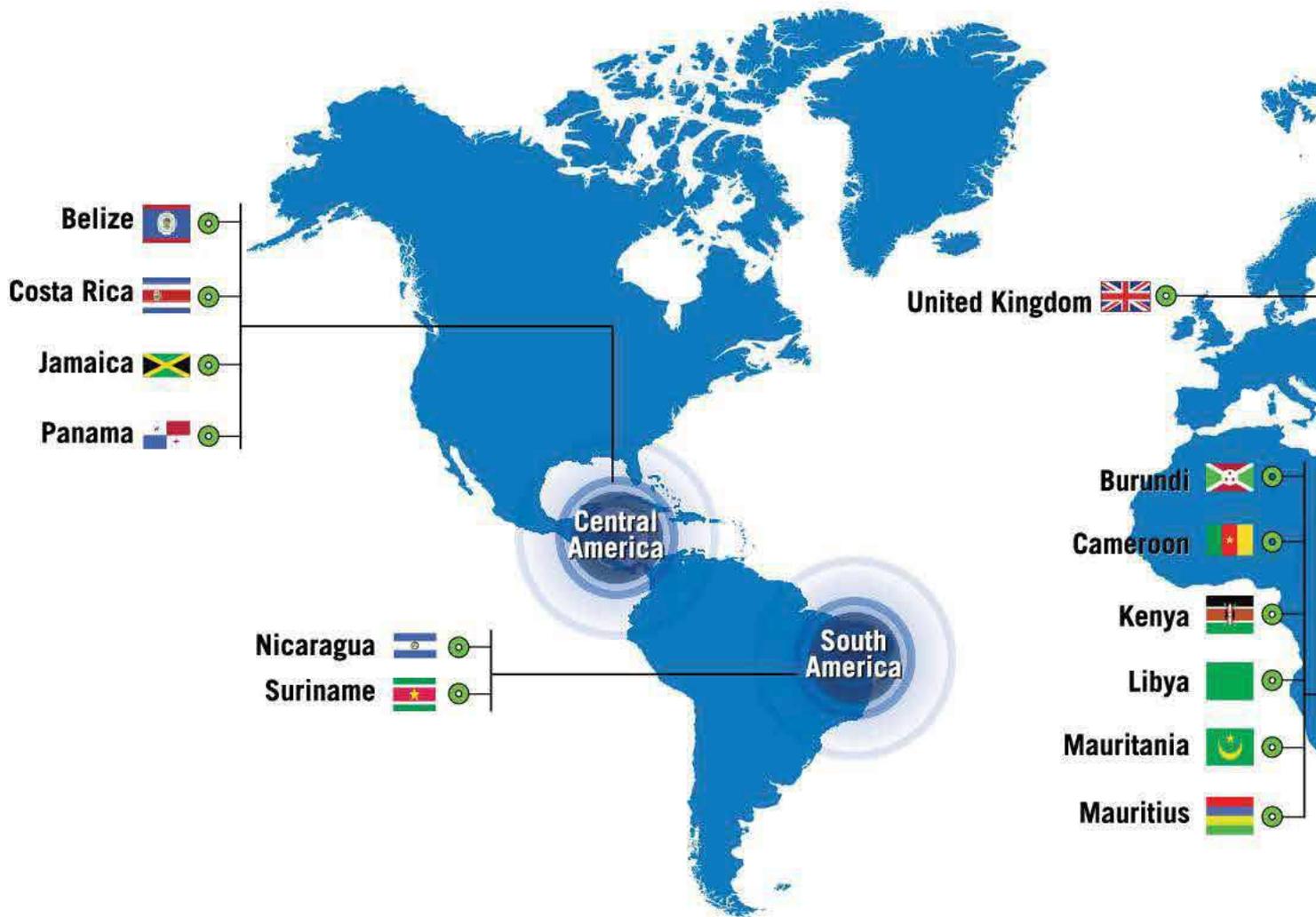
2022

- Since 1985 Square Pharma has been uninterruptedly holding on the top most position in Bangladesh Pharmaceuticals Sector.



Minister  
Ministry of Industries

# We Export to ....





*Since 1958*



**SQUARE**

**PHARMACEUTICALS LTD.  
BANGLADESH**

# The Ten Principles of UN Global Compact



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

### Principle 1

Business should support and respect the protection of internationally proclaimed human rights within their sphere of influence; and

### Principle 2

Make sure that they are not complicit in human rights abuses.

## LABOR STANDARDS

### Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

### Principle 4

The elimination of all forms of forced and compulsory labor.

### Principle 5

The effective abolition of child labor and

### Principle 6

Eliminate discrimination in respect of employment and occupation.

## ENVIRONMENT

### Principle 7

Business should support a precautionary approach to environmental challenges.

### Principle 8

Undertake initiatives to promote greater environmental responsibility; and

### Principle 9

Encourage the development and diffusion of environmentally friendly technologies.

## ETHICAL STANDARDS

### Principle 10

Business should work against corruption in all its forms, including extortion and bribery.



# Corporate Operational Results

Square Pharmaceuticals Ltd. (Standalone)

Figures in '000

<b>Business Results:</b>	<b>2021-2022</b>	<b>2020-2021</b>	<b>2019-2020</b>	<b>2018-2019</b>	<b>2017-2018</b>
Gross Revenue	66,406,960	58,346,258	52,926,219	44,595,486	34,573,391
Value Added Tax	8,809,019	7,643,229	7,049,770	5,909,831	4,568,416
Net Revenue	57,597,941	50,703,029	45,876,449	38,685,656	30,004,975
Gross Profit	29,639,914	25,902,993	23,339,779	18,974,590	14,406,366
Net Profit (Before Tax)	21,024,560	18,755,933	17,185,382	13,965,289	10,825,055
Net Profit (After Tax)	16,417,497	14,743,265	12,955,974	10,562,864	8,219,526
Net Assets Value (NAV)	93,007,355	82,217,575	69,909,802	60,806,055	46,662,876
Total Assets	97,535,187	86,602,384	74,350,804	65,061,673	53,329,313
Total Bank Borrowings	-	-	-	-	-
Total Current Assets	62,748,424	54,945,934	46,886,758	38,291,545	27,196,589
Total Current Liabilities	3,349,091	3,109,956	3,228,073	2,961,271	5,539,791
Current Ratio	18.74	17.67	14.52	12.93	4.91
Net Assets Value per Share (NAV)	104.92	92.75	78.86	68.59	52.64
Net Operating Cash Flow per Share	13.93	12.27	12.29	14.20	10.70
EPS-Earnings per Share (SPL)	18.52	16.63	14.62	11.92	9.27
EPS-Earnings per Share (Consolidated)	20.51	17.99	15.06	14.27	13.09
EPS at Original Capital at IPO	1,641.75	1,474.33	1,295.60	1,056.29	821.95
Quoted Price per Share - DSE	216.70	215.50	172.50	264.30	293.10
Quoted Price per Share - CSE	216.90	215.60	172.50	264.90	292.80
Price Earnings Ratio-DSE (Time)	11.70	12.96	11.24	21.13	30.09
Price Earnings Ratio-CSE (Time)	11.71	12.96	11.24	21.18	30.06
Market Capitalization-DSE (in billion)	192.09	191.03	145.63	208.53	216.13
Market Capitalization-CSE (in billion)	192.27	191.12	145.63	209.00	215.91
Shares Outstanding	886,451,010	886,451,010	844,239,058	789,008,466	737,391,090
Face Value per Share	10.00	10.00	10.00	10.00	10.00
Dividend (Cash)	100%	60%	47%	42%	36%
Dividend (Stock)	0%	0%	5%	7%	7%
Dividend Payout (in '000)	8,864,510	5,318,706	4,390,043	3,866,141	3,170,782
<b>Shareholders:</b>	<b>2021-2022</b>	<b>2020-2021</b>	<b>2019-2020</b>	<b>2018-2019</b>	<b>2017-2018</b>
Sponsors/Directors	5	5	5	5	5
Financial & Other Institution	1,126	1,211	916	927	825
Foreign Investors	70	90	91	118	107
General Public	75,363	75,233	60,251	56,570	54,925
Total -	76,564	76,539	61,263	57,620	55,863
<b>Employees:</b>	<b>2021-2022</b>	<b>2020-2021</b>	<b>2019-2020</b>	<b>2018-2019</b>	<b>2017-2018</b>
Executives	5,747	5,205	4,644	4,350	3,833
Non Executives	2,514	2,746	2,612	2,099	2,108
Workers	2,938	2,559	2,570	2,785	2,191
Total -	11,199	10,510	9,826	9,234	8,132



The Board of Directors of the Company is delighted to present its Report for the financial year ended 30 June, 2022 before the honorable Shareholders.

The Directors' Report is presented in accordance with the provisions of Section 184 of the Companies Act 1994, Rule 12 (and the schedule there under) of the Bangladesh Securities and Exchange Rules 2020, Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission and International Accounting Standard-1 as adopted by The Financial Reporting Council, Bangladesh.

## Operations and the State of Affairs

### Financial Results Overview

#### Consolidated

- > **Revenue:** The Consolidated Revenue from operations increased by 13.81% to Tk. 66.41 billion against Tk. 58.35 billion of the previous year.
- > **Net Profit & EPS:** Net Profit after tax grew by 13.98% to Tk. 18.18 billion as compared to Tk. 15.95 billion of the previous year. EPS (Earnings per Share) stood at BDT 20.51 as against Tk. 17.99 of the previous year.
- > **Retained Earnings and Reserve:** The Retained Earnings stood at Tk. 91.61 billion in 2021-2022 against Tk. 78.75 billion in 2020-2021

#### Standalone

- > **Revenue:** The Standalone Revenue from operations reached Tk. 66.41 billion with a growth of 13.81% for the year ended June 30, 2022, as against Tk. 58.35 billion of the previous year.
- > **Net Profit & EPS:** Net Profit after tax increased by 11.41% to Tk. 16.42 billion as

compared to Tk. 14.74 billion for the previous year. EPS stood at Tk. 18.52 for 2021-2022 as against Tk. 16.63 for the previous year.

- > **Retained Earnings and Reserve:** The Retained Earnings stood at Tk. 81.17 billion in 2021-2022 against Tk. 70.07 billion in 2020-2021

**18** Brands  
Square Pharma

are in the top 50 brands  
of Pharma Sector

#### Top Position

Continuously growing performance in operational, financial, and profitability has enabled Square Pharma to hold the Top Position in the country's pharma sector for several past decades.

#### Sectoral Growth

According to the prediction of analysts and industry experts, Bangladesh's pharmaceutical market is set for a takeoff and might increase thrice within ten years to reach BDT 1 trillion (1 lakh crore) annually.

The pharmaceutical sector is the second largest taxpayer in Bangladesh, and the 265 companies recognized by the DGDA (Directorate of Drug Administration) as manufacturing pharmaceuticals in Bangladesh fulfill 97% of local pharmaceutical needs.

This industry is opening new venues in the export of medicines and it has grown significantly in the last financial year. According to data from the Export Promotion Bureau, local pharmaceutical companies had exported

their products valued at US\$ 163.83 million from July to April of the current fiscal year, 2021-22, which is almost 27% more than the same time of the last year.

Bangladesh can become a global player by targeting the pharmerging market which is expected to grow up by 3-6% Compound Annual Growth Rate (CAGR) for the next 5 years. But, we have to adopt modern technologies like ML (Machine Learning), AI (Artificial Intelligence) & Biopharma to compete with developed markets. However, upgraded pharmaceutical policy support is very essential to stay and compete in the global market.

According to IMS Plus (MAT) 2Q, 2022 (July 2021 to June 2022), the Domestic Market Size of pharmaceuticals experienced a decline by 3.85% over the last year of 18.66% positive growth. In 2Q MAT, 2021 (July 2020-June 2021), the market got exceptional growth of 18.66% due to various products related to COVID-19 namely Azithromycin (14.41%), Calcium (25.90%), Ascorbic Acid (19.57%), Cholecalciferol (28.77%) and Chlorhexidine (66.48%) had tremendous sales growth in that period. These molecules were used in increased amounts when COVID was at its peak (panic sale) but the number of patients with the corona-related disease (and even hospitalization) reduced substantially from July 2021- June 2022. Health precaution awareness increased (mask, washing hands) among the people which reduces so many primary diseased in the period of July 2021-June 2022.

The inflation rate is increasing day by day, therefore fewer number of patients are willing to do routine checkups unless obligatory cases.

However, the Compound Annual Growth Rate (CAGR) for the last five years (2018-2022), National Market Growth Rate, and Square Pharma's Growth Rate were 7.12%, -3.85% and 4.69% respectively.

## Pharma Plant

The Management of Square Pharma is always very careful regarding the improvement of operational efficiency in both qualitative and quantitative terms by updating and enhancing technological procedures, research, and training at each level of production facilities.

The Company made substantive investments at both of the plants during the year as detailed below:

Assets Title	Taka in million	
	2021-22	2020-21
Land	208.82	217.28
Building	495.66	11.92
Plant& Machinery	652.12	800.96
Laboratory Equipment	134.46	98.10
Others	296.03	316.80
Total -	1,787.09	1,445.06

These investments were financed entirely from internally generated funds.

## Chemical Plant

The comparative position of operations of the chemical plant of Square Pharma (at Pabna) for the last two years is presented hereunder:

Particulars	2021-22	2020-21
No. of Products	22	22
Production (MT)	777	723
Own use (MT)	782.53	613.16
Sales (MT)	20.02	18.70
Own use (%)	100.71	84.81
Revenue (Million Tk.)	58.61	44.61

(MT-Metric Ton)

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

## Fire at the LVP plant and its impact

The Large Volume Parenteral (LVP) plant at the factory premises, Kaliakoir, Gazipur was heavily damaged by a fire that broke out at around

12.00 p.m. on Monday, 23<sup>rd</sup> May 2022. The 11-hour-long fire left the LVP plant in a dilapidated condition with zero casualties.

The total insured value of the plant including its building, machinery, and inventories was Tk. 171 crore. The Company has claimed the entire damage amount, but the insurers have not completed the assessment of the claim as of the approval date of these financial statements.

As a result of the fire incident, the Company may lose annual revenue and profit of Tk. 50 crore and Tk. 8 crore respectively. Depreciation of the plant ceased on 23<sup>rd</sup> May 2022 (the date on which the fire incident occurred). Any gain or loss out of the insurance claim will be recognized in the financial statements after the claim settlement.

### Quality Control

Square Pharma's management focuses a high priority on preserving and enhancing the quality of its goods as 'life-science' biology, according to WHO GMP standards at every stage of manufacturing and handling.

Following up on all expiry-dated product withdrawals from the market is done on a regular basis through careful inspection and monitoring.

The quality control facilities include a high-grade standard laboratory facility, computerized equipment and tools, and a team of highly experienced and well-trained research workers dedicated to achieving ethical and moral goals without compromise. Square and the Nation are really proud of them.

### Technology

Square is always striving to strengthen and integrate new technologies in the areas of production, quality control, distribution, and patient administration.

During the year 2021-2022 Square Pharma invested an amount of Tk. 134.46 million in improving its laboratory facilities in line with new inventions of process/production.

### Export

Square Pharma export market covers over 45 Countries and has undertaken all sorts of possible thrusts for increasing the export within the current capacity which is expected to rise more in the coming years.

During the year under review, the exports amounted to Tk. 1,700.27 million as against Tk. 1,507.74 million, an increase of 12.77% over the previous year.

Square Pharma has received approvals of 2 ANDAs and 2 others have already been filed early this year. Square is working on the submission of other ANDAs to USFDA for approval soon.

The company is also working on the approval of several products for sale in the USA market.

### Export

**+12.77%**  
in 2021-22

2021-2022	1,700.27 million
2020-2021	1,507.74 million

### Contribution to National Exchequer

Square Pharm and its subsidiaries contributed a total sum of Tk. 14,716,755,051 to National Exchequer. This includes Tk. 129,310,486 as contribution as duty/taxes towards machinery & spare parts imports.

The contribution constitutes 25.55% of the sales revenue (net) in 2021-2022 as against - 26.04% in the previous year of 2020-2021.

## Operating Financial Results at a Glance

The Company's standalone operating financial results for the year ended June 30, 2022, as compared to the previous year, are summarized below:

Particulars	2021-2022 Taka	2020-2021 Taka	% ↑↓
Gross Revenue	66,406,959,950	58,346,258,281	13.82 ↗
Net Revenue	57,597,941,359	50,703,028,902	13.60 ↗
Cost of Goods Sold	27,958,026,980	24,800,035,555	12.73 ↗
Gross Profit	29,639,914,379	25,902,993,347	14.43 ↗
Net Profit (Before Tax)	21,024,559,874	18,755,932,542	12.10 ↗
Provision for Taxation	4,618,549,626	4,187,481,946	10.29 ↗
Net Profit (After Tax)	16,417,496,603	14,743,264,610	11.36 ↗
Gross Profit Margin	51.46%	51.09%	0.72 ↗
Net Profit Margin (Before Tax)	36.50%	36.99%	1.32 ↘
Net Profit Margin (After Tax)	28.50%	29.08%	1.99 ↘
EPS (Earning Per Share) Tk.	18.52	16.63	11.37 ↗
EPS Consolidated Tk.	20.51	17.99	14.01 ↗
EPS on IPO Paid-up Capital Tk.	1,641.75	1,474.33	11.36 ↗

During the financial year 2021-2022, Gross Revenue, Net Profit (BT) and Net Profit (AT) rose by 13.82%, 12.10% and 11.36% respectively, over the previous year.

However, the Company had earned "Other Operating Income" of Tk. 583 million and "Other Income" of Tk. 3,625 million (as depicted in Note 25&26 of the standalone accounts) and the Net Profit Margin (After Tax) declined by 1.99% compared to the previous year.

The standalone EPS stood at Tk. 18.52 from Tk. 16.63 in 2020-2021, representing a 11.37% increase over the previous year, and the consolidated EPS rose by 14.01% to Tk. 20.51 in 2021-2022, increased from Tk. 17.99 in 2020-2021. The EPS is computed by using the current outstanding 886,451,010 ordinary shares of Tk. 10/- each.

**+1,17,100**  
Pharmacy associated with  
**Square Pharma.**

**86.27%**

Doctors have referred  
Square Products  
30,438 doctors prescribed Square's  
products out of 35,284.

## Product Development

49 new products have been added over the time period under consideration, all of which have received positive feedback from medical experts and consumers and 21 items have been discarded owing to superior generic alternatives, limited market size, and regulatory compliance.

The product development status of the Company as of 30<sup>th</sup> June, 2022 along with the addition and deletion position of the products are attached in page number 44.



**New Products Added  
In 2021-2022**

## Output/Capacity Utilization

The overall capacity utilization of the plant operation during the year 2021-2022 has been presented in page number 44.

## Subsidiary & Associate Companies

Square Pharmaceuticals Ltd. has, at present, 2 (two) subsidiaries and 3 (three) associate companies, which are as follows:

### Subsidiaries

**Square Pharmaceuticals Kenya EPZ Ltd.  
(SPL Kenya)**

SPL Kenya is to manufacture and sell generic pharmaceutical medicine in Kenya and East African Community. It is a fully owned subsidiary of Square Pharmaceuticals Ltd.

The paid up capital of SPL Kenya in BDT is Tk. 332,000,000 while Tk. 653,742,688 has been advanced as Share Money Deposit.

The Directors' Report for the year ended 30 June, 2022 of SPL Kenya, together with Audited Financial Statements containing a Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Cash Flows and Auditor's Report thereon, are included in this Annual Report.

### **Square Lifesciences Ltd. (SLL)**

Square Lifesciences Ltd., incorporated as a pharmaceuticals manufacturing Company under the Companies Act, 1994 on 13<sup>th</sup> February, 2020 and a subsidiary of Square Pharmaceuticals Ltd.

Square Pharma holds 9,995,000 ordinary shares of Tk. 100.00 each of SLL out of its paid-up 10,000,000 ordinary shares.

The Directors' Report for the year ended 30 June, 2022 of SLL together with Audited Financial Statements containing Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Cash Flows and Auditor's Report thereon, are included in this Annual Report.

### Associates

#### **□ Square Textiles Ltd. (STxL)**

Square Textile is a 100% export oriented yarn manufacturer, a publicly listed company and fully operational and profitable concern.

Square Pharma holds 91,436,679 ordinary shares of Tk. 10/- each including bonus shares. An investment of Tk. 225,129,795.00 was made for the above mentioned shares, the cost per shares stood at Tk. 2.46 per share (considering cost free Bonus Shares).

The market value of the said shares as on 30 June, 2022 was Tk. 6,071,395,485.60 @ Tk. 66.40 per share.

STxL declared a cash dividend of @35% for the year 2021-2022.

#### □ Square Hospitals Ltd. (SHL)

Square Hospital is a modern tertiary care hospital with 400 beds and the leading contributor of private healthcare services in Bangladesh, a private limited company and in full operation.

Square Pharma holds 199,750 ordinary shares of Tk. 1,000.00 each, 49.94% of the capital of SHL. The Investment for the said shares was Tk. 210,750,000.00 @ 1,055.07 per share.

SHL earned a Revenue and Net Profit of Tk. 5,023.58 million and 330.85 million respectively for the year ended 30 June, 2022 and it didn't declare any dividend due to new expansion plan, upgradation and replacement of existing hospital equipment with modern ones.

#### □ Square Fashions Ltd. (SFL)

SFL is a 100% export-oriented ready-made garment manufacturer, a private company limited by shares and fully in operation.

Square Pharma holds 462,000 ordinary shares of Tk. 100.00 each and 48.63% of the capital of SFL. The investment cost for the said shares was Tk. 151.20 million @ Tk. 327.27 (average) per share.

SFL earned a Net Profit of Tk. 2,073.29 million during the year 2021-2022, NAV per share stood at Tk. 16,907.41 and EPS Tk. 2,182.41 as on 30 June 2022. Due to future expansion and diversity plan, SFL didn't declare any dividend in the year under review for ploughing back requirements.

#### Investment in Marketable Securities & Other Long Term Assets

Square Pharma invested Tk. 4,346.77 million in the Marketable Securities which is depicted in the Note # 6 of the standalone financial statement.

The portfolio registered an unrealized capital gain of Tk. 922.91 million in the year under review.

Apart from that, Square Pharma has invested Tk. 5,006.38 million in Equity Shares, Preference Shares, Subordinate Bonds and Zero Coupon Bonds as of 30 June, 2022.

Square Pharma analyzes each investment opportunity diligently and invests with utmost priority toward an optimized return.

Detailed on the investment is available in Note # 7 of the standalone financial statement.

#### Risk and Concern

The management of Square Pharma is always sincere and careful to identify the key business risks and ensure the mitigation plans are in place. They are aware that risk monitoring is a continuous process and, accordingly, the Company keeps an eye on any socio-economic incohesive situations, strategic investment policies, product pricing policies, long-term planning, international trade barriers, etc. that might impose a regressive impact on the business of the Company.

#### Extraordinary Activities

The Company did not undertake or continue any extraordinary or adventurous activities and did not suffer or gain any loss or gain from such activities.

In BDT

**+192** billion  
Market Capitalization  
Square Pharma.

Top in Pharma Sector

### Consolidation of Financial Statement

Square Pharma, being the parent of 2 (Two) subsidiaries, in pursuant to the regulations of the Bangladesh Securities and Exchange Commission (BSEC), prepares consolidated financial statements as per IFRS-10 in order to reflect shareholders' aggregated benefits and the value of the investment.

The consolidated financial statements are included in this Annual Report.

### Minority Shareholders interest

In compliance with Condition No. 1(5) (xvi) of the Corporate Governance Code 2018 of BSEC, the Board hereby confirms that the interests of the minority shareholders have been duly protected by the Company.

### Related Party Transaction

Detail on related parties with whom Square Pharma had transactions during the reporting period is disclosed in Note # 41 of the standalone financial statement.

### Credit Rating Report

The Credit Rating Information and Services Ltd. (CRISL) has reaffirmed the highest credit rating to Square Pharma on the basis of financial and other relevant quantitative and qualitative information on 15 December, 2021.

The reaffirmed ratings are:

**Long Term Rating** = "AAA", which indicates Highest Safety and Highest Credit Quality.

**Short Term Rating** = "ST-1", which indicates Highest Certainty of Timely Repayment.

### Environmental Role

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

### Human Resources Welfare and Development

In order to improve the productivity of human input, Square Pharma continuously provides formal and informal training to its employees at every echelon of operation and management.

During the year 2021-22, 6,839 persons received in-house/in-operation/on the job training at home and abroad which will ultimately make a great contribution to the company's profitability as well their own remuneration in due course.

### Bank Guarantees

Guarantees given during the year under review are depicted in Note # 40.1 to the standalone financial statement.

### Unclaimed/Unsettled Dividends

Unclaimed/unsettled dividends are taken care of according to directives of the Bangladesh Securities and Exchange Commission and other regulatory authorities from time to time.

Details of unclaimed/unsettled dividends for the years from 1995 to 2021 are presented on page 69 of this report.

### Turnover

**+13.82%**  
in 2021-22

2021-2022	66,407 million
2020-2021	58,346 million

### Appropriation of Profit

The Board of Directors in its meeting held on 20th October, 2022 has recommended a cash dividend @ 100% of the paid-up capital and appropriated the Net Profit earned during the year 2021-2022 in the following manner:

	In Taka
Net Profit for the year of 2021-2022	16,417,496,603
Less: Recommended for Appropriation :	
- Cash Dividend @ 100% (Tk. 10.00 per share)	8,864,510,100
Un-appropriated profit carried forward	7,552,986,503

The recommended dividend is 66.54% higher and Tk. 3.55 billion more than the previous year. The cash dividend declared and paid in the year 2020-2021 was in cash @ 60%, amounting to Tk. 5.32 billion.

### Election of Directors

Mrs. Ratna Patra and Mr. Anjan Chowdhury, as per Article-99 and 100 of the Articles of Association, have retired and, being eligible, have offered themselves for re-election.

A brief resume and other information about the above-mentioned directors are depicted in Annexure-II.

### Re-appointment of Independent Directors

The Board of Directors has re-appointed Mr. Syed Afzal Hasan Uddin and Mr. S. M. Rezaur Rahman as Independent Directors.

A brief resume and other information of the above mentioned directors is depicted in Annexure-II.

### Appointment of Statutory Auditor

M/s Ahmed Zaker & Co., Chartered Accountants, an Independent Member Firm of Geneva Group International (GGI), was the Statutory Auditor for the year 2021-2022 and submitted an Unqualified Report on Financial Statements of Square Pharmaceuticals Ltd. for the year ended 30 June, 2022.

M/s Ahmed Zaker & Co. is retiring at this

Annual General Meeting and being eligible, have offered themselves for reappointment as Statutory Auditors of the Company for the year 2022-2023.

The Board of Directors recommended their reappointment at its meeting on October 20, 2022.

### Appointment of Compliance Auditors

M/s Chowdhury Bhattacharjee & Co., Chartered Accountants, was the Compliance Auditors for the year 2021-2022 and presented a Certificate of Compliance for the year ended 30 June, 2022 under the conditions of the Corporate Governance Code 2018 of the Bangladesh Securities Exchange Commission.

M/s Chowdhury Bhattacharjee & Co., who is retiring at this Annual General Meeting and being eligible, have offered themselves for reappointment as Compliance Auditors of Square Pharmaceuticals Ltd. for the year 2022-2023.

The Board of Directors recommended their reappointment at its meeting on October 20, 2022.

### Special Business

To pass a special resolution in regard to change the name of the Company from "Square Pharmaceuticals Ltd." to "Square Pharmaceuticals PLC." as per provision of the Companies Act, 1994 (2nd amendment 2020) and to amend Clause -i and Article-1(b), 24, 76 and 81 of the Memorandum and Articles of Association of the Company.

The Board of Directors in its meeting held on 20<sup>th</sup> October, 2022 has adopted the following resolution in order to comply with the provisions of the Companies Act, 1994 (2nd amendment 2020).

Therefore, if thought fit, the shareholders are requested to pass the following resolutions adopted by the Board of Directors as special resolutions:

#### Resolved that

- a) the name of the Company "Square Pharmaceuticals Ltd." be and is hereby changed to "Square Pharmaceuticals PLC." as per the provision of the Companies Act, 1994 (2nd amendment 2020) and accordingly the Clause -i and Article-1(b) of the Memorandum and Articles of Association respectively shall be amended.
- b) the word "Limited" appearing in Article-24 and 76 shall be replaced by "PLC".
- c) the existing Article-81 of the Articles of Association of the Company be and is substituted as follows:

**"81. The following are the present shareholding directors of the Company:**

1. Mr. Samuel S Chowdhury as Chairman
2. Mrs. Ratna Patra as Vice Chairman
3. Mr. Tapan Chowdhury as Managing Director
4. Mr. Anjan Chowdhury as Director
5. Mr. Kazi Iqbal Harun as Director

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



### Management's Discussion and Analysis

Management's Discussion and Analysis signed by the Managing Director presents a detailed analysis of the Company's position and operations along with a brief discussion of changes in the financial statements and other requirements of the Corporate Governance Code is disclosed in Annexure-III of this report.

### Directors' Declaration on the Financial Statements

As a part of corporate good governance, the Board is accountable for providing a true and fair view of the company's financial performance and status. To that end, the Directors affirm to the best of their knowledge that:

- ☑ The Financial Statements of the Company present a 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 laws have been maintained.
- ☑ Appropriate accounting policies have been constantly applied in the preparation of the financial statements and the accounting estimates are based on reasonable and prudent.
- ☑ The financial statements were prepared in accordance with IAS/IFRS as applicable in Bangladesh.
- ☑ 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 paid to Mrs. Ratna Patra, Vice Chairman and Mr. Tapan Chowdhury Managing Director has been shown in Note # 24 in the notes of accounts.
- ☑ Key operating and financial data of the last 5 (five) years have been presented in a summarized form on Page No. 20.

#### Compliance with Corporate Governance

Square Pharma, in accordance with the requirements of the Corporate Governance Code 2018 of the Bangladesh Securities and Exchange Commission has complied with

the conditions. An additional statement in pursuance of Clause 1 (5), resume of the directors who shall be reappointed, Management Discussion Analysis, Certificate from the CEO and CFO to the Board, Certificate on Compliance of the Conditions of the Corporate Governance Code 2018 by the Compliance Auditors and Status of Compliance are depicted in the Annexure – I, II, III, IV, V, and VI respectively.

The Audit Committee Report, the Nomination and Remuneration Policy, and the Dividend Distribution Policy are also presented in the Annual Report.

#### Management Appreciation

The Board of Directors records with a deep appreciation of the contribution made and support & cooperation given by the Officers, Staff, Workers, Customers, Creditors, Banks, Insurance Companies, Utility Providers, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd., 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 prevail.

## The Directors also report that:



- Total Board Meeting and Attendance during the year 2021-2022 by each Director:

Name of the Directors	Position	Meeting held	Attended
Mr. Samuel S Chowdhury	Chairman	10	10
Mrs. Ratna Patra	Vice Chairman	10	10
Mr. Tapan Chowdhury	Managing Director	10	10
Mr. Anjan Chowdhury	Director	10	10
Mr. Kazi Iqbal Harun	Director	10	9
Mr. Syed Afzal Hasan Uddin	Independent Director	10	10
Mr. S M Rezaur Rahman	Independent Director	10	10

- The pattern of shareholding as on 30 June 2022 is 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	63,150,017	7.12
Mrs. Ratna Patra	Vice Chairman	60,454,972	6.83
Mr. Tapan Chowdhury	Managing Director	64,513,190	7.28
Mr. Anjan Chowdhury	Director	65,323,210	7.37
Mr. Kazi Iqbal Harun	Director	53,810,562	6.07
Mr. Syed Afzal Hasan Uddin	Independent Director	-	-
Mr. S M Rezaur Rahman	Independent Director	-	-
Mr. Muhammad Zahangir Alam	Chief Financial Officer	22,000	0.0025
Mr. Khandaker Habibuzzaman	Company Secretary	458	0.00005
Mr. Sanjit Kumar Nath	Head of Internal Audit & Compliance	2,030	0.00023
Mrs. Bula Chowdhury	W/o Tapan Chowdhury	2,233,406	0.25
Mr. Charles C R Patra	H/o Mrs. Ratna Patra	2,258,988	0.25
iii. Executives:			
Mr. Md. Kabir Reza	Head of Accounts & Finance	40,253	0.0045
Mr. Md. Mizanur Rahman	Head of Operations	-	-
Mr. M Nawabur Rahman	Head of Production - Dhaka Unit	-	-
Mr. Md. Atiquzzaman	Head of Marketing	4,000	0.00045
Mr. Prosenjit Chakraborty	Head of International Marketing	-	-
vi. Shareholders Holding 10% or more voting interest in the company.			
		-	-

## Directors Profile

Who are seeking appointment



### Re-appointment of Directors

#### MRS. RATNA PATRA

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 17 years in the pharmaceuticals and textiles sector.



Mrs. Ratna Patra is a sponsor director of Square Textiles Ltd. (Listed Company) designated also as Vice Chairman.

Mrs. Patra is also Sponsor Director in 20 other private limited companies namely Square Pharmaceuticals Kenya EPZ Ltd., Square Hospitals Ltd., Square Lifesciences Ltd., Square Textiles Ltd., Square Toiletries Ltd., Square Food & Beverages Ltd., Square Fashions Ltd., Square Denims Ltd., Square Informatics Ltd., Square Securities Management Ltd., Square Agro Development and Processing Ltd., Square Air Ltd., ASTRAS Ltd., Sabazpur Tea Company Ltd. and Maasranga Communications Ltd (Maasranga Television) under the Square Group.

#### MR. ANJAN CHOWDHURY

Mr. Anjan Chowdhury is a Director of Square Pharmaceuticals Ltd. since 1990, 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 26 years in Pharmaceuticals, Hospitals, Textiles, RMG, IT, Healthcare, Toiletries, Food & Consumer Products, Organic Tea Plantation, Capital Market Operation & Satellite TV Broadcasting



Mr. Anjan Chowdhury also Sponsor Director in 25 other private limited company namely Square Pharmaceuticals Kenya EPZ Ltd., Square Hospitals Ltd., Square Lifesciences Ltd., Square Textiles Ltd., Square Toiletries Ltd., Square Food & Beverages Ltd., Square Fashions Ltd., Square Denims Ltd., Square Informatics Ltd., Square Securities Management Ltd., Square Agro Development and Processing Ltd., Square Air Ltd., ASTRAS Ltd., Sabazpur Tea Company Ltd. and Maasranga Communications Ltd (Maasranga Television) under the Square Group.

Besides holding directorship of 25 companies under Square Group, Mr. Anjan Chowdhury is the Chairman of Micro Industries Development Assistance and Services MIDAS, Trustee Member of the Independent University of Bangladesh, Vice President of Bangladesh Olympic Association (BOA), Bangladesh Agro Processors Association (BAPA), AOAB (Airline Operators Association of Bangladesh), Councilor of Bangladesh Football Federation (BFF), Vice President of ATCO (Association of TV Company Owners), Executive Committee Member of Bangladesh

Golf Federation and Director of Abahani Limited.

He has been awarded several times as the highest individual Taxpayer in the Country.

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

Mr. Anjan Chowdhury is a member of the Audit Committee of Square Pharmaceuticals Ltd. Company and Square Textiles Limited.

### Re-appointment of Independent Directors

**SYED AFZAL HASAN UDDIN**, Barrister-at-Law is an Advocate of the 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 businesses & also renowned social and development organizations.

Mr. Afzal Hasan was the Member of the Board of Directors of AB Bank Ltd, and Independent Directors of Square Textiles Ltd. as well as the Chairman of the Audit Committee.

**MR. S. M. REZAUH RAHMAN**, Economics Graduate, Dhaka University is a capital market consultant and Director of United Corporate Advisory Services Ltd., a firm of financial & investment advisory and post issue management of initial public offer of securities & other related jobs in Bangladesh. Mr. Reza has a rich experience of more than 35 years in capital market, issue and post issue management of initial public offering of securities and in the corporate arena.



Mr. Reza was a partner in AAA Consultant & Financial Advisors from 1994 to 2004, served as Managing Director of SofSys Computing & Data Processing Ltd. from 1994 to 2011.

He was inducted as Nominated Director in the Board of Aramit Cement Limited and Aramit Limited for three years. Mr. Reza was also the Independent Director of CVO Petrochemical Refinery Ltd., Aramit Cement Limited & Aramit Limited and Chairman of the Audit Committee of Aramit Cement Limited and Aramit Limited.



Square Pharma is leading the country's pharmaceutical industry with due dominance for more than 36 years. World-class manufacturing facilities, a highly trained and efficient workforce, and tireless efforts from the management were behind this remarkable achievement.

Pursuant to the Corporate Governance Code 2018 [Condition # 1 (5) (xxv)] of the Bangladesh Securities and Exchange Commission, the Management's Discussion & Analysis for the year ended 30 June 2022 has been depicted hereunder:

### Accounting Policies and Estimations for Preparation of Financial Statements:

Square Pharmaceuticals Ltd. complies with International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) as applicable in Bangladesh, as well as any relevant local norms and regulations while preparing financial statements.

Detail descriptions of accounting policies and estimations used for the preparation of the

financial statements are disclosed in the Notes # 2 to the Consolidated and Standalone Financial Statements.

### Changes in Accounting Policies and Estimations:

Square Pharma has been following consistent policies and estimations and there have been no such changes in accounting policies or estimations that have had a material impact on financial statements.

### Comparative Analysis of Financial and Operational Performance:

The Directors' Report provides an analysis of financial performance and position during the year under review and also a detailed comparison of financial performance and position, as well as cash flows, are presented as part of the financial statements, including notes.

However, the major areas of financial performance, financial position, as well as cash flows for the immediate preceding five years are presented as follows:

Figures Tk. in '000

Particulars	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
<b>Financial Performance</b>						
Gross Revenue	66,406,960	58,346,258	52,926,219	44,595,486	34,573,391	33,299,672
Net Revenue	57,597,941	50,703,029	45,876,449	38,685,656	30,004,975	28,885,939
Gross Profit	29,639,914	25,902,993	23,339,779	18,974,590	14,406,366	14,061,586
Net Profit (Before Tax)	21,024,560	18,755,933	17,185,382	13,965,289	10,825,055	10,366,856
Net Profit (After Tax)	16,417,497	14,743,265	12,955,974	10,562,864	8,219,526	7,792,498
<b>Financial Performance (Inflation Adjusted)</b>						
Gross Revenue	49,423,262	46,672,221	44,724,421	39,953,291	32,684,242	33,299,672
Net Revenue	42,867,165	40,558,265	38,767,130	34,658,648	28,365,452	28,885,939
Gross Profit	22,059,454	20,720,270	19,722,892	16,999,418	13,619,178	14,061,586
Net Profit (Before Tax)	15,647,491	15,003,208	14,522,221	12,511,563	10,233,555	10,366,856
Net Profit (After Tax)	12,218,693	11,793,403	10,948,230	9,463,316	7,770,397	7,792,498

Particulars	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
<b>Financial Position</b>						
Shares Outstanding	8,864,510	8,864,510	8,442,391	7,890,085	7,373,911	6,859,452
Shareholders' Equity	93,007,355	82,217,575	69,909,802	60,806,055	46,662,876	41,201,962
Total Assets	97,535,187	86,602,384	74,350,804	65,061,673	53,329,313	45,763,246
Total Liabilities	4,527,832	4,384,809	4,441,002	4,255,618	6,666,437	4,561,284
Current Assets	62,748,424	54,945,934	46,886,758	38,291,545	27,196,589	22,268,598
Current Liabilities	3,349,091	3,109,956	3,228,073	2,961,271	5,539,791	3,505,604
<b>Financial Position (Inflation Adjusted)</b>						Base Year
Shares Outstanding	6,597,396	7,090,881	7,134,102	7,068,761	6,970,988	6,859,452
Shareholders' Equity	69,220,558	65,767,317	59,076,115	54,476,410	44,113,137	41,201,962
Total Assets	72,590,389	69,274,804	62,828,910	58,289,037	50,415,309	45,763,246
Total Liabilities	3,369,831	3,507,487	3,752,795	3,812,627	6,302,172	4,561,284
Current Assets	46,700,403	43,952,241	39,620,875	34,305,562	25,710,521	22,268,598
Current Liabilities	2,492,555	2,487,710	2,727,829	2,653,016	5,237,087	3,505,604
<b>Cash Flow</b>						
Net Cash Generated from Operating Activities	12,345,634	10,879,848	10,891,697	12,590,714	9,486,298	8,274,277
Net Cash Used in Investing Activities	(1,688,245)	4,156,128	(2,272,762)	38,936	(6,147,315)	1,464,003
Net Cash Used in Financing Activities	(5,564,236)	(3,923,190)	(3,313,836)	(2,654,608)	(2,400,808)	(2,494,346)
<b>Cash Flow (Inflation Adjusted)</b>						
Net Cash Generated from Operating Activities	9,188,216	8,702,986	9,203,847	11,280,075	8,967,950	8,274,277
Net Cash Used in Investing Activities	(1,256,474)	3,324,562	(1,920,560)	34,883	(5,811,416)	1,464,003
Net Cash Used in Financing Activities	(4,141,173)	(3,138,230)	(2,800,302)	(2,378,275)	(2,269,624)	(2,494,346)
<b>Financial Ratio</b>						
Current Ratio	18.74	17.67	14.52	12.93	4.91	6.35
Debt to Equity	0.05	0.05	0.06	0.07	0.14	0.11
Gross Profit Margin	51.46%	51.09%	50.88%	49.05%	48.01%	48.68%
Net Profit Margin	28.50%	29.08%	28.24%	27.30%	27.39%	26.98%
Return on Equity	18.74%	19.38%	19.82%	19.66%	18.71%	20.29%
Return on Assets	17.83%	18.32%	18.59%	17.84%	16.59%	18.35%
<b>Ordinary Shares Information</b>						
Shares Outstanding (in Nos.)	886,451,010	886,451,010	844,239,058	789,008,466	737,391,090	685,945,200
Face Value per Share	10	10	10	10	10	10
Dividend-Cash (In %)	100%	60%	47%	42%	36%	35%
Dividend-Stock (In %)	0%	0%	5%	7%	7%	8%
Dividend Payout (Cash+Stock) in '000	8,864,510	5,318,706	4,390,043	3,866,141	3,170,782	2,915,267
Net Asset Value per Share	104.92	92.75	78.86	68.59	52.64	46.48
Net Operating Cash Flow per Share	13.93	12.27	12.29	14.20	10.70	9.33
EPS-Earnings per Share (Standalone)	18.52	16.63	14.62	11.92	9.27	8.79
EPS-Earnings per Share (Consolidated)	20.51	17.99	15.06	14.27	13.09	12.01
EPS at Original Capital at IPO	1,641.75	1,474.33	1,295.60	1,056.29	821.95	779.25
<b>Inflation Rate (In %)</b>	<b>7.48%</b>	<b>5.64%</b>	<b>6.02%</b>	<b>5.52%</b>	<b>5.78%</b>	Base Year

Inflation Rate Source: Bangladesh Bank

**Comparison of Financial Performances with peer industry scenario:**

A comparison of Financial Performances, Financial Position as well as Cash Flows for the year ended 30 June, 2021 of 5 (five) pharmaceuticals companies are presented below in order of market capitalization:

Figures Tk. in '000

Particulars	SQUARE	RENATA	BEXIMCO	BEACON	RECKIT
<b>Market Capitalization (in million)</b>	192,093.93	130,746.20	69,593.49	59,967.60	22,822.22
<b>Financial Performance:</b>					
Revenue (Net)	50,703,029	29,250,907	26,949,352	7,121,153	4,942,046
Gross Profit	25,902,993	13,949,496	12,601,970	3,686,730	2,697,183
Net Profit (Before Tax)	18,755,933	6,733,532	6,033,502	1,198,163	1,101,501
Net Profit (After Tax)	14,743,265	5,034,821	4,943,489	863,169	808,122
<b>Financial Position:</b>					
Shares Outstanding (actual)	886,451,010	97,448,166	446,112,089	231,000,000	4,725,000
Shareholders' Equity	82,217,575	25,449,808	36,707,592	5,355,163	948,056
Total Assets	86,602,384	34,382,667	50,864,666	8,535,572	3,066,040
Total Liabilities	4,384,809	8,932,860	14,157,074	3,180,409	2,117,984
Current Assets	54,945,934	17,298,501	13,150,677	5,215,795	2,328,544
Current Liabilities	3,109,956	7,564,645	8,891,238	2,792,662	1,894,017
<b>Cash Flow:</b>					
Net Cash Generated from Operating Activities	10,879,848	4,229,210	5,614,917	196,557	637,381
Net Cash Used in Investing Activities	4,156,128	(4,912,316)	(2,418,019)	(713,871)	(96,982)
Net Cash Used in Financing Activities	(3,923,190)	666,547	(3,164,938)	256,373	(70,416)
<b>Market Share (in %)</b>	18.74	5.16	9.31	1.36	0.0002

**Financial and Economic Scenario of Bangladesh and the Global (in brief):**

**Bangladesh:**

Over the previous two decades, the Bangladeshi economy has shown its resiliency in the face of several financial and political crises, and it was anticipated that its excellent trend growth would stay largely intact.

Bangladesh is a developing market economy and the 41<sup>st</sup> largest in the world in nominal terms, and the 30<sup>th</sup> largest by purchasing power parity, it is classified among the Next Eleven emerging market middle-income economic and a frontier market.

Over the last 10 years, Bangladesh's GDP has grown steadily, surpassing milestones of 7.0 percent in FY 2015–16 and 8.0 percent in FY 2018–19. In contrast, the COVID-19 pandemic slowed the growth to 3.45 percent in the fiscal

year 2019-20. The economy grew by 6.94 percent in FY 2020-21. However, in FY 2021-22, GDP growth stood at 7.25%, which was 0.05 percentage points higher than the target rate and 0.31 percentage points higher than the previous fiscal year, and per capita GDP and per capita GNI stood respectively at US\$ 2,723 and US\$ 2,824 in FY 2021-22 compared to US\$ 2,462 and US\$ 2,591 respectively in FY 2020-21.

Bangladesh's GDP grew in fiscal 2022, and its momentum is steady. Normalization of the global economy continues to boost Bangladesh's garment industry, leading to a 12.3% growth in manufacturing activity in fiscal 2022. The sector's resurgence has improved Bangladesh's labor market and domestic demand.

Economic activity in Bangladesh is no longer significantly hindered by pandemic-related

limitations, and this is expected to continue in the absence of a coronavirus variation that evades natural and vaccine-based immunity or produces more severe symptoms. Nonetheless, new issues have surfaced, such as unusually high internal demand circumstances, which are putting pressure on Bangladesh's external settings.

However, in order to improve things in the future, we must increase private investment, remove infrastructure bottlenecks, address insufficient electricity and gas supplies, eliminate bureaucratic corruption, stabilize the political climate, and address a skilled labor shortage in addition to creating more job opportunities.

**The Global:**

While the world economy was recovering well from the COVID-19 epidemic, the Ukraine conflict offered a setback to the continuing recovery. War-caused disruptions in the supply chain are causing a spike in global commodity prices and a slowdown in economic activity.

International organizations have updated their predictions for inflation and economic development prospects. The world economy expanded by 5.5 percent in 2021, the highest growth rate since 1976, according to the United Nations (UN) report "World Economic Situation and Prospect 2022," after a contraction of 3.4 percent in 2020. In 2022 and 2023, respectively, the world economy is projected to increase by 4.0 percent and 3.5 percent. According to the Global Economic Prospect, published by the World Bank in early 2022, the global economy would expand by 4.1% in 2022 and 3.2% in 2023. The projected global economic growth for 2021 was 5.5%.

Slow growth rates between advanced economies and emerging and developing economies will be a difference. Growth in advanced economies is expected to slow from 5% in 2021 to 3.80 % in 2022 and 2.30% in 2023. This growth rate will be enough to get these countries' production and investment back to where they were before the epidemic. On the other hand, it is anticipated that growth in emerging and developing

countries would decline from 6.3 percent in 2021 to 4.6 percent in 2022 and 4.4 percent in 2023, respectively, and from 6.3 percent in 2021 to 4.6 percent in 2022 and 4.4 percent in 2023.

According to the above-mentioned research, all advanced economies would have completely recovered by 2023. Output in emerging and developing countries will still continue to be 4% below pre-pandemic levels. Even more susceptible economies will be affected: the production of tiny island nations will be 8.5 percent lower than it was before the epidemic, and unstable and conflict-affected countries' output would be 7.5 percent lower.

The International Monetary Fund (IMF) forecasted global economic growth of 3.6 percent in both 2022 and 2023 in its World Economic Outlook (WEO) for April 2022. In comparison to the January 2022 WEO update, the predictions for 2022 and 2023 are 0.8 and 0.2 percentage points lower, respectively. Global growth is expected to slow by about 3.3 percent in the medium term after 2023.

**Risks and Concerns issues related to the financial statements:**

Square Pharma's financial statements expose it to counterpart risk, financial risk, credit risk, liquidity risk, and market risk. Note 42 to the standalone financial statements provides a thorough description of risks and concerns. Square Pharma has adequate and effective risk-mitigation measures/controls in place.

**Future plan or projection or forecast:**

The Management of Square Pharma is extremely cautious in adopting necessary, feasible plans and strategies to ensure the company's long-term performance and financial position and it has all the necessary plans and promises to continue operations in the near future.

  
Tapan Chowdhury  
Managing Director

## Declaration by CEO and CFO

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

Annexure IV  
to the Directors' Report



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

11 October, 2022

### **Subject: Declaration on Financial Statements for the year ended on 30<sup>th</sup> June, 2022.**

Dear Sirs,

Pursuant to 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 30<sup>th</sup> June, 2022 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh and any departure therefrom 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 the 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 30<sup>th</sup> June, 2022 and 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 a 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 our knowledge and belief, no transactions entered into by the Company during the year which is 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

  
Muhammad Zahangir Alam  
Chief Financial Officer

# Certificate of Compliance

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

Annexure V  
to the Directors' Report



## 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 30<sup>th</sup> June, 2022. 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 with the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance with the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) 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 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 : 30 October, 2022

  
Saptam Biswas, FCA  
Partner  
Enrollment No: 1615  
Chowdhury Bhattacharjee & Co.  
Chartered Accountants

# Status of Compliance

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

Annexure VI  
to the Directors' Report



Condition No.	Title	Compliance Status		Remarks (If any)
		Compiled	Not Compiled	
1.00	<b>Board of Directors</b>			
1.(1)	Board Size (minimum - 5 and maximum - 20)	√		
1.(2)	<b>Independent Director</b>			
1.2.(a)	1/5th of the 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 Exchange	√		
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	√		
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 for more than 90 days.	√		
1.2 (e)	Tenure of the Independent Director.	√		
1.3	<b>Qualification of Independent Director</b>			
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	√		
1.(3)(b)(ii)	Should be a Corporate Leader/Business Leader.	√		
1(3)(b)(iii)	A former official of the government.	√		
1(3)(b)(iv)	University Teacher who has an 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 experience.	√		
1 (3) ( d )	Relaxation in special cases.			N/A
1(4)	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer</b>			
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.	√		
1(4)(c)	The Chairperson shall be elected from among the non-executive directors.	√		
1(4)(d)	The Board shall clearly define the respective roles and responsibilities of the Chairperson and the Managing Director and/or CEO.	√		
1(4)(e)	In absence of the Chairperson of the Board etc.	√		
1(5)	<b>The Directors' Report to Shareholders :</b>			
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 include internal and external risk factors.	√		
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 for the financial statements and 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, has been followed in the 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 the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.	√		



Condition No.	Title			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 thereof should be explained.	√		
1(5)(xix)	Key operating and financial data of at least the preceding 5 (Five) years shall be summarized.	√		
1(5)(xx)	If the issuer company has not declared a dividend (cash or stock) for the year, the reasons thereof shall be given.			N/A
1(5)(xxi)	Board's statement to the effect that no bonus shares or stock dividends paid as interim dividends.			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	√		
<b>1(5)(xxv)</b>	<b>Management discussion and analysis signed by CEO/MD presenting detail analysis of the company's position and operations.</b>			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements.	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation as well as cash flows on the absolute figure for such changes	√		
1(5)(xxv)(c)	Comparative analysis and financial position, as well as cash flow for current financial year with immediate preceding five years explaining reasons	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario.	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and globe.	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements.	√		
1(5)(xxv)(g)	Future plans or projections or forecasts for the company's operation shall be explained to the shareholders in the next AGM	√		
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 the certificate regarding the compliance of conditions of this Code as required under condition No. 9 shall be disclosed.	√		
<b>1(6)</b>	<b>Meeting of the Board of Directors</b>			
1(6)	Compliance under Bangladesh Secretarial Standards (BSS).	√		
<b>1(7)</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee(NRC)	√		
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	√		
<b>2</b>	<b>Governance of Board of Directors of Subsidiary Company</b>			
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.	√		
<b>3</b>	<b>Managing Director (MD) or Chief Executive Officer, Chief Financial Officer (CFO), Head of Internal Audit and</b>			
<b>3.1</b>	<b>Appointment</b>			
3(1)(a)	Board shall appoint a MD or CEO, Company Secretary, CFO, and HIAC.	√		
3(1)(b)	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.	√		
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 without approval of the Board and be disseminated to the commission and exchange.	√		
<b>3.2</b>	<b>Requirement to attend Board of Directors' Meetings</b>			
3(2)	The MD or CEO, CS, CFO and HIAC shall attend the meetings of the Board.	√		
<b>3.3</b>	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>			
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 from MD and CFO shall be disclosed in the Annual Report.	√		
4	<b>Board of Directors' Committee</b>			
4(i)	Audit Committee	√		
4(ii)	Nomination and Remuneration Committee	√		
5	<b>Audit Committee</b>			
5.1	<b>Responsibility to the Board of Directors</b>			
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	<b>Constitution of the Audit committee</b>			
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.	√		
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	<b>Chairperson of the Audit Committee</b>			
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	<b>Meeting of the Audit Committee</b>			
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	<b>Role of Audit Committee</b>			
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 meetings with the auditors, and 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 the internal audit function.	√		
5(5)(i)	Review the management's discussion and analysis before disclosing in the Annual Report.	√		
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	<b>Reporting of the Audit Committee</b>			
5.6(a)	<b>Reporting to the Board of Directors</b>			
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)	<b>Reporting to the Authorities</b>			
5.7	<b>Reporting to the Shareholders and General Investors</b>			
5(7)	Reporting to the Shareholders and General Investors	√		
6	<b>Nomination and Remuneration Committee (NRC)</b>			
6.1	<b>Responsibility to the Board of Directors</b>			
6(1)(a)	The company shall have an NRC as a sub-committee of the Board.	√		
6(1)(b)	NRC shall assist the Board in the formulation of the nomination criteria or policy for determining qualifications	√		
6(1)(c)	The Terms of Reference of the NRC shall be clearly set forth in writing.	√		
6.2	<b>Constitution of the NRC</b>			
6(2)(a)	The Committee shall comprise of at least three members including an ID.	√		
6(2)(b)	All members of the Committee shall be non-executive directors.	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board.	√		



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.	√		
6(2)(e)	Board shall fill the vacancy within 180 days of such vacancy in the Committee.	√		
6(2)(f)	The Chairperson of the Committee may appoint/co-opt any external expert.	√		
6(2)(g)	The company secretary shall act as the secretary of the committee.	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director.	√		
6(2)(i)	No member of the NRC shall receive any remuneration/advisory, other than Director's fees or honorarium form the company.	√		
6.3	<b>Chairperson of the NRC</b>			
6(3)(a)	The Board shall select 1 member of the NRC to be Chairperson of the Committee	√		
6(3)(b)	Absence of chairperson, the remaining members may elect one of them.	√		
6(3)(c)	Chairperson of the NRC shall attend the AGM.	√		
6.4	<b>Meeting of the NRC</b>			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year.	√		
6(4)(b)	The Chairperson of the NRC, may convene any emergency meeting.	√		
6(4)(c)	Quorum of NRC meeting, presence of 2 or 2/3 members whichever is higher.	√		
6(4)(d)	Proceedings of NRC meeting shall be recorded in the minutes and such minutes shall be confirmed in the next meeting.	√		
6.5	<b>Role of NRC</b>			
6(5)(a)	NRC shall be independent and responsible/accountable to the Board and to the shareholders.	√		
6(5)(b)(i)(a)	The Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully.	√		
6(5)(b)(i)(b)	The Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.	√		
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.	√		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, experience etc.	√		
6(5)(b)(iii)	Identifying persons who are qualified the criteria laid down and recommend their appointment and removal to the Board.	√		
6(5)(b)(iv)	Formulating criteria for evaluation of performance of independent directors and the Board.	√		
6(5)(b)(v)	Identifying company's needs for employees at different levels and determine their selection, transfer or replacement.	√		
6(5)(b)(vi)	Developing recommending and reviewing annually the company's human resources and training policies.	√		
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.	√		
7	<b>External or Statutory Auditors</b>			
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	<b>Maintaining a website by the company</b>			
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	<b>Reporting and Compliance of Corporate Governance</b>			
9(1)	The company shall obtain a certificate from a practicing professional firm on yearly basis regarding the 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.	√		
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.	√		



The product development status of Square Pharma as on 30<sup>th</sup> June, 2022 along with addition and deletion position of the products are hereby presented hereunder:

Sl. No	Products Categories	Position 01-07-21	Over the time period		Position 30-06-22
			Added	Discarded	
01	Tablet	294	9	4	299
02	Capsule	59	4	3	60
03	Liquid	85	2	2	85
04	Injectable (Vial & Ampoule)	51	2	1	52
05	Infusion	15	2	-	17
06	ENT, Ophthal Preparation	30	1	2	29
07	Cream, Ointment, Spray, Gel & others	64	2	1	65
08	Powder for Suspension	18	-	-	18
09	Tropical Powder	1	-	-	1
10	Suppository	6	-	-	6
11	Inhaler & Nebulizer	9	2	1	10
12	Insulin	9	-	-	9
13	Basic Chemical & Pellet	22	-	-	22
14	Tablet, Powder, Liquid, Injection and Granular - AgroVet Local	82	-	6	76
15	Tablet, Powder, Liquid, Injection and Granular - AgroVet Imported	63	19	1	81
16	Powder, Liquid & Granular - Crop Care	35	3	-	38
17	Capsule, Liquid, Powder and Cream - Herbal & Nutraceuticals Products	39	3	-	42
	Total -	882	49	21	910

49 new products have been added over the time period under consideration, all of which have received positive feedback from medical experts and consumers and 21 items have been discarded owing to superior generic alternatives, a limited market size and regulatory compliance.

## Output/Capacity Utilization

The overall capacity utilization of the plant operation during the year 2021-2022 has been presented hereunder:

Sl. #	Product Categories	Unit	Production in thousand		Production ↑↓ in %	Capacity Utilization	
			2020-21	2021-22		2020-21	2021-22
1	Tablet	Piece	7,343,555	7,686,865	4.67 ↗	72%	72%
2	Capsule	Piece	1,767,430	1,759,799	0.43 ↘	47%	48%
3	Liquid	Bottle	121,958	167,830	37.61 ↗	38%	55%
4	Injectable (Vial & Ampoule)	Piece	40,573	43,348	6.84 ↗	45%	52%
5	Infusion (LVPO)	Bag	3,471	2,600	25.09 ↘	20%	25%
6	ENT & Ophthal Preparation	Phial	29,011	27,018	6.87 ↘	65%	56%
7	Cream, Ointment, Spray, Gel	Phial	147,610	146,663	0.64 ↘	58%	70%
8	Powder for Suspension	Bottle	21,224	27,418	29.18 ↗	46%	60%
9	Powder	Phial	22,613	22,627	0.06 ↗	43%	46%
10	Suppository	Piece	64,057	78,757	22.95 ↗	31%	38%
11	Inhaler	Can	44,949	43,032	4.26 ↘	33%	34%
12	Insulin & Insulin Cartridge	Piece	1,808	2,226	23.12 ↗	16%	20%
13	Basic Chemical & Pellet	Kg	723	777	7.47 ↗	74%	72%

## পরিচালনা পর্ষদের প্রতিবেদন

৩০ জুন ২০২২  
সমাপ্ত বছরে

কোম্পানির পরিচালনা পর্ষদ সম্মানিত শেয়ারহোল্ডারদের সামনে ৩০ জুন, ২০২২ সমাপ্ত আর্থিক বছরের জন্য তাদের প্রতিবেদন উপস্থাপন করতে পেরে আনন্দিত।

পরিচালকদের প্রতিবেদন কোম্পানি আইন ১৯৯৪ এর ধারা ১৮৪, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ বিধিমালা ২০২০ এর বিধি ১২ (এবং এর অধীনস্থ তফসিল), বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের কর্পোরেট গভর্নেন্স কোড ২০১৮ এবং দ্য ফিন্যান্সিয়াল রিপোর্টিং কাউন্সিল, বাংলাদেশ কর্তৃক গৃহীত ইন্টারন্যাশনাল অ্যাকাউন্টিং স্ট্যান্ডার্ড-১ এর বিধান অনুসারে উপস্থাপন করা হয়েছে।

### স্কয়ার ফার্মার কার্যক্রম এবং সার্বিক অবস্থা

#### সমন্বিত আর্থিক ফলাফল

- > **বিক্রয়:** আলোচ্য বছরে কোম্পানির সমন্বিত মোট বিক্রয় ১৩.৮১% বৃদ্ধি পেয়ে ৬৬.৪১ বিলিয়ন টাকা হয়েছে যা বিগত বছরের ছিল ৫৮.৩৫ বিলিয়ন টাকা।
- > **নিট মুনাফা ও ইপিএস:** কর পরবর্তী নিট মুনাফা ১৩.৯৮% বৃদ্ধি পেয়ে ১৮.১৮ বিলিয়ন টাকা হয়েছে যা গত বছরে ১৫.৯৫ বিলিয়ন টাকা ছিল। ইপিএস (শেয়ার প্রতি আয়) ২০.৫১ টাকায় দাঁড়িয়েছে যা গত বছরে ১৭.৯৯ টাকা ছিল।
- > **সংরক্ষিত মুনাফা এবং সঞ্চিতি:** ২০২০-২০২১ সালের সংরক্ষিত মুনাফা এবং সঞ্চিতি ৭৮.৭৫ বিলিয়ন টাকার বিপরীতে ২০২১-২০২২ সালে ৯১.৬১ বিলিয়ন টাকায় দাঁড়িয়েছে।

#### একক আর্থিক ফলাফল

- > **বিক্রয়:** আলোচ্য বছরে কোম্পানির একক ভাবে মোট বিক্রয় ১৩.৮১% বৃদ্ধি পেয়ে ৬৬.৪১ বিলিয়ন টাকা হয়েছে যা বিগত বছরের ছিল ৫৮.৩৫ বিলিয়ন টাকা।
- > **নিট মুনাফা ও ইপিএস:** কর পরবর্তী নিট মুনাফা ১১.৪০% বৃদ্ধি পেয়ে ১৬.৪২ বিলিয়ন টাকা হয়েছে যা গত বছরে ১৪.৭৪ বিলিয়ন টাকা ছিল। ইপিএস (শেয়ার প্রতি আয়) ১৮.৫২ টাকায় দাঁড়িয়েছে যা গত বছরে ১৬.৬৩ টাকা ছিল।

- > **সংরক্ষিত মুনাফা এবং সঞ্চিতি:** ২০২০-২০২১ সালের সংরক্ষিত মুনাফা এবং সঞ্চিতি ৭০.০৭ বিলিয়ন টাকার বিপরীতে ২০২১-২০২২ সালে ৮১.১৭ বিলিয়ন টাকায় দাঁড়িয়েছে।

**১৮** টি ব্র্যান্ড  
স্কয়ার ফার্মা  
ফার্মা সেক্টরের শীর্ষ ৫০ ব্র্যান্ডের  
মধ্যে রয়েছে

### শীর্ষাবস্থান

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

### ঔষুধ খাতে প্রবৃদ্ধি

শিল্প বিশ্লেষক এবং বিশেষজ্ঞদের ভবিষ্যদ্বাণী অনুসারে, বাংলাদেশের ঔষুধের বাজার সম্প্রসারণের জন্য প্রস্তুত এবং দশ বছরের মধ্যে তিনগুণ বৃদ্ধি পেয়ে বার্ষিক ১ ট্রিলিয়ন (১ লাখ কোটি) টাকায় পৌঁছাতে পারে।

ফার্মাসিউটিক্যাল সেক্টর বাংলাদেশের দ্বিতীয় বৃহত্তম করদাতা, এবং বাংলাদেশে ফার্মাসিউটিক্যালস উৎপাদনকারী হিসাবে ডিজিডিএ (ড্রাগ অ্যাডমিনিস্ট্রেশন অধিদপ্তর) দ্বারা স্বীকৃত ২৬৫টি কোম্পানি স্থানীয় ঔষুধের চাহিদার ৯৭% পূরণ করে।

এই শিল্পের ঔষুধ রপ্তানির নতুন নতুন ক্ষেত্র তৈরী হচ্ছে এবং গত অর্থ বছরে এটি উল্লেখযোগ্যভাবে বৃদ্ধি পেয়েছে। রপ্তানি উন্নয়ন ব্যুরোর তথ্য অনুযায়ী, স্থানীয় ফার্মাসিউটিক্যাল কোম্পানিগুলো চলতি অর্থবছরের জুলাই থেকে এপ্রিল পর্যন্ত ১৬৩.৮৩ মিলিয়ন মার্কিন ডলার মূল্যের পণ্য রপ্তানি করেছে, যা গত বছরের একই সময়ের তুলনায় প্রায় ২৭% বেশি।

বাংলাদেশের ঔষধ শিল্প বিশ্বের উদীয়মান ফার্মা মার্কেটকে লক্ষ্য করে বিশ্বব্যাপী উল্লেখযোগ্য স্থানে অবস্থান করতে পারে এবং আগামী ৫ বছরে বার্ষিক ৩ থেকে ৬% চক্রবৃদ্ধি হারে বৃদ্ধি পাবে বলে আশা করা হচ্ছে।

কিন্তু, উন্নত বাজারের সঙ্গে প্রতিযোগিতা করার জন্য আমাদের মেশিন লার্নিং, কৃত্রিম বুদ্ধিমত্তা এবং বায়োফার্মার মতো আধুনিক প্রযুক্তি গ্রহণ করতে হবে। তবে, বিশ্ব বাজারে থাকার এবং প্রতিদ্বন্দ্বিতা করার জন্য উন্নত কার্যকরী ফার্মাসিউটিক্যাল নীতি প্রণয়ন ও বাস্তবায়ন খুবই প্রয়োজন।

আইএমএস প্লাস (এমএটি) ২ কিউ ২০২২ (জুলাই ২০২১ থেকে জুন ২০২২) অনুযায়ী, ফার্মাসিউটিক্যালস সেক্টরের অভ্যন্তরীণ বাজারের আকার ১৮.৬৬% ইতিবাচক বৃদ্ধির তুলনায় এ বছরের ৩.৮৫% হ্রাস পেয়েছে। ২ কিউ, ২০২১ (জুলাই ২০২০-জুন ২০২১) এ, কোভিড-১৯ সম্পর্কিত বিভিন্ন ঔষধ যেমন এজিথ্রোমাইসিন (১৪.৪১%), ক্যালসিয়াম (২৫.৯০%), অ্যাসকরবিক অ্যাসিড (১৯.৫৭%) কোলেক্যালসিফেরল (২৮.৭৭%) এবং ক্লোরহেক্সিডিন (৬৬.৪৮%) এর কারণে ঔষধের বাজার ১৮.৬৬% বেশি বৃদ্ধি পেয়েছে। উল্লেখিত ঔষুধগুলি অনেক বেশি পরিমাণে ব্যবহার করা হয়েছিল যখন কোভিড আতঙ্ক শীর্ষে ছিল কিন্তু করোনা সম্পর্কিত রোগে আক্রান্ত রোগীর সংখ্যা (এবং এমনিই হাসপাতালে ভর্তি) জুলাই ২০২১-জুন ২০২২ এর মধ্যে উল্লেখযোগ্যভাবে হ্রাস পেয়েছে। মানুষের মধ্যে স্বাস্থ্য সতর্কতা সচেতনতা (মাস্ক, হ্যান্ড ওয়াশিং) বৃদ্ধি পাওয়ায় জুলাই ২০২১-জুন ২০২২ সময়ের মধ্যে প্রাথমিক রোগ আক্রান্ত হ্রাস পেয়েছে।

মুদ্রাস্ফীতির হার দিন দিন বাড়ছে, ফলশ্রুতিতে, একান্ত বাধ্যতামূলক না হলে বেশীর ভাগ রোগী তার নিয়মিত চেকআপ করতে অনিহা দেখাচ্ছে।

তৎসত্ত্বেও, বিগত পাঁচ বছরের (২০১৮-২০২২) চক্রবৃদ্ধি হারে বার্ষিক প্রবৃদ্ধি, দেশীয় বাজার প্রবৃদ্ধির হার এবং স্কয়ার ফার্মার প্রবৃদ্ধির হার যথাক্রমে ৭.১২%, -৩.৮৫% এবং ৪.৬৯%।

## ফার্মা প্লান্ট

স্কয়ার ফার্মার ম্যানেজমেন্ট, কোম্পানীর উৎপাদন সুবিধাগুলিতে প্রযুক্তিগত প্রক্রিয়া, গবেষণা এবং প্রশিক্ষণকে আপডেট এবং আপগ্রেড করার মাধ্যমে গুণগত এবং পরিমাণগত উভয়ই অপারেশনাল দক্ষতার ক্রমাগত উন্নয়ন সম্পর্কে অত্যন্ত সতর্ক।

আলোচ্য বছরে, কোম্পানী উভয় কারখানায় উল্লেখযোগ্য পরিমাণ বিনিয়োগ করেছে। এর বিবরণ নিম্নে প্রদত্ত হলোঃ

	মিলিয়ন টাকায়	
সম্পদের বিবরণ	২০২১-২২	২০২০-২১
জমি	২০৮.৮২	২১৭.২৮
ভবন	৪৯৫.৬৬	১১.৯২
প্লান্ট এবং যন্ত্রপাতি	৬৫২.১২	৮০০.৯৬
গবেষণার যন্ত্রপাতি	১৩৪.৪৬	৯৮.১০
অন্যান্য যন্ত্রপাতি/সম্পদ	২৯৬.০৩	৩১৬.৮০
মোট টাকা -	১,৭৮৭.০৯	১,৪৪৫.০৬

মূলধনী ব্যয়ের সকল অর্থ আভ্যন্তরীণ উৎস হতে নির্বাহ করা হয়েছে।

## কেমিক্যাল প্লান্ট

স্কয়ার ফার্মার (পাবনাছ) রাসায়নিক প্লান্টের কার্যক্রমের গত ২ (দুই) বছরের তুলনামূলক অবস্থান নিচে উপস্থাপন করা হলোঃ

বিবরণ	২০২১-২২	২০২০-২১
পণ্যের সংখ্যা	২২	২২
উৎপাদনের পরিমাণ (মেঃ টন)	৭৭৭	৭২৩
নিজস্ব ব্যবহার (মেঃ টন)	৭৮২.৫৩	৬১৩.১৬
বিক্রয় (মেঃ টন)	২০.০২	১৮.৭০
নিজস্ব ব্যবহার (%)	১০০.৭১	৮৪.৮১
বাৎসরিক বিক্রয় (মিলিয়ন টাকা)	৫৮.৬১	৪৪.৬১

বিপণন এবং মূল্য সংযোজন কৌশল অনুযায়ী প্রোডাক্ট মিস্ত্রের তারতম্যের দরুন নিজস্ব ব্যবহারের পরিমাণ পরিবর্তন হয়েছে।

### এলভিপি প্লান্টে আগুন এবং এর প্রভাব

বিগত ২৩ মে ২০২২, সোমবার, কালিয়াকৈর, গাজীপুরের কারখানা চত্বরে অবস্থিত লার্জ ভলিউম প্যারেন্টেরাল (এলভিপি) প্লান্টটি দুপুর ১২টার দিকে অগ্নিকান্ডে ব্যাপকভাবে ক্ষতিগ্রস্ত হয়েছে।

১১-ঘন্টা-ব্যাপী আগুন এলভিপি প্লান্টটি কে অকার্যকর করে দিয়েছে তবে কোন হতাহত হয়নি। প্লান্টের বিল্ডিং, মেশিনারি এবং ইনভেন্টরির সহ মোট বীমাকৃত মূল্য ছিল ১৭১ কোটি টাকা।

অগ্নিকান্ডের ফলে কোম্পানির বার্ষিক রাজস্ব ও মুনাফা যথাক্রমে ৫০ কোটি টাকা ও ৮ কোটি টাকা হারাতে পারে। ২৩ মে ২০২২ থেকে (যে তারিখে আগুনের ঘটনা ঘটেছিল) অবচয় হিসাব বন্ধ রাখা হয়েছে। বীমা দাবির লাভ বা ক্ষতি, দাবি নিষ্পত্তির পরে আর্থিক বিবরণীতে জানানো হবে।

### মান নিয়ন্ত্রণ

ফার্মাসিউটিক্যালস 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 প্রাকটিস এর নীতিমালা কঠোরভাবে অনুসরণে কোম্পানী প্রয়োজনীয় 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 ২০২১-২০২২ অর্থ বছরে কোম্পানী ল্যাবরেটরী আধুনিকায়নে ১৩৪.৪৬ মিলিয়ন টাকা বিনিয়োগ করেছে।

### রপ্তানি

স্কয়ার ফার্মার রপ্তানি বাজার ৪৫ টিরও বেশি দেশে বিস্তার লাভ করেছে এবং বর্তমান উৎপাদন ক্ষমতার মধ্যে রপ্তানির পরিমাণ বাড়ানোর জন্য সমস্ত ধরনের সম্ভাব্য প্রচেষ্টা করছে যা আগামী বছরগুলিতে রপ্তানির পরিমাণ আরও বাড়বে বলে আশা করা হচ্ছে।

পর্যালোচনাধীন বছরে রপ্তানির পরিমাণ ছিল ১,৭০০.২৭ মিলিয়ন টাকা যা বছরের তুলনায় ১২.৭৭% বৃদ্ধি পেয়েছে, গত বছরে রপ্তানির পরিমাণ ছিল ১,৫০৭.৭৪ মিলিয়ন টাকা।

স্কয়ার ফার্মা ২টি এ.এন.ডি.এ. এর অনুমোদন পেয়েছে এবং অন্য ২টি ইতিমধ্যেই এই বছরের শুরুতে ফাইল করা হয়েছে। স্কয়ার অন্যান্য এ.এন.ডি.এ. এর অনুমোদনের জন্য ইউ.এস.এফ.ডি. বরাবর আবেদন জমা দিয়েছে।

এছাড়াও কোম্পানী মার্কিন যুক্তরাষ্ট্রের বাজারে বিক্রির জন্য বেশ কিছু পণ্যের অনুমোদন নিয়ে কাজ করছে।

### রপ্তানি

**+১২.৭৭%**  
২০২১-২২

২০২১-২০২২	১,৭০০.২৭ মিলিয়ন
২০২০-২০২১	১,৫০৭.৭৪ মিলিয়ন

### জাতীয় কোষাগারে অবদান

স্কয়ার ফার্মা এবং এর সহযোগী প্রতিষ্ঠান গুলোর, জাতীয় কোষাগারে এ বছরের অবদান ১৪,৭১৬,৭৫৫,০৫১ টাকা (যন্ত্রপাতি ও খুচরা যন্ত্রাংশের আমদানী শুল্ক ১২৯,৩১০,৪৮৬ টাকা সহ)।

এই অবদান ২০২১-২০২২ সালের বিক্রয়ের শতকরা ২৫.৫৫ ভাগ যা গত বছর (২০২০-২০২১) ছিল শতকরা ২৬.০৪ ভাগ।

## আর্থিক ফলাফল

পূর্ববর্তী বছরের সাথে তুলনা করে ৩০শে জুন ২০২২ সালের আর্থিক ফলাফল নিম্নে উপস্থাপন করা হলো:

বিবরণ	২০২১-২০২২ (টাকায়)	২০২০-২০২১ (টাকায়)	↑↓ %
মোট বিক্রয়	৬৬,৪০৬,৯৫৯,৯৫০	৫৮,৩৪৬,২৫৮,২৮১	১৩.৮২%
নীট বিক্রয়	৫৭,৫৯৭,৯৪১,৩৫৯	৫০,৭০৩,০২৮,৯০২	১৩.৬০%
বিক্রিত পণ্যের ব্যয়	২৭,৯৫৮,০২৬,৯৮০	২৪,৮০০,০৩৫,৫৫৫	১২.৭৩%
মোট মুনাফা	২৯,৬৩৯,৯১৪,৩৭৯	২৫,৯০২,৯৯৩,৩৪৭	১৪.৪৩%
নীট মুনাফা (করপূর্ব)	২১,০২৪,৫৫৯,৮৭৪	১৮,৭৫৫,৯৩২,৫৪২	১২.১০%
আয়কর সঞ্চিতি	৪,৬১৮,৫৪৯,৬২৬	৪,১৮৭,৪৮১,৯৪৬	১০.২৯%
নীট মুনাফা (কর পরবর্তী)	১৬,৪০৬,০১০,২৪৮	১৪,৫৬৮,৪৫০,৬০৬	১১.৩৬%
মোট আয়ের হার	৫১.৪৬%	৫১.০৯%	০.৭২%
নীট আয়ের হার (কর পূর্ব)	৩৬.৫০%	৩৬.৯৯%	১.৩২%
নীট আয়ের হার (কর পরবর্তী)	২৮.৫০%	২৯.০৮%	১.৯৯%
শেয়ার প্রতি আয় (টাকা) - একক	১৮.৫২	১৬.৬৩	১১.৩৭%
শেয়ার প্রতি আয় (টাকা) - সমন্বিত	২০.৫১	১৭.৯৯	১৪.০১%
শেয়ার প্রতি আয় (আইপিও পরিশোধিত মূলধন অনুসারে)	১,৬৪১.৭৫	১,৪৭৪.৩৩	১১.৩৬%

গত বছরের তুলনায়, আলোচ্য ২০২১-২০২২ অর্থবছরে মোট বিক্রয়, নীট মুনাফা (আয়কর পূর্ববর্তী) এবং নীট মুনাফা (আয়কর পরবর্তী) ১৩.৮২%, ১২.১০% এবং ১১.৩৬% বৃদ্ধি পেয়েছে।

তবে, কোম্পানি "অন্যান্য পরিচালন আয়" ৫৮৩ মিলিয়ন টাকা এবং "অন্যান্য আয়" ৩,৬২৫ মিলিয়ন টাকা আয় করেছে। (একক আর্থিক বিবরণীর নোট ২৫ এবং ২৬-এ দেয়া আছে) এবং নীট লাভের মার্জিন (কর পরবর্তী) আগের বছরের তুলনায় ১.৯৯% হ্রাস পেয়েছে।

পর্যালোচনাধীন ২০২১-২০২২ বছরের একক হিসাবে ইপিএস দাঁড়িয়েছে ১৮.৫২ টাকায়। যা ২০২০-২০২১ সালে ছিল ১৬.৬৩ টাকা, গত বছরের তুলনায় ১১.৩৭% বৃদ্ধি হয়েছে এবং সমন্বিত হিসাবে ইপিএস ১৪.০১% বেড়ে ২০২১-২০২২ সালে ২০.৫১ টাকা হয়েছে। ২০২০-২০২১ সালে ছিল ১৭.৯৯ টাকা।

প্রতি শেয়ার ১০/- টাকা মূল্যমানের মোট ৮৮৬,৪৫১,০১০ টি সাধারণ শেয়ারের ভিত্তিতে ইপিএস গণনা করা হয়েছে।

**+১,১৭,১০০**  
ফার্মেসি স্কয়ার ফার্মার সাথে যুক্ত

**৮৬.২৭%**

চিকিৎসক স্কয়ারের ঔষধ দিয়েছেন।

৩৫,২৮৪ এর মধ্যে ৩০,৪৩৮ জন চিকিৎসক স্কয়ারের ঔষধ তাদের ব্যবস্থাপত্রে লিখেছেন।

### নতুন ঔষধ সংযোজন

আলোচ্য ২০২১-২০২২ সালে ৪৯টি নতুন পণ্য যুক্ত করা হয়েছে, যার সবকটিই বিশেষজ্ঞ চিকিৎসক এবং ভোক্তাদের কাছ থেকে ইতিবাচক প্রতিক্রিয়া পেয়েছে এবং উচ্চতর জেনেরিক বিকল্প, সীমিত বাজারের আকার এবং নিয়ন্ত্রকের আদেশ প্রতিপালনের নিমিত্তে ২১টি পণ্যের উৎপাদন রহিত করা হয়েছে।

বিগত ৩০ জুন, ২০২২ পর্যন্ত নতুন ঔষধ সংযোজন এবং বাতিলকৃত ঔষধের বিবরণ ৪৪ নম্বর পৃষ্ঠায় কোম্পানির প্রোডাক্ট ডেভেলপমেন্ট শিরোনামে সংযুক্ত করা হয়েছে।



### নতুন পণ্য যুক্ত হয়েছে

২০২১-২০২২

### উৎপাদন/উৎপাদন ক্ষমতা ব্যবহার

সার্বিকভাবে প্রাক্টের উৎপাদন ক্ষমতার উন্নয়ন এ বছরও ধারাবাহিক ভাবে অব্যাহত আছে যা ৪৪ নম্বর পৃষ্ঠায় কোম্পানির আউটপুট/ক্যাপাসিটি ইউটিলাইজেশন শিরোনামে সংযুক্ত করা হয়েছে।

### সাবসিডিয়ারি ও সহযোগি প্রতিষ্ঠান

- স্কয়ার ফার্মাসিউটিক্যালস কেনিয়া ইপিজেড লিঃ  
(এসপিএল কেনিয়া)

এসপিএল কেনিয়া প্রতিষ্ঠিত হয়েছে, কেনিয়া এবং পূর্ব আফ্রিকান কমিউনিটিতে জেনেরিক মেডিসিন তৈরি ও বিক্রি করার উদ্দেশ্যে। স্কয়ার ফার্মা কার্যত এসপিএল কেনিয়ার সম্পূর্ণ শেয়ারের মালিক, তাই, এসপিএল কেনিয়া স্কয়ার ফার্মার একটি সাবসিডিয়ারি কোম্পানী।

এসপিএল কেনিয়ার পরিশোধিত মূলধন ৩৩২,০০০,০০০ টাকা। এ ছাড়াও, ৬৫৩,৭৪২,৬৮৮ টাকা শেয়ার মানি ডিপোজিট হিসাবে অগ্রিম জমা দেয়া আছে।

এসপিএল কেনিয়ার ৩০ জুন, ২০২২-এ শেষ হওয়া বছরের পরিচালকদের প্রতিবেদন-এর সাথে নিরীক্ষিত আর্থিক বিবরণী যার সাথে নিরীক্ষকের প্রতিবেদন, আর্থিক অবস্থার বিবরণী, লাভ বা ক্ষতি বিবরণী, ইকুইটি এবং নগদ প্রবাহের পরিবর্তনের বিবরণী এই বার্ষিক প্রতিবেদনের সাথে সন্নিবেশিত করা হয়েছে।

### স্কয়ার লাইফসাইন্স লিমিটেড (এস.এল.এল)

স্কয়ার লাইফসাইন্স লিমিটেড, কোম্পানি আইন, ১৯৯৪ এর অধীনে ১৩ ফেব্রুয়ারী, ২০২০ -এ একটি ফার্মাসিউটিক্যালস ম্যানুফ্যাকচারিং কোম্পানি হিসাবে নিগমিত এবং স্কয়ার ফার্মাসিউটিক্যালস লিঃ এর একটি সাবসিডিয়ারি কোম্পানী।

স্কয়ার ফার্মা, ১০০.০০ টাকা মূল্যমানের মোট পরিশোধিত ১০,০০০,০০০ সাধারণ শেয়ারের মধ্যে ৯,৯৯৫,০০০ টি শেয়ারের মালিক।

স্কয়ার লাইফসাইন্স এর ৩০ জুন, ২০২২-এ শেষ হওয়া বছরের পরিচালকদের প্রতিবেদন-এর সাথে নিরীক্ষিত আর্থিক বিবরণী যার সাথে নিরীক্ষকের প্রতিবেদন, আর্থিক অবস্থার বিবরণী, লাভ বা ক্ষতি বিবরণী, ইকুইটি এবং নগদ প্রবাহের পরিবর্তনের বিবরণী এই বার্ষিক প্রতিবেদনের সাথে সন্নিবেশিত করা হয়েছে।

### সহযোগী প্রতিষ্ঠান

#### □ স্কয়ার টেক্সটাইলস্ লিঃ

স্কয়ার টেক্সটাইল একটি ১০০% রপ্তানিমুখী সুতা প্রস্তুতকারক, পাবলিকলি লিস্টেড কোম্পানি এবং পুরোদমে উৎপাদনে নিয়োজিত একটি লাভজনক প্রতিষ্ঠান।

স্কয়ার ফার্মার বোনাস শেয়ার সহ ১০ টাকা অভিহিত মূল্যের ৯১,৪৩৬,৬৭৯ টি সাধারণ শেয়ার রয়েছে। উপরের উল্লেখিত শেয়ারগুলির জন্য ২২৫,১২৯,৭৯৫.০০ টাকা বিনিয়োগ করা হয়েছিল, শেয়ার প্রতি ব্যয় দাঁড়িয়েছে ২.৪৬ টাকা (বিনামূল্যের বোনাস শেয়ার বিবেচনা করে)।

৩০ জুন, ২০২২ তারিখে উল্লেখিত শেয়ারগুলির বাজার মূল্য ছিল ৬,০৭১,৩৯৫,৪৮৫.৬০ টাকা, শেয়ার প্রতি ৬৬.৪০ টাকা হিসেবে।

স্কয়ার টেক্সটাইলস্ লিঃ ২০২১-২০২২ সালের জন্য ৩৫% নগদ লাভাংশ ঘোষণা করেছে।

#### □ স্কয়ার হসপিটালস্ লিঃ

স্কয়ার হসপিটালস্ ৪০০ শয্যা বিশিষ্ট একটি বহুমুখী চিকিৎসা সেবা ব্যবস্থা সম্পন্ন সর্বাধুনিক হাসপাতাল যা বাংলাদেশে বেসরকারী স্বাস্থ্যসেবা খাতে শীর্ষস্থানীয় একটি প্রাইভেট লিমিটেড কোম্পানি, যেটা স্বাস্থ্যসেবা কার্যক্রমে পুরোদমে সক্রিয় আছে।

স্কয়ার ফার্মা প্রতিটি ১,০০০ টাকা মূল্যমানের ১৯৯,৭৫০টি সাধারণ শেয়ারের মালিক, যা স্কয়ার হাসপাতাল এর শেয়ার-মূলধনের ৪৯.৯৪%। উল্লেখিত শেয়ারের জন্য বিনিয়োগের ব্যয় ছিল ২১০,৭৫০,০০০.০০ টাকা, যার শেয়ার প্রতি মূল্য হয় ১,০৫৫.০৭ টাকা।

স্কয়ার হসপিটালস্ জুন ২০২২ সালে সমাপ্ত বছরে মোট ব্যবসা করেছে ৫,০২৩.৫৮ মিলিয়ন টাকা এবং নীট মুনাফা হয়েছে ৩৩০.৮৫ মিলিয়ন টাকা। স্কয়ার হসপিটালস্, নতুন সম্প্রসারণ পরিকল্পনা, হাসপাতালের বর্তমান সরঞ্জামাদি আধুনিকায়ন এবং প্রতিস্থাপনের লক্ষ্যে কোনও লভ্যাংশ ঘোষণা করেনি।

#### □ স্কয়ার ফ্যাশনস্ লিঃ

স্কয়ার ফ্যাশনস্ লিঃ, ১০০% রফতানিমুখী তৈরি পোশাক প্রস্তুতকারক একটি প্রাইভেট লিমিটেড কোম্পানি যার কার্যক্রমে পুরোদমে সক্রিয় আছে।

স্কয়ার ফার্মা প্রতিটি ১০০ টাকা মূল্যমানের ৪৬২,০০০ সাধারণ শেয়ারের মালিক যা এর শেয়ার মূলধনের ৪৮.৬৩%। এই শেয়ারে বিনিয়োগের জন্য ব্যয় হয়েছে ১৫১.২০ মিলিয়ন টাকা যার গড় মূল্য শেয়ার প্রতি ৩২৭.২৭ টাকা।

স্কয়ার ফ্যাশনস্ এর ২০২১-২০২২ আর্থিক বছরে নীট মুনাফা অর্জিত হয়েছে ২,০৭৩.২৯ মিলিয়ন টাকা, শেয়ার প্রতি এন.এ.ভি. দাঁড়িয়েছে ১৬,৯০৭.৪১ টাকা এবং ইপিএস ২,১৮২.৪১ টাকা। ভবিষ্যত সম্প্রসারণ এবং ভিন্ন বিনিয়োগ পরিকল্পনার কারণে পর্যালোচনাধীন বছরে কোনও লভ্যাংশ ঘোষণা করেনি।

#### বিক্রয়যোগ্য শেয়ার এবং অন্যান্য দীর্ঘমেয়াদী সম্পদে বিনিয়োগ

স্কয়ার ফার্মা ৪,৩৪৬.৭৭ মিলিয়ন টাকা বিনিয়োগ করেছে বিক্রয়যোগ্য শেয়ারে যা একক আর্থিক বিবরণীর নোট # ৬ এ বিস্তারিত দেখানো হয়েছে।

পর্যালোচনাধীন বছরে পোর্টফোলিও টি মোট ৯২২.৯১ টাকা অনাদায়ী মূলধনী লাভ অর্জন করেছে।

তা ছাড়াও স্কয়ার ফার্মা গত ৩০ জুন, ২০২২ পর্যন্ত বিভিন্ন ইকুইটি শেয়ার, প্রেফারেন্স শেয়ার, সাবঅরডিনেট বন্ড এবং জিরো কুপন বন্ডে মোট ৫,০০৬.৩৮ মিলিয়ন টাকা বিনিয়োগ করেছে।

স্কয়ার ফার্মা প্রতিটি বিনিয়োগের সুবিধা/প্রাপ্তি সযত্নের সাথে বিশ্লেষণ করে এবং একটি আশানুরূপ প্রাপ্তির দিকে সর্বোচ্চ অগ্রাধিকার দিয়ে বিনিয়োগ করে।

বিনিয়োগের বিশদ বিবরণ একক আর্থিক বিবৃতির নোট # ৭-এ দেখানো হয়েছে।

#### ঝুঁকি এবং উদ্বেগ

স্কয়ার ফার্মার ম্যানেজমেন্ট ব্যবসায়ের প্রধান ঝুঁকি সমূহ শনাক্ত করতে সদা সর্বদা সতর্ক থাকে এবং তা নিরসন করতে যথাযথ পরিকল্পনা ও ব্যবস্থাপনা গ্রহণে অত্যন্ত আন্তরিক।

তারা ঝুঁকি পর্যবেক্ষণকে একটি ক্রমাগত প্রক্রিয়া হিসেবে বিবেচনা করে এবং সেই অনুযায়ী, কোম্পানি যেকোনো আর্থ-সামাজিক অসঙ্গতিপূর্ণ পরিস্থিতি, কৌশলগত বিনিয়োগ নীতি, পণ্যের মূল্য নির্ধারণ নীতি, দীর্ঘমেয়াদী পরিকল্পনা, আন্তর্জাতিক বাণিজ্য বাধা ইত্যাদির উপর নজর রাখে যাতে কোম্পানির ব্যবসার উপর কোন প্রকার নেতিবাচক প্রভাব না পড়ে।

#### ব্যতিক্রমধর্মী কার্যক্রম

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

টাকায়

+ ১৯২ বিলিয়ন

শেয়ার বাজার মূলধন  
স্কয়ার ফার্মা

ফার্মা সেক্টরে শীর্ষস্থান

### হিসাবের একত্রীকরণ

স্বয়ং ফার্মা ২টি সাবসিডিয়ারি কোম্পানীর মালিক বিধায় বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের এর বিধিমালা এবং আইএফআরএস-১০ এর নিয়মাবলী অনুসরণ করে আর্থিক বিবরণী সমূহ একত্রীকৃত করা হয়েছে যাতে শেয়ারহোল্ডারবৃন্দের মোট সুবিধা/বিনিয়োগ মূল্য প্রদর্শন করা যায়।

উল্লেখিত একীভূত আর্থিক বিবরণী এই বার্ষিক প্রতিবেদনের সাথে উপস্থাপন করা হয়েছে।

### সংখ্যালঘু শেয়ারহোল্ডারদের স্বার্থ

স্বয়ং ফার্মা, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের কর্পোরেট গভর্নেন্স কোড ২০১৮ শর্ত নম্বর ১(৫)(xvi) এর সম্মতিতে, পরিচালনা পর্ষদ এর মাধ্যমে নিশ্চিত করে যে সংখ্যালঘু শেয়ারহোল্ডারদের স্বার্থ যথাযথভাবে সুরক্ষিত হয়েছে।

### রিলেটেড পার্টি লেনদেন

স্বয়ং ফার্মা আলোচ্য বছরে যে সকল রিলেটেড পার্টিদের সাথে লেনদেন করেছে তাদের বিশদ বিবরণ একক আর্থিক বিবরণীর নোট # ৪১-এ প্রকাশ করা হয়েছে।

### ক্রেডিট রেটিং

ক্রেডিট রেটিং ইনফরমেশন অ্যান্ড সার্ভিসেস লিমিটেড বিগত ১৫ ডিসেম্বর, ২০২১ তারিখে স্বয়ং ফার্মার আর্থিক এবং অন্যান্য প্রাসঙ্গিক পরিমাণগত এবং গুণগত তথ্যের ভিত্তিতে স্বয়ং ফার্মাকে সর্বোচ্চ ক্রেডিট রেটিং নিশ্চিত করেছে।

### পুনঃনিশ্চিত রেটিংঃ

দীর্ঘমেয়াদী রেটিং = "এএএ", যা সর্বোচ্চ নিরাপত্তা এবং সর্বোচ্চ ক্রেডিট গুণমান নির্দেশ করে।

স্বল্পমেয়াদী রেটিং = "এস.টি.-১", যা সময়মত পরিশোধের সর্বোচ্চ নিশ্চয়তা নির্দেশ করে।

### পরিবেশগত ভূমিকা

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

### মানব সম্পদ উন্নয়ন

মানব সম্পদ উন্নয়নের জন্য, স্বয়ং ফার্মা তার প্রতিটি স্তরের নিবাহী ও শ্রমিক কর্মচারীদের ক্রমাগত আনুষ্ঠানিক এবং অনানুষ্ঠানিক প্রশিক্ষণ প্রদান করে যাচ্ছে।

২০২১-২০২২ বছরে, ৬,৮৩৯ জন দেশে এবং বিদেশে প্রশিক্ষণ পেয়েছে। ফলে প্রশিক্ষণ প্রাপ্তরা কোম্পানীকে লাভজনক অবস্থায় রাখতে অবদান রেখেছে।

### ব্যাংক গ্যারান্টি

পর্যালোচনাধীন বছরের মধ্যে প্রদত্ত গ্যারান্টিগুলি একক আর্থিক বিবরণীতে যথাক্রমে নোট # ৪০.১ এ চিত্রিত হয়েছে।

### দাবিহীন/ অমীমাংসিত লভ্যাংশ

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন এবং অন্যান্য নিয়ন্ত্রক কর্তৃপক্ষের নির্দেশনা অনুসারে দাবিহীন/ অমীমাংসিত লভ্যাংশের হিসাব যত্ন সহকারে রাখা হয়।

১৯৯৫ থেকে ২০২১ সাল পর্যন্ত দাবিহীন/ অমীমাংসিত লভ্যাংশের বিশদ বিবরণ এই প্রতিবেদনের ৬৯ পৃষ্ঠায় উপস্থাপন করা হয়েছে।

### বিক্রয়

**+১৩.৮২%**  
২০২১-২২

২০২১-২০২২	৬৬,৪০৭ মিলিয়ন
২০২০-২০২১	৫৮,৩৪৬ মিলিয়ন

### মুনাফা বন্টন

পরিচালনা পর্ষদ তার ২০শে অক্টোবর, ২০২২-এ অনুষ্ঠিত সভায় পরিশোধিত মূলধনের ১০০% হারে নগদ লভ্যাংশ সুপারিশ করেছে এবং ২০২১-২০২২ বছরে অর্জিত নিট মুনাফা নিম্নেলিখিত ভাবে বন্টন করেছেন:

		টাকায়
২০২১-২০২২ সালের নিট মুনাফা		১৬,৪১৭,৪৯৬,৬০৩
বাদ : প্রস্তাবিত বন্টনঃ		
নগদ লভ্যাংশ ১০০% (শেয়ার প্রতি ১০.০০ টাকা)		৮,৮৬৪,৫১০,১০০
অবন্টনকৃত মুনাফা পরবর্তী বছরে স্থানান্তরঃ		৭,৫৫২,৯৮৬,৫০৩

প্রস্তাবিত লভ্যাংশ আগের বছরের তুলনায় ৬৬.৫৪% এবং ৩.৫৫ বিলিয়ন টাকা বেশি। ২০২০-২০২১ সালে ঘোষিত এবং প্রদত্ত নগদ লভ্যাংশ নগদ @ ৬০% ছিল, যার পরিমাণ ছিল ৫.৩২ বিলিয়ন টাকা।

### পরিচালক নির্বাচন

কোম্পানীর সংবিধির 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 পোষণ করেছেন।

উল্লিখিত পরিচালকবৃন্দের সংক্ষিপ্ত জীবনবৃত্তান্ত এবং অন্যান্য তথ্য সংযুক্তি - ii তে বর্ণিত করা হয়েছে।

### স্বতন্ত্র পরিচালকের পুনঃনিয়োগ

পরিচালনা পর্ষদ জনাব সৈয়দ আফজাল হাসান উদ্দিন এবং জনাব এস এম রেজাউর রহমানকে স্বতন্ত্র পরিচালক হিসেবে পুনঃনিয়ুক্ত করেছেন।

উপরে উল্লিখিত পরিচালকদের একটি সংক্ষিপ্ত জীবনবৃত্তান্ত এবং অন্যান্য তথ্য সংযুক্তি - ii এ বর্ণিত করা হয়েছে।

### সংবিধিবদ্ধ নিরীক্ষক নিয়োগ

মেসার্স আহমেদ জাকের অ্যান্ড কোং, চার্টার্ড একাউন্ট্যান্টস্, জেনেভা গ্রুপ ইন্টারন্যাশনালের (জিজিআই) একটি স্বতন্ত্র সদস্য, ২০২১-২০২২ সালের জন্য সংবিধিবদ্ধ নিরীক্ষক ছিলেন এবং স্কয়ার ফার্মাসিউটিক্যালস লিমিটেডের ৩০ জুন, ২০২২ এ সমাপ্ত বছরের আর্থিক বিবরণী সম্পর্কে একটি আনকোয়ালিফাইড প্রতিবেদন জমা দিয়েছেন।

মেসার্স আহমেদ জাকের অ্যান্ড কোং, চার্টার্ড একাউন্ট্যান্টস্ এই বার্ষিক সাধারণ সভায় অবসর নিচ্ছেন এবং যোগ্য বিধায়, ২০২২-২০২৩ সালের জন্য কোম্পানীর সংবিধিবদ্ধ নিরীক্ষক হিসাবে নিয়োগের জন্য তাদের অগ্রহ প্রকাশ করেছে।

২০শে অক্টোবর, ২০২২ তারিখে অনুষ্ঠিত সভায় পরিচালনা পর্ষদ তাদের নিয়োগের সুপারিশ করেছেন।

### কমপ্লায়েন্স নিরীক্ষক নিয়োগ

মেসার্স চৌধুরী ভট্টাচার্য অ্যান্ড কোং, চার্টার্ড একাউন্ট্যান্টস্, ২০২১-২০২২ সালের জন্য কমপ্লায়েন্স নিরীক্ষক ছিলেন এবং বাংলাদেশ সিকিউরিটিজ এক্সচেঞ্জের কমিশন-এর কর্পোরেট গভর্নেন্স কোড ২০১৮ এর শর্তানুসারে ৩০ জুন, ২০২২ তারিখে সমাপ্ত বছরের জন্য সার্টিফিকেট অব কমপ্লায়েন্স উপস্থাপন করেছেন।

কোম্পানীর কমপ্লায়েন্স নিরীক্ষক মেসার্স চৌধুরী ভট্টাচার্য অ্যান্ড কোং, চার্টার্ড একাউন্ট্যান্টস্ এই বার্ষিক সাধারণ সভায় অবসর গ্রহণ করেছেন এবং যোগ্য হওয়ার কারণে, ২০২২-২০২৩ সালের জন্য কমপ্লায়েন্স নিরীক্ষক হিসাবে পুনরায় নিয়োগের জন্য ইচ্ছা প্রকাশ করেছেন।

২০শে অক্টোবর, ২০২২ তারিখে অনুষ্ঠিত সভায় পরিচালনা পর্ষদ তাদের নিয়োগের সুপারিশ করেছেন।

### বিশেষ সিদ্ধান্ত

কোম্পানি আইন, ১৯৯৪ (২য় সংশোধনী ২০২০) এর বিধান অনুযায়ী কোম্পানির নাম "স্কয়ার ফার্মাসিউটিক্যালস লিমিটেড" হতে "স্কয়ার ফার্মাসিউটিক্যালস পিএলসি" - তে পরিবর্তিত করার এবং কোম্পানির মেমোরেন্ডাম এবং আর্টিকেল অফ অ্যাসোসিয়েশনের ধারা-১ এবং অনুচ্ছেদ-১(বি), ২৪, ৭৬ এবং ৮১ সংশোধন করার বিষয়ে একটি বিশেষ সিদ্ধান্ত অনুমোদন প্রসঙ্গে।

বিগত ২০শে অক্টোবর, ২০২২-এ অনুষ্ঠিত পরিচালনা পর্ষদ সভায় কোম্পানি আইন, ১৯৯৪ (২য় সংশোধনী ২০২০) এর বিধানগুলি মেনে চলার জন্য নিম্নলিখিত সিদ্ধান্ত গৃহীত হয়েছে।

অতএব, যদি উপযুক্ত মনে হয়, শেয়ারহোল্ডারদেরকে বিশেষ সিদ্ধান্ত হিসাবে পরিচালনা পর্ষদের দ্বারা গৃহীত নিম্নলিখিত সিদ্ধান্তগুলি পাস করার জন্য অনুরোধ করা হচ্ছে:

এতদ্বারা সিদ্ধান্ত গৃহীত হলো যে,

ক) কোম্পানি আইন, ১৯৯৪ (২য় সংশোধনী ২০২০) এর বিধান অনুসারে কোম্পানির নাম "স্কয়ার ফার্মাসিউটিক্যালস লিমিটেড" হতে "স্কয়ার ফার্মাসিউটিক্যালস পিএলসি"-তে পরিবর্তিত করা হলো এবং মেমোরেন্ডাম এবং আর্টিকেল অফ অ্যাসোসিয়েশনের ধারা-১ এবং অনুচ্ছেদ-১(বি) সংশোধন করা হবে।

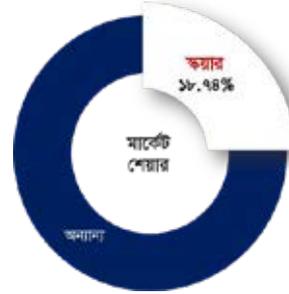
খ) ধারা-২৪ এবং ৭৬-এ উপস্থিত "লিমিটেড" শব্দটি "পি.এল.সি." দ্বারা প্রতিস্থাপিত হবে।

গ) কোম্পানির আর্টিকেল অফ অ্যাসোসিয়েশনের বিদ্যমান অনুচ্ছেদ-৮১ নিম্নরূপে প্রতিস্থাপিত হবে:

"৮১. কোম্পানির বর্তমান শেয়ারহোল্ডিং পরিচালক নিম্নরূপ:

১. জনাব স্যামুয়েল এস চৌধুরী, চেয়ারম্যান
২. জনাবা রত্না পাত্র, ভাইস চেয়ারম্যান
৩. জনাব তপন চৌধুরী, ব্যবস্থাপনা পরিচালক
৪. জনাব অঞ্জন চৌধুরী, পরিচালক
৫. জনাব কাজী ইকবাল হারুন, পরিচালক

ঘ) কোম্পানির বর্তমান মেমোরেন্ডাম এবং আর্টিকেল অফ অ্যাসোসিয়েশন-এর আলোচ্য সময় পর্যন্ত করা সংশোধনীগুলিকে অন্তর্ভুক্ত করে কোম্পানির নতুন মেমোরেন্ডাম এবং আর্টিকেল অফ অ্যাসোসিয়েশন হিসেবে এতদ্বারা গৃহীত হলো এবং গৃহীত মেমোরেন্ডাম এবং আর্টিকেল অফ অ্যাসোসিয়েশন-এর একটি নতুন মুদ্রিত অনুলিপি রেজিস্ট্রার অব জয়েন্ট স্টক কোম্পানিজ এন্ড ফার্মস, ঢাকা, বাংলাদেশ এর নিকট নিবন্ধনের জন্যে নথিভুক্ত করা হবে।



### ম্যানেজমেন্ট ডিসকাশন এন্ড আনালাইসিস

কোম্পানির পরিচালন অবস্থান, ক্রিয়াকলাপ, আর্থিক বিবরণী এবং অন্যান্য প্রয়োজনীয় পরিবর্তনের সংক্ষিপ্ত আলোচনা ব্যবস্থাপনা পরিচালক কর্তৃক স্বাক্ষরিত ম্যানেজমেন্ট ডিসকাশন এন্ড আনালাইসিস এই প্রতিবেদনের সংযোজন-iii এ প্রকাশিত হয়েছে।

### আর্থিক বিবরণী উপর পরিচালকদের ঘোষণা

কর্পোরেট সুশাসনের একটি অংশ হিসাবে, পরিচালনা পর্ষদ কোম্পানির আর্থিক অবদান এবং অবস্থা-এর একটি সত্যতা এবং গ্রহণযোগ্যতা প্রদানের জন্য দায়বদ্ধ। সেই লক্ষ্যে, পরিচালকগণ তাদের সর্বোত্তম জ্ঞানে নিশ্চিত করেছেন যে:

- কোম্পানির আর্থিক বিবরণী, কোম্পানির কার্যক্রমের ফলাফল, নগদ প্রবাহ এবং ইকুইটি পরিবর্তনের একটি সত্য এবং ন্যায্য দৃষ্টিভঙ্গি উপস্থাপন করে।

- ☑ প্রচলিত আইন অনুসারে হিসাবের প্রয়োজনীয় সঠিক নথি রক্ষণাবেক্ষণ করা হয়েছে।
- ☑ আর্থিক বিবরণী তৈরিতে অ্যাকাউন্টিং অনুমানগুলো যুক্তিসঙ্গত এবং বিচক্ষণতার উপর ভিত্তি করে এবং যথাযথ অ্যাকাউন্টিং নীতিগুলো ক্রমাগত প্রয়োগ করা হয়েছে।
- ☑ বাংলাদেশে প্রযোজ্য আই.এ.এস/ আই.এফ.আর. এস অনুযায়ী আর্থিক বিবরণী প্রস্তুত করা হয়েছে।
- ☑ অভ্যন্তরীণ কন্ট্রোল সিস্টেমটি কাঠামোগত দিক থেকে খুবই কার্যকরী এবং সঠিকভাবে এর প্রয়োগ ও পর্যবেক্ষণ করা হয়।
- ☑ একটি ব্যবসায়-প্রতিষ্ঠান হিসাবে সকল ব্যবসায়িক কার্যক্রম চালিয়ে যাওয়ার ক্ষমতা সম্পর্কে কোন উল্লেখযোগ্য সংশয় নেই।
- ☑ গত বছরের পরিচালন ফলাফল থেকে কোন উল্লেখযোগ্য বিচ্যুতি নেই।
- ☑ জনাবা রত্না পাত্র, ভাইস চেয়ারম্যান এবং জনাব তপন চৌধুরী ব্যবস্থাপনা পরিচালক-কে দেওয়া পারিশ্রমিক নোটস অফ একাউন্টস-এর নোট # ২৪ এ দেখানো হয়েছে।
- ☑ বিগত ৫ (পাঁচ) বছরের মূল পরিচালন এবং আর্থিক তথ্য পৃষ্ঠা নং ২০ এ সংক্ষিপ্ত আকারে উপস্থাপন করা হয়েছে।

#### কর্পোরেট গভর্নেন্স কমপ্লায়েন্স প্রতিবেদন

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের কর্পোরেট গভর্নেন্স কোড ২০১৮-এর বিধি অনুসারে, একটি অতিরিক্ত বিবৃতি, যে পরিচালকদের পুনরায় নিয়োগ করা হবে তাদের জীবনবৃত্তান্ত, ব্যবস্থাপনার আলোচনা বিশ্লেষণ, সিইও এবং সিএফওর কাছ থেকে বোর্ডের উদ্দেশ্যে সনদ, কোম্পানির কমপ্লায়েন্স অডিটরদের সনদ এবং কর্পোরেট গভর্ন্যান্স কোড ২০১৮ প্রতিপালনের অবস্থা যথাক্রমে সংযুক্তি - i, ii, iii, iv, v ও vi তে উল্লেখ করা হয়েছে।

অডিট কমিটির রিপোর্ট, মনোনয়ন ও পারিশ্রমিক নীতি এবং লভ্যাংশ বন্টন নীতিও এই বার্ষিক প্রতিবেদনে উপস্থাপন করা হয়েছে।

#### ব্যবস্থাপনা কর্তৃপক্ষের স্বীকৃতি

পরিচালনা পর্ষদ ব্যবসায়িক কার্যক্রমে আন্তরিকভাবে অবদান রাখার জন্য ব্যবস্থাপনা কর্মকর্তা, কর্মচারী, শ্রমিক এবং 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 অবদান রাখবে।

  
স্যামুয়েল এস চৌধুরী  
চেয়ারম্যান



Corporate Governance refers to the procedures through which any corporate entity makes decisions as a going concern for the benefit of all parties involved, both present and future. These decisions may be classified into four categories, namely policy and strategy, operations and execution, performance and assessment, and asset sharing between current and future generations.

The entrepreneur's engagement in all of these areas necessitates constant decision-making governance, with the degree of involvement varying according to the level of delegation of authority top-down and reporting for accountability bottom up in 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.

Corporate Governance functions are carried out by the organisms mentioned hereafter:

## BOARD OF DIRECTORS

### ❖ Constitution

The Board of Directors, the top Management echelon, consisting of the founding successors/ entrepreneurs and Independent Directors, provides the policy and strategic support and direction for the entire range of corporate activities.

The Board of Directors consists of 7 (seven) members including 2 (Two) Independent Directors with varied education and experience provide a balancing character in the decision-making process.

The 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
Mr. Syed Afzal Hasan Uddin	Independent Director
Mr. S M Rezaur Rahman	Independent Director

During the year under review, the board held 10 (ten) meetings to transact various agendas.

The Board is reconstituted every year at its Annual General Meeting by the rotation and re-election of one-third of the directors in order to meet the requirements of the Companies Act 1994 and the Articles of Association of the Company.

Directors are liable to comply with the provisions of the Companies Act 1994, the rules of the Articles of Association of the Company, Rules & Regulation of the Bangladesh Securities and Exchange Commission, and the listing regulations of the stock exchanges.

### ❖ 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 holds the ultimate responsibility & accountability with due diligence for conducting the activities of

the company as per provisions of the law in the interest of the shareholders, the stakeholders, the state, and society.

The Board of Directors, in fulfillment of its responsibility, holds periodic meetings, at least once a quarter, and provides 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 takes 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 the removal of operational hazards to the life and health of workers, friendly environmental work conditions, and social relationships as demanded of good citizens 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, rematerialization of shares, payment of dividends etc.

The Board is however responsible to the public for the publication of any price-sensitive information as per BSEC regulation and a qualified Chartered Secretary is in charge of all these responsibilities as Company Secretary.

#### ❖ Relationship with Government

In its role of accountability to the government, the Board of Directors ensures payment of all dues to the 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 at a progressive rate year after year.

#### ❖ Relationship with Financers/Bankers

The Board oversees the Financial transactions and ensures to meet the 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 interests 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 a non-partisan manner) right to form and participate in Union under ILO convention, employment of disabled's etc.

## BOARD COMMITTEE

### ❖ Audit Committee

The Board of Directors has constituted an Audit Committee of the Board, which is comprised of the following Non-Executive Directors:

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

The Committee carries out its responsibilities as defined in the provision of laws through convening meetings and submitting its report to the Board of Directors as and when required. The Committee met 4 (four) times during the year under review.

The Audit Committee shall also coordinate with the Internal and External Auditors as and when required, ensuring that adequate internal checks & balances supported by adequate MIS are in place for the detection of errors fraud, and other deficiencies.

The other responsibilities include inter alia, not be limited to, the prevention of conflict of interest between the company and its Directors officials, customers, suppliers, government, and any other interest groups and detecting or removing any scope of insider trading in the company's stock.

The Audit Committee also ensures compliance with the requirements of BSEC and other agencies.

### ❖ Nomination and Remuneration Committee

The Board of Directors has formed a Nomination and Remuneration Committee (NRC) of the Board, which is comprised of the following Non-Executive Directors:

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

The terms of reference of the NRC inter alia include determining the Company's policy on specific remuneration packages for executive directors, reviewing, recommending and/or approving remuneration to whole-time Directors, reviewing and approving the Remuneration Policy of the Company, formulating criteria for evaluation of Independent Directors and the Board, to devise a policy on Board Diversity, to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board the appointment or removal of such persons and to discharge such other functions and exercise such other powers as may be delegated/directed by the Board of Directors from time to time. The NRC met 2 (two) times during the year under review.

## SEPARATE ROLE OF THE CHAIRMAN AND MANAGING DIRECTOR

The positions of the Chairman and Managing Director of Square Pharmaceuticals Ltd. are held by the following separate directors:

### The Chairman

Mr. Samuel S Chowdhury is the Non-Executive Chairman of the Company and is responsible for the functions of the Board.

### The Managing Director

Mr. Tapan Chowdhury is the Managing Director and leads as the Chief Executive Officer of the Company.

### CHIEF FINANCIAL OFFICER (CFO), COMPANY SECRETARY (CS) AND HEAD OF INTERNAL AUDIT AND COMPLIANCE (HIAC)

The following three qualified professionals have been appointed as CFO, CS, and HIAC of the Company as per the requirement of the Corporate Governance Code of Bangladesh Securities and Exchange Commission:

- CFO:** Mr. Muhammad Zahangir Alam, a Fellow Chartered Accountant (FCA) and Fellow Cost Management Accountant (FCMA), is delegated to the responsibility of Chief Financial Officer.
- CS:** Mr. Khandaker Habibuzzaman, a Fellow Chartered Secretary (FCS), is responsible for the office of the Company Secretary.
- HIAC:** Mr. Sanjit Kumar Nath, an Associate Chartered Accountant (ACA) is executing the responsibility of Head of Internal Audit and Compliance.

### 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 a 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 the preparation of budgetary segment plans/sub-segment plans for every cost/profit center and is held accountable for performance. 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 with the BSEC Regulations on Good Governance, the Board of Directors, as empowered by the Regulations, appointed the following persons as non-shareholding Independent Directors with the expectation that their expertise would help contribute to the further disclosure and protect the interests of the stakeholders, investors in general and smaller investors in particular:

- Mr. Syed Afzal Hasan Uddin, Barrister-at-Law, an Advocate of the Supreme Court of Bangladesh and the Managing Partner of Syed Ishtiaq Ahmed & Associates, a firm of legal consultants and practitioners in Bangladesh and
- Mr. S. M. Rezaur Rahman, Capital Market Consultant and Director of United Corporate Advisory Services Ltd., a firm of

financial & investment advisory and post issue management of initial public offer of securities & other related jobs in Bangladesh.

#### ❖ Statutory Auditors

The role of the auditors in the certification of the financial statement is the most significant aspect of Corporate Governance and protection of the interest of investors.

As evident from the Annual Reports, the company rigidly follows the Companies Act, Rules of Bangladesh Securities and Exchange Commission, listing regulation, code of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and International Standard of Auditing (ISA) with legally required disclosures of Accounts and Financial Statements.

All this has been possible due to the high level of capability, integrity, and devotion of the statutory auditor, whose unchallenging performance has played a very trustworthy role in the protection of the interests of the investors.

M/s. Ahmed Zaker & Co. is the Statutory Auditor appointed by its Shareholders in the Annual General Meeting.

#### ❖ Compliance Auditors

The compliance auditors is responsible for certification on compliance of conditions of Corporate Governance Code 2018 of the BSEC as well as the provisions of relevant Bangladesh Secretarial Standards of the Institute of Chartered Secretaries of Bangladesh.

M/s. Chowdhury Bhattacharjee & Co., Chartered Accountants is the Compliance Auditor appointed by its Shareholders in the Annual General Meeting.

#### ❖ Legal Advisers

In order to avail of the best legal services for Good Corporate Governance, the company has empaneled the following top ranking-legal professionals:

Mr. Rokonuddin Mahmud, Bar-at-Law  
Ms. Nazia Kabir, Bar-at-Law

The expertise of the above-named professionals has 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 the down cost of operations. On the other hand, the cost of financial services and interest on lending by the banks are also required to be the minimum. With this end of view, the company has established long-term business relationships with banks namely Janata Bank Ltd., Standard Chartered Bank, HSBC Ltd., Citibank N.A, Mercantile Bank Ltd., Prime Bank Ltd., Bank Asia Ltd., Shahjalal Islami Bank Ltd., Eastern Bank Ltd., Commercial Bank of Ceylon Ltd., Bank Alfalah Ltd. and BRAC Bank Ltd. who provide most efficient service at minimum cost/interest that benefit the Shareholders.

The Company has neither ever defaulted on any commitment with its Bankers nor did get entangled in a 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 the protection of the interest of the company and the investors.

To this end, the company has to select, an 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 highly reputed insurance companies namely Guardian Life Insurance Ltd., 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 protect the interest of the investors.

### 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, in corporate governance, power and influence are crucial. The ownership structure has an impact on the balance of power among shareholders since shareholders are the most significant stakeholder.

The position of shareholders as of 30th June 2022 is depicted here on this page aside indicates that the Sponsors & Directors of the Company do not hold major shareholdings that can be influenced for passing any resolutions.

The position allows the general shareholders (individuals & institutions) to play an effective role in protecting their legal corporate rights.

The Company holds regularly as per law the Annual General Meeting with adequate notice and disclosures in the Directors' Report and the Auditors' Report on Accounts/Notes and resolutions are passed with consensus and unanimity. All reasonable and practicable suggestions are implemented with good grace.

All inquiries of the honorable Shareholders 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.



Shareholding as on  
30 June 2022

#### Total Owners

**76,564**  
886,451,010  
shares

General  
Public

**36.57%**  
324,120,944  
shares

Sponsor &  
Director

**34.67%**  
307,342,951  
shares

Foreigners

**13.91%**  
123,325,567  
shares

Institutions

**14.85%**  
131,661,548  
shares

The Shareholders as owners are provided with material information on the Company's operation quarterly and annually. They are also provided routine services by the Company Secretary in any company matters which are permissible.

The Board is however responsible to the Shareholders as well as the investors for the publication of price sensitive information as per regulations of the Bangladesh Securities and Exchange Commission.

A qualified Chartered Secretary is in charge of all these responsibilities as Company Secretary.

The Company has also a website to provide permissible information/notices/ price sensitive information/financial reports/disclosures and others for the Shareholders and interested investors.

#### 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 a 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 owners 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 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 showing a stable policy of distribution (cash outlay) of the accretional wealth (profits) between the current and future generations of shareholders. This would enable the company to enhance its capital wealth and sustain for the perpetuity of existence, benefiting both the present cohorts and the progeny.

#### CORPORATE SOCIALIZATION

In order to play a model role for Good Governance characteristics in the corporate sector, the company has become a member of the country's leading stock exchanges, chambers, and associations namely:

- a. Metropolitan Chamber of Commerce & Industries (MCCI)
- b. Bangladesh Employers' Federation (BEF)
- c. Dhaka Stock Exchange Ltd. (DSE)
- d. Chittagong Stock Exchange Ltd. (CSE)
- e. Bangladesh Association of Publicly Listed Companies (BAPLC)
- f. International Chamber of Commerce Bangladesh (ICCB)
- g. Central Depository Bangladesh Limited (CDBL).

These memberships have provided scope to the company for the improvement of Corporate Governance Practices for the benefit of the shareholders/stakeholders.

## BEYOND THE BORDER

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Corporate social responsibility, an element of Good Corporate Governance, extends 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 it has already set up a modern state-of-art production facility at Kaliakoir, Gazipur.

The company has already secured permission for marketing its products in UK/EU countries.

## RESEARCH AND PRODUCTS DEVELOPMENT

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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 the 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.

## SEGMENT REPORT

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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 drugs for health care for all live species.

## RISK PERCEPTION

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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.

## SECRETARIAL STANDARD

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Square tries its best to maintain the Secretarial Standard on meetings of the Board of Directors, Members (shareholders), Minutes, and Dividend issued by the Institute of Chartered Secretaries of Bangladesh (ICSB).

A qualified Chartered Secretary is in charge maintaining of the Secretarial Standard prescribed by ICSB.

## COMPLIANCES

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Square has established procedures to ensure compliance with all applicable statutory and regulatory requirements.

Respective executives have been assigned and conferred responsibility to ensure proper compliance with applicable laws and regulations.

# Audit Committee Report

For the year 2021-2022



The Audit Committee acts as a sub-committee of the Board of Directors of Square Pharmaceuticals Ltd., assisting in assuring and performing its oversight responsibilities.

## Member of the Committee

Mr. Syed Afzal Hasan Uddin, Independent Director	- Chairman
Mr. Anjan Chowdhury, Non-Executive Director	- Member
Mr. Kazi Iqbal Harun, Non-Executive Director	- Member

Mr. Khandaker Habibuzzaman, Company Secretary of Square Pharma, acts as the Secretary to the Committee.

## Key Responsibilities of the Committee

- Review of the quarterly and annual financial statements of the company and its subsidiaries prepared for statutory purposes and recommend them to the Board for consideration.
- Oversee and monitor the accounting policies and principles, the risk management process, internal control, auditing issues, and the hiring and performance of external auditors.
- Review the Management's Discussion & Analysis and statement of all Related-Party Transactions to confirm that it complies with all applicable statutory laws and regulations.
- Review the adequacy of the internal audit function and oversee the process of financial reporting.
- Carry on a supervisory role to safeguard the systems of governance and independence of statutory auditors and
- Review and consider the report of internal auditors and statutory auditors' observations on internal control.

## Major activities carried out during the year 2021-2022:

- ✓ Reviewed the quarterly and annual financial statements and ensured that the financial statement have been prepared and presented in a manner that is prescribed by prevailing standards and laws.
- ✓ Ensured that the statutory auditors' observations have been duly accounted for while preparing annual financial statements before recommending the same to the Board for consideration.
- ✓ Overseen, reviewed, and approved the procedure and task of the internal audit.
- ✓ Reviewed and made a recommendation to the Board on the appointment and remuneration of the statutory auditors.
- ✓ Reviewed the process and effectiveness of the internal audit, the findings of the internal audit team, and of its corrective actions.

The Committee found adequate arrangements to provide a true and fair view of the operations and financial status and didn't find any significant/material deviations, inconsistencies, or negative findings/observations in the area of reporting.

A handwritten signature in black ink, appearing to be 'Syed Afzal Hasan Uddin', is written over a faint, light-colored rectangular stamp or watermark.

Syed Afzal Hasan Uddin  
Chairman, Audit Committee

11<sup>th</sup> October, 2022



## A. NOMINATION AND REMUNERATION POLICY

### 1.00 Introduction

The Nomination and Remuneration Policy is prepared and adopted in compliance with Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission in view to formulate and recommend proper, fair, transparent and non-discriminatory nomination and remuneration for the Directors and Top Level Executives of the Square Pharmaceuticals Ltd.

The Nomination and Remuneration Policy of Directors and Top Level Executives has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors of Square Pharmaceuticals Ltd.

### 2.00 Definitions

**“NRC or the Committee”** means Nomination and Remuneration Committee

**“the Company”** means Square Pharmaceuticals Ltd.

**“Board”** means Board of Directors of Square Pharmaceuticals Ltd.

**“Director”** means Member of the Board.

**“Top Level Executive”** means the Managing Director or Chief Executive Officer, Additional or Deputy Managing Director, Chief Operating Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and Compliance, Head of Administration and Human Resources or equivalent positions and same level or ranked or salaried officials of the company.

### 3.00 Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been constituted by the Board of Directors of the Company as a subcommittee to assist the Board under the Condition No. 6 of the Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission.

NRC is independent and responsible or accountable to the Board of Directors and to the Shareholders of Company.

The NRC consists of the following Non-Executive Director of the Board:

Name of the Members	Position in the Committee
Mr. Syed Afzal Hasan Uddin Independent Director	- Chairman
Mr. Anjan Chowdhury Director	- Member
Mr. Kazi Iqbal Harun Director	- Member

The Terms of Reference of the NRC have been defined and adopted by the Board of Directors of the Company.

### 4.00 Objective

The objective of the NRC is to oversee, assist and guide the Board of Directors:-

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of Directors and Top Level Executives.
- To devise policy on Board's diversity taking into consideration of age, gender, experience, ethnicity, educational background and nationality.
- To the appointment, fixation of remuneration and removal of Directors and Top Level Executives.
- To formulate the criteria in respect to evaluate performance of the Independent Director and the Board.
- To identify the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria.

- To develop, recommend and review the company's human resources and training policies.
- To retain, motivate and promote talent and to ensure long term sustainability of talented Top Level Executive and create competitive advantage.
- To recommend Code of Conduct for the Chairman and other Members of the Board and Managing Director.
- To Implement and monitor policies and processes regarding principles of corporate governance.

#### 5.00 Nomination and Appointment of Directors and Top Level Executives

The committee is responsible to ensure that the procedures for nomination and appointment of Directors and Top Level Executive are taken place in transparent, rigorous and non-discriminatory way. The committee also responsible to identify and ascertain the combination of age, gender, educational background, experience, knowledge, ethnicity, diversity, nationality and other relevant personal values & attributes for nomination and appointment of Director and Top Level Executives.

#### 6.00 Remuneration for Directors and Top Level Executives

The committee shall oversee, review and make report with recommendation to the Board the level and composition of remuneration is reasonable and sufficient to attract, motivate and retain suitable, dependable and skilled Director and Top Level Executive. They also consider and review the relationship of remuneration to performance is clear and meets appropriate performance benchmarks, remuneration to Director and Top Level Executive involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

#### 7.00 Validation of the Policy

This policy on Nomination and Remuneration of Directors and Top Level Executives of the Company has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors of Square Pharmaceuticals Ltd.

#### 8.00 Amendments to the Policy

The Board preserve the rights to amend and review time to time the provisions of the policy depending on the legal and other requirements or for a bona fide purpose.

### **B. EVALUATION OF PERFORMANCE**

Evaluation of performance of Directors be carried out through completion of a preset confidential questionnaire and/or collective feedback or any other effective criteria adopted by the Board yearly or at such intervals of its work, function and performance as may be considered necessary in order to ascertain the effectiveness and to measure the contribution of the Directors as well as the Top Level Executives of the Company.

### **C. ACTIVITIES OF THE NRC CARRIED OUT DURING THE REPORTING PERIOD**

The NRC carried out the following activities in line with Committee's Terms of Reference during the reporting period:

- i. Reviewed and recommended the Code of Conduct for the Chairman, other Members of the Board and Managing Director.
- ii. Reviewed the Company's existing policy relating to the remuneration of Directors and Top Level Executives.
- iii. Discussed and decided in regard to formulate the criteria of evaluation of performance of the Board and Independent Directors.
- iv. Reviewed the Company's existing Human Resource and Training policies.

# Dividend Distribution Policy

## Square Pharmaceuticals Ltd.



### 1.00 Introduction

The Dividend Distribution Policy is prepared and adopted in compliance with the provisions of the Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January, 2021 of the Bangladesh Securities and Exchange Commission (BSEC) about dividend declaration, pay off, disbursement and compliance.

The Board of Directors (the Board) will consider the directive while declaring/ recommending dividend on behalf of the Company. The Policy is not an alternative to the decision of the Board for declaring/recommending dividend, which takes into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided by the Board.

### 2.00 Definitions

“**the Act**” means Companies Act 1994

“**the Company**” means Square Pharmaceuticals Ltd.

“**AGM**” means Annual General Meeting

“**Board**” means Board of Directors of Square Pharmaceuticals Ltd.

“**Shareholders**” means Members whose name is registered in the Member Register of the Company.

“**Shares**” means Ordinary Equity Shares.

### 3.00 Concept of Dividend

Dividend is the share of the profit that a Company decides to distribute among its Shareholders in proportion to the amount paid-up on shares they hold in the form of Cash and/or Stock (Bonus). The profits earned by the Company can either be retained in the business or can be distributed among the Shareholders as dividend.

### 4.00 Types of Dividend

The Act deals with two types of dividend - Interim and Final.

- **Interim** dividend is the dividend declared by the Board between two AGMs as and when considered appropriate. The Act authorizes the Board to declare interim dividend during any financial year out of the profits for the financial year in which the dividend is sought to be declared and/or out of the surplus in the profit and loss account.
- **Final** dividend is recommended for the financial year at the time of approval of the annual financial statements as well as appropriation of profit. The Board shall have the power to recommend final dividend to the shareholders for their approval at the AGM of the Company. Dividend recommended by the Board of Directors cannot be changed prior to holding of the AGM.

### 5.00 Declaration of Dividend

Subject to the provisions of the Act, dividend shall be declared and paid out of:

- a. Profits of the Company for the year for which the dividend is to be paid after setting off carried over previous losses and depreciation not provided in the previous year(s);
- b. Undistributed profits of the previous financial years after providing for depreciation in accordance with law and remaining undistributed.
- c. Out of a & b both.

Before declaration of dividend, the Company may transfer a portion of its profits to reserves of the Company as may be considered appropriate by the Board at its discretion.

In the event of inadequacy or absence of profits in any financial year, the Company may declare dividend out of free reserves subject to the compliance with the Act and Rules.

### 6.00 Factors Governing Declaration of Dividend

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among the shareholders and amount of profit to be retained in business.

The circumstances for dividend pay-out decision depends on various external and internal factors which the Board of Directors shall consider while recommend/ declaring dividend including the following:

#### 6.01 External Factors:

- The Board shall endeavor to retain a larger portion of profits to build up reserves, in case of Adverse Economic Scenario.
- The Board shall evaluate the market trends in terms of technological changes mandating investments, competition impacting profits, etc., which may require the Company to conserve resources.
- The Board shall consider the restrictions, if any, imposed by the Act and other applicable laws with regard to declaration of dividend in order to ensure compliance with the applicable laws.
- Dividend distribution tax or any tax deduction at source as required by tax regulations, applicable at the time of declaration of dividend may impact the decision with regard to dividend declaration.
- Other factors beyond control of the Management like natural calamities, fire, etc. effecting operations of the Company may impact the decision with regard to dividend declaration.

#### 6.02 Internal Factors:

- Profitability
- Availability and Liquidity of Funds
- Capital Expenditure needs for the existing businesses
- Expansion/Modernization of the business
- Additional investments in subsidiaries/associates of the Company
- Cost of raising funds from alternate sources
- Cost of servicing outstanding debts
- Funds for meeting contingent liabilities
- Mergers and Acquisitions
- Any other factor as deemed appropriate by the Board.

Apart from the above factors, the Board also considers past dividend history and sense of shareholders' expectations while determining the rate of dividend. The Board may additionally recommend special dividend in special circumstances.

### 7.00 Financial Parameters for Declaring Dividend

The Company is committed to deliver sustainable value to its stakeholders. The Company shall strive to distribute an optimal and appropriate level of the profits among the shareholders in the form of dividend.

To keep investment attractive and to ensure capital appreciation for the shareholders, the Company shall also endeavor to provide consistent return over a period of time. While deciding on the dividend, micro and macroeconomic parameters for the country in general and the Company in particular shall also be considered.

Taking into consideration the aforementioned factors, the Board shall endeavor to maintain a dividend pay-out.

### 8.00 Utilization of Retained Earnings

Subject to the provisions of the Act and other applicable laws, retained earnings may be utilized as under:

- Issue of fully paid-up bonus shares
- Declaration of dividend-Interim or Final
- Augmenting internal resources
- Funding for capital expenditure/expansion plans/acquisition;
- Repayment of debt
- Any other permitted use as may be decided by the Board.

### 9.00 Parameters for Various Classes of Shares

Currently, the Company has only one class of shares - Equity Shares. There is no privilege amongst Equity Shareholders of the Company with respect to dividend distribution.

### 10.00 Circumstances Impacting Dividend Payment

The Company has been paying dividend to its shareholders around three decades and shall endeavor to continue with the dividend payment.

Given here in below are some of the circumstances in which shareholders of the Company may or may not expect dividend pay-out:

#### 10.01 May Expect Dividend:

- Adequate profits and liquidity
- Accumulated profits not warranted for immediate business needs.

#### 10.02 May Not Expect Dividend:

- Non availability of profits for dividend distribution

- Funds available for dividend but need to be conserved due to:
  - Business needs;
  - Adverse economic /market scenario expected in near future;
  - Augmenting internal resources.

### 11.00 Disclosure

This Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and on the Company's website [www.squarepharma.com.bd](http://www.squarepharma.com.bd).

If the Company proposes to declare dividend on the basis of any additional parameters apart from those mentioned in the Policy or proposes to change the parameters contained in this Policy, it shall disclose such changes along with the rationale for the same in the Annual Report and on the website.

### 12.00 Effective Date

This Policy has been approved by the Board of Directors of the Company at its meeting held on 1<sup>st</sup> February, 2021 and shall be effective and applicable for dividend, if any, declared for the Financial Year 2020-21 onwards.

### 13.00 Review/Amendment

The Board may amend, abrogate, modify or revise any or all provisions of this Policy. However, amendments in the Act or in the Listing Regulations shall be binding even if not incorporated in this Policy.

# ANNUAL REPORT

Year ended 30 June 2022

## 2021-2022

## Financial profile

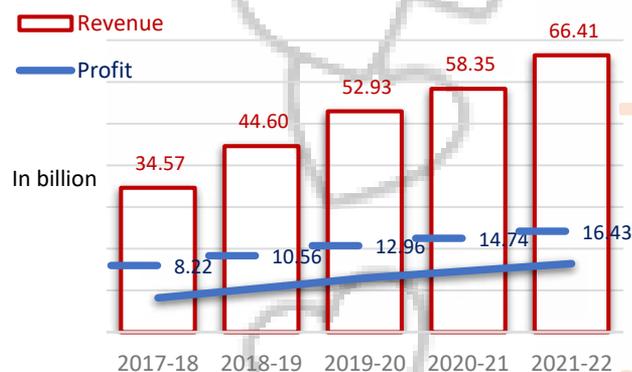
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# INDEPENDENT AUDITOR’S REPORT

## TO THE SHAREHOLDERS OF

### SQUARE PHARMACEUTICALS LIMITED AND ITS SUBSIDIARIES

#### Report on the Audit of the Consolidated and Separate Financial Statements

#### Opinion

We have audited the consolidated financial statements of Square Pharmaceuticals Limited and its subsidiaries (the “Group”) as well as the separate financial statements of Square Pharmaceuticals Limited (the “Company”), which comprise the consolidated and separate statements of financial position as at 30 June 2022 and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flow for the year then ended and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the group and separate financial statements of the company present fairly, in all material respects, the consolidated financial position of the group and the separate financial position of the company as at 30 June 2022, and of its consolidated and separate profit or loss and other comprehensive income and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994, the Securities and Exchange Rules, 2020 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 Group and 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 relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with 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 Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide opinion on these matters.

Risk	Our responses to the risks
<p><b>Revenue Recognition</b></p> <p>The Group reported total revenue of Tk. 66,406,959,950 (including VAT) for the year ended 30 June 2022 which is 14% (Tk. 8,060,701,669) higher than prior year revenue. Revenue consists of Local sales and Export sales.</p> <p>Revenue recognition has significant and wide influence on financial statements. Revenue is recognized when the amounts and the related costs are reliably measured, and the performance obligation is complete through passing of control to the customers. Revenue from local sale (Pharmaceutical Drugs and Medicines, AgroVet Products, Pesticide Products and Herbal &amp; Nutraceutical Products) is recognized at the time of delivery from the depot and Exports (Pharmaceuticals Drugs and Medicines) at the time of delivery from Factory Godown. The sales price is determined considering the effect of rebate, discounts and incentives.</p>	<p>Our procedures included the following to assess this risk:</p> <ul style="list-style-type: none"> <li>• We assessed the appropriateness of revenue recognition accounting policy in line with IFRS 15 Revenue from contracts with customers;</li> <li>• Performed walkthroughs to understand the adequacy and the design of the revenue cycle;</li> <li>• Tested the internal control over financial reporting, we also assessed the existence and accuracy of the sales recorded;</li> <li>• Performed sample tests of individual sales transactions and traced to sales invoices and other related document;</li> </ul>



**AHMED ZAKER & Co.**  
CHARTERED ACCOUNTANTS

Risk	Our responses to the risks
<p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p> <p>We focused on the proper cutoff of sales to the Company's customers. There is a risk of differences between the timing of invoicing of products and the dispatch of the products.</p>	<ul style="list-style-type: none"> <li>• Sent balance confirmations from debtors on sample basis to confirm the accuracy, valuation and existence of balances;</li> <li>• Reconciled between sales report and VAT return (Mushak-9.1). VAT has been paid on Trade Price. Finally assessed the appropriateness and presentation of disclosures against IFRS-15.</li> </ul>
<p>See note no- 3.15 &amp; 23 to the consolidated financial statements</p>	

<b>Property, plant and equipment</b>	
<p>At the reporting date, the carrying value of the Group's property, plant and equipment amounted to Tk. 27,182,672,428 of which (Net book value of PPE Tk. 20,273,491,886; PPE in Transit Tk. 521,564,753; Building under construction Tk. 2,066,237,283 and Capital work in progress Tk. 4,321,378,506). The valuation of property, plant and equipment was identified as a key audit matter due to the significance of this balance to the financial statements.</p> <p>Expenditures are capitalized if they create new or enhance the existing assets, and expensed if they relate to repair or maintenance of the assets. Classification of the expenditures involves judgment. The useful lives of PPE items are based on management's estimates regarding the period during which the asset or its significant components will be used. The estimates are based on historical experience.</p>	<p>Our audit included the following procedure:</p> <ul style="list-style-type: none"> <li>• We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IAS 16 and found them to be consistent;</li> <li>• We evaluated the assumptions made by management in the determination of useful lives to ensure that these are consistent with the principles of IAS 16-Property, Plant and Equipment.</li> <li>• We compared the useful lives of each class of asset in the current year to the prior year to determine whether there are any significant changes in the useful life of assets, and considered the reasonableness of changes based on our knowledge of the business and the industry.</li> <li>• We obtained a listing of capital expenditures incurred during the year and, on a sample basis, checked whether the items were procured based on internal purchase order that had been properly approved by the responsible individuals;</li> <li>• We inspected a sample of invoices and LC documents to determine whether the classification between capital and operating expenditure was appropriate;</li> <li>• We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice;</li> <li>• We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from capital in progress to ready for use, with the date of the act of completion of the work;</li> </ul>
<p>See note no-3.5, 3.6 &amp; 4 to the consolidated financial statements</p>	



**AHMED ZAKER & Co.**  
CHARTERED ACCOUNTANTS

<b>Cash and cash equivalent</b>	
<p>Cash and cash equivalent held by the Group at year end amounted to Tk. 48,962,498,336 which make up 45% of its total assets. We do not consider these cash balances to be at high risk of significant misstatement. However, due to their materiality in the context of the financial statements as a whole, they were one of the areas which was of most significance of resources in planning and completing our audit.</p> <p>Risks associated with Cash and cash equivalent:</p> <ul style="list-style-type: none"> <li>• The Group may not disclose all bank accounts owned by them.</li> <li>• Reconciliation differences between bank balance and cash book balance being misstated.</li> <li>• Material cash floats being omitted or misstated.</li> </ul>	<p>We obtained an understanding of the client and its environment to consider risk related to Cash and cash equivalent.</p> <p>Our audit procedures amongst others included following:</p> <ul style="list-style-type: none"> <li>• Agreement of cash balances to independent confirmations obtained from the financial institutions at which the Company maintains accounts;</li> <li>• Recalculation of the translation of balances held in foreign currencies; and</li> <li>• Confirming reconciling differences calculated by the client are reasonable.</li> </ul> <p>No material misstatements were noted as part of our testing.</p>
See note no-3.10 & 11 to the consolidated financial statements	
<b>Measurement of Deferred Tax Liability</b>	
<p>The Group reported deferred tax liability totaling Taka 1,178,740,290 as at 30 June 2022.</p> <p>Significant judgement is required in relation to deferred tax liability as it is dependent on forecasts of future profitability over a number of years.</p>	<p>We obtained an understanding of the Company's key controls over the recognition and measurement of deferred tax assets and liabilities and the assumptions used in estimating the future taxable expense of the Company. Our audit included the following procedure:</p> <ul style="list-style-type: none"> <li>• We assessed the adequacy of the disclosures setting out the basis of deferred tax liability balances;</li> <li>• We evaluated the reasonableness of key assumptions, timing of reversal of temporary differences and expiration of tax loss carry forwards, recognition and measurement of deferred tax liability;</li> <li>• We assessed the adequacy of the Company's disclosures setting out the basis of deferred tax liability balances and the level of estimation involved;</li> <li>• We also assisted in evaluating the tax implications, the reasonableness of estimates and calculations determined by management; and</li> <li>• Finally assessed the appropriateness and presentation of disclosures as per IAS 12 Income Taxes.</li> </ul>
See note no-3.19 & 17 to the consolidated financial statements	
<b>Valuation of inventory</b>	
<p>The inventory of Tk. 8,214,111,144 at 30 June 2022 held in warehouses, depots and factory premises of the Group.</p> <p>In order to carry inventory at the lower of cost and net realizable value, management has identified slow moving, obsolete and damaged inventories and made adjustments to the carrying value of these items, the calculation of which requires certain estimates and assumptions.</p>	<p>Our procedures included the following to assess inventory valuation:</p> <ul style="list-style-type: none"> <li>• Evaluating the design and implementation of key inventory controls operating across the factory and warehouse;</li> <li>• Attending inventory counts and reconciling the count results to the inventory listing to test the completeness of data;</li> <li>• Testing, on a sample basis, the stock aging profile and the market price used in assessing the net realizable values of inventories to the related supporting documents;</li> </ul>



<b>Valuation of inventory (cont.)</b>	
Inventory value is calculated in entity's accounting system using an automated process. Manual process requires interfaces and inputs, there is a risk of inappropriate management override and chances of error exist.	<ul style="list-style-type: none"> <li>Comparing the net realizable value obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories.</li> </ul>
See note no- 3.11 & 8 to the consolidated financial statements	

#### **Other Matter**

The financial statements of the Group as at and for the year ended June 30, 2021 were audited by another auditor, who expressed an unmodified opinion on those statements.

The accounting year of the subsidiary companies- Square Pharmaceuticals Kenya EPZ Limited and Square Lifesciences Limited, ends on the same date as of the Company. The Financial Statements of Square Lifesciences Limited was audited by another auditor and expressed unmodified opinion on those statements. The Financial Statements of Square Pharmaceuticals Kenya EPZ Limited was audited by another auditor and also expressed unmodified opinion on those statements.

#### **Other Information**

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements and Internal Controls**

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group in accordance with IFRSs, the Companies Act, 1994, the Securities and Exchange Rules, 2020 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the 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 governance are responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and event in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statement we are responsible for the direction, supervision and performance of the audit. We solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act, 1994, and the Securities and Exchange Rules, 2020 and relevant notifications issued by Bangladesh Securities and Exchange Commission, 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 accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books;
- c) the consolidated and separate statements of financial position, statement of profit or loss & other comprehensive income and statement of changes in equity and statement of cash flows of the Group and the Company dealt with by the report are in agreement with the books of account and returns and
- d) the expenditure was incurred for the purpose of the Company's business.

**Md. Shafiqul Alam, FCS, FCA**  
Enrolment number: 603  
Partner  
Ahmed Zaker & Co.  
Chartered Accountants

27 October 2022, Dhaka  
DVC: 2210270603AS781231

# SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022

Particulars	Notes	Amount in Taka	
		30 June 2022	30 June 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>		<b>47,641,000,829</b>	<b>40,375,882,875</b>
Property, Plant and Equipment	4	27,182,672,428	22,884,103,636
Investment in Associates	5	11,105,181,456	9,277,247,222
Investment in Marketable Securities	6	4,346,770,865	4,624,331,706
Long Term Investment - Others	7	5,006,376,080	3,590,200,311
<b>Current Assets</b>		<b>62,347,727,888</b>	<b>55,076,379,705</b>
Inventories	8	8,214,111,144	7,245,396,928
Trade and Other Receivables	9	3,395,080,462	2,916,178,759
Advances, Deposits and Prepayments	10	1,776,037,947	1,550,765,014
Cash and Cash Equivalents	11	48,962,498,336	43,364,039,004
<b>TOTAL ASSETS</b>		<b>109,988,728,717</b>	<b>95,452,262,580</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity</b>		<b>103,452,979,750</b>	<b>90,894,643,168</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
Fair Value Reserve	12	830,615,740	1,139,626,144
Translation Reserve	13	8,998,071	(285,055)
Retained Earnings	14	91,607,512,639	78,749,448,779
Non Controlling Interests	15	469,632	500,000
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>103,453,449,383</b>	<b>90,895,143,168</b>
<b>Non-Current Liabilities</b>		<b>2,873,450,552</b>	<b>1,378,560,486</b>
Loans and Borrowings	16.1	1,694,710,262	103,707,469
Deferred Tax Liabilities	17	1,178,740,290	1,274,853,017
<b>Current Liabilities</b>		<b>3,661,828,783</b>	<b>3,178,558,926</b>
Loans and Borrowings	16.2	200,000,000	-
Trade Payables	18	636,003,309	666,167,204
Other Payables	19	1,603,882,464	1,381,501,832
Income Tax Payable	20	911,504,873	572,675,072
Accrued Expenses	21	180,802,107	183,049,079
Unclaimed Dividend	22	129,636,029	375,165,739
<b>TOTAL LIABILITIES</b>		<b>6,535,279,335</b>	<b>4,557,119,412</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>109,988,728,717</b>	<b>95,452,262,580</b>
<b>Net Assets Value (NAV) per Share</b>	<b>32</b>	<b>116.70</b>	<b>102.54</b>
Number of Shares used to compute NAV		<b>886,451,010</b>	<b>886,451,010</b>

The annexed notes (1-36) form an integral part of these financial statements.

Signed as per our separate report of same date.



**Samuel S Chowdhury**  
Chairman

27 October 2022, Dhaka  
DVC: 2210270603AS781231



**Tapan Chowdhury**  
Managing Director



**Khandaker Habibuzzaman**  
Company Secretary



**Md. Shafiqul Alam, FCS, FCA**  
Enrolment number:603  
Partner  
Ahmed Zaker & Co.  
Chartered Accountants

# SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2022

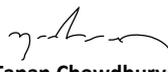
Particulars	Notes	Amount in Taka	
		2021-2022	2020-2021
<b>Gross Revenue</b>	23	<b>66,406,959,950</b>	<b>58,346,258,281</b>
Less: Value Added Tax		8,809,018,591	7,643,229,379
<b>Net Revenue</b>		<b>57,597,941,359</b>	<b>50,703,028,902</b>
Cost of Goods Sold	24	(27,958,026,980)	(24,800,035,555)
<b>Gross Profit</b>		<b>29,639,914,379</b>	<b>25,902,993,347</b>
<b>Operating Expenses:</b>		<b>(11,841,554,391)</b>	<b>(9,781,417,516)</b>
Selling and Distribution Expenses	25	(10,439,270,466)	(8,564,472,484)
Administrative Expenses	26	(1,402,254,167)	(1,216,931,589)
Finance Cost		(29,757)	(13,443)
Other Operating Income	27	584,184,496	136,358,713
<b>Profit from Operations</b>		<b>18,382,544,485</b>	<b>16,257,934,544</b>
Other Income	28	3,441,678,744	3,348,769,031
<b>Profit before WPPF &amp; WF</b>		<b>21,824,223,229</b>	<b>19,606,703,574</b>
Allocation for WPPF & WF		(1,051,227,994)	(937,796,627)
<b>Profit before Tax</b>		<b>20,772,995,235</b>	<b>18,668,906,947</b>
<b>Income Tax Expenses:</b>	29	<b>(4,607,063,271)</b>	<b>(4,012,667,932)</b>
Current Tax (Expense)		(4,618,549,626)	(4,187,481,946)
Deferred Tax (Expense) / Income		11,486,354	174,814,014
<b>Profit after Tax</b>		<b>16,165,931,964</b>	<b>14,656,239,015</b>
Profit from Associate Undertakings	30	2,010,807,588	1,291,211,707
<b>Net Profit after Tax</b>		<b>18,176,739,552</b>	<b>15,947,450,722</b>
<b>Other Comprehensive Income:</b>		<b>(309,010,404)</b>	<b>1,532,431,867</b>
Net Unrealised Gain/(Loss) on FVOCI Financial Assets		(309,010,404)	1,532,431,867
Unrealised Gain/(Loss) during the Period	31	(393,636,776)	1,769,170,100
Deferred Tax (Expense) / Income	17.2	84,626,372	(236,738,233)
Foreign Operation Translation Gain/(Loss)	13.1	9,283,126	17,793,379
<b>Other Comprehensive Income (Net of Tax)</b>		<b>(299,727,278)</b>	<b>1,550,225,246</b>
<b>Total Comprehensive Income for the Year</b>		<b>17,877,012,274</b>	<b>17,497,675,968</b>
<b>Net Profit Attributable to:</b>			
Equity Holders of the Company		18,176,769,919	15,947,450,722
Non Controlling Interest		(30,368)	-
		<b>18,176,739,552</b>	<b>15,947,450,722</b>
<b>Total Comprehensive Income Attributable to:</b>			
Equity Holders of the Company		17,877,042,642	17,497,675,968
Non Controlling Interest		(30,368)	-
		<b>17,877,012,274</b>	<b>17,497,675,968</b>
<b>Earnings Per Share (EPS)</b>	33	<b>20.51</b>	<b>17.99</b>
Number of Shares used to compute EPS		886,451,010	886,451,010

The annexed notes (1-36) form an integral part of these financial statements.

Signed as per our separate report of same date.



**Samuel S Chowdhury**  
Chairman



**Tapan Chowdhury**  
Managing Director



**Khandaker Habibuzzaman**  
Company Secretary



**Md. Shafiqul Alam, FCS, FCA**  
Enrolment number:603  
Partner  
Ahmed Zaker & Co.  
Chartered Accountants

27 October 2022, Dhaka  
DVC: 2210270603AS781231

# SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARIES

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

Particulars	Share Capital	Share Premium	General Reserve	Tax Exemption Reserve	Fair Value Reserve	Translation Reserve	Retained Earnings	Non Controlling Interest	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
<b>As At 30 June 2021</b>	8,864,510,100	2,035,465,000	105,878,200	-	1,139,626,144	(285,055)	78,749,448,779	500,000	<b>90,895,143,168</b>
Net Profit after Tax	-	-	-	-	-	-	18,176,769,920	(30,368)	18,176,739,552
Other Comprehensive Income (Net of Tax)	-	-	-	-	(309,010,404)	9,283,126	-	-	(299,727,278)
Cash Dividend (2020-2021)	-	-	-	-	-	-	(5,318,706,060)	-	(5,318,706,060)
<b>As At 30 June 2022</b>	<b>8,864,510,100</b>	<b>2,035,465,000</b>	<b>105,878,200</b>	<b>-</b>	<b>830,615,740</b>	<b>8,998,071</b>	<b>91,607,512,639</b>	<b>469,632</b>	<b>103,453,449,383</b>

## FOR THE YEAR ENDED 30 JUNE 2021

Particulars	Share Capital	Share Premium	General Reserve	Tax Exemption Reserve	Fair Value Reserve	Translation Reserve	Retained Earnings	Non Controlling Interest	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
<b>As At 30 June 2020</b>	8,442,390,580	2,035,465,000	105,878,200	2,211,743,936	(452,626,946)	(18,078,434)	64,980,297,214	-	<b>77,305,069,550</b>
Deferred Tax for Financial Assets	-	-	-	-	59,821,223	-	-	-	59,821,223
<b>As 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>(392,805,723)</b>	<b>(18,078,434)</b>	<b>64,980,297,214</b>	<b>-</b>	<b>77,364,890,773</b>
Net Profit after Tax	-	-	-	-	-	-	15,947,450,722	-	15,947,450,722
Other Comprehensive Income (Net of Tax)	-	-	-	-	1,532,431,867	17,793,379	-	-	1,550,225,246
Issue of Share Capital	-	-	-	-	-	-	-	500,000	500,000
Transfer to Retained Earnings	-	-	-	(2,211,743,936)	-	-	2,211,743,936	-	-
Cash Dividend (2019-2020)	-	-	-	-	-	-	(3,967,923,573)	-	(3,967,923,573)
Stock Dividend (2019-2020)	422,119,520	-	-	-	-	-	(422,119,520)	-	-
<b>As At 30 June 2021</b>	<b>8,864,510,100</b>	<b>2,035,465,000</b>	<b>105,878,200</b>	<b>-</b>	<b>1,139,626,144</b>	<b>(285,055)</b>	<b>78,749,448,779</b>	<b>500,000</b>	<b>90,895,143,168</b>

The annexed notes form an integral part of these financial statements

  
Samuel S Chowdhury  
Chairman

Dhaka, 27 October 2022

  
Tapan Chowdhury  
Managing Director

  
Khandaker Habibuzzaman  
Company Secretary

# SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2022

Particulars	Notes	Amount in Taka	
		2021-2022	2020-2021
<b>Cash Flows Generated from/(Used in) Operating Activities:</b>			
Receipts from Customers		65,933,878,865	58,068,806,641
Receipts from Others		126,812,094	118,537,198
Payments to Suppliers		(21,562,374,334)	(19,213,962,671)
Payments for Manufacturing and Operating Expenses		(17,322,405,670)	(14,884,472,209)
Payment of Value Added Tax		(8,809,018,591)	(7,643,229,379)
Cash Generated from Operating Activities		18,366,892,365	16,445,679,581
Interest Paid		(29,757)	(13,443)
Payment of Income Tax		(4,494,255,593)	(4,594,942,869)
Payment to WPPF & WF		(937,796,627)	(859,269,098)
Others		(60,118,819)	(15,114,060)
<b>Net Cash Generated from Operating Activities</b>		<b>12,874,691,569</b>	<b>10,976,340,111</b>
<b>Cash Flows from/(Used in) Investing Activities:</b>			
Acquisition of Property, Plant and Equipment		(6,183,191,295)	(3,798,315,053)
Proceeds from Sale of Property, Plant and Equipment	35	130,700,166	80,127,085
Long Term Investment		(1,416,175,769)	(798,199,427)
Investment in Marketable Securities		213,339,812	(74,328,437)
Interest Received		2,890,660,506	2,893,486,926
Dividend Received		395,011,790	419,626,799
Short Term Loan		-	4,884,338,757
<b>Net Cash Used in Investing Activities</b>		<b>(3,969,654,789)</b>	<b>3,606,736,651</b>
<b>Cash Flows from/(Used in) Financing Activities:</b>			
Payment of Dividend		(5,564,235,770)	(3,923,189,557)
Issue of Share Capital (Non Controlling Interest)		-	500,000
Term Loan Received		1,791,002,793	103,707,469
<b>Net Cash Used in Financing Activities</b>		<b>(3,773,232,977)</b>	<b>(3,818,982,088)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents		5,131,803,804	10,764,094,673
Net Effect of Foreign Exchange Fluctuation on Cash and Cash Equivalent		466,655,528	35,614,893
Cash and Cash Equivalents as at 30 June 2021		43,364,039,004	32,564,329,438
<b>Cash and Cash Equivalents as at 30 June 2022</b>		<b>48,962,498,336</b>	<b>43,364,039,004</b>
<b>Net Operating Cash Flow (NOCF) per Share</b>	34	<b>14.52</b>	<b>12.38</b>
Number of Shares used to compute NOCF per Share		886,451,010	886,451,010
The annexed notes form an integral part of these financial statements		-	-



**Samuel S Chowdhury**  
Chairman

Dhaka, 27 October 2022



**Tapan Chowdhury**  
Managing Director



**Khandaker Habibuzzaman**  
Company Secretary

# SQUARE PHARMACEUTICALS LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

## 1. CORPORATE PROFILE

### 1.1 The Group

Square Pharmaceuticals Ltd. ('SPL'/'the Company') is registered as a pharmaceuticals manufacturer under the Companies Act, 1913. It is the parent of a group of three companies. The two subsidiaries in the group are Square Lifesciences Ltd. ('SLL') and Square Pharmaceuticals Kenya EPZ Ltd. ('SPKEL').

The Company and its subsidiaries ('The Group') are engaged in the pharmaceuticals industry covering cross-border markets across the globe while the Company's associate companies are primarily in various sectors such as yarn manufacturing, knitting, dyeing, manufacturing of garments, hospitals, diagnostic and pathological laboratories, etc.

### 1.2 Address of Registered Office and Factories

The Company's registered office is situated at 'Square Centre', 48 Mohakhali Commercial Area, Dhaka-1212, Bangladesh. Address of the Company and its subsidiary's factories are as follows:

Square Pharmaceuticals Ltd.	1) Pabna Site: Square Road, Salgaria, Pabna, Bangladesh.
	2) Dhaka Site: Kaliakoir, Gazipur, Bangladesh.
Square Pharmaceuticals Kenya EPZ Ltd.	Athi River EPZ, Ketengala, Machakoas Country, Nairobi
Square Lifesciences Ltd.	Patikabari, Hemayetpur, Pabna Sadar, Pabna, Bangladesh.

### 1.3 Nature of Business

#### Reporting Entity

The main activities of the Company are to manufacture and market generic pharmaceutical products, basic chemical products and animal health products. Additionally, the Company is engaged in the marketing of pesticide products.

#### Subsidiaries

##### i) Square Pharmaceuticals Kenya EPZ Ltd.

The company is registered for the manufacturing, marketing and distribution of pharmaceuticals products.

##### ii) Square Lifesciences Ltd.

The company is engaged in manufacturing and marketing generic pharmaceutical products.

## 2. Basis of Preparation of Financial Statements

### 2.1 Statement of Compliance

These consolidated financial statements as at and for the year ended 30 June 2022 have been prepared in accordance with International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) as adopted by the Financial Reporting Council (FRC), the Companies Act, 1994, the Bangladesh Securities and Exchange Rules, 2020 and the Financial Reporting Act, 2015 and other relevant local laws as applicable.

These consolidated financial statements have been prepared on accrual and going concern basis.

The consolidated financial statements for the year ended 30th June 2022 were approved by the Board of Directors and authorized for issue on 20 October 2022.

### 2.2 Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis except for inventories (measured at lower of cost or net realizable value), investment in marketable securities (measured at fair value) and trade receivables which have been measured at net realizable value.

### 2.3 Functional and Presentation Currency

The financial statements are presented in Bangladeshi Taka (Taka/Tk/BDT), being both the functional and presentation currency of Square Pharmaceuticals Ltd., the parent company, unless specifically mentioned otherwise. All amounts have been rounded off to the nearest Taka unless otherwise indicated.

## 2.4 Estimates and Judgements

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively. The Company also evaluates its control over its subsidiaries and associates based on De-facto control.

## 2.5 Going Concern

The Group reviews the available resources periodically to assess whether there exists any going concern threat. As of the end of the reporting period on 30 June 2022, the Group assessed that the existing resources of the Group are adequate and the Group has no going concern threat in the foreseeable future. As such, these financial statements have been prepared on a going concern basis.

## 2.6 Application of IFRSs & IASs

The applicable IASs and IFRSs for the preparation and presentation of these Financial Statements for the year under review are as follows:

IFRS 3 – Business Combinations	IAS 12 – Income Taxes
IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations	IAS 16 – Property, Plant and Equipment
IFRS 7 – Financial Instruments: Disclosures	IAS 19 – Employee Benefits
IFRS 8 – Operating Segments	IAS 21 – The Effects of Changes in Foreign Exchange Rates
IFRS 9 – Financial Instruments	IAS 23 – Borrowing Costs
IFRS 10 – Consolidated Financial Statements	IAS 24 – Related Party Disclosures
IFRS 12 – Disclosure of Interests in Other Entities	IAS 27 – Separate Financial Statements
IFRS 13 – Fair Value Measurement	IAS 28 – Investment in Associates and Joint Ventures
IFRS 15 – Revenue from Contracts with Customers	IAS 32 – Financial Instruments: Presentation
IFRS 16 – Leases	IAS 33 – Earnings per Share
IAS 1 – Presentation of Financial Statements	IAS 36 – Impairment of Assets
IAS 2 – Inventories	IAS 37 – Provisions, Contingent Liabilities and Contingent Assets
IAS 7 – Statement of Cash Flows	IAS 38 – Intangible Assets
IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors	IAS 39 – Financial Instruments: Recognition and Measurement
IAS 10 – Events after the Reporting Period	IAS 40 – Investment Property

## 3. Significant Accounting Policies

Accounting policies set out below have been applied consistently to all periods presented in these financial statements. Comparative information has been rearranged wherever considered necessary to conform to the current year's presentation.

### 3.1 Basis of Consolidation

#### a) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The consolidated financial statements of the Group and its subsidiaries have been combined on a line-by-line basis by grouping together similar items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealized profits or losses, unless cost cannot be recovered.

Subsidiaries	No. of Shares	% Holding	Year End
Square Pharmaceuticals Kenya EPZ Ltd.	4,000,000	100.00%	30 June 2022
Square Lifesciences Ltd.	9,995,000	99.95%	30 June 2022

### b) Non-Controlling Interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Movements in NCI are shown in Note-15.

Subsidiaries	No. of Shares	% Holding
Square Pharmaceuticals Kenya EPZ Ltd.	-	-
Square Lifesciences Ltd.	5,000	0.05%

### c) Equity-Accounted Investees

The Group's interests in equity accounted investees comprise interests in associates. An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognized at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence or joint control ceases. Shareholding in associates and summarized financial information of the associates are presented in Note – 5 of notes to the consolidated financial statements.

### d) Elimination on Consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated while consolidating. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

## 3.2 Current versus Non-Current Classification

The classification of assets and liabilities as current and non-current has been made as per the Group's conventional operating cycle and other criteria as prescribed by IAS 1 – Presentation of Financial Statements.

#### Assets:

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended to be sold or consumed in, the companies' normal operating cycle;
- it is held primarily for the purpose of trading;
- it is expected to be realized within twelve months after the reporting period; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

#### Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the companies' normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within twelve months after the reporting period; or
- the companies do not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets and liabilities include the current portion of non-current assets and liabilities respectively. All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are always classified as non-current.

### 3.3 Property, Plant and Equipment

#### Initial Recognition and Measurement

Property, plant and equipment (PPE) are initially recorded at cost of purchase or construction. Cost includes directly attributable expenses related to the acquisition of the assets including import duties, non-refundable VAT/taxes, duties and any cost incurred in preparing the asset for intended use by the Company. In case of self-constructed assets, the cost includes cost of material, direct labor and other directly attributable costs to complete the assets and make them ready for the intended use.

#### Subsequent Measurements

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses (if any). Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. The carrying amount of the replaced part is derecognized. Cost of day-to-day servicing of PPE is recognized in profit or loss as incurred.

#### Depreciation

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 – Non-current Assets Held for Sale and Discontinued Operations and the date that the asset is derecognized. Freehold land is not depreciated as it is deemed to have an infinite useful life.

The Group has adopted the reducing balance method to charge depreciation on all of its Depreciable Assets. Rates at which various classes of Depreciable Assets are depreciated are given below:

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

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

#### Derecognition

Assets are derecognized at the time of disposal or when no further economic benefits are expected. On disposal, the cost and related accumulated depreciation and impairments are removed from the financial statements and the net amount, less any proceeds, is taken to the statement of profit or loss.

### 3.4 Intangible Assets

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment loss if any. Intangible assets are recognized when all the conditions for recognition as per IAS 38 – Intangible Assets are met. The cost of an intangible asset comprises its purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. There were no internally developed intangible assets during the year.

### 3.5 Property, Plant and Equipment in Transit

These represent property, plant and equipment that are yet to become available for the intended use by the company as of the reporting date. These assets are mostly imported equipment that has already been dispatched by the provider but has not been received by the companies as of the reporting date.

### 3.6 Capital Work-in-Progress

Capital work-in-progress consists of cost incurred for the acquisition and/or construction of items of property, plant and equipment that are yet to become available for use. Spare Parts that are expected to be used for more than one year are treated as capital work in progress. In the case of import of components, capital work in progress is recognized when risks and rewards associated with such assets are transferred to the Company.

### 3.7 Impairment

Assessment for any indication of impairment of any of the assets is conducted annually to evaluate whether that asset is impaired or not. If any such indication exists, the asset's recoverable amount is estimated and compared to its carrying value.

When the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, an impairment loss is recognized immediately in profit or loss, unless the asset is carried at a revalued amount in which case the impairment loss is recognized as a decrease in revaluation. During the reporting year, no indication of impairment of any assets was found.

### 3.8 Investment Property

Investment property comprises non-owner occupied property (lands and/or buildings) held with the intention of earning rental income or capital appreciation or both. An investment property is measured initially at cost. For subsequent measurement, the Group uses the cost model as its accounting policy for all investment properties. Under the cost model, investment property is measured at cost less accumulated depreciation and any accumulated impairment losses. However, fair value is disclosed as per the requirement of IAS 40 – Investment Property.

Investment property is derecognized when disposed of or when no future economic benefits are expected from the disposal. Any gain or loss arising from derecognition of the property is recognized in the statement of profit or loss in the period in which the property is derecognized.

The Group has no investment property as of the reporting date.

### 3.9 Foreign Currency Transactions

Transactions in foreign currencies are recorded in the Company's functional currency at the exchange rates prevailing on the respective date of such transactions as suggested by IAS 21 – The Effects of Changes in Foreign Exchange Rates. Monetary assets and liabilities in foreign currencies are converted into Taka at the spot exchange rate at the reporting date. Gains or Losses from foreign currency transactions are reported on a net basis within other operating income or selling and distribution expenses. These primarily include exchange differences arising from the settlement or translation of monetary items.

#### Foreign Operations:

The assets and liabilities of the Group's foreign operations are translated to BDT using exchange rates at period end. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuated significantly during that period, in which case the exchange rate on the transaction date is used. Exchange rate differences are recognized through other comprehensive income and accumulated in a separate category of equity - 'Translation Reserve'. This accumulated amount will be recognized in profit or loss at the time of the disposal of the foreign operation.

The financials of Square Pharmaceuticals Kenya EPZ Ltd. have been drawn in KHS (Kenyan Shilling) as reporting currency in Kenya. These financials, later, are converted in BDT to consolidate with the Financials of Square Pharmaceuticals Ltd. Bangladesh (parent company). Conversion rates used:

1 USD = BDT 92.50 (Closing), BDT 89.175 (Average)

1 KHS = BDT 0.794 (Closing), BDT 0.790 (Average)

### 3.10 Financial Instruments

#### 3.10.1 Financial Assets

##### a) Investments in Marketable Securities

Investments in Marketable Securities are measured at fair value. Unrealized gains or losses on these financial assets are recognized in 'Other Comprehensive Income'. At the time of derecognition, related gains or losses are reclassified to 'Profit or Loss' from 'Other Comprehensive Income'.

##### b) Long Term Investment - Others

Investment in other long-term financial assets may include investment in various types of assets like Unquoted Shares, Preference Shares, Zero Coupon Bonds, and Subordinated Bonds, etc. These investments are initially recognized at cost plus any directly attributable transaction costs and subsequently at amortized cost. Gains or Interest income on these assets are recognized in the Statement of Profit or Loss. In case of any impairment of such assets, the amortized cost is adjusted to the extent of impairment and the loss is charged in the Statement of Profit or Loss for the relevant financial year.

##### c) Trade and Other Receivables

Trade receivables represent the amount due from customers arising from transactions in the ordinary course of business. Other receivables consist of interest and gains that are yet to be received from investments. The aging calculation is prepared to assess the probability of non-recovery of any receivables.

Receivables are initially recognized at face value and subsequently assessed for recoverability, and are reported accordingly. The Group regularly assesses whether provision for bad debt is required and if needed, accounts for it.

##### d) Advances, Deposits and Prepayments

- Advances are recognized initially at actual cost and deductions or adjustments are accounted for in a timely and suitable manner.
- Deposits are payments made for specific purposes which are expected to be realized or recovered in the ordinary course of the business.
- After initial recognition at cost, prepayments are carried at cost less the amount charged for respective periods.

##### e) Cash & Cash Equivalents

Cash and cash equivalents comprise cash in hand, in transit and at banks on current and deposit accounts which are readily convertible to a known amount of cash, subject to an insignificant risk of changes in value, and used by the Group without any restrictions except for the 'Dividend Account' and the 'Export Retention Quota Accounts'. Bank overdrafts that are repayable on demand are treated as cash and cash equivalents.

#### 3.10.2 Financial Liabilities

##### a) Long Term Loans – Secured

Square Lifesciences Ltd. and Square Pharmaceuticals Kenya EPZ Ltd. took loans from Standard Chartered Bank, Bangladesh and Standard Chartered Bank, Kenya respectively as part of their long-term financial plan. The particulars of the loan are mentioned in Note – 16 of the notes to the consolidated financial statements.

##### b) Trade and Other Payables

Trade payables include amounts due to suppliers and other relevant parties in relation to the operating activities while other payables consist of amounts payable to all the other parties not directly related to the operation of the Group. These payables are recognized initially at fair value less any directly attributable transaction costs and subsequently measured at amortized cost using the effective interest method.

**3.11 Inventories**

Except for Goods-in-Transit, which is measured at cost, all other components of inventories are measured at lower of cost and net realizable value. Net realizable value is derived by deducting any expenses incurred to make the sale from the estimated selling price in the ordinary course of business. Any obsolete stock or abnormal loss incurred are recognized as expenses in the respective period.

Cost of raw materials and consumable spare parts are determined based on the weighted average method. Work-in-process is stated at cost to complete of respective products. Cost comprises purchase costs, conversion costs and other costs incurred in bringing them to their existing location and condition. Conversion costs include systematically allocated production overheads that are incurred in converting raw materials into finished goods.

Goods-in-Transit represents the cost incurred till the reporting date for the items of inventories that are yet to be received.

Spare goods consist of spare and replacement parts and supplies used in or to facilitate the production of finished goods in the ordinary course of business but do not include raw materials, work-in-process or packaging materials.

**Impact of Fire Incident:**

On 23rd May 2022, the Large Volume Parenteral (LVP) plant at the factory premises in Gazipur was heavily damaged by a fire that left the plant in a dilapidated condition with zero casualties. The plant was fully insured under the Industrial All Risk Policy coverage. The total insured value of the inventories was Tk. 16 crore. The Company has claimed the entire damage amount, but the insurers have not completed the assessment of claim as of the approval date of these financial statements. The breakdown of the insurance claim on inventories is as follows (as per the insurance policy):

<b>Inventories:</b>	
Raw Materials	55,194,724
Packing Materials	100,464,044
Work-in-Process	1,408,630
Finished Goods	6,528,805
<b>Total</b>	<b><u>163,596,203</u></b>

Any gain or loss out of the insurance claim will be recognized in the financial statements after the claim settlement.

**3.12 Employee Benefits****a) Short-term Benefits**

Short-term benefits consist of wages, salaries, allowances and bonuses. These obligations are recognized and expended in the respective periods when the related services are obtained. Any amount not paid is recognized as a liability (undiscounted) at the end of the year.

**b) Gratuity Fund**

The Company has established a gratuity fund as a defined benefit plan for its permanent employees that is approved by the National Board of Revenue (NBR). The Company contributes a reliably estimated amount to the fund annually. The Company recognizes the total contribution to the fund as an expense in the statement of profit or loss.

**c) Recognized Provident Fund**

The Company maintains a provident fund recognized by NBR for its permanent employees. This fund is managed by a Board of Trustees. Upon confirmation, each of the employees is required to become a member of the fund by contributing 10% of their basic salary. The Company makes a similar contribution. The total contribution is invested separately from the Company's assets by the Board of Trustees following the rules and regulations of the Bangladesh Labor Act, 2006 (amended in 2018).

The Company recognizes the contribution as an expense when the conditions are met. The legal and constructive obligation is limited to the amount the Company agrees to contribute to the fund.

**d) Group Insurance Policy**

The employees are insured under a group insurance policy. The premium of the insurance is fully paid by the Company and the amount is charged to the statement of profit or loss.

**e) Workers Profit Participation Fund and Welfare Fund**

The Company allocates 5% of net profit before tax after charging such expenses as Allocation to Workers Profit Participation Fund and Welfare Fund in accordance with the Bangladesh Labor Act, 2006 (amended in 2018). The allocated amount is transferred to the 'Workers Profit Participation Fund' and 'Welfare Fund' accordingly.

Square Lifesciences Limited and Square Pharmaceuticals Kenya EPZ Limited are yet to establish any such funds or policy mentioned above as they have not yet commenced operation.

**3.13 Provisions & Contingencies**

Provisions are made considering risks and uncertainties at reliable estimates of the probable outflow of resources that would be required to settle current obligations. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities and assets are current or possible obligations on liabilities or assets, arising from past events and the 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. No contingent liabilities were recognized in the consolidated financial statements.

**3.14 Related Party Disclosures**

As per IAS 24 – Related Party Disclosures, parties are considered to be related if one of the parties can control the other party or exercise significant influence over the other party in making financial and operating decisions. The Group carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in Note – 36 of the notes to the consolidated financial statements.

**3.15 Operating Income**

**a) Revenue from Contracts with Customers**

Revenue is recognized for local sales of Pharmaceutical Drugs and Medicines, AgroVet Products, Pesticide Products and Herbal & Nutraceutical Products at the time of delivery from the 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. Revenue is recognized when goods are supplied to external customers against orders received, title and risk of loss are transferred to the customer, and reliable estimates can be made that relevant obligations have been fulfilled, such that the earnings process is regarded as being completed.

**b) Export Incentives**

Export entitlements from government authorities are recognized in the statement of profit or loss as other operating income when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

**3.16 Other Income**

**a) Interest Income**

Interest income comprises interest on financial instruments maintained with financial institutions and others. The amount of interest income is recognized on an accrual basis with reference to the effective interest rate method as per IFRS 9 – Financial Instruments.

**b) Dividend Income**

Dividend income arises from marketable securities and equity investments in other entities. Dividend income is recognized when the right to receive the dividend is established.

**c) Other Income**

Other income consists of gains or losses from various investments, profits or losses on disposal of assets etc. The associated cash flows are classified as investing activities in the statement of cash flows.

**3.17 Leases**

The Company entered into rental (lease) agreements with lessors to use floor spaces for business purposes. It does not include any machinery, software, vehicles etc. These rental agreements are one-year cancellable contracts (by both parties with three months' notice period). The contracts do not offer any buying option, commitment to buy or any assurance of post-use minimum market price for the used floor spaces.

IFRS 16 – Leases dictates that leases with shorter contract tenor and an immaterial amount of rental expenses with respect to total revenue shall not be considered as a finance lease. As such, the lease agreements the Company entered into are not treated as finance leases.

Contract Period	Amount of Rental Expenses	% of Total Revenue
01 Year	BDT 45,973,125	0.0692%

Payments associated with these (short-term) leases are recognized on a straight-line basis as an expense in the statement of profit or loss.

**3.18 Borrowing Cost:**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are treated as direct cost and are considered as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred. The capitalization of borrowing cost is suspended when the activities necessary to prepare the qualifying asset are deferred / interrupted for significant period of time.

Borrowing costs are defined as interest and other costs incurred in connection with the borrowing of funds. IAS 23: Borrowing Costs implies that 'borrowing costs' that are directly attributable to the acquisition, construction or production of a qualifying asset should be capitalized as part of the cost of that asset. An asset will be a 'qualifying asset' if it takes a substantial period of time to get it ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred. The capitalization of borrowing cost is suspended when the activities necessary to prepare the qualifying asset are deferred / interrupted for significant period of time.

**3.19 Income Tax Payable**

**Current Tax**

Current tax for the period is the expected tax payable based on the taxable income and relevant tax rate for the year. Taxable income differs from accounting income for several reasons like items that may never be taxable or deductible for tax purposes and other items which may be deductible or taxable in different periods. Being a publicly traded pharmaceuticals company, the applicable tax rate for SPL is 22.5% for the reporting period (1st July 2021 – 30th June 2022).

**Deferred Tax**

Deferred tax arises due to the temporary differences between the carrying amounts and tax bases of assets and liabilities. The amount of deferred tax provided is based on the expected manner of recovery or settlement of the carrying amount of assets and liabilities using tax rates as applicable at the reporting period.

### 3.20 Earnings per Share

Basic Earnings per Share (EPS) is derived by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. When a bonus issue takes place after the reporting date but before the financial statements are authorized for issue, the number of shares in the EPS calculation is adjusted for the current and prior periods as though the bonus issue took place during the current year.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all potentially dilutive ordinary shares. Dilution of EPS is not required for these financial statements as there were no potential dilutive ordinary shares during the relevant years.

#### Weighted Average Number of Ordinary Shares

The number of shares is determined by relating the portion of time within a reporting period that a particular number of shares has been outstanding to the total time in that period. The Company issued no bonus shares for the financial year. As such, the weighted average number of shares remained the same as the previous year.

### 3.21 Statement of Cash Flows

Cash Flows Statement has been prepared using 'Direct Method' as recommended by IAS 7 – Statement of Cash Flows. A reconciliation of 'Direct Method' vs 'Indirect Method' has been presented in Note – 34 as per the direction of the Bangladesh Securities and Exchange Commission (BSEC/CMRRCD/2006-158/208/Admin/81; dated: 20 June 2018).

### 3.22 Materiality and Aggregation

Financial statements result from processing large numbers of transactions or other events that are aggregated into classes according to their nature or function. The Group presents each material class of similar items separately in the financial statements while items of dissimilar nature or function are presented separately unless they are immaterial.

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.

### 3.23 Offsetting

No assets and liabilities or income and expenses are being offset that may contradict the requirements of any IFRSs or IASs.

### 3.24 Concentration of Counterparty Risk

As of the reporting date, the Group does not have any significant concentration of business transacted with a particular customer, supplier or lender that could, if suddenly eliminated, have severely impacted the Group's operations. The Group also does not have any concentration of available sources of labor, service or licenses or other rights that could, if suddenly eliminated, have a severe impact on the operations of the Group.

### 3.25 Unrealized Gain/(Loss) on FVOCI Financial Assets

It derives mainly due to the changes in the market price of the Marketable Securities. The Company has reported unrealized gain/(loss) from Marketable Securities as Other Comprehensive Income in the Statement of Profit or Loss and Other Comprehensive Income and in the Statement of Changes in Equity in conformity with IAS 12 – Income Taxes and IFRS 9 – Financial Instruments. As per SRO no.: 196-Act/income tax/2015, any Capital gain arising from Marketable Securities (Stocks/Debentures listed with Stock Exchanges) is subject to Tax @ 10%. Gains that are realized during the year have been accounted for accordingly through the statement of profit or loss.

### 3.26 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 expenses as and when incurred, not being that much material in the Group's context.

### 3.27 Comparative Information

The comparative figures have been regrouped, reclassified or modified from previously published interim and annual Financial Statements to facilitate any necessary presentational changes to conform to the current year's presentation.

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 has also been disclosed whenever it is relevant for the understanding of the current year's financial statements.

### 3.28 Events After Reporting Period

Events after the reporting period that provide additional information about the Group's position at the reporting date are reflected in the financial statements. Material events after the reporting period that are not adjusting events are disclosed by way of note. There is no significant event other than normal activities between the Financial Year end and Financial Statements approval date.

#### Impact of Fire Incident:

On 23rd May 2022, the Large Volume Parenteral (LVP) plant at the factory premises in Gazipur was heavily damaged by a fire that left the plant in a dilapidated condition with zero casualties. The plant was fully insured under the Industrial All Risk Policy coverage. The total insured value of the plant including its building, machinery, and inventories was Tk. 171 crore. The Company has claimed the entire damage amount, but the insurers have not completed the assessment of the claim as of the approval date of these financial statements.

As a result of the fire incident, the Company shall lose annual revenue and profit of Tk. 50 crore and Tk. 8 crore respectively. Depreciation of the plant ceased on 23rd May 2022 (the date on which the fire incident occurred). Any gain or loss out of the insurance claim will be recognized in the financial statements after the claim settlement.

Particulars	Amount in Taka	
	30 June 2022	30 June 2021
<b>4. Consolidated Property, Plant and Equipment: Tk. 27,182,672,428</b>		
Details of consolidated property, plant and equipment are shown in the annexed Schedule - C1.		
<b>Cost:</b>		
Opening Balance	41,570,311,740	39,680,473,955
Addition during the Year	2,408,952,601	2,071,017,068
	43,979,264,341	41,751,491,023
Sales/Transfer during the Year	(259,594,360)	(181,179,283)
<b>Closing Balance</b>	<b>43,719,669,981</b>	<b>41,570,311,740</b>
<b>Accumulated Depreciation:</b>		
Opening Balance	21,793,391,083	20,046,381,983
Charged during the Year	1,835,173,760	1,882,490,971
	23,628,564,843	21,928,872,954
Sales/Transfer during the Year	(182,386,748)	(135,481,871)
<b>Closing Balance</b>	<b>23,446,178,095</b>	<b>21,793,391,083</b>
<b>Net Book Value as at 30 June 2022</b>	<b>20,273,491,886</b>	<b>19,776,920,657</b>
Consolidated Property, Plant and Equipment in Transit (Note - 4.1)	521,564,753	646,809,312
Consolidated Building under Construction (Note - 4.2)	2,066,237,283	1,345,864,835
Consolidated Capital Work in Progress (Note - 4.3)	4,321,378,506	1,114,508,832
<b>Written Down Value</b>	<b>27,182,672,428</b>	<b>22,884,103,636</b>

Particulars	Amount in Taka	
	30 June 2022	30 June 2021

**Impact of Fire incident:**

On 23rd May 2022, the Large Volume Parenteral (LVP) plant at the factory premises in Gazipur was heavily damaged by a fire that left the plant in a dilapidated condition with zero casualties. The plant was fully insured under the Industrial All Risk Policy coverage. The total insured value of the plant including its building and machinery was Tk. 155 crore. The Company has claimed the entire damage amount, but the insurers have not completed the assessment of the claim as of the approval date of these financial statements. Depreciation of the affected assets ceased on 23rd May 2022 (the date on which the fire incident occurred).

Plant & Machinery	Insured Value (W.D.V)
Factory Building	446,093,522
Machinery	945,031,175
Laboratory & Other Equipment	106,575,864
Others	49,657,044
<b>Total</b>	<b>1,547,357,605</b>

**Allocation of Depreciation Charged for the year:**

Factory Overhead (Note - 24.3)	1,514,022,727	1,571,753,195
Selling and Distribution Expenses (Note - 25)	219,764,727	203,574,635
Administrative Expenses (Note - 26)	101,386,306	107,163,141
	<b>1,835,173,760</b>	<b>1,882,490,971</b>

**4.1 Consolidated Property, Plant and Equipment in Transit: Tk. 521,564,753**

Opening Balance	646,809,312	514,957,056
Addition during the Year	1,271,900,734	1,469,618,444
	1,918,710,046	1,984,575,500
Transfer during the Year	(1,397,145,293)	(1,337,766,188)
Closing Balance	<b>521,564,753</b>	<b>646,809,312</b>

**4.2 Consolidated Building under Construction: Tk. 2,066,237,283**

Opening Balance	1,345,864,835	418,153,362
Addition during the Year	1,280,219,869	927,711,473
	2,626,084,704	1,345,864,835
Transfer during the Year	(559,847,421)	-
Closing Balance	<b>2,066,237,283</b>	<b>1,345,864,835</b>

**4.3 Consolidated Capital Work in Progress: Tk. 4,321,378,506**

Opening Balance	1,114,508,832	306,495,911
Addition during the Year	3,158,712,287	808,012,921
Interest during Construction Period	48,157,387	-
	4,321,378,506	1,114,508,832
Transfer during the Year	-	-
Closing Balance	<b>4,321,378,506</b>	<b>1,114,508,832</b>

Particulars	Amount in Taka	
	30 June 2022	30 June 2021
<b>5 Consolidated Investment in Associates: Tk. 11,105,181,456</b>		
Opening Balance	9,277,247,222	8,077,472,192
Add: Profit/(Loss) during the Year (Note - 30)	2,010,807,588	1,291,211,707
Less: Dividend received during the Year	(182,873,354)	(91,436,677)
Closing Balance	<b>11,105,181,456</b>	<b>9,277,247,222</b>

**List of Associate Undertakings (As per IAS-28):**

Name of Associates	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 group is using equity method of accounting for investment in associates while preparing consolidated financial statements.

**Summarised Financial Information for Associate Undertakings as per Paragraph B14 and B15 of IFRS 12:**

**Square Textiles Ltd.:**

Current Assets	7,435,018,277	8,523,673,196
Non-Current Assets	7,594,562,921	6,895,224,728
Current Liabilities	5,732,487,875	5,207,495,826
Non-Current Liabilities	579,630,811	2,905,740,182
Gross Revenue	15,624,302,486	11,924,704,664
Profit from Operations	2,424,545,170	1,094,442,796
Profit after Tax	1,806,304,596	621,634,054
Total Comprehensive Income	1,806,304,596	621,634,054

**Square Fashions Ltd.:**

Current Assets	15,626,237,011	12,405,279,021
Non-Current Assets	6,972,027,949	6,403,872,166
Current Liabilities	6,530,234,330	4,820,403,267
Non-Current Liabilities	5,994,459	-
Gross Revenue	22,535,186,900	16,429,286,216
Profit from Operations	2,147,690,399	1,504,047,416
Profit after Tax	2,073,288,251	1,636,604,869
Total Comprehensive Income	2,073,288,251	1,636,604,869

**Square Hospitals Ltd.:**

Current Assets	562,149,210	621,035,728
Non-Current Assets	3,588,641,340	3,609,312,148
Current Liabilities	1,049,157,663	1,167,361,153
Non-Current Liabilities	1,054,878,822	1,347,081,355
Gross Revenue	5,023,576,081	4,388,701,844
Profit from Operations	533,530,066	483,148,433
Profit after Tax	330,848,698	414,808,172
Total Comprehensive Income	330,848,698	414,808,172

Particulars	Amount in Taka	
	30 June 2022	30 June 2021

**6 Consolidated Investment in Marketable Securities: Tk. 4,346,770,865**

Particulars	2021-2022 (Jul'21-Jun'22)		2020-2021 (Jul'20-Jun'21)	
	Cost	Market Value	Cost	Market Value
Opening Balance	3,307,788,552	4,624,331,706	3,144,519,813	2,691,892,867
Addition during the Year	627,115,212	562,894,183	487,296,823	2,345,407,225
Sold during the Year	(511,039,277)	(840,455,024)	(324,028,084)	(412,968,386)
<b>Closing Balance</b>	<b>Tk. 3,423,864,487</b>	<b>4,346,770,865</b>	<b>3,307,788,552</b>	<b>4,624,331,706</b>

**7 Consolidated Long Term Investment - Others: Tk. 5,006,376,080**

(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 CDBL	15,694,430	15,694,430
(c) Preference Shares in Raj Lanka Power Company Ltd.	-	29,090,910
(d) Non-Convertible Zero Coupon Bonds in Durable Plastics Ltd.	-	11,905,164
(e) 8 Non-Convertible Zero Coupon Bonds in Envoy Textiles Ltd.	10,907,299	21,509,807
(f) 400 Non-Convertible Zero Coupon Bonds in Brac Bank Ltd.	402,509,850	-
(g) 415 Non-Convertible Zero Coupon Bonds in LankaBangla Finance Ltd.	360,363,204	-
(h) 400 Non-Convertible Zero Coupon Bonds in Sajida Foundation Ltd.	362,989,522	-
(i) 640 Non-Convertible Zero Coupon Bonds in IDLC Finance Ltd.	341,911,775	-
(j) 200 Non-Convertible Subordinated Bonds in Mutual Trust Bank Ltd.	2,000,000,000	2,000,000,000
(k) 5,000 Non-Convertible Subordinated Bonds in Southeast Bank Ltd.	500,000,000	500,000,000
(l) 50 Non-Convertible Subordinated Bonds in Islami Bank Bangladesh Ltd.	500,000,000	500,000,000
(m) 50 Non-Convertible Subordinated Bonds in Trust Bank Ltd.	500,000,000	500,000,000
	<b>5,006,376,080</b>	<b>3,590,200,311</b>

**8 Consolidated Inventories: Tk. 8,214,111,144**

Raw Materials	2,733,109,087	2,647,266,800
Packing Materials	861,675,938	829,398,759
Work-in-Process	446,012,445	415,013,847
Finished Goods	2,549,985,110	2,118,362,474
Spares & Accessories	853,585,219	831,527,919
Goods- in-Transit	769,743,345	403,827,129
	<b>8,214,111,144</b>	<b>7,245,396,928</b>

**9 Consolidated Trade and Other Receivables: Tk. 3,395,080,462**

Trade Receivables (Note - 9.1)	2,159,066,716	1,636,136,514
Other Receivables (Note - 9.2)	1,236,013,746	1,280,042,245
	<b>3,395,080,462</b>	<b>2,916,178,759</b>

**9.1 Consolidated Trade Receivables: Tk. 2,159,066,716**

Trade receivables occurred in the ordinary course of business are unsecured but considered good.

Ageing of the Trade Debtors is as follows:

Below 30 days	1,794,658,433	1,276,307,170
Within 31-60 days	100,142,561	96,501,014
Within 61-90 days	91,454,150	85,112,951
Above 90 days	172,811,572	178,215,379
	<b>2,159,066,716</b>	<b>1,636,136,514</b>

Particulars	Amount in Taka	
	30 June 2022	30 June 2021
<b>9.2 Consolidated Other Receivables: Tk. 1,236,013,746</b>		
Interest Receivable from Fixed Deposit Receipts	1,132,982,469	1,222,146,132
Interest Receivable from Subordinated Bonds	52,752,862	57,891,734
Gain against Zero Coupon Bonds (Receivable)	50,278,415	4,379
	<b>1,236,013,746</b>	<b>1,280,042,245</b>
<b>10. Consolidated Advances, Deposits and Prepayments: Tk. 1,776,037,947</b>		
<b>Advances:</b>	<b>772,908,102</b>	<b>571,119,493</b>
Employees	304,433,010	239,013,230
Land Purchase	14,204,677	16,503,377
Suppliers	237,636,189	313,504,428
Advance Income Tax	216,634,226	2,098,458
<b>Deposits:</b>	<b>945,571,753</b>	<b>933,470,716</b>
Value Added Tax	561,863,297	611,712,414
Earnest Money & Security Deposit	374,066,908	313,948,089
Others	9,641,548	7,810,213
<b>Prepayments:</b>	<b>57,558,092</b>	<b>46,174,805</b>
Office Rent	6,132,743	6,936,747
Insurance Premium	51,425,349	39,238,058
	<b>1,776,037,947</b>	<b>1,550,765,014</b>
<b>11. Consolidated Cash and Cash Equivalents: Tk. 48,962,498,336</b>		
(a) Cash in Hand	5,886,632	14,025,716
(b) Cash at Bank:	<b>48,956,611,704</b>	<b>43,350,013,288</b>
* Current Accounts	752,173,262	443,983,864
* STD Accounts	1,811,898,567	3,486,902,772
* Fixed Deposit Accounts (BDT)	41,528,858,059	35,653,848,645
* Fixed Deposit Accounts (held in USD)	4,543,883,326	2,862,046,153
* Export Retention Quota Accounts (held in USD)	249,682,906	891,345,538
* Margin Held Accounts (held in USD)	14,162,725	11,886,316
* Dividend Account	55,952,858	-
	<b>48,962,498,336</b>	<b>43,364,039,004</b>
<b>12. Consolidated Fair Value Reserve: Tk. 830,615,740</b>		
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 FVOCI Financial Assets for the Year (Note - 31)	(393,636,776)	1,769,170,100
Add: Related Tax on FVOCI Financial Assets	84,626,372	(236,738,233)
Closing Balance	<b>830,615,740</b>	<b>1,139,626,144</b>
<b>13. Translation Reserve: Tk. 8,998,071</b>		
Foreign Operation Translation Gain/(Loss):		
Opening Translation Gain/(Loss)	(285,055)	(18,078,434)
Translation Gain/(Loss) for the Year (Note - 13.1)	9,283,126	17,793,379
Closing Translation Gain/(Loss)	<b>8,998,071</b>	<b>(285,055)</b>

Particulars	Amount in Taka	
	30 June 2022	30 June 2021
<b>13.1 Current Year's Translation Gain/(Loss): Tk. 9,283,126</b>		
Square Pharmaceuticals Kenya EPZ Ltd.:		
Closing Net Assets	973,971,577	973,966,637
Less: Opening Net Assets	(973,966,637)	(791,340,682)
Less: Increase in Share Money Deposit	-	(159,872,701)
Less: Translation gain/(loss) on retained earnings	9,278,186	(4,959,876)
Translation Gain/(Loss) for the Year	<b>9,283,126</b>	<b>17,793,379</b>
<b>14 Consolidated Retained Earnings: Tk. 91,607,512,639</b>		
Opening Balance	78,749,448,779	64,980,297,214
Add: Transferred from Tax Exemption Reserve	-	2,211,743,936
Add: Net Profit/(Loss) attributable to Equity holders	18,176,769,919	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	<b>91,607,512,639</b>	<b>78,749,448,779</b>
<b>15 Non Controlling Interests: Tk. 469,632</b>		
Paid-up Capital (5,000 Ordinary Shares of Tk. 100/- each)	500,000	500,000
Add: Net Profit/(Loss) attributable to Non Controlling Interest	(30,368)	-
	<b>469,632</b>	<b>500,000</b>

**Non Controlling Interests of Subsidiaries (as per IFRS 3):**

Name of Company	Country of Incorporation	Proportion of Ownership Interest
Square Lifesciences Ltd.	Bangladesh	0.05%
Square Pharmaceuticals Kenya EPZ Ltd.	Kenya	-

<b>16. Consolidated Loans and Borrowings: Tk. 1,894,710,262</b>		
Term Loan - Non Current Portion (Note - 16.1)	1,694,710,262	103,707,469
Term Loan - Current Portion (Note - 16.2)	200,000,000	-
	<b>1,894,710,262</b>	<b>103,707,469</b>
<b>16.1 Term Loan - Non Current Portion: Tk. 1,694,710,262</b>		
a) Standard Chartered Bank, Kenya	294,710,262	103,707,469
b) Standard Chartered Bank, Bangladesh	1,400,000,000	-
<b>Due after one year</b>	<b>1,694,710,262</b>	<b>103,707,469</b>
<b>16.2 Term Loan - Current Portion: Tk. 200,000,000</b>		
Standard Chartered Bank, Kenya	-	-
Standard Chartered Bank, Bangladesh	200,000,000	-
<b>Due within one year</b>	<b>200,000,000</b>	-

a) Standard Chartered Bank, Kenya sanctioned US \$5 million at floating interest rate to Square Pharmaceuticals Kenya EPZ Ltd. in Kenya of which US \$3.45 million has been disbursed by 30th June 2022. The loan is secured by a corporate guarantee by SPL, issued in favour of the company with due permission of Bangladesh Bank. Repayment of the loan will be started from August 2023.

b) The loan has been disbursed by Standard Chartered Bank, Bangladesh for Square Lifesciences Ltd., Bangladesh at floating interest rate with a floor rate of 5.25% per annum. Repayment of the loan will start from March 2023.

Particulars	Amount in Taka	
	30 June 2022	30 June 2021
<b>17. Consolidated Deferred Tax Liabilities: Tk. 1,178,740,290</b>		
Deferred Tax - Property, Plant and Equipment (Note-17.1)	1,086,449,652	1,097,936,007
Deferred Tax - FVOCI Financial Assets (Note-17.2)	92,290,638	176,917,010
	<b>1,178,740,290</b>	<b>1,274,853,017</b>
<b>17.1 Deferred Tax - Property, Plant and Equipment: Tk. 1,086,449,652</b>		
A. Property, plant and equipment excluding cost of Land (Carrying Amount)	13,902,912,754	13,686,544,416
B. Property, plant and equipment excluding cost of Land (Tax Base)	9,074,247,632	8,806,828,831
C. Taxable/(Deductible) Temporary Difference (A-B)	4,828,665,122	4,879,715,585
D. Tax Rate	22.50%	22.50%
E. Deferred Tax Liabilities as on June 30, 2022 (C*D)	1,086,449,652	1,097,936,007
F. Deferred Tax Liabilities as on June 30, 2021	1,097,936,007	1,272,750,021
Current Year's Deferred Tax Expense/(Income) (E-F)	<b>(11,486,354)</b>	<b>(174,814,014)</b>
<b>17.2 Deferred Tax - FVOCI Financial Assets: Tk. 92,290,638</b>		
A. FVOCI Financial Assets - Carrying Amount	4,346,770,865	1,769,170,100
B. FVOCI Financial Assets - Tax Base	3,423,864,487	-
C. Taxable/(Deductible) Temporary Difference (A-B)	922,906,378	1,769,170,100
D. Tax Rate	10.00%	10.00%
E. Deferred Tax Liabilities as on June 30, 2022 (C*D)	92,290,638	176,917,010
F. Deferred Tax Liabilities as on June 30, 2021	176,917,010	(59,821,223)
Current Year's Deferred Tax Expense/(Income) (E-F)	<b>(84,626,372)</b>	<b>236,738,233</b>
<b>18. Consolidated Trade Payables:</b>	<b>636,003,309</b>	<b>666,167,204</b>
This represents amount payable to regular suppliers of raw materials, packing materials, promotional materials etc. All suppliers were paid on a regular basis.		
<b>19. Consolidated Other Payables: Tk. 1,603,882,464</b>		
Sundry Creditors	501,619,259	416,233,929
Income Tax (Deduction at Source)	16,825,193	19,532,856
Retention Money	8,749,849	7,938,420
Workers' Profit Participation Fund and Welfare Fund	1,051,227,994	937,796,627
Interest Payable	25,460,168	-
	<b>1,603,882,464</b>	<b>1,381,501,832</b>
<b>20. Consolidated Income Tax Payable: Tk. 911,504,873</b>		
Opening balance	572,675,072	978,037,537
Provision made for the Year	4,618,549,626	4,187,481,946
Tax Paid (Including Advance Income Tax) during the Year	(4,279,719,825)	(4,592,844,411)
	<b>911,504,873</b>	<b>572,675,072</b>
<b>21. Consolidated Accrued Expenses: Tk. 180,802,107</b>		
Accrued Expenses	179,997,107	182,320,469
Audit Fees	805,000	728,610
	<b>180,802,107</b>	<b>183,049,079</b>
<b>22. Consolidated Unclaimed Dividend: Tk. 129,636,029</b>		
Opening balance	375,165,739	330,431,723
Addition during the Year	55,942,663	46,944,513
Paid during the Year	(301,472,373)	(2,210,497)
	<b>129,636,029</b>	<b>375,165,739</b>

Particulars	Amount in Taka	
	2021 - 2022	2020 - 2021
<b>23. Consolidated Gross Revenue: Tk. 66,406,959,950</b>		
Segregation of Revenue from Contracts with Customers is shown below:		
Revenue from Local Sales	64,706,688,984	56,838,510,575
Revenue from Export Sales	1,700,270,966	1,507,747,706
	<b>66,406,959,950</b>	<b>58,346,258,281</b>
<b>24. Consolidated Cost of Goods Sold: Tk. 27,958,026,980</b>		
Raw Materials Consumed (Note - 24.1)	12,665,124,944	10,914,817,014
Packing Materials Consumed (Note - 24.2)	6,385,408,111	5,750,170,150
	<b>19,050,533,055</b>	<b>16,664,987,164</b>
Add: Opening Work-in-Process	415,013,847	336,441,344
Less: Closing Work-in-Process	(446,012,445)	(415,013,847)
TOTAL CONSUMPTION	<b>19,019,534,457</b>	<b>16,586,414,661</b>
Add: Factory Overhead (Note - 24.3 )	7,374,304,792	6,836,133,924
COST OF PRODUCTION	<b>26,393,839,249</b>	<b>23,422,548,585</b>
Add: Opening Finished Goods	2,118,362,474	2,036,850,950
Add: Purchase of Finished Goods	2,298,259,394	1,677,371,032
Less: Closing Finished Goods	(2,549,985,110)	(2,118,362,474)
	<b>28,260,476,007</b>	<b>25,018,408,093</b>
Less: Cost of Physician Sample	(302,449,027)	(218,372,538)
	<b>27,958,026,980</b>	<b>24,800,035,555</b>
<b>24.1 Consolidated Raw Materials Consumed: Tk. 12,665,124,944</b>		
Opening Stock as at 30 June 2021	2,647,266,800	1,939,329,998
Purchase during the year	12,725,753,102	11,622,753,816
Closing Stock as at 30 June 2022	(2,707,894,958)	(2,647,266,800)
	<b>12,665,124,944</b>	<b>10,914,817,014</b>
<b>24.2 Consolidated Packing Materials Consumed: Tk. 6,385,408,111</b>		
Opening Stock as at 30 June 2021	829,398,759	647,848,732
Purchase during the year	6,412,960,938	5,931,720,177
Closing Stock as at 30 June 2022	(856,951,586)	(829,398,759)
	<b>6,385,408,111</b>	<b>5,750,170,150</b>
<b>24.3 Consolidated Factory Overhead: Tk. 7,374,304,792</b>		
Salaries, Allowances and Wages	2,583,426,299	2,228,205,837
Factory Employees Free Lunch	155,644,172	138,814,655
Factory Staff Uniform	97,752,877	84,902,429
Travelling & Conveyance	50,587,271	44,769,210
Printing & Stationery	78,137,099	74,078,621
Postage, Telephone & Fax	9,035,297	8,834,201
Repairs & Maintenance	1,059,159,894	974,041,408
Laboratory Consumable Stores	469,235,606	407,091,531
Fuel, Petrol, Light Diesel etc.	131,190,211	132,196,121
Electricity, Gas & Water	771,258,513	746,162,607
Rental Expense	1,260,965	1,867,336
Municipal & Other Tax	14,300,737	15,308,475
Insurance Premium	22,066,849	21,701,525
Factory Sanitation Expenses	72,963,100	60,131,178
Depreciation	1,514,022,727	1,571,753,195
Security Services	65,665,456	58,563,047
Research & Development	193,978,194	182,311,524
Software & Hardware Support Services	61,082,059	69,922,296
Toll Charges	21,568,568	14,011,574
Other Expenses	1,968,898	1,467,154
	<b>7,374,304,792</b>	<b>6,836,133,924</b>

Particulars	Amount in Taka	
	2021 - 2022	2020 - 2021
<b>25. Consolidated Selling and Distribution Expenses: Tk. 10,439,270,466</b>		
Salaries and Allowances	1,764,812,566	1,434,829,771
Travelling and Conveyance	150,498,538	131,447,160
Training Expenses	4,757,614	4,118,854
Printing and Stationery	87,348,392	75,657,331
Postage, Telephone, Fax & Telex	77,116,075	80,730,383
Electricity, Gas and Water	30,386,230	28,839,872
Tiffin and Refreshment	34,092,475	29,922,090
Staff Uniform	10,468,717	9,063,219
Sanitation Expenses	13,630,629	12,114,067
Office and Godown Rent	25,952,680	26,402,693
Lease Rent	2,649,600	2,649,600
Bank Charges	10,460,958	10,931,151
Repairs and Maintenance including car maintenance	543,910,794	480,262,957
Govt. Taxes and License Fees	45,772,456	66,176,011
Field Staff Salaries, Allowances, TA and DA	2,780,471,147	2,295,067,750
Target Incentive to Field Staff	242,761,691	162,975,112
Marketing and Sales Promotional Expenses	1,231,398,574	912,493,508
Advertisement	1,211,692	950,233
Event, Programs and Conference	275,812,532	218,981,280
Delivery and Packing Expenses	190,098,007	129,201,102
Literature and Publications	116,194,362	93,667,076
Export Expenses	203,377,595	174,674,361
Special Discount	1,799,758,289	1,533,228,975
Sample Expenses	365,359,046	283,443,770
Security Services	85,762,828	80,263,735
Depreciation	219,764,727	203,574,635
Software, hardware Support & VSAT Services	59,858,587	53,946,099
Insurance Premium	3,913,194	3,552,838
Faulty & Obsolete Goods	45,441,084	12,362,482
Research and Product Development	16,049,995	12,747,910
Other Expenses	179,392	196,459
	<b>10,439,270,466</b>	<b>8,564,472,484</b>

Particulars	Amount in Taka	
	2021 - 2022	2020 - 2021
<b>26. Consolidated Administrative Expenses: Tk. 1,402,254,167</b>		
Salaries and Allowances	544,469,585	453,682,458
Directors' Remuneration	76,344,167	66,455,423
Independent Directors' Honorarium	600,000	600,000
Travelling and Conveyance	116,572,603	104,030,378
Training Expenses	8,045,239	7,023,109
Printing and Stationery	20,260,208	18,478,082
Postage, Telephone, Internet	10,992,522	11,573,534
Electricity, Gas & Water	47,106,649	24,939,297
Tiffin and Refreshment	72,274,464	65,435,757
Staff Uniform	3,058,006	2,841,553
Office Rent	18,759,480	15,855,972
Lease Rent	3,581,367	3,507,516
Sanitation Expenses	8,452,575	6,705,334
Books and Periodicals	369,407	603,759
Subscription and Donation	7,129,146	7,248,646
Advertisement	2,394,911	2,058,202
Repairs and Maintenance	231,203,600	204,725,302
Bank Charges	11,922,379	12,171,121
Insurance Premium	22,552,561	11,864,766
Govt. Taxes, Stamp Duty & Licence Fee	11,917,133	7,609,233
Security Services	40,736,544	39,842,152
Management Consultant Fees	2,338,750	2,338,750
Legal Charges	2,181,375	1,269,190
Audit Fees	1,062,305	751,610
Depreciation	101,386,306	107,163,141
Annual General Meeting Expenses	393,280	802,834
Software & Hardware Support Services	34,035,291	30,933,929
Share Demat, Remat & Transfer Fees	5,286	5,263,537
Other Expenses	2,109,028	1,157,004
	<b>1,402,254,167</b>	<b>1,216,931,589</b>

Particulars	Amount in Taka	
	2021 - 2022	2020 - 2021
<b>27. Consolidated Other Operating Income: Tk. 584,184,496</b>		
Rental Income	1,154,941	1,317,162
Sale of Scrap	44,525,074	37,343,947
Foreign Exchange Gain*	470,900,247	19,417,837
Cash Incentive Received against Export	62,977,000	46,215,000
P.F Forfeiture Amount	715,235	32,064,767
Technology Transfer fees	3,512,000	-
Industrial Awards	400,000	-
	<b>584,184,496</b>	<b>136,358,713</b>
* An unprecedented upsurge in the forex rate during the last quarter resulted in unusual foreign exchange gain in the reporting year.		
<b>28. Consolidated Other Income: Tk. 3,441,678,744</b>		
Interest Income:		
On Deposits	2,281,651,937	1,968,391,726
On Loan to Sister Concern	-	197,764,904
On Short Notice Deposits	261,033,327	422,609,363
On Subordinated Bonds	248,776,880	220,343,688
Dividend Income	212,138,436	328,190,122
Gain/(Loss):		
On Redemption of Zero Coupon Bond	55,169,863	88,099,253
On Marketable Securities (Realized)	329,415,747	88,940,302
Profit on Disposal of Property, Plant & Equipment	53,492,555	34,429,673
	<b>3,441,678,744</b>	<b>3,348,769,031</b>
<b>29. Consolidated Income Tax Expense: Tk. 4,607,063,271</b>		
Current Tax Expense	4,618,549,626	4,187,481,946
Deferred Tax Expense / (Income)	(11,486,354)	(174,814,014)
	<b>4,607,063,271</b>	<b>4,012,667,932</b>
<b>30. Profit from Associate Undertakings: Tk. 2,010,807,588</b>		
Square Textiles Ltd.	837,317,206	288,160,087
Square Fashions Ltd.	1,008,272,813	795,906,789
Square Hospitals Ltd.	165,217,569	207,144,831
	<b>2,010,807,588</b>	<b>1,291,211,707</b>
<b>31. Consolidated Unrealised Gain/(Loss) on FVOCI Financial Assets: Tk. (393,636,776)</b>		
Closing Unrealised Gain/(Loss)	922,906,378	1,316,543,154
Less: Opening Unrealised Gain/(Loss)	1,316,543,154	(452,626,946)
	<b>(393,636,776)</b>	<b>1,769,170,100</b>
<b>32. Consolidated Net Asset Value (NAV) per Share: Tk. 116.70</b>		
Equity attributable to the Ordinary Shareholders	103,452,979,750	90,894,643,168
Number of Shares outstanding during the year	886,451,010	886,451,010
Net Asset Value (NAV) per Share	<b>116.70</b>	<b>102.54</b>

Particulars	Amount in Taka	
	2021 - 2022	2020 - 2021
<b>33. Consolidated Earnings per Share (EPS): Tk. 20.51</b>		
Net Profit after Tax attributable to Shareholders	18,176,739,552	15,947,450,722
Number of Shares outstanding during the year	886,451,010	886,451,010
Earnings per Share (EPS)	<b>20.51</b>	<b>17.99</b>
<b>34. Consolidated Net Operating Cash Flow (NOCF) per Share: Tk. 14.52</b>		
Net Cash Generated from Operating Activities	12,874,691,569	10,976,340,111
Number of Shares outstanding during the year	886,451,010	886,451,010
Net Operating Cash Flow (NOCF) per Share	<b>14.52</b>	<b>12.38</b>
Previous year's Net Operating Cash Flow (NOCF) per Share has been restated due to transfer of unclaimed dividend payment from Operating Activities to Financing Activities.		
<b>34.1 Consolidated Reconciliation of Net Profit with Cash Flows Generated from Operating Activities:</b>		
<b>Net Profit after Tax</b>	<b>18,176,739,552</b>	<b>15,947,450,722</b>
Adjustments for Reconciling Net Profit with Net Cash Generated by Operating Activities:		
<b>Non-Cash Income/Expenses:</b>	<b>(644,492,585)</b>	<b>398,643,736</b>
Depreciation	1,835,173,760	1,882,490,971
Exchange Rate Fluctuation	(466,655,528)	(35,614,893)
Profit / (Loss) from Associate Undertakings	(2,010,807,588)	(1,291,211,707)
Cumulative Translation Adjustment	9,283,126	17,793,379
Deferred Tax	(11,486,354)	(174,814,014)
<b>Non-Operating Items:</b>	<b>(3,441,678,744)</b>	<b>(3,348,769,031)</b>
Interest Income:		
On Deposits	(2,281,651,937)	(1,968,391,726)
On Loan to Sister Concern	-	(197,764,904)
On Short Notice Deposits	(261,033,327)	(422,609,363)
On Subordinated Bonds	(248,776,880)	(220,343,688)
Dividend Income	(212,138,436)	(328,190,122)
Gain/(Loss):		
On Redemption of Zero Coupon Bond	(55,169,863)	(88,099,253)
On Marketable Securities (Realized)	(329,415,747)	(88,940,302)
Profit on Disposal of Property, Plant and Equipment	(53,492,555)	(34,429,673)
<b>Changes in Working Capital:</b>	<b>(1,215,876,654)</b>	<b>(2,020,985,317)</b>
(Increase)/Decrease in Inventories	(968,714,216)	(1,557,990,599)
(Increase)/Decrease in Trade Receivables	(522,930,202)	(115,836,177)
(Increase)/Decrease in Advances, Deposits and Prepayments	(227,571,633)	(239,435,665)
Increase/(Decrease) in Trade Payables	(30,163,894)	127,760,903
Increase/(Decrease) in Other Payables	196,920,463	115,828,051
Increase/(Decrease) in Provision for Income Tax	338,829,801	(405,362,465)
Increase/(Decrease) in Accrued Expenses	(2,246,972)	54,050,635
<b>Net Cash Generated from Operating Activities</b>	<b>12,874,691,569</b>	<b>10,976,340,111</b>

Particulars	Amount in Taka	
	30 June 2022	30 June 2021

**35. Consolidated Disposal of Property, Plant and Equipment:**

Particulars of Assets	Cost	Acc. Depreciation	Written Down Value	Sales Price	Profit / (Loss)
	As on 30-06-2022				
Plant and Machinery	468,694	431,190	37,504	-	(37,504)
Motor Vehicle	175,055,769	121,155,531	53,900,238	85,262,917	31,362,679
Motor Cycle	81,747,843	60,381,252	21,366,591	42,992,849	21,626,258
Office Equipment	30,060	25,155	4,905	-	(4,905)
Computer	304,370	158,453	145,917	-	(145,917)
Furniture and Fixture	364,781	235,167	129,614	-	(129,614)
Land and Land Development	1,622,843	-	1,622,843	2,444,400	821,557
	<b>259,594,359</b>	<b>182,386,748</b>	<b>77,207,611</b>	<b>130,700,166</b>	<b>53,492,555</b>

**36. Related Party Transactions:**

**A. Associates:**

**Square Textiles Ltd. (46.36% share):**

Opening Balance	-	3,277,576,394
Paid during the Year	-	1,269,870,456
Realized during the Year	-	(4,547,446,850)
Closing Balance	-	-

**Square Fashions Ltd. (48.63% share):**

Opening Balance	-	2,411,950
Paid during the Year	135,560,551	1,393,472,983
Realized during the Year	(135,560,551)	(1,395,884,933)
Closing Balance	-	-

**Square Hospitals Ltd. (49.94% Shares):**

Opening Balance	-	1,604,350,413
Paid during the Year	107,229,837	917,483,064
Realized during the Year	(107,229,837)	(2,521,833,477)
Closing Balance (Payable)	-	-

Particulars	Amount in Taka	
	30 June 2022	30 June 2021
<b>B. Subsidiaries of Associates:</b>		
<b>Square Denims Ltd. (Subsidiary of Square Fashions Ltd.):</b>		
Opening Balance	-	-
Paid during the Year	-	67,330,413
Realized during the Year	-	(67,330,413)
Closing Balance (Receivable)	-	-
<b>Square Apparels Ltd. (Subsidiary of Square Fashions Ltd.):</b>		
Opening Balance	-	-
Paid during the Year	-	37,395,529
Realized during the Year	-	(37,395,529)
Closing Balance (Receivable)	-	-
<b>C. Others:</b>		
<b>Square InformatiX Ltd. (Service Provider):</b>		
Opening Balance	-	(2,197,662)
Paid during the Year	44,156,427	105,357,994
Realized during the Year	(44,156,427)	(103,160,332)
Closing Balance (Receivable)	-	-
<b>Square Securities Management Ltd. (Port Folio Management):</b>		
Opening Balance	160,545,334	34,874,272
Paid during the Year	840,476,544	612,968,385
Realized during the Year	(627,142,018)	(487,297,323)
Closing Balance (Receivable)	<b>373,879,860</b>	<b>160,545,334</b>
<b>Pharma Packages (Pvt.) Ltd. (Supplier):</b>		
Opening Balance	52,600,036	12,206,021
Paid during the Year	362,455,899	704,827,755
Realized during the Year	(401,363,157)	(664,433,740)
Closing Balance (Receivable)	<b>13,692,778</b>	<b>52,600,036</b>
<b>AEGIS Services Ltd. (Service Provider):</b>		
Opening Balance	-	-
Paid during the Year	32,794,095	47,085,563
Realized during the Year	(32,794,095)	(47,085,563)
Closing Balance (Receivable)	-	-

# SQUARE PHARMACEUTICALS LTD.

Consolidated Property, Plant and Equipment-Carrying Value: **Tk. 27,182,672,428**

As at 30 June 2022

Schedule-C1

PARTICULARS	C O S T			ACCUMULATED DEPRECIATION				Written Down Value as at 30 June 2022	Rate of Dep.	
	At 30 June 2021	During the year		At 30 June 2022	At 30 June 2021	During the Period				At 30 June 2022
		Additions	Sales/Transfer			Charged	Sales/Transfer			
<b>FACTORIES:</b>										
Land	4,032,073,679	210,438,595	1,622,843	4,240,889,431	-	-	-	4,240,889,431	-	
Building	8,862,310,077	495,663,606	-	9,357,973,683	4,921,247,107	403,247,736	-	4,033,478,840	10%	
Boundary Wall	593,903	-	-	593,903	410,153	18,375	-	165,375	10%	
Plant & Machinery	15,954,717,610	652,585,025	468,694	16,606,833,941	10,860,437,844	778,523,705	431,190	4,968,303,582	15%	
Laboratory Equipment	2,329,849,223	134,460,138	-	2,464,309,361	1,175,175,193	120,421,131	-	1,168,713,037	10%	
Furniture & Fixture	1,148,229,982	110,294,494	195,541	1,258,328,935	503,324,841	69,156,464	106,428	685,954,058	10%	
Office Equipment	758,526,995	123,120,658	-	881,647,653	347,045,819	46,992,707	-	487,609,127	10%	
Computer	225,474,994	19,915,112	47,400	245,342,706	99,523,805	13,628,732	24,391	132,214,560	10%	
Motor Vehicles	497,093,902	90,177,500	55,410,000	531,861,402	318,708,038	41,526,067	37,831,356	209,458,653	20%	
Motor Vehicles - Lease	2,085,000	-	-	2,085,000	2,040,398	8,920	-	35,682	20%	
Electro-Mechanical Equipment	1,099,746,687	-	-	1,099,746,687	917,927,141	27,072,663	-	154,746,883	15%	
Electrical Installation	227,599,619	29,091	-	227,628,710	157,572,635	10,416,203	-	59,639,872	15%	
Gas Line Installation	58,743,939	8,150,051	-	66,893,990	40,700,982	3,010,024	-	23,182,984	15%	
<b>Sub-Total</b>	<b>35,197,045,610</b>	<b>1,844,834,270</b>	<b>57,744,478</b>	<b>36,984,135,402</b>	<b>19,344,113,956</b>	<b>1,514,022,727</b>	<b>38,393,365</b>	<b>16,164,392,084</b>		
<b>HEAD OFFICE (Pharma):</b>										
Land	2,103,999,973	101,274,497	-	2,205,274,470	-	-	-	2,205,274,470	-	
Building	894,073,847	64,663,954	-	958,737,801	454,119,357	48,595,965	-	456,022,479	10%	
Boundary Wall	18,781,674	578,647	-	19,360,321	7,136,221	1,204,978	-	11,019,122	10%	
Furniture & Fixture	175,596,416	10,855,319	169,240	186,282,495	90,989,842	9,184,887	128,739	86,236,505	10%	
Office Equipment	111,500,462	1,744,825	30,060	113,215,227	66,410,885	4,605,815	25,155	42,223,682	10%	
Computer	399,499,100	14,716,394	256,970	413,958,524	180,187,524	22,512,760	134,062	211,392,302	10%	
Motor Vehicles	1,831,425,825	272,190,000	119,645,769	1,983,970,056	1,102,182,219	168,204,880	83,324,175	796,907,132	20%	
Motor Vehicles - Lease	118,472,040	-	-	118,472,040	112,171,025	1,260,203	-	5,040,812	20%	
Motor Cycle	547,445,220	98,094,695	81,747,843	563,792,072	269,111,990	64,895,582	60,381,252	290,165,752	20%	
Books & Periodicals	528,794	-	-	528,794	528,748	14	-	32	30%	
SAP Software	148,024,164	-	-	148,024,164	148,024,164	-	-	-	20%	
VSAT	7,559,700	-	-	7,559,700	4,768,281	279,142	-	2,512,277	10%	
Electrical Installation	16,358,915	-	-	16,358,915	13,646,871	406,807	-	2,305,237	15%	
<b>Sub-Total</b>	<b>6,373,266,130</b>	<b>564,118,331</b>	<b>201,849,882</b>	<b>6,735,554,579</b>	<b>2,449,277,127</b>	<b>321,151,033</b>	<b>143,993,383</b>	<b>4,109,099,802</b>		
<b>Total</b>	<b>41,570,311,740</b>	<b>2,408,952,601</b>	<b>259,594,360</b>	<b>43,719,669,981</b>	<b>21,793,391,083</b>	<b>1,835,173,760</b>	<b>182,386,748</b>	<b>20,273,491,886</b>		
Property, Plant & Equipment in Transit	646,809,312	1,271,900,734	1,397,145,293	521,564,753	-	-	-	521,564,753	-	
Building under Construction	1,345,864,835	1,280,219,869	559,847,421	2,066,237,283	-	-	-	2,066,237,283	-	
Capital Work in Progress	1,114,508,832	3,206,869,674	-	4,321,378,506	-	-	-	4,321,378,506	-	
<b>Carrying Value as on 30 June 2022</b>	<b>44,677,494,719</b>	<b>8,167,942,878</b>	<b>2,216,587,074</b>	<b>50,628,850,523</b>	<b>21,793,391,083</b>	<b>1,835,173,760</b>	<b>182,386,748</b>	<b>27,182,672,428</b>		

# SQUARE PHARMACEUTICALS LTD.

Consolidated Property, Plant and Equipment-Carrying Value: **Tk. 22,884,103,636**

As at 30 June 2021

Schedule-C1-a

PARTICULARS	COST			ACCUMULATED DEPRECIATION			Written Down Value as at 30 June 2021	Rate of Dep.	
	At 30 June 2020	During the year		At 30 June 2020	During the year				At 30 June 2021
		Additions	Sales/Transfer		Charged	Sales/Transfer			
<b>FACTORIES:</b>									
Land	3,814,793,999	217,279,680	-	4,032,073,679	-	-	4,032,073,679	-	
Building	8,850,385,173	11,924,904	-	8,862,310,077	4,484,141,432	-	3,941,062,970	10%	
Boundary Wall	593,903	-	-	593,903	389,736	-	183,750	10%	
Plant & Machinery	15,153,752,860	817,800,182	16,835,432	15,954,717,610	10,060,691,155	10,796,413	5,094,279,766	15%	
Laboratory Equipment	2,231,749,194	98,100,029	-	2,329,849,223	1,053,570,627	-	1,154,674,030	10%	
Furniture & Fixture	961,045,621	187,277,761	93,400	1,148,229,982	440,372,200	-	644,905,141	10%	
Office Equipment	668,319,312	90,557,683	350,000	758,526,995	305,689,807	41,584,992	411,481,176	10%	
Computer	213,426,100	12,198,444	149,550	225,474,994	86,337,249	65,245	125,951,189	10%	
Motor Vehicles	472,195,402	51,498,000	26,599,500	497,093,902	302,115,163	37,064,982	178,385,864	20%	
Motor Vehicles - Lease	2,085,000	-	-	2,085,000	2,029,247	-	44,602	20%	
Electro-Mechanical Equipment	1,099,746,687	-	-	1,099,746,687	885,841,339	-	181,819,546	15%	
Electrical Installation	225,149,619	2,450,000	-	227,599,619	145,272,976	-	70,026,984	15%	
Gas Line Installation	58,743,939	-	-	58,743,939	37,516,932	-	18,042,957	15%	
<b>Sub-Total</b>	<b>33,751,986,809</b>	<b>1,489,086,683</b>	<b>44,027,882</b>	<b>35,197,045,610</b>	<b>17,803,967,863</b>	<b>1,571,753,195</b>	<b>15,852,931,654</b>		
<b>HEAD OFFICE (Pharma):</b>									
Land	1,896,035,380	207,964,593	-	2,103,999,973	-	-	2,103,999,973	-	
Building	894,073,847	-	-	894,073,847	405,235,526	48,883,831	439,954,490	10%	
Boundary Wall	14,835,893	3,945,781	-	18,781,674	6,056,854	1,079,367	11,645,453	10%	
Furniture & Fixture	167,895,786	7,967,319	266,689	175,596,416	82,206,020	8,989,731	84,606,574	10%	
Office Equipment	105,907,003	6,407,810	814,351	111,500,462	62,357,772	4,716,333	45,089,577	10%	
Computer	363,887,739	37,263,082	1,651,721	399,499,100	160,402,881	20,974,357	219,311,576	10%	
Motor Vehicles	1,700,474,200	206,030,000	75,078,375	1,831,425,825	996,267,830	163,106,546	729,243,606	20%	
Motor Vehicles - Lease	118,472,040	-	-	118,472,040	110,595,771	1,575,254	6,301,015	20%	
Motor Cycle	494,433,685	112,351,800	59,340,265	547,445,220	253,112,176	60,623,583	278,333,230	20%	
Books & Periodicals	528,794	-	-	528,794	528,728	20	46	46	
SAP Software	148,024,164	-	-	148,024,164	148,024,164	-	-	-	
VSAT	7,559,700	-	-	7,559,700	4,458,123	310,158	2,791,419	10%	
Electrical Installation	16,358,915	-	-	16,358,915	13,168,275	478,596	2,712,044	15%	
<b>Sub-Total</b>	<b>5,928,487,146</b>	<b>581,930,385</b>	<b>137,151,401</b>	<b>6,373,266,130</b>	<b>2,242,414,120</b>	<b>310,737,776</b>	<b>3,923,989,003</b>		
<b>Total</b>	<b>39,680,473,955</b>	<b>2,071,017,068</b>	<b>181,179,283</b>	<b>41,570,311,740</b>	<b>20,046,381,983</b>	<b>1,882,490,971</b>	<b>19,776,920,657</b>		
Property, Plant & Equipment in Transit	514,957,056	1,469,618,444	1,337,766,188	646,809,312	-	-	646,809,312	-	
Building under Construction	418,153,362	977,711,473	-	1,345,864,835	-	-	1,345,864,835	-	
Capital Work in Progress	306,495,911	808,012,921	-	1,114,508,832	-	-	1,114,508,832	-	
<b>Carrying Value as on 30 June 2021</b>	<b>40,920,080,284</b>	<b>5,276,359,906</b>	<b>1,518,945,471</b>	<b>44,677,494,719</b>	<b>20,046,381,983</b>	<b>1,882,490,971</b>	<b>22,884,103,636</b>		

# SQUARE PHARMACEUTICALS LTD.

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022

Particulars	Notes	Amount in Taka	
		30 June 2022	30 June 2021
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
		<b>34,786,763,350</b>	<b>31,656,449,304</b>
Property, Plant and Equipment	4	22,861,293,922	21,769,594,804
Investment in Subsidiaries and Associates	5	2,572,322,483	1,672,322,483
Investment in Marketable Securities	6	4,346,770,865	4,624,331,706
Long Term Investment - Others	7	5,006,376,080	3,590,200,311
<b>Current Assets</b>			
		<b>62,748,423,516</b>	<b>54,945,934,391</b>
Inventories	8	8,176,775,798	7,245,396,928
Trade and Other Receivables	9	3,395,080,462	2,916,178,759
Advances, Deposits and Prepayments	10	2,272,165,190	1,429,389,286
Cash and Cash Equivalents	11	48,904,402,066	43,354,969,418
<b>TOTAL ASSETS</b>		<b>97,535,186,866</b>	<b>86,602,383,695</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity</b>			
		<b>93,007,355,089</b>	<b>82,217,574,950</b>
Share Capital	12	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
Fair Value Reserve	13	830,615,740	1,139,626,144
Retained Earnings	14	81,170,886,049	70,072,095,506
<b>Non-Current Liabilities</b>			
		<b>1,178,740,290</b>	<b>1,274,853,017</b>
Deferred Tax Liabilities	15	1,178,740,290	1,274,853,017
<b>Current Liabilities</b>			
		<b>3,349,091,486</b>	<b>3,109,955,728</b>
Trade Payables	16	636,003,309	614,279,333
Other Payables	17	1,491,412,802	1,366,122,637
Income Tax Payable	18	911,504,873	572,675,072
Accrued Expenses	19	180,534,472	181,712,947
Unclaimed Dividend	20	129,636,029	375,165,739
<b>TOTAL LIABILITIES</b>		<b>4,527,831,777</b>	<b>4,384,808,745</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>97,535,186,866</b>	<b>86,602,383,695</b>
<b>Net Assets Value (NAV) per Share</b>	30	<b>104.92</b>	<b>92.75</b>
Number of Shares used to compute NAV		<b>886,451,010</b>	<b>886,451,010</b>

The annexed notes (1-42) form an integral part of these financial statements.

Signed as per our separate report of same date.

  
Samuel S Chowdhury  
Chairman

  
Tapan Chowdhury  
Managing Director

  
Khandaker Habibuzzaman  
Company Secretary

  
Md. Shafiqul Alam, FCS, FCA  
Enrolment number:603  
Partner  
Ahmed Zaker & Co.  
Chartered Accountants

27 October 2022, Dhaka  
DVC: 2210270603AS781231

# SQUARE PHARMACEUTICALS LTD.

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

Particulars	Notes	Amount in Taka	
		2021-2022	2020-2021
<b>Gross Revenue</b>	21	<b>66,406,959,950</b>	<b>58,346,258,281</b>
Less: Value Added Tax		8,809,018,591	7,643,229,379
<b>Net Revenue</b>		<b>57,597,941,359</b>	<b>50,703,028,902</b>
Cost of Goods Sold	22	(27,958,026,980)	(24,800,035,555)
<b>Gross Profit</b>		<b>29,639,914,379</b>	<b>25,902,993,347</b>
<b>Operating Expenses:</b>		<b>(11,771,769,958)</b>	<b>(9,776,875,140)</b>
Selling and Distribution Expenses	23	(10,439,270,466)	(8,564,472,484)
Administrative Expenses	24	(1,332,470,001)	(1,212,389,213)
Finance Cost		(29,491)	(13,443)
Other Operating Income	25	583,091,349	127,405,255
<b>Profit from Operations</b>		<b>18,451,235,770</b>	<b>16,253,523,462</b>
Other Income	26	3,624,552,098	3,440,205,708
<b>Profit before WPPF &amp; WF</b>		<b>22,075,787,868</b>	<b>19,693,729,169</b>
Allocation for WPPF & WF	27	(1,051,227,994)	(937,796,627)
<b>Profit before Tax</b>		<b>21,024,559,874</b>	<b>18,755,932,542</b>
<b>Income Tax Expenses:</b>	28	<b>(4,607,063,271)</b>	<b>(4,012,667,932)</b>
Current Tax (Expense)		(4,618,549,626)	(4,187,481,946)
Deferred Tax (Expense)/Income		11,486,354	174,814,014
<b>Net Profit after Tax</b>		<b>16,417,496,603</b>	<b>14,743,264,610</b>
<b>Other Comprehensive Income:</b>			
<b>Unrealised Gain/(Loss) on FVOCI Financial Assets</b>		<b>(309,010,404)</b>	<b>1,532,431,867</b>
Unrealised Gain/(Loss) during the Period	29	(393,636,776)	1,769,170,100
Deferred Tax (Expense)/Income	15.2	84,626,372	(236,738,233)
<b>Total Comprehensive Income for the Year</b>		<b>16,108,486,199</b>	<b>16,275,696,477</b>
<b>Earnings per Share (EPS)</b>	31	<b>18.52</b>	<b>16.63</b>
Number of Shares used to compute EPS		886,451,010	886,451,010

The annexed notes (1-42) form an integral part of these financial statements.

Signed as per our separate report of same date.



**Samuel S Chowdhury**  
Chairman



**Tapan Chowdhury**  
Managing Director



**Khandaker Habibuzzaman**  
Company Secretary



**Md. Shafiqul Alam, FCS, FCA**  
Enrolment number:603  
Partner  
Ahmed Zaker & Co.  
Chartered Accountants

27 October 2022, Dhaka  
DVC: 2210270603AS781231

# SQUARE PHARMACEUTICALS LTD.

## STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

Particulars	Share Capital	Share Premium	General Reserve	Tax Exemption Reserve	Fair Value Reserve	Retained Earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
<b>As 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	-	-	-	-	-	16,417,496,603	16,417,496,603
Other Comprehensive Income (Net of Tax)	-	-	-	-	(309,010,404)	-	(309,010,404)
Cash Dividend (2020-2021)	-	-	-	-	-	(5,318,706,060)	(5,318,706,060)
<b>As At 30 June 2022</b>	<b>8,864,510,100</b>	<b>2,035,465,000</b>	<b>105,878,200</b>	-	<b>830,615,740</b>	<b>81,170,886,049</b>	<b>93,007,355,089</b>
Proposed Dividend (Cash @ 100%)							8,864,510,100

## FOR THE YEAR ENDED 30 JUNE 2021

Particulars	Share Capital	Share Premium	General Reserve	Tax Exemption Reserve	Fair Value Reserve	Retained Earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
<b>As 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 Recognised for FVOCI Financial Assets	-	-	-	-	59,821,223	-	59,821,223
<b>As 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>(392,805,723)</b>	<b>57,507,130,053</b>	<b>69,909,802,046</b>
Net Profit after Tax	-	-	-	-	-	14,743,264,610	14,743,264,610
Transfer to Retained Earnings	-	-	-	(2,211,743,936)	-	2,211,743,936	-
Other Comprehensive Income (Net of Tax)	-	-	-	-	1,532,431,867	-	1,532,431,867
Cash Dividend (2019-2020)	-	-	-	-	-	(3,967,923,573)	(3,967,923,573)
Stock Dividend (2019-2020)	422,119,520	-	-	-	-	(422,119,520)	-
<b>As 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>
Proposed Dividend (Cash @ 60%)							5,318,706,060

The annexed notes form an integral part of these report.

  
Samuel S Chowdhury  
Chairman

Dhaka, 27 October 2022

  
Tapan Chowdhury  
Managing Director

  
Khandaker Habibuzzaman  
Company Secretary

# SQUARE PHARMACEUTICALS LTD.

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2022

Particulars	Notes	Amount in Taka	
		2021-2022	2020-2021
<b>Cash Flows Generated from/(Used in) Operating Activities:</b>			
Receipts from Customers		66,009,972,969	58,081,104,709
Receipts from Others		126,812,094	118,537,198
Payments to Suppliers		(21,480,547,982)	(19,253,132,951)
Payments for Manufacturing and Operating Expenses		(18,025,929,296)	(14,956,206,206)
Payment of Value Added Tax		(8,809,018,591)	(7,643,229,379)
Cash Generated from Operating Activities		17,821,289,195	16,347,073,371
Interest Paid		(29,491)	(13,443)
Payment of Income Tax		(4,479,719,825)	(4,592,844,411)
Payment to WPPF & WF		(937,796,627)	(859,269,098)
Others		(58,108,805)	(15,098,053)
<b>Net Cash Generated from Operating Activities</b>		<b>12,345,634,446</b>	<b>10,879,848,366</b>
<b>Cash Flows from/(Used in) Investing Activities:</b>			
Acquisition of Property, Plant and Equipment	34	(3,001,781,789)	(2,990,302,131)
Proceeds from Sale of Property, Plant and Equipment		130,700,166	80,127,085
Long Term Investment		(2,316,175,769)	(1,057,572,128)
Investment in Marketable Securities		213,339,812	(74,328,438)
Interest Received		2,890,660,506	2,893,486,926
Dividend Received		395,011,790	419,626,799
Short Term Loan		-	4,885,090,120
<b>Net Cash Used in Investing Activities</b>		<b>(1,688,245,284)</b>	<b>4,156,128,233</b>
<b>Cash Flows from/(Used in) Financing Activities:</b>			
Payment of Dividend		(5,564,235,770)	(3,923,189,557)
<b>Net Cash Used in Financing Activities</b>		<b>(5,564,235,770)</b>	<b>(3,923,189,557)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents		5,093,153,392	11,112,787,042
Net Effect of Foreign Exchange Fluctuation on Cash and Cash Equivalent		456,279,255	8,868,057
Cash and Cash Equivalents as at 30 June 2021		43,354,969,418	32,233,314,319
<b>Cash and Cash Equivalents as at 30 June 2022</b>		<b>48,904,402,066</b>	<b>43,354,969,418</b>
<b>Net Operating Cash Flow (NOCF) per Share</b>	32	<b>13.93</b>	<b>12.27</b>
Number of Shares used to compute NOCF per Share		886,451,010	886,451,010

The annexed notes form an integral part of these financial statements

  
Samuel S Chowdhury  
Chairman

Dhaka, 27 October 2022

  
Tapan Chowdhury  
Managing Director

  
Khandaker Habibuzzaman  
Company Secretary

# SQUARE PHARMACEUTICALS LTD.

## NOTES TO THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

### 1. CORPORATE PROFILE

#### 1.1 Company Information:

Square Pharmaceuticals Ltd. ('SPL'/'the Company') is a Bangladeshi multinational pharmaceutical company leading the local pharmaceutical market since 1985. The Company was initially incorporated as a private limited company on November 10, 1964, under the Companies Act, 1913 and later transformed into a public limited company in 1991. The Company made its shares available to the public through listing in December 1994. The Company's shares are being traded on the Dhaka Stock Exchanges and Chittagong Stock Exchanges.

#### 1.2 Address of Registered Office and Factories

Headquartered in Dhaka, the Company has its registered address at 'Square Centre', 48 Mohakhali C.A, Dhaka-1212, Bangladesh. Its two principal manufacturing facilities are located in Pabna (Salgaria, Pabna, Bangladesh) and Dhaka (Kaliakoir, Gazipur, Bangladesh).

#### 1.3 Nature of Business:

The main activities of the Company are to manufacture and market generic pharmaceutical products, basic chemical products and animal health products. Additionally, the Company is engaged in the marketing of pesticide products.

### 2. Basis of Preparation of Financial Statements

#### 2.1 Statement of Compliance

These financial statements as at and for the year ended 30 June 2022 have been prepared in accordance with International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) as adopted by the Financial Reporting Council (FRC), the Companies Act, 1994, the Bangladesh Securities and Exchange Rules, 2020 and the Financial Reporting Act, 2015 and other relevant local laws as applicable.

The standalone financial statements for the year ended 30th June 2022 were approved by the Board of Directors and authorized for issue on 20 October 2022.

These standalone financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the standalone financial statements.

#### 2.2 Basis of Measurement

These financial statements have been prepared on the historical cost convention and by following accrual basis except for inventories (measured at lower of cost or net realizable value), investment in marketable securities (measured at fair value) and trade receivables which have been measured at net realizable value.

#### 2.3 Functional and Presentation Currency

The financial statements are presented in Bangladeshi Taka (Taka/Tk/BDT), being both the functional and presentation currency of Square Pharmaceuticals Ltd., unless specifically mentioned otherwise. Monetary values in the financial statements have been rounded off to the nearest Taka.

#### 2.4 Estimates and Judgements

IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors requires an entity to judge, estimate and make assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Historical experience, along with other factors like expectations pave the way for such judgement and estimates. Therefore, these estimates may not be the same as the actual results.

The underlying assumptions and estimates are reviewed at regular intervals. In the event of any revisions to accounting estimates, the changes are recognized prospectively in the concerned periods.

## 2.5 Going Concern

The Company reviews the available resources periodically to assess whether there exists any going concern threat. As at the end of the reporting period on 30 June 2022, the Company assessed that the existing resources of the Company are adequate and the Company has no going concern threat in the foreseeable future. As such, these financial statements have been prepared on a going concern basis.

## 2.6 Application of IFRSs & IASs

The applicable IASs and IFRSs for the preparation and presentation of these Financial Statements for the year under review are as follows:

IFRS 3 – Business Combinations	IAS 12 – Income Taxes
IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations	IAS 16 – Property, Plant and Equipment
IFRS 7 – Financial Instruments: Disclosures	IAS 19 – Employee Benefits
IFRS 8 – Operating Segments	IAS 21 – The Effects of Changes in Foreign Exchange Rates
IFRS 9 – Financial Instruments	IAS 23 – Borrowing Costs
IFRS 10 – Consolidated Financial Statements	IAS 24 – Related Party Disclosures
IFRS 12 – Disclosure of Interests in Other Entities	IAS 27 – Separate Financial Statements
IFRS 13 – Fair Value Measurement	IAS 28 – Investment in Associates and Joint Ventures
IFRS 15 – Revenue from Contracts with Customers	IAS 32 – Financial Instruments: Presentation
IFRS 16 – Leases	IAS 33 – Earnings per Share
IAS 1 – Presentation of Financial Statements	IAS 36 – Impairment of Assets
IAS 2 – Inventories	IAS 37 – Provisions, Contingent Liabilities and Contingent Assets
IAS 7 – Statement of Cash Flows	IAS 38 – Intangible Assets
IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors	IAS 39 – Financial Instruments: Recognition and Measurement
IAS 10 – Events after the Reporting Period	IAS 40 – Investment Property

## 3. Significant Accounting Policies

Accounting policies set out below have been applied consistently to all periods presented in these financial statements. Comparative information has been rearranged wherever considered necessary to conform to the current year's presentation.

### 3.1 Current versus Non-Current Classification

The classification of assets and liabilities as current and non-current has been made as per the Company's conventional operating cycle and other criteria as prescribed by IAS 1 – Presentation of Financial Statements.

#### Assets:

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended to be sold or consumed in, the Company's normal operating cycle;
- it is held primarily for the purpose of trading;
- it is expected to be realized within twelve months after the reporting period; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

#### Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within twelve months after the reporting period; or

- the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets and liabilities include the current portion of non-current assets and liabilities respectively. All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are always classified as non-current

### 3.2 Property, Plant and Equipment

#### Initial Recognition and Measurement

Property, plant and equipment (PPE) are initially recorded at cost of purchase or construction. Cost includes directly attributable expenses related to the acquisition of the assets including import duties, non-refundable VAT/taxes, duties and any cost incurred in preparing the asset for intended use by the Company. In case of self-constructed assets, the cost includes cost of material, direct labor and other directly attributable costs to complete the assets and make them ready for the intended use.

#### Subsequent Measurements

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses (if any). Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. The carrying amount of the replaced part is derecognized. Cost of day-to-day servicing of PPE is recognized in profit or loss as incurred.

#### Depreciation

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 – Non-current Assets Held for Sale and Discontinued Operations and the date that the asset is derecognized. Freehold land is not depreciated as it is deemed to have an infinite useful life.

The Company has adopted the reducing balance method to charge depreciation on all of its Depreciable Assets. Rates at which various classes of Depreciable Assets are depreciated are given below:

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

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

#### Derecognition

Assets are derecognized at the time of disposal or when no further economic benefits are expected. On disposal, the cost and related accumulated depreciation and impairments are removed from the financial statements and the net amount, less any proceeds, is taken to the statement of profit or loss.

### 3.3 Intangible Assets

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment loss, if any. Intangible assets are recognized when all the conditions for recognition as per IAS 38 – Intangible Assets are met. The cost of an intangible asset comprises its purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use. Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. There were no internally developed intangible assets during the year.

### 3.4 Property, Plant and Equipment in Transit

These represent property, plant and equipment that are yet to become available for the intended use by the company as of the reporting date. These assets are mostly imported equipment that has already been dispatched by the provider but has not been received by the company as of the reporting date.

### 3.5 Capital Work-in-Progress

Capital work-in-progress consists of cost incurred for the acquisition and/or construction of items of property, plant and equipment that are yet to become available for use. Spare Parts that are expected to be used for more than one year are treated as capital work in progress. In the case of import of components, capital work in progress is recognized when risks and rewards associated with such assets are transferred to the Company.

### 3.6 Impairment

Assessment for any indication of impairment of any of the assets is conducted annually to evaluate whether that asset is impaired or not. If any such indication exists, the asset's recoverable amount is estimated and compared to its carrying value.

When the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, an impairment loss is recognized immediately in profit or loss, unless the asset is carried at a revalued amount, in which case the impairment loss is recognized as a decrease in revaluation.

During the reporting year, no indication of impairment of any assets was found.

### 3.7 Investment Property

Investment property comprises non-owner occupied property (lands and/or buildings) held with the intention of earning rental income or for capital appreciation or both. An investment property is measured initially at cost. For subsequent measurement, the Company uses the cost model as its accounting policy for all investment properties. Under the cost model, investment property is measured at cost less accumulated depreciation and any accumulated impairment losses. However, fair value is disclosed as per the requirement of IAS 40 – Investment Property.

Investment property is derecognized when disposed of or when no future economic benefits are expected from the disposal. Any gain or loss arising from derecognition of the property is recognized in the statement of profit or loss in the period in which the property is derecognized.

The company has no investment property as of the reporting date.

### 3.8 Foreign Currency Transactions

Transactions in foreign currencies are recorded in the Company's functional currency at the exchange rates prevailing on the respective date of such transactions as suggested by IAS 21 – The Effects of Changes in Foreign Exchange Rates. Monetary assets and liabilities in foreign currencies are converted into Taka at the spot exchange rate at the reporting date. Gains or Losses from foreign currency transactions are reported on a net basis within other operating income or selling and distribution expenses. These primarily include exchange differences arising from the settlement or translation of monetary items.

### 3.9 Financial Instruments

#### 3.9.1 Financial Assets

##### a) Investments in Subsidiaries & Associates

Investments in subsidiaries & associates are recognized initially at cost plus any directly attributable transaction costs. Subsequent to initial recognition, investment in subsidiaries as well as in associates are measured at cost less impairment loss if any.

**b) Investments in Marketable Securities**

Investments in Marketable Securities are measured at fair value. Unrealized gains or losses on these financial assets are recognized in 'Other Comprehensive Income'. At the time of derecognition, related gains or losses are reclassified to 'Profit or Loss' from 'Other Comprehensive Income'.

**c) Long Term Investment - Others**

Investment in other long-term financial assets may include investment in various types of assets like Unquoted Shares, Preference Shares, Zero Coupon Bonds, and Subordinated Bonds, etc. These investments are initially recognized at cost plus any directly attributable transaction costs and subsequently at amortized cost. Gains or Interest income on these assets are recognized in the Statement of Profit or Loss. In case of any impairment of such assets, the amortized cost is adjusted to the extent of impairment and the loss is charged in the Statement of Profit or Loss for the relevant financial year.

**d) Trade and Other Receivables**

Trade receivables represent the amount due from customers arising from transactions in the ordinary course of business. Other receivables consist of interest and gains that are yet to be received from investments. The aging calculation is prepared to assess the probability of non-recovery of any receivables. Receivables are initially recognized at face value, and subsequently assessed for recoverability and are reported accordingly. The Company regularly assesses whether provision for bad debt is required and if needed, accounts for it.

**e) Advances, Deposits and Prepayments**

- Advances are recognized initially at actual cost and deductions or adjustments are accounted for in a timely and suitable manner.
- Deposits are payments made for specific purposes which are expected to be realized or recovered in the ordinary course of the business.
- After initial recognition at cost, prepayments are carried at cost less the amount charged for respective periods.

**f) Cash & Cash Equivalents**

Cash and cash equivalents comprise cash in hand, in transit and at banks on current and deposit accounts which are readily convertible to a known amount of cash, subject to an insignificant risk of changes in value, and used by the Company without any restrictions except for the 'Dividend Account' and the 'Export Retention Quota Account'. Bank overdrafts that are repayable on demand are treated as cash and cash equivalents.

**3.9.2 Financial Liabilities**

**Trade and Other Payables**

Trade payables include amounts due to suppliers and other relevant parties in relation to the operating activities while other payables consist of amounts payable to all the other parties not directly related to the operation of the Company. These payables are recognized initially at fair value less any directly attributable transaction costs and subsequently measured at amortized cost using the effective interest method.

**3.10 Inventories**

Except for Goods-in-Transit, which is measured at cost, all other components of inventories are measured at lower of cost and net realizable value. Net realizable value is derived by deducting any expenses incurred to make the sale from the estimated selling price in the ordinary course of business.

Cost of raw materials and consumable spare parts are determined based on the weighted average method. Work-in-process is stated at cost to complete of respective products. Cost comprises purchase costs, conversion costs and other costs incurred in bringing them to their existing location and condition. Conversion costs include systematically allocated production overheads that are incurred in converting raw materials into finished goods.

Goods-in-Transit represents the cost incurred till the reporting date for the items of inventories that are yet to be received.

Spare goods consist of spare and replacement parts and supplies used in or to facilitate the production of finished goods in the ordinary course of business but do not include raw materials, work-in-process or packaging materials.

Any obsolete stock or abnormal loss incurred are recognized as expenses in the respective period.

**Impact of Fire incident:**

On 23rd May 2022, the Large Volume Parenteral (LVP) plant at the factory premises in Gazipur was heavily damaged by a fire that left the plant in a dilapidated condition with zero casualties. The plant was fully insured under the Industrial All Risk Policy coverage. The total insured value of the inventories was Tk. 16 crore. The Company has claimed the entire damage amount, but the insurers have not completed the assessment of the claim as of the approval date of these financial statements. The breakdown of the insurance claim on inventories is as follows (as per the insurance policy):

<b>Inventories:</b>	
Raw Materials	55,194,724
Packing Materials	100,464,044
Work-in-Process	1,408,630
Finished Goods	6,528,805
<b>Total</b>	<b>163,596,203</b>

Any gain or loss out of the insurance claim will be recognized in the financial statements after the claim settlement.

### 3.11 Employee Benefits

**a) Short-term Benefits**

Short-term benefits consist of wages, salaries, allowances and bonuses. These obligations are recognized and expended in the respective periods when the related services are obtained. Any amount not paid is recognized as a liability (undiscounted) at the end of the year.

**b) Gratuity Fund**

The Company has established a gratuity fund as a defined benefit plan for its permanent employees that is approved by the National Board of Revenue (NBR). The Company contributes a reliably estimated amount to the fund annually. The company recognizes the total contribution to the fund as an expense in the statement of profit or loss.

**c) Recognized Provident Fund**

The Company maintains a provident fund recognized by NBR for its permanent employees. This fund is managed by a Board of Trustees. Upon confirmation, each of the employees is required to become a member of the fund by contributing 10% of their basic salary. The Company makes a similar contribution. The total contribution is invested separately from the Company's assets by the Board of Trustees following the rules and regulations of the Bangladesh Labor Act, 2006 (amended in 2018).

The Company recognizes the contribution as an expense when the conditions are met. The legal and constructive obligation is limited to the amount the Company agrees to contribute to the fund.

**d) Group Insurance Policy**

The employees are insured under a group insurance policy. The premium of the insurance is fully paid by the Company and the amount is charged to the statement of profit or loss.

**e) Workers Profit Participation Fund and Welfare Fund**

The Company allocates 5% of net profit before tax after charging such expenses as Allocation to Workers Profit Participation Fund and Workers Welfare Fund in accordance with the Bangladesh Labor Act, 2006 (amended in 2018). The allocated amount is transferred to the Workers Profit Participation Fund and Welfare Fund accordingly.

### 3.12 Provisions & Contingencies

Provisions are made considering risks and uncertainties at reliable estimates of the probable outflow of resources that would be required to settle current obligations. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities and assets are current or possible obligations on liabilities or assets, arising from past events and the 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. No contingent liabilities were recognized in the standalone financial statements.

### 3.13 Related Party Disclosures

As per IAS 24 – Related Party Disclosures, parties are considered to be related if one of the parties can control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in Note – 41 of the Financial Statements.

### 3.14 Operating Income

#### Revenue from Contracts with Customers

The Company's principal source of revenue is the sale of goods. The Company has generally concluded that it is the principal in its revenue arrangements. The five-step model as suggested by IFRS 15 – Revenue from Contracts with Customer has been followed in recognizing revenue. The five-step model consists of:

1. Identification of contract(s) with customers
2. Identification of performance obligations
3. Determination of transaction price
4. Allocation of transaction price to separate performance obligations
5. Recognition of revenue when entity satisfies performance obligations.

#### a) Sales of Goods:

Revenue is recognized for local sales of Pharmaceutical Drugs and Medicines, AgroVet Products, Pesticide Products and Herbal & Nutraceutical Products at the time of delivery from the 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. Revenue is recognized when goods are supplied to external customers against orders received, title and risk of loss are transferred to the customer, and reliable estimates can be made that relevant obligations have been fulfilled, such that the earnings process is regarded as being completed.

#### b) Export Incentives

Export entitlements from government authorities are recognized in the statement of profit or loss as other operating income when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

### 3.15 Other Income

#### a) Interest Income

Interest income comprises interest on financial instruments maintained with financial institutions and others. The amount of interest income is recognized on an accrual basis with reference to the effective interest rate method as per IFRS 9 – Financial Instruments.

#### b) Dividend Income

Dividend income arises from marketable securities and equity investments in other entities. Dividend income is recognized when the right to receive the dividend is established.

#### c) Other Income

Other income consists of gains or losses from various investments, profits or losses on disposal of assets etc. The associated cash flows are classified as investing activities in the statement of cash flows.

### 3.16 Leases

The Company entered into rental (lease) agreements with lessors to use floor spaces for business purposes. It does not include any machinery, software, vehicles etc. These rental agreements are one-year cancellable contracts (by both parties with three months' notice period). The contracts do not offer any buying option, commitment to buy or any assurance of post-use minimum market price for the used floor spaces.

IFRS 16 – Leases dictates that leases with shorter contract tenor and an immaterial amount of rental expenses with respect to total revenue shall not be considered as a finance lease. As such, the lease agreements the Company entered into are not treated as finance leases.

Contract Period	Amount of Rental Expenses	% of Total Revenue
01 Year	BDT 45,973,125	0.0692%

Payments associated with these (short-term) leases are recognized on a straight-line basis as an expense in the statement of profit or loss.

### 3.17 Income Tax Payable

#### Current Tax

Current tax for the period is the expected tax payable based on the taxable income and relevant tax rate for the year. Taxable income differs from accounting income for several reasons like items that may never be taxable or deductible for tax purposes and other items which may be deductible or taxable in different periods. Being a publicly traded pharmaceuticals company, the applicable tax rate for SPL is 22.5% for the reporting period (1st July 2021 – 30th June 2022).

#### Deferred Tax

Deferred tax arises due to the temporary differences between the carrying amounts and tax bases of assets and liabilities. The amount of deferred tax provided is based on the expected manner of recovery or settlement of the carrying amount of assets and liabilities using tax rates as applicable at the reporting period.

### 3.18 Earnings per Share

Basic Earnings per Share (EPS) is derived by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. When a bonus issue takes place after the reporting date but before the financial statements are authorized for issue, the number of shares in the EPS calculation is adjusted for the current and prior periods as though the bonus issue took place during the current year.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all potentially dilutive ordinary shares. Dilution of EPS is not required for these financial statements as there were no potential dilutive ordinary shares during the relevant years.

#### Weighted Average Number of Ordinary Shares

The number of shares is determined by relating the portion of time within a reporting period that a particular number of shares has been outstanding to the total time in that period. The Company issued no bonus shares for the financial year. As such, the weighted average number of shares remained the same as the previous year.

### 3.19 Statement of Cash Flows

Cash Flows Statement has been prepared using 'Direct Method' as recommended by IAS 7 – Statement of Cash Flows. A reconciliation of 'Direct Method' vs 'Indirect Method' has been presented in Note – 32 as per the direction of the Bangladesh Securities and Exchange Commission (BSEC/CMRRCD/2006-158/208/Admin/81; dated: 20 June 2018).

### 3.20 Materiality and Aggregation

Financial statements result from processing large numbers of transactions or other events that are aggregated into classes according to their nature or function. The Company presents each material class of similar items separately in the financial statements while items of dissimilar nature or function are presented separately unless they are immaterial.

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.

### 3.21 Offsetting

No assets and liabilities or income and expenses are being offset that may contradict the requirements of any IFRSs or IASs.

### 3.22 Concentration of Counterparty Risk

As of the reporting date, the Company does not have any significant concentration of business transacted with a particular customer, supplier or lender that could, if suddenly eliminated, have severely impacted the Company's operations. The Company also does not have any concentration of available sources of labor, service or licenses or other rights that could, if suddenly eliminated, have a severe impact on the operations of the Company.

### 3.23 Segment Reporting

As there is a single business and geographic segment within which the Company operates, no segment reporting is felt necessary.

### 3.24 Unrealized Gain/(Loss) on FVOCI Financial Assets

It derives mainly due to the changes in the market price of the Marketable Securities. The Company has reported unrealized gain/(loss) from Marketable Securities as Other Comprehensive Income in the Statement of Profit or Loss and Other Comprehensive Income and the Statement of Changes in Equity in conformity with IAS 12 – Income Taxes and IFRS 9 – Financial Instruments. As per SRO no.: 196-Act/Income tax/2015, any Capital gain arising from Marketable Securities (Stocks/Debentures listed with Stock Exchanges) is subject to Tax @ 10%. Gains that are realized during the year have been accounted for accordingly through the statement of profit or loss.

### 3.25 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 expenses as and when incurred, not being that much material in the Company's context.

### 3.26 Comparative Information

The comparative figures have been regrouped, reclassified or modified from previously published interim and annual Financial Statements to facilitate any necessary presentational changes to conform to the current year's presentation.

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 has also been disclosed whenever it is relevant for the understanding of the current year's financial statements.

### 3.27 Events After Reporting Period

Events after the reporting period that provide additional information about the Company's position at the reporting date are reflected in the financial statements. Material events after the reporting period that are not adjusting events are disclosed by way of note. There is no significant event other than normal activities between the Financial Year end and Financial Statements approval date.

Particulars	Amount in Taka	
	30 June 2022	30 June 2021
<b>Impact of Fire incident:</b>		
On 23rd May 2022, the Large Volume Parenteral (LVP) plant at the factory premises in Gazipur was heavily damaged by a fire that left the plant in a dilapidated condition with zero casualties. The plant was fully insured under the Industrial All Risk Policy coverage. The total insured value of the plant including its building, machinery, and inventories was Tk. 171 crore. The Company has claimed the entire damage amount, but the insurers have not completed the assessment of the claim as of the approval date of these financial statements.		
As a result of the fire incident, the Company shall lose annual revenue and profit of Tk. 50 crore and Tk. 8 crore respectively. Depreciation of the plant ceased on 23rd May 2022 (the date on which the fire incident occurred). Any gain or loss out of the insurance claim will be recognized in the financial statements after the claim settlement		
<b>4. Property, Plant and Equipment: Tk. 22,861,293,922</b>		
Details of property, plant and equipment are shown in the annexed Schedule - 1.		
<b>Cost:</b>		
Opening Balance	41,570,311,740	39,680,473,955
Addition during the Year	2,408,952,601	2,071,017,068
	43,979,264,341	41,751,491,023
Sale/Transfer during the Year	(259,594,360)	(181,179,283)
Closing Balance	<b>43,719,669,981</b>	<b>41,570,311,740</b>
<b>Accumulated Depreciation:</b>		
Opening Balance	21,793,391,083	20,046,381,983
Charged during the Year	1,835,173,760	1,882,490,971
	23,628,564,843	21,928,872,954
Sale/Transfer during the Year	(182,386,748)	(135,481,871)
Closing Balance	<b>23,446,178,095</b>	<b>21,793,391,083</b>
<b>Net Book Value as at 30 June 2022</b>	<b>20,273,491,886</b>	<b>19,776,920,657</b>
Property, Plant and Equipment in Transit (Note - 4.1)	521,564,753	646,809,312
Building under Construction (Note - 4.2)	2,066,237,283	1,345,864,835
<b>Written Down Value</b>	<b>22,861,293,922</b>	<b>21,769,594,804</b>

**Impact of Fire incident:**

On 23rd May 2022, the Large Volume Parenteral (LVP) plant at the factory premises in Gazipur was heavily damaged by a fire that left the plant in a dilapidated condition with zero casualties. The plant was fully insured under the Industrial All Risk Policy coverage. The total insured value of the plant including its building and machinery was Tk. 155 crore. The Company has claimed the entire damage amount, but the insurers have not completed the assessment of the claim as of the approval date of these financial statements. Depreciation of the affected assets ceased on 23rd May 2022 (the date on which the fire incident occurred).

Plant & Machinery	Insured Value (W.D.V)
Factory Building	446,093,522
Machinery	945,031,175
Laboratory & Other Equipment	106,575,864
Others	49,657,044
<b>Total</b>	<b>Tk. 1,547,357,605</b>

Particulars	Amount in Taka	
	30 June 2022	30 June 2021
<b>Allocation of depreciation charged for the year:</b>		
Factory Overhead (Note - 22.3)	1,514,022,727	1,571,753,195
Selling and Distribution Expenses (Note - 23)	219,764,727	203,574,635
Administrative Expenses (Note - 24)	101,386,306	107,163,141
	<b>1,835,173,760</b>	<b>1,882,490,971</b>
<b>4.1 Property, Plant and Equipment in Transit: Tk. 521,564,753</b>		
Opening Balance	646,809,312	514,957,056
Addition during the Year	1,271,900,734	1,469,618,444
	1,918,710,046	1,984,575,500
Transfer during the Year	(1,397,145,293)	(1,337,766,188)
Closing Balance	<b>521,564,753</b>	<b>646,809,312</b>
<b>4.2 Building under Construction: Tk. 2,066,237,283</b>		
Opening Balance	1,345,864,835	418,153,362
Addition during the Year	1,280,219,869	927,711,473
	2,626,084,704	1,345,864,835
Transfer during the Year	(559,847,421)	-
Closing Balance	<b>2,066,237,283</b>	<b>1,345,864,835</b>
<b>5. Investment in Subsidiaries and Associates: Tk. 2,572,322,483</b>		
<b>Subsidiaries:</b>		
(a) 4,000,000 Ordinary Shares in Square Pharmaceuticals Kenya EPZ Ltd.	332,000,000	332,000,000
(b) Share Money Deposit in 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) Square Textiles Ltd. (91,436,679 Ordinary Shares of Tk. 10/- each including Bonus Shares)	225,129,795	225,129,795
(b) Square Hospitals Ltd. (199,750 Ordinary Shares of Tk. 1,000/- each plus Share Premium)	210,750,000	210,750,000
(c) 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>2,572,322,483</b>	<b>1,672,322,483</b>

**6 Investment in Marketable Securities: Tk. 4,346,770,865**

Particulars	2021-2022 (Jul'21-Jun'22)		2020-2021 (Jul'20-Jun'21)	
	Cost	Market Value	Cost	Market Value
Opening Balance	3,307,788,552	4,624,331,706	3,144,519,813	2,691,892,867
Addition during the Year	627,115,212	562,894,183	487,296,823	2,345,407,225
Sold during the Year	(511,039,277)	(840,455,024)	(324,028,084)	(412,968,386)
Closing Balance	<b>3,423,864,487</b>	<b>4,346,770,865</b>	<b>3,307,788,552</b>	<b>4,624,331,706</b>

Particulars	Amount in Taka	
	30 June 2022	30 June 2021
<b>7. Long Term Investment - Others: Tk. 5,006,376,080</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 CDBL	15,694,430	15,694,430
(c) Preference Shares in Raj Lanka Power Company Ltd.	-	29,090,910
(d) Non-Convertible Zero Coupon Bonds in Durable Plastics Ltd.	-	11,905,164
(e) 8 Non-Convertible Zero Coupon Bonds in Envoy Textiles Ltd.	10,907,299	21,509,807
(f) 400 Non-Convertible Zero Coupon Bonds in Brac Bank Ltd.	402,509,850	-
(g) 415 Non-Convertible Zero Coupon Bonds in LankaBangla Finance Ltd.	360,363,204	-
(h) 400 Non-Convertible Zero Coupon Bonds in Sajida Foundation Ltd.	362,989,522	-
(i) 640 Non-Convertible Zero Coupon Bonds in IDLC Finance Ltd.	341,911,775	-
(j) 200 Non-Convertible Subordinated Bonds in Mutual Trust Bank Ltd.	2,000,000,000	2,000,000,000
(k) 5,000 Non-Convertible Subordinated Bonds in Southeast Bank Ltd.	500,000,000	500,000,000
(L) 50 Non-Convertible Subordinated Bonds in Islami Bank Bangladesh Ltd.	500,000,000	500,000,000
(m) 50 Non-Convertible Subordinated Bonds in Trust Bank Ltd.	500,000,000	500,000,000
	<b>5,006,376,080</b>	<b>3,590,200,311</b>
<b>8. Inventories: Tk. 8,176,775,798</b>		
Raw Materials	2,707,894,958	2,647,266,800
Packing Materials	856,951,586	829,398,759
Work-in-Process	446,012,445	415,013,847
Finished Goods	2,549,985,110	2,118,362,474
Spares & Accessories	846,188,354	831,527,919
Goods- in-Transit	769,743,345	403,827,129
	<b>8,176,775,798</b>	<b>7,245,396,928</b>
<b>9. Trade and Other Receivables: Tk. 3,395,080,462</b>		
Trade Receivables (Note-9.1)	2,159,066,716	1,636,136,514
Other Receivables (Note-9.2)	1,236,013,746	1,280,042,245
	<b>3,395,080,462</b>	<b>2,916,178,759</b>
<b>9.1 Trade Receivables: Tk. 2,159,066,716</b>		
(a) Trade receivables occurred in the ordinary course of business are unsecured but considered good. Ageing of the Trade Debtors is as follows:		
Below 30 days	1,794,658,433	1,276,307,170
Within 31-60 days	100,142,561	96,501,014
Within 61-90 days	91,454,150	85,112,951
Above 90 days	172,811,572	178,215,379
	<b>2,159,066,716</b>	<b>1,636,136,514</b>
(b) Above receivables include Tk. 480,453,423 due from export sales of which Tk. 324,603,270 has since been realised.		
(c) No amount was due by the Directors (incl. MD), Managing Agent of the company and any of them severally or jointly with any other person.		
(d) There was also no other amount due by associate undertakings.		
<b>9.2 Other Receivables: Tk. 1,236,013,746</b>		
Interest Receivable from Fixed Deposit Receipts	1,132,982,469	1,222,146,132
Interest Receivable from Subordinated Bonds	52,752,862	57,891,734
Gain Receivable against Zero Coupon Bonds	50,278,415	4,379
	<b>1,236,013,746</b>	<b>1,280,042,245</b>

Particulars	Amount in Taka	
	30 June 2022	30 June 2021
<b>10. Advances, Deposits and Prepayments: Tk. 2,272,165,190</b>		
<b>Advances:</b>	<b>1,365,021,194</b>	<b>463,087,450</b>
Employees	304,433,010	239,013,230
Land Purchase	14,204,677	16,503,377
Advance Income Tax	200,000,000	-
Suppliers	846,383,507	207,570,843
<b>Deposits:</b>	<b>854,123,950</b>	<b>920,127,031</b>
Value Added Tax	473,471,125	599,414,346
Earnest Money & Security Deposit	371,011,277	312,902,472
Others	9,641,548	7,810,213
<b>Prepayments:</b>	<b>53,020,046</b>	<b>46,174,805</b>
Office Rent	6,132,743	6,936,747
Insurance Premium	46,887,303	39,238,058
	<b>2,272,165,190</b>	<b>1,429,389,286</b>
(a) Employees advances of Tk. 304,433,010 include advance to officers Tk. 245,439,652		
(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.		
<b>11. Cash and Cash Equivalents: Tk. 48,904,402,066</b>		
(a) Cash in Hand	<b>5,686,111</b>	<b>13,925,716</b>
(b) Cash at Bank:	<b>48,898,715,955</b>	<b>43,341,043,702</b>
* Current Accounts	693,577,697	435,014,278
* STD Accounts	1,812,598,384	3,486,902,772
* Fixed Deposit Accounts (BDT)	41,528,858,059	35,653,848,645
* Fixed Deposit Accounts (held in USD)	4,543,883,326	2,862,046,153
* Export Retention Quota Accounts (held in USD)	249,682,906	891,345,538
* Margin Held Accounts (held in USD)	14,162,725	11,886,316
* Dividend Account	55,952,858	-
	<b>48,904,402,066</b>	<b>43,354,969,418</b>
<b>12. Share Capital: Tk. 8,864,510,100</b>		
Authorised Share Capital:		
1,000,000,000 Ordinary Shares of Tk. 10/- each	<b>10,000,000,000</b>	<b>10,000,000,000</b>
<b>Paid-up Share Capital:</b>		
<b>a) Issued for Cash:</b>		
10,092,300 Ordinary Shares of Tk. 10/- each fully paid-up in cash	100,923,000	100,923,000
<b>b) Issued for Consideration other than Cash:</b>		
40,020 Ordinary Shares of Tk. 10/- each fully paid-up for consideration other than cash	400,200	400,200
<b>c) Issued as Bonus Share:</b>		
876,318,690 Ordinary Shares of Tk. 10/- each fully paid-up as Bonus Shares	8,763,186,900	8,763,186,900
	<b>8,864,510,100</b>	<b>8,864,510,100</b>

Particulars	Amount in Taka	
	30 June 2022	30 June 2021

Composition of Shareholding:

Particulars	2021-2022		2020-2021	
	No. of Shares	%	No. of Shares	%
Sponsors & Directors	307,342,951	34.67%	306,442,951	34.57%
Foreign Investors	123,325,567	13.91%	135,333,461	15.27%
Financial and Other Institutions	131,661,548	14.85%	119,244,888	13.45%
General Public	324,120,944	36.57%	325,429,710	36.71%
<b>Total</b>	<b>886,451,010</b>	<b>100.00%</b>	<b>886,451,010</b>	<b>100.00%</b>

Classification of Shareholders by Holding (As per Folio & BOID):

Range of Holdings	As of 30 June 2022			As of 30 June 2021		
	No. of Holders	Holdings	% of Holdings	No. of Holders	Holdings	% of Holdings
Less than 500 Shares	52,342	6,022,416	0.68%	51,665	6,205,157	0.70%
501 to 5,000 Shares	18,718	31,194,607	3.52%	19,039	32,626,297	3.68%
5,001 to 10,000 Shares	2,618	18,786,046	2.12%	2,809	20,003,782	2.26%
10,001 to 20,000 Shares	1,322	18,743,476	2.11%	1,400	19,699,403	2.22%
20,001 to 30,000 Shares	459	11,377,236	1.28%	513	12,625,763	1.42%
30,001 to 40,000 Shares	245	8,611,713	0.97%	252	8,758,073	0.99%
40,001 to 50,000 Shares	148	6,734,127	0.76%	168	7,564,014	0.85%
50,001 to 100,000 Shares	314	21,955,654	2.48%	295	20,365,532	2.30%
100,001 to 1,000,000 Shares	325	93,955,523	10.60%	326	93,751,947	10.58%
Over 1,000,000 Shares	73	69,070,212	75.48%	72	664,851,042	75.00%
	<b>76,564</b>	<b>886,451,010</b>	<b>100.00%</b>	<b>76,539</b>	<b>886,451,010</b>	<b>100.00%</b>

**13. Fair Value Reserve: Tk. 830,615,740**

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 FVOCI Financial Assets for the Year (Note - 29)	(393,636,776)	1,769,170,100
Less: Deferred tax (Expense)/Income (Note-15.2 )	84,626,372	(236,738,233)
Closing Balance	<b>830,615,740</b>	<b>1,139,626,144</b>

**14. Retained Earnings: Tk. 81,170,886,049**

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	16,417,496,603	14,743,264,610
Less: Cash Dividend	(5,318,706,060)	(3,967,923,573)
Less: Stock Dividend	-	(422,119,520)
Closing Balance	<b>81,170,886,049</b>	<b>70,072,095,506</b>

**15. Deferred Tax Liabilities: Tk. 1,178,740,290**

Deferred Tax - Property, Plant and Equipment (Note - 15.1)	1,086,449,652	1,097,936,007
Deferred Tax - FVOCI Financial Assets (Note - 15.2)	92,290,638	176,917,010
	<b>1,178,740,290</b>	<b>1,274,853,017</b>

Particulars	Amount in Taka	
	30 June 2022	30 June 2021
<b>15.1 Deferred Tax - Property, Plant and Equipment: Tk. 1,086,449,652</b>		
A. Property, plant and equipment excluding cost of Land (Carrying Amount)	13,902,912,754	13,686,544,416
B. Property, plant and equipment excluding cost of Land (Tax Base)	9,074,247,632	8,806,828,831
C. Taxable/(Deductible) Temporary Difference (A-B)	4,828,665,122	4,879,715,585
D. Tax Rate	22.50%	22.50%
E. Deferred Tax Liabilities as on June 30, 2022 (C*D)	1,086,449,652	1,097,936,007
F. Deferred Tax Liabilities as on June 30, 2021	1,097,936,007	1,272,750,021
Current Year's Deferred Tax Expense/(Income) (E-F)	<b>(11,486,354)</b>	<b>(174,814,014)</b>
<b>15.2 Deferred Tax - FVOCI Financial Assets: Tk. 92,290,638</b>		
A. FVOCI Financial Assets - Carrying Amount	4,346,770,865	1,769,170,100
B. FVOCI Financial Assets - Tax Base	3,423,864,487	-
C. Taxable/(Deductible) Temporary Difference (A-B)	922,906,378	1,769,170,100
D. Tax Rate	10.00%	10.00%
E. Deferred Tax Liabilities as on June 30, 2022 (C*D)	92,290,638	176,917,010
F. Deferred Tax Liabilities as on June 30, 2021	176,917,010	(59,821,223)
Current Year's Deferred Tax Expense/(Income) (E-F)	<b>(84,626,372)</b>	<b>236,738,233</b>
<b>16. Trade Payables</b>	<b>636,003,309</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.		
<b>17. Other Payables: Tk. 1,491,412,802</b>		
Sundry Creditors	414,609,766	400,854,734
Income Tax (Deduction at Source)	16,825,193	19,532,856
Retention Money	8,749,849	7,938,420
Workers' Profit Participation Fund and Welfare Fund (Note - 17.1)	1,051,227,994	937,796,627
	<b>1,491,412,802</b>	<b>1,366,122,637</b>
<b>17.1 Workers' Profit Participation Fund and Welfare Fund: Tk. 1,051,227,994</b>		
Opening Balance	937,796,627	859,269,098
Add: Allocation for the Year	1,051,227,994	937,796,627
Less: Payment made during the Year	(937,796,627)	(859,269,098)
Closing Balance	<b>1,051,227,994</b>	<b>937,796,627</b>
<b>18. Income Tax Payable: Tk. 911,504,873</b>		
Opening balance	572,675,072	978,037,537
Provision made for the Year	4,618,549,626	4,187,481,946
Tax Paid (Including Advance Income Tax) during the Year	(4,279,719,825)	(4,592,844,411)
	<b>911,504,873</b>	<b>572,675,072</b>
<b>19. Accrued Expenses: Tk. 180,534,472</b>		
Accrued Expenses	179,844,472	181,022,947
Audit Fees	690,000	690,000
	<b>180,534,472</b>	<b>181,712,947</b>
<b>20. Unclaimed Dividend: Tk. 129,636,029</b>		
Opening balance	375,165,739	330,431,723
Addition during the Year	55,942,663	46,944,513
Paid during the Year	(301,472,373)	(2,210,497)
	<b>129,636,029</b>	<b>375,165,739</b>

Particulars	Amount in Taka	
	2021 - 2022	2020 - 2021
<b>21. Gross Revenue: Tk. 66,406,959,950</b>		
Segregation of Revenue from Contracts with Customers is shown below:		
Revenue from Local Sales	64,706,688,984	56,838,510,575
Revenue from Export Sales	1,700,270,966	1,507,747,706
Equivalent to US \$ 19,977,543 (Jul'20-Jun'21: US \$ 17,954,645)		
	<b>66,406,959,950</b>	<b>58,346,258,281</b>

Revenue was recognized at a point of time.

**Contract Assets and Liabilities:**

The company has recognized no contract assets and liabilities.

(i) Revenue was generated from 651 Pharmaceuticals Products, 22 Basic Chemicals & Pellet Products, 76 (Locally Produced) AgroVet Products & 81 (Imported) AgroVet Products, 38 Corp Care Products and 42 Herbal & Nutraceuticals Products. The summarized quantities are as under:

Category	Unit	Opening	Purchase/	Sales/	Closing
		30.06.2021	Production	Transfer	30.06.2022
Tablet	Pcs	926,464	7,686,865	7,851,808	761,521
Capsule	Pcs	368,234	1,759,799	1,822,870	305,163
Liquid	Bottles	15,917	167,830	163,761	19,986
Injectable (Vial & Ampoule)	Pcs	9,260	43,348	43,506	9,102
Infusion	Bags	1,363	2,600	3,402	561
ENT & Ophthal Preparation	Phials	6,261	27,018	30,997	2,282
Cream, Ointment, Spray, Gel & Others	Phials	7,351	146,663	148,963	5,051
Powder for Suspension	Bottles	5,457	27,418	29,532	3,343
Powder	Phials	2,794	22,627	23,227	2,194
Suppository	Pcs	12,669	78,757	79,577	11,849
Inhaler	Pcs	6,861	43,032	44,142	5,751
Insulin	Pcs	225	2,226	1,977	474
Basic Chemical & Pellet	Kg	107	777	803	81

(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 revenue shown above.

Breakup of Stock Transfer is as under:

Particulars	Jul'21 - Jun'22		Jul'20 - Jun'21	
	Metric Ton	Taka	Metric Ton	Taka
1) Basic Chemicals	520	650,194,595	477	494,905,251
2) Pellet	262	405,670,813	228	355,258,220
		<b>1,055,865,408</b>		<b>850,163,471</b>

Particulars	Amount in Taka	
	2021-2022	2020-2021
<b>22. Cost of Goods Sold: Tk. 27,958,026,980</b>		
Raw Materials Consumed (Note - 22.1)	12,665,124,944	10,914,817,014
Packing Materials Consumed (Note - 22.2)	6,385,408,111	5,750,170,150
	<b>19,050,533,055</b>	<b>16,664,987,164</b>
Add: Opening Work-in-Process	415,013,847	336,441,344
Less: Closing Work-in-Process	(446,012,445)	(415,013,847)
<b>TOTAL CONSUMPTION</b>	<b>19,019,534,457</b>	<b>16,586,414,661</b>
Add: Factory Overhead (Note - 22.3 )	7,374,304,792	6,836,133,924
<b>COST OF PRODUCTION</b>	<b>26,393,839,249</b>	<b>23,422,548,585</b>
Add: Opening Finished Goods	2,118,362,474	1,677,371,032
Add: Purchase of Finished Goods	2,298,259,394	2,036,850,950
Less: Closing Finished Goods	(2,549,985,110)	(2,118,362,474)
	<b>28,260,476,007</b>	<b>25,018,408,093</b>
Less: Cost of Physician Sample	(302,449,027)	(218,372,538)
	<b>27,958,026,980</b>	<b>24,800,035,555</b>
<b>22.1 Raw Materials Consumed: Tk. 12,665,124,944</b>		
Opening Stock as at 30 June 2021	2,647,266,800	1,939,329,998
Purchase during the year	12,725,753,102	11,622,753,816
Closing Stock as at 30 June 2022	(2,707,894,958)	(2,647,266,800)
	<b>12,665,124,944</b>	<b>10,914,817,014</b>

Movements in quantity and total value of raw materials during the year are stated below:

Particulars	PCs	Quantity (kgs)			Total Value (Taka)
		Cap-shell	Active + Excipients	Colour + Flavour	
	<b>Opening Balance</b>	<b>817,632,580</b>	<b>7,691,944</b>	<b>269,500</b>	<b>7,961,444</b>
Purchase	1,638,471,075	40,001,668	596,709	40,598,377	12,725,753,102
Available for use	2,456,103,655	47,693,612	866,209	48,559,821	15,373,019,902
<b>Closing Balance</b>	<b>660,157,330</b>	<b>7,009,619</b>	<b>229,026</b>	<b>7,238,645</b>	<b>(2,707,894,958)</b>
Consumption	1,795,946,325	40,683,993	637,183	41,321,176	12,665,124,944

Raw materials consists of 1,436 items of which 89.73% (in value) are imported.

<b>22.2 Packing Materials Consumed: Tk. 6,385,408,111</b>		
Opening Stock as at 30 June 2021	829,398,759	647,848,732
Purchase during the year	6,412,960,938	5,931,720,177
Closing Stock as at 30 June 2022	(856,951,586)	(829,398,759)
	<b>6,385,408,111</b>	<b>5,750,170,150</b>

Movements in quantity and total value of packing materials during the year are stated below:

(Quantity in thousand)

Category	Unit	Opening 30.06.2021	Purchase/ Production	Consumption	Closing 30.06.2022
Inner Carton	Pcs	49,334	215,107	212,210	52,231
Shipper's Carton	Pcs	2,048	11,399	11,060	2,387
Label	Pcs	73,965	264,553	269,715	68,803
Direction Slip	Pcs	41,034	177,907	173,430	45,511
Container	Pcs	5,921	46,993	47,228	5,686
Blister Foil/Alu Lid Foil	Kg	152	424	422	154
Strip Foil	Kg	39	444	411	72
PVC/PVDC/PE Film	Kg	407	1,297	1,285	419
Auto Bottom Foil	Kg	205	748	662	291
Bottle (PET/HDPE/Glass)	Pcs	15,439	219,190	218,482	16,147
Ampoule	Pcs	7,822	37,341	36,567	8,596
Vial	Pcs	6,496	18,481	18,038	6,939
HDPE/LDPE Bag	Pcs	875	4,517	3,967	1,425
Flip Off Seal & Tear off Seal	Pcs	5,432	20,194	20,150	5,476
P.P Cap/Plastic Closures & Others	Pcs	39,724	317,808	324,096	33,436
Tube	Pcs	8,170	55,215	51,945	11,440
Can	Pcs	1,039	5,464	5,675	828
Actuator	Pcs	1,628	3,801	3,551	1,878
Metered Valves	Pcs	3,344	9,051	9,032	3,363
Sachet	Kg	325	1,105	1,113	317
Syringe, Needle & Infusion Set	Pcs	1,348	6,091	5,384	2,055
Water for Injection	Pcs	5,962	11,493	12,574	4,881
Shrink Wrapping	Kg	781	1,250	1,303	728
Silica Gel, Gum Tape & Adhesive Tape	Pcs	2,915	37,298	30,560	9,653
Cup, Spoon, Dropper & Rubber Stopper	Pcs	23,038	182,391	180,732	24,697
Honey Comb	Pcs	139	651	592	198
Plastic Applicator	Pcs	994	3,629	3,428	1,195
Neck Lock & Zip Lock Bag	Pcs	669	5,738	5,515	892
Poly Pack, Poly Bag & Pouch Pack	Pcs	5,936	17,879	18,359	5,456
Consumables	Pcs	430	2,062	1,707	785

Packing materials consists of 8,275 items of which 26.04% (in value) are imported.

Particulars	Amount in Taka	
	2021-2022	2020-2021
<b>22.3 Factory Overhead: Tk. 7,374,304,792</b>		
Salaries, Allowances and Wages	2,583,426,299	2,228,205,837
Factory Employees Free Lunch	155,644,172	138,814,655
Factory Staff Uniform	97,752,877	84,902,429
Travelling & Conveyance	50,587,271	44,769,210
Printing & Stationery	78,137,099	74,078,621
Postage, Telephone & Fax	9,035,297	8,834,201
Repairs & Maintenance	1,059,159,894	974,041,408
Laboratory Consumable Stores	469,235,606	407,091,531
Fuel, Petrol, Light Diesel etc.	131,190,211	132,196,121
Electricity, Gas & Water	771,258,513	746,162,607
Rental Expense	1,260,965	1,867,336
Municipal & Other Tax	14,300,737	15,308,475
Insurance Premium	22,066,849	21,701,525
Factory Sanitation Expenses	72,963,100	60,131,178
Depreciation	1,514,022,727	1,571,753,195
Security Services	65,665,456	58,563,047
Research & Development	193,978,194	182,311,524
Software & Hardware Support Services	61,082,059	69,922,296
Toll Charges	21,568,568	14,011,574
Other Expenses	1,968,898	1,467,154
	<b>7,374,304,792</b>	<b>6,836,133,924</b>
<b>23. Selling and Distribution Expenses: Tk. 10,439,270,466</b>		
Salaries and Allowances	1,764,812,566	1,434,829,771
Travelling and Conveyance	150,498,538	131,447,160
Training Expenses	4,757,614	4,118,854
Printing and Stationery	87,348,392	75,657,331
Postage, Telephone, Fax & Telex	77,116,075	80,730,383
Electricity, Gas and Water	30,386,230	28,839,872
Tiffin and Refreshment	34,092,475	29,922,090
Staff Uniform	10,468,717	9,063,219
Sanitation Expenses	13,630,629	12,114,067
Office and Godown Rent	25,952,680	26,402,693
Lease Rent	2,649,600	2,649,600
Bank Charges	10,460,958	10,931,151
Repairs and Maintenance including car maintenance	543,910,794	480,262,957
Govt. Taxes and License Fees	45,772,456	66,176,011
Field Staff Salaries, Allowances, TA and DA	2,780,471,147	2,295,067,750
Target Incentive to Field Staff	242,761,691	162,975,112
Marketing and Sales Promotional Expenses	1,231,398,574	912,493,508
Advertisement	1,211,692	950,233
Event, Programs and Conference	275,812,532	218,981,280
Delivery and Packing Expenses	190,098,007	129,201,102
Literature and Publications	116,194,362	93,667,076
Export Expenses	203,377,595	174,674,361
Special Discount	1,799,758,289	1,533,228,975
Sample Expenses	365,359,046	283,443,770
Security Services	85,762,828	80,263,735
Depreciation	219,764,727	203,574,635
Software, hardware Support & VSAT Services	59,858,587	53,946,099
Insurance Premium	3,913,194	3,552,838
Faulty & Obsolete Goods	45,441,084	12,362,482
Research and Product Development	16,049,995	12,747,910
Other Expenses	179,392	196,459
	<b>10,439,270,466</b>	<b>8,564,472,484</b>

Particulars	Amount in Taka	
	2021-2022	2020-2021
<b>24. Administrative Expenses: Tk. 1,332,470,001</b>		
Salaries and Allowances	518,919,012	453,682,458
Directors' Remuneration	76,344,167	66,455,423
Independent Directors' Honorarium	600,000	600,000
Travelling and Conveyance	116,572,603	104,030,378
Training Expenses	8,045,239	7,023,109
Printing and Stationery	20,260,208	18,475,234
Postage, Telephone & Internet	10,992,522	11,573,534
Electricity, Gas & Water	22,472,977	24,939,297
Tiffin and Refreshment	72,187,846	65,435,757
Staff Uniform	3,048,256	2,841,553
Office Rent	18,759,480	15,855,972
Sanitation Expenses	7,572,575	6,705,334
Books and Periodicals	369,407	603,759
Subscription and Donation	7,129,146	6,643,164
Advertisement	2,394,911	2,058,202
Repairs and Maintenance	224,163,126	204,725,302
Bank Charges	11,140,124	11,985,504
Insurance Premium	17,506,241	11,864,766
Govt. Taxes, Stamp Duty & License Fee	10,105,793	7,491,370
Security Services	40,736,544	39,842,152
Management Consultant Fees	2,338,750	2,338,750
Legal Charges	2,181,375	1,184,750
Audit Fees	931,500	713,000
Depreciation	101,386,306	107,163,141
Annual General Meeting Expenses	393,280	802,834
Software & Hardware Support Services	33,809,041	30,933,929
Share Demat, Remat & Transfer Fees	5,286	5,263,537
Other Expenses	2,104,286	1,157,004
	<b>1,332,470,001</b>	<b>1,212,389,213</b>
<b>25. Other Operating Income: Tk. 583,091,349</b>		
Rental Income	1,154,941	1,317,162
Sale of Scrap	44,525,074	37,343,947
Foreign Exchange Gain*	469,807,099	10,464,379
Cash Incentive Received against Export	62,977,000	46,215,000
P.F Forfeiture Amount**	715,235	32,064,767
Technology Transfer fees	3,512,000	-
Industrial Awards	400,000	-
	<b>583,091,349</b>	<b>127,405,255</b>

\* An unprecedented upsurge in the forex rate during the last quarter resulted in unusual foreign exchange gain in the reporting year.

\*\* P.F Forfeiture Amount represents the amount forfeited from Employees Provident Fund and returned to the Company.

Particulars	Amount in Taka	
	2021-2022	2020-2021
<b>26. Other Income: Tk. 3,624,552,098</b>		
Interest Income:		
On Deposits	2,281,651,937	1,968,391,726
On Loan to Sister Concern	-	197,764,904
On Short Notice Deposits	261,033,327	422,609,363
On Subordinated Bonds	248,776,880	220,343,688
Dividend Income	395,011,790	419,626,799
Gain/(Loss):		
On Redemption of Zero Coupon Bond	55,169,863	88,099,253
On Marketable Securities (Realized)	329,415,747	88,940,302
Profit on Disposal of Property, Plant & Equipment	53,492,555	34,429,673
	<b>3,624,552,098</b>	<b>3,440,205,708</b>
<b>27. Allocation for WPPF and WF: Tk. 1,051,227,994</b>		
Profit before WPPF and WF	22,075,787,868	19,693,729,169
Allocation for WPPF and WF @ 5%	<b>1,051,227,994</b>	<b>937,796,627</b>
(As prescribed by Chapter - 15 of Bangladesh Labor Act, 2016 (amended in 2018))		
<b>28. Income Tax Expenses: Tk. 4,607,063,271</b>		
Current Tax Expense	4,618,549,626	4,187,481,946
Deferred Tax Expense / (Income)	(11,486,354)	(174,814,014)
	<b>4,607,063,271</b>	<b>4,012,667,932</b>

**28.1 Reconciliation of Effective Tax Rate:**

Particulars	Jul'21-Jun'22		Jul'20-Jun'21	
	%	Taka	%	Taka
<b>Profit before Tax</b>		<b>21,024,559,874</b>		<b>18,755,932,542</b>
Income Tax using Corporate Tax Rate	22.50%	4,730,525,972	22.50%	4,220,084,822
Effect of Tax Exempted Income	-0.06%	(12,413,219)	-0.64%	(120,210,584)
Effect of Lower Tax Rate	-0.53%	(111,049,481)	-0.15%	(27,385,083)
	21.91%	4,607,063,271	21.71%	4,072,489,155
Adjustment for Previous Year's Tax on FVOCI Financial Assets	-	-	-0.32%	(59,821,223)
	<b>21.91%</b>	<b>4,607,063,271</b>	<b>21.39%</b>	<b>4,012,667,932</b>

<b>29. Unrealised Gain/(Loss) on FVOCI Financial Assets: Tk. (393,636,776)</b>		
Closing Unrealised Gain/(Loss)	922,906,378	1,316,543,154
Less: Opening Unrealised Gain/(Loss)	1,316,543,154	(452,626,946)
	<b>(393,636,776)</b>	<b>1,769,170,100</b>
<b>30. Net Asset Value (NAV) per Share: Tk. 104.92</b>		
Equity attributable to the Ordinary Shareholders	93,007,355,089	82,217,574,950
Number of Shares outstanding during the year	886,451,010	886,451,010
Net Asset Value (NAV) per Share	<b>104.92</b>	<b>92.75</b>

Particulars	Amount in Taka	
	2021-2022	2020-2021
<b>31. Earnings per Share (EPS): Tk. 18.52</b>		
Net Profit after Tax attributable to Shareholders	16,417,496,603	14,743,264,610
Number of Shares outstanding during the year	886,451,010	886,451,010
Earnings per Share (EPS)	<b>18.52</b>	<b>16.63</b>
<b>32. Net Operating Cash Flow (NOCF) per Share: Tk. 13.93</b>		
Net Cash Generated from Operating Activities	12,345,634,446	10,879,848,366
Number of Shares outstanding during the year	886,451,010	886,451,010
Net Operating Cash Flow (NOCF) per Share	<b>13.93</b>	<b>12.27</b>
<b>32.1 Reconciliation of Net Profit with Cash Flows Generated from Operating Activities:</b>		
<b>Net Profit after Tax</b>	<b>16,417,496,603</b>	<b>14,743,264,610</b>
Adjustments for Reconciling Net Profit with Net Cash Generated from Operating Activities:		
Non-Cash Income/Expenses:	<b>1,367,408,150</b>	<b>1,698,808,900</b>
Depreciation	1,835,173,760	1,882,490,971
Exchange Rate Fluctuation	(456,279,256)	(8,868,057)
Deferred Tax	(11,486,354)	(174,814,014)
<b>Non-Operating Items:</b>	<b>(3,624,552,098)</b>	<b>(3,440,205,708)</b>
Interest Income:		
On Deposits	(2,281,651,937)	(1,968,391,726)
On Loan to Sister Concern	-	(197,764,904)
On Short Notice Deposits	(261,033,327)	(422,609,363)
On Subordinated Bonds	(248,776,880)	(220,343,688)
Dividend Income	(395,011,790)	(419,626,799)
Gain/(Loss):		
On Redemption of Zero Coupon Bond	(55,169,863)	(88,099,253)
On Marketable Securities (Realized)	(329,415,747)	(88,940,302)
Profit on Disposal of Property, Plant and Equipment	(53,492,555)	(34,429,673)
<b>Changes in Working Capital:</b>	<b>(1,814,718,209)</b>	<b>(2,122,019,437)</b>
(Increase)/Decrease in Inventories	(931,378,870)	(1,557,990,599)
(Increase)/Decrease in Trade Receivables	(522,930,202)	(115,836,177)
(Increase)/Decrease in Advances, Deposits and Prepayments	(845,074,604)	(285,341,305)
Increase/(Decrease) in Trade Payables	21,723,976	73,211,428
Increase/(Decrease) in Other Payables	125,290,165	115,828,051
Increase/(Decrease) in Provision for Income Tax	338,829,801	(405,362,465)
Increase/(Decrease) in Accrued Expenses	(1,178,475)	53,471,630
<b>Net Cash Generated from Operating Activities</b>	<b>12,345,634,446</b>	<b>10,879,848,366</b>

Particulars	Amount in Taka	
	2021-2022	2020-2021

### 33. 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'.

The Board of Directors proposed dividend @ Tk. 10 per share for 2021-22 which will be recognised as liability in the financial statements after the Shareholders approve the same in the Annual General Meeting. The total amount of Proposed Cash Dividend for the year is Tk. 8,864,510,100.

During the year under review total cash dividend for 2020-21 amounting to Tk. 5,318,706,060 has been distributed to the shareholders.

Dividend were paid in local currency to the local custodian bank of the shareholders as such no dividend was remitted in foreign currency.

### 34. Disposal of Property, Plant and Equipment:

Particulars of Assets	Cost	Acc. Depreciation	Written Down Value	Sales Price	Profit / (Loss)
	As on 30-06-2022				
Plant and Machinery	468,694	431,190	37,504	-	(37,504)
Motor Vehicle	175,055,769	121,155,531	53,900,238	85,262,917	31,362,679
Motor Cycle	81,747,843	60,381,252	21,366,591	42,992,849	21,626,258
Office Equipment	30,060	25,155	4,905	-	(4,905)
Computer	304,370	158,453	145,917	-	(145,917)
Furniture and Fixture	364,781	235,167	129,614	-	(129,614)
Land and Land Development	1,622,843	-	1,622,843	2,444,400	821,557
	<b>259,594,359</b>	<b>182,386,748</b>	<b>77,207,611</b>	<b>130,700,166</b>	<b>53,492,555</b>

### 35. Production Capacity and Utilization:

Category	Unit	Rated Capacity	Actual Production	Capacity Utilization
		As on 30-06-2022		
Tablet	Piece	10,695,981	7,686,865	72%
Capsule	Piece	3,666,449	1,759,799	48%
Liquid	Bottle	305,671	167,830	55%
Injectable (Vial & Ampoule)	Piece	83,552	43,348	52%
Infusion (LVPO)	Bag	10,368	2,600	25%
ENT & Opthal Preparation	Phial	48,630	27,018	56%
Cream, Ointment, Spray, Gel & Others	Phial	210,934	146,663	70%
Powder for Suspension	Bottle	45,685	27,418	60%
Powder	Phial	49,635	22,627	46%
Suppository	Piece	205,426	78,757	38%
Inhaler	Can	126,258	43,032	34%
Insulin & Insulin Cartridge	Piece	11,321	2,226	20%
Basic Chemical & Pellet	Kg	1,081	777	72%

Particulars	Amount in Taka	
	2021-2022	2020-2021
<b>36. Minimum Wages</b>		
The company has complied with the Minimum Wages Gazette Notification: SRO No. 39/Law/2017, dated: 23 February 2017 and there are no employees to receive below the prescribed minimum wages during the reporting year.		
<b>37. Capital Expenditure Commitment</b>		
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 2022.		
<b>38. Claim Not Acknowledged as Debt:</b>		
There was no claim against the company not acknowledged as debt as on 30 June 2022.		
<b>39. Un-Availed Credit Facilities:</b>		
There was no credit facility available to the company under any contract but not availed as on 30 June 2022 other than bank credit facility and trade credit available in the ordinary course of business.		
<b>40. Contingent Liabilities:</b>		
Bank Guarantee (Note - 40.1)	190,748,850	184,479,454
Letter of Credit (L.C) Liabilities (Note - 40.2)	4,640,755,572	3,097,058,213
	<b>4,831,504,422</b>	<b>3,281,537,667</b>
<b>40.1 Bank Guarantee:</b>		
Shahjalal Islami Bank Ltd.	85,737,672	86,997,172
Standard Chartered Bank	94,045,294	95,850,450
Prime Bank Ltd.	1,631,832	1,631,832
Mercantile Bank Ltd.	9,334,052	-
	<b>190,748,850</b>	<b>184,479,454</b>
<b>40.2 Letter of Credit (L.C) Liabilities:</b>		
Standard Chartered Bank	853,184,309	357,750,209
HSBC Ltd.	-	13,157,905
Citibank N.A	252,178,614	51,673,216
Commercial Bank of Ceylon PLC	-	82,161,328
Prime Bank Ltd.	297,920,068	90,374,657
Mercantile Bank Ltd.	2,837,617,497	2,014,752,795
Bank Asia Ltd.	381,143,482	430,059,956
Eastern Bank Ltd.	-	57,128,147
Shahjalal Islami Bank Ltd.	18,711,601	-
	<b>4,640,755,572</b>	<b>3,097,058,213</b>
<b>40.3</b> There were no claims legal or otherwise, not acknowledged as debt, outstanding as of the end of the reporting period. There was no unprovided committed expenditure as at June 30, 2022.		

Particulars	Amount in Taka	
	2021-2022	2020-2021
<b>41. Related Party Transactions:</b>		
<b>41.1 Transaction with Key Management Personnel:</b>		
Amount of compensation paid to Key Management Personnel including Board of Directors during the year:		
Short-Term Employee Benefits	421,368,058	398,657,402
Post-Employment Benefits	83,159,150	35,302,570
Other Long-Term Benefits	-	-
Termination Benefits	-	-
Share-Based Payment	-	-
<b>41.2 Transaction with Other Related Parties:</b>		
<b>A. Associates:</b>		
<b>Square Textiles Ltd. (46.36% share):</b>		
Opening Balance	-	3,277,576,394
Paid during the Year	-	1,269,870,456
Realized during the Year	-	(4,547,446,850)
Closing Balance	-	-
<b>Square Fashions Ltd. (48.63% share):</b>		
Opening Balance	-	2,411,950
Paid during the Year	135,560,551	1,393,472,983
Realized during the Year	(135,560,551)	(1,395,884,933)
Closing Balance	-	-
<b>Square Hospitals Ltd. (49.94% share):</b>		
Opening Balance	-	1,604,350,413
Paid during the Year	107,229,837	917,483,064
Realized during the Year	(107,229,837)	(2,521,833,477)
Closing Balance (Payable)	-	-
<b>B. Subsidiaries:</b>		
<b>Square Lifesciences Ltd. (99.95% share):</b>		
Opening Balance	-	751,363
Paid during the Year	3,131,785,755	150,636,507
Realized during the Year	(2,478,028,550)	(151,387,870)
Closing Balance (Receivable)	653,757,205	-
<b>C. Subsidiaries of Associates:</b>		
<b>Square Denims Ltd. (Subsidiary of Square Fashions Ltd.):</b>		
Opening Balance	-	-
Paid during the Year	-	67,330,413
Realized during the Year	-	(67,330,413)
Closing Balance (Receivable)	-	-
<b>Square Apparels Ltd. (Subsidiary of Square Fashions Ltd.):</b>		
Opening Balance	-	-
Paid during the Year	-	37,395,529
Realized during the Year	-	(37,395,529)
Closing Balance (Receivable)	-	-

Particulars	Amount in Taka	
	2021-2022	2020-2021
<b>D. Others:</b>		
<b>Square InformatiX Ltd. (Service Provider):</b>		
Opening Balance	-	(2,197,662)
Paid during the Year	44,156,427	105,357,994
Realized during the Year	(44,156,427)	(103,160,332)
Closing Balance (Receivable)	-	-
<b>Square Securities Management Ltd. (Portfolio Manager):</b>		
Opening Balance	160,545,334	34,874,272
Paid during the Year	840,476,544	612,968,385
Realized during the Year	(627,142,018)	(487,297,323)
Closing Balance (Receivable)	<b>373,879,860</b>	<b>160,545,334</b>
<b>Pharma Packages (Pvt.) Ltd. (Supplier):</b>		
Opening Balance	52,600,036	12,206,021
Paid during the Year	362,455,899	704,827,755
Realized during the Year	(401,363,157)	(664,433,740)
Closing Balance (Receivable)	<b>13,692,778</b>	<b>52,600,036</b>
<b>AEGIS Services Ltd. (Service Provider):</b>		
Opening Balance	-	-
Paid during the Year	32,794,095	47,085,563
Realized during the Year	(32,794,095)	(47,085,563)
Closing Balance (Receivable)	-	-

**42. 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.

The company has exposure to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

**42.1 Credit Risk:**

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

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

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

Particulars	Amount in Taka	
	2021-2022	2020-2021
<b>a) Exposure of Credit Risk</b>		
The maximum exposure to credit risk at the reporting date was:		
Trade and Other Receivables	3,395,080,462	2,916,178,759
Advances, Deposits and Prepayments	2,272,165,190	1,429,389,286
Cash and Bank Balances	48,904,402,066	43,354,969,418
	<b>54,571,647,718</b>	<b>47,700,537,463</b>

**b) Ageing of Receivables is provided in Note - 9.1**

**c) Credit Exposure by Credit Rating**

	Credit Rating	30 June 2022	30 June 2021
Trade and Other Receivables	NR	3,395,080,462	2,916,178,759
Advances, Deposits and Prepayments	NR	2,272,165,190	1,429,389,286
Cash and Bank Balances:			
- Cash in Hand	NR	5,686,111	13,925,716
- Cash at Bank:		48,898,715,955	43,341,043,702
Bank Asia Ltd.	AA2	1,054,331,906	22,045,344
Bank Alfalah Ltd.	AA+	2,482,801	2,490,611
Brac Bank Ltd.	AA	3,500,183,581	228,587
Citibank N.A	A+	18,052,340	13,073,799
Commercial Bank of Ceylon Ltd.	AA- (IKA)	2,011,358,698	9,741,516
Dutch-Bangla Bank Ltd.	AAA	24,513	26,583
Eastern Bank Ltd.	AA+	3,479,123	23,608,325
Global Islami Bank Ltd.	A+	499,480	-
HSBC Ltd.	AAA	755,839	11,021,451
Janata Bank Ltd.	AA	6,239,448,424	9,356,413,492
Mercantile Bank Ltd.	AA	7,193,750,133	4,017,252,326
Mutual Trust Bank Ltd.	AA	2,519,330,509	680,416,495
Prime Bank Ltd.	AA	5,899,158,809	4,869,328,037
Standard Chartered Bank	AAA	516,648,656	557,522,366
Southeast Bank Ltd.	AA+	3,000,000,000	-
Shahjalal Islami Bank Ltd.	AA	14,160,140	5,284,734
Sonali Bank Ltd.	A*	2,048,413,789	8,055,771,007
Shimanto Bank Ltd.	A	497,835	497,835
Trust Bank Ltd.	AA1	16,383	17,913
The City Bank Ltd.	AA1	1,002,243,134	55,757,947
IDLC Finance Ltd.	AAA	2,000,000,000	3,000,000,000
National Housing Finance and Investments Ltd.	AA	3,500,000,000	2,000,000,000
IPDC Finance Ltd.	AAA	2,500,000,000	3,000,000,000
DBH Finance Corp Ltd	AAA	1,000,000,000	-
LankaBangla Finance Ltd.	AA3	2,000,000,000	1,500,000,000
Lankan Alliance Finance Ltd.	A+	500,000,000	-
Square Securities Management Ltd.	-	373,879,860	160,545,334
Agrani Bank Ltd.	A+	2,000,000,000	5,000,000,000
Uttara Bank Ltd.	AA	-	1,000,000,000

Particulars	Amount in Taka	
	2021-2022	2020-2021

#### 42.2 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 jeopardizing to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based on time line of payment of financial obligations and accordingly arrange for sufficient liquidity/fund to make the expected payments within due dates. Moreover, the company seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligation in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flow projections and credit lines with banks are negotiated accordingly.

The following are the contractual maturities of financial liabilities:

Balance as at 30 June 2022	Carrying Amount	Contractual Cash Flows			
		Less than 6 Months	6-12 Months	1-5 Years	More than 5 Years
<b>Trade Creditors (Note - 16):</b>					
Payable to Local Suppliers	625,984,906	625,984,906	-	-	-
Payable to Foreign Buyers	10,018,403	10,018,403	-	-	-
	<b>636,003,309</b>	<b>636,003,309</b>	-	-	-
<b>Other Payables (Note - 17):</b>					
Sundry Creditors	413,564,760	-	413,564,760	-	-
Income Tax (Deduction at Source)	16,825,193	16,825,193	-	-	-
Retention Money	8,749,849	8,749,849	-	-	-
WPPF and WF	1,051,227,994	560,654,930	490,573,064	-	-
Insurance Claim	1,045,006	1,045,006	-	-	-
	<b>1,491,412,802</b>	<b>587,274,978</b>	<b>904,137,824</b>	-	-
<b>Provision for Income Tax (Note - 18):</b>	<b>911,504,873</b>	-	<b>911,504,873</b>		
<b>Accrued Expenses (Note - 19):</b>					
Accrued Expenses	179,844,472	179,844,472			
Audit Fees	690,000	690,000			
	<b>180,534,472</b>	<b>180,534,472</b>	-	-	-

Balance as at 30 June 2021	Carrying Amount	Contractual Cash Flows			More than 5 Years
		Less than 6 Months	6-12 Months	1-5 Years	
		<b>Trade Creditors (Note - 16):</b>			
Payable to Local Suppliers	602,486,006	602,486,006	-	-	-
Payable to Foreign Buyers	11,793,327	11,793,327	-	-	-
	<b>614,279,333</b>	<b>614,279,333</b>	-	-	-
<b>Other Payables (Note - 17):</b>					
Sundry Creditors	400,300,988	-	400,300,988	-	-
Income Tax (Deduction at Source)	19,532,856	19,532,856	-	-	-
Retention Money	7,938,420	7,938,420	-	-	-
WPPF and WF	937,796,627	499,968,905	437,827,722	-	-
Insurance Claim	553,746	553,746	-	-	-
	<b>1,366,122,637</b>	<b>527,993,927</b>	<b>838,128,710</b>	-	-
<b>Provision for Income Tax (Note - 18):</b>	<b>572,675,072</b>	-	<b>572,675,072</b>	-	-
<b>Accrued Expenses (Note - 19):</b>					
Accrued Expenses	181,022,947	181,022,947	-	-	-
Audit Fees	690,000	690,000	-	-	-
	<b>181,712,947</b>	<b>181,712,947</b>	-	-	-

### 42.3 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 machineries & equipment. Majority of the company's foreign currency transactions are denominated in USD.

##### (i) Exposure to Currency Risk

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

	30 June 2022	30 June 2021
Exchange Rate of US Dollar	92.50	83.95

##### (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 2022 the interest rate risk profile of the company's interest bearing financial instruments was:

	Carrying Amount	
	30 June 2022	30 June 2021
<b>Fixed Rate Instrument</b>		
Financial Asset	46,072,741,385	38,515,894,798
Financial Liability	-	-
<b>Variable Rate Instrument</b>		
Financial Asset	-	-
Financial Liability	-	-

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

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

### 42.4 Accounting Classification and Fair Value:

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

Particulars	Amount in Taka			
	30 June 2022		30 June 2021	
	Book Value	Fair Value	Book Value	Fair Value
<b>FVOCI Financial Assets</b>				
Investment in Marketable Securities	3,423,864,487	4,346,770,865	3,307,788,552	4,624,331,706
<b>Financial Assets - Held to Maturity</b>				
FDR with Banks and Financial Institutions	46,072,741,385	46,072,741,385	38,515,894,798	38,515,894,798
<b>Trade and Other Receivables</b>				
Trade Receivables	2,159,066,716	2,159,066,716	1,636,136,514	1,636,136,514
Other Receivables	1,236,013,746	1,236,013,746	1,280,042,245	1,280,042,245
<b>Deposits</b>				
Security Deposit	371,011,277	371,011,277	312,902,472	312,902,472
<b>Cash and Cash Equivalents</b>				
Cash and Bank Balances	2,831,660,681	2,831,660,681	4,839,074,620	4,839,074,620
<b>Financial Assets - Available for Sale</b>				
	263,845,631	263,845,631	903,231,854	903,231,854

\* 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- Carrying Value: Tk. 22,861,293,922

As at 30 June 2022

## Schedule-01

PARTICULARS	COST			ACCUMULATED DEPRECIATION				Written Down Value as at 30 June 2022	Rate of Dep.
	At 30 June 2021	During the period		At 30 June 2021	During the year		At 30 June 2022		
		Additions	Sales/Transfer		Charged	Sales/Transfer			
<b>FACTORIES:</b>									
Land	4,032,073,679	210,438,595	1,622,843	4,240,889,431	-	-	-	4,240,889,431	-
Building	8,862,310,077	495,663,606	-	9,357,973,683	403,247,736	-	5,324,494,843	4,033,478,840	10%
Boundary Wall	593,903	-	-	593,903	18,375	-	428,528	165,375	10%
Plant & Machinery	15,954,717,610	652,585,025	468,694	16,606,833,941	778,523,705	431,190	11,638,530,359	4,968,303,582	15%
Laboratory Equipment	2,329,849,223	134,460,138	-	2,464,309,361	120,421,131	-	1,295,596,324	1,168,713,037	10%
Furniture & Fixture	1,148,229,982	110,294,494	195,541	1,258,328,935	503,324,841	106,428	572,374,877	685,954,058	10%
Office Equipment	758,526,995	123,120,658	-	881,647,653	46,992,707	-	394,038,526	487,609,127	10%
Computer	225,474,994	19,915,112	47,400	245,342,706	13,628,732	24,391	113,128,146	132,214,560	10%
Motor Vehicles	497,093,902	90,177,500	55,410,000	531,861,402	41,526,067	37,831,356	322,402,749	209,458,653	20%
Motor Vehicles - Lease	2,085,000	-	-	2,085,000	8,920	-	2,049,318	35,682	20%
Electromechanical Equipment	1,099,746,687	-	-	1,099,746,687	27,072,663	-	944,999,804	154,746,883	15%
Electrical Installation	227,599,619	29,091	-	227,628,710	10,416,203	-	167,988,838	59,639,872	15%
Gas Line Installation	58,743,939	8,150,051	-	66,893,990	3,010,024	-	43,711,006	23,182,984	15%
<b>Sub-Total</b>	<b>35,197,045,610</b>	<b>1,844,834,270</b>	<b>57,744,478</b>	<b>36,984,135,402</b>	<b>1,514,022,727</b>	<b>38,393,365</b>	<b>20,819,743,318</b>	<b>16,164,392,084</b>	
<b>HEAD OFFICE (Pharma):</b>									
Land	2,103,999,973	101,274,497	-	2,205,274,470	-	-	-	2,205,274,470	-
Building	894,073,847	64,663,954	-	958,737,801	48,595,965	-	502,715,322	456,022,479	10%
Boundary Wall	18,781,674	578,647	-	19,360,321	1,204,978	-	8,341,199	11,019,122	10%
Furniture & Fixture	175,596,416	10,855,319	169,240	186,282,495	90,989,842	128,739	100,045,990	86,236,505	10%
Office Equipment	111,500,462	1,744,825	30,060	113,215,227	4,605,815	25,155	70,991,545	42,223,682	10%
Computer	399,499,100	14,716,394	256,970	413,958,524	180,187,524	134,062	202,566,222	211,392,302	10%
Motor Vehicles	1,831,425,825	272,190,000	119,645,769	1,983,970,056	1,102,182,219	83,324,175	1,187,062,924	796,907,132	20%
Motor Vehicles - Lease	118,472,040	-	-	118,472,040	112,171,025	-	113,431,228	5,040,812	20%
Motor Cycle	547,445,220	98,094,695	81,747,843	563,792,072	269,111,990	60,381,252	273,626,320	290,165,752	20%
Books & Periodicals	528,794	528,794	-	528,794	14	-	528,762	32	30%
SAP Software	148,024,164	-	-	148,024,164	-	-	148,024,164	-	20%
VSAT	7,559,700	-	-	7,559,700	279,142	-	5,047,423	2,512,277	10%
Electrical Installation	16,358,915	-	-	16,358,915	406,807	-	14,053,678	2,305,237	15%
<b>Sub-Total</b>	<b>6,373,266,130</b>	<b>564,118,331</b>	<b>201,849,882</b>	<b>6,735,534,579</b>	<b>321,151,033</b>	<b>143,993,383</b>	<b>2,626,434,777</b>	<b>4,109,099,802</b>	
<b>Total</b>	<b>41,570,311,740</b>	<b>2,408,952,601</b>	<b>259,594,360</b>	<b>43,749,669,981</b>	<b>1,835,173,760</b>	<b>182,386,748</b>	<b>23,446,178,095</b>	<b>20,273,491,886</b>	
Property, Plant & Equipment in Transit	646,809,312	1,271,900,734	1,397,145,293	521,564,753	-	-	-	521,564,753	-
Building under Construction	1,345,864,835	1,280,219,869	559,847,421	2,066,237,283	-	-	-	2,066,237,283	-
<b>Carrying Value as on 30 June 2022</b>	<b>43,562,985,887</b>	<b>4,961,073,204</b>	<b>2,216,587,074</b>	<b>46,307,472,017</b>	<b>1,835,173,760</b>	<b>182,386,748</b>	<b>23,446,178,095</b>	<b>22,861,293,922</b>	

# SQUARE PHARMACEUTICALS LTD.

Property, Plant and Equipment- Carrying Value: Tk. 21,769,594,804

As at 30 June 2021

Notes  
Standalone

## Schedule-01-a

PARTICULARS	COST			ACCUMULATED DEPRECIATION			Written Down Value as at 30 June 2021	Rate of Dep.	
	At 30 June 2020	During the period		At 30 June 2021	At 30 June 2020	During the year			
		Additions	Sales/Transfer			Charged			Sales/Transfer
<b>FACTORIES:</b>									
Land	3,814,793,999	217,279,680	-	4,032,073,679	-	-	4,032,073,679	-	
Building	8,850,385,173	11,924,904	-	8,862,310,077	4,484,141,432	437,105,675	3,941,062,970	10%	
Boundary Wall	593,903	-	-	593,903	389,736	20,417	183,750	10%	
Plant & Machinery	15,153,752,860	817,800,182	16,835,432	15,954,717,610	10,060,691,155	810,543,102	5,094,279,766	15%	
Laboratory Equipment	2,231,749,194	98,100,029	-	2,329,849,223	1,053,570,627	121,604,566	1,154,674,030	10%	
Furniture & Fixture	961,045,621	187,277,761	93,400	1,148,229,982	440,372,200	62,996,998	644,905,141	10%	
Office Equipment	668,319,312	90,557,683	350,000	758,526,995	305,689,807	41,584,992	411,481,176	10%	
Computer	213,426,100	12,198,444	149,550	225,474,994	86,337,249	13,251,801	125,951,189	10%	
Motor Vehicles	472,195,402	51,498,000	26,599,500	497,093,902	302,115,163	37,064,982	178,385,864	20%	
Motor Vehicles - Lease	2,085,000	-	-	2,085,000	2,029,247	11,151	44,602	20%	
Electromechanical Equipment	1,099,746,687	-	-	1,099,746,687	885,841,339	32,085,802	181,819,546	15%	
Electrical Installation	225,149,619	2,450,000	-	227,599,619	145,272,976	12,299,659	70,026,984	15%	
Gas Line Installation	58,743,939	-	-	58,743,939	37,516,932	3,184,050	18,042,957	15%	
<b>Sub-Total</b>	<b>33,751,986,809</b>	<b>1,489,086,683</b>	<b>44,027,882</b>	<b>35,197,045,610</b>	<b>17,803,967,863</b>	<b>1,571,753,195</b>	<b>15,852,931,654</b>		
<b>HEAD OFFICE (Pharma):</b>									
Land	1,896,035,380	207,964,593	-	2,103,999,973	-	-	2,103,999,973	-	
Building	894,073,847	-	-	894,073,847	405,235,526	48,883,831	439,954,490	10%	
Boundary Wall	14,835,893	3,945,781	-	18,781,674	6,056,854	1,079,367	11,645,453	10%	
Furniture & Fixture	167,895,786	7,967,319	266,689	175,596,416	82,206,020	8,989,731	84,606,574	10%	
Office Equipment	105,907,003	6,407,810	814,351	111,500,462	62,357,772	4,716,333	45,089,577	10%	
Computer	363,887,739	37,263,082	1,651,721	399,499,100	160,402,881	20,974,357	219,311,576	10%	
Motor Vehicles	1,700,474,200	206,030,000	75,078,375	1,831,425,825	996,267,830	163,106,546	729,243,606	20%	
Motor Vehicles - Lease	118,472,040	-	-	118,472,040	110,595,771	1,575,254	6,301,015	20%	
Motor Cycle	494,433,685	112,351,800	59,340,265	547,445,220	253,112,176	60,623,583	278,333,230	30%	
Books & Periodicals	528,794	-	-	528,794	528,728	20	46	46	
SAP Software	148,024,164	-	-	148,024,164	148,024,164	-	2,791,419	10%	
VSAT	7,559,700	-	-	7,559,700	4,458,123	310,158	2,712,044	15%	
Electrical Installation	16,358,915	-	-	16,358,915	13,168,275	478,596	13,646,871	-	
<b>Sub-Total</b>	<b>5,928,487,146</b>	<b>581,930,385</b>	<b>137,151,401</b>	<b>6,373,266,130</b>	<b>2,242,414,120</b>	<b>310,737,776</b>	<b>3,923,989,003</b>		
<b>Total</b>	<b>39,680,473,955</b>	<b>2,071,017,068</b>	<b>181,179,283</b>	<b>41,570,311,740</b>	<b>20,046,381,983</b>	<b>1,882,490,971</b>	<b>19,776,920,657</b>		
Property, Plant & Equipment in Transit Building under Construction	514,957,056	1,469,618,444	1,337,766,188	646,809,312	-	-	646,809,312	-	
Carrying Value as on 30 June 2021	40,613,584,373	4,468,346,985	1,518,945,471	43,562,985,887	20,046,381,983	1,882,490,971	21,769,594,804	-	

**ANNUAL REPORT**  
Year ended 30 June 2022  
**2021-2022**

**Subsidiary  
profile**

**SQUARE  
PHARMACEUTICALS  
KENYA EPZ LTD.**

Born in 2017

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- 145: Auditor's Report
- 146: Statement of Financial Position
- 147: Statement of Profit or Loss and  
Other Comprehensive Income
- 148: Statement of Changes in Equity
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Contents

The Board of Directors is pleased to present its report along with audited financial statements for the year ended on June 30, 2022, and the Auditor's Report thereon. The report has been prepared as per the provision of section 653 of the Companies Act, 2015 of Kenya.

The key events during the year, project progress, and various financial results have been discussed here in the Directors' Report. Directors' liabilities with regard to this report shall be subject to the conditions of the Companies Act, 2015 of Kenya.

#### PRINCIPLE BUSINESS ACTIVITIES

The Company's core business activities are the manufacturing and marketing of generic pharmaceutical products in Kenya and the majority of the East African Community (EAC).

#### BOARD OF DIRECTORS

The Board of Directors of SPL Kenya consists of the following persons:

Mr. Samuel S Chowdhury	Chairman
Mrs. Ratna Patra	Vice Chairman
Mr. Tapan Chowdhury	Director
Mr. Anjan Chowdhury	Director
Dr. Iruki Mwithali Kailemia	Director
Mr. Syed Afzal Hasan Uddin	Director

Except for Dr. Iruki Mwithali Kailemia, all are nominees of Square Pharmaceuticals Ltd., Bangladesh. Dr. Iruki Mwithali Kailemia is by nationality a Kenyan.

Mr. Syed Afzal Hasan Uddin, Independent Director of Square Pharmaceuticals Ltd. (parent company) represents as nominee director in the Board of Directors of Square Pharmaceuticals Kenya EPZ Ltd. in compliance with condition No.

2 of the Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission.

#### INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENTS

Kenya, considered the powerhouse of East Africa, is poised to be among the fastest-growing economies in the region. It has one of the most stable democracies in Africa. Its geographical position and membership in the East African Community (EAC) gives it a unique opportunity to facilitate easy access to the market of around 150 million population in the EAC. Any production in Kenya shall be treated as local manufacture of EAC, namely – Kenya, Tanzania, Uganda, Rwanda, and Burundi. In Kenya, the manufacturing industry is prioritized as it plays an important role in the economic development of the country. Pharmaceuticals Industry is one of the key manufacturing industries in Kenya.

Despite being a high disease prone zone, the pharmaceutical market is greatly dependent on imports. Nearly 80% of the total market demand is met up by importing pharmaceutical products. Thus, the African pharmaceuticals market has huge potential. Key drivers behind the growth of this sector are rapid urbanization, increasing healthcare capacity, and, most importantly, the local Govt.'s initiatives to make the business environment more supportive.

#### PROJECT PROGRESS

The commencement of the commercial operation was delayed mainly due to the dire

consequences of the global outbreak of the Covid-19 pandemic which disrupted the importation of machinery as well as raw materials. The pandemic hampered the commissioning of Production Machinery as the concerned experts from various parts of the world were unable to attend on time due to the restricted movement imposed by the respective countries.

However, with the utmost sincerity of the employees and highly appreciable support from all the concerned authorities, the Company has received Good Manufacturing Practice (GMP) certificate from Pharmacy and Poisons Board (PPB), Kenya.

Now, the facility is processing PO & PV batches for tech transfer from Bangladesh to Kenya. We are hopeful about the commercialization of these products in January 2023.

#### FINANCIALS

The project has a debt-to-equity ratio of 40:60. As part of their investment, USD 12 million has been remitted by the parent company, Square Pharmaceuticals Ltd., Bangladesh to Square Pharmaceuticals Kenya EPZ Ltd. upon receiving approval and clearance from Bangladesh Bank, the Central Bank of Bangladesh. The rest of the project finance and working capital is managed by obtaining credit facilities from Standard Chartered Bank, Kenya.

As the Company is yet to start any revenue-generating activities, it is incurring losses as a result of administrative expenses and foreign exchange losses. The net loss for the financial

year that ended on 30 June 2022 was KES 11,740,527 (USD 104,045) as compared to the net profit of KES 6,354,905 (USD 59,005) in the previous year. It is to be noted that the net profit in the previous year was a result of the fluctuation in foreign exchange rates.

Exchange rates as of:

30 June 2021: 1 USD = 107.8998 KES

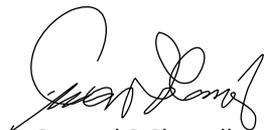
30 June 2022: 1 USD = 117.8747 KES

#### STATUTORY AUDITORS

M/s Shariff and Associates, Certified Public Accountant (in Kenya) has been appointed subsequent to the year and the auditor has also expressed willingness to continue in office and do so in accordance with Section 159(2) of the Companies Act 2015 of Kenya.

#### ACKNOWLEDGEMENT

We, the board members, would like to sincerely thank all our stakeholders for being with us, for believing in us, and support us to grow beyond national borders.



Samuel S Chowdhury  
Chairman

# SHARIFF & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS (KENYA)

3<sup>rd</sup> Floor, East End Plaza - Nairobi West  
Muthaiti Ave/Bukani Road, Nairobi

## AUDITOR'S REPORT

### To the Members 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 Auditor

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 30<sup>th</sup> June 2022 and of the loss and cash flows for the year then ended and comply with International Accounting Standards and the Companies Act ( Cap 486).

Dated: Nairobi  
15<sup>th</sup> July 2022



Shariff and Associates  
Certified Public Accountants (K)

# SQUARE PHARMACEUTICALS KENYA EPZ LTD.

## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

Particulars	Amount in KES	
	30 June 2022	30 June 2021
<b>ASSETS:</b>		
<b>Non-Current Assets</b>	<b>1,564,177,541</b>	<b>1,293,930,653</b>
Property, Plant and Equipment-Carrying Value	1,564,177,541	1,293,930,653
<b>Current Assets</b>	<b>66,427,322</b>	<b>97,507,914</b>
Inventories	37,704,376	-
Advances, Deposits & Prepayments	1,357,606	90,246,919
Cash and Cash Equivalents	27,365,340	7,260,995
<b>Total Assets</b>	<b>1,630,604,863</b>	<b>1,391,438,567</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' Equity</b>	<b>1,226,615,020</b>	<b>1,238,355,547</b>
Share Capital	400,000,000	400,000,000
Share Money Deposits	852,028,330	852,028,330
Retained Earnings	(25,413,310)	(13,672,783)
<b>Non-Current liabilities</b>	<b>371,156,656</b>	<b>131,859,465</b>
Long Term Loan-Secured	371,156,656	131,859,465
<b>Current Liabilities</b>	<b>32,833,187</b>	<b>21,223,555</b>
Bank overdraft	881,346	-
Other Payables	31,759,613	19,553,815
Accrued Expenses	192,228	1,669,740
<b>Total Equity and Liabilities</b>	<b>1,630,604,863</b>	<b>1,391,438,567</b>

The notes are integral part of the Financial Statements.

Approved and authorized for issue by the Board of Directors on 15th July 2022 and signed for and on behalf of the Board:



Samuel S Chowdhury  
Chairman



Tapan Chowdhury  
Director



Anjan Chowdhury  
Director

As per our even date annexed.



Sharif and Associates  
Certified Public Accountants (K)

Nairobi, 15 July 2022

# SQUARE PHARMACEUTICALS KENYA EPZ LTD.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2022

Particulars	Amount in KES	
	2021-2022	2020-2021
<b>Revenue</b>	-	-
Cost of Goods Sold	-	-
<b>Gross Profit /(Loss)</b>	-	-
<b>Operating expenses</b>		
Administrative Expenses	(13,123,448)	(5,116,826)
<b>Profit /(Loss) from Operations</b>	<b>(13,123,448)</b>	<b>(5,116,826)</b>
Finance Expenses	(337)	-
Foreign Exchange (Loss)/Gain, net	1,383,258	11,471,731
<b>Profit / (Loss) before tax</b>	<b>(11,740,527)</b>	<b>6,354,905</b>
Income Tax Expense	-	-
<b>Profit after tax for the year</b>	<b>(11,740,527)</b>	<b>6,354,905</b>
Other Comprehensive Income	-	-
<b>Total Comprehensive Income for the period</b>	<b>(11,740,527)</b>	<b>6,354,905</b>

The notes are integral part of the Financial Statements.

Approved and authorized for issue by the Board of Directors on 15th July 2022 and signed for and on behalf of the Board :



**Samuel S Chowdhury**  
Chairman



**Tapan Chowdhury**  
Director



**Anjan Chowdhury**  
Director

As per our even date annexed.



**Sharif and Associates**  
Certified Public Accountants (K)

Nairobi, 15 July 2022

# SQUARE PHARMACEUTICALS KENYA EPZ LTD.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

Particulars	Amount in KES			
	Share Capital	Share Money Deposit	Retained Earnings	Total
	1	2	3	4 (1+2+3)
<b>Balance as at 01 July 2020</b>	<b>400,000,000</b>	<b>641,824,400</b>	<b>(20,027,688)</b>	<b>1,021,796,712</b>
Transactions with the equity holders:				
Shares issued during the year	-	-	-	-
Share money deposits received / (adjusted) during the year	-	210,203,930	-	210,203,930
Total comprehensive income:				
Net Loss for the year	-	-	6,354,905	6,354,905
Other comprehensive income	-	-	-	-
<b>Balance as at 30 June 2021</b>	<b>400,000,000</b>	<b>852,028,330</b>	<b>(13,672,783)</b>	<b>1,238,355,547</b>
<b>Balance as at 01 July 2021</b>	<b>400,000,000</b>	<b>852,028,330</b>	<b>(13,672,783)</b>	<b>1,238,355,547</b>
Transactions with the equity holders:				
Shares issued during the year	-	-	-	-
Share money deposits received / (adjusted) during the period	-	-	-	-
Total comprehensive income:				
Net Loss for the period	-	-	(11,740,527)	(11,740,527)
Other comprehensive income	-	-	-	-
<b>Balance as at 30 June 2022</b>	<b>400,000,000</b>	<b>852,028,330</b>	<b>(25,413,310)</b>	<b>1,226,615,020</b>

The notes are integral part of the Financial Statements.

Approved and authorized for issue by the Board of Directors on 15th July 2022 and signed for and on behalf of the Board :



**Samuel S Chowdhury**  
Chairman



**Tapan Chowdhury**  
Director



**Anjan Chowdhury**  
Director

As per our even date annexed.



**Sharif and Associates**  
Certified Public Accountants (K)

Nairobi, 15 July 2022

# SQUARE PHARMACEUTICALS KENYA EPZ LTD.

STATEMENT OF CASH FLOWS (Direct method)  
FOR THE YEAR ENDED 30 JUNE 2022

Particulars	Amount in KES	
	2021-2022	2020-2021
<b>Cash flows from operating activities</b>		
Cash receipts from customers and others	-	-
Cash (paid)/adjusted to suppliers and employees	48,835,876	124,608,280
Cash generated from operations	48,835,876	124,608,280
Income Tax paid	-	-
Bank charges Paid	(46,438)	(120,199)
<b>Net cash from / (used in) operating activities</b>	<b>48,789,438</b>	<b>124,488,081</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(270,246,888)	(898,176,306)
Purchase of intangible assets	-	-
Advance payment for civil construction	-	-
<b>Net cash from / (used in) investing activities</b>	<b>(270,246,888)</b>	<b>(898,176,306)</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from the issue of share capital	-	-
Proceeds from share money deposits	-	210,203,930
Proceeds from term loan and Bank Overdraft	240,178,537	131,859,465
<b>Net cash Generated from financing activities</b>	<b>240,178,537</b>	<b>342,063,395</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>18,721,087</b>	<b>(431,624,831)</b>
Cash and cash equivalents at beginning	7,260,995	427,414,094
Effects of foreign exchange rate changes on the balance of cash held in foreign currencies	1,383,258	11,471,731
<b>Cash and cash equivalents at closing</b>	<b>27,365,340</b>	<b>7,260,995</b>

The notes are integral part of the Financial Statements.

Approved and authorized for issue by the Board of Directors on 15th July 2022 and signed for and on behalf of the Board :



Samuel S Chowdhury  
Chairman



Tapan Chowdhury  
Director



Anjan Chowdhury  
Director

As per our even date annexed.



Sharif and Associates  
Certified Public Accountants (K)

Nairobi, 15 July 2022

**ANNUAL REPORT**  
Year ended 30 June 2022  
**2021-2022**

**Subsidiary  
profile**

**SQUARE  
LIFESCIENCES LTD.**  
Born in 2020

- 151: Directors' Report
- 152: Auditor's Report
- 154: Statement of Financial Position
- 155: Statement of Profit or Loss and  
Other Comprehensive Income
- 156: Statement of Changes in Equity
- 157: Statement of Cash Flows



Square Lifesciences Ltd.



The Board of Directors has the pleasure to submit their report along with the audited financial statements for the year ended June 30, 2022, and the auditor's report thereon in terms of section 184 of the Companies Act, 1994.

### CORE BUSINESS ACTIVITIES

The Company's core business activities are the manufacturing of pharmaceuticals. The plant of the Company is situated at Patikabari, Hemayetpur, Pabna, Bangladesh.

### SHAREHOLDING

The Company is virtually wholly owned by Square Pharmaceuticals Ltd. and holds 99,95,000 shares out of a total of 100,00,000 paid up shares of Tk. 100 each.

On the basis of the above shareholdings, Square Lifesciences Ltd. has the status of a subsidiary of 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
Mrs. Ratna Patra	Vice Chairman
Mr. Tapan Chowdhury	Director
Mr. Anjan Chowdhury	Director
Mr. S M Rezaur Rahman	Director
(Nominee of Square Pharmaceuticals Ltd.)	

Mr. S M Rezaur Rahman, Independent Director of Square Pharmaceuticals Ltd. (holding company) represents as nominee director in compliance with condition No. 2 of the CGC 2018 of BSEC.

### PROJECT STATUS

The Production block facility validation has been completed. Qualification of all process

and utility equipment have been completed within the timeline. Process validation (PV) and Process optimization (PO) batch has been initiated from July 2022. Commercial production will start after the successful completion of PV and PO batch production.

The Quality Operations building, Warehouse, ETP and STP are already in operation. The Civil construction work for the General Service Building is ongoing, the canteen has been handed over for use. 60% of the construction work for levels 2 and 3 has already been completed. Area landscaping and beautification work are ongoing.

It is expected to supply commercial batches in the market by January 2023 maintaining all regulatory and quality aspects.

### FINANCIAL STATEMENTS

The Audited Financial Statements along with the Auditor's Report for the year ended June 30, 2022 are placed herewith.

### STATUTORY 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 Auditor for the year 2022-2023.

### ACKNOWLEDGEMENT

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

  
Samuel S Chowdhury  
Chairman

## INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS' OF SQUARE LIFESCIENCES LTD.

### Opinion

We have audited the accompanying Financial Statements of “**Square Lifesciences Ltd.**”, which comprises the Statement of Financial Position as at 30 June 2022 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 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 2022 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 relevant 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.

### 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, disclosing, 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 governance are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**চৌধুরী ভট্টাচার্য্য এন্ড কোং**  
**CHOWDHURY BHATTACHARJEE & CO.**  
**CHARTERED ACCOUNTANTS**

DHAKA OFFICE : 47/2, Indira Road, Dhaka-1215  
 Ph : 9123236, Fax : 8802-8120187  
 CTG. OFFICE : 922, Jubilee Road, Ctg.-4000  
 Ph : 031-614907 (O) 624228 (R)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidences that is sufficient and appropriate to provide a basis for audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidences obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidences obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**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 Lifesciences Ltd." so far as it appeared from our examination of those books;
- (iii) The Company's Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and its Statement of Cash Flows dealt with by the report are in agreement with the books of account; and
- (iv) The expenditure incurred was for the purpose of the Company's business.



**Saptam Biswas, FCA**

Partner

Enrollment No: 1615

**Chowdhury Bhattacharjee & Co.**  
(Chartered Accountants)

DVC: 2210121615AS492707

19 October 2022

Dhaka

# SQUARE LIFESCIENCES LTD.

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

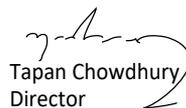
Particulars	Amount in Taka	
	30 June 2022	30 June 2021
<b>ASSETS:</b>		
<b>Non-Current Assets :</b>	<b>3,079,371,485</b>	<b>96,832,373</b>
Property, Plant and Equipment	3,079,371,485	96,832,373
<b>CURRENT ASSETS :</b>	<b>201,015,976</b>	<b>53,755,339</b>
Inventories	7,396,866	-
Advance , Deposits and Prepayments	156,551,980	50,396,526
Cash and Cash Equivalents	37,067,130	3,358,813
<b>TOTAL ASSETS</b>	<b>3,280,387,461</b>	<b>150,587,712</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES :</b>		
<b>Shareholders' Equity</b>	<b>939,263,743</b>	<b>98,676,842</b>
Share Capital	1,000,000,000	100,000,000
Retained Earnings	(60,736,257)	(1,323,158)
<b>Non-Current Liabilities:</b>	<b>1,400,000,000</b>	<b>-</b>
Loans and Borrowings	1,400,000,000	-
<b>Current Liabilities:</b>	<b>941,123,718</b>	<b>51,910,870</b>
Loans and Borrowings	200,000,000	-
Other Payables	741,008,718	51,887,870
Accrued Expenses	115,000	23,000
<b>TOTAL SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>	<b>3,280,387,461</b>	<b>150,587,712</b>

Attached notes form an integral part of these Financial Statements.

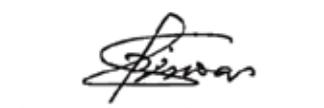
Signed as per our annexed report of even date.

  
Samuel S Chowdhury  
Chairman

Dhaka, 19 October 2022

  
Tapan Chowdhury  
Director

  
Md. Kabir Reza  
Company Secretary

  
Saptam Biswas, FCA  
Partner  
Enrollment No: 1615  
Chowdhury Bhattacharjee & Co.  
(Chartered Accountants)  
DVC: 2210121615AS492707

# SQUARE LIFESCIENCES LTD.

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

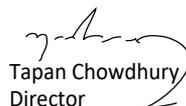
Particulars	Amount in Taka	
	2021-2022	2020-2021
<b>GROSS REVENUE</b>	-	-
Less: Value Added Tax	-	-
<b>NET REVENUE</b>	-	-
<b>COST OF GOODS SOLD</b>	-	-
<b>GROSS PROFIT</b>	-	-
Operating Expenses:	(59,413,099)	(548,795)
Administrative Expenses	(59,413,099)	(548,795)
<b>PROFIT OR (LOSS) FROM OPERATIONS</b>	(59,413,099)	(548,795)
Other Income	-	-
<b>PROFIT OR (LOSS) BEFORE WPPF &amp; WF</b>	(59,413,099)	(548,795)
Allocation for WPPF & WF	-	-
<b>PROFIT OR (LOSS) BEFORE TAX</b>	(59,413,099)	(548,795)
Income Tax Expenses-Current	-	-
<b>NET PROFIT OR (LOSS) AFTER TAX</b>	(59,413,099)	(548,795)

Attached notes form an integral part of these Financial Statements.

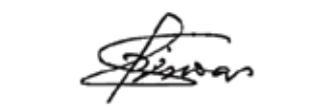
Signed as per our annexed report of even date.

  
Samuel S Chowdhury  
Chairman

Dhaka, 19 October 2022

  
Tapan Chowdhury  
Director

  
Md. Kabir Reza  
Company Secretary

  
Saptam Biswas, FCA  
Partner  
Enrollment No: 1615  
Chowdhury Bhattacharjee & Co.  
(Chartered Accountants)  
DVC: 2210121615AS492707

# SQUARE LIFESCIENCES LTD.

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

Particulars	Share Capital Taka	Retained Earnings Taka	Total Taka
Balance as at 01 July 2021	100,000,000	(1,323,158)	98,676,842
Share Issued	900,000,000	-	900,000,000
Net Loss for Jul'2021-Jun'2022	-	(59,413,099)	(59,413,099)
<b>Balance as at 30 June 2022</b>	<b>1,000,000,000</b>	<b>(60,736,257)</b>	<b>939,263,743</b>

FOR THE YEAR ENDED 30 JUNE 2021

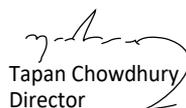
Particulars	Share Capital Taka	Retained Earnings Taka	Total Taka
Balance as at 01 July 2020	-	(774,363)	(774,363)
Share Issued	100,000,000	-	100,000,000
Net Loss for Jul'2020-Jun'2021	-	(548,795)	(548,795)
<b>Balance as at 30 June 2021</b>	<b>100,000,000</b>	<b>(1,323,158)</b>	<b>98,676,842</b>

Signed as per our annexed report of even date.



Samuel S Chowdhury  
Chairman

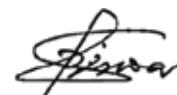
Dhaka, 19 October 2022



Tapan Chowdhury  
Director



Md. Kabir Reza  
Company Secretary



Saptam Biswas, FCA

Partner

Enrollment No: 1615

**Chowdhury Bhattacharjee & Co.**

(Chartered Accountants)

DVC: 2210121615AS492707

# SQUARE LIFESCIENCES LTD.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

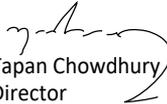
Particulars	Amount in Taka	
	2021-2022	2020-2021
<b>Cash Flows From Operating Activities:</b>		
Receipts from Customers	-	-
Receipts from Others	-	-
Payments to Suppliers	(22,922,448)	(36,000,000)
Payments for Manufacturing and Operating Expenses	(59,413,099)	(548,795)
Payment of Value Added Tax	(76,094,104)	(12,298,068)
<b>Cash Generated from Operating Activities</b>	<b>(158,429,651)</b>	<b>(48,846,863)</b>
Payment of Income Tax	(14,535,768)	(2,098,458)
<b>Net Cash Generated/(Used) From Operating Activities</b>	<b>(172,965,419)</b>	<b>(50,945,321)</b>
<b>Cash Flows From Investing Activities:</b>		
Acquisition of Property, Plant and Equipment	(2,293,326,264)	(44,944,503)
<b>Net Cash used in Investing Activities</b>	<b>(2,293,326,264)</b>	<b>(44,944,503)</b>
<b>Cash Flows from Financing Activities:</b>		
Issue of Share Capital	900,000,000	100,000,000
Term Loan Received	1,600,000,000	-
Short Term Loan Paid	-	(751,363)
<b>Net Cash Generated from Financing Activities</b>	<b>2,500,000,000</b>	<b>99,248,637</b>
Increase in Cash and Cash Equivalents	33,708,317	3,358,813
Cash and Cash Equivalents as at 30 June 2021	3,358,813	-
<b>Cash and Cash Equivalents as at 30 June 2022</b>	<b>37,067,130</b>	<b>3,358,813</b>

Signed as per our annexed report of even date.



Samuel S Chowdhury  
Chairman

Dhaka, 19 October 2022



Tapan Chowdhury  
Director



Md. Kabir Reza  
Company Secretary



Saptam Biswas, FCA  
Partner  
Enrollment No: 1615  
Chowdhury Bhattacharjee & Co.  
(Chartered Accountants)  
DVC: 2210121615AS492707

## Unclaimed/unsettled dividend 1995 to 2021



The unclaimed/unsettled cash dividend for the year from 1995 to 2018 has been deposited to the Capital Market Stabilization (CMS) Fund as instructed by the Bangladesh Securities and Exchange Commission.

Summary of unclaimed/unsettled cash dividend year wise:

Deposited to CMS Fund:	Amount in Taka
1994-1995	34,624.00
1995-1996	48,490.00
1996-1997	173,495.00
1997-1998	1,026,033.75
1998-1999	662,640.00
1999-2000	749,580.00
2000-2001	594,455.00
2001-2002	1,701,675.00
2002-2003	735,210.00
2003-2004	1,535,834.55
2004-2005	1,694,586.17
2005-2006	2,895,237.93
2006-2007	2,250,065.00
2007-2008	7,160,156.95
2008-2009	10,177,521.55
2009-2010	5,985,621.27
2010-2011	7,991,400.50
2011-2012	5,307,850.75
2012-2013	12,442,557.14
2013-2014	16,406,991.45
2014-2015	10,845,551.22
2015-2016	8,993,482.35
2016-2017	8,069,292.27
2017-2018	13,296,080.16
Unspecified - not returned/not been cashed for 1995-2018.	141,724,917.54
<b>Total</b>	<b>262,503,349.55</b>
Dividends for the last 3 years lying with the Company:	
2018-2019 (Dividend Returned)	15,406,276.66
2019-2020 (Dividend Returned)	24,407,570.29
2020-2021 (Dividend Returned)	30,214,932.30
Unspecified - not returned/not been cashed for 2019-2021.	59,607,249.36
<b>Total</b>	<b>129,636,028.61</b>

# 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 **56<sup>th</sup> Annual General Meeting** of the Company to be held on **Saturday the 24<sup>th</sup> December, 2022** at 10:00 a.m. under virtual platform through the link <https://agmbd.live/squarepharma2022>.

As witness my hand this day of \_\_\_\_\_ 2022.

\_\_\_\_\_  
Signature of the Proxy

Dated:

\_\_\_\_\_  
Signature of the Member

Dated:

Folio/BOID

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

Affix  
Revenue  
Stamp

Signature Verified

Authorized Signatory  
Square Pharmaceuticals Ltd.

# স্কয়ার ফার্মাসিউটিক্যালস্ লিমিটেড

স্কয়ার সেন্টার, ৪৮ মহাখালী বাণিজ্যিক এলাকা, ঢাকা-১২১২

## প্রক্সি ফর্ম

আমি/আমরা \_\_\_\_\_

ঠিকানা \_\_\_\_\_

স্কয়ার ফার্মাসিউটিক্যালস্ লিমিটেড এর সদস্য হিসেবে

জনাব/জনাবা \_\_\_\_\_

ঠিকানা \_\_\_\_\_

আমরা/আমাদের প্রতিনিধি হিসেবে আগামী রোজ শনিবার, ২৪শে ডিসেম্বর, ২০২২ সকাল ১০.০০ ঘটিকায় ভারুয়াল প্লটফর্মের অধিনে <https://agmbd.live/squarepharma2022> লিঙ্ক এর মাধ্যমে অনুষ্ঠিতব্য কোম্পানীর ৫৬তম বার্ষিক সাধারণ সভায় এবং এর মূলতবী সভায় আমরা/আমাদের পক্ষে উপস্থিত থাকিবার এবং ভোট প্রদান করিবার জন্য নিযুক্ত করিলাম।

স্বাক্ষর হিসেবে অদ্য \_\_\_\_\_, ২০২২ তারিখে আমি/আমরা এই দলিলে সজ্ঞানে স্বাক্ষর করিলাম।

প্রতিনিধির স্বাক্ষর

তারিখঃ

সদস্যের স্বাক্ষর

তারিখঃ

ফলিও/বিওআইডি নম্বর

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**বিঃদ্রঃ** 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।

রাজস্ব  
স্ট্যাম্প  
সংযুক্ত  
করুন

স্বাক্ষর পরীক্ষিত

অনুমোদনকারীর স্বাক্ষর  
স্কয়ার ফার্মাসিউটিক্যালস্ লিমিটেড

**Date of Incorporation**  
10 November 1964

**Authorized Capital**  
BDT 10,000 million

**Paid-up Capital**  
BDT 8,864.51 million

**Registered Office**  
Square Centre  
4B, Mohakhali C.A.  
Dhaka-1212  
Bangladesh

**Factories**

**Pabna Unit**

Square Road, Salgaria, Pabna  
Bangladesh

**Dhaka Unit**

Board Ghar Bazar, Kallikoir  
Gazipur, Bangladesh

**Listing**

Dhaka Stock Exchange Ltd.  
Chittagong Stock Exchange Ltd.

**Subsidiary Companies**

Square Pharmaceuticals Kenya EPZ Ltd.  
Square Lifesciences Ltd.

**Associate Companies**

Square Textiles Limited  
Square Fashions Limited  
Square Hospitals Limited

**Phone**

880-2-8833047-56, 02222295007-16  
Ext-229, 585

**Website**

[www.squarepharma.com.bd](http://www.squarepharma.com.bd)

**Email**

[cs@squaregroup.com](mailto:cs@squaregroup.com)

✓ **For the Financial Year 2020-2021**

**Dividend Recommended**  
21 October 2021

**Record Date for 55<sup>th</sup> AGM**  
22 November 2021

**55<sup>th</sup> Annual General Meeting**  
15 December 2021

**Dividend Issued**  
10 January 2022

✓ **For the Financial Year 2021-2022**

**Publication of 1<sup>st</sup> Qtr. Financial Report**  
15 November 2021

**Publication of 2<sup>nd</sup> Qtr. Financial Report**  
01 February 2022

**Publication of 3<sup>rd</sup> Qtr. Financial Report**  
28 April 2022

**Dividend Recommended**  
20 October 2022

**Audited Financial Report to  
BSEC, DSE and CSE**  
10 November 2021

**Record Date for 56<sup>th</sup> AGM**  
28 November 2022

**Notice of 56<sup>th</sup> AGM**  
01 December 2022

**56<sup>th</sup> Annual General Meeting**  
24 December 2022

**Dividend Payable**  
By 23 January 2023

SQUARE PHARMACEUTICALS LTD.



Registered Address

Corporate Headquarters  
Square Centre  
48 Mohakhali Commercial Area,  
Dhaka, Bangladesh  
Phone: +88-02-9859007, 8833047-56  
[www.squarepharma.com.bd](http://www.squarepharma.com.bd)