

# ANNUAL REPORT

Year ended 30 June 2022

## 2021-2022

## Financial profile

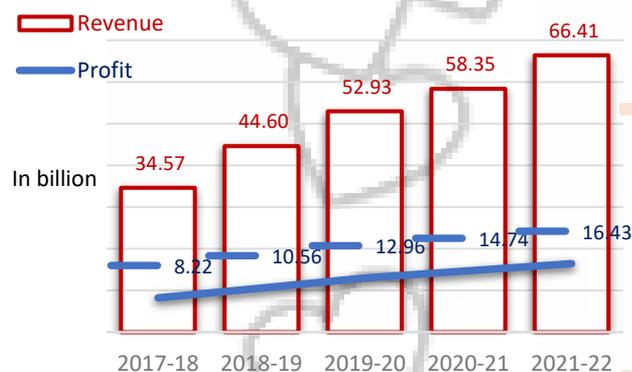
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# INDEPENDENT AUDITOR’S REPORT

## 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>	



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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>



**AHMED ZAKER & Co.**  
CHARTERED ACCOUNTANTS

<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

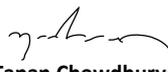
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2022

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)
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	5,324,494,843	4,033,478,840	10%	
Boundary Wall	593,903	-	-	593,903	410,153	18,375	428,528	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	11,638,530,359	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	1,295,596,324	1,168,713,037	10%	
Furniture & Fixture	1,148,229,982	110,294,494	195,541	1,258,328,935	503,324,841	69,156,464	572,374,877	685,954,058	10%	
Office Equipment	758,526,995	123,120,658	-	881,647,653	347,045,819	46,992,707	394,038,526	487,609,127	10%	
Computer	225,474,994	19,915,112	47,400	245,342,706	99,523,805	13,628,732	113,128,146	132,214,560	10%	
Motor Vehicles	497,093,902	90,177,500	55,410,000	531,861,402	318,708,038	41,526,067	322,402,749	209,458,653	20%	
Motor Vehicles - Lease	2,085,000	-	-	2,085,000	2,040,398	8,920	2,049,318	35,682	20%	
Electro-Mechanical Equipment	1,099,746,687	-	-	1,099,746,687	917,927,141	27,072,663	944,999,804	154,746,883	15%	
Electrical Installation	227,599,619	29,091	-	227,628,710	157,572,635	10,416,203	167,988,838	59,639,872	15%	
Gas Line Installation	58,743,939	8,150,051	-	66,893,990	40,700,982	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>19,344,113,956</b>	<b>1,514,022,727</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	454,119,357	48,595,965	502,715,322	456,022,479	10%	
Boundary Wall	18,781,674	578,647	-	19,360,321	7,136,221	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	9,184,887	100,045,990	86,236,505	10%	
Office Equipment	111,500,462	1,744,825	30,060	113,215,227	66,410,885	4,605,815	70,991,545	42,223,682	10%	
Computer	399,499,100	14,716,394	256,970	413,958,524	180,187,524	22,512,760	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	168,204,880	1,187,062,924	796,907,132	20%	
Motor Vehicles - Lease	118,472,040	-	-	118,472,040	112,171,025	1,260,203	113,431,228	5,040,812	20%	
Motor Cycle	547,445,220	98,094,695	81,747,843	563,792,072	269,111,990	64,895,582	273,626,320	290,165,752	20%	
Books & Periodicals	528,794	-	-	528,794	528,748	14	528,762	32	30%	
SAP Software	148,024,164	-	-	148,024,164	148,024,164	-	148,024,164	-	20%	
VSAT	7,559,700	-	-	7,559,700	4,768,281	279,142	5,047,423	2,512,277	10%	
Electrical Installation	16,358,915	-	-	16,358,915	13,646,871	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>6,735,554,579</b>	<b>2,449,277,127</b>	<b>321,151,033</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>43,719,669,981</b>	<b>21,793,391,083</b>	<b>1,835,173,760</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	-	
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>23,446,178,095</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	-	-	20%	
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.

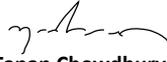
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2022

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

PARTICULARS	Schedule-01										
	COST				ACCUMULATED DEPRECIATION				Written Down Value as at 30 June 2022	Rate of Dep.	
	At 30 June 2021	During the period		At 30 June 2022	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	4,921,247,107	403,247,736	-	4,033,473,840	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	4,968,303,559	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	572,374,877	10%		
Office Equipment	758,526,995	123,120,658	-	881,647,653	347,045,819	46,992,707	-	394,038,526	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%		
Electromechanical 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>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	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>6,735,534,579</b>	<b>2,449,277,127</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>21,793,391,083</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>21,793,391,083</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	-	