

SQUARE PHARMACEUTICALS LTD.



2020-2021

# ANNUAL REPORT

Year Ended June, 2021



*Since 1958*

# Zero Bank Loan

13.80% ↗

## Profit After Tax

2020-21: BDT 14.74 Billion  
2019-20: BDT 12.96 Billion

17.61% ↗

## NAV Net Asset Value

2020-21: BDT 82.22 Billion  
2019-20: BDT 69.91 Billion

0.30% ↗

## NOCF Net Operating Cash Flow

2020-21: BDT 10.92 Billion  
2019-20: BDT 10.89 Billion

13.80% ↗

## EPS Earning per share

2020-21: BDT 16.63  
2019-20: BDT 14.62

34.04% ↗

## Dividend Payout (Cash)

2020-21: BDT 5.32 Billion  
2019-20: BDT 3.97 Billion

Performance

# Key Highlights

2020-2021

Standalone

10.24% ↗

## Sales

**BDT 58.35** Billion

Consist of 641 Pharma, 39 Herbal,  
145 Agroveter, 35 Pesticide,  
14 Pellet Products and  
8 Basic Chemicals.

10.86% ↗

## Domestic Sales

**BDT 56.84** Billion

Market Share 17.21%

8.83% ↘

## Export Sales

**BDT 1.51** Billion

Market Covers 45 Countries  
including USA & UK

# SQUARE

**AAA** Credit Rating  
By CRISL



Since 1958

## ABOUT US

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

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

**SQUARE** today symbolizes a name - a state of mind. From the inception in 1958, it has today burgeon into one of the top line conglomerates in Bangladesh.

**SQUARE** Pharma, the flagship company, is holding the strong leadership position (#1) in the pharmaceutical industry of Bangladesh since 1985.

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

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

**SQUARE** Pharma's turnover during the year 2020-2021 was BDT 58.35 billion (US\$ 694.76 million) with about 17.21% market share and a growth rate of about 10.24% and having around 10,510 employees across the country and abroad.

The market capitalization of **SQUARE** Pharma is around BDT 205 billion (US \$2.40 billion), which places it 1<sup>st</sup> in ranking in the pharmaceuticals sector.



**Square Pharmaceuticals Ltd.**



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

# VISION & MISSION



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

**VISION**



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

**MISSION**



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

**OBJECTIVES**



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

**CORPORATE FOCUS**

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## **Square Pharmaceuticals Ltd.**

Square Centre  
48 Mohakhali Commercial Area  
Dhaka, Bangladesh

# ANNUAL REPORT 2020-2021

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# 10 The Ten Principles of UN Global Compact



The ten principles of Global Compact initiated by the UN Secretary General as have been adopted by Square Pharmaceuticals Ltd. are as follows:

## HUMAN RIGHTS

### Principle 1

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

### Principle 2

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

## LABOR STANDARDS

### Principle 3

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

### Principle 4

The elimination of all forms of forced and compulsory labor.

### Principle 5

The effective abolition of child labor and

### Principle 6

Eliminate discrimination in respect of employment and occupation.

## ENVIRONMENT

### Principle 7

Business should support a precautionary approach to environmental challenges.

### Principle 8

Undertake initiatives to promote greater environmental responsibility; and

### Principle 9

Encourage the development and diffusion of environmentally friendly technologies.

## ETHICAL STANDARDS

### Principle 10

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



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

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**Annual Report for the year ended June 30, 2021**

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Dear Sir(s)

We are pleased to enclose a copy of the Annual Report containing the Directors' Report and Auditors' Report along with Audited Financial Statements including the Statement of Financial Position as at June 30, 2021, Statement of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flows for the year ended June 30, 2021 along with notes thereon and all related Consolidated and Subsidiary Financial Statements for your record and necessary measures.

With best regards.



Khandaker Habibuzzaman  
Company Secretary

Dated: 24 November, 2021



## WE STRIVE FOR

We in SQUARE, strive, above all, for top quality health care products at the least cost reaching the lowest rungs of the economic class of people in the country. We value our social obligations.

We owe our shareholders and strive for protection of their capital as well as ensure highest return and growth of their assets.

We strive for best compensation to all the employees who constitute the back-bone of the management and operational strength of the company through a pay-package composing salary/wages, allowances, bonuses, profit participation, leave salary and superannuation & retirement benefits.

We strive for the best co-operation of the creditors & debtors the banks & Financial Institutions who provide Financial support when we need them, the suppliers of raw materials & suppliers who offer them at the best prices at the opportune moments, the providers of utilities-power, gas & water etc. and the customers who buy our products & services by redeeming their claim in time by making prompt payment and by distributing proper product on due dates to our customers.

We strive for fulfillment of our responsibility to the government through payment of entire range of due taxes, duties and claims by various public agencies like municipalities etc.

We strive, as responsible citizen, for a social order devoid of malpractices, anti-environmental behaviors, unethical and immoral activities and corruptive dealings.

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



**Square Pharmaceuticals Ltd.**

We strive for practicing good-governance in every sphere of activities covering inter alia not being limited to, disclosure & reporting to share-holders, holding AGM in time, distribution of dividends and other benefits to shareholders, reporting/dissemination of price sensitive information, acquisition of shares by insiders, recruitment & promotion of staff, procurement & supplies, sale of assets etc. all that directly and indirectly affect the interest of concerned groups - the shareholders, the creditors, suppliers, employees, government and the public in general.

We strive for an environment free from pollution and poisoning.

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



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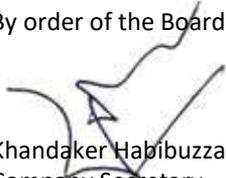
### Notice to the Members

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Notice is hereby given that the 55<sup>th</sup> Annual General Meeting of the Members of Square Pharmaceuticals Ltd. will be held on Wednesday the 15th December, 2021 at 10:00 a.m. under virtual platform through the link <https://tinyurl.com/splagm2021> to transact the following business:

- Agenda-1: To receive, consider and adopt the Audited Financial Statement for the year ended 30<sup>th</sup> June, 2021 together with the reports of the Directors' and the Auditors' thereon.
- Agenda-2: To declare dividend for the year ended 30<sup>th</sup> June, 2021.
- Agenda-3: To elect Directors in terms of the relevant provision of Articles of Association.
- Agenda-4: To appoint Statutory Auditors for the year 2021-2022 and to fix their remuneration.
- Agenda-5: To appoint Compliance Auditor for the year 2021-2022 and to fix their remuneration.

By order of the Board



Khandaker Habibuzzaman  
Company Secretary

24 November, 2021

Notes:

- i) The proxy form must be affixed with requisite revenue stamp and be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
- ii) Members are requested to submit to the Company's Share Office on or before 13<sup>th</sup> December 2021, their written option to receive dividend. In case of non-submission of such option with the stipulated time, the dividend will be paid off as deemed appropriate by the Company.
- iii) The Annual Report is available in the Company's web site at [www.squarepharma.com.bd](http://www.squarepharma.com.bd)



THE FOUNDER  
1925-2012



*Work hard and bring  
success that would be the  
biggest respect to me.*

  
Samson H Chowdhury

## THE AUTHORITY



Mr. Samuel S Chowdhury



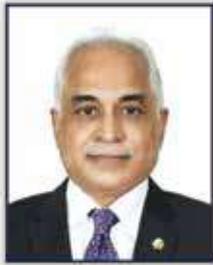
Mrs. Ratna Patra



Mr. Tapan Chowdhury



Mr. Kazi Iqbal Harun



Mr. Anjan Chowdhury



Mr. Syed Afzal Hasan Uddin



Mr. S M Rezaur Rahman

# SQUARE

### CHAIRMAN

Mr. Samuel S Chowdhury

### VICE CHAIRMAN

Mrs. Ratna Patra

### MANAGING DIRECTOR

Mr. Tapan Chowdhury

### DIRECTOR

Mr. Anjan Chowdhury

### DIRECTOR

Mr. Kazi Iqbal Harun

### INDEPENDENT DIRECTOR

Mr. Syed Afzal Hasan Uddin

### INDEPENDENT DIRECTOR

Mr. S M Rezaur Rahman

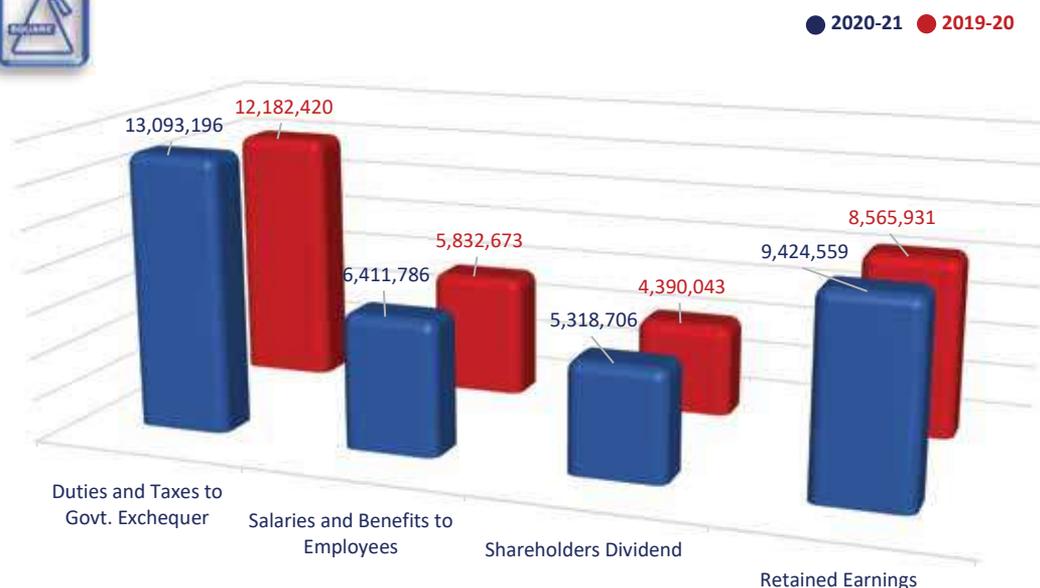
## The Board of Directors

## STATEMENT OF VALUE ADDED



Figures in thousand 'Taka

	2020-2021 (Jul'2020-Jun'2021)		2019-2020 (Jul'2019-Jun'2020)	
	Amount	%	Amount	%
<b>Value Added:</b>				
Turnover & Other Income	61,913,869		56,233,921	
Less: Bought in Materials & Services	27,665,622		25,262,854	
	<b>34,248,247</b>	<b>100.00</b>	<b>30,971,067</b>	<b>100.00</b>
<b>Application:</b>				
Duties and Taxes to Govt. Exchequer	13,093,196	38.23	12,182,420	39.34
Salaries and Benefits to Employees	6,411,786	18.72	5,832,673	18.83
Shareholders Dividend	5,318,706	15.53	4,390,043	14.17
Retained Earnings	9,424,559	27.52	8,565,931	27.66
	<b>34,248,247</b>	<b>100.00</b>	<b>30,971,067</b>	<b>100.00</b>





## CHAIRMAN'S MESSAGE

*Dear Shareholders, Ladies  
and Gentlemen*

The provision of law offers us a scope to meet at least once a year at the Annual General Meeting of the Shareholders to consider and approve the Directors' Report containing, inter alia, financial statements and operational performance. The occasion gives us an opportunity to meet, greet and exchange views of the owners of the Company. It is a great day for all of us and I am happy to welcome you all. The day also reverberates in our heart and mind the name of our Founder Chairman, the late Samson H Chowdhury whose mission and vision has led the Company to its height of performance and has established him as a global pioneering entrepreneur. Let us show our heartiest respect by offering him an ovation by standing in silence for a minute from our life.

The mortal world offers a few but takes all. This few, however, often offers a few men a great deal, though for a shorter earthly life but leaves a deeply rooted memorabilia for mankind. I feel the shareholders, at least the majority, if not all, would agree with me after examining the Directors' Report, which runs the lines of the success story as reflected by the figures and words. Despite a full year of COVID 19 devastating effects by the second wave, the growth indicators of every critical parameter show signs of positive growth. A close examination would reveal the key factors for the continuation of the rising trend for over four decades, at a higher rate than the GDP of the country.

While the credit largely goes to the Management Team, the opportunities nevertheless cannot be overlooked. I am sure you all have had the eyes on the COVID 19 effect, inflating the demand for allied medicines that led to increased sales as well as exports by almost all the major/leading producers. While on the subject, I would like to mention that our export-oriented set-up at Nairobi (Kenya), though fully ready, could not be put into operation due to various limitations resulting from COVID 19. We hope, once the situation improves, our thrust on exports will grow and shine like Everest.

I thank you all for participation in the virtual AGM and hope you will continue to remain with the Company as an "Investor" and survive and grow as a true Owner.

With best wishes for you all.

  
Samuel S Chowdhury  
Chairman



# CORPORATE OPERATIONAL RESULTS

Square Pharmaceuticals Ltd. (Standalone)



Figures in '000

<b>Business Results:</b>	<b>2020-2021</b>	<b>2019-2020</b>	<b>2018-2019</b>	<b>2017-2018</b>	<b>2016-2017</b>
Gross Revenue	58,346,258	52,926,219	44,595,486	34,573,391	33,299,672
Value Added Tax	7,643,229	7,049,770	5,909,831	4,568,416	4,413,733
Net Revenue	50,703,029	45,876,449	38,685,656	30,004,975	28,885,939
Gross Profit	25,902,993	23,339,779	18,974,590	14,406,366	14,061,586
Net Profit (Before Tax)	18,755,933	17,185,382	13,965,289	10,825,055	10,366,856
Net Profit (After Tax)	14,743,265	12,955,974	10,562,864	8,219,526	7,792,498
Net Assets Value (NAV)	82,217,575	69,909,802	60,806,055	46,662,876	41,201,962
Total Assets	86,602,384	74,350,804	65,061,673	53,329,313	45,763,246
Total Bank Borrowings	-	-	-	-	-
Total Current Assets	54,945,934	46,886,758	38,291,545	27,196,589	22,268,598
Total Current Liabilities	3,109,956	3,228,073	2,961,271	5,539,791	3,505,604
Current Ratio	17.67	14.52	12.93	4.91	6.35
Net Assets Value per Share (NAV)	92.75	78.86	68.59	52.64	46.48
Net Operating Cash Flow per Share	12.32	12.29	14.20	10.70	9.33
EPS-Earnings per Share (SPL)	16.63	14.62	11.92	9.27	8.79
EPS-Earnings per Share (Consolidated)	17.99	15.06	14.27	13.09	12.01
EPS at Original Capital at IPO	1474.33	1295.60	1056.29	821.95	779.25
Quoted Price per Share - DSE	215.50	172.50	264.30	293.10	290.10
Quoted Price per Share - CSE	215.60	172.50	264.90	292.80	290.60
Price Earnings Ratio-DSE (Time)	12.96	11.24	21.13	30.09	31.43
Price Earnings Ratio-CSE (Time)	12.96	11.24	21.18	30.06	31.48
Market Capitalization-DSE (in billion)	191.03	145.63	208.53	216.13	198.99
Market Capitalization-CSE (in billion)	191.12	145.63	209.00	215.91	199.33
Shares Outstanding	886,451,010	844,239,058	789,008,466	737,391,090	685,945,200
Face Value per Share	10.00	10.00	10.00	10.00	10.00
Dividend (Cash)	60%	47.00%	42.00%	36.00%	35.00%
Dividend (Stock)	0%	5.00%	7.00%	7.00%	7.50%
Dividend Payout (in '000)	5,318,706	4,390,043	3,866,141	3,170,782	2,915,267
<b>Shareholders:</b>	<b>2020-2021</b>	<b>2019-2020</b>	<b>2018-2019</b>	<b>2017-2018</b>	<b>2016-2017</b>
Sponsors/Directors	5	5	5	5	6
Financial & Other Institution	1211	916	927	825	655
Foreign Investors	90	91	118	107	103
General Public	75,233	60,251	56,570	54,925	51,807
Total -	76,539	61,263	57,620	55,863	52,571
<b>Employees:</b>	<b>2020-2021</b>	<b>2019-2020</b>	<b>2018-2019</b>	<b>2017-2018</b>	<b>2016-2017</b>
Executives	5,205	4,644	4,350	3,833	3,486
Non Executives	2,746	2,612	2,099	2,108	1,983
Workers	2,559	2,570	2,785	2,191	1,921
Total -	10,510	9,826	9,234	8,132	7,390



# MD'S REPORT

*Dear Shareholders, Ladies  
and Gentlemen*

I feel delighted to welcome you at the 55<sup>th</sup> Annual General Meeting for the FY 2020-2021 and submit the Directors' Report containing various Statutory Reports especially the operational performance as a Standalone as well as Consolidated situation of the Company of which you are the great hon'ble owners.

As a matter of fact, your participation has always encouraged us to work hard for way-ahead and prove our desperate efforts to increase the assets value of your investment at a rate that surpasses all past records. This is evident from an examination of the fundamental parameters of Financial Statements, especially the Balance Sheet and the Income Statement, both Standalone and Consolidated ones.

You will observe that both the situation indicate growth in total investment/assets without any long term borrowing with NAV increasing from Tk. 78.86 (2019-2020) to Tk. 92.75 (2020-2021), a growth by 17.61% which far exceeds the GDP growth rate of the nations. The Consolidated position shows a marginal lower rate of 17.48% as the subsidiary/associated companies are yet to take-off sue to COVID 19.

The Income Statement, similarly offers operational growth rate in almost all the parameters despite the highly devastating social/medically adverse situation, as a pandemic world over. This is obviously a miraculous situation as while the Turnover increased by 10.24%, the EPS increased by 13.80% (standalone) and at 19.42% (consolidated). Here lies the effect of the efforts by the Management Team as well as the entire workforce/employees.

While concluding, I would like to assure you that, unlike many others, the Company continues to follow the ideals of our Founder Chairman late Samson H Chowdhury, with high hopes but without any vices. This philosophy of his life still reverberates in our heart and soul whenever we decide to undertake any venture. This gives us a unique strength to work for all of us and the nation.

I hope the future situation, though generally looks hard, would lead us to new heights through more diversification, both product wise as well as market/country-wise overcoming the effect of the pandemic not so a long lapse of time. I hope the mankind shall win by the grace of the Almighty.

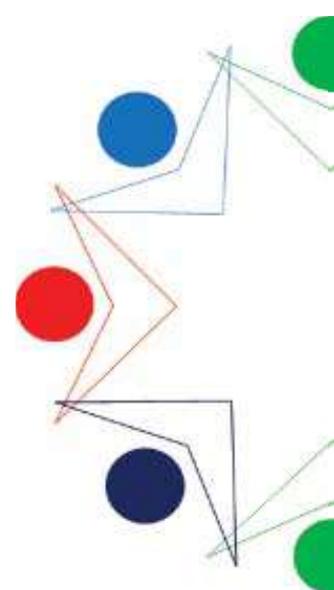
Thanking you all with best wishes for health as well as wealth.

Sincerely yours.

  
Tapan Chowdhury  
Managing Director



TOGETHER  
WE ARE STRONGER



#### MANAGEMENT COMMITTEE

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

#### AUDIT COMMITTEE

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

#### NOMINATION AND REMUNERATION COMMITTEE

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

#### CFO, COMPANY SECRETARY AND HIAC

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Mr. Muhammad Zahangir Alam, FCA, FCMA  
Mr. Khandaker Habibuzzaman, FCS  
Mrs. Nasrin Akter, FCA

#### STATUTORY AUDITORS

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M/s. Mahfel Huq & Co.  
Chartered Accountants  
BGIC Tower, 4<sup>th</sup> Floor  
34 Topkhana Road  
Dhaka



# TOGETHER WE ARE STRONGER



## OPERATIONAL MANAGEMENT TEAM

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Mr. Md. Kabir Reza	Head of A&F
Mr. Md. Mizanur Rahman	Head of Operations
Mr. M. Nawabur Rahman	Head of Production (Dhaka Unit)
Mr. Ahmed Kamrul Alam	Head of Marketing
Mr. Santosh Sadashiv Chothe	Head of R&D
Mr. Anjan Kumar Paul	Head of HR
Mr. Md. Mizanur Rahman	Head of Production (Pabna Unit)
Mr. Bhopinder Singh Grover	Head of Quality Operations
Mrs. Nasrin Akter	Head of Internal Audit



## COMPLIANCE AUDITORS

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



## LEGAL ADVISOR

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



## BANKERS

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



## INSURERS

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

# DIRECTORS' REPORT

to the Members for the year ended 30 June, 2021.



In terms of provisions of Section 184 of the Companies Act 1994, Rule 12 (and the schedule there under) of the Bangladesh Securities and Exchange Rules 1987, Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission and International Accounting Standards-1 codes as adopted by The Institute of Chartered Accountants of Bangladesh, it is the pleasure of the Board of Directors to submit its Report to the Shareholders for the year ended 30 June, 2021 in the following paragraphs:

## OPERATIONS AND STATE OF AFFAIRS OF SQUARE PHARMA

### STANDALONE

**REVENUE:** Square Pharma's standalone revenue from operations reached Tk. 58,346.26 million with a growth of 10.24% for the year ended June 30, 2021, as against Tk. 52,926.22 million of the previous year.

**NET PROFIT & EPS:** Net Profit after tax increased by 13.80% to Tk. 14,743.26 million for the year under review as compared to Tk. 12,955.97 million for the previous year. Earnings per share (EPS) stood at Tk. 16.63 for 2020-2021 as against Tk. 14.62 for the previous year.

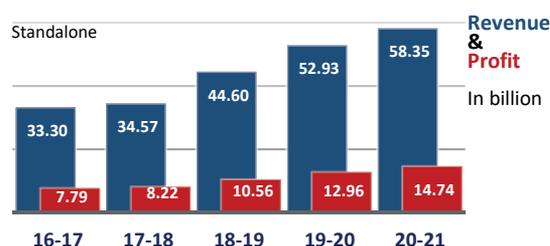
### CONSOLIDATED

**REVENUE:** Consolidated revenue of Square Pharma for the year under review amounted to Tk. 58,346.26 million, increased by 10.24% compared to the previous year's Tk. 52,926.22 million.

**NET PROFIT & EPS:** Net Profit after tax grew by 19.42% to Tk. 15,947.45 million for the year under review as compared to Tk. 13,353.64 million for the previous year. Earnings per share (EPS) stood at BDT 17.99 during 2020-2021 as against Tk. 15.06 during the previous year ending June 2020.

### TOP POSITION

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



### SECTORAL GROWTH

The pharmaceutical sector is growing rapidly, with local institutions meeting 98 percent of the country's overall need for pharmaceuticals. The companies, in addition to meeting domestic demand, also export pharmaceuticals to several countries across the world. Bangladesh ranks 71<sup>st</sup> out of 178 countries in the world in terms of global pharmaceutical exports. Bangladesh's pharmaceutical industry accounts for 1.83% of the country's GDP.

Local 257 companies hold 90% of the market shares, with only 10% supplied by multinationals (MNCs), in which Square Pharma is dominating the pharmaceutical market in Bangladesh by holding a market share of 17.21%.

According to IMS Plus (MAT) 2Q, 2021 (July 2020 to June 2021), the Domestic Market Size of pharmaceuticals reached Tk. 27,659 crore with 18.66% growth over last year, which is a very positive outlook for the sector.

Compound Annual Growth Rate for the last five years (2017-2021), National Market Growth Rate and Square Pharma's Growth Rates were 10.20%, 18.66% and 24.17% respectively.



The pharmaceutical market has been witnessing excellent growth in recent years and is expected to surpass BDT 50,000 crore by 2025 with an absolute growth of 114% from 2020 levels. Majority of this growth will be contributed by local companies with a market share of more than 90% as similar to past trends attained over the last two decades, according to a new research.

However, Bangladesh's pharmaceutical industry, nevertheless, still has a lot of room for growth, especially if it focuses on high-quality/life-saving medicines, and the country's pharmaceutical policy needs to be taken care of to continuously upgrade by research and physical facilities.

#### PHARMA PLANT

The management is highly concerned about continuous development of operational efficiency, both qualitatively and quantitatively by updating and upgrading technical processes, research, and training at the manufacturing facilities at each level.

The company made substantive investments at both of the installations during the year as detailed below:

	Taka in million	
Assets Title	2020-21	2019-20
Land	217.28	290.12
Building	11.92	638.20
Plant& Machinery	800.96	420.53
Laboratory Equipment	98.10	60.30
Others	316.80	125.59
Total -	1,445.06	1,534.74

The investments were made from the internally generated funds.

#### CHEMICAL PLANT

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

Particulars	2020-21	2019-20
No. of Products	22	22
Production (MT)	723	926
Own use (MT)	613.16	895.84
Sales (MT)	18.70	30.51
Own use (%)	84.81	96.74
Revenue (Million Tk.)	44.61	91.72

(MT-Metric Ton)

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

#### QUALITY CONTROL

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

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

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

#### TECHNOLOGY

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

During the year 2020-2021 Square Pharma invested an amount of Tk. 98.10 million in improving its laboratory facilities in line with new inventions of process/production.



## PRODUCT DEVELOPMENT

The product development status of Square Pharma as on 30<sup>th</sup> June, 2021 along with addition and deletion position of the products are hereby depicted hereunder:

Sl. No	Products Categories	Position 01-07-20	Added Over the time period	Discarded	Position 30-06-21
01	Tablet	292	13	11	294
02	Capsule	60	2	3	59
03	Liquid	83	2	-	85
04	Injectable (Vial & Ampoule)	49	6	4	51
05	Infusion	17	-	2	15
06	ENT, Opthal Preparation	31	1	2	30
07	Cream, Ointment, Spray, Gel & others	63	2	1	64
08	Powder for Suspension	18	1	1	18
09	Tropical Powder	1	-	-	1
10	Suppository	6	-	-	6
11	Inhaler & Nebulizer	8	1	-	9
12	Insulin	9	-	-	9
13	Basic Chemical & Pellet	22	-	-	22
14	Tablet, Powder, Liquid, Injection and Granular - AgroVet Local	76	6	-	82
15	Tablet, Powder, Liquid, Injection and Granular - AgroVet Imported	58	5	-	63
16	Powder, Liquid & Granular - Crop Care	30	5	-	35
17	Capsule, Liquid, Powder and Cream - Herbal & Neutraceuticals Products	30	9	-	39
Total -		853	53	24	882

53 new products have been added over the time period under consideration, all of which have received positive feedback from medical experts and consumers and 24 items have been discarded owing to superior generic alternatives, a limited market size and regulatory compliance.

## OUTPUT/CAPACITY UTILIZATION

The overall capacity utilization of the plant operation during the year 2020-2021 has been presented hereunder:

Sl. #	Product Categories	Unit	Production in thousand		Production ↑↓ in %	Capacity Utilization	
			2019-20	2020-21		2019-20	2020-21
1	Tablet	Pic	6,552,331	7,343,555	12.08 ↗	65%	72%
2	Capsule	Pic	1,924,642	1,767,430	8.17 ↘	52%	47%
3	Liquid	Bottle	135,987	121,958	9.75 ↘	53%	38%
4	Injectable (Vial & Ampoule)	Pic	46,987	40,573	13.65 ↘	63%	45%
5	Infusion (LVPO)	Bag	4,272	3,471	18.75 ↘	29%	20%
6	ENT & Opthal Preparation	Phial	30,648	29,011	5.34 ↘	82%	65%
7	Cream, Ointment, Spray, Gel & Others	Phial	127,206	147,610	16.04 ↗	55%	58%
8	Powder for Suspension	Bottle	22,188	21,224	4.34 ↘	70%	46%
9	Powder	Phial	15,478	22,613	46.10 ↗	38%	43%
10	Suppository	Pic	69,666	64,057	8.05 ↘	69%	31%
11	Inhaler	Can	38,430	44,949	16.96 ↗	30%	33%
12	Insulin & Insulin Cartridge	Pic	1,718	1,808	5.24 ↗	13%	16%
13	Basic Chemical & Pellet	Kg	825	723	12.36 ↘	84%	74%



## FINANCIAL RESULT

The Company's standalone operating financial results for the year ended June 30, 2021, as compared to the previous year, are summarized below:

Particulars	2020-2021 Taka	2019-2020 Taka	% ↑↓
Gross Revenue	58,346,258,281	52,926,218,655	10.24 ↗
Net Revenue	50,703,028,902	45,876,448,841	10.52 ↗
Cost of Goods Sold	24,800,035,555	22,536,669,960	10.04 ↗
Gross Profit	25,902,993,347	23,339,778,881	10.98 ↗
Net Profit (Before Tax)	18,755,932,542	17,185,381,957	9.14 ↗
Provision for Taxation	4,187,481,946	4,251,005,177	1.49 ↘
Net Profit (After Tax)	14,743,264,610	12,955,973,632	13.80 ↗
Gross Profit Margin	51.09%	50.88%	0.42 ↗
Net Profit Margin (Before Tax)	36.99%	37.46%	1.25 ↘
Net Profit Margin (After Tax)	29.08%	28.24%	2.97 ↗
EPS (Earning Per Share) Tk.	16.63	14.62	13.80 ↗
EPS Consolidated Tk.	17.99	15.06	19.42 ↗
EPS on IPO Paid-up Capital Tk.	1,474.33	1,295.60	13.74 ↗

During the financial year 2020-2021, Gross Revenue, Net Profit (BT) and Net Profit (AT) rose by 10.24%, 9.14% and 13.80% respectively, over the previous year.

However, during the year 2020-2021, the company had earned "Other Income" of Tk. 3,567.61 million (as depicted in Note 21 of the standalone accounts) and the Net Profit Margin (After Tax) grew by 2.97 percent compared to the previous year.

The EPS (standalone) for the financial year under review stood at Tk. 16.63, representing a 13.80% increase over the previous year, and the consolidated EPS rose by 19.42% to Tk. 17.99 in 2020-2021, increased from Tk. 15.06 in 2019-2020. The EPS is computed by using the current outstanding 886,451,010 ordinary shares of Tk. 10/- each.

## RISK AND CONCERN

Socio-economic incohesive situations, inadequately strategized investment policies, product pricing policies, absence of long-range planning and international trade barriers impose a regressive impact on the growth of R&D in the sector.

Square Pharma is always sincere and careful to identify the key business risks and ensure the mitigation plans are in place, doing all sorts of reviews and adopting the best practices which had enabled it to achieve its objective efficiently and effectively during the past successive years.

## EXTRA-ORDINARY ACTIVITIES

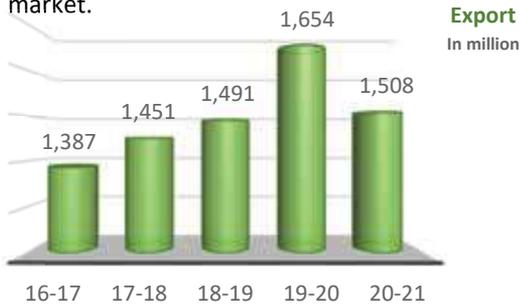
The Company did not undertake or continue any extra-ordinary or adventurous activities and did not suffer or gain any loss or gain from such activities.



**EXPORT**

Square Pharma exports its medicines to over 45 countries and exported an amount of Tk. 1,507.75 million in the financial year under review. The COVID 19 pandemic badly affected the export shipment process with extra lead time affecting the international supply chain system. As a result, exports dropped by 8.83% in the year under review.

Square Pharma is constantly working to boost its export sales within its current capacity and it is expected to grow significantly in the near future. The company is also working on the approval of several products for sale in the USA market.



**SUBSIDIARY OPERATION**

**SQUARE PHARMACEUTICALS KENYA EPZ LTD. (SPL KENYA)**

SPL Kenya is to manufacture and sell generic pharmaceutical medicine in Kenya and East African Community.

Square Pharma virtually wholly owns the shares of SPL Kenya, therefore, SPL Kenya is a subsidiary of Square Pharma.

The Directors' Report for the year ended 30 June, 2021 of the SPL Kenya, together with Audited Accounts containing a Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Cash Flows and Auditors' Report thereon, are included in this Annual Report.

**SQUARE LIFESCIENCES LTD. (SLL)**

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

Square Pharma virtually wholly owns the shares of SLL, therefore, SLL is a subsidiary of Square Pharma.

The Directors' Report for the year ended 30 June, 2021 of the SLL together with Audited Accounts containing Statement of Financial Position and Cash Flows and Auditors Report thereon are included in this Annual Report.

**INVESTMENT PORTFOLIO**

The investment portfolio of Square Pharma in the category of "Long Term Investment" and "Marketable Securities" has been detailed in Notes # 3 & 4 to the standalone accounts.

The outlines of the portfolio are described hereunder for information:

**A. LONG TERM INVESTMENT**

Taka 5,262.52 million has been invested in the category of "Long Term Investments" in the Ordinary Shares, Non-Convertible/Convertible Zero Coupon Bonds and Certificates in 14 (fourteen) different companies which are described hereinafter:

**A.1. SUBSIDIARY**

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

Square Pharma holds 100% of shares of SPL Kenya. The paid up capital of SPL Kenya in BDT is Tk. 332,000,000 while Tk. 653,742,688 has been advanced as Share Money Deposit.

The Directors' Report and Financial Statements are included in this Annual



Report since SPL Kenya is a wholly owned subsidiary of Square Pharma.

**□ Square Lifesciences Ltd. (SLL)**

Square Pharma holds 995,000 ordinary shares of Tk. 100.00 each of SLL out of its paid-up 1,000,000 ordinary shares.

The Directors' Report and Financial Statements are attached in this Annual Report since SLL is a virtually wholly owned subsidiary of Square Pharma.

**A.2. ASSOCIATES:**

**□ Square Textiles Ltd. (STxL)**

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

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

The market value of the said shares as on 30 June, 2021 was Tk. 4,343,242,252.00 @ Tk. 47.50 per share.

STxL declared a cash dividend of @20% for the year 2020-2021.

**□ Square Hospitals Ltd. (SHL)**

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

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

SHL earned a Revenue and Net Profit of Tk.

4,388.70 million and 414.81 million respectively for the year ended 30 June, 2021 and it didn't declare any dividend due to new expansion plan, upgradation and replacement of existing hospital equipment with modern ones.

**□ Square Fashions Ltd. (SFL)**

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

Square Pharma holds 462,000 ordinary shares of Tk. 100.00 each and 48.46% of the capital of SFL. The investment cost for the said shares was Tk. 151.20 million @ Tk. 327.27 (average) per share.

SFL earned a Net Profit of Tk. 1,636.60 million during the year 2020-2021, NAV per share stood at Tk. 14,725.00 and EPS Tk. 1,723.00 as on 30 June 2021. Due to future expansion and diversity plan, SFL didn't declare any dividend in the year under review for ploughing back requirement.

**A.3. OTHERS:**

**□ United Hospital Ltd. (UHL)**

Square Pharma owns 120,000 ordinary shares of Tk. 100.00 each amounting to total Tk. 12,000,000.00 of United Hospital Ltd.

Since UHL is a private limited company, it does not have any ready market value.

**□ Central Depository Bangladesh Ltd. (CDBL)**

CDBL is a public limited company that operate and maintain the Central Depository System (CDS) of electronic book entry, recording and maintaining securities accounts and registering transfer of securities, changing the ownership without any physical endorsement of certificates. CDBL also providing platform for the secondary market trading of Treasury Bills and Government Bonds. CDBL is regulated by



the Bangladesh Securities and Exchange Commission.

Square Pharma holds 5,711,804 ordinary shares, including bonus shares of Tk. 10.00 each in the capital of CDBL against an investment of Tk. 15,694,430.00, the cost per shares stood at Tk. 2.75 per share (considering cost free Bonus Shares). Shares are not listed, therefore the market value of this investment cannot be assessed.

**□ Raj Lanka Power Company Ltd.**

Square Pharma holds 150,000 preference shares amounting to Tk. 29,090,910.00 of Raj Lanka Power Company Ltd.

**□ Durable Plastics Ltd.**

Square Pharma holds 5 (five) Non-Convertible Zero Coupon Bonds amounting to Tk. 11,905,164.00 of Durable Plastics Ltd.

**□ Envoy Textiles Ltd.**

Square Pharma holds 40 Non-Convertible Zero Coupon Bonds amounting to Tk. 21,509,807.00 of Envoy Textiles Ltd.

**□ Mutual Trust Bank Ltd.**

Square Pharma holds 200 Non-Convertible Subordinated Bonds amounting to Tk. 2,000,000,000.00 of Mutual Trust Bank Ltd.

**□ Southeast Bank Ltd.**

Square Pharma holds 5,000 Non-Convertible Subordinated Bonds amounting to Tk. 500,000,000.00 of Southeast Bank Ltd.

**□ Islami Bank Bangladesh Ltd.**

Square Pharma holds 50 Mudaraba Redeemable Non-Convertible Subordinated Bonds amounting to Tk. 500,000,000.00 of Islami Bank Bangladesh Ltd.

**□ Trust Bank Ltd.**

Square Pharma holds 50 Non-Convertible Subordinated Bonds amounting to Tk. 500,000,000.00 of Trust Bank Ltd.

**B. MARKETABLE SECURITIES INVESTMENT**

Square Pharma invested in the Marketable Securities at total a cost price of Tk. 3,307.79 million, which can be seen in Note No. 4 of the standalone accounts.

The portfolio registered an unrealized capital gain of Tk. 1,316.54 million in the year under review.

**CONSOLIDATION OF ACCOUNTS**

In terms of the regulations of the Bangladesh Securities and Exchange Commission, Square Pharma has consolidated the accounts following the codes of IAS-28 and IFRS-10, reflecting shareholders' gross benefits and value of investments.

The consolidated financial statements are included in this Annual Report.

**MINORITY SHAREHOLDERS INTEREST**

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

**RELATED PARTY TRANSACTION**

The Company had undertaken several related party transaction detail of which are given in Note No. 37.1 of the standalone accounts.

**CREDIT RATING**

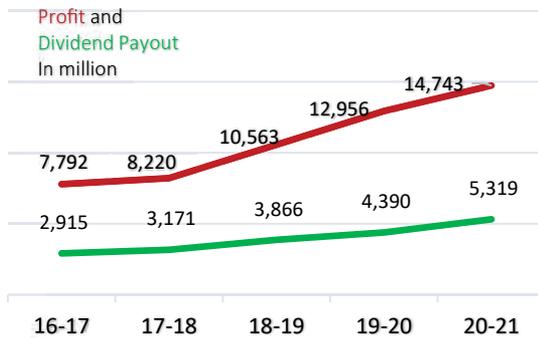
The Credit Rating Information and Services Ltd. (CRISL) has reaffirmed the highest credit of 'AAA' (Stable) for Long Term and 'ST-1' for Short Term on the basis of financial and other relevant quantitative and qualitative information of the Company.



## APPROPRIATION OF PROFIT

Board of Directors in its meeting held on 21<sup>st</sup> October, 2021 has recommended the appropriation of the Net Profit earned during the year 2020-2021 in the following manner:

	In Taka
◇ Net Profit for the year (2020-2021)	14,743,264,610
◇ Appropriation Recommended :	
- Cash Dividend @ 60% (Tk. 6.00 per share)	5,318,706,060
◇ Net Un-appropriated Profit	9,424,558,550



## CONTRIBUTION TO NATIONAL EXCHEQUER

Square Pharma contributed an amount of Tk. 13,201,998,608 (including Tk. 108,801,907 as contribution as duty/taxes towards machinery & spare parts imports) to National Exchequer as against Tk. 12,315,098,001 in the previous year.

The contribution constitutes 26.04% of the sales revenue (net) in 2020-2021 as against 26.84% in the previous year of 2019-2020.

## LOANS AND GUARANTEES

Detail of Loans granted and Guarantees given during the year under review are depicted in Note No. 8 and 38.3 respectively to the standalone financial statement.

## HUMAN RESOURCES DEVELOPMENT

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

During the year under review 3,954 persons received in-house/in-operation /on the job training at home and abroad which will ultimately make great contribution to the company's profitability as well their own remuneration in due course.

## ENVIRONMENTAL ROLE

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

## ELECTION OF DIRECTORS

Mr. Samuel S Chowdhury and Mr. Kazi Iqbal Harun, as per Article-99 and 100 of the Articles of Association, have retired and, being eligible, have offered themselves for re-election.

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



### APPOINTMENT OF STATUTORY AUDITORS

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

Ahmed Zaker & Co., Chartered Accountants expressed their interest to be appointed as auditors of the Company for the year 2021-2022, which was recommended by the Board of Directors at its meeting held on 21<sup>st</sup> October, 2021.

### APPOINTMENT OF COMPLIANCE AUDITORS

M/s Chowdhury Bhattacharjee & Co., Chartered Accountants, who are retiring at this Annual General Meeting and being eligible, have offered themselves for reappointment as Compliance Auditors of Square Pharma for the year 2021-2022. The Board of Directors in its meeting held on October 21, 2021, recommended their appointment.

### MANAGEMENT'S DISCUSSION AND ANALYSIS

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

### CORPORATE GOVERNANCE COMPLIANCE REPORT

In accordance with the requirements of the Corporate Governance Code 2018 of the Bangladesh Securities and Exchange Commission, a additional statement in pursuance of Clause 1 (5), resume of the

directors who shall be reappointed, Management Discussion Analysis, Certificate from the CEO and CFO to the Board, Certificate on Compliance of the Conditions of the Corporate Governance Code 2018 by the Compliance Auditors and Status of Compliance are depicted in the Annexure – I, II, III, IV, V, and VI respectively.

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

### MANAGEMENT APPRECIATION

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

Samuel S Chowdhury  
Chairman

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



## THE DIRECTORS ALSO REPORT THAT:

- ✓ The Financial Statements of the Company present true and fair view of the Company's state of affairs, result of its operation, cash flows and changes in equity.
- ✓ Proper books of accounts as required by the prevailing laws have been maintained.
- ✓ Appropriate accounting policies have been followed in formulating the financial statements and accounting estimates were reasonable and prudent.
- ✓ The financial statements were prepared in accordance with IAS/BAS/IFRS/BFRS.
- ✓ The internal control system is sound in design and is effectively implemented and monitored.
- ✓ Total Board Meeting and Attendance during the year 2020-2021 by each Director:
- ✓ There is no significant doubt about the company's ability to continue as a going concern.
- ✓ There is no significant deviation from the operating result of the last year.
- ✓ Remuneration paid to Mrs. Ratna Patra, Vice Chairman and Mr. Tapan Chowdhury Managing Director has been shown in Note # 19 in the notes of accounts.
- ✓ Key operating and financial data of last 5 (five) years have been presented in summarized form in Page No. 12.

Name of the Directors	Position	Meeting held	Attended
Mr. Samuel S Chowdhury	Chairman	11	11
Mrs. Ratna Patra	Vice Chairman	11	11
Mr. Tapan Chowdhury	Managing Director	11	11
Mr. Anjan Chowdhury	Director	11	11
Mr. Kazi Iqbal Harun	Director	11	10
Mr. Syed Afzal Hasan Uddin	Independent Director	11	11
Mr. S M Rezaur Rahman	Independent Director	11	11

- ✓ The pattern of shareholding as on 30 June 2021 are as follows:

Name of the Shareholders	Status	Shares held	%
i. Parent or Subsidiary or Associated Companies and other related parties.			
		-	-
ii. Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children:			
Mr. Samuel S Chowdhury	Chairman	62,925,017	7.10
Mrs. Ratna Patra	Vice Chairman	60,320,972	6.80
Mr. Tapan Chowdhury	Managing Director	64,288,190	7.25
Mr. Anjan Chowdhury	Director	65,098,210	7.34
Mr. Kazi Iqbal Harun	Director	53,810,562	6.07
Mrs. Nihad Kabir	Independent Director	-	-
Mr. Syed Afzal Hasan Uddin	Independent Director	-	-
Mr. Muhammad Zahangir Alam	Chief Financial Officer	6,300	0.0007
Mr. Khandaker Habibuzzaman	Company Secretary	458	-
Mrs. Nasrin Akter	Head of Internal Audit & Compliance	-	-
Mrs. Bula Chowdhury	W/o Tapan Chowdhury	2,233,406	0.25
Mr. Charles C R Patra	H/o Mrs. Ratna Patra	2,258,988	0.25
iii. Executives:			
Mr. Md. Kabir Reza	Head of Accounts & Finance	11,253	0.0013
Mr. Md. Mizanur Rahman	Head of Operations	-	-
Mr. M Nawabur Rahman	Head of Production - Dhaka Unit	-	-
Mr. Ahmed Kamrul Alam	Head of Marketing	11,207	0.0013
Mr. Prosenjit Chakraborty	Head of International Marketing	-	-
vi. Shareholders Holding 10% or more voting interest in the company.			
		-	-

## DIRECTORS PROFILE

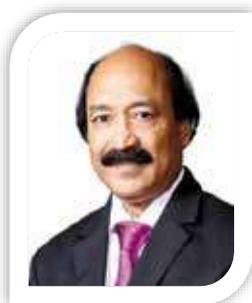
Who are seeking appointment



### RE-APPOINTMENT OF DIRECTORS

#### MR. SAMUEL S CHOWDHURY

Mr. Samuel S Chowdhury is a Director of the Company since 1991 and has been



appointed as Chairman in the 2012. He is the son of late Samson H Chowdhury, Founder Chairman of the Company. He obtained Bachelor's degree from the Rajshahi University and Masters in Business Administration from the Trinity University, USA and has a rich experience of more than 37 years in the pharmaceuticals, textiles, toiletries, media & communication sector including capital market operations. Mr. Samuel S Chowdhury is also a sponsor director of Square Textiles Limited (Listed Company) designated as Chairman.

He also Chairman in 33 other private limited Company namely Square Hospitals Limited, Square Toiletries Limited, Square Fashions Ltd., Square Food and Beverages Ltd., Square Denims Ltd. Square Apparels Ltd., Square Securities Management Ltd., Square Air Ltd., Sabazpur Tea Company Ltd. and Maasranga Television under the Square Group.

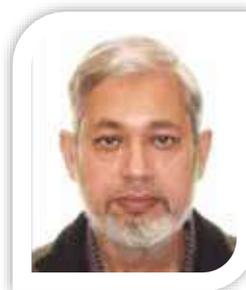
Mr. Samuel S Chowdhury has been awarded several times as a highest individual Taxpayer in the Country.

#### MR. KAZI IQBAL HARUN

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

Mr. Iqbal obtained Master's degree in Applied Chemistry from the Rajshahi University, Bangladesh and has an experience of more than 23 years in the pharmaceuticals and textiles sector.

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



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

# MANAGEMENT'S DISCUSSION & ANALYSIS



Pursuant to the Corporate Governance Code 2018 [Condition # 1 (5) (xxv)] of the Bangladesh Securities and Exchange Commission, the Management's Discussion & Analysis for the year ended 30 June, 2021 has been depicted hereunder:

### Accounting Policies and Estimation for preparation of Financial Statements:

Square Pharmaceuticals Ltd. follows International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) along with prevailing local rules and regulations applicable for preparation of financial statements.

Detail description of accounting policies and estimation used for preparation of the financial statements of Square Pharma are disclosed in the Notes No. 2 to the Standalone Financial Statements.

### Changes in Accounting Policies and Estimation:

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

### Comparative Analysis of Financial and Operational Performance:

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

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

Figures Tk. in '000

Particulars	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
<b>Financial Performance</b>						
Gross Revenue	58,346,258	52,926,219	44,595,486	34,573,391	33,299,672	33,611,741
Net Revenue	50,703,029	45,876,449	38,685,656	30,004,975	28,885,939	29,058,349
Gross Profit	25,902,993	23,339,779	18,974,590	14,406,366	14,061,586	14,056,482
Net Profit (Before Tax)	18,755,933	17,185,382	13,965,289	10,825,055	10,366,856	9,943,836
Net Profit (After Tax)	14,743,265	12,955,974	10,562,864	8,219,526	7,792,498	7,510,265
<b>Financial Performance (Inflation Adjusted)</b>						
Gross Revenue	44,264,246	42,416,939	37,891,968	30,997,953	31,581,631	33,611,741
Net Revenue	38,465,729	36,767,005	32,870,493	26,901,984	27,395,617	29,058,349
Gross Profit	19,651,242	18,705,322	16,122,362	12,916,519	13,336,102	14,056,482
Net Profit (Before Tax)	14,229,143	13,772,971	11,866,050	9,705,572	9,831,995	9,943,836
Net Profit (After Tax)	11,184,942	10,383,375	8,975,072	7,369,496	7,390,457	7,510,265

Particulars	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
<b>Financial Position</b>						
Shares Outstanding	8,864,510	8,442,391	7,890,085	7,373,911	6,859,452	6,235,865
Shareholders' Equity	82,217,575	69,909,802	60,806,055	46,662,876	41,201,962	35,597,063
Total Assets	86,602,384	74,350,804	65,061,673	53,329,313	45,763,246	39,174,686
Total Liabilities	4,384,809	4,441,002	4,255,618	6,666,437	4,561,284	3,577,623
Current Assets	54,945,934	46,886,758	38,291,545	27,196,589	22,268,598	17,053,295
Current Liabilities	3,109,956	3,228,073	2,961,271	5,539,791	3,505,604	2,581,822
<b>Financial Position (Inflation Adjusted)</b>						Base Year
Shares Outstanding	6,725,039	6,766,030	6,704,060	6,611,331	6,505,550	6,235,865
Shareholders' Equity	62,374,163	56,028,182	51,665,791	41,837,194	39,076,216	35,597,063
Total Assets	65,700,687	59,587,357	55,281,712	47,814,215	43,402,168	39,174,686
Total Liabilities	3,326,524	3,559,176	3,615,921	5,977,022	4,325,952	3,577,623
Current Assets	41,684,599	37,576,702	32,535,624	24,384,030	21,119,687	17,053,295
Current Liabilities	2,359,360	2,587,092	2,516,138	4,966,889	3,324,738	2,581,822
<b>Cash Flow</b>						
Net Cash Generated from Operating Activities	10,924,582	10,891,697	12,590,714	9,486,298	8,274,277	8,126,675
Net Cash Used in Investing Activities	4,156,128	(2,272,762)	38,936	(6,147,315)	1,464,003	(2,365,995)
Net Cash Used in Financing Activities	(3,967,924)	(3,313,836)	(2,654,608)	(2,400,808)	(2,494,346)	(1,758,845)
<b>Cash Flow (Inflation Adjusted)</b>						
Net Cash Generated from Operating Activities	8,287,908	8,728,990	10,698,099	8,505,264	7,847,379	8,126,675
Net Cash Used in Investing Activities	3,153,037	(1,821,472)	33,083	(5,511,585)	1,388,471	(2,365,995)
Net Cash Used in Financing Activities	(3,010,256)	(2,655,825)	(2,255,572)	(2,152,526)	(2,365,655)	(1,758,845)
<b>Financial Ratio</b>						
Current Ratio	17.67	14.52	12.93	4.91	6.35	6.61
Debt to Equity	0.05	0.06	0.07	0.14	0.11	0.10
Gross Profit Margin	51.09%	50.88%	49.05%	48.01%	48.68%	48.37%
Net Profit Margin	29.08%	28.24%	27.30%	27.39%	26.98%	25.85%
Return on Equity	19.38%	19.82%	19.66%	18.71%	20.29%	23.61%
Return on Assets	18.32%	18.59%	17.84%	16.59%	18.35%	21.30%
<b>Ordinary Shares Information</b>						
Shares Outstanding (in Nos.)	886,451,010	844,239,058	789,008,466	737,391,090	685,945,200	623,586,546
Face Value per Share	10	10	10	10	10	10
Dividend-Cash (In %)	60%	47%	42%	36%	35%	40%
Dividend-Stock (In %)	0%	5%	7%	7%	8%	10%
Dividend Payout (Cash+Stock) in '000	5,318,706	4,390,043	3,866,141	3,170,782	2,915,267	3,117,933
Net Asset Value per Share	92.75	78.86	68.59	52.64	46.48	40.16
Net Operating Cash Flow per Share	12.32	12.29	14.20	10.70	9.33	9.17
EPS-Earnings per Share (Standalone)	16.63	14.62	11.92	9.27	8.79	8.47
EPS-Earnings per Share (Consolidated)	17.99	15.06	14.27	13.09	12.01	10.38
EPS at Original Capital at IPO	1,474.33	1,295.60	1,056.29	821.95	779.25	751.03
<b>Inflation Rate (In %)</b>	5.64	6.02	5.52	5.78	5.44	Base Year

Inflation Rate Source: Bangladesh Bank

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

A comparison of financial performances, financial position as well as cash flows for the year ended 30 June, 2020 of 5 (five) pharmaceuticals companies are presented below in order of market capitalization:

Figures Tk. in '000

Particulars	Square	Renata	Beximco	Beacon	Orion
<b>Financial Performance</b>					
Revenue (Net)	50,703,029	24,164,022	23,557,776	5,590,790	2,297,740
Gross Profit	25,902,993	11,531,115	10,804,254	2,872,346	1,281,095
Net Profit (Before Tax)	18,755,933	5,992,008	4,381,885	184,503	252,822
Net Profit (After Tax)	14,743,265	4,129,596	3,363,400	380,691	187,874
<b>Financial Position</b>					
Shares Outstanding (actual)	886,451,010	88,589,242	405,556,445	231,000,000	234,000,000
Shareholders' Equity	82,217,575	21,539,430	32,356,359	4,630,345	12,367,122
Total Assets	86,602,384	29,044,554	48,679,773	7,176,904	21,248,856
Total Liabilities	4,384,809	7,505,125	16,323,414	2,546,558	8,881,733
Current Assets	54,947,225	15,313,364	12,438,793	3,785,628	8,207,700
Current Liabilities	3,109,956	6,062,210	10,630,441	2,053,538	1,680,014
<b>Cash Flow</b>					
Net Cash Generated from Operating Activities	10,924,582	4,598,895	5,210,760	291,141	586,042
Net Cash Used in Investing Activities	4,156,128	-3,646,569	-1,907,898	-313,456	-1,417,640
Net Cash Used in Financing Activities	-3,967,924	-386,319	-3,271,192	338,441	1,431,228
<b>Market Capitalization (in million)</b>	205,302	140,033	102,605	50,127	24,616
<b>Market Share (in %)</b>	17.21	5.38	9.03	1.21	0.76

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

**Bangladesh:**

Bangladesh is a developing market economy and 35th largest in the world in nominal terms, and 30th largest by purchasing power parity, it is classified among the Next Eleven emerging market middle income economies and a frontier market.

The Bangladesh economy has been consistently performing well, with above 6% GDP growth since FY 2010-11, up until the COVID-19 outbreak. In fiscal year 2018-19, the growth rate was increased to 8.15%. Unfortunately, the country's economic growth slowed due to the negative impact of the COVID-19 situation. According to the provisional estimates of the Bangladesh Bureau of Statistics, the growth rate achieved in FY 2019-20 is 3.51% and

estimated a GDP growth target of 5.47% in FY 2020-21.

The per capita income of Bangladesh grew by 10% year-on-year to \$2,227 USD in the fiscal year 2020-2021 as per statistics of the Bangladesh Bureau of Statistics (BBS), which was \$2,024 USD in the previous year.

Bangladesh's economy increased by 3.51% in 2019-20, the lowest rate in three decades, as the COVID-19 pandemic caused difficulties in all sectors of the economy. Following the end of the more than 2 month long national closure, economic activity gradually began to revive in the following 2020-21 fiscal year, and recovery efforts by people continued until the start of the second wave of coronavirus in March 2021. However, a growth of 5.47% is expected for fiscal year 2020-2021 based on data from March and April, according to BBS.

Bangladesh, one of the world's most densely populated countries, has made significant progress in fulfilling social development targets for its 166.82 million inhabitants. The country's economy's tenacity is admirable.

However, good financial and economic policy is necessary to offset the financial sector's underperformance, diversify exports, and generate more job opportunities through increased private investment. It also necessitates the elimination of infrastructure bottlenecks, insufficient electricity and gas supply, bureaucratic corruption, political instability, natural disasters, and a skilled labor shortage.

#### **The Global:**

The world economy is recovering invincibly from the COVID-19 pandemic, although the process varies and is unequal between nations. According to the World Bank's released study titled "Global Economic Prospect, June 2021", economic growth in 2021 is predicted to be 5.6 percent, up from 3.5 percent in 2020. The major determinants of this unstable growth are substantial fiscal support for the economy, policy support, and vaccine access. Global growth will be 4.3 percent in 2022 and 3.1 percent in 2023, according to the study.

According to the research, developed economies would expand at a rate of 5.4 percent in 2021, with the United States potentially growing at a rate of 6.8 percent. More infectious coronavirus strains that have lately expanded to nations with rising markets and developing economies, as well as a lack of vaccine availability, are likely to impede the country's recovery process. In 2021, emerging markets and developing economies are anticipated to expand at a 6.0 percent annual rate, with China rising at an 8.5 percent annual rate and India increasing at an 8.3 percent annual rate.

The International Monetary Fund (IMF) forecast global economic growth of 6.0 percent in 2021 in

the World Economic Outlook (WEO) for April 2021, which is 0.8 percent higher than the projection in the October 2020 WEO.

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

Square Pharma's financial statements expose it to counterpart risk, financial risk, credit risk, liquidity risk, and market risk. Note 40 to the standalone financial statements provides a thorough description of risk and concerns. Square Pharma has adequate and effective risk-mitigation measures/controls in place.

#### **Future plan or projection or forecast:**

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

  
Tapan Chowdhury  
Managing Director

**The Market Capitalization  
of *SQUARE* Pharma  
is around  
BDT 205 billion  
(US \$2.40 billion),  
which places it **1<sup>st</sup>**  
in ranking in the  
pharmaceuticals sector.**

# DECLARATION BY CEO AND CFO

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

Annexure IV  
to the Directors' Report



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

11 October, 2021

**Subject: Declaration on Financial Statements for the year ended on 30<sup>th</sup> June, 2021.**

Dear Sirs,

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

1. The Financial Statements of Square Pharmaceuticals Ltd. for the year ended on 30<sup>th</sup> June, 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on 30<sup>th</sup> June, 2021 and that to the best of our knowledge and belief:
  - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

  
Tapan Chowdhury  
Managing Director

  
Muhammad Zahangir Alam  
Chief Financial Officer

# CERTIFICATE OF COMPLIANCE

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

Annexure V  
to the Directors' Report



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

We have examined the compliance status to the Corporate Governance Code by Square Pharmaceuticals Ltd. for the year ended on 30<sup>th</sup> June, 2021. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 3 June, 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- (b) The company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The governance of the company is satisfactory.

Place : Dhaka  
Dated : 10 October, 2021

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

# STATUS OF COMPLIANCE

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

Annexure VI  
to the Directors' Report



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



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



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



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

# পরিচালনা পর্ষদের প্রতিবেদন

শেয়ারহোল্ডারদের জন্যে ৩০ শে জুন, ২০২১ সমাপ্ত বছরের।



পরিচালনা পর্ষদ আনন্দের সাথে কোম্পানী আইন ১৯৯৪ এর ১৮৪ নং পরিচ্ছেদ, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ রুলস্ ১৯৮৭ এর ১২নং বিধির (এবং তফসিল অনুযায়ী) শর্তানুসারে, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের কর্পোরেট গভর্নেন্স কোড ২০১৮, দি ইনস্টিটিউট অব চার্টার্ড একাউন্ট্যান্টস্ অব বাংলাদেশ কর্তৃক গৃহীত আইএএস-১ (আন্তর্জাতিক হিসাব মানদণ্ড-১) অনুসারে ৩০ জুন ২০২১ তারিখে সমাপ্ত বছরের প্রতিবেদন সম্মানিত কোম্পানীর সদস্যবৃন্দের কাছে নিম্নোক্ত পরিচ্ছেদগুলোতে পেশ করছেনঃ

## স্কার ফার্মার কার্যক্রম এবং সার্বিক অবস্থা

### একক ভাবে

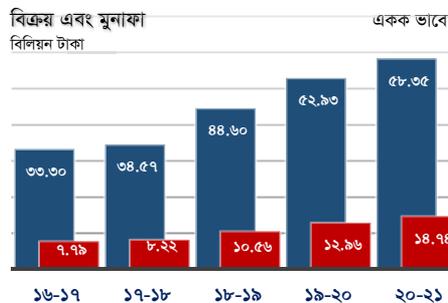
আলোচ্য বছরে কোম্পানির একক ভাবে মোট বিক্রয় হয়েছিল ৫৮,৩৪৬.২৬ মিলিয়ন টাকা, বিগত বছরে ছিল ৫২,৯২৬.২২ মিলিয়ন টাকা যা বিগত বছরের তুলনায় ১০.২৪% বেশি।

১৩.৮০% বৃদ্ধির মাধ্যমে কোম্পানি একক ভাবে ১৪,৭৪৩.২৬ মিলিয়ন টাকা কর পরবর্তী মুনাফা করেছে, যা বিগত বছরে ছিল ১২,৯৫৫.৯৭ মিলিয়ন টাকা। শেয়ার প্রতি আয় (ইপিএস) ১৬.৬৩ টাকা যা বিগত বছরে ছিল ১৪.৬২ টাকা।

### সমন্বিত ভাবে

আলোচ্য বছরে কোম্পানির সমন্বিত মোট বিক্রয় ছিল ৫৮,৩৪৬.২৬ মিলিয়ন টাকা, বিগত বছরে ছিল ৫২,৯২৬.২২ মিলিয়ন টাকা যা বিগত বছরের তুলনায় ১০.২৪% বেশি।

১৯.৪২% বৃদ্ধির মাধ্যমে কোম্পানির সমন্বিত কর পরবর্তী মুনাফা হয়েছে ১৫,৯৪৭.৪৫ মিলিয়ন টাকা। বিগত বছরে ছিল ১৩,৩৫৩.৬৪ মিলিয়ন টাকা। শেয়ার প্রতি আয় (ইপিএস) ১৭.৯৯ টাকা যা বিগত বছরে ১৫.০৬ টাকা ছিল।



## শীর্ষস্থানে অবস্থান

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

## ঔষধ খাতে প্রবৃদ্ধি

ঔষধ খাতের অগ্রগতি ক্রমাগতই ত্বরান্বিত হচ্ছে, স্থানীয় প্রতিষ্ঠানগুলি দেশের সামগ্রিক ঔষুধের ৯৮ শতাংশ প্রয়োজন মেটাচ্ছে। দেশীয় চাহিদা পূরণের পাশাপাশি কোম্পানিগুলি বিশ্বের বিভিন্ন দেশে ঔষুধ রপ্তানি করছে। বৈশ্বিক ঔষুধ রপ্তানিতে বিশ্বের ১৭৮টি দেশের মধ্যে বাংলাদেশের অবস্থান ৭১তম। বাংলাদেশের ঔষুধ শিল্প দেশের জিডিপির ১.৮৩% অবদান রাখছে।

স্থানীয় ২৫৭টি কোম্পানি দেশের ৯০% মার্কেট শেয়ার দখল করে আছে, মাত্র ১০% বহুজাতিক কোম্পানী সরবরাহ করে, এর মধ্যে স্কার ফার্মা ১৭.২১% মার্কেট শেয়ার ধরে রেখে বাংলাদেশের ঔষুধ মার্কেটে আধিপত্য বিস্তার করে আছে।

আইএমএস প্লাস (এমএটি) ২ কিউ ২০২১ (জুলাই ২০২০ থেকে জুন ২০২১) অনুযায়ী, ঔষুধের দেশীয় বাজারের আকার ২৭,৬৫৯ কোটি টাকায় পৌঁছেছে। গত বছরের তুলনায় ১৮.৬৬% বেড়েছে, যা এই সেক্টরের জন্যে খুব ইতিবাচক লক্ষণ।

গত পাঁচ বছরের (২০১৭-২০২১) চক্রবৃদ্ধি হারে বার্ষিক প্রবৃদ্ধি, দেশীয় বাজার প্রবৃদ্ধির হার এবং স্কার ফার্মার প্রবৃদ্ধির হার যথাক্রমে ১০.২০%, ১৮.৬৬% এবং ২৪.১৭% ছিল।

একটি নতুন গবেষণা অনুসারে, ঔষুধ বাজার সাম্প্রতিক বছরগুলিতে দুর্দান্ত বৃদ্ধি হয়েছে এবং ২০২০ সালের অবস্থান থেকে ১১৪% পরম বৃদ্ধির মাধ্যমে ২০২৫ সালের মধ্যে ৫০,০০০ কোটি টাকা ছাড়িয়ে যাবে বলে আশা করা হচ্ছে। এই প্রবৃদ্ধির সিংহভাগই ৯০% মার্কেট শেয়ার ধরে রাখা স্থানীয় কোম্পানীগুলোর অবদানেই হবে, যা দুই দশকের অর্জিত অভিজ্ঞতার প্রতিফলন।

এতদসত্ত্বেও, বাংলাদেশের ঔষুধশিল্পে বিকাশের অনেক সুযোগ রয়েছে, বিশেষ করে যদি এটি উচ্চ-মানের/জীবন রক্ষাকারী ঔষুধের উপর জোর দেয়া হয়, এবং গবেষণা ও অবকাঠামো উন্নয়নের মাধ্যমে ঔষধ নীতি অধিকতর উন্নত করার জন্যে যথাযথ পদক্ষেপ নেয়া হয়।

পরিচালনা পর্ষদের প্রতিবেদন  
২০২০-২০২১



**ফার্মা প্লান্ট**

কোম্পানির ম্যানেজমেন্ট, পাবনা এবং কালিয়াকৈর এর উৎপাদন সুবিধাগুলিতে প্রযুক্তিগত প্রক্রিয়া, গবেষণা এবং প্রশিক্ষণকে আপডেট এবং আপগ্রেড করার মাধ্যমে গুণগত এবং পরিমাণগত উভয়ই অপারেশনাল দক্ষতার ক্রমাগত উন্নয়ন সম্পর্কে অত্যন্ত সতর্ক।

আলোচ্য বছরে, কোম্পানী উভয় কারখানায় উলে-খযোগ্য পরিমাণ বিনিয়োগ করেছে। এ বিষয়ে বিনিয়োগের বিবরণ নিম্নে প্রদত্ত হলোঃ

মিলিয়ন টাকায়

সম্পদের বিবরণ	২০২০-২১	২০১৯-২০
জমি	২১৭.২৮	২৯০.১২
ভবন	১১.৯২	৬৩৮.২০
প্লান্ট এবং যন্ত্রপাতি	৮০০.৯৬	৪২০.৫৩
গবেষণার যন্ত্রপাতি	৯৮.১০	৬০.৩০
অন্যান্য যন্ত্রপাতি/সম্পদ	৩১৬.৮০	১২৫.৫৯
মোট টাকা -	১,৪৪৫.০৬	১,৫৩৪.৭৪

মূলধনী ব্যয়ের সকল অর্থ আভ্যন্তরীণ উৎস হতে নির্বাহ করা হয়েছে।

**কেমিক্যাল প্লান্ট**

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

বিবরণ	২০২০-২১	২০১৯-২০
পণ্যের সংখ্যা	২২	২২
উৎপাদনের পরিমাণ (মেঃ টন)	৭২৩	৯২৬
নিজস্ব ব্যবহার (মেঃ টন)	৬১৩.১৬	৮৯৫.৮৪
বিক্রয় (মেঃ টন)	১৮.৭০	৩০.৫১
নিজস্ব ব্যবহার (%)	৮৪.৮১	৯৬.৭৪
বাৎসরিক বিক্রয় (মিলিয়ন টাকা)	৪৪.৬১	৯১.৭২

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

**মান নিয়ন্ত্রণ**

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

**প্রযুক্তি**

পণ্য উৎপাদন, মান নিয়ন্ত্রণ, বিতরণ এবং সর্বোপরি রোগীর কাছে এই পণ্য পৌছানো পর্যন্ত সকল স্তরে আধুনিক প্রযুক্তি প্রয়োগে কোম্পানী অগ্রণী ভূমিকা পালন করছে। এই লক্ষ্যে ২০২০-২০২১ অর্থ বছরে কোম্পানী ল্যাবরেটরী আধুনিকায়নে ৯৮.১০ মিলিয়ন টাকা বিনিয়োগ করেছে।

**রপ্তানি**

স্কয়ার ফার্মার রফতানি বাজার ৪৫ টিরও বেশি দেশে বিস্তার লাভ করেছে এবং পর্যালোচনাধীন ২০২০-২০২১ বছরে ১৫০৭.৭৫ মিলিয়ন টাকা রফতানি হয়েছে।

কোভিড -১৯ মহামারী, রপ্তানি চালান প্রক্রিয়া এবং আন্তর্জাতিক সরবরাহ শৃঙ্খলা ব্যবস্থাকে প্রভাবিত করেছে। ফলস্বরূপ, পর্যালোচনাধীন বছরে ৮.৮৩% রপ্তানি কমেছে।

স্কয়ার ফার্মা তার বর্তমান সক্ষমতার মধ্যে রপ্তানি বিক্রয় বাড়ানোর জন্য ক্রমাগত কাজ করছে এবং অদূর ভবিষ্যতে এটি উল্লেখযোগ্যভাবে বৃদ্ধি পাবে বলে আশা করা হচ্ছে। এছাড়াও কোম্পানী মার্কিন যুক্তরাষ্ট্রের বাজারে বিক্রির জন্য বেশ কিছু পণ্যের অনুমোদন নিয়ে কাজ করছে।

পরিচালনা পর্ষদের প্রতিবেদন  
২০২০-২০২১



নতুন ঔষধ সংযোজন

আলোচ্য ২০২০-২০২১ সালে বিদ্যমান, নতুন সংযোজিত এবং বাতিলকৃত ঔষধের বিবরণ নিম্নের সারণীতে উপস্থাপন করা হলো:

ক্রমিক	পণ্যের শ্রেণীবিন্যাস	বর্তমান	নতুন সংযোজন	বাতিলকৃত	মোট পণ্য
		০১-০৭-২০	উল্লেখিত সময়ের মধ্যে		৩০-০৬-২১
১	ট্যাবলেট	২৯২	১৩	১১	২৯৪
২	ক্যাপসুল	৬০	২	৩	৫৯
৩	লিকুইড	৮৩	২	-	৮৫
৪	ইনজেক্টেবল (ভায়াল ও আম্পুল)	৪৯	৬	৪	৫১
৫	ইনফিউশন	১৭	-	২	১৫
৬	ইএনটি অপথাল প্রিপারেশন	৩১	১	২	৩০
৭	ক্রিম, অয়েন্টমেন্ট, স্প্রে, জেল, এবং অন্যান্য	৬৩	২	১	৬৪
৮	সাসপেনশন পাউডার	১৮	১	১	১৮
৯	ট্রপিকাল পাউডার	১	-	-	১
১০	সাপোজিটরি	৬	-	-	৬
১১	ইনহেলার ও নিবুলাইজার	৮	১	-	৯
১২	ইনসুলিন	৯	-	-	৯
১৩	বেসিক ক্যামিকেল ও পিলেট	২২	-	-	২২
১৪	ট্যাবলেট, পাউডার, লিকুইড, ইনজেকশন, গ্রানুলার- এথোভেট লোকাল	৭৬	৬	-	৮২
১৫	ট্যাবলেট, পাউডার, লিকুইড, ইনজেক্টেবলস, গ্রানুলার- এথোভেট আমদানিকৃত পণ্য	৫৮	৫	-	৬৩
১৬	পাউডার, লিকুইড, গ্রানুলার- শস্য যত্ন পণ্য	৩০	৫	-	৩৫
১৭	ট্যাবলেট, পাউডার, লিকুইড, ইনজেক্টেবলস, গ্রানুলার - হারবাল অ্যান্ড নিউট্রাসিউটিক্যালস পণ্য	৩০	৯	-	৩৯
মোট -		৮৫৩	৫৩	২৪	৮৮২

আলোচ্য বছরে, নতুন ৫৩ টি পণ্য যুক্ত হয়েছে যা চিকিৎসা পেশাদাররা এবং বাজার ভালভাবে গ্রহণ করেছে এবং ভাল বিকল্প জেনেরিক, বাজারের আকার ছোট এবং নিয়ন্ত্রক এর আদেশ প্রতিপালনের নিমিত্তে ২৪টি পণ্য বন্ধ করে দেওয়া হয়েছে।

উৎপাদন/উৎপাদন ক্ষমতা ব্যবহার

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

ক্রমিক	পণ্যের শ্রেণীবিন্যাস	একক	উৎপাদন (হাজার)		শতকরা বৃদ্ধি/হ্রাস	উৎপাদন ক্ষমতার ব্যবহার	
			২০১৯-২০	২০২০-২১		২০১৯-২০	২০২০-২১
১	ট্যাবলেট	প্রতিটি	৬,৫৫২,৩৩১	৭,৩৪৩,৫৫৫	১২.০৮	৬৫%	৭২%
২	ক্যাপসুল	প্রতিটি	১,৯২৪,৬৪২	১,৭৬৭,৪৩০	৮.১৭	৫২%	৪৭%
৩	লিকুইড	বোতল	১৩৫,৯৮৭	১২১,৯৫৮	৯.৭৫	৫৩%	৩৮%
৪	ইনজেক্টেবল	বোতল	৪৬,৯৮৭	৪০,৫৭৩	১৩.৬৫	৬৩%	৪৫%
৫	ইনফিউশন	ব্যাগ	৪,২৭২	৩,৪৭১	১৮.৭৫	২৯%	২০%
৬	ইএনটি অপথাল প্রিপারেশন	ফাইল	৩০,৬৪৮	২৯,০১১	৫.৩৪	৮২%	৬৫%
৭	ক্রিম, অয়েন্টমেন্ট, স্প্রে, জেল ও অন্যান্য	ফাইল	১২৭,২০৬	১৪৭,৬১০	১৬.০৪	৫৫%	৫৮%
৮	সাসপেনশন পাউডার	বোতল	২২,১৮৮	২১,২২৪	৪.৩৪	৭০%	৪৬%
৯	পাউডার	ফাইল	১৫,৪৭৮	২২,৬১৩	৪৬.১০	৩৮%	৪৩%
১০	সাপোজিটরি	প্রতিটি	৬৯,৬৬৬	৬৪,০৫৭	৮.০৫	৬৯%	৩১%
১১	ইনহেলার	ক্যান	৩৮,৪৩০	৪৪,৯৪৯	১৬.৯৬	৩০%	৩৩%
১২	ইনসুলিন	প্রতিটি	১,৭১৮	১,৮০৮	৫.২৪	১৩%	১৬%
১৩	বেসিক ক্যামিকেল ও পিলেট	কেজি	৮২৫	৭২৩	১২.৩৬	৮৪%	৭৪%

পরিচালনা পর্ষদের প্রতিবেদন  
২০২০-২০২১



আর্থিক ফলাফল

পূর্ববর্তী বছরের সাথে তুলনা করে ৩০শে জুন ২০২১ বছরের আর্থিক ফলাফল নিম্নে উপস্থাপন করা হলো:

বিবরণ	২০২০-২০২১ (টাকায়)	২০১৯-২০২০ (টাকায়)	↑↓ %
মোট বিক্রয়	৫৮,৩৪৬,২৫৮,২৮১	৫২,৯২৬,২১৮,৬৫৫	১০.২৪%
নীট বিক্রয়	৫০,৭০৩,০২৮,৯০২	৪৫,৮৭৬,৪৪৮,৮৪১	১০.৫২%
বিক্রিত পণ্যের উপর ব্যয়	২৪,৮০০,০৩৫,৫৫৫	২২,৫৩৬,৬৬৯,৯৬০	১০.০৪%
মোট মুনাফা	২৫,৯০২,৯৯৩,৩৪৭	২৩,৩৩৯,৭৭৮,৮৮১	১০.৯৮%
নীট মুনাফা (করপূর্ব)	১৮,৭৫৫,৯৩২,৫৪২	১৭,১৮৫,৩৮১,৯৫৭	৯.১৪%
আয়কর স্বিগতি	৪,১৮৭,৪৮১,৯৪৬	৪,২৫১,০০৫,১৭৭	১.৪৯%
নীট মুনাফা (কর পরবর্তী)	১৪,৭৪৩,২৬৪,৬১০	১২,৯৩৪,৩৭৬,৭৮০	১৩.৮০%
নীট আয়ের হার	৫১.০৯%	৫০.৮৮%	০.৪৩%
নীট আয়ের হার (কর পূর্ব)	৩৬.৯৯%	৩৭.৪৬%	১.২৯%
নীট আয়ের হার (কর পরবর্তী)	২৯.০৮%	২৮.২৪%	২.৯১%
শেয়ার প্রতি আয় (টাকা)	১৬.৬৩	১৪.৬২	১৩.৭৪%
একত্রীকৃত প্রতিটি শেয়ারের আয় (টাকা)	১৭.৯৯	১৫.০৬	১৯.৪২%
শেয়ার প্রতি আয় (আইপিও পরিশোধিত মূলধন অনুসারে)	১৪.৭৪.৩৩	১২.৯৫.৬০	১৩.৭৪%

গত বছরের তুলনায়, আলোচ্য ২০২০-২০২১ অর্থবছরে মোট বিক্রয়, নীট মুনাফা (আয়কর পূর্ববর্তী) এবং নীট মুনাফা (আয়কর পরবর্তী) ১০.২৪%, ৯.১৪% এবং ১৩.৮০% বৃদ্ধি পেয়েছে।

তবে কোম্পানী আলোচ্য ২০২০-২০২১ আর্থিক বছরে অন্যান্য আয় হিসাবে ৩,৫৬৭.৬১ টাকা আয় করেছে (একক আর্থিক বিবরণীর নোট ২১ এ দেয়া আছে) এবং নীট লাভের মার্জিন (করের পরে) আগের বছরের তুলনায় ২.৯৬% বৃদ্ধি পেয়েছিল।

পর্যালোচনাধীন ২০২০-২০২১ বছরের একক ইপিএস দাঁড়িয়েছে ১৬.৬৩ টাকা, যা আগের বছরের তুলনায় ১৩.৭৪% বৃদ্ধি পেয়েছে, বিগত ২০১৯-২০২০ বছরে ইপিএস ছিল ১৪.৬২ টাকা।

২০২০-২০২১ বছরের একীভূত ইপিএস ১৯.৪২% বৃদ্ধি পেয়ে ১৭.৯৯ টাকা হয়েছে, বিগত ২০১৯-২০২০ বছরে ইপিএস ছিল ১৫.০৬ টাকা।

ইপিএস গণনা বর্তমান ১০ টাকা মূল্যমানের ৮৮৬,৪৫১,০১০ টি সাধারণ শেয়ারের ভিত্তিতে সংঘটিত হয়েছে।

ঝুঁকি এবং উদ্বেগ

দীর্ঘ মেয়াদী পরিকল্পনার অনুপস্থিতি, অপরিষ্কৃত কৌশলগত বিনিয়োগ নীতি, পরিবর্তনশীল রাজস্বনীতি, মুদ্রা নীতি, পণ্যমূল্য নীতি, আন্তর্জাতিক বাণিজ্য প্রতিবন্ধকতা, আর্থ-সামাজিক অচলাবস্থা ঔষধ খাতে গবেষণা ও উন্নয়নে নেতিবাচক প্রভাব ফেলে।

স্কয়ার ফার্মা মূল ব্যবসায়ের ঝুঁকি চিহ্নিত করতে সর্বদা সতর্ক থাকে এবং নিরসনের যথাযথ পরিকল্পনা ও ব্যবস্থাপনা নিশ্চিত করে। ক্রমাগত পর্যালোচনা এবং সর্বোত্তম পদ্ধতিগুলি গ্রহণ করা স্কয়ার ফার্মাকে দক্ষতার সাথে এবং কার্যকরভাবে তার উদ্দেশ্য অর্জনে সক্ষম করে।

ব্যতিক্রমধর্মী কার্যক্রম

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

## পরিচালনা পর্ষদের প্রতিবেদন ২০২০-২০২১



### সাবসিডিয়ারি প্রতিষ্ঠানের কার্যক্রম

- স্কার ফার্মাসিউটিক্যালস কেনিয়া ইপিজেড লিঃ।  
(এসপিএল কেনিয়া)

এসপিএল কেনিয়া প্রতিষ্ঠিত হয়েছে, কেনিয়া এবং পূর্ব আফ্রিকান কমিউনিটিতে জেনেরিক ফার্মাসিউটিক্যাল মেডিসিন তৈরি ও বিক্রি করার জন্য।

স্কার ফার্মা কার্যত এসপিএল কেনিয়ার সম্পূর্ণ শেয়ারের মালিক, তাই, এসপিএল কেনিয়া স্কার ফার্মার একটি সাবসিডিয়ারি কোম্পানী।

৩০শে জুন ২০২১ বছরের আর্থিক অবস্থার বিবরণী, সমন্বিত আয়ের বিবরণী মূলধনী পরিবর্তনের, নগদ তহবিল প্রবাহ এবং নিরীক্ষকের প্রতিবেদনসহ পরিচালনা পর্ষদের প্রতিবেদন এই প্রতিবেদনের সাথে সন্নিবেশিত করা হয়েছে।

- স্কার লাইফসাইন্সস লিমিটেড (এস.এল.এল)

স্কার লাইফসাইন্সস লিমিটেড, কোম্পানি আইন, ১৯৯৪ এর অধীনে ১৩ ফেব্রুয়ারী, ২০২০ -এ একটি ফার্মাসিউটিক্যালস ম্যানুফ্যাকচারিং কোম্পানি হিসাবে নিগমিত। স্কার ফার্মা কার্যত এসএসএল এর শেয়ারের সম্পূর্ণ মালিক, তাই, এসএসএল, স্কার ফার্মার একটি সাবসিডিয়ারি কোম্পানী।

স্কার লাইফসাইন্সস এর ৩০শে জুন ২০২১ বছরের আর্থিক অবস্থার বিবরণী, নগদ তহবিল প্রবাহ এবং নিরীক্ষকের প্রতিবেদনসহ পরিচালনা পর্ষদের প্রতিবেদন এই প্রতিবেদনের সাথে সন্নিবেশিত করা হয়েছে।

### বিনিয়োগ পোর্টফলিও

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

#### ক. দীর্ঘমেয়াদী বিনিয়োগ

পর্যালোচনাধীন ২০২০-২০২১ বছরের ৫,২৬২.৫২ মিলিয়ন টাকার ক্ষুদ্র ও বৃহৎ বিনিয়োগ ১৪টি বিভিন্ন কোম্পানীর সাধারণ শেয়ার, নন-কনভার্টিবল/কনভার্টিবল জিরো কুপন বন্ড এবং

সার্টিফিকেট গুলিতে যে বিনিয়োগ করা হয়েছে যার বিবরণ নিম্নে উপস্থাপন করা হলো:

#### ক.১. সাবসিডিয়ারি কোম্পানিতে বিনিয়োগ

- স্কার ফার্মাসিউটিক্যালস কেনিয়া ইপিজেড লিঃ  
(এসপিএল কেনিয়া)

এসপিএল কেনিয়াতে স্কার ফার্মার ১০০% শেয়ার রয়েছে। এসপিএল কেনিয়ার পরিশোধিত মূলধন ৩৩২,০০০,০০০ টাকা এবং স্কার ফার্মা শেয়ার মানি ডিপোজিট হিসাবে ৬৫৩,৭৪২,৬৮৮ টাকা দিয়েছে। পরিচালনা পর্ষদের প্রতিবেদনের সাথে আর্থিক বিবরণী সংযুক্ত করা হয়েছে।

- স্কার লাইফসাইন্সস লিমিটেড

স্কার ফার্মা ১০০/- টাকা মূল্যমানের মোট পরিশোধিত ১০,০০,০০০ টি সাধারণ শেয়ারের মধ্যে ৯,৯৫,০০০ সাধারণ শেয়ারের মালিক। পরিচালনা পর্ষদের প্রতিবেদনের সাথে আর্থিক বিবরণী সংযুক্ত করা হয়েছে।

#### ক.২. সহযোগী কোম্পানিতে বিনিয়োগ

- স্কার টেক্সটাইলস্ লিঃ

স্কার টেক্সটাইল একটি ১০০% রফতানিমুখী সুতা প্রস্তুতকারক, পাবলিকলি লিসটেড কোম্পানি এবং পুরোদমে উৎপাদন কার্যক্রমে সক্রিয় আছে

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

৩০ শে জুন, ২০২১ তারিখে উল্লেখিত শেয়ারের বাজার মূল্য ছিল ৪,৩৪৩,২৪২,২৫২.০০ টাকা, প্রতি শেয়ার ৪৭.৫০ টাকা হিসেবে। ২০২০-২০২১ সালের জন্য এসটিএক্সএল ২০% নগদ লভ্যাংশ ঘোষণা করেছে।

- স্কার হসপিটালস্ লিঃ

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

## পরিচালনা পর্ষদের প্রতিবেদন

২০২০-২০২১



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

স্কয়ার হাসপাতালস জুন ২০২১ সালে সমাপ্ত বছরে মোট ব্যবসা করেছে ৪,৩৮৮.৭০ মিলিয়ন টাকা এবং নীট মুনাফা হয়েছে ৪১৪.৮১ মিলিয়ন টাকা। স্কয়ার হাসপাতালস, নতুন সম্প্রসারণ পরিকল্পনা, হাসপাতালের বর্তমান সরঞ্জামাদি আধুনিকায়ন এবং প্রতিস্থাপনের লক্ষ্যকোণে লভ্যাংশ ঘোষণা করেনি।

### □ স্কয়ার ফ্যাশনস লিঃ

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

স্কয়ার ফার্মা প্রতিটি ১০০ টাকা মূল্যমানের ৪৬২,০০০ সাধারণ শেয়ারের মালিক যা এর শেয়ার মূলধনের ৪৮.৪৬%। এই শেয়ারে বিনিয়োগের জন্য ব্যয় হয়েছে ১৫১.২০ মিলিয়ন টাকা যার গড় মূল্য শেয়ার প্রতি ৩২৭.২৭ টাকা।

স্কয়ার ফ্যাশনস ২০২০-২০২১ আর্থিক বছরে নীট মুনাফা অর্জিত হয়েছে ১,৬৩৬.৬০ মিলিয়ন টাকা, শেয়ার প্রতি এন.এ.ভি. দাঁড়িয়েছে ১৪,৭২৫.০০ টাকা এবং ইপিএস ১,৭২৩.০০ টাকা। ভবিষ্যতে সম্প্রসারণ এবং ভিন্ন বিনিয়োগ পরিকল্পনার কারণে পর্যালোচনাধীন বছরের কোনও লভ্যাংশ ঘোষণা করেনি।

### ক.৩. অন্যান্য কোম্পানীতে বিনিয়োগ

#### □ ইউনাইটেড হাসপাতাল লিঃ

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

#### □ সেন্ট্রাল ডিপোজিটরী বাংলাদেশ লিঃ

সিডিবিএল হল একটি পাবলিক লিমিটেড কোম্পানি যেটি ইলেকট্রনিক বুক এন্ট্রির সেন্ট্রাল ডিপোজিটরি সিস্টেম পরিচালনা ও রক্ষণাবেক্ষণ করে, সিকিউরিটিজ অ্যাকাউন্ট রেকর্ডিং এবং রক্ষণাবেক্ষণ করে এবং সিকিউরিটিজ হস্তান্তর নিবন্ধন করে, ইলেকট্রনিক ভাবে শারীরিক উপস্থিতি ছাড়াই শেয়ার ট্রান্সফার করে। সিডিবিএল ট্রেজারি বিল এবং সরকারি বন্ডের সেকেন্ডারি

মার্কেট ট্রেডিংয়ের জন্য সুবিধা প্রদান করে। সিডিবিএল বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন দ্বারা নিয়ন্ত্রিত হয়।

স্কয়ার ফার্মার কাছে প্রতি শেয়ার ১০.০০ টাকা মূল্যমানের ৫,৭১১,৮০৪ টি সাধারণ শেয়ার রয়েছে, যার মধ্যে বোনাস শেয়ারও রয়েছে। এটা মোট বিনিয়োগ ১৫,৬৯৪,৪৩০.০০ টাকা। শেয়ার প্রতি গড় খরচ দাঁড়িয়েছে ২.৭৫ টাকা (বিনামূল্যে বোনাস শেয়ার বিবেচনা করে)। এই শেয়ার তালিকাভুক্ত নয়, তাই বিনিয়োগের বাজারমূল্য মূল্যায়ন করা যায় না।

#### □ রাজ লংকা পাওয়ার কোম্পানি লিমিটেড

স্কয়ার ফার্মাসিউটিক্যালস লিঃ, ২৯,০৯০,৯১০.০০ টাকা মূল্যমানের রাজ লংকা পাওয়ার কোম্পানি লিমিটেড-এর ১৫০,০০০ টি প্রেফারেন্স শেয়ারের মালিক।

#### □ ডিউরেবল প্লাস্টিক লিমিটেড

স্কয়ার ফার্মাসিউটিক্যালস লিঃ, ১১,৯০৫,১৬৪.০০ টাকা মূল্যমানের ডিউরেবল প্লাস্টিক লিমিটেড-এর ৫টি নন-কনভার্টিবল জিরো কুপন বন্ডের মালিক।

#### □ এনভয় টেক্সটাইলস লিমিটেড

স্কয়ার ফার্মাসিউটিক্যালস লিঃ, ২১,৫০৯,৮০৭.০০ টাকা মূল্যমানের এনভয় টেক্সটাইলস লিমিটেড-এর ৪০ টি নন-কনভার্টিবল জিরো কুপন বন্ডের মালিক।

#### □ মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড

স্কয়ার ফার্মাসিউটিক্যালস লিঃ, ২,০০০,০০০,০০০.০০ টাকা মূল্যমানের মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড-এর ২০০ টি নন-কনভার্টিবল সাবর্ডিনেটেড বন্ডের মালিক।

#### □ সাউথইস্ট ব্যাংক লিঃ

স্কয়ার ফার্মাসিউটিক্যালস লিঃ, সাউথইস্ট ব্যাংক লিঃ -এর ৫,০০০ টি নন-কনভার্টিবল সাবর্ডিনেটেড বন্ডের মালিক যার মূল্য ৫০০,০০০,০০০.০০ টাকা।

#### □ ইসলামি ব্যাংক বাংলাদেশ লিঃ

স্কয়ার ফার্মাসিউটিক্যালস লিঃ, ইসলামি ব্যাংক বাংলাদেশ লিঃ-এর ৫০ টি মুদারাবা রিডিমএবল নন-কনভার্টিবল সাবর্ডিনেটেড বন্ডের মালিক যার মূল্য ৫০০,০০০,০০০.০০ টাকা।

#### □ ট্রাস্ট ব্যাংক লিমিটেড

স্কয়ার ফার্মাসিউটিক্যালস লিঃ, ট্রাস্ট ব্যাংক লিমিটেড-এর ৫০ টি নন-কনভার্টিবল সাবর্ডিনেটেড বন্ডের মালিক যার মূল্য ৫০০,০০০,০০০.০০ টাকা।

পরিচালনা পর্ষদের প্রতিবেদন  
২০২০-২০২১



খ. বিক্রয়যোগ্য শেয়ারে বিনিয়োগ

স্কয়ার ফার্মা বিক্রয়যোগ্য শেয়ারসমূহে বিনিয়োগ করেছে খরিদমূল্য অনুযায়ী মোট ৩,৩০৭.৭৯ মিলিয়ন টাকা, যার বর্ণনা একক আর্থিক বিবরণীর নোট নং ৪ এ উপস্থাপন করা হয়েছে।

এ বিনিয়োগের বিপরীতে পর্যালোচনাধীন বছরে ১,৩১৬.৫৪ মিলিয়ন টাকা অনগদায়িত মূলধনী লাভ নথি ভুক্ত হয়েছে।

হিসাবের একত্রীকরণ

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের এর বিধিমালা ও ইন্টারন্যাশনাল একাউন্টিং স্ট্যান্ডার্ড-২৮ এবং আইএফআরএস-১০ এর নিয়মাবলী অনুসরণ করে আর্থিক বিবরণী একত্রীকৃত করা হয়েছে যাতে শেয়ারহোল্ডারবৃন্দের মোট সুবিধা/বিনিয়োগ মূল্য নির্ধারণ করা যায়।

উল্লেখিত একীভূত আর্থিক বিবরণী এই বার্ষিক প্রতিবেদনে উপস্থাপন করা হয়েছে।

সংখ্যালঘু শেয়ারহোল্ডারদের স্বার্থ

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

রিলেটেড পার্টি লেনদেন

কোম্পানি আলোচ্য বছরে যে বিভিন্ন রিলেটেড পার্টি লেনদেন করেছে এর বিস্তারিত কোম্পানি একক হিসেবের নোট নং ৩৭.১ এ দেওয়া হয়েছে।

মুনাফা বন্টন

পরিচালনা পর্ষদ তার ২১-১০-২০২১ তারিখের সভায় নিম্নোক্ত উপায়ে ২০২০-২০২১ হিসাব বছরের নীট মুনাফা বন্টনের সুপারিশ করেছেন:

▶ চলতি বছরের মুনাফা (২০২০-২০২১)	১৪,৭৪৩,২৬৪,৬১০
▶ প্রস্তাবিত বন্টনঃ - নগদ লভ্যাংশ ৬০% (শেয়ার প্রতি ৬.০০ টাকা)	৫,৩১৮,৭০৬,০৬০
▶ নীট অবন্টনকৃত মুনাফাঃ	৯,৪২৪,৫৫৮,৫৫০

ক্রেডিট রেটিং

ক্রেডিট রেটিং ইনফরমেশন অ্যান্ড সার্ভিসেস লিমিটেড (সি.আর.আই.এস.এল) দীর্ঘমেয়াদির জন্য 'এএএ' (স্থিতিশীল) এবং কোম্পানীর আর্থিক এবং অন্যান্য প্রাসঙ্গিক পরিমাণগত এবং গুণগত তথ্যের ভিত্তিতে স্বল্প মেয়াদে 'এসটি-১' সর্বোচ্চ রেটিং পুনর্নিশ্চিত করেছে।

জাতীয় কোষাগারে অবদান

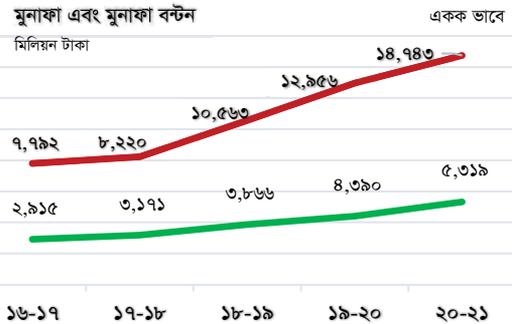
জাতীয় কোষাগারে কোম্পানীর এ বছরের অবদান ১৩,২০১,৯৯৮,৬০৮ টাকা (যন্ত্রপাতি ও খুচরা যন্ত্রাংশের আমদানী শুল্ক ১০৮,৮০১,৯০৭ টাকা সহ) যা গত বছর ছিল ১২,৩১৫,০৯৮,০০১ টাকা। এই অবদান ২০২০-২০২১ সালের বিক্রয়ের শতকরা ২৬.০৪ ভাগ যা গত বছর (২০১৯-২০২০) ছিল শতকরা ২৬.৮৪ ভাগ।

ঋণ এবং গ্যারান্টি

অনুমোদিত ঋণের বিশদ বিবরণ এবং পর্যালোচনাধীন বছরের মধ্যে প্রদত্ত গ্যারান্টিগুলি একক আর্থিক বিবরণীতে যথাক্রমে নোট নং ৮ এবং ৩৮.৩ এ চিত্রিত হয়েছে।

পরিবেশগত ভূমিকা

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



## পরিচালনা পর্ষদের প্রতিবেদন

২০২০-২০২১



### মানব সম্পদ উন্নয়ন

মানব সম্পদ উন্নয়নের জন্য কোম্পানী প্রতিটি স্তরের নিবাহী ও শ্রমিক কর্মচারীদের আনুষ্ঠানিক ও অনানুষ্ঠানিক প্রশিক্ষণ দিয়ে যাচ্ছে। এ বছর ৩,৯৫৪ জন দেশে এবং বিদেশে প্রশিক্ষণ পেয়েছে। ফলে প্রশিক্ষণ প্রাপ্তরা কোম্পানীকে লাভজনক অবস্থায় রাখতে অবদান রেখেছে। সাথে সাথে তাদের পারিশ্রমিকও বৃদ্ধি পেয়েছে।

### পরিচালক নির্বাচন

কোম্পানীর সংঘবিধির ৯৯ অনুচ্ছেদ অনুযায়ী জনাব স্যামুয়েল এস চৌধুরী এবং জনাব কাজী ইকবাল হারুন অবসর গ্রহণ করছেন এবং অনুচ্ছেদ ১০০ অনুসারে তাঁরা পুনঃ নির্বাচিত হওয়ার যোগ্য বিধায় পুনঃ নির্বাচিত হওয়ার ইচ্ছা পোষণ করেছেন।

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

### সংবিধিবদ্ধ নিরীক্ষক নিয়োগ

বর্তমান কোম্পানীর সংবিধিবদ্ধ নিরীক্ষক মেসার্স মাহফেল হক এন্ড কোং, চার্টার্ড একাউন্টেন্টস্ এই বার্ষিক সাধারণ সভায় অবসর গ্রহণ করছেন। নিরবচ্ছিন্ন ৩ (তিন) বছর নিরীক্ষক হিসেবে থাকার কারণে বিএসইসি নির্দেশনা অনুসারে তারা পুনরায় নিয়োগ পাওয়ার যোগ্য নয়।

আহমেদ জাকের অ্যান্ড কোং, চার্টার্ড অ্যাকাউন্ট্যান্টরা ২০২১-২০২২ সালের জন্য কোম্পানীর নিরীক্ষক হিসাবে নিয়োগের জন্য তাদের আগ্রহ প্রকাশ করেছে।

২১শে অক্টোবর, ২০২১ তারিখে অনুষ্ঠিত সভায় পরিচালনা পর্ষদ তাদের নিয়োগের সুপারিশ করেছেন।

### কমপ্লায়েন্স নিরীক্ষক নিয়োগ

কোম্পানীর কমপ্লায়েন্স নিরীক্ষক মেসার্স চৌধুরী ভট্টাচার্জি অ্যান্ড কোং, চার্টার্ড অ্যাকাউন্ট্যান্টস এই বার্ষিক সাধারণ সভায় অবসর গ্রহণ করেছেন এবং যোগ্য হওয়ার কারণে, ২০২১-২০২২ সালের জন্য কমপ্লায়েন্স নিরীক্ষক হিসাবে নিজেদের পুনরায় নিয়োগের জন্য ইচ্ছা প্রকাশ করেছেন।

২১শে অক্টোবর, ২০২১ তারিখে অনুষ্ঠিত সভায় পরিচালনা পর্ষদ তাদের নিয়োগের সুপারিশ করেছেন।

### ম্যানেজমেন্ট ডিসকাশন এন্ড আনালাইসিস

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

### কর্পোরেট গভর্নেন্স কমপ্লায়েন্স প্রতিবেদন

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

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

### ব্যবস্থাপনা কর্তৃপক্ষের স্বীকৃতি

পরিচালনা পর্ষদ ব্যবসায়িক কার্যক্রমে আন্তরিকভাবে অবদান রাখার জন্য ব্যবস্থাপনা কর্মকর্তা, কর্মচারী, শ্রমিক, ক্রেতা সবাইকে আন্তরিক ধন্যবাদ জ্ঞাপন করেছেন। তা ছাড়াও ব্যাংক, বিএসইসি, ডিএসই, সিএসই, সিডিবিএল এবং বিশেষ ভাবে সরকারকে কোম্পানীর প্রতিটি কার্যক্রমে সহযোগিতার জন্য আন্তরিক ধন্যবাদ জানাচ্ছেন।

পরিচালনা পর্ষদ আশা করে যে, এই কোম্পানী দেশের সীমানা ছাড়িয়ে বিদেশের মাটিতেও অবদান রাখবে।

স্যামুয়েল এস চৌধুরী  
চেয়ারম্যান

# AUDIT COMMITTEE REPORT

For the year 2020-2021



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

## Member of the Committee

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

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

## Key Responsibilities of the Committee

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

## Major activities carried out during the year of 2020-2021:

- ✓ Reviewed the quarterly and annual financial statements of the Company and its subsidiaries, ensured their accuracy and recommended them to the Board for consideration.
- ✓ Ensured that the statutory auditors' observations have been duly accounted for while preparing annual financial statements before recommending them to the Board for consideration.
- ✓ Overseen, reviewed and approved the procedure and task of the internal audit.
- ✓ Reviewed the statutory auditors' appointment and remuneration and made a recommendation to the Board.

There are no significant deviations, inconsistencies, or negative findings/observations in the reporting area. The Committee found acceptable arrangements to provide a true and fair impression of the company's operations and financial situation.

A handwritten signature in black ink, appearing to be 'Syed Afzal Hasan Uddin'.

Syed Afzal Hasan Uddin  
Chairman, Audit Committee

11<sup>th</sup> October, 2021

# CORPORATE GOVERNANCE



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

The entrepreneur's engagement in all of these areas necessitates constant decision-making governance, with the degree of involvement varying according to the level of delegation of authority top down and reporting for accountability bottom up in the Management echelon. These aspects of governance are shared by the Board of Directors, Executive Management, operational participants and workers and others in fulfillment of the common goals that converge in increasing the benefits of all stake-holders.

To this end entire corporate governance efforts are blended with "Good Governance Practices" as ethically and morally acceptable standards under a given socio politico environmental phenomenon of our society in which we work, live and exist.

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

## BOARD OF DIRECTORS

### ❖ Constitution

The Board of Directors, the top Management echelon, consisting of the founding successors/ entrepreneurs and Independent Directors, provides the policy and strategic support and direction for the entire range of the corporate activities. The Board of Directors consist of 7 (seven) members including 2 (Two) Independent Directors with varied education and **experience which provides a balancing character in decision making process.**

The active members of the Board of Directors are as follows:

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

During the year under review the board held 11 (eleven) meetings to transact various agenda.

The Board is reconstituted every year at its Annual General Meeting when one-third of the members of the Board retire and seek re-election. A director is liable to be removed if the conditions of the Articles of Association and the provisions of the Companies Act 1994 are not fulfilled.

## THE BOARD OF DIRECTORS

### Constitution

Not less than 3 or more than 11 Directors

11

Board Meeting during the year of 2020-2021

### Type of Mandate

Unitary Board of 7 Directors

1 Female



2

Executive Directors

5

Non-Executive Directors including Chairman

2

Independent Directors



6 Male

#### ❖ Role & Responsibilities

The main role of the Board of Directors, which is the highest level of authority, is to provide general superintendence, oversee the operations and control the affairs of the company through appropriate delegation and accountability processes via the lines of command. However the Board of Directors holds the ultimate responsibility & accountability with due diligence for conducting the activities of the company as per provisions of law in the interest of the shareholders, the stakeholders, the state and the society. The Board of Directors, in fulfillment of its responsibility holds periodic meetings, at least once a quarter and provide appropriate decisions/directions to the Executive Management. Such meetings usually consider operational performance, financial results, review of budgets, capital expenditure proposals for BMRE or new projects/divisions/ product lines, procurement of funds by issue of shares or borrowing, procurement of raw materials, plant & machinery, pricing of products/ discounts, recruitment, training and promotion of officers, approval of audited accounts and distribution of dividends and other interest of the stakeholders including the employees and workers.

The Board of Directors takes special care in designing and articulating productivity and compensation plans of employees and workers and rewarding them appropriately on the basis of quality and quantity of performance as an incentive.

Board also remains responsible for removal of operational hazards to life and health of workers, friendly environmental work condition and social relationship as demanded of good citizen in a country.

#### ❖ Relationship with Shareholders & and Public

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

The Board is however responsible to the public for publication of any price sensitive information as per BSEC regulation.

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

#### ❖ Relationship with Government

In its role on accountability to the government, the Board of Directors ensures payment of all dues to government in the form of import duty, custom duty and port charges, VAT, Corporate Taxes and other levies as and when they become due on the basis of actual operations and make sure to avoid corruption. This has enabled the Company to enhance its contribution to the National Exchequer on a progressive rate year after year.

#### ❖ Relationship with Financers/Bankers

The Board oversees the Financial transactions and ensures to meet company's commitments to the lenders without default. This has resulted in securing lower interest rates from them.

#### ❖ Relationship with Suppliers

As the company has to import plant and machinery and almost all the raw materials from abroad, it maintains cordial and mutually

beneficial interest with its international as well as local suppliers. This has enabled the company to avoid any legal disputes in international/local courts and enhanced the company's image as a good customer.

❖ **Corporate Social Responsibilities (CSR)**

The Board of Directors is also awoken of the Corporate Social Responsibilities (CSR) especially in the areas of gender equality, race-religion-regional equality, non-employment of child labor, human rights, environmental pollution, social-marketing, social activities (promotion of sports & culture, health care and population control programs, elimination of corruption programs, participation in charitable activities etc. in non-partisan manner) right to form and participate in Union under ILO convention, employment of disabled's etc.

**BOARD COMMITTEE**

❖ **Audit Committee**

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

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

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

The Audit Committee shall also co-ordinate with the Internal and external Auditors as and when required, ensures that adequate internal checks & balances supported by adequate MIS

are in place for detection of errors frauds and other deficiencies. The other responsibilities include inter alia, not being limited to, the prevention of conflict of interest between the company and its Directors officials, customers, suppliers, government and any other interest groups and detect or remove any scope of insider trading in the company's stock. The Audit Committee also ensures compliance of requirements of BSEC and other agencies.

❖ **Nomination and Remuneration Committee**

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

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

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

### SEPARATE ROLE OF THE CHAIRMAN AND MANAGING DIRECTOR

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

#### Chairman

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

#### Managing Director

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

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

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

**CFO** Mr. Muhammad Zahangir Alam,  
FCA, FCMA

**CS** Mr. Khandaker Habibuzzaman, FCS and

**HIAC** Mrs. Nasrin Akter, FCA

### EXECUTIVE MANAGEMENT

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The Executive Management is led by the Managing Director (CEO) who is appointed by the Board of Directors for a term of 5 years (renewable) with the approval of shareholders in the Annual General Meeting.

The Managing Director is supported by professional, well educated, trained and experienced team consisting of Executive Directors, Directors, General Managers and a host of Senior Executives in the hierarchy of management. The Board has approved an

organogram with modern features ensuring clear lines of delegation of authority and reporting for accountability for effective decision making evaluation of performance on merit for both rewarding and disciplinary action.

The Executive Management is responsible for preparation of budgetary segment plans/sub-segment plans for every cost/profit centers and are held accountable for performance. The Executive Management is aided by committee(s)/sub-committee(s) in carrying out its functions.

### OTHER GOVERNANCE APPARATUS

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The Company, in its efforts for Corporate Good Governance Practices, uses a series of top ranking professional service providers including Legal experts, Bankers, Insurers and Technical experts who continuously assist the Board of Directors and the Executive Management in properly discharging their duties to all the shareholders, stakeholders, the Government and the public as highlighted below:

#### ❖ Independent Director

In compliance with the BSEC Regulations on Good Governance, the Board of Directors, as empowered by the Regulations, appointed the following persons as non-shareholding Independent Directors with the expectation that their expertise would help contribute to the further disclosure and protect the interests of the stakeholders, investors in general and smaller investors in particular:

- Mr. Syed Afzal Hasan Uddin, Barrister-at-Law, an Advocate of Supreme Court of Bangladesh and the Managing Partner of Syed Ishtiaq Ahmed & Associates, a firm of legal consultants and practitioners in Bangladesh and

## Corporate Governance

- Mr. S. M. Rezaur Rahman, Capital Market Consultant and Director of United Corporate Advisory Services Ltd., a firm of financial & investment advisory and post issue management of initial public offer of securities & other related jobs in Bangladesh.

### ❖ Financial Auditors

The role of the auditors in certification of the financial statement is the most significant aspect of Corporate Governance and protection of interest of investors. As evident from the Annual Reports, the company rigidly follows the Companies Act, Rules of Bangladesh Securities and Exchange Commission, listing regulation, code of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and International Standard of Auditing (ISA) with legally required disclosures of Accounts and Financial Statements.

All this has been possible due to the high level capability and integrity of M/s. Mahfel Huq & Co., Chartered Accountants whose unchallenging performance has played a very trustworthy role in the protection of interest of the investors.

### ❖ Compliance Auditors

The compliance auditors is responsible in certification on compliance of conditions of Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission as well as the provisions of relevant Bangladesh Secretarial Standards of Institute of Chartered Secretaries of Bangladesh.

M/s. Chowdhury Bhattacharjee & Co., Chartered Accountants is the compliance auditors of Square Pharmaceuticals Ltd. appointed by its Shareholders in general meeting.

### ❖ Legal Advisers

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

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

The expertise of the above named professionals have had long term fundamental support to the company's Good Governance efforts.

### ❖ Bankers

The degree of efficient business operation largely depends on the quality of efficiency of banking services received by the company.

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

The company has neither ever defaulted in any commitment with its Bankers nor did get entangled in legal dispute at any court premises.

### ❖ Insurer

Insurance services cover certain operational risks which are required by law/business practices to be covered by legitimate insurance service providers for protection of the interest of the company, nay, the investors. To this end, the company has to select insurer with the

## Corporate Governance

most efficient, reputed and financially sound history so that claims, if any, are settled promptly and the premium rates are market competitive. The company, based on these considerations, is maintaining insurance business relationships with the highly reputed insurance companies namely Guardian Life Insurance Ltd., Pragati Insurance Ltd. and Pioneer Insurance Co. Ltd. The company has not yet faced any dispute over any claims and the company enjoys special premium rates which protects the interest of the investors.

### SHAREHOLDERS' RELATIONSHIP

Corporate Governance issues include how major policy decisions are made in business corporations, how various stakeholders can influence the process, who is held accountable for performance and what performance standards are applied. In a nutshell, in corporate governance, power and influence are crucial. The ownership structure has an impact on the balance of power among shareholders since shareholders are the most significant stakeholder.

Though sponsors usually hold majority shares required for ordinary resolutions, public shareholders have a definite role and influence in the passing of special resolutions required for changes in the business object, sale of

business/productive assets, merger and amalgamation, winding up or dissolution and amendments to Memorandum and Articles of Association for protection of minority interest up to 49.9% of the shareholdings.

The position of shareholders as on 30<sup>th</sup> June, 2021 indicates that the sponsors of the company do not hold the required shareholdings (75%) for passing special resolutions. This allows the public shareholders (individuals & institutions) to play an effective role in protecting their legal corporate rights.

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

All enquiries are attended by the Company Secretary. Where necessary, Internal Audit Committee investigates matters of significant merit for consideration by the Management Committee/ Managing Director/Audit Committee of Board/ Board of Directors as the case may be.

## THE OWNERS

30 June 2021

### Sponsor & Director

**34.57%**  
306,442,951  
Shares

### General Public

**36.71%**  
325,429,710  
Shares



### Total Owners

**76,539**  
886,451,010  
Shares

### Foreigners

**15.27%**  
135,333,461  
Shares

### Institutions

**13.45%**  
119,244,888  
Shares

## Corporate Governance

The Shareholders as owners are provided with material information on the Company's operation quarterly and annually. They are also provided routine services by the Company Secretary in any company matters which is permissible. The Board is however responsible to the Shareholders as well as investors for publication of price sensitive information as per regulations of Bangladesh Securities and Exchange Commission.

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

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

### DIVIDEND POLICY

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Ethics is an ingredient of Good Governance and involves a determination of what is right and what is wrong and deals with things to be sought and things to be avoided with way of life and the end of life. Ethics invokes the management of the environment within which we function from a perspective broader than, but obviously inclusive of, the current cohort. Since the corporate environment is in theory an infinitely lived entity owned by finitely lived shareholders, a governance ethic must represent a system that serves the needs of the current ownership while preserving the ability of the corporation to sustain itself and benefit future cohorts.

The corporate ethic must necessarily promote efficiency in coexisting with the environment to generate the quality of life for a current cohort and yet also provide an equity that does not disadvantage a future cohort by the decisions of a current cohort.

As an environmental ethic analogy, those living today naturally believe in dividend payouts today with less regard for the consequence tomorrow and those living tomorrow would prefer dividend payouts tomorrow without regard for the sacrifices we make today to allow their greater consumption tomorrow.

Based on the above concept, the company is committed to show a stable policy of distribution (cash outlay) of the accretional wealth (profits) between the current and the

future generation of shareholders. This would enable the company to enhance its capital wealth and sustain for perpetuity of existence, benefiting both the present cohorts and the progeny.

### CORPORATE SOCIALIZATION

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

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

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

## Corporate Governance

### BEYOND THE BORDER

Corporate social responsibility, an element of Good Corporate Governance, extend to the society to the government and beyond the borders of the country for social good as well as for contribution of Foreign Exchange Resources to the National Exchequer.

To this end, the company is making entry into foreign markets and making efforts in registering its products in USA/EU countries for which is has already set up a modern state-of-art production facilities at Kaliakoir, Gazipur.

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

### RESEARCH AND PRODUCTS DEVELOPMENT

As a part of Corporate Social Responsibility for Good Governance the company maintains a team of scientific pharmaceutical experts who continuously conduct research & development programs for improving quality of products, reduction of cost and adaptation of products that are free of intellectual property rights and innovative products.

These efforts have enabled the company to add new products to its product lines every year to the benefit of the common men of the country and the shareholders.

The success in this field has secured the leading position for the company in the pharmaceutical sector.

### SEGMENT REPORT

The company's chief operating decision makers review the profit and loss of the company on an aggregate basis and manage the operations of the company as a single operating segment. Accordingly, the company operates in one segment, which is the business of developing, manufacturing and marketing of drugs for health care for all live species.

### RISK PERCEPTION

Company management perceives investment risks within the national and international economic situation in relation to legal requirements involving intellectual property rights, scientific invention, WTO regulations and monetary & fiscal investment policies and has prepared its production & marketing strategy to meet the challenges from these risks.

### SECRETARIAL STANDARD

Square try their best maintaining of the Secretarial Standard on meetings of the Board of Directors, Members (shareholders), Minutes and Dividend issued by the Institute of Chartered Secretaries of Bangladesh (ICSB).

A qualified Chartered Secretary is in charge for maintaining of the Secretarial Standard.

### COMPLIANCES

Square has an established procedures to ensure compliance with all applicable statutory and regulatory requirements. Respective officers are responsible for ensuring proper compliance with applicable laws and regulations.

## TOTAL PRODUCTS



1995

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



1994

Initial Public Offer (IPO) of Ordinary Shares



1991

Converted into Public Limited Company.



1987

Pioneer in pharmaceutical export from Bangladesh



1985

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



1974

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



1964

Incorporated as a Private Limited Company.



1958

Year of Establishment (As Partnership Firm)



2013

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



2012

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



2009

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



2007

Dhaka Unit got the UK MHRA approval.



2006

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



2002

Enlisted as UNICEF's global suppliers.



2001

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



1997

Awarded National Export Trophy for exporting pharmaceuticals.



## Square Pharmaceuticals Ltd.

# Milestone of Excellence

## 1958-2021

SQUARE

### 2019

✦ Won the “President's Award for Industrial Development” as a successful Enterprise in the category of Large Scale Industry.

✦ Won the Occupational Health and Safety Good Practice Award.

✦ Awarded National Export Trophy

### 2018

✦ Awarded National Export Trophy (Gold).

✦ Won the ICMAB Best Corporate Award.

✦ Received approval of ANDA of Valsartan for US market.

✦ Received GMP approval of manufacturing facilities from NPRA, Malaysia.

✦ Won the National Productivity & Quality Excellence Award.

### 2017

✦ Received GMP certification from MOH Azerbaijan.

✦ Won the National Environment Award.

### 2016

✦ Received MCC, South Africa and PIC/S approval.

✦ Won the HSBC Export Excellence Award.

✦ Won the ICMAB Best Corporate Award.

### 2015

Received USFDA's approval.

### 2021

✦ Received special recognition from the Large Taxpayer Unit (LTU) of the National Board of Revenue (NBR) as one of the Top Taxpayers in the Country.

✦ Awarded National Export Trophy (Gold).

✦ Won the ICMAB Best Corporate Award.

✦ Won Green Factory Award

✦ Received the Bangabandhu Sheikh Mujib Industrial Award 2020 in the category of the country's best largest industries.





## A. NOMINATION AND REMUNERATION POLICY

### 1.00 Introduction

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

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

### 2.00 Definitions

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

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

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

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

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

### 3.00 Nomination and Remuneration Committee

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

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

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

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

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

### 4.00 Objective

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

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

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

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

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

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

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

#### **7.00 Validation of the Policy**

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

#### **8.00 Amendments to the Policy**

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

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

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

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

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

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

# DIVIDEND DISTRIBUTION POLICY

## Square Pharmaceuticals Ltd.

### 1.00 Introduction

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

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

### 2.00 Definitions

“the Act” means Companies Act 1994

“the Company” means Square Pharmaceuticals Ltd.

“AGM” means Annual General Meeting

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

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

“Shares” means Ordinary Equity Shares.

### 3.00 Concept of Dividend

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

### 4.00 Types of Dividend

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

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

### 5.00 Declaration of Dividend

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

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

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

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

### **6.00 Factors Governing Declaration of Dividend**

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

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

#### **6.01 External Factors:**

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

#### **6.02 Internal Factors:**

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

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

### **7.00 Financial Parameters for Declaring Dividend**

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

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

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

### **8.00 Utilization of Retained Earnings**

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

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

### **9.00 Parameters for Various Classes of Shares**

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

### **10.00 Circumstances Impacting Dividend Payment**

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

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

#### **10.01 May Expect Dividend:**

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

#### **10.02 May Not Expect Dividend:**

- Non availability of profits for dividend distribution

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

### **11.00 Disclosure**

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

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

### **12.00 Effective Date**

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

### **13.00 Review/Amendment**

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

# Financial Profile

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## Annual Report 2020-2021

Year ended 30 June 2021

# INDEPENDENT AUDITOR'S REPORT

## TO THE SHAREHOLDERS OF SQUARE PHARMACEUTICALS LIMITED

### 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 2021 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 cash flow statements 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 2021, 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).

#### 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 Auditors' Responsibilities for the Audit of the Consolidated and Separate 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), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. 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 judgement, 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 and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our responses to the risks
<p><b>Revenue</b></p> <p>At year end, the Group reported total revenue of BDT 50,703,028,902 (2019-2020: BDT 45,876,448,841)</p> <p>Revenue is measured net of discounts, incentives and rebates earned by customers on the company's sales. Within a number of the Group's markets, the estimation of discounts, incentives and rebates recognized based on sales made during the year is material and considered to be complex and judgemental. Therefore, there is a risk of revenue being misstated as a result of faulty estimations over discounts, incentives and rebates.</p> <p>There is also a risk that revenue may be overstated due to fraud through manipulation of the discounts, incentives and rebates recognized resulting from the pressure, management may feel to achieve performance targets.</p>	<p>We have tested the design and operating effectiveness of key controls focusing by assessing the design and implementation of controls surrounding revenue cycle;</p> <p>Our substantive procedures in relation to the revenue recognition comprised the following:</p> <ul style="list-style-type: none"> <li>• Calculation of discounts, incentives and rebates;</li> <li>• Segregation of duties in invoice creation and modification;</li> <li>• Obtaining supporting documentation for sales transactions recorded either side of year end to determine whether revenue was recognized in the correct period;</li> <li>• Critically assessing manual journals posted to revenue to identify unusual or irregular items;</li> <li>• Cross match sales order, sales invoices and dispatch carefully; and</li> <li>• Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.</li> </ul>

Risk	Our responses to the risks
See note <b>no. 19</b> to the Consolidated Financial Statements	
<b>Valuation of inventory</b>	
<p>The Group had inventory of BDT 7,245,396,928 at 30 June 2021 (30 June 2020: 5,687,406,329), held in distribution centers, warehouses and across multiple product lines.</p> <p>Inventories are carried at the lower of cost and net realisable value. As a result, the Management apply judgement in determining the appropriate values for slow-moving or obsolete items.</p>	<p>We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:</p> <ul style="list-style-type: none"> <li>• Evaluating the design and implementation of key inventory controls operating across the company, including those at a sample of distribution centers, warehouses and branches;</li> <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> <li>• Challenging the appropriateness of management's judgement regarding valuation of inventories.</li> </ul>
See note <b>no. 6</b> to the consolidated financial statements.	

**Other Matter**

The financial statements of Square Pharmaceuticals Kenya EPZ Ltd. and Square Lifesciences Ltd., the subsidiaries of Square Pharmaceuticals Limited, have been audited by Sharif and Associates, Certified Public Accountants (Kenya) and Chowdhury Bhattacharjee & Co., Chartered Accountants respectively who have expressed unmodified opinions on these financial statements on 30 June, 2021.

**Other Information**

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report. The directors are responsible for the other information.

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 financial statements, our responsibility is to read the other information identified above when it becomes available 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the board of directors of the Company.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and the separate financial statements of the Company in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and 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 Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate 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 Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events 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 consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain 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 to 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 and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 1987, we also report the following:

- 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 as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) the consolidated and the separate statements of financial position and statements of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns;
- d) the expenditure incurred was for the purposes of the Company's business.

**Howlader Mahfel Huq, FCA**

Enrolment No. 105

Partner

Mahfel Huq & Co.

Chartered Accountants

DVC: 2111010105AS863370

Dhaka, October 28, 2021

# SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

Particulars	Notes	Amount in Taka	
		30 June 2021	30 June 2020 (Restated)
<b>ASSETS:</b>			
<b>Non-Current Assets:</b>			
		<b>40,375,882,875</b>	<b>34,435,064,244</b>
Property, Plant and Equipment-Carrying Value	2	22,884,103,636	20,873,698,301
Investment - Long Term (at Cost)	3	3,590,200,311	2,792,000,884
Investment - Associates Undertaking	4	9,277,247,222	8,077,472,192
Investment in Marketable Securities (Fair Value)	5	4,624,331,706	2,691,892,867
<b>Current Assets:</b>			
		<b>55,076,379,705</b>	<b>47,384,303,113</b>
Inventories	6	7,245,396,928	5,687,406,329
Trade Debtors	7	1,636,136,514	1,520,300,337
Advances, Deposits and Prepayments	8	2,830,807,259	2,727,928,252
Short Term Loan	9	-	4,884,338,757
Cash and Cash Equivalents	10	43,364,039,004	32,564,329,438
<b>TOTAL ASSETS</b>		<b>95,452,262,580</b>	<b>81,819,367,357</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES:</b>			
<b>Shareholders' Equity:</b>			
		<b>90,894,643,168</b>	<b>77,364,890,773</b>
Share Capital	11	8,864,510,100	8,442,390,580
Share Premium	12	2,035,465,000	2,035,465,000
General Reserve		105,878,200	105,878,200
Tax Exemption Reserve		-	2,211,743,936
FVOCI Reserve		1,139,626,144	(392,805,723)
Cumulative Translation Adjustment	33	(285,055)	(18,078,434)
Retained Earnings		78,749,448,779	64,980,297,214
Non Controlling Interest	13	500,000	-
<b>Non-Current Liabilities:</b>			
		<b>1,378,560,486</b>	<b>1,212,928,798</b>
Long Term Loan-Secured	14	103,707,469	-
Deferred Tax Liability	15	1,274,853,017	1,212,928,798
<b>Current Liabilities:</b>			
		<b>3,178,558,926</b>	<b>3,241,547,786</b>
Trade Creditors	16	681,546,399	553,785,496
Liabilities for Expenses	17	183,049,079	128,998,444
Liabilities for Other Finance	18	1,938,797,709	2,228,332,123
Unclaimed Dividend		375,165,739	330,431,723
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>95,452,262,580</b>	<b>81,819,367,357</b>
Net Assets Value per Share (NAV)	30	102.54	87.27
Number of Shares used to compute NAV		886,451,010	886,451,010

The annexed notes (1-34) form an integral part of these financial statements.

Signed as per our separate report of same date.



**Samuel S Chowdhury**  
Chairman

Dhaka, 28 October, 2021



**Tapan Chowdhury**  
Managing Director



**Khandaker Habibuzzaman**  
Company Secretary



**Howlader Mahfel Huq, FCA**  
ICAB Enrolment No. 105  
Managing Partner  
**Mahfel Huq & Co.**  
Chartered Accountants  
DVC: 2111010105AS863370

# SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2021

Particulars	Notes	Amount in Taka	
		2020-2021	2019-2020 (Restated)
<b>GROSS REVENUE</b>	19	58,346,258,281	52,926,218,655
Less: Value Added Tax		7,643,229,379	7,049,769,814
<b>NET REVENUE</b>		<b>50,703,028,902</b>	<b>45,876,448,841</b>
Cost of Goods Sold	20	(24,800,035,555)	(22,536,669,960)
<b>GROSS PROFIT</b>		<b>25,902,993,347</b>	<b>23,339,778,881</b>
<b>OPERATING EXPENSES:</b>		<b>(9,781,417,516)</b>	<b>(8,610,131,685)</b>
Selling & Distribution Expenses	21	(8,564,472,484)	(7,382,790,764)
Administrative Expenses	22	(1,216,931,589)	(1,227,233,831)
Finance Cost	23	(13,443)	(107,090)
<b>PROFIT FROM OPERATIONS</b>		<b>16,121,575,831</b>	<b>14,729,647,196</b>
Other Income	24	3,485,127,743	3,126,430,063
<b>PROFIT BEFORE WPPF</b>		<b>19,606,703,574</b>	<b>17,856,077,259</b>
Allocation for WPPF	25	(937,796,627)	(859,269,098)
<b>PROFIT BEFORE TAX</b>		<b>18,668,906,947</b>	<b>16,996,808,161</b>
Income Tax Expenses-Current	26	(4,187,481,946)	(4,251,005,177)
Income Tax Expenses-Deferred	15	174,814,014	21,596,852
<b>PROFIT AFTER TAX</b>		<b>14,656,239,015</b>	<b>12,767,399,836</b>
Profit/(Loss) from Associate Undertakings	27	1,291,211,707	586,239,690
<b>PROFIT AFTER TAX</b>		<b>15,947,450,722</b>	<b>13,353,639,526</b>
<b>OTHER COMPREHENSIVE INCOME:</b>			
Items that will not be reclassified to Profit or Loss:			
Change in Fair Value of FVOCI Financial Assets		1,769,170,100	(598,212,229)
Related Tax on FVOCI Financial Assets		(236,738,233)	59,821,223
<b>Other Comprehensive Income (Net of Tax)</b>		<b>1,532,431,867</b>	<b>(538,391,006)</b>
Exchange Difference on Translation of Foreign Operations	33	17,793,379	(17,139,363)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>17,497,675,968</b>	<b>12,798,109,157</b>
<b>Earnings Per Share (EPS)</b>	31	<b>17.99</b>	<b>15.06</b>
Number of Shares used to compute EPS		886,451,010	886,451,010

The annexed notes (1-34) form an integral part of these financial statements.

Signed as per our separate report of same date.



**Samuel S Chowdhury**  
Chairman

Dhaka, 28 October, 2021



**Tapan Chowdhury**  
Managing Director



**Khandaker Habibuzzaman**  
Company Secretary



**Howlader Mahfel Huq, FCA**  
ICAB Enrolment No. 105  
Managing Partner  
**Mahfel Huq & Co.**  
Chartered Accountants  
DVC: 2111010105AS863370

# SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

Particulars	Notes	Share Capital	Share Premium	General Reserve	Tax Exemption Reserve	FVOCI Reserve	Cumulative Translation Adjustment	Retained Earnings	Non Controlling Interest	Total
		Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
At 30 June 2020		8,442,390,580	2,035,465,000	105,878,200	2,211,743,936	(452,626,946)	(18,078,434)	64,980,297,214	-	77,305,069,550
Deferred Tax Recognized for FVOCI Financial Assets		-	-	-	-	59,821,223	-	-	-	59,821,223
<b>At 30 June 2020 (Restated)</b>		<b>8,442,390,580</b>	<b>2,035,465,000</b>	<b>105,878,200</b>	<b>2,211,743,936</b>	<b>(392,805,723)</b>	<b>(18,078,434)</b>	<b>64,980,297,214</b>	<b>-</b>	<b>77,364,890,773</b>
Total Comprehensive Income (Jul'2020-Jun'2021)		-	-	-	-	1,532,431,867	17,793,379	15,947,450,722	-	17,497,675,968
Transfer to Retained Earnings		-	-	-	(2,211,743,936)	-	-	2,211,743,936	-	-
Issue of Share Capital		-	-	-	-	-	-	-	500,000	500,000
Cash Dividend (2019-2020)		-	-	-	-	-	-	(3,967,923,573)	-	(3,967,923,573)
Stock Dividend (2019-2020)		422,119,520	-	-	-	-	-	(422,119,520)	-	-
<b>At 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>

FOR THE YEAR ENDED 30 JUNE 2020

Particulars	Notes	Share Capital	Share Premium	General Reserve	Tax Exemption Reserve	FVOCI Reserve	Cumulative Translation Adjustment	Retained Earnings	Non Controlling Interest	Total
		Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
At 30 June 2019		7,890,084,660	2,035,465,000	105,878,200	2,211,743,936	145,585,283	(939,071)	55,492,799,165	-	67,880,617,173
Total Comprehensive Income (Jul'2019-Jun'2020)		-	-	-	-	(598,212,229)	(17,139,363)	13,353,639,526	-	12,738,287,934
Cash Dividend (2018-2019)		-	-	-	-	-	-	(3,313,835,557)	-	(3,313,835,557)
Stock Dividend (2018-2019)		552,305,920	-	-	-	-	-	(552,305,920)	-	-
<b>At 30 June 2020 (Restated)</b>		<b>8,442,390,580</b>	<b>2,035,465,000</b>	<b>105,878,200</b>	<b>2,211,743,936</b>	<b>(452,626,946)</b>	<b>(18,078,434)</b>	<b>64,980,297,214</b>	<b>-</b>	<b>77,305,069,550</b>

The annexed notes form an integral part of these report.



Samuel S Chowdhury  
Chairman

Dhaka, October 28, 2021



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 2021

Particulars	Notes	Amount in Taka	
		2020-2021	2019-2020 (Restated)
<b>Cash Flows From Operating Activities:</b>			
<b>RECEIPTS:</b>			
Collections from Sales		58,068,806,641	52,909,065,970
Exchange Fluctuation Gain		1,596,322	2,216,358
Others		116,940,876	33,621,327
		<b>58,187,343,839</b>	<b>52,944,903,655</b>
<b>PAYMENTS:</b>			
Purchase of Raw and Packing Materials		19,198,583,476	17,024,316,320
Manufacturing and Operating Expenses		14,855,117,387	13,447,377,093
Value Added Tax		7,643,229,379	7,049,769,814
Finance Cost		13,443	107,090
Income Tax Expense		4,594,942,869	3,830,869,094
Workers Profit Participation Fund		859,269,098	802,781,404
Others		15,114,060	29,685,266
		<b>47,166,269,712</b>	<b>42,184,906,081</b>
		<b>11,021,074,127</b>	<b>10,759,997,574</b>
<b>Cash Flows From Investing Activities:</b>			
Purchase of Fixed Assets		(3,798,315,053)	(2,042,104,801)
Disposal of Fixed Assets		80,127,085	60,742,370
Investment		(961,468,167)	(2,413,257,573)
Short Term Loan		4,884,338,757	(409,767,691)
Gain/(Loss) on Sale of Marketable Securities		88,940,302	(8,120,460)
Interest Received		2,893,486,926	2,712,143,496
Dividend Received		419,626,799	234,546,484
		<b>3,606,736,649</b>	<b>(1,865,818,175)</b>
<b>Cash Flows From Financing Activities:</b>			
Issue of Share Capital (Non Controlling Interest)		500,000	-
Long Term Loan Received		103,707,469	-
Dividend Paid		(3,967,923,573)	(3,313,835,557)
		<b>(3,863,716,104)</b>	<b>(3,313,835,557)</b>
<b>Increase in Cash and Cash Equivalents</b>		<b>10,764,094,672</b>	<b>5,580,343,842</b>
Net Effect of Foreign Currency Translation on Cash and Cash Equivalent		35,614,894	(20,053,350)
Cash and Cash Equivalents at the Opening		32,564,329,438	27,004,038,946
<b>Cash and Cash Equivalents at the Closing</b>		<b>43,364,039,004</b>	<b>32,564,329,438</b>
Net Operating Cash Flow per Share (NOCFPS)	32	12.43	12.14
Number of Shares used to compute NOCFPS		886,451,010	886,451,010

The annexed notes form an integral part of these report.

  
Samuel S Chowdhury  
Chairman

  
Tapan Chowdhury  
Managing Director

  
Khandaker Habibuzzaman  
Company Secretary

Dhaka, 28 October, 2021

# SQUARE PHARMACEUTICALS LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS AT AND FOR THE YEAR ENDED 30 JUNE 2021

## 1. CORPORATE PROFILE

### 1.1 Company Information:

Square Pharmaceuticals Ltd. (“SPL”/the “Company”) is a public limited company since the year 1991. The Company was initially incorporated as a private limited company on November 10, 1964 under the Companies Act 1913. SPL made its shares available to the public through listing its shares with Dhaka and Chittagong Stock Exchanges during December 1994 after getting approval from the Bangladesh Securities and Exchange Commission.

### 1.2 Address of Registered Office and Factories:

The registered office of the company is situated at “Square Centre” 48, Mohakhali Commercial Area, Dhaka-1212, Bangladesh. Address of the company and its subsidiaries 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

### 1.3 Nature of Business Activities:

#### (a) Reporting Company:

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

#### (b) Subsidiary Companies:

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

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

##### ii) Square Lifesciences Ltd.

The company is engaged in manufacturing and marketing of generic pharmaceuticals products.

### BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

#### 1.4 Statement of Compliance with Applicable Laws and Standards:

The financial statements have been prepared on accrual basis in accordance with generally accepted accounting principle and practice in Bangladesh in compliance with the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987, Financial Reporting Act (2015), listing regulations of Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE), International Accounting Standards (IAS), International Financial Reporting Standard (IFRS) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB).

#### 1.5 Basis of Measurement:

These financial statements have been prepared on a historical cost basis with the exception of inventories and trade receivables that have been measured at net realizable value. The comparative figures have been reclassified or modified from the previously published interim Financial Statements to facilitate any necessary presentational changes where needed. Figures have been rounded off to the nearest Taka, as the currency represented in this Financial Statements.

#### 1.6 Going concern:

The management reviews the available resources periodically to assess whether there exits any going concern threat. As at the end of the reporting period on 30 June 2021, the management assessed that the existing resources of the company is adequate and the company has no going concern threat in the foreseeable future. As such, these financial statements have been prepared on going concern basis.

#### Impact of Covid-19

The COVID-19 has developed swiftly in 2020, with a significant number of pestilences across the world affecting the economic activities broadly. Being operated in pharmaceutical industry, fewer restrictions have been imposed by the government on Square Pharmaceuticals Ltd., as it conducts the business of lifesaving medicine products. In spite of this epidemic situation, there is no reduction of supply of raw materials, delay in production of drugs and distribution of drugs as of now.

Based on the facts and circumstances known at this moment management believes there is no material uncertainty that may cast any doubt upon the entity's ability to continue as a going concern and hence, whilst uncertain, we do not believe, however, that the impact of the COVID-19 virus would have a material adverse effect on our financial condition or liquidity.

### 1.7 Application of IFRS & IAS:

The applicable IASs and IFRSs for the preparation and presentation of these Financial Statements for the year under review are listed below.

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 Exchanges 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 Management	IAS-28 : Investment in Associates & 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

### 1.8 Functional and Presentation Currency:

The financial statements are presented in Bangladeshi Taka (Taka/Tk/BDT), being both the functional and presentation currency of SPL Bangladesh, the parent company, unless specifically mentioned otherwise.

### 1.9 Foreign Currency Transactions:

Foreign currency transactions are translated into the company's functional currency at the exchange rates prevailing on the respective date of such transactions as per IAS 21: 'The Effects of Changes in Foreign Exchanges Rates'. Monetary assets and liabilities in foreign currencies are converted into taka at spot exchange rate at the reporting date. Foreign exchange differences are generally recognized in the Statement of Profit or Loss and Other Comprehensive Income.

#### 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 transaction date is used. Exchange differences are recognized through other comprehensive income and accumulated in a separate category of equity - 'Cumulative Translation Adjustment'. This accumulated amount will be recognized in profit or loss at the time of the disposal of the foreign operation.

### 1.10 Reporting Period:

These financial statements are prepared for the year ended on 30th June 2021 along with relevant comparative information.

### 1.11 Approval of Financial Statements:

The Board of Directors has approved these financial statements in its meeting held on 21 October, 2021.

#### SIGNIFICANT ACCOUNTING POLICIES:

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

### 1.12 Classification of Current versus Non-current:

#### Current versus Non-Current Classification

The company presents assets and liabilities in statement of financial position based on current/non-current classification.

**An asset is current when it is:**

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

All other assets are classified as non-current.

**A liability is current when it is:**

- expected to be settled within twelve months after the reporting period, or
- held primarily for the purpose of trading, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are always classified as non-current assets and liabilities.

**1.13 Property, Plant and Equipment:**

**Initial Recognition and Measurement**

Property, plant and equipment is initially recorded at the cost of purchase or construction. The cost includes directly attributable expenses related to acquisition of the assets including import duties, non-refundable VAT/ taxes, duties and any cost to prepare the asset for intended use. In case of self-constructed assets, the cost includes cost of material, direct labour and other directly attributable costs to complete the assets and make them ready for intended use.

**Subsequent Measurements**

Property, plant and equipment is subsequently measured at the cost of purchase or construction, less accumulated depreciation and impairment losses (if any).

The cost of replacing part of an item of fixed assets is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day to day servicing of fixed assets are recognized in profit or loss as incurred.

**Depreciation**

The company has adopted the reducing balance method for all of its assets except for Freehold Land and Capital Work-in-Progress.

Depreciation of an asset begins when it is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS-5 and the date that the assets are derecognized.

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

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

### **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 income statement.

#### **1.14 Intangible Assets:**

##### **Recognition and Measurement**

Intangible assets that are acquired by the company and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment loss, if any. Intangible assets are recognised 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.

#### **1.15 Capital Work in Progress:**

Capital work in progress consists of unfinished work at sites and capital inventory. Spare Parts expected to be used for more than one year are treated as capital work in progress. In case of import of components, capital work in progress is recognised when risks and reward associated with such assets are transferred to the company.

#### **1.16 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 revaluation decrease.

For goodwill, intangible assets that have an indefinite life, and intangible assets not yet available for use, the recoverable amount is estimated annually and at the end of each reporting period if there is an indication of impairment.

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

#### **1.17 Investment Property:**

Investment property comprises non-owner occupied land and/or buildings held with the intention of earning rental income or for capital appreciation or both. Investment properties are initially recognized at cost and subsequently, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are recognized in Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise.

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

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

### 1.18 Financial Instruments:

#### Financial Assets:

##### a) Investment-Long Term

The financial assets may include assets like Zero Coupon Bonds, Subordinated Bonds etc. These financial assets are measured subsequently at amortised cost (except for marketable securities). Interest income on these assets are recognised in "Statement of Profit or Loss". In case of any impairment of such assets, the amortised cost is adjusted to the extent of impairment and the loss is charged in "Statement of Profit or Loss" for the relevant financial year.

##### b) Investment in Marketable Securities (Fair Value)

Investment in Marketable Securities are measured at fair value. Unrealised Gain or Loss on these financial assets are recognised in "Other Comprehensive Income." At the time of derecognition, related Gains or Losses is reclassified to "Profit or Loss" from "Other Comprehensive Income".

##### c) Investment in Associates

Investment in associates are accounted for using equity method. As such, the investments are recognised initially at cost. Subsequently, the investments are adjusted for changes in the company's share of the net assets of the associates.

##### d) Trade Debtors and Other Receivables

Trade debtor represents amount due from customers arising from transactions in the ordinary course of business. Other receivable amount consists of any other types of due from different parties. Aging calculation is prepared to assess the probability of non-recovery of any receivables.

Both receivables are initially recognized at original invoice/face value and subsequently assessed for recoverability and reported accordingly. The management contentiously assess whether provision for bad debt is required and if needed will account for it.

##### e) Advances, Deposits and Prepayments

- Advances are recognized initially at actual cost and deductions or adjustments are accounted for on a timely and suitable manner.
- Deposits are payments made for specific purposes which are expected to be realized or recovered in due course.
- 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 that are subject to an insignificant risk of changes in their fair value and are used by the company without any restriction except for the 'Dividend Account' and the 'Export Retention Quota Account'.

#### Financial Liabilities:

##### (a) Long Term Loan - Secured

Square Pharmaceuticals Kenya EPZ Ltd. took a loan from Standard Chartered Bank, Kenya as part of its long term financial plan. The loan is secured by a corporate guarantee by SPL, issued in favor of the company with due permission of Bangladesh Bank. The repayment of the loan will start from July 2022. The particulars of the loan are mentioned in **Note-14**.

##### (b) Trade Creditors and Other Payables

Trade creditors include amounts due to suppliers and other relevant parties in relation to the operating activities while other payables consist of amount 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 effective interest method.

### 1.19 Inventories:

Except for Goods-in-Transit, which is measured at cost, all other component of inventories are measured at lower of cost and net realizable value.

Cost of inventories 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. Cost is determined based on weighted average method.

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.

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

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

### 1.20 Related Party Disclosures:

As per IAS-24 'Related Party Disclosures', parties are considered to be related if one of the parties has the ability to 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-34 in Financial Statements.

### 1.21 Income Tax Expenses:

#### Current Income 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 for items which may never be taxable or deductible for tax and other items which may be deductible or taxable in other periods. The total income tax payable for the current year amount is adjusted for any over/under provision for previous years. Being a publicly traded company, the applicable tax rate for SPL is 22.5%.

#### 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 date.

### 1.22 Employee Benefits:

#### a) Short-term Benefits

Short-term benefits consists of wages, salaries, allowances and bonuses. These obligations are recognized and expenses in the respective periods when the related services are obtained. Any amount not paid are recognized as a liability (undiscounted) at the end of the year. Expected cost of profit-sharing are recognized when a present legal or constructive obligation to make such payments as a result of past events and the cost can be measured reliably.

#### b) Gratuity Fund

The company has established a funded approved gratuity fund. The fund is administered by a Board of Trustees and also has been operating as per Trust Act.

#### c) Recognized Provident Fund

The Company maintains a recognized provident fund for its permanent employees which is managed by a Board of Trustees. Upon confirmation, each of the employees are required to become a member of the fund by contributing 10% of their basic salary. The Company makes similar contribution.

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

#### d) Group Insurance Policy

The company gives its employees insurance facility under a group insurance policy. The premium of the insurance is fully paid by the company and the amount is charged to the income statement annually as per the insurance policy.

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

The company is maintaining 'Worker's Profit Participation Fund' as directed by the section 234 of Bangladesh Labour Act 2006 (amended in 2013). 5% of the profit before charging such expense is transferred to this fund.

### 1.23 Provisions & Contingencies:

Provisions were made considering risk and un-certainties at best estimate of the probable expenditure that would require to meet the current obligation at the date of statement of financial position.

Contingent liabilities and assets are current or possible obligations on liabilities or assets, arising from past events and existence of which depends upon the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the company.

### 1.24 Estimates and Judgements:

IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors' requires an entity to judge, estimate and make assumption 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 actual result.

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

### 1.25 Revenue & Other Income:

#### Revenue from Contracts with Customers

Revenue is recognized when invoice for products and service are made and the significant risk and reward of ownership are transferred to the distributor, recovery of the consideration is probable, associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. The five step model as suggested by IFRS-15 has been complied in case of revenue recognition.

#### The five step model consists of:

1. Identification of contract(s) with a customer
2. Identification of performance obligation
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:

In compliance with the requirements of IFRS-15 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 depot and Exports of Pharmaceutical 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 is transferred to the customer, reliable estimates can be made of relevant obligations have been fulfilled, such that the earnings process is regarded as being completed.

#### (b) Interest Income:

Interest income comprises interest on financial deposits with banks. The amount of interest income is recognized on an accrual basis using the effective interest rate method.

#### (c) Dividend Income:

Dividend income arises from investment in other entities. Dividend income is recognised when the right to receive the dividend is established i.e. the dividend is approved by the board of directors in AGM and declared accordingly by the concerned entity.

### 1.26 Leases:

The Company entered into lease agreements with lessors to use building floor space for business purposes. It does not includes any Machinery, Copy Right, Software, Vehicles etc. The contracts are one-year cancellable by either party upon three months' notice period. The contracts don't offer any buying option, commitment to buy or any assurance of post use minimum market price for the used floors. Considering exemptions allowed in IFRS-16 (shorter contract tenor and small amount of rental expenses in respect to total revenue, the rental agreements are not considered as finance lease.

Contract Term	Amount of Rental Expenses
01 Year	BDT 44,126,001

### 1.27 Borrowing Cost:

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. Capitalization ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Other borrowing costs are recognized as expense.

No amount of borrowing costs was capitalized during the period.

### 1.28 Earnings per Share (EPS):

#### Basic Earnings per Share (Basic EPS)

Basic 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 authorised 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 Earnings per Share (Diluted EPS):

A dilution is a reduction in the EPS figure (or increase in a loss per share) that will result from the issue of more equity shares on the conversion of convertible instruments already issued. In order to calculate diluted earnings per share, profit or loss attributable to ordinary equity holders of the parent entity, and the weighted average number of shares outstanding are needed to be adjusted for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not required for SPL as there was no potential dilutive ordinary shares at the reporting date.

#### Weighted Average Number of Ordinary Shares

The number of shares 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 bonus shares for the financial year 2019-2020. These bonus issues have been treated as if they had been in issue since beginning of the year. As per IAS 33: 'Earnings per Share', last year's EPS was restated using the new weighted average number of shares to present as comparative information.

No. of Shares Outstanding as at 01 July, 2020	844,239,058
Bonus Share	42,211,952
<b>Weighted Average Number of Shares as at 30 June, 2021</b>	<b><u>886,451,010</u></b>

### 1.29 Statement of Cash Flows:

Cash Flows from Operating Activities have been reported using 'Direct Method' as recommended by IAS-7: Statement of Cash Flows. A reconciliation of net profit or net income with cash flows from operating activities has been presented in Note-32.1 as per the direction of Bangladesh Securities and Exchange Commission (BSEC/CMRRCD/2006-158/208/Admin/81; dated: 20 June 2018).

### 1.30 Basis of Consolidation:

Percentage of Holding Share on Subsidiary Companies is as follows:

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

Subsidiary entity is controlled by Square Pharmaceuticals Ltd. (SPL). Control exists when SPL has the power to govern the financial and operating policies of the entity. In assessing control potential voting rights that are presently exercisable are considered.

**1.31 Consolidation of Accounts:**

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

Subsidiary Company	Year Ending	Remarks
Square Pharmaceuticals Kenya EPZ Ltd.	30 June 2021	Financial Statements
Square Lifesciences Ltd.	30 June 2021	Financial Statements

**1.32 Materiality and Aggregation:**

The company presents separately each material class of similar items. The company presents separately items of dissimilar nature or function unless they are immaterial.

Financial statements result from processing large numbers of transactions or other events that are aggregated into classes according to their nature or function.

**1.33 Offsetting:**

No assets and liabilities or income and expenses were offset that may contradict requirements of any IFRSs/IASs.

**1.34 Concentration of Counterparty Risk:**

As of June 30, 2021, 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 source of labour, service or licenses or other rights that could, if suddenly eliminated, have severe impact on the operations of the company.

**1.35 Net Profit before Tax:**

Net Profit before Tax for the year was not materially affected by:

- transaction of a nature not usually undertaken by the Company;
- circumstances of an exceptional or non-recurring nature;
- charges or credits relating to prior years; and
- changes in accounting policies.

**1.36 Segment Reporting:**

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

**1.37 Change in Fair Value of FVOCI Financial Assets (Note-28):**

It has derived mainly due to market price of the Marketable Securities. The company has accounted for it as per IFRS-9. 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" which are in conformity with IAS-12 and IFRS-9. According to Income Tax Ordinance 1984, as per Para 2 of Second Schedule, any Capital gain from Marketable Securities (Stock/Debenture listed with Stock Exchange) are subject to Tax @ 10%. We have already accounted for gain realized from Marketable Securities at Other Income which is taxable. Previous year's Deferred Tax Liability against unrealized Gain/(Loss) from Marketable Securities has been restated.

**1.38 Research, Development and Experimental Costs:**

In compliance with the requirements of IAS 38 "Intangible Assets" research, development and experimental costs are usually absorbed as revenue charges as and when incurred, as being not that much material in the company's and/local context.

**1.39 General:**

Previous year's figures have been regrouped/reclassified wherever considered necessary to conform to current year's presentation. Figures have been rounded off to the nearest Taka, as the currency represented in this Financial Statements.

**1.40 Comparative Information:**

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

Particulars	Amount in Taka	
	30 June 2021	30 June 2020
<b>2. CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT: Tk. 22,884,103,636</b>		
Details of property, plant and equipment and depreciation as at 30 June 2021 are shown in the annexed schedule - 01. This is arrived at as follows:		
<b>Fixed Assets at Cost:</b>		
Opening Balance	40,920,080,284	39,012,017,310
Addition during the Year	5,271,595,023	3,338,806,544
	<b>46,191,675,307</b>	<b>42,350,823,854</b>
Sales/Transfer during the Year	(1,514,180,588)	(1,430,743,570)
<b>Closing Balance</b>	<b>44,677,494,719</b>	<b>40,920,080,284</b>
<b>Accumulated Depreciation:</b>		
Opening Balance	20,046,381,983	18,158,061,040
Charged during the Year	1,882,490,971	1,970,126,072
	<b>21,928,872,954</b>	<b>20,128,187,112</b>
Sales/Transfer during the Year	(135,481,871)	(81,805,129)
	<b>21,793,391,083</b>	<b>20,046,381,983</b>
<b>Carrying Value</b>	<b>22,884,103,636</b>	<b>20,873,698,301</b>
Allocation of depreciation charge for the year has been made in the accounts as follows:		
Factory Overhead	1,571,753,195	1,624,851,551
Selling and Distribution Expenses	203,574,635	190,808,126
Administrative Expenses	107,163,141	154,466,395
	<b>1,882,490,971</b>	<b>1,970,126,072</b>
<b>3. CONSOLIDATED INVESTMENT-Long Term (at Cost): Tk. 3,590,200,311</b>		
This consists of the following:		
(a) 120,000 Ordinary Shares of Tk.100/- each in United Hospital Ltd.	12,000,000	12,000,000
(b) 5,711,804 Ordinary Shares of Tk. 10/- each including Bonus Shares in Central Depository Bangladesh Ltd.	15,694,430	15,694,430
(c) 250,002 Zero Coupon Bond in Lanka Bangla Finance Ltd.	-	33,409,009
(d) 250,000 Zero Coupon Bond in IDLC Finance Ltd.	-	46,816,693
(e) 200,000 Zero Coupon Bond in Bangladesh Steel Re-Rolling Mills Ltd.	-	17,246,770
(f) 150,000 Preference Share in Raj Lanka Power Company Ltd.	29,090,910	58,181,820
(g) 5 Non-Convertible Zero Coupon Bond in Shanta Holdings Ltd.	-	39,145,405
(h) 5 Non-Convertible Zero Coupon Bond in Durable Plastics Ltd.	11,905,164	18,514,976
(i) 100,000 Non-Convertible Zero Coupon Bond in Flamingo Fashions Ltd.	-	25,497,385
(j) 40 Non-Convertible Zero Coupon Bond in Envoy Textiles Ltd.	21,509,807	25,498,245
(k) 200 Non-Convertible Subordinated Bond in Mutual Trust Bank Ltd.	2,000,000,000	2,000,000,000
(l) 612,620 Zero Coupon Islamic Certificates in United Mymensingh Power Ltd.	-	499,996,151
(m) 5,000 Non-Convertible Subordinated Bond in Southeast Bank Ltd.	500,000,000	-
(n) 50 Mudaraba Redeemable Non-Convertible Subordinated Bond in Islami Bank Bangladesh Ltd.	500,000,000	-
(o) 50 Non-Convertible Subordinated Bond in Trust Bank Ltd.	500,000,000	-
	<b>3,590,200,311</b>	<b>2,792,000,884</b>

Particulars	Amount in Taka	
	30 June 2021	30 June 2020
<b>4. INVESTMENT-Associate Undertakings: Tk. 9,277,247,222</b>		
This is arrived at as follows:		
Opening Balance	8,077,472,192	9,211,605,860
Add: Investment made/(disposed off) during the Year	-	(1,537,500,000)
Add: Profit/(Loss) during the Year (Note-27)	1,291,211,707	586,239,690
Less: Dividend during the Year	(91,436,677)	(182,873,358)
Closing Balance	<b>9,277,247,222</b>	<b>8,077,472,192</b>

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

Name of Company	Country of Incorporation	Proportion of Ownership Interest
Square Textiles Ltd.	Bangladesh	46.36%
Square Fashions Ltd.	Bangladesh	48.63%
Square Hospitals Ltd.	Bangladesh	49.94%

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

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

**Square Textiles Ltd.:**

Current Assets	8,523,673,196	7,272,822,724
Non-Current Assets	6,895,224,728	6,917,214,940
Current Liabilities	5,207,495,826	7,094,063,392
Non-Current Liabilities	2,905,740,182	214,694,410
Revenue (Net)	11,924,704,664	9,505,326,369
Profit from Operations	1,094,442,796	443,970,656
Profit after Tax	621,634,054	51,361,835
Other Comprehensive Income	-	-
Total Comprehensive Income	<b>621,634,054</b>	<b>51,361,835</b>

**Square Fashions Ltd.:**

Current Assets	12,433,333,115	8,910,054,704
Non-Current Assets	6,375,818,072	6,383,923,587
Current Liabilities	4,820,403,267	2,941,835,240
Non-Current Liabilities	-	-
Revenue (Net)	16,429,286,216	10,908,093,155
Profit from Operations	1,504,047,416	914,628,137
Profit after Tax	1,636,604,869	1,022,214,253
Other Comprehensive Income	-	-
Total Comprehensive Income	<b>1,636,604,869</b>	<b>1,022,214,253</b>

**Square Hospitals Ltd.:**

Current Assets	621,035,728	543,556,816
Non-Current Assets	3,609,312,148	3,618,032,616
Current Liabilities	847,361,153	2,703,764,573
Non-Current Liabilities	1,667,081,355	156,727,663
Revenue (Net)	4,388,701,844	3,702,740,358
Profit from Operations	483,148,433	172,577,239
Profit after Tax	414,808,172	130,787,176
Other Comprehensive Income	-	-
Total Comprehensive Income	<b>414,808,172</b>	<b>130,787,176</b>

Particulars	Amount in Taka	
	30 June 2021	30 June 2020

**5. CONSOLIDATED INVESTMENT IN MARKETABLE SECURITIES (Fair Value): Tk. 4,624,331,706**

Particulars	Position of 2020-2021			Position of 2019-2020		
	Total Cost	Total Market Value	Realized/Unrealized Gain	Total Cost	Total Market Value	Realized/Unrealized Gain
Opening Balance	3,144,519,813	2,691,892,867	(452,626,946)	2,867,854,451	3,013,439,734	145,585,283
Add: Investment made during the year	487,296,823	2,345,407,225	1,858,110,402	347,985,577	(242,106,192)	(590,091,769)
Less: Sold/Disposed off during the year	(324,028,084)	(412,968,386)	(88,940,302)	(71,320,215)	(79,440,675)	(8,120,460)
<b>Closing Balance</b>	<b>3,307,788,552</b>	<b>4,624,331,706</b>	<b>1,316,543,154</b>	<b>3,144,519,813</b>	<b>2,691,892,867</b>	<b>(452,626,946)</b>

**6. CONSOLIDATED INVENTORIES: Tk. 7,245,396,928**

The break-up is as under:

Raw Materials	2,647,266,800	1,939,329,998
Packing Materials	829,398,759	647,848,732
Work-in-Process	415,013,847	336,441,344
Finished Goods	2,118,362,474	1,677,371,032
Spares & Accessories	831,527,919	629,858,063
Goods- in-Transit	403,827,129	456,557,160
	<b>7,245,396,928</b>	<b>5,687,406,329</b>

The basis of valuation is stated in Note-1.19

**7. CONSOLIDATED TRADE DEBTORS:**

	<b>1,636,136,514</b>	<b>1,520,300,337</b>
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**8. CONSOLIDATED ADVANCES, DEPOSITS & PREPAYMENTS (Considered Good): Tk. 2,830,807,259**

This consists of as follows:

<b>Advances:</b>	<b>571,119,493</b>	<b>656,011,060</b>
Employees	239,013,230	204,851,164
Land Purchase	16,503,377	156,782,042
Suppliers	313,504,428	294,377,854
Income Tax	2,098,458	-
<b>Deposits:</b>	<b>2,213,512,961</b>	<b>2,026,939,426</b>
Value Added Tax	611,712,414	450,096,951
Earnest Money and Security Deposit	313,948,089	298,834,029
Interest on Fixed Deposit Receipts	1,280,042,245	1,276,320,238
Others	7,810,213	1,688,208
<b>Prepayments:</b>	<b>46,174,805</b>	<b>44,977,766</b>
Office Rent	6,936,747	8,599,751
Insurance Premium	39,238,058	36,378,015
	<b>2,830,807,259</b>	<b>2,727,928,252</b>

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

This consists of as follows:

(a) Square Textiles Ltd.	-	3,277,576,394
(b) Square Fashions Ltd.	-	2,411,950
(c) Square Hospitals Ltd.	-	1,604,350,413
	-	<b>4,884,338,757</b>

Particulars	Amount in Taka	
	30 June 2021	30 June 2020
<b>10. CONSOLIDATED CASH AND CASH EQUIVALENTS: Tk. 43,364,039,004</b>		
This is made up as follows:		
(a) Cash in Hand	14,025,716	2,288,479
(b) Cash at Bank:	<b>43,350,013,288</b>	<b>32,562,040,959</b>
* Current Account	443,983,864	926,999,807
* STD Account	3,486,902,772	10,763,172,367
* Fixed Deposit Account (BD Taka)	35,653,848,645	17,389,641,491
* Fixed Deposit Account (USD)	2,862,046,153	2,774,822,050
* Export Retention Quota Account	891,345,538	305,962,148
* Margin Held Account	11,886,316	401,443,096
	<b>43,364,039,004</b>	<b>32,564,329,438</b>
<b>11. SHARE CAPITAL:</b>	<b>8,864,510,100</b>	<b>8,442,390,580</b>
<b>12. SHARE PREMIUM:</b>	<b>2,035,465,000</b>	<b>2,035,465,000</b>
<b>13. NON CONTROLLING INTEREST: Tk. 500,000</b>		
This represents non controlling interest of Square Lifesciences Ltd. and Square Pharmaceuticals Kenya EPZ Ltd. are as follows:		
Paid-up Capital (Investment)	500,000	-
Retained Earnings	-	-
	<b>500,000</b>	<b>-</b>
<b>List of Subsidiaries (As per IFRS-3):</b>		
<b>Name of Company</b>	<b>Country of Incorporation</b>	<b>Proportion of Ownership Interest</b>
Square Lifesciences Ltd.	Bangladesh	99.50%
Square Pharmaceuticals Kenya EPZ Ltd.	Kenya	100%
Voting power is not different with proportion of ownership interest. The company is using equity method of accounting in preparation of consolidated financial statements.		
<b>14. LONG TERM LOAN-SECURED: Tk. 103,707,469</b>	<b>103,707,469</b>	<b>-</b>
Loan Sanctioned by: Standard Chartered Bank, Kenya		
Total Sanctioned Amount: USD 5,000,000		
Disbursed Amount: USD 1,225,000		
Interest Rate: 3.5% per annum plus 03 (Three) months LIBOR		
Loan Repayment: Will Start from Jul'2022		
<b>15. CONSOLIDATED DEFERRED TAX LIABILITY: Tk. 1,274,853,017</b>		
This represents provision made for deferred income tax to pay future income tax liability for temporary differences which is arrived at as follows:		
Deferred Tax Related to Property, Plant & Equipment (Note-15.1)	1,097,936,007	1,272,750,021
Deferred Tax Related to FVOCI (Note-15.2)	176,917,010	(59,821,223)
	<b>1,274,853,017</b>	<b>1,212,928,798</b>

Particulars	Amount in Taka	
	30 June 2021	30 June 2020
<b>15.1 Deferred Tax Related to Property, Plant &amp; Equipment:</b>		
A. Property, Plant and Equipments excluding Cost of Land (Carrying Amount)	13,686,544,416	13,995,217,801
B. Property, Plant and Equipments excluding Cost of Land (Tax Base)	8,806,828,831	8,904,217,715
C. Taxable/(Deductable) Temporary Difference (A-B)	4,879,715,585	5,091,000,086
D. Tax Rate	22.50%	25%
E. Deferred Tax Liabilities as on 30 June, 2021	1,097,936,007	1,272,750,021
F. Deferred Tax Liabilities as on 30 June, 2020	1,272,750,021	1,294,346,873
G. Current Year's Deferred Tax (Assets/Liabilities) (E-F)	<b>(174,814,014)</b>	<b>(21,596,852)</b>
<b>15.2 Deferred Tax Related to FVOCI:</b>		
A. FVOCI-Carrying Amount	1,769,170,100	(598,212,229)
B. FVOCI-Tax Base	-	-
C. Taxable/(Deductable) Temporary Difference (A-B)	1,769,170,100	(598,212,229)
D. Tax Rate	10%	10%
E. Deferred Tax Liabilities as on 30 June, 2021	176,917,010	(59,821,223)
F. Deferred Tax Liabilities as on 30 June, 2020	(59,821,223)	-
G. Current Year's Deferred Tax (Assets)/Liabilities (E-F)	<b>236,738,233</b>	<b>(59,821,223)</b>
<b>16. CONSOLIDATED TRADE CREDITORS:</b>	<b>681,546,399</b>	<b>553,785,496</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. CONSOLIDATED LIABILITIES FOR EXPENSES: Tk. 183,049,079</b>		
This consists of as follows:		
Accrued Expenses	182,320,469	128,384,955
Audit Fees	728,610	613,489
	<b>183,049,079</b>	<b>128,998,444</b>
<b>18. CONSOLIDATED LIABILITIES FOR OTHER FINANCE: Tk. 1,938,797,709</b>		
This consists of as follows:		
Sundry Creditors	400,854,734	368,968,264
Income Tax (Deduction at Source)	19,532,856	18,346,013
Retention Money	7,938,420	3,711,211
Workers' Profit Participation Fund	937,796,627	859,269,098
Income Tax Payable (Note-18.1)	572,675,072	978,037,537
	<b>1,938,797,709</b>	<b>2,228,332,123</b>
<b>18.1 CONSOLIDATED INCOME TAX PAYABLE: Tk. 572,675,072</b>		
This is arrived at as follows:		
Opening balance	978,037,537	557,901,454
Provision made for the Year (Note-26)	4,187,481,946	4,251,005,177
Tax Paid (Including Advance Income Tax) during the Year	(4,592,844,411)	(3,830,869,094)
	<b>572,675,072</b>	<b>978,037,537</b>

Particulars	Amount in Taka	
	2020-2021	2019-2020
<b>19. CONSOLIDATED GROSS REVENUE: Tk. 58,346,258,281</b>		
This consists of as follows:		
Square Pharmaceuticals Ltd.	58,346,258,281	52,926,218,655
	<b>58,346,258,281</b>	<b>52,926,218,655</b>
<b>20. CONSOLIDATED COST OF GOODS SOLD: Tk. 24,800,035,555</b>		
This is arrived at as follows:		
Raw Materials Consumed	20.1 10,914,817,014	9,807,160,256
Packing Materials Consumed	20.2 5,750,170,150	5,307,449,728
	<b>16,664,987,164</b>	<b>15,114,609,984</b>
Work-in-Process (Opening)	336,441,344	274,303,768
Work-in-Process (Closing)	(415,013,847)	(336,441,344)
<b>TOTAL CONSUMPTION</b>	<b>16,586,414,661</b>	<b>15,052,472,408</b>
Factory Overhead	20.3 6,836,133,924	6,682,225,865
<b>COST OF PRODUCTION</b>	<b>23,422,548,585</b>	<b>21,734,698,273</b>
Purchase of Finished Goods	2,036,850,950	1,442,183,005
Finished Goods (Opening)	1,677,371,032	1,226,561,623
Finished Goods (Closing)	(2,118,362,474)	(1,677,371,032)
	<b>25,018,408,093</b>	<b>22,726,071,869</b>
Cost of Product Destruction	-	(20,800,052)
Cost of Physician Sample	(218,372,538)	(168,601,857)
	<b>24,800,035,555</b>	<b>22,536,669,960</b>
<b>20.1 CONSOLIDATED RAW MATERIALS CONSUMED: Tk. 10,914,817,014</b>		
This is arrived at as follows:		
Opening Stock	1,939,329,998	1,531,223,724
Purchase	11,622,753,816	10,215,266,530
Closing Stock	(2,647,266,800)	(1,939,329,998)
	<b>10,914,817,014</b>	<b>9,807,160,256</b>
<b>20.2 CONSOLIDATED PACKING MATERIALS CONSUMED: Tk. 5,750,170,150</b>		
This is arrived at as follows:		
Opening Stock	647,848,732	609,472,347
Purchase	5,931,720,177	5,345,826,113
Closing Stock	(829,398,759)	(647,848,732)
	<b>5,750,170,150</b>	<b>5,307,449,728</b>

Particulars	Amount in Taka	
	2020-2021	2019-2020
<b>20.3 CONSOLIDATED FACTORY OVERHEAD: Tk. 6,836,133,924</b>		
This is made up as follows:		
Salaries, Allowances and Wages	2,228,205,837	2,073,738,468
Factory Employees Free Lunch	138,814,655	129,662,859
Factory Staff Uniform	84,902,429	75,800,918
Travelling & Conveyance	44,769,210	44,580,671
Printing & Stationery	74,078,621	64,143,848
Postage, Telephone & Fax	8,834,201	8,223,015
Repairs & Maintenance	974,041,408	955,836,619
Laboratory Consumable Stores	407,091,531	346,170,258
Fuel, Petrol, Light Diesel etc.	132,196,121	258,791,426
Electricity, Gas & Water	746,162,607	691,803,515
Rental Expense	1,867,336	1,351,729
Municipal & Other Tax	15,308,475	10,785,339
Insurance Premium	21,701,525	22,332,387
Factory Sanitation Expenses	60,131,178	54,025,942
Depreciation	1,571,753,195	1,624,851,551
Security Services	58,563,047	68,078,943
Research & Development	182,311,524	161,382,209
Software & Hardware Support Services	69,922,296	76,456,189
Toll Charges	14,011,574	12,151,957
Other Expenses	1,467,154	2,058,022
	<b>6,836,133,924</b>	<b>6,682,225,865</b>
<b>21. CONSOLIDATED SELLING &amp; DISTRIBUTION EXPENSES: Tk. 8,564,472,484</b>		
This is made up as follows:		
Salaries and Allowances	1,434,829,771	1,333,576,434
Travelling and Conveyance	131,447,160	122,303,430
Training Expenses	4,118,854	3,698,403
Printing and Stationery	75,657,331	69,789,782
Postage, Telephone, Fax & Telex	80,730,383	79,291,432
Electricity, Gas and Water	28,839,872	26,410,711
Tiffin and Refreshment	29,922,090	27,893,005
Staff Uniform	9,063,219	7,003,481
Sanitation Expenses	12,114,067	9,988,877
Office and Godown Rent	26,402,693	26,205,830
Lease Rent	2,649,600	2,649,600
Bank Charges	10,931,151	10,512,464
Repairs and Maintenance including car maintenance	480,459,416	428,526,491
Govt. Taxes and Licence Fees	66,176,011	42,349,047
Field Staff Salaries, Allowances, TA and DA	2,295,067,750	2,010,348,164
Marketing and Sales Promotional Expenses	1,075,468,620	904,899,884
Advertisement	950,233	384,319
Event, Programs and Conference	218,981,280	209,978,607
Delivery and Packing Expenses	129,201,102	116,838,669
Literature and Publications	93,667,076	26,112,723
Export Expenses	174,674,361	154,640,680
Special Discount	1,533,228,975	1,156,381,414
Sample Expenses	283,443,770	228,088,118
Security Services	80,263,735	75,526,697
Depreciation	203,574,635	190,808,126
Software, Hardware Support & VSAT Services	53,946,099	47,770,753
Insurance Premium	3,552,838	4,513,502
Faulty & Obsolete Goods	12,362,482	50,032,972
Research and Product Development	12,747,910	16,267,149
	<b>8,564,472,484</b>	<b>7,382,790,764</b>

Particulars	Amount in Taka	
	2020-2021	2019-2020
<b>22. CONSOLIDATED ADMINISTRATIVE EXPENSES: Tk. 1,216,931,589</b>		
This consists of as follows:		
Salaries and Allowances	453,682,458	414,560,108
Directors' Remuneration	66,455,423	59,359,563
Independent Directors Honorarium	600,000	450,000
Travelling and Conveyance	104,030,378	114,180,513
Training Expenses	7,023,109	8,452,242
Printing and Stationery	18,478,082	16,944,490
Postage, Telephone, Internet	11,573,534	10,462,859
Electricity, Gas & Water	24,939,297	20,911,481
Tiffin and Refreshment	65,435,757	62,345,186
Staff Uniform	2,841,553	2,703,440
Office Rent	15,855,972	15,297,968
Lease Rent	3,507,516	3,383,686
Sanitation Expenses	6,705,334	6,072,891
Books and Periodicals	603,759	618,026
Subscription and Donation	7,248,646	7,887,937
Advertisement	2,058,202	8,320,170
Repairs and Maintenance	204,725,302	186,405,996
Bank Charges	12,171,121	14,048,505
Insurance Premium	11,864,766	15,878,526
Govt. Taxes, Stamp Duty & Licence Fee	7,609,233	9,482,566
Security Services	39,842,152	39,276,512
Management Consultant Fees	2,338,750	958,750
Legal Charges	1,269,190	1,504,425
Audit Fees	751,610	614,006
Depreciation	107,163,141	154,466,395
Annual General Meeting Expenses	802,834	1,183,286
Software & Hardware Support Services	30,933,929	47,972,093
Share Demat, Remat & Transfer Fees	5,263,537	1,771,498
Other Expenses	1,157,004	1,720,713
	<b>1,216,931,589</b>	<b>1,227,233,831</b>
<b>23. CONSOLIDATED FINANCE COST: Tk. 13,443</b>		
This is made up as follows:		
Interest on Overdraft	13,443	107,090
	<b>13,443</b>	<b>107,090</b>
<b>24. CONSOLIDATED OTHER INCOME: Tk. 3,485,127,743</b>		
This is arrived at as follows:		
Bank Interest	2,391,001,089	2,614,933,410
Interest on Loan to Sister Concern	197,764,904	298,434,170
Rental Income	1,317,162	1,322,544
Sale of Scrap	37,343,947	31,943,738
Dividend	328,190,122	51,673,126
Foreign Exchange Fluctuation Gain/(Loss)	19,417,837	(697,629)
Gain on Redemption of Zero Coupon Bond	308,442,940	108,206,035
Gain/(Loss) on Marketable Securities (Realized)	88,940,302	(8,120,460)
Cash Incentive Received against Export	46,215,000	355,045
PF Forfeiture Amount **	32,064,767	-
	<b>3,450,698,070</b>	<b>3,098,049,979</b>
Consolidated Profit on Sale of Property, Plant & Equipment (Note-29)	34,429,673	28,380,084
	<b>3,485,127,743</b>	<b>3,126,430,063</b>

\*\* The amount of Provident Fund Forfeiture has been returned from Square Pharmaceuticals Employees Provident Fund and also recognized as Other Income.

Particulars	Amount in Taka	
	2020-2021	2019-2020
<b>25. CONSOLIDATED ALLOCATION FOR WPPF AND WF:</b>	<b>937,796,627</b>	<b>859,269,098</b>
This represents 5% of Net Profit before Tax after charging the allocation as per provisions of the Companies Profit under Labour Law 2006, Chapter-15.		
<b>26. CONSOLIDATED INCOME TAX EXPENSES-Current:</b>	<b>4,187,481,946</b>	<b>4,251,005,177</b>
<b>27. PROFIT FROM ASSOCIATE UNDERTAKINGS: Tk. 1,291,211,707</b>		
This is arrived at as follows:		
a) Square Textiles Ltd.	288,160,087	23,808,913
b) Square Fashions Ltd.	795,906,789	497,118,931
c) Square Hospitals Ltd.	207,144,831	65,311,846
	<b>1,291,211,707</b>	<b>586,239,690</b>
<b>28. CONSOLIDATED CHANGE IN FAIR VALUE OF FVOCI FINANCIAL ASSETS: Tk. 1,532,431,867</b>		
Unrealized Gain/(Loss) Position (Closing)	1,316,543,154	(452,626,946)
(-) Unrealized Gain/(Loss) Position (Opening)	(452,626,946)	145,585,283
	<b>1,769,170,100</b>	<b>(598,212,229)</b>
Related Tax on FVOCI Financial Assets	(236,738,233)	59,821,223
	<b>1,532,431,867</b>	<b>(538,391,006)</b>

**29. CONSOLIDATED PARTICULARS OF DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR JUL'2020-JUN'2021:**

Particulars of Assets	Cost	Acc. Depreciation Upto 30-06-2021	Written Down Value as on 30-06-2021	Sales Price	Profit/(Loss)
Plant & Machinery	16,835,432	10,796,414	6,039,018	6,362,320	323,302
Motor Vehicle	101,677,875	77,664,264	24,013,611	42,792,811	18,779,200
Motor Cycle	59,340,265	44,623,769	14,716,496	30,427,832	15,711,336
Office Equipment	1,164,351	892,199	272,152	-	(272,152)
Computer	1,801,271	1,254,958	546,313	-	(546,313)
Furniture & Fixture	360,088	250,266	109,822	-	(109,822)
Land & Land Development	-	-	-	544,122	544,122
	<b>181,179,282</b>	<b>135,481,870</b>	<b>45,697,412</b>	<b>80,127,085</b>	<b>34,429,673</b>

**30. CONSOLIDATED NET ASSET VALUE PER SHARE (NAV): Tk. 102.54**

The computation is given below:

Equity Attributable to the Ordinary Shareholders	90,894,643,168	77,364,890,773
Weighted average number of Shares outstanding during the year	886,451,010	886,451,010
<b>Net Asset Value Per Share (NAV)</b>	<b>102.54</b>	<b>87.27</b>

**31. CONSOLIDATED EARNINGS PER SHARE (EPS) - Tk. 17.99**

The computation is given below:

Surplus for the year attributable to Shareholders (Net Profit after Tax)	15,947,450,722	13,353,639,526
Weighted average number of Shares outstanding during the year	886,451,010	886,451,010
<b>Earnings per Share</b>	<b>17.99</b>	<b>15.06</b>

Particulars	Amount in Taka	
	2020-2021	2019-2020
<b>32. CONSOLIDATED NET OPERATING CASH FLOW PER SHARE (NOCFPS): Tk. 12.43</b>		
The computation is given below:		
Net Cash Generated from Operating Activities	11,021,074,127	10,759,997,574
Weighted average number of Shares outstanding during the year	886,451,010	886,451,010
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	<b>12.43</b>	<b>12.14</b>
<b>32.1 CONSOLIDATED RECONCILIATION OF NET PROFIT WITH CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Profit after Tax</b>	<b>14,656,239,015</b>	<b>12,767,399,836</b>
Adjustment to Reconcile Net Profit to Net cash generated from Operating Activities:		
<b>Non-Cash Expenses:</b>	<b>1,672,062,063</b>	<b>1,968,582,570</b>
Depreciation	1,882,490,971	1,970,126,072
Exchange Gain/Loss	(35,614,894)	20,053,350
Deferred Tax	(174,814,014)	(21,596,852)
<b>Non-Operating Items:</b>	<b>(3,330,975,650)</b>	<b>(3,110,645,726)</b>
Dividend Income	(328,190,122)	(51,673,126)
Others	(3,002,785,528)	(3,058,972,600)
<b>Changes in Working Capital:</b>	<b>(1,976,251,301)</b>	<b>(865,339,106)</b>
(Increase)/Decrease in Inventories	(1,557,990,599)	(1,090,893,656)
(Increase)/Decrease in Trade Debtors	(115,836,177)	41,517,830
(Increase)/Decrease in Advances, Deposits and Prepayments	(239,435,665)	(86,422,537)
Increase/(Decrease) in Trade Creditors	127,760,903	(163,202,932)
Increase/(Decrease) in Liabilities for Expenses	54,050,635	(110,914,887)
Increase/(Decrease) in Liabilities for Other Finance	(244,800,398)	544,577,076
<b>Net Cash Generated from Operating Activities</b>	<b>11,021,074,127</b>	<b>10,759,997,574</b>
<b>33. CUMULATIVE TRANSLATION ADJUSTMENT:</b>		
<b>Foreign Exchange Gain/(Loss) (As Per IAS-21):</b>		
Opening Exchange Gain/(Loss)	(18,078,434)	(939,071)
Current Year's Exchange Gain/(Loss)	17,793,379	(17,139,363)
<b>Closing Cumulative Translation Adjustment</b>	<b>(285,055)</b>	<b>(18,078,434)</b>
<b>Current Year's Exchange Gain/(Loss):</b>		
Subsidiary's Total Assets at Closing	1,094,366,434	804,792,399
Less: Subsidiary's Share Capital at Historical Cost	(332,000,000)	(332,000,000)
Less: Subsidiary's Share Money Deposit at Historical Cost	(653,742,689)	(493,869,987)
Less: Subsidiary's Retained Earning	11,490,995	16,450,872
Less: Subsidiary's Liabilities at Closing Rate	(120,399,795)	(13,451,718)
<b>Closing Cumulative Translation Adjustment</b>	<b>(285,055)</b>	<b>(18,078,434)</b>
<b>34. RELATED PARTY TRANSACTIONS:</b>		
The company did not do any transactions with its sister concern other than its subsidiaries/associates undertaking viz Square Textiles Ltd., Square Fashions Ltd., Square Hospitals Ltd., Square InformatiX Ltd., Square Formulations Ltd., Square Denims Ltd., Square Apparels Ltd., Square Securities Management Ltd., Square Herbal & Nutraceuticals Ltd., Pharma Packages (Pvt) Ltd. and AEGIS Services Ltd. during the year reporting. The summary is as follows:		

Particulars	Amount in Taka	
	2020-2021	2019-2020
<b>Transaction with Square Textiles Ltd. (Associate Undertaking and holding 46.36% Shares):</b>		
Opening Balance	3,277,576,394	2,168,788,505
Total Paid during the Year	1,269,870,456	3,274,786,839
Total Realized during the Year	(4,547,446,850)	(2,165,998,950)
Closing Balance (Receivable)	-	<b>3,277,576,394</b>
<b>Transaction with Square Fashions Ltd. (Associate Undertaking and holding 48.63% Shares):</b>		
Opening Balance	2,411,950	672,588,614
Total Paid during the Year	1,393,472,983	5,129,870,273
Total Realized during the Year	(1,395,884,933)	(5,800,046,937)
Closing Balance (Receivable)	-	<b>2,411,950</b>
<b>Transaction with Square Hospitals Ltd. (Associate Undertaking and holding 49.94% Shares):</b>		
Opening Balance	1,604,350,413	95,693,947
Total Paid during the Year	917,483,064	1,875,561,393
Total Realized during the Year	(2,521,833,477)	(366,904,927)
Closing Balance (Receivable)	-	<b>1,604,350,413</b>
<b>Transaction with Square InformatiX Ltd. (Service Provider):</b>		
Opening Balance	(2,197,662)	(2,214,332)
Total Paid during the Year	105,357,994	57,156,090
Total Realized during the Year	(103,160,332)	(57,139,420)
Closing Balance (Payable)	-	<b>(2,197,662)</b>
<b>Transaction with Square Denims Ltd. (Subsidiary of Associate, Square Fashions Ltd.):</b>		
Opening Balance	-	-
Total Paid during the Year	67,330,413	285,516,576
Total Realized during the Year	(67,330,413)	(285,516,576)
Closing Balance	-	-
<b>Transaction with Square Apparels Ltd. (Subsidiary of Associate, Square Fashions Ltd.):</b>		
Opening Balance	-	-
Total Paid during the Year	37,395,529	163,717,591
Total Realized during the Year	(37,395,529)	(163,717,591)
Closing Balance	-	-
<b>Transaction with Square Securities Management Ltd. (Port Folio Management):</b>		
Opening Balance	34,874,272	19,884,032
Total Paid during the Year	612,968,385	363,199,754
Total Realized during the Year	(487,297,323)	(348,209,514)
Closing Balance (Receivable)	<b>160,545,334</b>	<b>34,874,272</b>
<b>Transaction with Pharma Packages (Pvt.) Ltd. (Supplier):</b>		
Opening Balance	12,206,021	117,457,765
Total Paid during the Year	704,827,755	845,281,931
Total Realized during the Year	(664,433,740)	(950,533,675)
Closing Balance (Receivable)	<b>52,600,036</b>	<b>12,206,021</b>
<b>Transaction with AEGIS Services Ltd. (Service Provider):</b>		
Opening Balance	-	300,000
Total Paid during the Year	47,085,563	46,915,526
Total Realized during the Year	(47,085,563)	(47,215,526)
Closing Balance	-	-

# SQUARE PHARMACEUTICALS LTD.

As at 30 June 2021

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

Schedule-01

PARTICULARS	COST			DEPRECIATION			Net Book 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	389,736	437,105,675	3,941,062,970	10%	
Boundary Wall	593,903	-	-	593,903	16,835,432	20,417	183,750	10%	
Plant & Machinery	15,153,752,860	817,800,182	-	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 Vehicle-Lease	2,085,000	-	-	2,085,000	2,029,247	11,151	44,602	20%	
Electromechanical Equipments	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 &amp; OTHERS:</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 Vehicle	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 Vehicle-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	30%	
SAP Software	148,024,164	-	-	148,024,164	148,024,164	-	2,791,419	20%	
VSAT	7,559,700	-	-	7,559,700	4,458,123	310,158	4,768,281	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>Grand Total Tk.</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	927,711,473	-	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 June 30, 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>		

Notes  
Consolidated

# SQUARE PHARMACEUTICALS LTD.

As at 30 June 2020

Consolidated Property, Plant and Equipment-Carrying Value: **Tk. 20,873,698,301**

Schedule-01-a

PARTICULARS	COST			At 30 June 2020	At 30 June 2019	DEPRECIATION			Net Book Value as at 30 June 2020	Rate of Dep.	
	At 30 June 2019	During the year				At 30 June 2019	Charged	Sales/ Transfer			At 30 June 2020
		Additions	Sales/ Transfer								
<b>FACTORIES:</b>											
Land	3,524,672,274	290,121,725	-	3,814,793,999	-	-	-	-	3,814,793,999	-	
Building	8,212,188,828	638,196,345	-	8,850,385,173	4,056,004,777	428,136,655	4,484,141,432	-	4,366,243,741	10%	
Boundary Wall	593,903	-	-	593,903	367,051	22,685	389,736	-	204,167	10%	
Plant & Machinery	14,733,220,055	420,532,805	-	15,153,752,860	9,191,649,770	869,041,385	10,060,691,155	-	5,093,061,705	15%	
Laboratory Equipment	2,171,446,929	60,534,305	232,040	2,231,749,194	924,987,039	128,773,868	1,053,570,627	190,280	1,178,178,567	10%	
Furniture & Fixture	908,949,545	52,096,076	-	961,045,621	385,940,877	54,431,323	440,372,200	-	520,673,421	10%	
Office Equipment	642,293,111	26,026,201	-	668,319,312	266,619,964	39,069,843	305,689,807	-	362,629,505	10%	
Computer	202,752,262	10,673,838	-	213,426,100	71,453,977	14,883,272	86,337,249	-	127,088,851	10%	
Motor Vehicles	449,395,402	39,860,000	17,060,000	472,195,402	272,011,791	37,071,028	302,115,163	6,967,656	170,080,239	20%	
Motor Vehicle-Lease	2,085,000	-	-	2,085,000	2,015,309	13,938	2,029,247	-	55,753	20%	
Electromechanical Equipments	1,099,746,687	-	-	1,099,746,687	848,093,337	37,748,002	885,841,339	-	213,905,348	15%	
Electrical Installation	217,766,901	7,382,718	-	225,149,619	132,278,354	12,994,622	145,272,976	-	79,876,643	15%	
Gas Line Installation	52,136,796	6,607,143	-	58,743,939	34,852,002	2,664,930	37,516,932	-	21,227,007	15%	
<b>Sub-Total</b>	<b>32,217,247,693</b>	<b>1,552,031,156</b>	<b>17,292,040</b>	<b>33,751,986,809</b>	<b>16,186,274,248</b>	<b>1,624,851,551</b>	<b>17,803,967,863</b>	<b>7,157,936</b>	<b>15,948,018,946</b>		
<b>HEAD OFFICE &amp; OTHERS:</b>											
Land	1,880,155,003	15,880,377	-	1,896,035,380	-	-	-	-	1,896,035,380	-	
Building	892,573,847	1,500,000	-	894,073,847	351,030,659	54,204,867	405,235,526	-	488,838,321	10%	
Boundary Wall	10,855,163	3,980,730	-	14,835,893	5,358,690	698,164	6,056,854	-	8,779,039	10%	
Furniture & Fixture	160,576,600	7,319,186	-	167,895,786	73,028,036	9,177,984	82,206,020	-	85,689,766	10%	
Office Equipment	93,888,425	12,018,578	-	105,907,003	57,805,683	4,552,089	62,357,772	-	43,549,231	10%	
Computer	352,070,507	11,817,232	-	363,887,739	137,499,636	22,903,245	160,402,881	-	203,484,858	10%	
Motor Vehicle	1,534,134,086	204,112,139	37,772,025	1,700,474,200	876,799,316	148,970,072	996,267,830	29,501,558	704,206,370	20%	
Motor Vehicle-Lease	118,472,040	-	-	118,472,040	108,626,704	1,969,067	110,595,771	-	7,876,269	20%	
Motor Cycle	477,426,705	76,110,330	59,103,350	494,433,685	245,857,630	52,400,181	253,112,176	45,145,635	241,321,509	20%	
Books & Periodicals	528,794	-	-	528,794	528,700	28	528,728	-	66	30%	
SAP Software	148,024,164	-	-	148,024,164	98,533,014	49,491,150	148,024,164	-	3,101,577	20%	
VSAT	7,559,700	-	-	7,559,700	4,113,503	344,620	4,458,123	-	3,190,640	10%	
Electrical Installation	16,358,915	-	-	16,358,915	12,605,221	563,054	13,168,275	-	3,190,640	15%	
<b>Sub-Total</b>	<b>5,692,623,949</b>	<b>332,738,572</b>	<b>96,875,375</b>	<b>5,928,487,446</b>	<b>1,971,786,792</b>	<b>345,274,521</b>	<b>2,242,414,120</b>	<b>74,647,193</b>	<b>3,686,073,026</b>		
<b>Grand Total Tk.</b>	<b>37,909,871,642</b>	<b>1,884,769,728</b>	<b>114,167,415</b>	<b>39,680,473,955</b>	<b>18,158,061,040</b>	<b>1,970,126,072</b>	<b>20,046,381,983</b>	<b>81,805,129</b>	<b>19,634,091,972</b>		
Property, Plant & Equipment in Transit	269,664,258	923,202,547	677,909,749	514,957,056	-	-	-	-	514,957,056	-	
Building under Construction	738,961,004	312,007,442	632,815,084	418,153,362	-	-	-	-	418,153,362	-	
Capital Work in Progress	93,520,406	218,826,827	5,851,322	306,495,911	-	-	-	-	306,495,911	-	
<b>Carrying Value as on June 30, 2020</b>	<b>39,012,017,310</b>	<b>3,338,806,544</b>	<b>1,430,743,570</b>	<b>40,920,080,284</b>	<b>18,158,061,040</b>	<b>1,970,126,072</b>	<b>20,046,381,983</b>	<b>81,805,129</b>	<b>20,873,698,301</b>		

Notes  
Consolidated

# SQUARE PHARMACEUTICALS LTD.

## STATEMENT OF FINANCIAL POSITION

### AS AT 30 JUNE 2021

Particulars	Notes	Amount in Taka	
		30 June 2021	30 June 2020
<b>ASSETS:</b>			
<b>Non-Current Assets:</b>		<b>31,656,449,304</b>	<b>27,464,045,923</b>
Property, Plant and Equipment-Carrying Value	2	21,769,594,804	20,567,202,390
Investment - Long Term (at Cost)	3	5,262,522,794	4,204,950,666
Investment in Marketable Securities (Fair Value)	4	4,624,331,706	2,691,892,867
<b>Current Assets:</b>		<b>54,945,934,391</b>	<b>46,886,757,989</b>
Inventories	5	7,245,396,928	5,687,406,329
Trade Debtors	6	1,636,136,514	1,520,300,337
Advances, Deposits and Prepayments	7	2,709,431,531	2,560,646,884
Short Term Loan	8	-	4,885,090,120
Cash and Cash Equivalents	9	43,354,969,418	32,233,314,319
<b>TOTAL ASSETS</b>		<b>86,602,383,695</b>	<b>74,350,803,912</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES:</b>			
<b>Shareholders' Equity:</b>		<b>82,217,574,950</b>	<b>69,909,802,046</b>
Share Capital	10	8,864,510,100	8,442,390,580
Share Premium	11	2,035,465,000	2,035,465,000
General Reserve		105,878,200	105,878,200
Tax Exemption Reserve		-	2,211,743,936
FVOCI Reserve		1,139,626,144	(392,805,723)
Retained Earnings		70,072,095,506	57,507,130,053
<b>Non-Current Liabilities:</b>		<b>1,274,853,017</b>	<b>1,212,928,798</b>
<b>Deferred Tax Liability</b>	12	1,274,853,017	1,212,928,798
<b>Current Liabilities:</b>		<b>3,109,955,728</b>	<b>3,228,073,068</b>
Trade Creditors	13	614,279,333	541,067,905
Liabilities for Expenses	14	181,712,947	128,241,317
Liabilities for Other Finance	15	1,938,797,709	2,228,332,123
Unclaimed Dividend		375,165,739	330,431,723
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>86,602,383,695</b>	<b>74,350,803,912</b>
<b>Net Assets Value per Share (NAV)</b>	25	<b>92.75</b>	<b>78.86</b>
Number of Shares used to compute NAV		886,451,010	886,451,010

The annexed notes (1-39) form an integral part of these financial statements.

Signed as per our separate report of same date.



**Samuel S Chowdhury**  
Chairman

Dhaka, 28 October, 2021



**Tapan Chowdhury**  
Managing Director



**Khandaker Habibuzzaman**  
Company Secretary



**Howlader Mahfel Huq, FCA**  
ICAB Enrolment No. 105  
Managing Partner  
**Mahfel Huq & Co.**  
Chartered Accountants  
DVC: 2111010105AS863370

**SQUARE PHARMACEUTICALS LTD.**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2021**

Particulars	Notes	Amount in Taka	
		2020-2021	2019-2020
<b>GROSS REVENUE</b>	16	<b>58,346,258,281</b>	<b>52,926,218,655</b>
Less: Value Added Tax		7,643,229,379	7,049,769,814
<b>NET REVENUE</b>		<b>50,703,028,902</b>	<b>45,876,448,841</b>
<b>COST OF GOODS SOLD</b>	17	<b>(24,800,035,555)</b>	<b>(22,536,669,960)</b>
<b>GROSS PROFIT</b>		<b>25,902,993,347</b>	<b>23,339,778,881</b>
<b>OPERATING EXPENSES:</b>		<b>(9,776,875,140)</b>	<b>(8,602,829,820)</b>
Selling & Distribution Expenses	18	(8,564,472,484)	(7,382,790,764)
Administrative Expenses	19	(1,212,389,213)	(1,219,931,966)
Finance Cost	20	(13,443)	(107,090)
<b>PROFIT FROM OPERATIONS</b>		<b>16,126,118,207</b>	<b>14,736,949,061</b>
Other Income	21	3,567,610,962	3,307,701,994
<b>PROFIT BEFORE WPPF &amp; WF</b>		<b>19,693,729,169</b>	<b>18,044,651,055</b>
Allocation for WPPF & WF	22	(937,796,627)	(859,269,098)
<b>PROFIT BEFORE TAX</b>		<b>18,755,932,542</b>	<b>17,185,381,957</b>
Income Tax Expenses-Current	23	(4,187,481,946)	(4,251,005,177)
Income Tax Assets/(Expenses)-Deferred		174,814,014	21,596,852
<b>PROFIT AFTER TAX</b>		<b>14,743,264,610</b>	<b>12,955,973,632</b>
<b>Other Comprehensive Income:</b>			
Items that will not be reclassified to Profit or Loss:			
Change in Fair Value of FVOCI Financial Assets		1,769,170,100	(598,212,229)
Related Tax on FVOCI Financial Assets		(236,738,233)	59,821,223
<b>Other comprehensive income (Net of Tax)</b>		<b>1,532,431,867</b>	<b>(538,391,006)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>16,275,696,477</b>	<b>12,417,582,626</b>
<b>Earnings Per Share (EPS)</b>	26	<b>16.63</b>	<b>14.62</b>
Number of Shares used to compute EPS		886,451,010	886,451,010

The annexed notes (1-39) form an integral part of these financial statements.

Signed as per our separate report of same date.



**Samuel S Chowdhury**  
Chairman

Dhaka, 28 October, 2021



**Tapan Chowdhury**  
Managing Director



**Khandaker Habibuzzaman**  
Company Secretary



**Howlader Mahfel Huq, FCA**  
ICAB Enrolment No. 105  
Managing Partner  
**Mahfel Huq & Co.**  
Chartered Accountants  
DVC: 2111010105AS863370

# SQUARE PHARMACEUTICALS LTD.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

Particulars	Notes	Share Capital	Share Premium	General Reserve	Tax Exemption Reserve	FVOCI Reserve	Retained Earnings	Total	
		Taka	Taka	Taka	Taka	Taka	Taka	Taka	
<b>At 30 June 2020</b>		8,442,390,580	2,035,465,000	105,878,200	2,211,743,936	(452,626,946)	57,507,130,053	69,849,980,823	
Deferred Tax Recognized for FVOCI Financial Assets		-	-	-	-	59,821,223	-	59,821,223	
<b>At 30 June 2020 (Restated)</b>		8,442,390,580	2,035,465,000	105,878,200	2,211,743,936	(392,805,723)	57,507,130,053	69,909,802,046	
Total Comprehensive Income (Jul'2020-Jun'2021)		-	-	-	-	1,532,431,867	14,743,264,610	16,275,696,477	
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>At 30 June 2021</b>		8,864,510,100	2,035,465,000	105,878,200	-	1,139,626,144	70,072,095,506	82,217,574,950	
Proposed Dividend (Cash @ 60%)								5,318,706,060	

## FOR THE YEAR ENDED 30 JUNE 2020

Particulars	Notes	Share Capital	Share Premium	General Reserve	Tax Exemption Reserve	FVOCI Reserve	Retained earnings	Total	
		Taka	Taka	Taka	Taka	Taka	Taka	Taka	
<b>At 30 June 2019</b>		7,890,084,660	2,035,465,000	105,878,200	2,211,743,936	145,585,283	48,417,297,898	60,806,054,977	
Total Comprehensive Income (Jul'2019-Jun'2020)		-	-	-	-	(598,212,229)	12,955,973,632	12,357,761,403	
Cash Dividend (2018-2019)		-	-	-	-	-	(3,313,835,557)	(3,313,835,557)	
Stock Dividend (2018-2019)		552,305,920	-	-	-	-	(552,305,920)	-	
<b>At 30 June 2020</b>		8,442,390,580	2,035,465,000	105,878,200	2,211,743,936	(452,626,946)	57,507,130,053	69,849,980,823	
Proposed Dividend (Cash @ 47%)								3,967,923,573	
Proposed Dividend (Stock @ 5%)								422,119,520	

The annexed notes form an integral part of these report.

  
Samuel S Chowdhury  
Chairman

Dhaka, 28 October, 2021

  
Tapan Chowdhury  
Managing Director

  
Khandaker Habibuzzaman  
Company Secretary

# SQUARE PHARMACEUTICALS LTD.

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

Particulars	Notes	Amount in Taka	
		2020-2021	2019-2020
<b>Cash Flows From Operating Activities:</b>			
<b>RECEIPTS:</b>			
Collections from Sales		58,081,104,709	52,909,065,970
Exchange Fluctuation Gain		1,596,322	2,216,358
Others		116,940,876	33,621,327
		<b>58,199,641,907</b>	<b>52,944,903,655</b>
<b>PAYMENTS:</b>			
Purchase of Raw and Packing Materials		19,253,132,951	17,028,927,749
Manufacturing and Operating Expenses		14,911,472,190	13,310,516,868
Value Added Tax		7,643,229,379	7,049,769,814
Finance Cost		13,443	107,090
Income Tax Expenses		4,592,844,411	3,830,869,094
Workers Profit Participation Fund		859,269,098	802,781,404
Others		15,098,053	30,234,440
		<b>47,275,059,525</b>	<b>42,053,206,459</b>
<b>Net cash generated from Operating Activities (A)</b>		<b>10,924,582,382</b>	<b>10,891,697,196</b>
<b>Cash Flows From Investing Activities</b>			
Purchase of Fixed Assets		(2,990,302,131)	(1,829,129,293)
Disposal of Fixed Assets		80,127,085	60,742,370
Investment		(1,220,840,868)	(3,032,425,685)
Short Term Loan		4,885,090,120	(410,519,054)
Gain/(Loss) on Sale of Marketable Securities		88,940,302	(8,120,460)
Interest Received		2,893,486,926	2,712,143,496
Dividend Received		419,626,799	234,546,484
		<b>4,156,128,233</b>	<b>(2,272,762,142)</b>
<b>Net cash used in Investing Activities (B)</b>		<b>4,156,128,233</b>	<b>(2,272,762,142)</b>
<b>Cash Flows From Financing Activities</b>			
Dividend Paid		(3,967,923,573)	(3,313,835,557)
<b>Net cash used in Financing Activities (C)</b>		<b>(3,967,923,573)</b>	<b>(3,313,835,557)</b>
<b>Increase in Cash and Cash Equivalents (A + B + C)</b>		<b>11,112,787,042</b>	<b>5,305,099,497</b>
Net Effect of Foreign Currency Translation on Cash and Cash Equivalent		8,868,057	5,046,598
<b>Cash and Cash Equivalents at the Opening</b>		<b>32,233,314,319</b>	<b>26,923,168,224</b>
<b>Cash and Cash Equivalents at the Closing</b>		<b>43,354,969,418</b>	<b>32,233,314,319</b>
<b>Net Operating Cash Flow per Share (NOCFPS)</b>	36	<b>12.32</b>	<b>12.29</b>
Number of Shares used to compute NOCFPS		886,451,010	886,451,010

The annexed notes form an integral part of these report.

  
**Samuel S Chowdhury**  
 Chairman

Dhaka, 28 October, 2021

  
**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 2021

#### 1. CORPORATE PROFILE

##### 1.1 Company Information:

Square Pharmaceuticals Ltd. (“SPL”/the “Company”) is a public limited company since the year 1991. The Company was initially incorporated as a private limited company on November 10, 1964 under the Companies Act 1913. SPL made its shares available to the public through listing its shares with Dhaka and Chittagong Stock Exchanges during December 1994 after getting approval from the Bangladesh Securities and Exchange Commission.

##### 1.2 Address of Registered Office and Factories:

The Company has its registered address at “Square Centre”, 48 Mohakhali C.A, Dhaka-1212. The two pharmaceutical factories of the company are situated at -

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

##### 1.3 Nature of Business:

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

#### BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

##### 1.4 Statement of Compliance with Applicable Laws and Standards:

The financial statements have been prepared on accrual basis in accordance with generally accepted accounting principle and practice in Bangladesh in compliance with the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987, Financial Reporting Act (2015), listing regulations of Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE), International Accounting Standards (IAS), International Financial Reporting Standard (IFRS) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB).

##### 1.5 Basis of Measurement:

These financial statements have been prepared on a historical cost basis with the exception of inventories and trade receivables that have been measured at net realizable value. The comparative figures have been reclassified or modified from the previously published interim Financial Statements to facilitate any necessary presentational changes where needed. Figures have been rounded off to the nearest Taka, as the currency represented in this Financial Statements.

##### 1.6 Going Concern

The management 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 2021, the management assessed that the existing resources of the company is adequate and the company has no going concern threat in the foreseeable future. As such, these financial statements have been prepared on going concern basis.

#### Impact of Covid-19

The COVID-19 has developed swiftly in 2020, with a significant number of pestilences across the world affecting the economic activities broadly. Being operated in pharmaceutical industry, fewer restrictions have been imposed by the government on Square Pharmaceuticals Ltd., as it conducts the business of lifesaving medicine products. In spite of this epidemic situation, there is no reduction of supply of raw materials, delay in production of drugs and distribution of drugs as of now.

Based on the facts and circumstances known at this moment management believes there is no material uncertainty not believe, however, that the impact of the COVID-19 virus would have a material adverse effect on our financial condition or liquidity.

### 1.7 Application of IFRS & IAS:

The applicable IASs and IFRSs for the preparation and presentation of these Financial Statements for the year under review are listed below.

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 & 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

### 1.8 Functional and Presentation Currency:

The financial statements are presented in Bangladeshi Taka (Taka/Tk/BDT), being both the functional and presentation currency of SPL Bangladesh, the parent company, unless specifically mentioned otherwise.

### 1.9 Foreign Currency Transactions:

Foreign currency transactions are translated into the company's functional currency at the exchange rates prevailing on the respective date of such transactions as per IAS 21: 'The Effects of Changes in Foreign Exchange Rates'. Monetary assets and liabilities in foreign currencies are converted into taka at spot exchange rate at the reporting date. Foreign exchange differences are generally recognized in the Statement of Profit or Loss and Other Comprehensive Income.

### 1.10 Reporting Period:

These financial statements are prepared for the year ended on 30 June, 2021 along with relevant comparative information.

### 1.11 Approval of Financial Statements:

The Board of Directors has approved these financial statements in its meeting held on 21 October, 2021.

#### SIGNIFICANT ACCOUNTING POLICIES:

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

### 1.12 Classification of Current versus Non-current:

#### Current versus Non-Current Classification

The company presents assets and liabilities in statement of financial position based on current/non-current classification.

#### An asset is current when it is:

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

All other assets are classified as non-current.

#### A liability is current when it is:

- expected to be settled within twelve months after the reporting period, or
- held primarily for the purpose of trading, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are always classified as non-current assets and liabilities.

### 1.13 Property, Plant and Equipment:

#### Initial Recognition and Measurement

Property, plant and equipment is initially recorded at the cost of purchase or construction. The cost includes directly attributable expenses related to acquisition of the assets including import duties, non-refundable vat/taxes, duties and any cost to prepare the asset for intended use. In case of self-constructed assets, the cost includes cost of material, direct labour and other directly attributable costs to complete the assets and make them ready for intended use.

#### Subsequent Measurements

"Property, plant and equipment is subsequently measured at the cost of purchase or construction, less accumulated depreciation and impairment losses (if any).

The cost of replacing part of an item of fixed assets is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day to day servicing of fixed assets are recognized in profit or loss as incurred."

#### Depreciation

The company has adopted the reducing balance method for all of its assets except for Freehold Land and Capital Work-in-Progress. Depreciation of an asset begins when it is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS-5 and the date that the assets are derecognized.

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

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

#### 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 income statement.

#### 1.14 Intangible Assets:

##### Recognition and Measurement

Intangible assets that are acquired by the company and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment loss, if any. Intangible assets are recognised 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.

#### 1.15 Capital Work in Progress

Capital work in progress consists of unfinished work at sites and capital inventory. Spare Parts expected to be used for more than one year are treated as capital work in progress. In case of import of components, capital work in progress is recognised when risks and reward associated with such assets are transferred to the company.

#### 1.16 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 revaluation decrease.

For goodwill, intangible assets that have an indefinite life, and intangible assets not yet available for use, the recoverable amount is estimated annually and at the end of each reporting period if there is an indication of impairment.

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

#### 1.17 Investment Property

Investment property comprises non-owner occupied land and/or buildings held with the intention of earning rental income or for capital appreciation or both. Investment properties are initially recognized at cost and subsequently, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are recognized in Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise.

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

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

## 1.18 Financial Instruments

### Financial Assets

#### a) Investment-Long Term

The financial assets may include assets like Zero Coupon Bonds, Subordinated Bonds etc. These financial assets are measured subsequently at amortised cost (except for marketable securities). Interest income on these assets are recognised in "Statement of Profit or Loss". In case of any impairment of such assets, the amortised cost is adjusted to the extent of impairment and the loss is charged in "Statement of Profit or Loss" for the relevant financial year.

#### b) Investment in Marketable Securities (Fair Value)

Investment in Marketable Securities are measured at fair value. Unrealised Gain or Loss on these financial assets are recognised in "Other Comprehensive Income." At the time of derecognition, related Gains or Losses is reclassified to Profit or Loss from "Other Comprehensive Income".

#### c) Trade Debtors and Other Receivables

Trade debtor represents amount due from customers arising from transactions in the ordinary course of business. Other receivable amount consists of any other types of due from different parties. Aging calculation is prepared to assess the probability of non- recovery of any receivables.

Both receivables are initially recognized at original invoice/face value and subsequently assessed for recoverability and reported accordingly. The management contentiously assess whether provision for bad debt is required and if needed, will account for it.

#### d) Advances, Deposits and Prepayments

- Advances are recognized initially at actual cost and deductions or adjustments are accounted for on a timely and suitable manner.
- Deposits are payments made for specific purposes which are expected to be realized or recovered in due course.
- 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 that are subject to an insignificant risk of changes in their fair value and are used by the company without any restriction except for the 'Dividend Account' and the 'Export Retention Quota Account'.

### Financial Liabilities

The Company's financial liabilities primarily include trade and other payables.

#### 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 amount 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 effective interest method.

## 1.19 Inventories:

Except for Goods-in-Transit, which is measured at cost, all other component of inventories are measured at lower of cost and net realizable value.

Cost of inventories 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. Cost is determined based on weighted average method.

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.

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

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

**1.20 Related Party Disclosures:**

As per IAS-24 'Related Party Disclosures', parties are considered to be related if one of the parties has the ability to 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-37.1 in Financial Statements.

**1.21 Income Tax Expenses:****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 for items which may never be taxable or deductible for tax and other items which may be deductible or taxable in other periods. The total income tax payable for the current year amount is adjusted for any over/under provision for previous years. Being a publicly traded company, the applicable tax rate for SPL is 22.5%.

**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 date.

**1.22 Employee Benefits:****a) Short-term Benefits**

Short-term benefits consists of wages, salaries, allowances and bonuses. These obligations are recognized and expenses in the respective periods when the related services are obtained. Any amount not paid are recognized as a liability (undiscounted) at the end of the year. Expected cost of profit-sharing are recognized when a present legal or constructive obligation to make such payments as a result of past events and the cost can be measured reliably.

**b) Gratuity Fund**

The company has established a funded approved gratuity fund. The fund is administered by a Board of Trustees and also has been operating as per Trust Act.

**c) Recognized Provident Fund**

The Company maintains a recognized provident fund for its permanent employees which is managed by a Board of Trustees. Upon confirmation, each of the employees are required to become a member of the fund by contributing 10% of their basic salary. The Company makes similar contribution.

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

**d) Group Insurance Policy**

The company gives its employees insurance facility under a group insurance policy. The premium of the insurance is fully paid by the company and the amount is charged to the income statement annually as per the insurance policy.

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

The company is maintaining 'Worker's Profit Participation Fund' as directed by the section 234 of Bangladesh Labour Act 2006 (amended in 2013). 5% of the profit before charging such expense is transferred to this fund.

**1.23 Provisions & Contingencies:**

Provisions were made considering risk and un-certainties at best estimate of the probable expenditure that would require to meet the current obligation at the date of statement of financial position.

Contingent liabilities and assets are current or possible obligations on liabilities or assets, arising from past events and existence of which depends upon the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the company.

**1.24 Estimates and Judgements:**

IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors' requires an entity to judge, estimate and make assumption 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 actual result.

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

**1.25 Revenue & Other Income:****Revenue from Contracts with Customers**

Revenue is recognized when invoice for products and service are made and the significant risk and reward of ownership are transferred to the distributor, recovery of the consideration is probable, associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. The five step model as suggested by IFRS-15 has been complied in case of revenue recognition.

The five step model consists of:

1. Identification of contract(s) with a customer
2. Identification of performance obligation
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:**

In compliance with the requirements of IFRS-15, revenue is recognized for local sales of Pharmaceuticals Drugs and Medicines, AgroVet Products, Pesticide Products and Herbal & Nutraceutical Products at the time of delivery from depot and Exports of Pharmaceuticals Drugs and Medicines at the time of delivery from Factory Godown. Local sales of Basic Chemical Products are recognized at the time of delivery from Factory Godown. Revenue is recognized when goods are supplied to external customers against orders received, title and risk of loss is transferred to the customer, reliable estimates can be made of relevant obligations have been fulfilled, such that the earnings process is regarded as being completed.

**b) Interest Income:**

Interest income comprises interest on financial deposits with banks. The amount of interest income is recognized on an accrual basis using the effective interest rate method.

**c) Dividend Income:**

Dividend income arises from investment in other entities. Dividend income is recognised when the right to receive the dividend is established i.e. the dividend is approved by the board of directors in AGM and declared accordingly by the concerned entity.

**1.26 Leases:**

The Company entered into lease agreements with lessors to use building floor space for business purposes. It does not includes any Machinery, Copy Right, Software, Vehicles etc. The contracts are one-year cancellable (both parties three notice period). The contracts don't offer any buying option, commitment to buy or any assurance of post use minimum market price for the used floors. Considering exemptions allowed in IFRS-16 (shorter contract tenor and small amount of rental expenses in respect to total revenue, the rental agreements are not considered as finance lease.

Contract Term	Amount of Rental Expenses
01 Year	BDT 44,126,001

**1.27 Borrowing Cost:**

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. Capitalization ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

**1.28 Earnings per Share (EPS):****Basic Earnings per Share (Basic EPS)**

Basic 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 authorised 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 Earnings per Share (Diluted EPS):**

A dilution is a reduction in the EPS figure (or increase in a loss per share) that will result from the issue of more equity shares on the conversion of convertible instruments already issued. In order to calculate diluted earnings per share, profit or loss attributable to ordinary equity holders of the parent entity, and the weighted average number of shares outstanding are needed to be adjusted for the effects of all dilutive potential ordinary shares.

However, dilution of EPS is not required for SPL as there was no potential dilutive ordinary shares at the reporting date.

**Weighted Average Number of Ordinary Shares**

The number of shares 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 bonus shares for the financial year 2019-20. These bonus issues have been treated as if they had been in issue since beginning of the year. As per IAS 33: 'Earnings per Share', last year's EPS was restated using the new weighted average number of shares to present as comparative information.

No. of Shares Outstanding as at 01 July, 2020	844,239,058
Bonus Share Issued	42,211,952
Weighted Average Number of Shares as at 30 June, 2021	<u>886,451,010</u>

**1.29 Statement of Cash Flows:**

Cash Flows from Operating Activities have been reported using 'Direct Method' as recommended by IAS-7: Statement of Cash Flows. A reconciliation of net profit or net income with cash flows from operating activities has been presented in Note No.36 as per the direction of Bangladesh Securities and Exchange Commission (BSEC/CMRRCD/2006-158/208/Admin/81; dated: 20 June 2018).

**1.30 Materiality and Aggregation:**

The company presents separately each material class of similar items. The company presents separately items of dissimilar nature or function unless they are immaterial.

Financial statements result from processing large numbers of transactions or other events that are aggregated into classes according to their nature or function.

**1.31 Offsetting:**

No assets and liabilities or income and expenses were offset that may contradict requirements of any IFRSs/IASs.

**1.32 Concentration of Counterparty Risk:**

As of June 30, 2021, 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 source of labour, service or licenses or other rights that could, if suddenly eliminated, have severe impact on the operations of the company.

**1.33 Net Profit before Tax:**

Net Profit before Tax for the year was not materially affected by:

- transaction of a nature not usually undertaken by the Company;
- transaction of a nature not usually undertaken by the Company;
- circumstances of an exceptional or non-recurring nature;
- charges or credits relating to prior years; and
- changes in accounting policies.

**1.34 Segment Reporting:**

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

**1.35 Change in Fair Value of FVOCI Financial Assets (Note-24):**

It has derived mainly due to market price of the Marketable Securities. The company has accounted for it as per IFRS 9. 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" which are in conformity with IAS-12 and IFRS-9. According to Income Tax Ordinance 1984, as per Para 2 of Second Schedule, any Capital gain from Marketable Securities (Stock/Debenture listed with Stock Exchange) are subject to Tax @ 10%. We have already accounted for gain realized from Marketable Securities at Other Income which is taxable. Previous year's Deferred Tax Liability against unrealized Gain/(Loss) from Marketable Securities has been restated.

**1.36 Research, Development and Experimental Costs:**

In compliance with the requirements of IAS 38 "Intangible Assets" research, development and experimental costs are usually absorbed as revenue charges as and when incurred, as being not that much material in the company's and/local context.

**1.37 General:**

Previous year's figures have been regrouped/reclassified wherever considered necessary to conform to current year's presentation. Figures have been rounded off to the nearest Taka, as the currency represented in this Financial Statements.

**1.38 Comparative Information:**

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

Particulars	Amount in Taka	
	30 June 2021	30 June 2020

**2. PROPERTY, PLANT AND EQUIPMENT: Tk. 21,769,594,804**

Details of property, plant and equipment and depreciation as at 30 June 2021 are shown in the annexed schedule - 1

This is arrived at as follows:

**Fixed Assets at Cost:**

Opening Balance	40,613,584,373	38,918,496,904
Addition during the Year	4,468,346,985	3,119,979,717
	<b>45,081,931,358</b>	<b>42,038,476,621</b>
Sales/Transfer during the year	(1,518,945,471)	(1,424,892,248)
<b>Closing Balance</b>	<b>43,562,985,887</b>	<b>40,613,584,373</b>

**Accumulated Depreciation:**

Opening Balance	20,046,381,983	18,158,061,040
Charged during the Year	1,882,490,971	1,970,126,072
	<b>21,928,872,954</b>	<b>20,128,187,112</b>
Sales/Transfer during the Year	(135,481,871)	(81,805,129)
	<b>21,793,391,083</b>	<b>20,046,381,983</b>

**Carrying Value**

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

Factory Overhead	1,571,753,195	1,624,851,551
Selling and Distribution Expenses	203,574,635	190,808,126
Administrative Expenses	107,163,141	154,466,395
	<b>1,882,490,971</b>	<b>1,970,126,072</b>

Particulars	Amount in Taka	
	30 June 2021	30 June 2020
<b>3. INVESTMENT-Long Term (at Cost): Tk. 5,262,522,794</b>		
This consists of the following:		
<b>Subsidiary:</b>		
(a) 4,000,000 Shares in Square Pharmaceuticals Kenya EPZ Ltd.	332,000,000	332,000,000
(b) Advance against Share Money Deposit with Square Pharmaceuticals Kenya EPZ Ltd.	653,742,688	493,869,987
(c) 995,000 Ordinary Shares of Tk. 100/- each in Square Lifesciences Ltd.	99,500,000	-
	<b>1,085,242,688</b>	<b>825,869,987</b>
<b>Associates:</b>		
(a) 91,436,679 Ordinary Shares of Tk. 10/- each including Bonus Shares in Square Textiles Ltd.	225,129,795	225,129,795
(b) 199,750 Ordinary Shares of Tk. 1,000/- each in Square Hospitals Ltd.	210,750,000	210,750,000
(c) Investment in Square Fashions Ltd:	151,200,000	151,200,000
- 252,000 Ordinary Shares of Tk. 100/- each		
- 210,000 Ordinary Shares of Tk. 600/- each *		
	<b>587,079,795</b>	<b>587,079,795</b>
<b>Others:</b>		
(a) 120,000 Ordinary Shares of Tk.100/- each in United Hospital Ltd.	12,000,000	12,000,000
(b) 5,711,804 Ordinary Shares of Tk. 10/- each including Bonus Shares in Central Depository Bangladesh Ltd.	15,694,430	15,694,430
(c) 250,002 Zero Coupon Bond in Lanka Bangla Finance Ltd.	-	33,409,009
(d) 250,000 Zero Coupon Bond in IDLC Finance Ltd.	-	46,816,693
(e) 200,000 Zero Coupon Bond in Bangladesh Steel Re-Rolling Mills Ltd.	-	17,246,770
(f) 150,000 Preference Share in Raj Lanka Power Company Ltd.	29,090,910	58,181,820
(g) 5 Non-Convertible Zero Coupon Bond in Shanta Holdings Ltd.	-	39,145,405
(h) 5 Non-Convertible Zero Coupon Bond in Durable Plastics Ltd.	11,905,164	18,514,976
(i) 100,000 Non-Convertible Zero Coupon Bond in Flamingo Fashions Ltd.	-	25,497,385
(j) 40 Non-Convertible Zero Coupon Bond in Envoy Textiles Ltd.	21,509,807	25,498,245
(k) 200 Non-Convertible Subordinated Bond in Mutual Trust Bank Ltd.	2,000,000,000	2,000,000,000
(l) 612,620 Zero Coupon Inslamic Certificates in United Mymensingh Power Ltd.	-	499,996,151
(m) 5,000 Non-Convertible Subordinated Bond in Southeast Bank Ltd.	500,000,000	-
(n) 50 Mudaraba Redeemable Non-Convertible Subordinated Bond in Islami Bank Ltd.	500,000,000	-
(o) 50 Non-Convertible Subordinated Bond in Trust Bank Ltd.	500,000,000	-
	<b>3,590,200,311</b>	<b>2,792,000,884</b>
	<b>5,262,522,794</b>	<b>4,204,950,666</b>

**4. INVESTMENT IN MARKETABLE SECURITIES (Fair Value): Tk. 4,624,331,706**

Particulars	Position of 2020-2021			Position of 2019-2020		
	Total Cost	Total Market Value	Realized/Unrealized Gain	Total Cost	Total Market Value	Realized/Unrealized Gain
Opening Balance	3,144,519,813	2,691,892,867	(452,626,946)	2,867,854,451	3,013,439,734	145,585,283
Add: Investment made during the Year	487,296,823	2,345,407,225	1,858,110,402	347,985,577	(242,106,192)	(590,091,769)
Less: Sold/Disposed Off during the Year	(324,028,084)	(412,968,386)	(88,940,302)	(71,320,215)	(79,440,675)	(8,120,460)
Closing Balance	<b>3,307,788,552</b>	<b>4,624,331,706</b>	<b>1,316,543,154</b>	<b>3,144,519,813</b>	<b>2,691,892,867</b>	<b>(452,626,946)</b>

Particulars	Amount in Taka	
	30 June 2021	30 June 2020
<b>5. INVENTORIES: Tk. 7,245,396,928</b>		
The break-up is as under:		
Raw Materials	2,647,266,800	1,939,329,998
Packing Materials	829,398,759	647,848,732
Work-in-Process	415,013,847	336,441,344
Finished Goods	2,118,362,474	1,677,371,032
Spares & Accessories	831,527,919	629,858,063
Goods- in-Transit	403,827,129	456,557,160
	<b>7,245,396,928</b>	<b>5,687,406,329</b>
The basis of valuation is stated in Note-1.19		
<b>6. TRADE DEBTORS: Tk. 1,636,136,514</b>		
(a) Trade Debtors occurred in the ordinary course of business are unsecured but considered good. Ageing of the Trade Debtors is as follows:		
Below 30 days	1,276,307,170	1,133,486,354
Within 31-60 days	96,501,014	114,965,529
Within 61-90 days	85,112,951	96,572,193
Above 90 days	178,215,379	175,276,261
	<b>1,636,136,514</b>	<b>1,520,300,337</b>
(b) Debtors include Tk. 328,877,173 due from export sales of which Tk. 177,475,475 has since been realised.		
(c) There was no amount due by the Directors (including Managing Director), Managing Agent of the company and any of them severally or jointly with any other person.		
(d) There was also no other amount due by associate undertakings.		
<b>7. ADVANCES, DEPOSITS &amp; PREPAYMENTS: Tk. 2,709,431,531</b>		
This consists of as follows:		
<b>Advances:</b>	<b>463,087,450</b>	<b>489,759,302</b>
Employees	239,013,230	204,851,164
Land Purchase	16,503,377	156,782,042
Suppliers	207,570,843	128,126,096
<b>Deposits:</b>	<b>2,200,169,276</b>	<b>2,025,909,816</b>
Value Added Tax	599,414,346	450,096,951
Earnest Money & Security Deposit	312,902,472	297,804,419
Interest on Fixed Deposit Receipts	1,280,042,245	1,276,320,238
Others	7,810,213	1,688,208
<b>Prepayments:</b>	<b>46,174,805</b>	<b>44,977,766</b>
Office Rent	6,936,747	8,599,751
Insurance Premium	39,238,058	36,378,015
	<b>2,709,431,531</b>	<b>2,560,646,884</b>
(a) Employees advances of Tk. 239,013,230 includes advance to officers Tk. 173,814,678.		
(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 associate undertakings.		
<b>8. SHORT TERM LOAN (Unsecured): Tk. Nil</b>		
This consists of as follows:		
(a) Square Textiles Ltd.	-	3,277,576,394
(b) Square Fashions Ltd.	-	2,411,950
(c) Square Hospitals Ltd.	-	1,604,350,413
(d) Square Lifesciences Ltd.	-	751,363
	-	<b>4,885,090,120</b>

Particulars	Amount in Taka	
	30 June 2021	30 June 2020
<b>9. CASH AND CASH EQUIVALENTS: Tk. 43,354,969,418</b>		
This is made up as follows:		
(a) Cash in Hand	13,925,716	2,288,479
(b) Cash at Bank:	43,341,043,702	32,231,025,840
* Current Account	435,014,278	595,984,688
* STD Account	3,486,902,772	10,763,172,367
* Fixed Deposit Account (BD Taka)	35,653,848,645	17,389,641,491
* Fixed Deposit Account (USD)	2,862,046,153	2,774,822,050
* Export Retention Quota Account (USD)	891,345,538	305,962,148
* Margin Held Account (USD)	11,886,316	401,443,096
	<b>43,354,969,418</b>	<b>32,233,314,319</b>

**10. SHARE CAPITAL: Tk. 8,864,510,100**

This is made up as follows:

**Authorised:**

1,000,000,000 Ordinary Shares of Tk.10/- each

10,000,000,000      10,000,000,000

**Paid-up Capital:**

**(a) By Cash:**

10,092,300 Ordinary Shares of Tk.10/- each fully paid-up in cash

100,923,000      100,923,000

**(b) Other than Cash:**

40,020 Ordinary Shares of Tk.10/- each fully paid-up for consideration other than cash

400,200      400,200

**(c) By issue of Bonus Share:**

876,318,690 Ordinary Shares of Tk.10/- each fully paid-up as Bonus Shares

8,763,186,900      8,341,067,380

**8,864,510,100      8,442,390,580**

Composition of Shareholding of Ordinary Shares:

Particulars	2020-2021		2019-2020	
	No. of Shares	%	No. of Shares	%
Sponsors/Directors	306,442,951	34.57	291,850,432	34.57
Foreign Investors	135,333,461	15.27	157,132,900	18.61
Financial and Other Institutions	119,244,888	13.45	89,247,301	10.57
General Public	325,429,710	36.71	306,008,425	36.25
<b>Total</b>	<b>886,451,010</b>	<b>100.00</b>	<b>844,239,058</b>	<b>100.00</b>

The Distribution Schedule of each class of Equity Security setting out the number of holders and percentage as on 30 June 2021

Range of Holdings	As per Folio		As per BOID		Total Shareholding	%
	No. of Holders	Holdings	No. of Holders	Holdings		
Less than 500 Shares	658	113,838	51,007	6,091,319	6,205,157	0.70
501 to 5,000 Shares	793	1,447,274	18,246	31,179,023	32,626,297	3.68
5,001 to 10,000 Shares	175	1,243,861	2,634	18,759,921	20,003,782	2.26
10,001 to 20,000 Shares	50	726,008	1,350	18,973,395	19,699,403	2.22
20,001 to 30,000 Shares	18	428,638	495	12,197,125	12,625,763	1.42
30,001 to 40,000 Shares	6	210,346	246	8,547,727	8,758,073	0.99
40,001 to 50,000 Shares	3	128,383	165	7,435,631	7,564,014	0.85
50,001 to 100,000 Shares	15	963,674	280	19,401,858	20,365,532	2.30
100,001 to 1,000,000 Shares	8	2,991,565	318	90,760,382	93,751,947	10.58
Over 1,000,000 Shares	16	460,513,187	56	204,337,855	664,851,042	75.00
<b>Total</b>	<b>1,742</b>	<b>468,766,774</b>	<b>74,797</b>	<b>417,684,236</b>	<b>886,451,010</b>	<b>100.00</b>

Particulars	Amount in Taka	
	30 June 2021	30 June 2020
<b>11. SHARE PREMIUM:</b>	<b>2,035,465,000</b>	<b>2,035,465,000</b>
<b>12. DEFERRED TAX LIABILITY: Tk. 1,274,853,017</b>		
This represents provision made for deferred income tax to pay future income tax liability for temporary differences which is arrived at as follows:		
Deferred Tax Related to Property, Plant & Equipment (Note-12.1)	1,097,936,007	1,272,750,021
Deferred Tax Related to FVOCI (Note-12.2)	176,917,010	(59,821,223)
	<b>1,274,853,017</b>	<b>1,212,928,798</b>
<b>12.1 DEFERRED TAX RELATED TO PROPERTY, PLANT &amp; EQUIPMENT:</b>		
A. Property, Plant and Equipments excluding Cost of Land (Carrying Amount)	13,686,544,416	13,995,217,801
B. Property, Plant and Equipments excluding Cost of Land (Tax Base)	8,806,828,831	8,904,217,715
C. Taxable/(Deductable) Temporary Difference (A-B)	4,879,715,585	5,091,000,086
D. Tax Rate	22.50%	25%
E. Deferred Tax Liabilities as on 30 June 2021	1,097,936,007	1,272,750,021
F. Deferred Tax Liabilities as on 30 June 2020	1,272,750,021	1,294,346,873
H. Current Year's Deferred Tax Liabilities (E-F)	<b>(174,814,014)</b>	<b>(21,596,852)</b>
<b>12.2 DEFERRED TAX RELATED TO FVOCI:</b>		
A. FVOCI-Carrying Amount	1,769,170,100	(598,212,229)
B. FVOCI-Tax Base	-	-
C. Taxable/(Deductable) Temporary Difference (A-B)	1,769,170,100	(598,212,229)
D. Tax Rate	10%	10%
E. Deferred Tax Liabilities as on 30 June 2021	176,917,010	(59,821,223)
F. Deferred Tax Liabilities as on 30 June 2020	(59,821,223)	-
G. Current Year's Deferred Tax (Assets)/Liabilities (E-F)	<b>236,738,233</b>	<b>(59,821,223)</b>
<b>13. TRADE CREDITORS:</b>	<b>614,279,333</b>	<b>541,067,905</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>14. LIABILITIES FOR EXPENSES: Tk. 181,712,947</b>		
This consists of as follows:		
Accrued Expenses	181,022,947	127,666,317
Audit Fees	690,000	575,000
	<b>181,712,947</b>	<b>128,241,317</b>
<b>15. LIABILITIES FOR OTHER FINANCE: Tk. 1,938,797,709</b>		
This consists of as follows:		
Sundry Creditors	400,854,734	368,968,264
Income Tax (Deduction at Source)	19,532,856	18,346,013
Retention Money	7,938,420	3,711,211
Workers' Profit Participation Fund and Welfare Fund	937,796,627	859,269,098
Income Tax Payable (Note-15.1)	572,675,072	978,037,537
	<b>1,938,797,709</b>	<b>2,228,332,123</b>
<b>15.1 INCOME TAX PAYABLE: Tk. 572,675,072</b>		
This is arrived at as follows:		
Opening balance	978,037,537	557,901,454
Provision made for the Year (Note-23)	4,187,481,946	4,251,005,177
Tax Paid (Including Advance Income Tax) during the Year	(4,592,844,411)	(3,830,869,094)
	<b>572,675,072</b>	<b>978,037,537</b>

Particulars	Amount in Taka	
	2020-2021	2019-2020
<b>16. GROSS REVENUE: Tk. 58,346,258,281</b>		
This is made-up as follows:		
Local Sales	56,838,510,575	51,272,470,021
Export Sales Equivalent in US \$ 17,954,645 (FY 2019-2020 US \$ 19,739,556)	1,507,747,706	1,653,748,634
	<b>58,346,258,281</b>	<b>52,926,218,655</b>

**16.1 REVENUE FROM CONTRACT WITH CUSTOMER (IFRS-15): Tk. 58,346,258,281**

The company has recognized the following amount in the "Statement of Profit or Loss and Other Comprehensive Income":

**Segregation of Revenue from Contracts with Customer:**

A. Revenue from Local Sales	56,838,510,575	51,272,470,021
Timing of Revenue Recognition at a Point in Time	56,838,510,575	51,272,470,021
	<b>56,838,510,575</b>	<b>51,272,470,021</b>
B. Revenue from Export Sales Equivalent in US \$ 17,954,645 (FY 2019-2020 US \$ 19,739,556)	1,507,747,706	1,653,748,634
Timing of Revenue Recognition at a Point in Time	1,507,747,706	1,653,748,634
	<b>1,507,747,706</b>	<b>1,653,748,634</b>
<b>Total (A+B)</b>	<b>58,346,258,281</b>	<b>52,926,218,655</b>

**Contract Assets and Liabilities:**

The company has recognized no contract assets and liabilities.

(i) Revenue consists 641 Pharmaceuticals Products, 22 Basic Chemicals & Pellet Products, 82 (Locally Produced) AgroVet Products & 63 (Imported) AgroVet Products, 35 Corp Care Products and 39 Herbal & Nutraceuticals Products. The summarised quantities are as under:

(Quantity in thousand)

Category	Unit	Opening	Purchase/ Production	Sales/Transfer	30-06-2021
Tablet	Pcs	527,700	7,343,555	6,944,791	926,464
Capsule	Pcs	270,317	1,767,430	1,669,513	368,234
Liquid	Bottles	16,790	121,958	122,831	15,917
Injectable (Vial & Ampoule)	Pcs	6,379	40,573	37,692	9,260
Infusion	Bags	765	3,471	2,873	1,363
ENT & Opthal Preparation	Phials	4,583	29,011	27,333	6,261
Cream,Ointment,Spray,Gel & Others	Phials	6,322	147,610	146,581	7,351
Powder for Suspension	Bottles	3,214	21,224	18,981	5,457
Powder	Phials	1,334	22,613	21,153	2,794
Suppository	Pcs	11,912	64,057	63,300	12,669
Inhaler	Pcs	3,639	44,949	41,727	6,861
Insulin	Pcs	216	1,808	1,799	225
Basic Chemical & Pellet	Kg	97	723	713	107

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

**Breakup of Stock Transfer is under:**

Items	July 2020-June 2021		July 2019-June 2020	
	Metric Ton	Amount (Taka)	Metric Ton	Amount (Taka)
1) Basic Chemicals	476.69	494,905,251	555.16	544,973,081
2) Pellet	227.63	355,258,220	340.68	496,573,859
		<b>850,163,471</b>		<b>1,041,546,940</b>

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

Particulars	Notes	Amount in Taka	
		2020-2021	2019-2020
<b>17. COST OF GOODS SOLD: Tk. 24,800,035,555</b>			
This is arrived at as follows:			
Raw Materials Consumed	17.1	10,914,817,014	9,807,160,256
Packing Materials Consumed	17.2	5,750,170,150	5,307,449,728
		<b>16,664,987,164</b>	<b>15,114,609,984</b>
Work-in-Process (Opening)		336,441,344	274,303,768
Work-in-Process (Closing)		(415,013,847)	(336,441,344)
<b>TOTAL CONSUMPTION</b>		<b>16,586,414,661</b>	<b>15,052,472,408</b>
Factory Overhead	17.3	6,836,133,924	6,682,225,865
<b>COST OF PRODUCTION</b>		<b>23,422,548,585</b>	<b>21,734,698,273</b>
Purchase of Finished Goods		2,036,850,950	1,442,183,005
Finished Goods (Opening)		1,677,371,032	1,226,561,623
Finished Goods (Closing)		(2,118,362,474)	(1,677,371,032)
		<b>25,018,408,093</b>	<b>22,726,071,869</b>
Cost of Product Destruction		-	(20,800,052)
Cost of Physician Sample		(218,372,538)	(168,601,857)
		<b>24,800,035,555</b>	<b>22,536,669,960</b>

**17.1 RAW MATERIALS CONSUMED: Tk. 10,914,817,014**

This is arrived at as follows:

Opening Stock	1,939,329,998	1,531,223,724
Purchase	11,622,753,816	10,215,266,530
Closing Stock	(2,647,266,800)	(1,939,329,998)
	<b>10,914,817,014</b>	<b>9,807,160,256</b>

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

Particulars	PCs	Quantity (Kg)					Total Value (Taka)
	Cap-shell	Active	Excepients	Colour	Flavour	Total	
<b>Opening Balance</b>	875,427,257	3,276,628	2,414,504	194,395	19,734	5,905,261	<b>1,939,329,998</b>
Purchase	1,699,117,347	26,728,956	11,418,058	624,213	61,695	38,832,922	11,622,753,816
Available for use	2,574,544,604	30,005,584	13,832,562	818,608	81,429	44,738,183	13,562,083,814
<b>Closing Balance</b>	817,632,580	5,276,601	2,415,343	243,216	26,284	7,961,444	<b>2,647,266,800</b>
Consumption	1,756,912,024	24,728,983	11,417,219	575,392	55,145	36,776,739	10,914,817,014

Raw Materials consists of 1,339 items of which 93.92% (in value) are imported.

Particulars	Amount in Taka	
	2020-2021	2019-2020
<b>17.2 PACKING MATERIALS CONSUMED: Tk. 5,750,170,150</b>		
This is arrived at as follows:		
Opening Stock	647,848,732	609,472,347
Purchase	5,931,720,177	5,345,826,113
Closing Stock	(829,398,759)	(647,848,732)
	<b>5,750,170,150</b>	<b>5,307,449,728</b>

Summarised quantity of Packing Materials are stated as under:

(Quantity in thousand)

Category	Unit	Opening	Purchase	Consumption	Closing (30-06-21)
Inner Carton	Pcs	50,449	213,715	214,830	49,334
Shipper's Carton	Pcs	1,860	10,522	10,334	2,048
Label	Pcs	78,746	243,470	248,251	73,965
Direction Slip	Pcs	33,714	175,981	168,661	41,034
Container	Pcs	8,443	45,058	47,580	5,921
Blister Foil/Alu Lid Foil	Kg	109	445	402	152
Strip Foil	Kg	34	417	412	39
PVC/PVDC/PE Film	Kg	1,137	1,309	2,039	407
Auto Bottom Foil	Kg	170	639	604	205
Bottle (PET/HDPE/Glass)	Pcs	15,576	193,265	193,402	15,439
Ampoule	Pcs	9,046	38,000	39,224	7,822
Vial	Pcs	4,451	17,963	15,918	6,496
HDPE/LDPE Bag	Pcs	775	3,569	3,469	875
Flip Off Seal & Tear off Seal	Pcs	5,101	16,173	15,842	5,432
P.P Cap/Plastic Clousers & Others	Pcs	33,174	290,184	283,634	39,724
Tube	Pcs	7,658	51,834	51,322	8,170
Can	Pcs	1,217	5,102	5,280	1,039
Actuator	Pcs	1,106	4,627	4,105	1,628
Metered Valves	Pcs	1,878	10,844	9,378	3,344
Sachet	Kg	253	1,111	1,039	325
Syringe, Needle, Infusion Set	Pcs	2,108	5,547	6,307	1,348
Water for Injection	Pcs	3,430	15,516	12,984	5,962
Shrink Wrapping	Kg	2,431	1,831	3,481	781
Silica Gel, Gum Tape, Adhesive Tape	Pcs	3,408	27,588	28,081	2,915
Cup, Spoon, Dropper, Rubber Stopper	Pcs	18,306	168,529	163,797	23,038
Honey Comb	Pcs	283	601	745	139
Plastic Applicator	Pcs	1,390	3,865	4,261	994
Neck Lock & Zip Lock Bag	Pcs	778	5,182	5,291	669
Poly Pack, Poly Bag & Pouch Pack	Pcs	4,848	15,526	14,438	5,936

Packing Materials consists of 8,166 items of which 26.93% (in value) are imported.

Particulars	Amount in Taka	
	2020-2021	2019-2020
<b>17.3 FACTORY OVERHEAD: Tk. 6,836,133,924</b>		
This is made up as follows:		
Salaries, Allowances and Wages	2,228,205,837	2,073,738,468
Factory Employees Free Lunch	138,814,655	129,662,859
Factory Staff Uniform	84,902,429	75,800,918
Travelling & Conveyance	44,769,210	44,580,671
Printing & Stationery	74,078,621	64,143,848
Postage, Telephone & Fax	8,834,201	8,223,015
Repairs & Maintenance	974,041,408	955,836,619
Laboratory Consumable Stores	407,091,531	346,170,258
Fuel, Petrol, Light Diesel etc.	132,196,121	258,791,426
Electricity, Gas & Water	746,162,607	691,803,515
Rental Expense	1,867,336	1,351,729
Municipal & Other Tax	15,308,475	10,785,339
Insurance Premium	21,701,525	22,332,387
Factory Sanitation Expenses	60,131,178	54,025,942
Depreciation	1,571,753,195	1,624,851,551
Security Services	58,563,047	68,078,943
Research & Development	182,311,524	161,382,209
Software & Hardware Support Services	69,922,296	76,456,189
Toll Charges	14,011,574	12,151,957
Other Expenses	1,467,154	2,058,022
	<b>6,836,133,924</b>	<b>6,682,225,865</b>
<b>18. SELLING &amp; DISTRIBUTION EXPENSES: Tk. 8,564,472,484</b>		
This consists of as follows:		
Salaries and Allowances	1,434,829,771	1,333,576,434
Travelling and Conveyance	131,447,160	122,303,430
Training Expenses	4,118,854	3,698,403
Printing and Stationery	75,657,331	69,789,782
Postage, Telephone, Fax & Telex	80,730,383	79,291,432
Electricity, Gas and Water	28,839,872	26,410,711
Tiffin and Refreshment	29,922,090	27,893,005
Staff Uniform	9,063,219	7,003,481
Sanitation Expenses	12,114,067	9,988,877
Office and Godown Rent	26,402,693	26,205,830
Lease Rent	2,649,600	2,649,600
Bank Charges	10,931,151	10,512,464
Repairs and Maintenance including car maintenance	480,459,416	428,526,491
Govt. Taxes and Licence Fees	66,176,011	42,349,047
Field Staff Salaries, Allowances, TA and DA	2,295,067,750	2,010,348,164
Marketing and Sales Promotional Expenses	1,075,468,620	904,899,884
Advertisement	950,233	384,319
Event, Programs and Conference	218,981,280	209,978,607
Delivery and Packing Expenses	129,201,102	116,838,669
Literature and Publications	93,667,076	26,112,723
Export Expenses	174,674,361	154,640,680
Special Discount	1,533,228,975	1,156,381,414
Sample Expenses	283,443,770	228,088,118
Security Services	80,263,735	75,526,697
Depreciation	203,574,635	190,808,126
Software, Hardware Support & VSAT Services	53,946,099	47,770,753
Insurance Premium	3,552,838	4,513,502
Faulty & Obsolete Goods	12,362,482	50,032,972
Research and Product Development	12,747,910	16,267,149
	<b>8,564,472,484</b>	<b>7,382,790,764</b>
<b>Tk.</b>		

Particulars	Amount in Taka	
	2020-2021	2019-2020
<b>19. ADMINISTRATIVE EXPENSES: Tk. 1,212,389,213</b>		
This consists of as follows:		
Salaries and Allowances	453,682,458	414,560,108
Directors' Remuneration	66,455,423	59,359,563
Independent Directors Honorarium	600,000	450,000
Travelling and Conveyance	104,030,378	114,180,513
Training Expenses	7,023,109	8,452,242
Printing and Stationery	18,475,234	16,944,490
Postage, Telephone, Internet	11,573,534	10,462,859
Electricity, Gas & Water	24,939,297	20,911,481
Tiffin and Refreshment	65,435,757	62,345,186
Staff Uniform	2,841,553	2,703,440
Office Rent	15,855,972	15,297,968
Sanitation Expenses	6,705,334	6,072,891
Books and Periodicals	603,759	618,026
Subscription and Donation	6,643,164	7,216,064
Advertisement	2,058,202	8,320,170
Repairs and Maintenance	204,725,302	186,405,996
Bank Charges	11,985,504	11,026,165
Insurance Premium	11,864,766	15,878,526
Govt. Taxes, Stamp Duty & Licence Fee	7,491,370	9,379,066
Security Services	39,842,152	39,276,512
Management Consultant Fees	2,338,750	958,750
Legal Charges	1,184,750	1,504,425
Audit Fees	713,000	575,000
Depreciation	107,163,141	154,466,395
Annual General Meeting Expenses	802,834	1,183,286
Software & Hardware Support Services	30,933,929	47,972,093
Share Demat, Remat & Transfer Fees	5,263,537	1,771,498
Other Expenses	1,157,004	1,639,253
	<b>1,212,389,213</b>	<b>1,219,931,966</b>
Audit fees of Tk. 713,000 represents fees for audit of the financial statements of the company for the year 2020-2021.		
<b>20. FINANCE COST: Tk. 13,443</b>		
This is made up as follows:		
Interest on Overdraft	13,443	107,090
	<b>13,443</b>	<b>107,090</b>
<b>21. OTHER INCOME: Tk. 3,567,610,962</b>		
This is arrived at as follows:		
Bank Interest	2,391,001,089	2,614,933,410
Interest on Loan to Sister Concern	197,764,904	298,434,170
Rental Income	1,317,162	1,322,544
Sale of Scrap	37,343,947	31,943,738
Dividend	419,626,799	234,546,484
Foreign Exchange Fluctuation Gain/(Loss)	10,464,379	(2,299,056)
Gain on Redemption of Zero Coupon Bond	308,442,940	108,206,035
Gain/(Loss) on Marketable Securities (Realized)	88,940,302	(8,120,460)
Cash Incentive Received against Export	46,215,000	355,045
PF Forfeiture Amount **	32,064,767	-
	<b>3,533,181,289</b>	<b>3,279,321,910</b>
Profit on Sale of Property, Plant & Equipment (Note-28)	34,429,673	28,380,084
	<b>3,567,610,962</b>	<b>3,307,701,994</b>

\*\* The amount of Provident Fund Forfeiture has been returned from Square Pharmaceuticals Employees Provident Fund and also recognized as Other Income.

Particulars	Amount in Taka	
	2020-2021	2019-2020
<b>22. ALLOCATION FOR WPPF &amp; WF:</b>	<b>937,796,627</b>	<b>859,269,098</b>

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

**23. INCOME TAX EXPENSES-Current: Tk. 4,187,481,946**

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

Income Tax Expnses-Current	4,187,481,946	4,251,005,177
Income Tax Expnses/(Assets)-Deferred (Note-12)	(174,814,014)	(21,596,852)
	<b>4,012,667,932</b>	<b>4,229,408,325</b>

**RECONCILIATION OF EFFECTIVE TAX RATE:**

Particulars	July 2020-June 2021		July 2019-June 2020	
	%	Amount (Taka)	%	Amount (Taka)
<b>Profit before Tax</b>		<b>18,755,932,542</b>		<b>17,185,381,957</b>
Tax using Corporate Tax Rate	22.50%	4,220,084,822	25%	4,296,345,489
Adjustment for Previous Year's Related Tax on FVOCI Financial Assets	-0.32%	(59,821,223)	-	-
Non-deductible Expenses	-	-	0.19%	32,415,176
Effect of Tax Exempted Income	-0.64%	(120,210,584)	-0.52%	(89,584,122)
Effect of Lower Tax Rate	-0.15%	(27,385,083)	-0.06%	(9,768,218)
	<b>21.39%</b>	<b>4,012,667,932</b>	<b>24.61%</b>	<b>4,229,408,325</b>

**24. CHANGE IN FAIR VALUE OF FVOCI FINANCIAL ASSETS: Tk. 1,532,431,867**

Unrealized Gain/(Loss) Position (Closing)	1,316,543,154	(452,626,946)
(-) Unrealized Gain/(Loss) Position (Opening)	(452,626,946)	145,585,283
	<b>1,769,170,100</b>	<b>(598,212,229)</b>
Related Tax on FVOCI Financial Assets	(236,738,233)	(59,821,223)
	<b>1,532,431,867</b>	<b>(538,391,006)</b>

**25. NET ASSET VALUE PER SHARE (NAV) - Tk. 92.75**

The computation is given below:

Equity Attributable to the Ordinary Shareholders	82,217,574,950	69,909,802,046
Weighted average number of Shares outstanding during the year	886,451,010	886,451,010
Net Asset Value Per Share (NAV)	<b>92.75</b>	<b>78.86</b>

Net Assets Value per share (NAV) has been computed by dividing the basic earnings by number of ordinary shares outstanding as on 30 June, 2020 as per Notification of Bangladesh Securities & Exchange Commission (BSEC). Previous year's NAV has been restated due to issue of bonus shares. Actual NAV for 2019-2020 was Tk. 82.74 per share.

**26. EARNINGS PER SHARE (EPS) - Tk. 16.63**

The computation is given below:

Surplus for the year attributable to Shareholders (Net Profit after Tax)	14,743,264,610	12,955,973,632
Weighted average number of Shares outstanding during the year	886,451,010	886,451,010
Earnings per Share	<b>16.63</b>	<b>14.62</b>

Previous year's Earning Per Share (EPS) has been restated due to issue of bonus share. Actual EPS for 2019-2020 was Tk. 15.35 per share.

Particulars	Amount in Taka	
	2020-2021	2019-2020

**27. APPROPRIATION DURING THE PERIOD:**

In accordance with IAS-1 "Presentation of Financial Statements", the appropriations for the year have been reflected in the "Statement of Changes in Equity".

Balance of Net Profit though carried forward in the Statement of Financial Position will be applied for payment of this year's cash dividend proposed by the Board of Directors @ Tk. 6.00 per share and will be recognised as liability in the accounts as and when approved by the Shareholders in the Annual General Meeting. The total amount of Proposed Cash Dividend for the year 2020-2021 is calculated at Tk. 5,318,706,060.

**28. PARTICULARS OF DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR JUL'2020-JUN'2021:**

Particulars of Assets	Cost	Acc. Depreciation Upto 30-06-2021	W.D.V as on 30-06-2021	Sales Price	Profit/(Loss)
Plant & Machinery	16,835,432	10,796,414	6,039,018	6,362,320	323,302
Motor Vehicle	101,677,875	77,664,264	24,013,611	42,792,811	18,779,200
Motor Cycle	59,340,265	44,623,769	14,716,496	30,427,832	15,711,336
Office Equipment	1,164,351	892,199	272,152	-	(272,152)
Computer	1,801,271	1,254,958	546,313	-	(546,313)
Furniture & Fixture	360,088	250,266	109,822	-	(109,822)
Land & Land Development	-	-	-	544,122	544,122
	<b>181,179,282</b>	<b>135,481,870</b>	<b>45,697,412</b>	<b>80,127,085</b>	<b>34,429,673</b>

**29. PRODUCTION CAPACITY AND UTILISATION:**

(Quantity in thousand)

Category	Unit	Rated Capacity as on 30-06-2021	Actual Production	Capacity Utilisation (%)
Tablet	Piece	10,246,170	7,343,555	72%
Capsule	Piece	3,791,347	1,767,430	47%
Liquid	Bottle	322,411	121,958	38%
Injectable (Vial & Ampoule)	Piece	90,127	40,573	45%
Infusion (LVPO)	Bag	17,050	3,471	20%
ENT & Opthal Preparation	Phial	44,758	29,011	65%
Cream,Ointment,Spray,Gel & Others	Phial	253,739	147,610	58%
Powder for Suspension	Bottle	46,191	21,224	46%
Powder	Phial	52,157	22,613	43%
Suppository	Piece	205,967	64,057	31%
Inhaler	Can	137,556	44,949	33%
Insulin & Insulin Cartridge	Piece	11,240	1,808	16%
Basic Chemical & Pellet	Kg	983	723	74%

**30. MINIMUM WAGES:**

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 minimum wages during the reporting year.

Particulars	Amount in Taka	
	2020-2021	2019-2020
<b>31. 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 2021.		
<b>32. DIVIDEND PAID TO THE SHAREHOLDERS:</b>		
During the year under review total cash dividend for 2019-2020 amounting to Tk. 3,967,923,573 has been paid to the Shareholders and also bonus shares amounting to Tk. 422,119,520 for the year 2019-2020 have been accounted for. Dividend were paid in local currency to the local custodian bank of the shareholders as such no dividend was remitted in foreign currency.		
<b>33. CLAIM NOT ACKNOWLEDGED AS DEBT:</b>		
There was no claim against the company not acknowledged as debt as on 30-06-2021.		
<b>34. UN-AVAILED CREDIT FACILITIES:</b>		
There was no credit facility available to the company under any contract but not availed as on 30-06-2021 other than bank credit facility and trade credit available in the ordinary course of business.		
<b>35. EVENTS AFTER THE REPORTING PERIOD:</b>		
There is no significant event other than normal activities between the financial year closing date and Financial Statement signing date.		
<b>36. NET OPERATING CASH FLOW PER SHARE (NOCFPS)- Tk. 12.32</b>		
The computation is given below:		
Net Cash Generated from Operating Activities	10,924,582,382	10,891,697,196
Weighted average number of Shares outstanding during the year	886,451,010	886,451,010
Net Operating Cash Flow Per Share (NOCFPS)	<b>12.32</b>	<b>12.29</b>
Previous year's Net Operating Cash Flow Per Share (NOCFPS) has been restated due to issue of bonus shares. Actual NOCF for 2019-2020 was Tk. 12.90 Per Share.		
<b>36.1 RECONCILIATION OF NET PROFIT WITH CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Profit after Tax</b>	<b>14,743,264,610</b>	<b>12,955,973,632</b>
Adjustment to Reconcile Net Profit to Net cash generated from Operating Activities:		
<b>Non-Cash Expenses:</b>	<b>1,698,808,900</b>	<b>1,953,044,634</b>
Depreciation	1,882,490,971	1,970,126,072
Exchange Rate Fluctuation	(8,868,057)	4,515,414
Deferred Tax	(174,814,014)	(21,596,852)
<b>Non-Operating Items:</b>	<b>(3,440,205,707)</b>	<b>(3,276,379,725)</b>
Dividend Income	(419,626,799)	(234,546,484)
Others	(3,020,578,908)	(3,041,833,241)
<b>Changes in Working Capital:</b>	<b>(2,077,285,421)</b>	<b>(740,941,345)</b>
(Increase)/Decrease in Inventories	(1,557,990,599)	(1,090,893,656)
(Increase)/Decrease in Trade Debtors	(115,836,177)	41,517,830
(Increase)/Decrease in Advances, Deposits and Prepayments	(285,341,305)	41,632,391
Increase/(Decrease) in Trade Creditors	73,211,428	(167,814,361)
Increase/(Decrease) in Liabilities for Expenses	53,471,630	(109,960,625)
Increase/(Decrease) in Liabilities for Other Finance	(244,800,398)	544,577,076
<b>Net Cash Generated from Operating Activities</b>	<b>10,924,582,382</b>	<b>10,891,697,196</b>

Particulars	Amount in Taka	
	2020-2021	2019-2020
<b>37.1 RELATED PARTY TRANSACTIONS:</b>		
The company did not enter into any transactions with its sister concern other than its subsidiaries/associates undertaking viz Square Textiles Ltd., Square Fashions Ltd., Square Hospitals Ltd., Square InformatiX Ltd., Square Lifesciences Ltd., Square Denims Ltd., Square Apparels Ltd., Square Securities Management Ltd., Pharma Packages (Pvt.) Ltd. and AEGIS Services Ltd. during the year reporting. The summary is as follows:		
<b>Transaction with Square Textiles Ltd: (Associate Undertaking and holding 46.36% Shares)</b>		
Opening Balance	3,277,576,394	2,168,788,505
Total Paid during the Year	1,269,870,456	3,274,786,839
Total Realized during the Year	(4,547,446,850)	(2,165,998,950)
Closing Balance (Receivable)	-	3,277,576,394
<b>Transaction with Square Fashions Ltd. (Associate Undertaking and holding 48.63% Shares):</b>		
Opening Balance	2,411,950	672,588,614
Total Paid during the Year	1,393,472,983	5,129,870,273
Total Realized during the Year	(1,395,884,933)	(5,800,046,937)
Closing Balance (Receivable)	-	2,411,950
<b>Transaction with Square Hospitals Ltd. (Associate Undertaking and holding 49.94% Shares):</b>		
Opening Balance	1,604,350,413	95,693,947
Total Paid during the Year	917,483,064	1,875,561,393
Total Realized during the Year	(2,521,833,477)	(366,904,927)
Closing Balance (Receivable)	-	1,604,350,413
<b>Transaction with Square InformatiX Ltd. (Service Provider):</b>		
Opening Balance	(2,197,662)	(2,214,332)
Total Paid during the Year	105,357,994	57,156,090
Total Realized during the Year	(103,160,332)	(57,139,420)
Closing Balance (Payable)	-	(2,197,662)
<b>Transaction with Square Lifesciences Ltd.(Subsidiary Company and holding 99.50% Shares):</b>		
Opening Balance	751,363	-
Total Paid during the Year	150,636,507	751,363
Total Realized during the Year	(151,387,870)	-
Closing Balance (Receivable)	-	751,363
<b>Transaction with Square Denims Ltd. (Subsidiary of Associate, Square Fashions Ltd.):</b>		
Opening Balance	-	-
Total Paid during the Year	67,330,413	285,516,576
Total Realized during the Year	(67,330,413)	(285,516,576)
Closing Balance	-	-

Particulars	Amount in Taka	
	2020-2021	2019-2020
<b>Transaction with Square Apparels Ltd. (Subsidiary of Associate, Square Fashions Ltd.):</b>		
Opening Balance	-	-
Total Paid during the Year	37,395,529	163,717,591
Total Realized during the Year	(37,395,529)	(163,717,591)
Closing Balance	-	-
<b>Transaction with Square Securities Management Ltd. (Port Folio Management):</b>		
Opening Balance	34,874,272	19,884,032
Total Paid during the Year	612,968,385	363,199,754
Total Realized during the Year	(487,297,323)	(348,209,514)
Closing Balance (Receivable)	160,545,334	34,874,272
<b>Transaction with Pharma Packages (Pvt.) Ltd. (Supplier):</b>		
Opening Balance	12,206,021	117,457,765
Total Paid during the Year	704,827,755	845,281,931
Total Realized during the Year	(664,433,740)	(950,533,675)
Closing Balance (Receivable)	52,600,036	12,206,021
<b>Transaction with AEGIS Services Ltd. (Service Provider):</b>		
Opening Balance	-	300,000
Total Paid during the Year	47,085,563	46,915,526
Total Realized during the Year	(47,085,563)	(47,215,526)
Closing Balance	-	-
<b>37.2 KEY MANAGEMENT PERSONNEL COMPENSATION:</b>		
During the year, the amount of compensation paid to Key Management Personnel including Board of Directors is as under (As Para 17 of IAS 24):		
Short-Term Employee Benefits	398,657,402	372,484,719
Post-Employment Benefits	35,302,570	42,974,025
Other Long-Term Benefits	-	-
Termination Benefits	-	-
Share-Based Payment	-	-
<b>38. CONTINGENT LIABILITIES:</b>		
Bank Guarantee	184,479,454	150,406,112
Letter of Credit (L.C) Liabilities	3,097,058,213	3,598,003,105
	3,281,537,667	3,748,409,217

Contingent Liabilities at the Balance Sheet date are as follows:

Particulars	Amount in Taka	
	2020-2021	2019-2020
<b>38.1 Bank Guarantee:</b>		
Shahjalal Islami Bank Ltd.	86,997,172	79,461,601
Standard Chartered Bank	95,850,450	69,312,679
Prime Bank Ltd.	1,631,832	1,631,832
	<b>184,479,454</b>	<b>150,406,112</b>
<b>38.2 Letter Of Credit (L.C) Liabilities:</b>		
Standard Chartered Bank	357,750,209	392,422,507
The HSBC Ltd.	13,157,905	193,388,208
Citibank N.A	51,673,216	131,367,359
Commercial Bank of Cylon PLC	82,161,328	985,512
Prime Bank Ltd.	90,374,657	3,959,284
Mercantile Bank Ltd.	2,014,752,795	2,434,615,717
Bank Asia Ltd.	430,059,956	366,590,852
Eastern Bank Ltd.	57,128,147	45,323,305
Shahjalal Islami Bank Ltd.	-	29,350,361
	<b>3,097,058,213</b>	<b>3,598,003,105</b>

**38.3 Corporate Gurantees (IFRS 9):**

Corporate Guarantees have been received from the following Associates/Sister Concern:

**Square Textiles Ltd.:**

Eastern Bank Ltd., Dhaka	-	350,000,000
The HSBC Ltd., Dhaka	-	810,000,000
Prime Bank Ltd., Dhaka	-	770,000,000
Brac Bank Ltd., Dhaka	-	240,000,000

**Square Hospitals Ltd.:**

Eastern Bank Ltd., Dhaka	-	350,000,000
	-	<b>2,520,000,000</b>

Corporate Guarantees have been issued to the following Associates/Sister Concern:

**Square Textiles Ltd.:**

Standard Chartered Bank, Dhaka	-	4,131,000,000
The HSBC Ltd., Dhaka	-	5,980,000,000
Prime Bank Ltd., Dhaka	-	590,000,000
Commercial Bank of Cylon PLC, Dhaka	-	50,000,000

**Square Fashions Ltd.:**

Standard Chartered Bank, Dhaka	-	600,000,000
CitiBank N.A, Dhaka	-	1,200,000,000
Eastern Bank Ltd., Dhaka	-	1,835,000,000
Brac Bank Ltd., Dhaka	-	-

**Square Hospitals Ltd.:**

Trust Bank Ltd., Dhaka	-	450,000,000
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Particulars	Amount in Taka	
	2020-2021	2019-2020
<b>Square Denims Ltd.:</b>		
Standard Chartered Bank, Dhaka	-	3,000,000,000
The HSBC Ltd., Dhaka	-	710,000,000
Eastern Bank Ltd., Dhaka	-	590,000,000
<b>Square Fashions Yarns Ltd.:</b>		
The HSBC Ltd., Dhaka	-	1,346,000,000
<b>Square Apparels Ltd.:</b>		
Standard Chartered Bank, Dhaka	-	3,000,000,000
Eastern Bank Ltd., Dhaka	-	446,000,000
<b>Square Informatix Ltd.:</b>		
Mercantile Bank Ltd., Dhaka	-	360,000,000
	-	<b>24,288,000,000</b>

**38.4** 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, 2021.

**39. Financial Risk Management:**

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

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

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

**39.1 CREDIT RISK:**

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

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

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

**a) Exposure of Credit Risk**

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

Trade Debtors (Local & Export)	1,636,136,514	1,520,300,337
Advances, Deposits and Prepayments	2,709,431,531	2,560,646,884
Cash and Bank Balances	43,354,969,418	32,233,314,319
	<b>47,700,537,463</b>	<b>36,314,261,540</b>

**b) Ageing of Receivables**

Dues up to 3 months	-	1,133,486,354
Dues over 3 months	-	386,813,983
	-	<b>1,520,300,337</b>

Particulars	Amount in Taka	
	2020-2021	2019-2020
<b>c) Credit Exposure by Credit Rating</b>		
Trade Debtors (Local & Export)	NR	1,636,136,514
Advances, Deposits and Prepayments	NR	2,709,431,531
Cash and Bank Balances:		
- Cash in Hand	NR	13,925,716
- Cash at Bank:		43,341,043,702
Bank Asia Ltd.	AA2	22,045,344
Bank Alfalah Ltd.	AA	2,490,611
Brac Bank Ltd.	AA+	228,587
Citibank N.A	A	13,073,799
Commercial Bank of Ceylon Ltd.	AA (IKA)	9,741,516
Dutch-Bangla Bank Ltd.	AA+	26,583
Eastern Bank Ltd.	AA+	23,608,325
HSBC Ltd.	AAA	11,021,451
Janata Bank Ltd.	AAA	9,356,413,492
Mercantile Bank Ltd.	AA	4,017,252,326
Mutual Trust Bank Ltd.	AA	680,416,495
Prime Bank Ltd.	AA	4,869,328,037
Standard Chartered Bank	A+	557,522,366
Shahjalal Islami Bank Ltd.	AA	5,284,734
Sonali Bank Ltd.	AAA	8,055,771,007
Shimanto Bank Ltd.	-	497,835
Trust Bank Ltd.	AA2	17,913
The City Bank Ltd.	AA2	55,757,947
IDLC Finance Ltd.	AAA	3,000,000,000
National Housing Finance And Investments Ltd.	AA	2,000,000,000
IPDC Finance Ltd.	AA1	3,000,000,000
LankaBangla Finance Ltd.	AA3	1,500,000,000
Industrial and Infrastructure Development Finance Company Ltd.	AA+	-
Delta Brac Housing Finance Corporation Ltd.	AAA	-
Southeast Bank Ltd.	AA	-
Square Securities Management Ltd.	-	160,545,334
Agrani Bank Ltd.	AAA	5,000,000,000
Uttara Bank Ltd.	AA	1,000,000,000

**39.2 LIQUIDITY RISK:**

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity (Cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or 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.

Particulars	Amount in Taka	
	2020-2021	2019-2020

The following are the contractual maturities of financial liabilities:

Balance as at 30 June 2021	Notes	Carrying Amount in Taka	Contractual Cash Flows			
			6 Months or Less	6-12 Months	1-5 Years	More than 5 Years
<b>Trade Creditors:</b>						
Payable to Local Suppliers		602,486,006	602,486,006	-	-	-
Payable to Foreign Buyers		11,793,327	11,793,327	-	-	-
	<b>13</b>	<b>614,279,333</b>	<b>614,279,333</b>	-	-	-
<b>Liabilities for Expenses:</b>						
Accrued Expenses		181,022,947	181,022,947	-	-	-
Audit Fees		690,000	690,000	-	-	-
	<b>14</b>	<b>181,712,947</b>	<b>181,712,947</b>	-	-	-
<b>Liabilities for Other Finance:</b>						
Tax Deducted at Source		19,532,856	19,532,856	-	-	-
Security and Other Deposits		7,938,420	7,938,420	-	-	-
Workers Profit Participation & Welfare Fund		937,796,627	499,968,905	437,827,722	-	-
Insurance Claim		553,746	553,746	-	-	-
Sundry Creditors		400,300,988	-	400,300,988	-	-
Income Tax Payable		572,675,072	-	572,675,072	-	-
	<b>15</b>	<b>1,938,797,709</b>	<b>527,993,927</b>	<b>1,410,803,782</b>	-	-
<b>Balance as at 30 June 2020</b>						
<b>Trade Creditors:</b>						
Payable to Local Suppliers		529,345,638	529,345,638	-	-	-
Payable to Foreign Buyers		11,722,267	11,722,267	-	-	-
	<b>13</b>	<b>541,067,905</b>	<b>541,067,905</b>	-	-	-
<b>Liabilities for Expenses:</b>						
Accrued Expenses		127,666,317	127,666,317	-	-	-
Audit Fees		575,000	575,000	-	-	-
	<b>14</b>	<b>128,241,317</b>	<b>128,241,317</b>	-	-	-
<b>Liabilities for Other Finance:</b>						
Tax Deducted at Source		18,346,013	18,346,013	-	-	-
Security and Other Deposits		3,711,211	3,711,211	-	-	-
Workers Profit Participation & Welfare Fund		859,269,098	458,248,210	401,020,888	-	-
Insurance Claim		822,646	822,646	-	-	-
Sundry Creditors		368,145,618	-	368,145,618	-	-
Income Tax Payable		978,037,537	-	978,037,537	-	-
	<b>15</b>	<b>2,228,332,123</b>	<b>481,128,080</b>	<b>1,747,204,043</b>	-	-

### 39.3 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's. Majority of the company's foreign currency transactions are denominated in USD.

Particulars	Amount in Taka	
	2020-2021	2019-2020

**(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 2021	30 June 2020
Exchange Rate of US Dollar	83.95	83.50

**(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 2021 the interest rate risk profile of the company's interest bearing financial instruments was:

	Carrying Amount	
	30 June 2021	30 June 2020
<b>Fixed Rate Instrument</b>		
- Financial Asset	38,515,894,798	20,164,463,541
- Financial Liability	Nil	Nil
<b>Variable Rate Instrument</b>		
- Financial Asset	Nil	Nil
- Financial Liability	Nil	Nil

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

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

**39.4 ACCOUNTING CLASSIFICATION AND FAIR VALUE**

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

Particulars	Amount in Taka			
	Carrying Amount as on 30-06-2021	Fair Value as on 30-06-2021	Carrying Amount as on 30-06-2020	Fair Value as on 30-06-2020
<b>Assets Carried at Fair Value through Statement of Comprehensive Income</b> (Investment in Marketable Securities)	3,307,788,552	4,624,331,706	3,144,519,813	2,691,892,867
<b>Held to Maturity Assets</b>				
FDR with Banks and Financial institutions	38,515,894,798	38,515,894,798	20,164,463,541	20,164,463,541
<b>Loans and Receivables:</b>				
Trade Receivables	1,636,136,514	1,636,136,514	1,520,300,337	1,520,300,337
Security Deposit	312,902,472	312,902,472	297,804,419	297,804,419
Cash and Bank Balances	43,354,969,418	43,354,969,418	32,233,314,319	32,233,314,319
<b>Available for Sale of Financial Assets</b>	<b>3,765,278,007</b>	<b>3,765,278,007</b>	<b>3,482,227,294</b>	<b>3,482,227,294</b>

\* 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.

As at 30 June 2021

Property, Plant and Equipment-Carrying Value: Tk. 21,769,594,804

Notes  
Standalone

## Schedule-01

PARTICULARS	COST			DEPRECIATION			Net Book 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	44,357	644,905,141	10%	
Office Equipment	668,319,312	90,557,683	350,000	758,526,995	305,689,807	228,980	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 Vehicle-Lease	2,085,000	-	-	2,085,000	2,029,247	11,151	44,602	20%	
Electromechanical Equipments	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 &amp; OTHERS:</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	-	439,954,490	10%	
Boundary Wall	14,835,893	3,945,781	-	18,781,674	6,056,854	-	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 Vehicle	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 Vehicle-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	30%	
SAP Software	148,024,164	-	-	148,024,164	148,024,164	-	2,791,419	20%	
VSAT	7,559,700	-	-	7,559,700	4,458,123	310,158	4,768,281	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>Grand Total Tk.</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	927,711,473	-	1,345,864,835	-	-	1,345,864,835	-	
<b>Carrying Value as on June 30, 2021</b>	<b>40,613,584,373</b>	<b>4,468,346,985</b>	<b>1,518,945,471</b>	<b>43,556,298,887</b>	<b>20,046,381,983</b>	<b>1,882,490,971</b>	<b>21,769,594,804</b>		

# SQUARE PHARMACEUTICALS LTD.

As at 30 June 2020

Property, Plant and Equipment-Carrying Value: Tk. 20,567,202,390

## Schedule-01-a

PARTICULARS	COST			DEPRECIATION			Net Book Value as at 30 June 2020	Rate of Dep.	
	At 30 June 2019	During the year		At 30 June 2019	During the year				At 30 June 2020
		Additions	Sales/Transfer		Charged	Sales/Transfer			
<b>FACTORIES:</b>									
Land	3,524,672,274	290,121,725	-	3,814,793,999	-	-	3,814,793,999	-	
Building	8,212,188,828	638,196,345	-	8,850,385,173	428,136,655	-	4,484,141,432	10%	
Boundary Wall	593,903	-	-	593,903	22,685	-	389,736	10%	
Plant & Machinery	14,733,220,055	420,532,805	-	15,153,752,860	869,041,385	-	10,060,691,155	15%	
Laboratory Equipment	2,171,446,929	60,534,305	232,040	2,231,749,194	128,773,868	190,280	1,053,570,627	10%	
Furniture & Fixture	908,949,545	52,096,076	-	961,045,621	54,431,323	-	440,372,200	10%	
Office Equipment	642,293,111	26,026,201	-	668,319,312	39,069,843	-	305,689,807	10%	
Computer	202,752,262	10,673,838	-	213,426,100	14,883,272	-	86,337,249	10%	
Motor Vehicles	449,395,402	39,860,000	17,060,000	472,195,402	37,071,028	6,967,656	302,115,163	20%	
Motor Vehicle-Lease	2,085,000	-	-	2,085,000	13,938	-	2,029,247	20%	
Electromechanical Equipments	1,099,746,687	-	-	1,099,746,687	37,748,002	-	885,841,339	15%	
Electrical Installation	217,766,901	7,382,718	-	225,149,619	12,994,622	-	145,272,976	15%	
Gas Line Installation	52,136,796	6,607,143	-	58,743,939	2,664,930	-	37,516,932	15%	
<b>Sub-Total</b>	<b>32,217,247,693</b>	<b>1,552,031,156</b>	<b>17,292,040</b>	<b>33,751,986,809</b>	<b>1,624,851,551</b>	<b>7,157,936</b>	<b>17,803,967,863</b>	<b>15,948,018,946</b>	
<b>HEAD OFFICE &amp; OTHERS:</b>									
Land	1,880,155,003	15,880,377	-	1,896,035,380	-	-	1,896,035,380	-	
Building	892,573,847	1,500,000	-	894,073,847	54,204,867	-	405,235,526	10%	
Boundary Wall	10,855,163	3,980,730	-	14,835,893	698,164	-	6,056,854	10%	
Furniture & Fixture	160,576,600	7,319,186	-	167,895,786	9,177,984	-	82,206,020	10%	
Office Equipment	93,888,425	12,018,578	-	105,907,003	57,805,683	-	62,357,772	10%	
Computer	352,070,507	11,817,232	-	363,887,739	137,499,636	-	160,402,881	10%	
Motor Vehicle	1,534,134,086	204,112,139	37,772,025	1,700,474,200	876,799,316	29,501,558	996,267,830	20%	
Motor Vehicle-Lease	118,472,040	-	-	118,472,040	108,626,704	-	110,595,771	20%	
Motor Cycle	477,426,705	76,110,330	59,103,350	494,433,685	245,857,630	45,145,635	253,112,176	20%	
Books & Periodicals	528,794	-	-	528,794	28	-	528,728	66	
SAP Software	148,024,164	-	-	148,024,164	49,491,150	-	148,024,164	20%	
VSAT	7,559,700	-	-	7,559,700	344,620	-	4,458,123	10%	
Electrical Installation	16,358,915	-	-	16,358,915	563,054	-	13,168,275	15%	
<b>Sub-Total</b>	<b>5,692,623,949</b>	<b>332,738,572</b>	<b>96,875,375</b>	<b>5,928,487,146</b>	<b>345,274,521</b>	<b>74,647,193</b>	<b>2,242,414,120</b>	<b>3,686,073,026</b>	
<b>Grand Total Tk.</b>	<b>37,909,871,642</b>	<b>1,884,769,728</b>	<b>114,167,415</b>	<b>39,680,473,955</b>	<b>1,970,126,072</b>	<b>81,805,129</b>	<b>20,046,381,983</b>	<b>19,634,091,972</b>	
Plant & Machinery in Transit	269,664,258	923,202,547	677,909,749	514,957,056	-	-	-	514,957,056	
Building under Construction	738,961,004	312,007,442	632,815,084	418,153,362	-	-	-	418,153,362	
<b>Carrying Value as on June 30, 2020</b>	<b>38,918,496,904</b>	<b>3,119,979,717</b>	<b>1,424,892,248</b>	<b>40,613,584,373</b>	<b>1,970,126,072</b>	<b>81,805,129</b>	<b>20,046,381,983</b>	<b>20,567,202,390</b>	

## UNCLAIMED/UNSETTLED DIVIDEND 1995 TO 2020

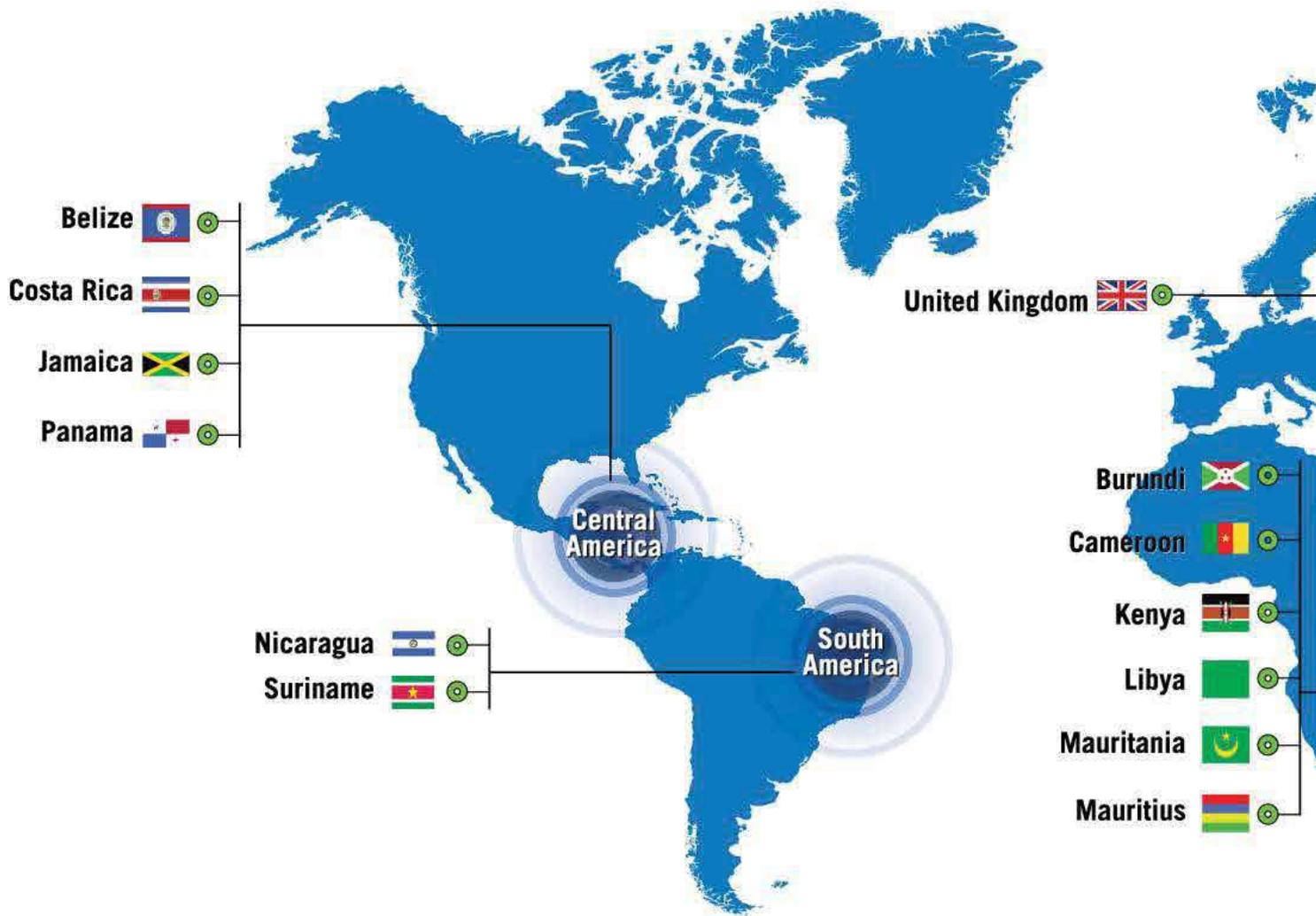


The unclaimed/unsettled cash dividend for the year from 1995 to 2017 has been deposited to the Capital Market Stabilization (CMS) Fund as instructed by the Bangladesh Securities and Exchange Commission.

Summary of unclaimed/unsettled cash dividend (year-wise):

Deposited to CMS Fund:	Amount in Taka
1994-1995	34,624.00
1995-1996	48,490.00
1996-1997	173,495.00
1997-1998	1,026,033.75
1998-1999	662,640.00
1999-2000	749,580.00
2000-2001	594,455.00
2001-2002	1,701,675.00
2002-2003	735,210.00
2003-2004	1,535,834.55
2004-2005	1,694,586.17
2005-2006	2,895,237.93
2006-2007	2,250,065.00
2007-2008	7,160,156.95
2008-2009	10,177,521.55
2009-2010	5,985,621.27
2010-2011	7,991,400.50
2011-2012	5,307,850.75
2012-2013	12,442,557.14
2013-2014	16,406,991.45
2014-2015	10,845,551.22
2015-2016	8,993,482.35
2016-2017	8,069,292.27
Unspecified (not returned/not been cashed (1995-2017))	131,073,564.90
<b>Total Deposited to CMS Fund -</b>	<b>238,555,916.75</b>
<b>Dividend returned:</b>	
2017-2018	14,472,705.89
2018-2019	16,839,121.12
2019-2020	56,295,094.94
Unspecified (not returned/not been cashed (2018-2020))	49,002,900.30
<b>Total Dividend lying with the Company -</b>	<b>375,165,739.00</b>

# We Export to ....





*Since 1958*



**SQUARE**

**PHARMACEUTICALS LTD.  
BANGLADESH**

# Subsidiary Profile

## SQUARE PHARMACEUTICALS KENYA EPZ LTD.

*Born in 2017*

129: Directors' Report

131: Auditors' Report

132: Statement of Financial Position

133: Statement of Profit or Loss and  
Other Comprehensive Income

134: Statement of Changes in Equity

135: Statement of Cash Flows



SQUARE



The Board of Directors is pleased to present their report along with audited financial statements for the year ended June 30, 2021, and the Auditors' Report thereon. The report has been prepared as per the provision of section 653 of the Companies Act, 2015 of Kenya.

The key events during the year, project progress and various financial results have been discussed here in the Directors' Report. Directors' liabilities with regard to this report shall be subject to the conditions of the Companies Act, 2015 of Kenya.

## PRINCIPLE BUSINESS ACTIVITIES

The Company's core business activities are the manufacturing and marketing of generic pharmaceutical products in Kenya and the majority of the East African Community (EAC).

## BOARD OF DIRECTORS

The Board of Directors of SPL Kenya consists of the following persons:

Mr. Samuel S Chowdhury	Chairman
Mrs. Ratna Patra	Vice Chairman
Mr. Tapan Chowdhury	Managing Director
Mr. Anjan Chowdhury	Director
Dr. Iruki Mwithali Kailemia	Director
Mr. Syed Afzal Hasan Uddin	Director

Except Dr. Iruki Mwithali Kailemia, all are nominees of Square Pharmaceuticals Ltd., Dhaka, Bangladesh. Dr. Iruki Mwithali Kailemia is a local representative of SPL Kenya, which is a must for a foreign company as per the Companies Act, 2015 of Kenya.

Mr. Syed Afzal Hasan Uddin, Independent Director of Square Pharmaceuticals Ltd. (holding company), is represented as a nominee director on the Board of Directors of SPL Kenya in compliance with Condition No. 2 of the Corporate Governance Code 2018 of

Bangladesh Securities and Exchange Commission.

## INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENTS

Kenya, considered as the powerhouse of East Africa, is poised to be among the fastest growing economies in the region. It has one of the most stable democracies in Africa. Its geographical position and membership in the East African Community (EAC) gives it a unique opportunity to facilitate easy access to the market of around 150 million people in the EAC. Any production in Kenya is considered local manufacturing in the EAC, which includes Kenya, Tanzania, Uganda, Rwanda, and Burundi. In Kenya, the manufacturing industry is prioritized as it plays an important role in the economic development of the country. The pharmaceutical industry is one of the key manufacturing industries in Kenya.

Despite being a highly disease prone zone, the pharmaceutical market is greatly dependent on imports. Nearly 80% of the total market demand is met by importing pharmaceutical products. Thus, the African pharmaceuticals market has huge potential. Key drivers behind the growth of this sector are rapid urbanization, increasing healthcare capacity and, most importantly, the local Govt.'s initiatives to make the business environment more supportive.

## PROJECT PROGRESS

The project's construction began in 2019 and was initially scheduled to be completed by early 2021. However, the global outbreak of Covid-19 impacted the construction work to a great extent. The remaining work had to be rescheduled. The tireless effort from the project team paid off and the construction work was completed within the rescheduled timeframe. The civil construction work was done by September 2021. And all the machinery and

equipment were at the facility in due time. The validation work, which again slowed down due to Covid-19, will be completed by November 2021. The trial operation will start in December 2021 and hopefully the commercial production will be started from January 2022.

## FINANCIALS

The estimated budget and cost of the project is given below:

Particulars	USD million
Infrastructure Development	9.40
Plant and Equipment	6.33
Furniture & Fixture	0.31
Computer	0.13
Motor Vehicle & Van	0.40
Office Equipment	0.43
<b>Total Project Cost</b>	<b>17.00</b>
Working Capital	3.00
<b>Total Investment</b>	<b>20.00</b>

The project is financed by a 40:60 debt to equity ratio. As a part of the investment, a total amount of USD 12 million has been remitted by the parent company, Square Pharmaceuticals Ltd., Bangladesh, to Square Pharmaceuticals Kenya EPZ Ltd. upon receiving approval and clearance from the Bangladesh Bank, the Central Bank of Bangladesh. The rest of the project finance and working capital is managed by obtaining credit facilities from Standard Chartered Bank, Kenya.

As the company is yet to start any revenue generating activities, it is incurring losses as a result of administrative expenses and foreign exchange losses. The net profit for the financial year ended on 30 June 2021 is KES 6,354,905 (USD 59,005) while the accumulated loss is KES 13,672,783 (USD 126,952). It is to be noted that the net profit in the current year is a result of the fluctuation in exchange rates.

## IMPACT OF COVID-19

During the financial year under review, construction work was greatly affected as the global pandemic (COVID-19) spread throughout the country (Kenya). This unprecedented scenario forced us to reconsider our risk management policy and reschedule the construction work. The rescheduling was made with due consideration to the safety of the workers and employees, provisioning for the delayed validation and other compliance related work.

## STATUTORY AUDITORS

Messrs Shariff and Associates, Certified Public Accountant (Kenya) has been appointed subsequent to the year and the auditor has also expressed willingness to continue in office and do so in accordance with Section 159(2) of the Companies Act, 2015 of Kenya.

## ACKNOWLEDGEMENT

We, the board members, would like to sincerely thank all of our stakeholders for being with us, for believing in us and supporting us in growing beyond national borders.



Samuel S Chowdhury  
Chairman

# SHARIFF & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS (KENYA)

East End Plaza - Nairobi West  
3<sup>rd</sup> Floor, Muthaiti Ave/Bukani Road  
Nairobi

## AUDITORS' REPORT

### To the Members of Square Pharmaceuticals Kenya EPZ Ltd.

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

### Respective responsibilities of the Directors and auditors

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

### Basis of opinion

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

### Opinion

In our opinion, proper books of account have been kept and the financial statements give a true and fair view of the state of the Company's financial affairs as at 30<sup>th</sup> June, 2021 and of the loss and cash flows for the year then ended and comply with International Accounting Standards and the Companies Act ( Cap 486).

Dated, Nairobi:  
14<sup>th</sup> July, 2021



Shariff and Associates  
Certified Public Accountants (K)

# SQUARE PHARMACEUTICALS KENYA EPZ LTD.

## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

Particulars	Notes	Amount in KES	
		30 June 2021	30 June 2020
<b>ASSETS:</b>			
<b>Non-Current Assets</b>		<b>1,293,930,653</b>	<b>395,754,347</b>
Property, Plant & Equipment, net	3	1,293,930,653	395,754,347
<b>Current Assets</b>		<b>97,507,914</b>	<b>643,411,523</b>
Advances, Deposits & Prepayments	4	90,246,919	215,997,429
Cash and Cash Equivalents	5	7,260,995	427,414,094
<b>Total Assets</b>		<b>1,391,438,567</b>	<b>1,039,165,870</b>
<b>EQUITY AND LIABILITIES:</b>			
<b>Shareholders' Equity</b>		<b>1,238,355,547</b>	<b>1,021,796,712</b>
Share Capital	6	400,000,000	400,000,000
Share Money Deposits	7	852,028,330	641,824,400
Retained Earnings		(13,672,783)	(20,027,688)
<b>Non-Current liabilities</b>	8	<b>131,859,465</b>	-
<b>Current Liabilities</b>		<b>21,223,555</b>	<b>17,369,158</b>
Trade Creditors	9	19,553,815	16,421,237
Liabilities for Expenses	10	1,669,740	947,921
<b>Total Equity and Liabilities</b>		<b>1,391,438,567</b>	<b>1,039,165,870</b>

The notes (1-15) are integral part of the Financial Statements.

Approved and authorized for issue by the board of directors on 14<sup>th</sup> July 2021 and signed for and on behalf of the Board:



Samuel S Chowdhury  
Chairman



Tapan Chowdhury  
Managing Director



Anjan Chowdhury  
Director

As per our even date annexed.



Sharif and Associates  
Certified Public Accountants (K)

Nairobi, 14 July 2021

**SQUARE PHARMACEUTICALS KENYA EPZ LTD.**  
 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 30 JUNE 2021

Particulars	Notes	Amount in KES	
		2020-2021	2019-2020
<b>Revenue</b>		-	-
Cost of Sales		-	-
<b>Gross Profit /(Loss)</b>		-	-
<b>Operating expenses</b>			
Administrative Expenses	11	(5,116,826)	(8,156,266)
<b>Profit /(Loss) from Operations</b>		<b>(5,116,826)</b>	<b>(8,156,266)</b>
Finance Expenses	12	-	-
Foreign Exchange (Loss)/Gain, net	13	11,471,731	2,001,020
<b>Profit / (Loss) before Tax</b>		<b>6,354,905</b>	<b>(6,155,246)</b>
Income Tax Expense		-	-
<b>Profit after Tax for the Year</b>		<b>6,354,905</b>	<b>(6,155,246)</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income for the Year</b>		<b>6,354,905</b>	<b>(6,155,246)</b>

The notes (1-15) are integral part of the Financial Statements.

Approved and authorized for issue by the board of directors on 14<sup>th</sup> July 2021 and signed for and on behalf of the Board:



Samuel S Chowdhury  
Chairman



Tapan Chowdhury  
Managing Director



Anjan Chowdhury  
Director

As per our even date annexed.



**Sharif and Associates**  
Certified Public Accountants (K)

Nairobi, 14 July 2021

# SQUARE PHARMACEUTICALS KENYA EPZ LTD.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

Particulars	Amount in KES			
	Share Capital	Share Money Deposit	Retained Earnings	Total
	1	2	3	4 (1+2+3)
<b>Balance as at 01 July 2019</b>				
Transactions with the equity holders:				
Shares issued during the year	400,000,000	-	-	400,000,000
Share money deposits received / (adjusted) during the year	-	381,265,500	-	381,265,500
Total comprehensive income:				
Net Loss for the year	-	-	(6,155,246)	(6,155,246)
Other comprehensive income	-	-	-	-
<b>Balance as at 30 June 2020</b>	<b>400,000,000</b>	<b>641,824,400</b>	<b>(20,027,688)</b>	<b>1,021,796,712</b>
<b>Balance as at 01 July 2020</b>	<b>400,000,000</b>	<b>641,824,400</b>	<b>(20,027,688)</b>	<b>1,021,796,712</b>
Transactions with the equity holders:				
Shares issued during the year	-	-	-	-
Share money deposits received / (adjusted) during the period	-	210,203,930	-	210,203,930
Total comprehensive income:				
Net Loss for the year	-	-	6,354,905	6,354,905
Other comprehensive income	-	-	-	-
<b>Balance as at 30 June 2021</b>	<b>400,000,000</b>	<b>852,028,330</b>	<b>(13,672,783)</b>	<b>1,238,355,547</b>

The notes (1-15) are integral part of the Financial Statements.

Approved and authorized for issue by the board of directors on 14<sup>th</sup> July 2021 and signed for and on behalf of the Board:



Samuel S Chowdhury  
Chairman



Tapan Chowdhury  
Managing Director



Anjan Chowdhury  
Director

As per our even date annexed.



**Sharif and Associates**  
Certified Public Accountants (K)

Nairobi, 14 July 2021

# SQUARE PHARMACEUTICALS KENYA EPZ LTD.

STATEMENT OF CASH FLOWS (Direct method)

FOR THE YEAR ENDED 30 JUNE 2021

Particulars	Amount in KES	
	2020-2021	2019-2020
<b>Cash Flows From Operating Activities</b>		
Cash receipts from customers and others	-	-
Cash (paid)/adjusted to suppliers and employees	124,608,280	(167,410,535)
<b>Cash generated from operations</b>	<b>124,608,280</b>	<b>(167,410,535)</b>
Income Tax paid	-	-
Bank charges Paid	(120,199)	(3,776,485)
<b>Net cash from/(used in) Operating Activities</b>	<b>124,488,081</b>	<b>(171,187,020)</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(898,176,306)	(282,554,073)
Purchase of intangible assets	-	-
Advance payment for civil construction	-	-
<b>Net cash from/(used in) Investing Activities</b>	<b>(898,176,306)</b>	<b>(282,554,073)</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from the issue of share capital	-	-
Proceeds from share money deposits	210,203,930	781,265,500
Proceeds from term loan	131,859,465	-
<b>Net cash generated from Financing Activities</b>	<b>342,063,395</b>	<b>781,265,500</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(431,624,831)</b>	<b>327,524,407</b>
Cash and cash equivalents at beginning	427,414,094	97,888,667
Effects of foreign exchange rate changes on the balance of cash held in foreign currencies	11,471,731	2,001,020
<b>Cash and cash equivalents at closing</b>	<b>7,260,995</b>	<b>427,414,094</b>

The notes are integral part of the Financial Statements.

Approved and authorized for issue by the board of directors on 14<sup>th</sup> July 2021 and signed for and on behalf of the Board:



Samuel S Chowdhury  
Chairman



Tapan Chowdhury  
Managing Director



Anjan Chowdhury  
Director

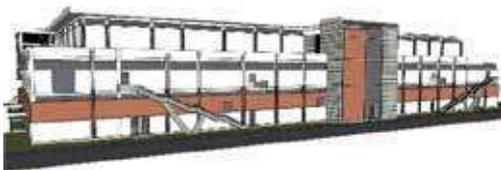
As per our even date annexed.



**Sharif and Associates**  
Certified Public Accountants (K)

Nairobi, 14 July 2021

# Subsidiary Profile



## SQUARE LIFESCIENCES LIMITED

*Born in 2020*

- 137: Directors' Report
- 138: Auditor's Report
- 140: Statement of Financial Position
- 141: Statement of Profit or Loss and  
Other Comprehensive Income
- 142: Statement of Changes in Equity
- 143: Statement of Cash Flows

SQUARE

The Board of Directors has the pleasure to submit their report along with the audited financial statements for the year ended June 30, 2021, and the auditor's report thereon in terms of section 184 of the Companies Act, 1994.

## CORE BUSINESS ACTIVITIES

The company's core business activities are the manufacturing of pharmaceuticals. The plant of Company is situated at the Patikabari, Hemayetpur, Paban, Bangladesh.

## SHAREHOLDING

The company is virtually wholly owned by Square Pharmaceuticals Ltd. and holds 9,95,000 shares out of a total of 10,00,000 paid up shares of Tk. 100 each.

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

## BOARD OF DIRECTORS

The following persons are the Members of the Board of Directors of the Company:

Mr. Samuel S Chowdhury	Chairman
Mrs. Ratna Patra	Vice Chairman
Mr. Tapan Chowdhury	Director
Mr. Anjan Chowdhury	Director
Mr. S M Rezaur Rahman	Director
(Nominee of Square Pharmaceuticals Ltd.)	

Mr. S M Rezaur Rahman, Independent Director of Square Pharmaceuticals Ltd. (holding company) represents as nominee director in compliance with the condition No. 2 of the CGC 2018 of BSEC.

## PROJECT STATUS

The project is being implemented in phases. Civil construction of the production block, the QA/QC block, and the utility block has been completed. Construction of the ETP/STP,

canteen, and warehouse blocks is underway and will be completed by the end of December 2021. Cleanroom installation and floor finishing work is underway and is targeted to be completed by January 2022. MEP activities are also in progress, and about 60% of the work has been completed.

Already, 40% of the process machinery and 80% of the utility equipment have been placed correctly. The remaining equipment is in the pipeline and will be available on-site by the end of December 2021.

Facility validation will be completed by March '2022. After that performance and qualification will begin and it is expected to start commercial production by June 2022.

## FINANCIAL STATEMENTS

The Audited Financial Statements along with the Auditors' Report for the year ended June 30, 2021 is placed herewith.

## STATUTORY AUDITORS

M/s. Chowdhury Bhattacharjee & Co., Chartered Accountants', first auditors of the Company, retire at this Annual General Meeting and being eligible have offered to be reappointed as Auditors for the year 2021-2022.

## ACKNOWLEDGEMENT

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



Samuel S Chowdhury  
Chairman

## INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS' OF SQUARE LIFSCIENCES LTD.

### Opinion

We have audited the accompanying Financial Statements of “**Square Lifesciences Ltd.**”, which comprise the Statement of Financial Position as at 30 June 2021, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the Financial Statements, prepared in accordance with International Financial Reporting Standards (IFRS), give a true and fair view of the state of the company's affairs as at 30 June, 2021 and of the results of its operations and its Cash Flows for the year then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

### Basis for Opinion

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

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

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

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

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

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

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

চৌধুরী ভট্টাচার্য এন্ড কোং  
**CHOWDHURY BHATTACHARJEE & CO.**  
**CHARTERED ACCOUNTANTS**

DHAKA OFFICE : 47/2, Indira Road, Dhaka-1215  
 Ph : 9123236, Fax : 8802-8120187  
 CTG. OFFICE : 922, Jubilee Road, Ctg.-4000  
 Ph : 031-614907 (O) 624228 (R)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidences that is sufficient and appropriate to provide a basis for audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances .
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidences obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern . If we conclude that a material uncertainty exists, we are required to draw attention in our auditors report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidences obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) In our opinion, proper books of account as required by law have been kept by "**Square Lifesciences Ltd.**" so far as it appeared from our examination of those books:
- (iii) The Company's Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and its Statement of Cash Flows dealt with by the report are in agreement with the books of account; and
- (iv) The expenditure incurred was for the purpose of the Company's business.

Dated: Dhaka  
 18 October, 2021



**Saptam Biswas, FCA**  
 Partner  
 Enrollment No: 1615  
**Chowdhury Bhattacharjee & Co.**  
 (Chartered Accountants)  
 DVC: 2110181615AS786331

# SQUARE LIFESCIENCES LTD.

## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

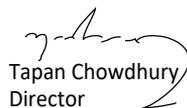
Particulars	Notes	Amount in Taka	
		30 June 2021	30 June 2020 Restated
<b>ASSETS:</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	2	96,832,373	-
<b>Current Assets</b>			
Advances, Deposits and Prepayments	3	50,396,526	-
Cash and Cash Equivalents	4	3,358,813	-
<b>TOTAL ASSETS</b>		<b>150,587,712</b>	<b>-</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES:</b>			
<b>Shareholders' Equity</b>			
Share Capital	5	100,000,000	-
Retained Earnings		(1,323,158)	(774,363)
<b>Non - Current Liabilities :</b>			
<b>Current Liabilities</b>			
Short Term Loan	6	-	751,363
Trade Creditors	7	51,887,870	-
Liabilities for Expenses	8	23,000	23,000
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>150,587,712</b>	<b>-</b>

Attached notes form an integral part of these Financial Statements.

Signed as per our annexed report of even date.

  
Samuel S Chowdhury  
Chairman

Dhaka, 18 October, 2021

  
Tapan Chowdhury  
Director

  
Md. Kabir Reza  
Executive Director(A&F)  
and Company Secretary

  
Saptam Biswas, FCA  
Partner  
Enrollment No: 1615  
Chowdhury Bhattacharjee & Co.  
(Chartered Accountants)  
DVC: 2110181615AS786331

# SQUARE LIFESCIENCES LTD.

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

Particulars	Note	Amount in Taka	
		2020-2021	2020 Restated
<b>GROSS REVENUE</b>		-	-
Less: Value Added Tax		-	-
<b>NET REVENUE</b>		-	-
COST OF GOODS SOLD		-	-
<b>GROSS PROFIT</b>		-	-
<b>OPERATING EXPENSES:</b>		<b>(548,795)</b>	<b>(774,363)</b>
Administrative Expense	9	(548,795)	(774,363)
<b>PROFIT OR (LOSS) FROM OPERATIONS</b>		<b>(548,795)</b>	<b>(774,363)</b>
Other Income		-	-
<b>PROFIT OR (LOSS) BEFORE WPPF &amp; WF</b>		<b>(548,795)</b>	<b>(774,363)</b>
Allocation for WPPF & WF		-	-
<b>PROFIT OR (LOSS) BEFORE TAX</b>		<b>(548,795)</b>	<b>(774,363)</b>
Income Tax Expenses-Current		-	-
<b>PROFIT OR (LOSS) AFTER TAX</b>		<b>(548,795)</b>	<b>(774,363)</b>

Attached notes form an integral part of these Financial Statements.

Signed as per our annexed report of even date.

  
Samuel S Chowdhury  
Chairman

Dhaka, 18 October, 2021

  
Tapan Chowdhury  
Director

  
Md. Kabir Reza  
Executive Director(A&F)  
and Company Secretary

  
Saptam Biswas, FCA  
Partner  
Enrollment No: 1615  
Chowdhury Bhattacharjee & Co.  
(Chartered Accountants)  
DVC: 2110181615AS786331

# SQUARE LIFESCIENCES LTD.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

Particulars	Share Capital Taka	Retained Earnings Taka	Total Taka
<b>Balance as at 01 July, 2020</b>	-	(774,363)	(774,363)
Share Issued during the year	100,000,000	-	100,000,000
Net Profit/ (Loss) during the year	-	(548,795)	(548,795)
<b>Balance as at 30 June, 2021</b>	<b>100,000,000</b>	<b>(1,323,158)</b>	<b>98,676,842</b>

FOR THE PERIOD ENDED 30 JUNE 2020

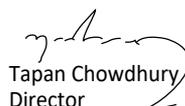
Particulars	Share Capital Taka	Retained Earnings Taka	Restated
			Total Taka
<b>Balance as at 13 February, 2020</b>	-	-	-
Net Profit/ (Loss) during the period	-	(774,363)	(774,363)
<b>Balance as at 30 June, 2020</b>	-	<b>(774,363)</b>	<b>(774,363)</b>

Signed as per our annexed report of even date.



Samuel S Chowdhury  
Chairman

Dhaka, 18 October, 2021



Tapan Chowdhury  
Director



Md. Kabir Reza  
Executive Director(A&F)  
and Company Secretary



Saptam Biswas, FCA  
Partner  
Enrollment No: 1615  
Chowdhury Bhattacharjee & Co.  
(Chartered Accountants)  
DVC: 2110181615AS786331

# SQUARE LIFESCIENCES LTD.

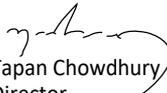
## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

Particulars	Amount in Taka	
	01 July 2020 to 30 June 2021	13 February 2020 to 30 June 2020 Restated
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>RECEIPTS:</b>	-	-
Receipts from Customers	-	-
<b>PAYMENTS:</b>	<b>(50,945,321)</b>	<b>(751,363)</b>
Value Added Tax	(12,298,068)	-
Advance Income Tax Expenses	(2,098,458)	-
Manufacturing and Operating Expenses	(548,795)	(751,363)
Advances to Suppliers	(36,000,000)	-
<b>Net cash provided/(used) by Operating Activities</b>	<b>(50,945,321)</b>	<b>(751,363)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Acquisition of Property, Plant and Equipment	(44,944,503)	-
<b>Net cash provided/(used) by Investing Activities</b>	<b>(44,944,503)</b>	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Share Capital	100,000,000	-
Short Term Loan Received /(Paid)	(751,363)	751,363
<b>Net cash provided/(used) by Financing Activities</b>	<b>99,248,637</b>	<b>751,363</b>
<b>Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<b>3,358,813</b>	-
<b>Cash and Cash Equivalents Opening</b>	-	-
<b>Cash and Cash Equivalents Closing</b>	<b>3,358,813</b>	-

Signed as per our annexed report of even date.

  
Samuel S Chowdhury  
Chairman

Dhaka, 18 October, 2021

  
Tapan Chowdhury  
Director

  
Md. Kabir Reza  
Executive Director(A&F)  
and Company Secretary

  
Saptam Biswas, FCA  
Partner  
Enrollment No: 1615  
Chowdhury Bhattacharjee & Co.  
(Chartered Accountants)  
DVC: 2110181615AS786331



COVID-19 মহামারীতে সাহসিকতার সাথে নিরলস সেবা প্রদানকালে জীবন উৎসর্গকারী সম্মানিত চিকিৎসকবৃন্দ, চিকিৎসা সেবার সাথে সম্পৃক্ত ব্যক্তিবর্গ এবং বিভিন্ন প্রতিষ্ঠানে কর্মরত ব্যক্তিবর্গের আত্মার প্রতি বিনয় শ্রদ্ধা জ্ঞাপন করছি।

সেই সাথে কৃতজ্ঞতা প্রকাশ করছি এই সংকটময় মুহূর্তে সেবাদানকারী সম্মানিত চিকিৎসকবৃন্দ, চিকিৎসা সেবার সাথে সম্পৃক্ত ব্যক্তিবর্গ, আইন প্রয়োগকারী সংস্থা এবং বিভিন্ন সেবাদানকারী সরকারি ও বেসরকারি প্রতিষ্ঠানে কর্মরত ব্যক্তিবর্গের প্রতি।

**স্কয়ার ফার্মাসিউটিক্যালস্ লিমিটেড**



# Square Pharmaceuticals Limited

Square Centre, 48, Mohakhali Commercial Area  
Dhaka-1212

## PROXY FORM

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member of **Square Pharmaceuticals Ltd.** , do hereby appoint

Mr./Mrs./Miss \_\_\_\_\_

of \_\_\_\_\_

as my/our proxy to attend and vote for me/us on my/our behalf at the **55<sup>th</sup> Annual General Meeting** of the Company to be held on **Wednesday the 15<sup>th</sup> December, 2021** at 10:00 a.m. under virtual platform through the link <https://tinyurl.com/splagm2021>.

As witness my hand this day of \_\_\_\_\_ 2021.

\_\_\_\_\_  
Signature of the Proxy

Dated:

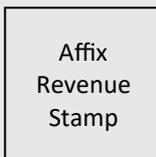
\_\_\_\_\_  
Signature of the Member

Dated:

Folio/BOID

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

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



Signature Verified

Authorized Signatory  
Square Pharmaceuticals Ltd.





**SQUARE**  
PHARMACEUTICALS LTD.

**Date of Incorporation**

10 November 1964

**Authorized Capital**

BDT 10,000 million

**Paid-up Capital**

BDT 8,864.51 million

**Registered Office**

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

**Factories**

Pabna Unit

Square Road, Salgaria, Pabna  
Bangladesh

Dhaka Unit

Board Ghar Bazar, Kaliakoir  
Gazipur, Bangladesh

**Listing**

Dhaka Stock Exchange Ltd.  
Chittagong Stock Exchange Ltd.

**Subsidiary Companies**

Square Pharmaceuticals Kenya EPZ Ltd.  
Square Lifesciences Ltd.

**Associate Companies**

Square Textiles Limited  
Square Fashions Limited  
Square Hospitals Limited

**Phone**

880-2-8833047-56, 9859007-16  
Ext-229, 585

**Website**

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

**Email**

[cs@squaregroup.com](mailto:cs@squaregroup.com)

**Corporate**  
INFORMATION

**Corporate**  
COMPLIANCE



**For the Financial Year 2019-2020**

**Dividend Recommended**

22 October 2020

**Record Date for 54<sup>th</sup> AGM**

22 November 2020

**54<sup>th</sup> Annual General Meeting**

15 December 2020

**Dividend Issued**

07 January 2020



**For the Financial Year 2020-2021**

**Publication of 1<sup>st</sup> Qtr. Financial Report**

13 November 2020

**Publication of 2<sup>nd</sup> Qtr. Financial Report**

29 January 2021

**Publication of 3<sup>rd</sup> Qtr. Financial Report**

07 May 2021

**Dividend Recommended**

21 October 2021

**Audited Financial Report to  
BSEC, DSE and CSE**

11 November 2021

**Record Date for 55<sup>th</sup> AGM**

22 November 2021

**Notice of 55<sup>th</sup> AGM**

24 November 2021

**55<sup>th</sup> Annual General Meeting**

15 December 2021

**Dividend Payable**

By 13 January 2022





Registered Address

Corporate Headquarters  
Square Centre

48 Mohakhali Commercial Area, Dhaka, Bangladesh

Phone: +88-02-9859007, 8833047-56

Fax: +88-02-8834941, 8828768

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