

First Quarter
Financial Statement 2021-2022
(Unaudited)



SQUARE PHARMACEUTICALS LTD.

(Consolidated and Separate)

SQUARE PHARMACEUTICALS LIMITED

AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Unaudited) As at 30 September 2021

Particulars	Notes	30-09-2021 Taka	30-06-2021 Taka
ASSETS:			
Non-Current Assets:			
Property, Plant and Equipment-Carrying Value	2	24,308,283,152	22,884,103,636
Investment - Long Term (at Cost)	3	3,582,927,583	3,590,200,311
Investment - Associates Undertaking	4	9,698,004,853	9,277,247,222
Investment in Marketable Securities (Fair Value)	5	4,854,952,895	4,624,331,706
Current Assets:			
Inventories	6	6,520,934,488	7,245,396,928
Trade Debtors		1,592,683,999	1,636,136,514
Advances, Deposits and Prepayments	7	2,488,876,983	2,830,807,259
Cash and Cash Equivalents	8	48,312,098,359	43,364,039,004
TOTAL ASSETS		101,358,762,312	95,452,262,580
SHAREHOLDERS' EQUITY AND LIABILITIES:			
Shareholders' Equity:			
Share Capital		8,864,510,100	8,864,510,100
Share Premium		2,035,465,000	2,035,465,000
General Reserve		105,878,200	105,878,200
FVOCI Reserve		1,624,956,841	1,139,626,144
Cumulative Translation Adjustment		(14,497,267)	(285,055)
Retained Earnings		83,746,120,931	78,749,448,779
Non Controlling Interest	9	474,110	500,000
Non-Current Liabilities:			
Long Term Loan-Secured	10	142,963,721	103,707,469
Deferred Tax Liability	11	1,269,210,785	1,274,853,017
Current Liabilities:			
Trade Creditors		720,380,164	681,546,399
Long Term Loan-Current Portion	12	7,859,740	-
Liabilities for Expenses	13	87,724,276	183,049,079
Liabilities for Other Finance	14	2,664,310,046	1,938,797,709
Unclaimed Dividend		103,405,665	375,165,739
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		101,358,762,312	95,452,262,580
Net Assets Value per Share	22	108.71	102.54

Samuel S Chowdhury
Chairman

Ratna Patra
Vice Chairman

Tapan Chowdhury
Managing Director

Md. Zahangir Alam
Chief Financial Officer

Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LIMITED

AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Unaudited)

For the 1st Quarter Ended 30 September 2021

Particulars	Notes	July-Sept, 2021 Taka	July-Sept, 2020 Taka
GROSS TURNOVER	15	17,417,537,149	14,724,616,730
Less: Value Added Tax		2,540,676,024	2,149,035,950
NET TURNOVER		14,876,861,125	12,575,580,780
Cost of Goods Sold	16	(7,263,066,871)	(6,154,051,265)
GROSS PROFIT		7,613,794,254	6,421,529,515
OPERATING EXPENSES:		(2,492,482,323)	(2,165,851,159)
Selling & Distribution Expenses	17	(2,227,930,097)	(1,915,600,242)
Administrative Expenses	18	(264,530,012)	(250,245,632)
Finance Cost		(22,214)	(5,285)
PROFIT FROM OPERATIONS		5,121,311,931	4,255,678,356
Other Income	19	1,002,160,478	913,875,716
PROFIT BEFORE WPPF		6,123,472,409	5,169,554,072
Allocation for WPPF		(291,962,599)	(246,015,002)
PROFIT BEFORE TAX		5,831,509,810	4,923,539,070
Income Tax Expenses-Current		(1,264,897,161)	(1,210,658,041)
Income Tax Assets/(Expenses)-Deferred		9,275,982	15,417,306
PROFIT AFTER TAX		4,575,888,631	3,728,298,335
Profit/(Loss) from Associates Undertaking	20	420,757,631	203,667,151
PROFIT FOR THE PERIOD		4,996,646,262	3,931,965,486
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified to Profit or Loss			
Change in Fair Value of FVOCI Financial Assets		488,964,447	778,188,667
Related Tax on FVOCI Financial Assets		(3,633,750)	(77,818,867)
Other Comprehensive Income (Net of Tax)		485,330,697	700,369,800
Exchange Difference on Translation of Foreign Operations		(14,212,212)	(14,652,114)
Total Comprehensive Income for the Period		5,953,095,444	4,617,683,172
Profit Attributable to:			
Owners of the Company		4,996,672,152	3,931,965,486
Non Controlling Interest		(25,890)	-
		4,996,646,262	3,931,965,486
Total Comprehensive Income Attributable to:			
Owners of the Company		5,953,121,334	4,617,683,172
Non Controlling Interest		(25,890)	-
		5,953,095,444	4,617,683,172
Earnings Per Share (EPS)	23	5.64	4.44

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Tapan Chowdhury
Managing Director

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Chief Financial Officer

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Company Secretary

SQUARE PHARMACEUTICALS LIMITED

AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)

For the 1st Quarter Ended 30 September 2021

	Share Capital Taka	Share Premium Taka	General Reserve Taka	Tax Exemption Reserve Taka	FVOCI Reserve Taka	Cumulative Translation Adjustment Taka	Retained Earnings Taka	Non Controlling Interest Taka	Total Taka
At 30 June 2021	8,864,510,100	2,035,465,000	105,878,200	-	1,139,626,144	(285,055)	78,749,448,779	500,000	90,895,143,168
Total Comprehensive Income (Jul'2021- Sep'2021)	-	-	-	-	485,330,697	(14,212,212)	4,996,672,152	(25,890)	5,467,764,747
At 30 September 2021	8,864,510,100	2,035,465,000	105,878,200	-	1,624,956,841	(14,497,267)	83,746,120,931	474,110	96,362,907,915

For the 1st Quarter Ended 30 September 2020

	Share Capital Taka	Share Premium Taka	General Reserve Taka	Tax Exemption Reserve Taka	FVOCI Reserve Taka	Cumulative Translation Adjustment Taka	Retained Earnings Taka	Non Controlling Interest Taka	Total Taka
At 30 June 2020	8,442,390,580	2,035,465,000	105,878,200	2,211,743,936	(452,626,946)	(18,078,434)	64,981,071,577	-	77,305,843,913
Total Comprehensive Income (Jul'2020- Sep'2020)	-	-	-	-	700,369,800	(14,652,114)	3,931,965,486	-	4,617,683,172
At 30 September 2020	8,442,390,580	2,035,465,000	105,878,200	2,211,743,936	247,742,854	(32,730,548)	68,913,037,063	-	81,923,527,085

Annexed notes are integral part of these financials.

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SQUARE PHARMACEUTICALS LIMITED

AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)
For the 1st Quarter Ended 30 September 2021

Particulars	Note	2021 (Jul'2021-Sep'2021) Taka	2020 (Jul'2020-Sep'2020) Taka
Cash Flows From Operating Activities:			
RECEIPTS:			
Collection from Sales		17,903,683,367	14,914,165,525
Exchange Fluctuation Gain		279,010	617,686
Others		25,951,366	54,330,995
		17,929,913,743	14,969,114,206
PAYMENTS:			
Purchase of Raw and Packing Materials		4,737,585,402	5,125,156,050
Manufacturing and Operating Expenses		3,925,247,812	3,785,230,872
Value Added Tax		2,540,676,024	2,149,035,950
Finance Cost		22,214	5,285
Income Tax Expenses		869,226,307	979,994,924
		12,072,757,759	12,039,423,081
Net cash provided by operating activities		5,857,155,984	2,929,691,125
Cash Flows From Investing Activities:			
Purchase of Fixed Assets		(1,883,985,333)	(803,483,453)
Pre-Operating Expenses		-	(20,711)
Investment		265,615,985	54,341,569
Short Term Loan		-	557,262,712
Gain on Sale of Marketable Securities		206,506,705	1,770,412
Interest Received		685,194,952	1,424,905,163
Dividend Received		25,855,922	114,141,334
Net cash used in investing activities		(700,811,769)	1,348,917,026
Cash Flows From Financing Activities			
Long Term Loan (Received)		47,115,992	-
Unclaimed Dividend (Paid)		(271,760,074)	-
Net cash used by Financing activities		(224,644,082)	-
Increase in Cash and Cash Equivalents		4,931,700,133	4,278,608,151
Net Effect of Foreign Currency Translation on Cash and Cash Equiv		16,359,222	(7,759,696)
Cash and Cash Equivalents at the Opening		43,364,039,004	32,564,329,438
Cash and Cash Equivalents at the Closing		48,312,098,359	36,835,177,893
Net Operating Cash Flow per Share (NOCF)		6.61	3.30

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SQUARE PHARMACEUTICALS LTD.

Notes to the Consolidated Interim Financial Statements For the 1st Quarter Ended September 30, 2021

1. Basis of Preparation of the Interim Financial Statements:

These Financial Statements (They) are the unaudited Interim Financial Statements (here after 'the Interim Financial Statements') of Square Pharmaceuticals Ltd., a company incorporated in Bangladesh under Companies Act, 1994; Square Pharmaceuticals Kenya EPZ Ltd., incorporated in Kenya under Companies Act, 2015, Kenya, and Square Lifesciences Ltd., incorporated in Bangladesh under Companies Act, 1994 for the 1st Quarter Ended on September 30, 2021 (here after the interim period). They are prepared in accordance with the International Accounting Standard (IAS-34) 'Interim Financial Reporting'. These financial statements should be read in conjunction with the Annual Financial Statements as of June 30, 2021, as they provide an update of previously reported information.

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

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

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

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

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

Figures have been rounded off to the nearest Taka.

Foreign Currency Translation:

The financials of Square Pharmaceuticals Kenya EPZ Ltd. have been drawn in KHS (Kenyan Shilling) as reporting currency in Kenya. These financials are converted in BDT to Consolidate with the financials of Square Pharmaceuticals Ltd. as it is the parent company (it holds 100% shares). 1 KHS = 0.7750 BDT.

30-09-2021

30-06-2021

2. CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT: Tk. 24,308,283,152

Details of Property, Plant and Equipment and Depreciation as at 30 September 2021 are as follows:

This is arrived at as follows:

Fixed Assets at Cost:

Opening Balance	44,677,494,719	40,920,080,284
Addition during the Period/Year	2,720,983,109	5,271,595,023
	47,398,477,828	46,191,675,307
Sales/Transfer during the Period/Year	(854,372,576)	(1,514,180,588)
Closing Balance	46,544,105,252	44,677,494,719

Accumulated Depreciation:

Opening Balance	21,793,391,083	20,046,381,983
Charged during the Period/ Year	442,431,017	1,882,490,971
	22,235,822,100	21,928,872,954
Sales/Transfer during the Period/Year	-	(135,481,871)
	22,235,822,100	21,793,391,083

Carrying Value

Tk.	24,308,283,152	22,884,103,636
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30-09-2021

30-06-2021

3. CONSOLIDATED INVESTMENT-Long Term (at Cost): Tk. 3,582,927,583

This consists of the following:

(a) 120,000 Ordinary Shares of Tk.100/- each in United Hospital Ltd.	12,000,000	12,000,000
(b) 5,711,804 Ordinary Shares of Tk. 10/- each including Bonus Shares in Central Depository Bangladesh Ltd.	15,694,430	15,694,430
(c) 150,000 Preference Share in Raj Lanka Power Company Ltd.	21,818,182	29,090,910
(d) 5 Non-Convertible Zero Coupon Bond in Durable Plastics Ltd.	11,905,164	11,905,164
(e) 40 Non-Convertible Zero Coupon Bond in Envoy Textiles Ltd.	21,509,807	21,509,807
(f) 200 Non-Convertible Subordinated Bond in Mutual Trust Bank Ltd.	2,000,000,000	2,000,000,000
(g) 5,000 Non-Convertible Subordinated Bond in Southeast Bank Ltd.	500,000,000	500,000,000
(h) 50 Mudaraba Redeemable Non-Convertible Subordinated Bond in Islami Bank Bangladesh Ltd.	500,000,000	500,000,000
(i) 50 Non-Convertible Subordinated Bond in Trust Bank Ltd.	500,000,000	500,000,000
Tk.	<u>3,582,927,583</u>	<u>3,590,200,311</u>

4. INVESTMENT-Associate Undertakings: Tk. 9,698,004,853

This is arrived at as follows:

Opening Balance	9,277,247,222	8,077,472,192
Add: Investment made /(disposed off) during the Period/Year	-	-
Add: Profit/(Loss) during the Period/Year (Note-18)	420,757,631	1,291,211,707
Less: Dividend during the Period/Year	-	(91,436,677)
Closing Balance	<u>9,698,004,853</u>	<u>9,277,247,222</u>

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

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

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

5. CONSOLIDATED INVESTMENT IN MARKETABLE SECURITIES (Fair Value): Tk. 4,854,952,895

	Position of Jul'2021-Sep'2021			Position of Jul'2020-Jun'2021		
	Total Cost	Total Market Value	Realized/ Unrealized Gain	Total Cost	Total Market Value	Realized/ Unrealized Gain
Opening Balance	3,307,788,552	4,624,331,706	1,316,543,154	3,144,519,813	2,691,892,867	(452,626,946)
Add: Investment made during the Period	53,000,506	748,471,658	695,471,152	487,296,823	2,345,407,225	1,858,110,402
Less: Sold/Disposed Off during the Period	(311,343,764)	(517,850,469)	(206,506,705)	(324,028,084)	(412,968,386)	(88,940,302)
Closing Balance	<u>3,049,445,294</u>	<u>4,854,952,895</u>	<u>1,805,507,601</u>	<u>3,307,788,552</u>	<u>4,624,331,706</u>	<u>1,316,543,154</u>

6. CONSOLIDATED INVENTORIES : Tk. 6,520,934,488

The break-up is as under:

Raw Materials	2,385,549,119	2,647,266,800
Packing Materials	757,559,498	829,398,759
Work-in-Process	320,431,224	415,013,847
Finished Goods	1,881,709,033	2,118,362,474
Spares & Accessories	899,473,395	831,527,919
Goods- in-Transit	276,212,219	403,827,129
Tk.	<u>6,520,934,488</u>	<u>7,245,396,928</u>

	30-09-2021	30-06-2021
7. CONSOLIDATED ADVANCES, DEPOSITS & PREPAYMENTS : Tk. 2,488,876,983		
This consists of as follows:		
Advances:	662,551,085	571,119,493
Employees	252,411,424	239,013,230
Land Purchase	33,878,177	16,503,377
Suppliers	367,278,978	313,504,428
Income Tax	8,982,506	2,098,458
Deposits:	1,790,810,134	2,213,512,961
Value Added Tax	169,018,711	611,712,414
Earnest Money & Security Deposit	307,772,405	313,948,089
Interest on Fixed Deposit Receipts	1,314,019,018	1,280,042,245
Others	-	7,810,213
Prepayments:	35,515,764	46,174,805
Office Rent	6,309,246	6,936,747
Insurance Premium	29,206,518	39,238,058
Tk.	<u>2,488,876,983</u>	<u>2,830,807,259</u>

8. CONSOLIDATED CASH AND CASH EQUIVALENTS: Tk. 48,312,098,359

This is made up as follows:

(a) Cash in Hand	9,908,898	14,025,716
(b) Cash at Bank:	48,302,189,461	43,350,013,288
* Current Account	949,223,491	443,983,864
* STD Account	11,221,117,595	3,486,902,772
* Fixed Deposit Account (BD Taka)	32,153,848,645	35,653,848,645
* Fixed Deposit Account (USD)	3,648,665,031	2,862,046,153
* Export Retention Quota Account (USD)	323,785,321	891,345,538
* Margin Held Account (USD)	5,549,378	11,886,316
Tk.	<u>48,312,098,359</u>	<u>43,364,039,004</u>

9. NON CONTROLLING INTEREST: Tk. 474,110

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

Paid-up Capital (Investment)	500,000	500,000
Retained Earnings	(25,890)	-
Tk.	<u>474,110</u>	<u>500,000</u>

List of Subsidiaries (As per IFRS-3):

Name of Company	Country of Incorporation	Proportion of Ownership Interest
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

10. LONG TERM LOAN-SECURED: Tk. 142,963,721

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: Starting from Jul'2022

11. CONSOLIDATED DEFERRED TAX LIABILITY: Tk. 1,269,210,785

This represents provision is made for deferred income tax to pay future income tax liability for temporary differences which is arrived at as follows:

Deferred Tax Related to Property, Plant & Equipment (Note-11.1)	1,088,660,025	1,097,936,007
Deferred Tax Related to FVOCI (Note-11.2)	180,550,760	176,917,010
Tk.	<u>1,269,210,785</u>	<u>1,274,853,017</u>

11.1 Deferred Tax Related to Property, Plant & Equipment:

A. Property, Plant and Equipments excluding Cost of Land (Carrying Amount)	13,640,516,095	13,686,544,416
B. Property, Plant and Equipments excluding Cost of Land (Tax Base)	8,802,027,094	8,806,828,831
C. Taxable/(Deductable) Temporary Difference (A-B)	4,838,489,001	4,879,715,585
D. Tax Rate	22.50%	22.50%
E. Deferred Tax Liabilities as on 30 September, 2021	1,088,660,025	1,097,936,007
F. Deferred Tax Liabilities as on 30 June, 2021	1,097,936,007	1,272,750,021
G. Current Year's Deferred Tax (Assets)/Liabilities (E-F)	<u>(9,275,982)</u>	<u>(174,814,014)</u>
Tk.	<u>(9,275,982)</u>	<u>(174,814,014)</u>

	30-09-2021	30-06-2021
11.2 Deferred Tax Related to FVOCI:		
A. FVOCI-Carrying Amount	4,854,952,895	1,769,170,100
B. FVOCI-Tax Base	3,049,445,294	-
C. Taxable/(Deductable) Temporary Difference (A-B)	1,805,507,601	1,769,170,100
D. Tax Rate	10%	10%
E. Deferred Tax Liabilities as on 30 September, 2021	180,550,760	176,917,010
F. Deferred Tax Liabilities as on 30 June, 2021	176,917,010	(59,821,223.00)
G. Current Year's Deferred Tax (Assets)/Liabilities (E-F)	Tk. <u>3,633,750</u>	<u>236,738,233</u>
12. LONG TERM LOAN-Current Portion: Tk. 7,859,740		
This consists of as follows:		
Standard Chartered Bank, Kenya	7,859,740	-
	<u>7,859,740</u>	<u>-</u>
The current portion of the long term loan will be repaid within next one year.		
13. CONSOLIDATED LIABILITIES FOR EXPENSES: Tk. 87,724,276		
This consists of as follows:		
Accrued Expenses	87,011,276	182,320,469
Audit Fees	713,000	728,610
	Tk. <u>87,724,276</u>	<u>183,049,079</u>
14. CONSOLIDATED LIABILITIES FOR OTHER FINANCE: Tk. 2,664,310,046		
This consists of as follows:		
Sundry Creditors	436,701,750	400,854,734
Income Tax (Deduction at Source)	13,154,885	19,532,856
Retention Money	9,464,211	7,938,420
Workers' Profit Participation Fund and Welfare Fund	1,229,759,226	937,796,627
Income Tax Payable (Note-14.1)	975,229,974	572,675,072
	Tk. <u>2,664,310,046</u>	<u>1,938,797,709</u>
14.1 INCOME TAX PAYABLE: Tk. 975,229,974		
This is arrived at as follows:		
Opening balance	572,675,072	978,037,537
Provision made for the Period	1,264,897,161	4,187,481,946
Tax Paid (Including Advance Income Tax during the Period)	(862,342,259)	(4,592,844,411)
	Tk. <u>975,229,974</u>	<u>572,675,072</u>
	2021	2020
	(Jul'2021-Sep'2021)	(Jul'2020-Sep'2020)
15. CONSOLIDATED GROSS REVENUE: Tk. 17,417,537,149		
This is made-up as follows:		
Local Sales	16,986,416,289	14,313,671,704
Export Sales Equivalent in US \$ 5,129,338 (Jul'2020-Sep'2020 US \$ 4,895,116)	431,120,860	410,945,026
	Tk. <u>17,417,537,149</u>	<u>14,724,616,730</u>
16. CONSOLIDATED COST OF GOODS SOLD: Tk. 7,263,066,871		
Materials	5,576,637,296	4,501,100,775
Factory Overhead (Note-15.1)	1,686,429,575	1,652,950,490
	Tk. <u>7,263,066,871</u>	<u>6,154,051,265</u>
16.1 CONSOLIDATED FACTORY OVERHEAD: Tk. 1,686,429,575		
This is made up as follows:		
Salaries, Allowances and Wages	610,927,695	563,744,886
Factory Employees Free Lunch	33,481,668	32,061,206
Factory Staff Uniform	20,011,782	18,747,768
Travelling & Conveyance	12,477,323	11,657,087
Printing & Stationery	14,311,925	14,352,451
Postage, Telephone & Fax	1,735,189	1,944,023
Repairs & Maintenance	265,730,730	260,703,366
Laboratory Consumable Stores	96,081,144	89,173,279
Fuel, Petrol, Light Diesel etc.	16,850,375	43,868,822
Electricity, Gas & Water	138,660,556	133,948,141
Rental Expense	334,584	334,584
Municipal & Other Tax	3,820,887	4,130,268
Insurance Premium	5,440,088	6,361,216
Factory Sanitation Expenses	25,015,675	24,357,152
Depreciation	368,892,736	379,690,260
Security Services	15,953,703	18,392,273
Research & Development	37,882,843	33,518,638
Software & Hardware Support Services	11,279,733	11,729,743
Toll Charges	6,834,225	3,911,780
Other Expenses	706,714	323,547
	Tk. <u>1,686,429,575</u>	<u>1,652,950,490</u>

	2021 (Jul'2021-Sep'2021)	2020 (Jul'2020-Sep'2020)
17. CONSOLIDATED SELLING & DISTRIBUTION EXPENSES: Tk. 2,227,930,097		
This consists of as follows:		
Salaries and Allowances	338,605,417	333,851,814
Travelling and Conveyance	29,453,662	27,386,292
Printing and Stationery	18,860,421	17,937,865
Postage, Telephone, Fax & Telex	13,148,204	15,685,060
Electricity, Gas and Water	7,891,764	7,421,911
Office and Godown Rent	6,391,147	6,512,828
Repairs and Maintenance including car maintenance	104,415,855	124,110,133
Govt. Taxes and Licence Fees	9,233,187	18,555,452
Field Staff Salaries, Allowances, TA and DA	638,696,297	493,195,249
Marketing and Sales Promotional Expenses	317,133,574	309,950,135
Event, Programs and Conference	14,898,711	15,066,279
Literature and Publications	10,815,278	10,807,181
Research and Product Development	2,356,875	2,390,769
Delivery and Packing Expenses	44,850,215	36,136,227
Export Expenses	35,377,107	32,059,423
Special Discount	456,305,651	317,170,743
Security Services	21,134,017	12,431,673
Depreciation	48,692,668	44,171,985
Other Expenses	109,670,047	90,759,223
Tk.	<u>2,227,930,097</u>	<u>1,915,600,242</u>
18. CONSOLIDATED ADMINISTRATIVE EXPENSES: Tk. 264,530,012		
This consists of as follows:		
Salaries and Allowances	117,185,013	105,279,736
Directors' Remuneration	17,096,667	16,175,420
Travelling and Conveyance	9,598,974	9,110,941
Printing and Stationery	1,517,942	1,450,269
Postage, Telephone, Internet	2,043,628	3,019,686
Electricity, Gas & Water	4,574,760	7,218,744
Tiffin and Refreshment	11,833,244	11,022,247
Repairs and Maintenance	39,572,085	38,461,504
Bank Charges	3,759,548	2,650,433
Insurance Premium	5,608,790	4,154,914
Govt. Taxes, Stamp Duty & Licence Fee	3,505,143	2,192,843
Security Services	10,082,525	9,437,741
Legal Charges	309,250	214,754
Depreciation	24,845,613	26,070,061
Software & Hardware Support Services	33,024	1,086,286
Other Expenses	12,963,806	12,700,053
Tk.	<u>264,530,012</u>	<u>250,245,632</u>
19. CONSOLIDATED OTHER INCOME: Tk. 1,002,160,478		
This is arrived at as follows:		
Bank Interest	659,886,225	602,648,432
Interest on Loan to Sister Concern	-	98,124,244
Dividend	25,855,922	114,141,334
Gain on Marketable Securities (Realized)	206,506,705	1,770,412
Gain on Redemption of Zero Coupon Bond	59,285,500	36,831,527
P.F Forfeited Amount **	-	31,667,264
Others	50,626,126	28,692,503
Tk.	<u>1,002,160,478</u>	<u>913,875,716</u>
20. PROFIT FROM ASSOCIATES UNDERTAKING: Tk. 420,757,631		
This is arrived at as follows:		
a) Square Textiles Ltd.	195,478,313	19,117,386
b) Square Fashions Ltd.	175,306,510	140,467,526
c) Square Hospitals Ltd.	49,972,808	44,082,239
Tk.	<u>420,757,631</u>	<u>203,667,151</u>
21. CONSOLIDATED CHANGE IN FAIR VALUE OF FVOCI FINANCIAL ASSETS: Tk. 485,330,697		
Unrealized Gain/(Loss) Position (Closing)	1,805,507,601	325,561,721
(-) Unrealized Gain/(Loss) Position (Opening)	1,316,543,154	(452,626,946)
	488,964,447	778,188,667
Related Tax on FVOCI Financial Assets	(3,633,750)	(77,818,867)
Tk.	<u>485,330,697</u>	<u>700,369,800</u>

	2021 (Jul'2021-Sep'2021)	2020 (Jul'2020-Sep'2020)
22. CONSOLIDATED NET ASSET VALUE PER SHARE (NAV) - Tk. 108.71		
The computation is given below:		
Equity Attributable to the Ordinary Shareholders	96,362,433,805	90,894,643,168
Weighted average number of Shares outstanding during the Period	886,451,010	886,451,010
Net Asset Value Per Share (NAV)	<u>Tk. 108.71</u>	<u>102.54</u>

23. CONSOLIDATED EARNINGS PER SHARE (EPS) - Tk. 5.64

The computation is given below:

Surplus for the year attributable to Shareholders (Net Profit after Tax)	4,996,672,152	3,931,965,486
Weighted average number of Shares outstanding during the Period	886,451,010	886,451,010
Earnings per Share	<u>Tk. 5.64</u>	<u>4.44</u>

** Increase in Sales Revenue and proficient usages of materials led to increase gross profit for the reporting period. Prudent investment decisions aided further increased Net Operating Profit. The reduced corporate tax rate for the period resulted in the increment of Consolidated Earnings Per Share.

24. CONSOLIDATED NET OPERATING CASH FLOW PER SHARE (NOCF) - Tk. 6.61

The computation is given below:

Net Cash Generated from Operating Activities	5,857,155,984	2,929,691,125
Weighted average number of Shares outstanding during the Period	886,451,010	886,451,010
Net Operating Cash Flow Per Share (NOCF)	<u>Tk. 6.61</u>	<u>3.30</u>

** The growth in our business volume and efficient utilization of working capital along with reduction in tax expense resulted in increased Consolidated Net Operating Cash Flow Per Share.

24.1. CONSOLIDATED RECONCILIATION OF NET PROFIT WITH CASH FLOWS FROM OPERATING ACTIVITIES:

Profit after Tax	4,575,888,631	3,728,298,335
Adjustment to Reconcile Net Profit to Net Cash Provided by Operating Activities:		
Non-Cash Expenses:	416,795,813	449,894,411
Depreciation	442,431,017	467,032,895
Exchange Rate Fluctuation	(16,359,222)	(1,721,178)
Deferred Tax	(9,275,982)	(15,417,306)
Non-Operating Items:	(965,746,563)	(731,418,857)
Dividend Income	(25,855,922)	(21,140,396)
Others	(939,890,641)	(710,278,461)
Changes in Working Capital:	1,830,218,103	388,908,180
(Increase)/Decrease in Inventories	724,462,440	(121,592,536)
(Increase)/Decrease in Trade Debtors	43,452,515	(60,680,193)
(Increase)/Decrease in Advances, Deposits and Prepayments	393,281,849	261,113,530
Increase/(Decrease) in Trade Creditors	38,833,765	21,942,765
Increase/(Decrease) in Liabilities for Expenses	(95,324,803)	(109,529,848)
Increase/(Decrease) in Liabilities for Other Finance	725,512,337	397,654,462
Net Cash Generated from Operating Activities	<u>Tk. 5,857,155,984</u>	<u>3,835,682,069</u>

25. RELATED PARTY TRANSACTIONS:

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

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

Opening Balance	-	3,277,576,394
Total Paid during the Period	-	413,035,434
Total Realized during the Period	-	(1,000,000,000)
Closing Balance (Receivable)	<u>Tk. -</u>	<u>2,690,611,828</u>

	2021 (Jul'2021-Sep'2021)	2020 (Jul'2020-Sep'2020)
Transaction with Square Fashions Ltd. (Associate Undertaking and holdings 48.63% Shares):		
Opening Balance	-	2,411,950
Total Paid during the Period	129,205,534	869,170,414
Total Realized during the Period	(129,205,534)	(665,675,202)
Closing Balance (Receivable)	<u>-</u>	<u>205,907,162</u>
Tk.		
Transaction with Square Hospitals Ltd. (Associate Undertaking and holdings 49.94% Shares):		
Opening Balance	-	1,604,350,413
Total Paid during the Period	40,110,217	183,912,481
Total Realized during the Period	(40,110,217)	(357,705,839)
Closing Balance (Receivable)	<u>-</u>	<u>1,430,557,055</u>
Tk.		
Transaction with Square InformatiX Ltd. (Service Provider):		
Opening Balance	-	(2,197,662)
Total Paid during the Period	25,854,333	50,739,600
Total Realized during the Period	(25,854,333)	(1,342,152)
Closing Balance (Receivable)	<u>-</u>	<u>47,199,786</u>
Tk.		
Transaction with Square Lifesciences Ltd. (Subsidiary Company and holdings 99.50% Shares)::		
Opening Balance	-	751,363
Total Paid during the Period	-	520,711
Total Realized during the Period	-	-
Closing Balance (Receivable)	<u>-</u>	<u>1,272,074</u>
Tk.		
Transaction with Square Denims Ltd. (Subsidiary of Associate, Square Fashions Ltd.):		
Opening Balance	-	-
Total Paid during the Period	-	43,433,293
Total Realized during the Period	-	(43,433,293)
Closing Balance	<u>-</u>	<u>-</u>
Tk.		
Transaction with Square Apparels Ltd. (Subsidiary of Associate, Square Fashions Ltd.)::		
Opening Balance	-	-
Total Paid during the Period	-	27,637,358
Total Realized during the Period	-	(27,637,358)
Closing Balance	<u>-</u>	<u>-</u>
Tk.		
Transaction with Square Securities Management Ltd. (Port Folio Management):		
Opening Balance	160,545,334	34,874,272
Total Paid during the Period	517,850,469	11,288,927
Total Realized during the Period	(53,005,777)	(2,590,191)
Closing Balance (Receivable)	<u>625,390,026</u>	<u>43,573,008</u>
Tk.		
Transaction with Pharma Packages (Pvt.) Ltd. (Supplier):		
Opening Balance	52,600,036	12,206,021
Total Paid during the Period	174,741,991	179,546,292
Total Realized during the Period	(118,144,891)	-
Closing Balance (Receivable)	<u>109,197,136</u>	<u>191,752,313</u>
Tk.		
Transaction with AEGIS Services Ltd. (Service Provider):		
Opening Balance	-	-
Total Paid during the Period	11,824,401	12,264,977
Total Realized during the Period	(11,824,401)	(12,264,977)
Closing Balance	<u>-</u>	<u>-</u>
Tk.		

26. The Contingent Liabilities of the company as of September 30, 2021 were as follows:

The Contingent Liabilities as Sight Letter of Credits for Tk. 3,118,913,707 of Square Pharmaceuticals Ltd., Tk.2,386,540,297 of Square Lifesciences Ltd. and Tk. 15,852,059 of Square Pharmaceuticals Kenya EPZ Limited.

SQUARE PHARMACEUTICALS LIMITED

1ST QUARTER FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION (Unaudited)

As at 30 September 2021

Particulars	Notes	30-09-2021 Taka	30-06-2021 Taka
ASSETS:			
Non-Current Assets:			
Property, Plant and Equipment-Carrying Value	2	22,381,694,585	21,769,594,804
Investment - Long Term (at Cost)	3	6,155,250,067	5,262,522,794
Investment in Marketable Securities (Fair Value)	4	4,854,952,895	4,624,331,706
Current Assets:			
Inventories	5	6,477,291,753	7,245,396,928
Trade Debtors		1,592,683,999	1,636,136,514
Advances, Deposits and Prepayments	6	2,298,488,827	2,709,431,531
Cash and Cash Equivalents	7	48,299,154,398	43,354,969,418
TOTAL ASSETS		92,059,516,524	86,602,383,695
SHAREHOLDERS' EQUITY AND LIABILITIES:			
Shareholders' Equity:			
Share Capital		8,864,510,100	8,864,510,100
Share Premium		2,035,465,000	2,035,465,000
General Reserve		105,878,200	105,878,200
FVOCI Reserve		1,624,956,841	1,139,626,144
Retained Earnings		74,655,726,303	70,072,095,506
Non-Current Liabilities:			
Deferred Tax Liability	8	1,269,210,785	1,274,853,017
Current Liabilities:			
Trade Creditors		648,610,852	614,279,333
Liabilities for Expenses	9	87,701,276	181,712,947
Liabilities for Other Finance	10	2,664,051,502	1,938,797,709
Unclaimed Dividend		103,405,665	375,165,739
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		92,059,516,524	86,602,383,695
Net Assets Value Per Share (NAV)	18	98.47	92.75

Annexed notes are integral part of these financials.

Samuel S Chowdhury
Chairman

Ratna Patra
Vice Chairman

Tapan Chowdhury
Managing Director

Md. Zahangir Alam
Chief Financial Officer

Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Unaudited)

For the 1st Quarter Ended 30 September 2021

Particulars	Notes	July-September 2021 Taka	July-September 2020 Taka
GROSS TURNOVER	11	17,417,537,149	14,724,616,730
Less: Value Added Tax		2,540,676,024	2,149,035,950
NET TURNOVER		14,876,861,125	12,575,580,780
Cost of Goods Sold	12	(7,263,066,871)	(6,154,051,265)
GROSS PROFIT		7,613,794,254	6,421,529,515
OPERATING EXPENSES:		(2,484,382,722)	(2,162,237,377)
Selling & Distribution Expenses	13	(2,227,930,097)	(1,915,600,242)
Administrative Expenses	14	(256,430,411)	(246,631,850)
Finance Cost		(22,214)	(5,285)
PROFIT FROM OPERATIONS		5,129,411,532	4,259,292,138
Other Income	15	1,001,803,043	907,022,896
PROFIT BEFORE WPPF & WF		6,131,214,575	5,166,315,034
Allocation for WPPF & WF		(291,962,599)	(246,015,002)
PROFIT BEFORE TAX		5,839,251,976	4,920,300,032
Income Tax Expenses-Current	16	(1,264,897,161)	(1,210,658,041)
Deferred Income Tax Assets/(Liabilities)		9,275,982	15,417,306
PROFIT AFTER TAX FOR THE PERIOD		4,583,630,797	3,725,059,297
Other Comprehensive Income :			
Items that will not be reclassified to Profit or Loss			
Change in Fair Value of FVOCI Financial Assets		488,964,447	778,188,667
Related Tax on FVOCI Financial Assets		(3,633,750)	(77,818,867)
Other Comprehensive Income (Net of Tax)	17	485,330,697	700,369,800
Total Comprehensive Income for the Period		5,068,961,494	4,425,429,097
Earnings Per Share (EPS)	19	5.17	4.20

Samuel S Chowdhury
Chairman

Ratna Patra
Vice Chairman

Tapan Chowdhury
Managing Director

Md. Zahangir Alam
Chief Financial Officer

Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LIMITED

STATEMENT OF CHANGES IN EQUITY (Unaudited)

For the 1st Quarter Ended 30 September 2021

	Share Capital Taka	Share Premium Taka	General Reserve Taka	Tax Exemption Reserve Taka	FVOCI Reserve Taka	Retained Earnings Taka	Total Taka
At 30 June 2021	8,864,510,100	2,035,465,000	105,878,200	-	1,139,626,144	70,072,095,506	82,217,574,950
Total Comprehensive Income (Jul'2021-Sep'2021)	-	-	-	-	485,330,697	4,583,630,797	5,068,961,494
At 30 September 2021	8,864,510,100	2,035,465,000	105,878,200	-	1,624,956,841	74,655,726,303	87,286,536,444

For the 1st Quarter Ended 30 September 2020

	Share Capital Taka	Share Premium Taka	General Reserve Taka	Tax Exemption Reserve Taka	FVOCI Reserve Taka	Retained Earnings Taka	Total Taka
At 30 June 2020	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
Total Comprehensive Income (Jul'2020-Sep'2020)	-	-	-	-	778,188,667	3,725,059,297	4,503,247,964
At 30 September 2020	8,442,390,580	2,035,465,000	105,878,200	2,211,743,936	325,561,721	61,232,189,350	74,353,228,787

Annexed notes are integral part of these financials.

Samuel S Chowdhury
Chairman

Ratna Patra
Vice Chairman

Tapan Chowdhury
Managing Director

Md. Zahangir Alam
Chief Financial Officer

Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LIMITED

STATEMENT OF CASH FLOWS (Unaudited) For the 1st Quarter Ended 30 September 2021

Particulars	Notes	2021	2020
		(Jul'2021-Sep'2021) Taka	(Jul'2020-Sep'2020) Taka
Cash Flows From Operating Activities:			
RECEIPTS:			
Collection from Sales		17,942,029,629	14,914,165,525
Exchange Fluctuation Gain		279,010	617,686
Others		26,936,077	54,311,971
		17,969,244,716	14,969,095,182
PAYMENTS:			
Purchase of Raw and Packing Materials		4,742,087,648	5,125,029,895
Manufacturing and Operating Expenses		3,849,653,481	3,804,711,326
Value Added Tax		2,540,676,024	2,149,035,950
Finance Cost		22,214	5,285
Income Tax Expenses		862,342,259	979,994,924
		11,994,781,626	12,058,777,380
Net cash provided by operating activities		5,974,463,090	2,910,317,802
Cash Flows From Investing Activities:			
Purchase of Fixed Assets		(1,071,905,598)	(555,864,328)
Investment		(634,384,016)	54,341,569
Short Term Loan		-	556,742,001
Gain on Sale of Marketable Securities		206,506,705	1,770,412
Interest Received		685,194,952	1,424,905,163
Dividend Received		25,855,922	114,141,334
Net cash used in investing activities		(788,732,035)	1,596,036,151
Cash Flows From Financing Activities:			
Unclaimed Dividend (Paid)		(271,760,074)	-
		(271,760,074)	-
Increase in Cash and Cash Equivalents		4,913,970,981	4,506,353,953
Net Effect of Foreign Currency Translation on Cash and Cash Equivalent		30,213,999	39,597
Cash and Cash Equivalents at the Opening		43,354,969,418	32,233,314,319
Cash and Cash Equivalents at the Closing		48,299,154,398	36,739,707,869
Net Operating Cash Flow per Share (NOCF)		6.74	3.28

Samuel S Chowdhury
Chairman

Ratna Patra
Vice Chairman

Tapan Chowdhury
Managing Director

Md. Zahangir Alam
Chief Financial Officer

Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

Notes to the Interim Financial Statements For the 1st Quarter Ended September 30, 2021

1. Basis of Preparation of the Interim Financial Statements:

These Financial Statements (They) are the unaudited Interim Financial Statements (here after 'the Interim Financial Statements') of Square Pharmaceuticals Ltd. for the 1st Quarter ended on September 30, 2021 (here after the interim period). They are prepared in accordance with the International Accounting Standard (IAS-34) 'Interim Financial Reporting'. These financial statements should be read in conjunction with the Annual Financial Statements as of June 30, 2021, as they provide an update of previously reported information.

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

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

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

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

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

Figures have been rounded off to the nearest Taka.

2. PROPERTY, PLANT AND EQUIPMENT: Tk. 22,381,694,585

Details of Property, Plant and Equipment and Depreciation as at 30 September 2021 are as follows:

This is arrived at as follows:

Fixed Assets at Cost:

	30-09-2021 Taka	30-06-2021 Taka
Opening Balance	43,562,985,887	40,613,584,373
Addition during the Period/Year	1,894,023,171	4,468,346,985
	<u>45,457,009,058</u>	<u>45,081,931,358</u>
Sales/Transfer during the Period/Year	(839,492,373)	(1,518,945,471)
Closing Balance	<u>44,617,516,685</u>	<u>43,562,985,887</u>

Accumulated Depreciation:

Opening Balance	21,793,391,083	20,046,381,983
Charged during the Period/ Year	442,431,017	1,882,490,971
	<u>22,235,822,100</u>	<u>21,928,872,954</u>
Sales/Transfer during the Period/Year	-	(135,481,871)
	<u>22,235,822,100</u>	<u>21,793,391,083</u>
Carrying Value	<u>22,381,694,585</u>	<u>21,769,594,804</u>

3. INVESTMENT-Long Term (at Cost): Tk. 6,155,250,067

This consists of the following:

Subsidiary:

(a) 4,000,000 Shares in Square Pharmaceuticals Kenya EPZ Ltd.	332,000,000	332,000,000
(b) Advance against Share Money Deposit with Square Pharmaceuticals Kenya EPZ Ltd.	653,742,688	653,742,688
© 995,000 Ordinary Shares of Tk. 100/- each in Square Lifesciences Ltd.	99,500,000	99,500,000
(d) Advance against Share Money Deposit with Square Lifesciences Ltd.	900,000,000	-
	<u>1,985,242,688</u>	<u>1,085,242,688</u>

Square Pharma (Separate)

	30-09-2021 Taka	30-06-2021 Taka
Associates:		
(a) 91,436,679 Ordinary Shares of Tk. 10/- each including Bonus Shares in Square Textiles Ltd.	225,129,795	225,129,795
(b) 199,750 Ordinary Shares of Tk. 1,000/- each in Square Hospitals Ltd.	210,750,000	210,750,000
(c) Investment in Square Fashions Ltd: - 252,000 Ordinary Shares of Tk. 100/- each - 210,000 Ordinary Shares of Tk. 600/- each *	151,200,000	151,200,000
	587,079,795	587,079,795
Others:		
(a) 120,000 Ordinary Shares of Tk.100/- each in United Hospital Ltd.	12,000,000	12,000,000
(b) 5,711,804 Ordinary Shares of Tk. 10/- each including Bonus Shares in Central Depository Bangladesh Ltd.	15,694,430	15,694,430
(c) 150,000 Preference Share in Raj Lanka Power Company Ltd.	21,818,183	29,090,910
(d) 5 Non-Convertible Zero Coupon Bond in Durable Plastics Ltd.	11,905,164	11,905,164
(e) 40 Non-Convertible Zero Coupon Bond in Envoy Textiles Ltd.	21,509,807	21,509,807
(f) 200 Non-Convertible Subordinated Bond in Mutual Trust Bank Ltd.	2,000,000,000	2,000,000,000
(g) 5,000 Non-Convertible Subordinated Bond in Southeast Bank Ltd.	500,000,000	500,000,000
(g) 50 Mudaraba Redeemable Non-Convertible Subordinated Bond in Islami Bank Bangladesh Ltd.	500,000,000	500,000,000
(i) 50 Non-Convertible Subordinated Bond in Trust Bank Ltd.	500,000,000	500,000,000
	3,582,927,584	3,590,200,311
	6,155,250,067	5,262,522,794
	Tk.	

4. INVESTMENT IN MARKETABLE SECURITIES (Fair Value): Tk. 4,854,952,895

	Position of Jul'2021-Sep'2021			Position of Jul'2020-Jun'2021		
	Total Cost	Total Market Value	Realized/ Unrealized Gain	Total Cost	Total Market Value	Realized/ Unrealized Gain
Opening Balance	3,307,788,552	4,624,331,706	1,316,543,154	3,144,519,813	2,691,892,867	(452,626,946)
Add: Investment made during the Period	53,000,506	748,471,658	695,471,152	487,296,823	2,345,407,225	1,858,110,402
Less: Sold/Disposed Off during the Period	(311,343,764)	(517,850,469)	(206,506,705)	(324,028,084)	(412,968,386)	(88,940,302)
Closing Balance	3,049,445,294	4,854,952,895	1,805,507,601	3,307,788,552	4,624,331,706	1,316,543,154

5. INVENTORIES: Tk. 6,477,291,753

The break-up is as under:

Raw Materials	2,385,549,119	2,647,266,800
Packing Materials	757,559,498	829,398,759
Work-in-Process	320,431,224	415,013,847
Finished Goods	1,881,709,033	2,118,362,474
Spares & Accessories	855,830,660	831,527,919
Goods- in-Transit	276,212,219	403,827,129
	6,477,291,753	7,245,396,928

6. ADVANCES, DEPOSITS & PREPAYMENTS : TK. 2,298,488,827

This consists of as follows:

Advances:		
Employees	252,408,824	239,013,230
Land Purchase	33,878,177	16,503,377
Suppliers	238,550,586	207,570,843
Deposits:		
Value Added Tax	118,374,381	599,414,346
Earnest Money & Security Deposit	305,742,077	312,902,472
Interest on Fixed Deposit Receipts	1,314,019,018	1,280,042,245
Others	-	7,810,213
Prepayments:		
Office Rent	6,309,246	6,936,747
Insurance Premium	29,206,518	39,238,058
	2,298,488,827	2,709,431,531

30-09-2021	30-06-2021
Taka	Taka

7. CASH AND CASH EQUIVALENTS: Tk. 48,299,154,398

This is made up as follows:

(a) Cash in Hand	9,803,898	13,925,716
(b) Cash at Bank:	48,289,350,500	43,341,043,702
* Current Account	936,384,530	435,014,278
* STD Account	11,221,117,595	3,486,902,772
* Fixed Deposit Account (BD Taka)	32,153,848,645	35,653,848,645
* Fixed Deposit Account (USD)	3,648,665,031	2,862,046,153
* Export Retention Quota Account (USD)	323,785,321	891,345,538
* Margin Held Account (USD)	5,549,378	11,886,316
	48,299,154,398	43,354,969,418

8. DEFERRED TAX LIABILITY: Tk. 1,269,210,785

This represents provision is made for deferred income tax to pay future income tax liability for temporary differences which is arrived at as follows:

Deferred Tax Related to Property, Plant & Equipment (Note-8.1)	1,088,660,025	1,097,936,007
Deferred Tax Related to FVOCI (Note-8.2)	180,550,760	176,917,010
Tk.	1,269,210,785	1,274,853,017

8.1 Deferred Tax Related to Property, Plant & Equipment:

A. Property, Plant and Equipments excluding Cost of Land (Carrying Amount)	13,640,516,095	13,686,544,416
B. Property, Plant and Equipments excluding Cost of Land (Tax Base)	8,802,027,094	8,806,828,831
C. Taxable/(Deductable) Temporary Difference (A-B)	4,838,489,001	4,879,715,585
D. Tax Rate	22.50%	22.50%
E. Deferred Tax Liabilities as on 30 September, 2021	1,088,660,025	1,097,936,007
F. Deferred Tax Liabilities as on 30 June, 2021	1,097,936,007	1,272,750,021
G. Current Year's Deferred Tax (Assets)/Liabilities (E-F)	Tk. (9,275,982)	(174,814,014)

8.2 Deferred Tax Related to FVOCI:

A. FVOCI-Carrying Amount	4,854,952,895	1,769,170,100
B. FVOCI-Tax Base	3,049,445,294	-
C. Taxable/(Deductable) Temporary Difference (A-B)	1,805,507,601	1,769,170,100
D. Tax Rate	10%	10%
E. Deferred Tax Liabilities as on 30 September, 2021	180,550,760	176,917,010
F. Deferred Tax Liabilities as on 30 June, 2021	176,917,010	(59,821,223.00)
G. Current Year's Deferred Tax (Assets)/Liabilities (E-F)	Tk. 3,633,750	236,738,233

9. LIABILITIES FOR EXPENSES: Tk. 87,701,276

This consists of as follows:

Accrued Expenses	87,011,276	181,022,947
Audit Fees	690,000	690,000
	87,701,276	181,712,947

10. LIABILITIES FOR OTHER FINANCE: Tk. 2,664,051,502

This consists of as follows:

Sundry Creditors	436,530,189	400,854,734
Income Tax (Deduction at Source)	13,067,902	19,532,856
Retention Money	9,464,211	7,938,420
Workers' Profit Participation Fund and Welfare Fund	1,229,759,226	937,796,627
Income Tax Payable (Note-10.1)	975,229,974	572,675,072
	2,664,051,502	1,938,797,709

10.1 INCOME TAX PAYABLE: Tk. 975,229,974

This is arrived at as follows:

Opening balance	572,675,072	978,037,537
Provision made for the Period	1,264,897,161	4,187,481,946
Tax Paid (Including Advance Income Tax during the Period)	(862,342,259)	(4,592,844,411)
	975,229,974	572,675,072

Square Pharma (Separate)

	2021 <small>(Jul'2021-Sep'2021)</small>	2020 <small>(Jul'2020-Sep'2020)</small>
11. GROSS REVENUE: Tk. 17,417,537,149		
This is made-up as follows:		
Local Sales	16,986,416,289	14,313,671,704
Export Sales Equivalent in US \$ 5,129,338 (Jul'20-Sep'20 US \$ 4,895,116)	431,120,860	410,945,026
Tk. 17,417,537,149	17,417,537,149	14,724,616,730
12. COST OF GOODS SOLD: Tk. 7,263,066,871		
Materials		
Materials	5,576,637,296	4,501,100,775
Factory Overhead (Note-12.1)	1,686,429,575	1,652,950,490
Tk. 7,263,066,871	7,263,066,871	6,154,051,265
12.1 FACTORY OVERHEAD: Tk. 1,686,429,575		
This is made up as follows:		
Salaries, Allowances and Wages	610,927,695	563,744,886
Factory Employees Free Lunch	33,481,668	32,061,206
Factory Staff Uniform	20,011,782	18,747,768
Travelling & Conveyance	12,477,323	11,657,087
Printing & Stationery	14,311,925	14,352,451
Postage, Telephone & Fax	1,735,189	1,944,023
Repairs & Maintenance	265,730,730	260,703,366
Laboratory Consumable Stores	96,081,144	89,173,279
Fuel, Petrol, Light Diesel etc.	16,850,375	43,868,822
Electricity, Gas & Water	138,660,556	133,948,141
Rental Expense	334,584	334,584
Municipal & Other Tax	3,820,887	4,130,268
Insurance Premium	5,440,088	6,361,216
Factory Sanitation Expenses	25,015,675	24,357,152
Depreciation	368,892,736	379,690,260
Security Services	15,953,703	18,392,273
Research & Development	37,882,843	33,518,638
Software & Hardware Support Services	11,279,733	11,729,743
Toll Charges	6,834,225	3,911,780
Other Expenses	706,714	323,547
Tk. 1,686,429,575	1,686,429,575	1,652,950,490
13. SELLING & DISTRIBUTION EXPENSES: Tk. 2,227,930,097		
This consists of as follows:		
Salaries and Allowances	338,605,417	333,851,814
Travelling and Conveyance	29,453,662	27,386,292
Printing and Stationery	18,860,421	17,937,865
Postage, Telephone, Fax & Telex	13,148,204	15,685,060
Electricity, Gas and Water	7,891,764	7,421,911
Office and Godown Rent	6,391,147	6,512,828
Repairs and Maintenance including car maintenance	104,415,855	124,110,133
Govt. Taxes and Licence Fees	9,233,187	18,555,452
Field Staff Salaries, Allowances, TA and DA	638,696,297	493,195,249
Marketing and Sales Promotional Expenses	317,133,574	309,950,135
Event, Programs and Conference	14,898,711	15,066,279
Literature and Publications	10,815,278	10,807,181
Research and Product Development	2,356,875	2,390,769
Delivery and Packing Expenses	44,850,215	36,136,227
Export Expenses	35,377,107	32,059,423
Special Discount	456,305,651	317,170,743
Security Services	21,134,017	12,431,673
Depreciation	48,692,668	44,171,985
Other Expenses	109,670,047	90,759,223
Tk. 2,227,930,097	2,227,930,097	1,915,600,242

2021 (Jul'2021-Sep'2021)	2020 (Jul'2020-Sep'2020)
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14. ADMINISTRATIVE EXPENSES: Tk. 256,430,411

This consists of as follows:

Salaries and Allowances	115,189,551	105,279,736
Directors' Remuneration	17,096,667	16,175,420
Travelling and Conveyance	9,598,974	9,110,941
Printing and Stationery	1,517,942	1,450,269
Postage, Telephone, Internet	2,043,628	3,019,686
Electricity, Gas & Water	4,574,760	7,218,744
Tiffin and Refreshment	11,830,576	11,022,247
Repairs and Maintenance	39,572,085	38,461,504
Bank Charges	2,414,635	2,606,361
Insurance Premium	4,551,188	4,154,914
Govt. Taxes, Stamp Duty & Licence Fee	3,453,168	2,109,828
Security Services	10,082,525	9,437,741
Legal Charges	309,250	210,150
Depreciation	24,845,613	26,070,061
Software & Hardware Support Services	33,024	1,086,286
Other Expenses	9,316,825	9,217,962
Tk.	256,430,411	246,631,850

15. OTHER INCOME: Tk. 1,001,803,043

This is arrived at as follows:

Bank Interest	659,886,225	602,648,432
Interest on Loan to Sister Concern	-	98,124,244
Dividend	25,855,922	114,141,334
Gain on Marketable Securities (Realized)	206,506,705	1,770,412
Gain on Redemption of Zero Coupon Bond	59,285,500	36,831,527
P.F Forfeited Amount **	-	31,667,264
Others	50,268,691	21,839,683
Tk.	1,001,803,043	907,022,896

16. INCOME TAX EXPENSES-Current: Tk. 1,264,897,161**16.1 CALCULATION OF RECONCILIATION OF EFFECTIVE TAX RATE WITH INCOME TAX EXPENSES:**

Income Tax Expenses-Current	1,264,897,161	1,210,658,041
Income Tax Expenses/(Assets)-Deferred (Note-8.1)	(9,275,982)	(15,417,306)
Tk.	1,255,621,179	1,195,240,735

RECONCILIATION OF EFFECTIVE TAX RATE:

	Jul'2021-Sep'2021		Jul'2020-Sep'2020	
	%	Amount (Taka)	%	Amount (Taka)
Profit before Tax		5,839,251,976		4,920,300,032
Tax using Corporate Tax Rate	22.5%	1,313,831,695	25%	1,230,075,008
Effect of Tax Exempted Income	-0.54	(31,416,655)	-0.58	(28,677,144)
Effect of Lower Tax Rate	-0.46	(26,793,861)	-0.13	(6,157,129)
	21.50%	1,255,621,179	24.29%	1,195,240,735

17. CHANGE IN FAIR VALUE OF FVOCI FINANCIAL ASSETS: Tk. 485,330,697

Unrealized Gain/(Loss) Position (Closing)	1,805,507,601	325,561,721
(-) Unrealized Gain/(Loss) Position (Opening)	1,316,543,154	(452,626,946)
	488,964,447	778,188,667
Related Tax on FVOCI Financial Assets	(3,633,750)	(77,818,867)
Tk.	485,330,697	700,369,800

18. NET ASSET VALUE PER SHARE (NAV) - Tk. 98.47

The computation is given below:

Equity Attributable to the Ordinary Shareholders	87,286,536,444	82,217,574,950
Weighted average number of Shares outstanding during the Period	886,451,010	886,451,010
Net Asset Value Per Share (NAV)	98.47	92.75

19. EARNINGS PER SHARE (EPS) - Tk. 5.17

The computation is given below:

	2021 (Jul'2021-Sep'2021)	2020 (Jul'2020-Sep'2020)
Surplus for the year attributable to Shareholders (Net Profit after Tax)	4,583,630,797	3,725,059,297
Weighted average number of Shares outstanding during the Period	886,451,010	886,451,010
Earnings per Share	<u>5.17</u>	<u>4.20</u>

** Increase in Sales Revenue and proficient usages of materials led to increase gross profit for the reporting period. Prudent investment decisions aided further increased Net Operating Profit. The reduced corporate tax rate for the period resulted in the increment of Earnings Per Share.

20. NET OPERATING CASH FLOW PER SHARE (NOCF) - Tk. 6.74

The computation is given below:

	2021 (Jul'2021-Sep'2021)	2020 (Jul'2020-Sep'2020)
Net Cash Generated from Operating Activities	5,974,463,090	2,910,317,802
Weighted average number of Shares outstanding during the Period	886,451,010	886,451,010
Net Operating Cash Flow Per Share (NOCF)	<u>6.74</u>	<u>3.28</u>

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

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

Profit after Tax	4,583,630,797	3,725,059,297
Adjustment to Reconcile Net Profit to Net Cash Provided by Operating Activities:		
Non-Cash Expenses:	402,941,036	434,337,109
Depreciation	442,431,017	449,932,306
Exchange Rate Fluctuation	(30,213,999)	(39,597)
Deferred Tax	(9,275,982)	(15,555,600)
Non-Operating Items:	(951,534,352)	(853,515,949)
Dividend Income	(25,855,922)	(114,141,334)
Others	(925,678,430)	(739,374,615)
Changes in Working Capital:	1,939,425,609	(395,562,655)
(Increase)/Decrease in Inventories	768,105,175	(673,894,365)
(Increase)/Decrease in Trade Debtors	43,452,515	(164,107,413)
(Increase)/Decrease in Advances, Deposits and Prepayments	462,294,278	25,373,671
Increase/(Decrease) in Trade Creditors	34,331,519	19,597,170
Increase/(Decrease) in Liabilities for Expenses	(94,011,671)	(103,170,567)
Increase/(Decrease) in Liabilities for Other Finance	725,253,793	500,638,849
Net Cash Generated from Operating Activities	<u>5,974,463,090</u>	<u>2,910,317,802</u>

21. RELATED PARTY TRANSACTIONS:

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

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

Opening Balance	-	3,277,576,394
Total Paid during the Period	-	413,035,434
Total Realized during the Period	-	(1,000,000,000)
Closing Balance (Receivable)	<u>-</u>	<u>2,690,611,828</u>

Transaction with Square Fashions Ltd. (Associate Undertaking and holdings 48.63% Shares):

Opening Balance	-	2,411,950
Total Paid during the Period	129,205,534	869,170,414
Total Realized during the Period	(129,205,534)	(665,675,202)
Closing Balance (Receivable)	<u>-</u>	<u>205,907,162</u>

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

Opening Balance	-	1,604,350,413
Total Paid during the Period	40,110,217	183,912,481
Total Realized during the Period	(40,110,217)	(357,705,839)
Closing Balance (Receivable)	<u>-</u>	<u>1,430,557,055</u>

Square Pharma (Separate)

	2021 <small>(Jul'2021-Sep'2021)</small>	2020 <small>(Jul'2020-Sep'2020)</small>
Transaction with Square InformatiX Ltd. (Service Provider):		
Opening Balance	-	(2,197,662)
Total Paid during the Period	25,854,333	50,739,600
Total Realized during the Period	(25,854,333)	(1,342,152)
Closing Balance (Receivable/Payable)	-	47,199,786
Tk.	<u>-</u>	<u>47,199,786</u>
Transaction with Square Lifesciences Ltd. (Subsidiary Company and holdings 99.50% Shares)::		
Opening Balance	-	751,363
Total Paid during the Period	-	520,711
Total Realized during the Period	-	-
Closing Balance (Receivable)	-	1,272,074
Tk.	<u>-</u>	<u>1,272,074</u>
Transaction with Square Denims Ltd. (Subsidiary of Associate, Square Fashions Ltd.):		
Opening Balance	-	-
Total Paid during the Period	-	43,433,293
Total Realized during the Period	-	(43,433,293)
Closing Balance (Receivable)	-	-
Tk.	<u>-</u>	<u>-</u>
Transaction with Square Apparels Ltd. (Subsidiary of Associate, Square Fashions Ltd.):		
Opening Balance	-	-
Total Paid during the Period	-	27,637,358
Total Realized during the Period	-	(27,637,358)
Closing Balance (Receivable)	-	-
Tk.	<u>-</u>	<u>-</u>
Transaction with Square Securities Management Ltd. (Port Folio Management):		
Opening Balance	160,545,334	34,874,272
Total Paid during the Period	517,850,469	11,288,927
Total Realized during the Period	(53,005,777)	(2,590,191)
Closing Balance (Receivable)	625,390,026	43,573,008
Tk.	<u>625,390,026</u>	<u>43,573,008</u>
Transaction with Pharma Packages (Pvt.) Ltd. (Supplier):		
Opening Balance	52,600,036	12,206,021
Total Paid during the Period	174,741,991	179,546,292
Total Realized during the Period	(118,144,891)	-
Closing Balance (Receivable)	109,197,136	191,752,313
Tk.	<u>109,197,136</u>	<u>191,752,313</u>
Transaction with AEGIS Services Ltd. (Service Provider):		
Opening Balance	-	-
Total Paid during the Period	11,824,401	12,264,977
Total Realized during the Period	(11,824,401)	(12,264,977)
Closing Balance (Payable)	-	-
Tk.	<u>-</u>	<u>-</u>

21.1 KEY MANAGEMENT PERSONNEL COMPENSATION:

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

Short-Term Employee Benefits	103,257,420	101,620,402
Post-Employment Benefits	2,740,220	-
Other Long-Term Benefits	-	-
Termination Benefits	-	-
Share-Based Payment	-	-

22. The Contingent Liabilities of the company as of September 30, 2021 were as follows:

The Contingent Liabilities at Sight Letter of Credits for Tk. 3,118,913,707 of Square Pharmaceuticals Ltd.