

Financial Statement 2021-2022
Third Quarter
(Unaudited)



SQUARE PHARMACEUTICALS LTD.
(Consolidated and Separate)

SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Un-audited)

As at 31 March 2022

Particulars	Notes	31-03-2022	30-06-2021
		Taka	Taka
ASSETS:			
Non-Current Assets:			
		46,641,221,297	40,375,882,875
Property, Plant and Equipment - Carrying Value	2	26,672,794,390	22,884,103,636
Interest during Construction Period		22,697,218	-
Investment - Long Term	3	5,104,653,035	3,590,200,311
Investment - Associate Undertakings	4	10,550,525,160	9,277,247,222
Investment in Marketable Securities (Fair Value)	5	4,290,551,494	4,624,331,706
Current Assets:			
		59,167,625,654	55,076,379,705
Inventories	6	7,067,249,823	7,245,396,928
Trade and Other Receivables	7	2,802,551,334	2,916,178,759
Advances, Deposits and Prepayments	8	1,132,677,059	1,550,765,014
Cash and Cash Equivalents	9	48,165,147,438	43,364,039,004
TOTAL ASSETS		105,808,846,951	95,452,262,580
SHAREHOLDERS' EQUITY AND LIABILITIES:			
Shareholders' Equity:			
		99,631,618,677	90,894,643,168
Share Capital		8,864,510,100	8,864,510,100
Share Premium		2,035,465,000	2,035,465,000
General Reserve		105,878,200	105,878,200
Fair Value Reserve	10	1,031,921,839	1,139,626,144
Translation Reserve	11	(47,444,274)	(285,055)
Retained Earnings	12	87,641,287,812	78,749,448,779
Non Controlling Interests	13	488,714	500,000
Non-Current Liabilities:			
		2,872,824,841	1,378,560,486
Term Loan - Non Current Portion	14	1,691,332,997	103,707,469
Deffered Tax Liability	15	1,181,491,844	1,274,853,017
Current Liabilities:			
		3,303,914,719	3,178,558,926
Term Loan - Current Portion	16	134,056,327	-
Trade Payables	17	855,266,872	681,546,399
Other Payables	18	1,451,491,952	1,366,122,637
Income Tax Payable	19	698,536,491	572,675,072
Accrued Expenses	20	90,311,984	183,049,079
Unclaimed Dividend	21	74,251,093	375,165,739
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		105,808,846,951	95,452,262,580
Net Assets Value per Share (NAV)	31	112.39	102.54

Sd/-
Samuel S Chowdhury
Chairman

Sd/-
Ratna Patra
Vice Chairman

Sd/-
Tapan Chowdhury
Managing Director

Sd/-
Muhammad Zahangir Alam
Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Un-audited)

For the 3rd Quarter Ended on 31 March 2022

Particulars	Notes	Nine Months Results		3rd Quarter Results	
		July'21 - Mar'22 Taka	July'20 - Mar'21 Taka	Jan-Mar 2022 Taka	Jan-Mar 2021 Taka
GROSS REVENUE	22	50,731,198,331	43,871,940,669	16,881,356,230	14,792,615,438
Less: Value Added Tax		7,008,958,984	6,160,167,725	2,231,354,699	2,022,482,749
NET REVENUE		43,722,239,347	37,711,772,944	14,650,001,531	12,770,132,689
COST OF GOODS SOLD	23	(20,998,326,875)	(18,142,951,154)	(7,125,580,503)	(6,230,986,835)
GROSS PROFIT		22,723,912,472	19,568,821,790	7,524,421,028	6,539,145,854
Operating Expenses:		(8,116,818,996)	(7,042,121,477)	(2,793,464,982)	(2,462,405,506)
Selling & Distribution Expenses	24	(7,163,852,051)	(6,172,763,645)	(2,443,421,964)	(2,145,689,022)
Administrative Expenses	25	(952,941,545)	(869,348,659)	(350,040,527)	(316,712,596)
Finance Cost		(25,400)	(9,172)	(2,491)	(3,887)
Other Operating Income	26	134,495,879	87,063,360	45,448,721	47,254,323
PROFIT FROM OPERATIONS		14,741,589,356	12,613,763,674	4,776,404,768	4,123,994,672
Other Income	27	2,448,389,855	2,400,012,259	764,023,295	755,759,736
PROFIT BEFORE WPPF & WF		17,189,979,211	15,013,775,933	5,540,428,063	4,879,754,408
Allocation for WPPF & WF		(828,569,909)	(719,042,645)	(273,291,736)	(236,684,022)
PROFIT BEFORE TAX		16,361,409,303	14,294,733,288	5,267,136,327	4,643,070,386
Income Tax Expense:	28	(3,607,026,788)	(3,494,147,060)	(1,198,979,191)	(1,131,109,787)
Current Tax (Expense) / Income		(3,638,128,933)	(3,442,525,014)	(1,202,391,154)	(1,064,321,113)
Deferred Tax (Expense) / Income		31,102,145	(51,622,046)	3,411,963	(66,788,674)
PROFIT AFTER TAX		12,754,382,515	10,800,586,228	4,068,157,137	3,511,960,599
Profit / (Loss) from Associate Undertakings	29	1,456,151,292	831,071,709	501,376,788	350,102,323
PROFIT FOR THE PERIOD		14,210,533,807	11,631,657,937	4,569,533,925	3,862,062,922
OTHER COMPREHENSIVE INCOME:					
Unrealised Gain/(Loss) on FVOCI Financial Assets	30	(107,704,305)	472,378,925	(91,766,782)	(346,806,517)
Foreign Operation Translation Gain/(Loss)	11	(47,159,219)	(24,246,467)	(11,946,170)	(6,364,703)
Other Comprehensive Income (Net of Tax)		(154,863,524)	448,132,458	(103,712,952)	(353,171,219)
TOTAL COMPREHENSIVE INCOME		14,055,670,283	12,079,790,395	4,465,820,973	3,508,891,703
Profit Attributable to:					
Equity Holders of the Company		14,210,545,093	11,631,657,937	4,569,541,067	3,862,062,922
Non Controlling Interest		(11,286)	-	(7,143)	-
		14,210,533,807	11,631,657,937	4,569,533,925	3,862,062,922
Total Comprehensive Income Attributable to:					
Equity Holders of the Company		14,055,681,569	12,079,790,395	4,465,828,115	3,508,891,702
Non Controlling Interest		(11,286)	-	(7,142)	-
		14,055,670,283	12,079,790,395	4,465,820,973	3,508,891,702
Earnings Per Share (EPS)	32	16.03	13.12	5.15	4.36

Sd/-
Samuel S Chowdhury
Chairman

Sd/-
Ratna Patra
Vice Chairman

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Tapan Chowdhury
Managing Director

Sd/-
Muhammad Zahangir Alam
Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Un-audited)

For the 3rd Quarter Ended on 31 March 2022

(July 2021 - March 2022)

(Amount in Taka)

Particulars	Share Capital	Share Premium	General Reserve	Tax Exemption Reserve	FVOCI Reserve	Cumulative Translation Adjustments	Retained Earnings	Non Controlling Interest	Total
At 30 June 2021	8,864,510,100	2,035,465,000	105,878,200	-	1,139,626,144	(285,055)	78,749,448,779	500,000	90,895,143,168
Net Profit after Tax	-	-	-	-	-	-	14,210,545,093	(11,286)	14,210,533,807
Other Comprehensive Income	-	-	-	-	(107,704,305)	(47,159,219)	-	-	(154,863,524)
Cash Dividend (2020-2021)	-	-	-	-	-	-	(5,318,706,060)	-	(5,318,706,060)
At 31 March 2022	8,864,510,100	2,035,465,000	105,878,200	-	1,031,921,839	(47,444,274)	87,641,287,812	488,714	99,632,107,391

For the 3rd Quarter Ended on 31 March 2021

(July 2020 - March 2021)

(Amount in Taka)

Particulars	Share Capital	Share Premium	General Reserve	Tax Exemption Reserve	FVOCI Reserve	Cumulative Translation Adjustments	Retained Earnings	Non Controlling Interest	Total
At 30 June 2020	8,442,390,580	2,035,465,000	105,878,200	2,211,743,936	(452,626,946)	(18,078,434)	64,981,071,577	-	77,305,843,913
Deferred Tax Recognised for FVOCI Financial Assets	-	-	-	-	-	-	59,821,223	-	59,821,223
At 30 June 2020 (Restated)	8,442,390,580	2,035,465,000	105,878,200	2,211,743,936	(452,626,946)	(18,078,434)	65,040,892,800	-	77,365,665,136
Net Profit after Tax	-	-	-	-	-	-	11,631,657,937	400,000	11,632,057,937
Other Comprehensive Income	-	-	-	-	472,378,925	(24,246,467)	-	-	448,132,458
Cash Dividend (2019-2020)	-	-	-	-	-	-	(3,967,923,573)	-	(3,967,923,573)
Stock Dividend (2019-2020)	422,119,520	-	-	-	-	-	(422,119,520)	-	-
At 31 March 2021	8,864,510,100	2,035,465,000	105,878,200	2,211,743,936	19,751,979	(42,324,901)	72,282,507,644	400,000	85,477,931,958

Sd/-
Samuel S Chowdhury
Chairman

Sd/-
Ratna Patra
Vice Chairman

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Tapan Chowdhury
Managing Director

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Muhammad Zahangir Alam
Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS (Un-audited) For the 3rd Quarter Ended 31 March 2022

Particulars	Notes	3rd Quarter Ended	
		31-Mar-22 Taka	31-Mar-21 Taka
Cash Flows From Operating Activities:			
Receipts from customers		51,025,133,340	43,912,158,634
Receipts from Others		94,456,509	131,826,629
Payments to Suppliers		(15,283,010,182)	(14,766,342,322)
Payments for Manufacturing and Operating Expenses		(12,071,116,400)	(10,669,336,124)
Payment of Value Added Tax		(7,008,958,984)	(6,160,167,725)
Cash Generated from Operating Activities		16,756,504,283	12,448,139,092
Interest Paid		(25,400)	(9,172)
Payment of Income Tax		(3,525,834,211)	(3,681,833,369)
Payment to WPPF		(937,796,627)	(432,733,611)
Net Cash Generated from Operating Activities		12,292,848,045	8,333,562,940
Cash Flows From Investing Activities:			
Acquisition of Property, Plant and Equipment		(5,169,843,256)	(2,569,118,906)
Pre-operating Expenses		-	(16,290,353)
Investment		(1,350,635,844)	(1,382,503,560)
Share Capital of Non Controlling Interest		-	400,000
Proceeds from Sale of Marketable Securities		248,542,913	21,057,254
Interest Received		2,370,971,511	2,642,949,937
Dividend Received		241,759,084	193,295,803
Short Term Loan		-	3,588,549,888
Net Cash Used in Investing Activities		(3,659,205,593)	2,478,340,063
Cash Flows From Financing Activities:			
Payment of Unclaimed Dividend		(300,914,646)	-
Long Term Loan Received		1,721,681,855	-
Payment of Interest during Construction Period		(22,697,218)	-
Dividend Paid		(5,255,885,425)	(2,976,816,692)
Net Cash Used in Financing Activities		(3,857,815,434)	(2,976,816,692)
Net Increase/(Decrease) in Cash and Cash Equivalents		4,775,827,019	7,835,086,311
Net Effect of Foreign Currency Fluctuation on Cash and Cash Equivalent		25,281,415	(8,797,404)
Cash and Cash Equivalents (Opening)		43,364,039,004	32,564,329,438
Cash and Cash Equivalents (Closing)		48,165,147,438	40,390,618,345
Net Operating Cash Flow per Share (NOCF)	33	13.87	9.40

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Company Secretary

SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements For the 3rd Quarter Ended March 31, 2022

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

These Financial Statements ('These') are the unaudited consolidated Interim Financial Statements (here after 'the Interim Financial Statements') of Square Pharmaceuticals Ltd., a company incorporated in Bangladesh under Companies Act, 1994; Square Pharmaceuticals Kenya EPZ Ltd., incorporated in Kenya under Companies Act, 2015 (Kenya), and Square Lifesciences Ltd., incorporated in Bangladesh under Companies Act, 1994, for the 3rd Quarter Ended on March 31, 2022 (here after 'the interim period'). These 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 Financial Statements, except where mentioned otherwise. 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 Statements. 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.

The management understands that the business is growing every year which reflects that the assets are performing according to the intention of procurement. The management also assess that the discounted future cash flow from the operation of the assets would be positive if the assets are disposed at the date of financial reporting. But at present, the management has no intention to dispose these assets. Therefore, it is not necessary to record any impairment for the period as per the 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.

There is no significant event after the end of the interim period that has to be reflected in the financial statements for the interim period.

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 into BDT to Consolidate with the Financials of Square Pharmaceuticals Ltd. being the parent company (It holds 100% Shares). 1 KHS= 0.7483 BDT.

2. CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT: Tk. 26,672,794,390

Details of Property, Plant and Equipment and Depreciation as at March 31, 2022 are as follows:

Cost:

	31-03-2022	30-06-2021
Opening Balance	41,570,311,740	39,680,473,955
Addition during the Period/Year	1,269,594,487	2,071,017,068
	<u>42,839,906,227</u>	<u>41,751,491,023</u>
Sales/Transfer during the Period/Year	-	(181,179,283)
Closing Balance	<u>42,839,906,227</u>	<u>41,570,311,740</u>

Accumulated Depreciation:

Opening Balance	21,793,391,083	20,046,381,983
Charged during the Period/ Year	1,364,763,102	1,882,490,971
	<u>23,158,154,185</u>	<u>21,928,872,954</u>
Sales/Transfer during the Period/Year	-	(135,481,871)
	<u>23,158,154,185</u>	<u>21,793,391,083</u>

Net Book Value as at 31 March 2022

	19,681,752,042	19,776,920,657
Property, Plant & Equipment in Transit (Note-2.1)	787,302,169	646,809,312
Building under Construction (Note-2.2)	2,289,534,274	1,345,864,835
Capital Work in Progress (Note-2.3)	3,914,205,905	1,114,508,832
Written Down Value	Tk. 26,672,794,390	22,884,103,636

	2021-2022 (Jul'21 - Mar'22)	2020-2021 (Jul'20 - Jun'21)
Allocation of depreciation charged for the year has been made in the accounts as follows:		
Factory Overhead	1,130,840,838	1,571,753,195
Selling and Distribution Expenses	157,836,300	203,574,635
Administrative Expenses	76,085,964	107,163,141
Tk.	1,364,763,102	1,882,490,971
2.1 CONSOLIDATED PROPERTY, PLANT & EQUIPMENT IN TRANSIT: Tk. 787,302,169		
Opening Balance	646,809,312	514,957,056
Addition during the Period/Year	1,155,323,456	1,469,618,444
	1,802,132,768	1,984,575,500
Transfer during the Period/Year	(1,014,830,599)	(1,337,766,188)
Closing Balance	Tk. 787,302,169	646,809,312
2.2 CONSOLIDATED BUILDING UNDER CONSTRUCTION: Tk. 2,289,534,274		
Opening Balance	1,345,864,835	418,153,362
Addition during the Period/Year	943,669,439	927,711,473
	2,289,534,274	1,345,864,835
Transfer during the Period/Year	-	-
Closing Balance	Tk. 2,289,534,274	1,345,864,835
2.3 CONSOLIDATED CAPITAL WORK IN PROGRESS: Tk. 3,914,205,905		
Opening Balance	1,114,508,832	306,495,911
Addition during the Period/Year	2,849,125,224	808,012,921
	3,963,634,056	1,114,508,832
Transfer during the Period/Year	(49,428,151)	-
Closing Balance	Tk. 3,914,205,905	1,114,508,832
3. CONSOLIDATED INVESTMENT-Long Term: Tk. 5,104,653,035		
(a) 120,000 Ordinary Shares of Tk.100/- each in United Hospital Ltd.	12,000,000	12,000,000
(b) 5,711,804 Ordinary Shares of Tk. 10/- each including Bonus Shares in CDBL	15,694,430	15,694,430
(c) 7,500 Preference Share in Raj Lanka Power Company Ltd.	7,272,728	29,090,910
(d) 1 Non-Convertible Zero Coupon Bond in Durable Plastics Ltd.	5,684,678	11,905,164
(e) 12 Non-Convertible Zero Coupon Bond in Envoy Textiles Ltd.	16,130,346	21,509,807
(f) 400 Non-Convertible Zero Coupon Bond in Brac Bank Ltd.	402,509,850	-
(g) 498 Non-Convertible Zero Coupon Bond in LankaBangla Finance Ltd.	440,459,706	-
(h) 400 Non-Convertible Zero Coupon Bond in Sajeda Foundation Ltd.	362,989,522	-
(i) 640 Non-Convertible Subordinated Bond in IDLC Finance Ltd.	341,911,775	-
(j) 200 Non-Convertible Subordinated Bond in Mutual Trust Bank Ltd.	2,000,000,000	2,000,000,000
(k) 5,000 Non-Convertible Subordinated Bond in Southeast Bank Ltd.	500,000,000	500,000,000
(l) 50 Non-Convertible Subordinated Bond in Islami Bank Bangladesh Ltd.	500,000,000	500,000,000
(m) 50 Non-Convertible Subordinated Bond in Trust Bank Ltd.	500,000,000	500,000,000
Tk.	5,104,653,035	3,590,200,311
4. INVESTMENT IN ASSOCIATE UNDERTAKINGS: Tk. 10,550,525,160		
Opening Balance	9,277,247,222	8,077,472,192
Add: Profit/(Loss) during the Period/Year (Note-29)	1,456,151,292	1,291,211,707
Less: Dividend during the Period/Year	(182,873,354)	(91,436,677)
Closing Balance	Tk. 10,550,525,160	9,277,247,222

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

5. CONSOLIDATED INVESTMENT IN MARKETABLE SECURITIES (Fair Value): Tk. 4,290,551,494

Particulars	2021-2022 (Jul'21-Dec'21)		2020-2021 (Jul'20-Jun'21)	
	Cost	Market Value	Cost	Market Value
Opening Balance	3,307,788,552	4,624,331,706	3,144,519,813	2,691,892,867
Add: Investment made during the Year	280,174,253	358,753,833	487,296,823	2,345,407,225
Less: Sold/Disposed Off during the Year	(443,991,132)	(692,534,045)	(324,028,084)	(412,968,386)
Closing Balance Tk.	3,143,971,673	4,290,551,494	3,307,788,552	4,624,331,706

31-03-2022 **30-06-2021**

6. CONSOLIDATED INVENTORIES: Tk. 7,067,249,823

Raw Materials	2,574,285,485	2,647,266,800
Packing Materials	832,393,589	829,398,759
Work-in-Process	419,766,145	415,013,847
Finished Goods	2,039,397,886	2,118,362,474
Spares & Accessories	999,277,580	831,527,919
Goods- in-Transit	202,129,139	403,827,129
Tk.	7,067,249,823	7,245,396,928

7. CONSOLIDATED TRADE & OTHER RECEIVABLES: Tk. 2,802,551,334

Trade Receivables (Note-7.1)	1,752,919,387	1,636,136,514
Other Receivables (Note-7.2)	1,049,631,947	1,280,042,245
Tk.	2,802,551,334	2,916,178,759

7.1 CONSOLIDATED TRADE RECEIVABLES: TK. 1,752,919,387

Receivable from Domestic Sales	1,379,231,661	1,307,259,341
Receivable from Exports	373,687,726	328,877,173
Tk.	1,752,919,387	1,636,136,514

7.2 CONSOLIDATED OTHER RECEIVABLES: TK. 1,049,631,947

Interest Receivable from Fixed Deposit Receipts	887,161,244	1,222,146,132
Interest Receivable from Short Notice Deposits	89,817,896	-
Interest Receivable from Subordinated Bonds	46,488,214	57,891,734
Gain against Zero Coupon Bonds (Receivable)	26,164,593	4,379
Tk.	1,049,631,947	1,280,042,245

8. CONSOLIDATED ADVANCES, DEPOSITS & PREPAYMENTS : Tk. 1,132,677,059

Advances:	633,018,952	571,119,493
Employees	327,849,917	239,013,230
Land Purchase	32,892,777	16,503,377
Suppliers	256,611,103	313,504,428
Income Tax	15,665,155	2,098,458
Deposits:	483,936,189	933,470,716
Value Added Tax	200,994,532	611,712,414
Earnest Money & Security Deposit	281,946,825	313,948,089
Others	994,832	7,810,213
Prepayments:	15,721,918	46,174,805
Office Rent	6,926,244	6,936,747
Insurance Premium	8,795,674	39,238,058
Tk.	1,132,677,059	1,550,765,014

9. CONSOLIDATED CASH AND CASH EQUIVALENTS: Tk. 48,165,147,438

(a) Cash in Hand	17,727,869	14,025,716
(b) Cash at Bank:	48,147,419,569	43,350,013,288
* Current Account	891,253,602	443,983,864
* STD Account	4,721,363,544	3,486,902,772
* Fixed Deposit Account (BD Taka)	38,153,848,645	35,653,848,645
* Fixed Deposit Account (USD)	4,185,789,651	2,862,046,153
* Export Retention Quota Account (USD)	120,551,146	891,345,538
* Margin Held Account (USD)	12,743,807	11,886,316
* Dividend Account	61,869,174	-
Tk.	48,165,147,438	43,364,039,004

	31-03-2022	30-06-2021
10. CONSOLIDATED FAIR VALUE RESERVE: Tk. 1,031,921,839		
Opening Balance	1,139,626,144	(452,626,946)
Add: Adjustment for Related tax on FVOCI Financial Assets	-	59,821,223
Opening Balance (Restated)	1,139,626,144	(392,805,723)
Add: Unrealised Gain/(Loss) on Marketable Securities for the Period/Year (Note - 30)	(169,963,333)	1,769,170,100
Less: Related Deferred tax (Expense)/Income (Note - 15.2)	62,259,028	(236,738,233)
Closing Balance	Tk. 1,031,921,839	1,139,626,144

11. CONSOLIDATED TRANSLATION RESERVE: Tk. (47,444,273)

Foreign Operation Translation Gain/(Loss) (As Per IAS-21):

Opening Translation Gain/(Loss)	(285,055)	(18,078,434)
Translation Gain/(Loss) for the Year (Note - 11.1)	(47,159,218)	17,793,379
Closing Balance	Tk. (47,444,274)	(285,055)

11.1 CURRENT YEAR'S TRANSLATION GAIN/(LOSS):

Square Pharmaceuticals Kenya EPZ Ltd.:

Closing Net Assets	920,942,873	973,966,637
Less: Opening Net Assets	(973,966,637)	(791,340,682)
Less: Increase in Share Money Deposit	-	(159,872,701)
Less: Translation Gain/(Loss) on Retained Earnings	5,864,546	(4,959,876)
	Tk. (47,159,218)	17,793,379

12. CONSOLIDATED RETAINED EARNINGS: Tk. 87,641,287,812

Opening Balance	78,749,448,779	64,980,297,214
Add: Transferred from Tax Exemption Reserve	-	2,211,743,936
Add: Net Profit/(Loss) for the Year/Period	14,210,545,093	15,947,450,722
Less: Cash Dividend for the Year 2020-2021	(5,318,706,060)	(3,967,923,573)
Less: Stock Dividend for the Year 2020-2021	-	(422,119,520)
Closing Balance	Tk. 87,641,287,812	78,749,448,779

13. NON CONTROLLING INTERESTS: Tk. 488,714

Paid-up Capital (Investment)	500,000	500,000
Retained Earnings	(11,286)	-
	Tk. 488,714	500,000

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

Name of Company	Country of Incorporation	Proportion of Ownership Interest
Square Lifesciences Ltd.	Bangladesh	99.95%
Square Pharmaceuticals Kenya EPZ Ltd.	Kenya	100.00%

14. CONSOLIDATED TERM LOAN - NON CURRENT PORTION: Tk. 1,691,332,997

a) Standard Chartered Bank, Kenya	191,332,997	103,707,469
b) Standard Chartered Bank, Bangladesh	1,500,000,000	-
	Tk. 1,691,332,997	103,707,469

- a) The loan has been disbursed by Standard Chartered Bank, Kenya for Square Pharmaceuticals Kenya EPZ Ltd. in Kenya.
b) The loan has been issued by Standard Chartered Bank, Dhaka, Bangladesh for Square Lifesciences Ltd., Pabna, Bangladesh.

15. CONSOLIDATED DEFERRED TAX LIABILITY: Tk. 1,181,491,844

This represents provision made for deferred income tax that will have to be paid in future due to temporary differences.

Deferred Tax on Property, Plant & Equipment (Note-15.1)	1,066,833,862	1,097,936,007
Deferred Tax on FVOCI Financial Assets(Note-15.2)	114,657,982	176,917,010
	Tk. 1,181,491,844	1,274,853,017

15.1 DEFERRED TAX ON PROPERTY, PLANT & EQUIPMENT:

A. Property, Plant and Equipments excluding Cost of Land (Carryin)	13,268,986,307	13,686,544,416
B. Property, Plant and Equipments excluding Cost of Land (Tax Bas	8,527,502,477	8,806,828,831
C. Taxable/(Deductable) Temporary Difference (A-B)	4,741,483,830	4,879,715,585
D. Tax Rate	22.50%	22.50%
E. Deferred Tax Liabilities as on March 31,2022 (C*D)	1,066,833,862	1,097,936,007
F. Deferred Tax Liabilities as on June 30, 2021	1,097,936,007	1,272,750,021
Current Year's Deferred Tax Expense/(Income) (E-F)	Tk. (31,102,145)	(174,814,014)

	31-03-2022	30-06-2021				
15.2 DEFERRED TAX ON FVOCI FINANCIAL ASSETS:						
A. FVOCI Financial Assets - Carrying Amount	4,290,551,494	1,769,170,100				
B. FVOCI Financial Assets - Tax Base	3,143,971,673	-				
C. Taxable/(Deductible) Temporary Difference (A-B)	1,146,579,821	1,769,170,100				
D. Tax Rate	10.00%	10.00%				
E. Deferred Tax Liabilities as on March 31,2022 (C*D)	114,657,982	176,917,010				
F. Deferred Tax Liabilities as on June 30, 2021	176,917,010	(59,821,223)				
Current Year's Deferred Tax Expense/(Income) (E-F)	Tk. (62,259,028)	236,738,233				
16. CONSOLIDATED TERM LOAN - CURRENT PORTION: Tk. 134,056,327						
Standard Chartered Bank, Kenya	34,056,327	-				
Standard Chartered Bank, Bangladesh	100,000,000	-				
	Tk. 134,056,327	-				
17. CONSOLIDATED TRADE PAYABLES:						
	Tk. 855,266,872	681,546,399				
This represents amount payable to regular suppliers of raw materials, packing materials, promotional materials etc. All suppliers were paid on a regular basis.						
18. CONSOLIDATED OTHER PAYABLES: Tk. 1,451,491,952						
Sundry Creditors	518,326,780	400,854,734				
Interest Payable	22,410,694	-				
Income Tax (Deduction at Source)	11,498,598	19,532,856				
Retention Money	7,865,337	7,938,420				
Workers' Profit Participation Fund and Welfare Fund (18.1)	828,569,909	937,796,627				
Dividend Payable	62,820,635	-				
	Tk. 1,451,491,952	1,366,122,637				
18.1 CONSOLIDATED WORKERS' PROFIT PARTICIPATION FUND AND WELFARE FUND: Tk. 828,569,909						
Opening Balance	937,796,627	859,269,098				
Add: Allocation for the Period/Year	828,569,909	937,796,627				
Less: Payment made during the Period/Year	(937,796,627)	(859,269,098)				
Closing Balance	Tk. 828,569,909	937,796,627				
19. CONSOLIDATED INCOME TAX PAYABLE: Tk. 698,299,599						
Opening balance	572,675,072	978,037,537				
Provision made for the Period	3,638,128,933	4,187,481,946				
Tax Paid (Including Advance Income Tax during the Period)	(3,512,267,514)	(4,592,844,411)				
	Tk. 698,536,491	572,675,072				
20. CONSOLIDATED ACCRUED EXPENSES: Tk. 90,311,984						
Accrued Expenses	90,311,984	182,320,469				
Audit Fees	-	728,610				
	Tk. 90,311,984	183,049,079				
21. CONSOLIDATED UNCLAIMED DIVIDEND: Tk. 74,251,093						
Opening balance	375,165,739	330,431,723				
Add: Dividend Returned during the Period/Year	-	46,944,513				
Less: Payment made during the Period/Year	(300,914,646)	(2,210,497)				
	Tk. 74,251,093	375,165,739				
<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">2021-2022</th> <th style="text-align: center;">2020-2021</th> </tr> <tr> <th style="text-align: center;">(Jul'21-Mar'22)</th> <th style="text-align: center;">(Jul'20-Mar'21)</th> </tr> </thead> </table>			2021-2022	2020-2021	(Jul'21-Mar'22)	(Jul'20-Mar'21)
2021-2022	2020-2021					
(Jul'21-Mar'22)	(Jul'20-Mar'21)					
22. CONSOLIDATED GROSS REVENUE: Tk. 50,731,198,331						
Local Sales	49,485,461,279	42,764,587,103				
Export Sales Equivalent in US \$ 14,728,640 (Jul'2020-Mar'2021 US \$ 13,190,632)	1,245,737,052	1,107,353,566				
	Tk. 50,731,198,331	43,871,940,669				
23. CONSOLIDATED COST OF GOODS SOLD: Tk. 20,998,326,875						
Materials	15,809,442,801	13,197,482,926				
Factory Overhead (Note-23.1)	5,188,884,074	4,945,468,228				
	Tk. 20,998,326,875	18,142,951,154				

	2021-2022 (Jul'21-Mar'22)	2020-2021 (Jul'20-Mar'21)
23.1 CONSOLIDATED FACTORY OVERHEAD: Tk. 5,188,884,074		
Salaries, Allowances and Wages	1,764,966,743	1,606,434,691
Factory Employees Free Lunch	95,791,221	88,075,415
Factory Staff Uniform	82,319,290	67,905,914
Travelling & Conveyance	24,179,434	21,809,639
Printing & Stationery	60,783,417	55,808,061
Postage, Telephone & Fax	5,941,098	5,880,519
Repairs & Maintenance	741,702,079	750,793,181
Laboratory Consumable Stores	314,868,661	257,428,367
Fuel, Petrol, Light Diesel etc.	84,880,706	99,396,341
Electricity, Gas & Water	503,817,338	490,494,447
Rental Expense	959,540	889,224
Municipal & Other Tax	12,052,394	12,975,976
Insurance Premium	16,503,882	16,614,533
Factory Sanitation Expenses	85,539,604	79,038,333
Depreciation	1,130,840,838	1,162,433,026
Security Services	55,260,468	44,573,915
Research & Development	149,150,546	127,241,486
Software & Hardware Support Services	44,880,117	45,856,791
Toll Charges	13,188,282	10,689,658
Other Expenses	1,258,416	1,128,711
Tk.	5,188,884,074	4,945,468,228
24. CONSOLIDATED SELLING & DISTRIBUTION EXPENSES: Tk. 7,163,852,051		
Salaries and Allowances	1,126,932,526	1,039,138,750
Travelling and Conveyance	108,750,645	101,449,694
Printing and Stationery	64,748,229	62,510,257
Postage, Telephone, Fax & Telex	50,899,399	55,699,906
Electricity, Gas and Water	21,371,284	19,930,795
Office and Godown Rent	19,064,348	19,679,532
Repairs and Maintenance including car maintenance	371,402,942	351,311,527
Govt. Taxes and Licence Fees	32,215,184	48,808,197
Field Staff Salaries, Allowances, TA and DA	1,854,322,887	1,564,443,753
Marketing and Sales Promotional Expenses	1,135,111,666	948,481,858
Event, Programs and Conference	219,738,620	185,299,589
Delivery and Packing Expenses	127,695,301	108,584,129
Literature and Publications	77,059,013	65,632,029
Export Expenses	103,994,738	88,273,640
Research and Product Development	9,013,390	7,981,063
Special Discount	1,349,033,460	1,062,332,407
Security Services	64,344,233	59,817,082
Depreciation	157,836,300	145,137,096
Other Expenses	270,317,886	238,252,341
Tk.	7,163,852,051	6,172,763,645
25. CONSOLIDATED ADMINISTRATIVE EXPENSES: Tk. 952,941,545		
Salaries and Allowances	383,012,418	337,196,582
Directors' Remuneration	52,226,667	50,295,422
Travelling and Conveyance	78,465,548	76,443,232
Printing and Stationery	13,320,980	12,317,269
Postage, Telephone, Internet	7,606,061	8,169,825
Electricity, Gas & Water	19,208,373	16,467,564
Tiffin and Refreshment	53,712,008	51,202,472
Repairs and Maintenance	160,726,130	142,968,309
Bank Charges	9,261,860	8,219,339
Insurance Premium	14,371,352	7,295,469
Govt. Taxes, Stamp Duty & Licence Fee	9,471,143	5,196,374
Security Services	29,108,914	28,861,227
Legal Fees	1,666,661	695,731
Depreciation	76,085,964	79,376,907
Software & Hardware Support Services	4,309,003	4,636,084
Other Expenses	40,388,463	40,006,853
Tk.	952,941,545	869,348,659

	2021-2022 (Jul'21-Mar'22)	2020-2021 (Jul'20-Mar'21)
26. CONSOLIDATED OTHER OPERATING INCOME: Tk. 134,495,879		
Rental Income	1,134,941	490,822
Sale of Scrap	33,838,534	30,039,372
Foreign Exchange Fluctuation Gain	75,196,404	16,812,165
Cash Incentive Received against Export	24,326,000	39,721,000
Tk.	134,495,879	87,063,360
27. CONSOLIDATED OTHER INCOME: Tk. 2,448,389,855		
Bank Interest	1,746,073,798	1,451,949,422
Interest on Loan to Sister Concern	-	197,764,904
Dividend	58,885,730	193,295,803
Gain/(Loss) on Marketable Securities (Realized)	248,542,913	21,057,254
Gain on Redemption of Zero Coupon Bond	26,810,269	137,440,221
Interest Income from Short Notice Deposits	183,654,229	366,293,270
Interest Income from Subordinated Bonds	184,022,918	-
P.F Forfeiture Amount	-	31,667,264
Others	400,000	544,122
Tk.	2,448,389,855	2,400,012,259
28. CONSOLIDATED INCOME TAX EXPENSES Tk. 3,607,026,788		
Current Tax Expense	3,638,128,933	3,442,525,014
Deferred Tax Expense/(Income)	(31,102,145)	51,622,046
Tk.	3,607,026,788	3,494,147,060
29. PROFIT FROM ASSOCIATE UNDERTAKINGS: Tk. 1,456,151,292		
a) Square Textiles Ltd.	613,765,057	158,761,222
b) Square Fashions Ltd.	705,845,280	565,136,577
c) Square Hospitals Ltd.	136,540,955	107,173,910
Tk.	1,456,151,292	831,071,709
30. CONSOLIDATED UNREALISED GAIN/(LOSS) ON FVOCI FINANCIAL ASSETS: Tk. (107,704,305)		
<u>Marketable Securities purchased during the Period:</u>		
Market Value	358,753,833	764,142,077
Less: Cost	(280,174,253)	(218,219,351)
Total Gain/(Loss) during the Period (A)	78,579,580	545,922,726
<u>Marketable Securities Sold during the Period:</u>		
Market Value	692,534,045	116,586,590
Less: Cost	(443,991,132)	(95,529,336)
Realised Gain/(Loss) during the Period (B)	248,542,913	21,057,254
Total Unrealised Gain/(Loss) during the Period C=(A-B)	(169,963,333)	524,865,472
Current Year's Deferred Tax Expense/(Income) (Note-15.2)	62,259,028	(52,486,547)
Tk.	(107,704,305)	472,378,925
31. CONSOLIDATED NET ASSET VALUE (NAV) PER SHARE: Tk. 112.39		
Equity Attributable to the Ordinary Shareholders	99,631,618,677	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)	112.39	102.54
32. CONSOLIDATED EARNINGS PER SHARE (EPS): Tk. 16.03		
Net Profit after Tax (Surplus for the year attributable to Sharehold	14,210,533,807	11,631,657,937
Weighted average number of Shares outstanding during the Period	886,451,010	886,451,010
Earnings per Share	16.03	13.12
Increase in sales revenue along with proficient usage of materials led to increased gross profit for the reporting period. Favorable movement in foreign exchange transactions has also aided in increased net operating profit. The reduced corporate tax rate for the period resulted in the increment of Earnings Per Share.		
33. CONSOLIDATED NET OPERATING CASH FLOW (NOCF) PER SHARE: Tk. 13.87		
Net Cash Generated from Operating Activities	12,292,848,045	8,333,562,940
Weighted average number of Shares outstanding during the Period	886,451,010	886,451,010
Net Operating Cash Flow (NOCF) Per Share	13.87	9.40
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.		

	2021-2022 (Jul'21-Mar'22)	2020-2021 (Jul'20-Mar'21)
33.1 RECONCILIATION OF CONSOLIDATED NET PROFIT WITH CONSOLIDATED CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit after Tax	12,754,382,515	10,800,586,228
Adjustments for Reconciling Net Profit with Net Cash Generated by Operating Activities:		
Non-Cash Expenses:	1,261,220,323	1,429,771,671
Depreciation	1,364,763,102	1,386,947,029
Exchange Rate Fluctuation	(72,440,634)	(8,797,404)
Deferred Tax	(31,102,145)	51,622,046
Non-Operating Items:	(2,447,989,855)	(2,348,711,700)
Interest Income	(1,746,073,798)	(1,432,860,248)
Dividend	(58,885,730)	(193,295,803)
Interest on Loan to Sister Concern	-	(197,764,904)
Gain/(Loss) on Marketable Securities (Realized)	(248,542,913)	(21,057,254)
Gain on Redemption of Zero Coupon Bond	(26,810,269)	(137,440,221)
Interest Income from Short Notice Deposits	(183,654,229)	(366,293,270)
Interest Income from Subordinated Bonds	(184,022,918)	-
Changes in Working Capital:	725,235,063	(1,548,083,259)
(Increase)/Decrease in Inventories	178,147,105	(1,537,808,014)
(Increase)/Decrease in Trade Receivables	(116,782,873)	(401,283,238)
(Increase)/Decrease in Advances, Deposits and Prepayments	434,477,355	510,318,897
Increase/(Decrease) in Trade Payables	173,720,473	(147,678,680)
Increase/(Decrease) in Other Payables	22,548,680	333,025,292
Increase/(Decrease) in Income Tax Liabilities	125,861,419	(239,308,355)
Increase/(Decrease) in Accrued Expenses	(92,737,095)	(65,349,161)
Net Cash Generated from Operating Activities	Tk. 12,292,848,045	8,333,562,940

34. CONSOLIDATED CONTINGENT LIABILITIES:

1. Sight Letter of Credits as of 31 March 2022 :

- a) Square Pharmaceuticals Ltd.: Tk. 447.92 Crore
- b) Square Lifesciences Ltd.: Tk. 11.21 Crore

2. The company issued a Corporate Guarantee in favour of Square Pharmaceuticals Kenya EPZ Ltd. for USD 8.00 Million as per approval of Bangladesh Bank.

35. RELATED PARTY TRANSACTIONS:

35.1 Transaction with Key Management Personnel:

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	289,185,294	293,143,834
Post-Employment Benefits	71,927,810	12,265,425
Other Long-Term Benefits	-	-
Termination Benefits	-	-
Share-Based Payment	-	-

35.2 Transaction with Other Related parties:

A. Associates:

Square Textiles Ltd. (46.36% share):

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

Square Fashions Ltd. (48.63% share):

Opening Balance	-	2,411,950
Paid during the Year	135,560,551	1,219,935,868
Realized during the Year	(135,560,551)	(1,222,347,818)
Closing Balance	Tk. -	-

	2021-2022 (Jul'21-Mar'22)	2020-2021 (Jul'20-Mar'21)
Square Hospitals Ltd. (49.94% Shares):		
Opening Balance	-	1,604,350,413
Paid during the Year	107,229,837	527,236,493
Realized during the Year	(107,229,837)	(835,798,037)
Closing Balance (Receivable)	Tk. -	1,295,788,869
B. Subsidiaries:		
Square Lifesciences Ltd. (99.50% share):		
Opening Balance	-	751,363
Paid during the Year	2,963,185,168	17,574,372
Realized during the Year	(2,470,004,050)	-
Closing Balance (Receivable)	Tk. 493,181,118	18,325,735
C. Others:		
Square InformatiX Ltd. (Service Provider):		
Opening Balance	-	(2,197,662)
Paid during the Year	44,149,258	85,660,291
Realized during the Year	(44,111,296)	(59,406,354)
Closing Balance (Receivable)	Tk. 37,962	24,056,275
Square Securities Management Ltd. (Port Folio Management):		
Opening Balance	160,545,334	34,874,272
Paid during the Year	692,534,045	216,586,590
Realized during the Year	(280,179,539)	(218,219,851)
Closing Balance (Receivable)	Tk. 572,899,840	33,241,011
Pharma Packages (Pvt.) Ltd. (Supplier):		
Opening Balance	52,600,036	12,206,021
Paid during the Year	328,245,924	547,281,749
Realized during the Year	(367,984,573)	(541,495,481)
Closing Balance (Receivable)	Tk. 12,861,387	17,992,289
AEGIS Services Ltd. (Service Provider):		
Opening Balance	-	-
Paid during the Year	29,699,190	31,273,585
Realized during the Year	(29,699,190)	(31,273,585)
Closing Balance	Tk. -	-

SQUARE PHARMACEUTICALS LTD.

STATEMENT OF FINANCIAL POSITION (Un-audited)

As at 31 March 2022

Particulars	Notes	31-03-2022	30-06-2021
		Taka	Taka
ASSETS:			
Non-Current Assets:			
		34,726,115,496	31,656,449,304
Property, Plant and Equipment-Carrying Value	2	22,758,588,485	21,769,594,804
Investment - Long Term	3	7,676,975,518	5,262,522,794
Investment in Marketable Securities (Fair Value)	4	4,290,551,494	4,624,331,706
Current Assets:			
		59,271,030,010	54,945,934,391
Inventories	5	6,936,960,133	7,245,396,928
Trade and Other Receivables	6	2,802,551,334	2,916,178,759
Advances, Deposits and Prepayments	7	1,419,406,803	1,429,389,286
Cash and Cash Equivalents	8	48,112,111,740	43,354,969,418
TOTAL ASSETS		93,997,145,506	86,602,383,695
SHAREHOLDERS' EQUITY AND LIABILITIES:			
Shareholders' Equity:			
		89,755,535,968	82,217,574,950
Share Capital		8,864,510,100	8,864,510,100
Share Premium		2,035,465,000	2,035,465,000
General Reserve		105,878,200	105,878,200
Fair Value Reserve	9	1,031,921,839	1,139,626,144
Retained Earnings	10	77,717,760,829	70,072,095,506
Non-Current Liabilities:			
		1,181,491,844	1,274,853,017
Deffered Tax Liability	11	1,181,491,844	1,274,853,017
Current Liabilities:			
		3,060,117,694	3,109,955,728
Trade Payables	12	790,622,236	614,279,333
Other Payables	13	1,406,624,368	1,366,122,637
Income Tax Payable	14	698,536,491	572,675,072
Accrued Expenses	15	90,083,506	181,712,947
Unclaimed Dividend	16	74,251,093	375,165,739
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		93,997,145,506	86,602,383,695
Net Assets Value per Share (NAV)	25	101.25	92.75

Sd/-
Samuel S Chowdhury
Chairman

Sd/-
Ratna Patra
Vice Chairman

Sd/-
Tapan Chowdhury
Managing Director

Sd/-
Muhammad Zahangir Alam
Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Un-audited) For the 3rd Quarter Ended on 31 March 2022

Particulars	Notes	Nine Months Results		3rd Quarter Results	
		July'21 - Mar'22 Taka	July'20 - Mar'21 Taka	Jan-Mar 2022 Taka	Jan-Mar 2021 Taka
GROSS REVENUE	17	50,731,198,331	43,871,940,669	16,881,356,230	14,792,615,438
Less: Value Added Tax		7,008,958,984	6,160,167,725	2,231,354,699	2,022,482,749
NET REVENUE		43,722,239,347	37,711,772,944	14,650,001,531	12,770,132,689
COST OF GOODS SOLD	18	(20,998,326,875)	(18,142,951,154)	(7,125,580,503)	(6,230,986,835)
GROSS PROFIT		22,723,912,472	19,568,821,790	7,524,421,028	6,539,145,854
OPERATING Expenses:		(8,089,043,085)	(7,038,491,263)	(2,777,532,203)	(2,462,397,258)
Selling & Distribution Expenses	19	(7,163,852,051)	(6,172,763,645)	(2,443,421,964)	(2,145,689,022)
Administrative Expenses	20	(925,165,634)	(865,718,446)	(334,107,748)	(316,704,349)
Finance Cost		(25,400)	(9,172)	(2,491)	(3,887)
Other Operating Income	21	133,835,483	78,116,079	45,340,979	46,419,455
PROFIT FROM OPERATIONS		14,768,704,870	12,608,446,606	4,792,229,804	4,123,168,051
Other Income	22	2,631,263,209	2,491,448,937	946,896,649	847,196,415
PROFIT BEFORE WPPF & WF		17,399,968,080	15,099,895,543	5,739,126,454	4,970,364,466
Allocation for WPPF & WF		(828,569,909)	(719,042,645)	(273,291,736)	(236,684,022)
PROFIT BEFORE TAX		16,571,398,171	14,380,852,898	5,465,834,718	4,733,680,444
Income Tax Expenses:	23	(3,607,026,788)	(3,494,147,060)	(1,198,979,191)	(1,131,109,787)
Current Tax (Expense) / Income		(3,638,128,933)	(3,442,525,014)	(1,202,391,154)	(1,064,321,113)
Deferred Tax (Expense) / Income		31,102,145	(51,622,046)	3,411,963	(66,788,674)
NET PROFIT AFTER TAX FOR THE PERIOD		12,964,371,383	10,886,705,838	4,266,855,527	3,602,570,657
OTHER COMPREHENSIVE INCOME:		(107,704,305)	472,378,925	(91,766,782)	(346,806,516)
Unrealised Gain/(Loss) on FVOCI Financial Assets		(107,704,305)	472,378,925	(91,766,782)	(346,806,516)
Gain/(Loss) during the Period	24	(169,963,333)	524,865,472	(101,963,091)	(385,340,574)
Deferred Tax Expense/(Income)	11.2	62,259,028	(52,486,547)	10,196,309	38,534,058
TOTAL COMPREHENSIVE INCOME		12,856,667,078	11,359,084,763	4,175,088,745	3,255,764,142
Earnings Per Share (EPS)	26	14.63	12.28	4.81	4.06

Sd/-
Samuel S Chowdhury
Chairman

Sd/-
Ratna Patra
Vice Chairman

Sd/-
Tapan Chowdhury
Managing Director

Sd/-
Muhammad Zahangir Alam
Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

STATEMENT OF CHANGES IN EQUITY (Un-audited)

For the 3rd Quarter Ended on 31 March 2022
(July 2021 - March 2022)

(Amount in Taka)

Particulars	Share Capital	Share Premium	General Reserve	Tax Exemption Reserve	FVOCI Reserve	Retained Earnings	Total
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
Net Profit after Tax	-	-	-		-	12,964,371,383	12,964,371,383
Other Comprehensive Income					(107,704,305)		(107,704,305)
Cash Dividend (2020-2021)	-	-	-		-	(5,318,706,060)	(5,318,706,060)
At 31 March 2022	8,864,510,100	2,035,465,000	105,878,200	-	1,031,921,839	77,717,760,829	89,755,535,968

For the 3rd Quarter Ended on 31 March 2021
(July 2020 - March 2021)

(Amount in Taka)

Particulars	Share Capital	Share Premium	General Reserve	Tax Exemption Reserve	FVOCI Reserve	Retained Earnings	Total
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
Deferred Tax Recognised for FVOCI Financial Assets	-	-	-			59,821,223	59,821,223
At 30 June 2020 (Restated)	8,442,390,580	2,035,465,000	105,878,200	2,211,743,936	(452,626,946)	57,566,951,276	69,909,802,046
Net Profit after Tax	-	-	-	-	-	10,886,705,838	10,886,705,838
Other Comprehensive Income	-	-	-	-	472,378,925		472,378,925
Cash Dividend (2019-2020)	-	-	-	-	-	(3,967,923,573)	(3,967,923,573)
Stock Dividend (2019-2020)	422,119,520	-	-	-	-	(422,119,520)	-
At 31 March 2021	8,864,510,100	2,035,465,000	105,878,200	2,211,743,936	19,751,979	64,063,614,021	77,300,963,236

Sd/-
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Vice Chairman

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Tapan Chowdhury
Managing Director

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Muhammad Zahangir Alam
Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

STATEMENT OF CASH FLOWS (Un-audited)

For the 3rd Quarter Ended 31 March 2022

Particulars	Notes	3rd Quarter Ended	
		31-Mar-22 Taka	31-Mar-21 Taka
Cash Flows From Operating Activities:			
Receipts from customers		51,100,026,910	43,912,158,634
Receipts from Others		95,410,892	133,001,347
Payments to Suppliers		(15,253,303,307)	(14,767,212,013)
Payments for Manufacturing and Operating Expenses		(12,481,415,295)	(10,771,453,778)
Payment of Value Added Tax		(7,008,958,984)	(6,160,167,725)
Cash Generated from Operating Activities		16,451,760,215	12,346,326,465
Interest Paid		(25,400)	(9,172)
Payment of Income Tax		(3,512,267,514)	(3,681,833,369)
Payment to WPPF		(937,796,627)	(432,733,611)
Net Cash Generated from Operating Activities		12,001,670,674	8,231,750,313
Cash Flows From Investing Activities:			
Acquisition of Property, Plant and Equipment Investment		(2,370,146,183)	(2,007,606,888)
		(2,250,635,844)	(1,542,376,261)
Proceeds from Sale of Marketable Securities		248,542,913	21,057,254
Interest Received		2,370,971,511	2,642,949,937
Dividend Received		241,759,084	284,732,480
Short Term Loan		-	3,570,975,516
Net Cash Used in Investing Activities		(1,759,508,520)	2,969,732,038
Cash Flows From Financing Activities:			
Payment of Unclaimed Dividend		(300,914,646)	-
Dividend Paid		(5,255,885,425)	(2,976,816,692)
Net Cash Used in Financing Activities		(5,556,800,071)	(2,976,816,692)
Net Increase/(Decrease) in Cash and Cash Equivalents		4,685,362,084	8,224,665,659
Net Effect of Foreign Currency Fluctuation on Cash and Cash Equivalent Cash and Cash Equivalents (Opening)		71,780,238	6,501,783
		43,354,969,418	32,233,314,319
Cash and Cash Equivalents (Closing)		48,112,111,740	40,464,481,761
Net Operating Cash Flow per Share (NOCF)	27	13.54	9.29

Sd/-
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Chairman

Sd/-
Ratna Patra
Vice Chairman

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Tapan Chowdhury
Managing Director

Sd/-
Muhammad Zahangir Alam
Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the 3rd Quarter Ended March 31, 2022

1. Basis of Preparation of the Interim Financial Statements:

These Financial Statements ('These') are the unaudited interim Financial Statements (here after 'the Interim Financial Statements') of Square Pharmaceuticals Ltd. for the 3rd Quarter ended on March 31, 2022 (here after 'the interim period'). These 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 these provide an update of previously reported information.

The accounting policies and presentation used are consistent with those used in the Annual Financial Statements, except where mentioned otherwise. Where necessary, the comparative figures have been reclassified or extended from 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 Statements. 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.

The management understands that the business is growing every year which reflects that the assets are performing according to the intention of procurement. The management also assess that the discounted future cash flow from the operation of the assets would be positive if the assets are disposed at the date of financial reporting. But at present, the management has no intention to dispose these assets. Therefore, it is not necessary to record any impairment for the period as per the 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.

There is no significant event after the end of the interim period that has to be reflected in these financial statements for the interim period.

	<u>31-03-2022</u>	<u>30-06-2021</u>
2. PROPERTY, PLANT AND EQUIPMENT: Tk. 22,758,588,485		
Details of Property, Plant and Equipment and Depreciation as at March 31, 2022 are as follows:		
Cost:		
Opening Balance	41,570,311,740	39,680,473,955
Addition during the Period/Year	1,269,594,487	2,071,017,068
	<u>42,839,906,227</u>	<u>41,751,491,023</u>
Sales/Transfer during the Period/Year	-	(181,179,283)
Closing Balance	<u>42,839,906,227</u>	<u>41,570,311,740</u>
Accumulated Depreciation:		
Opening Balance	21,793,391,083	20,046,381,983
Charged during the Period/ Year	1,364,763,102	1,882,490,971
	<u>23,158,154,186</u>	<u>21,928,872,954</u>
Sales/Transfer during the Period/Year	-	(135,481,871)
	<u>23,158,154,186</u>	<u>21,793,391,083</u>
Net Book Value as at 31 March 2022	19,681,752,042	19,776,920,657
Property, Plant & Equipment in Transit (Note-2.1)	787,302,169	646,809,312
Building under Construction (Note-2.2)	2,289,534,274	1,345,864,835
Written Down Value	Tk. <u>22,758,588,485</u>	<u>21,769,594,804</u>

	2021-2022 (Jul'21 - Mar'22)	2020-2021 (Jul'20 - Jun'21)
Allocation of depreciation charged for the period/year has been made in the accounts as follows:		
Factory Overhead	1,130,840,838	1,571,753,195
Selling and Distribution Expenses	157,836,300	203,574,635
Administrative Expenses	76,085,964	107,163,141
Tk.	<u>1,364,763,102</u>	<u>1,882,490,971</u>
2.1 PROPERTY, PLANT & EQUIPMENT IN TRANSIT: Tk. 787,302,169		
Opening Balance	646,809,312	514,957,056
Addition during the Period/Year	1,155,323,456	1,469,618,444
	<u>1,802,132,768</u>	<u>1,984,575,500</u>
Transfer during the Period/Year	<u>(1,014,830,599)</u>	<u>(1,337,766,188)</u>
Closing Balance	<u>787,302,169</u>	<u>646,809,312</u>
2.2 BUILDING UNDER CONSTRUCTION: Tk. 2,289,534,274		
Opening Balance	1,345,864,835	418,153,362
Addition during the Period/Year	943,669,439	927,711,473
	<u>2,289,534,274</u>	<u>1,345,864,835</u>
Transfer during the Period/Year	-	-
Closing Balance	<u>2,289,534,274</u>	<u>1,345,864,835</u>
3. INVESTMENT-Long Term: Tk. 7,676,975,518		
Subsidiary:		
(a) 4,000,000 Ordinary Shares in Square Pharmaceuticals Kenya EPZ Ltd.	332,000,000	332,000,000
(b) Share Money Deposit in Square Pharmaceuticals Kenya EPZ Ltd.	653,742,688	653,742,688
(c) 9,995,000 Ordinary Shares of Tk. 100/- each in Square Lifesciences Ltd.	999,500,000	99,500,000
	<u>1,985,242,688</u>	<u>1,085,242,688</u>
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
	<u>587,079,795</u>	<u>587,079,795</u>
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 CDBL	15,694,430	15,694,430
(c) 7,500 Preference Share in Raj Lanka Power Company Ltd.	7,272,728	29,090,910
(d) 1 Non-Convertible Zero Coupon Bond in Durable Plastics Ltd.	5,684,678	11,905,164
(e) 12 Non-Convertible Zero Coupon Bond in Envoy Textiles Ltd.	16,130,346	21,509,807
(f) 400 Non-Convertible Zero Coupon Bond in Brac Bank Ltd.	402,509,850	-
(g) 498 Non-Convertible Zero Coupon Bond in LankaBangla Finance Ltd.	440,459,706	-
(h) 400 Non-Convertible Zero Coupon Bond in Sajeda Foundation Ltd.	362,989,522	-
(i) 640 Non-Convertible Subordinated Bond in IDLC Finance Ltd.	341,911,775	-
(j) 200 Non-Convertible Subordinated Bond in Mutual Trust Bank Ltd.	2,000,000,000	2,000,000,000
(k) 5,000 Non-Convertible Subordinated Bond in Southeast Bank Ltd.	500,000,000	500,000,000
(l) 50 Non-Convertible Subordinated Bond in Islami Bank Bangladesh Ltd.	500,000,000	500,000,000
(m) 50 Non-Convertible Subordinated Bond in Trust Bank Ltd.	500,000,000	500,000,000
	<u>5,104,653,035</u>	<u>3,590,200,311</u>
Tk.	<u>7,676,975,518</u>	<u>5,262,522,794</u>

4. INVESTMENT IN MARKETABLE SECURITIES (Fair Value): Tk. 4,290,551,494

Particulars	2021-2022 (Jul'21-Mar'22)		2020-2021 (Jul'20-Jun'21)	
	Cost	Market Value	Cost	Market Value
Opening Balance	3,307,788,552	4,624,331,706	3,144,519,813	2,691,892,867
Add: Investment made during the Year	280,174,253	358,753,833	487,296,823	2,345,407,225
Less: Sold/Disposed Off during the Year	(443,991,132)	(692,534,045)	(324,028,084)	(412,968,386)
Closing Balance Tk.	3,143,971,673	4,290,551,494	3,307,788,552	4,624,331,706

31-03-2022 **30-06-2021**

5. INVENTORIES: Tk. 6,936,960,133

Raw Materials	2,552,648,128	2,647,266,800
Packing Materials	827,941,334	829,398,759
Work-in-Process	419,766,145	415,013,847
Finished Goods	2,039,397,886	2,118,362,474
Spares & Accessories	895,077,502	831,527,919
Goods- in-Transit	202,129,138	403,827,129
Tk.	6,936,960,133	7,245,396,928

6. TRADE & OTHER RECEIVABLES: Tk. 2,802,551,334

Trade Receivables (Note-6.1)	1,752,919,387	1,636,136,514
Other Receivables (Note-6.2)	1,049,631,947	1,280,042,245
Tk.	2,802,551,334	2,916,178,759

6.1 Trade Receivables: Tk. 1,752,919,387

Receivable from Domestic Sales	1,379,231,661	1,307,259,341
Receivable from Exports	373,687,726	328,877,173
Tk.	1,752,919,387	1,636,136,514

6.2 Other Receivables: Tk. 1,049,631,947

Interest Receivable from Fixed Deposit Receipts	887,161,244	1,222,146,132
Interest Receivable from Short Notice Deposits	89,817,896	-
Interest Receivable from Subordinated Bonds	46,488,214	57,891,734
Gain against Zero Coupon Bonds (Receivable)	26,164,593	4,379
Tk.	1,049,631,947	1,280,042,245

7. ADVANCES, DEPOSITS & PREPAYMENTS : Tk. 1,419,406,803

Advances:	1,009,935,167	463,087,450
Employees	327,838,217	239,013,230
Land Purchase	32,892,777	16,503,377
Suppliers	649,204,173	207,570,843
Deposits:	393,749,718	920,127,031
Value Added Tax	113,802,893	599,414,346
Earnest Money & Security Deposit	279,946,825	312,902,472
Others	-	7,810,213
Prepayments:	15,721,918	46,174,805
Office Rent	6,926,244	6,936,747
Insurance Premium	8,795,674	39,238,058
Tk.	1,419,406,803	1,429,389,286

8. CASH AND CASH EQUIVALENTS: Tk. 48,112,111,740

(a) Cash in Hand	17,475,481	13,925,716
(b) Cash at Bank:	48,094,636,259	43,341,043,702
* Current Account	838,470,292	435,014,278
* STD Account	4,721,363,544	3,486,902,772
* Fixed Deposit Account (BD Taka)	38,153,848,645	35,653,848,645
* Fixed Deposit Account (USD)	4,185,789,651	2,862,046,153
* Export Retention Quota Account (USD)	120,551,146	891,345,538
* Margin Held Account (USD)	12,743,807	11,886,316
* Dividend Account	61,869,174	-
Tk.	48,112,111,740	43,354,969,418

	<u>31-03-2022</u>	<u>30-06-2021</u>
9. FAIR VALUE RESERVE: Tk. 1,031,921,839		
Opening Balance	1,139,626,144	(452,626,946)
Add: Adjustment for Related tax on FVOCI Financial Assets	-	59,821,223
Opening Balance (Restated)	1,139,626,144	(392,805,723)
Add: Unrealised Gain/(Loss) on Marketable Securities for the Period/Year (Note - 24)	(169,963,333)	1,769,170,100
Less: Related Deferred tax (Expense)/Income (Note - 11.2)	62,259,028	(236,738,233)
Closing Balance	<u>1,031,921,839</u>	<u>1,139,626,144</u>
10. RETAINED EARNINGS: Tk. 77,717,760,829		
Opening Balance	70,072,095,506	57,507,130,053
Add: Transferred from Tax Exemption Reserve	-	2,211,743,936
Add: Net Profit/(Loss) for the Year/Period	12,964,371,383	14,743,264,610
Less: Cash Dividend for the Year 2020-2021	(5,318,706,060)	(3,967,923,573)
Less: Stock Dividend for the Year 2020-2021	-	(422,119,520)
Closing Balance	Tk. <u>77,717,760,829</u>	<u>70,072,095,506</u>
11. DEFERRED TAX LIABILITY: Tk. 1,181,491,844		
This represents provision made for deferred income tax that will have to be paid in future due to temporary differences.		
Deferred Tax - Property, Plant & Equipment (Note-11.1)	1,066,833,862	1,097,936,007
Deferred Tax - FVOCI Financial Assets(Note-11.2)	114,657,982	176,917,010
	Tk. <u>1,181,491,844</u>	<u>1,274,853,017</u>
11.1 Deferred Tax - Property, Plant & Equipment:		
A. Property, Plant and Equipments excluding Cost of Land (Carrying Amount)	13,268,986,307	13,686,544,416
B. Property, Plant and Equipments excluding Cost of Land (Tax Base)	8,527,502,477	8,806,828,831
C. Taxable/(Deductable) Temporary Difference (A-B)	4,741,483,830	4,879,715,585
D. Tax Rate	22.50%	22.50%
E. Deferred Tax Liabilities as on March 31,2022 (C*D)	1,066,833,862	1,097,936,007
F. Deferred Tax Liabilities as on June 30, 2021	1,097,936,007	1,272,750,021
Current Year's Deferred Tax Expense/(Income) (E-F)	Tk. <u>(31,102,145)</u>	<u>(174,814,014)</u>
11.2 Deferred Tax - FVOCI Financial Assets:		
A. FVOCI Financial Assets - Carrying Amount	4,290,551,494	1,769,170,100
B. FVOCI Financial Assets - Tax Base	3,143,971,673	-
C. Taxable/(Deductable) Temporary Difference (A-B)	1,146,579,821	1,769,170,100
D. Tax Rate	10.00%	10.00%
E. Deferred Tax Liabilities as on March 31,2022 (C*D)	114,657,982	176,917,010
F. Deferred Tax Liabilities as on June 30, 2021	176,917,010	(59,821,223)
Current Year's Deferred Tax Expense/(Income) (E-F)	Tk. <u>(62,259,028)</u>	<u>236,738,233</u>
12. TRADE PAYABLES:	Tk. <u>790,622,236</u>	<u>614,279,333</u>
This represents amount payable to regular suppliers of raw materials, packing materials, promotional materials etc. All suppliers were paid on a regular basis.		
13. OTHER PAYABLES: Tk. 1,406,624,368		
Sundry Creditors	496,010,423	400,854,734
Income Tax (Deduction at Source)	11,451,180	19,532,856
Retention Money	7,772,222	7,938,420
Workers' Profit Participation Fund and Welfare Fund (13.1)	828,569,909	937,796,627
Dividend Payable	62,820,635	-
	Tk. <u>1,406,624,368</u>	<u>1,366,122,637</u>
13.1 Workers' Profit Participation Fund and Welfare Fund: Tk. 828,569,909		
Opening Balance	937,796,627	859,269,098
Add: Allocation for the Period/Year	828,569,909	937,796,627
Less: Payment made during the Period/Year	(937,796,627)	(859,269,098)
Closing Balance	Tk. <u>828,569,909</u>	<u>937,796,627</u>
14. INCOME TAX PAYABLES: Tk. 698,536,491		
Opening balance	572,675,072	978,037,537
Provision made for the Period	3,638,128,933	4,187,481,946
Tax Paid (Including Advance Income Tax during the Period)	(3,512,267,514)	(4,592,844,411)
	Tk. <u>698,536,491</u>	<u>572,675,072</u>

	31-03-2022	30-06-2021
15. ACCRUED EXPENSES: Tk. 90,083,506		
Accrued Expenses	90,083,506	181,022,947
Audit Fees	-	690,000
Tk. 90,083,506	90,083,506	181,712,947
16. UNCLAIMED DIVIDEND: Tk. 74,251,093		
Opening balance	375,165,739	330,431,723
Add: Returned during the Period/Year	-	46,944,513
Less: Paid during the Period/Year	(300,914,646)	(2,210,497)
Tk. 74,251,093	74,251,093	375,165,739
	2021-2022	2020-2021
	(Jul'21-Mar'22)	(Jul'20-Mar'21)
17. GROSS REVENUE: Tk. 50,731,198,331		
Local Sales	49,485,461,279	42,764,587,103
Export Sales Equivalent in US \$ 14,728,640 (Jul'2020-Mar'2021 US \$ 13,190,632)	1,245,737,052	1,107,353,566
Tk. 50,731,198,331	50,731,198,331	43,871,940,669
18. COST OF GOODS SOLD: Tk. 20,998,326,875		
Materials	15,809,442,801	13,197,482,926
Factory Overhead (Note-18.1)	5,188,884,074	4,945,468,228
Tk. 20,998,326,875	20,998,326,875	18,142,951,154
18.1 FACTORY OVERHEAD: Tk. 5,188,884,074		
Salaries, Allowances and Wages	1,764,966,743	1,606,434,691
Factory Employees Free Lunch	95,791,221	88,075,415
Factory Staff Uniform	82,319,290	67,905,914
Travelling & Conveyance	24,179,434	21,809,639
Printing & Stationery	60,783,417	55,808,061
Postage, Telephone & Fax	5,941,098	5,880,519
Repairs & Maintenance	741,702,079	750,793,181
Laboratory Consumable Stores	314,868,661	257,428,367
Fuel, Petrol, Light Diesel etc.	84,880,706	99,396,341
Electricity, Gas & Water	503,817,338	490,494,447
Rental Expense	959,540	889,224
Municipal & Other Tax	12,052,394	12,975,976
Insurance Premium	16,503,882	16,614,533
Factory Sanitation Expenses	85,539,604	79,038,333
Depreciation	1,130,840,838	1,162,433,026
Security Services	55,260,468	44,573,915
Research & Development	149,150,546	127,241,486
Software & Hardware Support Services	44,880,117	45,856,791
Toll Charges	13,188,282	10,689,658
Other Expenses	1,258,416	1,128,711
Tk. 5,188,884,074	5,188,884,074	4,945,468,228
	2021-2022	2020-2021
	(Jul'21-Mar'22)	(Jul'20-Mar'21)
19. SELLING & DISTRIBUTION EXPENSES: Tk. 7,163,852,051		
Salaries and Allowances	1,126,932,526	1,039,138,750
Travelling and Conveyance	108,750,645	101,449,694
Printing and Stationery	64,748,229	62,510,257
Postage, Telephone, Fax & Telex	50,899,399	55,699,906
Electricity, Gas and Water	21,371,284	19,930,795
Office and Godown Rent	19,064,348	19,679,532
Repairs and Maintenance including car maintenance	371,402,942	351,311,527
Govt. Taxes and Licence Fees	32,215,184	48,808,197
Field Staff Salaries, Allowances, TA and DA	1,854,322,887	1,564,443,753
Marketing and Sales Promotional Expenses	1,135,111,666	948,481,858
Event, Programs and Conference	219,738,620	185,299,589
Delivery and Packing Expenses	127,695,301	108,584,129
Literature and Publications	77,059,013	65,632,029
Export Expenses	103,994,738	88,273,640
Research and Product Development	9,013,390	7,981,063
Special Discount	1,349,033,460	1,062,332,407
Security Services	64,344,233	59,817,082
Depreciation	157,836,300	145,137,096
Other Expenses	270,317,886	238,252,341
Tk. 7,163,852,051	7,163,852,051	6,172,763,645

	2021-2022 (Jul'21-Mar'22)	2020-2021 (Jul'20-Mar'21)
20. ADMINISTRATIVE EXPENSES: Tk. 925,165,634		
Salaries and Allowances	369,705,300	337,196,582
Directors' Remuneration	52,226,667	49,695,422
Independent Directors' Honorarium	-	600,000
Travelling and Conveyance	78,465,548	76,443,232
Printing and Stationery	13,320,980	12,317,269
Postage, Telephone, Internet	7,606,061	8,169,825
Electricity, Gas & Water	16,105,581	16,467,564
Tiffin and Refreshment	53,712,008	51,202,472
Repairs and Maintenance	157,672,843	142,968,309
Bank Charges	8,677,282	8,140,972
Insurance Premium	12,206,823	7,295,469
Govt. Taxes, Stamp Duty & Licence Fee	8,199,307	5,113,774
Security Services	29,108,914	28,861,227
Legal Charges	1,197,000	691,150
Depreciation	76,085,964	79,376,907
Software & Hardware Support Services	4,082,753	4,636,084
Other Expenses	36,792,603	36,542,188
Tk.	925,165,634	865,718,446

21. OTHER OPERATING INCOME: Tk. 133,835,483		
Rental Income	1,134,941	490,822
Sale of Scrap	33,838,534	30,039,372
Foreign Exchange Fluctuation Gain	74,536,008	7,864,885
Cash Incentive Received against Export	24,326,000	39,721,000
Tk.	133,835,483	78,116,079

22. OTHER INCOME: Tk. 2,631,263,209		
Bank Interest	1,746,073,798	1,451,949,422
Interest on Loan to Sister Concern	-	197,764,904
Dividend	241,759,084	284,732,480
Gain/(Loss) on Marketable Securities (Realized)	248,542,913	21,057,254
Gain on Redemption of Zero Coupon Bond	26,810,269	137,440,221
Interest Income from Short Notice Deposits	183,654,229	366,293,270
Interest Income from Subordinated Bonds	184,022,918	-
P.F Forfeiture Amount	-	31,667,264
Others	400,000	544,122
Tk.	2,631,263,209	2,491,448,937

23. INCOME TAX EXPENSE Tk. 3,607,026,788		
Current Tax Expense	3,638,128,933	3,442,525,014
Deferred Tax Expense/(Income)	(31,102,145)	51,622,046
Tk.	3,607,026,788	3,494,147,060

23.1 RECONCILIATION OF EFFECTIVE TAX RATE:

Particulars	Jul'21-Mar'22		Jul'20-Mar'21	
	%	Taka	%	Taka
Profit before Tax		16,571,398,171		14,380,852,898
Income Tax using Corporate Tax Rate	22.50%	3,728,564,588	25.00%	3,595,213,225
Effect of Tax Exempted Income	-0.30%	(50,283,065)	-0.54%	(77,712,803)
Effect of Lower Tax Rate	-0.24%	(40,152,591)	-0.16%	(23,353,362)
Effect of Deferred Tax	21.95%	3,638,128,933	24.30%	3,494,147,060
	-0.19%	(31,102,145)	0.00%	
	21.77%	3,607,026,788	24.30%	3,494,147,060

	2021-2022 (Jul'21-Mar'22)	2020-2021 (Jul'20-Mar'21)
24. UNREALISED GAIN/(LOSS) ON FVOCI FINANCIAL ASSETS: Tk. (169,963,333)		
<u>Marketable Securities Purchased during the Period:</u>		
Market Value	358,753,833	764,142,077
Less: Cost	(280,174,253)	(218,219,351)
Total Gain/(Loss) during the Period (A)	78,579,580	545,922,726
<u>Marketable Securities Sold during the Period:</u>		
Market Value	692,534,045	116,586,590
Less: Cost	(443,991,132)	(95,529,336)
Realised Gain/(Loss) during the Period (B)	248,542,913	21,057,254
Total Unrealised Gain/(Loss) during the Period C=(A-B)	Tk. (169,963,333)	524,865,472

25. NET ASSET VALUE (NAV) PER SHARE: Tk. 101.25

Equity Attributable to the Ordinary Shareholders	89,755,535,968	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)	Tk. 101.25	92.75

26. EARNINGS PER SHARE (EPS): Tk. 14.63

Surplus for the year attributable to Shareholders (Net Profit after Tax)	12,964,371,383	10,886,705,838
Weighted average number of Shares outstanding during the Period	886,451,010	886,451,010
Earnings per Share	Tk. 14.63	12.28

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

27. NET OPERATING CASH FLOW (NOCF) PER SHARE: Tk. 13.54

Net Cash Generated from Operating Activities	12,001,670,674	8,231,750,313
Weighted average number of Shares outstanding during the Period	886,451,010	886,451,010
Net Operating Cash Flow (NOCF) Per Share	Tk. 13.54	9.29

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.

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

Profit after Tax	12,964,371,383	10,886,705,838
Adjustments for Reconciling Net Profit with Net Cash Generated by Operating Activities:		
Non-Cash Expenses:	1,261,880,719	1,432,067,292
Depreciation	1,364,763,102	1,386,947,029
Exchange Rate Fluctuation	(71,780,238)	(6,501,783)
Deferred Tax	(31,102,145)	51,622,046
Non-Operating Items:	(2,630,863,209)	(2,433,496,719)
Interest Income	(1,746,073,798)	(1,426,208,590)
Dividend	(241,759,084)	(284,732,480)
Interest on Loan to Sister Concern	-	(197,764,904)
Gain/(Loss) on Marketable Securities (Realized)	(248,542,913)	(21,057,254)
Gain on Redemption of Zero Coupon Bond	(26,810,269)	(137,440,221)
Interest Income from Short Notice Deposits	(183,654,229)	(366,293,270)
Interest Income from Subordinated Bonds	(184,022,918)	-
Changes in Working Capital:	406,281,781	(1,653,526,098)
(Increase)/Decrease in Inventories	308,436,795	(1,537,808,014)
(Increase)/Decrease in Trade Receivables	(116,782,873)	(401,283,238)
(Increase)/Decrease in Advances, Deposits and Prepayments	26,371,883	405,565,745
Increase/(Decrease) in Trade Payables	176,342,903	(148,548,371)
Increase/(Decrease) in Other Payables	(22,318,904)	333,025,292
Increase/(Decrease) in Income Tax Liabilities	125,861,419	(239,308,355)
Increase/(Decrease) in Accrued Expenses	(91,629,441)	(65,169,157)
Net Cash Generated from Operating Activities	Tk. 12,001,670,674	8,231,750,313

2021-2022	2020-2021
(Jul'21-Mar'22)	(Jul'20-Mar'21)

28. CONTINGENT LIABILITIES:

1. For Sight Letter of Credits for Tk. 447.92 crore only of Square Pharmaceuticals Ltd.
2. The company issued a Corporate Guarantee in favour of Square Pharmaceuticals Kenya EPZ Ltd. for USD 8.00 Million as per approval of Bangladesh Bank.

29. RELATED PARTY TRANSACTIONS:

29.1 Transaction with Key Management Personnel:

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	289,185,294	293,143,834
Post-Employment Benefits	71,927,810	12,265,425
Other Long-Term Benefits	-	-
Termination Benefits	-	-
Share-Based Payment	-	-

29.2 Transaction with Other Related parties:

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

A. Associates:

Square Textiles Ltd. (46.36% share):

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

Square Fashions Ltd. (48.63% share):

Opening Balance	-	2,411,950
Paid during the Year	135,560,551	1,219,935,868
Realized during the Year	(135,560,551)	(1,222,347,818)
Closing Balance	Tk. -	-

Square Hospitals Ltd. (49.94% Shares):

Opening Balance	-	1,604,350,413
Paid during the Year	107,229,837	527,236,493
Realized during the Year	(107,229,837)	(835,798,037)
Closing Balance (Payable)	Tk. -	1,295,788,869

B. Subsidiaries:

Square Lifesciences Ltd. (99.50% share):

Opening Balance	-	751,363
Paid during the Year	2,963,185,168	17,574,372
Realized during the Year	(2,470,004,050)	-
Closing Balance (Receivable)	Tk. 493,181,118	18,325,735

C. Others:

Square InformatiX Ltd. (Service Provider):

Opening Balance	-	(2,197,662)
Paid during the Year	44,149,258	85,660,291
Realized during the Year	(44,111,296)	(59,406,354)
Closing Balance (Receivable)	Tk. 37,962	24,056,275

	<u>2021-2022</u> (Jul'21-Mar'22)	<u>2020-2021</u> (Jul'20-Mar'21)
Square Securities Management Ltd. (Port Folio Management):		
Opening Balance	160,545,334	34,874,272
Paid during the Year	692,534,045	216,586,590
Realized during the Year	(280,179,539)	(218,219,851)
Closing Balance (Receivable)	Tk. <u>572,899,840</u>	<u>33,241,011</u>
Pharma Packages (Pvt.) Ltd. (Supplier):		
Opening Balance	52,600,036	12,206,021
Paid during the Year	328,245,924	547,281,749
Realized during the Year	(367,984,573)	(541,495,481)
Closing Balance (Receivable)	Tk. <u>12,861,387</u>	<u>17,992,289</u>
AEGIS Services Ltd. (Service Provider):		
Opening Balance	-	-
Paid during the Year	29,699,190	31,273,585
Realized during the Year	(29,699,190)	(31,273,585)
Closing Balance (Receivable)	Tk. <u>-</u>	<u>-</u>