

ANNUAL REPORT

Year Ended June, 2024

2023-2024

Since 1958



**SQUARE
PHARMACEUTICALS PLC.**

SQUARE



Performance Key Highlights 2023-2024 Standalone

Bank Loan **ZERO**
Since the FY 2018-19

non
STOP DIVIDEND
Since listing 1995

Since 2015
Credit Rating **AAA**
By CRISL

Honored as **Top
Taxpayer with Tax
Card** by the National
Board of Revenue
(NBR).



*

Profit and EPS has declined due to transfer of several products of Square Pharma to Square Lifesciences Ltd., a virtually wholly owned subsidiary (99.95%) for strategic purposes.

However, **Consolidated** Profit and EPS remain unaffected and have experienced a positive growth of **10.26%** with respect to the previous year.

Net Revenue

2022-23: BDT **58.42** Billion
2023-24: BDT **59.79** Billion

2.35%



Domestic Revenue

2022-23: BDT **56.46** Billion
2023-24: BDT **57.40** Billion

1.66%



Export Revenue

2022-23: BDT **1.96** Billion
2023-24: BDT **2.39** Billion

22.42%



Profit (After Tax) *

2022-23: BDT **16.47** Billion
2023-24: BDT **15.59** Billion

5.34%



Dividend Payout

2022-23: BDT **9.31** Billion
2023-24: BDT **9.75** Billion

4.76%



EPS Earning Per Share *

2022-23: BDT **18.58**
2023-24: BDT **17.59**

5.34%



NAV Net Asset Value (per share)

2022-23: BDT **113.39**
2023-24: BDT **119.35**

5.25%



NOCF Net Operating Cash Flow **117.66%**

2022-23: BDT **8.13** Billion
2023-24: BDT **17.70** Billion





About Us

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

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

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

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

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

SQUARE Pharma emphasizes the quality of products, processes, and services leading to the growth of the company imbued with good governance practices.

SQUARE Pharma's consolidated net turnover during the year 2023-2024 was BDT 70.10 billion (US\$ 599.15 million) with about 17.32% market share and a growth rate of about 15.47% and having around 12,453 employees across the country and abroad. **SQUARE** Pharma is not enjoying bank loans since FY 2018-2019.

The market capitalization of **SQUARE** Pharma is around BDT 186.95 billion (US \$1.60 billion), which places it 1st in ranking in the pharmaceuticals sector.

SQUARE
PHARMACEUTICALS PLC.



www.squarepharma.com.bd

Number One
In Bangladesh Pharma Market
Since 1985

About Us

ANNUAL REPORT

Year ended 30 June 2024

2023-2024



SQUARE PHARMACEUTICALS PLC.

Square Centre
48 Mohakhali Commercial Area
Dhaka, Bangladesh

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SQUARE

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SQUARE
PHARMACEUTICALS PLC.

Square Centre
48 Mohakhali Commercial Area
Dhaka, Bangladesh

Transmittal
Letter

Transmittal Letter

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

Annual Report for the year ended June 30, 2024

Dear Sir(s)

We are pleased to enclose a copy of the Annual Report containing the Directors' Report and Auditors' Report along with Audited Financial Statements including the Statement of Financial Position as at June 30, 2024, Statement of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flows for the year ended June 30, 2024 along with notes thereon and all related Consolidated and Subsidiary Financial Statements for your record and necessary measures.

With best regards.

Khandaker Habibuzzaman
Company Secretary

Dated: 27 November, 2024

SQUARE

THE TEN PRINCIPLES OF UN GLOBAL COMPACT



WE SUPPORT

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

✿ HUMAN RIGHTS

Principle 1

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

Principle 2

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

✿ LABOR STANDARDS

Principle 3

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

Principle 4

The elimination of all forms of forced and compulsory labor.

Principle 5

The effective abolition of child labor and

Principle 6

Eliminate discrimination in respect of employment and occupation.

✿ ENVIRONMENT

Principle 7

Business should support a precautionary approach to environmental challenges.

Principle 8

Undertake initiatives to promote greater environmental responsibility; and

Principle 9

Encourage the development and diffusion of environmentally friendly technologies.

✿ ETHICAL STANDARDS

Principle 10

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





SQUARE
PHARMACEUTICALS PLC.

Square Centre
48 Mohakhali Commercial Area
Dhaka, Bangladesh

Notice to the Members

58th Annual General Meeting 2024

Notice is hereby given that the 58th Annual General Meeting of the Members of Square Pharmaceuticals PLC. will be held on Wednesday the 18th December, 2024 at 10:00 a.m. under the virtual platform through the link <https://agmbd.live/squarepharma2024> to transact the following business:

- Agenda-1: To receive, consider and adopt the Audited Financial Statements for the year ended 30th June, 2024 together with the reports of the Directors' and the Auditors' thereon.
- Agenda-2: To declare a dividend for the year ended 30th June, 2024.
- Agenda-3: To elect Directors in terms of the relevant provision of the Articles of Association.
- Agenda-4: To confirm the appointment of the Independent Director.
- Agenda-5: To appoint Statutory Auditors for the year 2024-2025 and fix the remuneration.
- Agenda-6: To appoint the Compliance Auditor for the year 2024-2025 and fix the remuneration.

By order of the Board

Khandaker Habibuzzaman
Company Secretary

27 November, 2024

Notes:

- i) The proxy form must be affixed with requisite revenue stamp and be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
- ii) Members are requested to submit to the Company's Share Office on or before 15th December 2024, their written option to receive dividend. In case of non-submission of such option with the stipulated time, the dividend will be paid off as deemed appropriate by the Company.
- iii) The Annual Report is available in the Company's web site at www.squarepharma.com.bd

VISION

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

MISSION

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

OBJECTIVES

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

CORPORATE FOCUS

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



The Founder



Samson H Chowdhury
1925-2012

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

The Authority

Board of Directors



The Board of Directors is made up of the following veteran Members:

Mr. Samuel S Chowdhury
Chairman

Mrs. Ratna Patra
Vice Chairman

Mr. Tapan Chowdhury
Managing Director

Mr. Anjan Chowdhury
Director

Mr. Kazi Iqbal Harun
Director

Mr. Abul Kalam Azad
Independent Director

Mr. Muhammadul Haque
Independent Director



Chairman

Mr. Samuel S Chowdhury

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

Chairman of Square Pharmaceuticals Kenya EPZ Ltd.,
Square Lifesciences Ltd., Square Hospitals Ltd.,
Square Toiletries Ltd., Square Food & Beverages Ltd.,

Square Fashions Ltd., Square Denims Ltd., Square Apparels Ltd., Square Air Ltd.,
Mediacom Ltd., Maasranga Communications Ltd. (Maasranga TV), and other 13
companies under Square Group.

Managing Director of Square Textiles PLC. (Listed).



Vice Chairman

Mrs. Ratna Patra

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

Vice Chairman of Square Pharmaceuticals Kenya EPZ
Ltd., Square Lifesciences Ltd., Square Hospitals Ltd.,

Square Textiles PLC. (Listed), Square Toiletries Ltd., Square Fashions Ltd., Square
Denims Ltd., Square Apparels Ltd., Square Air Ltd., Mediacom Ltd., Maasranga
Communications Ltd. (Maasranga TV), and other 8 companies under Square Group.



Managing Director

Mr. Tapan Chowdhury

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

Chairman of Square Textiles PLC. (Listed) and Square
Health Ltd.

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



Director

Mr. Anjan Chowdhury

Non-Executive Director.

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

Managing Director of Square Toiletries Ltd., Square Food & Beverages Ltd., Square Texcom Ltd., Square Air Ltd., Mediacom Ltd., Maasranga Communications Ltd. (Maasranga TV) and Square Securities Management Ltd.
Director of Square Textiles PLC. (Listed), Square Pharmaceuticals Kenya EPZ Ltd., Square Hospitals Ltd., Square Lifesciences Ltd., Square Fashions Ltd., Square Denims Ltd., Square Apparels Ltd., and other 8 companies under Square Group.



Director

Mr. Kazi Iqbal Harun

Non-Executive Director.

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

Director of Square Toiletries Ltd.



Independent Director

Mr. Abul Kalam Azad

Appointed to the Board in the year July 2023.
Commerce Graduate from the University of Chittagong.
Fellow Member (FCA) of Institute of Chartered Accountants of Bangladesh.
Founding Principal and Sole Practitioner of Azad Abul Kalam & Co., Chartered Accountants, since 2008 and
Founding Partner and Sole Practitioner of Azad Zamir & Co., Chartered Accountants since 1984.
Independent Director of Square Textiles PLC
Former Independent Director, Envoy Textiles Ltd.



Independent Director

Mr. Muhammadul Hauque

Appointed to the Board in the year April 2024.
MBA, IBA, University of Dhaka
Veteran Marketer, Former Executive Director Marketing (CMO) of Square Pharmaceuticals PLC.
Independent Director of Square Textiles PLC.



The Board of Directors status in accordance with the Constitution and Law:

Constitution

Not less than 3 or more than 11

Type of Mandate

Unitary Board of 7 (seven) Directors

Female Member

1 (one)

Male Member

6 (six)

Non-Executive Director

3 (Three)

Executive Director

2 (two)

Independent Director

2 (two)

Board Meeting during the year 2023-2024

11 (Eleven)

We Strive For

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

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

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

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

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

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

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



Square Pharmaceuticals PLC.

SQUARE

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

We strive for an environment free from pollution and poisoning.

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



Chairman's Message



Square Pharmaceuticals PLC.

Chairman's Message

Dear Shareholders,
Ladies and Gentlemen

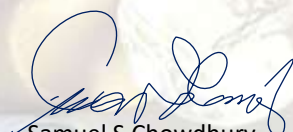
As I attempt to emulate the legacy of Samson H Chowdhury, the Founding Father of the "SQUARE GROUP" every year on the occasion of the Annual General Meeting of the honorable Shareholders, I feel it my obligation to inform them of the "true" position of the events of the year under review and throw a tinge of light on the expected, under the shadow of shining lights/clouds, business operations that are knowable or unknown under the tiring world of wars that continues to thrash on the shoulders of the human and all living beings. It is often mentioned that the current situation in the socio-political-economic lives of all classes of living beings have not felt so much strain since World War II. These feelings seem to be the burning issues of the day despite attempts by several segments of the society to eliminate or diminish the jungle-style law and order through various "unarmed" models of justice and peace processes.

Despite the despicable situation that exist almost in every segment of business and its management our company had continued to make a normal stride despite effects of COVID-19 followed by international financial crises, to retain its position of number "ONE" in the sector due to, amongst others, tenacious efforts of the Management Team headed by the Managing Director, Mr. Tapan Chowdhury, whose personal skill and style have had a positive impact on growth in investments, turnover, gross profit, and the earnings per share, as evident from the Directors' Report that has been provided to you earlier.

Before I conclude, I would like to thank all the Shareholders, various Government Agencies including the Directorate General of Drug Administration, Bangladesh Bank, National Board of Revenue, Directorate of Health Services whose role in creating favorable policy decisions from time to time, as well as Regulating Authorities such as Bangladesh Securities and Exchange Commission, Controller of Insurance, and other related institutions for their cooperation and support to our company and the sector in general.

With hopes for better days for all of us.

With best wishes for a bright and healthful life.


Samuel S Chowdhury
Chairman

Corporate Operational Results

Square Pharmaceuticals PLC. (Standalone)

2020 to 2024 **5** Years

SQUARE

Figures in '000

Business Results:	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020
Net Revenue	59,794,585	58,419,085	55,798,183	49,169,800	44,720,068
Cost of Goods Sold	32,526,764	30,384,777	27,958,027	24,800,036	22,536,670
Gross Profit	27,267,821	28,034,308	27,840,156	24,369,764	22,183,398
Net Profit (Before Tax)	19,887,843	21,097,122	21,024,560	18,755,933	17,185,382
Net Profit (After Tax)	15,591,372	16,470,228	16,417,497	14,743,265	12,955,974
Net Assets Value (NAV)	105,795,120	100,516,964	93,007,355	82,217,575	69,909,802
Total Assets	112,009,915	104,755,128	97,535,187	86,602,384	74,350,804
Bank Borrowings	-	-	-	-	-
Current Assets	69,735,986	70,169,515	62,748,424	54,945,934	46,886,758
Current Liabilities	5,589,046	3,212,078	3,349,091	3,109,956	3,228,073
Current Ratio	12.48	21.85	18.74	17.67	14.52
Net Assets Value (NAV) per Share	119.35	113.39	104.92	92.75	78.86
Net Operating Cash Flow per Share	19.96	9.17	13.93	12.27	12.29
EPS-Earnings per Share (SPL)	17.59	18.58	18.52	16.63	14.62
EPS-Earnings per Share (Consolidated)	23.61	21.41	20.48	17.99	15.06
EPS at Original Capital at IPO	1559.14	1,647.02	1,641.75	1,474.33	1,295.60
Quoted Price per Share - DSE	210.90	210.20	216.70	215.50	172.50
Quoted Price per Share - CSE	211.50	209.80	216.90	215.60	172.50
Price Earnings Ratio-DSE (Time)	11.99	11.31	11.70	12.96	11.24
Price Earnings Ratio-CSE (Time)	12.02	11.29	11.71	12.96	11.24
Market Capitalization-DSE (in billion)	186.95	186.33	192.09	191.03	145.63
Market Capitalization-CSE (in billion)	187.48	185.98	192.27	191.12	145.63
No. of Shares Outstanding	886,451,010	886,451,010	886,451,010	886,451,010	844,239,058
Face Value per Share	10.00	10.00	10.00	10.00	10.00
Dividend (Cash)	110%	105%	100%	60%	47%
Dividend (Stock)	0%	0%	0%	0%	5%
Dividend Payout (in '000)	9,750,961	9,307,736	8,864,510	5,318,706	4,390,043
Shareholders:	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020
Sponsors/Directors	5	5	5	5	5
Financial & Other Institution	1,126	1,141	1,126	1,211	916
Foreign Investors	60	67	70	90	91
General Public	66,885	84,464	75,363	75,233	60,251
Total -	68,080	85,677	76,564	76,539	61,263
Employees:	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020
Executives	6,565	6,191	5,747	5,205	4,644
Non Executives	2,696	2,746	2,514	2,746	2,612
Workers	3,192	3,566	2,938	2,559	2,570
Total -	12,453	12,503	11,199	10,510	9,826



Managing Director's Report

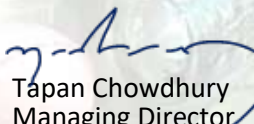
Dear Shareholders,
Ladies and Gentlemen

It is a pleasure for me to welcome you and place before you the Report of the Directors for the year 2023-2024 containing all information required by various laws duly audited/certified/verified for the Company as a standalone as well as consolidated one.

While referring to the annexed statements containing various information, including several ones with analyses, I feel happy to report to you that despite volatility in the international/domestic market situation due, especially to the Ukraine and the Middle East War, food/oil price crises, the Company had succeeded in retaining its position "ONE" in the country with growth in almost all parameters. This had been largely possible due to growth in investments, internally as well as externally, intensifying efforts by the dedicated army of skilled and well-trained officers/staff. I am sure they deserve more encouragement for further growth in investment and operations in the future too.

While concluding I would thank all concerned agencies of the Government involved in our operations and seek more support and cooperation in the future so that Shareholders and Stakeholders would feel more confident in investing their savings through the capital market which is sine-qua-non to economic development.

With the best wishes.


Tapan Chowdhury
Managing Director

Together we are Stronger



Management Committee

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



Audit Committee

Mr. Abul Kalam Azad Independent Director	Chairman
Mr. Anjan Chowdhury Director	Member
Mr. Kazi Iqbal Harun Director	Member
Mr. Khandaker Habibuzzaman Company Secretary	Secretary



Nomination and Remuneration Committee

Mr. Abul Kalam Azad Independent Director	Chairman
Mr. Anjan Chowdhury Director	Member
Mr. Kazi Iqbal Harun Director	Member
Mr. Khandaker Habibuzzaman Company Secretary	Secretary



Sustainability Committee

Mr. Tapan Chowdhury Managing Director	Chairman
Ms. Anika Chowdhury Head of Business Development	Member
Mr. Muhammad Zahangir Alam Chief Financial Officer	Member



CFO, Company Secretary and HIAC

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

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

Samson H Chowdhury
The Founder



Operational Management Team

Ms. Sanchia Chowdhury	Head of Business Strategy
Mr. Eric S Chowdhury	Head of TSD and SCM
Ms. Anika Chowdhury	Head of Business Development
Mr. Md. Kabir Reza	Head of A&F
Mr. Md. Mizanur Rahman	Head of Operations
Mr. M. Nawabur Rahman	Head of Production (Dhaka Unit)
Mr. Md. Atiquzzaman	Head of Marketing
Mr. Santosh Sadashiv Chothe	Head of R&D
Mr. Anjan Kumar Paul	Head of HR
Mr. Md. Mizanur Rahman	Head of Production (Pabna Unit)
Mr. Rajasekar Shunmugam	Head of Quality Assurance

Statutory Auditors

M/s. Mahfel Huq & Co.
Chartered Accountants
BGIC Tower, 4th floor, 34 Topkhana
Dhaka-1000

Compliance Auditors

M/s Chowdhury Bhattacharjee & Co.
Chartered Accountants
BSEC Bhaban, Level-4, 102 Kazi Nazrul Islam Avenue
Karwan Bazar, Dhaka 1215.

Legal Advisor

Mr. Syed Afzal Hasan Uddin, Bar-at-Law
Ms. Nazia Kabir, Bar-at-Law

Bankers

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

Insurers

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

Listing

Dhaka Stock Exchange PLC.
Chittagong Stock Exchange PLC.

1958-2024 Milestone of Excellence

1958 >>>

1958 - Year of Establishment

(As Partnership Firm)

- 1964 - Incorporated as a Private Limited Company.
- 1974 - Technical Collaboration with Janssen Pharmaceuticals of Belgium, a subsidiary of Johnson & Johnson Int'l Ltd., USA.
- 1985 - Market leadership in the pharma market of Bangladesh among all national and multinational companies.
- 1987 - Pioneer in pharmaceutical export from Bangladesh
- 1991 - Converted into Public Limited Company.
- 1994 - Initial Public Offer (IPO) of Ordinary Shares
- 1995 - Production of pharmaceuticals bulk (API) product by Chemical Division.

Listing with Dhaka and Chittagong Stock Exchange.
- 1997 - Awarded National Export Trophy for exporting pharmaceuticals.
- 2001 - US FDA/UK MHRA standard pharma factory goes into operation built under supervision of Bovis, UK.

2002 >>>

- 2002 - Enlisted as UNICEF's global suppliers.
- 2006 - Received Bankers' Forum Award for ethical and socially responsible business practices and smooth operations with bankers.
- 2007 - Dhaka Unit got the UK MHRA approval.
- 2009 - Starts manufacturing of insulin, hormone & steroid maintaining quality standard of US FDA & UK MHRA complying with cGMP of WHO.
- 2012 - Dhaka Unit got the 'Therapeutic Goods Administration' (TGA) of Australia approval.
- 2013 - "Samson H Chowdhury Centre of Excellence" starts its journey.
- 2015 - Received USFDA's approval.
- 2016 - Received MCC, South Africa and PIC/S approval.
Won the HSBC Export Excellence Award.
Won the ICMAB Best Corporate Award
- 2017 - Received GMP certification from MOH Azerbaijan.

Won the National Environment Award.

>>> 2001

>>> 2017



2018 >>>

- 2018 - Awarded National Export Trophy (Gold).
Won the ICMAB Best Corporate Award.
Received approval of ANDA of Valsartan for US market.
Received GMP approval of manufacturing facilities from NPRA, Malaysia.
Won the National Productivity & Quality Excellence Award.

- 2019 - Won the "President's Award for Industrial Development" as a successful Enterprise in the category of Large Scale Industry.
Won the Occupational Health and Safety Good Practice Award.

- Awarded National Export Trophy (Gold).
- 2021 - Received special recognition from the Large Taxpayer Unit (LTU) of the National Board of Revenue (NBR) as one of the Top Taxpayers in the Country.
Received the Bangabandhu Sheikh Mujib Industrial Award 2020 in the category of the country's best largest industries.
Awarded National Export Trophy (Gold).
Won the ICMAB Best Corporate Award.
Won Green Factory Award.

>>> 2021

2022 >>>

- 2022 - Honored as Top Taxpayer with Tax Card in the Pharmaceuticals Sector by the National Board of Revenue (NBR).
Won The National Productivity & Quality Excellence Award conferred by the Ministry of Industries.

- 2023 - Won the ICMAB Best Corporate Award.

Received ICSB National Award for Corporate Governance Excellence.

>>> 2023

2024

- Honored as Top Taxpayer with Tax Card by the National Board of Revenue (NBR).
- Won National Export Trophy.
- Won ICSB National Award for Corporate Governance Excellence.

SQUARE
PHARMACEUTICALS PLC.

Statement of Value Addition

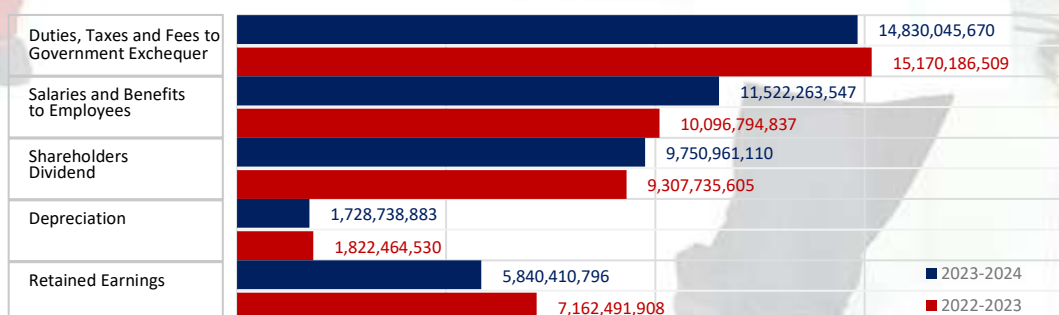
Square Pharmaceuticals PLC.

YEAR ENDED
JUNE 2024

Particulars	2023-2024		2022-2023	
	(Jul'2023-Jun'2024)		(Jul'2022-Jun'2023)	
	Amount	%	Amount	%
VALUE ADDED:				
Turnover	68,828,355,737		67,604,091,522	
Other Operating Income	2,478,176,589		1,228,423,054	
Income from Investment	4,921,634,458		4,277,283,291	
	76,228,166,784		73,109,797,867	
Less: Paid to Suppliers for Materials and Services	32,555,746,778		29,550,124,478	
Total	43,672,420,006	100.00	43,559,673,389	100.00
APPLICATION:				
Duties, Taxes and Fees to Government Exchequer	14,830,045,670	33.96	15,170,186,509	34.83
Salaries and Benefits to Employees	11,522,263,547	26.38	10,096,794,837	23.18
Shareholders Dividend	9,750,961,110	22.33	9,307,735,605	21.37
Depreciation	1,728,738,883	3.96	1,822,464,530	4.18
Retained Earnings	5,840,410,796	13.37	7,162,491,908	16.44
Total	43,672,420,006	100.00	43,559,673,389	100.00



Value Added
+ 0.26%



The Board of Directors of the Company is delighted to present its Report for the financial year ended 30 June 2024 before the honorable Members (Shareholders).

The Directors' Report is presented in accordance with the provisions of Section 184 of the Companies Act 1994, Rule 12 (and the schedule there under) of the Bangladesh Securities and Exchange Rules 2021, Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission and International Accounting Standard-1 as adopted by The Financial Reporting Council, Bangladesh.



Operations and the State of Affairs

FINANCIAL RESULTS OVERVIEW

Consolidated

- > **Net Revenue:** The Consolidated Revenue from operations increased by 15.47% to Tk. 70.10 billion in 2023-2024 against Tk. 60.71 billion of the previous year.
- > **Net Profit & EPS:** Net Profit after tax grew by 10.26% to Tk. 20.93 billion in 2023-2024 as compared to Tk. 18.98 billion of the previous year. EPS (Earnings per Share) stood at Tk. 23.61 in 2023-2024 as against Tk. 21.41 of the previous year.
- > **Retained Earnings:** Retained Earnings stood at Tk. 114.13 billion with an increase of 10.45% in 2023-2024 against Tk. 103.34 billion in 2022-2023.

Standalone

- > **Net Revenue:** The Standalone Revenue from operations reached Tk. 59.79 billion with a growth of 2.35% in 2023-2024 as against Tk. 58.42 billion of the previous year.
- > **Net Profit & EPS:** Net Profit after tax decreased by 5.34% to Tk. 15.59 billion in 2023-2024 as compared to Tk. 16.47 billion for the previous year. EPS stood at Tk. 17.59 as against Tk. 18.58 of the previous year.
- > **Retained Earnings:** Retained Earnings stood at Tk. 95.06 billion with an increase of 7.08% in 2023-2024 against Tk. 88.78 billion in 2022-2023.

Square Pharmaceuticals PLC. experienced a decline in its standalone Profit and EPS during the year under review due to the transfer of its several products to Square Lifesciences Ltd. (SLL), a virtually wholly owned subsidiary (99.95%) for strategic purposes.

However, the consolidated Profit and EPS remain unaffected by this transfer and have experienced a positive growth of 10.26% with respect to the previous year.

Sectoral Growth

The pharmaceutical sector in Bangladesh has its roots in the post-independence period, particularly after the Drug Control Ordinance of 1982, which marked a pivotal moment for the industry. This ordinance restricted the import of many drugs and encouraged local production, allowing domestic companies to flourish. Over the decades, the sector transitioned from being import-dependent to one of the leading industries in the country. Today, Bangladesh is largely self-sufficient in pharmaceuticals, producing 98% of the medicines needed for the domestic market. The industry is home to around 300 companies, including major players like

Square and has grown to become one of the country's top export sectors, supplying generic medicines to over 150 countries.

The pharmaceuticals sector in Bangladesh has witnessed significant growth during the 2023-2024 period, driven by a variety of factors. One of the primary contributors to this expansion is the increased domestic demand for pharmaceutical products. The country's growing population, coupled with rising awareness of healthcare needs, has amplified the demand for medicines, particularly for managing chronic diseases such as diabetes, hypertension, and cardiovascular conditions. The aftermath of the COVID-19 pandemic has further accentuated the importance of healthcare, leading to the heightened focus on medical preparedness and infrastructure, which in turn has positively impacted the pharmaceutical industry.

Government support has played a crucial role in facilitating the sector's growth. Through favorable regulatory policies, grants for R&D and etc., the government has created a conducive environment for the pharmaceutical industry to flourish. Bangladesh's national strategy to reduce dependence on imported medicines and promote local production, including the manufacturing of active pharmaceutical ingredients (APIs), has also strengthened the domestic pharmaceuticals sector.

Export growth has been another significant driver. Bangladesh has been positioning itself as an emerging player in the global pharmaceutical market, exporting to regions like Africa, Southeast Asia, and the Middle East. The country's ability to produce high-quality generic medicines at relatively lower costs has made it competitive internationally. Additionally, the accreditation of several Bangladeshi companies by the World Health Organization (WHO) has bolstered the country's prospects in entering more regulated markets, including Europe and the U.S.

Research and development (R&D) has become increasingly important, with many companies in Bangladesh focusing on producing biosimilars (generic versions of biologic drugs) and other high-value medicines. This shift towards innovation is a response to both growing market demand and the need to enhance technological capabilities. Collaborations with multinational pharmaceutical companies have also helped local firms to improve their R&D efforts and stay competitive globally.

Investment in infrastructure has been another key area of growth. Several leading pharmaceutical companies have expanded their manufacturing capacities, making significant investments to improve production efficiency and meet the rising demand, both locally and internationally. With the aim of entering more regulated markets, these companies have also placed greater emphasis on maintaining strict quality assurance and control measures, aligning their operations with international standards.



Despite these positive developments, the sector faces certain challenges. One of the most significant is its dependency on imported raw materials, particularly APIs, from countries like China and India. This reliance makes Bangladesh's pharmaceutical industry vulnerable to supply chain disruptions and price fluctuations.

Furthermore, even though the industry has made progress in exporting to international markets, negotiating the intricate regulatory frameworks of highly regulated countries like the US and Europe continues to be a challenge.

The Compound Annual Growth Rate (CAGR) of Bangladesh's pharmaceuticals sector has shown impressive growth over the years. As of recent estimates leading up to 2023-2024, the sector has been experiencing a CAGR of approximately 12-15% over the past decade. This sustained growth can be attributed to several factors, including increasing domestic demand for healthcare products, rising exports, and supportive government policies aimed at promoting local pharmaceutical manufacturing. Besides others, we have to adopt modern technologies like ML (Machine Learning), AI (Artificial Intelligence) & Biopharma to compete with developed markets.

According to IQVIA 2Q MAT, 2024 (July 2023 to June 2024), the Domestic Market Size of pharmaceuticals had a growth of 7.21% over the last year whereas in the same period of the previous year experienced a better growth of 15.30%. As per IQVIA 2Q, 2022 data, the market suffered negative growth (-3.85%) due to COVID-19 pandemic.

Primary care products provide affordable medical opportunities, not only for the healthcare system but also for consumers in order to meet their everyday healthcare needs. The systemic antibiotic market has secured 10.16% growth from July 2023 to June 2024 (11.20% growth in the previous year). The rising awareness of self-care drove the growth in some prescription-oriented markets having OTC potentiality like Antihistamines & Expectorants have grown 16.23% & 12.92% respectively over the previous year. Few Therapeutic Classes (TCs) like PPI, Calcium and Vitamins show minimum growth of 5.72%, 6.63% & 4.89% respectively. Again, from July 2023 to June 2024, Square has gained 2.17% market share in Systemic Antifungal TC with the highest growth of 16.08% among the top 5 manufacturers. Square acquired 04 of the top 05 brand positions in the Dermatology market.

Currently, Chronic diseases are the major concerns in our country like World Market.

Therefore, the demand for some Chronic care medicines like Antidiabetic, Lipid Lowering Agent, Antihypertensive, Antianginal are increasing day by day. The molecules with the significant growth are Empagliflozin and Linagliptin combination (82.42%), Empagliflozin and Metformin combination (22.87%), Ciprofibrate (81.41%), Telmisartan (49.59%) and Ranolazine (59.30%).

However, the Compound Annual Growth Rate (CAGR) for the Industry in the last five years (2020-2024) and Square Pharma's CAGR were 8.97% and 10.39% respectively.

Top Position

Square Pharmaceuticals PLC. has consistently demonstrated notable growth in operational, financial, and profitability metrics, which has enabled the company to maintain its leading position (Number # 1) in the pharmaceutical industry of the country for several decades on a continuous basis.

Pharma Plant

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

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

	Taka in million	
Assets	2023-24	2022-23
Land	383.09	123.32
Building	54.45	155.24
Plant & Machinery	100.09	430.34
Laboratory	51.17	83.84
Others	129.94	194.42
Total	718.75	987.16

These investments were financed entirely from internally generated funds.

FINANCIAL RESULTS AT A GLANCE

The Company's standalone financial results for the year ended June 30, 2024, as compared to the previous year, are summarized below:

Particulars	2023-2024 Taka	2022-2023 Taka	% ↑↓
Net Revenue	59,794,584,816	58,419,084,978	2.35↗
Cost of Goods Sold	32,526,763,732	30,384,776,887	7.05↗
Gross Profit	27,267,821,084	28,034,308,091	2.73↘
Operating Expenses	13,785,396,910	11,388,035,892	21.05↗
Net Profit (Before Tax)	19,887,843,068	21,097,122,423	5.73↘
Income Tax Expenses	4,296,471,162	4,626,894,910	7.14↘
Net Profit (After Tax)	15,591,371,906	16,470,227,513	5.34↘
<hr/>			
Gross Profit Margin	45.60%	47.99%	4.97↘
Net Profit Margin (Before Tax)	33.26%	36.11%	7.90↘
Net Profit Margin (After Tax)	26.07%	28.19%	7.51↘
EPS (Earning Per Share) Tk.	17.59	18.58	5.34↘
EPS Consolidated Tk.	23.61	21.41	10.26↗
EPS on IPO Paid-up Capital Tk.	1,559.14	1,647.02	5.34↘

Square Pharmaceuticals PLC. (SPL) experienced a decline in its standalone Profit and EPS during the year under review due to the transfer of its several products to Square Lifesciences Ltd. (SLL), a virtually wholly owned subsidiary (99.95%) for strategic purposes.

However, the consolidated Profit and EPS remain unaffected by this transfer and have experienced a positive growth of 10.26% with respect to the previous year.

During the financial year 2023-2024, standalone Net Revenue rose by 2.35% and Net Profit (BT), Net Profit (AT), and EPS fell by 5.73%, 5.34%, and 5.34% respectively over the previous year.

The Company earned "Other Operating Income" of Tk. 2,478 million and "Income from Investment" of Tk. 4,922 million (depicted in Note 25 & 26 of the standalone accounts) and

the Net Profit Margin (After Tax) declined by 7.51% compared to the previous year.

The standalone EPS stood at Tk. 17.59 from Tk. 18.58 in 2022-2023, representing a 5.34% decrease over the previous year, and the consolidated EPS rose by 10.26% to Tk. 23.61 in 2023-2024, increased from Tk. 21.41 in 2022-2023.

39 
New Products Added
In 2023-2024

Quality Control

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

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

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

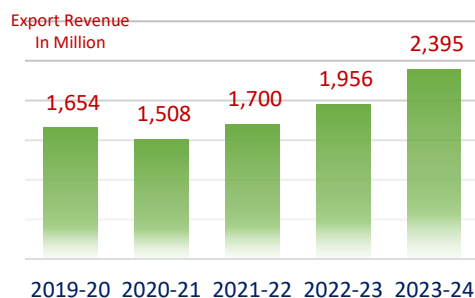
Technology

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

During the year 2023-2024 an amount of Tk. 51.17 million invested in improving its laboratory facilities in line with new inventions of process/production.

Export

Square Pharma's export market covers more than 40 countries and it has undertaken all possible endeavors for increasing the export from the current facilities.



During the year under review, total exports amounted to Tk. 2,394.97 million against Tk. 1,956.40 million, an increase of 22.42% over the previous year.

Square's state-of-art manufacturing facility "Square Lifesciences Ltd.", a subsidiary company of Square Pharmaceuticals PLC. has also started its export operation for some export markets and completed regulatory inspection successfully. This will have a significant contribution to Square's export revenue earnings in the near future.

Contribution to the National Exchequer

Square Pharma contributed a total sum of Tk. 15,084,862,557 to the National Exchequer.

This includes Tk. 217,467,062 as contribution as duty/taxes towards machinery & spare parts imports. The contribution constitutes 25.23% of the sales revenue (net) in 2023-2024.

Product Development

39 new products have been added over the time period under consideration, all of which have received positive feedback from medical experts and consumers, 12 items have been discarded owing to superior generic alternatives, limited market size, and regulatory compliance and 28 products have been transferred to Square Lifesciences Ltd. (SLL) as a strategic movement.

The product development status of the Company as of 30th June, 2024 along with the addition and deletion position of the products are attached on page number 29.

Output/Capacity Utilization

The overall capacity utilization of the plant operation during the year 2023-2024 has been presented in page number 29.

Subsidiary & Associate Companies

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

Subsidiaries

□ Square Pharmaceuticals Kenya EPZ Ltd. (SPL Kenya)

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

The paid-up capital of SPL Kenya in BDT is Tk. 664,000,000 while Tk. 321,742,688 has been advanced as a Share Money Deposit.

The Directors' Report for the year ended 30 June, 2024 of SPL Kenya, together with Audited Financial Statements containing a Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Cash Flow and Auditor's Report thereon, are included in this Annual Report.

□ Square Lifesciences Ltd. (SLL)

Square Lifesciences Ltd., incorporated as a pharmaceuticals manufacturing company under the Companies Act, 1994 on 13th February, 2020 is a subsidiary of Square Pharmaceuticals PLC.

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

The Directors' Report for the year ended 30 June, 2024 of SLL together with Audited Financial Statements are included in this Annual Report.

□ Samson Pharma Inc, Philippines

Samson Pharma Inc., Philippines, incorporated as a pharmaceuticals manufacturing company

under the Corporation Code of the Philippines on 20th September, 2023 is a subsidiary of Square Pharmaceuticals PLC.

An amount of Tk. 52,530,000 has been advanced as Share Money Deposit to the Company as of 30 June, 2024.

Square Pharma holds 139,998 ordinary shares out of its paid-up 140,000 ordinary shares.

Associates

□ Square Textiles PLC. (STxL)

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

Square Pharma holds 91,436,677 ordinary shares (46.36%) of Tk. 10/- each including bonus shares. An investment of Tk. 225,129,795.00 was made for the above-mentioned shares, the cost per share stood at Tk. 2.46 per share (considering cost-free Bonus Shares).

The market value of the said shares as on 30 June, 2024 was Tk. 4,224,374,477.40 @ Tk. 46.20 per share. STxL recommended a cash dividend of @32% for the year 2023-2024.

□ Square Hospitals Ltd. (SHL)

Square Hospitals Ltd. is a tertiary care hospital and the leading contributor of private healthcare services in Bangladesh, a private limited company in full operation, and a sister concern of Square Group.

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

SHL earned a Revenue and Net Profit of Tk. 6,181.63 million and 468.76 million respectively for the year ended 30 June, 2024 and it didn't recommend any dividend due to the new expansion plan, upgradation and replacement of existing hospital equipment with modern ones.

□ Square Fashions Ltd. (SFL)

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

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

SFL earned a Revenue and Net Profit of Tk. 25,803.05 million and 3,822.50 million respectively during the year 2023-2024 and EPS stood at Tk. 4,023.68.

SFL didn't recommend dividends in the reviewed financial year to support its future expansion and diversification.

Top in Pharma Sector

In BDT
+186.95 billion
Market Capitalization
Square Pharma

Investment in Marketable Securities & Other Long Term Assets

Square Pharma invested Tk. 9,001.71 million in the Marketable Securities which is depicted in the Note # 6 of the standalone financial statement.

The portfolio registered a loss of Tk. 318.79 million due to the capital market faced volatility from global economic pressures, high inflation, and currency depreciation in the year under review.

Apart from that, Square Pharma has an investment of Tk. 6,992.21 million in unquoted Equity Shares, Subordinate Bonds and Zero Coupon Bonds as of 30 June, 2024.

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

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

Extraordinary Activities

The Company did not undertake or continue any extraordinary or adventurous activities during the year under review.

Risk and Concern

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

Consolidation of Financial Statement

Square Pharma, being the parent of 3 (Three) subsidiaries, pursuant to the regulations of the Bangladesh Securities and Exchange Commission (BSEC), prepares consolidated financial statements as per IFRS-10 in order to reflect shareholders' aggregated benefits and the value of the investment.

The consolidated financial statements are included in this Annual Report.

Minority Shareholders interest

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

Appropriation of Profit

The Board of Directors in its meeting held on 23rd October, 2024 has recommended a cash dividend @ 110% of the paid-up capital and appropriated the Net Profit earned during the year 2023-2024 in the following manner:

	In Taka
Net Profit for the year of 2023-2024	15,591,371,906
Less: Recommended for Appropriation :	
- Cash Dividend @ 110% (Tk. 11.00 per share)	9,750,961,110
Un-appropriated profit carried forward	5,840,410,796

The recommended dividend is 4.76% higher and Tk. 443.23 million more than the previous year. The cash dividend declared and paid in the year 2022-2023 was in cash @ 105%, amounting to Tk. 9307.74 million.

Related Party Transaction

Detail on related parties with whom Square Pharma had transactions during the reporting period is disclosed in Note # 36 of the standalone financial statement.

Credit Rating Report

The Credit Rating Information and Services Ltd. (CRISL) reaffirmed the highest credit rating to Square Pharma on the basis of financial and other relevant quantitative and qualitative information on 13 December, 2023.

The reaffirmed ratings are:

Long Term Rating = "AAA"

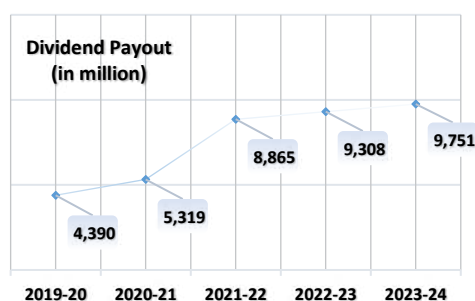
which indicates the Highest Safety and Highest Credit Quality.

Short Term Rating = "ST-1"

which indicates the Highest Certainty of Timely Repayment.

Environmental Role

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



Human Resources Training and Development

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

During the year 2023-24, 8,269-persons received in-house/in-operation/on-the-job training at home and abroad which will ultimately make a great contribution to the company's profitability as well as their remuneration in due course.

Bank Guarantees

Guarantees given during the year under review are depicted in Note # 35.1 to the standalone financial statement.

Unclaimed/Unsettled Dividends

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

Details of unclaimed/unsettled dividends for the years from 1995 to 2023 are presented on page 74 of this report.

Election of Directors

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

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

Appointment of Independent Director

The Board of Directors has appointed Mr. Muhammadul Hoque as Independent Director on 11th August, 2024 in place of Mr. Syed Afzal Hasan Uddin whose tenure has expired on 28th April 2024. The appointment is duly approved by the Bangladesh Securities and Exchange Commission on 6th August, 2024.

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

Appointment of Statutory Auditor

M/s Mahfel Huq & Co., Chartered Accountants, BGIC Tower, 4th Floor, 34 Topkhana, Dhaka was the Statutory Auditor for the year 2023-2024 and submitted an unqualified Report on Financial Statements for the year ended 30 June, 2024 of Square Pharmaceuticals PLC.

Being eligible they have offered themselves for reappointment as Statutory Auditors of the Square Pharmaceuticals PLC. for the year 2024-2025.

The Board of Directors, in its meeting held on October 23, 2024, recommended their appointment.

Appointment of Compliance Auditors

M/s Chowdhury Bhattacharjee & Co., Chartered Accountants, was the Compliance Auditors for the year 2023-2024 and presented a Certificate of Compliance for the year ended 30 June, 2024 under the conditions of the Corporate Governance Code 2018 of the Bangladesh Securities Exchange Commission.

M/s Chowdhury Bhattacharjee & Co., who is retiring at this Annual General Meeting and being eligible, have offered themselves for reappointment as Compliance Auditors for the year 2024-2025 of Square Pharmaceuticals PLC.

The Board of Directors recommended their reappointment at its meeting on October 23, 2024.

Management's Discussion and Analysis

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

89.47%

Doctors have referred at least one **SQUARE** Product

33,458 doctors prescribed Square's products out of 37,394.

Directors' Declaration on the Financial Statements

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

- The Financial Statements of the Company present a true and fair view of the Company's state of affairs, a result of its operation, cash flows, and changes in equity.
- Proper books of accounts as required by the prevailing laws have been maintained.
- Appropriate accounting policies have been constantly applied in the preparation of the financial statements and the accounting estimates are based on reasonable and prudent.
- The financial statements were prepared in accordance with IAS/IFRS as applicable in Bangladesh.
- The internal control system is sound in design and is effectively implemented and monitored.
- There is no significant doubt about the company's ability to continue as a going concern.
- There is no significant deviation from the operating result of the last year.
- Remuneration paid to Mrs. Ratna Patra, Vice Chairman, and Mr. Tapan Chowdhury, Managing Director has been shown in Note # 26 in the notes of accounts.
- Key operating and financial data of the last 5 (five) years have been presented in a summarized form on Page No. 12.


Compliance with Corporate Governance

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

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

Management Appreciation

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



Samuel S Chowdhury
Chairman

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

Product Development

YEAR ENDED
JUNE 2024

The product development status of Square Pharma as on 30th June, 2024 along with addition and deletion position of the products are hereby presented hereunder:

Sl. No.	Products Categories	Position 30-06-23	Added	Discarded	Trans to SLL	Position 30-06-24
			During the period 2023-24			
01	Tablet	295	7	-	22	280
02	Capsule	56	2	-	6	52
03	Liquid	87	2	-	-	89
04	Injectable (Vial & Ampoule)	51	1	1	-	51
05	Infusion	17	-	-	-	17
06	ENT, Opthal Preparation	31	2	-	-	33
07	Cream, Ointment, Spray, Gel & others	66	-	-	-	66
08	Powder for Suspension	18	1	-	-	19
09	Tropical Powder	1	-	-	-	1
10	Suppository	6	-	-	-	6
11	Inhaler & Nebulizer	10	1	-	-	11
12	Insulin	9	-	-	-	9
13	Basic Chemical & Pellet	23	-	-	-	23
14	Tablet, Powder, Liquid, Injection and Granular - AgroVet Local and Imported	167	13	9	-	171
15	Powder, Liquid & Granular - Crop Care	39	4	-	-	43
16	Capsule, Liquid, Powder and Cream - Herbal & Neutraceuticals Products	44	6	2	-	48
	Total -	920	39	12	28	919

SLL= Square Lifesciences Ltd.

39 new products have been added over the time period under consideration, all of which have received positive feedback from medical experts and consumers, 12 items have been discarded owing to superior generic alternatives, limited market size, and regulatory compliance and 28 products have been transferred to Square Lifesciences Ltd. (SLL) as a strategic movement.

Square Pharmaceuticals PLC.

Output/Capacity Utilization

The overall capacity utilization of the plant operation during the year 2023-2024 has been presented hereunder:

Sl. #	Product Categories	Unit	Production in thousand		Production ↑↓ in %	Capacity Utilization	
			2022-23	2023-24		2022-23	2023-24
1	Tablet	Piece	7,438,780	6,305,109	15.24 ↘	68%	72%
2	Capsule	Piece	1,771,017	967,802	45.35 ↘	42%	26%
3	Liquid	Bottle	152,479	158,301	3.82 ↗	48%	57%
4	Injectable (Vial & Ampoule)	Piece	45,349	43,542	3.98 ↘	69%	67%
5	ENT & Opthal Preparation	Phial	35,051	35,714	1.89 ↗	80%	83%
6	Cream, Ointment, Spray, Gel	Phial	50,453	49,232	2.42 ↘	53%	69%
7	Powder for Suspension	Bottle	31,172	31,500	1.05 ↗	65%	65%
8	Powder	Phial	23,773	25,679	8.02 ↗	44%	47%
9	Suppository	Piece	87,670	120,910	37.91 ↗	45%	58%
10	Inhaler	Can	43,266	48,990	13.23 ↗	37%	42%
11	Insulin & Insulin Cartridge	Piece	2,007	2,539	26.51 ↗	17%	24%
12	Sachet and Others	Piece	21,025	6,550	68.85 ↘	19%	25%
13	Basic Chemical & Pellet	Kg	806	760	5.71 ↘	68%	64%

Board Meeting and Attendance 2023-2024

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

Name of the Directors	Position	Meeting held	Attended
Mr. Samuel S Chowdhury	Chairman	11	11
Mrs. Ratna Patra	Vice Chairman	11	11
Mr. Tapan Chowdhury	Managing Director	11	11
Mr. Anjan Chowdhury	Director	11	11
Mr. Kazi Iqbal Harun	Director	11	10
Mr. Syed Afzal Hasan Uddin*	Independent Director	11	09
Mr. Abul Kalam Azad	Independent Director	11	08
Mr. Muhammadul Haque **	Independent Director	-	-

* Tenure expired on 28-04-2024 ** Appointed on 11-08-2024.

Pattern of Shareholding as on 30 June 2024

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

Name of the Shareholders	Status	Shares held	%
i. Parent or Subsidiary or Associated Companies and other related parties.			
		-	-
ii. Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children:			
Mr. Samuel S Chowdhury	Chairman	66,150,017	7.46
Mrs. Ratna Patra	Vice Chairman	61,545,972	6.94
Mr. Tapan Chowdhury	Managing Director	67,513,190	7.62
Mr. Anjan Chowdhury	Director	65,323,210	7.37
Mr. Kazi Iqbal Harun	Director	53,810,562	6.07
Mr. Abul Kalam Azad	Independent Director	-	-
Mr. Muhammadul Haque	Independent Director	-	-
Mr. Muhammad Zahangir Alam	Chief Financial Officer	22,000	0.0025
Mr. Khandaker Habibuzzaman	Company Secretary	458	0.00005
Mr. Sanjit Kumar Nath	Head of Internal Audit & Compliance	-	-
Mrs. Bula Chowdhury	W/o Tapan Chowdhury	2,233,406	0.25
Mr. Charles C R Patra	H/o Mrs. Ratna Patra	2,255,988	0.25
iii. Executives:			
Mr. Md. Kabir Reza	Head of Accounts & Finance	40,253	0.0045
Mr. Md. Mizanur Rahman	Head of Operations	-	-
Mr. M Nawabur Rahman	Head of Production - Dhaka Unit	-	-
Mr. Md. Atiquzzaman	Head of Marketing	4,000	0.00045
Mr. Md. Aminul Islam	Head of International Marketing	-	-
vi. Shareholders Holding 10% or more voting interest in the company.			
		-	-

Directors Profile

who are seeking appointment

Under Condition # 1(5)(xxiv)(a) of CGC

RE-APPOINTMENT OF DIRECTORS

MRS. RATNA PATRA

Mrs. Ratna Patra is a Director of Square Pharmaceuticals PLC. since 2007 and has been appointed as Vice Chairman in this year of 2012. She is the daughter of late Samson H Chowdhury, Founder Chairman of the Company. She graduated from Dhaka University and has a business experience of more than 17 years in the pharmaceuticals and textiles sector.



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

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



MR. ANJAN CHOWDHURY

Mr. Anjan Chowdhury is a Director of Square Pharmaceuticals PLC. since 1990, son of late Samson H Chowdhury, Founder Chairman of the Company. He obtained

Bachelor's degree in Business Administration from the University of South Florida, USA and has a rich experience of more than 26 years in Pharmaceuticals, Hospitals, Textiles, RMG, IT, Healthcare, Toiletries, Food & Consumer Products, Organic Tea Plantation, Capital Market Operation & Satellite TV Broadcasting.

Managing Director of 10 limited companies namely Square Toiletries Ltd., Square Food & Beverages Ltd., Square Texcom Ltd., Square Securities Management Ltd., Square Air Ltd. Mediacom Ltd. and Maasranga Television under the Square Group

Sponsor Director in 15 other limited companies namely Square Textiles PLC. (listed), Square Pharmaceuticals Kenya EPZ Ltd., Square Hospitals Ltd., Square Lifesciences Ltd., Square Fashions Ltd., Square Denims Ltd., Square Informatix Ltd., Square Agro Development and Processing Ltd., ASTRAS Ltd., Sabazpur Tea Company Ltd. under the Square Group.

APPOINTMENT OF INDEPENDENT DIRECTOR

MR. MUHAMMADUL HAQUE

Mr. Muhammadul Haque, MBA from IBA, Dhaka University, a veteran marketer, was associated with Square Pharmaceuticals PLC. spanning over 19 years in a senior role. The last position he held was Executive Director, Marketing.



He also worked for Glaxo Bangladesh Ltd. and ACI Pharmaceuticals PLC. for about 17 years.

Management's Discussion & Analysis

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

Square Pharma is leading the country's pharmaceutical industry with due dominance for more than 37 years. A highly trained and efficient workforce, world-class manufacturing facilities, and tireless efforts from the management were behind this remarkable achievement.

Pursuant to the Corporate Governance Code 2018 [Condition # 1 (5) (xxv)] of the Bangladesh Securities and Exchange Commission, the Management's Discussion & Analysis for the year ended 30 June 2023 has been depicted hereunder:

Accounting Policies and Estimations for Preparation of Financial Statements:

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

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

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

Changes in Accounting Policies and Estimations:

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

Comparative Analysis of Financial and Operational Performance:

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

However, the major areas of financial performance, financial position, as well as cash flows for the immediate preceding 5 (five) years are presented as follows:

Figures Tk. in '000

Particulars	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Financial Performance						Base Year
Gross Revenue	70,996,703	69,573,803	66,406,960	58,346,258	52,926,219	44,595,486
Net Revenue	59,794,585	58,419,085	55,798,183	49,169,800	44,720,068	37,717,989
Gross Profit	27,267,821	28,034,308	27,840,156	24,369,764	22,183,398	18,006,923
Net Profit (Before Tax)	19,887,843	21,097,122	21,024,560	18,755,933	17,185,382	13,965,289
Net Profit (After Tax)	15,591,372	16,470,228	16,417,497	14,743,265	12,955,974	10,562,864
Financial Performance (Inflation Adjusted)						
Gross Revenue	48,946,364	52,627,628	55,124,747	52,095,093	49,920,976	44,595,486
Net Revenue	41,223,429	44,189,879	46,318,349	43,901,792	42,180,785	37,717,989
Gross Profit	18,798,911	21,205,958	23,110,252	21,758,810	20,923,786	18,006,923
Net Profit (Before Tax)	13,711,026	15,958,471	17,452,592	16,746,439	16,209,566	13,965,289
Net Profit (After Tax)	10,748,964	12,458,555	13,628,246	13,163,685	12,220,311	10,562,864

Figures Tk. in '000

Particulars	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Financial Position						
Shares Capital	8,864,510	8,864,510	8,864,510	8,864,510	8,442,391	7,890,085
Shareholders' Equity	105,795,120	100,516,964	93,007,355	82,217,575	69,909,802	60,806,055
Total Assets	112,009,915	104,755,128	97,535,187	86,602,384	74,350,804	65,061,673
Total Liabilities	6,214,795	4,238,164	4,527,832	4,384,809	4,441,002	4,255,618
Current Assets	69,735,986	70,169,515	62,748,424	54,945,934	46,886,758	38,291,545
Current Liabilities	5,589,046	3,212,078	3,349,091	3,109,956	3,228,073	2,961,271
Financial Position (Inflation Adjusted)						
Shares Capital	6,111,348	6,705,371	7,358,474	7,914,775	7,963,017	7,890,085
Shareholders' Equity	72,936,999	76,033,927	77,205,868	73,408,858	65,940,202	60,806,055
Total Assets	77,221,588	79,239,797	80,964,443	77,323,883	70,129,036	65,061,673
Total Liabilities	4,284,588	3,205,870	3,758,576	3,915,024	4,188,834	4,255,618
Current Assets	48,077,205	53,078,242	52,087,778	49,059,077	44,224,446	38,291,545
Current Liabilities	3,853,185	2,429,708	2,780,097	2,776,758	3,044,777	2,961,271
Cash Flow						
Net Cash Generated from Operation	17,697,084	8,130,573	12,345,634	10,879,848	10,891,697	12,590,714
Net Cash Used in Investment	(6,553,090)	1,254,555	(1,688,245)	4,156,128	(2,272,762)	38,936
Net Cash Used in Financing	(9,274,750)	(8,835,148)	(5,564,236)	(3,923,190)	(3,313,836)	(2,654,608)
Cash Flow (Inflation Adjusted)						
Net Cash Generated from Operation	12,200,678	6,150,200	10,248,173	9,714,191	10,273,248	12,590,714
Net Cash Used in Investment	(4,517,814)	948,982	(1,401,421)	3,710,844	(2,143,711)	38,936
Net Cash Used in Financing	(6,394,174)	(6,683,161)	(4,618,900)	(3,502,863)	(3,125,670)	(2,654,608)
Financial Ratio						
Current Ratio	12.48	21.85	18.74	17.67	14.52	12.93
Debt to Equity	0.06	0.04	0.05	0.05	0.06	0.07
Gross Profit Margin	45.60%	47.99%	49.89%	49.56%	49.61%	47.74%
Net Profit Margin	26.07%	28.19%	29.42%	29.98%	28.97%	28.00%
Return on Equity	15.11%	17.02%	18.74%	19.38%	19.82%	19.66%
Return on Assets	14.39%	16.28%	17.83%	18.32%	18.59%	17.84%
Ordinary Shares Information						
Shares Outstanding (in Nos.)	886,451,010	886,451,010	886,451,010	886,451,010	844,239,058	789,008,466
Face Value per Share	10	10	10	10	10	10
Dividend-Cash (In %)	110%	105%	100%	60%	47%	42%
Dividend-Stock (In %)	0%	0%	0%	0%	5%	7%
Dividend Payout (Cash+Stock)	9,750,961	9,307,736	8,864,510	5,318,706	4,390,043	3,866,141
NAV per Share	119.35	113.39	104.92	92.75	78.86	68.59
NOCF per Share	19.96	9.17	13.93	12.27	12.29	14.20
EPS (Standalone)	17.59	18.58	18.52	16.63	14.62	11.92
EPS (Consolidated)	23.61	21.41	20.48	17.99	15.06	14.27
EPS at Original Capital at IPO	1,559.14	1,647.02	1,641.75	1,474.33	1,295.60	1,056.29
Inflation Rate (In %)	9.72%	9.74%	7.56%	5.64%	6.02%	5.52%

Inflation Rate Source: Bangladesh Bank

Comparison of Financial Performances with Peer Industry Scenario:

A comparison of Financial Performances, Financial Position as well as Cash Flows for the year ended 30 June, 2023 of 5 (five) pharmaceutical companies are presented below in order of market capitalization:

Figures Tk. in '000

Particulars	SQUARE	RENATA	BEXIMCO	BEACON	ORION
Market Capitalization (in million)	186,952.52	88,327.77	52,685.84	35,527.80	16,169.40
Financial Performance:					
Revenue (Net)	58,419,085	32,864,697	32,991,855	8,509,948	3,056,556
Gross Profit	28,034,308	12,678,918	14,520,438	4,288,951	1,677,248
Net Profit (Before Tax)	21,097,122	2,475,863	5,897,332	679,072	429,082
Net Profit (After Tax)	16,470,228	2,317,958	4,588,009	509,840	291,142
Financial Position:					
Shares Outstanding (actual)	886,451,010	114,696,490	446,112,089	231,000,000	234,000,000
Shareholders' Equity	100,516,964	30,534,613	43,341,239	5,942,024	14,040,683
Total Assets	104,755,128	48,729,163	62,593,798	14,642,107	36,596,207
Total Liabilities	4,238,164	18,194,550	19,252,559	8,700,083	22,555,524
Current Assets	70,169,515	17,059,280	17,913,546	8,982,145	11,606,480
Current Liabilities	3,212,078	13,602,983	11,414,662	7,814,168	2,086,581
Cash Flow:					
Net Cash Generated from Operating Activities	8,130,573	2,035,310	5,782,185	621,177	514,856
Net Cash Used in Investing Activities	1,254,555	(4,809,026)	(2,191,527)	(3,964,751)	(5,202,446)
Net Cash Used in Financing Activities	(8,835,148)	3,886,582	(3,527,801)	3,257,265	4,622,004
Market Share (in %)	17.32	5.12	9.57	1.45	0.68

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

Bangladesh:

Bangladesh has proven a robust history of development and progress, particularly during times of increased international volatility. Over the past 20 years, fast economic expansion has been backed by a large demographic dividend, trustworthy ready-made garment (RMG) exports, sustained remittance inflows, and stable macroeconomic circumstances.

Bangladesh's story of reducing poverty and growing is truly inspiring. In 1971, Bangladesh was one of the poorest countries in the world. By 2015, it was among the lower-middle income. In 2026, it ought to be off the UN's ranking of the Least Developed Countries (LDCs). Using the world poverty line of \$2.15 a day as a direction, the

percentage of poor people fell from 41.9 percent in 1991 to 13.50 percent in 2016.

Furthermore, there were notable enhancements in human development outcomes across several dimensions.

While the Bangladeshi economy has been slowly recovering from the effects of COVID-19 and the current Russia-Ukraine conflict, the recent downturn in global economic development has been weighing on the country's progress.

Prior to the COVID-19 period, GDP growth in Bangladesh was 7.88 percent in FY 2018-19. The growth rate during the COVID-19 slowed to 3.45 percent in FY 2019-20 before picking up speed to 6.94 percent in FY 2020-21 and 7.10 percent in FY 2021-22. The Bangladesh Bureau of Statistics (BBS) reported that in the current FY 2022-23, the GDP growth rate reached 6.03 percent, as well as the per capita national income reached US\$ 2,765.

The inflation averaged 6.15 percent in the fiscal year 2021-22, up 0.59 percentage points from the fiscal year 2020-21. In the first 10 months of the current fiscal year (July-June, 2024), the average inflation rate is 9.72 percent, compared to 8.85 percent in the same time of the previous fiscal year. The annualized rate of inflation was 9.72 percent in June 2024, compared to 8.85 percent in April 2023. This is a significant increase in the rate of inflation. The government has implemented a number of measures as part of both its fiscal and monetary policies in order to keep inflation at a level that is manageable.

To improve the circumstances in the future, we need to get more investment, fix infrastructure problems that slow things down, make sure of availability of the gas and electricity, get rid of corruption from all sectors, keep the political climate stable, and create more jobs for skilled workers.

However, the government is working assiduously towards the goals of becoming an upper-middle-income country by 2031 and a knowledge-based, lively, and prosperous developed nation by 2041.

The Global:

The Ukraine's war has caused an enormous catastrophe for humanity, which ought to be resolved peacefully. At the same time, economic damage from the conflict is contributing to a significant slowdown in global growth and adding to inflation. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest.

As per the International Monetary Fund (IMF), Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than projected in January. Beyond 2023, global growth is forecast to decline to about 3.3 percent over the medium term.

War-induced commodity price increases and broadening price pressures have led to 2022

inflation projections of 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies- 1.8 and 2.8 percentage points higher than projected last January.

Monetary policy should stay the course to restore price stability, and fiscal policy should aim to alleviate the cost-of-living pressures while maintaining a sufficiently tight stance aligned with monetary policy.

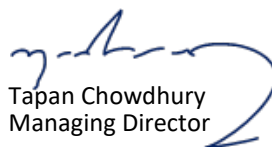
The implementation of structural reforms has the potential to provide further assistance in reducing inflation by enhancing productivity and alleviating limitations in the supply chain. Moreover, the promotion of multilateral cooperation is crucial in expediting the transition towards green energy and mitigating the risk of fragmentation.

Risks and Concerns issues related to the financial statements:

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

Future plan projection or forecast:

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


Tapan Chowdhury
Managing Director

SQUARE

Declaration by CEO and CFO

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

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

15 October, 2024

Declaration on Financial Statements for the year ended on 30th June, 2024

Dear Sirs,

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

1. The Financial Statements of Square Pharmaceuticals PLC. for the year ended on 30th June, 2024 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh and any departure therefrom has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure the above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on 30th June, 2024 and to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which is fraudulent, illegal, or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,


Tapan Chowdhury
Managing Director


Muhammad Zahangir Alam
Chief Financial Officer

Certificate of Compliance

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

Report to the Shareholders of Square Pharmaceuticals PLC. on compliance with the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **Square Pharmaceuticals PLC.** for the year ended on **30th June, 2024.** This Code relates to the Notification No. BSEC/ CMRRCD/2006 -158/207/Admin/80 Dated 3 June, 2018 of the Bangladesh Securities and Exchange Commission.


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

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

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

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission or not complied (if not complied, specify non-compliances);
- (b) The company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The governance of the company is satisfactory.

Place : Dhaka
Dated : 05 November, 2024


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

Status of Compliance

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

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

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

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

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

পরিচালনা পর্ষদের প্রতিবেদন



কোম্পানির পরিচালনা পর্ষদ সম্মানিত শেয়ারহোল্ডারদের সামনে ৩০ জুন, ২০২৪ সমাপ্ত আর্থিক বছরের জন্য তাদের প্রতিবেদন উপস্থাপন করতে পেরে আনন্দিত।

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

১৪

টি ব্র্যান্ড
স্কয়ার ফার্মা

ফার্মা সেক্টরের শীর্ষ ৫০ ব্র্যান্ডের
মধ্যে রয়েছে



স্কয়ার ফার্মার কার্যক্রম এবং সার্বিক অবস্থা

আর্থিক ফলাফল - সমন্বিত

- > নিট বিক্রয়: আলোচ্য বছরে কোম্পানির সমন্বিত নিট বিক্রয় ১৫.৪৭% বৃদ্ধি পেয়ে ৭০.১০ বিলিয়ন টাকা হয়েছে যা বিগত বছরে ছিল ৬০.৭১ বিলিয়ন টাকা।
- > নিট মুনাফা ও ইপিএস: কর পরবর্তী নিট মুনাফা ১০.২৬% বৃদ্ধি পেয়ে ২০.৯৩ বিলিয়ন টাকা হয়েছে যা গত বছরে ১৮.৯৮ বিলিয়ন টাকা ছিল। ২০২৩-২০২৪ সালে ইপিএস (শেয়ার প্রতি আয়) ২৩.৬১ টাকায় দাঁড়িয়েছে যা গত বছরে ২১.৪১ টাকা ছিল।
- > সংরক্ষিত মুনাফা: ২০২৩-২০২৪ সালে সংরক্ষিত মুনাফা ১০.৪৫% বৃদ্ধি পেয়ে ১১৪.১৪ বিলিয়ন টাকায় দাঁড়িয়েছে। যা ২০২২-২০২৩ সালের ছিল ১০৩.৩৪ বিলিয়ন টাকা।

আর্থিক ফলাফল - একক

- > নিট বিক্রয়: আলোচ্য ৩০ জুন, ২০২৪-এ সমাপ্ত আর্থিক বছরে কোম্পানির একক ভাবে নিট বিক্রয় ২.৩৫% বৃদ্ধি পেয়ে ৫৯.৭৯ বিলিয়ন টাকা হয়েছে যা বিগত বছরে ছিল ৫৮.৪২ বিলিয়ন টাকা।

- > নিট মুনাফা ও ইপিএস: কর পরবর্তী নিট মুনাফা ৫.৩৪% হ্রাস পেয়ে ১৫.৫৯ বিলিয়ন টাকা হয়েছে যা গত বছরে ১৬.৪৭ বিলিয়ন টাকা ছিল। ইপিএস (শেয়ার প্রতি আয়) ১৭.৫৯ টাকায় দাঁড়িয়েছে যা গত বছরে ১৮.৫৮ টাকা ছিল।
- > সংরক্ষিত মুনাফা: ২০২৩-২০২৪ সালে সংরক্ষিত মুনাফা ৭.০৮% বৃদ্ধি পেয়ে ৯৫.০৬ বিলিয়ন টাকায় দাঁড়িয়েছে। যা ২০২২-২০২৩ সালে ছিল ৮৮.৭৮ বিলিয়ন টাকা।

ব্যবসায়িক কৌশলগত কারণে স্কয়ার ফার্মাসিউটিক্যালস পিএলসি, তার প্রায় সম্পূর্ণ মালিকানাধীন (৯৯.৯৫%) একটি সাবসিডিয়ারি কোম্পানী স্কয়ার লাইফসাইন্সেস লিমিটেড (এসএলএল) এর কাছে বেশ কয়েকটি পণ্য স্থানান্তর করায় পর্যালোচনাধীন বছরে এর নিট মুনাফা ও ইপিএস হ্রাস পেয়েছে।

তবে, সমন্বিত নিট মুনাফা এবং ইপিএস (শেয়ার প্রতি আয়) এ উল্লিখিত পণ্য স্থানান্তর দ্বারা কোন নেতিবাচক প্রভাব পড়েনি এবং পূর্ববর্তী বছরের তুলনায় ১০.২৬% ইতিবাচক বৃদ্ধি পেয়েছে।

ওষুধ খাতে প্রবৃদ্ধি

বাংলাদেশে ফার্মাসিউটিক্যাল সেক্টরের শিকড় রয়েছে স্বাধীনতা-পরবর্তী সময়ে, বিশেষ করে ১৯৮২ সালের ড্রাগ কন্ট্রোল অর্ডিন্যান্সের পর, যা শিল্পের জন্য একটি গুরুত্বপূর্ণ সময় হিসেবে পরিচিত। এই অধ্যাদেশটি অনেক ওষুধের আমদানি সীমাবদ্ধ করে এবং স্থানীয়ভাবে উৎপাদনকে উৎসাহিত করে, যার ফলে দেশীয় কোম্পানিগুলো উন্নতি লাভ করে। কয়েক দশক ধরে, খাতটি আমদানিনির্ভরতা থেকে দেশের অন্যতম শীর্ষস্থানীয় শিল্পে রূপান্তরিত হয়। আজ, বাংলাদেশ ওষুধের ক্ষেত্রে অনেকাংশে স্বয়ংসম্পূর্ণ, দেশীয় বাজারের জন্য প্রয়োজনীয় ওষুধের ৯৮% উৎপাদন করে। শিল্পটি প্রায় ৩০০টি কোম্পানির আবাসস্থল, যার মধ্যে স্কয়ার মত শীর্ষ প্রস্তুতকারক রয়েছে এবং এই ওষুধ শিল্প দেশের শীর্ষ রপ্তানি খাতগুলির মধ্যে একটি হয়ে উঠেছে এবং ১৫০টিরও বেশি দেশে জেনেরিক ওষুধ রপ্তানি করছে।

২০২৩-২০২৪ সময়কালে বাংলাদেশের ফার্মাসিউটিক্যালস সেক্টর উল্লেখযোগ্য প্রবৃদ্ধির সাক্ষী হয়েছে, যা বিভিন্ন কারণের দ্বারা চালিত হয়েছে। এই সম্প্রসারণের একটি প্রাথমিক অবদান হল ফার্মাসিউটিক্যাল পণ্যের অভ্যন্তরীণ চাহিদা বৃদ্ধি। দেশের ক্রমবর্ধমান জনসংখ্যা, স্বাস্থ্যসেবার প্রয়োজনীয়তা সম্পর্কে ক্রমবর্ধমান সচেতনতার পাশাপাশি ওষুধের চাহিদা বাড়িয়েছে,

বিশেষ করে ডায়াবেটিস, উচ্চ রক্তচাপ এবং কার্ডিওভাসকুলার অবস্থার মতো দীর্ঘস্থায়ী রোগগুলি পরিচালনা করার জন্য। কোভিড-১৯ মহামারীর পরবর্তী পরিস্থিতি স্বাস্থ্যসেবার গুরুত্বকে আরও জোরদার করেছে, যার ফলে চিকিৎসা প্রস্তুতি এবং অবকাঠামোর ওপর জোর দেওয়া হয়েছে, যার ফলস্বরূপ ওষুধ শিল্পে ইতিবাচক প্রভাব ফেলেছে।

সরকারী সহায়তা এই খাতের প্রবৃদ্ধি সহজতর করেছে গুরুত্বপূর্ণ ভূমিকা পালন করেছে। অনুকূল নিয়ন্ত্রক নীতি, গবেষণা ও উন্নয়নের জন্য অনুদান ইত্যাদির মাধ্যমে, সরকার ওষুধ শিল্পের বিকাশের জন্য একটি অনুকূল পরিবেশ তৈরি করেছে। আমদানিকৃত ওষুধের উপর নির্ভরতা কমাতে এবং সক্রিয় ফার্মাসিউটিক্যাল উপাদানের (এপিআই) উৎপাদন সহ স্থানীয় উৎপাদনকে উন্নীত করার জন্য বাংলাদেশের জাতীয় কৌশলও দেশীয় ওষুধ খাতকে শক্তিশালী করেছে।

রপ্তানি বৃদ্ধির আরেকটি উল্লেখযোগ্য কারণ হচ্ছে আফ্রিকা, দক্ষিণ-পূর্ব এশিয়া এবং মধ্যপ্রাচ্যের মতো অঞ্চলে রপ্তানি করে বৈশ্বিক ওষুধের বাজারে বাংলাদেশ একটি উদীয়মান ওষুধ প্রস্তুতকারক হিসেবে অবস্থান করছে। তুলনামূলকভাবে কম খরচে উচ্চমানের জেনেরিক ওষুধ উৎপাদনের ক্ষমতা দেশটিকে আন্তর্জাতিকভাবে প্রতিযোগিতামূলক করে তুলেছে। উপরন্তু, বিশ্ব স্বাস্থ্য সংস্থা কর্তৃক বেশ কয়েকটি বাংলাদেশী কোম্পানির স্বীকৃতি ইউরোপ এবং মার্কিন যুক্তরাষ্ট্র সহ আরো নিয়ন্ত্রিত বাজারে প্রবেশের ক্ষেত্রে দেশের সম্ভাবনাকে শক্তিশালী করেছে।

গবেষণা ও উন্নয়ন ক্রমবর্ধমান গুরুত্বপূর্ণ হয়ে উঠেছে, বাংলাদেশের অনেক কোম্পানি বায়োসিমিলার (বায়োলজিক ওষুধের জেনেরিক সংস্করণ) এবং অন্যান্য উচ্চ-মূল্যের ওষুধ উৎপাদনে মনোযোগ দিচ্ছে। উদ্ভাবনের দিকে এই স্থানান্তরটি ক্রমবর্ধমান বাজারের চাহিদা এবং প্রযুক্তিগত সক্ষমতা বাড়ানোর প্রয়োজন উভয়েরই প্রতিক্রিয়া। বহুজাতিক ফার্মাসিউটিক্যাল কোম্পানিগুলির সাথে সহযোগিতা স্থানীয় ফার্মগুলিকে তাদের গবেষণা ও উন্নয়ন প্রচেষ্টা উন্নত করতে এবং বিশ্বব্যাপী প্রতিযোগিতামূলক থাকতে সাহায্য করেছে।

অবকাঠামোতে বিনিয়োগ এই শিল্পের অগ্রগতির আরেকটি মূল নিয়ামক। বেশ কিছু নেতৃস্থানীয় ফার্মাসিউটিক্যাল কোম্পানি তাদের উৎপাদন ক্ষমতা প্রসারিত করেছে, উৎপাদন দক্ষতা উন্নত করতে এবং স্থানীয় ও আন্তর্জাতিকভাবে ক্রমবর্ধমান চাহিদা মেটাতে উল্লেখযোগ্য বিনিয়োগ করেছে। আরও নিয়ন্ত্রিত বাজারে প্রবেশের লক্ষ্যে, এই সংস্থাগুলি কর্তৃক মানের নিশ্চয়তা এবং নিয়ন্ত্রণ ব্যবস্থা বজায় রাখার উপরও বেশি জোর দিয়েছে, এবং এই কর্মজগৎসমূহ আন্তর্জাতিক মানের সাথে তুলনীয়।

এই ইতিবাচক উন্নয়ন সত্ত্বেও, খাতটি কিছু চ্যালেঞ্জের মুখোমুখি। চীন ও ভারতের মতো দেশ থেকে আমদানি করা কাঁচামাল, বিশেষ করে এপিআই-এর ওপর এর নির্ভরতা সবচেয়ে উল্লেখযোগ্য। এই নির্ভরতা বাংলাদেশের ফার্মাসিউটিক্যাল শিল্পকে সরবরাহ শৃঙ্খলে বাধা এবং দামের ওঠানামার জন্য ঝুঁকিপূর্ণ করে তোলে।

উপরন্তু, যদিও শিল্পটি আন্তর্জাতিক বাজারে রপ্তানিতে অগ্রগতি করেছে, মার্কিন যুক্তরাষ্ট্র এবং ইউরোপের মতো অত্যন্ত নিয়ন্ত্রিত দেশগুলির জটিল নিয়ন্ত্রক কাঠামো নিয়ে আলোচনা করা একটি চ্যালেঞ্জ হিসাবে অব্যাহত রয়েছে।



বাংলাদেশের ফার্মাসিউটিক্যালস সেক্টরের চক্রবৃদ্ধি বার্ষিক প্রবৃদ্ধির হার (সিএজিআর) কয়েক বছর ধরে চিত্তাকর্ষক অগ্রগতি দেখিয়েছে। ২০২৩-২০২৪ পর্যন্ত সাম্প্রতিক অনুমান অনুযায়ী, গত এক দশক ধরে এই সেক্টরটি প্রায় ১২ - ১৫% এর সিএজিআর বৃদ্ধির আশা করছে। এই টেকসই প্রবৃদ্ধির জন্য স্বাস্থ্যসেবা পণ্যের অভ্যন্তরীণ চাহিদা বৃদ্ধি, ক্রমবর্ধমান রপ্তানি এবং স্থানীয় ওষুধ উৎপাদনকে উন্নীত করার লক্ষ্যে সহায়ক সরকারী নীতি সহ বিভিন্ন কারণকে কৃতিত্ব দেয়া যেতে পারে। অন্যদের পাশাপাশি, উন্নত বাজারের সাথে প্রতিযোগিতা করার জন্য আমাদের মেশিন লার্নিং, কৃত্রিম বুদ্ধিমত্তা এবং বায়োফার্মার মতো আধুনিক প্রযুক্তি গ্রহণ করতে হবে।

আই.কিউ.ভি.আই.এ. দ্বিতীয় প্রান্তিক এম.এ.টি., ২০২৪ (জুলাই ২০২৩ থেকে জুন ২০২৪) অনুসারে, ফার্মাসিউটিক্যালসের দেশীয় বাজারের আকার গত বছরের তুলনায় ৭.২১% বৃদ্ধি পেয়েছে যেখানে আগের বছরের একই সময়ে ১৫.৩০% বেশি বৃদ্ধি পেয়েছে। আই.কিউ.ভি.আই.এ. দ্বিতীয় প্রান্তিক এম.এ.টি., ২০২২ ডেটা অনুসারে, কোভিড-১৯ মহামারীর কারণে বাজার নেতিবাচক প্রবৃদ্ধি (৩.৮৫%) ভোগ করেছে।

প্রাথমিক স্বাস্থ্যযন্ত্র পণ্যগুলি সাশ্রয়ী মূল্যের হওয়ায় এর চিকিৎসার ক্ষেত্রে উল্লেখযোগ্য সুযোগ প্রদান করে, শুধুমাত্র স্বাস্থ্যসেবা ব্যবস্থার জন্যই নয়, ভোক্তাদের জন্য তাদের দৈনন্দিন স্বাস্থ্যসেবার চাহিদা মেটাতেও।

সিস্টেমিক অ্যান্টিবায়োটিক বাজার জুলাই ২০২৩ থেকে জুন ২০২৪ পর্যন্ত ১০.১৬% বৃদ্ধি পেয়েছে (আগের বছরে ছিল ১১.২০%)। স্বল্প সম্পর্কে ক্রমবর্ধমান সচেতনতা কিছু প্রেসক্রিপশন-ভিত্তিক বাজারের বৃদ্ধিকে প্রভাবিত করেছে যেখানে ওটিসি সম্ভাবনা রয়েছে যেমন অ্যান্টিহিস্টামাইনস এবং এক্সপেক্টোরেন্ট গুলি আগের বছরের তুলনায় যথাক্রমে ১৬.২৩% এবং ১২.৯২% বৃদ্ধি পেয়েছে। পিপিআই, ক্যালসিয়াম এবং ভিটামিনের মতো কিছু থেরাপিউটিক ক্লাস যথাক্রমে ন্যূনতম ৫.৭২%, ৬.৬৩% এবং ৪.৮৯% বৃদ্ধি দেখায়। আবার, জুলাই ২০২৩ থেকে জুন ২০২৪ পর্যন্ত, স্কয়ার, সিস্টেমিক অ্যান্টিফাঙ্গাল টিসিতে ২.১৭% বাজার শেয়ার অর্জন করেছে এবং শীর্ষ ৫ ওষুধ প্রস্তুতকারীদের মধ্যে উল্লেখযোগ্য ১৬.০৮% বৃদ্ধি পেয়েছে। স্কয়ার, ডার্মাটোলজি মার্কেটে শীর্ষ ৫টি ব্যান্ড এর মধ্যে ৪টিতে নিজেদের অবস্থান ধরে করেছে।

বর্তমানে বিশ্ববাজারের মতো আমাদের দেশেও ক্রমিক রোগগুলো উদ্বেগ বিরাজ করছে।

তাই, কিছু দীর্ঘস্থায়ী স্বাস্থ্যবৃদ্ধির ওষুধের চাহিদা যেমন অ্যান্টিডায়াবেটিক, লিপিড লোয়ারিং এজেন্ট, অ্যান্টিহাইপার-টেনসিভ, অ্যান্টিএনজিনালের চাহিদা দিন দিন বাড়ছে। উল্লেখযোগ্য বৃদ্ধিপ্রাপ্ত অণুগুলি হল Empagliflozin এবং Linagliptin সংমিশ্রণ (৮২.৪২%), Empagliflozin এবং Metformin সংমিশ্রণ (২২.৮৭%), Ciprofibrate (৮১.৪১%), Telmisartan (৪৯.৫৯%) এবং Ranolazine (৫৯.৩০%)।

যাইহোক, গত পাঁচ বছরে (২০২০-২০২৪) শিল্পের জন্য চক্রবৃদ্ধি বার্ষিক প্রবৃদ্ধির হার এবং স্কয়ার ফার্মার চক্রবৃদ্ধি বার্ষিক প্রবৃদ্ধির হার যথাক্রমে ৮.৯৭% এবং ১০.৩৯% ছিল।

শীর্ষাবস্থান

সকল ধরনের অর্থনৈতিক এবং কর্মদক্ষতার মাপকাঠিতে অবিরাম ও ক্রমাগত অগ্রগতি স্কয়ার ফার্মাকে বিগত কয়েক দশক ধরে দেশীয় ওষুধশিল্পের শীর্ষস্থান (নম্বর # ১) ধরে রাখতে সহায়তা করেছে।

ফার্মা প্রাক্ট

স্কয়ার ফার্মার কতৃপক্ষ, কোম্পানীর উৎপাদনকেন্দ্র গুলোতে প্রযুক্তিগত উন্নয়ন, গবেষণা এবং উন্নত ও পরিমার্জিত প্রশিক্ষণ নিশ্চিতকরণের মাধ্যমে গুণগত এবং পরিমাণগত উভয় ধরনের দক্ষতার ক্রমাগত উন্নয়ন সম্পর্কে অত্যন্ত সতর্ক।

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

	মিলিয়ন টাকায়	
সম্পদের বিবরণ	২০২৩-২৪	২০২২-২৩
জমি	৩৮৩.০৯	১২৩.৩২
ভবন	৫৪.৪৫	১৫৫.২৪
প্লান্ট এবং যন্ত্রপাতি	১০০.০৯	৪৩০.৩৪
গবেষণার যন্ত্রপাতি	৫১.১৭	৮৩.৮৪
অন্যান্য যন্ত্রপাতি/সম্পদ	১২৯.৯৪	১৯৪.৪২
মোট টাকা -	৭১৮.৭৫	৯৮৭.১৬

মূলধনী ব্যয়ের সকল অর্থ অভ্যন্তরীণ উৎস হতে নির্বাহ করা হয়েছে।

৮৬.০৭%

চিকিৎসক ন্যূনতম একটি স্কয়ারের ঔষধ লিখেছেন।

৩৯,৪৫৯ এর মধ্যে ৩৩,৯৬১ জন চিকিৎসক স্কয়ারের ঔষধ তাদের ব্যবস্থাপত্রে লিখেছেন।

মান নিয়ন্ত্রণ

ফার্মাসিউটিক্যালস্ পণ্যের অপর নাম জীবন রক্ষাকারী পণ্য। তাই এই পণ্যের সর্বোচ্চ মান নিশ্চিত করতে এবং উন্নয়ন সাধনে পণ্যের উৎপাদন সহ সকল স্তরে বিশ্ব স্বাস্থ্য সংস্থা প্রদত্ত গুড ম্যানুফ্যাকচারিং প্রাক্টিস এর নীতিমালা কঠোরভাবে অনুসরণে কোম্পানী সবসময়ে প্রয়োজনীয় গুরুত্ব আরোপ করে আসছে।

পুংখানুপুংখরূপে অনুসন্ধানের মাধ্যমে মেয়াদোত্তীর্ণ ঔষধ মার্কেটে হতে ফেরত নেয়ার ক্ষেত্রে কোম্পানী প্রতিনিয়ত যত্নশীল। কোম্পানীর মান নিয়ন্ত্রণ সুবিধাদীর মধ্যে রয়েছে অত্যাধুনিক মান সম্পন্ন ল্যাবরেটরী, কম্পিউটারাইজড যন্ত্রপাতি এবং উচ্চশিক্ষিত এবং আধুনিক প্রশিক্ষণপ্রাপ্ত কর্মচারী ও কর্মকর্তা যারা পণ্যের সর্বোচ্চ মান নিয়ন্ত্রণকে তাদের নৈতিক দায়িত্ব হিসাবে গ্রহণ করে গবেষণা কার্যক্রমে ব্রতী হয়েছেন। আমরা তাঁদের জন্য গর্বিত।

আর্থিক ফলাফল

পূর্ববর্তী বছরের সাথে তুলনা করে ৩০শে জুন ২০২৪ সালের আর্থিক ফলাফল নিম্নে উপস্থাপন করা হলো:

বিবরণ	২০২৩-২০২৪ (টাকায়)	২০২২-২০২৩ (টাকায়)	↑↓ %
নিট বিক্রয়	৫৯,৭৯৪,৫৮৪,৮১৬	৫৮,৪১৯,০৮৪,৯৭৮	২.৩৫%
বিক্রিত পণ্যের ব্যয়	৩২,৫২৬,৭৬৩,৭৩২	৩০,৩৮৪,৭৭৬,৮৮৭	৭.০৫%
মোট মুনাফা	২৭,২৬৭,৮২১,০৮৪	২৮,০৩৪,৩০৮,০৯১	২.৭৩%
পরিচালন ব্যয়	১৩,৭৮৫,৩৯৬,৯১০	১১,৩৮৮,০৩৫,৮৯২	২১.০৫%
নিট মুনাফা (করপূর্ব)	১৯,৮৮২,৪২৪,১৭৪	১৬,৬৪৬,২৭২,১৯৯	১৯.৩৩%
আয়কর	৪,২৯৬,৪৭১,১৬২	৪,৬২৬,৮৯৪,৯১০	৭.১৪%
নিট মুনাফা (কর পরবর্তী)	১৫,৫৮৬,০৫৩,০১২	১২,০১৯,৩৭৭,২৮৯	২৮.৩৪%
মোট মুনাফার হার	৪৫.৬০%	৪৭.৯৯%	৪.৯৭%
নিট মুনাফার হার (কর পূর্ব)	৩৩.২৬%	৩৬.১১%	৭.৯০%
নিট মুনাফার হার (কর পরবর্তী)	২৬.০৭%	২৮.১৯%	৭.৫১%
শেয়ার প্রতি আয় (টাকা) - একক	১৭.৫৯	১৮.৫৮	৫.৩৪%
শেয়ার প্রতি আয় (টাকা) - সমন্বিত	২৩.৬১	২১.৪১	১০.২৬%
শেয়ার প্রতি আয় (আইপিও পরিশোধিত মূলধন অনুসারে)	১,৫৫৯.১৪	১,৬৪৭.০২	৫.৩৪%

স্কয়ার ফার্মাসিউটিক্যালস পিএলসি (এস.পি.এল.), তার প্রায় সম্পূর্ণ মালিকানাধীন (৯৯.৯৫%) সাবসিডিয়ারি কোম্পানী স্কয়ার লাইফসায়েন্স লিমিটেড (এস.এস.এল.) এর কাছে ব্যবসায়িক কৌশলগত প্রয়োজনে বেশ কয়েকটি পণ্য স্থানান্তরের কারণে পর্যালোচনাধীন বছরে এস.পি.এল.-এর একক নিট মুনাফা এবং ই.পি.এস. হ্রাস পেয়েছে।

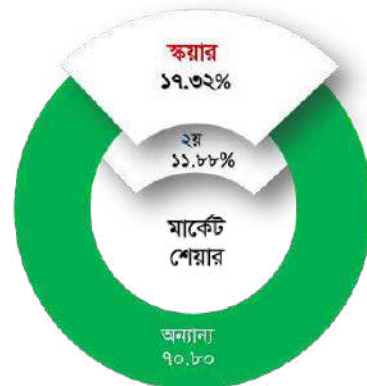
তবে, সমন্বিত নিট মুনাফা এবং ই.পি.এস. এই স্থানান্তর দ্বারা কোন নেতিবাচক প্রভাব পড়েনি এবং পূর্ববর্তী বছরের তুলনায় ১০.২৬% ইতিবাচক বৃদ্ধি পেয়েছে।

২০২৩-২০২৪ আর্থিক বছরে, একক নিট বিক্রয় আগের বছরের তুলনায় ২.৩৫% বেড়েছে এবং কর পূর্ববর্তী নিট মুনাফা, কর পরবর্তী নিট মুনাফা, এবং কৌশলগত প্রয়োজনে তার বেশ কয়েকটি পণ্য স্থানান্তরের কারণে পর্যালোচনাধীন বছরে এস.পি.এল.-এর একক নিট মুনাফা এবং ই.পি.এস. যথাক্রমে ৫.৭৩%, ৫.৩৪% এবং ৫.৩৪% কমেছে।

কোম্পানি "অন্যান্য পরিচালন আয়" বাবদ ২,৪৭৮ মিলিয়ন টাকা এবং "বিনিয়োগ থেকে আয়" বাবদ ৪,৯২২ মিলিয়ন টাকা (স্বতন্ত্র হিসাবের নোট ২৫ এবং ২৬-এ চিত্রিত হয়েছে)

এবং নিট মুনাফার হার (কর-পরবর্তী) আগের বছরের তুলনায় ৭.৫১% কমেছে।

একক হিসেবে আলোচ্য বছরে ই.পি.এস. হয়েছে ১৭.৫৯ টাকা যা ২০২২-২০২৩ সালে ১৮.৫৮ টাকা ছিল, আগের বছরের তুলনায় ৫.৩৪% হ্রাস পেয়েছে এবং সমন্বিত ই.পি.এস. ১০.২৬% বেড়ে ২৩.৬১ টাকা হয়েছে।



প্রযুক্তি

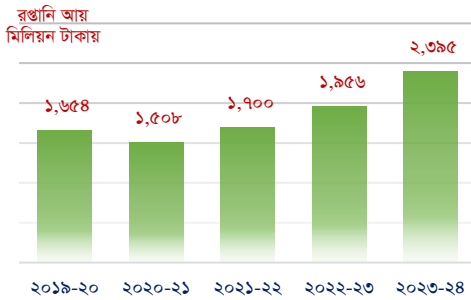
পণ্য উৎপাদন, মান নিয়ন্ত্রণ, বিতরণ এবং সর্বোপরি রোগীর কাছে এই পণ্য পৌঁছানো পর্যন্ত সকল স্তরে আধুনিক প্রযুক্তি প্রয়োগে কোম্পানী অগ্রণী ভূমিকা পালন করেছে। এই লক্ষ্যে ২০২৩-২০২৪ অর্থ বছরে কোম্পানী ল্যাবরেটরী আধুনিকায়নে ৫১.১৭ মিলিয়ন টাকা বিনিয়োগ করেছে।

রপ্তানি

স্কয়ার ফার্মার রপ্তানি বাজার ৪০ টিরও বেশি দেশে বিস্তার লাভ করেছে এবং বর্তমান উৎপাদন ক্ষমতার মধ্যে রপ্তানির পরিমাণ বাড়ানোর জন্য সমস্ত ধরণের সম্ভাব্য প্রচেষ্টা করেছে যা আগামী বছরগুলিতে রপ্তানির পরিমাণ আরও বাড়াতে বলে আশা করা হচ্ছে।

পর্যালোচনাধীন বছরে রপ্তানির পরিমাণ ছিল ২,৩৯৪.৯৭ মিলিয়ন টাকা যা গত বছরের তুলনায় ২২.৪২% বৃদ্ধি পেয়েছে, গত বছরে রপ্তানির পরিমাণ ছিল ১,৯৫৬.৪০ মিলিয়ন টাকা।

অত্যাধুনিক উৎপাদন সুবিধা সম্মিলিত "স্কয়ার লাইফসাইন্সেস লিমিটেড", স্কয়ার ফার্মাসিউটিক্যালস পিএলসি-এর একটি সাবসিডিয়ারি কোম্পানি, যা রপ্তানি কার্যক্রম গুরুত্ব করেছে এবং সফলভাবে নিয়ন্ত্রক পরিদর্শন সম্পন্ন করেছে। এটি নিকট ভবিষ্যতে স্কয়ারের রপ্তানি আয় বৃদ্ধিতে গুরুত্বপূর্ণ অবদান রাখবে।



জাতীয় কোষাগারে অবদান

জাতীয় কোষাগারে স্কয়ার ফার্মার এ বছরের অবদান ১৫,০৮৪,৮৬২,৫৫৭ টাকা (যন্ত্রপাতি ও খুচরা যন্ত্রাংশের আমদানী শুল্ক ২১৭,৪৬৭,০৬২ টাকা সহ)। এই অবদান ২০২৩-২০২৪ সালের বিক্রয়ের শতকরা ২৫.২৩ ভাগ।

নতুন ঔষধ সংযোজন

আলোচ্য ২০২৩-২০২৪ সালে ৩৯টি নতুন পণ্য যুক্ত করা হয়েছে, যার সবকটিই বিশেষজ্ঞ চিকিৎসক এবং ভোক্তাদের কাছ থেকে ইতিবাচক প্রতিক্রিয়া পেয়েছে। উচ্চতর জেনেরিক বিকল্প, সীমিত বাজারের আকার এবং নিয়ন্ত্রকের আদেশ প্রতিপালনের নিমিত্তে ১২টি পণ্যের উৎপাদন রহিত করা হয়েছে এবং ২৮টি পণ্য কৌশলগত সিদ্ধান্তের আলোকে স্কয়ার লাইফসাইন্সেস লিঃ (এসএলএল)- এ স্থানান্তর করা হয়েছে।

বিগত ৩০ জুন, ২০২৪ - এ সমাপ্ত বছরে নতুন ঔষধ সংযোজন এবং বাতিলকৃত ঔষধের বিবরণ ২৯ নম্বর পৃষ্ঠায় কোম্পানির প্রোডাক্ট ডেভেলপমেন্ট শিরোনামে সংযুক্ত করা হয়েছে।

উৎপাদন/উৎপাদন ক্ষমতা ব্যবহার

সার্বিকভাবে প্লান্টের উৎপাদন ক্ষমতার উন্নয়ন এ বছরেও ধারাবাহিক ভাবে অব্যাহত আছে যা ২৯ নম্বর পৃষ্ঠায় কোম্পানির আউটপুট/ক্যাপাসিটি ইউটিলাইজেশন শিরোনামে সংযুক্ত করা হয়েছে।

সাবসিডিয়ারি ও সহযোগি প্রতিষ্ঠান

স্কয়ার ফার্মাসিউটিক্যালস পিএলসি'র বর্তমানে ৩ (তিন) টি সাবসিডিয়ারি কোম্পানি এবং ৩ (তিন) টি সহযোগী কোম্পানি রয়েছে, যা নিচে দেখানো হয়েছে:

সাবসিডিয়ারি

□ স্কয়ার ফার্মাসিউটিক্যালস কেনিয়া ইপিজেড লিঃ (এসপিএল কেনিয়া)

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

এসপিএল কেনিয়ার পরিশোধিত মূলধন ৬৬৪,০০০,০০০ টাকা। এ ছাড়াও, ৩২১,৭৪২,৬৮৮ টাকা শেয়ার মানি ডিপোজিট হিসাবে অগ্রিম জমা দেয়া আছে।

এসপিএল কেনিয়ার ৩০ জুন, ২০২৪-এ শেষ হওয়া বছরের পরিচালকদের প্রতিবেদন-এর সাথে নিরীক্ষিত আর্থিক বিবরণী যার সাথে নিরীক্ষকের প্রতিবেদন, আর্থিক অবস্থার বিবরণী, লাভ বা ক্ষতি বিবরণী, ইকুইটি এবং নগদ প্রবাহের পরিবর্তনের বিবরণী এই বার্ষিক প্রতিবেদনের সাথে সন্নিবেশিত করা হয়েছে।

□ স্কয়ার লাইফসাইন্সেস লিমিটেড (এস.এল.এল)

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

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

স্কয়ার লাইফসাইন্সেস এর ৩০ জুন, ২০২৪-এ শেষ হওয়া বছরের পরিচালকদের প্রতিবেদন-এর সাথে নিরীক্ষিত আর্থিক বিবরণী যার সাথে নিরীক্ষকের প্রতিবেদন, আর্থিক অবস্থার বিবরণী, লাভ বা ক্ষতি বিবরণী, ইকুইটি এবং নগদ প্রবাহের পরিবর্তনের বিবরণী এই বার্ষিক প্রতিবেদনের সাথে সন্নিবেশিত করা হয়েছে।

□ স্যামসন ফার্মা আইএনসি, ফিলিপাইন

স্যামসন ফার্মা আইএনসি, ফিলিপাইন, ২০ সেপ্টেম্বর, ২০২৩ সালে ফিলিপাইনের কর্পোরেশন কোডের অধীনে একটি ফার্মাসিউটিক্যালস ম্যানুফ্যাকচারিং কোম্পানি এবং স্কয়ার ফার্মাসিউটিক্যালস পিএলসি এর একটি সহায়ক সংস্থা হিসাবে অস্তিত্ব শুরু হয়।

৩০ জুন, ২০২৪ পর্যন্ত শেয়ার মানি ডিপোজিট হিসেবে ৫২,৫৩০,০০০ টাকা অগ্রিম প্রদান করা হয়েছে। স্কয়ার ফার্মা, মোট পরিশোধিত ১৪০,০০০ সাধারণ শেয়ারের মধ্যে ১৩৯,৯৯৮ টি শেয়ারের মালিক।

সহযোগী প্রতিষ্ঠান

□ স্কয়ার টেক্সটাইলস্ পিএলসি.

স্কয়ার টেক্সটাইলস্ পিএলসি, একটি ১০০% রপ্তানিমুখী সুতা প্রস্তুতকারক, পুরোদমে উৎপাদনে নিয়োজিত একটি লাভজনক পাবলিকলি লিস্টেড কোম্পানি।

স্কয়ার ফার্মা, স্কয়ার টেক্সটাইলস্-এর ১০ টাকা অভিহিত মূল্যের ৯১,৪৩৬,৬৭৭ টি সাধারণ শেয়ারের মালিক। স্কয়ার ফার্মা এই শেয়ারগুলি বাবদ ২২৫,১২৯,৭৯৫.০০ টাকা বিনিয়োগ করেছিল, যার শেয়ার প্রতি ব্যয় দাঁড়ায় ২.৪৬ টাকা (বিনামূল্যের বোনাস শেয়ার বিবেচনা করে)।

৩০ জুন, ২০২৪ তারিখে উল্লেখিত শেয়ারগুলির বাজার মূল্য ছিল ৪,২২৪,৩৭৪,৪৭৭.৪০ টাকা, শেয়ার প্রতি ৪৬.২০ টাকা হিসেবে।

স্কয়ার টেক্সটাইলস্ লিঃ ২০২৩-২০২৪ সালের জন্য ৩২% নগদ লভ্যাংশ প্রস্তাব করেছে।

□ স্কয়ার হসপিটালস্ লিঃ

স্কয়ার হসপিটালস্ একটি বহুমুখী চিকিৎসা সেবা ব্যবস্থা সম্পন্ন সর্বাধুনিক হাসপাতাল যা বাংলাদেশে বেসরকারী স্বাস্থ্যসেবা খাতে পুরোদমে সক্রিয় শীর্ষস্থানীয় একটি প্রাইভেট লিমিটেড কোম্পানি।

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

স্কয়ার হসপিটালস্ জুন ২০২৪ সালে সমাপ্ত বছরে মোট ব্যবসা করেছে ৬,১৮১.৬৩ মিলিয়ন টাকা এবং নিট মুনাফা হয়েছে ৪৬৮.৭৬ মিলিয়ন টাকা। স্কয়ার হসপিটালস্, নতুন সম্প্রসারণ পরিকল্পনা, হাসপাতালের বর্তমান সরঞ্জামাদি আধুনিকায়ন এবং প্রতিস্থাপনের লক্ষ্যে, কোনও লভ্যাংশ প্রস্তাব করেনি।

□ স্কয়ার ফ্যাশনস্ লিঃ

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

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

স্কয়ার ফ্যাশনস্ এর ২০২৩-২০২৪ আর্থিক বছরে মোট ব্যবসা এবং নিট মুনাফা অর্জিত হয়েছে যথাক্রমে ২৫,৮০৩.০৫ এবং ৩,৮২২.৫০ মিলিয়ন টাকা এবং ইপিএস ৪,০২৩.৬৮ টাকা। ভবিষ্যত সম্প্রসারণ এবং ভিন্ন বিনিয়োগ পরিকল্পনার কারণে পর্যালোচনাধীন বছরে কোনও লভ্যাংশ প্রস্তাব করেনি।

ফার্মা সেক্টরে শীর্ষস্থান

টাকায়

+/- ১৮৬.৯৫ বিলিয়ন

শেয়ার বাজার মূলধন
স্কয়ার ফার্মা

শেয়ারবাজার এবং অন্যান্য দীর্ঘমেয়াদী সম্পদে বিনিয়োগ

স্কয়ার ফার্মা ৯,০০১.৭১ মিলিয়ন টাকা শেয়ারবাজারে বিনিয়োগ করেছে যা একক আর্থিক বিবরণীর নোট # ৬ এ বিস্তারিত দেখানো হয়েছে।

পর্যালোচনাধীন বছরে পুঁজিবাজার, বিশ্বব্যাপী অর্থনৈতিক চাপের কারণে অস্থিরতার সম্মুখীন হয়েছে, উচ্চ মূল্যস্ফীতি এবং মুদ্রার অবমূল্যায়নের সম্মুখীন হয়েছে, ফলে পোর্টফোলিওটি ৩১৮.৭৯ মিলিয়ন টাকা মূলধনী ক্ষতির সম্মুখীন হয়েছে।

তা ছাড়াও স্কয়ার ফার্মার গত ৩০ জুন, ২০২৪ পর্যন্ত বিভিন্ন ইকুইটি শেয়ার, সাবঅরডিনেট বন্ড এবং জিরো কুপন বন্ড মোট ৬,৯৯২.২১ মিলিয়ন টাকা বিনিয়োগ রয়েছে।

স্কয়ার ফার্মা প্রতিটি বিনিয়োগের সুবিধা/প্রাপ্তি সযত্নে বিশ্লেষণ করে এবং একটি আশানুরূপ প্রাপ্তির দিকে সর্বোচ্চ অগ্রাধিকার দিয়ে বিনিয়োগ করে। বিনিয়োগের বিশদ বিবরণ একক আর্থিক বিবৃতির নোট # ৭-এ দেখানো হয়েছে।

ব্যতিক্রমধর্মী কার্যক্রম

আলোচ্য বছরে, কোম্পানীটি কোনও ব্যতিক্রমধর্মী কার্যক্রম গ্রহণ করেনি বা চালিয়ে যায়নি।

ঝুঁকি এবং উদ্বেগ

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

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

হিসাবের একত্রীকরণ

স্কয়ার ফার্মা ৩টি সাবসিডিয়ারি কোম্পানীর মালিক বিধায় বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের এর বিধিমালা এবং আইএফআরএস-১০ এর নিয়মাবলী অনুসরণ করে আর্থিক বিবরণী সমূহ একত্রীকৃত করা হয়েছে যাতে শেয়ারহোল্ডারবৃন্দের মোট সুবিধা/বিনিয়োগ মূল্য প্রদর্শন করা যায়।

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

সংখ্যালঘু শেয়ারহোল্ডারদের স্বার্থ

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

রিলেটেড পার্টি লেনদেন

স্কয়ার ফার্মা আলোচ্য বছরে যে সকল রিলেটেড পার্টির সাথে লেনদেন করেছে তাদের বিশদ বিবরণ একক আর্থিক বিবরণীর নোট # ৩৬-এ প্রকাশ করা হয়েছে।

ক্রেডিট রেটিং

ক্রেডিট রেটিং ইনফরমেশন অ্যান্ড সার্ভিসেস লিমিটেড বিগত ১৩ ডিসেম্বর, ২০২৩ তারিখে স্কয়ার ফার্মার আর্থিক এবং অন্যান্য প্রাসঙ্গিক পরিমাণগত এবং গুণগত তথ্যের ভিত্তিতে স্কয়ার ফার্মাকে সর্বোচ্চ ক্রেডিট রেটিং প্রদান করেছে।

পুনর্নিশ্চিত রেটিংঃ

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

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

মানব সম্পদ প্রশিক্ষণ ও উন্নয়ন

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

২০২৩-২০২৪ বছরে, ৮,২৬৯ জন দেশে এবং বিদেশে প্রশিক্ষণ পেয়েছে। এই প্রশিক্ষণ কোম্পানীকে লাভজনক করতে এবং শীর্ষ অবস্থান ধরে রাখতে সহায়তা করেছে।

ব্যাংক গ্যারান্টি

পর্যালোচনাধীন বছরের মধ্যে প্রদত্ত গ্যারান্টিগুলি একক আর্থিক বিবরণীতে নোট # ৩৫.১ এ চিত্রিত হয়েছে।

দাবিহীন/অমীমাংসিত লভ্যাংশ

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

১৯৯৫ থেকে ২০২৩ সাল পর্যন্ত দাবিহীন/অমীমাংসিত লভ্যাংশের বিশদ বিবরণ এই প্রতিবেদনের ৭৪ পৃষ্ঠায় উপস্থাপন করা হয়েছে।

মুনাফা বন্টন

পরিচালনা পর্ষদ তার ২৩শে অক্টোবর, ২০২৪-এ অনুষ্ঠিত সভায় পরিশোধিত মূলধনের ১১০% হারে নগদ লভ্যাংশ সুপারিশ করেছে এবং ২০২৩-২০২৪ বছরে অর্জিত নিট মুনাফা নিম্নলিখিত ভাবে বন্টন করেছেন:

		টাকায়
২০২৩-২০২৪ সালের নিট মুনাফা		১৫,৫৯১,৩৭১,৯০৬
বাদ : প্রস্তাবিত বন্টনঃ		
নগদ লভ্যাংশ ১১০% (শেয়ার প্রতি ১১.০০ টাকা)		৯,৭৫০,৯৬১,১১০
অবন্টনকৃত মুনাফা পরবর্তী বছরে স্থানান্তরঃ		৫,৮৪০,৪১০,৭৯৬

প্রস্তাবিত লভ্যাংশ আগের বছরের তুলনায় ৪.৭৬% এবং ৪৪৩.২৩ মিলিয়ন টাকা বেশি। ২০২২-২০২৩ সালে ঘোষিত এবং প্রদত্ত নগদ লভ্যাংশ @ ১০৫% ছিল, যার পরিমাণ ছিল ৯৩০৭.৭৪ মিলিয়ন টাকা।

পরিবেশগত ভূমিকা

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

পরিচালক নির্বাচন

কোম্পানীর সংঘবিধির ৯৯ অনুচ্ছেদ অনুযায়ী জনাব রত্না পাত্র এবং জনাব অঞ্জন চৌধুরী অবসর গ্রহণ করছেন এবং অনুচ্ছেদ ১০০ অনুসারে তাঁরা পুনঃ নির্বাচিত হওয়ার যোগ্য বিধায় পুনঃ নির্বাচিত হওয়ার ইচ্ছা পোষন করেছেন।

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

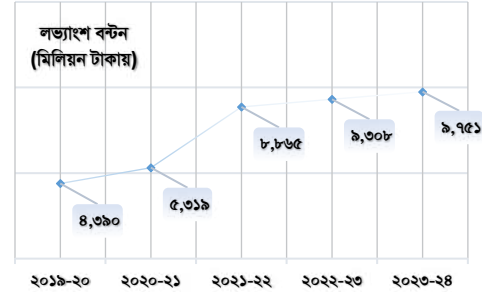
স্বতন্ত্র পরিচালকের নিয়োগ

কোম্পানীর পরিচালনা পর্ষদ ১১ই আগস্ট, ২০২৪ তারিখে জনাব মুহাম্মাদুল হক-কে স্বতন্ত্র পরিচালক হিসেবে জনাব সৈয়দ আফযাল হাসান উদ্দিন - এর পরিবর্তে নিয়োগ দিয়েছে। এই নিয়োগটি ৬ই আগস্ট, ২০২৪ তারিখে বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন দ্বারা যথাযথভাবে অনুমোদিত হয়েছে।

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

সংঘবিধিবদ্ধ নিরীক্ষক নিয়োগ

মেসার্স মাহফেল হক অ্যান্ড কোং, চার্টার্ড একাউন্ট্যান্টস, বিজিআইসি টাওয়ার, ৪র্থ তলা, ৩৪ তোপখানা, ঢাকা, ২০২৩-২০২৪ সালের জন্য সংঘবিধিবদ্ধ অডিটর ছিলেন এবং স্কয়ার ফার্মাসিউটিক্যালস পিএলসি-এর ৩০ জুন, ২০২৪



সমাপ্ত বছরের আর্থিক বিবৃতিগুলির উপর আনকোয়ালিফাইড প্রতিবেদন জমা দিয়েছেন।।

মেসার্স মাহফেল হক অ্যান্ড কোং, চার্টার্ড একাউন্ট্যান্টস, বিজিআইসি টাওয়ার, ৪র্থ তলা, ৩৪ তোপখানা, ঢাকা, যোগ্য হওয়ার কারণে, ২০২৪-২০২৫ সালের জন্য কোম্পানীর নিরীক্ষক হিসেবে নিয়োগের আগ্রহ প্রকাশ করেছেন।

পরিচালনা পর্ষদ ২৩ অক্টোবর, ২০২৪ তারিখের সভায় তাদের নিয়োগের সুপারিশ করেছেন।

কমপ্লায়েন্স নিরীক্ষক নিয়োগ

মেসার্স চৌধুরী ভট্টাচার্য অ্যান্ড কোং, চার্টার্ড একাউন্ট্যান্টস, ২০২৩-২০২৪ সালের জন্য কমপ্লায়েন্স নিরীক্ষক ছিলেন এবং বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জের কমিশন-এর কর্পোরেট গভর্নেন্স কোড ২০১৮ এর শর্তানুসারে ৩০ জুন, ২০২৪ তারিখে সমাপ্ত বছরের জন্য সার্টিফিকেট অব কমপ্লায়েন্স উপস্থাপন করেছেন।

কোম্পানির কমপ্লায়েন্স নিরীক্ষক মেসার্স চৌধুরী ভট্টাচার্য অ্যান্ড কোং, চার্টার্ড একাউন্ট্যান্টস্ এই বার্ষিক সাধারণ সভায় অবসর গ্রহণ করেছেন এবং যোগ্য হওয়ার কারণে, ২০২৪-২০২৫ সালের জন্য কমপ্লায়েন্স নিরীক্ষক হিসাবে পুনরায় নিয়োগের জন্য ইচ্ছা প্রকাশ করেছেন।

২৩শে অক্টোবর, ২০২৪ তারিখে অনুষ্ঠিত সভায় পরিচালনা পর্ষদ তাদের নিয়োগের সুপারিশ করেছেন।

ম্যানেজমেন্ট ডিসকাশন এন্ড আনালাইসিস

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

আর্থিক বিবরণী উপর পরিচালকদের ঘোষণা

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

- ☑ কোম্পানির আর্থিক বিবরণী, কোম্পানির কার্যক্রমের ফলাফল, নগদ প্রবাহ এবং ইকুইটি পরিবর্তনের একটি সত্য এবং ন্যায্য দৃষ্টিভঙ্গি উপস্থাপন করে।
- ☑ প্রচলিত আইন অনুসারে হিসাবের প্রয়োজনীয় সঠিক নথি রক্ষণাবেক্ষণ করা হয়েছে।
- ☑ আর্থিক বিবরণী তৈরিতে অ্যাকাউন্টিং অনুমানগুলো যুক্তিসঙ্গত এবং বিচক্ষণতার উপর ভিত্তি করে এবং যথাযথ অ্যাকাউন্টিং নীতিগুলো ক্রমাগত প্রয়োগ করা হয়েছে।
- ☑ বাংলাদেশে প্রযোজ্য আই.এ.এস/ আই.এফ.আর. এস অনুযায়ী আর্থিক বিবরণী প্রস্তুত করা হয়েছে।
- ☑ অভ্যন্তরীণ কন্ট্রোল সিস্টেমটি কাঠামোগত দিক থেকে খুবই কার্যকরী এবং সঠিকভাবে এর প্রয়োগ ও পর্যবেক্ষণ করা হয়।
- ☑ একটি ব্যবসায়-প্রতিষ্ঠান হিসাবে সকল ব্যবসায়িক কার্যক্রম চালিয়ে যাওয়ার ক্ষমতা সম্পর্কে কোন উল্লেখযোগ্য সংশয় নেই।
- ☑ গত বছরের পরিচালন ফলাফল থেকে কোন উল্লেখযোগ্য বিচ্যুতি নেই।

- ☑ জনাবা রত্না পাত্র, ভাইস চেয়ারম্যান এবং জনাব তপন চৌধুরী ব্যবস্থাপনা পরিচালক-কে দেওয়া পারিশ্রমিক নোটস অফ একাউন্টস-এর নোট # ২৬ এ দেখানো হয়েছে।
- ☑ বিগত ৫ (পাঁচ) বছরের মূল পরিচালন এবং আর্থিক তথ্য পৃষ্ঠা নং ১২ এ সংক্ষিপ্ত আকারে উপস্থাপন করা হয়েছে।

কর্পোরেট গভর্নেন্স কমপ্লায়েন্স প্রতিবেদন

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

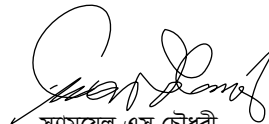
অডিট কমিটির রিপোর্ট, মনোনয়ন ও পারিশ্রমিক নীতি এবং লভ্যাংশ বন্টন নীতিও এই বার্ষিক প্রতিবেদনে উপস্থাপন করা হয়েছে।

ব্যবস্থাপনা কর্তৃপক্ষের স্বীকৃতি

পরিচালনা পর্ষদ ব্যবসায়িক কার্যক্রমে আন্তরিকভাবে অবদান রাখার জন্য ব্যবস্থাপনা কর্মকর্তা, কর্মচারী, শ্রমিক এবং ক্রেতা সবাইকে আন্তরিক ধন্যবাদ জ্ঞাপন করেছেন।

তা ছাড়াও ব্যাংক, বিএসইসি, ডিএসই, সিএসই, সিডিবিএল এবং বিশেষ ভাবে সরকারকে কোম্পানীর প্রতিটি কার্যক্রমে সহযোগিতার জন্য আন্তরিক ধন্যবাদ জানাচ্ছেন।

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


স্যামুয়েল এস চৌধুরী
চেয়ারম্যান

Corporate Governance

Square Pharmaceuticals PLC.



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

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

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

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

BOARD OF DIRECTORS

❖ Constitution

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

The Board of Directors consists of 7 (seven) members including 2 (Two) Independent

Directors with varied education and experience provide a balancing character in the decision-making process.

The members of the Board of Directors are as follows:

Mr. Samuel S Chowdhury	Chairman
Mrs. Ratna Patra	Vice Chairman
Mr. Tapan Chowdhury	Managing Director
Mr. Anjan Chowdhury	Director
Mr. Kazi Iqbal Harun	Director
Mr. Abul Kalam Azad	Independent Director
Mr. Muhammadul Haque	Independent Director

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

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

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

❖ Role & Responsibilities

The main role of the Board of Directors, which is the highest level of authority, is to provide general superintendence, oversee the operations, and control the affairs of the company through appropriate delegation and accountability processes via the lines of command.

However, the Board of Directors holds the ultimate responsibility and accountability with due diligence for conducting the activities of the company as per provisions of the law in the interest of the shareholders, the stakeholders, the state, and society.

The Board of Directors, in fulfillment of its responsibility, holds periodic meetings, at least once a quarter, and provides appropriate decisions/directions to the Executive Management. Such meetings usually consider operational performance, financial results, review of budgets, capital expenditure proposals for BMRE or new projects/divisions/product lines, procurement of funds by issue of shares or borrowing, procurement of raw materials, plant & machinery, pricing of products/discounts, recruitment, training, and promotion of officers, approval of audited accounts and distribution of dividends and other interest of the stakeholders including the employees and workers.

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

The Board also remains responsible for the removal of operational hazards to the life and health of workers, friendly environmental work conditions, and social relationships as demanded of good citizens in a country.

❖ Relationship with Shareholders & and Public

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

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

❖ Relationship with Government

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

❖ Relationship with Financers/Bankers

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

❖ Relationship with Suppliers

As the company has to import plant and machinery and almost all the raw materials from abroad, it maintains cordial and mutually beneficial interests with its international as well as local suppliers. This has enabled the company to avoid any legal disputes in international/local courts and enhanced the company's image as a good customer.

❖ Corporate Social Responsibilities (CSR)

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

BOARD COMMITTEE

❖ Audit Committee

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

Mr. Abul Kalam Azad - Chairman
Independent Director
Mr. Anjan Chowdhury - Member
Director
Mr. Kazi Iqbal Harun - Member
Director

The Committee carries out its responsibilities as defined in the provision of laws through convening meetings and submitting its report to the Board of Directors as and when required.

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

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

The Audit Committee also ensures compliance with the requirements of BSEC and other agencies. The Committee met 4 (four) times during the year under review.

❖ Nomination and Remuneration Committee (NRC)

The terms of reference of the NRC inter alia include determining the Company's policy on specific remuneration packages for executive directors, reviewing, recommending and/or approving remuneration to whole-time

Directors, reviewing and approving the Remuneration Policy of the Company, formulating criteria for evaluation of Independent Directors and the Board, to devise a policy on Board Diversity, to identify persons who are qualified to become directors and who may appoint senior management in accordance with the criteria laid down and recommend to the Board the appointment or removal of such persons and to discharge such other functions and exercise such other powers as may be delegated/directed by the Board of Directors from time to time.

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

Mr. Abul Kalam Azad - Chairman
Independent Director
Mr. Anjan Chowdhury - Member
Director
Mr. Kazi Iqbal Harun - Member
Director

The NRC met 2 (two) times during the year under review.

SEPARATE ROLE OF THE CHAIRMAN AND MANAGING DIRECTOR

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

The Chairman

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

The Managing Director

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

CFO, CS AND HIAC

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

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

EXECUTIVE MANAGEMENT

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

The CEO is supported by a professional, well-educated, trained, and experienced team consisting of Executive Directors, Directors, General Managers, and a host of Senior Executives in the hierarchy of management.

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

The Executive Management is responsible for the preparation of budgetary segment plans/ sub-segment plans for every cost/profit center and is held accountable for performance.

The Executive Management is aided by committee(s)/ sub-committee(s) in carrying out its functions.

OTHER GOVERNANCE APPARATUS

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

❖ Independent Director

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

- **Mr. Abul Kalam Azad**, a Fellow Member (FCA) of the Institute of Chartered Accountants of Bangladesh. Founding Principal and Sole Practitioner of Azad Abul Kalam & Co., Chartered Accountants, since 2008 and Founding Partner and Sole Practitioner of Azad Zamir & Co., Chartered Accountants, since 1984.
- **Mr. Muhammadul Haque**, MBA from IBA, a veteran marketer, was associated with Square Pharmaceuticals PLC. spanning over 19 years in a senior role. The last position he held was Executive Director, Marketing. He also worked for Glaxo Bangladesh Ltd. and ACI Pharmaceuticals PLC. for about 17 years.

❖ Statutory Auditors

The involvement of statutory auditors in the certification process of financial statements has paramount importance within the realm of Corporate Governance, as it serves to safeguard the interests of the investors and many stakeholders associated with the company.

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

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

M/s. Mahfel Huq & Co., Chartered Accountants is the Statutory Auditor appointed by its Shareholders in the Annual General Meeting.

❖ Compliance Auditors

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

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

❖ Legal Advisers

The company has empaneled the following top-ranking legal professionals in order to avail of the best legal support for Good Corporate Governance practice.

- Mr. Syed Afzal Hasan Uddin, Bar-at-Law
- Ms. Nazia Kabir, Bar-at-Law

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

❖ Bankers

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

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

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

❖ Insurer

Insurance services cover certain operational risks that are required by law/business practices to be covered by legitimate insurance service providers for the protection of the interest of the company and the investors.

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

SHAREHOLDERS' RELATIONSHIP

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

The position of shareholders as of 30th June 2024 is depicted here on this page aside indicates that the Sponsors & Directors of the Company do not hold major shareholdings that can be influenced for passing any resolutions.

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

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



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

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

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

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

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

DIVIDEND POLICY

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

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

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

Based on the above concept, the company is committed to showing a stable policy of distribution (cash outlay) of the accretion of wealth (profits) between the current and future generations of shareholders. This would enable the company to enhance its capital wealth and sustain for the perpetuity of existence, benefiting both the present cohorts and the progeny.

CORPORATE SOCIALIZATION

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

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

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

BEYOND THE BORDER

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

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

The company has already secured permission to market its products in UK/EU countries.

RESEARCH AND PRODUCTS DEVELOPMENT

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

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

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

SEGMENT REPORT

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

RISK PERCEPTION

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

SECRETARIAL STANDARD

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

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

COMPLIANCES

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

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



Sustainability Report

Square Pharmaceuticals PLC.

Bangladesh has been identified as one of the world’s most climate-susceptible countries because of its physical location in a low-lying floodplain. We recognize the threats that climate change poses to our business, our community, and our future generation. One of the key outcomes of the 2015 Paris Climate Agreement was the acknowledgment of climate change risks and their impact on a company’s financial stability. This led to the establishment of the Task Force on Climate-related Financial Disclosures (TCFD), which formulated recommendations for the types of information companies should disclose. The International Sustainability Standards Board (ISSB) has fully integrated the TCFD’s guidelines into its standards, IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information; and IFRS S2 - Climate-related Disclosures, ensuring a comprehensive approach to sustainability reporting.

Square Pharmaceuticals PLC. (SPL/the Company) is committed to sustainability, responsible business practices, and contributing to global healthcare solutions. This report, while integrating guidelines of IFRS S1 and IFRS S2, outlines how we address sustainability-related risks and opportunities, focusing on climate change, corporate governance, and our social responsibility to enhance access to affordable healthcare. Our efforts are aimed at improving patient access to medicine, reducing our environmental footprint, and fostering social responsibility in our communities.

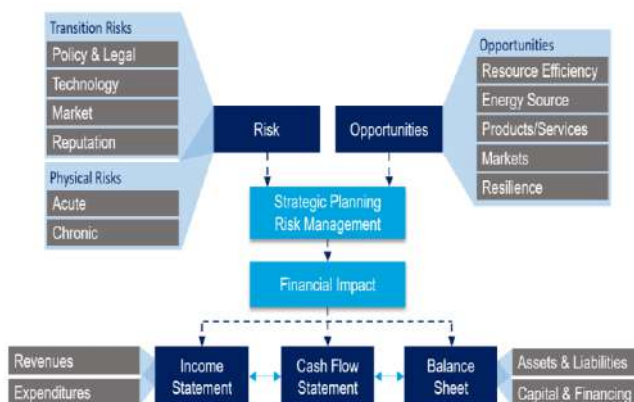
SUSTAINABILITY COMMITTEE

Our business motivation is Being Good by Doing Well and conducting transparent business operations based on market mechanisms within the legal, ethical & social framework with aims to attain the mission reflected by our vision.

The Board of Directors of the Company oversees sustainability through its Sustainability Committee. This committee is responsible for overseeing sustainability and climate-related risks and opportunities. The Committee regularly reviews these risks and integrates them into strategic decision-making, particularly around operational efficiency, energy use, and product innovation, in line with the IFRS S1 and S2 reporting standards. This 3-member Committee is chaired by our Managing Director, Mr. Tapan Chowdhury. Ms. Anika Chowdhury, Head of Business Development and Mr. Muhammad Zahangir Alam, Chief Financial Officer are the other two committee members.

CLIMATE CHANGE AND ENVIRONMENTAL SUSTAINABILITY

SPL has integrated climate-related risks into its core business strategy. We have identified climate-related risks, such as supply chain disruptions and regulatory changes, as key factors impacting our business. We have incorporated these risks into our risk management framework and are taking steps to mitigate them through energy efficiency, renewable energy adoption, and sustainable production practices.



Source: Recommendations of the Task Force on Climate-related Financial Disclosures.





Transition Risks

Transition risks involve challenges organizations face in adapting to changes aimed at reducing greenhouse gas emissions and shifting to renewable energy. These can lead to financial and reputational risks. Conversely, companies with low emissions may find opportunities in the market, while common risks include increased reporting requirements and litigation exposure.

Physical Risks

Climate change poses physical risks, such as extreme weather and water scarcity, disrupting supply chains and operations. These challenges can cause financial losses through asset damage and operational interruptions. Key concerns include severe cyclones, altered precipitation patterns, and rising sea levels, all of which threaten organizational stability and financial health.

Potential Financial Impacts

Financial impacts, which from our perspective are of vital importance are listed below. This is not an exhaustive list and may include many other unforeseen impacts in the near to long-term future.

- Increased operating costs (e.g., higher compliance costs)
- Capital investments to transition to lower emissions technology

- Costs to adopt/deploy new practices and processes
- Decreased production capacity (e.g., transport difficulties, supply chain interruptions)
- Higher costs from negative impacts on the workforce (e.g., health, safety, absenteeism)

Opportunities

Adopting the green manufacturing concept will help us solidify our global presence and make us more acceptable to our global consumers. Plastic resins like PET flexes, HDPE and aluminum blisters are used as primary packaging for our products. These ingredients are not easily replaceable, however, we are planning to initiate programs for collecting plastics and other recyclable materials from environment in near future. Besides, we are exploring ways to minimize usage of plastic materials in primary packaging as there is potential opportunity for innovation. As for, our secondary packaging, we have already reduced our consumption of paper-based materials through efficient usage and sustainable alternatives.

We are actively seeking methods to lower electricity consumption per unit of production. This initiative involves adopting cutting-edge technology to enhance efficiency and sustainability, ultimately reducing our environmental impact while maintaining productivity and operational effectiveness.



Insight view of Dhaka Plant, SPL



ENVIRONMENTAL SUSTAINABILITY WITHIN THE VALUE CHAIN

Sustainability as a value chain parameter may come as new to many. Cost, Quality and Delivery are time proven supply chain metrics. Supply Chain operations of all sizes and agility levels gauge themselves at various points of one or multiple of these criteria. But environmental sustainability of the value chain sits at the core of businesses' existence. The environment gives businesses the backdrop and tools to operate. Input materials, workforce and customers all exist and have become possible only because of the environment.

Yet, businesses also take the biggest blame when it comes to environmental pollution. Hence, business and management pundits are promoting environmental sustainability as a new metric in as many instances as possible.

Energy Consumption

Our reliance on fossil fuel energy in operations is closely tied to our energy needs, which affects greenhouse gas emissions.

This connection plays a significant role in influencing our progress toward achieving decarbonization targets, underscoring the importance of managing energy consumption and exploring cleaner alternatives.

In 2024, Scope 1 emissions were 59,705 tCO₂e and Scope 2 emissions were 4,387 tCO₂e (as per Higg FEM 4.0). We aim to reduce this by 40% by 2030, mainly using renewable energy and energy-efficient production methods. Right now, we are not measuring Scope 3 GHG emissions.

We are gradually avoiding fossil fuel based energy generation, sourcing sustainable materials and recycling water based products. Energy saving & motion sensors for lights have been introduced in big corridors of the building & other places where there is less personnel movement. At present, we have solar power

generation systems with a capacity of only 412.5 Kwp. But this will continue to expand more as we have set a target (normalized) of 3.78% reduction in electrical energy and 21.5% reduction in consumption of natural gas.

Carbon Footprint

Carbon footprint refers to the total amount of carbon dioxide and other gases emitted directly or indirectly by production, transportation and disposal of goods. The company's emissions of the various pollutants (like CO₂, NO_x, SO_x, and PM10 etc.) within the reporting period was 782 tons. We are targeting a reduction of 19% of air pollution. Last year, we distributed 40,200 saplings through our field forces that were planted around the country which will absorb approximately 603 metric tons of CO₂ annually. We plan to increase this quantity even more in the upcoming days.



Tree plantation program

To enhance sustainability, we are adopting various methods, like optimizing logistics to reduce fuel consumption, route Optimization, regular maintenance of vehicles, load optimization, and sustainable packaging. All exhausts from the production buildings during the production process are HEPA (high-efficiency particulate air) filtered and water scrubber controlled. All generator & boiler exhausts are made as per the standard height. Exhaust is being released at a high level (at least 24m) from ground level.

Sustainable sourcing can be a good option in reducing carbon footprint as it includes partnering

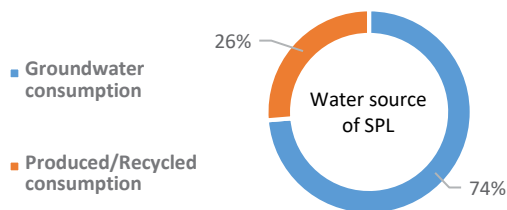


with 3rd parties along the value chain (both upstream and downstream). We are actively working towards selecting suppliers, materials, and processes that have zero or minimal environmental impact. Furthermore, we prioritize partnerships with suppliers dedicated to reducing their carbon footprints, aligning our efforts with sustainable practices for a more eco-friendly supply chain.

Water Conservation

By treating and repurposing wastewater, we can lower our environmental impact and contribute to a circular water economy. Even simple measures like fixing leaks, using water-efficient appliances, and preserving rainwater can significantly reduce water waste.

Our Effluent Treatment Plants (ETPs) significantly reduces water waste by recycling water for plantation and other alternative uses, like vehicle wash, gardening, natural fish farming, thereby minimizing the demand for freshwater sources. During the last two years, 508,586m³ of water was treated through our ETPs. This water helps us maintain the Green Belt around our plants.



Creating and maintaining water reservoirs plays a crucial role in sustainable water management. By capturing and storing rainwater, reservoirs help manage water resources during dry periods, available resources in case of emergencies ensure that communities have access to water even in times of scarcity. We have 74,218m² area of water

reservoir inside Dhaka Plant and 35,000m² area of water reservoir inside Pabna Plant with a combined volume of 3,95,000m³.



The water intensity of our products in regions with high or extremely high water stress was only 0.190m³ per product type during the reporting period. 60% of our factories’ land is used for forestation & biodiversity. Total water usage in 2024 was 1,097,715m³ which is slightly higher than the last year. We aim to reduce water waste by 25.56% (normalized target) in the foreseeable future.

Waste Management

By prioritizing sustainable waste management practices, we are trying to reduce our environmental impact, protect natural resources, and contribute to a healthier society, thus, paving the way for a more sustainable future. We are educating healthcare providers and patients (i.e. through Primary and Secondary Packaging, leaflets etc.), about the safe disposal of unused medications as it is crucial to preventing environmental contamination.

Additionally, we are looking into the concept of Circular Economy, a concept in which products, materials and energy are reused, refurbished and recycled. Contrary to traditional economies where goods have short life i.e. produced goods are used and discarded, the lifecycle of products in a circular economy is extended; resources are kept in use for as long as possible.

We are using incinerators for disposing of solid waste to protect the environment from pollution. The exhaust temperature is cooled



down to 200°C from 1100°C during operation using a cyclonic water scrubber. In 2023-24, a total of 138,896kgs of waste was disposed of in the incinerator.

Paper & Packaging

Paper usage significantly impacts sustainability, as it involves resource extraction, energy consumption, and waste generation. Thus, we are investing in technologies to minimize paper-based waste during manufacturing and distribution.

We encourage our employees to ensure responsible disposal and recycling of paper products so that they can be repurposed rather than ending up in landfills. When paper is necessary, we encourage double-sided printing and opting for recycled paper, which helps reduce environmental harm by conserving trees. Moreover, we promote inter-departmental practices using internal digital communication methods i.e. Email memos. Our internally designed software, like the Central Bill Processing System for data storage, analysis and communication, has brought the possibility of a seamless and paperless system within our grasp.

SOCIAL

SPL is one of the pioneer signatories of the United Nations Global Compact (UNGC) in Bangladesh. UNGC principles are aligned with the company's culture from the very outset. The Company considers the interests of its external & internal stakeholders like customers, employees, vendors, shareholders, society, government etc. and ecological & ethical considerations in all aspects of operations.

Human Capital

Our workforce is a critical source of value that drives our performance and productivity. We want our teams to feel at ease sharing their

ideas and suggestions to help move our mission forward. Our engagement strategy focuses on fostering open and honest communication with our employees, highlighting our dedication to building strong, trust-based relationships with our staff. We audit our suppliers to ensure compliance with various international and company standards.

Square Pharmaceuticals PLC. joined Target Gender Equality (TGE), a gender equality accelerator program for participating companies of the UN Global Compact. Square is working on equal women representation, participation and leadership in business. 12% of our managerial positions are held by female employees. We avoid any female employees during night shift operations. We also emphasize on ensuring special care for female employees during their maternity period. Moreover, we always maintain an equal average ratio of the basic salary and remuneration of women to men, no gender-biased discrimination.

We actively pursue the policy of NO child labor and strictly prohibit any form of forced labor. We ensure timely payment of wages as we believe this is crucial for social sustainability. We also provide a complimentary dining, transport, accommodation and medical facility, critical illness benefits with insurance, child education scholarship, funeral assistance, mobile allowances, etc. to our employees. Our group life insurance scheme covers all our employees.

Health & Safety

Square is dedicated to cultivating a healthy, environmentally conscious, and safe workplace by providing the workforce with vital knowledge about health and safety matters. We adhere to rigorous international safety standards to safeguard the physical well-being of our workers. Recognizing that a positive work environment not only enhances employee health but also



significantly impacts productivity, we prioritize these essential principles for the benefit of our employees and the organization.

We have received approval for some of our plants from FDA-USA, TGA-Australia, MHRA-UK. We also received GMP certification from NPRA - Malaysia, Ministry of Health – Azerbaijan.



Factory employees get free medical and medicine facilities for sudden sickness in the workplace and also maintain regular health check-ups through the medical center by dedicated plant physicians for the betterment of the employees. Square Pharmaceuticals PLC. is providing profit sharing through the Workers' Profit Participation Fund which is a direct payment and equally distributed to the employees depending on the company's profitability.

Community Sponsorship

Square Kindergarten is constructed primarily to facilitate quality education for the children of the employees in Pabna. This is a 100% "not-for-profit" initiative where the students receive quality education at a very subsidized fee. Other than its own employees' children, it also provides this education facility for the children of the local community. There is a daycare facility in the school for the children of teachers.

To keep the physician community informed on the latest developments in medical science, we take multiple initiatives through healthcare publications, seminars & clinical meetings like the Continual Medical Education (CME) program.

Our Medical Services Department along with the Product Marketing Department conducted 1,508 CME programs in last year where more than 100,000 healthcare professionals participated. We also arranged 47 intern receptions and a couple of manufacturing facility visits during the year. Besides, we arranged 13 CMEs in Myanmar and sponsored 2 events in Cambodia which consisted of more than 800 participants. They also sponsored an exclusive dinner for the Executive Committee members of the Heart Association, attended by 55 distinguished doctors, fostering meaningful dialogue and collaboration within the cardiology community. We also arranged 575 CMEs in Kenya where more than 5,000 doctors and other healthcare professionals attended.

Apart from these, we participated in two exhibitions, Tashkent International Healthcare Exhibition (TIHE) 2023 in Uzbekistan and Trade and Investment Fair in Riyadh, Saudi Arabia where local distributors interested in new pharmaceutical products for hospitals, clinics, and retail pharmacies were primary targets.

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SPL presents at a healthcare exhibition



Our International Marketing Department proudly sponsored the 7th Annual Scientific Meeting of the Cambodian Heart Association (CHA), underscoring its commitment to enhancing cardiovascular health in Cambodia. The meeting featured two impactful symposiums with esteemed speakers: Dr. Liv Chinh, who presented vital findings on cardiovascular health, and Dr. Sun Samrany, who discussed modern treatment protocols and preventive measures. These sessions fostered engaging discussions and enriched attendees' knowledge of critical developments in the field.

As a reinforcement of its commitment to advancing healthcare in Sri Lanka, Square Pharma participated as a Bronze Sponsor to the Annual Conference of the Sri Lanka College of Surgeons (SLCS) that took place in the historic city of Kandy, Sri Lanka. The event drew over 450 distinguished surgeons and medical professionals from across the country, making it one of the premier gatherings for surgical expertise and healthcare collaboration in Sri Lanka. The conference facilitated knowledge exchange through innovative sessions and workshops with Square Pharmaceuticals engage healthcare professionals in discussions about recent medical advancements and patient care solutions.

Disaster Response Initiatives

SPL has always shown utmost sincerity when it comes to participating in natural disaster response initiatives. In times of epidemics and disasters, it is always beside the government with its expanded helping hands. Our participation is not limited to any geographical boundaries. We extended our support to the flood-affected people in Kenya, to the people of Sri Lanka during the economic hurdle they had gone through last year, and to the people of Turkey who suffered a devastating earthquake.

CONCLUDING REMARK

Square Pharmaceuticals PLC is committed to advancing sustainability through responsible environmental stewardship, social responsibility, and robust governance practices. By aligning with IFRS S1 and S2, we are positioned to manage sustainability risks, capitalize on emerging opportunities, and deliver long-term value to our stakeholders. This report marks a significant step in our ESG journey, demonstrating our commitment to transparent reporting and continuous improvement in our sustainability performance. Transitioning to renewable energy sources, improving energy efficiency, and ensuring equitable access to energy are key steps toward a sustainable future. These measures can reduce emissions and lower costs while fostering social equity. Achieving these goals requires collaboration among individuals, organizations, and governments.

We have taken action to increase company-wide resilience to climate change. Rather than taking lofty targets, we are starting by setting modest targets and improving our targets as we gain insights and develop organizational capacity for inventorying and reducing emissions.

SQUARE Pharma
is one of the pioneer
signatories of the
United Nations
Global Compact
in Bangladesh.



Audit Committee Report 2023-2024

Under Condition # 5(7) of CGC

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

Member of the Committee

Mr. Abul Kalam Azad, Independent Director	- Chairman
Mr. Anjan Chowdhury, Non-Executive Director	- Member
Mr. Kazi Iqbal Harun, Non-Executive Director	- Member

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

Key Responsibilities of the Committee

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

Major activities carried out during the year 2023-2024:

- ✓ The quarterly and yearly financial statements were examined and verified to ensure compliance with contemporary standards and legislation regarding their preparation and presentation.
- ✓ The observations offered by the statutory auditors were carefully considered and included in the annual financial statements before their submission for consideration by the Board.
- ✓ The procedure and task of the internal audit were overseen, evaluated, and authorized.
- ✓ The appointment and remuneration of the statutory auditors were properly reviewed, and a recommendation was provided to the Board.
- ✓ Reviewed and examined the procedure and performance of the internal audit, as well as the outcomes reported by the internal audit team and the corresponding remedial measures taken.

The Committee found that appropriate measures were in place to ensure an accurate and unbiased representation of the organization's activities and financial position. Furthermore, no substantial or noteworthy deviations, inconsistencies, or adverse findings were found concerning the reporting aspect.



Abul Kalam Azad
Chairman, Audit Committee

15th October, 2024

NRC SQUARE PHARMA

Under Condition # 6(5)(c) of CGC

A. NOMINATION AND REMUNERATION POLICY

1.00 Introduction

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

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

2.00 Definitions

“NRC or the Committee” means Nomination and Remuneration Committee

“the Company” means Square Pharmaceuticals PLC.

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

“Director” means Member of the Board.

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

3.00 Nomination and Remuneration Committee

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

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

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

Name of the Members	Position in the Committee
Mr. Abul Kalam Azad Independent Director	- Chairman
Mr. Anjan Chowdhury Director	- Member
Mr. Kazi Iqbal Harun Director	- Member

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

4.00 Objective

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

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

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

5.00 Nomination and Appointment of Directors and Top Level Executives

The committee is responsible for ensuring that the procedures for nomination and appointment of Directors and Top Level Executives take place in a transparent, non-discriminatory, and rigorous way. The committee is also responsible for identifying and ascertaining the combination of age, gender, educational background, experience, knowledge, ethnicity, diversity, nationality, and other relevant personal values and attributes for nomination and appointment of Director and Top Level Executives.

6.00 Remuneration for Directors and Top Level Executives

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

7.00 Validation of the Policy

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

8.00 Amendments to the Policy

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

B. EVALUATION OF PERFORMANCE

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

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

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

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

Dividend Distribution Policy

Square Pharmaceuticals PLC.

1.00 Introduction

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

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

2.00 Definitions

“the Act” means Companies Act 1994

“the Company” means Square Pharmaceuticals PLC.

“AGM” means Annual General Meeting

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

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

“Shares” means Ordinary Equity Shares.

3.00 Concept of Dividend

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

4.00 Types of Dividend

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

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

5.00 Declaration of Dividend

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

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

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

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

6.00 Factors Governing Declaration of Dividend

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

The circumstances for dividend pay-out decision depend on various external and internal factors that the Board of Directors shall consider while recommending/declaring dividends including the following:

6.01 External Factors:

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

6.02 Internal Factors:

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

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

7.00 Financial Parameters for Declaring Dividend

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

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

Taking into consideration the aforementioned factors, the Board shall endeavor to maintain a dividend payout.

8.00 Utilization of Retained Earnings

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

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

9.00 Parameters for Various Classes of Shares

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

10.00 Circumstances Impacting Dividend Payment

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

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

10.01 May Expect Dividend:

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

10.02 May Not Expect Dividend:

- Non-availability of profits for dividend distribution

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

11.00 Disclosure

This Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and on the Company's website www.squarepharma.com.bd.

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

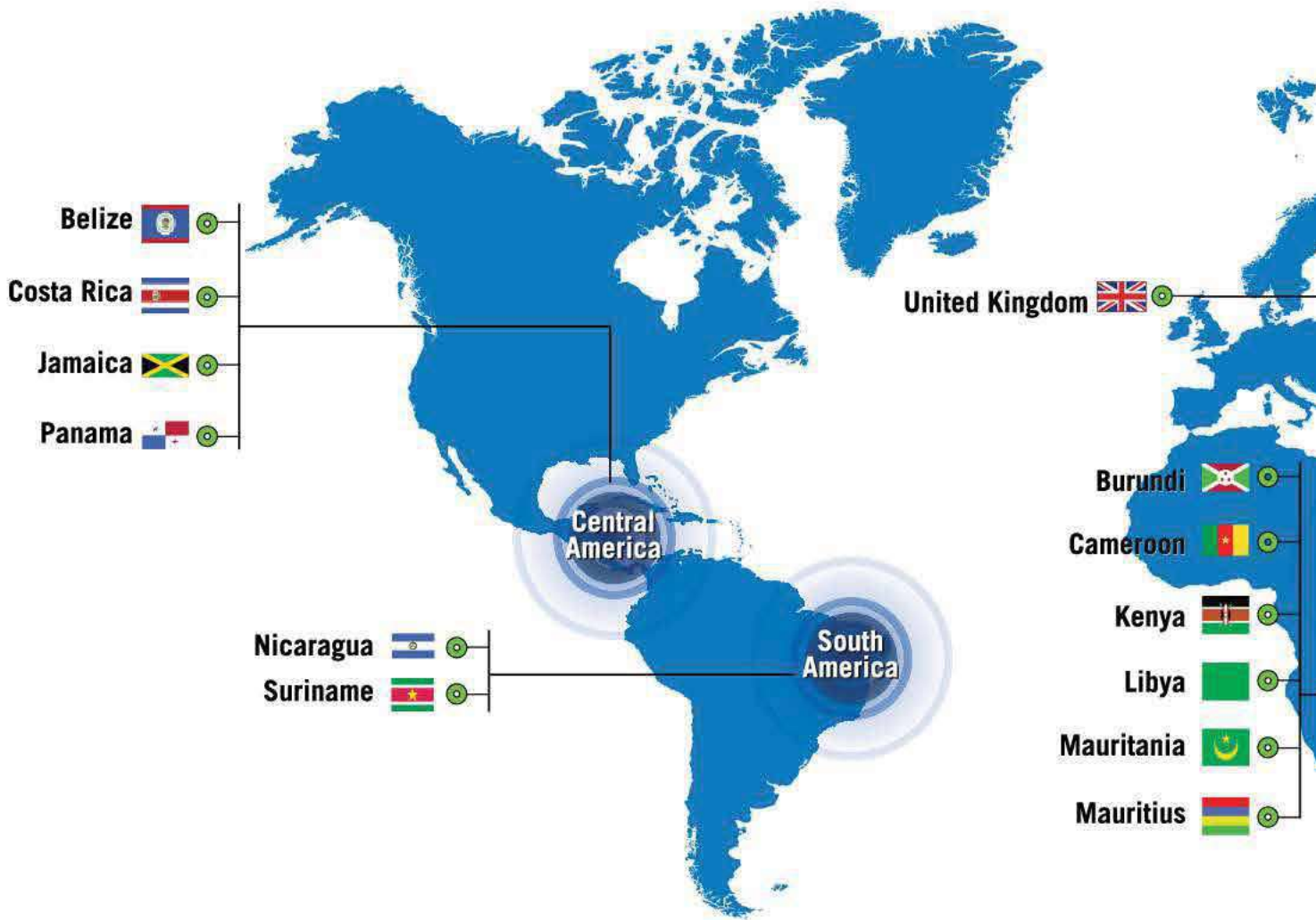
12.00 Effective Date

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

13.00 Review/Amendment

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

We Export to



**40 Countries in the World
including USA and UK**



SQUARE
PHARMACEUTICALS PLC.
BANGLADESH

Unclaimed/unsettled dividend 1995-2023

Under the Directives # BSEC/SRMIC/2021-198/254
dated 19/10/2021 of BSEC



The status of unclaimed or unsettled cash dividends from 1995 until 2023.

- A. Dividend for the year From 1995 to 2020 deposited to the Capital Market Stabilization (CMS) Fund as instructed by the Bangladesh Securities and Exchange Commission:

For the Years	Amount in Taka
1994-1995 (Dividend Returned)	34,624.00
1995-1996 (Dividend Returned)	48,490.00
1996-1997 (Dividend Returned)	173,495.00
1997-1998 (Dividend Returned)	1,026,033.75
1998-1999 (Dividend Returned)	662,640.00
1999-2000 (Dividend Returned)	749,580.00
2000-2001 (Dividend Returned)	594,455.00
2001-2002 (Dividend Returned)	1,701,675.00
2002-2003 (Dividend Returned)	735,210.00
2003-2004 (Dividend Returned)	1,535,834.55
2004-2005 (Dividend Returned)	1,694,586.17
2005-2006 (Dividend Returned)	2,895,237.93
2006-2007 (Dividend Returned)	2,250,065.00
2007-2008 (Dividend Returned)	7,160,156.95
2008-2009 (Dividend Returned)	10,177,521.55
2009-2010 (Dividend Returned)	5,985,621.27
2010-2011 (Dividend Returned)	7,991,400.50
2011-2012 (Dividend Returned)	5,307,850.75
2012-2013 (Dividend Returned)	12,442,557.14
2013-2014 (Dividend Returned)	16,406,991.45
2014-2015 (Dividend Returned)	10,845,551.22
2015-2016 (Dividend Returned)	8,993,482.35
2016-2017 (Dividend Returned)	8,069,292.27
2017-2018 (Dividend Returned)	13,296,080.16
2018-2019 (Dividend Returned)	15,200,884.68
2019-2020 (Dividend Returned)	22,795,290.15
Unspecified - not returned/not been cashed for 1995-2020.	173,658,235.75
Total	332,432,842.59

- B. Dividends for the last 3 years from 2021 to 2023 lying in the Company:

For the Years	Amount in Taka
2020-2021 (Dividend Returned)	27,426,645.10
2021-2022 (Dividend Returned)	39,830,421.00
2022-2023 (Dividend Returned)	49,101,578.15
Unspecified - not returned/not been cashed for 2021-2023.	75,624,984.75
Total	191,983,629.00

Square Pharmaceuticals PLC.



Mahfel Huq & Co.
Chartered Accountants

The Statutory Auditors of
Square Pharmaceuticals PLC.



Financial Profile

Consolidated

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SQUARE PHARMACEUTICALS PLC.

Square Centre
48 Mohakhali Commercial Area
Dhaka, Bangladesh

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Mahfel Huq & Co.

Chartered Accountants

The first registered accounting firm in independent Bangladesh

BGIC Tower, 4th floor, 34 Topkhana Road
Dhaka-1000, Bangladesh



Independent Auditor's Report

To the Shareholders of **Square Pharmaceuticals PLC.**
and its Subsidiaries

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of **Square Pharmaceuticals PLC.** And its subsidiaries (the "Group"), as well as the separate financial statements of Square Pharmaceuticals PLC. (the "Company"), which comprises the consolidated and separate statement of financial position as at 30 June 2024 and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Company present fairly, in all material respects, the consolidated financial position of the Group and the separate financial position of the Company as at 30 June 2024, and of its consolidated and separate profit or loss and other comprehensive income and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act-1994, the Securities and Exchange Rules-2020 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Risks	Our response to the risks
Revenue Recognition	
<p>The Group reported total revenue of Tk. 83,972,500,730 (including VAT) for the year ended 30 June 2024 which is 16% (Tk. 72,335,373,485) higher than prior year revenue.</p> <p>Revenue consists of Local sales and Export sales.</p> <p>Revenue recognition has significant and wide influence on financial statements. Revenue is recognized when the amounts and the related costs are reliably measured and the performance obligation is satisfied through passing of control to the customers. Revenue from local sale (Pharmaceutical Drugs and Medicines, AgroVet Products, Crop care Products and Herbal & Nutraceutical Products) is recognized at the time of delivery from the depot and Exports (Pharmaceuticals Drugs and Medicines) at the time of delivery from Factory Godown. The sales price is determined considering the effect of rebate, discounts and incentives.</p> <p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Group and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p> <p>We focused on the proper cutoff of sales to the company's customers. There is a risk of differences between the timing of invoicing of products and the dispatch of the products.</p>	<p>Our audit procedures included the following to assess the identified risk:</p> <ul style="list-style-type: none"> ➤ We assessed the appropriateness of revenue recognition accounting policy in line with IFRS-15: Revenue from contracts with customers; ➤ Performed walkthroughs to understand the adequacy and the design of the revenue cycle; ➤ Tested the internal control over financial reporting, we also assessed the existence and accuracy of the sales recorded; ➤ Performed sample tests of individual sales transactions and traced to sales invoices and other related document; ➤ Sent balance confirmations to debtors on sample basis to confirm the accuracy, valuation and existence of balances; ➤ Reconciled between sales report and VAT return (Mushak-9.1). VAT has been paid on Trade Price; ➤ Finally assessed the appropriateness and presentation of disclosures as per IFRS-15.
See note no- 3.15 & 23 to the consolidated financial statements.	
Property, Plant and Equipment	
<p>This represents a significant amount in the company's statement of financial position. There is a risk of determining which costs meet the criteria for capitalization, determining the date on which the assets is recognized to property, plant and equipment and depreciation commences, estimation of economic useful lives and residual value assigned to fixed asset.</p> <p>We identified the carrying value of property, plant and equipment as a key audit matter because of the high level of management judgment involved and its significance to the financial statements.</p>	<p>Our audit procedures to assess the carrying value of property, plant and equipment, include the following controls testing and substantive procedures:</p> <ul style="list-style-type: none"> ➤ Assessing, on a sample basis, costs capitalized during the year by comparing the costs capitalized with the relevant underlying documentation, which included purchase agreements and invoices, and assessing whether the costs capitalized met the relevant criteria for capitalization.

Risks	Our response to the risks
<p>At the reporting date, the carrying value of the Group's property, plant and equipment amounted to Tk. 27,750,005,864 of which Net Book Value of PPE Tk. 24,857,680,329; PPE in Transit Tk. 1,118,740,924; Building under Construction Tk. 1,773,584,611.</p>	<ul style="list-style-type: none"> ➤ Testing the key controls over the management's judgment in relation to the accounting estimates of the depreciable lives and residual values of property, plant and equipment. ➤ Reconcile on a sample basis the additional capitalized costs for the year to the underlying invoices and supporting documents. ➤ We reviewed minutes the company's capitalizations policy for compliance with IAS 16 and tested the expenditure capitalized against the capitalization policy. ➤ We traced payments to supporting documents. <p>We assessed the adequacy of the disclosures of the financial statements.</p>
<p>See note no-3.3 to 3.8, & 4 to the consolidated financial statements and Schedule - C1</p>	
<p>Cash and Cash Equivalent</p>	
<p>Cash and cash equivalent held by the Group at year end amounted to Tk. 52,013,459,742 which make up 39% of its total assets. We do not consider these cash balances to be at high risk of significant misstatement. However, due to their materiality in the context of the financial statements as a whole, these were one of the areas which was of most significance of resources in planning and completing our audit.</p> <p>Risks associated with Cash and cash equivalent:</p> <ul style="list-style-type: none"> ➤ The Group may not disclose all bank and deposit accounts owned by them. ➤ Reconciliation differences between bank balance and cash book balance being misstated. Material cash floats being omitted or misstated. 	<p>We obtained an understanding of the group and its environment to consider risk related to cash and cash equivalent.</p> <p>Our audit procedures amongst others included following:</p> <ul style="list-style-type: none"> ➤ Agreement of cash balances to independent confirmations obtained from the banks and financial institutions at which the Company maintains accounts; ➤ Recalculation of the translation of balances held in foreign currencies; and ➤ Confirming reconciling differences calculated by the entity are reasonable. <p>No material misstatements were noted as part of our testing.</p>
<p>See note no-3.10.1 & 11 to the consolidated financial statements</p>	
<p>Valuation of inventory</p>	
<p>The inventory of Tk. 12,582,152,295 at 30 June 2024 held in warehouses, depots, sales centers and factory premises of the Group.</p> <p>In order to carry inventory at the lower of cost and net realizable value, management has identified slow moving, obsolete and damaged inventories and made adjustments to the</p>	<p>We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:</p> <ul style="list-style-type: none"> ➤ Evaluating the design and implementation of key inventory controls operating across the company, including those at a sample of distribution centers, warehouses and branches;

Risks	Our response to the risks
<p>carrying value of these items, the calculation of which requires certain estimates and assumptions.</p> <p>Inventory value is calculated in entity's accounting system using an automated process. Manual process requires interfaces and inputs, there is a risk of inappropriate management override and chances of error exist.</p>	<ul style="list-style-type: none"> ➤ Attending inventory counts and reconciling the count results to the inventory listing to test the completeness of data; ➤ Testing, on a sample basis, the stock aging profile and the market price used in assessing the net realizable values of inventories to the related supporting documents; ➤ Comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories; ➤ Finally assessed the appropriateness and presentation of disclosures as per IAS-2.
<p>See note no- 3.11 & 8 to the consolidated financial statements</p>	
<p>Measurement of Deferred Tax Liability</p>	
<p>The Group reported deferred tax liability of Tk. 619,081,523 as at 30 June 2024.</p> <p>Deferred Tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.</p> <p>Significant judgement is required in relation to deferred tax liability as it is dependent on forecasts of future profitability over a number of years</p>	<p>We obtained an understanding of the Company's key controls over the recognition and measurement of deferred tax assets and liabilities and the assumptions used in estimating the future taxable expense of the Company. Our audit included the following procedure:</p> <ul style="list-style-type: none"> ➤ We evaluated the reasonableness of key assumptions, timing of reversal of temporary differences and expiration of tax loss carry forwards, recognition and measurement of deferred tax liability; ➤ We assessed the adequacy of the Company's disclosures setting out the basis of deferred tax liability balances and the level of estimation involved; ➤ Performed the mathematical accuracy of the deferred tax computation; ➤ We also evaluated the potential tax implications as per ITA-2023, the reasonableness of estimates and calculations determined by management; and ➤ Finally assessed the appropriateness and presentation of disclosures as per IAS-12: Income Taxes.
<p>See note no- 3.19 & 18 to the consolidated financial statements</p>	
<p>Related Party Transactions and Disclosures</p>	
<p>The group has related party transactions and we identified the accuracy and completeness of disclosures of related party transactions as set out in the respective notes to the consolidated and separate financial statements in accordance with IAS-24: Related Party Disclosures.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ➤ Evaluated the design and tested the operating effectiveness of controls over identification and disclosure of related party transactions;

Risks	Our response to the risks
	<ul style="list-style-type: none"> ➤ Evaluated the transactions among the related parties and tested material account balances; ➤ Evaluated the Board of Director’s approval for related parties’ transactions; Sent and obtain balance confirmations to the related parties to confirm the accuracy and existence of receivables/payable balances; and ➤ Assessed the appropriateness and presentation of disclosures as per IAS-24.
<p>See note no- 3.14 & 37 to the consolidated financial statements.</p>	
<p>Carrying Value of investment in subsidiaries and associates</p>	
<p>Square Pharmaceuticals PLC. has invested in equity shares of its three subsidiaries and three associates as at 30 June 2024. Subsidiaries are Square Lifesciences Ltd. (SLL), Square Pharmaceuticals Kenya EPZ Ltd. (SPKEL) and Samson Pharma Inc., The Philippines whereas associates are Square Textiles PLC., Square Fashions Ltd. and Square Hospital Ltd. The carrying value of the investments in subsidiaries and associates as at reporting date amounted to TK. 2,624,852,483.</p> <p>We identified the investment in subsidiaries balances as a key audit matter because of the significance of these balances to the company’s financial position.</p> <p>At the time of audit of our separate financial statements of the company, we have considered the recoverable value of the company’s investment in subsidiaries and associates.</p>	<p>We have reviewed management’s analysis of impairment assessment and recoverable value of subsidiaries in accordance with IAS-36.</p> <ul style="list-style-type: none"> ➤ In particular, our discussions with management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation. The balance of the investment in subsidiaries is eliminated in the consolidation; ➤ We also checked the mathematical accuracy of the valuation model, discount rate used within the model, inputs used in the determination of assumptions within the model and corroborating information was obtained in reference to third party sources. We carefully checked the elimination of the investment in subsidiaries and found correct; ➤ We evaluated the current level of trading, including identification any indications of a downturn in activity considering our knowledge of the Group; and ➤ Finally, assessed the appropriateness and presentation of disclosures against relevant accounting standards.

Other Matter

The accounting year of the subsidiary companies – Square Pharmaceuticals Kenya EPZ Limited, Square Lifesciences Limited and Samson Pharma Inc., ends on the same date as of the Company. The company invested Tk. 5.25 crore in Samson Pharma Inc., The Philippines as share money deposit as at reporting date. Financial statements of Square Pharmaceuticals Kenya EPZ Limited and Square Lifesciences Limited have been audited by MUGO & Co. and Chowdhury Bhattacharjee & Co. respectively. Both of the auditors have expressed unmodified opinion on the financial statements as on 30 June 2024.

Financial statements of the Company for the year ended 30 June 2023 were audited by Ahmed Zaker & Co., Chartered Accountants who expressed an unmodified opinion on those financial statements.

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance of the company.

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee

that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

**Independent Auditor's Report
To the Shareholders**



Mahfel Huq & Co.
Chartered Accountants

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules 2020 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books;
- c) The Consolidated and separate statements of Financial Position, statement of profit or loss & other comprehensive income and statement of changes in equity and statement of cash flows of the Group and the Company dealt with by the report are in agreement with the books of account and returns and
- d) The expenditure was incurred for the purpose of the Company's business.

DVC: 2411070105AS992244
Dhaka, 24 October, 2024

Howlader Mahfel Huq, FCA
ICAB Enrolment No. 105
Managing Partner
Mahfel Huq & Co.
Chartered Accountants

SQUARE PHARMACEUTICALS PLC.


AND ITS SUBSIDIARIES

Consolidated Statement of Financial Position
As at 30 June 2024

Particulars	Notes	Amount in Taka	
		30 June 2024	30 June 2023
ASSETS			
Non-Current Assets:			
Property, Plant and Equipment	04	27,750,005,864	26,058,821,899
Investment in Associates	05	17,397,060,559	15,076,807,755
Investment in Marketable Securities	06	9,292,402,647	4,589,867,031
Long Term Investment - Others	07	6,992,206,904	5,603,691,927
		61,431,675,974	51,329,188,612
Current Assets:			
Inventories	08	12,582,152,295	12,227,198,105
Trade and Other Receivables	09	4,503,386,212	6,122,294,097
Advances, Deposits and Prepayments	10	2,106,522,837	2,043,302,498
Cash and Cash Equivalents	11	52,013,459,742	50,094,321,854
		71,205,521,086	70,487,116,554
TOTAL ASSETS		132,637,197,060	121,816,305,166
EQUITY AND LIABILITIES			
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
Fair Value Reserve	12	(275,040,481)	734,507,296
Tax Holiday Reserve	13	951,511,612	133,398,880
Translation Reserve	14	97,906,017	(16,905,546)
Retained Earnings	15	114,139,071,906	103,339,085,459
Attributable to Equity Holders		125,919,302,354	115,195,939,389
Non-Controlling Interests	16	2,318,478	709,376
TOTAL EQUITY		125,921,620,832	115,196,648,765
LIABILITIES			
Non-Current Liabilities:			
Long Term Loan	17.1	814,539,826	1,368,356,905
Deferred Tax Liabilities	18	619,081,523	1,022,153,780
		1,433,621,349	2,390,510,685
Current Liabilities:			
Long Term Loan - Current Portion	17.2	614,539,826	618,609,472
Trade Payables	19	1,455,428,272	1,001,758,842
Other Payables	20	1,820,943,973	1,877,962,326
Current Tax Liabilities	21	912,265,905	356,095,553
Accrued Expenses	22	286,793,273	215,721,733
Unclaimed Dividend		191,983,630	158,997,790
		5,281,954,879	4,229,145,716
TOTAL LIABILITIES		6,715,576,228	6,619,656,401
TOTAL EQUITY AND LIABILITIES		132,637,197,060	121,816,305,166
Net Assets Value (NAV) per Share	33	142.05	129.95

The annexed notes form an integral part of these financial statements.

Signed as per annexed report of even date.


Samuel S Chowdhury
Chairman


Tapan Chowdhury
Managing Director


Khandaker Habibuzzaman
Company Secretary


Howlader Mahfel Huq, FCA
Enrollment No. 105
Managing Partner
Mahfel Huq & CO.
Chartered Accountants

24 October 2024, Dhaka
DVC: 2411070105AS992244

SQUARE PHARMACEUTICALS PLC.

AND ITS SUBSIDIARIES

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2024

Particulars	Notes	Amount in Taka	
		July'23 - June'24	July'22 - June'23
Net Revenue	23	70,101,031,196	60,707,892,284
Cost of Goods Sold	24	(37,028,601,545)	(31,641,553,130)
Gross Profit		33,072,429,651	29,066,339,154
Selling and Distribution Expenses	25	(12,065,903,341)	(9,775,308,087)
Administrative Expenses	26	(1,869,931,582)	(1,665,720,785)
Finance Cost	27	(243,998,430)	(118,966,779)
Operating Expenses		(14,179,833,353)	(11,559,995,651)
Profit before Other Operating Income		18,892,596,298	17,506,343,503
Other Operating Income	28	338,685,993	715,324,751
Profit from Operations		19,231,282,291	18,221,668,254
Income from Investments	29	4,650,619,427	3,957,254,921
Profit before contribution to WPPF & WWF		23,881,901,718	22,178,923,175
Contribution to WPPF & WWF	30	(1,160,126,879)	(1,079,571,975)
Profit before Tax		22,721,774,839	21,099,351,200
Current Tax (Expense)		(4,661,815,173)	(4,787,632,217)
Deferred Tax (Expense) / Income		272,923,420	145,907,794
Income Tax Expense	31	(4,388,891,753)	(4,641,724,423)
Profit after Tax		18,332,883,086	16,457,626,777
Profit from Associate Undertakings	05	2,594,562,835	2,522,514,119
Profit for the Year		20,927,445,921	18,980,140,896
Net Unrealised Gain/(Loss) on Marketable Securities	32	(1,009,549,812)	(96,108,444)
Translation Adjustment for the Year	14.1	114,811,563	(25,903,617)
Other Comprehensive Income		(894,738,249)	(122,012,061)
Total Comprehensive Income		20,032,707,672	18,858,128,835
Profit for the Year Attributable to:			
Equity Holders of the Company		20,925,834,784	18,979,901,152
Non-Controlling Interest		1,611,137	239,744
		20,927,445,921	18,980,140,896
Total Comprehensive Income Attributable to:			
Equity Holders of the Company		20,031,098,570	18,857,889,091
Non-Controlling Interest		1,609,102	239,744
		20,032,707,672	18,858,128,835
Earnings Per Share (EPS)	34	23.61	21.41

The annexed notes form an integral part of these financial statements.

Signed as per annexed report of even date.


Samuel S Chowdhury
Chairman


Tapan Chowdhury
Managing Director


Khandaker Habibuzzaman
Company Secretary


Howlader Mahfel Huq, FCA
Enrollment No. 105
Managing Partner
Mahfel Huq & CO.
Chartered Accountants

24 October 2024, Dhaka
DVC: 2411070105AS992244

SQUARE PHARMACEUTICALS PLC.


AND ITS SUBSIDIARIES

Consolidated Statement of Changes in Equity For the Year Ended 30 June 2024

	Attributable to Equity Holders										Non-Controlling Interests	Total Equity
	Share Capital		Share Premium	General Reserve	Fair Value Reserve	Tax Holiday Reserve	Translation Reserve	Retained Earnings	Total	Non-Controlling Interests		
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka		
As At 01 July 2022	8,864,510,100	2,035,465,000	105,878,200	830,615,740	-	8,998,071	93,357,093,287	105,202,560,398	469,632	105,203,030,030	469,632	105,203,030,030
Profit for the Year	-	-	-	-	-	-	18,979,901,152	18,979,901,152	239,744	18,980,140,896	239,744	18,980,140,896
Other Comprehensive Income	-	-	-	(96,108,444)	-	(25,903,617)	-	(122,012,061)	-	(122,012,061)	-	(122,012,061)
Tax Holiday Reserve	-	-	-	-	133,398,880	-	(133,398,880)	-	-	-	-	-
Cash Dividend (2021-22)	-	-	-	-	-	-	(8,864,510,100)	(8,864,510,100)	-	(8,864,510,100)	-	(8,864,510,100)
As At 30 June 2023	8,864,510,100	2,035,465,000	105,878,200	734,507,296	133,398,880	(16,905,546)	103,339,085,459	115,195,939,389	709,376	115,196,648,765	709,376	115,196,648,765
As At 01 July 2023	8,864,510,100	2,035,465,000	105,878,200	734,507,296	133,398,880	(16,905,546)	103,339,085,459	115,195,939,389	709,376	115,196,648,765	709,376	115,196,648,765
Profit for the Year	-	-	-	-	-	-	20,925,834,784	20,925,834,784	1,611,137	20,927,445,921	1,611,137	20,927,445,921
Other Comprehensive Income	-	-	-	(1,009,547,777)	-	114,811,563	-	(894,736,214)	(2,035)	(894,738,249)	(2,035)	(894,738,249)
Tax Holiday Reserve	-	-	-	-	818,112,732	-	(818,112,732)	-	-	-	-	-
Cash Dividend (2022-23)	-	-	-	-	-	-	(9,307,735,605)	(9,307,735,605)	-	(9,307,735,605)	-	(9,307,735,605)
As At 30 June 2024	8,864,510,100	2,035,465,000	105,878,200	(275,040,481)	951,511,612	97,906,017	114,139,071,906	125,919,302,354	2,318,478	125,921,620,832	2,318,478	125,921,620,832

The annexed notes form an integral part of these financial statements.


Samuel S Chowdhury
 Chairman


Tapan Chowdhury
 Managing Director


Khandaker Habibuzzaman
 Company Secretary

24 October 2024, Dhaka
 DVC: 2411070105AS992244


SQUARE PHARMACEUTICALS PLC.

AND ITS SUBSIDIARIES

Consolidated Statement of Cash Flows
For the Year Ended 30 June 2024

Particulars	Notes	Amount in Taka	
		July'23 - June'24	July'22 - June'23
Cash Flows from Operating Activities:			
Receipts from Customers		81,983,294,868	69,067,294,111
Receipts from Others		234,875,604	142,960,770
Payments to Suppliers		(26,759,369,883)	(26,415,231,420)
Payments for Manufacturing and Operating Expenses		(22,071,698,800)	(18,079,634,944)
Payment of Value Added Tax		(10,606,003,104)	(9,852,566,118)
Cash Generated from Operations		22,781,098,685	14,862,822,399
Interest Paid		(246,139,707)	(87,677,976)
Payment of Income Tax		(4,319,988,917)	(5,126,801,672)
Payment of WPPF & WF		(1,079,571,975)	(1,051,227,994)
Others		1,393,456,209	(51,500,430)
Net Cash from Operating Activities		18,528,854,295	8,545,614,327
Cash Flows from Investing Activities:			
Purchase of Property, Plant and Equipment		(4,181,292,384)	(2,860,502,967)
Proceeds from Sale of Property, Plant and Equipment		97,439,486	78,331,531
Long Term Investment - Others		(1,388,514,977)	(597,315,847)
Investment in Marketable Securities		(5,832,321,507)	(260,698,045)
Interest Received		3,566,958,368	3,874,913,010
Dividends Received		688,759,365	552,966,126
Net Cash from/(Used in) Investing Activities		(7,048,971,649)	787,693,808
Cash Flows from Financing Activities:			
Payment of Dividend		(9,237,050,131)	(8,802,918,480)
Unclaimed Dividend transferred to CMS Fund		(37,699,634)	(32,229,859)
Proceeds from/Payment of Term Loan and Bank Overdraft		(557,886,725)	72,696,213
Net Cash Used in Financing Activities		(9,832,636,490)	(8,762,452,126)
Net Increase/(Decrease) in Cash and Cash Equivalents		1,647,246,156	570,856,009
Cash and Cash Equivalents at 01 July	11	50,094,321,854	48,962,498,334
Effect of Exchange Rate Fluctuations on Cash and Cash Equivalents		271,891,732	560,967,511
Cash and Cash Equivalents at 30 June	11	52,013,459,742	50,094,321,854
Net Operating Cash Flow (NOCF) per Share	35	20.90	9.64


Samuel S Chowdhury
Chairman


Tapan Chowdhury
Managing Director


Khandaker Habibuzzaman
Company Secretary

24 October 2024, Dhaka
DVC: 2411070105AS992244

SQUARE PHARMACEUTICALS PLC.

AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2024

1. Corporate Profile

1.1 The Group

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

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

1.2 Address of Registered Office and Factories

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

Square Pharmaceuticals PLC.	Pabna Site: Square Road, Salgaria, Pabna, Bangladesh.
	Dhaka Site: Kaliakoir, Gazipur, Bangladesh.
Square Pharmaceuticals Kenya EPZ Ltd.	Athi River EPZ, Ketengala, Machakos Country, Nairobi.
Square Lifesciences Ltd.	Patikabari, Hemayetpur, Pabna Sadar, Pabna, Bangladesh.
Samson Pharma Inc., Philippines	Quezon City, Second District, National Capital Region (NCR), Philippines

1.3 Nature of Business

Reporting Entity

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

Subsidiaries:

Square Pharmaceuticals Kenya EPZ Ltd.

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

Square Lifesciences Ltd.

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

Samson Pharma Inc., Philippines

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

2. Basis of Preparation of Financial Statements

2.1 Statement of Compliance

These consolidated financial statements as at and for the year ended 30 June 2024 have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) as adopted by the Financial Reporting Council (FRC), the Companies Act, 1994, the Bangladesh Securities and Exchange Rules, 2020 and the Financial Reporting Act, 2015. These consolidated financial statements have been prepared on accrual basis.

The consolidated financial statements for the year ended 30 June 2024 were approved by the Board of Directors and authorized for issue on 23rd October 2024.

2.2 Basis of Measurement

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

2.3 Functional and Presentation Currency

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

2.4 Estimates and Judgements

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

2.5 Going Concern

The Group reviews the available resources periodically to assess whether there exists any going concern threat. As of the end of the reporting period on 30 June 2024, the Group assessed that the existing resources of the Group are adequate and the Group has no going concern threat in the foreseeable future. As such, these financial statements have been prepared on a going concern basis.

3. Significant Accounting Policies

Accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Basis of Consolidation

a) Subsidiaries

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

Percentage of Holding Share on Subsidiary Companies is as follows:

Subsidiaries	No. of Shares	% Holding	Year End
Square Pharmaceuticals Kenya EPZ Ltd.	4,000,000	100.00%	30 June
Square Lifesciences Ltd.	9,995,000	99.95%	30 June
Samson Pharma Inc., Philippines	139,998	99.998%	30 June

b) Non-Controlling Interests

Non-Controlling Interests (NCI) are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Movements in NCI are shown in Note – 16 of the Notes to the Consolidated Financial Statements.

Subsidiaries	No. of Shares	% Holding	Year End
Square Pharmaceuticals Kenya EPZ Ltd.	-	-	30 June
Square Lifesciences Ltd.	5,000	0.05%	30 June
Samson Pharma Inc., Philippines	2	0.002%	30 June

c) Equity-Accounted Investees

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

Interests in associates are initially recognized at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of total comprehensive income of equity accounted investees until the date on which significant influence or joint control ceases. Summarized financial information of the associates are presented in Note – 5 of the Notes to the Consolidated Financial Statements.

d) Elimination on Consolidation

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

3.2 Current versus Non-Current Classification

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

Assets:

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

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

Liabilities:

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

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

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

3.3 Property, Plant and Equipment

Initial Recognition and Measurement

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

Subsequent Measurements

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

Depreciation

Depreciation of an asset begins when it is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations and the date that the asset is derecognized. Freehold land is not depreciated as it is deemed to have an infinite useful life.

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

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

Asset Category	Rate	Asset Category	Rate
Building and Other Constructions	10%	Electrical Installation	15%
Boundary Wall	10%	Gas Line Installation	15%
Plant & Machinery	15%	Books and Periodicals	30%
Laboratory Equipment	10%	Electro-Mechanical Equipment	15%
Office Equipment	10%	Software	20%-50%
Furniture & Fixture	10%	Computer and VSAT	10%
Motor Vehicle	20%	Motor Cycle	20%

Derecognition

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

3.4 Intangible Assets

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

3.5 Property, Plant and Equipment in Transit

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

3.6 Capital Work-in-Progress

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

3.7 Impairment

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

When the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, an impairment loss is recognized immediately in the consolidated statement of profit or loss. During the reporting year, no indication of impairment of any assets was found.

3.8 Investment Property

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

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

3.9 Foreign Currency Transactions

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

Foreign Operations:

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

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

1 USD = BDT 117 (Closing); BDT 112.25 (Average)
1 KES = BDT 0.912509 (Closing); BDT 0.841380 (Average)

3.10 Financial Instruments

3.10.1 Financial Assets

a) Investments in Marketable Securities

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

b) Long Term Investment - Others

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

c) Trade and Other Receivables

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

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

d) Advances, Deposits and Prepayments

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

e) Cash & Cash Equivalents

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

3.10.2 Financial Liabilities

a) Long Term Loans – Secured

Square Lifesciences Ltd. and Square Pharmaceuticals Kenya EPZ Ltd. took loans from Standard Chartered Bank, Bangladesh and Standard Chartered Bank, Kenya respectively as part of their long-term financial plan. The particulars of the loans are mentioned in Note – 17 of the Notes to the Consolidated Financial Statements.

b) Trade and Other Payables

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

3.11 Inventories

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

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

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

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

3.12 Employee Benefits

a) Short-term Benefits

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

b) Gratuity Fund

The Company has established a gratuity fund as a defined benefit plan for its permanent employees that is approved by the National Board of Revenue (NBR). The Company contributes a reliably estimated amount to the fund annually.

c) Recognized Provident Fund

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

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

d) Group Insurance Policy

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

e) Workers Profit Participation Fund and Workers Welfare Fund

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

3.13 Provisions & Contingencies

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

Contingent liabilities and assets are current or possible obligations on liabilities or assets, arising from past events and the existence of which depends upon the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the Company. No contingent liabilities were recognized in the consolidated financial statements.

3.14 Related Party Disclosures

As per IAS 24 – Related Party Disclosures, parties are considered to be related if one of the parties can control the other party or exercise significant influence over the other party in making financial and operating decisions. The Group carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in Note – 40 of the Notes to the Consolidated Financial Statements.

3.15 Operating Income

a) Revenue from Contracts with Customers:

Sales of Goods:

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

b) Export Incentives

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

3.16 Other Income

a) Interest Income

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

b) Dividend Income

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

c) Others

Gains or losses from various investments like Zero Coupon Bonds, Marketable Securities are included in Other Income. The associated cash flows are classified as investing activities in the statement of cash flows.

3.17 Leases

The Group entered rental (lease) agreements with lessors to use floor spaces for business purposes. It does not include any machinery, software, vehicles etc. These rental agreements are one-year cancellable contracts (by both parties with three months' notice period). The contracts do not offer any buying option, commitment to buy or any assurance of post-use minimum market price for the used floor spaces. Payments associated with these (short-term) leases are recognized on a straight-line basis as an expense in the statement of profit or loss.

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

Contract Period	Amount of Rental Expenses	% of Total Revenue
01 Year	BDT 58,878,982	0.07012%

3.18 Borrowing Cost:

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

3.19 Income Tax

Current Tax

Current tax for the period is the expected tax payable based on the taxable income and relevant tax rate for the year. Taxable income differs from accounting income for several reasons like items that may never be taxable or deductible for tax purposes and other items which may be deductible or taxable in different periods. Being a publicly traded pharmaceuticals company, the applicable tax rate for SPL is 22.5% for the reporting period. The applicable tax rate for Square Lifesciences Ltd. for the reporting period is 3% (as it is enjoying Tax Holiday). SPKEL is enjoying 100% tax exemption for the reporting year.

Deferred Tax

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

3.20 Earnings per Share (EPS)

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

3.21 Statement of Cash Flows

Cash Flow Statement has been prepared using 'Direct Method' as recommended by IAS 7 – Statement of Cash Flows. A reconciliation of 'Direct Method' vs 'Indirect Method' has been presented in Note – 35 as per the direction of the Bangladesh Securities and Exchange Commission (BSEC/CMRRCD/2006-158/208/Admin/81; dated: 20 June 2018).

3.22 Materiality and Aggregation

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

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

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

3.23 Offsetting

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

3.24 Concentration of Counterparty Risk

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

3.25 Unrealized Gain/(Loss) on FVOCI Financial Assets

It derives mainly due to the changes in the market price of the Marketable Securities. The Group has reported unrealized gain/(loss) from Marketable Securities as Other Comprehensive Income in the Statement of Profit or Loss and Other Comprehensive Income and in the Statement of Changes in Equity in conformity with IAS 12 – Income Taxes and IFRS 9 – Financial Instruments. As per SRO no.: 196-Act/income tax/2015, any Capital gain arising from Marketable Securities (Stocks/Debentures listed with Stock Exchanges) is subject to Tax @ 15%. Gains that are realized during the year have been accounted for accordingly through the statement of profit or loss.

3.26 Research, Development and Experimental Costs

In compliance with the requirements of IAS 38 – Intangible Assets, research, development and experimental costs are usually absorbed as revenue expenses as and when incurred, due to the development portion of the expenses not being that much material in the Group's context.

3.27 Comparative Information

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

Comparative information has been disclosed in respect of the previous year for all numerical information in the current financial statement. Narrative and descriptive information for comparative information has also been disclosed whenever it is relevant for the understanding of the current year's financial statements.

3.28 Events After Reporting Period

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

Particulars	Amount in Taka	
	30 June 2024	30 June 2023
4. Consolidated Property, Plant and Equipment: Tk. 27,750,005,864		
Cost:		
Opening Balance	47,837,735,674	43,719,669,981
Translation Adjustments to opening balance	221,339,254	-
Addition during the Year	2,918,957,136	7,744,458,216
	50,978,032,064	51,464,128,197
Disposal/Transfer during the Year	(323,804,020)	(3,626,392,523)
	50,654,228,044	47,837,735,674
Accumulated Depreciation:		
Opening Balance	23,576,848,855	23,446,178,095
Translation Adjustments to opening balance	31,894,803	-
Charged for the Year	2,318,653,384	2,309,899,446
	25,927,397,042	25,756,077,541
Disposal/Transfer during the Year	(130,849,327)	(2,179,228,686)
	25,796,547,715	23,576,848,855
Net Book Value	24,857,680,329	24,260,886,819
Consolidated Property, Plant and Equipment in Transit (Note - 04.1)	1,118,740,924	715,369,536
Consolidated Building under Construction (Note - 04.2)	1,773,584,611	1,081,705,847
Consolidated Capital Work-in-Progress (Note - 04.3)	-	859,697
Written Down Value	27,750,005,864	26,058,821,899
Details of property, plant and equipment are shown in the annexed Schedule - C1		
Depreciation charged for the Year:		
Square Pharmaceuticals PLC.	1,728,738,883	1,822,464,530
Square Lifesciences Ltd.	428,100,117	454,753,485
Square Pharmaceuticals Kenya EPZ Ltd.	161,814,384	32,681,431
	2,318,653,384	2,309,899,446
04.1 Consolidated Property, Plant and Equipment in Transit: Tk. 1,118,740,924		
Opening Balance	715,369,536	521,564,753
Addition during the Year	1,134,336,770	832,310,716
	1,849,706,306	1,353,875,469
Transfer during the Year	(730,965,382)	(638,505,933)
	1,118,740,924	715,369,536
04.2 Consolidated Building under Construction: Tk. 1,773,584,611		
Opening Balance	1,081,705,847	2,066,237,283
Addition during the Year	1,063,055,568	580,259,733
	2,144,761,415	2,646,497,016
Transfer during the Year	(371,176,804)	(1,564,791,169)
	1,773,584,611	1,081,705,847
04.3 Consolidated Capital Work-in-Progress:		
Opening Balance	859,697	4,321,378,506
Addition during the Year	-	457,676,202
	859,697	4,779,054,708
Transfer during the Year	(859,697)	(4,778,195,012)
	-	859,697

Particulars	Amount in Taka	
	30 June 2024	30 June 2023
05. Consolidated Investment in Associates: Tk. 17,397,060,559		
Opening Balance	15,076,807,755	12,874,322,006
Add: Profit/(Loss) during the Year:		
Square Textiles PLC.	501,534,080	496,660,270
Square Fashions Ltd.	1,858,942,218	1,837,855,757
Square Hospitals Ltd.	234,086,537	187,998,092
	2,594,562,835	2,522,514,119
Less: Dividend received during the Year	(274,310,031)	(320,028,370)
	17,397,060,559	15,076,807,755

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

Square Textiles PLC.:

Current Assets	12,696,384,703	8,269,586,259
Non-Current Assets	10,516,431,959	9,315,269,810
Current Liabilities	10,356,537,571	8,203,190,615
Non-Current Liabilities	3,267,597,322	283,163,333
Gross Revenue	18,926,870,794	14,967,962,444
Profit from Operations	2,022,729,609	1,573,122,058
Profit after Tax	1,081,935,648	1,071,421,609
Total Comprehensive Income	1,081,935,648	1,071,421,609

Square Fashions Ltd.:

Current Assets	21,822,054,595	17,503,699,041
Non-Current Assets	7,014,672,364	7,230,637,153
Current Liabilities	5,173,049,931	4,643,137,022
Non-Current Liabilities	-	250,022,375
Gross Revenue	25,803,049,949	25,754,432,116
Profit from Operations	3,701,226,401	3,747,815,457
Profit after Tax	3,822,500,231	3,779,140,626
Total Comprehensive Income	3,822,500,231	3,779,140,626

Square Hospitals Ltd.:

Current Assets	548,939,578	544,839,455
Non-Current Assets	4,068,061,908	3,787,028,343
Current Liabilities	1,232,142,446	1,152,620,615
Non-Current Liabilities	492,879,184	756,026,350
Gross Revenue	6,181,629,988	5,333,668,720
Profit from Operations	738,646,255	590,221,668
Profit after Tax	468,759,023	376,466,768
Total Comprehensive Income	468,759,023	376,466,768

06. Consolidated Investment in Marketable Securities: Tk. 9,292,402,647

06.1 Cost: Tk. 9,615,982,078

Opening Balance	3,773,747,813	3,423,864,487
Addition during the Year	5,944,648,543	416,887,430
Sold during the Year	(102,414,278)	(67,004,104)
	9,615,982,078	3,773,747,813

06.2 Market Value: Tk. 9,292,402,647

Opening Balance	4,589,867,031	4,346,770,865
Addition during the Year	4,814,862,652	399,285,550
Sold during the Year	(112,327,036)	(156,189,384)
	9,292,402,647	4,589,867,031

Particulars	Amount in Taka	
	30 June 2024	30 June 2023
07. Consolidated Long Term Investment - Others	6,992,206,904	5,603,691,927
07.1 Ordinary Shares (Unquoted): Tk. 127,694,430		
(i) United Hospital Ltd. (120,000 Ordinary Shares of Tk.100/- each)	12,000,000	12,000,000
(ii) CDBL (5,711,804 Ordinary Shares of Tk. 10/- each)	15,694,430	15,694,430
(iii) FAM - First Fixed Income Fund (1,000 Ordinary Shares of Tk. 100,000/- each)	100,000,000	-
	127,694,430	27,694,430
07.2 Non-Convertible Zero Coupon Bonds: Tk. 464,512,474		
(iv) LankaBangla Finance Ltd. (83 Bonds)	67,033,336	208,477,968
(v) Brac Bank Ltd. (250 Bonds)	238,677,650	346,041,600
(vi) Sajida Foundation Ltd.	-	174,380,055
(vii) IDLC Finance Ltd. (320 Bonds)	158,801,488	247,097,874
	464,512,474	975,997,497
07.3 Non-Convertible Subordinated Bonds: Tk. 6,400,000,000		
(viii) Mutual Trust Bank Ltd. (220 Bonds)	2,200,000,000	2,600,000,000
(ix) Southeast Bank Ltd. (4,000 Bonds)	400,000,000	500,000,000
(x) Islami Bank Bangladesh Ltd. (40 Bonds)	400,000,000	500,000,000
(xi) Trust Bank Ltd. (40 Bonds)	400,000,000	500,000,000
(xii) Eastern Bank Ltd. (50 Bonds)	500,000,000	500,000,000
(xiii) Prime Bank Ltd. (100 Bonds)	1,000,000,000	-
(xiv) Dutch Bangla Bank Ltd. (150 Bonds)	1,500,000,000	-
	6,400,000,000	4,600,000,000
08. Consolidated Inventories: Tk. 12,582,152,295		
Raw Materials	4,801,972,525	4,784,438,787
Packing Materials	1,272,032,952	1,437,690,908
Work-in-Process	784,057,550	643,978,545
Finished Goods	3,825,932,863	3,596,262,767
Spares & Accessories	1,044,608,061	948,429,583
Goods- in-Transit	853,548,344	816,397,516
	12,582,152,295	12,227,198,105
09. Consolidated Trade and Other Receivables: Tk. 4,503,386,212		
Trade Receivables (Note - 09.1)	2,551,026,541	3,420,722,992
Other Receivables (Note - 09.2)	1,952,359,671	2,701,571,105
	4,503,386,212	6,122,294,097
09.1 Consolidated Trade Receivables: Tk. 2,551,026,541		
(a) Trade receivables occurred in the ordinary course of business are unsecured but considered good. Ageing of the Trade Debtors is as follows:		
Below 30 days	1,462,836,383	2,459,965,480
Within 31-60 days	298,484,091	247,717,545
Within 61-90 days	213,976,142	109,945,444
Above 90 days	575,729,926	603,094,523
	2,551,026,541	3,420,722,992

Particulars	Amount in Taka	
	30 June 2024	30 June 2023
09.2 Consolidated Other Receivables: Tk. 1,952,359,671		
Interest Receivable from Fixed Deposit Receipts	1,520,761,823	803,553,263
Interest Receivable from Short Notice Deposits	1,300	11,655,648
Gain against Zero Coupon Bonds (Receivable)	87,443,698	107,963,299
Interest Receivable from Subordinated Bonds	47,324,767	73,060,411
Accrued Income	66,828,083	101,546,114
Insurance Claim Receivable	230,000,000	1,603,792,370
	1,952,359,671	2,701,571,105
	2,106,522,837	2,043,302,498
10. Consolidated Advances, Deposits and Prepayments		
10.1 Advances: Tk. 1,198,947,051		
Employees	283,810,814	361,960,283
Advance Income Tax	214,738,457	394,361
Land Purchase	84,081,400	28,617,600
Suppliers	616,316,380	318,119,249
	1,198,947,051	709,091,493
10.2 Deposits: Tk. 806,064,696		
Value Added Tax	387,160,183	826,738,793
Earnest Money & Security Deposit	405,903,499	425,567,338
Others	13,001,014	286,070
	806,064,696	1,252,592,201
10.3 Prepayments: Tk. 101,511,090		
Office Rent	23,242,440	10,303,999
Insurance Premium	78,268,650	71,314,805
	101,511,090	81,618,804
	52,013,459,742	50,094,321,854
11. Cash and Cash Equivalents		
11.1 Cash in Hand	6,888,325	11,900,860
11.2 Cash at Bank:		
Current Accounts	112,392,110	494,559,432
STD & SND Accounts	14,182,411,481	14,906,548,891
Export Retention Quota Accounts (held in USD)	174,360,222	429,895,379
Margin Held Accounts (held in USD)	525,205,243	531,884,571
Dividend Accounts	191,983,630	158,997,790
	15,186,352,686	16,521,886,062
11.3 Fixed Deposit Receipts (FDRs):		
FDRs held in BDT	33,000,381,792	30,808,367,726
FDRs held in USD	3,819,836,939	2,752,167,206
	36,820,218,731	33,560,534,932
12. Consolidated Fair Value Reserve: Tk. (275,040,481)		
Opening Balance	734,507,296	830,615,740
Add: Unrealised Gain/(Loss) on Marketable Securities for the Year (Note - 32)	(1,139,696,255)	(106,787,160)
Less: Current Year's Deferred Tax (Expense)/Income (Note - 18.2)	130,148,478	10,678,716
Closing Balance	(275,040,481)	734,507,296

Particulars	Amount in Taka	
	30 June 2024	30 June 2023
13. Consolidated Tax Holiday Reserve: Tk. 951,511,612		
Opening Balance	133,398,880	-
Add: Transferred from Retained Earnings (Note - 15)	818,112,732	133,398,880
Closing Balance	951,511,612	133,398,880

This represents exempted tax of Square Lifesciences Ltd. arising from tax holiday benefit as per Section 81 of the Income Tax Act 2023 (Erstwhile, Section 46BB (1)(ii) of Income Tax Ordinance, 1984).

14. Consolidated Translation Reserve: Tk. 97,906,017		
Opening Balance	(16,905,546)	8,998,071
Translation Adjustment for the Year (Note - 14.1)	114,811,563	(25,903,617)
Closing Balance	97,906,017	(16,905,546)

14.1 Current Year's Translation Adjustment: Tk. 114,811,563		
Square Pharmaceuticals Kenya EPZ Ltd.:		
Opening Net Assets	(756,448,121)	(954,411,676)
Add: (Profit)/Loss for the Year	206,452,708	172,059,938
Less: Closing Net Assets	664,806,976	756,448,121
Translation Adjustment for the Year	114,811,563	(25,903,617)

15. Consolidated Retained Earnings: Tk. 114,139,071,906		
Opening Balance	103,339,085,459	93,357,093,287
Add: Net Profit attributable to Equity Holders	20,925,834,784	18,979,901,152
Less: Transferred to Tax Holiday Reserve (Note - 13)	(818,112,732)	(133,398,880)
Less: Cash Dividend	(9,307,735,605)	(8,864,510,100)
Closing Balance	114,139,071,906	103,339,085,459

16. Non Controlling Interest: Tk. 2,318,478		
Opening Balance	709,376	469,632
Add: Net Profit attributable to Non Controlling Interest	1,611,137	239,744
Add: Unrealised Gain/(Loss) on Marketable Securities	(2,035)	-
Closing Balance	2,318,478	709,376

Non Controlling Interests in Subsidiaries:	Country of Incorporation	Proportion of Ownership Interest
Square Lifesciences Ltd.	Bangladesh	0.05000%
Square Pharmaceuticals Kenya EPZ Ltd.	Kenya	-
Samson Pharma Inc.	Philippines	0.00143%

17. Consolidated Loans and Borrowings: Tk. 1,429,079,652		
Term Loan - Non Current Portion (Note - 17.1)	814,539,826	1,368,356,905
Term Loan - Current Portion (Note - 17.2)	614,539,826	618,609,472
	1,429,079,652	1,986,966,377

17.1 Term Loan - Non Current Portion: Tk. 814,539,826		
a) Standard Chartered Bank, Kenya	214,539,826	368,356,905
b) Standard Chartered Bank, Bangladesh	600,000,000	1,000,000,000
Due after one year	814,539,826	1,368,356,905

Particulars	Amount in Taka	
	30 June 2024	30 June 2023
17.2 Term Loan - Current Portion: Tk. 614,539,826		
a) Standard Chartered Bank, Kenya	214,539,826	118,609,472
b) Standard Chartered Bank, Bangladesh	400,000,000	500,000,000
Due within one year	614,539,826	618,609,472
a) At the period ended Square Pharmaceuticals Kenya EPZ Ltd. had term loan borrowings of KES 65,31,52,900.00, which will be paid in five years with the interest rate of 5% plus 1 Year T-Bill. The loan is secured by a corporate guarantee by SPL, issued in favour of the company with due permission of Bangladesh Bank. Repayment of the loan was started from October 2023.		
b) The loan has been disbursed by Standard Chartered Bank, Bangladesh for Square Lifesciences Ltd., Bangladesh at floating interest rate a floor rate of 5.25% per annum. Repayment of the loan has been started from 30th March 2023.		
18. Consolidated Deferred Tax Liabilities: Tk. 619,081,523		
Deferred Tax - Property, Plant and Equipment:		
a) Square Pharmaceuticals PLC. (Note-18.1a)	673,568,392	944,474,683
b) Square Lifesciences Ltd. (Note-18.1b)	(5,949,954)	(3,932,825)
	667,618,438	940,541,858
Deferred Tax - Marketable Securities (Note-18.2)	(48,536,915)	81,611,922
	619,081,523	1,022,153,780
18.1 Deferred Tax - Property, Plant and Equipment:		
a) Square Pharmaceuticals PLC.: Tk. 673,568,392		
Carrying Amount	12,418,606,865	14,781,663,185
Tax Base	9,424,969,566	10,583,997,926
Taxable/(Deductible) Temporary Difference	2,993,637,299	4,197,665,259
Tax Rate	22.50%	22.50%
Closing Liabilities	673,568,392	944,474,683
Opening Liabilities	944,474,683	1,086,449,652
Current Year's Expense/(Income)	(270,906,291)	(141,974,969)
b) Square Lifesciences Ltd.: Tk. (5,949,954)		
Carrying Amount	2,644,054,308	3,035,322,013
Tax Base	2,860,416,259	3,166,416,195
Taxable/(Deductible) Temporary Difference	(216,361,951)	(131,094,182)
Tax Rate	2.75%	3.00%
Closing Liabilities	(5,949,954)	(3,932,825)
Opening Liabilities	(3,932,825)	-
Current Year's Expense/(Income)	(2,017,129)	(3,932,825)
* Property, plant and equipment excluding Lands, PPE in transit and assets under construction.		
18.2 Deferred Tax - Marketable Securities: Tk. (48,536,915)		
Carrying Amount	9,292,402,647	4,589,867,031
Tax Base	9,615,982,078	3,773,747,813
Taxable/(Deductible) Temporary Difference	(323,579,431)	816,119,218
Tax Rate	15.00%	10.00%
Closing Liabilities	(48,536,915)	81,611,922
Opening Liabilities	81,611,922	92,290,638
Current Year's Expense/(Income)	(130,148,837)	(10,678,716)
19. Consolidated Trade Payables	1,455,428,272	1,001,758,842

Particulars	Amount in Taka	
	30 June 2024	30 June 2023
This represents amount payable to regular suppliers of raw materials, packing materials, promotional materials etc. All suppliers were paid on a regular basis.		
20. Consolidated Other Payables: Tk. 1,820,943,973		
Sundry Creditors	539,395,363	681,091,577
Income Tax (Deduction at Source)	41,974,116	59,076,245
Retention Money	50,300,089	26,933,726
Workers' Profit Participation Fund and Welfare Fund	1,160,126,879	1,079,571,975
Interest Payable	29,147,526	31,288,803
	1,820,943,973	1,877,962,326
21. Consolidated Current Tax Liabilities: Tk. 912,265,905		
Opening balance	356,095,553	911,504,873
Provision for the Period/Year	4,662,464,482	4,787,632,217
Tax Paid (including Advance Income Tax) during the Period/Year	(4,106,294,130)	(5,343,041,537)
	912,265,905	356,095,553
22. Consolidated Accrued Expenses: Tk. 286,793,273		
Accrued Expenses	285,502,944	214,521,733
Audit Fees	1,290,329	1,200,000
	286,793,273	215,721,733
	July'23-June'24	July'22-June'23
23. Consolidated Net Revenue: Tk. 70,101,031,196		
Square Pharmaceuticals PLC. (Note - 23.1)	59,015,425,491	58,419,084,978
Square Lifesciences Ltd. (Note - 23.2)	10,856,418,665	2,244,303,422
Square Pharmaceuticals Kenya EPZ Ltd.	229,187,040	44,503,884
	70,101,031,196	60,707,892,284
23.1 Square Pharmaceuticals PLC.: Tk. 59,015,425,491		
Local:		
Gross Revenue	67,822,570,315	67,617,404,495
Value Added Tax	(9,033,770,921)	(9,185,006,544)
Revenue without VAT	58,788,799,394	58,432,397,951
Discount	(2,168,346,999)	(1,969,711,139)
Net Revenue - Local	56,620,452,395	56,462,686,812
Export Revenue - Equivalent to USD21,632,517 (Jul'22-Jun'23: USD19,550,405)	2,394,973,095	1,956,398,166
	59,015,425,491	58,419,084,978
23.2 Square Lifesciences Ltd.: Tk. 10,856,418,665		
Local:		
Gross Revenue	13,518,079,157	2,717,066,940
Value Added Tax	(2,011,810,793)	(402,684,077)
Revenue without VAT	11,506,268,364	2,314,382,863
Discount	(657,540,822)	(70,079,441)
Net Revenue - Local	10,848,727,542	2,244,303,422
Export Revenue - Equivalent to USD70,213	7,691,123	-
	10,856,418,665	2,244,303,422

Particulars	Amount in Taka	
	July'23-June'24	July'22-June'23
24. Consolidated Cost of Goods Sold: Tk. 37,028,601,545		
Raw Materials Consumed (Note - 24.1)	16,401,686,140	14,636,345,863
Packing Materials Consumed (Note - 24.3)	7,791,373,350	6,835,822,051
Cost of Materials Consumed	24,193,059,491	21,472,167,914
Add: Manufacturing Overhead (Note - 24.2)	10,087,052,888	8,923,031,097
Total Manufacturing Cost	34,280,112,379	30,395,199,011
Add: Opening Work-in-Process	640,298,501	446,012,445
Less: Closing Work-in-Process	(780,377,506)	(641,707,131)
Cost of Goods Manufactured	34,140,033,374	30,199,504,325
Add: Opening Finished Goods	3,585,938,769	2,549,985,110
Add: Purchase of Finished Goods	3,519,911,869	2,833,212,050
Less: Cost of Physician Sample	(391,349,604)	(348,680,781)
Cost of Goods Available for Sale	40,854,534,408	35,234,020,704
Less: Closing Finished Goods	(3,825,932,863)	(3,592,467,574)
	37,028,601,545	31,641,553,130
24.1 Consolidated Raw Materials Consumed: Tk. 16,401,686,140		
Opening Stock	4,784,438,787	2,707,894,958
Purchase during the year	16,419,219,879	16,733,285,689
Closing Stock	(4,801,972,525)	(4,804,834,784)
	16,401,686,140	14,636,345,863
24.2 Consolidated Manufacturing Overhead: Tk. 10,087,052,888		
Salaries & Allowances	3,115,790,324	2,754,926,235
Contribution to Provident Fund	73,197,742	61,045,540
Contribution to Gratuity Fund	229,937,681	227,510,813
Entertainment, Staff Lunch & Refreshments	171,097,269	161,231,674
Training & Development	1,811,051	709,823
Staff Uniform	77,326,398	106,757,670
Travelling & Conveyance	54,783,098	57,231,048
Laboratory Consumables	715,618,854	595,310,795
Research and Product Development	210,824,106	219,162,545
Printing & Stationery	90,883,447	85,785,180
Courier, Telephone, Cell phone & Internet	10,309,138	9,457,332
Rental Expenses	1,254,070	1,677,710
Utilities Expense	1,578,306,045	1,089,013,810
Sanitation Expenses	131,190,145	92,426,865
Petrol, Oil & Lubricants	243,523,884	155,695,859
Generator Rental Expenses	9,700,000	2,400,000
Repairs & Maintenance - Factory	1,113,702,529	1,083,631,157
Repairs & Maintenance - Vehicle	105,967,313	108,961,038
Insurance Premium	48,769,483	28,211,590
Security Services	63,086,678	70,104,291
Govt. Taxes & License Fees	23,839,474	21,796,904
Toll Charges	92,280,004	72,671,052
Software, Hardware Support & VSAT Services	68,679,178	73,962,974
Depreciation	1,853,977,522	1,842,237,062
Employees Welfare & Medical Expenses	1,197,455	1,112,130
	10,087,052,888	8,923,031,097

Particulars	Amount in Taka	
	July'23-June'24	July'22-June'23
24.3 Consolidated Packing Materials Consumed: Tk. 7,791,373,350		
Opening Stock	1,437,690,908	856,951,586
Purchase during the year	7,625,715,394	7,510,377,192
Closing Stock	(1,272,032,952)	(1,531,506,727)
	7,791,373,350	6,835,822,051
25. Consolidated Selling and Distribution Expenses: Tk. 12,065,903,341		
Salaries & Allowances	1,701,936,570	1,456,316,499
Contribution to Provident Fund	132,295,530	110,187,268
Contribution to Gratuity Fund	487,388,824	526,292,133
Entertainment, Staff Lunch & Refreshments	43,551,390	39,006,698
Training & Development	7,522,102	6,565,059
Staff Uniform	15,281,875	13,639,956
Travelling & Conveyance	181,700,601	161,964,137
Printing & Stationery	77,080,947	92,890,627
Courier, Telephone, Cell phone & Internet	97,615,335	88,768,665
Office and Godown Rent	34,852,541	30,644,118
Utilities Expense	45,870,184	35,498,643
Sanitation Expenses	17,320,823	15,163,573
Field Staff Salaries, Allowances, TA & DA	3,878,407,730	3,292,450,861
Target Incentive to Field Staff	642,118,705	257,457,522
Promotional Expenses	1,352,579,968	956,461,346
Marketing Expenses	440,338,174	269,995,262
Pharmacovigilance	55,745,513	39,966,154
Marketing Website Platform Software Maintenance	22,452,600	22,452,600
Event, Programs and Conference	511,452,591	309,235,241
Literature and Publications	170,861,030	103,247,913
Market Research & Survey Expenses	18,321,754	16,730,282
Advertisement	1,056,670	1,613,683
Delivery & Packing Expenses	254,728,425	218,321,379
Export Expenses	239,540,571	211,547,449
Sample Expenses	405,264,880	368,248,142
Faulty & Obsolete Goods	115,674,848	99,799,446
Repairs & Maintenance - Office	104,761,658	132,088,031
Repairs & Maintenance - Vehicle	543,737,769	444,714,948
Insurance Premium	5,880,749	5,950,719
Security Services	97,502,437	91,088,056
Govt. Taxes & License Fees	34,785,334	37,349,084
Bank Charges	17,540,530	11,140,432
Software, Hardware Support & VSAT Services	67,005,239	69,072,270
Depreciation	242,420,705	238,351,175
Other Expenses	1,308,739	1,088,716
	12,065,903,341	9,775,308,087

Particulars	Amount in Taka	
	July'23-June'24	July'22-June'23
26. Consolidated Administrative Expenses: Tk. 1,869,931,582		
Salaries & Allowances	542,472,799	502,403,007
Contribution to Provident Fund	13,117,745	11,839,856
Contribution to Gratuity Fund	62,815,951	71,650,022
Directors' Remuneration	88,875,000	87,901,250
Independent Directors' Honorarium	600,000	600,000
Entertainment, Staff Lunch & Refreshments	91,907,312	84,410,528
Training & Development	9,784,948	8,692,257
Staff Uniform	3,599,228	3,326,217
Travelling & Conveyance	205,879,587	135,368,992
Printing & Stationery	20,497,167	22,041,258
Courier, Telephone, Cell phone & Internet	11,554,268	10,647,232
Office Rent	22,772,371	20,138,560
Lease Premium	5,055,354	3,899,937
Utilities Expense	27,445,818	25,036,810
Sanitation Expenses	9,740,338	8,614,250
Subscription and Donation	8,032,210	7,600,346
Legal & Professional Fees	9,573,026	7,531,439
Audit Fees	1,752,191	1,434,146
Advertisement	1,806,881	3,347,428
Repairs & Maintenance - Office	174,273,240	159,106,474
Repairs & Maintenance - Vehicle	105,543,008	95,379,263
Insurance Premium	31,323,989	19,395,324
Security Services	63,526,476	50,253,325
Govt. Taxes & License Fees	51,243,320	17,171,689
Bank Charges	10,032,847	10,662,305
Software & Hardware Support Services	53,639,107	56,188,921
Depreciation	235,232,620	229,311,208
Other Expenses	7,834,781	11,768,741
	1,869,931,582	1,665,720,785
27. Consolidated Finance Cost: Tk. 243,998,430		
Square Pharmaceuticals PLC.	27,943	21,966
Square Lifesciences Ltd.	118,032,366	97,995,486
Square Pharmaceuticals Kenya EPZ Ltd.	125,938,121	20,949,327
	243,998,430	118,966,779
28. Consolidated Other Operating Income: Tk. 338,685,993		
Rental Income	1,633,926	1,846,640
Sale of Scrap	69,501,294	54,768,479
Gain on Fluctuation of Foreign Currency	346,524,619	650,103,930
Cash Incentive against Export	128,761,100	83,034,900
P.F Forfeiture Amount	261,253	616,616
Tech Transfer fees	-	4,752,500
Gain/(Loss) on Disposal of Property, Plant and Equipment	(207,996,199)	(79,798,314)
	338,685,993	715,324,751

Particulars	Amount in Taka	
	July'23-June'24	July'22-June'23
29. Consolidated Income from Investments: Tk. 4,650,619,427		
Interest from Deposits	2,809,104,447	2,672,328,278
Interest from Short Notice Deposits	854,280,773	543,895,327
Gain on Redemption of Zero Coupon Bond	58,995,376	95,500,731
Interest from Subordinate Bonds	503,876,739	323,407,549
Dividend Income	414,449,334	232,937,756
Gain on Marketable Securities (Realized)	9,912,758	89,185,281
	4,650,619,427	3,957,254,921
30. Consolidated Allocation for WPPF & WF: Tk. 1,160,126,879		
Square Pharmaceuticals PLC.	994,392,153	1,054,856,121
Square Lifesciences Ltd.	165,734,726	24,715,854
	1,160,126,879	1,079,571,975
31. Consolidated Income Tax Expense: Tk. 4,388,891,753		
Current Tax Expense:		
Square Pharmaceuticals PLC.	4,567,377,453	4,768,869,879
Square Lifesciences Ltd.	94,437,720	18,762,338
	4,661,815,173	4,787,632,217
Deferred Tax Expense/(Income):		
Square Pharmaceuticals PLC.	(270,906,291)	(141,974,969)
Square Lifesciences Ltd.	(2,017,129)	(3,932,825)
	(272,923,420)	(145,907,794)
	4,388,891,753	4,641,724,423
32. Consolidated Unrealised Gain/(Loss) on Marketable Securities: Tk. (1,009,549,812)		
Closing Unrealised Gain/(Loss)	(323,579,431)	816,119,218
Less: Opening Unrealised Gain/(Loss)	816,119,218	922,906,378
	(1,139,698,649)	(106,787,160)
Less: Related Deferred Tax	130,148,837	10,678,716
	(1,009,549,812)	(96,108,444)
33. Consolidated Net Asset Value (NAV) per Share: Tk. 142.05		
Net Asset attributable to the Ordinary Shareholders	125,919,290,900	115,195,939,389
Number of Shares outstanding	886,451,010	886,451,010
Net Asset Value (NAV) per Share	142.05	129.95
34. Consolidated Earnings per Share (EPS): Tk. 23.61		
Profit for the Period	20,927,445,920	18,980,140,896
Number of Shares outstanding	886,451,010	886,451,010
Earnings per Share (EPS)	23.61	21.41
35. Consolidated Net Operating Cash Flow (NOCF) per Share: Tk. 20.90		
Net Cash Generated from Operating Activities (Note-35.1)	18,528,854,295	8,545,614,327
Number of Shares outstanding	886,451,010	886,451,010
Net Operating Cash Flow (NOCF) per Share	20.90	9.64

Particulars	Amount in Taka	
	July'23-June'24	July'22-June'23
35.1 Consolidated Reconciliation of Net Profit with Net Cash Generated from Operating Activities:		
Profit for the Year	20,927,445,920	18,980,140,896
Adjustments for:		
Non-Cash Income/Expenses:		
Depreciation	2,318,653,384	2,309,899,446
Effect of Exchange Rate Fluctuations on Cash and Cash Equivalents	(461,336,182)	(524,712,563)
Profit from Associate Undertakings	(2,571,657,036)	(2,522,514,119)
Translation Adjustments	114,811,563	(25,903,617)
Deferred Tax (Expense) / Income	(272,923,420)	(145,907,794)
	<u>(872,451,691)</u>	<u>(909,138,647)</u>
Non-Operating Income/Expenses:		
Income from Investments (Note - 30)	(4,650,619,427)	(3,957,254,921)
Gain/(Loss) on Disposal of Property, Plant and Equipment	207,996,199	79,798,314
	<u>(4,442,623,228)</u>	<u>(3,877,456,607)</u>
Changes in Working Capital:		
Inventories	(354,954,190)	(4,176,683,163)
Trade Receivables	869,696,452	(1,261,656,277)
Other Receivables	1,408,510,401	(101,546,114)
Advances, Deposits and Prepayments	(7,107,230)	(252,851,628)
Trade Payables	428,936,567	375,773,935
Other Payables	(55,840,598)	289,521,628
Current Tax Liabilities	556,170,352	(555,409,320)
Accrued Expenses	71,071,540	34,919,625
	<u>2,916,483,294</u>	<u>(5,647,931,314)</u>
Net Cash from Operating Activities	<u>18,528,854,295</u>	<u>8,545,614,327</u>
36. Consolidated Contingent Liabilities:		
Liabilities for at Sight Letter of Credit as of 30 June 2024:		
a) Square Pharmaceuticals PLC.: Tk. 6,814,719,535.		
b) Square Lifesciences Ltd.: Tk. 919,216,341		
37. Related Party Transactions:		
A. Associates:		
Square Textiles PLC. (46.36% share):		
Opening Balance	-	-
Addition during the Period	5,738,075,000	4,035,238,300
Realized during the Period	(5,738,075,000)	(4,035,238,300)
Closing Balance	<u>-</u>	<u>-</u>
Square Fashions Ltd. (48.63% share):		
Opening Balance	-	-
Addition during the Period	5,412,136,986	5,790,492,559
Realized during the Period	(5,412,136,986)	(5,790,492,559)
Closing Balance	<u>-</u>	<u>-</u>
Square Hospitals Ltd. (49.94% Shares):		
Opening Balance	-	-
Addition during the Period	40,546,092	33,153,788
Paid during the Year	(40,546,092)	(33,153,788)
Closing Balance (Payable)	<u>-</u>	<u>-</u>

Particulars	Amount in Taka	
	July'23-June'24	July'22-June'23
B. Subsidiaries of Associates:		
Square Denims Ltd. (Subsidiary of Square Fashions Ltd.):		
Opening Balance	-	-
Addition during the Period	1,991,413,079	600,276,689
Realized during the Period	(1,991,413,079)	(600,276,689)
Closing Balance	-	-
Square Apparels Ltd. (Subsidiary of Square Fashions Ltd.):		
Opening Balance	-	-
Addition during the Period	1,871,858,524	738,039,604
Realized during the Period	(1,871,858,524)	(738,039,604)
Closing Balance	-	-
C. Others:		
Square InformatiX Ltd. (Service Provider):		
Opening Balance	-	-
Addition during the Period	171,168,313	178,527,012
Paid during the Year	(171,168,313)	(178,527,012)
Closing Balance (Payable)	-	-
Square Toiletries Ltd. (Supplier):		
Opening Balance	-	-
Addition during the Period	103,998,805	57,517,682
Paid during the Year	(103,998,805)	(57,412,739)
Closing Balance (Payable)	-	104,943
Square Food & Beverages Ltd. (Supplier):		
Opening Balance	-	-
Addition during the Period	121,004,236	96,108,831
Paid during the Year	(121,004,236)	(96,108,831)
Closing Balance (Payable)	-	-
Square Securities Management Ltd. (Port Folio Management):		
Opening Balance	121,108,758	373,879,860
Addition during the Period	3,909,647,957	164,120,873
Realized during the Period	(4,020,096,974)	(416,891,975)
Closing Balance	10,659,741	121,108,758
Pharma Packages (Pvt.) Ltd. (Supplier):		
Opening Balance	23,321,437	13,692,778
Addition during the Period	1,623,047,662	682,882,899
Paid during the Year	(1,546,884,862)	(673,254,240)
Closing Balance (Payable)	99,484,237	23,321,437
AEGIS Services Ltd. (Service Provider):		
Opening Balance	1,097,545	-
Addition during the Period	377,042,924	298,267,657
Paid during the Year	(378,140,469)	(297,170,112)
Closing Balance (Payable)	-	1,097,545

SQUARE PHARMACEUTICALS PLC.

Schedule of Consolidated Property, Plant and Equipment

As at 30 June 2024

Schedule-C1

PARTICULARS	C O S T				ACCUMULATED DEPRECIATION				Written Down Value as at 30 June 2024	Rate of Dep.	
	At 01 July 2023		During the Year		At 01 July 2023		For the Year				At 30 June 2024
	Additions	Disposals/Transfer	Charged	Disposals/Transfer	Charged	Disposals/Transfer					
Manufacturing Plants:											
Land	4,360,485,249	-	383,090,705	133,005,407	-	-	-	-	-	4,610,570,547	-
Building	9,246,207,083	-	144,422,868	-	5,290,375,763	410,766,565	-	5,701,142,328	-	3,689,487,623	10%
Boundary Wall	593,903	-	-	-	445,066	14,884	-	459,950	-	133,953	10%
Plant & Machinery	16,772,289,997	-	267,920,230	9,257,349	11,081,957,679	965,362,370	8,677,563	12,038,642,486	-	4,992,310,392	15%
Laboratory Equipment	2,851,369,683	-	53,167,484	-	1,392,804,473	148,470,905	-	1,541,275,378	-	1,363,261,789	10%
Furniture & Fixture	2,046,203,833	-	15,215,051	-	2,061,418,884	638,566,167	-	715,385,160	-	1,346,033,724	10%
Office Equipment	905,260,267	-	38,960,894	-	944,221,161	418,268,033	-	469,280,550	-	474,940,611	10%
Computer	277,656,367	-	8,376,033	177,232	125,559,065	15,618,269	98,610	141,078,724	-	144,776,444	10%
Motor Vehicles	603,531,528	-	73,690,000	30,362,500	363,793,129	52,390,733	22,204,778	393,979,084	-	252,879,944	20%
Electromechanical Equipment	1,780,959,164	-	18,225,363	-	1,040,308,814	123,783,048	-	1,164,091,862	-	635,092,665	15%
Electrical Installation	362,641,882	-	-	-	185,902,138	26,510,962	-	212,413,100	-	150,228,782	15%
Gas Line Installation	58,893,015	-	-	-	44,588,910	2,145,616	-	46,734,526	-	12,158,489	15%
Sub-Total	39,266,091,971	1,003,068,628	1,003,068,628	172,802,488	20,582,569,237	1,872,894,862	30,980,951	22,424,483,148	17,671,874,963		
Sales & Distribution:											
Land	1,129,195,363	-	123,216,130	-	-	-	-	-	-	1,252,411,493	-
Building	624,557,342	-	-	-	324,440,303	30,011,705	-	354,452,008	-	270,105,334	10%
Boundary Wall	19,403,221	-	-	-	9,446,541	995,668	-	10,442,209	-	8,961,012	10%
Motor Vehicles	1,419,176,894	-	177,745,000	77,190,000	868,250,966	124,484,479	47,587,305	945,148,140	-	574,583,754	20%
Motor Cycle	614,180,492	-	103,945,000	55,273,501	309,323,024	72,766,901	38,415,401	343,674,524	-	319,177,467	20%
Furniture & Fixture	138,973,602	-	12,209,016	26,314	71,815,304	6,884,431	14,587	78,685,678	-	72,470,626	10%
Office Equipment	58,002,946	-	3,865,900	604	35,362,178	2,386,104	523	37,747,759	-	24,120,483	10%
VSAT	7,559,700	-	14,907,036	866,113	5,298,651	226,105	-	5,524,756	-	2,034,944	10%
Computer & Network Equipment	70,185,525	-	-	-	35,272,140	4,665,312	657,722	39,279,730	-	44,946,718	10%
Sub-Total	4,081,235,085	435,888,082	435,888,082	133,356,532	1,659,209,637	242,420,705	86,675,538	1,814,954,804	2,568,811,831		
Admin:											
Land	1,142,226,146	-	1,480,591,074	-	-	-	-	-	-	2,622,817,220	-
Building	1,844,798,170	-	36,631,246	-	1,881,429,416	150,916,335	-	505,462,209	-	1,375,967,207	10%
Furniture & Fixture	59,561,924	-	2,941,408	-	38,894,972	2,158,038	-	41,053,010	-	21,450,322	10%
Office Equipment	53,894,839	-	6,744,073	-	60,638,912	2,404,874	-	38,445,328	-	22,193,584	10%
Computer	415,139,418	-	2,787,879	-	192,010,196	22,489,035	-	214,499,231	-	203,428,066	10%
Motor Vehicles	809,450,248	-	171,414,000	17,645,000	550,507,874	56,869,859	13,192,838	594,184,895	-	369,034,353	20%
Motor Cycle	226,000	-	230,000	-	25,882	46,703	-	72,585	-	383,415	20%
Books & Periodicals	528,794	-	-	-	528,794	22	-	528,794	-	-	30%
SAP Software	148,224,164	-	-	-	148,116,493	53,836	-	148,170,329	-	53,835	50%
Electrical Installation	16,358,915	-	-	-	14,399,464	293,918	-	14,693,382	-	1,665,533	15%
Sub-Total	4,490,408,618	1,701,339,680	1,701,339,680	17,645,000	1,335,069,981	235,232,620	13,192,838	1,557,109,763	4,616,993,535		
Total	47,837,735,674	3,140,296,390	3,140,296,390	323,804,020	23,576,848,855	2,350,548,187	130,849,327	25,796,547,715	24,857,680,329		
Property, Plant & Equipment in Transit	715,369,536	1,134,336,770	1,134,336,770	730,965,382	-	-	-	-	-	1,118,740,924	
Building under Construction	1,081,705,847	1,063,055,568	1,063,055,568	371,176,804	-	-	-	-	-	1,773,584,611	
Capital Work in Progress	859,697	-	-	859,697	-	-	-	-	-	-	
Carrying Value as on 30 June 2024	49,635,670,754	5,337,688,728	5,337,688,728	1,426,805,903	23,576,848,855	2,350,548,187	130,849,327	25,796,547,715	27,750,005,864		

SQUARE PHARMACEUTICALS PLC.
Schedule of Consolidated Property, Plant and Equipment
As at 30 June 2023

Schedule - C1.a

PARTICULARS	C O S T			ACCUMULATED DEPRECIATION			Written Down Value as at 30 June 2023	Rate of Depn.
	During the Year		At 30 June 2023	For the Year		At 30 June 2023		
	Additions	Disposals/Transfer		Charged	Disposals/Transfer			
Manufacturing Plants:								
Land	4,240,889,431	3,720,617	4,360,485,249	-	-	-	4,360,485,249	-
Building	9,357,973,683	785,599,988	9,246,207,083	5,324,494,843	389,085,517	5,290,375,763	3,955,831,320	10%
Boundary Wall	593,903	-	593,903	428,528	16,538	445,066	148,837	10%
Plant & Machinery	16,606,833,941	2,537,544,024	16,772,289,997	11,638,530,359	931,425,319	11,081,957,679	5,690,332,318	15%
Laboratory Equipment	2,464,309,361	496,419,248	2,851,369,683	1,295,596,324	155,298,670	1,392,804,473	1,458,565,210	10%
Furniture & Fixture	1,258,328,935	856,272,020	2,046,203,833	572,374,877	98,161,592	31,970,302	1,407,637,666	10%
Office Equipment	881,647,653	88,111,881	905,260,267	394,038,526	52,101,370	27,871,863	486,992,234	10%
Computer	245,342,706	38,605,830	6,292,169	113,128,146	15,405,275	2,974,356	125,559,065	10%
Motor Vehicles	533,946,402	82,725,126	603,531,528	324,452,067	48,505,996	363,793,129	239,738,399	20%
Electromechanical Equipment	1,099,746,687	717,292,685	1,780,959,164	944,999,804	120,567,799	25,258,789	740,650,350	15%
Electrical Installation	227,628,710	151,035,172	362,641,882	167,988,838	29,144,733	11,231,433	176,739,744	15%
Gas Line Installation	66,893,990	8,000,975	58,893,015	43,711,006	2,524,254	1,646,350	14,304,105	15%
Sub-Total	36,984,135,402	5,765,155,809	39,266,091,971	20,819,743,318	1,842,237,063	2,079,411,144	18,683,522,734	
Sales & Distribution:								
Land	1,128,495,363	700,000	1,129,195,363	-	-	-	1,129,195,363	-
Building	613,128,741	11,428,601	624,557,342	291,215,947	33,224,356	-	324,440,303	10%
Boundary Wall	19,360,321	42,900	19,403,221	8,341,199	1,105,342	-	9,446,541	10%
Motor Vehicles	1,323,485,723	155,770,000	1,419,176,894	787,963,283	123,423,358	43,135,675	550,925,928	20%
Motor Cycle	559,992,072	101,105,510	614,180,492	272,980,840	67,320,250	30,978,066	304,857,468	20%
Furniture & Fixture	134,066,008	5,421,973	138,973,602	65,076,738	7,158,420	419,324	67,157,768	10%
Office Equipment	55,132,388	2,870,920	58,002,946	32,960,498	2,401,989	309	35,362,178	10%
VSAT	7,559,700	-	7,559,700	5,047,423	251,228	-	5,298,651	10%
Computer & Network Equipment	63,144,683	7,457,340	70,185,525	32,135,769	3,466,232	329,861	34,913,385	10%
Sub-Total	3,904,364,999	284,797,244	4,081,235,085	1,495,721,697	238,351,175	74,863,235	2,422,025,448	
Admin:								
Land	1,076,779,107	65,447,039	1,142,226,146	-	-	-	1,142,226,146	-
Building	345,609,060	1,499,189,110	1,844,798,170	211,499,375	143,046,499	-	1,490,252,296	10%
Furniture & Fixture	57,607,731	1,954,193	59,561,924	36,698,250	2,196,722	-	38,894,972	10%
Office Equipment	58,082,839	1,547,000	53,894,839	38,031,047	2,016,239	4,006,832	17,854,385	10%
Computer	345,422,597	69,766,821	415,139,418	168,701,455	23,336,784	28,043	223,129,222	10%
Motor Vehicles	782,756,373	56,175,000	809,450,248	513,176,349	58,250,957	20,919,432	258,942,374	20%
Motor Cycle	-	226,000	226,000	-	25,882	-	200,118	20%
Books & Periodicals	528,794	-	528,794	528,762	10	-	528,772	30%
SAP Software	148,024,164	200,000	148,024,164	148,024,164	92,329	-	148,116,493	50%
Electrical Installation	16,358,915	-	16,358,915	14,053,678	345,786	-	14,399,464	15%
Sub-Total	2,831,169,580	1,694,505,163	4,490,408,618	1,130,713,080	229,311,208	24,954,307	3,155,338,637	
Total	43,719,669,981	7,744,458,216	47,837,735,674	23,446,178,095	2,309,899,446	2,179,228,686	24,260,886,819	
Property, Plant & Equipment in Transit	521,564,753	832,310,716	715,369,536	-	-	-	715,369,536	
Building under Construction	2,066,237,283	580,259,733	1,081,705,847	-	-	-	1,081,705,847	
Capital Work In Progress	4,321,378,506	457,676,202	859,697	-	-	-	859,697	
Carrying Value as on 30 June 2023	50,628,850,523	9,614,704,867	49,635,670,754	23,446,178,095	2,309,899,446	2,179,228,686	26,058,821,899	

SQUARE PHARMACEUTICALS PLC.

Statement of Financial Position As at 30 June 2024

Particulars	Notes	Amount in Taka	
		30 June 2024	30 June 2023
ASSETS			
Non-Current Assets:			
Property, Plant and Equipment	04	23,655,156,304	21,767,202,106
Investment in Subsidiaries and Associates	05	2,624,852,483	2,624,852,483
Investment in Marketable Securities	06	9,001,712,647	4,589,867,031
Long Term Investment - Others	07	6,992,206,904	5,603,691,927
		<u>42,273,928,338</u>	<u>34,585,613,547</u>
Current Assets:			
Inventories	08	10,732,803,469	10,051,709,290
Trade and Other Receivables	09	4,754,218,234	6,461,221,914
Advances, Deposits and Prepayments	10	1,943,361,351	3,577,391,473
Cash and Cash Equivalents	11	52,305,603,356	50,079,192,249
		<u>69,735,986,410</u>	<u>70,169,514,926</u>
TOTAL ASSETS		<u>112,009,914,748</u>	<u>104,755,128,473</u>
EQUITY AND LIABILITIES			
EQUITY:			
Share Capital	12	8,864,510,100	8,864,510,100
Share Premium		2,035,465,000	2,035,465,000
General Reserve		105,878,200	105,878,200
Fair Value Reserve	13	(270,973,443)	734,507,296
Retained Earnings	14	95,060,239,763	88,776,603,462
TOTAL EQUITY		<u>105,795,119,620</u>	<u>100,516,964,058</u>
LIABILITIES:			
Non-Current Liabilities:			
Deferred Tax Liabilities	15	625,749,549	1,026,086,605
		<u>625,749,549</u>	<u>1,026,086,605</u>
Current Liabilities:			
Trade Payables	16	686,238,794	799,397,133
Other Payables	17	3,512,907,803	1,682,969,880
Current Tax Liabilities	18	912,265,905	356,095,553
Accrued Expenses	19	285,649,448	214,617,454
Unclaimed Dividend	20	191,983,629	158,997,790
		<u>5,589,045,579</u>	<u>3,212,077,810</u>
TOTAL LIABILITIES		<u>6,214,795,128</u>	<u>4,238,164,415</u>
TOTAL EQUITY AND LIABILITIES		<u>112,009,914,748</u>	<u>104,755,128,473</u>
Net Assets Value (NAV) per Share	29	<u>119.35</u>	<u>113.39</u>

The annexed notes form an integral part of these financial statements.

Signed as per annexed report of even date.


Samuel S Chowdhury
Chairman


Tapan Chowdhury
Managing Director


Khandaker Habibuzzaman
Company Secretary


Howlader Mahfel Huq, FCA
Enrollment No. 105
Managing Partner
Mahfel Huq & CO.
Chartered Accountants

24 October 2024, Dhaka
DVC: 2411070105AS992244

SQUARE PHARMACEUTICALS PLC.

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2024

Particulars	Notes	Amount in Taka	
		July'23 - June'24	July'22 - June'23
Net Revenue	21	59,794,584,816	58,419,084,978
Cost of Goods Sold	22	(32,526,763,732)	(30,384,776,887)
Gross Profit		27,267,821,084	28,034,308,091
Selling and Distribution Expenses	23	(11,930,940,486)	(9,741,054,105)
Administrative Expenses	24	(1,854,428,481)	(1,646,959,821)
Finance Cost		(27,943)	(21,966)
Operating Expenses		(13,785,396,910)	(11,388,035,892)
Profit before Other Operating Income		13,482,424,174	16,646,272,199
Other Operating Income	25	2,478,176,589	1,228,423,054
Profit from Operations		15,960,600,763	17,874,695,253
Income from Investments	26	4,921,634,458	4,277,283,291
Profit before contribution to WPPF & WWF		20,882,235,221	22,151,978,544
Contribution to WPPF & WWF		(994,392,153)	(1,054,856,121)
Profit before Tax		19,887,843,068	21,097,122,423
Current Tax (Expense)		(4,567,377,453)	(4,768,869,879)
Deferred Tax (Expense) / Income		270,906,291	141,974,969
Income Tax Expense	27	(4,296,471,162)	(4,626,894,910)
Profit after Tax		15,591,371,906	16,470,227,513
Unrealised Gain/(Loss) on Marketable Securities	28	(1,134,911,504)	(106,787,160)
Deferred Tax (Expense) / Income	15.2	129,430,765	10,678,716
Other Comprehensive Income		(1,005,480,739)	(96,108,444)
Total Comprehensive Income		14,585,891,167	16,374,119,069
Earnings per Share (EPS)	30	17.59	18.58

The annexed notes form an integral part of these financial statements.

Signed as per annexed report of even date.



Samuel S Chowdhury
Chairman

24 October 2024, Dhaka
DVC: 2411070105AS992244



Tapan Chowdhury
Managing Director



Khandaker Habibuzzaman
Company Secretary



Howlader Mahfel Huq, FCA
Enrollment No. 105
Managing Partner
Mahfel Huq & CO.
Chartered Accountants

SQUARE PHARMACEUTICALS PLC.

Statement of Changes in Equity For the Year Ended 30 June 2024

	Share Capital	Share Premium	General Reserve	Fair Value Reserve	Retained Earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka
As At 01 July 2022	8,864,510,100	2,035,465,000	105,878,200	830,615,740	81,170,886,049	93,007,355,089
Profit after Tax	-	-	-	-	16,470,227,513	16,470,227,513
Other Comprehensive Income	-	-	-	(96,108,444)	-	(96,108,444)
Cash Dividend (2021-22)	-	-	-	-	(8,864,510,100)	(8,864,510,100)
As At 30 June 2023	8,864,510,100	2,035,465,000	105,878,200	734,507,296	88,776,603,462	100,516,964,058
As At 01 July 2023	8,864,510,100	2,035,465,000	105,878,200	734,507,296	88,776,603,462	100,516,964,058
Profit after Tax	-	-	-	-	15,591,371,906	15,591,371,906
Other Comprehensive Income	-	-	-	(1,005,480,739)	-	(1,005,480,739)
Cash Dividend (2022-23)	-	-	-	-	(9,307,735,605)	(9,307,735,605)
As At 30 June 2024	8,864,510,100	2,035,465,000	105,878,200	(270,973,443)	95,060,239,763	105,795,119,620

Recommended Dividend for 2023-24 (Cash @ 110%) = Tk. 9,750,961,110

The annexed notes form an integral part of these financial statements.


Samuel S Chowdhury
Chairman


Tapan Chowdhury
Managing Director


Khandaker Habibuzzaman
Company Secretary

24 October 2024, Dhaka
DVC: 2411070105AS992244

SQUARE PHARMACEUTICALS PLC.

Statement of Cash Flows For the Year Ended 30 June 2024

Particulars	Notes	Amount in Taka	
		July'23 - June'24	July'22 - June'23
Cash Flows from Operating Activities:			
Receipts from Customers		69,627,932,576	66,403,580,922
Receipts from Others		2,488,924,752	215,159,055
Payments to Suppliers		(24,589,734,089)	(24,080,940,983)
Payments for Manufacturing and Operating Expenses		(20,982,703,226)	(17,743,440,803)
Payment of Value Added Tax		(8,767,808,833)	(9,266,965,756)
Cash Generated from Operations		17,776,611,180	15,527,392,436
Interest Paid		(27,943)	(21,966)
Payment of Income Tax		(4,211,207,101)	(5,124,279,199)
Payment of WPPF & WF		(1,054,856,121)	(1,051,227,994)
Others		5,186,563,564	(1,221,290,066)
Net Cash from Operating Activities		17,697,083,579	8,130,573,211
Cash Flows from Investing Activities:			
Purchase of Property, Plant and Equipment		(3,977,592,566)	(2,341,111,651)
Proceeds from Sale of Property, Plant and Equipment	33	97,439,486	78,331,531
Investment in Subsidiaries and Associates		-	(52,530,000)
Long Term Investment - Others		(1,388,514,977)	(597,315,847)
Investment in Marketable Securities		(5,536,844,362)	(260,698,045)
Interest Received		3,566,958,368	3,874,913,010
Dividends Received	26	685,464,365	552,966,126
Net Cash from/(Used in) Investing Activities		(6,553,089,686)	1,254,555,124
Cash Flows from Financing Activities:			
Payment of Dividend		(9,237,050,132)	(8,802,918,480)
Unclaimed Dividend transferred to CMS Fund		(37,699,634)	(32,229,859)
Net Cash Used in Financing Activities		(9,274,749,766)	(8,835,148,339)
Net Increase/(Decrease) in Cash and Cash Equivalents		1,869,244,127	549,979,996
Cash and Cash Equivalents at 01 July	11	50,079,192,249	48,904,402,066
Effect of Exchange Rate Fluctuations on Cash and Cash Equivalents		357,166,981	624,810,186
Cash and Cash Equivalents at 30 June	11	52,305,603,356	50,079,192,249
Net Operating Cash Flow (NOCF) per Share	31	19.96	9.17

The annexed notes form an integral part of these financial statements.


Samuel S Chowdhury
Chairman


Tapan Chowdhury
Managing Director


Khandaker Habibuzzaman
Company Secretary

24 October 2024, Dhaka
DVC: 2411070105AS992244

SQUARE PHARMACEUTICALS PLC.

Notes to the Financial Statements For the Year Ended 30 June 2024

1. Corporate Profile

1.1 The Company

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

1.2 Address of Registered Office and Factories

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

1.3 Nature of Business

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

2. Basis of Preparation of Financial Statements

2.1 Statement of Compliance

These financial statements as at and for the year ended 30 June 2024 have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) as adopted by the Financial Reporting Council (FRC), the Companies Act, 1994, the Bangladesh Securities and Exchange Rules, 2020 and the Financial Reporting Act, 2015. These standalone financial statements have been prepared on accrual basis.

The standalone financial statements for the year ended 30 June 2024 were approved by the Board of Directors and authorized for issue on 23rd October 2024.

2.2 Basis of Measurement

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

2.3 Functional and Presentation Currency

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

2.4 Estimates and Judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Historical experiences, along with other factors like expectations pave the way for such judgement and estimates. Therefore, these estimates may not be the same as the actual results.

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

2.5 Going Concern

The Company reviews the available resources periodically to assess whether there exists any going concern threat. As at the end of the reporting period on 30 June 2024, the Company assessed that the existing resources of the Company are adequate and the Company has no going concern threat in the foreseeable future. As such, these financial statements have been prepared on a going concern basis.

3. Significant Accounting Policies

Accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Current versus Non-Current Classification

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

Assets:

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

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

Liabilities:

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

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

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

3.2 Property, Plant and Equipment

Initial Recognition and Measurement

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

Subsequent Measurements

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

Depreciation

Depreciation of an asset begins when it is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations and the date that the asset is derecognized. Freehold land is not depreciated as it is deemed to have an infinite useful life.

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

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

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

Derecognition

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

3.3 Intangible Assets

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

3.4 Property, Plant and Equipment in Transit

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

3.5 Capital Work-in-Progress

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

3.6 Impairment

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

When the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, an impairment loss is recognized immediately in the statement of profit or loss. During the reporting year, no indication of impairment of any assets was found.

3.7 Investment Property

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

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

3.8 Foreign Currency Transactions

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

3.9 Financial Instruments

3.9.1 Financial Assets

a) Investments in Subsidiaries & Associates

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

b) Investments in Marketable Securities

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

c) Long Term Investment - Others

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

d) Trade and Other Receivables

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

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

e) Advances, Deposits and Prepayments

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

f) Cash & Cash Equivalents

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

3.9.2 Financial Liabilities**Trade and Other Payables**

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

3.10 Inventories

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

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

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

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

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

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

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

Minimum Wages

The company has complied with the Minimum Wages Gazette Notification: SRO No. 39/Law/2017, dated: 23 February 2017 and there are no employees to receive below the prescribed minimum wages during the reporting year.

b) Gratuity Fund

The Company has established a gratuity fund as a defined benefit plan for its permanent employees that is approved by the National Board of Revenue (NBR). The Company contributes a reliably estimated amount to the fund annually.

c) Recognized Provident Fund

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

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

d) Group Insurance Policy

The employees are insured under a group insurance policy. The premium of the insurance is fully paid by the Company and the amount is charged to the Statement of Profit or Loss.

e) Workers Profit Participation Fund and Workers Welfare Fund

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

3.12 Provisions & Contingencies

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

Contingent liabilities and assets are current or possible obligations on liabilities or assets, arising from past events and the existence of which depends upon the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the Company. No contingent liabilities were recognized in the standalone financial statements.

3.13 Related Party Disclosures

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

3.14 Operating Income

a) Revenue from Contracts with Customers:

Sales of Goods:

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

b) Export Incentives

Export entitlements from government authorities are recognized in the Statement of Profit or Loss as Other Operating Income when the right to receive credit as per terms of the respective schemes is established in respect of the exports made by the Company, and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

3.15 Other Income**a) Interest Income**

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

b) Dividend Income

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

c) Other Income

Gains or losses from various investments like Zero Coupon Bonds, Marketable Securities are included in Other Income. The associated cash flows are classified as investing activities in the statement of cash flows.

3.16 Leases

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

IFRS 16 – Leases dictates that leases with shorter contract tenor and an immaterial amount of rental expenses with respect to total revenue shall not be considered as a finance lease. As such, the lease agreements the Company entered are not treated as finance leases. Payments associated with these (short-term) leases are recognized on a straight-line basis as an expense in the Statement of Profit or Loss.

Contract Period	Amount of Rental Expenses	% of Total Revenue
01 Year	BDT 58,878,982	0.07012%

3.17 Income Tax**Current Tax**

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

Deferred Tax

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

3.18 Earnings per Share (EPS) – Basic & Diluted

Earnings per Share (Basic) is derived by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. When a bonus issue takes place after the reporting date but before the financial statements are authorized for issue, the number of shares in the EPS calculation is adjusted for the current and prior periods as though the bonus issue took place during the current year. The Company has no potentially dilutive shares that may require calculating diluted EPS.

3.19 Statement of Cash Flows

Cash Flow Statement has been prepared using 'Direct Method' as recommended by IAS 7 – Statement of Cash Flows. A reconciliation of 'Direct Method' vs 'Indirect Method' has been presented in Note – 31 as per the direction of the Bangladesh Securities and Exchange Commission (BSEC/CMRRCD/2006-158/208/ Admin/81; dated: 20 June 2018).

3.20 Materiality and Aggregation

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

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

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

3.21 Offsetting

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

3.22 Concentration of Counterparty Risk

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

3.23 Operating Segments

As there is a single business segment within which the Company operates, no operating segment reporting was felt necessary.

3.24 Unrealized Gain/(Loss) on FVOCI Financial Assets

It derives mainly due to the changes in the market price of the Marketable Securities. The Company has reported unrealized gain/(loss) from Marketable Securities as Other Comprehensive Income in the Statement of Profit or Loss and Other Comprehensive Income and the Statement of Changes in Equity in conformity with IAS 12 – Income Taxes and IFRS 9 – Financial Instruments. As per SRO no.: 196-Act/Income tax/2015, any Capital gain arising from Marketable Securities (Stocks/Debentures listed with Stock Exchanges) is subject to Tax @ 15%.

3.25 Research, Development and Experimental Costs

In compliance with the requirements of IAS 38 – Intangible Assets, research, development and experimental costs are usually absorbed as revenue expenses as and when incurred, due to the development portion of the expenses not being that much material in the Company's context.

3.26 Comparative Information

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

Comparative information has been disclosed in respect of the previous year for all numerical information in the current financial statement. Narrative and descriptive information for comparative information has also been disclosed whenever it is relevant for the understanding of the current year's financial statements.

3.27 Events After Reporting Period

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

Particulars	Amount in Taka	
	30 June 2024	30 June 2023
04. Property, Plant and Equipment: Tk. 23,655,156,304		
Cost:		
Opening Balance	43,059,540,662	43,719,669,981
Addition during the Year	2,855,972,978	2,966,263,204
	<u>45,915,513,640</u>	<u>46,685,933,185</u>
Disposal/Transfer during the Year	(323,804,020)	(3,626,392,523)
	<u>45,591,709,620</u>	<u>43,059,540,662</u>
Accumulated Depreciation:		
Opening Balance	23,089,413,939	23,446,178,095
Charged for the Year	1,728,738,883	1,822,464,530
	<u>24,818,152,822</u>	<u>25,268,642,625</u>
Disposal/Transfer during the Year	(130,849,327)	(2,179,228,686)
	<u>24,687,303,495</u>	<u>23,089,413,939</u>
Net Book Value	<u>20,904,406,125</u>	<u>19,970,126,723</u>
Property, Plant and Equipment in Transit (Note - 04.1)	977,165,568	715,369,536
Building under Construction (Note - 04.2)	1,773,584,611	1,081,705,847
Written Down Value	<u>23,655,156,304</u>	<u>21,767,202,106</u>
Details of property, plant and equipment are shown in the annexed Schedule - 1.		
04.1 Property, Plant and Equipment in Transit: Tk. 977,165,568		
Opening Balance	715,369,536	521,564,753
Addition during the Year	937,119,275	832,310,716
	<u>1,652,488,811</u>	<u>1,353,875,469</u>
Transfer during the Year	(675,323,243)	(638,505,933)
	<u>977,165,568</u>	<u>715,369,536</u>
04.2 Building under Construction: Tk. 1,773,584,611		
Opening Balance	1,081,705,847	2,066,237,283
Addition during the Year	1,063,055,568	580,259,733
	<u>2,144,761,415</u>	<u>2,646,497,016</u>
Transfer during the Year	(371,176,804)	(1,564,791,169)
	<u>1,773,584,611</u>	<u>1,081,705,847</u>
05. Investment in Subsidiaries and Associates	<u>2,624,852,483</u>	<u>2,624,852,483</u>
05.1 Subsidiaries: Tk. 2,037,772,688		
(i) Square Pharmaceuticals Kenya EPZ Ltd. (8,000,000 Ordinary Shares plus Share Money Deposit)	985,742,688	985,742,688
(ii) Square Lifesciences Ltd., Bangladesh (9,995,000 Ordinary Shares)	999,500,000	999,500,000
(iii) Samson Pharma Inc., The Philippines (139,998 Ordinary Shares)	52,530,000	52,530,000
	<u>2,037,772,688</u>	<u>2,037,772,688</u>
05.2 Associates: Tk. 587,079,795		
(i) Square Textiles PLC. (91,436,677 Ordinary Shares of Tk. 10/- each including Bonus Shares)	225,129,795	225,129,795
(ii) Square Hospitals Ltd. (199,750 Ordinary Shares of Tk. 1,000/- each plus Share Premium)	210,750,000	210,750,000
(iii) Square Fashions Ltd. (462,000 Ordinary Shares of Tk. 100/- each plus Share Premium)	151,200,000	151,200,000
	<u>587,079,795</u>	<u>587,079,795</u>
06. Investment in Marketable Securities	<u>9,001,712,647</u>	<u>4,589,867,031</u>
06.1 Cost:		
Opening Balance	3,773,747,813	3,423,864,487
Addition during the Year	5,649,171,398	416,887,430
Sold during the Year	(102,414,278)	(67,004,104)
	<u>9,320,504,933</u>	<u>3,773,747,813</u>

Particulars	Amount in Taka	
	30 June 2024	30 June 2023
06.2 Market Value:		
Opening Balance	4,589,867,031	4,346,770,865
Addition during the Year	4,524,172,652	399,285,550
Sold during the Year	(112,327,036)	(156,189,384)
	9,001,712,647	4,589,867,031
07. Long Term Investment - Others	6,992,206,904	5,603,691,927
07.1 Ordinary Shares (Unquoted): Tk. 127,694,430		
(i) United Hospital Ltd. (120,000 Ordinary Shares of Tk.100/- each)	12,000,000	12,000,000
(ii) Central Depository Bangladesh Limited (5,711,804 Ordinary Shares of Tk. 10/- each)	15,694,430	15,694,430
(iii) FAM - First Fixed Income Fund (1,000 Units of Tk. 100,000/- each)	100,000,000	-
	127,694,430	27,694,430
07.2 Non-Convertible Subordinated Bonds: Tk. 6,400,000,000		
(i) Mutual Trust Bank Ltd. (220 Bonds)	2,200,000,000	2,600,000,000
(ii) Southeast Bank Ltd. (4,000 Bonds)	400,000,000	500,000,000
(iii) Islami Bank Bangladesh Ltd. (40 Bonds)	400,000,000	500,000,000
(iv) Trust Bank Ltd. (40 Bonds)	400,000,000	500,000,000
(v) Eastern Bank Ltd. (50 Bonds)	500,000,000	500,000,000
(vi) Prime Bank Ltd. (100 Bonds)	1,000,000,000	-
(vii) Dutch Bangla Bank Ltd. (150 Bonds)	1,500,000,000	-
	6,400,000,000	4,600,000,000
07.3 Non-Convertible Zero Coupon Bonds: Tk. 464,512,474		
(i) LankaBangla Finance Ltd. (83 Bonds)	67,033,336	208,477,968
(ii) Brac Bank Ltd. (250 Bonds)	238,677,650	346,041,600
(iii) Sajida Foundation Ltd.	-	174,380,055
(iv) IDLC Finance Ltd. (320 Bonds)	158,801,488	247,097,874
	464,512,474	975,997,497
08. Inventories: Tk. 10,732,803,469		
Raw Materials	3,722,861,831	3,389,777,254
Packing Materials	1,091,402,281	1,059,984,113
Work-in-Process	582,783,730	534,754,619
Finished Goods	3,531,153,695	3,322,480,192
Spares & Accessories	951,053,588	928,315,596
Goods- in-Transit	853,548,344	816,397,516
	10,732,803,469	10,051,709,290
09. Trade and Other Receivables: Tk. 4,754,218,234		
Trade Receivables (Note - 09.1)	2,560,353,465	3,392,944,797
Other Receivables (Note - 09.2)	2,193,864,769	3,068,277,117
	4,754,218,234	6,461,221,914
09.1 Trade Receivables: Tk. 2,560,353,465		
(a) Trade receivables occurred in the ordinary course of business are unsecured but considered good. Ageing of the Trade Receivables:		
Below 30 days	1,472,163,307	2,432,187,285
Within 31-60 days	298,484,091	247,717,545
Within 61-90 days	213,976,142	109,945,444
Above 90 days	575,729,926	603,094,523
	2,560,353,465	3,392,944,797

(b) Above receivables include Tk. 739,529,215 due from export of which Tk. 466,387,804 has since been realised.

(c) No amount was due by the Directors (incl. MD), Managing Agent of the company and any of them severally or jointly with any other person.

Particulars	Amount in Taka	
	30 June 2024	30 June 2023
09.2 Other Receivables: Tk. 2,193,864,769		
Interest Receivable from Fixed Deposit Receipts	1,520,761,823	803,553,263
Interest Receivable from Short Notice Deposits	1,300	11,655,648
Gain against Zero Coupon Bonds (Receivable)	87,443,699	107,963,299
Interest Receivable from Subordinated Bonds	47,324,767	73,060,411
Accrued Income	308,333,181	468,252,126
Insurance Claim Receivable	230,000,000	1,603,792,370
	2,193,864,769	3,068,277,117
10. Advances, Deposits and Prepayments	1,943,361,351	3,577,391,473
10.1 Advances: Tk. 1,144,297,337		
Employees	283,810,814	361,960,283
Advance Income Tax	200,000,000	-
Land Purchase	84,081,400	28,617,600
Suppliers	576,405,123	2,133,921,827
	1,144,297,337	2,524,499,710
10.2 Deposits: Tk. 705,171,882		
Value Added Tax	289,468,249	555,430,337
Earnest Money & Security Deposit	402,702,619	422,542,939
Others	13,001,014	286,070
	705,171,882	978,259,346
10.3 Prepayments: Tk. 93,892,132		
Office Rent	23,242,440	10,303,999
Insurance Premium	70,649,692	64,328,418
	93,892,132	74,632,417
(a) Advance to employees includes advance given to officers of Tk. 283,632,731.		
(b) No amount was due by the Directors (including Managing Director) and Managing Agents of the company and any of them severally or jointly with any other person except as stated in (a) above.		
11. Cash and Cash Equivalents	52,305,603,356	50,079,192,249
11.1 Cash in Hand	6,738,545	11,755,178
11.2 Cash at Bank:		
Current Accounts	404,685,504	479,575,508
STD & SND Accounts	14,182,411,481	14,906,548,891
Export Retention Quota Accounts (held in USD)	174,360,222	429,895,379
Margin Held Accounts (held in USD)	525,205,243	531,884,571
Dividend Accounts (Note - 20)	191,983,630	158,997,790
	15,478,646,080	16,506,902,139
11.3 Fixed Deposit Receipts (FDRs):		
FDRs held in BDT	33,000,381,792	30,808,367,726
FDRs held in USD	3,819,836,939	2,752,167,206
	36,820,218,731	33,560,534,932

Particulars	Amount in Taka	
	30 June 2024	30 June 2023
12. Share Capital: Tk. 8,864,510,100		
Authorised:		
1,000,000,000 Ordinary Shares of Tk. 10/- each	<u>10,000,000,000</u>	<u>10,000,000,000</u>
Paid-up:		
a) Issued for Cash:		
10,092,300 Ordinary Shares of Tk. 10/- each	100,923,000	100,923,000
b) Issued for Consideration other than Cash:		
40,020 Ordinary Shares of Tk. 10/- each	400,200	400,200
c) Issued as Bonus Share:		
876,318,690 Ordinary Shares of Tk. 10/- each	8,763,186,900	8,763,186,900
	<u>8,864,510,100</u>	<u>8,864,510,100</u>
Composition & Classification of Share Capital is shown in the annexed Schedule - 2.		
13. Fair Value Reserve: Tk. (270,973,443)		
Opening Balance	734,507,296	830,615,740
Unrealised Gain/(Loss) on Marketable Securities for the Year (Note - 28)	(1,134,911,504)	(106,787,160)
Current Year's Deferred Tax (Expense)/Income (Note - 15.2)	129,430,765	10,678,716
	<u>(270,973,443)</u>	<u>734,507,296</u>
14. Retained Earnings: Tk. 95,060,239,763		
Opening Balance	88,776,603,462	81,170,886,049
Profit after Tax	15,591,371,906	16,470,227,513
Cash Dividend	(9,307,735,605)	(8,864,510,100)
	<u>95,060,239,763</u>	<u>88,776,603,462</u>
15. Deferred Tax Liabilities: Tk. 625,749,549		
Deferred Tax - Property, Plant and Equipment (Note - 15.1)	673,568,392	944,474,683
Deferred Tax - Marketable Securities (Note - 15.2)	(47,818,843)	81,611,922
	<u>625,749,549</u>	<u>1,026,086,605</u>
15.1 Deferred Tax - Property, Plant and Equipment: Tk. 673,568,392		
Carrying Amount	12,418,606,865	14,781,663,185
Tax Base	9,424,969,566	10,583,997,926
Taxable/(Deductible) Temporary Difference	2,993,637,299	4,197,665,259
Tax Rate	22.50%	22.50%
Closing Liability	673,568,392	944,474,683
Opening Liability	(944,474,683)	(1,086,449,652)
Current Year's Expense/(Income)	<u>(270,906,291)</u>	<u>(141,974,969)</u>

* Property, plant and equipment excluding lands, PPE in transit and assets under construction.

Particulars	Amount in Taka	
	30 June 2024	30 June 2023
15.2 Deferred Tax - Marketable Securities: Tk. (47,818,843)		
Carrying Amount	9,001,712,647	4,589,867,031
Tax Base	9,320,504,933	3,773,747,813
Taxable/(Deductible) Temporary Difference	(318,792,286)	816,119,218
Tax Rate	15.00%	10.00%
Closing Liability	(47,818,843)	81,611,922
Opening Liability	(81,611,922)	(92,290,638)
Current Year's Expense/(Income)	(129,430,765)	(10,678,716)
	686,238,794	799,397,133
16. Trade Payables		
This represents amount payable to regular suppliers of raw materials, packing materials, promotional materials etc. All suppliers were paid on a regular basis.		
17. Other Payables: Tk. 3,512,907,803		
Sundry Creditors	2,494,687,117	590,342,852
Income Tax (Deduction at Source)	13,630,694	17,586,331
Retention Money	10,197,839	20,184,576
Workers' Profit Participation Fund and Welfare Fund	994,392,153	1,054,856,121
	3,512,907,803	1,682,969,880
18. Current Tax Liabilities: Tk. 912,265,905		
Opening Balance	356,095,553	911,504,873
Provision made for the Year	4,567,377,453	4,768,869,879
Payment made during the Year	(4,011,207,101)	(5,324,279,199)
	912,265,905	356,095,553
19. Accrued Expenses: Tk. 285,649,448		
Accrued Expenses	284,549,448	213,517,454
Audit Fees	1,100,000	1,100,000
	285,649,448	214,617,454
20. Unclaimed Dividend: Tk. 191,983,629		
Opening Balance	158,997,790	129,636,029
Addition during the Year	81,227,751	68,298,111
Paid to shareholders during the Year	(10,542,278)	(6,706,491)
Transferred to CMS Fund during the Year	(37,699,634)	(32,229,859)
	191,983,629	158,997,790
20.1 Summary of Unclaimed Dividend:		
Financial Year: 2019-20	-	39,051,584
Financial Year: 2020-21	49,700,755	51,648,095
Financial Year: 2021-22	61,055,123	68,298,111
Financial Year: 2022-23	81,227,751	-
	191,983,629	158,997,790

Particulars	Amount in Taka	
	July'23-June'24	July'22-June'23
21. Net Revenue: Tk. 59,794,584,816		
Local:		
Gross Revenue	68,601,729,640	67,617,404,495
Value Added Tax	(9,033,770,921)	(9,185,006,544)
Revenue without VAT	59,567,958,719	58,432,397,951
Discount	(2,168,346,999)	(1,969,711,139)
Net Revenue - Local	57,399,611,720	56,462,686,812
Export:		
Revenue - Equivalent to USD 21,632,517 (Jul'22-Jun'23: USD 19,550,405)	2,394,973,095	1,956,398,166
	59,794,584,816	58,419,084,978

(i) Revenue was generated from 634 Pharmaceuticals Products, 23 Basic Chemicals & Pellet Products, 171 Locally Produced & Imported AgroVet Products, 43 Corp Care Products and 48 Herbal & Nutraceuticals Products. The summarized quantities are as under:

(Quantity in Thousand)

Category	Unit	Opening 01.07.2023	Production/ Import/Toll	Sales/ Transfer	Closing 30.06.2024
Tablet	Pcs	1,144,221	6,370,446	6,545,004	969,663
Capsule	Pcs	294,333	967,802	1,062,879	199,256
Liquid	Bottles	15,538	171,665	169,945	17,258
Injectable (Vial & Ampoule)	Pcs	4,922	43,542	42,896	5,568
Infusion	Bags	19	-	1	18
ENT & Opthal Preparation	Phials	4,715	35,714	36,253	4,176
Cream, Ointment, Spray, Gel	Phials	3,781	62,107	62,286	3,602
Powder for Suspension	Bottles	3,357	34,072	32,912	4,517
Powder	Phials	3,696	25,679	24,441	4,934
Suppository	Pcs	14,008	120,910	116,068	18,850
Inhaler	Pcs	7,064	48,990	49,373	6,681
Insulin	Pcs	314	2,539	2,378	475
Sachet & Others	Pcs	1,130	6,653	7,151	632
Basic Chemical & Pellet	Kg	105	760	725	140

(ii) Toll Production during the Year:

65,337 pcs tablets, 13,364 bottles of liquid products, 12,875 phials of Cream, Ointment, Spray & Gel, 2,572 bottles of Powder for Suspension and 103 pcs Sachet & Others.

22. Cost of Goods Sold: Tk. 32,526,763,732

Raw Materials Consumed (Note - 22.1)	14,017,771,420	14,028,556,628
Packing Materials Consumed (Note - 22.2)	6,887,974,026	6,654,908,938
Cost of Materials Consumed	20,905,745,447	20,683,465,566
Add: Manufacturing Overhead (Note - 22.3)	8,721,259,113	8,077,470,653
Total Manufacturing Cost	29,627,004,560	28,760,936,219
Add: Opening Work-in-Process	534,754,619	446,012,445
Less: Closing Work-in-Process	(582,783,730)	(536,163,249)
Cost of Goods Manufactured	29,578,975,449	28,670,785,415
Add: Opening Finished Goods	3,322,480,192	2,549,985,110
Add: Purchase of Finished Goods	3,504,550,088	2,833,212,050
Less: Cost of Physician Sample	(348,088,302)	(340,196,691)
Cost of Goods Available for Sale	36,057,917,427	33,713,785,884
Less: Closing Finished Goods	(3,531,153,695)	(3,329,008,997)
	32,526,763,732	30,384,776,887

Particulars	Amount in Taka	
	July'23-June'24	July'22-June'23
22.1 Raw Materials Consumed: Tk. 14,017,771,420		
Opening Stock	3,389,777,254	2,707,894,958
Purchased during the year	14,350,855,997	14,765,633,648
Consumed during the year	(14,017,771,420)	(14,028,556,628)
Closing Stock	3,722,861,831	3,444,971,978
Loss by Fire - LVP Unit	-	(55,194,724)
Net Closing Raw Materials	3,722,861,831	3,389,777,254

Particulars	PCs		Quantity (kgs)		Total Value (Taka)
	Cap-shell	API + Excipients	Color, Coating + Flavor	Total	
Opening	623,574,156	8,002,424	241,324	8,243,748	3,389,777,254
Purchase	899,255,606	49,058,823	630,283	49,689,106	14,350,855,997
Available for use	1,522,829,762	57,061,247	871,607	57,932,854	17,740,633,251
Closing	515,508,014	15,038,646	309,620	15,348,266	(3,722,861,831)
Consumption	1,007,321,748	42,022,601	561,987	42,584,588	14,017,771,420

Raw materials consists of 1,488 items of which 92.55% (in value) are imported.

22.2 Packing Materials Consumed: Tk. 6,887,974,026

Opening Stock	1,059,984,113	856,951,586
Purchased during the year	6,919,392,194	6,958,405,509
Consumed during the year	(6,887,974,026)	(6,654,908,938)
Closing Stock	1,091,402,281	1,160,448,157
Loss by Fire - LVP Unit	-	(100,464,044)
Net Closing Packing Materials	1,091,402,281	1,059,984,113

(Quantity in Thousand)

Category	Unit	Opening 01.07.2023	Purchase/ Production	Consumption	Closing 30.06.2023
Carton (Inner + Shipper)	Pcs	83,431	349,074	357,040	75,465
Label	Pcs	73,985	320,524	324,493	70,016
Direction Slip	Pcs	62,818	303,769	305,338	61,249
Container	Pcs	4,181	43,048	44,290	2,939
Blister Foil/Alu Lid Foil + Strip Foil	Kg	205	680	750	135
PVC/PVDC/PE Film	Kg	391	920	873	438
Auto Bottom Foil	Kg	178	478	498	158
Bottle (PET/HDPE/Glass)	Pcs	15,456	247,935	248,685	14,706
Ampoule & Vial	Pcs	16,170	56,777	59,585	13,362
HDPE/LDPE Bag	Pcs	879	4,448	4,182	1,145
Flip Off Seal & Tear off Seal	Pcs	8,762	21,938	24,387	6,313
P.P Cap/Plastic Closures & Others	Pcs	45,901	398,145	414,257	29,789
Can & Tube	Pcs	11,138	74,576	69,816	15,898
Actuator	Pcs	1,396	4,460	4,079	1,777
Metered Valves	Pcs	2,659	10,109	9,066	3,702
Sachet	Kg	109	42	134	17
Syringe, Needle & Infusion Set	Pcs	2,111	5,223	5,943	1,391
Water for Injection	Pcs	2,940	14,272	13,619	3,593
Shrink Wrapping	Kg	23	43	53	13
Silica Gel, Gum Tape & Adhesive Tape	Pcs	10,439	21,300	24,047	7,692
Cup, Spoon, Dropper & Rubber Stopper	Pcs	24,819	204,894	204,262	25,451
Honey Comb & Plastic Applicator	Pcs	1,287	6,715	4,936	3,066
Neck Lock & Zip Lock Bag	Pcs	808	8,937	7,599	2,146
Poly Pack, Poly Bag & Pouch Pack	Pcs	6,226	23,268	23,049	6,445
Consumables	Pcs	775	11,381	7,662	4,494

Packing materials consists of 8,063 items of which 27.99% (in value) are imported.

Particulars	Amount in Taka	
	July'23-June'24	July'22-June'23
22.3 Manufacturing Overhead: Tk. 8,721,259,113		
Salaries & Allowances	2,930,761,851	2,656,312,205
Contribution to Provident Fund	70,436,285	59,694,223
Contribution to Gratuity Fund	229,855,461	227,502,173
Entertainment, Staff Lunch & Refreshments	163,606,456	159,682,597
Training & Development	1,617,619	683,234
Staff Uniform	60,713,320	102,245,364
Travelling & Conveyance	50,216,545	55,380,010
Laboratory Consumables	594,305,851	559,701,398
Research & Product Development	207,353,993	214,864,601
Printing & Stationery	80,133,921	81,245,901
Courier, Telephone, Cell phone & Internet	10,304,138	9,456,332
Rental Expenses	1,254,070	1,670,210
Utilities Expense	1,393,406,206	949,943,588
Sanitation Expenses	102,119,880	90,204,657
Petrol, Oil & Lubricants	158,547,993	146,813,995
Generator Rental Expenses	9,700,000	2,400,000
Repairs & Maintenance - Factory	1,011,835,597	1,037,169,547
Repairs & Maintenance - Vehicle	105,935,164	108,961,038
Insurance Premium	41,490,401	23,587,989
Security Services	63,086,678	67,867,070
Govt. Taxes & License Fees	21,970,850	19,562,699
Toll Charges	92,280,004	72,671,052
Software, Hardware Support & VSAT Services	68,008,601	73,866,561
Depreciation	1,251,139,394	1,354,894,476
Other Expenses	1,178,835	1,089,733
	8,721,259,113	8,077,470,653
22.4 Work-in-Process: Tk. 582,783,730		
Opening Stock	534,754,619	446,012,445
Processed during the year	48,029,111	90,150,804
Closing Stock	582,783,730	536,163,249
Loss by Fire - LVP Unit	-	(1,408,630)
Net Closing Work-in-Process	582,783,730	534,754,619
22.5 Finished Goods: Tk. 3,531,153,695		
Opening Stock	3,322,480,192	2,549,985,110
Purchased during the year	3,504,550,088	2,833,212,050
Consumed during the year	(3,295,876,585)	(2,054,188,163)
Closing Stock	3,531,153,695	3,329,008,997
Loss by Fire - LVP Unit	-	(6,528,805)
Net Closing Finished Goods	3,531,153,695	3,322,480,192

Particulars	Amount in Taka	
	July'23-June'24	July'22-June'23
23. Selling and Distribution Expenses: Tk. 11,930,940,486		
Salaries & Allowances	1,701,936,570	1,456,316,499
Contribution to Provident Fund	132,295,530	110,187,268
Contribution to Gratuity Fund	487,388,824	526,292,133
Entertainment, Staff Lunch & Refreshments	43,551,390	39,006,698
Training & Development	7,522,102	6,565,059
Staff Uniform	15,281,875	13,639,956
Travelling & Conveyance	181,700,601	161,964,137
Printing & Stationery	77,080,947	92,890,627
Courier, Telephone, Cell phone & Internet	97,615,335	88,768,665
Office & Godown Rent	34,852,541	30,644,118
Utilities Expense	45,870,184	35,498,643
Sanitation Expenses	17,320,823	15,163,573
Field Staff Salaries, Allowances, TA & DA	3,827,126,240	3,277,522,761
Target Incentive to Field Staff	629,103,353	255,076,657
Promotional Expenses	1,352,579,968	956,461,346
Marketing Expenses	440,338,174	269,995,262
Pharmacovigilance	55,745,513	39,966,154
Marketing Website Platform Software Maintenance	22,452,600	22,452,600
Event, Programs & Conference	511,452,591	309,235,241
Literature & Publications	170,861,030	103,247,913
Market Research & Survey Expenses	18,321,754	16,730,282
Advertisement	1,056,670	1,613,683
Delivery & Packing Expenses	243,173,281	213,260,832
Export Expenses	239,505,350	211,547,449
Sample Expenses	347,059,232	357,174,172
Faulty & Obsolete Goods	115,674,848	99,799,446
Repairs & Maintenance - Office	104,761,658	132,088,031
Repairs & Maintenance - Vehicle	543,737,769	444,714,948
Insurance Premium	5,880,749	5,950,719
Security Services	97,502,437	91,088,056
Govt. Taxes & License Fees	34,785,334	37,349,084
Bank Charges	17,540,530	11,140,432
Software, Hardware Support & VSAT Services	67,005,239	69,072,270
Depreciation	242,420,705	238,351,175
Other Expenses	438,739	278,216
	11,930,940,486	9,741,054,105

Particulars	Amount in Taka	
	July'23-June'24	July'22-June'23
24. Administrative Expenses: Tk. 1,854,428,481		
Salaries & Allowances	542,472,799	495,030,531
Contribution to Provident Fund	13,117,745	11,839,856
Contribution to Gratuity Fund	62,815,951	71,650,022
Directors' Remuneration	88,875,000	87,901,250
Independent Directors' Honorarium	600,000	600,000
Entertainment, Staff Lunch & Refreshments	91,907,312	84,410,528
Training & Development	9,784,948	8,692,257
Staff Uniform	3,599,228	3,326,217
Travelling & Conveyance	205,879,587	135,368,992
Printing & Stationery	20,497,167	21,972,858
Courier, Telephone, Cell phone & Internet	11,554,268	10,647,232
Office Rent	22,772,371	20,138,560
Utilities Expense	27,445,818	25,036,810
Sanitation Expenses	9,740,338	8,614,250
Subscription & Donation	8,032,210	7,600,346
Legal & Professional Fees	6,583,650	4,754,442
Audit Fees	1,548,500	1,261,000
Advertisement	1,806,881	3,347,428
Repairs & Maintenance - Office	174,273,240	159,106,474
Repairs & Maintenance - Vehicle	105,543,008	95,379,263
Insurance Premium	25,748,172	16,066,620
Security Services	62,577,416	50,253,325
Govt. Taxes & License Fees	51,096,860	17,054,346
Bank Charges	9,503,340	9,730,673
Software & Hardware Support Services	53,639,107	56,188,921
Depreciation	235,178,784	229,218,879
Other Expenses	7,834,781	11,768,741
	1,854,428,481	1,646,959,821
25. Other Operating Income: Tk. 2,478,176,589		
Rental Income	16,033,926	15,046,640
Sale of Scrap	69,501,294	54,768,479
Gain on Fluctuation of Foreign Currency	357,166,981	724,297,936
Cash Incentive against Export	128,761,100	83,034,900
Commission Received	2,114,448,234	425,704,297
P.F Forfeiture Amount	261,253	616,616
Tech Transfer fees	-	4,752,500
Gain/(Loss) on Disposal of Property, Plant and Equipment (Note - 33)	(207,996,199)	(79,798,314)
	2,478,176,589	1,228,423,054
26. Income from Investments: Tk. 4,921,634,458		
Interest from Deposits	2,809,104,447	2,672,328,278
Interest from Short Notice Deposits	854,280,773	543,895,327
Gain on Redemption of Zero Coupon Bond	58,995,376	95,500,731
Interest from Subordinate Bonds	503,876,739	323,407,549
Dividend Income	685,464,365	552,966,126
Gain on Sale of Marketable Securities (Realized)	9,912,758	89,185,281
	4,921,634,458	4,277,283,291

Particulars	Amount in Taka	
	July'23-June'24	July'22-June'23
27. Income Tax Expenses: Tk. 4,296,471,162		
Current Tax Expense	4,567,377,453	4,768,869,879
Deferred Tax Expense / (Income)	(270,906,291)	(141,974,969)
	4,296,471,162	4,626,894,910

27.1 Reconciliation of Effective Tax Rate:

	Jul'23-Jun'24		Jul'22-Jun'23	
	%	Taka	%	Taka
Profit before Tax		19,887,843,068		21,097,122,423
Income Tax using Corporate Tax Rate	22.50%	4,474,764,690	22.50%	4,746,852,545
Effects of:				
Income Exempted from Tax	-0.47%	(93,636,530)	-0.10%	(21,487,664)
Income Taxed at Reduced Rate	-0.43%	(84,656,998)	-0.47%	(98,469,971)
Effective Income Tax	21.60%	4,296,471,162	21.93%	4,626,894,910
Effect of Deferred Tax	1.36%	270,906,291	0.67%	141,974,969
Effective Current Tax	22.97%	4,567,377,453	22.60%	4,768,869,879

28. Unrealised Gain/(Loss) on Marketable Securities: Tk. (1,134,911,504)

Closing Unrealised Gain/(Loss)	(318,792,286)	816,119,218
Less: Opening Unrealised Gain/(Loss)	816,119,218	922,906,378
	(1,134,911,504)	(106,787,160)

29. Net Asset Value (NAV) per Share: Tk. 119.35

Net Asset attributable to the Ordinary Shareholders	105,795,119,620	100,516,964,058
Number of Shares outstanding	886,451,010	886,451,010
	119.35	113.39

30. Earnings per Share (EPS): Tk. 17.59

Net Profit after Tax attributable to Shareholders	15,591,371,906	16,470,227,513
Number of Shares outstanding	886,451,010	886,451,010
	17.59	18.58

31. Net Operating Cash Flow (NOCF) per Share: Tk. 19.96

Net Cash Generated from Operating Activities (Note - 31.1)	17,697,083,579	8,130,573,211
Number of Shares outstanding	886,451,010	886,451,010
	19.96	9.17

The product transfer to SLL from SPL resulted in decreased payments for Manufacturing and Operating Expenses for the Company, which combined with Claim received against Insurance and Commission received from SLL increased the NOCF per share during the reporting period.

31.1 Reconciliation of Net Profit with Cash Flows Generated from Operating Activities:

Profit after Tax	15,591,371,906	16,470,227,513
Adjustments for:		
Non-Cash Income/Expenses:		
Depreciation	1,728,738,883	1,822,464,530
Effect of Exchange Rate Fluctuations	(357,166,981)	(624,810,186)
Deferred Tax (Expense) / Income	(270,906,291)	(141,974,969)
	1,100,665,611	1,055,679,375

Particulars	Amount in Taka	
	July'23-June'24	July'22-June'23
Non-Operating Income/Expenses:		
Income from Investments (Note - 26)	(4,921,634,458)	(4,277,283,291)
(Gain)/Loss on Disposal of Property, Plant and Equipment (Note - 33)	207,996,199	79,798,314
	<u>(4,713,638,259)</u>	<u>(4,197,484,977)</u>
Changes in Working Capital:		
Inventories	(681,094,179)	(2,038,529,695)
Trade Receivables	832,591,332	(1,233,878,081)
Other Receivables	1,533,711,316	(468,252,126)
Advances, Deposits and Prepayments	1,689,493,922	(1,290,813,360)
Trade Payables	(113,158,339)	173,412,226
Other Payables	1,829,937,923	181,538,674
Current Tax Liabilities	556,170,352	(555,409,320)
Accrued Expenses	71,031,994	34,082,982
	<u>5,718,684,321</u>	<u>(5,197,848,700)</u>
Net Cash from Operating Activities	<u>17,697,083,579</u>	<u>8,130,573,211</u>

32. Appropriation during the Period:

The Board of Directors proposed dividend @ Tk. 11 per share for 2023-24 which will be recognised as liability in the financial statements after the Shareholders approve the same in the Annual General Meeting. The total amount of Proposed Cash Dividend for the year is Tk. 9,750,961,110.

During the year under review total cash dividend for 2022-23 amounting to Tk. 9,307,735,605 has been distributed to the shareholders. Dividend were paid in local currency to the local custodian bank of the shareholders as such no dividend was remitted in foreign currency.

33. Disposal of Property, Plant and Equipment:

Particulars of Assets	Cost	Accu. Depreciation	Written Down Value	Sales Proceed	Gain / (Loss)
	2023-2024				
Plant and Machinery	9,257,349	8,677,563	579,786	2,278,280	1,698,494
Motor Vehicle	125,197,500	82,984,921	42,212,579	62,914,514	20,701,935
Motor Cycle	55,273,501	38,415,401	16,858,100	32,246,692	15,388,592
Office Equipment	1,043,345	756,331	287,013	-	(287,013)
Computer	604	523	80	-	(80)
Furniture and Fixture	26,314	14,587	11,728	-	(11,728)
Disposal of LVP Unit	245,486,399	-	245,486,399	-	(245,486,399)
	<u>436,285,011</u>	<u>130,849,326</u>	<u>305,435,685</u>	<u>97,439,486</u>	<u>(207,996,199)</u>

34. Production Capacity and Utilization:

Category	Unit	Rated Capacity	Actual Production	Capacity Utilization
		2023-2024		
Tablet	Piece	8,735,547	6,370,446	73%
Capsule	Piece	3,666,449	967,802	26%
Liquid	Bottle	278,131	171,665	62%
Injectable (Vial & Ampoule)	Piece	65,300	43,542	67%
ENT & Opthal Preparation	Phial	43,209	35,714	83%
Cream, Ointment, Spray, Gel	Phial	71,111	62,107	87%
Powder for Suspension	Bottle	48,789	34,072	70%
Powder	Phial	54,117	25,679	47%
Suppository	Piece	207,048	120,910	58%
Inhaler	Can	116,099	48,990	42%
Insulin & Insulin Cartridge	Piece	10,590	2,539	24%
Sachet & Others	Piece	26,731	6,653	25%
Basic Chemical & Pellet	Kg	2,010	760	38%

Particulars	Amount in Taka	
	July'23-June'24	July'22-June'23
35. Contingent Liabilities:		
Bank Guarantee (Note - 35.1)	256,972,834	479,806,138
Letter of Credit (L.C) Liabilities (Note - 35.2)	6,814,719,535	4,453,258,655
	7,071,692,369	4,933,064,793
35.1 Bank Guarantee:		
Shahjalal Islami Bank Ltd.	129,001,894	87,592,035
Standard Chartered Bank	108,297,892	105,159,698
Prime Bank Ltd.	2,951,886	1,631,832
Mercantile Bank Ltd.	16,721,162	285,422,573
	256,972,834	479,806,138
35.2 Letter of Credit (L.C) Liabilities:		
Standard Chartered Bank	1,290,758,194	1,127,818,969
HSBC Ltd.	735,245,553	231,590,700
Citibank N.A	-	60,031,664
Commercial Bank of Ceylon PLC	-	2,068,000
Prime Bank Ltd.	51,784,563	296,928,906
Mercantile Bank Ltd.	2,384,483,193	1,918,156,059
Bank Asia Ltd.	8,205,803	298,951,737
Eastern Bank Ltd.	238,583,505	147,028,043
Brac Bank Ltd.	2,105,658,724	370,684,578
	6,814,719,535	4,453,258,655
There were no claims legal or otherwise, not acknowledged as debt, outstanding as of the end of the reporting period. There was no unfulfilled committed expenditure as at June 30, 2024.		
36. Related Party Transactions:		
36.1 Transaction with Key Management Personnel:		
Amount of compensation paid to Key Management Personnel including Board of Directors during the year:		
Short-Term Employee Benefits	497,758,639	488,742,064
Post-Employment Benefits	17,835,420	48,639,820
Other Long-Term Benefits		
Termination Benefits		
Share-Based Payment		
36.2 Transaction with Other Related parties:		
A. Associates:		
Square Textiles Ltd. (46.36% share):		
Opening Balance	-	-
Addition during the Year	5,466,850,000	4,035,238,300
Realized during the Year	(5,466,850,000)	(4,035,238,300)
Closing Balance	-	-
Square Fashions Ltd. (48.63% share):		
Opening Balance	-	-
Addition during the Year	4,972,948,770	5,691,799,999
Realized during the Year	(4,972,948,770)	(5,691,799,999)
Closing Balance	-	-

Particulars	Amount in Taka	
	July'23-June'24	July'22-June'23
Square Hospitals Ltd. (49.94% share):		
Opening Balance	-	-
Addition during the Year	40,484,796	33,137,454
Paid during the Year	(40,484,796)	(33,137,454)
Closing Balance	-	-
B. Subsidiary:		
Square Lifesciences Ltd. (99.95% share):		
Opening Balance	2,429,691,285	653,757,205
Addition during the Year	12,453,430,259	4,634,598,681
Realized during the Year	(16,499,385,504)	(2,858,664,600)
Closing Balance (Payable)	(1,616,263,960)	2,429,691,285
C. Subsidiaries of Associates:		
Square Denims Ltd. (Subsidiary of Square Fashions Ltd.):		
Opening Balance	-	-
Addition during the Year	1,840,174,794	552,470,159
Realized during the Year	(1,840,174,794)	(552,470,159)
Closing Balance	-	-
Square Apparels Ltd. (Subsidiary of Square Fashions Ltd.):		
Opening Balance	-	-
Addition during the Year	1,760,273,450	738,039,604
Realized during the Year	(1,760,273,450)	(738,039,604)
Closing Balance	-	-
D. Others:		
Square InformatiX Ltd. (Service Provider):		
Opening Balance	-	-
Addition during the Year	170,332,443	178,501,064
Paid during the Year	(170,332,443)	(178,501,064)
Closing Balance	-	-
Square Toiletries Ltd. (Supplier):		
Opening Balance	-	-
Addition during the Year	103,998,805	57,391,239
Paid during the Year	(103,998,805)	(57,391,239)
Closing Balance	-	-
Square Food & Beverages Ltd. (Supplier):		
Opening Balance	-	-
Addition during the Year	121,004,236	96,108,831
Paid during the Year	(121,004,236)	(96,108,831)
Closing Balance	-	-

Particulars	Amount in Taka	
	July'23-June'24	July'22-June'23
Square Securities Management Ltd. (Portfolio Manager):		
Opening Balance	121,108,758	373,879,860
Addition during the Year	3,612,925,602	164,120,873
Realized during the Year	(3,723,996,974)	(416,891,975)
Closing Balance	10,037,386	121,108,758
Pharma Packages (Pvt.) Ltd. (Supplier):		
Opening Balance	5,746,842	13,692,778
Addition during the Year	1,719,739,773	648,128,744
Paid during the Year	(1,653,997,337)	(656,074,680)
Closing Balance (Payable)	71,489,278	5,746,842
AEGIS Services Ltd. (Service Provider):		
Opening Balance	-	-
Addition during the Year	358,626,866	296,193,113
Paid during the Year	(358,626,866)	(296,193,113)
Closing Balance	-	-

37. Financial Risk Management:

International Financial Reporting Standard (IFRS) 7 - Financial instruments: Disclosures - requires disclosure of information relating to: both recognized and unrecognized financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information- the Company's policies for controlling risks and exposures.

The management has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

37.1 Credit Risk:

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from institutional and export customers etc. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

In monitoring credit risk, debtors are grouped according to their risk profile, i.e. their legal status, financial condition, ageing profile etc. Accounts receivable are related to sale of generic pharmaceuticals products, basic chemical products, animal health products and crop care products. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Particulars	Amount in Taka	
	30 June 2024	30 June 2023
a) Exposure of Credit Risk		
The maximum exposure to credit risk at the reporting date was:		
Trade and Other Receivables	4,754,218,234	6,461,221,914
Advances, Deposits and Prepayments	1,943,361,351	3,577,391,473
Cash and Cash Equivalents	52,305,603,356	50,079,192,249
	59,003,182,941	60,117,805,636

b) Ageing of Receivables is provided in Note - 9.1

c) Credit Exposure by Credit Rating

	Credit Rating		
Trade and Other Receivables		4,754,218,234	6,461,221,914
Advances, Deposits and Prepayments		1,943,361,351	3,577,391,473
Cash and Cash Equivalents:			
Cash in Hand		6,738,545	11,755,178
Cash at Bank:		52,298,864,811	50,067,437,071
Alliance Finance PLC	BBB-	500,000,000	-
Agrani Bank Ltd.	A+	1,000,000,000	-
Bank Alfalah Ltd.	AAA	500,074,181	1,002,479,111
Bank Asia Ltd.	AA1	33,280,018	42,896,726
BKash		692,366	-
Brac Bank Ltd.	AAA	2,253,388,560	3,526,981,371
Citibank N.A	A+	5,707,181	28,070,739
Commercial Bank of Ceylon Ltd.	AAA	2,008,066,297	1,014,589,510
DBH Finance Corp Ltd	AAA	1,500,000,000	-
Dhaka Bank	AA+	1,000,000,000	-
Dutch-Bangla Bank Ltd.	AAA	-	21,753
Eastern Bank Ltd.	AAA	2,876,819,216	83,520,261
Global Islami Bank Ltd.	AA-	497,053	498,410
HSBC Ltd.	AAA	57,794,351	99,379,554
IDLC Finance Ltd.	AAA	-	2,112,000,000
IPDC Finance Ltd.	AAA	1,750,000,000	2,056,000,000
Janata Bank Ltd.	A1	2,362,821,650	4,183,418,051
LankaBangla Finance Ltd.	AA3	1,500,000,000	500,000,000
Lankan Alliance Finance Ltd.	AA-	-	500,000,000
Mercantile Bank Ltd.	AA-	13,614,018,576	15,623,974,614
Mutual Trust Bank Ltd.	AA-	4,705,510,913	8,062,622,882
Modhumoti Bank PLC	AA3	500,000,000	-
Nagad		68,932	-
National Housing Finance and Investments Ltd.	AA-	2,750,000,000	3,640,000,000
Prime Bank Ltd.	AA1	6,675,751,094	4,943,042,751
Shahjalal Islami Bank Ltd.	AA+	7,824,007	9,698,845
Shimanto Bank Ltd.	A+	40,136,609	495,315
Sonal Bank Ltd.	AA-	14,046,111	6,269,475
Southeast Bank Ltd.	AA	4,500,000,000	2,000,000,000
Square Securities Management Ltd.		10,037,386	121,108,758
The Standard Chartered Bank	A+	632,163,714	508,084,977
The City Bank Ltd.	AA1	1,500,068,753	2,268,965
Trust Bank Ltd.	AA1	-	15,003
UFTCL	AA	97,843	-

Particulars	Amount in Taka	
	30 June 2024	30 June 2023

37.2 Liquidity Risk:

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or jeopardizing to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based on time line of payment of financial obligations and accordingly arrange for sufficient liquidity/fund to make the expected payments within due dates.

Balance as at 30 June 2024	Carrying Amount	Contractual Cash Flows			
		Less than 6 Months	6-12 Months	1-5 Years	More than 5 Years
Trade Payables (Note - 16):					
Payable to Local Suppliers	686,238,794	686,238,794	-	-	-
	<u>686,238,794</u>	<u>686,238,794</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Payables (Note - 17):					
Sundry Creditors	2,492,853,954	-	2,492,853,954	-	-
Income Tax (Deduction at Source)	13,630,694	13,630,694	-	-	-
Retention Money	10,197,839	10,197,839	-	-	-
WPPF & WF	994,392,153	546,915,684	447,476,469	-	-
Insurance Claim	1,833,163	1,833,163	-	-	-
	<u>3,512,907,803</u>	<u>572,577,380</u>	<u>2,940,30,423</u>	<u>-</u>	<u>-</u>
Current Tax Liabilities (Note - 18):	<u>912,265,905</u>	<u>-</u>	<u>912,265,905</u>	<u>-</u>	<u>-</u>
Accrued Expenses (Note - 19):					
Accrued Expenses	284,549,448	284,549,448	-	-	-
Audit Fees	1,100,000	1,100,000	-	-	-
	<u>285,649,448</u>	<u>285,649,448</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unclaimed Dividend (Note - 20):	<u>191,983,629</u>	<u>-</u>	<u>81,227,751</u>	<u>10,755,878</u>	<u>-</u>
Balance as at 30 June 2023					
Balance as at 30 June 2023	Carrying Amount	Contractual Cash Flows			
		Less than 6 Months	6-12 Months	1-5 Years	More than 5 Years
Trade Payables (Note - 16):					
Payable to Local Suppliers	799,397,133	799,397,133	-	-	-
	<u>799,397,133</u>	<u>799,397,133</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Payables (Note - 17):					
Sundry Creditors	506,219,133	-	506,219,133	-	-
Income Tax (Deduction at Source)	17,586,331	17,586,331	-	-	-
Retention Money	20,184,576	20,184,576	-	-	-
WPPF & WF	1,054,856,121	580,170,867	474,685,254	-	-
Insurance Claim	84,123,719	84,123,719	-	-	-
	<u>1,682,969,880</u>	<u>702,065,493</u>	<u>980,904,387</u>	<u>-</u>	<u>-</u>
Current Tax Liabilities (Note - 18):	<u>356,095,553</u>	<u>-</u>	<u>356,095,553</u>	<u>-</u>	<u>-</u>
Accrued Expenses (Note - 19):					
Accrued Expenses	213,517,454	213,517,454	-	-	-
Audit Fees	1,100,000	1,100,000	-	-	-
	<u>214,617,454</u>	<u>214,617,454</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unclaimed Dividend (Note - 20):	<u>158,997,790</u>	<u>-</u>	<u>68,298,111</u>	<u>90,699,679</u>	<u>-</u>

37.3 Market Risk:

Market risk is the risk that any change in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments.

a) **Currency Risk**

The Company is exposed to currency risk on certain revenues and purchases such as raw material, packing material, spare parts and acquisition of machineries & equipment. Majority of the Company's foreign currency transactions are denominated in USD.

i) **Exposure to Currency Risk**

The Company has foreign currency assets for which exchange gains or losses are being accounted for during the year. As such, the Company has no significant exposure to currency risk.

	30 June 2024	30 June 2023
Exchange Rate of US Dollar	117.00	107.50

(ii) **Foreign Exchange Rate Sensitivity Analysis for Foreign Currency Expenditures:**

There being no current risk exposure, sensitivity analysis has not been presented.

b) **Interest Rate Risk**

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. Short term bank borrowings are, however, not significantly affected by fluctuations in interest rates. The Company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

(i) **Risk Profile**

Fixed Rate Instrument

	30 June 2024	30 June 2023
Financial Asset	37,412,425,635	34,564,226,859
Financial Liability	-	-

Variable Rate Instrument

Financial Asset	6,400,000,000	4,600,000,000
Financial Liability	-	-

(ii) **Cash Flow Sensitivity Analysis for Variable Rate Instruments**

There being no variable rate instruments as such sensitivity analysis is not required.

37.4 Accounting Classification and Fair Value:

Particulars	Amount in Taka			
	30 June 2024		30 June 2023	
	Book Value	Fair Value	Book Value	Fair Value
FVOCI Financial Assets				
Investment in Marketable Securities	9,320,504,933	9,001,712,647	3,773,747,813	4,589,867,031
Financial Assets - Held to Maturity				
FDR with Banks and Financial Institutions	36,820,218,731	36,820,218,731	33,560,534,932	33,560,534,932
Non-Convertible Zero Coupon Bonds	464,512,474	464,512,474	975,997,497	975,997,497
Non-Convertible Subordinated Bonds	6,400,000,000	6,400,000,000	4,600,000,000	4,600,000,000
	43,684,731,205	43,684,731,205	39,136,532,429	39,136,532,429
Trade and Other Receivables				
Trade Receivables	2,560,353,465	2,560,353,465	3,392,944,797	3,392,944,797
Other Receivables	2,193,864,769	2,193,864,769	3,068,277,117	3,068,277,117
	4,754,218,234	4,754,218,234	6,461,221,914	6,461,221,914
Earnest Money & Security Deposits	402,702,619	402,702,619	422,542,939	422,542,939
Cash and Cash Equivalents	14,785,819,160	14,785,819,160	15,556,877,367	15,556,877,367
Financial Assets - Available for Sale	699,565,465	699,565,465	961,779,950	961,779,950

* As per the requirements of IFRS 7 (ref: Para 29), determination of fair value is not required for instruments for which fair value is not likely to be significantly different from the carrying amounts.

SQUARE PHARMACEUTICALS PLC.

Schedule of Property, Plant and Equipment

As at 30 June 2024

Schedule-01

PARTICULARS	C O S T			ACCUMULATED DEPRECIATION				Written Down Value as at 30 June 2024	Rate of Deprn.
	At 01 July 2023	During the Year		At 01 July 2023	For the Year		At 30 June 2024		
		Additions	Disposals/Transfer		Charged	Disposals/Transfer			
Manufacturing Plants:									
Land	4,360,485,249	383,090,705	133,005,407	4,610,570,547	-	-	4,610,570,547	-	-
Building	8,727,618,396	54,453,402	-	8,782,071,798	5,277,218,428	-	3,477,375,720	5,624,594,148	10%
Boundary Wall	593,903	-	-	593,903	445,066	-	14,884	459,950	10%
Plant & Machinery	14,665,082,549	100,090,041	9,257,349	14,755,915,241	10,801,825,238	-	588,258,519	11,381,406,194	15%
Laboratory Equipment	2,438,792,565	51,172,866	-	2,489,965,431	1,354,711,736	-	110,923,437	1,465,635,173	10%
Furniture & Fixture	1,244,341,908	13,773,646	-	1,258,115,554	609,130,886	-	64,332,968	673,463,854	10%
Office Equipment	842,881,052	35,044,116	-	877,925,168	412,508,637	-	45,217,009	457,725,646	10%
Computer	267,500,852	6,979,379	177,232	274,302,999	124,621,419	-	14,638,961	139,161,770	10%
Motor Vehicles	603,531,528	73,690,000	30,362,500	646,859,028	363,793,129	-	52,390,733	393,979,084	20%
Electromechanical Equipment	1,066,769,232	451,061	-	1,067,220,293	941,398,400	-	18,848,260	960,246,660	15%
Electrical Installation	211,606,710	-	-	211,606,710	164,984,801	-	6,993,287	171,978,088	15%
Gas Line Installation	58,893,015	-	-	58,893,015	44,588,910	-	2,145,616	12,158,489	15%
Sub-Total	34,488,096,959	718,745,216	172,802,488	35,034,039,687	20,095,226,650	30,980,951	1,251,139,394	21,315,385,093	
Sales & Distribution:									
Land	1,129,195,363	123,216,130	-	1,252,411,493	-	-	-	1,252,411,493	-
Building	624,557,342	-	-	624,557,342	324,440,303	-	30,011,705	354,452,008	10%
Boundary Wall	19,403,221	-	-	19,403,221	9,446,541	-	995,668	10,442,209	10%
Motor Vehicles	1,419,176,894	177,745,000	77,190,000	1,519,731,894	868,250,966	-	124,484,479	945,148,140	20%
Motor Cycle	614,180,492	103,945,000	55,273,501	662,851,991	309,323,024	-	72,766,901	343,674,524	20%
Furniture & Fixture	132,055,622	12,209,016	26,314	144,238,324	69,664,876	-	6,884,431	76,534,720	10%
Office Equipment	58,002,946	3,865,900	604	61,869,700	35,362,178	-	2,386,104	37,747,759	10%
VSAT	7,559,700	-	-	7,559,700	5,298,651	-	226,105	5,524,756	10%
Computer & Network Equipment	77,103,505	14,907,036	866,113	91,144,428	37,423,098	-	4,665,312	41,430,688	10%
Sub-Total	4,081,235,085	435,888,082	133,356,532	4,383,766,635	1,659,209,637	242,420,705	86,675,538	1,814,954,804	
Admin:									
Land	1,142,226,146	1,480,591,074	-	2,622,817,220	-	-	-	2,622,817,220	-
Building	1,844,798,170	36,631,246	-	1,881,429,416	354,545,874	-	150,916,335	1,375,967,207	10%
Furniture & Fixture	59,561,924	2,941,408	-	62,503,332	38,894,972	-	2,158,038	41,053,010	10%
Office Equipment	53,894,839	6,744,073	-	60,638,912	36,040,454	-	2,404,874	38,445,328	10%
Computer	415,139,418	2,787,879	-	417,927,297	192,010,196	-	22,489,035	214,499,231	10%
Motor Vehicles	809,450,248	171,414,000	17,645,000	963,219,248	550,507,874	-	56,869,859	594,184,895	20%
Motor Cycle	226,000	230,000	-	456,000	25,882	-	46,703	72,585	20%
Books & Periodicals	528,794	-	-	528,794	528,772	-	22	528,794	30%
SAP Software	148,024,164	-	-	148,024,164	148,024,164	-	-	148,024,164	-
Electrical Installation	16,358,915	-	-	16,358,915	14,399,464	-	293,918	14,693,382	-
Sub-Total	4,490,208,618	1,701,339,680	17,645,000	6,173,903,298	1,334,977,652	13,192,838	1,556,963,598	4,616,939,700	
Total	43,059,540,662	2,855,972,978	323,804,020	45,591,709,620	23,089,413,939	1,728,738,883	1,728,738,883	24,687,303,495	
Property, Plant & Equipment in Transit	715,369,536	937,119,275	675,323,243	977,165,568	-	-	-	977,165,568	
Building under Construction	1,081,705,847	1,063,055,568	371,176,804	1,773,584,611	-	-	-	1,773,584,611	
Carrying Value as on 30 June 2024	44,856,616,045	4,856,147,821	1,370,304,067	48,342,459,799	23,089,413,939	1,728,738,883	130,849,327	24,687,303,495	
								23,655,156,304	

SQUARE PHARMACEUTICALS PLC.

Schedule of Property, Plant and Equipment

As at 30 June 2023

Schedule-01.a

PARTICULARS	COST			ACCUMULATED DEPRECIATION			Written Down Value as at 30 June 2023	Rate of Deprn.	
	At 01 July 2022	During the Year		At 01 July 2022	For the Year				At 30 June 2023
		Additions	Disposals/Transfer		Charged	Disposals/Transfer			
Manufacturing Plants:									
Land	4,240,889,431	123,316,435	3,720,617	4,360,485,249	-	-	4,360,485,249	-	
Building	9,357,973,683	155,244,701	785,599,988	8,727,618,396	375,928,182	423,204,597	3,450,399,968	10%	
Boundary Wall	593,903	-	-	593,903	16,538	-	148,837	10%	
Plant & Machinery	16,606,833,941	430,336,576	2,372,087,968	14,665,082,549	651,292,878	1,487,997,999	3,863,257,311	15%	
Laboratory Equipment	2,464,309,361	83,842,130	109,358,926	2,438,792,565	117,205,933	58,090,521	1,084,080,829	10%	
Furniture & Fixture	1,258,328,935	54,410,095	68,397,122	1,244,341,908	68,726,311	31,970,302	635,211,022	10%	
Office Equipment	881,647,653	25,732,666	64,499,267	842,881,052	46,341,974	21,871,863	430,372,415	10%	
Computer	245,342,706	28,450,315	6,292,169	267,500,852	113,128,146	2,974,356	142,879,433	10%	
Motor Vehicles	533,946,402	82,725,126	13,140,000	603,531,528	324,452,067	9,164,934	239,738,399	20%	
Electromechanical Equipment	1,099,746,687	36,080,208	36,080,208	1,066,769,232	944,999,804	21,657,385	125,370,832	15%	
Electrical Installation	227,628,710	16,022,000	16,022,000	211,606,710	167,988,838	11,231,433	46,621,909	15%	
Gas Line Installation	66,893,990	-	8,000,975	58,893,015	2,524,254	1,646,350	14,304,105	15%	
Sub-Total	36,984,135,402	987,160,797	3,483,199,240	34,488,096,959	2,079,411,144	2,079,411,144	14,392,870,309		
Sales & Distribution:									
Land	1,128,495,363	700,000	-	1,129,195,363	-	-	1,129,195,363	-	
Building	613,128,741	11,428,601	-	624,557,342	33,224,356	-	300,117,039	10%	
Boundary Wall	19,360,321	42,900	-	19,403,221	1,105,342	-	9,956,680	10%	
Motor Vehicles	1,323,485,723	155,770,000	60,078,829	1,419,176,894	123,423,358	43,135,675	550,925,928	20%	
Motor Cycle	559,992,072	101,105,510	46,917,090	614,180,492	67,320,250	30,978,066	304,857,468	20%	
Furniture & Fixture	134,066,008	5,421,973	514,379	138,973,602	65,076,738	7,158,420	67,157,768	10%	
Office Equipment	55,132,388	2,870,920	362	58,002,946	32,960,498	2,401,989	22,640,768	10%	
VSAT	7,559,700	-	-	7,559,700	251,228	309	2,261,049	10%	
Computer & Network Equipment	63,144,683	7,457,340	416,498	70,185,525	32,135,769	329,861	34,913,385	10%	
Sub-Total	3,904,364,999	284,797,244	107,927,158	4,081,235,085	238,351,175	74,863,235	2,422,025,448		
Admin:									
Land	1,076,779,107	65,447,039	-	1,142,226,146	-	-	1,142,226,146	-	
Building	345,609,060	1,499,189,110	-	1,844,798,170	143,046,499	-	1,490,252,296	10%	
Furniture & Fixture	57,607,731	1,954,193	-	59,561,924	2,196,722	-	20,666,952	10%	
Office Equipment	58,082,839	1,547,000	5,735,000	53,894,839	2,016,239	4,006,832	17,854,385	10%	
Computer	345,422,597	69,766,821	50,000	415,139,418	23,336,784	28,043	223,129,222	10%	
Motor Vehicles	782,756,373	56,175,000	29,481,125	809,450,248	58,250,957	20,919,432	258,942,374	20%	
Motor Cycle	-	226,000	-	226,000	25,882	-	200,118	20%	
Books & Periodicals	528,794	-	-	528,794	10	-	22	30%	
SAP Software	148,024,164	-	-	148,024,164	-	-	-	20%	
Electrical Installation	16,359,915	-	-	16,358,915	345,786	-	1,959,451	15%	
Sub-Total	2,831,169,580	1,694,305,163	35,266,125	4,490,208,618	229,218,879	24,954,307	3,155,230,966		
Total	43,719,669,981	2,966,263,204	3,626,392,523	43,059,540,662	1,822,464,530	23,089,413,939	19,970,126,723		
Property, Plant & Equipment in Transit	521,564,753	832,310,716	638,505,933	715,369,536	-	-	715,369,536		
Building under Construction	2,066,237,283	580,259,733	1,564,791,169	1,081,705,847	-	-	1,081,705,847		
Carrying Value as on 30 June 2023	46,307,472,017	4,378,833,653	5,829,689,625	44,856,616,045	1,822,464,530	2,179,228,686	21,767,202,106		

SQUARE PHARMACEUTICALS PLC.

Schedule - 2

COMPOSITION & CLASSIFICATION OF SHARE CAPITAL AS AT 30 JUNE 2024

Composition of Shareholding:

Particulars	30-Jun-24		30-Jun-23	
	No. of Shares	%	No. of Shares	%
Sponsors & Directors	314,342,951	35.46	307,342,951	34.67
Foreign Investors	121,932,520	13.76	116,833,548	13.18
Financial and Other Institutions	134,160,769	15.13	134,681,287	15.19
General Public	316,014,770	35.65	327,593,224	36.96
	886,451,010	100.00	886,451,010	100.00

Classification of Shareholders Holding (As per Folio & BOID):

Particulars	30-Jun-24			30-Jun-23		
	No. of Holders	Holdings	%	No. of Holders	Holdings	%
Less than 500 Shares	45,678	5,850,011	0.66	60,250	8,125,497	0.92
501 to 5,000 Shares	17,307	28,565,679	3.22	19,849	32,515,454	3.67
5,001 to 10,000 Shares	2,401	17,281,255	1.95	2,654	19,054,458	2.15
10,001 to 20,000 Shares	1,216	17,267,164	1.95	1,325	18,857,616	2.13
20,001 to 30,000 Shares	444	11,041,646	1.25	487	12,059,440	1.36
30,001 to 40,000 Shares	235	8,257,496	0.93	245	8,619,384	0.97
40,001 to 50,000 Shares	139	6,340,190	0.72	167	7,617,006	0.86
50,001 to 100,000 Shares	284	20,090,153	2.27	311	21,750,539	2.45
100,001 to 1,000,000 Shares	307	88,559,421	9.99	325	92,938,277	10.48
Over 1,000,000 Shares	69	683,197,995	77.07	64	664,913,339	75.01
	68,080	886,451,010	100.00	85,677	886,451,010	100.00

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Year ended 30 June 2024

2023-2024

Subsidiary Profile

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SQUARE
Pharmaceuticals Kenya
EPZ Ltd.

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Square Pharmaceuticals Kenya EPZ Ltd.

Directors' Report

Year ended June 2024

To the Honorable
Shareholders

The Board of Directors is pleased to present its report along with audited financial statements for the year ended on 30 June 2024, and the Auditor's Report thereon. The report has been prepared as per the provision of section 653 of the Companies Act, 2015 of Kenya.

Company Overview

Incorporated on 7th June 2017, Square Pharmaceuticals Kenya EPZ Ltd. ('SPKEL'/'the Company') embarked on its journey with a clear vision and a strong commitment to success. The company has its own state-of-the-art manufacturing plant at Athi River EPZ, Ketengala, Machakoas County.

Parent Company

Square Pharmaceuticals PLC., Bangladesh holds 100% nominal share capital of SPKEL. The registered office of the parent company is situated at "Square Centre" - 48, Mohakhali commercial area, Dhaka-1212.

The parent company is engaged in the manufacturing & marketing of pharmaceutical products, basic chemical products & animal health products.

Board of Directors

The Board of Directors consists of the following members:

Mr. Samuel S Chowdhury	Chairman
Mrs. Ratna Patra	Vice Chairman
Mr. Tapan Chowdhury	Director
Mr. Anjan Chowdhury	Director
Dr. Iruki Mwithali Kailemia	Director
Mr. Muhammadul Haque	Director
(Nominee of Square Pharmaceuticals PLC.)	

Except for Dr. Iruki Mwithali Kailemia, a Kenyan citizen by nationality, all are nominees of Square Pharmaceuticals PLC., Bangladesh.

Mr. Muhammadul Haque, Independent Director of Square Pharmaceuticals PLC. represents as nominee director in the Board of SPKEL in compliance with condition No. 2 of the Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission.

Principal Business Activities

The Company's core business activities are the manufacturing, marketing & distribution of generic pharmaceutical products in Kenya and the majority of the East African Community (EAC).

Industry Outlook and Future Developments

Africa's healthcare sector, particularly the pharmaceuticals industry, has immense untapped growth potential. The continent's annual demand for packaged medicines is estimated at \$18 billion, with 61% of products imported, highlighting a largely unexplored market. However, the establishment of the African Continental Free Trade Area (AfCFTA) is poised to revolutionize the industry by promoting investments in local pharmaceuticals manufacturing. This initiative aims to bolster the production of branded and generic medicines, vaccines, diagnostic kits, and bandages, fostering greater self-sufficiency and access to essential healthcare products.



The generic drug segment dominates the East African market with 80% of total sales. The East Africa generic drug market size reached US\$ 2.2 Billion in 2023. Looking forward, it is expected

To the Honorable
Shareholders

Square Pharmaceuticals Kenya EPZ Ltd.

Directors' Report

the market to reach US\$ 4.1 Billion by 2032, exhibiting a growth rate (CAGR) of 7.07% during 2024-2032. Rising healthcare costs, an increasing disease burden driving the demand for affordable treatments, the expiration of numerous branded drug patents and supportive government initiatives are playing a key role in driving the market growth.

Kenya's pharmaceuticals market was projected to reach a revenue of approximately \$765 million in 2024. Among the various segments, Oncology Drugs was expected to be the largest. By 2030, it is anticipated that the Kenya Oncology Therapeutics Market will reach a value of \$263mn, growing at a CAGR of 9.5% during 2022-30. Looking ahead, the pharmaceuticals sector is anticipated to grow at a compound annual growth rate (CAGR) of 6.10% from 2024 to 2029, reaching a market volume of \$1,031.26 million by 2029.

The Government of Kenya is actively promoting the use of generic drugs through regulatory reforms, public awareness initiatives, and improvements to the healthcare system.

Community Sponsorship

Square Pharmaceuticals Kenya EPZ Ltd donated medicine towards better health for those affected by the flood that devastated the normal lives of many Kenyans.



Square Pharmaceuticals Kenya EPZ Ltd donated medicine towards better health for those affected by the flood that devastated the normal lives of many Kenyans.



Glimpse of Doctors' Community, Kenya visiting our plant in Kenya EPZ.

SPKEL also donated medicines to the beneficiaries of the boy child medical camps against alcohol, drugs, and substance abuse. The Govt. of Kenya highly appreciated such initiatives and encouraged such partnerships and collaborations towards dignifying the lives of the vulnerable in Kenya.

Partnership with Supranational Organizations

On February 23, 2024, a team from the Bill & Melinda Gates Foundation visited our factory in Kenya for a promising collaboration. They expressed their admiration for the progress we have made since our establishment in Bangladesh. The visit highlighted our commitment to quality and innovation in the pharmaceuticals sector, showcasing the advancements we've achieved in local manufacturing.



The foundation representatives were particularly pleased to see our efforts in improving healthcare access and the production of essential medicines in Kenya. Their support and recognition reinforce our dedication to expanding our operations and enhancing our impact in the region and beyond. Additionally, we have submitted a tender to WHO which is in the evaluation stage.

To the Honorable
Shareholders

Square Pharmaceuticals Kenya EPZ Ltd.

Directors' Report

Strategic Outlook

Over the past few years, we have made significant efforts to establish a strong foundation for a sustainable manufacturing plant. Our commitment to environmentally responsible practices and efficient operations has been a priority, positioning us to meet future demands while minimizing our ecological footprint and enhancing overall production sustainability. Our state-of-the-art manufacturing facility has the latest technologies to ensure high-quality production. From the very beginning, our manufacturing facilities have been operating efficiently, adhering to the highest quality and safety standards.

So far, 23 products are available in the Kenyan market and 20 more products are in the pipeline waiting to enter the market. We are already on the verge of initiating exports from Kenya to the neighboring countries.

All the while, we remain as diligent as ever in managing costs and improving operational efficiency to ensure profitability and sustainability.

Financial Performance

During the four months of production in 2022-23, we generated a modest revenue of KES 56,889,532 (USD 440,287). This was mainly because the company was in its initial stages of operation and was yet to utilize the maximum potential of its resources.

This year the company generated KES 273,847,943 (USD 2,028,124) which is a good start as the company moves toward penetrating the local market.

Despite, the increase in revenue the Company incurred a negative GP margin because of the low utilization of the production facility. However, gross profit increased by 14% from the last year.

The Company has incurred a net loss of KES 245,725,253 (USD 1,819,847) for the financial

year ended 30 June 2024 as compared to the net loss of KES 220,269,691 (USD 1,704,742) in the previous year. This loss is mainly due to the finance cost.

The management believes that the company will soon achieve its target profits, as the Kenyan market has responded well to its product, and upcoming growth prospects appear promising.

Exchange rates as of:

30 June 2024: 1 USD = 129.5270 KES

30 June 2023: 1 USD = 140.5235 KES

Statutory Auditors

Though M/s Shariff and Associates, Certified Public Accountant, Kenya was the initial statutory auditor for the year 2023-24, they expressed their inability to continue due to their technical problem. Therefore, the management unequivocally appointed Mugo & Co.; Certified Public Accountants as statutory auditors for the year 2023-24. They have given an unqualified report on the financial statements of the Company for the year ended 30 June 2024.


Mugo & Co., being eligible, have expressed willingness to continue in office and do so in accordance with Section 159(2) of the Companies Act 2015 of Kenya.

The Board has recommended their appointment.

Acknowledgment

We are hopeful about what lies ahead and are confident that our strategic approach will result in lasting growth and achievement.

I sincerely thank our board of directors, our devoted team, and our supportive shareholders for their steadfast belief in our vision and their dedication to our company's success. Their combined efforts and support have established the groundwork for our journey.


Samuel S Chowdhury
Chairman



Woodlands Business Park 4th Floor, Suite 15,
Kiambere Road, Upperhill P. O. Box 51820 -00200
Nairobi, Kenya



Report of the Independent Auditor

To the Members of Square Pharmaceuticals Kenya EPZ Limited.

Our opinion

In our opinion the accompanying financial statements give a true and fair view of the state of financial affairs of the Company as of 30th June 2024 and the results of its operation and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act.

What we have audited

The financial statements of Square Pharmaceuticals Kenya EPZ Limited (the “Company”) are as set out on pages 7 to 20 and comprise:

- The statement of financial position as of 30th June 2024;
- The statement of income and expenditure;
- The statement of changes in equity;
- The statement of cash flows; and
- The notes to the financial statements include a summary of significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our ethical responsibilities in accordance with the IESBA Code.

Key Audit Matters

This section of our auditor’s report is intended to describe the matters selected from those communicated with the board that, in our professional judgment, were of most significance in our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. We have determined that there are no such matters to report.

Other information

The directors are responsible for the other information. The other information comprises the directors’ reports, business review reports, corporate governance reports and other statements included within the annual report (but does not include the auditor’s report thereon), which we obtained prior to the date of this auditor’s report.

Report of the Independent Auditor To the Shareholders



The Directors' Responsibilities and those charged with governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, and for such internal control as the directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but do so.

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

Auditor's Responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

**Report of the Independent Auditor
To the Shareholders**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable related safeguards.

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

Report on Other Legal Requirements

We report to you, based on our audit, that these financial statements are prepared:

- in accordance with the provisions of the Kenyan Companies Act.
- in accordance with the Company's objectives, and any other resolutions made by the Company at a general meeting.

The engagement partner responsible for the audit resulting in the independent auditor's report is CPA Edward Wanjohi Mugo - P/No 595.



Mugo & Co.

Certified Public Accountants of Kenya

Dated 23-09-2024 in NAIROBI

SQUARE PHARMACEUTICALS KENYA EPZ LTD.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Amount in KES	
	30 June 2024	30 June 2023
ASSETS		
Non-Current Assets:		
Property, Plant and Equipment	1,452,580,381	1,629,296,445
	1,452,580,381	1,629,296,445
Current Assets:		
Inventories	154,903,213	71,963,808
Trade and Other Receivables	76,958,315	36,050,296
Advances, Deposits and Prepayments	41,914,069	9,432,070
Cash and Cash Equivalents	8,196,617	1,765,970
	281,972,214	119,212,145
TOTAL ASSETS	1,734,552,595	1,748,508,590
EQUITY AND LIABILITIES		
EQUITY:		
Share Capital	800,000,000	400,000,000
Share Money Deposits	452,028,330	852,028,330
Retained Earnings	(516,041,898)	(270,316,645)
TOTAL EQUITY	735,986,432	981,711,685
LIABILITIES:		
Non-Current Liabilities:		
Term Loan	237,510,144	478,050,335
	237,510,144	478,050,335
Current Liabilities:		
Term Loan	237,510,145	153,930,324
Bank Overdraft	447,389,870	99,178,559
Trade & Other Payables	75,000,419	34,334,343
Accrued Expenses	1,155,585	1,303,345
	761,056,019	288,746,571
TOTAL LIABILITIES	998,566,163	766,796,905
TOTAL EQUITY AND LIABILITIES	1,734,552,595	1,748,508,590

These financial statements were approved for issue by the Board of Directors on 20th September 2024 and signed on its behalf by:


Iruki Mwithali Kailemia
Director


Tapan Chowdhury
Director


Mugo & Co
Certified Public
Accountants of Kenya

Nairobi, 23rd September 2024

SQUARE PHARMACEUTICALS KENYA EPZ LTD.

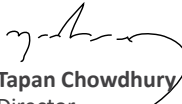
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024

	Amount in KES	
	July' 23 - June'24	July'22 - June'23
Net Revenue	273,847,943	56,889,532
Cost of Goods Sold	(339,225,054)	(132,874,356)
Gross Profit	(65,377,111)	(75,984,824)
Administrative Expenses	(17,786,888)	(22,547,807)
Finance Cost	(150,479,256)	(26,779,627)
Operating Expenses	(168,266,144)	(49,327,434)
Profit /(Loss) from Operations	(233,643,255)	(125,312,258)
Exchange Loss on Term Loan	(21,172,243)	(96,690,322)
Foreign Exchange (Loss)/Gain, net	9,090,245	1,732,889
Profit / (Loss) before tax	(245,725,253)	(220,269,691)
Income Tax Expense	-	-
Profit after Tax	(245,725,253)	(220,269,691)
Other Comprehensive Income	-	-
Total Comprehensive Income	(245,725,253)	(220,269,691)

These financial statements were approved for issue by the Board of Directors on 20th September 2024 and signed on its behalf by:

These financial statements were approved for issue by the Board of Directors on 20th September 2024 and signed on its behalf by:


Iruki Mwithali Kailemia
Director


Tapan Chowdhury
Director


Mugo & Co.
Certified Public
Accountants of Kenya

Nairobi, 23rd September 2024

SQUARE PHARMACEUTICALS KENYA EPZ LTD.

STATEMENT OF CHANGES IN EQUITY For the Year Ended 30 June 2024

	Share Capital	Share Money Deposit	Retained Earnings	Total
	KES	KES	KES	KES
As At 01 July 2022	400,000,000	852,028,330	(50,046,954)	1,201,981,376
Profit after Tax	-	-	(220,269,691)	(220,269,691)
Other Comprehensive Income	-	-	-	-
As At 30 June 2023	400,000,000	852,028,330	(270,316,645)	981,711,685
As At 01 July 2023	400,000,000	852,028,330	(270,316,645)	981,711,685
Profit after Tax	-	-	(245,725,253)	(245,725,253)
Other Comprehensive Income	-	-	-	-
Transfer between Reserves	400,000,000	(400,000,000)	-	-
As At 30 June 2024	800,000,000	452,028,330	(516,041,898)	735,986,432

These financial statements were approved for issue by the Board of Directors on 20th September 2024 and signed on its behalf by:


Iruki Mwithali Kailemia
Director


Tapan Chowdhury
Director


Mugo & Co
Certified Public
Accountants of Kenya

Nairobi, 23rd September 2024

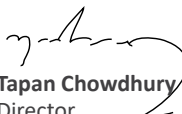
SQUARE PHARMACEUTICALS KENYA EPZ LTD.

STATEMENT OF CASH FLOWS For the Year Ended 30 June 2024

	Amount in KES	
	July' 23 - June'24	July'22 - June'23
Cash Flows from Operating Activities:		
Receipts from Customers	281,073,960	20,839,235
Payments to Suppliers	(83,078,235)	-
Payments for Manufacturing and Operating Expenses	(168,938,460)	(152,293,380)
Cash Generated from Operations	29,057,265	(131,454,145)
Interest Paid	(150,479,256)	(26,779,627)
Net Cash from Operating Activities	(121,421,991)	(158,233,772)
Cash Flows from Investing Activities:		
Purchase of Property, Plant and Equipment	(51,316,307)	(106,895,736)
Net Cash from/(Used in) Investing Activities	(51,316,307)	(106,895,736)
Cash Flows from Financing Activities:		
Proceeds from term loan and Bank Overdraft	170,078,700	237,797,249
Net Cash Used in Financing Activities	170,078,700	237,797,249
Net Increase/(Decrease) in Cash and Cash Equivalents	(2,659,598)	(27,332,259)
Cash and Cash Equivalents at 01 July	1,765,970	27,365,340
Effect of Exchange Rate Fluctuations on Cash and Cash Equivalents	9,090,245	1,732,889
Cash and Cash Equivalents at 30 June	8,196,617	1,765,970

These financial statements were approved for issue by the Board of Directors on 20th September 2024 and signed on its behalf by:


Iruki Mwithali Kailemia
Director


Tapan Chowdhury
Director


Mugo & Co
Certified Public
Accountants of Kenya

Nairobi, 23rd September 2024

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Square Lifesciences Ltd.
Directors' Report
 Year ended June 2024

To the Honorable
Shareholders

The Board of Directors is pleased to present its Report for the financial year ended June 30, 2024, along with Audited Financial Statements and the Auditor's Report thereon in accordance with the Companies Act, 1994.

Company Overview

Square Lifesciences Ltd. (SLL) has been incorporated on February 2020 and started its commercial production since July 2022. The state-of-the-art manufacturing plant of the company is located in Pabna, Bangladesh and it is engaged in manufacturing of generic pharmaceuticals products.

Core Business Activities

The company is engaged in the business of manufacturing generic pharmaceutical products.

Equity Structure

Square Lifesciences Ltd. (SLL) is a virtually wholly owned subsidiary of Square Pharmaceuticals PLC. (SPL), Bangladesh.

SPL holds 99.95% of the total paid-up capital of SLL and SPL is engaged in the business of manufacturing, marketing & distribution of pharmaceutical products, basic chemical products, and animal health products.

Board of Directors

The Board of Directors consists of the following members:

Mr. Samuel S Chowdhury	Chairman
Mrs. Ratna Patra	Vice Chairman
Mr. Tapan Chowdhury	Director
Mr. Anjan Chowdhury	Director
Mr. Muhammadul Haque	Director
(Nominee of Square Pharmaceuticals PLC.)	

Mr. Muhammadul Haque, Independent Director of Square Pharmaceuticals PLC. (holding company) represents as Nominee Director in compliance with condition No. 2 of the Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission, Bangladesh.

Operation & State of Affairs

We are operating a state-of-the-art manufacturing facility in full swing, equipped with the latest technology and machineries to ensure efficient production of pharmaceutical products adhering to the highest quality and safety standards.

SLL has successfully entered into the export market this year, broadening its geographic footprint.

The growing population, an increasing awareness of healthcare needs and growing incidence of chronic diseases contribute to rising demand for pharmaceuticals in Bangladesh. Thus, we are maintaining our confidence in the SLL's future through our ongoing commitment to research & development, operational efficiency, and regulatory compliance, combined with strategic growth initiatives in the years ahead to secure both profitability and long-term sustainability.

Financial Performance

SLL continued to demonstrate resilience and growth amidst challenges posed by the country's recent economic turmoil.

Key financial highlights of SLL for the year ended 30 June 2024 are as follows:

Net Revenue: The Net Revenue from operations reached Tk. 10.92 billion with a growth of 386.59% in 2023-2024 as against Tk. 2.24 billion of the previous year.

To the Honorable
Shareholders

Square Lifesciences Ltd.
Directors' Report

- > **Net Profit:** Net Profit after tax increased by 576.80% to Tk. 3.25 billion in 2023-2024 as compared to Tk. 0.48 billion for the previous year.
- > **Retained Earnings:** Retained Earnings stood at Tk. 2.71 billion with an increase of 848.56% in 2023-2024 against Tk. 0.29 billion in 2022-2023.

Tax exemption reserve is created with the tax benefit cumulatively amounting Tk. 957,813,365 aimed to receive as per Income Tax Act 2023.

With anticipated new product launches and potential expansions of export market, SLL expects to maintain its financial growth trajectory in the coming fiscal year.

Statutory Auditors

M/s. Chowdhury Bhattacharjee & Co., Chartered Accountants, provided an unqualified audit opinion on financial statements for the year ended 30 June 2024. They are retiring at this Annual General Meeting and being eligible, has shown their willingness to be reappointed as Auditor for the year 2024-25.

Acknowledgement

The Board would like to express its gratitude to its dedicated team, supportive shareholders, and loyal customers who have kept their trust in us. Your trust in our company has been our driving force.



Samuel S Chowdhury
Chairman



SQUARE LIFESCIENCES LTD.

চৌধুরী ভট্টাচার্য্য এন্ড কোং

CHOWDHURY BHATTACHARJEE & CO.

CHARTERED ACCOUNTANTS

DHAKA OFFICE : 47/2, Indira Road, Dhaka-1215

Ph : 9123236, Fax : 8802-8120187

CTG. OFFICE : 922, Jubilee Road, Ctg.-4000

Ph : 031-614907 (O) 624228 (R)

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS' OF SQUARE LIFESCIENCES LTD.

Opinion

We have audited the accompanying Financial Statements of "Square Lifesciences Ltd.", which comprises the Statement of Financial Position as at 30 June 2024 Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and Notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the Financial Statements prepared in accordance with International Financial Reporting Standards (IFRS), give a true and fair view of the state of the company's affairs as at 30 June 2024 and of the results of its operations and its Cash Flows for the year then ended and comply with the Companies Act, 1994 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our Responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994 and other applicable laws and regulations. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to Going Concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

চৌধুরী ভট্টাচার্য এন্ড কোং
CHOWDHURY BHATTACHARJEE & CO.
CHARTERED ACCOUNTANTS

DHAKA OFFICE : 47/2, Indira Road, Dhaka-1215
 Ph : 9123236, Fax : 8802-8120187
 CTG. OFFICE : 922, Jubilee Road, Ctg.-4000
 Ph : 031-614907 (O) 624228 (R)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidences that is sufficient and appropriate to provide a basis for audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidences obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidences obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Further to our opinion in the above paragraph, we state that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) In our opinion, proper books of account as required by law have been kept by "Square Lifesciences Ltd." so far as it appeared from our examination of those books;
- (iii) The Company's Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and its Statement of Cash Flows dealt with by the report are in agreement with the books of account; and
- (iv) The expenditure incurred was for the purpose of the Company's business.



Saptam Biswas, FCA

Partner

Enrollment No: 1615

Chowdhury Bhattacharjee & Co.
(Chartered Accountants)

DVC: 2411061615AS347211


21 October 2024
Dhaka

SQUARE LIFESCIENCES LTD.

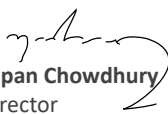
STATEMENT OF FINANCIAL POSITION As at 30 June 2024

	Amount in Taka	
	30 June 2024	30 June 2023
ASSETS		
Non-Current Assets:		
Property, Plant and Equipment	2,782,752,585	3,036,181,710
Investment in Marketable Securities	290,690,000	-
Deferred Tax Asset	6,668,026	3,932,825
	3,080,110,611	3,040,114,535
Current Assets:		
Inventories	1,709,426,768	2,120,037,822
Trade and Other Receivables	2,061,802,858	-
Advances, Deposits and Prepayments	125,301,052	284,165,057
Cash and Cash Equivalents	52,043,941	37,659,902
	3,948,574,619	2,441,862,781
	7,028,685,230	5,481,977,316
TOTAL ASSETS		
EQUITY AND LIABILITIES		
EQUITY:		
Share Capital	1,000,000,000	1,000,000,000
Tax Exemption Reserve	951,987,606	133,465,613
Fair Value Reserve	(4,069,073)	-
Retained Earnings	2,689,037,627	285,285,701
TOTAL EQUITY	4,636,956,160	1,418,751,314
LIABILITIES:		
Non-Current Liabilities:		
Loans and Borrowings	600,000,000	1,000,000,000
	600,000,000	1,000,000,000
Current Liabilities:		
Loans and Borrowings	400,000,000	500,000,000
Trade Payables	878,253,448	203,250,142
Other Payables	513,375,622	2,359,875,860
Accrued Expenses	100,000	100,000
	1,791,729,070	3,063,226,002
TOTAL LIABILITIES	2,391,729,070	4,063,226,002
TOTAL EQUITY AND LIABILITIES	7,028,685,230	5,481,977,316

Signed as per annexed report of even date.



Samuel S Chowdhury
Chairman



Tapan Chowdhury
Director



Md. Ashrafur Rahman
Company Secretary



Saptam Biswas, FCA
Enrollment No: 1615
Partner

Chowdhury Bhattacharjee & Co.
(Chartered Accountants)
DVC: 2411061615AS347211

21 October 2024
Dhaka

SQUARE LIFESCIENCES LTD.

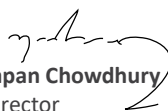
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024

	Amount in Taka	
	July' 23 - June'24	July'22 - June'23
Net Revenue	10,920,595,189	2,244,303,422
Cost of Goods Sold	(5,076,595,470)	(1,166,933,324)
Gross Profit	5,843,999,719	1,077,370,098
Selling and Distribution Expenses	(2,248,541,089)	(459,147,779)
Administrative Expenses	(563,178)	(1,029,801)
Finance Cost	(118,032,366)	(97,995,486)
Operating Expenses	(2,367,136,633)	(558,173,066)
Profit From Operations	3,476,863,086	519,197,032
Other Income	3,566,150	(164,094)
Profit before contribution to WPPF & WWF	3,480,429,236	519,032,938
Contribution to WPPF & WWF	(165,734,726)	(24,715,854)
Profit before Tax	3,314,694,510	494,317,084
Current Tax (Expense)	(94,437,720)	(18,762,338)
Deferred Tax (Expense) / Income	2,017,129	3,932,825
Income Tax Expense	(92,420,591)	(14,829,513)
Profit after Tax	3,222,273,919	479,487,571
Unrealised Gain/(Loss) on Marketable Securities	(4,787,145)	-
Deferred Tax (Expense) / Income	718,072	-
Other Comprehensive Income	(4,069,073)	-
Total Comprehensive Income	3,218,204,846	479,487,571

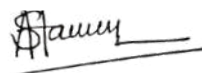
Signed as per annexed report of even date.



Samuel S Chowdhury
Chairman



Tapan Chowdhury
Director



Md. Ashrafur Rahman
Company Secretary



Saptam Biswas, FCA
Enrollment No: 1615
Partner

Chowdhury Bhattacharjee & Co.
(Chartered Accountants)
DVC: 2411061615AS347211

21 October 2024
Dhaka

SQUARE LIFESCIENCES LTD.

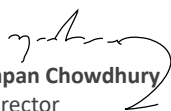
STATEMENT OF CHANGES IN EQUITY For the Year Ended 30 June 2024

	Share Capital	Tax Exemption Reserve	Fair Value Reserve	Retained Earnings	Total
	Taka	Taka	Taka	Taka	Taka
As At 01 July 2022	1,000,000,000	-	-	(60,736,257)	939,263,743
Profit after Tax	-	-	-	479,487,571	479,487,571
Tax Exemption Reserve	-	133,465,613	-	(133,465,613)	-
As At 30 June 2023	1,000,000,000	133,465,613	-	285,285,701	1,418,751,314
As At 01 July 2023	1,000,000,000	133,465,613	-	285,285,701	1,418,751,314
Profit after Tax	-	-	-	3,222,273,919	3,222,273,919
Other Comprehensive Income	-	-	(4,069,073)	-	(4,069,073)
Tax Exemption Reserve	-	818,521,993	-	(818,521,993)	-
As At 30 June 2024	1,000,000,000	951,987,606	(4,069,073)	2,689,037,627	4,636,956,160

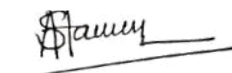
Signed as per annexed report of even date.



Samuel S Chowdhury
Chairman



Tapan Chowdhury
Director



Md. Ashrafur Rahman
Company Secretary



Saptam Biswas, FCA
Enrollment No: 1615
Partner

Chowdhury Bhattacharjee & Co.
(Chartered Accountants)
DVC: 2411061615AS347211

21 October 2024
Dhaka

SQUARE LIFESCIENCES LTD.

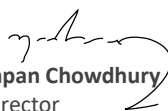
STATEMENT OF CASH FLOWS For the Year Ended 30 June 2024

	Amount in Taka	
	July' 23 - June'24	July'22 - June'23
Cash Flows from Operating Activities:		
Receipts from Customers	9,045,969,738	3,826,151,776
Payments to Suppliers	(2,883,847,851)	(2,308,812,139)
Payments for Manufacturing and Operating Expenses	(3,104,028,734)	(324,893,470)
Payment of Value Added Tax	(1,838,194,271)	(585,600,361)
Cash Generated from Operations	1,219,898,882	606,845,806
Interest Paid	(120,173,643)	(92,166,851)
Payment of Income Tax	(94,043,359)	(2,522,473)
Payment of WPPF & WF	(24,715,854)	-
Net Cash from Operating Activities	980,966,026	512,156,482
Cash Flows from Investing Activities:		
Purchase of Property, Plant and Equipment	(174,670,992)	(411,563,710)
Investment in Marketable Securities	(295,477,145)	-
Dividends Received	3,295,000	-
Net Cash from/(Used in) Investing Activities	(466,853,137)	(411,563,710)
Cash Flows from Financing Activities:		
Repayment of Term Loan	(500,000,000)	(100,000,000)
Net Cash Used in Financing Activities	(500,000,000)	(100,000,000)
Net Increase/(Decrease) in Cash and Cash Equivalents	14,112,889	592,772
Cash and Cash Equivalents at 01 July	37,659,902	37,067,130
Effect of Exchange Rate Fluctuations on Cash and Cash Equivalents	271,150	-
Cash and Cash Equivalents at 30 June	52,043,941	37,659,902

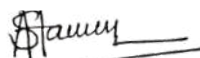
Signed as per annexed report of even date.



Samuel S Chowdhury
Chairman



Tapan Chowdhury
Director



Md. Ashrafur Rahman
Company Secretary



Saptam Biswas, FCA
Enrollment No: 1615
Partner

Chowdhury Bhattacharjee & Co.
(Chartered Accountants)
DVC: 2411061615AS347211

21 October 2024
Dhaka

SQUARE PHARMACEUTICALS PLC.

Square Centre, 48, Mohakhali Commercial Area
Dhaka-1212

PROXY FORM

I/We _____

of _____

being a Member of Square Pharmaceuticals PLC., do hereby appoint

Mr./Mrs./Miss _____

of _____

as my/our proxy to attend and vote for me/us on my/our behalf at the **58th Annual General Meeting** of the Company to be held on **Wednesday the 18th December, 2024** at 10:00 a.m. under virtual platform through the link <https://agmbd.live/squarepharma2024>.

As witness my hand this day of _____ 2024.

Signature of the Proxy

Dated:

Signature of the Member

Dated:

Folio/BOID

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Note: A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote in his/her stead. The proxy form should reach the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.



Signature Verified

Authorized Signatory
Square Pharmaceuticals PLC.

Corporate INFORMATION

Date of Incorporation

10 November 1964

Authorized Capital

BDT 10,000 million

Paid-up Capital

BDT 8,864.51 million

Registered Office

Square Centre
48, Mohakhali C.A.
Dhaka-1212
Bangladesh

Factories**Pabna Unit**

Square Road, Salgaria, Pabna
Bangladesh

Dhaka Unit

Board Ghar Bazar, Kaliakoir
Gazipur
Bangladesh

Listing

Dhaka Stock Exchange PLC.
Chittagong Stock Exchange PLC.

Subsidiary Companies

Square Pharmaceuticals Kenya EPZ Ltd.
Square Lifesciences Ltd.
Samson Pharma Inc., Philippines

Associate Companies

Square Textiles PLC.
Square Fashions Ltd.
Square Hospitals Ltd.

Phone

880-2-8833047-56, 02222295007-16
Ext-229, 585 (Company Affairs)

Website

www.squarepharma.com.bd

Email

cs@squaregroup.com

Corporate COMPLIANCE

**2022-2023****the financial year****Dividend Recommended**

22 October 2023, 105% (cash)

Record Date for 57th AGM

16 November 2023

57th Annual General Meeting

14 December 2023

Dividend Issued

10 January 2024

**2023-2024****the financial year****Publication of 1st Qtr. Financial Report**

14 November 2023

Publication of 2nd Qtr. Financial Report

31 January 2024

Publication of 3rd Qtr. Financial Report

29 April 2024

Transfer of Unclaimed/Unsettled**Cash Dividend 2020 to CMS Fund**

9 May 2024

Dividend Recommended

23 October 2024, 110% (cash)

Audited Financial Report to**BSEC, DSE and CSE**

11 November 2024

Record Date for 58th AGM

21 November 2024

Notice of 58th AGM

27 November 2024

58th Annual General Meeting

18 December 2024

Dividend Payable

By 16 January 2025

SQUARE

SQUARE PHARMACEUTICALS PLC.



Registered Address

Corporate Headquarters
Square Centre
48 Mohakhali Commercial Area,
Dhaka, Bangladesh
Phone: +88-02-9859007, 8833047-56
www.squarepharma.com.bd