

**Second Quarter**  
**Financial Statement 2020-2021**  
**(Unaudited)**



***SQUARE PHARMACEUTICALS LTD.***  
**(Consolidated and Separate)**

# SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARIES

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Un-audited) As at 31 December 2020

Particulars	Notes	31-12-2020	30-06-2020
		Taka	Taka
<b>ASSETS:</b>			
<b>Non-Current Assets:</b>			
		<b>37,984,303,424</b>	<b>34,435,838,607</b>
Property, Plant and Equipment-Carrying Value	2	21,697,306,474	20,873,698,301
Investment - Long Term (at Cost)	3	4,122,156,005	2,792,000,884
Investment - Associates Undertaking	4	8,558,441,578	8,077,472,192
Investment in Marketable Securities (Fair Value)	5	3,605,501,258	2,691,892,867
Pre-Operating Expenses	6	898,109	774,363
<b>Current Assets:</b>			
		<b>52,873,597,093</b>	<b>47,384,303,113</b>
Inventories	7	6,533,951,987	5,687,406,329
Trade Debtors		1,687,969,798	1,520,300,337
Advances, Deposits and Prepayments	8	1,569,306,696	2,727,928,252
Short Term Loan	9	2,743,829,618	4,884,338,757
Cash and Cash Equivalents	10	40,338,538,994	32,564,329,438
<b>TOTAL ASSETS</b>		<b>90,857,900,517</b>	<b>81,820,141,720</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES:</b>			
<b>Shareholders' Equity:</b>			
		<b>81,968,640,254</b>	<b>77,365,665,136</b>
Share Capital		8,864,510,100	8,442,390,580
Share Premium		2,035,465,000	2,035,465,000
General Reserve		105,878,200	105,878,200
Tax Exemption Reserve		2,211,743,936	2,211,743,936
FVOCI Reserve		366,558,495	(452,626,946)
Cumulative Translation Adjustment		(35,960,198)	(18,078,434)
Retained Earnings		68,420,444,721	65,040,892,800
<b>Non-Current Liabilities:</b>			
		<b>1,288,782,775</b>	<b>1,212,928,798</b>
Deffered Tax Liability	11	1,288,782,775	1,212,928,798
Non Controlling Interest		400,000	-
<b>Current Liabilities:</b>			
		<b>7,600,077,488</b>	<b>3,241,547,786</b>
Trade Creditors		491,585,030	553,785,496
Liabilities for Expenses	12	57,044,854	128,998,444
Liabilities for Other Finance	13	7,051,447,604	2,558,763,846
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>90,857,900,517</b>	<b>81,820,141,720</b>
Net Assets Value (NAV) per Share	21	92.47	87.28

Sd/-  
Samuel S Chowdhury  
Chairman

Sd/-  
Ratna Patra  
Vice Chairman

Sd/-  
Tapan Chowdhury  
Managing Director

Sd/-  
Muhammad Zahangir Alam  
Chief Financial Officer

Sd/-  
Khandaker Habibuzzaman  
Company Secretary

# SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARIES

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Un-audited) For the 2nd Quarter Ended 31 December 2020

Particulars	Notes	Six Months Results		2nd Quarter Results	
		July-Dec 2020	July-Dec 2019	Oct-Dec 2020	Oct-Dec 2019
		Taka	Taka	Taka	Taka
GROSS TURNOVER	14	29,079,325,231	26,148,991,495	14,354,708,501	12,938,053,508
Less: Value Added Tax		4,137,684,976	3,726,206,166	1,988,649,026	1,808,851,388
<b>NET TURNOVER</b>		<b>24,941,640,255</b>	<b>22,422,785,329</b>	<b>12,366,059,475</b>	<b>11,129,202,120</b>
Cost of Goods Sold	15	(11,911,964,319)	(10,742,716,670)	(5,757,913,054)	(5,155,001,730)
<b>GROSS PROFIT</b>		<b>13,029,675,936</b>	<b>11,680,068,659</b>	<b>6,608,146,421</b>	<b>5,974,200,390</b>
<b>OPERATING EXPENSES:</b>		<b>(4,579,715,971)</b>	<b>(4,260,503,921)</b>	<b>(2,413,864,812)</b>	<b>(2,245,715,793)</b>
Selling & Distribution Expenses	16	(4,027,074,623)	(3,684,491,815)	(2,111,474,381)	(1,939,002,434)
Administrative Expenses	17	(552,636,063)	(572,958,220)	(302,390,431)	(303,677,368)
Finance Cost		(5,285)	(3,053,886)	-	(3,035,991)
<b>PROFIT FROM OPERATIONS</b>		<b>8,449,959,965</b>	<b>7,419,564,738</b>	<b>4,194,281,609</b>	<b>3,728,484,597</b>
Other Income	18	1,684,061,559	1,561,801,883	770,185,843	816,250,008
PROFIT BEFORE WPPF		10,134,021,524	8,981,366,621	4,964,467,452	4,544,734,605
Allocation for WPPF		(482,358,623)	(428,024,475)	(236,343,621)	(216,163,994)
PROFIT BEFORE TAX		9,651,662,901	8,553,342,146	4,728,123,831	4,328,570,611
Income Tax Expenses-Current		(2,378,203,901)	(2,168,506,006)	(1,167,545,860)	(1,084,229,587)
Income Tax Expenses-Deferred		15,166,628	65,421,651	(250,678)	20,460,795
<b>PROFIT AFTER TAX</b>		<b>7,288,625,628</b>	<b>6,450,257,791</b>	<b>3,560,327,293</b>	<b>3,264,801,819</b>
Profit/(Loss) from Associates Undertaking	19	480,969,386	435,552,363	277,302,235	267,171,456
<b>PROFIT FOR THE PERIOD</b>		<b>7,769,595,014</b>	<b>6,885,810,154</b>	<b>3,837,629,528</b>	<b>3,531,973,275</b>
<b>OTHER COMPREHENSIVE INCOME:</b>					
Items that will not be reclassified to Profit or Loss					
Change in Fair Value of FVOCI Financial Assets		910,206,046	(442,566,390)	132,017,379	(229,146,978)
Related Tax on FVOCI Financial Assets		(91,020,605)	44,256,639	(13,201,738)	22,914,698
<b>Other Comprehensive Income (Net of Tax)</b>	20	<b>819,185,441</b>	<b>(398,309,751)</b>	<b>118,815,641</b>	<b>(206,232,280)</b>
Cumulative Translston Adjustment		(17,881,764)	6,445,426	(3,229,650)	-
<b>Total Comprehensive Income</b>		<b>8,570,898,691</b>	<b>6,493,945,829</b>	<b>3,953,215,519</b>	<b>3,325,740,995</b>
Earnings Per Share (EPS)	22	8.76	7.77	4.33	3.98

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Chief Financial Officer

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Khandaker Habibuzzaman  
Company Secretary

# SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARIES

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Un-audited) For the 2nd Quarter Ended 31 December 2020

Particulars	Share Capital Taka	Share Premium Taka	General Reserve Taka	Tax Exemption Reserve Taka	FVOCI Reserve Taka	Retained Earnings Taka	Non Controlling Interest Taka	Total Taka
At 30 June 2020	8,442,390,580	2,035,465,000	105,878,200	2,211,743,936	(452,626,946)	64,981,071,577	-	77,323,922,347
Deferred Tax Recognized for FVOCI Financial Assets	-	-	-	-	-	59,821,223	-	59,821,223
<b>At 30 June 2020 (Restated)</b>	<b>8,442,390,580</b>	<b>2,035,465,000</b>	<b>105,878,200</b>	<b>2,211,743,936</b>	<b>(452,626,946)</b>	<b>65,040,892,800</b>	<b>-</b>	<b>77,383,743,570</b>
Total Comprehensive Income (Jul'2020-Dec'2020)	-	-	-	-	819,185,441	7,769,595,014	-	8,588,780,455
Non Controlling Interest	-	-	-	-	-	-	400,000	400,000
Cash Dividend (2019-2020)	-	-	-	-	-	(3,967,923,573)	-	(3,967,923,573)
Stock Dividend (2019-2020)	422,119,520	-	-	-	-	(422,119,520)	-	-
<b>At 31 December 2020</b>	<b>8,864,510,100</b>	<b>2,035,465,000</b>	<b>105,878,200</b>	<b>2,211,743,936</b>	<b>366,558,495</b>	<b>68,420,444,721</b>	<b>400,000</b>	<b>82,005,000,452</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Un-audited) For the 2nd Quarter Ended 31 December 2019

Particulars	Share Capital Taka	Share Premium Taka	General Reserve Taka	Tax Exemption Reserve Taka	FVOCI Reserve Taka	Retained Earnings Taka	Non Controlling Interest Taka	Total Taka
At 30 June 2019	7,890,084,660	2,035,465,000	105,878,200	2,211,743,936	145,585,283	55,492,799,165	-	67,881,556,244
Total Comprehensive Income (Jul'2019-Dec'2019)	-	-	-	-	(442,566,390)	6,885,810,154	-	6,443,243,764
Cash Dividend (2018-2019)	-	-	-	-	-	(3,313,835,557)	-	(3,313,835,557)
Stock Dividend (2018-2019)	552,305,920	-	-	-	-	(552,305,920)	-	-
<b>At 31 December 2019</b>	<b>8,442,390,580</b>	<b>2,035,465,000</b>	<b>105,878,200</b>	<b>2,211,743,936</b>	<b>(296,981,107)</b>	<b>58,512,467,842</b>	<b>-</b>	<b>71,010,964,451</b>

Sd/-  
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Chief Financial Officer

Sd/-  
Khandaker Habibuzzaman  
Company Secretary

# SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARIES

## CONSOLIDATED STATEMENT OF CASH FLOWS (Un-audited)

For the 2nd Quarter Ended 31 December 2020

Particulars	Notes	2nd Quarter Ended	
		31 December 2020	31 December 2019
		Taka	Taka
<b>Cash Flows From Operating Activities:</b>			
<b>RECEIPTS:</b>			
Collections from Sales		29,336,919,010	26,307,366,266
Exchange Fuctuation Gain		1,107,683	785,082
Others		79,785,919	43,580,132
		29,417,812,612	26,351,731,480
<b>PAYMENTS:</b>			
Purchase of Raw and Packing Materials		9,412,442,531	9,019,011,560
Manufacturing and Operating Expenses		7,022,402,043	6,462,873,340
Value Added Tax		4,137,684,976	3,726,206,166
Finance Cost		5,285	3,053,886
Income Tax		1,968,647,863	1,499,814,702
Workers Profit Participation Fund		424,989,091	671,547,044
Others		2,407,901	8,505,283
		22,968,579,690	21,391,011,981
Net cash provided by operating activities		6,449,232,922	4,960,719,499
<b>Cash Flows From Investing Activities:</b>			
Purchase of Fixed Assets		(1,620,967,442)	(946,372,620)
Pre-Operating Expenses		(123,746)	-
Investment		(1,333,557,466)	(119,897,463)
Investment made by Sponsors Shareholders of Square Lifesciences Ltd.		400,000	-
Short Term Loan		2,140,509,139	(107,433,022)
Gain on Sale of Marketable Securities		1,898,816	405,567
Interest Received		1,979,067,347	1,214,006,099
Dividend Received		164,504,929	23,230,159
Net cash used in investing activities		1,331,731,577	63,938,720
<b>Cash Flows From Financing Activities:</b>			
Dividend Paid		-	-
Net cash used in financing activities		-	-
Increase in Cash and Cash Equivalents		7,780,964,499	5,024,658,219
Net Effect of Foreign Currency Translation on Cash and Cash Equivalent		(6,754,943)	7,060,075
Cash and Cash Equivalents at the Opening		32,564,329,438	27,004,038,946
Cash and Cash Equivalents at the Closing		40,338,538,994	32,035,757,240
Net Operating Cash Flow per Share (NOCF)	23	7.28	5.60

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Company Secretary

# SQUARE PHARMACEUTICALS LTD.

## Notes to the Consolidated Interim Financial Statements For the 2nd Quarter Ended December 31, 2020

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

These Financial Statements (They) are the unaudited interim Financial statement (here after 'the Interim Financial Statements') of Square Pharmaceuticals Ltd. and Square Lifesciences Ltd. the Companies incorporated in Bangladesh under companies act and Square Pharmaceuticals Kenya EPZ Limited incorporated in Kenya under companies act 2015, Kenya, for the 2nd Quarter Ended on December 31, 2020 (here after the interim period). They are prepared in accordance with the Bangladesh Accounting Standard (IAS-34) 'Interim Financial Reporting'. These financial statement should read in conjunction with the Annual Financial Statements as of June 30, 2020, as they provide an update of previous reported information.

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

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

We understand that our business is growing every year that means our assets are performing according to intension of procurement and in sum up the discounted future cash flow from the operation of the assets would be positive if we dispose those assets at the date of financial reporting. But presently we have on intension to dispose these assets, so it is not required to record the impairment gain as provisions of IAS-36.

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

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

Figures have been rounded off to the nearest Taka.

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

### Foreign Currency Translation:

The Financials of Square Pharmaceuticals Kenya EPZ Ltd. have been drawn in KHS (Kenyan Shilling) as reporting currency in Kenya. These Financials are converted in BDT to Consolidated with the Financials of Square Pharmaceuticals Ltd. as a parent company (It holds 100% Shares). 1 KHS= 0.75762 BDT.

### 2. CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT: Tk. 21,697,306,474

Details of Property, Plant and Equipment and Depreciation as at 31 December 2020 are as follows:

This is arrived at as follows:

#### Fixed Assets at Cost:

	<u>31-12-2020</u>	<u>30-06-2020</u>
Opening Balance	40,920,080,284	39,012,017,310
Addition during the Period/Year	2,560,510,999	3,338,806,544
	<u>43,480,591,283</u>	<u>42,350,823,854</u>
Sales/Transfer during the Period/Year	(824,790,642)	(1,430,743,570)
Closing Balance	<u>42,655,800,641</u>	<u>40,920,080,284</u>

#### Accumulated Depreciation:

Opening Balance	20,046,381,983	18,158,061,040
Charged during the Period/ Year	912,112,184	1,970,126,072
	<u>20,958,494,167</u>	<u>20,128,187,112</u>
Sales/Transfer during the Period/Year	-	(81,805,129)
	<u>20,958,494,167</u>	<u>20,046,381,983</u>

Carrying Value Tk. 21,697,306,474 20,873,698,301

31-12-2020

30-06-2020

**3. CONSOLIDATED INVESTMENT-Long Term (at Cost): Tk. 4,122,156,005**

This consists of the following:

(a) 120,000 Ordinary Shares of Tk.100/- each in United Hospital Ltd.	12,000,000	12,000,000
(b) 5,711,804 Ordinary Shares of Tk. 10/- each including Bonus Shares in Central Depository Bangladesh Ltd.	15,694,430	15,694,430
(c) 250,002 Zero Coupon Bond in Lanka Bangla Finance Ltd.	-	33,409,009
(d) 250,000 Zero Coupon Bond in IDLC Finance Ltd.	23,923,444	46,816,693
(e) 200,000 Zero Coupon Bond in Bangladesh Steel Re-Rolling Mills Ltd.	-	17,246,770
(f) 150,000 Preference Share in Raj Lanka Power Company Ltd.	43,636,365	58,181,820
(g) 5 Non-Convertible Zero Coupon Bond in Shanta Holdings Ltd.	39,145,405	39,145,405
(h) 5 Non-Convertible Zero Coupon Bond in Durable Plastics Ltd.	13,559,221	18,514,976
(i) 100,000 Non-Convertible Zero Coupon Bond in Flamingo Fashions Ltd.	12,436,924	25,497,385
(j) 40 Non-Convertible Zero Coupon Bond in Envoy Textiles Ltd.	20,740,720	25,498,245
(k) 200 Non-Convertible Subordinated Bond in Mutual Trust Bank Ltd.	2,000,000,000	2,000,000,000
(l) 612,620 Zero Coupon Islamic Certificates in United Mymensingh Power Ltd.	441,019,496	499,996,151
(m) 5,000 Non-Convertible Subordinated Bond in Southeast Bank Ltd.	500,000,000	-
(n) 50 Mudaraba Redeemable Non-Convertible Subordinated Bond in Islami Bank Bangladesh Ltd.	500,000,000	-
(o) 50 Non-Convertible Subordinated Bond in Trust Bank Ltd.	500,000,000	-
Tk.	<b>4,122,156,005</b>	<b>2,792,000,884</b>

**4. INVESTMENT-Associate Undertakings: Tk. 8,558,441,578**

This is arrived at as follows:

Opening Balance	8,077,472,192	9,211,605,860
Add: Investment made/(disposed off) during the Period/Year		(1,537,500,000)
Add: Profit/(Loss) during the Period/Year (Note-18)	480,969,386	586,239,690
Less: Dividend during the Period/Year	-	(182,873,358)
Closing Balance	<b>8,558,441,578</b>	<b>8,077,472,192</b>

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

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

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

**5. CONSOLIDATED INVESTMENT IN MARKETABLE SECURITIES (Fair Value): Tk. 3,605,501,258**

Particulars	Position of Jul'2020-Dec'2020			Position of Jul'2019-Jun'2020		
	Total Cost	Total Market Value	Realized/ Unrealized Gain	Total Cost	Total Market Value	Realized/ Unrealized Gain
Opening Balance	3,144,519,813	2,691,892,867	(452,626,946)	2,867,854,451	3,013,439,734	145,585,283
Add: Investment made during the Period	13,448,660	925,553,522	912,104,862	347,985,577	(242,106,192)	(590,091,769)
Less: Sold/Disposed Off during the Period	(10,046,315)	(11,945,131)	(1,898,816)	(71,320,215)	(79,440,675)	(8,120,460)
Closing Balance	<b>3,147,922,158</b>	<b>3,605,501,258</b>	<b>457,579,100</b>	<b>3,144,519,813</b>	<b>2,691,892,867</b>	<b>(452,626,946)</b>

**6. PRE-OPERATING EXPENSES Tk. 898,109**

This represents expenses has been incurred for the project of Square Lifesciences Ltd.

Tk. **898,109** **774,363****7. CONSOLIDATED INVENTORIES : Tk. 6,533,951,987**

The break-up is as under:

Raw Materials	2,671,741,640	1,939,329,998
Packing Materials	733,533,989	647,848,732
Work-in-Process	352,553,135	336,441,344
Finished Goods	1,857,712,824	1,677,371,032
Spares & Accessories	727,745,625	629,858,063
Goods- in-Transit	190,664,774	456,557,160
Tk.	<b>6,533,951,987</b>	<b>5,687,406,329</b>

	31-12-2020	30-06-2020
<b>8. CONSOLIDATED ADVANCES, DEPOSITS &amp; PREPAYMENTS : Tk. 1,569,306,696</b>		
This consists of as follows:		
<b>Advances:</b>	<b>495,596,309</b>	<b>656,011,060</b>
Employees	181,700,495	204,851,164
Land Purchase	42,029,127	156,782,042
Suppliers	271,866,687	294,377,854
<b>Deposits:</b>	<b>1,048,965,923</b>	<b>2,026,939,426</b>
Value Added Tax	24,833,711	450,096,951
Earnest Money & Security Deposit	301,241,930	298,834,029
Interest on Fixed Deposit Receipts	722,890,282	1,276,320,238
Others	-	1,688,208
<b>Prepayments:</b>	<b>24,744,464</b>	<b>44,977,766</b>
Office Rent	7,464,749	8,599,751
Insurance Premium	17,279,715	36,378,015
<b>Tk.</b>	<b>1,569,306,696</b>	<b>2,727,928,252</b>
<b>9. CONSOLIDATED SHORT TERM LOAN (Unsecured): Tk. 2,743,829,618</b>		
This consists of as follows:		
(a) Square Textiles Ltd.	1,731,031,720	3,277,576,394
(b) Square Fashions Ltd.	-	2,411,950
(c) Square Hospitals Ltd.	1,012,797,898	1,604,350,413
<b>Tk.</b>	<b>2,743,829,618</b>	<b>4,884,338,757</b>
<b>10. CONSOLIDATED CASH AND CASH EQUIVALENTS: Tk. 40,338,538,994</b>		
This is made up as follows:		
(a) Cash in Hand	7,853,215	2,288,479
(b) Cash at Bank:	<b>40,330,685,779</b>	<b>32,562,040,959</b>
* Current Account	368,413,077	926,999,807
* STD Account	5,324,613,157	10,763,172,367
* Fixed Deposit Account (BD Taka)	31,153,831,491	17,389,641,491
* Fixed Deposit Account (USD)	2,838,397,756	2,774,822,050
* Export Retention Quota Account (USD)	510,902,945	305,962,148
* Margin Held Account (USD)	134,527,353	401,443,096
<b>Tk.</b>	<b>40,338,538,994</b>	<b>32,564,329,438</b>
<b>11. CONSOLIDATED DEFERRED TAX LIABILITY: Tk. 1,288,782,775</b>		
This represents provision is made for deferred income tax to pay future income tax liability for temporary differences which is arrived at as follows:		
Opening Balance	1,212,928,798	1,294,346,873
Addition during the Period (Deferred Tax Assets)/Liabilities	(15,166,628)	(21,596,852)
Deferred Tax Recognized for FVOCI Financial Assets	91,020,605	(59,821,223)
Closing Balance	<b>1,288,782,775</b>	<b>1,212,928,798</b>
<b>Computation of Deferred Tax for the Year Ended 31 December, 2020:</b>		
A. Property, Plant and Equipments excluding Cost of Land (Carrying Amount)	13,766,409,582	13,995,217,801
B. Property, Plant and Equipments excluding Cost of Land (Tax Base)	8,736,076,011	8,904,217,715
C. Taxable/(Deductable) Temporary Difference (A-B)	5,030,333,571	5,091,000,086
D. Tax Rate	25%	25%
E. Deferred Tax Liabilities as on 31 December, 2020	1,257,583,393	1,272,750,021
F. Deferred Tax Liabilities as on 30 June, 2020	1,272,750,021	1,294,346,873
G. Current Period's Deferred Tax (Assets)/Liabilities (E-F)	<b>(15,166,628)</b>	<b>(21,596,852)</b>
The adjustment of Foreign Exchange translation arose in the course of Consolidation Financials of Square Pharmaceuticals Kenya EPZ Ltd. (their reporting currency is Kenyan Shilling KHS). The (Loss)/Gain generated due to fluctuation of both currency KHS and BDT against each other or against USD. It has been reported as Other Comprehensive Income (OCI). But tax impact on it not calculated because there is no provision of tax liability assessment on the Consolidated Financials as per ITO-1984.		
<b>12. CONSOLIDATED LIABILITIES FOR EXPENSES: Tk. 57,044,854</b>		
This consists of as follows:		
Accrued Expenses	57,021,854	128,384,955
Audit Fees	23,000	613,489
<b>Tk.</b>	<b>57,044,854</b>	<b>128,998,444</b>



	<u>31-12-2020</u>	<u>30-06-2020</u>
<b>13. CONSOLIDATED LIABILITIES FOR OTHER FINANCE: Tk. 7,051,447,604</b>		
This consists of as follows:		
Sundry Creditors	4,389,229,255	368,968,264
Unclaimed Dividend	332,158,318	330,431,723
Income Tax (Deduction at Source)	25,240,096	18,346,013
Retention Money	587,730	3,711,211
Workers' Profit Participation Fund and Welfare Fund	916,638,630	859,269,098
Income Tax Payable (Note-13.1)	<u>1,387,593,575</u>	<u>978,037,537</u>
Tk.	<u><b>7,051,447,604</b></u>	<u><b>2,558,763,846</b></u>
<b>13.1 CONSOLIDATED INCOME TAX PAYABLE: Tk. 1,387,593,575</b>		
This is arrived at as follows:		
Opening balance	978,037,537	557,901,454
Provision made for the Period	2,378,203,901	4,251,005,177
Tax Paid (Including Advance Income Tax during the Period)	<u>(1,968,647,863)</u>	<u>(3,830,869,094)</u>
Tk.	<u><b>1,387,593,575</b></u>	<u><b>978,037,537</b></u>
	<u>2020</u>	<u>2019</u>
	<u>(Jul'2020-Dec'2020)</u>	<u>(Jul'2019-Dec'2019)</u>
<b>14. CONSOLIDATED GROSS REVENUE: Tk. 29,079,325,231</b>		
This consists of as follows:		
Local Sales	28,408,319,360	25,289,873,050
Export Sales Equivalent in US \$ 7,992,921 (Jul'2019-Dec'2019 US \$ 10,263,011)	<u>671,005,871</u>	<u>859,118,445</u>
Tk.	<u><b>29,079,325,231</b></u>	<u><b>26,148,991,495</b></u>
<b>15. CONSOLIDATED COST OF GOODS SOLD: Tk. 11,911,964,319</b>		
This consists of as follows:		
Materials	8,603,272,177	7,584,653,841
Factory Overhead (Note-15.1)	<u>3,308,692,142</u>	<u>3,158,062,829</u>
Tk.	<u><b>11,911,964,319</b></u>	<u><b>10,742,716,670</b></u>
<b>15.1 CONSOLIDATED FACTORY OVERHEAD: Tk. 3,308,692,142</b>		
This is made up as follows:		
Salaries, Allowances and Wages	1,052,984,960	969,774,825
Factory Employees Free Lunch	55,161,080	50,585,715
Factory Staff Uniform	46,517,123	40,590,363
Travelling & Conveyance	20,269,734	24,174,222
Printing & Stationery	36,344,503	33,165,037
Postage, Telephone & Fax	3,879,800	3,232,158
Repairs & Maintenance	469,478,239	433,864,959
Laboratory Consumable Stores	176,321,127	155,468,191
Fuel, Petrol, Light Diesel etc.	120,087,625	132,344,341
Electricity, Gas & Water	328,734,382	301,068,650
Rental Expense	669,168	565,405
Municipal & Other Tax	11,187,740	7,811,298
Insurance Premium	11,448,208	11,533,780
Factory Sanitation Expenses	49,518,022	44,929,853
Depreciation	766,506,581	798,422,627
Security Services	37,267,835	34,675,560
Research & Development	87,290,503	77,687,550
Software & Hardware Support Services	26,432,094	32,095,891
Toll Charges	8,081,179	5,092,998
Other Expenses	512,239	979,406
Tk.	<u><b>3,308,692,142</b></u>	<u><b>3,158,062,829</b></u>
<b>16. CONSOLIDATED SELLING &amp; DISTRIBUTION EXPENSES: Tk. 4,027,074,623</b>		
This consists of as follows:		
Salaries and Allowances	673,044,006	621,039,956
Travelling and Conveyance	62,382,851	70,150,343
Printing and Stationery	35,875,507	35,227,357
Postage, Telephone, Fax & Telex	36,516,867	32,704,001
Electricity, Gas and Water	14,929,954	13,177,227
Office and Godown Rent	13,051,820	13,680,902
Repairs and Maintenance including car maintenance	234,702,360	214,423,010
Govt. Taxes and Licence Fees	39,937,628	26,012,703
Field Staff Salaries, Allowances, TA and DA	1,112,356,374	1,009,608,886
Marketing Expenses	454,897,728	445,405,764
Delivery and Packing Expenses	86,655,099	81,046,369
Export Expenses	55,751,447	54,528,687
Business Development Expenses	221,254,754	215,307,909
Special Discount	697,677,547	595,575,928
Security Services	45,525,819	31,755,031
Depreciation	92,868,810	91,281,519
Other Expenses	<u>149,646,052</u>	<u>133,566,223</u>
Tk.	<u><b>4,027,074,623</b></u>	<u><b>3,684,491,815</b></u>

	<b>2020</b>	<b>2019</b>
	<b>(Jul'2020-Dec'2020)</b>	<b>(Jul'2019-Dec'2019)</b>
<b>17. CONSOLIDATED ADMINISTRATIVE EXPENSES: Tk. 552,636,063</b>		
This consists of as follows:		
Salaries and Allowances	213,251,751	199,408,028
Directors' Remuneration	32,935,421	29,347,047
Travelling and Conveyance	55,958,171	71,010,609
Printing and Stationery	8,049,109	7,852,212
Postage, Telephone, Internet	5,428,885	4,225,742
Electricity, Gas & Water	11,995,400	10,913,217
Tiffin and Refreshment	21,726,964	27,920,364
Repairs and Maintenance	91,695,010	86,208,292
Bank Charges	7,508,595	6,108,250
Insurance Premium	3,008,500	7,739,076
Govt. Taxes, Stamp Duty & Licence Fee	4,028,678	4,450,855
Security Services	19,708,039	20,902,122
Legal Charges	462,400	1,079,500
Depreciation	52,736,793	53,981,496
Software & Hardware Support Services	1,351,696	11,727,191
Other Expenses	22,790,651	30,084,219
Tk.	<b>552,636,063</b>	<b>572,958,220</b>

Directors' Remuneration is not included the Member Directors of "Audit Committee" and "Nomination & Remuneration Committee"

**18. CONSOLIDATED OTHER INCOME: Tk. 1,684,061,559**

This is arrived at as follows:

Bank Interest	1,265,576,248	1,386,664,802
Interest on Loan to Sister Concern	160,061,143	106,521,492
Dividend	164,504,929	23,230,159
Gain on Marketable Securities (Realized)	1,898,816	405,567
Foreign Exchange Fluctuation Gain	12,234,504	1,399,731
P.F Forfeited Amount	31,667,264	-
Others	48,118,655	43,580,132
Tk.	<b>1,684,061,559</b>	<b>1,561,801,883</b>

**19. PROFIT FROM ASSOCIATES UNDERTAKING: Tk. 480,969,386**

This is arrived at as follows:

a) Square Textiles Ltd.	68,670,543	72,983,025
b) Square Fashions Ltd.	343,212,173	301,224,121
c) Square Hospitals Ltd.	69,086,670	61,345,217
Tk.	<b>480,969,386</b>	<b>435,552,363</b>

**20. CONSOLIDATED CHANGE IN FAIR VALUE OF FVOCI FINANCIAL ASSETS: Tk. 819,185,441**

Unrealized Gain/(Loss) on Marketable Securities (Closing)	457,579,100	(296,981,107)
(-) Unrealized Gain/(Loss) on Marketable Securities (Opening)	(452,626,946)	145,585,283
	<b>910,206,046</b>	<b>(442,566,390)</b>
Related Tax on FVOCI Financial Assets	(91,020,605)	44,256,639
Tk.	<b>819,185,441</b>	<b>(398,309,751)</b>

The company has recognized and reported tax impact on Other Comprehensive Income i.e Gain/(Loss) on Marketable Securities (Unrealized) as the tax related to the said item. This change results in the Financial Statements providing reliable and more relevant information on Other Comprehensive Income. The change has been applied in using retrospective approach. Therefore, the comparative information has been restated. But it has no impact on EPS (Earnings Per Share) and NAV (Net Assets Value).

**21. CONSOLIDATED NET ASSET VALUE PER SHARE (NAV) - Tk. 92.47**

The computation is given below:

Equity Attributable to the Ordinary Shareholders	81,968,640,254	77,365,665,136
Weighted average number of Shares outstanding during the Period	886,451,010	886,451,010
Net Asset Value Per Share (NAV)	<b>92.47</b>	<b>87.28</b>

**22. CONSOLIDATED EARNINGS PER SHARE (EPS) - Tk. 8.76**

The computation is given below:

Surplus for the year attributable to Shareholders (Net Profit after Tax)	7,769,595,014	6,885,810,154
Weighted average number of Shares outstanding during the Period	886,451,010	886,451,010
Earnings per Share	<b>8.76</b>	<b>7.77</b>

	2020 (Jul'2020-Dec'2020)	2019 (Jul'2019-Dec'2019)
<b>23. CONSOLIDATED NET OPERATING CASH FLOW PER SHARE (NOCF) - Tk. 7.28</b>		
The computation is given below:		
Net Cash Generated from Operating Activities	6,449,232,922	4,960,719,499
Weighted average number of Shares outstanding during the Period	886,451,010	886,451,010
Net Operating Cash Flow Per Share (NOCF)	Tk. <u>7.28</u>	<u>5.60</u>

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

<b>Profit after Tax</b>	7,288,625,628	6,450,257,791
Adjustment to Reconcile Net Profit to Net Cash Provided by Operating Activities:		
<b>Non-Cash Expenses:</b>	903,700,499	877,649,342
Depreciation	912,112,184	943,685,642
Exchange Rate Fluctuation	6,754,943	(614,649)
Deferred Tax	(15,166,628)	(65,421,651)
<b>Non-Operating Items:</b>	(1,609,922,900)	(1,516,822,020)
Dividend Income	(164,504,929)	(23,230,159)
Others	(1,445,417,971)	(1,493,591,861)
<b>Changes in Working Capital:</b>	(133,170,305)	(850,365,614)
(Increase)/Decrease in Inventories	(846,545,658)	(1,064,949,288)
(Increase)/Decrease in Trade Debtors	(167,669,461)	(135,137,888)
(Increase)/Decrease in Advances, Deposits and Prepayments	490,438,685	88,810,964
Increase/(Decrease) in Trade Creditors	(62,200,466)	(168,056,422)
Increase/(Decrease) in Liabilities for Expenses	(71,953,590)	(66,742,493)
Increase/(Decrease) in Liabilities for Other Finance	524,760,185	495,709,513
<b>Net Cash Generated from Operating Activities</b>	Tk. <u>6,449,232,922</u>	<u>4,960,719,499</u>

**24. CONSOLIDATED RELATED PARTY TRANSACTIONS:**

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

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

Opening Balance	3,277,576,394	2,168,788,505
Total Paid during the Period	1,253,455,326	1,006,723,675
Total Realized during the Period	(2,800,000,000)	(906,373,950)
Closing Balance (Receivable)	Tk. <u>1,731,031,720</u>	<u>2,269,138,230</u>

**Transaction with Square Fashions Ltd. (Associate Undertaking and holding 48.36% Shares):**

Opening Balance	2,411,950	672,588,614
Total Paid during the Period	1,059,596,055	260,999,147
Total Realized during the Period	(1,062,008,005)	(158,221,903)
Closing Balance (Receivable)	Tk. <u>-</u>	<u>775,365,858</u>

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

Opening Balance	1,604,350,413	95,693,947
Total Paid during the Period	205,557,332	15,025,887
Total Realized during the Period	(797,109,847)	(110,719,834)
Closing Balance (Receivable)	Tk. <u>1,012,797,898</u>	<u>-</u>

**Transaction with Square InformatiX Ltd. (Service Provider):**

Opening Balance	(2,197,662)	(2,214,332)
Total Paid during the Period	65,757,614	32,603,941
Total Realized during the Period	(63,559,952)	(24,797,860)
Closing Balance (Receivable)	Tk. <u>-</u>	<u>5,591,749</u>

	<u>2020</u> <u>(Jul'2020-Dec'2020)</u>	<u>2019</u> <u>(Jul'2019-Dec'2019)</u>
<b>Transaction with Square Denims Ltd. (Subsidiary of Associate, Square Fashions Ltd.):</b>		
Opening Balance	-	-
Total Paid during the Period	67,330,413	168,586,062
Total Realized during the Period	(67,330,413)	(168,586,062)
Closing Balance (Receivable)	-	-
Tk.	<u>-</u>	<u>-</u>
<b>Transaction with Square Apparels Ltd. (Subsidiary of Associate, Square Fashions Ltd.):</b>		
Opening Balance	-	-
Total Paid during the Period	37,395,529	116,187,038
Total Realized during the Period	(37,395,529)	(116,187,038)
Closing Balance (Receivable)	-	-
Tk.	<u>-</u>	<u>-</u>
<b>Transaction with Square Securities Management Ltd. (Port Folio Management):</b>		
Opening Balance	34,874,272	19,884,032
Total Paid during the Period	11,945,131	302,637,782
Total Realized during the Period	(13,449,159)	(248,172,918)
Closing Balance (Receivable)	33,370,244	74,348,896
Tk.	<u>33,370,244</u>	<u>74,348,896</u>
<b>Transaction with Pharma Packages (Pvt.) Ltd. (Supplier):</b>		
Opening Balance	12,206,021	117,457,765
Total Paid during the Period	364,117,660	373,811,205
Total Realized during the Period	(360,000,000)	(350,060,375)
Closing Balance (Receivable)	16,323,681	141,208,595
Tk.	<u>16,323,681</u>	<u>141,208,595</u>
<b>Transaction with AEGIS Services Ltd. (Service Provider):</b>		
Opening Balance	-	300,000
Total Paid during the Period	19,610,034	19,144,182
Total Realized during the Period	(23,314,366)	(19,144,182)
Closing Balance (Receivable)	(3,704,332)	300,000
Tk.	<u>(3,704,332)</u>	<u>300,000</u>

# SQUARE PHARMACEUTICALS LTD.

## STATEMENT OF FINANCIAL POSITION (Un-audited) As at 31 December 2020

Particulars	Notes	31-12-2020	30-06-2020
		Taka	Taka
<b>ASSETS:</b>			
<b>Non-Current Assets:</b>			
		<b>30,222,059,838</b>	<b>27,464,045,923</b>
Property, Plant and Equipment-Carrying Value	2	20,921,580,092	20,567,202,390
Investment - Long Term (at Cost)	3	5,694,978,488	4,204,950,666
Investment in Marketable Securities (Fair Value)	4	3,605,501,258	2,691,892,867
<b>Current Assets:</b>			
		<b>52,699,891,934</b>	<b>46,886,757,989</b>
Inventories	5	6,533,951,987	5,687,406,329
Trade Debtors		1,687,969,798	1,520,300,337
Advances, Deposits and Prepayments	6	1,513,836,725	2,560,646,884
Short Term Loan	7	2,745,702,807	4,885,090,120
Cash and Cash Equivalents	8	40,218,430,617	32,233,314,319
<b>TOTAL ASSETS</b>		<b>82,921,951,772</b>	<b>74,350,803,912</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES:</b>			
<b>Shareholders' Equity:</b>			
		<b>74,045,199,095</b>	<b>69,909,802,046</b>
Share Capital		8,864,510,100	8,442,390,580
Share Premium		2,035,465,000	2,035,465,000
General Reserve		105,878,200	105,878,200
Tax Exemption Reserve		2,211,743,936	2,211,743,936
FVOCI Reserve		366,558,495	(452,626,946)
Retained Earnings		60,461,043,364	57,566,951,276
<b>Non-Current Liabilities:</b>			
		<b>1,288,782,775</b>	<b>1,212,928,798</b>
Deffered Tax Liability	9	1,288,782,775	1,212,928,798
<b>Current Liabilities:</b>			
		<b>7,587,969,902</b>	<b>3,228,073,068</b>
Trade Creditors		479,500,444	541,067,905
Liabilities for Expenses	10	57,021,854	128,241,317
Liabilities for Other Finance	11	7,051,447,604	2,558,763,846
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>82,921,951,772</b>	<b>74,350,803,912</b>
Net Assets Value per Share (NAV)	19	83.53	78.86

Sd/-  
Samuel S Chowdhury  
Chairman

Sd/-  
Ratna Patra  
Vice Chairman

Sd/-  
Tapan Chowdhury  
Managing Director

Sd/-  
Muhammad Zahangir Alam  
Chief Financial Officer

Sd/-  
Khandaker Habibuzzaman  
Company Secretary

# SQUARE PHARMACEUTICALS LTD.

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Unaudited) For the 2nd Quarter Ended 31 December 2020

Particulars	Notes	Six Months Results		2nd Quarter Results	
		July-Dec 2020	July-Dec 2019	Oct-Dec 2020	Oct-Dec 2019
		Taka	Taka	Taka	Taka
<b>GROSS TURNOVER</b>	12	<b>29,079,325,231</b>	<b>26,148,991,495</b>	<b>14,354,708,501</b>	<b>12,938,053,508</b>
Less: Value Added Tax		<u>4,137,684,976</u>	<u>3,726,206,166</u>	<u>1,988,649,026</u>	<u>1,808,851,388</u>
<b>NET TURNOVER</b>		<b>24,941,640,255</b>	<b>22,422,785,329</b>	<b>12,366,059,475</b>	<b>11,129,202,120</b>
COST OF GOODS SOLD	13	<u>(11,911,964,319)</u>	<u>(10,742,716,670)</u>	<u>(5,757,913,054)</u>	<u>(5,155,001,730)</u>
<b>GROSS PROFIT</b>		<b>13,029,675,936</b>	<b>11,680,068,659</b>	<b>6,608,146,421</b>	<b>5,974,200,390</b>
<b>Operating Expenses:</b>		<b>(4,576,094,005)</b>	<b>(4,254,001,722)</b>	<b>(2,413,856,628)</b>	<b>(2,242,679,595)</b>
Selling & Distribution Expenses	14	<u>(4,027,074,623)</u>	<u>(3,684,491,815)</u>	<u>(2,111,474,381)</u>	<u>(1,939,002,434)</u>
Administrative Expenses	15	<u>(549,014,097)</u>	<u>(569,457,446)</u>	<u>(302,382,247)</u>	<u>(303,638,566)</u>
Finance Cost		<u>(5,285)</u>	<u>(52,461)</u>	<u>-</u>	<u>(38,595)</u>
<b>PROFIT FROM OPERATIONS</b>		<b>8,453,581,931</b>	<b>7,426,066,937</b>	<b>4,194,289,793</b>	<b>3,731,520,795</b>
Other Income	16	<u>1,675,949,146</u>	<u>1,562,447,043</u>	<u>768,926,250</u>	<u>807,923,093</u>
<b>PROFIT BEFORE WPPF &amp; WF</b>		<b>10,129,531,077</b>	<b>8,988,513,980</b>	<b>4,963,216,043</b>	<b>4,539,443,888</b>
Allocation for WPPF & WF		<u>(482,358,623)</u>	<u>(428,024,475)</u>	<u>(236,343,621)</u>	<u>(216,163,994)</u>
<b>PROFIT BEFORE TAX</b>		<b>9,647,172,454</b>	<b>8,560,489,505</b>	<b>4,726,872,422</b>	<b>4,323,279,894</b>
Income Tax Expenses-Current	17	<u>(2,378,203,901)</u>	<u>(2,168,506,006)</u>	<u>(1,167,545,860)</u>	<u>(1,084,229,587)</u>
Deferred Income Tax Assets/(Liabilities)		<u>15,166,628</u>	<u>65,421,651</u>	<u>(250,678)</u>	<u>20,460,795</u>
<b>PROFIT AFTER TAX FOR THE PERIOD</b>		<b>7,284,135,181</b>	<b>6,457,405,150</b>	<b>3,559,075,884</b>	<b>3,259,511,102</b>
<b>OTHER COMPREHENSIVE INCOME:</b>					
Items that will not be reclassified to Profit or Loss					
Change in Fair Value of FVOCI Financial Assets		<u>910,206,046</u>	<u>(442,566,390)</u>	<u>132,017,379</u>	<u>(229,146,978)</u>
Related Tax on FVOCI Financial Assets		<u>(91,020,605)</u>	<u>44,256,639</u>	<u>(13,201,738)</u>	<u>22,914,698</u>
<b>Other Comprehensive Income (Net of Tax)</b>	18	<b>819,185,441</b>	<b>(398,309,751)</b>	<b>118,815,641</b>	<b>(206,232,280)</b>
<b>Total Comprehensive Income</b>		<b>8,103,320,622</b>	<b>6,059,095,399</b>	<b>3,677,891,525</b>	<b>3,053,278,822</b>
<b>Earnings Per Share (EPS)</b>	20	<b>8.22</b>	<b>7.28</b>	<b>4.01</b>	<b>3.68</b>

Sd/-  
Samuel S Chowdhury  
Chairman

Sd/-  
Ratna Patra  
Vice Chairman

Sd/-  
Tapan Chowdhury  
Managing Director

Sd/-  
Muhammad Zahangir Alam  
Chief Financial Officer

Sd/-  
Khandaker Habibuzzaman  
Company Secretary

# SQUARE PHARMACEUTICALS LTD.

## STATEMENT OF CHANGES IN EQUITY (Unaudited) For the 2nd Quarter Ended 31 December 2020

Particulars	Share Capital Taka	Share Premium Taka	General Reserve Taka	Tax Exemption Reserve Taka	FVOCI Reserve Taka	Retained Earnings Taka	Total Taka
<b>At 30 June 2020</b>	<b>8,442,390,580</b>	<b>2,035,465,000</b>	<b>105,878,200</b>	<b>2,211,743,936</b>	<b>(452,626,946)</b>	<b>57,507,130,053</b>	<b>69,849,980,823</b>
Deferred Tax Recognized for FVOCI Financial Assets	-	-	-	-	-	59,821,223	59,821,223
<b>At 30 June 2020 (Restated)</b>	<b>8,442,390,580</b>	<b>2,035,465,000</b>	<b>105,878,200</b>	<b>2,211,743,936</b>	<b>(452,626,946)</b>	<b>57,566,951,276</b>	<b>69,909,802,046</b>
Total Comprehensive Income (Jul'2020-Dec'2020)	-	-	-	-	819,185,441	7,284,135,181	8,103,320,622
Cash Dividend (2019-2020)	-	-	-	-	-	(3,967,923,573)	(3,967,923,573)
Stock Dividend (2019-2020)	422,119,520	-	-	-	-	(422,119,520)	-
<b>At 31 December 2020</b>	<b>8,864,510,100</b>	<b>2,035,465,000</b>	<b>105,878,200</b>	<b>2,211,743,936</b>	<b>366,558,495</b>	<b>60,461,043,364</b>	<b>74,045,199,095</b>

## STATEMENT OF CHANGES IN EQUITY (Unaudited) For the 2nd Quarter Ended 31 December 2019

Particulars	Share Capital Taka	Share Premium Taka	General Reserve Taka	Tax Exemption Reserve Taka	FVOCI Reserve Taka	Retained Earnings Taka	Total Taka
<b>At 30 June 2019</b>	<b>7,890,084,660</b>	<b>2,035,465,000</b>	<b>105,878,200</b>	<b>2,211,743,936</b>	<b>145,585,283</b>	<b>48,417,297,898</b>	<b>60,806,054,977</b>
Total Comprehensive Income (Jul'2019-Dec'2019)	-	-	-	-	44,256,639	6,457,405,150	6,501,661,789
Cash Dividend (2018-2019)	-	-	-	-	-	(3,313,835,557)	(3,313,835,557)
Stock Dividend (2018-2019)	552,305,920	-	-	-	-	(552,305,920)	-
<b>At 31 December 2019</b>	<b>8,442,390,580</b>	<b>2,035,465,000</b>	<b>105,878,200</b>	<b>2,211,743,936</b>	<b>189,841,922</b>	<b>51,008,561,571</b>	<b>63,993,881,209</b>

Sd/-  
Samuel S Chowdhury  
Chairman

Sd/-  
Ratna Patra  
Vice Chairman

Sd/-  
Tapan Chowdhury  
Managing Director

Sd/-  
Muhammad Zahangir Alam  
Chief Financial Officer

Sd/-  
Khandaker Habibuzzaman  
Company Secretary

# SQUARE PHARMACEUTICALS LTD.

## STATEMENT OF CASH FLOWS (Unaudited) For the 2nd Quarter Ended 31 December 2020

Particulars	Notes	2nd Quarter Ended	
		31 December 2020	31 December 2019
		Taka	Taka
<b>Cash Flows From Operating Activities:</b>			
<b>RECEIPTS:</b>			
Collections from Sales		29,336,919,010	26,307,366,266
Exchange Fluctuation Gain		1,107,683	785,082
Others		79,785,919	43,580,132
		29,417,812,612	26,351,731,480
<b>PAYMENTS:</b>			
Purchase of Raw and Packing Materials		9,411,809,526	8,784,475,619
Manufacturing and Operating Expenses		7,129,834,959	6,468,285,855
Value Added Tax		4,137,684,976	3,726,206,166
Finance Cost		5,285	52,461
Income Tax Expense		1,968,647,863	1,499,814,702
Workers Profit Participation Fund		424,989,091	671,547,044
Others		2,430,289	9,002,249
		23,075,401,989	21,159,384,096
Net cash provided by operating activities		6,342,410,623	5,192,347,384
<b>Cash Flows From Investing Activities:</b>			
Purchase of Fixed Assets		(1,151,736,971)	(877,753,712)
Investment		(1,493,430,166)	(402,585,452)
Short Term Loan		2,139,387,313	(107,433,022)
Gain on Sale of Marketable Securities		1,898,816	405,567
Interest Received		1,979,067,347	1,214,006,099
Dividend Received		164,504,929	23,230,159
Net cash used in investing activities		1,639,691,268	(150,130,361)
<b>Cash Flows From Financing Activities:</b>			
Dividend Paid		-	-
Net cash used in financing activities		-	-
Increase in Cash and Cash Equivalents		7,982,101,891	5,042,217,023
Net Effect of Foreign Currency Translation on Cash and Cash Equivalent		3,014,408	1,259,809
Cash and Cash Equivalents at the Opening		32,233,314,319	26,923,168,224
Cash and Cash Equivalents at the Closing		40,218,430,618	31,966,645,056
Net Operating Cash Flow per Share (NOCF)	21	7.15	5.86

Sd/-  
Samuel S Chowdhury  
Chairman

Sd/-  
Ratna Patra  
Vice Chairman

Sd/-  
Tapan Chowdhury  
Managing Director

Sd/-  
Muhammad Zahangir Alam  
Chief Financial Officer

Sd/-  
Khandaker Habibuzzaman  
Company Secretary



# SQUARE PHARMACEUTICALS LTD.

## Notes to the Interim Financial Statements For the 2nd Quarter Ended December 31, 2020

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

These Financial Statements (They) are the unaudited interim Financial statement (here after 'the Interim Financial Statements') of Square Pharmaceuticals Ltd. for the 2nd Quarter Ended on December 31, 2020 (here after the interim period). They are prepared in accordance with the Bangladesh Accounting Standard (IAS-34) 'Interim Financial Reporting'. These financial statement should read in conjunction with the Annual Financial Statements as of June 30, 2020, as they provide an update of previous reported information.

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

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

We understand that our business is growing every year that means our assets are performing according to intension of procurement and in sum up the discounted future cash flow from the operation of the assets would be positive if we dispose those assets at the date of financial reporting. Bur presently we have on intension to dispose these assets, so it is not required to record the impairment gain as provisions of IAS-36.

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

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

Figures have been rounded off to the nearest Taka.

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

### 2. PROPERTY, PLANT AND EQUIPMENT: Tk. 20,921,580,092

Details of Property, Plant and Equipment and Depreciation as at 31 December, 2020 are as follows:

This is arrived at as follows:

#### Fixed Assets at Cost:

Opening Balance	40,613,584,373	38,918,496,904
Addition during the Period/Year	2,095,143,243	3,119,979,717
	<u>42,708,727,616</u>	<u>42,038,476,621</u>
Sales/Transfer during the Period/Year	(828,653,357)	(1,424,892,248)
Closing Balance	<u>41,880,074,259</u>	<u>40,613,584,373</u>

#### Accumulated Depreciation:

Opening Balance	20,046,381,983	18,158,061,040
Charged during the Period/Year	912,112,184	1,970,126,072
	<u>20,958,494,167</u>	<u>20,128,187,112</u>
Sales/Transfer during the Period/Year	-	(81,805,129)
	<u>20,958,494,167</u>	<u>20,046,381,983</u>

Carrying Value Tk. 20,921,580,092 20,567,202,390

	31-12-2020	30-06-2020
<b>3. INVESTMENT-Long Term (at Cost): Tk. 5,694,978,488</b>		
This consists of the following:		
<b>Subsidiary:</b>		
(a) 4,000,000 Shares in Square Pharmaceuticals Kenya EPZ Ltd.	332,000,000	332,000,000
(b) Advance against Share Money Deposit with Square Pharmaceuticals Kenya EPZ Ltd.	653,742,688	493,869,987
	<u>985,742,688</u>	<u>825,869,987</u>
<b>Associates:</b>		
(a) 91,436,679 Ordinary Shares of Tk. 10/- each including Bonus Shares in Square Textiles Ltd.	225,129,795	225,129,795
(b) 199,750 Ordinary Shares of Tk. 1,000/- each in Square Hospitals Ltd.	210,750,000	210,750,000
(c) Investment in Square Fashions Ltd: - 252,000 Ordinary Shares of Tk. 100/- each - 210,000 Ordinary Shares of Tk. 600/- each *	151,200,000	151,200,000
	<u>587,079,795</u>	<u>587,079,795</u>
<b>Others:</b>		
(a) 120,000 Ordinary Shares of Tk.100/- each in United Hospital Ltd.	12,000,000	12,000,000
(b) 5,711,804 Ordinary Shares of Tk. 10/- each including Bonus Shares in Central Depository Bangladesh Ltd.	15,694,430	15,694,430
(c) 250,002 Zero Coupon Bond in Lanka Bangla Finance Ltd.	-	33,409,009
(d) 250,000 Zero Coupon Bond in IDLC Finance Ltd.	23,923,444	46,816,693
(e) 200,000 Zero Coupon Bond in Bangladesh Steel Re-Rolling Mills Ltd.	-	17,246,770
(f) 150,000 Preference Share in Raj Lanka Power Company Ltd.	43,636,365	58,181,820
(g) 5 Non-Convertible Zero Coupon Bond in Shanta Holdings Ltd.	39,145,405	39,145,405
(h) 5 Non-Convertible Zero Coupon Bond in Durable Plastics Ltd.	13,559,221	18,514,976
(i) 100,000 Non-Convertible Zero Coupon Bond in Flamingo Fashions Ltd.	12,436,924	25,497,385
(j) 40 Non-Convertible Zero Coupon Bond in Envoy Textiles Ltd.	20,740,720	25,498,245
(k) 200 Non-Convertible Subordinated Bond in Mutual Trust Bank Ltd.	2,000,000,000	2,000,000,000
(l) 612,620 Zero Coupon Islamic Certificate in United Mymensingh Power Ltd.	441,019,496	499,996,151
(m) 5,000 Non-Convertible Subordinated Bond in Southeast Bank Ltd.	500,000,000	-
(n) 50 Mudaraba Redeemable Non-Convertible Subordinated Bond in Islami Bank Bangladesh Ltd.	500,000,000	-
(o) 50 Non-Convertible Subordinated Bond in Trust Bank Ltd.	500,000,000	-
	<u>4,122,156,005</u>	<u>2,792,000,884</u>
Tk.	<u>5,694,978,488</u>	<u>4,204,950,666</u>

**4. INVESTMENT IN MARKETABLE SECURITIES (Fair Value): Tk. 3,605,501,258**

Particulars	Position of Jul'2020-Dec'2020			Position of Jul'2019-Jun'2020		
	Total Cost (Taka)	Total Market Value (Taka)	Realized/ Unrealized Gain	Total Cost (Taka)	Total Market Value (Taka)	Realized/ Unrealized Gain
Opening Balance	3,144,519,813	2,691,892,867	(452,626,946)	2,867,854,451	3,013,439,734	145,585,283
Add: Investment made during the Period	13,448,660	925,553,522	912,104,862	347,985,577	(242,106,192)	(590,091,769)
Less: Sold/Disposed Off during the Period	(10,046,315)	(11,945,131)	(1,898,816)	(71,320,215)	(79,440,675)	(8,120,460)
Closing Balance	<u>3,147,922,158</u>	<u>3,605,501,258</u>	<u>457,579,100</u>	<u>3,144,519,813</u>	<u>2,691,892,867</u>	<u>(452,626,946)</u>

**5. INVENTORIES: Tk. 6,533,951,987**

The break-up is as under:

Raw Materials	2,671,741,640	1,939,329,998
Packing Materials	733,533,989	647,848,732
Work-in-Process	352,553,135	336,441,344
Finished Goods	1,857,712,824	1,677,371,032
Spares & Accessories	727,745,625	629,858,063
Goods- in-Transit	190,664,774	456,557,160
Tk.	<u>6,533,951,987</u>	<u>5,687,406,329</u>

	<u>31-12-2020</u>	<u>30-06-2020</u>
<b>6. ADVANCES, DEPOSITS &amp; PREPAYMENTS : Tk. 1,513,836,725</b>		
This consists of as follows:		
<b>Advances:</b>	<b>441,133,560</b>	<b>489,759,302</b>
Employees	181,700,495	204,851,164
Land Purchase	42,029,127	156,782,042
Suppliers	217,403,938	128,126,096
<b>Deposits:</b>	<b>1,047,958,701</b>	<b>2,025,909,816</b>
Value Added Tax	24,833,711	450,096,951
Earnest Money & Security Deposit	300,234,708	297,804,419
Interest on Fixed Deposit Receipts	722,890,282	1,276,320,238
Others	-	1,688,208
<b>Prepayments:</b>	<b>24,744,464</b>	<b>44,977,766</b>
Office Rent	7,464,749	8,599,751
Insurance Premium	17,279,715	36,378,015
<b>Tk.</b>	<b><u>1,513,836,725</u></b>	<b><u>2,560,646,884</u></b>
<b>7. SHORT TERM LOAN (Unsecured): Tk. 2,745,702,807</b>		
This consists of as follows:		
(a) Square Textiles Ltd.	1,731,031,720	3,277,576,394
(b) Square Fashions Ltd.	-	2,411,950
(c) Square Hospitals Ltd.	1,012,797,898	1,604,350,413
(d) Square Lifesciences Ltd.	1,873,189	751,363
<b>Tk.</b>	<b><u>2,745,702,807</u></b>	<b><u>4,885,090,120</u></b>
<b>8. CASH AND CASH EQUIVALENTS: Tk. 40,218,430,617</b>		
This is made up as follows:		
(a) Cash in Hand	7,853,215	2,288,479
(b) Cash at Bank:	<b>40,210,577,402</b>	<b>32,231,025,840</b>
* Current Account	248,304,700	595,984,688
* STD Account	5,324,613,157	10,763,172,367
* Fixed Deposit Account (BD Taka)	31,153,831,491	17,389,641,491
* Fixed Deposit Account (USD)	2,838,397,756	2,774,822,050
* Export Retention Quota Account (USD)	510,902,945	305,962,148
* Margin Held Account (USD)	134,527,353	401,443,096
<b>Tk.</b>	<b><u>40,218,430,617</u></b>	<b><u>32,233,314,319</u></b>
<b>9. DEFERRED TAX LIABILITY: Tk. 1,288,782,775</b>		
This represents provision is made for deferred income tax to pay future income tax liability for temporary differences which is arrived at as follows:		
Opening Balance	1,212,928,798	1,294,346,873
Addition during the Period (Deferred Tax Assets)	(15,166,628)	(21,596,852)
Deferred Tax (Income)/Expense recognized for FVOCI Financial Assets	91,020,605	(59,821,223)
<b>Closing Balance</b>	<b><u>1,288,782,775</u></b>	<b><u>1,212,928,798</u></b>
<b>Computation of Deferred Tax for the Year Ended 31 December, 2020:</b>		
A. Property, Plant and Equipments excluding Cost of Land (Carrying Amount)	13,766,409,582	13,995,217,801
B. Property, Plant and Equipments excluding Cost of Land (Tax Base)	8,736,076,011	8,904,217,715
C. Taxable/(Deductable) Temporary Difference (A-B)	5,030,333,571	5,091,000,086
D. Tax Rate	25%	25%
E. Deferred Tax Liabilities as on 31 December, 2020	1,257,583,393	1,272,750,021
F. Deferred Tax Liabilities as on 30 June, 2020	1,272,750,021	1,294,346,873
<b>G. Current Period's Deferred Tax (Assets)/Liabilities (E-F)</b>	<b><u>(15,166,628)</u></b>	<b><u>(21,596,852)</u></b>
<b>10. LIABILITIES FOR EXPENSES: Tk. 57,021,854</b>		
This consists of as follows:		
Accrued Expenses	57,021,854	127,666,317
Audit Fees	-	575,000
<b>Tk.</b>	<b><u>57,021,854</u></b>	<b><u>128,241,317</u></b>

	<u>31-12-2020</u>	<u>30-06-2020</u>
<b>11. LIABILITIES FOR OTHER FINANCE: Tk. 7,051,447,604</b>		
This consists of as follows:		
Sundry Creditors	4,389,229,255	368,968,264
Unclaimed Dividend	332,158,318	330,431,723
Income Tax (Deduction at Source)	25,240,096	18,346,013
Retention Money	587,730	3,711,211
Workers' Profit Participation Fund and Welfare Fund	916,638,630	859,269,098
Income Tax Payable (Note-11.1)	<u>1,387,593,575</u>	<u>978,037,537</u>
Tk.	<u><b>7,051,447,604</b></u>	<u><b>2,558,763,846</b></u>

**11.1 INCOME TAX PAYABLE: Tk. 1,387,593,575**

This is arrived at as follows:

Opening balance	978,037,537	557,901,454
Provision made for the Period	2,378,203,901	4,251,005,177
Tax Paid (Including Advance Income Tax during the Period)	<u>(1,968,647,863)</u>	<u>(3,830,869,094)</u>
Tk.	<u><b>1,387,593,575</b></u>	<u><b>978,037,537</b></u>

	<u>2020</u>	<u>2019</u>
	<u>(Jul'2020-Dec'2020)</u>	<u>(Jul'2019-Dec'2019)</u>

**12. GROSS REVENUE: Tk. 29,079,325,231**

This is made-up as follows:

Local Sales	28,408,319,360	25,289,873,050
Export Sales Equivalent in US \$ 7,992,921 (Jul'2019-Dec'2019 US \$ 10,263,011)	<u>671,005,871</u>	<u>859,118,445</u>
Tk.	<u><b>29,079,325,231</b></u>	<u><b>26,148,991,495</b></u>

**13. COST OF GOODS SOLD: Tk. 11,911,964,319**

Materials	8,603,272,177	7,584,653,841
Factory Overhead (Note-13.1)	<u>3,308,692,142</u>	<u>3,158,062,829</u>
Tk.	<u><b>11,911,964,319</b></u>	<u><b>10,742,716,670</b></u>

**13.1 FACTORY OVERHEAD: Tk. 3,308,692,142**

This is made up as follows:

Salaries, Allowances and Wages	1,052,984,960	969,774,825
Factory Employees Free Lunch	55,161,080	50,585,715
Factory Staff Uniform	46,517,123	40,590,363
Travelling & Conveyance	20,269,734	24,174,222
Printing & Stationery	36,344,503	33,165,037
Postage, Telephone & Fax	3,879,800	3,232,158
Repairs & Maintenance	469,478,239	433,864,959
Laboratory Consumable Stores	176,321,127	155,468,191
Fuel, Petrol, Light Diesel etc.	120,087,625	132,344,341
Electricity, Gas & Water	328,734,382	301,068,650
Rental Expense	669,168	565,405
Municipal & Other Tax	11,187,740	7,811,298
Insurance Premium	11,448,208	11,533,780
Factory Sanitation Expenses	49,518,022	44,929,853
Depreciation	766,506,581	798,422,627
Security Services	37,267,835	34,675,560
Research & Development	87,290,503	77,687,550
Software & Hardware Support Services	26,432,094	32,095,891
Toll Charges	8,081,179	5,092,998
Other Expenses	512,239	979,406
Tk.	<u><b>3,308,692,142</b></u>	<u><b>3,158,062,829</b></u>

	<u>2020</u>	<u>2019</u>
	<u>(Jul'2020-Dec'2020)</u>	<u>(Jul'2019-Dec'2019)</u>
<b>14. SELLING &amp; DISTRIBUTION EXPENSES: Tk. 4,027,074,623</b>		
This consists of as follows:		
Salaries and Allowances	673,044,006	621,039,956
Travelling and Conveyance	62,382,851	70,150,343
Printing and Stationery	35,875,507	35,227,357
Postage, Telephone, Fax & Telex	36,516,867	32,704,001
Electricity, Gas and Water	14,929,954	13,177,227
Office and Godown Rent	13,051,820	13,680,902
Repairs and Maintenance including car maintenance	234,702,360	214,423,010
Govt. Taxes and Licence Fees	39,937,628	26,012,703
Field Staff Salaries, Allowances, TA and DA	1,112,356,374	1,009,608,886
Marketing Expenses	454,897,728	445,405,764
Delivery and Packing Expenses	86,655,099	81,046,369
Export Expenses	55,751,447	54,528,687
Business Development Expenses	221,254,754	215,307,909
Special Discount	697,677,547	595,575,928
Security Services	45,525,819	31,755,031
Depreciation	92,868,810	91,281,519
Other Expenses	149,646,052	133,566,223
Tk.	<u><u>4,027,074,623</u></u>	<u><u>3,684,491,815</u></u>

**15. ADMINISTRATIVE EXPENSES: Tk. 549,014,097**

This consists of as follows:

Salaries and Allowances	213,251,751	199,408,028
Directors' Remuneration	32,935,421	29,347,047
Travelling and Conveyance	55,958,171	71,010,609
Printing and Stationery	8,049,109	7,852,212
Postage, Telephone, Internet	5,428,885	4,225,742
Electricity, Gas & Water	11,995,400	10,913,217
Tiffin and Refreshment	21,726,964	27,920,364
Repairs and Maintenance	91,695,010	86,208,292
Bank Charges	7,456,340	6,108,250
Insurance Premium	3,008,500	7,739,076
Govt. Taxes, Stamp Duty & Licence Fee	3,945,663	4,450,855
Security Services	19,708,039	20,902,122
Legal Charges	462,400	1,079,500
Depreciation	52,736,793	53,981,496
Software & Hardware Support Services	1,351,696	11,727,191
Other Expenses	19,303,955	26,583,445
Tk.	<u><u>549,014,097</u></u>	<u><u>569,457,446</u></u>

Directors' Remuneration is not included the Member Directors of "Audit Committee" and "Nomination & Remuneration Committee"

**16. OTHER INCOME: Tk. 1,675,949,146**

This is arrived at as follows:

Bank Interest	1,265,576,248	1,386,664,802
Interest on Loan to Sister Concern	160,061,143	106,521,492
Dividend	164,504,929	23,230,159
Gain on Marketable Securities (Realized)	1,898,816	405,567
Foreign Exchange Fluctuation Gain	4,122,091	2,044,891
P.F Forfeited Amount **	31,667,264	-
Others	48,118,655	43,580,132
Tk.	<u><u>1,675,949,146</u></u>	<u><u>1,562,447,043</u></u>

\*\* The amount of Provident Fund Forefeiture has been returned on 24-08-2020 from Square Pharmaceuticals Employees Provident Fund and also recognized as Other Income.

**17. INCOME TAX EXPENSES-Current: Tk. 2,378,203,901**

**17.1 CALCULATION OF RECONCILIATION OF EFFECTIVE TAX RATE WITH INCOME TAX EXPENSES:**

Income Tax Expnses-Current	2,378,203,901	2,168,506,006
Income Tax Expnses/(Assets)-Deferred (Note-12)	(15,166,628)	(65,421,651)
Tk.	<u><u>2,363,037,273</u></u>	<u><u>2,103,084,355</u></u>

**RECONCILIATION OF EFFECTIVE TAX RATE:**

	Jul'2020-Dec'2020		Jul'2019-Dec'2019	
	%	Amount (Taka)	%	Amount (Taka)
<b>Profit before Tax</b>		<b>9,647,172,454</b>		<b>8,560,489,505</b>
Tax using Corporate Tax Rate	25.00%	2,411,793,114	25.00%	2,140,122,376
Effect of Tax Exempted Income	-0.41%	(39,103,522)	-0.42%	(35,815,678)
Effect of Lower Tax Rate	-0.10%	(9,652,319)	-0.01%	(1,222,343)
	<b>24.49%</b>	<b>2,363,037,273</b>	<b>24.57%</b>	<b>2,103,084,355</b>
		<b>2020</b>		<b>2019</b>
		<b>(Jul'2020-Dec'2020)</b>		<b>(Jul'2019-Dec'2019)</b>

**18. CHANGE IN FAIR VALUE OF FVOCI FINANCIAL ASSETS: Tk. 819,185,441**

Unrealized Gain/(Loss) on Marketable Securities (Closing)		457,579,100	(296,981,107)
(-) Unrealized Gain/(Loss) on Marketable Securities (Opening)		(452,626,946)	145,585,283
		910,206,046	(442,566,390)
Related Tax on FVOCI Financial Assets		(91,020,605)	44,256,639
<b>Tk.</b>		<b>819,185,441</b>	<b>(398,309,751)</b>

The company has recognized and reported tax impact on Other Comprehensive Income i.e Gain/(Loss) on Marketable Securities (Unrealized) as the tax related to the said item. This change results in the Financial Statements providing reliable and more relevant information on Other Comprehensive Income. The change has been applied in using retrospective approach. Therefore, the comparative information has been restated. But it has no impact on EPS (Earnings Per Share) and NAV (Net Assets Value).

**19. NET ASSET VALUE PER SHARE (NAV) - Tk. 83.53**

The computation is given below:

Equity Attributable to the Ordinary Shareholders		74,045,199,095	69,909,802,046
Weighted average number of Shares outstanding during the Period		886,451,010	886,451,010
<b>Net Asset Value Per Share (NAV)</b>	<b>Tk.</b>	<b>83.53</b>	<b>78.86</b>

**20. EARNINGS PER SHARE (EPS) - Tk. 8.22**

The computation is given below:

Surplus for the year attributable to Shareholders (Net Profit after Tax)		7,284,135,181	6,457,405,150
Weighted average number of Shares outstanding during the Period		886,451,010	886,451,010
<b>Earnings per Share</b>	<b>Tk.</b>	<b>8.22</b>	<b>7.28</b>

**21. NET OPERATING CASH FLOW PER SHARE (NOCF) - Tk. 7.15**

The computation is given below:

Net Cash Generated from Operating Activities		6,342,410,623	5,192,347,384
Weighted average number of Shares outstanding during the Period		886,451,010	886,451,010
<b>Net Operating Cash Flow Per Share (NOCF)</b>	<b>Tk.</b>	<b>7.15</b>	<b>5.86</b>

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

<b>Profit after Tax</b>		<b>7,284,135,181</b>	<b>6,457,405,150</b>
Adjustment to Reconcile Net Profit to Net Cash Provided by Operating Activities:			
<b>Non-Cash Expenses:</b>		<b>893,931,148</b>	<b>877,004,182</b>
Depreciation		912,112,184	943,685,642
Exchange Rate Fluctuation		(3,014,408)	(1,259,809)
Deferred Tax		(15,166,628)	(65,421,651)
<b>Non-Operating Items:</b>		<b>(1,592,041,136)</b>	<b>(1,516,822,020)</b>
Dividend Income		(164,504,929)	(23,230,159)
Others		(1,427,536,207)	(1,493,591,861)
<b>Changes in Working Capital:</b>		<b>(243,614,570)</b>	<b>(625,239,928)</b>
(Increase)/Decrease in Inventories		(846,545,658)	(1,064,949,288)
(Increase)/Decrease in Trade Debtors		(167,669,461)	(135,137,888)
(Increase)/Decrease in Advances, Deposits and Prepayments		378,627,288	315,647,497
Increase/(Decrease) in Trade Creditors		(61,567,461)	(171,478,658)
Increase/(Decrease) in Liabilities for Expenses		(71,219,463)	(65,031,104)
Increase/(Decrease) in Liabilities for Other Finance		524,760,185	495,709,513
<b>Net Cash Generated from Operating Activities</b>	<b>Tk.</b>	<b>6,342,410,623</b>	<b>5,192,347,384</b>

	<u>2020</u>	<u>2019</u>
	<u>(Jul'2020-Dec'2020)</u>	<u>(Jul'2019-Dec'2019)</u>
<b>22. RELATED PARTY TRANSACTIONS:</b>		
The company did not do any related transactions with it's sister concern other than its subsidiary/associates undertaking viz Square Textiles Ltd., Square Fashions Ltd., Square Hospitals Ltd., Square InformatiX Ltd., Square Lifesciences Ltd., Square Denims Ltd., Square Apparels Ltd., Square Securities Manament Ltd., Pharma Packages (Pvt) Ltd. and AEGIS Services Ltd. during the year reporting. The summary is as follows:		
<b>Transaction with Square Textiles Ltd. (Associate Undertaking and holding 46.36% Shares):</b>		
Opening Balance	3,277,576,394	2,168,788,505
Total Paid during the Period	1,253,455,326	1,006,723,675
Total Realized during the Period	<u>(2,800,000,000)</u>	<u>(906,373,950)</u>
Closing Balance (Receivable)	<u>Tk. 1,731,031,720</u>	<u>2,269,138,230</u>
<b>Transaction with Square Fashions Ltd. (Associate Undertaking and holding 48.36% Shares):</b>		
Opening Balance	2,411,950	672,588,614
Total Paid during the Period	1,059,596,055	260,999,147
Total Realized during the Period	<u>(1,062,008,005)</u>	<u>(158,221,903)</u>
Closing Balance (Receivable)	<u>Tk. -</u>	<u>775,365,858</u>
<b>Transaction with Square Hospitals Ltd. (Associate Undertaking and holding 49.94% Shares):</b>		
Opening Balance	1,604,350,413	95,693,947
Total Paid during the Period	205,557,332	15,025,887
Total Realized during the Period	<u>(797,109,847)</u>	<u>(110,719,834)</u>
Closing Balance (Receivable)	<u>Tk. 1,012,797,898</u>	<u>-</u>
<b>Transaction with Square InformatiX Ltd. (Service Provider):</b>		
Opening Balance	(2,197,662)	(2,214,332)
Total Paid during the Period	65,757,614	32,603,941
Total Realized during the Period	<u>(63,559,952)</u>	<u>(24,797,860)</u>
Closing Balance (Receivable)	<u>Tk. -</u>	<u>5,591,749</u>
<b>Transaction with Square Lifesciences Ltd. (Subsidiary Company and holdings 99.50% Shares):</b>		
Opening Balance	751,363	-
Total Paid during the Period	1,121,826	-
Total Realized during the Period	<u>-</u>	<u>-</u>
Closing Balance (Receivable)	<u>Tk. 1,873,189</u>	<u>-</u>
<b>Transaction with Square Denims Ltd. (Subsidiary of Associate, Square Fashions Ltd.):</b>		
Opening Balance	-	-
Total Paid during the Period	67,330,413	168,586,062
Total Realized during the Period	<u>(67,330,413)</u>	<u>(168,586,062)</u>
Closing Balance (Receivable)	<u>Tk. -</u>	<u>-</u>
<b>Transaction with Square Apparels Ltd. (Subsidiary of Associate, Square Fashions Ltd.):</b>		
Opening Balance	-	-
Total Paid during the Period	37,395,529	116,187,038
Total Realized during the Period	<u>(37,395,529)</u>	<u>(116,187,038)</u>
Closing Balance (Receivable)	<u>Tk. -</u>	<u>-</u>
<b>Transaction with Square Securities Management Ltd. (Port Folio Management):</b>		
Opening Balance	34,874,272	19,884,032
Total Paid during the Period	11,945,131	302,637,782
Total Realized during the Period	<u>(13,449,159)</u>	<u>(248,172,918)</u>
Closing Balance (Receivable)	<u>Tk. 33,370,244</u>	<u>74,348,896</u>
<b>Transaction with Pharma Packages (Pvt.) Ltd. (Supplier):</b>		
Opening Balance	12,206,021	117,457,765
Total Paid during the Period	364,117,660	373,811,205
Total Realized during the Period	<u>(360,000,000)</u>	<u>(350,060,375)</u>
Closing Balance (Receivable)	<u>Tk. 16,323,681</u>	<u>141,208,595</u>

	<u>2020</u>	<u>2019</u>
	<u>(Jul'2020-Dec'2020)</u>	<u>(Jul'2019-Dec'2019)</u>
<b>Transaction with AEGIS Services Ltd. (Service Provider):</b>		
Opening Balance	-	300,000
Total Paid during the Period	19,610,034	19,144,182
Total Realized during the Period	(23,314,366)	(19,144,182)
Closing Balance (Receivable)	Tk. <u>(3,704,332)</u>	<u>300,000</u>

#### **22.1 KEY MANAGEMENT PERSONNEL COMPENSATION:**

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

Short-Term Employee Benefits	188,478,339	173,880,609
Post-Employment Benefits	8,536,590	16,060,245
Other Long-Term Benefits	-	-
Termination Benefits	-	-
Share-Based Payment	-	-

#### **23. The Contingent Liabilities of the company as of December 31, 2020 were as follows:**

For Sight Letter of Credits for Tk.403.55 crore of Square Pharmaceuticals Ltd. and Tk. 4.24 crore of Square Pharmaceuticals Kenya EPZ Ltd.