

Third Quarter
Financial Statement 2019-2020
(Unaudited)



SQUARE PHARMACEUTICALS LTD.
(Consolidated and Standalone)

SQUARE PHARMACEUTICALS LIMITED

AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Un-audited)

As at 31 March 2020

Particulars	Notes	31-03-2020	30-06-2019
		Taka	Taka
ASSETS:			
Non-Current Assets:			
		35,823,880,769	33,734,410,538
Property, Plant and Equipment-Carrying Value	2	20,807,055,669	20,853,956,270
Investment - Long Term (at Cost)	3	2,457,825,677	655,408,674
Investment - Associates Undertaking	4	9,874,677,013	9,211,605,860
Investment in Marketable Securities (Fair Value)	5	2,684,322,410	3,013,439,734
Current Assets:			
		44,043,874,299	38,411,642,036
Inventories	6	5,610,922,154	4,596,512,673
Trade Debtors		1,452,001,182	1,561,818,167
Advances, Deposits and Prepayments	7	2,643,668,410	2,312,201,184
Short Term Loan	8	3,058,691,999	2,937,071,066
Cash and Cash Equivalents	9	31,278,590,554	27,004,038,946
TOTAL ASSETS		79,867,755,068	72,146,052,574
SHAREHOLDERS' EQUITY AND LIABILITIES:			
Shareholders' Equity:			
		74,451,726,465	67,880,617,172
Share Capital		8,442,390,580	7,890,084,660
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
Gain/(Loss) on Marketable Securities (Unrealized)		(460,061,664)	145,585,283
Cumulative Translation Adjustment		(11,647,723)	(939,072)
Retained Earnings		62,127,958,136	55,492,799,165
Non-Current Liabilities:			
		1,231,697,386	1,294,346,873
Deffered Tax Liability	10	1,231,697,386	1,294,346,873
Current Liabilities:			
		4,184,331,217	2,971,088,529
Trade Creditors		537,110,271	716,988,428
Liabilities for Expenses	11	175,781,496	239,913,331
Liabilities for Other Finance	12	3,471,439,450	2,014,186,770
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		79,867,755,068	72,146,052,574
Net Assets Value per Share (NAV)	20	88.19	80.40

Samuel S Chowdhury
Chairman

Ratna Patra
Vice Chairman

Tapan Chowdhury
Managing Director

Muhammad Zahangir Alam
Chief Financial Officer

Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LIMITED

AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Un-audited) For the 3rd Quarter Ended 31 March 2020

Particulars	Notes	Nine Months Results		Third Quarter Results	
		Jul'2019-Mar'2020	Jul'2018-Mar'2019	Jan'2020-Mar'2020	Jan'2019-Mar'2019
		Taka	Taka	Taka	Taka
GROSS TURNOVER	11	40,229,162,049	37,306,477,161	14,080,170,554	12,563,436,829
Less: Value Added Tax		5,661,773,919	5,065,337,207	1,935,567,753	1,640,696,083
NET TURNOVER		34,567,388,130	32,241,139,954	12,144,602,801	10,922,740,746
Cost of Goods Sold	12	(16,652,230,980)	(15,894,001,782)	(5,909,514,310)	(5,705,189,069)
GROSS PROFIT		17,915,157,150	16,347,138,172	6,235,088,491	5,217,551,677
OPERATING EXPENSES:		(6,516,820,089)	(5,798,199,446)	(2,256,316,168)	(1,723,986,060)
Selling & Distribution Expenses	13	(5,605,922,510)	(4,925,073,721)	(1,921,430,695)	(1,459,987,703)
Administrative Expenses	14	(907,789,503)	(873,079,148)	(334,831,283)	(263,989,151)
Finance Cost		(3,108,076)	(46,577)	(54,190)	(9,206)
PROFIT FROM OPERATIONS		11,398,337,061	10,548,938,726	3,978,772,323	3,493,565,617
Other Income	15	2,302,990,550	1,649,794,395	741,188,667	648,188,968
PROFIT BEFORE WPPF		13,701,327,611	12,198,733,121	4,719,960,990	4,141,754,585
Allocation for WPPF		(652,795,800)	(589,347,451)	(224,771,325)	(205,566,827)
PROFIT BEFORE TAX		13,048,531,811	11,609,385,670	4,495,189,665	3,936,187,758
Income Tax Expenses-Current		(3,272,952,003)	(2,826,172,306)	(1,104,445,997)	(1,143,617,179)
Deferred Income Tax Assets/(Liabilities)		62,649,487	(118,706,392)	(2,772,164)	26,377,627
PROFIT AFTER TAX		9,838,229,295	8,664,506,972	3,387,971,504	2,818,948,206
Profit/(Loss) from Associate Undertakings	18	663,071,153	756,013,474	227,518,790	299,022,486
PROFIT AFTER TAX		10,501,300,448	9,420,520,446	3,615,490,294	3,117,970,692
Other Comprehensive Income:					
Gain/(Loss) on Marketable Securities (Unrealized)	19	(605,646,947)	(18,446,333)	(163,080,557)	(27,231,875)
Cumulative Translation Adjustment		(10,708,652)	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		9,884,944,849	9,402,074,113	3,452,409,737	3,090,738,817
Profit Attributable to:					
Owners of the Company		10,501,300,448	9,413,843,573	3,615,490,294	3,118,611,493
Non Controlling Interest		-	6,676,873	-	(640,801)
		10,501,300,448	9,420,520,446	3,615,490,294	3,117,970,692
Total Comprehensive Income Attributable to:					
Owners of the Company		9,884,944,849	9,395,498,538	3,452,409,737	3,091,379,618
Non Controlling Interest		-	6,575,575	-	(640,801)
		9,884,944,849	9,402,074,113	3,452,409,737	3,090,738,817
Earnings Per Share (EPS)	21	12.44	11.15	4.28	3.69

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SQUARE PHARMACEUTICALS LIMITED

AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Un-audited)

For the 3rd Quarter Ended 31 March 2020

Particulars	Share Capital	Share Premium	General Reserve	Tax Exemption Reserve	Gain/(Loss) Marketable Securities (Unrealized)	Retained Earnings	Non Controlling Interest	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
At 30 June 2019	7,890,084,660	2,035,465,000	105,878,200	2,211,743,936	145,585,283	55,492,799,165	-	67,881,556,244
Total Comprehensive Income (Jul'2019-Mar'2020)	-	-	-	-	(605,646,947)	10,501,300,448	-	9,895,653,501
Cash Dividend (2018-2019)	-	-	-	-	-	(3,313,835,557)	-	(3,313,835,557)
Stock Dividend (2018-2019)	552,305,920	-	-	-	-	(552,305,920)	-	-
At 31 March 2020	8,442,390,580	2,035,465,000	105,878,200	2,211,743,936	(460,061,664)	62,127,958,136	-	74,463,374,188

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Un-audited)

For the 3rd Quarter Ended 31 March 2019

Particulars	Share Capital	Share Premium	General Reserve	Tax Exemption Reserve	Gain/(Loss) Marketable Securities (Unrealized)	Retained Earnings	Non Controlling Interest	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
At 30 June 2018	7,373,910,900	2,035,465,000	105,878,200	1,949,557,722	192,272,252	46,159,482,757	24,901,060	57,841,467,891
Transfer to Tax Exemption Reserve	-	-	-	262,186,214	-	(262,186,214)	-	-
Transfer for Merger of Square Herbal & Nutraceuticals Ltd.	-	-	-	-	-	101,771,355	-	101,771,355
Total Comprehensive Income (Jul'2018-Mar'2019)	-	-	-	-	(18,446,333)	9,413,843,573	6,676,873	9,402,074,113
Transfer to Payable	-	-	-	-	-	-	(31,577,933)	(31,577,933)
Cash Dividend (2017-2018)	-	-	-	-	-	(2,654,607,924)	-	(2,654,607,924)
Stock Dividend (2017-2018)	516,173,760	-	-	-	-	(516,173,760)	-	-
At 31 March 2019	7,890,084,660	2,035,465,000	105,878,200	2,211,743,936	173,825,919	52,242,129,787	-	64,659,127,502

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SQUARE PHARMACEUTICALS LIMITED

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CONSOLIDATED STATEMENT OF CASH FLOWS (Un-audited) For the 3rd Quarter Ended 31 March 2020

Particulars	Notes	3rd Quarter Ended	3rd Quarter Ended
		31 March 2020	31 March 2019
		Taka	Taka
Cash Flows From Operating Activities:			
RECEIPTS:			
Collections from Sales		40,730,405,470	37,416,738,553
Exchange Fluctuation Gain		1,877,556	2,642,751
Others		60,623,308	120,764,871
		40,792,906,334	37,540,146,175
PAYMENTS:			
Purchase of Raw and Packing Materials		12,953,019,503	11,084,222,176
Manufacturing and Operating Expenses		10,087,227,792	9,915,035,425
Value Added Tax		5,661,773,919	5,065,337,207
Finance Cost		3,108,076	46,577
Income Tax		2,926,040,470	2,241,952,397
Workers Profit Participation Fund		592,782,244	235,127,033
Others		19,862,384	76,386,887
		32,243,814,388	28,618,107,702
Net cash generated from operating activities		8,549,091,946	8,922,038,473
Cash Flows From Investing Activities:			
Purchase of Fixed Assets		(1,410,636,389)	(1,643,208,481)
Investment		(2,078,946,627)	95,107,009
Short Term Loan		(121,620,933)	1,570,303,135
Gain/(Loss) on Sale of Marketable Securities		(8,120,460)	87,140,242
Interest Received		1,770,379,780	705,679,468
Dividend Received		49,950,586	314,665,678
Net cash used in investing activities		(1,798,994,043)	1,129,687,051
Cash Flows From Financing Activities:			
Dividend Paid		(2,470,401,299)	(1,817,785,447)
Net cash used in financing activities		(2,470,401,299)	(1,817,785,447)
Increase in Cash and Cash Equivalents		4,279,696,604	8,233,940,077
Net Effect of Foreign Currency Translation on Cash and Cash Equivalent		(5,144,996)	23,961,730
Cash and Cash Equivalents at the Opening		27,004,038,946	16,980,412,765
Cash and Cash Equivalents at the Opening of SHNL		-	84,685,564
Cash and Cash Equivalents at the Closing		31,278,590,554	25,323,000,136
Net Operating Cash Flow per Share (NOCF)	22	10.13	10.57

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SQUARE PHARMACEUTICALS LIMITED

Notes to the Consolidated Interim Financial Statements For the 3rd Quarter Ended March 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. Company incorporated in Bangladesh under companies act and Square Pharmaceuticals Kenya EPZ Limited incorporated in Kenya under companies act 2015, Kenya, for the 3rd Quarter Ended on March 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, 2019, 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= 0.78493 BDT.

Subsidiary Company:

Square Lifesciences Ltd.: The company has registered in February, 2020 for manufacturing and marketing of generic pharmaceuticals products. No transactions has been happened yet in this financial statement.

2. CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT: Tk. 20,807,055,669

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

This is arrived at as follows:

Fixed Assets at Cost:

	<u>31-03-2020</u>	<u>30-06-2019</u>
Opening Balance	39,012,017,310	36,634,171,899
Add: Amount of Square Formulations Ltd. due to Merger	-	5,710,600
Add: Amount of Square Herbal & Nutraceuticals Ltd. due to Merger	-	460,443,540
Addition during the Period/Year	<u>2,017,843,640</u>	<u>2,943,453,689</u>
	<u>41,029,860,950</u>	<u>40,043,779,728</u>
Sales/Transfer during the Period/Year	<u>(635,606,398)</u>	<u>(1,031,762,418)</u>
Closing Balance	<u>40,394,254,552</u>	<u>39,012,017,310</u>

Accumulated Depreciation:

Opening Balance	18,158,061,040	16,088,734,266
Add: Amount of Square Formulations Ltd. due to Merger	-	152,211,708
Add: Amount of Square Herbal & Nutraceuticals Ltd. due to Merger	-	119,892,548
Charged during the Period/ Year	<u>1,429,137,843</u>	<u>1,875,504,706</u>
	<u>19,587,198,883</u>	<u>18,236,343,228</u>
Sales/Transfer during the Period/Year	<u>-</u>	<u>(78,282,188)</u>
	<u>19,587,198,883</u>	<u>18,158,061,040</u>

Carrying Value

Tk. 20,807,055,669 20,853,956,270

	31-03-2020	30-06-2019
3. CONSOLIDATED INVESTMENT-Long Term (at Cost): Tk. 2,457,825,677		
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) Advance against Share Money with Square InformatiX Ltd. for 1,000,000 Shares of Tk. 100/- each	100,000,000	100,000,000
(d) 250,002 Zero Coupon Bond in Lanka Bangla Finance Ltd.	68,070,856	104,032,523
(e) 250,000 Zero Coupon Bond in IDLC Finance Ltd.	46,816,693	89,688,142
(f) 200,000 Zero Coupon Bond in Bangladesh Steel Re-Rolling Mills Ltd.	17,246,770	46,650,453
(g) 150,000 Preference Share in Raj Lanka Power Company Ltd.	65,454,547	87,272,730
(h) 5 Non-Convertible Zero Coupon Bond in Shanta Holdings Ltd.	39,145,405	81,618,169
(i) 5 Non-Convertible Zero Coupon Bond in Durable Plastics Ltd.	23,706,130	29,143,864
(j) 100,000 Non-Convertible Zero Coupon Bond in Flamingo Fashions Ltd.	39,209,093	53,606,386
(k) 40 Non-Convertible Zero Coupon Bond in Envoy Textiles Ltd.	30,481,753	35,701,977
(l) 200 Non-Convertible Subordinated Bond in Mutual Trust Bank Ltd.	2,000,000,000	-
	Tk. 2,457,825,677	655,408,674

4. INVESTMENT-Associate Undertakings: Tk. 9,874,677,013

This is arrived at as follows:

Opening Balance	9,211,605,860	8,454,064,733
Add: Profit/(Loss) during the Period/Year (Note-18)	663,071,153	931,706,302
Less: Dividend during the Period/Year	-	(174,165,175)
Closing Balance	Tk. 9,874,677,013	9,211,605,860

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. 2,684,322,410

	Position of Jul'2019-Mar'2020			Position of Jul'2018-Jun'2019		
	Total Cost	Total Market Value	Realized/ Unrealized Gain	Total Cost	Total Market Value	Realized/ Unrealized Gain
Opening Balance	2,867,854,451	3,013,439,734	145,585,283	2,698,936,285	2,891,208,537	192,272,252
Add: Investment made during the Period	347,849,838	(249,676,649)	(597,526,487)	322,503,330	375,676,774	53,173,444
Less: Sold/Disposed Off during the Period	(71,320,215)	(79,440,675)	(8,120,460)	(153,585,164)	(253,445,577)	(99,860,413)
Closing Balance	Tk. 3,144,384,074	2,684,322,410	(460,061,664)	2,867,854,451	3,013,439,734	145,585,283

6. CONSOLIDATED INVENTORIES : Tk. 5,610,922,154

The break-up is as under:

Raw Materials	1,964,861,352	1,531,223,724
Packing Materials	756,075,412	609,472,347
Work-in-Process	371,796,273	274,303,768
Finished Goods	1,849,810,192	1,226,561,623
Spares & Accessories	583,074,237	551,889,224
Goods- in-Transit	85,304,688	403,061,987
	Tk. 5,610,922,154	4,596,512,673

	31-03-2020	30-06-2019
7. CONSOLIDATED ADVANCES, DEPOSITS & PREPAYMENTS : Tk. 2,643,668,410		
This consists of as follows:		
Advances:	769,959,724	628,767,658
Employees	166,125,608	189,352,951
Land Purchase	165,306,777	136,907,630
Suppliers	438,527,339	302,507,077
Deposits:	1,841,243,150	1,635,409,050
L.C Margin	162,625,760	-
Value Added Tax	-	391,426,436
Earnest Money & Security Deposit	289,011,147	269,148,763
Interest on Fixed Deposit Receipts	1,389,606,243	966,890,119
Others	-	7,943,732
Prepayments:	32,465,536	48,024,476
Office Rent	9,564,880	11,390,890
Insurance Premium	22,900,656	36,633,586
Tk.	<u>2,643,668,410</u>	<u>2,312,201,184</u>

8. CONSOLIDATED SHORT TERM LOAN (Unsecured): Tk. 3,058,691,999		
This consists of as follows:		
(a) Square Textiles Ltd.	2,977,384,144	2,168,788,505
(b) Square Fashions Ltd.	81,307,855	672,588,614
(c) Square Hospitals Ltd.	-	95,693,947
Tk.	<u>3,058,691,999</u>	<u>2,937,071,066</u>

9. CONSOLIDATED CASH AND CASH EQUIVALENTS: Tk. 31,278,590,554		
This is made up as follows:		
(a) Cash in Hand	10,727,130	6,866,061
(b) Cash at Bank:	31,267,863,424	26,997,172,885
* Current Account	772,155,341	936,817,212
* STD Account	5,712,175,276	2,131,200,472
* Fixed Deposit Account (BD Taka)	21,353,809,226	20,853,809,226
* Fixed Deposit Account (USD)	2,774,822,050	2,283,903,416
* Export Retention Quota Account (USD)	504,226,444	702,111,670
* Margin Held Account (USD)	150,675,087	89,330,889
Tk.	<u>31,278,590,554</u>	<u>27,004,038,946</u>

10. CONSOLIDATED DEFERRED TAX LIABILITY: Tk. 1,231,697,386		
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	1,294,346,873	1,231,133,152
Addition during the Period (Deferred Tax Assets)/Liabilities	(62,649,487)	63,213,721
Closing Balance	<u>1,231,697,386</u>	<u>1,294,346,873</u>

Computation of Deferred Tax for the Year Ended 31 March, 2020:		
A. Property, Plant and Equipments excluding Cost of Land (Carrying Amount)	13,675,916,199	16,495,267,592
B. Property, Plant and Equipments excluding Cost of Land (Tax Base)	8,749,126,654	11,255,256,856
C. Taxable/(Deductable) Temporary Difference (A-B)	4,926,789,545	5,240,010,736
D. Deferred Tax Liabilities as on 31 March, 2020	1,231,697,386	1,294,346,873
E. Deferred Tax Liabilities as on 30 June, 2019	1,294,346,873	1,231,133,152
F. Current Period's Deferred Tax (Assets)/Liabilities (D-E)	<u>(62,649,487)</u>	<u>63,213,721</u>

11. CONSOLIDATED LIABILITIES FOR EXPENSES: Tk. 175,781,496		
This consists of as follows:		
Accrued Expenses	67,230,455	130,754,244
Provision for Gratuity	108,551,041	108,551,041
Audit Fees	-	608,046
Tk.	<u>175,781,496</u>	<u>239,913,331</u>

	<u>31-03-2020</u>	<u>30-06-2019</u>
12. CONSOLIDATED LIABILITIES FOR OTHER FINANCE: Tk. 3,471,439,450		
This consists of as follows:		
Sundry Creditors	1,537,370,306	641,736,368
Value Added Tax	146,812,389	-
Income Tax (Deduction at Source)	18,586,079	8,948,030
Retention Money	1,062,729	2,819,514
Workers' Profit Participation Fund and Welfare Fund	862,794,960	802,781,404
Income Tax Payable (Note-12.1)	904,812,987	557,901,454
Tk.	<u><u>3,471,439,450</u></u>	<u><u>2,014,186,770</u></u>

12.1 CONSOLIDATED INCOME TAX PAYABLE: Tk. 904,812,987

This is arrived at as follows:

Opening balance	557,901,454	215,699,760
Add: Amount of Square Herbal & Nutraceuticals Ltd. due to Merger	-	30,466,821
Provision made for the Period	3,272,952,003	3,876,979,330
Tax Paid (Including Advance Income Tax during the Period)	<u>(2,926,040,470)</u>	<u>(3,565,244,457)</u>
Tk.	<u><u>904,812,987</u></u>	<u><u>557,901,454</u></u>

11. CONSOLIDATED GROSS REVENUE: Tk. 40,229,162,049

This consists of as follows:

	<u>2019-2020</u>	<u>2018-2019</u>
	<u>(Jul'19-Mar'20)</u>	<u>(Jul'18-Mar'19)</u>
Square Pharmaceuticals Ltd.	40,229,162,049	31,035,096,143
Square Formulations Ltd.	-	6,271,381,018
Tk.	<u><u>40,229,162,049</u></u>	<u><u>37,306,477,161</u></u>

12. CONSOLIDATED COST OF GOODS SOLD: Tk. 16,652,230,980

Materials	11,797,860,610	11,032,644,933
Factory Overhead	4,854,370,370	4,861,356,849
Tk.	<u><u>16,652,230,980</u></u>	<u><u>15,894,001,782</u></u>

13. CONSOLIDATED SELLING & DISTRIBUTION EXPENSES: Tk. 5,605,922,510

This consists of as follows:

Salaries and Allowances	958,690,851	862,524,946
Travelling and Conveyance	94,812,372	85,062,197
Printing and Stationery	57,826,802	52,423,298
Postage, Telephone, Fax & Telex	45,521,599	40,238,220
Electricity, Gas and Water	18,715,509	19,351,650
Office and Godown Rent	19,869,473	16,126,304
Repairs and Maintenance including car maintenance	316,553,346	291,762,965
Govt. Taxes and Licence Fees	39,453,436	24,765,093
Field Staff Salaries, Allowances, TA and DA	1,416,314,222	1,231,658,782
Marketing and Promotional Expenses	1,100,492,794	930,564,727
Delivery and Packing Expenses	97,351,730	88,403,423
Export Expenses	85,087,620	77,755,142
Special Discount	955,952,900	803,677,070
Security Services	55,830,881	51,491,975
Depreciation	140,881,704	142,013,230
Other Expenses	202,567,271	207,254,699
Tk.	<u><u>5,605,922,510</u></u>	<u><u>4,925,073,721</u></u>

14. CONSOLIDATED ADMINISTRATIVE EXPENSES: Tk. 907,789,503

This consists of as follows:

Salaries and Allowances	312,527,972	273,710,580
Directors' Remuneration	44,353,305	50,822,009
Travelling and Conveyance	104,802,837	98,689,277
Printing and Stationery	12,085,656	12,324,684
Postage, Telephone, Internet	6,898,259	7,173,710
Electricity, Gas & Water	15,661,200	19,284,921
Tiffin and Refreshment	53,139,665	48,207,832
Repairs and Maintenance	134,330,442	117,120,233
Bank Charges	8,789,332	11,037,141
Insurance Premium	11,703,113	9,902,467
Govt. Taxes, Stamp Duty & Licence Fee	8,544,300	7,459,839
Security Services	28,323,184	33,827,881
Legal Charges	1,286,500	3,115,800
Depreciation	83,750,240	80,356,543
Software & Hardware Support Services	35,763,747	60,651,409
Other Expenses	45,829,751	39,394,822
Tk.	<u><u>907,789,503</u></u>	<u><u>873,079,148</u></u>

	<u>2019-2020</u> <u>(Jul'19-Mar'20)</u>	<u>2018-2019</u> <u>(Jul'18-Mar'19)</u>
15. CONSOLIDATED OTHER INCOME: Tk. 2,302,990,550		
This is arrived at as follows:		
Bank Interest	1,988,845,002	1,137,498,615
Interest on Loan to Sister Concern	184,431,716	138,922,677
Dividend	49,950,586	140,500,503
Commission Received	-	51,150,205
Gain/(Loss) on Marketable Securities (Realized)	(8,120,460)	87,140,242
Foreign Exchange Fluctuation Gain	7,441,212	24,967,487
Others	80,442,494	69,614,666
Tk.	<u><u>2,302,990,550</u></u>	<u><u>1,649,794,395</u></u>

18. PROFIT FROM ASSOCIATES UNDERTAKING: Tk. 663,071,153

This is arrived at as follows:

a) Square Textiles Ltd.	103,761,367	125,765,433
b) Square Fashions Ltd.	464,420,553	514,572,363
c) Square Hospitals Ltd.	94,889,233	115,675,678
Tk.	<u><u>663,071,153</u></u>	<u><u>756,013,474</u></u>

19. CONSOLIDATED GAIN/(LOSS) ON MARKETABLE SECURITIES (UNREALIZED): Tk. (605,646,947)

Unrealized Gain/(Loss) Position (Closing)	(460,061,664)	173,825,919
(-) Unrealized Gain/(Loss) Position (Opening)	145,585,283	(192,272,252)
Tk.	<u><u>(605,646,947)</u></u>	<u><u>(18,446,333)</u></u>

20. CONSOLIDATED NET ASSET VALUE PER SHARE (NAV) - Tk. 88.19

The computation is given below:

Equity Attributable to the Ordinary Shareholders	74,451,726,465	67,880,617,172
Weighted average number of Shares outstanding during the Period	844,239,058	844,239,058
Net Asset Value Per Share (NAV)	<u><u>88.19</u></u>	<u><u>80.40</u></u>

21. CONSOLIDATED EARNINGS PER SHARE (EPS) - Tk. 12.44

The computation is given below:

Surplus for the year attributable to Shareholders (Net Profit after Tax)	10,501,300,448	9,413,843,573
Weighted average number of Shares outstanding during the Period	844,239,058	844,239,058
Earnings per Share	<u><u>12.44</u></u>	<u><u>11.15</u></u>

22. CONSOLIDATED NET OPERATING CASH FLOW PER SHARE (NOCF) - Tk. 10.13

The computation is given below:

Net Cash Generated from Operating Activities	8,549,091,946	8,922,038,473
Weighted average number of Shares outstanding during the Period	844,239,058	844,239,058
Net Operating Cash Flow Per Share (NOCF)	<u><u>10.13</u></u>	<u><u>10.57</u></u>

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

Profit after Tax	9,838,229,295	8,664,506,972
Adjustment to Reconcile Net Profit to Net Cash Provided by Operating Activities:		
Non-Cash Expenses:	1,361,343,360	1,492,329,105
Depreciation	1,429,137,843	1,349,660,983
Exchange Rate Fluctuation	(5,144,996)	23,961,730
Deferred Tax	(62,649,487)	118,706,392
Non-Operating Items:	(2,234,926,029)	(1,681,612,892)
Dividend Income	(49,950,586)	(314,665,678)
Others	(2,184,975,443)	(1,366,947,214)
Changes in Working Capital:	(415,554,680)	446,815,288
(Increase)/Decrease in Inventories	(1,014,409,481)	(291,949,989)
(Increase)/Decrease in Trade Debtors	109,816,985	17,097,001
(Increase)/Decrease in Advances, Deposits and Prepayments	119,648,045	(363,112,712)
Increase/(Decrease) in Trade Creditors	(179,878,157)	154,446,439
Increase/(Decrease) in Liabilities for Expenses	(64,131,835)	(75,620,953)
Increase/(Decrease) in Liabilities for Other Finance	613,399,763	1,005,955,502
Net Cash Generated from Operating Activities	<u><u>8,549,091,946</u></u>	<u><u>8,922,038,473</u></u>

SQUARE PHARMACEUTICALS LIMITED

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

Particulars	Notes	31-03-2020	30-06-2019
		Taka	Taka
ASSETS:			
Non-Current Assets:			
		28,354,605,516	26,770,127,954
Property, Plant and Equipment-Carrying Value	2	20,588,925,759	20,760,435,864
Investment - Long Term (at Cost)	3	5,081,357,347	2,996,252,356
Investment in Marketable Securities (Fair Value)	4	2,684,322,410	3,013,439,734
Current Assets:			
		43,782,003,017	38,291,544,874
Inventories	5	5,610,922,154	4,596,512,673
Trade Debtors		1,452,001,182	1,561,818,167
Advances, Deposits and Prepayments	6	2,458,407,750	2,272,974,744
Short Term Loan	7	3,058,691,999	2,937,071,066
Cash and Cash Equivalents	8	31,201,979,932	26,923,168,224
TOTAL ASSETS		72,136,608,533	65,061,672,828
SHAREHOLDERS' EQUITY AND LIABILITIES:			
Shareholders' Equity:			
		66,732,185,958	60,806,054,977
Share Capital		8,442,390,580	7,890,084,660
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
Gain/(Loss) on Marketable Securities (Unrealized)		(460,061,664)	145,585,283
Retained Earnings		54,396,769,906	48,417,297,898
Non-Current Liabilities:			
		1,231,697,386	1,294,346,873
Deffered Tax Liability	9	1,231,697,386	1,294,346,873
Current Liabilities:			
		4,172,725,189	2,961,270,978
Trade Creditors		525,504,243	708,882,266
Liabilities for Expenses	10	175,781,496	238,201,942
Liabilities for Other Finance	11	3,471,439,450	2,014,186,770
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		72,136,608,533	65,061,672,828
Net Assets Value per Share (NAV)	18	79.04	72.02

Samuel S Chowdhury
Chairman

Ratna Patra
Vice Chairman

Tapan Chowdhury
Managing Director

Muhammad Zahangir Alam
Chief Financial Officer

Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Un-audited) For the 3rd Quarter Ended 31 March 2020

Particulars	Notes	Nine Months Results		Third Quarter Results	
		Jul'2019-Mar'2020	Jul'2018-Mar'2019	Jan'2020-Mar'2020	Jan'2019-Mar'2019
		Taka	Taka	Taka	Taka
GROSS TURNOVER	12	40,229,162,049	31,035,096,143	14,080,170,554	12,563,436,829
Less: Value Added Tax		5,661,773,919	4,141,934,644	1,935,567,753	1,640,696,083
NET TURNOVER		34,567,388,130	26,893,161,499	12,144,602,801	10,922,740,746
COST OF GOODS SOLD	13	(16,652,230,980)	(13,513,683,420)	(5,909,514,310)	(5,705,189,070)
GROSS PROFIT		17,915,157,150	13,379,478,079	6,235,088,491	5,217,551,676
OPERATING EXPENSES:		(6,510,269,867)	(5,747,721,508)	(2,256,268,145)	(1,723,982,991)
Selling & Distribution Expenses	14	(5,605,922,510)	(4,881,044,092)	(1,921,430,695)	(1,459,987,703)
Administrative Expenses	15	(904,272,249)	(866,646,383)	(334,814,803)	(263,989,151)
Finance Cost		(75,108)	(31,033)	(22,647)	(6,137)
PROFIT FROM OPERATIONS		11,404,887,283	7,631,756,571	3,978,820,346	3,493,568,685
Other Income	16	2,303,824,518	2,777,740,339	741,377,475	821,674,895
PROFIT BEFORE WPPF		13,708,711,801	10,409,496,910	4,720,197,821	4,315,243,580
Allocation for WPPF		(652,795,800)	(495,690,329)	(224,771,325)	(205,487,789)
PROFIT BEFORE TAX		13,055,916,001	9,913,806,581	4,495,426,496	4,109,755,791
Income Tax Expenses-Current		(3,272,952,003)	(2,305,939,017)	(1,104,445,997)	(1,013,876,299)
Income Tax Assets/(Expenses)-Deferred		62,649,487	(101,171,884)	(2,772,164)	26,377,627
PROFIT AFTER TAX		9,845,613,485	7,506,695,680	3,388,208,335	3,122,257,119
Other Comprehensive Income:					
Gain/(Loss) on Marketable Securities (Unrealized)	17	(605,646,947)	1,813,228	(163,080,557)	(27,231,875)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		9,239,966,538	7,508,508,908	3,225,127,778	3,095,025,244
Earnings Per Share (EPS)	19	11.66	8.89	3.88	3.70

Samuel S Chowdhury
Chairman

Ratna Patra
Vice Chairman

Tapan Chowdhury
Managing Director

Muhammad Zahangir Alam
Chief Financial Officer

Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LIMITED

STATEMENT OF CHANGES IN EQUITY (Un-audited) For the 3rd Quarter Ended 31 March 2020

Particulars	Share Capital	Share Premium	General Reserve	Tax Exemption Reserve	Gain on Marketable Securities (Unrealized)	Retained Earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
At 30 June 2019	7,890,084,660	2,035,465,000	105,878,200	2,211,743,936	145,585,283	48,417,297,898	60,806,054,977
Total Comprehensive Income (Jul'2019-Mar'2020)	-	-	-	-	(605,646,947)	9,845,613,485	9,239,966,538
Cash Dividend (2018-2019)	-	-	-	-	-	(3,313,835,557)	(3,313,835,557)
Stock Dividend (2018-2019)	552,305,920	-	-	-	-	(552,305,920)	-
At 31 March 2020	8,442,390,580	2,035,465,000	105,878,200	2,211,743,936	(460,061,664)	54,396,769,906	66,732,185,958

STATEMENT OF CHANGES IN EQUITY (Un-audited) For the 3rd Quarter Ended 31 March 2019

Particulars	Share Capital	Share Premium	General Reserve	Tax Exemption Reserve	Gain on Marketable Securities (Unrealized)	Retained Earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
At 30 June 2018	7,373,910,900	2,035,465,000	105,878,200	-	215,730,933	36,931,891,345	46,662,876,378
Transfer for Merger of Square Formulation Ltd.	-	-	-	2,211,743,936	(43,718,242)	3,991,553,351	6,159,579,045
Transfer for Merger of Square Herbal & Nutraceuticals Ltd.	-	-	-	-	-	101,771,355	101,771,355
Total Comprehensive Income (Jul'2018-Mar'2019)	-	-	-	-	1,813,228	7,506,695,680	7,508,508,908
Cash Dividend (2017-2018)	-	-	-	-	-	(2,654,607,924)	(2,654,607,924)
Stock Dividend (2017-2018)	516,173,760	-	-	-	-	(516,173,760)	-
At 31 March 2019	7,890,084,660	2,035,465,000	105,878,200	2,211,743,936	173,825,919	45,361,130,047	57,778,127,762

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Company Secretary

SQUARE PHARMACEUTICALS LIMITED

STATEMENT OF CASH FLOWS (Un-audited) For the 3rd Quarter Ended 31 March 2020

Particulars	Notes	3rd Quarter Ended	3rd Quarter Ended
		31 March 2020	31 March 2019
		Taka	Taka
Cash Flows From Operating Activities:			
RECEIPTS:			
Collections from Sales		40,730,405,470	32,702,005,056
Exchange Fluctuation Gain		1,877,556	2,642,751
Others		60,623,308	1,099,773,041
		40,792,906,334	33,804,420,848
PAYMENTS:			
Purchase of Raw and Packing Materials		12,956,519,369	9,041,258,285
Manufacturing and Operating Expenses		9,935,429,676	9,597,661,143
Value Added Tax		5,661,773,919	4,141,934,644
Finance Cost		75,108	31,033
Income Tax Expenses		2,926,040,470	1,850,119,648
Workers Profit Participation Fund		592,782,244	239,271,770
Others		20,397,638	76,404,678
		32,093,018,424	24,946,681,201
Net cash provided by operating activities		8,699,887,910	8,857,739,647
Cash Flows From Investing Activities:			
Purchase of Fixed Assets		(1,286,026,885)	(1,536,397,545)
Investment		(2,371,196,627)	111,168,382
Short Term Loan		(121,620,933)	1,570,303,135
Gain/(Loss) on Sale of Marketable Securities		(8,120,460)	64,229,169
Interest Received		1,770,379,780	705,679,468
Dividend Received		49,950,586	313,133,178
Net cash used in investing activities		(1,966,634,539)	1,228,115,787
Cash Flows From Financing Activities:			
Dividend Paid		(2,470,401,299)	(1,817,785,447)
Net cash used by financing activities		(2,470,401,299)	(1,817,785,447)
Increase/(Decrease) in Cash and Cash Equivalents		4,262,852,072	8,268,069,987
Net Effect of Foreign Currency Translation on Cash and Cash Equivalent		15,959,636	24,183,659
Cash and Cash Equivalents at the Opening		26,923,168,224	16,703,964,704
Cash and Cash Equivalents at the Opening of SFRL		-	127,850,615
Cash and Cash Equivalents at the Opening of SHNL		-	84,685,564
Cash and Cash Equivalents at the Closing		31,201,979,932	25,208,754,529
Net Operating Cash Flow per Share (NOCF)	20	10.31	10.49

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Vice Chairman

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Managing Director

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Company Secretary

SQUARE PHARMACEUTICALS LIMITED

Notes to the Interim Financial Statements For the 3rd Quarter Ended March 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 3rd Quarter Ended on March 31, 2020 (here after the interim period). They are prepared in accordance with the International Accounting Standard (IAS-34) 'Interim Financial Reporting'. These financial statement should read in conjunction with the Annual Financial Statements as of June 30, 2019, 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 event after the end of the interim period that has to be reflected in the financial statements for the interim period except.

2. PROPERTY, PLANT AND EQUIPMENT: Tk. 20,588,925,759

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

This is arrived at as follows:

Fixed Assets at Cost:

	31-03-2020	30-06-2019
Opening Balance	38,918,496,904	32,894,007,480
Add: Amount of Square Formulations Ltd. due to Merger	-	3,723,710,402
Add: Amount of Square Herbal & Nutraceuticals Ltd. due to Merger	-	460,443,540
Addition during the Period/Year	<u>1,888,568,021</u>	<u>2,872,097,900</u>
Sales/Transfer during the Period/Year	40,807,064,925	39,950,259,322
Closing Balance	<u>40,176,124,642</u>	<u>38,918,496,904</u>

Accumulated Depreciation:

Opening Balance	18,158,061,040	14,622,449,518
Add: Amount of Square Formulations Ltd. due to Merger	-	1,618,496,456
Add: Amount of Square Herbal & Nutraceuticals Ltd. due to Merger	-	119,892,548
Charged during the Period/ Year	<u>1,429,137,843</u>	<u>1,875,504,706</u>
Sales/Transfer during the Period/Year	19,587,198,883	18,236,343,228
Carrying Value	<u>19,587,198,883</u>	<u>18,158,061,040</u>
	Tk. <u>20,588,925,759</u>	<u>20,760,435,864</u>

	<u>31-03-2020</u>	<u>30-06-2019</u>
3. INVESTMENT-Long Term (at Cost): Tk. 5,081,357,347		
This consists of the following:		
Subsidiary:		
(a) USD 6,055,000 has Invested in the Share of Square Pharmaceuticals Kenya EPZ Ltd.	498,951,875	216,263,887
	<u>498,951,875</u>	<u>216,263,887</u>
Associates:		
(a) 91,436,679 Ordinary Shares of Tk. 10/- each including Bonus Shares in Square Textiles Ltd.	225,129,795	225,129,795
(b) 199,750 Ordinary Shares of Tk. 1,000/- each in Square Hospitals Ltd.	210,750,000	210,750,000
(c) Advance against Share Money with Square Hospitals Ltd. for 1,537,500 Shares of Tk. 1,000/- each	1,537,500,000	1,537,500,000
(d) 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>2,124,579,795</u>	<u>2,124,579,795</u>
Others:		
(a) 120,000 Ordinary Shares of Tk.100/- each in United Hospital Ltd.	12,000,000	12,000,000
(b) 5,711,804 Ordinary Shares of Tk. 10/- each including Bonus Shares in Central Depository Bangladesh Ltd.	15,694,430	15,694,430
(c) Advance against Share Money with Square InformatiX Ltd. for 1,000,000 Shares of Tk. 100/- each .	100,000,000	100,000,000
(d) 250,002 Zero Coupon Bond in Lanka Bangla Finance Ltd.	68,070,856	104,032,523
(e) 250,000 Zero Coupon Bond in IDLC Finance Ltd.	46,816,693	89,688,142
(f) 200,000 Zero Coupon Bond in Bangladesh Steel Re-Rolling Mills Ltd.	17,246,770	46,650,453
(g) 150,000 Preference Share in Raj Lanka Power Company Ltd.	65,454,547	87,272,730
(h) 5 Non-Convertible Zero Coupon Bond in Shanta Holdings Ltd.	39,145,405	81,618,169
(i) 5 Non-Convertible Zero Coupon Bond in Durable Plastics Ltd.	23,706,130	29,143,864
(j) 100,000 Non-Convertible Zero Coupon Bond in Flamingo Fashions Ltd.	39,209,093	53,606,386
(k) 40 Non-Convertible Zero Coupon Bond in Envoy Textiles Ltd.	30,481,753	35,701,977
(l) 200 Non-Convertible Subordinated Bond in Mutual Trust Bank Ltd.	2,000,000,000	-
	<u>2,457,825,677</u>	<u>655,408,674</u>
	<u>5,081,357,347</u>	<u>2,996,252,356</u>
Tk.	<u>5,081,357,347</u>	<u>2,996,252,356</u>

4. INVESTMENT IN MARKETABLE SECURITIES (Fair Value): Tk. 2,684,322,410

	Position of Jul'2019 - Mar'2020			Position of Jul'2018 - Jun'2019		
	Total Cost	Total Market Value	Realized/Unrealized	Total Cost	Total Market Value	Realized/Unrealized
	(Taka)	(Taka)	Gain/(Loss)	(Taka)	(Taka)	Gain/(Loss)
Opening Balance	2,867,854,451	3,013,439,734	145,585,283	2,264,337,192	2,480,068,125	215,730,933
Add: Amount of Square Formulations Ltd. due to Merger	-	-	-	450,660,467	406,942,225	(43,718,242)
Add: Investment made during the Period	347,849,838	(249,676,649)	(597,526,487)	276,026,580	326,548,512	50,521,932
Less: Sold/Disposed Off during the Period	(71,320,215)	(79,440,675)	(8,120,460)	(123,169,788)	(200,119,128)	(76,949,340)
Closing Balance	<u>3,144,384,074</u>	<u>2,684,322,410</u>	<u>(460,061,664)</u>	<u>2,867,854,451</u>	<u>3,013,439,734</u>	<u>145,585,283</u>

5. INVENTORIES: Tk. 5,610,922,154

The break-up is as under:

Raw Materials	1,964,861,352	1,531,223,724
Packing Materials	756,075,412	609,472,347
Work-in-Process	371,796,273	274,303,768
Finished Goods	1,849,810,192	1,226,561,623
Spares & Accessories	583,074,237	551,889,224
Goods- in-Transit	85,304,688	403,061,987
Tk.	<u>5,610,922,154</u>	<u>4,596,512,673</u>

	<u>31-03-2020</u>	<u>30-06-2019</u>
6. ADVANCES, DEPOSITS & PREPAYMENTS : Tk. 2,458,407,750		
This consists of as follows:		
Advances:	748,368,354	591,120,002
Employees	166,125,608	189,352,951
Land Purchase	165,306,777	136,907,630
Suppliers	416,935,969	264,859,421
Deposits:	1,677,573,860	1,633,830,266
Value Added Tax	-	391,426,436
Earnest Money & Security Deposit	287,967,617	267,569,979
Interest on Fixed Deposit Receipts	1,389,606,243	966,890,119
Others	-	7,943,732
Prepayments:	32,465,536	48,024,476
Office Rent	9,564,880	11,390,890
Insurance Premium	22,900,656	36,633,586
Tk.	<u>2,458,407,750</u>	<u>2,272,974,744</u>
7. SHORT TERM LOAN (Unsecured): Tk. 3,058,691,999		
This consists of as follows:		
(a) Square Textiles Ltd.	2,977,384,144	2,168,788,505
(b) Square Fashions Ltd.	81,307,855	672,588,614
(c) Square Hospitals Ltd.	-	95,693,947
Tk.	<u>3,058,691,999</u>	<u>2,937,071,066</u>
8. CASH AND CASH EQUIVALENTS: Tk. 31,201,979,932		
This is made up as follows:		
(a) Cash in Hand	10,727,130	6,866,061
(b) Cash at Bank:	31,191,252,802	26,916,302,163
* Current Account	695,544,719	855,946,490
* STD Account	5,712,175,276	2,131,200,472
* Fixed Deposit Account (BD Taka)	21,353,809,226	20,853,809,226
* Fixed Deposit Account (USD)	2,774,822,050	2,283,903,416
* Export Retention Quota Account (USD)	504,226,444	702,111,670
* Margin Held Account (USD)	150,675,087	89,330,889
Tk.	<u>31,201,979,932</u>	<u>26,923,168,224</u>
9. DEFERRED TAX LIABILITY: Tk. 1,231,697,386		
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	1,294,346,873	1,126,645,973
Amount of Square Formulations Ltd. due to Merger	-	122,021,687
Addition during the Period (Deferred Tax Assets)	(62,649,487)	45,679,213
Closing Balance	<u>1,231,697,386</u>	<u>1,294,346,873</u>
Computation of Deferred Tax for the Year Ended 31 March, 2020:		
A. Property, Plant and Equipments excluding Cost of Land (Carrying Amount)	13,675,916,199	14,390,053,646
B. Property, Plant and Equipments excluding Cost of Land (Tax Base)	8,749,126,654	9,212,666,153
C. Taxable/(Deductable) Temporary Difference (A-B)	4,926,789,545	5,177,387,493
D. Deferred Tax Liabilities as on 31 March, 2020	1,231,697,386	1,294,346,873
E. Deferred Tax Liabilities as on 30 June, 2019	1,294,346,873	1,126,645,973
F. Deferred Tax Liabilities of Square Formulations Ltd. as on 31 December, 2018	-	122,021,687
G. Current Period's Deferred Tax (Assets)/Liabilities (D-E-F)	<u>(62,649,487)</u>	<u>45,679,213</u>
10. LIABILITIES FOR EXPENSES: Tk. 175,781,496		
This consists of as follows:		
Accrued Expenses	67,230,455	129,075,901
Provision for Gratuity	108,551,041	108,551,041
Audit Fees	-	575,000
Tk.	<u>175,781,496</u>	<u>238,201,942</u>

	<u>31-03-2020</u>	<u>30-06-2019</u>
11. LIABILITIES FOR OTHER FINANCE: Tk. 3,471,439,450		
This consists of as follows:		
Sundry Creditors	1,537,370,306	641,736,368
Value Added Tax	146,812,389	-
Income Tax (Deduction at Source)	18,586,079	8,948,030
Retention Money	1,062,729	2,819,514
Workers' Profit Participation Fund and Welfare Fund	862,794,960	802,781,404
Income Tax Payable (Note-11.1)	904,812,987	557,901,454
Tk.	<u>3,471,439,450</u>	<u>2,014,186,770</u>
11.1 INCOME TAX PAYABLE: Tk. 904,812,987		
This is arrived at as follows:		
Opening balance	557,901,454	37,146,534
Amount of Square Formulations Ltd. due to Merger	-	306,953,766
Amount of Square Herbal & Nutraceuticals Ltd. due to Merger	-	30,466,821
Provision made for the Period	3,272,952,003	3,356,746,041
Tax Paid (Including Advance Income Tax during the Period)	<u>(2,926,040,470)</u>	<u>(3,173,411,708)</u>
Tk.	<u>904,812,987</u>	<u>557,901,454</u>
	<u>2019-2020</u>	<u>2018-2019</u>
	<u>(Jul'19-Mar'20)</u>	<u>(Jul'18-Mar'19)</u>
12. GROSS REVENUE: Tk. 40,229,162,049		
This is made-up as follows:		
Local Sales	38,988,083,173	29,944,002,852
Export Sales Equivalent in US \$ 14,823,274 (Jul'2018-Mar'2019 US \$ 12,802,162)	<u>1,241,078,876</u>	<u>1,091,093,291</u>
Tk.	<u>40,229,162,049</u>	<u>31,035,096,143</u>
13. COST OF GOODS SOLD: Tk. 16,652,230,980		
Materials	11,797,860,610	9,080,098,372
Factory Overhead	<u>4,854,370,370</u>	<u>4,433,585,048</u>
Tk.	<u>16,652,230,980</u>	<u>13,513,683,420</u>
14. SELLING & DISTRIBUTION EXPENSES: Tk. 5,605,922,510		
This consists of as follows:		
Salaries and Allowances	958,690,851	862,524,946
Travelling and Conveyance	94,812,372	85,062,197
Printing and Stationery	57,826,802	52,423,298
Postage, Telephone, Fax & Telex	45,521,599	40,238,220
Electricity, Gas and Water	18,715,509	19,351,650
Office and Godown Rent	19,869,473	16,126,304
Repairs and Maintenance including car maintenance	316,553,346	291,762,965
Govt. Taxes and Licence Fees	39,453,436	24,765,093
Field Staff Salaries, Allowances, TA and DA	1,416,314,222	1,217,475,017
Marketing and Promotional Expenses	1,100,492,794	930,564,727
Delivery and Packing Expenses	97,351,730	86,665,983
Export Expenses	85,087,620	77,386,610
Special Discount	955,952,900	803,677,070
Security Services	55,830,881	51,491,975
Depreciation	140,881,704	142,013,230
Other Expenses	<u>202,567,271</u>	<u>179,514,807</u>
Tk.	<u>5,605,922,510</u>	<u>4,881,044,092</u>
15. ADMINISTRATIVE EXPENSES: Tk. 904,272,249		
This consists of as follows:		
Salaries and Allowances	312,527,972	273,710,580
Directors' Remuneration	44,353,305	50,822,009
Travelling and Conveyance	104,802,837	98,689,277
Printing and Stationery	12,085,656	12,324,684
Postage, Telephone, Internet	6,898,259	7,173,710
Electricity, Gas & Water	15,661,200	19,284,921
Tiffin and Refreshment	53,139,665	48,207,832
Repairs and Maintenance	134,330,442	117,120,233
Bank Charges	8,789,332	9,242,022
Insurance Premium	11,703,113	9,902,467
Govt. Taxes, Stamp Duty & Licence Fee	8,539,459	7,220,789
Security Services	28,323,184	33,827,881
Legal Charges	1,286,500	3,115,800
Depreciation	83,750,240	80,356,543
Software & Hardware Support Services	35,763,747	60,651,409
Other Expenses	<u>42,317,338</u>	<u>34,996,226</u>
Tk.	<u>904,272,249</u>	<u>866,646,383</u>

	<u>2019-2020</u> <u>(Jul'19-Mar'20)</u>	<u>2018-2019</u> <u>(Jul'18-Mar'19)</u>
16. OTHER INCOME: Tk. 2,303,824,518		
This is arrived at as follows:		
Bank Interest	1,988,845,002	1,137,498,615
Interest on Loan to Sister Concern	184,431,716	138,922,677
Dividend	49,950,586	313,133,178
Commission Received	-	1,018,758,375
Gain/(Loss) on Marketable Securities (Realized)	(8,120,460)	64,229,169
Foreign Exchange Fluctuation Gain	8,275,180	24,183,659
Others	80,442,494	81,014,666
Tk.	<u>2,303,824,518</u>	<u>2,777,740,339</u>
17. GAIN/(LOSS) ON MARKETABLE SECURITIES (UNREALIZED): Tk. (605,646,947)		
Unrealized Gain/(Loss) Position (Closing)	(460,061,664)	217,544,161
(-) Unrealized Gain/(Loss) Position (Opening)	145,585,283	(215,730,933)
Tk.	<u>(605,646,947)</u>	<u>1,813,228</u>
18. NET ASSET VALUE PER SHARE (NAV) - Tk. 79.04		
The computation is given below:		
Equity Attributable to the Ordinary Shareholders	66,732,185,958	60,806,054,977
Weighted average number of Shares outstanding during the Period	844,239,058	844,239,058
Net Asset Value Per Share (NAV)	<u>79.04</u>	<u>72.02</u>
19. EARNINGS PER SHARE (EPS) - Tk. 11.66		
The computation is given below:		
Surplus for the year attributable to Shareholders (Net Profit after Tax)	9,845,613,485	7,506,695,680
Weighted average number of Shares outstanding during the Period	844,239,058	844,239,058
Earnings per Share	<u>11.66</u>	<u>8.89</u>
20. NET OPERATING CASH FLOW PER SHARE (NOCF) - Tk. 10.31		
The computation is given below:		
Net Cash Generated from Operating Activities	8,699,887,910	8,857,739,647
Weighted average number of Shares outstanding during the Period	844,239,058	844,239,058
Net Operating Cash Flow Per Share (NOCF)	<u>10.31</u>	<u>10.49</u>
20.1. RECONCILIATION OF NET PROFIT WITH CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit after Tax	9,845,613,485	7,506,695,680
Adjustment to Reconcile Net Profit to Net Cash Provided by Operating Activities:		
Non-Cash Expenses:	1,360,090,732	1,448,190,116
Depreciation	1,429,137,843	1,349,660,983
Exchange Rate Fluctuation	(6,397,624)	(2,642,751)
Deferred Tax	(62,649,487)	101,171,884
Non-Operating Items:	(2,234,926,029)	(419,567,590)
Dividend Income	(49,950,586)	(313,133,178)
Others	(2,184,975,443)	(106,434,412)
Changes in Working Capital:	(270,890,278)	322,421,441
(Increase)/Decrease in Inventories	(1,014,409,481)	(1,082,794,324)
(Increase)/Decrease in Trade Debtors	109,816,985	(11,235,947)
(Increase)/Decrease in Advances, Deposits and Prepayments	265,682,265	(1,093,763,638)
Increase/(Decrease) in Trade Creditors	(183,378,023)	214,543,049
Increase/(Decrease) in Liabilities for Expenses	(62,420,446)	(75,594,581)
Increase/(Decrease) in Liabilities for Other Finance	613,818,422	2,371,266,882
Net Cash Generated from Operating Activities	<u>8,699,887,910</u>	<u>8,857,739,647</u>

31-03-202030-06-2019**21. 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 Formulations Ltd., Square Denims Ltd., Square Apparels Ltd., Square Securities Manament Ltd., Square Herbal & Nutraceuticals Ltd., Pharma Packages (Pvt) Ltd. and AEGIS Services Ltd. during the year reporting. The summary is as follows:

Transaction with Square Textiles Ltd:

Opening Balance	2,168,788,505	1,385,741
Total Paid during the Period	2,514,969,589	1,911,808,892
Total Realized during the Period	(1,706,373,950)	(892,818,311)
Closing Balance (Receivable)	<u>2,977,384,144</u>	<u>1,020,376,322</u>
Tk.		

Transaction with Square Fashions Ltd.:

Opening Balance	672,588,614	79,314
Total Paid during the Period	4,458,802,048	5,294,072,171
Total Realized during the Period	(5,050,082,807)	(4,752,855,579)
Closing Balance (Receivable)	<u>81,307,855</u>	<u>541,295,906</u>
Tk.		

Transaction with Square Hospitals Ltd.:

Opening Balance	95,693,947	-
Total Paid during the Period	39,954,608	274,895,830
Total Realized during the Period	(135,648,555)	(274,895,830)
Closing Balance (Receivable)	<u>-</u>	<u>-</u>
Tk.		

Transaction with Square InformatiX Ltd.:

Opening Balance	(2,214,332)	(3,667,348)
Total Paid during the Period	46,423,273	40,223,603
Total Realized during the Period	(28,030,560)	(36,658,786)
Closing Balance (Receivable)	<u>16,178,381</u>	<u>(102,531)</u>
Tk.		

Transaction with Square Formulations Ltd.:

Opening Balance	-	(3,957,792,508)
Total Paid during the Period	-	10,410,802,881
Total Realized during the Period	-	(6,453,010,373)
Closing Balance (Payable)	<u>-</u>	<u>-</u>
Tk.		

Transaction with Square Denims Ltd.:

Opening Balance	-	2,168,142,032
Total Paid during the Period	243,638,873	1,047,986,952
Total Realized during the Period	(243,638,873)	(3,216,128,984)
Closing Balance (Receivable)	<u>-</u>	<u>-</u>
Tk.		

Transaction with Square Apparels Ltd.:

Opening Balance	-	780,464,229
Total Paid during the Period	142,138,521	440,278,226
Total Realized during the Period	(142,138,521)	(1,220,742,455)
Closing Balance (Receivable)	<u>-</u>	<u>-</u>
Tk.		

Transaction with Square Securities Management Ltd.:

Opening Balance	19,884,032	33,628,743
Total Paid during the Period	363,199,755	233,281,195
Total Realized during the Period	(347,962,988)	(190,211,311)
Closing Balance (Receivable)	<u>35,120,799</u>	<u>76,698,627</u>
Tk.		

Transaction with Square Herbal & Nutraceuticals Ltd.:

Opening Balance	-	477,903,193
Total Paid during the Period	-	257,147,647
Total Realized during the Period	-	(735,050,840)
Closing Balance (Receivable)	<u>-</u>	<u>-</u>
Tk.		

Transaction with Pharma Packages (Pvt.) Ltd.:

Opening Balance	117,457,765	100,200,000
Total Paid during the Period	577,862,986	289,804,444
Total Realized during the Period	(500,060,375)	(276,000,000)
Closing Balance (Receivable)	<u>195,260,376</u>	<u>114,004,444</u>
Tk.		

Transaction with AEGIS Services Ltd.:

Opening Balance	300,000	-
Total Paid during the Period	32,684,718	30,784,510
Total Realized during the Period	(32,984,718)	(30,784,510)
Closing Balance (Receivable)	<u>-</u>	<u>-</u>
Tk.		

2019-2020	2018-2019
(Jul'19-Mar'20)	(Jul'18-Mar'19)

21.1 KEY MANAGEMENT PERSONNEL COMPENSATION:

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

Short-Term Employee Benefits	271,982,383	276,680,269
Post-Employment Benefits	18,460,275	21,330,363
Other Long-Term Benefits	-	-
Termination Benefits	-	-
Share-Based Payment	-	-

22. The Contingent Liabilities of the company as of March 31, 2020 were as follows:

For Sight Letter of Credits for Tk. 291.53 crore only of Square Pharmaceuticals Ltd. and Tk. 24.91 crore only of Square Pharmaceuticals Kenya EPZ Limited.

23. Event after date of Statement of Financial Position:

Pandemic due to Covid-2019, The Government of the Peoples Republic of Bangladesh declared general holiday (Lock Down to minimize spreading virus) on March 25, 2020 and continued till May 30, 2020. But the Pharmaceuticals Industry was exempted from the general holiday and lock down. Due to lock down situation, there are some socioeconomic effects in our national and personal life. Pharmaceutical industry is also experiencing its impact but yet to measure. It is totally unprecedented, unforeseeable and a continuing global crisis.