

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



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

# SQUARE PHARMACEUTICALS LIMITED

AND ITS SUBSIDIARY

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Un-audited)

As at 31 March 2021

Particulars	Notes	31-03-2021	30-06-2020
		Taka	Taka
<b>ASSETS:</b>			
<b>Non-Current Assets:</b>			
		<b>38,421,039,113</b>	<b>34,435,838,607</b>
Property, Plant and Equipment-Carrying Value	2	22,195,604,391	20,873,698,301
Investment - Long Term (at Cost)	3	4,051,814,428	2,792,000,884
Investment - Associates Undertaking	4	8,817,107,224	8,077,472,192
Investment in Marketable Securities (Fair Value)	5	3,339,448,354	2,691,892,867
Pre-Operating Expenses	6	17,064,716	774,363
<b>Current Assets:</b>			
		<b>52,487,273,999</b>	<b>47,384,303,113</b>
Inventories	7	7,225,214,343	5,687,406,329
Trade Debtors		1,921,583,575	1,520,300,337
Advances, Deposits and Prepayments	8	1,562,632,190	2,727,928,252
Short Term Loan	9	1,295,788,869	4,884,338,757
Cash and Cash Equivalents	10	40,482,055,022	32,564,329,438
<b>TOTAL ASSETS</b>		<b>90,908,313,112</b>	<b>81,820,141,720</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES:</b>			
<b>Shareholders' Equity:</b>			
		<b>85,477,531,958</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
FVOIC Reserve		19,751,979	(452,626,946)
Cumulative Translation Adjustment		(42,324,901)	(18,078,434)
Retained Earnings		72,282,507,644	65,040,892,800
Non Controlling Interest		400,000	-
<b>Non-Current Liabilities:</b>			
		<b>1,317,037,391</b>	<b>1,212,928,798</b>
Deffered Tax Liability	13	1,317,037,391	1,212,928,798
<b>Current Liabilities:</b>			
		<b>4,113,343,763</b>	<b>3,241,547,786</b>
Trade Creditors		406,106,816	553,785,496
Liabilities for Expenses	14	63,649,283	128,998,444
Liabilities for Other Finance	15	3,643,587,664	2,558,763,846
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>90,908,313,112</b>	<b>81,820,141,720</b>
Net Assets Value per Share (NAV)	24	96.43	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 LIMITED

AND ITS SUBSIDIARY

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Un-audited) For the 3rd Quarter Ended 31 March 2021

Particulars	Notes	Nine Months Results		Third Quarter Results	
		Jul'20 - Mar'21	Jul'19 - Mar'20	Jan'21 - Mar'21	Jan'20 - Mar'20
		Taka	Taka	Taka	Taka
GROSS TURNOVER	16	43,871,940,669	40,229,162,049	14,792,615,438	14,080,170,554
Less: Value Added Tax		6,160,167,725	5,661,773,919	2,022,482,749	1,935,567,753
<b>NET TURNOVER</b>		<b>37,711,772,944</b>	<b>34,567,388,130</b>	<b>12,770,132,689</b>	<b>12,144,602,801</b>
Cost of Goods Sold	17	(18,142,951,154)	(16,652,230,980)	(6,230,986,835)	(5,909,514,310)
<b>GROSS PROFIT</b>		<b>19,568,821,790</b>	<b>17,915,157,150</b>	<b>6,539,145,854</b>	<b>6,235,088,491</b>
<b>OPERATING EXPENSES:</b>		<b>(7,042,121,476)</b>	<b>(6,516,820,089)</b>	<b>(2,462,405,505)</b>	<b>(2,256,316,168)</b>
Selling & Distribution Expenses	18	(6,172,763,645)	(5,605,922,510)	(2,145,689,022)	(1,921,430,695)
Administrative Expenses	19	(869,348,659)	(907,789,503)	(316,712,596)	(334,831,283)
Finance Cost		(9,172)	(3,108,076)	(3,887)	(54,190)
<b>PROFIT FROM OPERATIONS</b>		<b>12,526,700,314</b>	<b>11,398,337,061</b>	<b>4,076,740,349</b>	<b>3,978,772,323</b>
Other Income	20	2,487,075,619	2,302,990,550	803,014,060	741,188,667
<b>PROFIT BEFORE WPPF</b>		<b>15,013,775,933</b>	<b>13,701,327,611</b>	<b>4,879,754,409</b>	<b>4,719,960,990</b>
Allocation for WPPF		(719,042,645)	(652,795,800)	(236,684,022)	(224,771,325)
<b>PROFIT BEFORE TAX</b>		<b>14,294,733,288</b>	<b>13,048,531,811</b>	<b>4,643,070,387</b>	<b>4,495,189,665</b>
Income Tax Expenses-Current		(3,442,525,014)	(3,272,952,003)	(1,064,321,113)	(1,104,445,997)
Deferred Income Tax Assets/(Liabilities)		(51,622,046)	62,649,487	(66,788,674)	(2,772,164)
<b>PROFIT AFTER TAX</b>		<b>10,800,586,228</b>	<b>9,838,229,295</b>	<b>3,511,960,600</b>	<b>3,387,971,504</b>
Profit/(Loss) from Associate Undertakings	21	831,071,709	663,071,153	350,102,323	227,518,790
<b>PROFIT AFTER TAX</b>		<b>11,631,657,937</b>	<b>10,501,300,448</b>	<b>3,862,062,923</b>	<b>3,615,490,294</b>
<b>OTHER COMPREHENSIVE INCOME:</b>					
Items that will not be reclassified to Profit or Loss					
Change in Fair Value of FVOCI Financial Assets		524,865,472	(605,646,947)	(385,340,574)	(163,080,557)
Related Tax on FVOCI Financial Assets		(52,486,547)	60,564,695	38,534,057	16,308,056
<b>Other Comprehensive Income (Net of Tax)</b>	22	<b>472,378,925</b>	<b>(545,082,252)</b>	<b>(346,806,517)</b>	<b>(146,772,501)</b>
Cumulative Translation Adjustment		(24,246,467)	(10,708,652)	(6,364,703)	(17,154,078)
<b>Total Comprehensive Income</b>		<b>12,079,790,395</b>	<b>9,945,509,544</b>	<b>3,508,891,703</b>	<b>3,451,563,715</b>
<b>Earnings Per Share (EPS)</b>	<b>24</b>	<b>13.12</b>	<b>11.85</b>	<b>4.36</b>	<b>4.08</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 LIMITED

AND ITS SUBSIDIARY

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Un-audited) For the 3rd Quarter Ended 31 March 2021

Particulars	Share Capital	Share Premium	General Reserve	Tax Exemption Reserve	FVOIC Reserve	Retained Earnings	Non Controlling Interest	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	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 FVOIC 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-Mar'2021)	-	-	-	-	472,378,925	11,631,657,937	400,000	12,104,436,862
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 March 2021</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>19,751,979</b>	<b>72,282,507,644</b>	<b>400,000</b>	<b>85,520,256,859</b>

## 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	FVOIC Reserve	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)	-	-	-	-	(545,082,252)	10,501,300,448	-	9,956,218,196
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 March 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>(399,496,969)</b>	<b>62,127,958,136</b>	<b>-</b>	<b>74,523,938,883</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 LIMITED

AND ITS SUBSIDIARY

## CONSOLIDATED STATEMENT OF CASH FLOWS (Un-audited) For the 3rd Quarter Ended 31 March 2021

Particulars	Notes	3rd Quarter Ended	3rd Quarter Ended
		31 March 2021	31 March 2020
		Taka	Taka
<b>Cash Flows From Operating Activities:</b>			
<b>RECEIPTS:</b>			
Collections from Sales		43,912,158,634	40,730,405,470
Exchange Fluctuation Gain		1,363,102	1,877,556
Others		130,463,527	60,623,308
		44,043,985,263	40,792,906,334
<b>PAYMENTS:</b>			
Purchase of Raw and Packing Materials		14,766,342,322	12,953,019,503
Manufacturing and Operating Expenses		10,669,336,124	10,087,227,792
Value Added Tax		6,160,167,725	5,661,773,919
Finance Cost		9,172	3,108,076
Income Tax		3,681,833,369	2,926,040,470
Workers Profit Participation Fund		432,733,611	592,782,244
Others		-	19,862,384
		35,710,422,323	32,243,814,388
Net cash generated from operating activities		8,333,562,940	8,549,091,946
<b>Cash Flows From Investing Activities:</b>			
Purchase of Fixed Assets		(2,569,118,906)	(1,410,636,389)
Pre-Operating Expenses		(16,290,353)	-
Investment		(1,382,503,560)	(2,078,946,627)
Share Capital of Non Controlling Interest		400,000	-
Short Term Loan		3,588,549,888	(121,620,933)
Gain/(Loss) on Sale of Marketable Securities		21,057,254	(8,120,460)
Interest Received		2,642,949,937	1,770,379,780
Dividend Received		284,732,480	49,950,586
Net cash used in investing activities		2,569,776,740	(1,798,994,043)
<b>Cash Flows From Financing Activities:</b>			
Dividend Paid		(2,976,816,692)	(2,470,401,299)
Net cash used in financing activities		(2,976,816,692)	(2,470,401,299)
Increase in Cash and Cash Equivalents		7,926,522,988	4,279,696,604
Net Effect of Foreign Currency Translation on Cash and Cash Equivalent		(8,797,404)	(5,144,996)
Cash and Cash Equivalents at the Opening		32,564,329,438	27,004,038,946
Cash and Cash Equivalents at the Closing		40,482,055,022	31,278,590,554
<b>Net Operating Cash Flow per Share (NOCF)</b>	<b>25</b>	<b>9.40</b>	<b>9.64</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 LIMITED

## Notes to the Consolidated Interim Financial Statements For the 3rd Quarter Ended March 31, 2021

### 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 3rd Quarter Ended on March 31, 2021 (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, 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 event after the end of the interim period that has to be reflected in the financial statements for the interim period.

### Foreign Currency Translation:

The Financials of Square Pharmaceuticals Kenya EPZ Ltd. have been drawn in KHS (Kenyan Shilling) as reporting currency in Kenya. These Financials are converted in BDT to Consolidated with the Financials of Square Pharmaceuticals Ltd. as a parent company (It holds 100% Shares). 1 KHS= 0.75247 BDT.

### 2. CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT: Tk. 22,195,604,391

Details of Property, Plant and Equipment and Depreciation as at 31 March 2021 are as follows:

This is arrived at as follows:

#### Fixed Assets at Cost:

Opening Balance	40,920,080,284	39,012,017,310
Addition during the Period/Year	3,713,465,833	3,338,806,544
	44,633,546,117	42,350,823,854
Sales/Transfer during the Period/Year	(1,004,612,714)	(1,430,743,570)
Closing Balance	43,628,933,403	40,920,080,284

#### Accumulated Depreciation:

Opening Balance	20,046,381,983	18,158,061,040
Charged during the Period/ Year	1,386,947,029	1,970,126,072
	21,433,329,012	20,128,187,112
Sales/Transfer during the Period/Year	-	(81,805,129)
	21,433,329,012	20,046,381,983

Carrying Value

Tk. 22,195,604,391 20,873,698,301

### 3. CONSOLIDATED INVESTMENT-Long Term (at Cost): Tk. 4,051,814,428

This consists of the following:

	31-03-2021	30-06-2020
(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.	-	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.	36,363,637	58,181,820
(g) 5 Non-Convertible Zero Coupon Bond in Shanta Holdings Ltd.	-	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>4,051,814,428</b>	<b>2,792,000,884</b>

### 4. INVESTMENT-Associate Undertakings: Tk. 8,817,107,224

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-21)	831,071,709	586,239,690
Less: Dividend during the Period/Year	(91,436,677)	(182,873,358)
Closing Balance	<b>8,817,107,224</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. 3,339,448,354

	Position of Jul'2020-Mar'2021			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	218,219,351	764,142,077	545,922,726	347,985,577	(242,106,192)	(590,091,769)
Less: Sold/Disposed Off during the Period	(95,529,336)	(116,586,590)	(21,057,254)	(71,320,215)	(79,440,675)	(8,120,460)
Closing Balance	<b>3,267,209,828</b>	<b>3,339,448,354</b>	<b>72,238,526</b>	<b>3,144,519,813</b>	<b>2,691,892,867</b>	<b>(452,626,946)</b>

### 6. PRE-OPERATING EXPENSES Tk. 17,064,716

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

Tk.	<b>17,064,716</b>	<b>774,363</b>
-----	-------------------	----------------

	<u>31-03-2021</u>	<u>30-06-2020</u>
<b>7. CONSOLIDATED INVENTORIES : Tk. 7,225,214,343</b>		
The break-up is as under:		
Raw Materials	3,037,048,315	1,939,329,998
Packing Materials	759,144,307	647,848,732
Work-in-Process	382,246,113	336,441,344
Finished Goods	1,788,790,060	1,677,371,032
Spares & Accessories	744,797,153	629,858,063
Goods- in-Transit	513,188,395	456,557,160
<b>Tk.</b>	<b><u>7,225,214,343</u></b>	<b><u>5,687,406,329</u></b>

**8. CONSOLIDATED ADVANCES, DEPOSITS & PREPAYMENTS : Tk. 1,562,632,190**

This consists of as follows:

<b>Advances:</b>	<b>481,787,729</b>	<b>656,011,060</b>
Employees	222,071,910	204,851,164
Land Purchase	17,047,829	156,782,042
Suppliers	242,667,990	294,377,854
<b>Deposits:</b>	<b>1,066,246,948</b>	<b>2,026,939,426</b>
Value Added Tax	8,595,748	450,096,951
Earnest Money & Security Deposit	296,573,914	298,834,029
Interest on Fixed Deposit Receipts	761,077,286	1,276,320,238
Others	-	1,688,208
<b>Prepayments:</b>	<b>14,597,513</b>	<b>44,977,766</b>
Office Rent	7,574,248	8,599,751
Insurance Premium	7,023,265	36,378,015
<b>Tk.</b>	<b><u>1,562,632,190</u></b>	<b><u>2,727,928,252</u></b>

**9. CONSOLIDATED SHORT TERM LOAN (Unsecured): Tk. 1,295,788,869**

This consists of as follows:

(a) Square Textiles Ltd.	-	3,277,576,394
(b) Square Fashions Ltd.	-	2,411,950
(c) Square Hospitals Ltd.	1,295,788,869	1,604,350,413
<b>Tk.</b>	<b><u>1,295,788,869</u></b>	<b><u>4,884,338,757</u></b>

Note: The loan of Square Hospitals Ltd. has been repaid on 13-04-2021.

**10. CONSOLIDATED CASH AND CASH EQUIVALENTS: Tk. 40,482,055,022**

This is made up as follows:

(a) Cash in Hand	6,133,819	2,288,479
(b) Cash at Bank:	<b>40,475,921,203</b>	<b>32,562,040,959</b>
* Current Account	419,908,011	926,999,807
* STD Account	5,855,881,285	10,763,172,367
* Fixed Deposit Account (BD Taka)	30,653,831,491	17,389,641,491
* Fixed Deposit Account (USD)	2,861,031,222	2,774,822,050
* Export Retention Quota Account (USD)	678,997,362	305,962,148
* Margin Held Account (USD)	6,271,832	401,443,096
<b>Tk.</b>	<b><u>40,482,055,022</u></b>	<b><u>32,564,329,438</u></b>

**11. SHARE CAPITAL: Tk. 8,864,510,100**

This is made up as follows:

**Authorised:**

1,000,000,000 Ordinary Shares of Tk.10/- each issued,subscribed and paid-up: 10,000,000,000

**Paid-up Capital:**

**a) By Cash:**

10,092,300 Ordinary Shares of Tk.10/- each fully paid-up in cash 100,923,000

**b) Other than Cash:**

40,020 Ordinary Shares of Tk.10/- each fully paid-up for consideration other than cash 400,200

**c) By issue of Bonus Share:**

876,318,690 Ordinary Shares of Tk.10/- each fully paid-up as Bonus Shares 8,763,186,900

**Tk.** **8,864,510,100** **8,442,390,580**



	<u>31-03-2021</u>	<u>30-06-2020</u>
<b>12. SHARE PREMIUM:</b>	<u>2,035,465,000</u>	<u>2,035,465,000</u>

**13. CONSOLIDATED DEFERRED TAX LIABILITY: Tk. 1,317,037,391**

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

Opening Balance	1,212,928,798	1,294,346,873
Addition during the Period (Deferred Tax Assets)/Liabilities	51,622,046	(21,596,852)
Deferred Tax Recognized for FVOCI Financial Assets	52,486,547	(59,821,223)
Closing Balance	<u>Tk. 1,317,037,391</u>	<u>1,212,928,798</u>

**Computation of Deferred Tax for the Year Ended 31 March, 2021:**

A. Property, Plant and Equipments excluding Cost of Land (Carrying Amount)	13,660,044,957	13,995,217,801
B. Property, Plant and Equipments excluding Cost of Land (Tax Base)	8,601,841,582	8,904,217,715
C. Taxable/(Deductable) Temporary Difference (A-B)	5,058,203,375	5,091,000,086
D. Tax Rate	25%	25%
E. Deferred Tax Liabilities as on 31 March, 2021	1,264,550,844	1,272,750,021
F. Deferred Tax Liabilities as on 30 June, 2020	1,212,928,798	1,294,346,873
G. Current Period's Deferred Tax (Assets)/Liabilities (E-F)	<u>51,622,046</u>	<u>(21,596,852)</u>

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.

**14. CONSOLIDATED LIABILITIES FOR EXPENSES: Tk. 63,649,283**

This consists of as follows:

Accrued Expenses	63,649,283	128,384,955
Audit Fees	-	613,489
	<u>Tk. 63,649,283</u>	<u>128,998,444</u>

**15. CONSOLIDATED LIABILITIES FOR OTHER FINANCE: Tk. 3,643,587,664**

This consists of as follows:

Sundry Creditors	1,410,580,230	368,968,264
Unclaimed Dividend	329,326,954	330,431,723
Income Tax (Deduction at Source)	18,815,436	18,346,013
Retention Money	557,730	3,711,211
Workers' Profit Participation Fund and Welfare Fund	1,145,578,132	859,269,098
Income Tax Payable (Note-15.1)	738,729,182	978,037,537
	<u>Tk. 3,643,587,664</u>	<u>2,558,763,846</u>

**15.1 CONSOLIDATED INCOME TAX PAYABLE: Tk. 738,729,182**

This is arrived at as follows:

Opening balance	978,037,537	557,901,454
Provision made for the Period	3,442,525,014	4,251,005,177
Tax Paid (Including Advance Income Tax during the Period)	(3,681,833,369)	(3,830,869,094)
	<u>Tk. 738,729,182</u>	<u>978,037,537</u>

	<b>2020-2021</b> (Jul'2020-Mar'2021)	<b>2019-2020</b> (Jul'2019-Mar'2020)
--	---	---

**16. CONSOLIDATED GROSS REVENUE: Tk. 43,871,940,669**

This is made-up as follows:

Local Sales	42,764,587,103	38,988,083,173
Export Sales Equivalent in US \$ 13,190,632 (Jul'2019-Mar'2020 US \$ 14,823,274)	1,107,353,566	1,241,078,876
<b>Tk.</b>	<b>43,871,940,669</b>	<b>40,229,162,049</b>

**17. CONSOLIDATED COST OF GOODS SOLD: Tk. 18,142,951,154**

Materials	13,197,482,926	11,797,860,610
Factory Overhead (Note-17.1)	4,945,468,228	4,854,370,370
<b>Tk.</b>	<b>18,142,951,154</b>	<b>16,652,230,980</b>

**17.1 CONSOLIDATED FACTORY OVERHEAD: Tk. 4,945,468,228**

This is made up as follows:

Salaries, Allowances and Wages	1,606,434,691	1,506,295,475
Factory Employees Free Lunch	88,075,415	87,789,713
Factory Staff Uniform	67,905,914	64,534,333
Travelling & Conveyance	21,809,639	34,281,494
Printing & Stationery	55,808,061	53,887,519
Postage, Telephone & Fax	5,880,519	5,143,423
Repairs & Maintenance	750,793,181	683,230,327
Laboratory Consumable Stores	257,428,367	245,802,627
Fuel, Petrol, Light Diesel etc.	99,396,341	183,948,488
Electricity, Gas & Water	490,494,447	456,795,815
Rental Expense	889,224	891,739
Municipal & Other Tax	12,975,976	9,491,316
Insurance Premium	16,614,533	16,987,209
Factory Sanitation Expenses	79,038,333	72,359,733
Depreciation	1,162,433,026	1,204,505,899
Security Services	44,573,915	42,372,649
Research & Development	127,241,486	127,398,762
Software & Hardware Support Services	45,856,791	48,926,142
Toll Charges	10,689,658	8,387,142
Other Expenses	1,128,711	1,340,565
<b>Tk.</b>	<b>4,945,468,228</b>	<b>4,854,370,370</b>

**18. CONSOLIDATED SELLING & DISTRIBUTION EXPENSES: Tk. 6,172,763,645**

This consists of as follows:

Salaries and Allowances	1,039,138,750	958,690,851
Travelling and Conveyance	101,449,694	94,812,372
Printing and Stationery	62,510,257	57,826,802
Postage, Telephone, Fax & Telex	55,699,906	45,521,599
Electricity, Gas and Water	19,930,795	18,715,509
Office and Godown Rent	19,679,532	19,869,473
Repairs and Maintenance including car maintenance	351,311,527	316,553,346
Govt. Taxes and Licence Fees	48,808,197	39,453,436
Field Staff Salaries, Allowances, TA and DA	1,564,443,753	1,416,314,222
Marketing Expenses	891,473,105	811,015,667
Delivery and Packing Expenses	108,584,129	97,351,730
Export Expenses	88,273,640	85,087,620
Business Development Expenses	315,921,434	289,477,127
Special Discount	1,062,332,407	955,952,900
Security Services	59,817,082	55,830,881
Depreciation	145,137,096	140,881,704
Other Expenses	238,252,341	202,567,271
<b>Tk.</b>	<b>6,172,763,645</b>	<b>5,605,922,510</b>

	<b>2020-2021</b> (Jul'2020-Mar'2021)	<b>2019-2020</b> (Jul'2019-Mar'2020)
<b>19. CONSOLIDATED ADMINISTRATIVE EXPENSES: Tk. 869,348,659</b>		
This consists of as follows:		
Salaries and Allowances	337,196,582	312,527,972
Directors' Remuneration	49,695,422	44,353,305
Independent Directors' Honorarium	600,000	-
Travelling and Conveyance	76,443,232	104,802,837
Printing and Stationery	12,317,269	12,085,656
Postage, Telephone, Internet	8,169,825	6,898,259
Electricity, Gas & Water	16,467,564	15,661,200
Tiffin and Refreshment	51,202,472	53,139,665
Repairs and Maintenance	142,968,309	134,330,442
Bank Charges	8,219,339	8,789,332
Insurance Premium	7,295,469	11,703,113
Govt. Taxes, Stamp Duty & Licence Fee	5,196,374	8,544,300
Security Services	28,861,227	28,323,184
Legal Charges	695,731	1,286,500
Depreciation	79,376,907	83,750,240
Software & Hardware Support Services	4,636,084	35,763,747
Other Expenses	40,006,853	45,829,751
<b>Tk.</b>	<b>869,348,659</b>	<b>907,789,503</b>

**20. CONSOLIDATED OTHER INCOME: Tk. 2,487,075,619**

This is arrived at as follows:

Bank Interest	1,792,501,860	1,988,845,002
Interest on Loan to Sister Concern	197,764,904	184,431,716
Dividend	193,295,803	49,950,586
Gain/(Loss) on Marketable Securities (Realized)	21,057,254	(8,120,460)
Foreign Exchange Fluctuation Gain	16,812,165	7,441,212
Gain on Redemption of Zero Coupon Bond	137,440,221	19,819,186
Cash Incentive Received against Export	39,721,000	355,045
P.F Forfeiture Amount **	31,667,264	-
Others	56,815,148	60,268,263
<b>Tk.</b>	<b>2,487,075,619</b>	<b>2,302,990,550</b>

\*\* 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.

**21. PROFIT FROM ASSOCIATES UNDERTAKING: Tk. 831,071,709**

This is arrived at as follows:

a) Square Textiles Ltd.	158,761,222	103,761,367
b) Square Fashions Ltd.	565,136,577	464,420,553
c) Square Hospitals Ltd.	107,173,910	94,889,233
<b>Tk.</b>	<b>831,071,709</b>	<b>663,071,153</b>

**22. CONSOLIDATED CHANGE IN FAIR VALUE OF FVOCI FINANCIAL ASSETS: Tk. 472,378,925**

Unrealized Gain/(Loss) on Marketable Securities (Closing)	72,238,526	(460,061,664)
(-) Unrealized Gain/(Loss) on Marketable Securities (Opening)	(452,626,946)	145,585,283
	<b>524,865,472</b>	<b>(605,646,947)</b>
Related Tax on FVOCI Financial Assets	(52,486,547)	60,564,695
<b>Tk.</b>	<b>472,378,925</b>	<b>(545,082,252)</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).

	<b>2020-2021</b> (Jul'2020-Mar'2021)	<b>2019-2020</b> (Jul'2019-Mar'2020)
--	---	---

### 23. CONSOLIDATED NET ASSET VALUE PER SHARE (NAV) - Tk. 96.43

The computation is given below:

Equity Attributable to the Ordinary Shareholders	85,477,531,958	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>Tk. 96.43</b>	<b>87.28</b>

\*\* The Consolidated NAV per share is increased due to incremental Net Profit in comparing to the reporting period ended 31 March, 2020.

### 24. CONSOLIDATED EARNINGS PER SHARE (EPS) - Tk. 13.12

The computation is given below:

Surplus for the year attributable to Shareholders (Net Profit after Tax)	11,631,657,937	10,501,300,448
Weighted average number of Shares outstanding during the Period	886,451,010	886,451,010
Earnings per Share	<b>Tk. 13.12</b>	<b>11.85</b>

\*\* The Consolidated EPS for the reporting period "Quarter Third Q-3" January 01, 2021 to March 31, 2021 and for the period ended on March 31, 2021 (09 Months) has reflected a positive growth 10.76% for 09 months period and 6.82% for Q-3. It is due to positive revenue

### 25. CONSOLIDATED NET OPERATING CASH FLOW PER SHARE (NOCF) - Tk. 9.40

The computation is given below:

Net Cash Generated from Operating Activities	8,333,562,940	8,549,091,946
Weighted average number of Shares outstanding during the Period	886,451,010	886,451,010
Net Operating Cash Flow Per Share (NOCF)	<b>Tk. 9.40</b>	<b>9.64</b>

\*\* The Consolidated NOCF per share is decreased due to higher investment on working capital and higher advance tax payment to facilitate reveue growth in comparing to the same reporting period of previous fiscal year.

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

<b>Profit after Tax</b>	10,800,586,228	9,838,229,295
Adjustment to Reconcile Net Profit to Net Cash Provided by Operating Activities:		
<b>Non-Cash Expenses:</b>	1,429,771,671	1,361,343,360
Depreciation	1,386,947,029	1,429,137,843
Exchange Rate Fluctuation	(8,797,404)	(5,144,996)
Deferred Tax	51,622,046	(62,649,487)
<b>Non-Operating Items:</b>	(2,348,711,700)	(2,234,926,029)
Dividend Income	(193,295,803)	(49,950,586)
Others	(2,155,415,897)	(2,184,975,443)
<b>Changes in Working Capital:</b>	(1,548,083,259)	(415,554,680)
(Increase)/Decrease in Inventories	(1,537,808,014)	(1,014,409,481)
(Increase)/Decrease in Trade Debtors	(401,283,238)	109,816,985
(Increase)/Decrease in Advances, Deposits and Prepayments	510,318,897	119,648,045
Increase/(Decrease) in Trade Creditors	(147,678,680)	(179,878,157)
Increase/(Decrease) in Liabilities for Expenses	(65,349,161)	(64,131,835)
Increase/(Decrease) in Laibilities for Other Finance	93,716,937	613,399,763
<b>Net Cash Generated from Opeating Activities</b>	<b>Tk. 8,333,562,940</b>	<b>8,549,091,946</b>

2020-2021 (Jul'2020-Mar'2021)	2019-2020 (Jul'2019-Mar'2020)
----------------------------------	----------------------------------

## 26. 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 Lifesciences 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	1,269,870,456	2,514,969,589
Total Realized during the Period	(4,547,446,850)	(1,706,373,950)
Closing Balance (Receivable)	Tk. -	2,977,384,144

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

Opening Balance	2,411,950	672,588,614
Total Paid during the Period	1,219,935,868	4,458,802,048
Total Realized during the Period	(1,222,347,818)	(5,050,082,807)
Closing Balance (Receivable)	Tk. -	81,307,855

### 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	527,236,493	39,954,608
Total Realized during the Period	(835,798,037)	(135,648,555)
Closing Balance (Receivable)	Tk. 1,295,788,869	-

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

Opening Balance	(2,197,662)	(2,214,332)
Total Paid during the Period	85,660,291	46,423,273
Total Realized during the Period	(59,406,354)	(28,030,560)
Closing Balance (Receivable)	Tk. 24,056,275	16,178,381

### Transaction with Square Lifesciences Ltd. (Subsidiary Company and holdings 99.50% Shares):

Opening Balance	751,363	-
Total Paid during the Period	17,574,372	-
Total Realized during the Period	-	-
Closing Balance (Receivable)	Tk. 18,325,735	-

### Transaction with Square Securities Management Ltd. (Port Folio Management) :

Opening Balance	34,874,272	19,884,032
Total Paid during the Period	216,586,590	363,199,755
Total Realized during the Period	(218,219,851)	(347,962,988)
Closing Balance (Receivable)	Tk. 33,241,011	35,120,799

### Transaction with Pharma Packages (Pvt.) Ltd. (Supplier):

Opening Balance	12,206,021	117,457,765
Total Paid during the Period	547,281,749	577,862,986
Total Realized during the Period	(541,495,481)	(500,060,375)
Closing Balance (Receivable)	Tk. 17,992,289	195,260,376

### Transaction with AEGIS Services Ltd. (Service Provider) :

Opening Balance	-	300,000
Total Paid during the Period	31,273,585	32,684,718
Total Realized during the Period	(31,273,585)	(32,984,718)
Closing Balance (Receivable)	Tk. -	-

## 27. The Contingent Liabilities of the company as of March 31, 2021 were as follows:

For Sight Letter of Credits for Tk. 372.27 crore only of Square Pharmaceuticals Ltd. and Tk. 2.06 crore only of Square Pharmaceuticals Kenya EPZ Limited.

# SQUARE PHARMACEUTICALS LIMITED

## STATEMENT OF FINANCIAL POSITION (Un-audited)

As at 31 March 2021

Particulars	Notes	31-03-2021	30-06-2020
		Taka	Taka
<b>ASSETS:</b>			
<b>Non-Current Assets:</b>		<b>30,291,681,727</b>	<b>27,464,045,923</b>
Property, Plant and Equipment-Carrying Value	2	21,327,596,462	20,567,202,390
Investment - Long Term (at Cost)	3	5,624,636,911	4,204,950,666
Investment in Marketable Securities (Fair Value)	4	3,339,448,354	2,691,892,867
<b>Current Assets:</b>		<b>52,425,498,258</b>	<b>46,886,757,989</b>
Inventories	5	7,225,214,343	5,687,406,329
Trade Debtors		1,921,583,575	1,520,300,337
Advances, Deposits and Prepayments	6	1,500,103,974	2,560,646,884
Short Term Loan	7	1,314,114,604	4,885,090,120
Cash and Cash Equivalents	8	40,464,481,762	32,233,314,319
<b>TOTAL ASSETS</b>		<b>82,717,179,985</b>	<b>74,350,803,912</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES:</b>			
<b>Shareholders' Equity:</b>		<b>77,300,963,236</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		19,751,979	(452,626,946)
Retained Earnings		64,063,614,021	57,566,951,276
<b>Non-Current Liabilities:</b>		<b>1,317,037,391</b>	<b>1,212,928,798</b>
Deffered Tax Liability	11	1,317,037,391	1,212,928,798
<b>Current Liabilities:</b>		<b>4,099,179,358</b>	<b>3,228,073,068</b>
Trade Creditors		392,519,534	541,067,905
Liabilities for Expenses	12	63,072,160	128,241,317
Liabilities for Other Finance	13	3,643,587,664	2,558,763,846
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>82,717,179,985</b>	<b>74,350,803,912</b>
Net Assets Value per Share (NAV)	21	87.20	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 LIMITED

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

For the 3rd Quarter Ended 31 March 2021

Particulars	Notes	Nine Months Results		Third Quarter Results	
		Jul'20 - Mar'21	Jul'19 - Mar'20	Jan'21 - Mar'21	Jan'20 - Mar'20
		Taka	Taka	Taka	Taka
<b>GROSS TURNOVER</b>	14	<b>43,871,940,669</b>	<b>40,229,162,049</b>	<b>14,792,615,438</b>	<b>14,080,170,554</b>
Less: Value Added Tax		6,160,167,725	5,661,773,919	2,022,482,749	1,935,567,753
<b>NET TURNOVER</b>		<b>37,711,772,944</b>	<b>34,567,388,130</b>	<b>12,770,132,689</b>	<b>12,144,602,801</b>
COST OF GOODS SOLD	15	(18,142,951,154)	(16,652,230,980)	(6,230,986,835)	(5,909,514,310)
<b>GROSS PROFIT</b>		<b>19,568,821,790</b>	<b>17,915,157,150</b>	<b>6,539,145,854</b>	<b>6,235,088,491</b>
<b>OPERATING EXPENSES:</b>		<b>(7,038,491,263)</b>	<b>(6,510,269,867)</b>	<b>(2,462,397,258)</b>	<b>(2,256,268,145)</b>
Selling & Distribution Expenses	16	(6,172,763,645)	(5,605,922,510)	(2,145,689,022)	(1,921,430,695)
Administrative Expenses	17	(865,718,446)	(904,272,249)	(316,704,349)	(334,814,803)
Finance Cost		(9,172)	(75,108)	(3,887)	(22,647)
<b>PROFIT FROM OPERATIONS</b>		<b>12,530,330,527</b>	<b>11,404,887,283</b>	<b>4,076,748,596</b>	<b>3,978,820,346</b>
Other Income	18	2,569,565,016	2,303,824,518	893,615,870	741,377,475
<b>PROFIT BEFORE WPPF</b>		<b>15,099,895,543</b>	<b>13,708,711,801</b>	<b>4,970,364,466</b>	<b>4,720,197,821</b>
Allocation for WPPF		(719,042,645)	(652,795,800)	(236,684,022)	(224,771,325)
<b>PROFIT BEFORE TAX</b>		<b>14,380,852,898</b>	<b>13,055,916,001</b>	<b>4,733,680,444</b>	<b>4,495,426,496</b>
Income Tax Expenses-Current	19	(3,442,525,014)	(3,272,952,003)	(1,064,321,113)	(1,104,445,997)
Income Tax Assets/(Expenses)-Deferred		(51,622,046)	62,649,487	(66,788,674)	(2,772,164)
<b>PROFIT AFTER TAX</b>		<b>10,886,705,838</b>	<b>9,845,613,485</b>	<b>3,602,570,657</b>	<b>3,388,208,335</b>
<b>OTHER COMPREHENSIVE INCOME:</b>					
Items that will not be reclassified to Profit or Loss					
Change in Fair Value of FVOCI Financial Assets		524,865,472	(605,646,947)	(385,340,574)	(163,080,557)
Related Tax on FVOCI Financial Assets		(52,486,547)	60,564,695	38,534,057	16,308,056
<b>Other Comprehensive Income (Net of Tax)</b>	20	<b>472,378,925</b>	<b>(545,082,252)</b>	<b>(346,806,517)</b>	<b>(146,772,501)</b>
<b>Total Comprehensive Income</b>		<b>11,411,571,310</b>	<b>9,239,966,538</b>	<b>3,217,230,083</b>	<b>3,225,127,778</b>
<b>Earnings Per Share (EPS)</b>	22	<b>12.28</b>	<b>11.11</b>	<b>4.06</b>	<b>3.82</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 LIMITED

## STATEMENT OF CHANGES IN EQUITY (Un-audited) For the 3rd Quarter Ended 31 March 2021

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-Mar'2021)	-	-	-	-	472,378,925	10,886,705,838	11,359,084,763
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 March 2021</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>19,751,979</b>	<b>64,063,614,021</b>	<b>77,300,963,236</b>

## STATEMENT OF CHANGES IN EQUITY (Un-audited) For the 3rd Quarter Ended 31 March 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 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-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)	-
<b>At 31 March 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>(460,061,664)</b>	<b>54,396,769,906</b>	<b>66,732,185,958</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 LIMITED

## STATEMENT OF CASH FLOWS (Un-audited) For the 3rd Quarter Ended 31 March 2021

Particulars	Notes	3rd Quarter Ended 31 March 2021	3rd Quarter Ended 31 March 2020
		Taka	Taka
<b>Cash Flows From Operating Activities:</b>			
<b>RECEIPTS:</b>			
Collections from Sales		43,912,158,634	40,730,405,470
Exchange Fluctuation Gain		1,363,102	1,877,556
Others		131,638,245	60,623,308
		44,045,159,981	40,792,906,334
<b>PAYMENTS:</b>			
Purchase of Raw and Packing Materials		14,767,212,013	12,956,519,369
Manufacturing and Operating Expenses		10,771,453,778	9,935,429,676
Value Added Tax		6,160,167,725	5,661,773,919
Finance Cost		9,172	75,108
Income Tax Expenses		3,681,833,369	2,926,040,470
Workers Profit Participation Fund		432,733,611	592,782,244
Others		-	20,397,638
		35,813,409,668	32,093,018,424
Net cash provided by operating activities		8,231,750,313	8,699,887,910
<b>Cash Flows From Investing Activities:</b>			
Purchase of Fixed Assets		(2,007,606,888)	(1,286,026,885)
Investment		(1,542,376,261)	(2,371,196,627)
Short Term Loan		3,570,975,516	(121,620,933)
Gain/(Loss) on Sale of Marketable Securities		21,057,254	(8,120,460)
Interest Received		2,642,949,937	1,770,379,780
Dividend Received		284,732,480	49,950,586
		2,969,732,038	(1,966,634,539)
Net cash used in investing activities		2,969,732,038	(1,966,634,539)
<b>Cash Flows From Financing Activities:</b>			
Dividend Paid		(2,976,816,692)	(2,470,401,299)
		(2,976,816,692)	(2,470,401,299)
Net cash used by financing activities		(2,976,816,692)	(2,470,401,299)
Increase/(Decrease) in Cash and Cash Equivalents		8,224,665,659	4,262,852,072
Net Effect of Foreign Currency Translation on Cash and Cash Equivalent		6,501,783	15,959,636
Cash and Cash Equivalents at the Opening		32,233,314,319	26,923,168,224
Cash and Cash Equivalents at the Closing		40,464,481,761	31,201,979,932
Net Operating Cash Flow per Share (NOCF)	23	9.29	9.81

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 LIMITED

## Notes to the Interim Financial Statements For the 3rd Quarter Ended March 31, 2021

### 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, 2021 (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, 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

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. 21,327,596,462

Details of Property, Plant and Equipment and Depreciation as at 31 March, 2021 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	3,143,251,177	3,119,979,717
	43,756,835,550	42,038,476,621
Sales/Transfer during the Period/Year	(995,910,076)	(1,424,892,248)
Closing Balance	42,760,925,474	40,613,584,373

#### Accumulated Depreciation:

Opening Balance	20,046,381,983	18,158,061,040
Charged during the Period/ Year	1,386,947,029	1,970,126,072
	21,433,329,012	20,128,187,112
Sales/Transfer during the Period/Year	-	(81,805,129)
	21,433,329,012	20,046,381,983

Carrying Value

Tk. 21,327,596,462 20,567,202,390

### 3. INVESTMENT-Long Term (at Cost): Tk. 5,624,636,911

This consists of the following:

#### Subsidiary:

	31-03-2021	30-06-2020
(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
	<b>985,742,688</b>	<b>825,869,987</b>

#### Associates:

(a) 91,436,679 Ordinary Shares of Tk. 10/- each including Bonus Shares in Square Textiles Ltd.	225,129,795	225,129,795
(b) 199,750 Ordinary Shares of Tk. 1,000/- each in Square Hospitals Ltd.	210,750,000	210,750,000
(c) Investment in Square Fashions Ltd: - 252,000 Ordinary Shares of Tk. 100/- each - 210,000 Ordinary Shares of Tk. 600/- each *	151,200,000	151,200,000
	<b>587,079,795</b>	<b>587,079,795</b>

#### 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) 250,002 Zero Coupon Bond in Lanka Bangla Finance Ltd.	-	33,409,009
(d) 250,000 Zero Coupon Bond in IDLC Finance Ltd.	-	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.	36,363,637	58,181,820
(g) 5 Non-Convertible Zero Coupon Bond in Shanta Holdings Ltd.	-	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	-
	<b>4,051,814,428</b>	<b>2,792,000,884</b>
	<b>Tk. 5,624,636,911</b>	<b>4,204,950,666</b>

### 4. INVESTMENT IN MARKETABLE SECURITIES (Fair Value): Tk. 3,339,448,354

	Position of Jul'2020-Mar'2021			Position of Jul'2019-Jun'2020		
	Total Cost (Taka)	Total Market Value (Taka)	Realized/ Unrealized Gain/(Loss)	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	218,219,351	764,142,077	545,922,726	347,985,577	(242,106,192)	(590,091,769)
Less: Sold/Disposed Off during the Period	(95,529,336)	(116,586,590)	(21,057,254)	(71,320,215)	(79,440,675)	(8,120,460)
Closing Balance	<b>3,267,209,828</b>	<b>3,339,448,354</b>	<b>72,238,526</b>	<b>3,144,519,813</b>	<b>2,691,892,867</b>	<b>(452,626,946)</b>

### 5. INVENTORIES: Tk. 7,225,214,343

The break-up is as under:

Raw Materials	3,037,048,315	1,939,329,998
Packing Materials	759,144,307	647,848,732
Work-in-Process	382,246,113	336,441,344
Finished Goods	1,788,790,060	1,677,371,032
Spares & Accessories	744,797,153	629,858,063
Goods- in-Transit	513,188,395	456,557,160
	<b>Tk. 7,225,214,343</b>	<b>5,687,406,329</b>

**6. ADVANCES, DEPOSITS & PREPAYMENTS : Tk. 1,500,103,974**

This consists of as follows:

**Advances:**

Employees  
Land Purchase  
Suppliers

**Deposits:**

Value Added Tax  
Earnest Money & Security Deposit  
Interest on Fixed Deposit Receipts  
Others

**Prepayments:**

Office Rent  
Insurance Premium

	<u>31-03-2021</u>	<u>30-06-2020</u>
	<b>421,463,841</b>	<b>489,759,302</b>
Employees	222,071,910	204,851,164
Land Purchase	17,047,829	156,782,042
Suppliers	182,344,102	128,126,096
	<b>1,064,042,620</b>	<b>2,025,909,816</b>
Value Added Tax	8,595,748	450,096,951
Earnest Money & Security Deposit	294,369,586	297,804,419
Interest on Fixed Deposit Receipts	761,077,286	1,276,320,238
Others	-	1,688,208
	<b>14,597,513</b>	<b>44,977,766</b>
Office Rent	7,574,248	8,599,751
Insurance Premium	7,023,265	36,378,015
<b>Tk.</b>	<b><u>1,500,103,974</u></b>	<b><u>2,560,646,884</u></b>

**7. SHORT TERM LOAN (Unsecured): Tk. 1,314,114,604**

This consists of as follows:

(a) Square Textiles Ltd.  
(b) Square Fashions Ltd.  
(c) Square Hospitals Ltd.  
(d) Square Lifesciences Ltd.

(a) Square Textiles Ltd.	-	3,277,576,394
(b) Square Fashions Ltd.	-	2,411,950
(c) Square Hospitals Ltd.	1,295,788,869	1,604,350,413
(d) Square Lifesciences Ltd.	18,325,735	751,363
<b>Tk.</b>	<b><u>1,314,114,604</u></b>	<b><u>4,885,090,120</u></b>

Note: The loan of Square Hospitals Ltd. has been repaid on 13-04-2021.

**8. CASH AND CASH EQUIVALENTS: Tk. 40,464,481,762**

This is made up as follows:

(a) Cash in Hand  
(b) Cash at Bank:  
\* Current Account  
\* STD Account  
\* Fixed Deposit Account (BD Taka)  
\* Fixed Deposit Account (USD)  
\* Export Retention Quota Account (USD)  
\* Margin Held Account (USD)

(a) Cash in Hand	6,133,819	2,288,479
(b) Cash at Bank:	<b>40,458,347,943</b>	<b>32,231,025,840</b>
* Current Account	402,334,751	595,984,688
* STD Account	5,855,881,285	10,763,172,367
* Fixed Deposit Account (BD Taka)	30,653,831,491	17,389,641,491
* Fixed Deposit Account (USD)	2,861,031,222	2,774,822,050
* Export Retention Quota Account (USD)	678,997,362	305,962,148
* Margin Held Account (USD)	6,271,832	401,443,096
<b>Tk.</b>	<b><u>40,464,481,762</u></b>	<b><u>32,233,314,319</u></b>

**9. SHARE CAPITAL: Tk. 8,864,510,100**

This is made up as follows:

**Authorised:**

1,000,000,000 Ordinary Shares of Tk.10/- each issued, subscribed and paid-up:

<u>10,000,000,000</u>	<u>10,000,000,000</u>
-----------------------	-----------------------

**Paid-up Capital:****a) By Cash:**

10,092,300 Ordinary Shares of Tk.10/- each fully paid-up in cash

100,923,000	100,923,000
-------------	-------------

**b) Other than Cash:**

40,020 Ordinary Shares of Tk.10/- each fully paid-up for consideration other than cash

400,200	400,200
---------	---------

**c) By issue of Bonus Share:**

876,318,690 Ordinary Shares of Tk.10/- each fully paid-up as Bonus Shares

8,763,186,900	8,341,067,380
<b>Tk.</b>	<b><u>8,864,510,100</u></b>

**10. SHARE PREMIUM:**

<u>2,035,465,000</u>	<u>2,035,465,000</u>
----------------------	----------------------

	<u>31-03-2021</u>	<u>30-06-2020</u>
<b>11. DEFERRED TAX LIABILITY: Tk. 1,317,037,391</b>		
This represents provision is made for deferred income tax to pay future income tax liability for temporary differences which is arrived at as		
Opening Balance	1,212,928,798	1,294,346,873
Addition during the Period (Deferred Tax Assets)	51,622,046	(21,596,852)
Deferred Tax (Income)/Expense recognized for FVOCI Financial Assets	52,486,547	(59,821,223)
Closing Balance	<u>Tk. 1,317,037,391</u>	<u>1,212,928,798</u>

**Computation of Deferred Tax for the Year Ended 31 March, 2021:**

A. Property, Plant and Equipments excluding Cost of Land (Carrying Amount)	13,660,044,957	13,995,217,801
B. Property, Plant and Equipments excluding Cost of Land (Tax Base)	8,601,841,582	8,904,217,715
C. Taxable/(Deductable) Temporary Difference (A-B)	5,058,203,375	5,091,000,086
D. Tax Rate	25%	25%
E. Deferred Tax Liabilities as on 31 March, 2021	1,264,550,844	1,272,750,021
F. Deferred Tax Liabilities as on 30 June, 2020	1,212,928,798	1,294,346,873
G. Current Period's Deferred Tax (Assets)/Liabilities (E-F)	<u>Tk. 51,622,046</u>	<u>(21,596,852)</u>

**12. LIABILITIES FOR EXPENSES: Tk. 63,072,160**

This consists of as follows:

Accrued Expenses	63,072,160	127,666,317
Audit Fees	-	575,000
	<u>Tk. 63,072,160</u>	<u>128,241,317</u>

**13. LIABILITIES FOR OTHER FINANCE: Tk. 3,643,587,664**

This consists of as follows:

Sundry Creditors	1,410,580,230	368,968,264
Unclaimed Dividend	329,326,954	330,431,723
Income Tax (Deduction at Source)	18,815,436	18,346,013
Retention Money	557,730	3,711,211
Workers' Profit Participation Fund and Welfare Fund	1,145,578,132	859,269,098
Income Tax Payable (Note-13.1)	738,729,182	978,037,537
	<u>Tk. 3,643,587,664</u>	<u>2,558,763,846</u>

**13.1 INCOME TAX PAYABLE: Tk. 738,729,182**

This is arrived at as follows:

Opening balance	978,037,537	557,901,454
Provision made for the Period	3,442,525,014	4,251,005,177
Tax Paid (Including Advance Income Tax during the Period)	(3,681,833,369)	(3,830,869,094)
	<u>Tk. 738,729,182</u>	<u>978,037,537</u>

	<u>2020-2021</u>	<u>2019-2020</u>
	(Jul'2020-Mar'2021)	(Jul'2019-Mar'2020)

**14. GROSS REVENUE: Tk. 43,871,940,669**

This is made-up as follows:

Local Sales	42,764,587,103	38,988,083,173
Export Sales Equivalent in US \$ 13,190,632 (Jul'2019-Mar'2020 US \$ 14,823,274)	1,107,353,566	1,241,078,876
	<u>Tk. 43,871,940,669</u>	<u>40,229,162,049</u>

**15. COST OF GOODS SOLD: Tk. 18,142,951,154**

Materials	13,197,482,926	11,797,860,610
Factory Overhead (Note-15.1)	4,945,468,228	4,854,370,370
	<u>Tk. 18,142,951,154</u>	<u>16,652,230,980</u>

**15.1 FACTORY OVERHEAD: Tk. 4,945,468,228**

This is made up as follows:

	<b>2020-2021</b> (Jul'2020-Mar'2021)	<b>2019-2020</b> (Jul'2019-Mar'2020)
Salaries, Allowances and Wages	1,606,434,691	1,506,295,475
Factory Employees Free Lunch	88,075,415	87,789,713
Factory Staff Uniform	67,905,914	64,534,333
Travelling & Conveyance	21,809,639	34,281,494
Printing & Stationery	55,808,061	53,887,519
Postage, Telephone & Fax	5,880,519	5,143,423
Repairs & Maintenance	750,793,181	683,230,327
Laboratory Consumable Stores	257,428,367	245,802,627
Fuel, Petrol, Light Diesel etc.	99,396,341	183,948,488
Electricity, Gas & Water	490,494,447	456,795,815
Rental Expense	889,224	891,739
Municipal & Other Tax	12,975,976	9,491,316
Insurance Premium	16,614,533	16,987,209
Factory Sanitation Expenses	79,038,333	72,359,733
Depreciation	1,162,433,026	1,204,505,899
Security Services	44,573,915	42,372,649
Research & Development	127,241,486	127,398,762
Software & Hardware Support Services	45,856,791	48,926,142
Toll Charges	10,689,658	8,387,142
Other Expenses	1,128,711	1,340,565
<b>Tk.</b>	<b>4,945,468,228</b>	<b>4,854,370,370</b>

**16. SELLING & DISTRIBUTION EXPENSES: Tk. 6,172,763,645**

This consists of as follows:

Salaries and Allowances	1,039,138,750	958,690,851
Travelling and Conveyance	101,449,694	94,812,372
Printing and Stationery	62,510,257	57,826,802
Postage, Telephone, Fax & Telex	55,699,906	45,521,599
Electricity, Gas and Water	19,930,795	18,715,509
Office and Godown Rent	19,679,532	19,869,473
Repairs and Maintenance including car maintenance	351,311,527	316,553,346
Govt. Taxes and Licence Fees	48,808,197	39,453,436
Field Staff Salaries, Allowances, TA and DA	1,564,443,753	1,416,314,222
Marketing Expenses	891,473,105	811,015,667
Delivery and Packing Expenses	108,584,129	97,351,730
Export Expenses	88,273,640	85,087,620
Business Development Expenses	315,921,434	289,477,127
Special Discount	1,062,332,407	955,952,900
Security Services	59,817,082	55,830,881
Depreciation	145,137,096	140,881,704
Other Expenses	238,252,341	202,567,271
<b>Tk.</b>	<b>6,172,763,645</b>	<b>5,605,922,510</b>

**17. ADMINISTRATIVE EXPENSES: Tk. 865,718,446**

This consists of as follows:

Salaries and Allowances	337,196,582	312,527,972
Directors' Remuneration	49,695,422	44,353,305
Independent Directors' Honorarium	600,000	-
Travelling and Conveyance	76,443,232	104,802,837
Printing and Stationery	12,317,269	12,085,656
Postage, Telephone, Internet	8,169,825	6,898,259
Electricity, Gas & Water	16,467,564	15,661,200
Tiffin and Refreshment	51,202,472	53,139,665
Repairs and Maintenance	142,968,309	134,330,442
Bank Charges	8,140,972	8,789,332
Insurance Premium	7,295,469	11,703,113
Govt. Taxes, Stamp Duty & Licence Fee	5,113,774	8,539,459
Security Services	28,861,227	28,323,184
Legal Charges	691,150	1,286,500
Depreciation	79,376,907	83,750,240
Software & Hardware Support Services	4,636,084	35,763,747
Other Expenses	36,542,188	42,317,338
<b>Tk.</b>	<b>865,718,446</b>	<b>904,272,249</b>

**18. OTHER INCOME: Tk. 2,569,565,016**

This is arrived at as follows:

	<b>2020-2021</b> (Jul'2020-Mar'2021)	<b>2019-2020</b> (Jul'2019-Mar'2020)
Bank Interest	1,792,501,860	1,988,845,002
Interest on Loan to Sister Concern	197,764,904	184,431,716
Dividend	284,732,480	49,950,586
Gain/(Loss) on Marketable Securities (Realized)	21,057,254	(8,120,460)
Foreign Exchange Fluctuation Gain	7,864,885	8,275,180
Gain on Redemption of Zero Coupon Bond	137,440,221	19,819,186
Cash Incentive Received against Export	39,721,000	355,045
P.F Forfeiture Amount **	31,667,264	-
Others	56,815,148	60,268,263
<b>Tk.</b>	<b><u>2,569,565,016</u></b>	<b><u>2,303,824,518</u></b>

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

**19. INCOME TAX EXPENSES-Current: Tk. 3,442,525,014****19.1 CALCULATION OF RECONCILIATION OF EFFECTIVE TAX RATE WITH INCOME TAX EXPENSES:**

Income Tax Expnses-Current	3,442,525,014	3,272,952,003
Income Tax Expnses/(Assets)-Deferred (Note-12)	51,622,046	(62,649,487)
<b>Tk.</b>	<b><u>3,494,147,060</u></b>	<b><u>3,210,302,516</u></b>

**RECONCILIATION OF EFFECTIVE TAX RATE:**

	Jul'2020-Mar'2021		Jul'2019-Mar'2020	
	%	Amount (Taka)	%	Amount (Taka)
<b>Profit before Tax</b>		<b>14,380,852,898</b>		<b>13,055,916,001</b>
Tax using Corporate Tax Rate	25%	3,595,213,225	25%	3,263,979,000
Effect of Tax Exempted Income	-0.54	(77,712,803)	-0.41%	(53,209,070)
Effect of Lower Tax Rate	-0.16	(23,353,362)	0.00%	(467,414)
	<b>24.30%</b>	<b><u>3,494,147,060</u></b>	<b>24.59%</b>	<b><u>3,210,302,516</u></b>

**20. CHANGE IN FAIR VALUE OF FVOCI FINANCIAL ASSETS: Tk. 472,378,925**

Unrealized Gain/(Loss) on Marketable Securities (Closing)	72,238,526	(460,061,664)
(-) Unrealized Gain/(Loss) on Marketable Securities (Opening)	(452,626,946)	145,585,283
	524,865,472	(605,646,947)
Related Tax on FVOCI Financial Assets	(52,486,547)	60,564,695
<b>Tk.</b>	<b><u>472,378,925</u></b>	<b><u>(545,082,252)</u></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. NET ASSET VALUE PER SHARE (NAV) - Tk. 87.20**

The computation is given below:

Equity Attributable to the Ordinary Shareholders	77,300,963,236	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><u>87.20</u></b>	<b><u>78.86</u></b>

\*\* NAV per share is increased due to incremental Net Profit in comparing to the reporting period ended 31 March, 2020.

**22. EARNINGS PER SHARE (EPS) - Tk. 12.28**

The computation is given below:

Surplus for the year attributable to Shareholders (Net Profit after Tax)	10,886,705,838	9,845,613,485
Weighted average number of Shares outstanding during the Period	886,451,010	886,451,010
<b>Earnings per Share</b>	<b><u>12.28</u></b>	<b><u>11.11</u></b>

\*\* The EPS for the reporting period "Quarter Third Q-3" January 01, 2021 to March 31, 2021 and for the period ended on March 31, 2021 (09 Months) has reflected a positive growth 10.57% for 09 months period and 6.33% for Q-3. It is due to positive revenue growth and

	<b>2020-2021</b> (Jul'2020-Mar'2021)	<b>2019-2020</b> (Jul'2019-Mar'2020)
<b>23. NET OPERATING CASH FLOW PER SHARE (NOCF) - Tk. 9.29</b>		
The computation is given below:		
Net Cash Generated from Operating Activities	8,231,750,313	8,699,887,910
Weighted average number of Shares outstanding during the Period	886,451,010	886,451,010
Net Operating Cash Flow Per Share (NOCF)	Tk. <u>9.29</u>	<u>9.81</u>

\*\* NOCF per share is decreased due to higher investment on working capital and higher advance tax payment to facilitate revenue growth in comparing to the same reporting period of previous fiscal year.

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

<b>Profit after Tax</b>	10,886,705,838	9,845,613,485
Adjustment to Reconcile Net Profit to Net Cash Provided by Operating Activities:		
<b>Non-Cash Expenses:</b>	1,432,067,292	1,360,090,732
Depreciation	1,386,947,029	1,429,137,843
Exchange Rate Fluctuation	(6,501,783)	(6,397,624)
Deferred Tax	51,622,046	(62,649,487)
<b>Non-Operating Items:</b>	(2,433,496,719)	(2,234,926,029)
Dividend Income	(284,732,480)	(49,950,586)
Others	(2,148,764,239)	(2,184,975,443)
<b>Changes in Working Capital:</b>	(1,653,526,098)	(270,890,278)
(Increase)/Decrease in Inventories	(1,537,808,014)	(1,014,409,481)
(Increase)/Decrease in Trade Debtors	(401,283,238)	109,816,985
(Increase)/Decrease in Advances, Deposits and Prepayments	405,565,745	265,682,265
Increase/(Decrease) in Trade Creditors	(148,548,371)	(183,378,023)
Increase/(Decrease) in Liabilities for Expenses	(65,169,157)	(62,420,446)
Increase/(Decrease) in Liabilities for Other Finance	93,716,937	613,818,422
<b>Net Cash Generated from Operating Activities</b>	Tk. <u>8,231,750,313</u>	<u>8,699,887,910</u>

**24. 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 Lifesciences Ltd., Square Securities Management Ltd., Pharma Packages (Pvt) Ltd. and AEGIS Services Ltd. during the year reporting. The summary is as follows:

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

Opening Balance	3,277,576,394	2,168,788,505
Total Paid during the Period	1,269,870,456	2,514,969,589
Total Realized during the Period	(4,547,446,850)	(1,706,373,950)
Closing Balance (Receivable)	Tk. <u>-</u>	<u>2,977,384,144</u>

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

Opening Balance	2,411,950	672,588,614
Total Paid during the Period	1,219,935,868	4,458,802,048
Total Realized during the Period	(1,222,347,818)	(5,050,082,807)
Closing Balance (Receivable)	Tk. <u>-</u>	<u>81,307,855</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	527,236,493	39,954,608
Total Realized during the Period	(835,798,037)	(135,648,555)
Closing Balance (Receivable)	Tk. <u>1,295,788,869</u>	<u>-</u>

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

Opening Balance	(2,197,662)	(2,214,332)
Total Paid during the Period	85,660,291	46,423,273
Total Realized during the Period	(59,406,354)	(28,030,560)
Closing Balance (Receivable)	Tk. <u>24,056,275</u>	<u>16,178,381</u>



	<b>2020-2021</b> (Jul'2020-Mar'2021)	<b>2019-2020</b> (Jul'2019-Mar'2020)
<b>Transaction with Square Lifesciences Ltd. (Subsidiary Company and holdings 99.50% Shares):</b>		
Opening Balance	751,363	-
Total Paid during the Period	17,574,372	-
Total Realized during the Period	-	-
Closing Balance (Receivable)	<b>18,325,735</b>	-
Tk.		
<b>Transaction with Square Securities Management Ltd. (Port Folio Management):</b>		
Opening Balance	34,874,272	19,884,032
Total Paid during the Period	216,586,590	363,199,755
Total Realized during the Period	(218,219,851)	(347,962,988)
Closing Balance (Receivable)	<b>33,241,011</b>	<b>35,120,799</b>
Tk.		
<b>Transaction with Pharma Packages (Pvt.) Ltd. (Supplier):</b>		
Opening Balance	12,206,021	117,457,765
Total Paid during the Period	547,281,749	577,862,986
Total Realized during the Period	(541,495,481)	(500,060,375)
Closing Balance (Receivable)	<b>17,992,289</b>	<b>195,260,376</b>
Tk.		
<b>Transaction with AEGIS Services Ltd. (Service Provider):</b>		
Opening Balance	-	300,000
Total Paid during the Period	31,273,585	32,684,718
Total Realized during the Period	(31,273,585)	(32,984,718)
Closing Balance	-	-
Tk.		

#### 24.1 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	293,143,834	271,982,383
Post-Employment Benefits	12,265,425	18,460,275
Other Long-Term Benefits	-	-
Termination Benefits	-	-
Share-Based Payment	-	-

#### 25. The Contingent Liabilities of the company as of March 31, 2021 were as follows:

- 1) For Sight Letter of Credits for Tk. 372.27 crore only of Square Pharmaceuticals Ltd.
- 2) The Company issued a Corporate Guarantee in favour of Square Pharmaceuticals Kenya EPZ Ltd. for USD 8.00 Million as per approval of Bangladesh Bank.