

Second 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 December 2019

Particulars	Notes	31-12-2019	30-06-2019
		Taka	Taka
ASSETS:			
Non-Current Assets:			
		33,828,706,470	33,734,410,538
Property, Plant and Equipment-Carrying Value	2	20,835,368,765	20,853,956,270
Investment - Long Term (at Cost)	3	529,478,584	655,408,674
Investment - Associates Undertaking	4	9,647,158,223	9,211,605,860
Investment in Marketable Securities (Fair Value)	5	2,816,700,898	3,013,439,734
Current Assets:			
		44,962,524,242	38,411,642,036
Inventories	6	5,661,461,961	4,596,512,673
Trade Debtors		1,696,956,055	1,561,818,167
Advances, Deposits and Prepayments	7	2,523,844,898	2,312,201,184
Short Term Loan	8	3,044,504,088	2,937,071,066
Cash and Cash Equivalents	9	32,035,757,240	27,004,038,946
TOTAL ASSETS		78,791,230,712	72,146,052,574
SHAREHOLDERS' EQUITY AND LIABILITIES:			
Shareholders' Equity:			
		71,016,470,806	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 on Marketable Securities (Unrealized)		(296,981,107)	145,585,283
Cumulative Translation Adjustment		5,506,355	(939,072)
Retained Earnings		58,512,467,842	55,492,799,165
Non-Current Liabilities:			
		1,228,925,222	1,294,346,873
Deffered Tax Liability	10	1,228,925,222	1,294,346,873
Current Liabilities:			
		6,545,834,684	2,971,088,529
Trade Creditors		548,932,006	716,988,428
Liabilities for Expenses	11	173,170,838	239,913,331
Liabilities for Other Finance	12	5,823,731,840	2,014,186,770
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		78,791,230,712	72,146,052,574
Net Assets Value (NAV) per Share	20	84.12	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 2nd Quarter Ended 31 December 2019

Particulars	Notes	Six Months Results		2nd Quarter Results	
		July-Dec 2019	July-Dec 2018	Oct-Dec 2019	Oct-Dec 2018
		Taka	Taka	Taka	Taka
GROSS TURNOVER	13	26,148,991,495	24,743,040,332	12,938,053,508	12,532,486,019
Less: Value Added Tax		3,726,206,166	3,424,641,124	1,808,851,388	1,756,164,743
NET TURNOVER		22,422,785,329	21,318,399,208	11,129,202,120	10,776,321,276
Cost of Goods Sold	14	(10,742,716,670)	(10,438,812,713)	(5,155,001,730)	(5,323,002,526)
GROSS PROFIT		11,680,068,659	10,879,586,495	5,974,200,390	5,453,318,750
OPERATING EXPENSES:		(4,260,503,921)	(3,824,213,386)	(2,245,715,793)	(2,040,871,275)
Selling & Distribution Expenses	15	(3,684,491,815)	(3,265,086,018)	(1,939,002,434)	(1,742,474,876)
Administrative Expenses	16	(572,958,220)	(559,089,997)	(303,677,368)	(298,363,620)
Finance Cost		(3,053,886)	(37,371)	(3,035,991)	(32,779)
PROFIT FROM OPERATIONS		7,419,564,738	7,055,373,109	3,728,484,597	3,412,447,475
Other Income	17	1,561,801,883	1,001,605,427	816,250,008	553,122,881
PROFIT BEFORE WPPF		8,981,366,621	8,056,978,536	4,544,734,605	3,965,570,356
Allocation for WPPF		(428,024,475)	(383,780,624)	(216,163,994)	(188,753,097)
PROFIT BEFORE TAX		8,553,342,146	7,673,197,912	4,328,570,611	3,776,817,259
Income Tax Expenses-Current		(2,168,506,006)	(1,682,555,127)	(1,084,229,587)	(748,939,043)
Income Tax Expenses-Deferred		65,421,651	(145,084,019)	20,460,795	(135,781,149)
PROFIT AFTER TAX		6,450,257,791	5,845,558,766	3,264,801,819	2,892,097,067
		(24.59)	(23.82)	(24.58)	(23.43)
Profit/(Loss) from Associates Undertaking	18	435,552,363	456,990,988	267,171,456	238,071,855
PROFIT FOR THE PERIOD		6,885,810,154	6,302,549,754	3,531,973,275	3,130,168,922
Other Comprehensive Income:					
Gain/(Loss) on Marketable Securities (Unrealized)	19	(442,566,390)	8,785,542	(229,146,978)	(75,404,754)
Cumulative Translation Adjustment		6,445,426	-	14,664,699	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		6,449,689,190	6,311,335,296	3,317,490,996	3,054,764,168
Profit Attributable to:					
Owners of the Company		6,885,810,154	6,295,232,080	3,531,973,275	3,126,368,686
Non Controlling Interest		-	7,317,674	-	3,800,236
		6,885,810,154	6,302,549,754	3,531,973,275	3,130,168,922
Total Comprehensive Income Attributable to:					
Owners of the Company		6,449,689,190	6,304,118,920	3,317,490,996	3,050,985,278
Non Controlling Interest (Current Profit)		-	7,216,376	-	3,778,890
		6,449,689,190	6,311,335,296	3,317,490,996	3,054,764,168
Earnings Per Share (EPS)	21	8.16	7.46	4.18	3.70

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Chief Financial Officer

Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LIMITED

AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Un-audited) For the 2nd Quarter Ended 31 December 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 2019	7,890,084,660	2,035,465,000	105,878,200	2,211,743,936	145,585,283	55,492,799,165	-	67,881,556,244
Total Comprehensive Income (Jul'2019-Dec'2019)	-	-	-	-	(442,566,390)	6,885,810,154	-	6,443,243,764
Cash Dividend (2018-2019)	-	-	-	-	-	(3,313,835,557)	-	(3,313,835,557)
Stock Dividend (2018-2019)	552,305,920	-	-	-	-	(552,305,920)	-	-
At 31 December 2019	8,442,390,580	2,035,465,000	105,878,200	2,211,743,936	(296,981,107)	58,512,467,842	-	71,010,964,451

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Un-audited) For the 2nd Quarter Ended 31 December 2018

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
Total Comprehensive Income (Jul'2018-Dec'2018)	-	-	-	-	8,785,542	6,295,232,080	7,317,674	6,311,335,296
Transfer to Tax Exemption Reserve	-	-	-	287,818,237	-	(287,818,237)	-	-
Cash Dividend (2017-2018)	-	-	-	-	-	(2,654,607,924)	-	(2,654,607,924)
Stock Dividend (2017-2018)	516,173,760	-	-	-	-	(516,173,760)	-	-
At 31 December 2018	7,890,084,660	2,035,465,000	105,878,200	2,237,375,959	201,057,794	48,996,114,916	32,218,734	61,498,195,263

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SQUARE PHARMACEUTICALS LIMITED

AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS (Un-audited)

For the 2nd Quarter Ended 31 December 2019

Particulars	Notes	2nd Quarter Ended	2nd Quarter Ended
		31 December 2019	31 December 2018
		Taka	Taka
Cash Flows From Operating Activities:			
RECEIPTS:			
Collections from Sales		26,307,366,266	24,784,147,341
Exchange Fuctuation Gain		785,082	1,307,962
Others		43,580,132	97,760,503
		<u>26,351,731,480</u>	<u>24,883,215,806</u>
PAYMENTS:			
Purchase of Raw and Packing Materials		9,019,011,560	7,203,375,179
Manufacturing and Operating Expenses		6,462,873,340	6,669,521,037
Value Added Tax		3,726,206,166	3,424,641,124
Finance Cost		3,053,886	37,371
Income Tax		1,499,814,702	1,495,691,098
Workers Profit Participation Fund		671,547,044	250,120,490
Others		8,505,283	73,286,850
		<u>21,391,011,981</u>	<u>19,116,673,149</u>
Net cash provided by operating activities		<u>4,960,719,499</u>	<u>5,766,542,657</u>
Cash Flows From Investing Activities:			
Purchase of Fixed Assets		(946,372,620)	(1,188,448,959)
Investment		(119,897,463)	95,184,463
Short Term Loan		(107,433,022)	(1,980,560,302)
Gain on Sale of Marketable Securities		405,567	62,724,460
Interest Received		1,214,006,099	663,544,475
Dividend Received		23,230,159	26,183,568
Net cash used in investing activities		<u>63,938,720</u>	<u>(2,321,372,295)</u>
Cash Flows From Financing Activities:			
Dividend Paid		-	-
Net cash used in financing activities		<u>-</u>	<u>-</u>
Increase in Cash and Cash Equivalent		5,024,658,219	3,445,170,362
Net Effect of Foreign Currency Translation on Cash and Cash Equivalent		7,060,075	9,094,974
Cash and Cash Equivalent at the Opening		27,004,038,946	16,980,412,765
Cash and Cash Equivalent at the Closing		<u>32,035,757,240</u>	<u>20,434,678,101</u>
Net Operating Cash Flow per Share (NOCF)	22	5.88	6.83

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Company Secretary

SQUARE PHARMACEUTICALS LIMITED

and its subsidiary

Notes to the Consolidated Interim Financial Statements For the 2nd Quarter Ended December 31, 2019

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 2nd Quarter Ended on December 31, 2019 (here after the interim period). They are prepared in accordance with the Bangladesh Accounting Standard (BAS-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 BAS-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=0.81373 BDT.

2. CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT: Tk. 20,835,368,765

Details of Property, Plant and Equipment and Depreciation as at 31 December 2019 are as follows:

This is arrived at as follows:

Fixed Assets at Cost:

	31-12-2019	30-06-2019
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>1,475,789,667</u>	<u>2,943,453,689</u>
Sales/Transfer during the Period/Year	<u>40,487,806,977</u>	<u>40,043,779,728</u>
Closing Balance	<u>(550,691,530)</u>	<u>(1,031,762,418)</u>
	<u>39,937,115,447</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>943,685,642</u>	<u>1,875,504,706</u>
Sales/Transfer during the Period/Year	<u>19,101,746,682</u>	<u>18,236,343,228</u>
	<u>-</u>	<u>(78,282,188)</u>
	<u>19,101,746,682</u>	<u>18,158,061,040</u>

Carrying Value Tk. 20,835,368,765 20,853,956,270

	31-12-2019	30-06-2019
3. CONSOLIDATED INVESTMENT-Long Term (at Cost): Tk. 529,478,584		
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.	68,724,108	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.	72,727,275	87,272,730
(h) 5 Non-Convertible Zero Coupon Bond in Shanta Holdings Ltd.	81,618,169	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
Tk.	529,478,584	655,408,674

4. INVESTMENT-Associate Undertakings: Tk. 9,647,158,223

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)	435,552,363	931,706,302
Less: Dividend during the Period/Year	-	(174,165,175)
Closing Balance	9,647,158,223	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. 2,816,700,898

	Position of Jul'2019-Dec'2019			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	248,059,769	(194,912,188)	(442,971,957)	322,503,330	375,676,774	53,173,444
Less: Sold/Disposed Off during the Period	(2,232,215)	(1,826,648)	405,567	(153,585,164)	(253,445,577)	(99,860,413)
Closing Balance	3,113,682,005	2,816,700,898	(296,981,107)	2,867,854,451	3,013,439,734	145,585,283

6. CONSOLIDATED INVENTORIES : Tk. 5,661,461,961

The break-up is as under:

Raw Materials	1,926,805,375	1,531,223,724
Packing Materials	772,573,821	609,472,347
Work-in-Process	379,567,546	274,303,768
Finished Goods	1,864,590,243	1,226,561,623
Spares & Accessories	580,551,660	551,889,224
Goods- in-Transit	137,373,316	403,061,987
Tk.	5,661,461,961	4,596,512,673

7. CONSOLIDATED ADVANCES, DEPOSITS & PREPAYMENTS : Tk. 2,523,844,898

This consists of as follows:

Advances:	636,233,768	628,767,658
Employees	121,163,794	189,352,951
Land Purchase	158,182,113	136,907,630
Suppliers	356,887,861	302,507,077
Deposits:	1,859,596,314	1,635,409,050
L.C Margin	237,958,177	-
Value Added Tax	97,913,777	391,426,436
Earnest Money & Security Deposit	277,654,046	269,148,763
Interest on Fixed Deposit Receipts	1,246,070,314	966,890,119
Others	-	7,943,732
Prepayments:	28,014,816	48,024,476
Office Rent	10,350,883	11,390,890
Insurance Premium	17,663,933	36,633,586
Tk.	2,523,844,898	2,312,201,184

	31-12-2019	30-06-2019
8. CONSOLIDATED SHORT TERM LOAN (Unsecured): Tk. 3,044,504,088		
This consists of as follows:		
(a) Square Textiles Ltd.	2,269,138,230	2,168,788,505
(b) Square Fashions Ltd.	775,365,858	672,588,614
(c) Square Hospitals Ltd.	-	95,693,947
Tk.	<u>3,044,504,088</u>	<u>2,937,071,066</u>
9. CONSOLIDATED CASH AND CASH EQUIVALENTS: Tk. 32,035,757,240		
This is made up as follows:		
(a) Cash in Hand	8,706,628	6,866,061
(b) Cash at Bank:	32,027,050,612	26,997,172,885
* Current Account	1,588,623,950	936,817,212
* STD Account	3,468,427,861	2,131,200,472
* Fixed Deposit Account (BD Taka)	23,603,809,226	20,853,809,226
* Fixed Deposit Account (USD)	2,690,872,050	2,283,903,416
* Export Retention Quota Account (USD)	371,789,642	702,111,670
* Margin Held Account (USD)	303,527,883	89,330,889
Tk.	<u>32,035,757,240</u>	<u>27,004,038,946</u>
10. CONSOLIDATED DEFERRED TAX LIABILITY: Tk. 1,228,925,222		
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	(65,421,651)	63,213,721
Closing Balance	<u>1,228,925,222</u>	<u>1,294,346,873</u>
Computation of Deferred Tax for the Year Ended 31 December, 2019:		
A. Property, Plant and Equipments excluding Cost of Land (Carrying Amount)	13,946,914,626	16,495,267,592
B. Property, Plant and Equipments excluding Cost of Land (Tax Base)	9,031,213,738	11,255,256,856
C. Taxable/(Deductable) Temporary Difference (A-B)	4,915,700,888	5,240,010,736
D. Deferred Tax Liabilities as on 31 December, 2019	1,228,925,222	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>(65,421,651)</u>	<u>63,213,721</u>
11. CONSOLIDATED LIABILITIES FOR EXPENSES: Tk. 173,170,838		
This consists of as follows:		
Accrued Expenses	64,619,797	130,754,244
Provision for Gratuity	108,551,041	108,551,041
Audit Fees	-	608,046
Tk.	<u>173,170,838</u>	<u>239,913,331</u>
12. CONSOLIDATED LIABILITIES FOR OTHER FINANCE: Tk. 5,823,731,840		
This consists of as follows:		
Sundry Creditors	4,016,150,851	641,736,368
Income Tax (Deduction at Source)	20,786,666	8,948,030
Retention Money	942,730	2,819,514
Workers' Profit Participation Fund and Welfare Fund	559,258,835	802,781,404
Income Tax Payable (Note-12.1)	1,226,592,758	557,901,454
Tk.	<u>5,823,731,840</u>	<u>2,014,186,770</u>
12.1 CONSOLIDATED INCOME TAX PAYABLE: Tk. 1,226,592,758		
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	2,168,506,006	3,876,979,330
Tax Paid (Including Advance Income Tax during the Period)	(1,499,814,702)	(3,565,244,457)
Tk.	<u>1,226,592,758</u>	<u>557,901,454</u>
13. CONSOLIDATED GROSS REVENUE: Tk. 26,148,991,495		
This consists of as follows:		
Square Pharmaceuticals Ltd.	26,148,991,495	18,471,659,314
Square Formulations Ltd.	-	6,271,381,018
Tk.	<u>26,148,991,495</u>	<u>24,743,040,332</u>

	2019 <small>(Jul'2019-Dec'2019)</small>	2018 <small>(Jul'2018-Dec'2018)</small>
14. CONSOLIDATED COST OF GOODS SOLD: Tk. 10,742,716,670		
Materials	7,584,653,841	7,165,427,042
Factory Overhead	3,158,062,829	3,273,385,671
Tk.	<u>10,742,716,670</u>	<u>10,438,812,713</u>
15. CONSOLIDATED SELLING & DISTRIBUTION EXPENSES: Tk. 3,684,491,815		
This consists of as follows:		
Salaries and Allowances	621,039,956	546,208,943
Travelling and Conveyance	70,150,343	57,319,526
Printing and Stationery	35,227,357	32,326,250
Postage, Telephone, Fax & Telex	32,704,001	24,741,820
Electricity, Gas and Water	13,177,227	13,107,718
Office and Godown Rent	13,680,902	10,958,869
Repairs and Maintenance including car maintenance	214,423,010	199,872,509
Govt. Taxes and Licence Fees	26,012,703	14,413,412
Field Staff Salaries, Allowances, TA and DA	1,009,608,886	829,048,997
Marketing and Promotional Expenses	660,713,673	586,205,152
Delivery and Packing Expenses	81,046,369	75,756,153
Export Expenses	54,528,687	71,625,786
Special Discount	595,575,928	535,625,979
Security Services	31,755,031	38,535,381
Depreciation	91,281,519	92,705,591
Other Expenses	133,566,223	136,633,932
Tk.	<u>3,684,491,815</u>	<u>3,265,086,018</u>
16. CONSOLIDATED ADMINISTRATIVE EXPENSES: Tk. 572,958,220		
This consists of as follows:		
Salaries and Allowances	199,408,028	175,264,162
Directors' Remuneration	29,347,047	41,880,274
Travelling and Conveyance	71,010,609	64,250,809
Printing and Stationery	7,852,212	7,067,305
Postage, Telephone, Internet	4,225,742	4,552,209
Electricity, Gas & Water	10,913,217	14,173,053
Tiffin and Refreshment	27,920,364	24,830,088
Repairs and Maintenance	86,208,292	68,186,133
Bank Charges	6,108,250	7,985,696
Insurance Premium	7,739,076	6,294,584
Govt. Taxes, Stamp Duty & Licence Fee	4,450,855	5,276,014
Security Services	20,902,122	25,905,258
Legal Charges	1,079,500	2,593,800
Depreciation	53,981,496	51,832,528
Software & Hardware Support Services	11,727,191	33,626,033
Other Expenses	30,084,219	25,372,051
Tk.	<u>572,958,220</u>	<u>559,089,997</u>
17. CONSOLIDATED OTHER INCOME: Tk. 1,561,801,883		
This is arrived at as follows:		
Bank Interest	1,386,664,802	701,724,235
Interest on Loan to Sister Concern	106,521,492	106,036,389
Dividend	23,230,159	26,183,568
Commission Received	-	51,150,205
Gain on Marketable Securities (Realized)	405,567	62,724,460
Foreign Exchange Fluctuation Gain	1,399,731	9,094,974
Others	43,580,132	44,691,596
Tk.	<u>1,561,801,883</u>	<u>1,001,605,427</u>
18. PROFIT FROM ASSOCIATES UNDERTAKING: Tk. 435,552,363		
This is arrived at as follows:		
a) Square Textiles Ltd.	72,983,025	71,414,124
b) Square Fashions Ltd.	301,224,121	305,596,792
c) Square Hospitals Ltd.	61,345,217	79,980,072
Tk.	<u>435,552,363</u>	<u>456,990,988</u>
19. CONSOLIDATED GAIN/(LOSS) ON MARKETABLE SECURITIES (UNREALIZED): Tk. (442,566,390)		
Unrealized Gain/(Loss) Position (Closing)	(296,981,107)	201,057,794
(-) Unrealized Gain/(Loss) Position (Opening)	145,585,283	(192,272,252)
Tk.	<u>(442,566,390)</u>	<u>8,785,542</u>

20. CONSOLIDATED NET ASSET VALUE PER SHARE (NAV) - Tk. 84.12

The computation is given below:

	2019 (Jul'2019-Dec'2019)	2018 (Jul'2018-Dec'2018)
Equity Attributable to the Ordinary Shareholders	71,016,470,806	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>84.12</u>	<u>80.40</u>

Tk.

21. CONSOLIDATED EARNINGS PER SHARE (EPS) - Tk. 8.16

The computation is given below:

Surplus for the year attributable to Shareholders (Net Profit after Tax)	6,885,810,154	6,295,232,080
Weighted average number of Shares outstanding during the Period	844,239,058	844,239,058
Earnings per Share	<u>8.16</u>	<u>7.46</u>

Tk.

22. CONSOLIDATED NET OPERATING CASH FLOW PER SHARE (NOCF) - Tk. 5.88

The computation is given below:

Net Cash Generated from Operating Activities	4,960,719,499	5,766,542,657
Weighted average number of Shares outstanding during the Period	844,239,058	844,239,058
Net Operating Cash Flow Per Share (NOCF)	<u>5.88</u>	<u>6.83</u>

Tk.

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

Profit after Tax	6,450,257,791	5,845,558,766
-------------------------	---------------	---------------

Adjustment to Reconcile Net Profit to Net Cash Provided by Operating Activities:

Non-Cash Expenses:	877,649,342	1,135,265,093
Depreciation	943,685,642	991,489,036
Exchange Rate Fluctuation	(614,649)	(1,307,962)
Deferred Tax	(65,421,651)	145,084,019
Non-Operating Items:	(1,516,822,020)	(902,536,962)
Dividend Income	(23,230,159)	(26,183,568)
Others	(1,493,591,861)	(876,353,394)
Changes in Working Capital:	(850,365,614)	(311,744,240)
(Increase)/Decrease in Inventories	(1,064,949,288)	(118,918,596)
(Increase)/Decrease in Trade Debtors	(135,137,888)	(105,071,211)
(Increase)/Decrease in Advances, Deposits and Prepayments	88,810,964	523,756,962
Increase/(Decrease) in Trade Creditors	(168,056,422)	60,696,806
Increase/(Decrease) in Liabilities for Expenses	(66,742,493)	(70,350,979)
Increase/(Decrease) in Liabilities for Other Finance	495,709,513	(601,857,222)
Net Cash Generated from Operating Activities	<u>4,960,719,499</u>	<u>5,766,542,657</u>

Tk.

SQUARE PHARMACEUTICALS LIMITED

STATEMENT OF FINANCIAL POSITION (Un-audited) As at 31 December 2019

Particulars	Notes	31-12-2019 Taka	30-06-2019 Taka
ASSETS:			
Non-Current Assets:			
		26,642,940,603	26,770,127,954
Property, Plant and Equipment-Carrying Value	2	20,673,229,451	20,760,435,864
Investment - Long Term (at Cost)	3	3,153,010,254	2,996,252,356
Investment in Marketable Securities (Fair Value)	4	2,816,700,898	3,013,439,734
Current Assets:			
		44,627,349,085	38,291,544,874
Inventories	5	5,661,461,961	4,596,512,673
Trade Debtors		1,696,956,055	1,561,818,167
Advances, Deposits and Prepayments	6	2,257,781,925	2,272,974,744
Short Term Loan	7	3,044,504,088	2,937,071,066
Cash and Cash Equivalents	8	31,966,645,056	26,923,168,224
TOTAL ASSETS		71,270,289,688	65,061,672,828
SHAREHOLDERS' EQUITY AND LIABILITIES:			
Shareholders' Equity:			
		63,507,058,180	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 on Marketable Securities (Unrealized)		(296,981,107)	145,585,283
Retained Earnings		51,008,561,571	48,417,297,898
Non-Current Liabilities:			
		1,228,925,222	1,294,346,873
Deffered Tax Liability	9	1,228,925,222	1,294,346,873
Current Liabilities:			
		6,534,306,286	2,961,270,978
Trade Creditors		537,403,608	708,882,266
Liabilities for Expenses	10	173,170,838	238,201,942
Liabilities for Other Finance	11	5,823,731,840	2,014,186,770
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		71,270,289,688	65,061,672,828
Net Assets Value per Share (NAV)	18	75.22	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 (Unaudited) For the 2nd Quarter Ended 31 December 2019

Particulars	Notes	Six Months Results		2nd Quarter Results	
		July-Dec 2019	July-Dec 2018	Oct-Dec 2019	Oct-Dec 2018
		Taka	Taka	Taka	Taka
GROSS TURNOVER	12	26,148,991,495	18,471,659,314	12,938,053,508	9,276,568,612
Less: Value Added Tax		3,726,206,166	2,501,238,561	1,808,851,388	1,276,971,762
NET TURNOVER		22,422,785,329	15,970,420,753	11,129,202,120	7,999,596,850
COST OF GOODS SOLD	13	(10,742,716,670)	(8,058,494,350)	(5,155,001,730)	(4,059,803,848)
GROSS PROFIT		11,680,068,659	7,911,926,403	5,974,200,390	3,939,793,002
Operating Expenses:		(4,254,001,722)	(3,772,148,099)	(2,242,679,595)	(2,018,955,962)
Selling & Distribution Expenses	14	(3,684,491,815)	(3,221,056,389)	(1,939,002,434)	(1,722,805,431)
Administrative Expenses	15	(569,457,446)	(551,066,814)	(303,638,566)	(296,125,635)
Finance Cost		(52,461)	(24,896)	(38,595)	(24,896)
PROFIT FROM OPERATIONS		7,426,066,937	4,139,778,304	3,731,520,795	1,920,837,040
Other Income	16	1,562,447,043	1,954,475,026	807,923,093	1,044,393,871
PROFIT BEFORE WPPF & WF		8,988,513,980	6,094,253,330	4,539,443,888	2,965,230,911
Allocation for WPPF & WF		(428,024,475)	(290,202,540)	(216,163,994)	(141,201,472)
PROFIT BEFORE TAX		8,560,489,505	5,804,050,790	4,323,279,894	2,824,029,439
Income Tax Expenses-Current		(2,168,506,006)	(1,292,062,718)	(1,084,229,587)	(566,714,726)
Deferred Income Tax Assets/(Liabilities)		65,421,651	(127,549,511)	20,460,795	(127,020,037)
PROFIT AFTER TAX FOR THE PERIOD		6,457,405,150	4,384,438,561	3,259,511,102	2,130,294,676
Other Comprehensive Income:					
Gain/(Loss) on Marketable Securities (Unrealized)	17	(442,566,390)	29,045,103	(229,146,978)	(71,135,720)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		6,014,838,760	4,413,483,664	3,030,364,124	2,059,158,956
Earnings Per Share (EPS)	19	7.65	5.19	3.86	2.52

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 (Unaudited) For the 2nd Quarter Ended 31 December 2019

Particulars	Share Capital	Share Premium	General Reserve	Tax Exemption Reserve	Gain/(Loss) 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-Dec'2019)	-	-	-	-	(442,566,390)	6,457,405,150	6,014,838,760
Cash Dividend (2018-2019)	-	-	-	-	-	(3,313,835,557)	(3,313,835,557)
Stock Dividend (2018-2019)	552,305,920	-	-	-	-	(552,305,920)	-
At 31 December 2019	8,442,390,580	2,035,465,000	105,878,200	2,211,743,936	(296,981,107)	51,008,561,571	63,507,058,180

STATEMENT OF CHANGES IN EQUITY (Unaudited) For the 2nd Quarter Ended 31 December 2018

Particulars	Share Capital	Share Premium	General Reserve	Tax Exemption Reserve	Gain/(Loss) 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
Total Comprehensive Income (Jul'2018-Dec'2018)	-	-	-	-	29,045,103	4,384,438,561	4,413,483,664
Cash Dividend (2017-2018)	-	-	-	-	-	(2,654,607,924)	(2,654,607,924)
Stock Dividend (2017-2018)	516,173,760	-	-	-	-	(516,173,760)	-
At 31 December 2018	7,890,084,660	2,035,465,000	105,878,200	-	244,776,036	38,145,548,222	48,421,752,118

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SQUARE PHARMACEUTICALS LIMITED

STATEMENT OF CASH FLOWS (Unaudited) For the 2nd Quarter Ended 31 December 2019

Particulars	Notes	2nd Quarter Ended	2nd Quarter Ended
		31 December 2019	31 December 2018
		Taka	Taka
Cash Flows From Operating Activities:			
RECEIPTS:			
Collections from Sales		26,307,366,266	18,505,792,620
Exchange Fluctuation Gain		785,082	1,307,962
Others		43,580,132	1,076,768,673
		26,351,731,480	19,583,869,255
PAYMENTS:			
Purchase of Raw and Packing Materials		8,784,475,619	3,538,499,890
Manufacturing and Operating Expenses		6,468,285,855	6,397,574,152
Value Added Tax		3,726,206,166	2,501,238,561
Finance Cost		52,461	24,896
Income Tax Expense		1,499,814,702	1,103,858,349
Workers Profit Participation Fund		671,547,044	239,190,630
Others		9,002,249	73,331,128
		21,159,384,096	13,853,717,606
Net cash provided by operating activities		5,192,347,384	5,730,151,649
Cash Flows From Investing Activities:			
Purchase of Fixed Assets		(877,753,712)	(1,147,902,212)
Investment		(402,585,452)	111,245,837
Short Term Loan		(107,433,022)	(1,980,560,302)
Gain on Sale of Marketable Securities		405,567	39,813,387
Interest Received		1,214,006,099	663,544,475
Dividend Received		23,230,159	24,651,068
Net cash used in investing activities		(150,130,361)	(2,289,207,747)
Cash Flows From Financing Activities:			
Dividend Paid		-	-
Net cash used in financing activities		-	-
Increase in Cash and Cash Equivalents		5,042,217,023	3,440,943,902
Net Effect of Foreign Currency Translation on Cash and Cash Equivalent		1,259,809	10,005,565
Cash and Cash Equivalents at the Opening		26,923,168,224	16,703,964,704
Cash and Cash Equivalents at the Closing		31,966,645,056	20,154,914,171
Net Operating Cash Flow per Share (NOCF)	20	6.15	6.79

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SQUARE PHARMACEUTICALS LIMITED

Notes to the Interim Financial Statements For the 2nd Quarter Ended December 31, 2019

1. Basis of Preparation of the Interim Financial Statements:

These Financial Statements (They) are the unaudited interim Financial statement (here after 'the Interim Financial Statements') of Square Pharmaceuticals Ltd. for the 2nd Quarter Ended on December 31, 2019 (here after the interim period). They are prepared in accordance with the Bangladesh Accounting Standard (BAS-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 even 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. 20,673,229,451

31-12-2019	30-06-2019
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Details of Property, Plant and Equipment and Depreciation as at 31 December, 2019 are as follows:

This is arrived at as follows:

Fixed Assets at Cost:

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	1,405,764,812	2,872,097,900
	<u>40,324,261,716</u>	<u>39,950,259,322</u>
Sales/Transfer during the Period/Year	(549,285,583)	(1,031,762,418)
Closing Balance	<u>39,774,976,133</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	943,685,642	1,875,504,706
	<u>19,101,746,682</u>	<u>18,236,343,228</u>
Sales/Transfer during the Period/Year	-	(78,282,188)
	<u>19,101,746,682</u>	<u>18,158,061,040</u>

Carrying Value

Tk. 20,673,229,451 20,760,435,864

3. INVESTMENT-Long Term (at Cost): Tk. 3,153,010,254

This consists of the following:

Subsidiary:

(a) USD 6,055,000 has Invested in the Share of Square Pharmaceuticals Kenya EPZ Ltd.

	31-12-2019	30-06-2019
	498,951,875	216,263,887
	498,951,875	216,263,887

Associates:

(a) 91,436,679 Ordinary Shares of Tk. 10/- each including Bonus Shares in Square Textiles Ltd.

(b) 199,750 Ordinary Shares of Tk. 1,000/- each in Square Hospitals Ltd.

(c) Advance against Share Money with Square Hospitals Ltd. for 1,537,500 Shares of Tk. 1,000/- each

(d) Investment in Square Fashions Ltd:

- 252,000 Ordinary Shares of Tk. 100/- each

- 210,000 Ordinary Shares of Tk. 600/- each *

	225,129,795	225,129,795
	210,750,000	210,750,000
	1,537,500,000	1,537,500,000
	151,200,000	151,200,000
	2,124,579,795	2,124,579,795

Others:

(a) 120,000 Ordinary Shares of Tk.100/- each in United Hospital Ltd.

(b) 5,711,804 Ordinary Shares of Tk. 10/- each including Bonus Shares in Central Depository Bangladesh Ltd.

(c) Advance against Share Money with Square InformatiX Ltd. for 1,000,000 Shares of Tk. 100/- each .

(d) 250,002 Zero Coupon Bond in Lanka Bangla Finance Ltd.

(e) 250,000 Zero Coupon Bond in IDLC Finance Ltd.

(f) 200,000 Zero Coupon Bond in Bangladesh Steel Re-Rolling Mills Ltd.

(g) 150,000 Preference Share in Raj Lanka Power Company Ltd.

(h) 5 Non-Convertible Zero Coupon Bond in Shanta Holdings Ltd.

(i) 5 Non-Convertible Zero Coupon Bond in Durable Plastics Ltd.

(j) 100,000 Non-Convertible Zero Coupon Bond in Flamingo Fashions Ltd.

(k) 40 Non-Convertible Zero Coupon Bond in Envoy Textiles Ltd.

	12,000,000	12,000,000
	15,694,430	15,694,430
	100,000,000	100,000,000
	68,070,856	104,032,523
	68,724,108	89,688,142
	17,246,770	46,650,453
	72,727,275	87,272,730
	81,618,169	81,618,169
	23,706,130	29,143,864
	39,209,093	53,606,386
	30,481,753	35,701,977
	529,478,584	655,408,674
Tk.	3,153,010,254	2,996,252,356

4. INVESTMENT IN MARKETABLE SECURITIES (Fair Value): Tk. 2,816,700,898

	Position of Jul'2019-Dec'2019			Position of Jul'2018-Jun'2019		
	Total Cost (Taka)	Total Market Value (Taka)	Realized/ Unrealized Gain	Total Cost (Taka)	Total Market Value (Taka)	Realized/ Unrealized Gain
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	248,059,769	(194,912,188)	(442,971,957)	276,026,580	326,548,512	50,521,932
Less: Sold/Disposed Off during the Period	(2,232,215)	(1,826,648)	405,567	(123,169,788)	(200,119,128)	(76,949,340)
Closing Balance	3,113,682,005	2,816,700,898	(296,981,107)	2,867,854,451	3,013,439,734	145,585,283

5. INVENTORIES: Tk. 5,661,461,961

The break-up is as under:

Raw Materials

Packing Materials

Work-in-Process

Finished Goods

Spares & Accessories

Goods- in-Transit

	1,926,805,375	1,531,223,724
	772,573,821	609,472,347
	379,567,546	274,303,768
	1,864,590,243	1,226,561,623
	580,551,660	551,889,224
	137,373,316	403,061,987
Tk.	5,661,461,961	4,596,512,673

6. ADVANCES, DEPOSITS & PREPAYMENTS : Tk. 2,257,781,925

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

	609,210,790	591,120,002
	121,163,794	189,352,951
	158,182,113	136,907,630
	329,864,883	264,859,421
	1,620,556,319	1,633,830,266
	97,913,777	391,426,436
	276,572,228	267,569,979
	1,246,070,314	966,890,119
	-	7,943,732
	28,014,816	48,024,476
	10,350,883	11,390,890
	17,663,933	36,633,586
Tk.	2,257,781,925	2,272,974,744

7. SHORT TERM LOAN (Unsecured): Tk. 3,044,504,088

This consists of as follows:

	31-12-2019	30-06-2019
(a) Square Textiles Ltd.	2,269,138,230	2,168,788,505
(b) Square Fashions Ltd.	775,365,858	672,588,614
(c) Square Hospitals Ltd.	-	95,693,947
Tk.	<u>3,044,504,088</u>	<u>2,937,071,066</u>

8. CASH AND CASH EQUIVALENTS: Tk. 31,966,645,056

This is made up as follows:

	31-12-2019	30-06-2019
(a) Cash in Hand	8,706,628	6,866,061
(b) Cash at Bank:	31,957,938,428	26,916,302,163
* Current Account	1,519,511,766	855,946,490
* STD Account	3,468,427,861	2,131,200,472
* Fixed Deposit Account (BD Taka)	23,603,809,226	20,853,809,226
* Fixed Deposit Account (USD)	2,690,872,050	2,283,903,416
* Export Retention Quota Account (USD)	371,789,642	702,111,670
* Margin Held Account (USD)	303,527,883	89,330,889
Tk.	<u>31,966,645,056</u>	<u>26,923,168,224</u>

9. DEFERRED TAX LIABILITY: Tk. 1,228,925,222

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)	(65,421,651)	45,679,213
Closing Balance	<u>1,228,925,222</u>	<u>1,294,346,873</u>

Computation of Deferred Tax for the Year Ended 31 December, 2019:

A. Property, Plant and Equipments excluding Cost of Land (Carrying Amount)	13,946,914,626	14,390,053,646
B. Property, Plant and Equipments excluding Cost of Land (Tax Base)	9,031,213,738	9,212,666,153
C. Taxable/(Deductable) Temporary Difference (A-B)	4,915,700,888	5,177,387,493
D. Deferred Tax Liabilities as on 31 December, 2019	1,228,925,222	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)	(65,421,651)	45,679,213
Tk.	<u>(65,421,651)</u>	<u>45,679,213</u>

10. LIABILITIES FOR EXPENSES: Tk. 173,170,838

This consists of as follows:

Accrued Expenses	64,619,797	129,075,901
Provision for Gratuity	108,551,041	108,551,041
Audit Fees	-	575,000
Tk.	<u>173,170,838</u>	<u>238,201,942</u>

11. LIABILITIES FOR OTHER FINANCE: Tk. 5,823,731,840

This consists of as follows:

Sundry Creditors	4,016,150,851	641,736,368
Income Tax (Deduction at Source)	20,786,666	8,948,030
Retention Money	942,730	2,819,514
Workers' Profit Participation Fund and Welfare Fund	559,258,835	802,781,404
Income Tax Payable (Note-11.1)	1,226,592,758	557,901,454
Tk.	<u>5,823,731,840</u>	<u>2,014,186,770</u>

11.1 INCOME TAX PAYABLE: Tk. 1,226,592,758

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	2,168,506,006	3,356,746,041
Tax Paid (Including Advance Income Tax during the Period)	(1,499,814,702)	(3,173,411,708)
Tk.	<u>1,226,592,758</u>	<u>557,901,454</u>

12. GROSS REVENUE: Tk. 26,148,991,495

This is made-up as follows:

	2019 (Jul'2019-Dec'2019)	2018 (Jul'2018-Dec'2018)
Local Sales	25,289,873,050	17,785,248,567
Export Sales Equivalent in US \$ 10,263,011 (Jul'18-Dec'18 US \$ 8,252,021)	859,118,445	686,410,747
Tk.	<u>26,148,991,495</u>	<u>18,471,659,314</u>

13. COST OF GOODS SOLD: Tk. 10,742,716,670

Materials	7,584,653,841	5,212,880,481
Factory Overhead	3,158,062,829	2,845,613,869
Tk.	<u>10,742,716,670</u>	<u>8,058,494,350</u>

14. SELLING & DISTRIBUTION EXPENSES: Tk. 3,684,491,815

This consists of as follows:

Salaries and Allowances	621,039,956	546,208,943
Travelling and Conveyance	70,150,343	57,319,526
Printing and Stationery	35,227,357	32,326,250
Postage, Telephone, Fax & Telex	32,704,001	24,741,820
Electricity, Gas and Water	13,177,227	13,107,718
Office and Godown Rent	13,680,902	10,958,869
Repairs and Maintenance including car maintenance	214,423,010	199,872,509
Govt. Taxes and Licence Fees	26,012,703	14,413,412
Field Staff Salaries, Allowances, TA and DA	1,009,608,886	814,865,232
Marketing and Promotional Expenses	660,713,673	586,205,152
Delivery and Packing Expenses	81,046,369	74,018,713
Export Expenses	54,528,687	71,257,254
Special Discount	595,575,928	535,625,979
Security Services	31,755,031	38,535,381
Depreciation	91,281,519	92,705,591
Other Expenses	133,566,223	108,894,040
Tk.	<u>3,684,491,815</u>	<u>3,221,056,389</u>

15. ADMINISTRATIVE EXPENSES: Tk. 569,457,446

This consists of as follows:

Salaries and Allowances	199,408,028	175,264,162
Directors' Remuneration	29,347,047	41,880,274
Travelling and Conveyance	71,010,609	64,250,809
Printing and Stationery	7,852,212	7,067,305
Postage, Telephone, Internet	4,225,742	4,552,209
Electricity, Gas & Water	10,913,217	14,173,053
Tiffin and Refreshment	27,920,364	24,830,088
Repairs and Maintenance	86,208,292	68,186,133
Bank Charges	6,108,250	6,190,577
Insurance Premium	7,739,076	6,294,584
Govt. Taxes, Stamp Duty & Licence Fee	4,450,855	4,954,144
Security Services	20,902,122	25,905,258
Legal Charges	1,079,500	993,800
Depreciation	53,981,496	51,832,528
Software & Hardware Support Services	11,727,191	33,626,033
Other Expenses	26,583,445	21,065,857
Tk.	<u>569,457,446</u>	<u>551,066,814</u>

16. OTHER INCOME: Tk. 1,562,447,043

This is arrived at as follows:

Bank Interest	1,386,664,802	715,780,234
Interest on Loan to Sister Concern	106,521,492	106,036,389
Dividend	23,230,159	24,651,068
Commission Received	-	1,018,758,375
Gain on Marketable Securities (Realized)	405,567	39,813,387
Foreign Exchange Fluctuation Gain	2,044,891	7,399,976
Others	43,580,132	42,035,597
Tk.	<u>1,562,447,043</u>	<u>1,954,475,026</u>

2019 (Jul'2019-Dec'2019)	2018 (Jul'2018-Dec'2018)
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17. GAIN/(LOSS) ON MARKETABLE SECURITIES (UNREALIZED): Tk. (442,566,390)

Unrealized Gain/(Loss) Position (Closing)	(296,981,107)	244,776,036
(-) Unrealized Gain/(Loss) Position (Opening)	145,585,283	(215,730,933)
Tk.	(442,566,390)	29,045,103

18. NET ASSET VALUE PER SHARE (NAV) - Tk. 75.22

The computation is given below:

Equity Attributable to the Ordinary Shareholders	63,507,058,180	60,806,054,977
Weighted average number of Shares outstanding during the Period	844,239,058	844,239,058
Tk.	75.22	72.02

19. EARNINGS PER SHARE (EPS) - Tk. 7.65

The computation is given below:

Surplus for the year attributable to Shareholders (Net Profit after Tax)	6,457,405,150	4,384,438,561
Weighted average number of Shares outstanding during the Period	844,239,058	844,239,058
Tk.	7.65	5.19

20. NET OPERATING CASH FLOW PER SHARE (NOCF) - Tk. 6.15

The computation is given below:

Net Cash Generated from Operating Activities	5,192,347,384	5,730,151,649
Weighted average number of Shares outstanding during the Period	844,239,058	844,239,058
Tk.	6.15	6.79

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

Profit after Tax	6,457,405,150	4,384,438,561
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Adjustment to Reconcile Net Profit to Net Cash Provided by Operating Activities:

Non-Cash Expenses:	877,004,182	965,518,877
Depreciation	943,685,642	839,277,328
Exchange Rate Fluctuation	(1,259,809)	(1,307,962)
Deferred Tax	(65,421,651)	127,549,511

Non-Operating Items:	(1,516,822,020)	(876,398,391)
Dividend Income	(23,230,159)	(24,651,068)
Others	(1,493,591,861)	(851,747,323)

Changes in Working Capital:	(625,239,928)	1,256,592,602
(Increase)/Decrease in Inventories	(1,064,949,288)	(61,227,652)
(Increase)/Decrease in Trade Debtors	(135,137,888)	(103,651,955)
(Increase)/Decrease in Advances, Deposits and Prepayments	315,647,497	521,609,702
Increase/(Decrease) in Trade Creditors	(171,478,658)	1,660,906,595
Increase/(Decrease) in Liabilities for Expenses	(65,031,104)	(70,422,480)
Increase/(Decrease) in Liabilities for Other Finance	495,709,513	(690,621,608)

Net Cash Generated from Operating Activities	5,192,347,384	5,730,151,649
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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 Manant 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	1,006,723,675	583,908,270
Total Realized during the Period	(906,373,950)	(90,440,543)
Tk.	2,269,138,230	494,853,468

	2019 (Jul'2019-Sep'2019)	2018 (Jul'2018-Dec'2018)
Transaction with Square Fashions Ltd.:		
Opening Balance	672,588,614	79,314
Total Paid during the Period	260,999,147	5,092,721,626
Total Realized during the Period	(158,221,903)	(657,022,790)
Closing Balance (Receivable)	<u>775,365,858</u>	<u>4,435,778,150</u>
Transaction with Square Hospitals Ltd.:		
Opening Balance	95,693,947	-
Total Paid during the Period	15,025,887	241,164,857
Total Realized during the Period	(110,719,834)	(241,164,857)
Closing Balance (Receivable)	<u>-</u>	<u>-</u>
Transaction with Square InformatiX Ltd.:		
Opening Balance	(2,214,332)	(3,667,348)
Total Paid during the Period	32,603,941	25,589,792
Total Realized during the Period	(24,797,860)	(16,964,796)
Closing Balance (Receivable)	<u>5,591,749</u>	<u>4,957,648</u>
Transaction with Square Formulations Ltd.:		
Opening Balance	-	(3,957,792,509)
Total Paid during the Period	-	3,788,378,462
Total Realized during the Period	-	(5,421,566,989)
Closing Balance (Payable)	<u>-</u>	<u>(5,590,981,036)</u>
Transaction with Square Denims Ltd.:		
Opening Balance	-	2,168,142,032
Total Paid during the Period	168,586,062	947,795,726
Total Realized during the Period	(168,586,062)	(3,115,937,758)
Closing Balance (Receivable)	<u>-</u>	<u>-</u>
Transaction with Square Apparels Ltd.:		
Opening Balance	-	780,464,229
Total Paid during the Period	116,187,038	412,710,191
Total Realized during the Period	(116,187,038)	(1,193,174,420)
Closing Balance (Receivable)	<u>-</u>	<u>-</u>
Transaction with Square Securities Management Ltd.:		
Opening Balance	19,884,032	33,628,743
Total Paid during the Period	302,637,782	90,699,111
Total Realized during the Period	(248,172,918)	(60,713,842)
Closing Balance (Receivable)	<u>74,348,896</u>	<u>63,614,012</u>
Transaction with Square Herbal & Nutraceuticals Ltd.:		
Opening Balance	-	477,903,193
Total Paid during the Period	-	155,294,924
Total Realized during the Period	-	(451,294,070)
Closing Balance (Receivable)	<u>-</u>	<u>181,904,047</u>
Transaction with Pharma Packages (Pvt.) Ltd.:		
Opening Balance	117,457,765	100,200,000
Total Paid during the Period	373,811,205	187,801,894
Total Realized during the Period	(350,060,375)	(250,000,000)
Closing Balance (Receivable)	<u>141,208,595</u>	<u>38,001,894</u>
Transaction with AEGIS Services Ltd.:		
Opening Balance	300,000	-
Total Paid during the Period	19,144,182	19,377,247
Total Realized during the Period	(19,144,182)	(19,377,247)
Closing Balance (Receivable)	<u>300,000</u>	<u>-</u>

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	201,532,359	190,871,460
Post-Employment Benefits	16,060,245	6,204,479
Other Long-Term Benefits	-	-
Termination Benefits	-	-
Share-Based Payment	-	-

22. The Contingent Liabilities of the company as of December 31, 2019 were as follows:

For Sight Letter of Credits for Tk.2,629,191,598 crore only of Square Pharmaceuticals Ltd. but there is no contingent liability of the Square Pharmaceuticals Kenya EPZ Limited.