

First Quarter  
Financial Statement 2019-2020  
(Unaudited)



***SQUARE PHARMACEUTICALS LTD.***

(Consolidated and Separate)

# SQUARE PHARMACEUTICALS LIMITED

AND ITS SUBSIDIARY

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Unaudited) As at 30 September 2019

Particulars	Notes	30-09-2019 Taka	30-06-2019 Taka
<b>ASSETS:</b>			
<b>Non-Current Assets:</b>			
		<b>33,533,552,306</b>	<b>33,734,410,538</b>
Property, Plant and Equipment-Carrying Value	2	20,668,219,952	20,853,956,270
Investment - Long Term (at Cost)	3	627,171,913	655,408,674
Investment - Associates Undertaking	4	9,379,986,767	9,211,605,860
Investment in Marketable Securities (Fair Value)	5	2,858,173,674	3,013,439,734
<b>Current Assets:</b>			
		<b>42,009,804,985</b>	<b>38,411,642,036</b>
Inventories	6	4,718,105,209	4,596,512,673
Trade Debtors		1,622,498,360	1,561,818,167
Advances, Deposits and Prepayments	7	2,085,385,915	2,312,201,184
Short Term Loan	8	2,842,097,344	2,937,071,066
Cash and Cash Equivalents	9	30,741,718,157	27,004,038,946
<b>TOTAL ASSETS</b>		<b>75,543,357,291</b>	<b>72,146,052,574</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES:</b>			
<b>Shareholders' Equity:</b>			
		<b>71,012,815,366</b>	<b>67,880,617,172</b>
Share Capital		7,890,084,660	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)	5	(67,834,129)	145,585,283
Cumulative Translation Adjustment		(9,158,345)	(939,072)
Retained Earnings		58,846,636,044	55,492,799,165
<b>Non-Current Liabilities:</b>			
		<b>1,249,386,017</b>	<b>1,294,346,873</b>
Deferred Tax Liability	10	1,249,386,017	1,294,346,873
<b>Current Liabilities:</b>			
		<b>3,281,155,908</b>	<b>2,971,088,529</b>
Trade Creditors		738,931,193	716,988,428
Liabilities for Expenses	11	130,383,483	239,913,331
Liabilities for Other Finance	12	2,411,841,232	2,014,186,770
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>75,543,357,291</b>	<b>72,146,052,574</b>
<b>Net Assets Value per Share</b>	20	<b>90.00</b>	<b>86.03</b>

Annexed notes are integral part of these financials.

Samuel S Chowdhury  
Chairman

Ratna Patra  
Vice Chairman

Tapan Chowdhury  
Managing Director

Md. 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 (Unaudited)  
For the 1st Quarter Ended 30 September 2019

Particulars	Notes	July-September 2019 Taka	July-September 2018 Taka
<b>GROSS TURNOVER</b>	<b>13</b>	<b>13,210,937,987</b>	<b>12,210,554,313</b>
Less: Value Added Tax		1,917,354,778	1,668,476,381
<b>NET TURNOVER</b>		<b>11,293,583,209</b>	<b>10,542,077,932</b>
Cost of Goods Sold	14	(5,587,714,940)	(5,115,810,187)
<b>GROSS PROFIT</b>		<b>5,705,868,269</b>	<b>5,426,267,745</b>
<b>OPERATING EXPENSES:</b>		<b>(2,014,788,128)</b>	<b>(1,783,342,111)</b>
Selling & Distribution Expenses	15	(1,745,489,381)	(1,522,611,142)
Administrative Expenses	16	(269,280,852)	(260,726,377)
Finance Cost		(17,895)	(4,592)
<b>PROFIT FROM OPERATIONS</b>		<b>3,691,080,141</b>	<b>3,642,925,634</b>
Other Income	17	745,551,875	448,482,546
PROFIT BEFORE WPPF		4,436,632,016	4,091,408,180
Allocation for WPPF		(211,860,481)	(195,027,527)
PROFIT BEFORE TAX		4,224,771,535	3,896,380,653
Income Tax Expenses-Current		(1,084,276,419)	(933,616,084)
Income Tax Assets/(Expenses)-Deferred		44,960,856	(9,302,870)
<b>PROFIT AFTER TAX</b>		<b>3,185,455,972</b>	<b>2,953,461,699</b>
Profit/(Loss) from Associates Undertaking	18	168,380,907	218,919,133
<b>PROFIT FOR THE PERIOD</b>		<b>3,353,836,879</b>	<b>3,172,380,832</b>
Other Comprehensive Income:			
Gain/(Loss) on Marketable Securities (Unrealized)	19	(213,419,412)	84,190,296
Cumulative Translation Adjustment		(8,219,273)	-
<b>Total Comprehensive Income for the Period</b>		<b>3,132,198,194</b>	<b>3,256,571,128</b>
<b>Profit Attributable to:</b>			
Owners of the Company		3,353,836,879	3,168,863,394
Non Controlling Interest		-	3,517,438
		<b>3,353,836,879</b>	<b>3,172,380,832</b>
Total Comprehensive Income Attributable to:			
Owners of the Company		3,132,198,194	3,253,133,642
Non Controlling Interest		-	3,437,486
		<b>3,132,198,194</b>	<b>3,256,571,128</b>
<b>Earnings Per Share (EPS)</b>	<b>21</b>	<b>4.25</b>	<b>4.02</b>

Annexed notes are integral part of these financials.

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Ratna Patra  
Vice Chairman

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Company Secretary

# SQUARE PHARMACEUTICALS LIMITED

AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)

## For the 1st Quarter Ended 30 September 2019

Particulars	Share Capital	Share Premium	General Reserve	Tax Exemption Reserve	Gain on 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'19-Sep'19)	-	-	-	-	(213,419,412)	3,353,836,879	-	3,140,417,467
<b>At 30 September 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>(67,834,129)</b>	<b>58,846,636,044</b>	<b>-</b>	<b>71,021,973,711</b>

## For the 1st Quarter Ended 30 September 2018

At 30 June 2018	7,373,910,900	2,035,465,000	105,878,200	1,949,557,722	192,272,252	46,159,482,757	24,901,060	57,841,467,891
Transfer to Tax Exemption Reserve	-	-	-	138,649,622	-	(138,649,622)	-	-
Total Comprehensive Income (Jul'18-Sep'18)	-	-	-	-	84,190,296	3,168,863,394	3,517,438	3,256,571,128
<b>At 30 September 2018</b>	<b>7,373,910,900</b>	<b>2,035,465,000</b>	<b>105,878,200</b>	<b>2,088,207,344</b>	<b>276,462,548</b>	<b>49,189,696,529</b>	<b>28,418,498</b>	<b>61,098,039,019</b>

Annexed notes are integral part of these financials.

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Company Secretary

# SQUARE PHARMACEUTICALS LIMITED

AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)

For the 1st Quarter Ended 30 September 2019

Particulars	Notes	2019 (Jul'2019-Sep'2019) Taka	2018 (Jul'2018-Sep'2018) Taka
<b>Cash Flows From Operating Activities:</b>			
<b>RECEIPTS:</b>			
Collection from Sales		13,465,808,928	12,221,441,737
Exchange Fluctuation Gain		666,222	590,547
Others		11,745,618	43,717,653
		13,478,220,768	12,265,749,937
<b>PAYMENTS:</b>			
Purchase of Raw and Packing Materials		4,132,195,612	3,538,418,917
Manufacturing and Operating Expenses		3,206,162,714	2,977,960,856
Value Added Tax		1,917,354,778	1,668,476,381
Finance Cost		17,895	4,592
Income Tax Expenses		736,835,877	775,295,975
Workers Profit Participation Fund		198,486,364	24,487,430
Others		23,871,372	81,174,351
		10,214,924,612	9,065,818,502
Net cash provided by operating activities		3,263,296,156	3,199,931,435
<b>Cash Flows From Investing Activities:</b>			
Purchase of Fixed Assets		(321,291,559)	(694,389,145)
Investment		(29,916,591)	(20,943,747)
Short Term Loan		94,973,722	(240,660,007)
Gain on Sale of Marketable Securities		350,121	9,550,645
Interest Received		715,625,061	413,251,508
Dividend Received		21,140,396	23,299,717
Net cash used in investing activities		480,881,150	(509,891,029)
<b>Cash Flows From Financing Activities</b>			
		-	-
Increase in Cash and Cash Equivalents		3,744,177,306	2,690,040,406
Net Effect of Foreign Currency Translation on Cash and Cash Equivalent		1,721,178	896,581
Cash and Cash Equivalents at the Opening		27,004,038,946	16,980,412,765
Cash and Cash Equivalents at the Closing		30,749,937,430	19,671,349,752
<b>Net Operating Cash Flow per Share (NOCF)</b>	<b>22</b>	<b>4.14</b>	<b>4.06</b>

Annexed notes are integral part of these financials.

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Company Secretary

# SQUARE PHARMACEUTICALS LTD.

## Notes to the Consolidated Interim Financial Statements For the 1st Quarter Ended September 30 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. , Companies incorporated in Bangladesh under companies act and Square Pharmaceuticals Kenya EPZ Limited incorporated in Kenya under companies act 2015, Kenya, for the 1st Quarter Ended on September 30, 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 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.

### **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 parent company. (It holds 100% shares). 1 KHS = 0.78934 BDT

30-09-2019

30-06-2019

**2. CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT: Tk. 20,668,219,952**

Details of Property, Plant and Equipment and Depreciation as at 30 September 2019 are as follows:

This is arrived at as follows:

**Fixed Assets at Cost:**

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	728,422,624	2,943,453,689
	<u>39,740,439,934</u>	<u>40,043,779,728</u>
Sales/Transfer during the Period/Year	(447,126,047)	(1,031,762,418)
Closing Balance	<u>39,293,313,887</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	467,032,895	1,875,504,706
	<u>18,625,093,935</u>	<u>18,236,343,228</u>
Sales/Transfer during the Period/Year	-	(78,282,188)
	<u>18,625,093,935</u>	<u>18,158,061,040</u>

Carrying Value Tk. **20,668,219,952** **20,853,956,270****3. CONSOLIDATED INVESTMENT-Long Term (at Cost): Tk. 627,171,913**

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.	104,032,523	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.	46,650,453	46,650,453
(g) 150,000 Preference Share in Raj Lanka Power Company Ltd.	80,000,003	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.	29,143,864	29,143,864
(j) 100,000 Non-Convertible Zero Coupon Bond in Flamingo Fashions Ltd.	53,606,386	53,606,386
(k) 40 Non-Convertible Zero Coupon Bond in Envoy Textiles Ltd.	35,701,977	35,701,977
	<u>Tk. 627,171,913</u>	<u>655,408,674</u>

**4. INVESTMENT-Associate Undertakings: Tk. 9,379,986,767**

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)	168,380,907	931,706,302
Less: Dividend during the Period/Year	-	(174,165,175)
Closing Balance	<u>Tk. 9,379,986,767</u>	<u>9,211,605,860</u>

**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. 2,858,173,674**

Particulars	Position of Jul'2019-Sep'2019			Position of Jul'2018-Jun'2019		
	Total Cost	Total Market Value	Realized/Unrealized Gain	Total Cost	Total Market Value	Realized/Unrealized Gain
<b>Opening Balance</b>	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	59,959,726	(153,109,565)	(213,069,291)	322,503,330	375,676,774	53,173,444
Less: Sold/Disposed Off during the Period	(1,806,374)	(2,156,495)	(350,121)	(153,585,164)	(253,445,577)	(99,860,413)
<b>Closing Balance Tk.</b>	<b>2,926,007,803</b>	<b>2,858,173,674</b>	<b>(67,834,129)</b>	<b>2,867,854,451</b>	<b>3,013,439,734</b>	<b>145,585,283</b>

**6. CONSOLIDATED INVENTORIES : Tk. 4,718,105,209**

The break-up is as under:

Raw Materials	1,633,283,826	1,531,223,724
Packing Materials	644,632,497	609,472,347
Work-in-Process	292,078,689	274,303,768
Finished Goods	1,288,619,403	1,226,561,623
Spares & Accessories	563,851,392	551,889,224
Goods- in-Transit	295,639,402	403,061,987
<b>Tk.</b>	<b>4,718,105,209</b>	<b>4,596,512,673</b>

**7. CONSOLIDATED ADVANCES, DEPOSITS & PREPAYMENTS : Tk. 2,085,385,915**

This consists of as follows:

<b>Advances:</b>	<b>716,137,858</b>	<b>628,767,658</b>
Employees	194,723,436	189,352,951
Land Purchase	176,902,612	136,907,630
Suppliers	344,511,810	302,507,077
<b>Deposits:</b>	<b>1,330,088,835</b>	<b>1,635,409,050</b>
Value Added Tax	75,875,302	391,426,436
Earnest Money & Security Deposit	293,020,135	269,148,763
Interest on Fixed Deposit Receipts	961,193,398	966,890,119
Others	-	7,943,732
<b>Prepayments:</b>	<b>39,159,222</b>	<b>48,024,476</b>
Office Rent	11,387,887	11,390,890
Insurance Premium	27,771,335	36,633,586
<b>Tk.</b>	<b>2,085,385,915</b>	<b>2,312,201,184</b>

**8. CONSOLIDATED SHORT TERM LOAN (Unsecured): Tk. 2,842,097,344**

This consists of as follows:

(a) Square Textiles Ltd.	2,085,500,623	2,168,788,505
(b) Square Fashions Ltd.	729,111,770	672,588,614
(c) Square Hospitals Ltd.	27,484,951	95,693,947
<b>Tk.</b>	<b>2,842,097,344</b>	<b>2,937,071,066</b>

**9. CONSOLIDATED CASH AND CASH EQUIVALENTS: Tk. 30,741,718,157**

This is made up as follows:

(a) Cash in Hand	8,916,126	6,866,061
(b) Cash at Bank:	<b>30,732,802,031</b>	<b>26,997,172,885</b>
* Current Account	756,209,369	936,817,212
* STD Account	1,851,236,345	2,131,200,472
* Fixed Deposit Account (BD Taka)	25,103,809,226	20,853,809,226
* Fixed Deposit Account (USD)	2,663,687,967	2,283,903,416
* Export Retention Quota Account (USD)	226,460,449	702,111,670
* Margin Held Account (USD)	131,398,675	89,330,889
<b>Tk.</b>	<b>30,741,718,157</b>	<b>27,004,038,946</b>



30-09-2019

30-06-2019

**10. CONSOLIDATED DEFERRED TAX LIABILITY: Tk. 1,249,386,017**

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)	(44,960,856)	63,213,721
Closing Balance	Tk. <u>1,249,386,017</u>	<u>1,294,346,873</u>

**Computation of Deferred Tax for the Year Ended 30 September, 2019:**

A. Property, Plant and Equipments excluding Cost of Land (Carrying Amount)	14,219,472,539	16,495,267,592
B. Property, Plant and Equipments excluding Cost of Land (Tax Base)	9,221,928,472	11,255,256,856
C. Taxable/(Deductable) Temporary Difference (A-B)	4,997,544,067	5,240,010,736
D. Deferred Tax Liabilities as on 30 September, 2019	1,249,386,017	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>(44,960,856)</u>	<u>63,213,721</u>

**11. CONSOLIDATED LIABILITIES FOR EXPENSES: Tk. 130,383,483**

This consists of as follows:

Accrued Expenses	21,225,866	130,754,244
Provision for Gratuity	108,551,041	108,551,041
Audit Fees	606,576	608,046
	Tk. <u>130,383,483</u>	<u>239,913,331</u>

**12. CONSOLIDATED LIABILITIES FOR OTHER FINANCE: Tk. 2,411,841,232**

This consists of as follows:

Sundry Creditors	675,269,124	641,736,368
Income Tax (Deduction at Source)	11,447,882	8,948,030
Retention Money	3,626,709	2,819,514
Workers' Profit Participation Fund and Welfare Fund	816,155,521	802,781,404
Income Tax Payable (Note-12.1)	905,341,996	557,901,454
	Tk. <u>2,411,841,232</u>	<u>2,014,186,770</u>

**12.1 INCOME TAX PAYABLE: Tk. 905,341,996**

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	1,084,276,419	3,876,979,330
Tax Paid (Including Advance Income Tax during the Period)	(736,835,877)	(3,565,244,457)
	Tk. <u>905,341,996</u>	<u>557,901,454</u>

	<b>2019</b> (Jul'2019-Sep'2019)	<b>2018</b> (Jul'2018-Sep'2018)
<b>13. CONSOLIDATED GROSS REVENUE: Tk. 13,210,937,987</b>		
This consists of as follows:		
Square Pharmaceuticals Ltd.	13,210,937,987	9,195,090,702
Square Formulations Ltd.	-	3,015,463,611
Tk.	<u><u>13,210,937,987</u></u>	<u><u>12,210,554,313</u></u>
<b>14. CONSOLIDATED COST OF GOODS SOLD: Tk. 5,587,714,940</b>		
Materials	4,052,451,741	3,513,685,573
Factory Overhead	1,535,263,199	1,602,124,614
Tk.	<u><u>5,587,714,940</u></u>	<u><u>5,115,810,187</u></u>
<b>15. CONSOLIDATED SELLING &amp; DISTRIBUTION EXPENSES: Tk. 1,745,489,381</b>		
This consists of as follows:		
Salaries and Allowances	316,496,379	271,153,022
Travelling and Conveyance	27,681,466	22,656,080
Printing and Stationery	16,174,251	14,065,099
Postage, Telephone, Fax & Telex	13,415,483	7,584,771
Electricity, Gas and Water	4,981,858	5,573,969
Office and Godown Rent	6,794,056	5,223,134
Repairs and Maintenance including car maintenance	108,450,689	97,864,152
Govt. Taxes and Licence Fees	17,319,132	5,596,904
Field Staff Salaries, Allowances, TA and DA	440,935,279	385,415,360
Marketing and Promotional Expenses	324,537,667	278,204,002
Delivery and Packing Expenses	32,632,403	28,350,878
Export Expenses	28,795,445	27,051,595
Special Discount	284,182,455	246,541,097
Security Services	13,694,809	18,108,437
Depreciation	44,012,538	44,870,657
Other Expenses	65,385,471	64,351,985
Tk.	<u><u>1,745,489,381</u></u>	<u><u>1,522,611,142</u></u>
<b>16. CONSOLIDATED ADMINISTRATIVE EXPENSES: Tk. 269,280,852</b>		
This consists of as follows:		
Salaries and Allowances	97,426,863	83,689,121
Directors' Remuneration	14,340,789	20,464,987
Travelling and Conveyance	27,730,872	21,407,239
Printing and Stationery	1,836,042	1,566,821
Postage, Telephone, Internet	1,898,539	2,276,543
Electricity, Gas & Water	4,748,812	6,906,831
Tiffin and Refreshment	18,877,006	16,890,031
Repairs and Maintenance	38,187,004	28,458,739
Bank Charges	3,426,979	4,674,995
Insurance Premium	3,817,207	3,166,819
Govt. Taxes, Stamp Duty & Licence Fee	1,862,217	3,145,330
Security Services	7,538,531	12,621,182
Legal Charges	215,750	488,080
Depreciation	26,756,933	25,764,194
Software & Hardware Support Services	8,170,028	16,656,314
Other Expenses	12,447,280	12,549,151
Tk.	<u><u>269,280,852</u></u>	<u><u>260,726,377</u></u>
<b>17. CONSOLIDATED OTHER INCOME: Tk. 745,551,875</b>		
This is arrived at as follows:		
Bank Interest	655,027,692	323,355,940
Interest on Loan to Sister Concern	50,864,682	47,662,010
Dividend	21,140,396	23,299,717
Commission Received	-	22,754,378
Gain on Marketable Securities (Realized)	350,121	9,550,645
Others	18,168,984	21,859,856
Tk.	<u><u>745,551,875</u></u>	<u><u>448,482,546</u></u>

	<b>2019</b> (Jul'2019-Sep'2019)	<b>2018</b> (Jul'2018-Sep'2018)
<b>18. PROFIT FROM ASSOCIATES UNDERTAKING: Tk. 168,380,907</b>		
This is arrived at as follows:		
a) Square Textiles Ltd.	35,246,285	44,142,689
b) Square Fashions Ltd.	92,323,979	134,811,997
c) Square Hospitals Ltd.	40,810,643	39,964,447
Tk.	<u><u>168,380,907</u></u>	<u><u>218,919,133</u></u>
<b>19. CONSOLIDATED GAIN/(LOSS) ON MARKETABLE SECURITIES (UNREALIZED): Tk. (213,419,412)</b>		
Unrealized Gain/(Loss) Position (Closing)	(67,834,129)	276,462,548
(-) Unrealized Gain/(Loss) Position (Opening)	(145,585,283)	(192,272,252)
Tk.	<u><u>(213,419,412)</u></u>	<u><u>84,190,296</u></u>
<b>20. CONSOLIDATED NET ASSET VALUE PER SHARE (NAV) - Tk. 90.00</b>		
The computation is given below:		
Equity Attributable to the Ordinary Shareholders	71,012,815,366	67,880,617,172
Weighted average number of Shares outstanding during the Period	789,008,466	789,008,466
Tk.	<u><u>90.00</u></u>	<u><u>86.03</u></u>
<b>21. CONSOLIDATED EARNINGS PER SHARE (EPS) - Tk. 4.25</b>		
The computation is given below:		
Surplus for the year attributable to Shareholders (Net Profit after Tax)	3,353,836,879	3,168,863,394
Weighted average number of Shares outstanding during the Period	789,008,466	789,008,466
Tk.	<u><u>4.25</u></u>	<u><u>4.02</u></u>
<b>22. CONSOLIDATED NET OPERATING CASH FLOW PER SHARE (NOCF) - Tk. 4.14</b>		
The computation is given below:		
Net Cash Generated from Operating Activities	3,263,296,156	3,199,931,435
Weighted average number of Shares outstanding during the Period	789,008,466	789,008,466
Tk.	<u><u>4.14</u></u>	<u><u>4.06</u></u>
<b>22.1. CONSOLIDATED RECONCILIATION OF NET PROFIT WITH CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Profit after Tax</b>	3,185,455,972	2,953,461,699
Adjustment to Reconcile Net Profit to Net Cash Provided by Operating Activities:		
<b>Non-Cash Expenses:</b>	420,350,861	489,817,943
Depreciation	467,032,895	481,411,654
Exchange Rate Fluctuation	(1,721,178)	(896,581)
Deferred Tax	(44,960,856)	9,302,870
<b>Non-Operating Items:</b>	(731,418,857)	(403,868,312)
Dividend Income	(21,140,396)	(23,299,717)
Others	(710,278,461)	(380,568,595)
<b>Changes in Working Capital:</b>	388,908,180	160,520,105
(Increase)/Decrease in Inventories	(121,592,536)	(170,897,294)
(Increase)/Decrease in Trade Debtors	(60,680,193)	(78,314,155)
(Increase)/Decrease in Advances, Deposits and Prepayments	261,113,530	(130,237,204)
Increase/(Decrease) in Trade Creditors	21,942,765	184,249,631
Increase/(Decrease) in Liabilities for Expenses	(109,529,848)	(28,571,538)
Increase/(Decrease) in Liabilities for Other Finance	397,654,462	384,290,665
Tk.	<u><u>3,263,296,156</u></u>	<u><u>3,199,931,435</u></u>

# SQUARE PHARMACEUTICALS LIMITED

## 1ST QUARTER FINANCIAL STATEMENTS

### STATEMENT OF FINANCIAL POSITION (Unaudited)

As at 30 September 2019

Particulars	Notes	30-09-2019 Taka	30-06-2019 Taka
<b>ASSETS:</b>			
<b>Non-Current Assets:</b>			
		<b>26,656,967,286</b>	<b>26,770,127,954</b>
Property, Plant and Equipment-Carrying Value	2	20,538,528,018	20,760,435,864
Investment - Long Term (at Cost)	3	3,260,265,594	2,996,252,356
Investment in Marketable Securities (Fair Value)	4	2,858,173,674	3,013,439,734
<b>Current Assets:</b>			
		<b>41,653,476,644</b>	<b>38,291,544,874</b>
Inventories	5	4,718,105,209	4,596,512,673
Trade Debtors		1,622,498,360	1,561,818,167
Advances, Deposits and Prepayments	6	2,048,366,298	2,272,974,744
Short Term Loan	7	2,842,097,344	2,937,071,066
Cash and Cash Equivalents	8	30,422,409,433	26,923,168,224
<b>TOTAL ASSETS</b>		<b>68,310,443,930</b>	<b>65,061,672,828</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES:</b>			
<b>Shareholders' Equity:</b>			
		<b>63,790,529,613</b>	<b>60,806,054,977</b>
Share Capital		7,890,084,660	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)	4	(67,834,129)	145,585,283
Retained Earnings		51,615,191,946	48,417,297,898
<b>Non-Current Liabilities:</b>			
		<b>1,249,386,017</b>	<b>1,294,346,873</b>
Deferred Tax Liability	9	1,249,386,017	1,294,346,873
<b>Current Liabilities:</b>			
		<b>3,270,528,300</b>	<b>2,961,270,978</b>
Trade Creditors		728,335,161	708,882,266
Liabilities for Expenses	10	130,351,907	238,201,942
Liabilities for Other Finance	11	2,411,841,232	2,014,186,770
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>68,310,443,930</b>	<b>65,061,672,828</b>
<b>Net Assets Value Per Share (NAV)</b>	18	<b>80.85</b>	<b>77.07</b>

Annexed notes are integral part of these financials.

Samuel S Chowdhury  
Chairman

Ratna Patra  
Vice Chairman

Tapan Chowdhury  
Managing Director

Md. Zahangir Alam  
Chief Financial Officer

Khandaker Habibuzzaman  
Company Secretary

# SQUARE PHARMACEUTICALS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Unaudited)

For the 1st Quarter Ended 30 September 2019

Particulars	Notes	July-September 2019 Taka	July-September 2018 Taka
<b>GROSS TURNOVER</b>	12	13,210,937,987	9,195,090,702
Less: Value Added Tax		1,917,354,778	1,224,266,799
<b>NET TURNOVER</b>		<b>11,293,583,209</b>	<b>7,970,823,903</b>
Cost of Goods Sold	13	(5,587,714,940)	(3,998,690,502)
<b>GROSS PROFIT</b>		<b>5,705,868,269</b>	<b>3,972,133,401</b>
<b>OPERATING EXPENSES:</b>		<b>(2,011,322,127)</b>	<b>(1,753,192,137)</b>
Selling & Distribution Expenses	14	(1,745,489,381)	(1,498,250,958)
Administrative Expenses	15	(265,818,880)	(254,941,179)
Finance Cost		(13,866)	-
<b>PROFIT FROM OPERATIONS</b>		<b>3,694,546,142</b>	<b>2,218,941,264</b>
Other Income	16	754,523,950	910,081,155
PROFIT BEFORE WPPF & WF		4,449,070,092	3,129,022,419
Allocation for WPPF & WF		(211,860,481)	(149,001,068)
<b>PROFIT BEFORE TAX</b>		<b>4,237,209,611</b>	<b>2,980,021,351</b>
Income Tax Expenses-Current		(1,084,276,419)	(725,347,992)
Deferred Income Tax Assets/(Liabilities)		44,960,856	(529,474)
<b>PROFIT AFTER TAX FOR THE PERIOD</b>		<b>3,197,894,048</b>	<b>2,254,143,885</b>
Other Comprehensive Income :			
Gain/(Loss) on Marketable Securities (Unrealized)	17	(213,419,412)	100,180,823
<b>Total Comprehensive Income for the Period</b>		<b>2,984,474,636</b>	<b>2,354,324,708</b>
<b>Earnings Per Share (EPS)</b>	19	<b>4.05</b>	<b>2.86</b>

Annexed notes are integral part of these financials.

Samuel S Chowdhury  
Chairman

Ratna Patra  
Vice Chairman

Tapan Chowdhury  
Managing Director

Md. Zahangir Alam  
Chief Financial Officer

Khandaker Habibuzzaman  
Company Secretary

# SQUARE PHARMACEUTICALS LIMITED

## STATEMENT OF CHANGES IN EQUITY (Unaudited)

For the 1st Quarter Ended 30 September 2019

	Share Capital	Share Premium	General Reserve	Tax Exemption Reserve	Gain on Marketable Securities (Unrealized)	Retained Earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka	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-Sep'2019)	-	-	-	-	(213,419,412)	3,197,894,048	2,984,474,636
<b>At 30 September 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>(67,834,129)</b>	<b>51,615,191,946</b>	<b>63,790,529,613</b>

For the 1st Quarter Ended 30 September 2018

<b>At 30 June 2018</b>	<b>7,373,910,900</b>	<b>2,035,465,000</b>	<b>105,878,200</b>	-	<b>215,730,933</b>	<b>36,931,891,345</b>	<b>46,662,876,378</b>
Total Comprehensive Income (Jul'2018-Sep'2018)	-	-	-	-	100,180,823	2,254,143,885	2,354,324,708
<b>At 30 September 2018</b>	<b>7,373,910,900</b>	<b>2,035,465,000</b>	<b>105,878,200</b>	-	<b>315,911,756</b>	<b>39,186,035,230</b>	<b>49,017,201,086</b>

Annexed notes are integral part of these financials.

Samuel S Chowdhury  
Chairman

Ratna Patra  
Vice Chairman

Tapan Chowdhury  
Managing Director

Md. Zahangir Alam  
Chief Financial Officer

Khandaker Habibuzzaman  
Company Secretary

# SQUARE PHARMACEUTICALS LIMITED

## STATEMENT OF CASH FLOWS (Unaudited)

For the 1st Quarter Ended 30 September 2019

Particulars	Notes	2019 (Jul'2019-Sep'2019) Taka	2018 (Jul'2018-Sep'2018) Taka
<b>Cash Flows From Operating Activities:</b>			
<b>RECEIPTS:</b>			
Collection from Sales		13,465,808,928	9,230,739,791
Exchange Fluctuation Gain		666,222	590,547
Others		21,307,630	515,542,589
		13,487,782,780	9,746,872,927
<b>PAYMENTS:</b>			
Purchase of Raw and Packing Materials		4,134,685,482	1,732,444,947
Manufacturing and Operating Expenses		3,202,698,360	2,875,325,071
Value Added Tax		1,917,354,778	1,224,266,799
Finance Cost		13,866	-
Income Tax Expenses		736,835,877	607,312,960
Workers Profit Participation Fund		198,486,364	24,237,650
Others		24,400,763	81,199,519
		10,214,475,490	6,544,786,946
Net cash provided by operating activities		3,273,307,290	3,202,085,981
<b>Cash Flows From Investing Activities:</b>			
Purchase of Fixed Assets		(285,120,031)	(686,681,464)
Investment		(322,166,591)	(7,959,040)
Short Term Loan		94,973,722	(240,660,007)
Gain on Sale of Marketable Securities		350,121	843,567
Interest Received		715,625,061	413,251,508
Dividend Received		21,140,396	21,767,217
Net cash used in investing activities		224,802,678	(499,438,219)
<b>Cash Flows From Financing Activities:</b>			
Increase in Cash and Cash Equivalents		3,498,109,968	2,702,647,762
Net Effect of Foreign Currency Translation on Cash and Cash Equivalent		1,131,241	909,832
Cash and Cash Equivalents at the Opening		26,923,168,224	16,703,964,704
Cash and Cash Equivalents at the Closing		30,422,409,433	19,407,522,298
<b>Net Operating Cash Flow per Share (NOCF)</b>	20	<b>4.15</b>	<b>4.06</b>

Annexed notes are integral part of these financials.

Samuel S Chowdhury  
Chairman

Ratna Patra  
Vice Chairman

Tapan Chowdhury  
Managing Director

Md. Zahangir Alam  
Chief Financial Officer

Khandaker Habibuzzaman  
Company Secretary

# SQUARE PHARMACEUTICALS LTD.

## Notes to the Interim Financial Statements For the 1st Quarter Ended September 30 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 1st Quarter Ended on September 30, 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 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.

### **Event after date of Financial Statements (IAS-10):**

The Board of Directors of the company in its meeting held on October 22, 2019 at 3:00 p.m has recommended Cash Dividend @ 42% and Stock Dividend @ 7% for the financial year ended June 30, 2019 and will be recognised as liability in the accounts as and when approved by the Shareholders in the Annual General meeting .



30-09-2019  
Taka30-06-2019  
Taka**2. PROPERTY, PLANT AND EQUIPMENT: Tk. 20,538,528,018**

Details of Property, Plant and Equipment and Depreciation as at 30 September 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	688,084,194	2,872,097,900
	<u>39,606,581,098</u>	<u>39,950,259,322</u>
Sales/Transfer during the Period/Year	(442,959,145)	(1,031,762,418)
Closing Balance	<u>39,163,621,953</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	467,032,895	1,875,504,706
	<u>18,625,093,935</u>	<u>18,236,343,228</u>
Sales/Transfer during the Period/Year	-	(78,282,188)
	<u>18,625,093,935</u>	<u>18,158,061,040</u>

Carrying Value

20,538,528,018      20,760,435,864**3. INVESTMENT-Long Term (at Cost): Tk. 3,260,265,594**

This consists of the following:

**Subsidiary:**

(a) USD 6,055,000 has Invested in the Share of Square Pharmaceuticals Kenva EPZ Ltd.	508,513,887	216,263,887
	<u>508,513,887</u>	<u>216,263,887</u>

**Associates:**

(a) 91,436,679 Ordinary Shares of Tk. 10/- each including Bonus Shares in Square Textiles Ltd.	225,129,795	225,129,795
(b) 199,750 Ordinary Shares of Tk. 1,000/- each in Square Hospitals Ltd.	210,750,000	210,750,000
(c) Advance against Share Money with Square Hospitals Ltd. for 1,537,500 Shares of Tk. 1,000/- each	1,537,500,000	1,537,500,000
(d) Investment in Square Fashions Ltd: - 252,000 Ordinary Shares of Tk. 100/- each - 210,000 Ordinary Shares of Tk. 600/- each *	151,200,000	151,200,000
	<u>2,124,579,795</u>	<u>2,124,579,795</u>

**Others:**

(a) 120,000 Ordinary Shares of Tk.100/- each in United Hospital Ltd.	12,000,000	12,000,000
(b) 5,711,804 Ordinary Shares of Tk. 10/- each including Bonus Shares in Central Depository Bangladesh Ltd.	15,694,430	15,694,430
(c) Advance against Share Money with Square InformatiX Ltd. for 1,000,000 Shares of Tk. 100/- each .	100,000,000	100,000,000
(d) 250,002 Zero Coupon Bond in Lanka Bangla Finance Ltd.	104,032,523	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.	46,650,453	46,650,453
(g) 150,000 Preference Share in Raj Lanka Power Company Ltd.	80,000,002	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.	29,143,864	29,143,864
(j) 100,000 Non-Convertible Zero Coupon Bond in Flamingo Fashions Ltc	53,606,386	53,606,386
(k) 40 Non-Convertible Zero Coupon Bond in Envoy Textiles Ltd.	35,701,977	35,701,977
	<u>627,171,912</u>	<u>655,408,674</u>
Tk.	<u>3,260,265,594</u>	<u>2,996,252,356</u>

**4. INVESTMENT IN MARKETABLE SECURITIES (Fair Value): Tk. 2,858,173,674**

Particulars	Position of Jul'2019-Sep'2019			Position of Jul'2018-Jun'2019		
	Total Cost	Total Market Value	Realized/ Unrealized Gain	Total Cost	Total Market Value	Realized/ Unrealized Gain
<b>Opening Balance</b>	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	59,959,726	(153,109,565)	(213,069,291)	276,026,580	326,548,512	50,521,932
Less: Sold/Disposed Off during the Period	(1,806,374)	(2,156,495)	(350,121)	(123,169,788)	(200,119,128)	(76,949,340)
<b>Closing Balance</b>	<b>Tk. 2,926,007,803</b>	<b>2,858,173,674</b>	<b>(67,834,129)</b>	<b>2,867,854,451</b>	<b>3,013,439,734</b>	<b>145,585,283</b>

<b>30-09-2019</b> Taka
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<b>30-06-2019</b> Taka
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**5. INVENTORIES: Tk. 4,718,105,209**

The break-up is as under:

Raw Materials	1,633,283,826	1,531,223,724
Packing Materials	644,632,497	609,472,347
Work-in-Process	292,078,689	274,303,768
Finished Goods	1,288,619,403	1,226,561,623
Spares & Accessories	563,851,392	551,889,224
Goods- in-Transit	295,639,402	403,061,987
	<b>4,718,105,209</b>	<b>4,596,512,673</b>

**6. ADVANCES, DEPOSITS & PREPAYMENTS : Tk. 2,048,366,298**

This consists of as follows:

<b>Advances:</b>	<b>680,167,634</b>	<b>591,120,002</b>
Employees	194,723,436	189,352,951
Land Purchase	176,902,612	136,907,630
Suppliers	308,541,586	264,859,421
<b>Deposits:</b>	<b>1,329,039,442</b>	<b>1,633,830,266</b>
Value Added Tax	75,875,302	391,426,436
Earnest Money & Security Deposit	291,970,742	267,569,979
Interest on Fixed Deposit Receipts	961,193,398	966,890,119
Others	-	7,943,732
<b>Prepayments:</b>	<b>39,159,222</b>	<b>48,024,476</b>
Office Rent	11,387,887	11,390,890
Insurance Premium	27,771,335	36,633,586
	<b>2,048,366,298</b>	<b>2,272,974,744</b>

**7. SHORT TERM LOAN (Unsecured): Tk. 2,842,097,344**

This consists of as follows:

(a) Square Textiles Ltd.	2,085,500,623	2,168,788,505
(b) Square Fashions Ltd.	729,111,770	672,588,614
(c) Square Hospitals Ltd.	27,484,951	95,693,947
	<b>2,842,097,344</b>	<b>2,937,071,066</b>

	<b>30-09-2019</b> Taka	<b>30-06-2019</b> Taka
<b>8. CASH AND CASH EQUIVALENTS: Tk. 30,422,409,433</b>		
This is made up as follows:		
(a) Cash in Hand	8,916,126	6,866,061
(b) Cash at Bank:	<b>30,413,493,307</b>	<b>26,916,302,163</b>
* Current Account	436,900,645	855,946,490
* STD Account	1,851,236,345	2,131,200,472
* Fixed Deposit Account (BD Taka)	25,103,809,226	20,853,809,226
* Fixed Deposit Account (USD)	2,663,687,967	2,283,903,416
* Export Retention Quota Account (USD)	226,460,449	702,111,670
* Margin Held Account (USD)	131,398,675	89,330,889
	<b>30,422,409,433</b>	<b>26,923,168,224</b>
<b>9. DEFERRED TAX LIABILITY: Tk. 1,249,386,017</b>		
This represents provision is made for deferred income tax to pay future income tax liability for temporary differences which is arrived at as follows:		
Opening Balance	1,294,346,873	1,126,645,973
Amount of Square Formulations Ltd. due to Merger	-	122,021,687
Addition during the Period (Deferred Tax Assets)	(44,960,856)	45,679,213
Closing Balance	<b>1,249,386,017</b>	<b>1,294,346,873</b>
<b>Computation of Deferred Tax for the Year Ended 30 September, 2019:</b>		
A. Property, Plant and Equipments excluding Cost of Land (Carrying Amount)	14,219,472,539	14,390,053,646
B. Property, Plant and Equipments excluding Cost of Land (Tax Base)	9,221,928,472	9,212,666,153
C. Taxable/(Deductable) Temporary Difference (A-B)	4,997,544,067	5,177,387,493
D. Deferred Tax Liabilities as on 30 September, 2019	1,249,386,017	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)	<b>(44,960,856)</b>	<b>45,679,213</b>
<b>10. LIABILITIES FOR EXPENSES: Tk. 130,351,907</b>		
This consists of as follows:		
Accrued Expenses	21,225,866	129,075,901
Provision for Gratuity	108,551,041	108,551,041
Audit Fees	575,000	575,000
	<b>130,351,907</b>	<b>238,201,942</b>
<b>11. LIABILITIES FOR OTHER FINANCE: Tk. 2,411,841,232</b>		
This consists of as follows:		
Sundry Creditors	675,269,124	641,736,368
Income Tax (Deduction at Source)	11,447,882	8,948,030
Retention Money	3,626,709	2,819,514
Workers' Profit Participation Fund and Welfare Fund	816,155,521	802,781,404
Income Tax Payable (Note-11.1)	905,341,996	557,901,454
	<b>2,411,841,232</b>	<b>2,014,186,770</b>
<b>11.1 INCOME TAX PAYABLE: Tk. 905,341,996</b>		
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	1,084,276,419	3,356,746,041
Tax Paid (Including Advance Income Tax during the Period)	(736,835,877)	(3,173,411,708)
	<b>905,341,996</b>	<b>557,901,454</b>

	<b>2019</b> (Jul'2019-Sep'2019)	<b>2017</b> (Jul'2018-Sep'2018)
<b>12. GROSS REVENUE: Tk. 13,210,937,987</b>		
This is made-up as follows:		
Local Sales	12,827,628,538	8,839,438,356
Export Sales Equivalent in US \$ 4,590,532 (Jul-Sep'19 US \$ 4,124,476)	383,309,449	355,652,346
Tk.	<u><u>13,210,937,987</u></u>	<u><u>9,195,090,702</u></u>
<b>13. COST OF GOODS SOLD: Tk. 5,587,714,940</b>		
Materials	4,052,451,741	2,614,352,198
Factory Overhead	1,535,263,199	1,384,338,304
Tk.	<u><u>5,587,714,940</u></u>	<u><u>3,998,690,502</u></u>
<b>14. SELLING &amp; DISTRIBUTION EXPENSES: Tk. 1,745,489,381</b>		
This consists of as follows:		
Salaries and Allowances	316,496,379	271,153,022
Travelling and Conveyance	27,681,466	22,656,080
Printing and Stationery	16,174,251	14,065,099
Postage, Telephone, Fax & Telex	13,415,483	7,584,771
Electricity, Gas and Water	4,981,858	5,573,969
Office and Godown Rent	6,794,056	5,885,534
Repairs and Maintenance including car maintenance	108,450,689	97,864,152
Govt. Taxes and Licence Fees	17,319,132	5,596,904
Field Staff Salaries, Allowances, TA and DA	440,935,279	376,386,544
Marketing and Promotional Expenses	324,537,667	278,204,002
Delivery and Packing Expenses	32,632,403	27,356,018
Export Expenses	28,795,445	26,571,357
Special Discount	284,182,455	246,541,097
Security Services	13,694,809	18,108,437
Depreciation	44,012,538	44,870,657
Other Expenses	65,385,471	49,833,315
Tk.	<u><u>1,745,489,381</u></u>	<u><u>1,498,250,958</u></u>
<b>15. ADMINISTRATIVE EXPENSES: Tk. 265,818,880</b>		
This consists of as follows:		
Salaries and Allowances	97,426,863	83,689,121
Directors' Remuneration	14,340,789	20,464,987
Travelling and Conveyance	27,730,872	21,407,239
Printing and Stationery	1,836,042	1,566,821
Postage, Telephone, Internet	1,898,539	2,276,543
Electricity, Gas & Water	4,748,812	6,906,831
Tiffin and Refreshment	18,877,006	16,890,031
Repairs and Maintenance	38,187,004	28,458,739
Bank Charges	3,426,979	3,428,910
Insurance Premium	3,817,207	3,166,819
Govt. Taxes, Stamp Duty & Licence Fee	1,862,217	3,007,290
Security Services	7,538,531	12,621,182
Legal Charges	215,750	404,250
Depreciation	26,756,933	25,764,194
Software & Hardware Support Services	8,170,028	16,656,314
Other Expenses	8,985,308	8,231,908
Tk.	<u><u>265,818,880</u></u>	<u><u>254,941,179</u></u>

	<b>2019</b> (Jul'2019-Sep'2019)	<b>2017</b> (Jul'2018-Sep'2018)
<b>16. OTHER INCOME: Tk. 754,523,950</b>		
This is arrived at as follows:		
Bank Interest	655,027,692	323,355,940
Interest on Loan to Sister Concern	50,864,682	47,662,010
Dividend	21,140,396	21,767,217
Commission Received	-	488,879,314
Gain on Marketable Securities (Realized)	350,121	843,567
Others	27,141,059	27,573,107
Tk.	<b>754,523,950</b>	<b>910,081,155</b>
<b>17. GAIN/(LOSS) ON MARKETABLE SECURITIES (UNREALIZED): Tk. (213,419,412)</b>		
Unrealized Gain/(Loss) Position (Closing)	(67,834,129)	315,911,756
(-) Unrealized Gain/(Loss) Position (Opening)	(145,585,283)	(215,730,933)
Tk.	<b>(213,419,412)</b>	<b>100,180,823</b>
<b>18. NET ASSET VALUE PER SHARE (NAV) - Tk. 80.85</b>		
The computation is given below:		
Equity Attributable to the Ordinary Shareholders	63,790,529,613	60,806,054,977
Weighted average number of Shares outstanding during the Period	789,008,466	789,008,466
Tk.	<b>80.85</b>	<b>77.07</b>
<b>19. EARNINGS PER SHARE (EPS) - Tk. 4.05</b>		
The computation is given below:		
Surplus for the year attributable to Shareholders (Net Profit after Tax)	3,197,894,048	2,254,143,885
Weighted average number of Shares outstanding during the Period	789,008,466	789,008,466
Tk.	<b>4.05</b>	<b>2.86</b>
<b>20. NET OPERATING CASH FLOW PER SHARE (NOCF) - Tk. 4.15</b>		
The computation is given below:		
Net Cash Generated from Operating Activities	3,273,307,290	3,202,085,981
Weighted average number of Shares outstanding during the Period	789,008,466	789,008,466
Tk.	<b>4.15</b>	<b>4.06</b>
<b>20.1. RECONCILIATION OF NET PROFIT WITH CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Profit after Tax</b>	3,197,894,048	3,202,085,981
Adjustment to Reconcile Net Profit to Net Cash Provided by Operating Activities:		
<b>Non-Cash Expenses:</b>	420,940,798	404,947,377
Depreciation	467,032,895	405,327,735
Exchange Rate Fluctuation	(1,131,241)	(909,832)
Deferred Tax	(44,960,856)	529,474
<b>Non-Operating Items:</b>	(731,418,857)	(399,431,341)
Dividend Income	(21,140,396)	(21,767,217)
Others	(710,278,461)	(377,664,124)
<b>Changes in Working Capital:</b>	385,891,301	(5,516,036)
(Increase)/Decrease in Inventories	(121,592,536)	(94,515,612)
(Increase)/Decrease in Trade Debtors	(60,680,193)	(65,896,403)
(Increase)/Decrease in Advances, Deposits and Prepayments	258,906,708	(288,873,706)
Increase/(Decrease) in Trade Creditors	19,452,895	184,356,140
Increase/(Decrease) in Liabilities for Expenses	(107,850,035)	(33,222,732)
Increase/(Decrease) in Liabilities for Other Finance	397,654,462	292,636,277
<b>Net Cash Generated from Operating Activities</b>	<b>3,273,307,290</b>	<b>3,202,085,981</b>

2019 (Jul'2019-Sep'2019)	2017 (Jul'2018-Sep'2018)
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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 Manament Ltd., Square Herbal & Nutraceuticals Ltd., Pharma Packages (Pvt) Ltd. and AEGIS Services Ltd. during the year reporting. The summary is as follows:

**Transaction with Square Textiles Ltd:**

Opening Balance	2,168,788,505	1,385,741
Total Paid during the Period	247,851,418	166,649,617
Total Realized during the Period	(331,139,300)	-
Closing Balance (Receivable)	<u>Tk. 2,085,500,623</u>	<u>168,035,358</u>

**Transaction with Square Fashions Ltd.:**

Opening Balance	672,588,614	79,314
Total Paid during the Period	115,930,025	549,335,547
Total Realized during the Period	(59,406,869)	(549,414,861)
Closing Balance (Receivable)	<u>Tk. 729,111,770</u>	<u>-</u>

**Transaction with Square Hospitals Ltd.:**

Opening Balance	95,693,947	-
Total Paid during the Period	113,838	101,175,618
Total Realized during the Period	(68,322,834)	(97,626,201)
Closing Balance (Receivable)	<u>Tk. 27,484,951</u>	<u>3,549,417</u>

**Transaction with Square InformatiX Ltd.:**

Opening Balance	(2,214,332)	(3,667,348)
Total Paid during the Period	20,020,204	12,579,068
Total Realized during the Period	(16,361,260)	(11,690,856)
Closing Balance (Receivable/Payable)	<u>Tk. 1,444,612</u>	<u>(2,779,136)</u>

**Transaction with Square Formulations Ltd.:**

Opening Balance	-	(3,957,792,508)
Total Paid during the Period	-	1,824,851,552
Total Realized during the Period	-	(2,594,112,113)
Closing Balance (Payable)	<u>Tk. -</u>	<u>(4,727,053,069)</u>

**Transaction with Square Denims Ltd.:**

Opening Balance	-	2,168,142,032
Total Paid during the Period	88,670,287	463,222,131
Total Realized during the Period	(88,670,287)	(499,245,871)
Closing Balance (Receivable)	<u>Tk. -</u>	<u>2,132,118,292</u>

**Transaction with Square Apparels Ltd.:**

Opening Balance	-	780,464,229
Total Paid during the Period	58,323,838	125,341,644
Total Realized during the Period	(58,323,838)	(15,228,200)
Closing Balance (Receivable)	<u>Tk. -</u>	<u>890,577,673</u>

**Transaction with Square Securities Management Ltd.:**

Opening Balance	19,884,032	33,628,743
Total Paid during the Period	102,156,495	1,531,528
Total Realized during the Period	(60,072,876)	(35,117,620)
Closing Balance (Receivable)	<u>Tk. 61,967,651</u>	<u>42,651</u>

	<b>2019</b> (Jul'2019-Sep'2019)	<b>2017</b> (Jul'2018-Sep'2018)
<b>Transaction with Square Herbal &amp; Nutraceuticals Ltd.:</b>		
Opening Balance	-	477,903,193
Total Paid during the Period	-	75,009,406
Total Realized during the Period	-	(371,008,552)
Closing Balance (Receivable)	-	<b>181,904,047</b>
Tk.	<b>-</b>	<b>181,904,047</b>
<b>Transaction with Pharma Packages (Pvt.) Ltd.:</b>		
Opening Balance	117,457,765	100,200,000
Total Paid during the Period	209,748,579	138,330,000
Total Realized during the Period	(80,060,375)	-
Closing Balance (Receivable)	<b>247,145,969</b>	<b>238,530,000</b>
Tk.	<b>247,145,969</b>	<b>238,530,000</b>
<b>Transaction with AEGIS Services Ltd.:</b>		
Opening Balance	300,000	-
Total Paid during the Period	8,377,988	8,187,455
Total Realized during the Period	(11,960,161)	(8,187,455)
Closing Balance (Payable)	<b>(3,282,173)</b>	-
Tk.	<b>(3,282,173)</b>	-

**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	97,719,714	94,082,512
Post-Employment Benefits	16,060,245	6,399,893
Other Long-Term Benefits	-	-
Termination Benefits	-	-
Share-Based Payment	-	-

**22. The Contingent Liabilities of the company as of September 30, 2019 were as follows:**

For Sight Letter of Credits for Tk. 238.85 crore only of Square Pharmaceuticals Ltd. but there is no contingent liability of the Square Pharmaceuticals Kenya EPZ Limited.