

Third Quarter
Financial Statement 2018-2019
(Unaudited)



SQUARE PHARMACEUTICALS LTD.
(Consolidated and Separate)

SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Un-audited) As At 31 March 2019

Particulars	Notes	31-03-2019 Taka	30-06-2018 Taka
ASSETS:			
Non-Current Assets:			
		33,654,632,772	32,831,465,294
Property, Plant and Equipment-Carrying Value	2	20,900,310,153	20,545,437,633
Investment - Long Term (at Cost)		746,263,983	940,754,391
Investment - Associates Undertaking		9,035,913,032	8,454,064,733
Investment in Marketable Securities (Fair Value)		2,972,145,604	2,891,208,537
		36,485,535,133	28,441,536,241
Current Assets:			
Inventories	3	4,724,885,107	4,432,935,118
Trade Debtors		1,598,447,247	1,615,544,248
Advances, Deposits and Prepayments	4	3,277,530,415	2,280,668,747
Short Term Loan	5	1,561,672,228	3,131,975,363
Cash and Cash Equivalents	6	25,323,000,136	16,980,412,765
		70,140,167,905	61,273,001,535
TOTAL ASSETS			
SHAREHOLDERS' EQUITY AND LIABILITIES:			
Shareholders' Equity:			
		64,659,127,502	57,816,566,831
Share Capital		7,890,084,660	7,373,910,900
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	1,949,557,722
Gain on Marketable Securities (Unrealized)		173,825,919	192,272,252
Retained Earnings		52,242,129,787	46,159,482,757
Non Controlling Interest	7	-	24,901,060
		1,349,839,544	1,231,133,152
Non-Current Liabilities:			
Deffered Tax Liability	8	1,349,839,544	1,231,133,152
		4,131,200,859	2,200,400,492
Current Liabilities:			
Trade Creditors		679,122,575	524,676,136
Liabilities for Expenses	9	14,044,139	89,665,092
Liabilities for Other Finance	10	3,438,034,145	1,586,059,264
		70,140,167,905	61,273,001,535
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES			
Net Assets Value per Share (NAV)		81.95	73.28
Number of Shares used to compute NAV		789,008,466	789,008,466

Sd/-
Samuel S Chowdhury
Chairman

Sd/-
Ratna Patra
Vice Chairman

Sd/-
Tapan Chowdhury
Managing Director

Sd/-
Muhammad Zahangir Alam
Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Un-audited) For the 3rd Quarter Ended 31 March 2019

Particulars	Notes	Nine Months Results		Third Quarter Results	
		Jul'2018-Mar'2019 Taka	Jul'2017-Mar'2018 Taka	Jan'2019-Mar'2019 Taka	Jan'2018-Mar'2018 Taka
GROSS TURNOVER	11	37,306,477,161	34,247,876,391	12,563,436,829	11,386,481,321
Less: Value Added Tax		5,065,337,207	4,675,332,513	1,640,696,083	1,534,575,325
NET TURNOVER		32,241,139,954	29,572,543,878	10,922,740,746	9,851,905,996
Cost of Goods Sold	12	(15,894,001,782)	(14,637,949,898)	(5,705,189,069)	(4,990,537,200)
GROSS PROFIT		16,347,138,172	14,934,593,980	5,217,551,677	4,861,368,796
OPERATING EXPENSES:		(5,798,199,446)	(5,114,579,538)	(1,723,986,060)	(1,531,671,187)
Selling & Distribution Expenses	13	(4,925,073,721)	(4,362,937,541)	(1,459,987,703)	(1,312,803,739)
Administrative Expenses	14	(873,079,148)	(751,561,293)	(263,989,151)	(218,864,909)
Finance Cost		(46,577)	(80,704)	(9,206)	(2,539)
PROFIT FROM OPERATIONS		10,548,938,726	9,820,014,442	3,493,565,617	3,329,697,609
Other Income	15	1,649,794,395	1,382,694,820	648,188,968	442,208,025
PROFIT BEFORE WPPF		12,198,733,121	11,202,709,262	4,141,754,585	3,771,905,634
Allocation for WPPF		(589,347,451)	(538,757,521)	(205,566,827)	(179,614,553)
PROFIT BEFORE TAX		11,609,385,670	10,663,951,741	3,936,187,758	3,592,291,081
Income Tax Expenses-Current		(2,826,172,306)	(2,484,711,089)	(1,143,617,179)	(830,741,122)
Income Tax Expenses-Deferred		(118,706,392)	(50,609,316)	26,377,627	(28,305,136)
PROFIT AFTER TAX		8,664,506,972	8,128,631,336	2,818,948,206	2,733,244,823
Profit/(Loss) from Associate Undertakings		756,013,474	721,511,459	299,022,486	245,274,541
PROFIT AFTER TAX		9,420,520,446	8,850,142,795	3,117,970,692	2,978,519,364
Other Comprehensive Income:					
Gain/(Loss) on Marketable Securities (Unrealized)		(18,446,333)	(348,214,605)	(27,231,875)	(442,802,490)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		9,402,074,113	8,501,928,190	3,090,738,817	2,535,716,874
Profit Attributable to:					
Owners of the Company		9,413,843,573	8,840,211,479	3,118,611,493	2,975,818,803
Non Controlling Interest		6,676,873	9,931,316	(640,801)	2,700,561
		9,420,520,446	8,850,142,795	3,117,970,692	2,978,519,364
Total Comprehensive Income Attributable to:					
Owners of the Company		9,395,498,538	8,492,115,459	3,091,379,618	2,533,332,534
Non Controlling Interest		6,575,575	9,812,731	(640,801)	2,384,340
		9,402,074,113	8,501,928,190	3,090,738,817	2,535,716,874
Earnings Per Share (EPS)		11.93	11.20	3.95	3.77
Number of Shares used to compute EPS		789,008,466	789,008,466	789,008,466	789,008,466

Sd/-
Samuel S. Chowdhury
Chairman

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Managing Director

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Chief Financial Officer

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Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Un-audited) For the 3rd Quarter Ended 31 March 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 2018	7,373,910,900	2,035,465,000	105,878,200	1,949,557,722	192,272,252	46,159,482,757	24,901,060	57,841,467,891
Transfer to Tax Exemption Reserve	-	-	-	262,186,214	-	(262,186,214)	-	-
Transfer for Merger of Square Herbal & Nutraceuticals Ltd.	-	-	-	-	-	101,771,355	-	101,771,355
Total Comprehensive Income (Jul'2018-Mar'2019)	-	-	-	-	(18,446,333)	9,413,843,573	6,676,873	9,402,074,113
Transfer to Payable	-	-	-	-	-	-	(31,577,933)	(31,577,933)
Cash Dividend (2017-2018)	-	-	-	-	-	(2,654,607,924)	-	(2,654,607,924)
Stock Dividend (2017-2018)	516,173,760	-	-	-	-	(516,173,760)	-	-
At 31 March 2019	7,890,084,660	2,035,465,000	105,878,200	2,211,743,936	173,825,919	52,242,129,787	-	64,659,127,502

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited) For the 3rd Quarter Ended 31 March 2018

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 2017	6,859,452,000	2,035,465,000	105,878,200	852,508,043	596,561,713	38,577,835,254	12,674,141	49,040,374,351
Total Comprehensive Income (Jul'2017-Mar'2018)	-	-	-	-	(348,214,605)	8,840,211,479	9,931,316	8,501,928,190
Transfer to Tax Exemption Reserve	-	-	-	794,505,277	-	(794,505,277)	-	-
Cash Dividend (2016-2017)	-	-	-	-	-	(2,400,808,200)	-	(2,400,808,200)
Stock Dividend (2016-2017)	514,458,900	-	-	-	-	(514,458,900)	-	-
At 31 March 2018	7,373,910,900	2,035,465,000	105,878,200	1,647,013,320	248,347,108	43,708,274,356	22,605,457	55,141,494,341

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Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS (Un-audited) For the 3rd Quarter Ended 31 March 2019

Particulars	3rd Quarter Ended 31 March 2019 Taka	3rd Quarter Ended 31 March 2018 Taka
Cash Flows From Operating Activities:		
RECEIPTS:		
Collections from Sales	37,418,375,547	34,581,209,640
Exchange Fluctuation Gain	24,967,487	75,725,804
Others	120,764,871	133,551,671
	37,564,107,905	34,790,487,115
PAYMENTS:		
Purchase of Raw and Packing Materials	11,084,222,176	10,741,519,513
Manufacturing and Operating Expenses	9,915,035,425	8,394,259,088
Value Added Tax	5,065,337,207	4,675,332,513
Finance Cost	46,577	80,704
Income Tax	2,241,952,397	2,352,545,874
Workers Profit Participation Fund	235,127,033	316,647,149
Others	76,386,887	8,137,080
	28,618,107,702	26,488,521,921
Net cash generated from operating activities	8,946,000,203	8,301,965,194
Cash Flows From Investing Activities:		
Purchase of Fixed Assets	(1,643,208,481)	(2,385,582,678)
Pre-operating Expenses	-	(11,283,964)
Disposal of Fixed Assets	-	3,868,042
Investment	95,107,009	(1,553,190,566)
Short Term Loan	1,570,303,135	(3,709,927,249)
Gain on Sale of Marketable Securities	87,140,242	272,557,900
Interest Received	705,679,468	648,789,911
Dividend Received	314,665,678	198,193,722
Net cash used in investing activities	1,129,687,051	(6,536,574,882)
Cash Flows From Financing Activities:		
Dividend Paid	(1,817,785,447)	(1,609,447,740)
Net cash used in financing activities	(1,817,785,447)	(1,609,447,740)
Increase in Cash and Cash Equivalents	8,257,901,807	155,942,572
Cash and Cash Equivalents at the Opening	16,980,412,765	15,768,683,854
Cash and Cash Equivalents at the Opening of SHNL	84,685,564	-
Cash and Cash Equivalents at the Closing	25,323,000,136	15,924,626,426
Net Operating Cash Flow per Share (NOCF)	11.34	10.52
Number of Shares used to compute NOCF	789,008,466	789,008,466

Sd/-
Samuel S Chowdhury
Chairman

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Managing Director

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Company Secretary

SQUARE PHARMACEUTICALS LTD.

Notes to the Consolidated Interim Financial Statements For the 3rd Quarter Ended December 31, 2019

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

These Financial Statements (They) are the unaudited Consolidated Interim Financial Statement (here after 'the Consolidated Interim Financial Statements') of Square Pharmaceuticals Ltd., Square Formulations Ltd. (SFRL) and Square Herbal & Nutraceuticals Ltd. (SHNL), Companies incorporated in Bangladesh under companies act and Square Pharmaceuticals Kenya EPZ Limited incorporated in Kenya under companies act 2015, Kenya, for the 3rd Quarter Ended on 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, 2018, 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 even after the end of the interim period that has to be reflected in the financial statements for the interim period except.

These financials include business result and financial positions of Square Formulations Ltd. for the period ended and as on December 31,2018. It is included in consolidation to give as apple to apple comparative financial position in comparison with Financial Statement of Quarter 03, 2018 of Square Pharmaceuticals Ltd.

The Hon'ble High Court Division of the Supreme Court of Bangladesh has sanctioned the Scheme of Amalgamation of Square Formulations Ltd. and Square Herbal & Nutraceuticals Ltd. with Square Pharmaceuticals Ltd. On 29th October, 2018. The merger have been executed with effect from January 01, 2019.

31-03-2019

30-06-2018

2. CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT: Tk. 20,900,310,153

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

This is arrived at as follows:

Fixed Assets at Cost:

Opening Balance	36,634,171,899	33,470,077,571
Add: Amount of Square Formulation Ltd. due to Merger	5,710,600	-
Add: Amount of Square Herbal & Nutraceuticals Ltd. due to Merger	460,443,540	-
Net Addition during the Period/Year	1,510,483,618	4,863,597,930
	<u>38,610,809,657</u>	<u>38,333,675,501</u>
Sales/Transfer during the Period/Year	-	(1,699,503,602)
Closing Balance	<u>38,610,809,657</u>	<u>36,634,171,899</u>

	31-03-2019	30-06-2018
Accumulated Depreciation:		
Opening Balance	16,088,734,266	14,146,509,407
Add: Amount of Square Formulation Ltd. due to Merger	152,211,707	-
Add: Amount of Square Herbal & Nutraceuticals Ltd. due to Merger	119,892,548	-
Charged during the Period/ Year	1,349,660,983	1,997,935,652
	17,710,499,504	16,144,445,059
Sales/Transfer during the Period/Year	-	(55,710,793)
	17,710,499,504	16,088,734,266
Carrying Value	Tk. 20,900,310,153	20,545,437,633

3. CONSOLIDATED INVENTORIES: Tk. 4,724,885,107

The break-up is as under:

Raw Materials	1,673,284,740	1,389,487,814
Packing Materials	624,398,305	548,723,855
Work-in-Process	289,000,893	258,840,704
Finished Goods	1,281,043,115	1,195,194,484
Spares & Accessories	535,478,107	535,109,509
Goods- in-Transit	321,679,947	505,578,752
	Tk. 4,724,885,107	4,432,935,118

4. CONSOLIDATED ADVANCES, DEPOSITS & PREPAYMENTS : Tk. 3,277,530,415

This consists of as follows:

Advances:	1,500,525,108	1,037,087,589
Employees	226,806,024	190,480,656
Land Purchase	177,811,887	114,804,755
Suppliers	1,095,907,197	531,802,178
Income Tax	-	200,000,000
Deposits:	1,744,223,472	1,200,845,735
Value Added Tax	450,083,188	544,027,259
Earnest Money & Security Deposit	235,157,462	158,770,575
Interest on Fixed Deposit Receipts	1,058,982,822	488,240,998
Others	-	9,806,903
Prepayments:	32,781,835	42,735,423
Office Rent	10,706,559	6,385,565
Insurance Premium	22,075,276	36,349,858
	Tk. 3,277,530,415	2,280,668,747

5. CONSOLIDATED SHORT TERM LOAN (Unsecured): Tk. 1,561,672,228

This consists of as follows:

(a) Square Textiles Ltd.	1,020,376,322	1,385,741
(b) Square Fashions Ltd.	541,295,906	79,314
(c) Square Denims Ltd.	-	2,168,142,032
(d) Square Apparels Ltd.	-	780,464,229
(e) Square Herbal & Nutraceuticals Ltd.	-	181,904,047
	Tk. 1,561,672,228	3,131,975,363

6. CONSOLIDATED CASH AND CASH EQUIVALENTS: Tk. 25,323,000,136

This is made up as follows:

(a) Cash in Hand	46,702,838	5,939,209
(b) Cash at Bank:	25,276,297,298	16,974,473,556
* Current Account	1,854,544,607	1,683,199,425
* STD Account	274,059,673	214,854,684
* Fixed Deposit Account (BD Taka)	20,303,791,517	12,713,244,578
* Fixed Deposit Account (USD)	2,278,432,989	1,936,582,928
* Export Retention Quota Account (USD)	523,859,309	399,067,138
* Margin Held Account (USD)	41,609,203	27,524,803
	Tk. 25,323,000,136	16,980,412,765

	31-03-2019	30-06-2018
7. NON CONTROLLING INTEREST: Tk. Nil		
This represents non controlling interest of Square Formulations Ltd. is as follows:		
Paid-up Capital (Investment)	500,000	500,000
Retained Earnings	31,077,933	24,401,060
	<u>31,577,933</u>	<u>24,901,060</u>
Transfer to Payable	(31,577,933)	-
Tk.	<u><u>-</u></u>	<u><u>24,901,060</u></u>

8. CONSOLIDATED DEFERRED TAX LIABILITY: Tk. 1,349,839,544

This represents provision is made for deferred income tax to pay future income tax liability for temporary differences

Opening Balance	1,231,133,152	1,129,233,846
Addition during the Period	118,706,392	101,899,306
Closing Balance	<u><u>1,349,839,544</u></u>	<u><u>1,231,133,152</u></u>

9. CONSOLIDATED LIABILITIES FOR EXPENSES: Tk. 14,044,138

This consists of as follows:

Accrued Expenses	13,974,561	89,334,542
Audit Fees	69,577	330,550
Tk.	<u><u>14,044,138</u></u>	<u><u>89,665,092</u></u>

10. CONSOLIDATED LIABILITIES FOR OTHER FINANCE: Tk. 3,438,034,145

This consists of as follows:

Sundry Creditors	1,575,140,857	446,877,055
Income Tax (Deduction at Source)	13,857,160	56,596,629
Retention Money	1,162,730	3,619,330
Workers' Profit Participation Fund and Welfare Fund	1,217,486,908	863,266,490
Income Tax Payable (Note-10.1)	630,386,490	215,699,760
Tk.	<u><u>3,438,034,145</u></u>	<u><u>1,586,059,264</u></u>

10.1 INCOME TAX PAYABLE: Tk. 630,386,490

This is arrived at as follows:

Opening balance	215,699,760	241,126,028
Add: Amount of Square Herbal & Nutraceuticals Ltd. due to Merger	30,466,821	-
Provision made for the Period/Year	2,826,172,306	3,255,148,172
Tax Paid (Including Advance Income Tax during the Period/Year)	(2,441,952,397)	(3,280,574,440)
Tk.	<u><u>630,386,490</u></u>	<u><u>215,699,760</u></u>

11. CONSOLIDATED GROSS REVENUE: Tk. 37,306,477,161

This consists of as follows:

	2018-2019 (Jul'2018-Mar'2019)	2017-2018 (Jul'2017-Mar'2018)
Square Pharmaceuticals Ltd.	31,035,096,143	25,801,841,891
Square Formulations Ltd.	6,271,381,018	8,446,034,500
Tk.	<u><u>37,306,477,161</u></u>	<u><u>34,247,876,391</u></u>

12. CONSOLIDATED COST OF GOODS SOLD: Tk. 15,894,001,782

Materials	11,032,644,933	9,932,046,358
Factory Overhead	4,861,356,849	4,705,903,540
Tk.	<u><u>15,894,001,782</u></u>	<u><u>14,637,949,898</u></u>

31-03-2019

30-06-2018

13. CONSOLIDATED SELLING & DISTRIBUTION EXPENSES: Tk. 4,925,073,721

This consists of as follows:

Salaries and Allowances	862,524,946	781,801,378
Travelling and Conveyance	85,062,197	73,244,466
Printing and Stationery	52,423,298	45,791,830
Postage, Telephone, Fax & Telex	40,238,220	29,727,953
Electricity, Gas and Water	19,351,650	17,513,899
Office and Godown Rent	16,126,304	17,000,958
Repairs and Maintenance including car maintenance	291,762,965	263,727,663
Govt. Taxes and Licence Fees	24,765,093	16,350,494
Field Staff Salaries, Allowances, TA and DA	1,231,658,782	1,070,662,141
Marketing and Promotional Expenses	930,564,727	847,625,565
Delivery and Packing Expenses	88,403,423	83,731,143
Export Expenses	77,755,142	65,409,323
Special Discount	803,677,070	694,627,292
Security Services	51,491,975	51,956,752
Depreciation	142,013,230	114,833,212
Other Expenses	207,254,699	188,933,472
Tk.	4,925,073,721	4,362,937,541

14. CONSOLIDATED ADMINISTRATIVE EXPENSES: Tk. 873,079,148

This consists of as follows:

Salaries and Allowances	273,710,580	247,092,790
Directors' Remuneration	50,822,009	54,866,881
Travelling and Conveyance	98,689,277	86,461,559
Printing and Stationery	12,324,684	10,706,302
Postage, Telephone, Internet	7,173,710	7,098,127
Electricity, Gas & Water	19,284,921	16,136,887
Tiffin and Refreshment	48,207,832	40,738,101
Repairs and Maintenance	117,120,233	106,257,059
Bank Charges	11,037,141	14,407,524
Insurance Premium	9,902,467	9,050,566
Govt. Taxes, Stamp Duty & Licence Fee	7,459,839	6,462,892
Security Services	33,827,881	29,062,152
Legal Charges	3,115,800	1,907,175
Depreciation	80,356,543	70,331,970
Software & Hardware Support Services	60,651,409	15,691,353
Other Expenses	39,394,822	35,289,955
Tk.	873,079,148	751,561,293

15. CONSOLIDATED OTHER INCOME: Tk. 1,649,794,395

This is arrived at as follows:

Bank Interest	1,137,498,615	782,452,032
Interest on Loan to Sister Concern	138,922,677	37,340,724
Dividend	140,500,503	86,995,030
Commission Received	51,150,205	65,231,744
Gain on Marketable Securities (Realized)	87,140,242	272,557,900
Foreign Exchange Fluctuation Gain	24,967,487	75,725,804
Others	69,614,666	62,391,586
Tk.	1,649,794,395	1,382,694,820

SQUARE PHARMACEUTICALS LTD.

STATEMENT OF FINANCIAL POSITION (Un-audited) As At 31 March 2019

Particulars	Notes	31-03-2019 Taka	30-06-2018 Taka
ASSETS:			
Non-Current Assets:			
		26,901,311,357	26,132,724,160
Property, Plant and Equipment-Carrying Value	2	20,841,052,332	18,271,557,962
Investment - Long Term (at Cost)		3,088,113,421	5,381,098,073
Investment in Marketable Securities (Fair Value)		2,972,145,604	2,480,068,125
Current Assets:			
		36,318,869,871	27,196,589,272
Inventories	3	4,724,885,107	3,642,090,783
Trade Debtors		1,598,447,247	1,587,211,300
Advances, Deposits and Prepayments	4	3,225,110,760	2,131,347,122
Short Term Loan	5	1,561,672,228	3,131,975,363
Cash and Cash Equivalents	6	25,208,754,529	16,703,964,704
TOTAL ASSETS		63,220,181,228	53,329,313,432
SHAREHOLDERS' EQUITY AND LIABILITIES:			
Shareholders' Equity:			
		57,778,127,762	46,662,876,378
Share Capital		7,890,084,660	7,373,910,900
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	-
Gain on Marketable Securities (Unrealized)		173,825,919	215,730,933
Retained Earnings		45,361,130,047	36,931,891,345
Non-Current Liabilities:			
		1,349,839,544	1,126,645,973
Deffered Tax Liability	7	1,349,839,544	1,126,645,973
Current Liabilities:			
		4,092,213,922	5,539,791,081
Trade Creditors		671,730,249	4,414,979,709
Liabilities for Expenses	8	14,027,461	89,622,042
Liabilities for Other Finance	9	3,406,456,212	1,035,189,330
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		63,220,181,228	53,329,313,432
Net Assets Value per Share (NAV)		73.23	59.14
Number of Shares used to compute NAV		789,008,466	789,008,466

Sd/-
Samuel S Chowdhury
Chairman

Sd/-
Ratna Patra
Vice Chairman

Sd/-
Tapan Chowdhury
Managing Director

Sd/-
Muhammad Zahangir Alam
Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Un-audited)
For the 3rd Quarter Ended 31 March 2019

Particulars	Notes	Nine Months Results		Third Quarter Results	
		Jul'2018-Mar'2019 Taka	Jul'2017-Mar'2018 Taka	Jan'2019-Mar'2019 Taka	Jan'2018-Mar'2018 Taka
GROSS TURNOVER	10	31,035,096,143	25,801,841,891	12,563,436,829	8,671,285,050
Less: Value Added Tax		4,141,934,644	3,439,281,058	1,640,696,083	1,143,032,126
NET TURNOVER		26,893,161,499	22,362,560,833	10,922,740,746	7,528,252,924
COST OF GOODS SOLD	11	(13,513,683,420)	(11,432,614,991)	(5,760,189,070)	(3,856,416,937)
GROSS PROFIT		13,379,478,079	10,929,945,842	5,162,551,676	3,671,835,987
OPERATING EXPENSES:		(5,747,721,508)	(5,044,911,060)	(1,670,573,409)	(1,757,474,770)
Selling & Distribution Expenses	12	(4,881,044,092)	(4,295,075,383)	(1,409,987,703)	(1,488,955,992)
Administrative Expenses	13	(866,646,383)	(749,754,973)	(260,579,569)	(268,516,239)
Finance Cost		(31,033)	(80,704)	(6,137)	(2,539)
PROFIT FROM OPERATIONS		7,631,756,571	5,885,034,782	3,491,978,267	1,914,361,217
Other Income	14	2,777,740,339	2,766,702,390	823,265,313	850,644,407
PROFIT BEFORE WPPF		10,409,496,910	8,651,737,172	4,315,243,580	2,765,005,624
Allocation for WPPF		(495,690,329)	(411,987,484)	(205,487,789)	(131,666,934)
PROFIT BEFORE TAX		9,913,806,581	8,239,749,688	4,109,755,791	2,633,338,690
Income Tax Expenses-Current		(2,305,939,017)	(1,957,213,307)	(1,013,876,299)	(628,121,878)
Income Tax Expenses-Deferred		(101,171,884)	(28,969,543)	26,377,627	(21,124,639)
PROFIT AFTER TAX		7,506,695,680	6,253,566,838	3,122,257,119	1,984,092,173
Other Comprehensive Income:					
Gain/(Loss) on Marketable Securities (Unrealized)		1,813,228	(324,497,513)	(27,231,875)	(379,558,161)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		7,508,508,908	5,929,069,325	3,095,025,244	1,604,534,012
Earnings Per Share (EPS)		9.51	7.93	3.96	2.51
Number of Shares used to compute EPS		789,008,466	789,008,466	789,008,466	789,008,466

Sd/-
Samuel S Chowdhury
Chairman

Sd/-
Ratna Patra
Vice Chairman

Sd/-
Tapan Chowdhury
Managing Director

Sd/-
Muhammad Zahangir Alam
Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

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

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

STATEMENT OF CHANGES IN EQUITY (Un-audited) For the 3rd Quarter Ended 31 March 2018

Particulars	Share Capital	Share Premium	General Reserve		Gain on Marketable Securities (Unrealized)	Retained Earnings	Total
	Taka	Taka	Taka		Taka	Taka	Taka
At 30 June 2017	6,859,452,000	2,035,465,000	105,878,200		573,534,470	31,627,632,641	41,201,962,311
Total Comprehensive Income (Jul'2017-Mar'2018)	-	-	-		(324,497,513)	6,253,566,838	5,929,069,325
Cash Dividend (2016-2017)	-	-	-		-	(2,400,808,200)	(2,400,808,200)
Stock Dividend (2016-2017)	514,458,900	-	-		-	(514,458,900)	-
At 31 March 2018	7,373,910,900	2,035,465,000	105,878,200		249,036,957	34,965,932,379	44,730,223,436

Sd/-
Samuel S Chowdhury
Chairman

Sd/-
Ratna Patra
Vice Chairman

Sd/-
Tapan Chowdhury
Managing Director

Sd/-
Muhammad Zahangir Alam
Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

STATEMENT OF CASH FLOWS (Un-audited) For the 3rd Quarter Ended 31 March 2019

Particulars	3rd Quarter Ended 31 March 2019 Taka	3rd Quarter Ended 31 March 2018 Taka
Cash Flows From Operating Activities:		
RECEIPTS:		
Collections from Sales	32,704,647,807	26,194,616,608
Exchange Fluctuation Gain	24,183,659	75,488,676
Others	1,099,773,041	1,458,427,608
	<u>33,828,604,507</u>	<u>27,728,532,892</u>
PAYMENTS:		
Purchase of Raw and Packing Materials	9,041,258,285	8,158,188,127
Manufacturing and Operating Expenses	9,597,661,143	7,829,272,024
Value Added Tax	4,141,934,644	3,439,281,058
Finance Cost	31,033	80,704
Income Tax Expenses	1,850,119,648	1,865,763,372
Workers Profit Participation Fund	239,271,770	308,667,919
Others	76,404,678	7,095,882
	<u>24,946,681,201</u>	<u>21,608,349,086</u>
Net cash generated from operating activities	<u>8,881,923,306</u>	<u>6,120,183,806</u>
Cash Flows From Investing Activities:		
Purchase of Fixed Assets	(1,536,397,545)	(2,296,681,594)
Disposal of Fixed Assets	-	3,868,042
Investment	111,168,382	(1,467,477,961)
Short Term Loan	1,570,303,135	(1,893,883,777)
Gain on Sale of Marketable Securities	64,229,169	228,670,830
Interest Received	705,679,468	646,747,050
Dividend Received	313,133,178	192,293,722
Net cash used in investing activities	<u>1,228,115,787</u>	<u>(4,586,463,688)</u>
Cash Flows From Financing Activities:		
Dividend Paid	(1,817,785,447)	(1,609,447,740)
Net cash used in financing activities	<u>(1,817,785,447)</u>	<u>(1,609,447,740)</u>
Increase/(Decrease) in Cash and Cash Equivalents	8,292,253,646	(75,727,622)
Cash and Cash Equivalents at the Opening	16,703,964,704	15,689,575,448
Cash and Cash Equivalents at the Opening of SFRL	127,850,615	-
Cash and Cash Equivalents at the Opening of SHNL	84,685,564	-
Cash and Cash Equivalents at the Closing	<u>25,208,754,529</u>	<u>15,613,847,826</u>
Net Operating Cash Flow per Share (NOCF)	11.26	7.76
Number of Shares used to compute NOCF	789,008,466	789,008,466

Sd/-
Samuel S Chowdhury
Chairman

Sd/-
Ratna Patra
Vice Chairman

Sd/-
Tapan Chowdhury
Managing Director

Sd/-
Muhammad Zahangir Alam
Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

Notes to the Interim Financial Statements For the 3rd 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 3rd Quarter Ended on March 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, 2018, 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 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 even after the end of the interim period that has to be reflected in the financial statements for the interim period except.

In this Quarter (Q3, 2019), we have received Tk.276.89 crore (20.26%) addition as Revenue from Square Formulations Ltd. and Square Herbal & Nutraceuticals Ltd. due to merger as on January 01, 2019. It has also a substantial positive impact on the Net Profit of this quarter.

31-03-2019	30-06-2018
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2. PROPERTY, PLANT AND EQUIPMENT: Tk. 20,841,052,332

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

This is arrived at as follows:

Fixed Assets at Cost:

Opening Balance	32,894,007,480	29,863,871,981
Add: Amount of Square Formulations Ltd. due to Merger	3,723,710,402	-
Add: Amount of Square Herbal and Nutraceuticals Ltd. due to Merger	460,443,540	-
Net Addition during the Period/Year	1,473,390,415	4,729,639,101
	38,551,551,837	34,593,511,082
Sales/Transfer during the Period/Year	-	(1,699,503,602)
Closing Balance	Tk. 38,551,551,837	32,894,007,480

Accumulated Depreciation:

Opening Balance	14,622,449,518	13,017,303,686
Add: Amount of Square Formulations Ltd. due to Merger	1,618,496,456	-
Add: Amount of Square Herbal and Nutraceuticals Ltd. due to Merger	119,892,548	-
Charged during the Period/Year	1,349,660,983	1,660,856,625
	17,710,499,505	14,678,160,311
Sales/Transfer during the Period/Year	-	(55,710,793)
	17,710,499,505	14,622,449,518
Carrying Value	Tk. 20,841,052,332	18,271,557,962

	31-03-2019	30-06-2018
3. INVENTORIES: Tk. 4,724,885,107		
The break-up is as under:		
Raw Materials	1,673,284,740	1,121,094,686
Packing Materials	624,398,305	469,946,615
Work-in-Process	289,000,893	204,086,317
Finished Goods	1,281,043,115	941,732,136
Spares & Accessories	535,478,107	444,000,926
Goods- in-Transit	321,679,947	461,230,103
Tk.	4,724,885,107	3,642,090,783

4. ADVANCES, DEPOSITS & PREPAYMENTS : Tk. 3,225,110,760

This consists of as follows:

Advances:	1,449,698,971	1,023,773,655
Employees	226,806,024	177,166,722
Land Purchase	177,811,887	114,804,755
Suppliers	1,045,081,060	531,802,178
Income Tax	-	200,000,000
Deposits:	1,742,629,954	1,069,017,289
Value Added Tax	450,083,188	429,137,122
Earnest Money & Security Deposit	233,563,944	141,832,266
Interest on Fixed Deposit Receipts	1,058,982,822	488,240,998
Others	-	9,806,903
Prepayments:	32,781,835	38,556,178
Office Rent	10,706,559	6,385,565
Insurance Premium	22,075,276	32,170,613
Tk.	3,225,110,760	2,131,347,122

5. SHORT TERM LOAN (Unsecured): Tk. 1,561,672,228

This consists of as follows:

(a) Square Textiles Ltd.	1,020,376,322	1,385,741
(b) Square Fashions Ltd.	541,295,906	79,314
(c) Square Denims Ltd.	-	2,168,142,032
(d) Square Apparels Ltd.	-	780,464,229
(e) Square Herbal & Nutraceuticals Ltd.	-	181,904,047
Tk.	1,561,672,228	3,131,975,363

6. CASH AND CASH EQUIVALENTS: Tk. 25,208,754,529

This is made up as follows:

(a) Cash in Hand	46,702,838	4,347,122
(b) Cash at Bank:	25,162,051,691	16,699,617,582
* Current Account	1,740,299,000	1,413,887,145
* STD Account	274,059,673	214,854,684
* Fixed Deposit Account (BD Taka)	20,303,791,517	12,713,244,578
* Fixed Deposit Account (USD)	2,278,432,989	1,936,582,928
* Export Retention Quota Account (USD)	523,859,309	393,523,444
* Margin Held Account (USD)	41,609,203	27,524,803
Tk.	25,208,754,529	16,703,964,704

7. DEFERRED TAX LIABILITY: Tk. 1,349,839,544

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	1,126,645,973	1,055,679,469
Add: Amount of Square Formulations Ltd. due to Merger	122,021,687	-
Addition during the Period	101,171,884	70,966,504
Closing Balance	1,349,839,544	1,126,645,973

	31-03-2019	30-06-2018
8. LIABILITIES FOR EXPENSES: Tk. 14,027,461		
This consists of as follows:		
Accrued Expenses	13,974,561	89,334,542
Audit Fees	52,900	287,500
Tk.	14,027,461	89,622,042

9. LIABILITIES FOR OTHER FINANCE: Tk. 3,406,456,212

This consists of as follows:

Sundry Creditors	1,543,562,924	442,013,565
Income Tax (Deduction at Source)	13,857,160	11,457,165
Retention Money	1,162,730	3,319,330
Workers' Profit Participation Fund and Welfare Fund	1,217,486,908	541,252,736
Income Tax Payable (Note-9.1)	630,386,490	37,146,534
Tk.	3,406,456,212	1,035,189,330

9.1 INCOME TAX PAYABLE: Tk. 630,386,490

This is arrived at as follows:

Opening balance	37,146,534	30,717,014
Add: Amount of Square Formulations Ltd. due to Merger	306,953,766	-
Add: Amount of Square Herbal and Nutraceuticals Ltd. due to Merger	30,466,821	-
Provision made for the Period	2,305,939,017	2,534,562,419
Tax Paid (Including Advance Income Tax during the Period)	(2,050,119,648)	(2,528,132,899)
Tk.	630,386,490	37,146,534

10. GROSS REVENUE: Tk. 31,035,096,143

This is made-up as follows:

	2018-2019 (Jul'2018-Mar'2019)	2017-2018 (Jul'2017-Mar'2019)
Local Sales	29,944,002,852	24,625,402,995
Export Sales Equivalent in US \$ 12,802,162 (Jul'17-Mar'18 US \$ 14,240,024)	1,091,093,291	1,176,438,896
Tk.	31,035,096,143	25,801,841,891

11. COST OF GOODS SOLD: Tk. 13,513,683,420

Materials	9,080,098,372	7,453,656,836
Factory Overhead	4,433,585,048	3,978,958,155
Tk.	13,513,683,420	11,432,614,991

12. SELLING & DISTRIBUTION EXPENSES: Tk. 4,881,044,092

This consists of as follows:

Salaries and Allowances	862,524,946	781,801,378
Travelling and Conveyance	85,062,197	73,244,466
Printing and Stationery	52,423,298	45,791,830
Postage, Telephone, Fax & Telex	40,238,220	29,727,953
Electricity, Gas and Water	19,351,650	17,513,899
Office and Godown Rent	16,126,304	17,000,958
Repairs and Maintenance including car maintenance	291,762,965	263,727,663
Govt. Taxes and Licence Fees	24,765,093	16,350,494
Field Staff Salaries, Allowances, TA and DA	1,217,475,017	1,070,662,141
Marketing and Promotional Expenses	930,564,727	824,467,258
Delivery and Packing Expenses	86,665,983	76,388,981
Export Expenses	77,386,610	64,865,450
Special Discount	803,677,070	694,627,292
Security Services	51,491,975	51,956,752
Depreciation	142,013,230	114,833,212
Other Expenses	179,514,807	152,115,656
Tk.	4,881,044,092	4,295,075,383

	2018-2019 (Jul'2018-Mar'2019)	2017-2018 (Jul'2017-Mar'2019)
13. ADMINISTRATIVE EXPENSES: Tk. 866,646,383		
This consists of as follows:		
Salaries and Allowances	273,710,580	247,092,790
Directors' Remuneration	50,822,009	54,866,881
Travelling and Conveyance	98,689,277	86,461,559
Printing and Stationery	12,324,684	10,706,302
Postage, Telephone, Internet	7,173,710	7,098,127
Electricity, Gas & Water	19,284,921	16,136,887
Tiffin and Refreshment	48,207,832	40,738,101
Repairs and Maintenance	117,120,233	106,257,059
Bank Charges	9,242,022	13,589,011
Insurance Premium	9,902,467	9,050,566
Govt. Taxes, Stamp Duty & Licence Fee	7,220,789	6,075,835
Security Services	33,827,881	29,062,152
Legal Charges	3,115,800	1,907,175
Depreciation	80,356,543	70,331,970
Software & Hardware Support Services	60,651,409	15,691,353
Other Expenses	34,996,226	34,689,205
Tk.	866,646,383	749,754,973

14. OTHER INCOME: Tk. 2,777,740,339

This is arrived at as follows:

Bank Interest	1,137,498,615	782,452,032
Interest on Loan to Sister Concern	138,922,677	37,340,724
Dividend	313,133,178	192,293,722
Commission Received	1,018,758,375	1,370,964,820
Gain on Marketable Securities (Realized)	64,229,169	228,670,830
Foreign Exchange Fluctuation Gain	24,183,659	75,488,676
Others	81,014,666	79,491,586
Tk.	2,777,740,339	2,766,702,390

15. 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 InformatiX Ltd., Square Denims Ltd., Square Apparels Ltd., Square Herbal & Nutraceuticals Ltd., Square Securities Manament Ltd., Pharma Packages (Pvt) Ltd., Square Formulations Ltd. and AEGIS Services Ltd. during the year reporting. The summary is as follows:

	31-03-2019	30-06-2018
	Receivable/(Payable)	Receivable/(Payable)
Square Textiles Ltd.	1,020,376,322	43,053,037
Square Fashions Ltd.	541,295,906	467,089
Square InformatiX Ltd.	(102,531)	(6,853,013)
Square Denims Ltd.	-	2,757,912,580
Square Apparels Ltd.	-	929,784,271
Square Herbal & Nutraceuticals Ltd.	-	327,272,459
Square Securities Management Ltd.	76,698,627	33,628,743
Pharma Packages (Pvt.) Ltd.	114,004,444	223,400,000
Square Formulations Ltd.	-	(3,516,339,451)
AEGIS Servicee Ltd.	-	(11,009)
	2018-2019 (Jul'2018-Mar'2019)	2017-2018 (Jul'2017-Mar'2019)

16. 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	276,680,269	245,508,093
Post-Employment Benefits	21,330,363	6,883,740
Other Long-Term Benefits	-	-
Termination Benefits	-	-
Share-Based Payment	-	-

17. The Contingent Liabilities of the companies as of March 31, 2019 were as follows:

Letter of Credit Liabilities as on 31-03-2019 is Tk. 222.23 crore of Square Pharmaceuticals Ltd. but there is no contingent liability of the Square Pharmaceuticals Kenya EPZ Limited.