Second Quarter

Financial Statement 2017-2018

(Unaudited)



SQUARE PHARMACEUTICALS LTD.

(Consolidated and Separate)

AMI STOCK

SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Unaudited)
As at 31 December 2017

Particulares	31-12-2017 Taka	30-06-2017 Taka
ASSETS:		
Non-Current Assets:	**31,668,948,000**	**29,355,222,227**
Property, Plant and Equipment-Carrying Value	20,087,797,374	19,323,568,164
Investment - Long Term (at Cost)	741,249,106	588,808,565
Investment - Associates Undertaking	7,869,674,646	7,504,636,420
Investment in Marketable Securities (Fair Value)	2,955,963,654	1,938,209,078
Pre-operating Expenses	14,263,220	-
Current Assets:	**26,311,160,667**	**23,175,830,022**
Inventories	4,337,937,609	3,730,808,243
Trade Debtors	1,475,851,657	2,204,014,900
Advances,Deposits and Prepayments	1,299,522,082	1,450,936,735
Short Term Loan	589,886,064	21,386,290
Cash and Cash Equivalents	18,607,963,255	15,768,683,854
TOTAL ASSETS	**57,980,108,667**	**52,531,052,249**
SHAREHOLDERS' EQUITY AND LIABILITIES:		
Shareholders' Equity:	**52,585,674,935**	**49,027,700,210**
Share Capital	7,373,910,900	6,859,452,000
Share Premium	2,035,465,000	2,035,465,000
General Reserve	105,878,200	105,878,200
Tax Exemption Reserve	1,347,352,259	852,508,043
Gain on Marketable Securities (Unrealized)	690,951,962	596,561,713
Retained Earnings	41,032,116,614	38,577,835,254
Non Controlling Interest	20,102,532	12,674,141
Non-Current Liabilities:	**1,151,538,026**	**1,129,233,846**
Deffered Tax Liability	1,151,538,026	1,129,233,846
Current Liabilities:	**4,222,793,174**	**2,361,444,052**
Trade Creditors	1,251,482,645	843,937,277
Liabilities for Expenses	27,466,219	27,576,542
Liabilities for Other Finance	2,943,844,310	1,489,930,233
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**57,980,108,667**	**52,531,052,249**
Net Assets Value (NAV) per Share	**71.31**	**66.49**
Number of Shares used to compute NAV	737,391,090	737,391,090

Sd/-
Samuel S Chowdhury
Chairman

Sd/-
Ratna Patra
Vice Chairman

Sd/-
Tapan Chowdhury
Managing Director

Sd/-
Md. Kabir Reza
Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARY

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

For the 2nd Quarter Ended 31 December 2017

Particulars	Six Months Results		2nd Quarter Results	
	July-Dec 2017 Taka	July-Dec 2016 Taka	Oct-Dec 2017 Taka	Oct-Dec 2016 Taka
GROSS TURNOVER	22,861,395,070	19,901,081,303	11,423,203,555	10,083,328,398
Less: Value Added Tax	3,140,757,188	2,768,435,771	1,570,516,170	1,383,497,252
NET TURNOVER	**19,720,637,882**	**17,132,645,532**	**9,852,687,385**	**8,699,831,146**
Cost of Goods Sold	(9,897,412,698)	(8,524,056,028)	(5,013,086,165)	(4,257,234,414)
GROSS PROFIT	**9,823,225,184**	**8,608,589,504**	**4,839,601,220**	**4,442,596,732**
OPERATING EXPENSES:	**(3,332,908,351)**	**(2,865,945,831)**	**(1,766,582,278)**	**(1,507,078,783)**
Selling & Distribution Expenses	(2,850,133,802)	(2,447,622,616)	(1,508,614,073)	(1,287,867,437)
Administrative Expenses	(482,696,384)	(418,174,627)	(257,890,511)	(219,068,902)
Finance Cost	(78,165)	(148,588)	(77,694)	(142,444)
PROFIT FROM OPERATIONS	**6,490,316,833**	**5,742,643,673**	**3,073,018,942**	**2,935,517,949**
Other Income	940,486,795	438,222,054	510,895,149	221,425,354
PROFIT BEFORE WPPF	7,430,803,628	6,180,865,727	3,583,914,091	3,156,943,303
Allocation for WPPF	(359,142,968)	(303,302,675)	(175,957,752)	(159,306,369)
PROFIT BEFORE TAX	7,071,660,660	5,877,563,052	3,407,956,339	2,997,636,934
Income Tax Expenses-Current	(1,653,969,967)	(1,354,319,063)	(796,226,623)	(732,446,055)
Income Tax Expenses-Deferred	(22,304,180)	(24,017,660)	(27,290,696)	13,061,589
PROFIT AFTER TAX	**5,395,386,513**	**4,499,226,329**	**2,584,439,020**	**2,278,252,468**
Profit/(Loss) from Associates Undertaking	476,236,918	384,106,714	275,415,586	179,782,499
PROFIT FOR THE PERIOD	**5,871,623,431**	**4,883,333,043**	**2,859,854,606**	**2,458,034,967**
Other Comprehensive Income:				
Gain/(Loss) on Marketable Securities (Unrealized)	94,587,885	271,692,643	(151,977,640)	119,203,417
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**5,966,211,316**	**5,155,025,686**	**2,707,876,966**	**2,577,238,384**
Profit Attibutable to:				
Owners of the Company	5,864,392,676	4,879,268,289	2,855,960,496	2,455,885,990
Non Controlling Interest	7,230,755	4,064,754	3,894,110	2,148,977
	5,871,623,431	**4,883,333,043**	**2,859,854,606**	**2,458,034,967**
Total Comprehensive Income Attributable to:				
Owners of the Company	5,958,782,925	5,150,918,521	2,704,012,802	2,575,060,334
Non Controlling Interest	7,428,391	4,107,165	3,864,164	2,178,050
	5,966,211,316	**5,155,025,686**	**2,707,876,966**	**2,577,238,384**
Earnings Per Share (EPS)	**7.95**	**6.62**	**3.87**	**3.33**
Number of Shares used to compute EPS	737,391,090	737,391,090	737,391,090	737,391,090

Sd/-
Samuel S Chowdhury
Chairman

Sd/-
Ratna Patra
Vice Chairman

Sd/-
Tapan Chowdhury
Managing Director

Sd/-
Md. Kabir Reza
Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)

For the 2nd Quarter Ended 31 December 2017

Particulars	Share Capital	Share Premium	General Reserve	Tax Exemption Reserve	Gain/(Loss) 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-Dec'2017)	-	-	-	-	94,390,249	5,864,392,676	7,428,391	5,966,211,316
Transfer to Tax Exemption Reserve	-	-	-	484,844,216	-	(494,844,216)	-	(10,000,000)
Cash Dividend (2016-2017)	-	-	-	-	-	(2,400,808,200)	-	(2,400,808,200)
Stock Dividend (2016-2017)	514,458,900	-	-	-	-	(514,458,900)	-	-
At 31 December 2017	7,373,910,900	2,035,465,000	105,878,200	1,337,352,259	690,951,962	41,032,116,614	20,102,532	52,595,777,467
At 31 December 2016	6,859,452,000	2,035,465,000	105,878,200	627,007,011	538,479,222	33,047,828,013	4,658,590	43,218,768,036

Sd/-
Samuel S Chowdhury
Chairman

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Md. Kabir Reza
Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

AMARSTOCK

SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)
For the 2nd Quarter Ended 31 December 2017

Particulars	July-Dec, 2017 Taka	July-Dec, 2016 Taka
Cash Flows From Operating Activities:		
RECEIPTS:		
Collections from Sales	23,491,282,534	19,968,862,411
Others	145,055,862	146,292,108
	23,636,338,396	20,115,154,519
PAYMENTS:		
Purchase of Raw and Packing Materials	6,939,270,130	5,100,928,495
Manufacturing and Operating Expenses	5,151,017,277	4,687,737,474
Value Added Tax	3,140,757,188	2,768,435,771
Finance Cost	78,165	148,588
Income Tax	1,693,949,332	1,125,292,480
Workers Profit Participation Fund	316,080,019	576,993,416
Others	11,156,607	-
	17,252,308,718	14,259,536,224
Net cash provided by operating activities	6,384,029,678	5,855,618,295
Cash Flows From Investing Activities:		
Purchase of Fixed Assets	(1,712,970,846)	(972,843,279)
Pre-operating Expenses	(14,263,220)	-
Disposal of Assets	-	794,060
Investment	(1,075,607,232)	(440,869,726)
Short Term Loan	(568,499,774)	1,389,333
Gain on Sale of Marketable Securities	248,224,327	9,934,486
Interest Received	357,497,674	332,859,866
Dividend Received	123,501,864	205,549,668
Net cash used in investing activities	(2,642,117,207)	(863,185,592)
Cash Flows From Financing Activities:		
Dividend Paid	(902,633,070)	(940,590,501)
Net cash used in financing activities	(902,633,070)	(940,590,501)
Increase in Cash and Cash Equivalents	2,839,279,401	4,051,842,202
Cash and Cash Equivalents at the Opening	15,768,683,854	8,522,555,131
Cash and Cash Equivalents at the Closing	18,607,963,255	12,574,397,333
Net Operating Cash Flow per Share (NOCF)	**8.66**	**7.94**
Number of Shares used to compute NOCF	737,391,090	737,391,090

Sd/-
Samuel S Chowdhury
Chairman

Sd/-
Ratna Patra
Vice Chairman

Sd/-
Tapan Chowdhury
Managing Director

Sd/-
Md. Kabir Reza
Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

STATEMENT OF FINANCIAL POSITION (Unaudited)
As at 31 December 2017

Particulares	31-12-2017 Taka	30-06-2017 Taka
ASSETS:		
Non-Current Assets:	**25,573,939,947**	**23,494,648,133**
Property, Plant and Equipment-Carrying Value	17,769,478,884	16,846,568,295
Investment - Long Term (at Cost)	5,171,750,651	4,812,888,360
Investment in Marketable Securities (Fair Value)	2,632,710,412	1,835,191,478
Current Assets:	**25,057,555,735**	**22,268,597,918**
Inventories	3,547,316,366	2,988,121,604
Trade Debtors	1,455,943,595	2,188,447,720
Advances,Deposits and Prepayments	1,199,177,593	1,381,066,856
Short Term Loan	589,886,064	21,386,290
Cash and Cash Equivalents	18,265,232,117	15,689,575,448
TOTAL ASSETS	**50,631,495,682**	**45,763,246,051**
SHAREHOLDERS' EQUITY AND LIABILITIES:		
Shareholders' Equity:	**43,125,689,424**	**41,201,962,311**
Share Capital	7,373,910,900	6,859,452,000
Share Premium	2,035,465,000	2,035,465,000
General Reserve	105,878,200	105,878,200
Gain on Marketable Securities (Unrealized)	628,595,118	573,534,470
Retained Earnings	32,981,840,206	31,627,632,641
Non-Current Liabilities:	**1,063,524,373**	**1,055,679,469**
Deffered Tax Liability	1,063,524,373	1,055,679,469
Current Liabilities:	**6,442,281,885**	**3,505,604,271**
Short Term Loan	2,883,897,522	1,700,295,979
Trade Creditors	1,027,649,901	720,284,653
Liabilities for Expenses	26,779,435	21,937,186
Liabilities for Other Finance	2,503,955,027	1,063,086,453
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**50,631,495,682**	**45,763,246,051**
Net Assets Value per Share (NAV)	**58.48**	**55.88**
Number of Shares used to compute NAV	737,391,090	737,391,090

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Samuel S Chowdhury
Chairman

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Ratna Patra
Vice Chairman

Sd/-
Tapan Chowdhury
Managing Director

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Md. Kabir Reza
Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Unaudited)
For the 2nd Quarter Ended 31 December 2017

Particulars	Six Months Results		2nd Quarter Results	
	July-Dec 2017 Taka	July-Dec 2016 Taka	Oct-Dec 2017 Taka	Oct-Dec 2016 Taka
GROSS TURNOVER	**17,130,556,841**	**15,682,846,301**	**8,528,139,936**	**7,901,411,228**
Less: Value Added Tax	2,296,248,932	2,145,140,103	**1,143,461,131**	**1,061,456,345**
NET TURNOVER	**14,834,307,909**	**13,537,706,198**	**7,384,678,805**	**6,839,954,883**
COST OF GOODS SOLD	(7,576,198,054)	(6,662,996,892)	(3,759,182,114)	(3,296,954,324)
GROSS PROFIT	**7,258,109,855**	**6,874,709,306**	**3,625,496,691**	**3,543,000,559**
Operating Expenses:	**(3,287,436,290)**	**(2,817,496,481)**	**(1,741,734,661)**	**(1,477,487,380)**
Selling & Distribution Expenses	(2,806,119,391)	(2,400,003,748)	(1,484,739,835)	(1,258,763,831)
Administative Expenses	(481,238,734)	(417,350,142)	(256,917,132)	(218,582,409)
Financial Cost	(78,165)	(142,591)	(77,694)	(141,140)
PROFIT FROM OPERATIONS	**3,970,673,565**	**4,057,212,825**	**1,883,762,030**	**2,065,513,179**
Other Income	1,916,057,983	1,311,739,806	1,047,299,141	751,076,220
PROFIT BEFORE WPPF & WF	**5,886,731,548**	**5,368,952,631**	**2,931,061,171**	**2,816,589,399**
Allocation for WPPF & WF	(280,320,550)	(255,664,411)	(139,574,342)	(134,123,305)
PROFIT BEFORE TAX	**5,606,410,998**	**5,113,288,220**	**2,791,486,829**	**2,682,466,094**
Income Tax Expenses-Current	(1,329,091,429)	(1,220,931,924)	(649,571,917)	(661,933,475)
Income Tax Expenses-Deferred	(7,844,904)	(17,590,387)	(16,058,717)	16,414,801
PROFIT AFTER TAX FOR THE PERIOD	**4,269,474,665**	**3,874,765,909**	**2,125,856,195**	**2,036,947,420**
Other Comprehensive Income:				
Gain/(Loss) on Marketable Securities (Unrealized)	55,060,648	263,210,600	(145,988,446)	113,389,017
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**4,324,535,313**	**4,137,976,509**	**1,979,867,749**	**2,150,336,437**
Earnings Per Share (EPS)	**5.79**	**5.25**	**2.88**	**2.76**
Number of Shares used to compute EPS	737,391,090	737,391,090	737,391,090	737,391,090

Sd/-
Samuel S Chowdhury
Chairman

Sd/-
Ratna Patra
Vice Chairman

Sd/-
Tapan Chowdhury
Managing Director

Sd/-
Md. Kabir Reza
Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

STATEMENT OF CHANGES IN EQUITY (Unaudited)

For the 2nd Quarter Ended 31 December 2017

	Share Capital Taka	Share Premium Taka	General Reserve Taka	Gain/(Loss) on Marketable Securities (Unrealized) Taka	Retained Earnings Taka	Total 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-Dec'2017)	-	-	-	55,060,648	4,269,474,665	4,324,535,313
Cash Dividend (2016-2017)	-	-	-	-	(2,400,808,200)	(2,400,808,200)
Stock Dividend (2016-2017)	514,458,900	-	-	-	(514,458,900)	-
At 31 December 2017	**7,373,910,900**	**2,035,465,000**	**105,878,200**	**628,595,118**	**32,981,840,206**	**43,125,689,424**
At 31 December 2016	**6,859,452,000**	**2,035,465,000**	**105,878,200**	**529,997,179**	**27,709,901,037**	**37,240,693,416**

Sd/-
Samuel S Chowdhury
Chairman

Sd/-
Ratna Patra
Vice Chairman

Sd/-
Tapan Chowdhury
Managing Director

Sd/-
Md. Kabir Reza
Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

AMAR STOCK

SQUARE PHARMACEUTICALS LTD.

STATEMENT OF CASH FLOWS (Unaudited)
For the 2nd Quarter Ended 31 December 2017

Perticulars	July-Dec, 2017 Taka	July-Dec, 2016 Taka
Cash Flows From Operating Activities:		
RECEIPTS:		
Collections from Sales	17,786,009,511	15,716,395,305
Others	1,040,740,815	811,649,488
	18,826,750,326	16,528,044,793
PAYMENTS:		
Purchase of Raw and Packing Materials	5,169,766,481	3,959,461,962
Manufacturing and Operating Expenses	4,769,225,495	4,397,395,622
Value Added Tax	2,296,248,932	2,145,140,103
Finance Cost	78,165	142,591
Income Tax Expense	1,302,778,434	1,114,365,930
Workers Profit Participation Fund	308,100,789	570,935,774
Others	10,162,827	-
	13,856,361,123	12,187,441,982
Net cash provided by operating activities	4,970,389,203	4,340,602,811
Cash Flows From Investing Activities:		
Purchase of Fixed Assets	(1,703,792,064)	(807,528,722)
Disposal of Assets	-	794,060
Investment	(1,101,320,577)	(360,879,369)
Short Term Loan	615,101,769	1,258,106,442
Gain on Sale of Marketable Securities	218,911,870	9,934,486
Interest Received	357,497,674	352,529,794
Dividend Received	121,501,864	205,549,668
Net cash used in investing activities	(1,492,099,464)	658,506,359
Cash Flows From Financing Activities:		
Dividend Paid	(902,633,070)	(940,590,501)
Net cash used in financing activities	(902,633,070)	(940,590,501)
Increase in Cash and Cash Equivalents	2,575,656,669	4,058,518,669
Cash and Cash Equivalents at the Opening	15,689,575,448	8,445,641,525
Cash and Cash Equivalents at the Closing	18,265,232,117	12,504,160,194
Net Operating Cash Flow per Share (NOCF)	**6.74**	**5.89**
Number of Shares used to compute NOCF	737,391,090	737,391,090

Sd/-
Samuel S Chowdhury
Chairman

Sd/-
Ratna Patra
Vice Chairman

Sd/-
Tapan Chowdhury
Managing Director

Sd/-
Md. Kabir Reza
Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

Square Pharmaceuticals Limited

and its subsidiary

Notes to the Interim Financial Statements
For the 2nd Quarter Ended December 31, 2017

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 Limited, Square Formulations Limited, Companies incorporated in Bangladesh under Companies Act and Square Pharmaceuticals Kenya Limited incorporated under Companies Act 2015 of Kenya, for the Second Quarter Ended on December 31, 2017 (here after' the interim period'). They are prepared in accordance with the Bangladesh Accounting Standard (BAS-34) 'Interim Financial Reporting'. These financial statements should read in conjunction with the Annual Financial Statements as of June 30, 2017, as they provide an update of previously 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 judgment 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.

During the period, the company made investments in the form of fixed assets are as follows:

- Land Tk. 235,630,198
- Building Tk. 847,553,547
- Plant & Machinery Tk. 182,335,124
- Laboratory Equipment Tk. 170,962,802
- Furniture & Fixture Tk. 34,148,579
- Others Tk. 233,161,814

Square Pharmaceuticals Ltd. Bangladesh has invested USD 2.255 Million equivalent to BDT 206.42 Million in the share of Square Pharmaceuticals Kenya EPZ Limited, Nairobi, Kenya. The financials of Square Pharmaceuticals Kenya EPZ Limited is converted into BDT @ prevailing conversion rate as of December 31, 2017 (KHS=BDT). It is to be noted that Ground Breaking Ceremony of the Plant was held on 8th January, 2018.

The company operates in industries where significant seasonal or cyclical variations in total sales are not experienced during the reporting period.

Income tax expense is recognized based upon the best estimate of the weighted average income tax are expected for the reporting period.

Deferred Income Tax Expense is raised for the group of Tk. 22,304,180 for the adjustable temporary difference upto December 31, 2017, out of which Tk. 7,844,904 for Square Pharmaceuticals Ltd. and Tk. 14,459,276 for Square Formulations Ltd.

Cash Dividend for the period 2016-2017 (Jul'2016-Jun'2017) amounting to Tk. 902,633,070 have been paid/released to the Shareholders out of which Tk. 2,400,808,200 and also Bonus Shares have been accounted for which was approved by the shareholders in the AGM held on December 04, 2017.

The company has no reportable operating segments as per BFRS-8.

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.

The company did not carry out any related party transaction other than Square Textiles Limited, Square Fashions Limited, Square Denims Limited, Square Apparels Limited, Square Securities Management Limited, Square Formulations Limited, Square InformatiX Limited and AEGIS Services Ltd. balance as of reporting date is given below:

	Receivable
- Square Textiles Ltd.	22,233,843
- Square Fashions Ltd.	3,457,349
- Square Denims Ltd.	345,436,816
- Square Apparels Ltd.	218,758,056
- Square Securities Management Ltd.	70,741,106

	Payable
- Square Formulations Ltd.	2,883,897,522
- Square InformatiX Ltd.	4,917,462
- AEGIS Services Ltd.	3,723,517

Figures have been rounded off to the nearest Taka.

The contingent liabilities of the companies as of December 31, 2017 were as follows;

For Sight and deferred LC for the group Tk. 208.46 crore only, out of which Tk. 1,620,053,007 crore for Square Pharmaceuticals Limited and Tk. 458,575,735 for Square Formulations Limited.