Second Quarter

Financial Statement 2018-2019

(Unaudited)



SQUARE PHARMACEUTICALS LTD.

(Consolidated and Separate)

AMY STOCK

SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Un-audited)
As at 31 December 2018

Particulars	Notes	31-12-2018 Taka	30-06-2018 Taka
ASSETS:			
Non-Current Assets:		**33,174,686,507**	**32,831,465,294**
Property, Plant and Equipment-Carrying Value	2	20,518,066,779	20,545,437,633
Investment - Long Term (at Cost)		819,680,935	940,754,391
Investment - Associates Undertaking		8,911,055,721	8,454,064,733
Investment in Marketable Securities (Fair Value)		2,925,883,072	2,891,208,537
Current Assets:		**33,943,222,948**	**28,441,536,241**
Inventories	3	4,551,853,714	4,432,935,118
Trade Debtors		1,720,615,459	1,615,544,248
Advances,Deposits and Prepayments	4	2,123,540,009	2,280,668,747
Short Term Loan	5	5,112,535,665	3,131,975,363
Cash and Cash Equivalents	6	20,434,678,101	16,980,412,765
TOTAL ASSETS		**67,117,909,455**	**61,273,001,535**
SHAREHOLDERS' EQUITY AND LIABILITIES:			
Shareholders' Equity:		**61,465,976,529**	**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		2,237,375,959	1,949,557,722
Gain on Marketable Securities (Unrealized)		201,057,794	192,272,252
Retained Earnings		48,996,114,916	46,159,482,757
Non Controlling Interest	7	32,218,734	24,901,060
Non-Current Liabilities:		**1,376,217,171**	**1,231,133,152**
Deffered Tax Liability	8	1,376,217,171	1,231,133,152
Current Liabilities:		**4,243,497,021**	**2,200,400,492**
Trade Creditors		585,372,942	524,676,136
Liabilities for Expenses	9	19,314,113	89,665,092
Liabilities for Other Finance	10	3,638,809,966	1,586,059,264
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**67,117,909,455**	**61,273,001,535**
Net Assets Value (NAV) per Share		77.90	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 2nd Quarter Ended 31 December 2018

Particulars	Notes	Six Months Results		2nd Quarter Results	
		July-Dec 2018 Taka	July-Dec 2017 Taka	Oct-Dec 2018 Taka	Oct-Dec 2017 Taka
GROSS TURNOVER	11	24,743,040,332	22,861,395,070	12,532,486,019	11,423,203,555
Less: Value Added Tax		3,424,641,124	3,140,757,188	1,756,164,743	1,570,516,170
NET TURNOVER		**21,318,399,208**	**19,720,637,882**	**10,776,321,276**	**9,852,687,385**
Cost of Goods Sold	12	(10,438,812,713)	(9,897,412,698)	(5,323,002,526)	(5,013,086,165)
GROSS PROFIT		**10,879,586,495**	**9,823,225,184**	**5,453,318,750**	**4,839,601,220**
OPERATING EXPENSES:		**(3,824,213,386)**	**(3,332,908,351)**	**(2,040,871,275)**	**(1,766,582,278)**
Selling & Distribution Expenses	13	(3,265,086,018)	(2,850,133,802)	(1,742,474,876)	(1,508,614,073)
Administrative Expenses	14	(559,089,997)	(482,696,384)	(298,363,620)	(257,890,511)
Finance Cost		(37,371)	(78,165)	(32,779)	(77,694)
PROFIT FROM OPERATIONS		**7,055,373,109**	**6,490,316,833**	**3,412,447,475**	**3,073,018,942**
Other Income	15	1,001,605,427	940,486,795	553,122,881	510,895,149
PROFIT BEFORE WPPF		8,056,978,536	7,430,803,628	3,965,570,356	3,583,914,091
Allocation for WPPF		(383,780,624)	(359,142,968)	(188,753,097)	(175,957,752)
PROFIT BEFORE TAX		**7,673,197,912**	**7,071,660,660**	**3,776,817,259**	**3,407,956,339**
Income Tax Expenses-Current		(1,682,555,127)	(1,653,969,967)	(748,939,043)	(796,226,623)
Income Tax Expenses-Deferred		(145,084,019)	(22,304,180)	(135,781,149)	(27,290,696)
PROFIT AFTER TAX		**5,845,558,766**	**5,395,386,513**	**2,892,097,067**	**2,584,439,020**
Profit/(Loss) from Associates Undertaking		456,990,988	476,236,918	238,071,855	275,415,586
PROFIT FOR THE PERIOD		**6,302,549,754**	**5,871,623,431**	**3,130,168,922**	**2,859,854,606**
Other Comprehensive Income:					
Gain/(Loss) on Marketable Securities (Unrealized)		8,785,542	94,587,885	(75,404,754)	(151,977,640)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**6,311,335,296**	**5,966,211,316**	**3,054,764,168**	**2,707,876,966**
Profit Attibutable to:					
Owners of the Company		6,295,232,080	5,864,392,676	3,126,368,686	2,855,960,496
Non Controlling Interest		7,317,674	7,230,755	3,800,236	3,894,110
		6,302,549,754	**5,871,623,431**	**3,130,168,922**	**2,859,854,606**
Total Comprehensive Income Attributable to:					
Owners of the Company		6,304,118,920	5,958,782,925	3,050,985,278	2,704,012,802
Non Controlling Interest		7,216,376	7,428,391	3,778,890	3,864,164
		6,311,335,296	**5,966,211,316**	**3,054,764,168**	**2,707,876,966**
Earnings Per Share (EPS)		**7.98**	**7.43**	**3.96**	**3.62**
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

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Tapan Chowdhury
Managing Director

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Muhammad Zahangir Alam
Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARIES

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Un-audited)
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'2017-Dec'2017)	-	-	-	-	94,390,249	5,864,392,676	7,428,391	5,966,211,316
Transfer to Tax Exemption Reserve	-	-	-	494,844,216	-	(494,844,216)	-	-
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	1,347,352,259	690,951,962	41,032,116,614	20,102,532	52,605,777,467

Sd/-
Samuel S Chowdhury
Chairman

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Ratna Patra
Vice Chairman

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Tapan Chowdhury
Managing Director

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Muhammad Zahangir Alam
Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS (Un-audited)
For the 2nd Quarter Ended 31 December 2018

Particulars	2nd Quarter Ended 31 December 2018 Taka	2nd Quarter Ended 31 December 2017 Taka
Cash Flows From Operating Activities:		
RECEIPTS:		
Collections from Sales	24,785,455,303	23,491,282,534
Exchange Fuctuation Gain	9,094,974	58,277,416
Others	97,760,503	86,778,446
	24,892,310,780	**23,636,338,396**
PAYMENTS:		
Purchase of Raw and Packing Materials	7,203,375,179	6,939,270,130
Manufacturing and Operating Expenses	6,669,521,037	5,151,017,277
Value Added Tax	3,424,641,124	3,140,757,188
Finance Cost	37,371	78,165
Income Tax	1,495,691,098	1,693,949,332
Workers Profit Participation Fund	250,120,490	316,080,019
Others	73,286,850	11,156,607
	19,116,673,149	**17,252,308,718**
Net cash provided by operating activities	5,775,637,631	6,384,029,678
Cash Flows From Investing Activities:		
Purchase of Fixed Assets	(1,188,448,959)	(1,712,970,846)
Pre-operating Expenses	-	(14,263,220)
Investment	95,184,463	(1,075,607,232)
Short Term Loan	(1,980,560,302)	(568,499,774)
Gain on Sale of Marketable Securities	62,724,460	248,224,327
Interest Received	663,544,475	357,497,674
Dividend Received	26,183,568	123,501,864
Net cash used in investing activities	**(2,321,372,295)**	**(2,642,117,207)**
Cash Flows From Financing Activities:		
Dividend Paid	-	(902,633,070)
Net cash used in financing activities	-	(902,633,070)
Increase in Cash and Cash Equivalents	3,454,265,336	2,839,279,401
Cash and Cash Equivalents at the Opening	16,980,412,765	15,768,683,854
Cash and Cash Equivalents at the Closing	20,434,678,101	18,607,963,255
Net Operating Cash Flow per Share (NOCF)	7.32	8.09
Number of Shares used to compute NOCF	789,008,466	789,008,466

Sd/-
Samuel S Chowdhury
Chairman

Sd/-
Ratna Patra
Vice Chairman

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Tapan Chowdhury
Managing Director

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Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

and Its Subsidiaries

Notes to the Consolidated Interim Financial Statements
For the 2nd Quarter Ended December 31 2018

1. Basis of Preparation of the Interim Financial Statements:

These Financial Statements (They) are the unaudited interim Financial statement (here after 'the Interim Financial Statements') of Square Pharmaceuticals Ltd. And Square Formulations Ltd., Companies incorporated in Bangladesh under companies act and Square Pharmaceuticals Kenya EPZ Limited incorporated in Kenya under companies act 2015, Kenya, for the 2nd Quarter Ended on December 31, 2018 (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 figues 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.

		31-12-2018	30-06-2018
2. CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT: Tk. 20,518,066,779			
Details of Property, Plant and Equipment and Depreciation as at 31 December 2018 are as follows:			
This is arrived at as follows:			
Fixed Assets at Cost:			
Opening Balance		36,634,171,899	33,470,077,571
Net Addition during the Period/Year		964,118,182	4,863,597,930
		37,598,290,081	38,333,675,501
Sales/Transfer during the Period/Year		-	(1,699,503,602)
Closing Balance		37,598,290,081	36,634,171,899
Accumulated Depreciation:			
Opening Balance		16,088,734,266	14,146,509,407
Charged during the Period/ Year		991,489,036	1,997,935,652
		17,080,223,302	16,144,445,059
Sales/Transfer during the Period/Year		-	(55,710,793)
		17,080,223,302	16,088,734,266
Carrying Value	Tk.	**20,518,066,779**	**20,545,437,633**

		31-12-2018	30-06-2018
3. CONSOLIDATED INVENTORIES: Tk. 4,551,853,714			
The break-up is as under:			
Raw Materials		1,639,645,670	1,389,487,814
Packing Materials		642,266,115	548,723,855
Work-in-Process		293,958,261	258,840,704
Finished Goods		1,305,586,301	1,195,194,484
Spares & Accessories		534,176,259	535,109,509
Goods- in-Transit		136,221,108	505,578,752
	Tk.	**4,551,853,714**	**4,432,935,118**
4. CONSOLIDATED ADVANCES, DEPOSITS & PREPAYMENTS : Tk. 2,213,540,009			
This consists of as follows:			
Advances:		**835,350,717**	**1,037,087,589**
Employees		211,907,402	190,480,656
Land Purchase		339,135,532	114,804,755
Suppliers		284,307,783	531,802,178
Income Tax		-	200,000,000
Deposits:		**1,259,136,947**	**1,200,845,735**
Value Added Tax		396,541,077	544,027,259
Earnest Money & Security Deposit		232,057,425	158,770,575
Interest on Fixed Deposit Receipts		630,538,445	488,240,998
Others		-	9,806,903
Prepayments:		**29,052,345**	**42,735,423**
Office Rent		11,283,561	6,385,565
Insurance Premium		17,768,784	36,349,858
	Tk.	**2,123,540,009**	**2,280,668,747**
5. CONSOLIDATED SHORT TERM LOAN (Unsecured): Tk. 5,112,535,665			
This consists of as follows:			
(a) Square Textiles Ltd.		494,853,468	1,385,741
(b) Square Fashions Ltd.		4,435,778,150	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	181,904,047
	Tk.	**5,112,535,665**	**3,131,975,363**
6. CONSOLIDATED CASH AND CASH EQUIVALENTS: Tk. 20,434,678,101			
This is made up as follows:			
(a) Cash in Hand		15,110,358	5,939,209
(b) Cash at Bank:		**20,419,567,743**	**16,974,473,556**
* Current Account		2,494,511,341	1,683,199,425
* STD Account		219,478,263	214,854,684
* Fixed Deposit Account (BD Taka)		15,053,791,516	12,713,244,578
* Fixed Deposit Account (USD)		2,268,859,741	1,936,582,928
* Export Retention Quota Account (USD)		340,371,310	399,067,138
* Margin Held Account (USD)		42,555,572	27,524,803
	Tk.	**20,434,678,101**	**16,980,412,765**
7. NON CONTROLLING INTEREST: Tk. 32,218,734			
This represents non controlling interest of Square Formulations Ltd. is as follows:			
Paid-up Capital (Investment)		500,000	500,000
Retained Earnings		31,718,734	24,401,060
	Tk.	**32,218,734**	**24,901,060**

		31-12-2018	30-06-2018
8. CONSOLIDATED DEFERRED TAX LIABILITY: Tk. 1,376,217,171			
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		1,231,133,152	1,129,233,846
Addition during the Period		145,084,019	101,899,306
Closing Balance	Tk.	**1,376,217,171**	**1,231,133,152**
9. CONSOLIDATED LIABILITIES FOR EXPENSES: Tk. 19,314,113			
This consists of as follows:			
Accrued Expenses		19,314,113	89,334,542
Audit Fees		-	330,550
	Tk.	**19,314,113**	**89,665,092**
10. CONSOLIDATED LIABILITIES FOR OTHER FINANCE: Tk. 3,638,809,966			
This consists of as follows:			
Sundry Creditors		2,370,766,998	446,877,055
Income Tax (Deduction at Source)		67,604,825	56,596,629
Retention Money		947,730	3,619,330
Workers' Profit Participation Fund and Welfare Fund		996,926,624	863,266,490
Income Tax Payable (Note-10.1)		202,563,789	215,699,760
	Tk.	**3,638,809,966**	**1,586,059,264**
10.1 INCOME TAX PAYABLE: Tk. 402,563,789			
This is arrived at as follows:			
Opening balance		215,699,760	241,126,028
Provision made for the Period/Year		1,682,555,127	3,255,148,172
Tax Paid (Including Advance Income Tax during the Period/Year)		(1,695,691,098)	(3,280,574,440)
	Tk.	**202,563,789**	**215,699,760**

		2018 (Jul'2018-Dec'2018)	2017 (Jul'2017-Dec'2017)
11. CONSOLIDATED GROSS REVENUE: Tk. 24,743,040,332			
This consists of as follows:			
Square Pharmaceuticals Ltd.		18,471,659,314	17,130,556,841
Square Formulations Ltd.		6,271,381,018	5,730,838,229
	Tk.	**24,743,040,332**	**22,861,395,070**
12. CONSOLIDATED COST OF GOODS SOLD: Tk. 10,438,812,713			
Materials		7,165,427,042	6,827,482,928
Factory Overhead		3,273,385,671	3,069,929,770
	Tk.	**10,438,812,713**	**9,897,412,698**
13. CONSOLIDATED SELLING & DISTRIBUTION EXPENSES: Tk. 3,265,086,018			
This consists of as follows:			
Salaries and Allowances		546,208,943	512,574,098
Travelling and Conveyance		57,319,526	48,345,239
Printing and Stationery		32,326,250	29,160,007
Postage, Telephone, Fax & Telex		24,741,820	19,876,782
Electricity, Gas and Water		13,107,718	13,139,905
Office and Godown Rent		10,958,869	11,282,223
Repairs and Maintenance including car maintenance		199,872,509	173,413,934
Govt. Taxes and Licence Fees		14,413,412	8,581,004
Field Staff Salaries, Allowances, TA and DA		829,048,997	738,019,809
Marketing and Promotional Expenses		586,205,152	517,962,492
Delivery and Packing Expenses		75,756,153	47,018,465
Export Expenses		71,625,786	61,404,232
Special Discount		535,625,979	416,789,683
Security Services		38,535,381	34,524,200
Depreciation		92,705,591	74,169,841
Other Expenses		136,633,932	143,871,888
	Tk.	**3,265,086,018**	**2,850,133,802**

		2018 (Jul'2018-Dec'2018)	2017 (Jul'2017-Dec'2017)
14. CONSOLIDATED ADMINISTRATIVE EXPENSES: Tk. 559,089,997			
This consists of as follows:			
Salaries and Allowances		175,264,162	158,940,495
Directors' Remuneration		41,880,274	36,302,494
Travelling and Conveyance		64,250,809	58,600,056
Printing and Stationery		7,067,305	6,857,465
Postage, Telephone, Internet		4,552,209	5,125,308
Electricity, Gas & Water		14,173,053	11,237,425
Tiffin and Refreshment		24,830,088	23,290,587
Repairs and Maintenance		68,186,133	61,645,747
Bank Charges		7,985,696	10,254,767
Insurance Premium		6,294,584	5,598,778
Govt. Taxes, Stamp Duty & Licence Fee		5,276,014	4,271,509
Security Services		25,905,258	19,633,666
Legal Charges		2,593,800	1,478,925
Depreciation		51,832,528	43,369,367
Software & Hardware Support Services		33,626,033	10,496,173
Other Expenses		25,372,051	25,593,622
	Tk.	**559,089,997**	**482,696,384**
15. CONSOLIDATED OTHER INCOME: Tk. 1,001,605,427			
This is arrived at as follows:			
Bank Interest		701,724,235	531,080,678
Interest on Loan to Sister Concern		106,036,389	5,091,915
Dividend		26,183,568	12,303,172
Commission Received		51,150,205	43,533,254
Gain on Marketable Securities (Realized)		62,724,460	248,224,327
Foreign Exchange Fluctuation Gain		9,094,974	58,277,416
Others		44,691,596	41,976,033
	Tk.	**1,001,605,427**	**940,486,795**

AMARSTOCK

SQUARE PHARMACEUTICALS LTD.

STATEMENT OF FINANCIAL POSITION (Un-audited)
As at 31 December 2018

Particulars	Notes	31-12-2018 Taka	30-06-2018 Taka
ASSETS:			
Non-Current Assets:		**26,132,211,943**	**26,132,724,160**
Property, Plant and Equipment-Carrying Value	2	18,355,852,068	18,271,557,962
Investment - Long Term (at Cost)		5,257,419,028	5,381,098,073
Investment in Marketable Securities (Fair Value)		2,518,940,847	2,480,068,125
Current Assets:		**32,637,997,171**	**27,196,589,272**
Inventories	3	3,703,318,435	3,642,090,783
Trade Debtors		1,690,863,255	1,587,211,300
Advances,Deposits and Prepayments	4	1,976,365,645	2,131,347,122
Short Term Loan	5	5,112,535,665	3,131,975,363
Cash and Cash Equivalents	6	20,154,914,171	16,703,964,704
TOTAL ASSETS		**58,770,209,114**	**53,329,313,432**
SHAREHOLDERS' EQUITY AND LIABILITIES:			
Shareholders' Equity:		**48,421,752,118**	**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
Gain on Marketable Securities (Unrealized)		244,776,036	215,730,933
Retained Earnings		38,145,548,222	36,931,891,345
Non-Current Liabilities:		**1,254,195,484**	**1,126,645,973**
Deffered Tax Liability	7	1,254,195,484	1,126,645,973
Current Liabilities:		**9,094,261,512**	**5,539,791,081**
Trade Creditors		6,075,886,304	4,414,979,709
Liabilities for Expenses	8	19,199,562	89,622,042
Liabilities for Other Finance	9	2,999,175,646	1,035,189,330
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**58,770,209,114**	**53,329,313,432**
Net Assets Value per Share (NAV)		61.37	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 (Unaudited)
For the 2nd Quarter Ended 31 December 2018

Particulars	Notes	Six Months Results		2nd Quarter Results	
		July-Dec 2018 Taka	July-Dec 2017 Taka	Oct-Dec 2018 Taka	Oct-Dec 2017 Taka
GROSS TURNOVER	10	18,471,659,314	17,130,556,841	9,276,568,612	8,528,139,936
Less: Value Added Tax		2,501,238,561	2,296,248,932	1,276,971,762	1,143,461,131
NET TURNOVER		**15,970,420,753**	**14,834,307,909**	**7,999,596,850**	**7,384,678,805**
COST OF GOODS SOLD	11	(8,058,494,350)	(7,576,198,054)	(4,059,803,848)	(3,759,182,114)
GROSS PROFIT		**7,911,926,403**	**7,258,109,855**	**3,939,793,002**	**3,625,496,691**
Operating Expenses:		**(3,772,148,099)**	**(3,287,436,290)**	**(2,018,955,962)**	**(1,741,734,661)**
Selling & Distribution Expenses	12	(3,221,056,389)	(2,806,119,391)	(1,722,805,431)	(1,484,739,835)
Administative Expenses	13	(551,066,814)	(481,238,734)	(296,125,635)	(256,917,132)
Finance Cost		(24,896)	(78,165)	(24,896)	(77,694)
PROFIT FROM OPERATIONS		**4,139,778,304**	**3,970,673,565**	**1,920,837,040**	**1,883,762,030**
Other Income	14	1,954,475,026	1,916,057,983	1,044,393,871	1,047,299,141
PROFIT BEFORE WPPF & WF		**6,094,253,330**	**5,886,731,548**	**2,965,230,911**	**2,931,061,171**
Allocation for WPPF & WF		(290,202,540)	(280,320,550)	(141,201,472)	(139,574,342)
PROFIT BEFORE TAX		**5,804,050,790**	**5,606,410,998**	**2,824,029,439**	**2,791,486,829**
Income Tax Expenses-Current		(1,292,062,718)	(1,329,091,429)	(566,714,726)	(649,571,917)
Income Tax Expenses-Deferred		(127,549,511)	(7,844,904)	(127,020,037)	(16,058,717)
PROFIT AFTER TAX FOR THE PERIOD		**4,384,438,561**	**4,269,474,665**	**2,130,294,676**	**2,125,856,195**
Other Comprehensive Income:					
Gain/(Loss) on Marketable Securities (Unrealized)		29,045,103	55,060,648	(71,135,720)	(145,988,446)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**4,413,483,664**	**4,324,535,313**	**2,059,158,956**	**1,979,867,749**
Earnings Per Share (EPS)		**5.56**	**5.41**	**2.70**	**2.69**
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 (Unaudited)

For the 2nd Quarter Ended 31 December 2018

Particulars	Share Capital	Share Premium	General Reserve	Gain/(Loss) on Marketable Securities (Unrealized)	Retained Earnings	Total
	Taka	Taka	Taka	Taka	Taka	Taka
At 30 June 2018	**7,373,910,900**	**2,035,465,000**	**105,878,200**	**215,730,933**	**36,931,891,345**	**46,662,876,378**
Total Comprehensive Income (Jul'2018-Dec'2018)	-	-	-	29,045,103	4,384,438,561	4,413,483,664
Cash Dividend (2017-2018)	-	-	-	-	(2,654,607,924)	(2,654,607,924)
Stock Dividend (2017-2018)	516,173,760	-	-	-	(516,173,760)	-
At 31 December 2018	**7,890,084,660**	**2,035,465,000**	**105,878,200**	**244,776,036**	**38,145,548,222**	**48,421,752,118**

STATEMENT OF CHANGES IN EQUITY (Unaudited)

For the 2nd Quarter Ended 31 December 2017

Particulars	Share Capital	Share Premium	General Reserve	Gain/(Loss) 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-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**

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

AMARSTOCK

SQUARE PHARMACEUTICALS LTD.

STATEMENT OF CASH FLOWS (Unaudited)
For the 2nd Quarter Ended 31 December 2018

Particulars	2nd Quarter Ended 31 December 2018 Taka	2nd Quarter Ended 31 December 2017 Taka
Cash Flows From Operating Activities:		
RECEIPTS:		
Collections from Sales	18,507,100,582	17,786,009,511
Exchange Fluctuation Gain	10,005,565	72,777,606
Others	1,076,768,673	967,963,209
	19,593,874,820	**18,826,750,326**
PAYMENTS:		
Purchase of Raw and Packing Materials	3,538,499,890	3,986,164,938
Manufacturing and Operating Expenses	6,397,574,152	4,934,346,931
Value Added Tax	2,501,238,561	2,296,248,932
Finance Cost	24,896	78,165
Income Tax Expense	1,103,858,349	1,302,778,434
Workers Profit Participation Fund	239,190,630	308,100,789
Others	73,331,128	10,162,827
	13,853,717,606	**12,837,881,016**
Net cash provided by operating activities	5,740,157,214	5,988,869,310
Cash Flows From Investing Activities:		
Purchase of Fixed Assets	(1,147,902,212)	(1,538,670,628)
Investment	111,245,837	(1,101,320,577)
Short Term Loan	(1,980,560,302)	(568,499,774)
Gain on Sale of Marketable Securities	39,813,387	218,911,870
Interest Received	663,544,475	357,497,674
Dividend Received	24,651,068	121,501,864
Net cash used in investing activities	**(2,289,207,747)**	**(2,510,579,571)**
Cash Flows From Financing Activities:		
Dividend Paid	-	(902,633,070)
Net cash used in financing activities	-	(902,633,070)
Increase in Cash and Cash Equivalents	3,450,949,467	2,575,656,669
Cash and Cash Equivalents at the Opening	16,703,964,704	15,689,575,448
Cash and Cash Equivalents at the Closing	**20,154,914,171**	**18,265,232,117**
Net Operating Cash Flow per Share (NOCF)	7.28	7.59
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 2nd Quarter Ended December 31 2018

1. Basis of Preparation of the Interim Financial Statements:

These Financial Statements (They) are the unaudited interim Financial statement (here after 'the Interim Financial Statements') of Square Pharmaceuticals Ltd. for the 2nd Quarter Ended on December 31, 2018 (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 figues 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.

		31-12-2018	30-06-2018
2. PROPERTY, PLANT AND EQUIPMENT: Tk. 18,355,852,068			
Details of Property, Plant and Equipment and Depreciation as at 31 December 2018 are as follows:			
This is arrived at as follows:			
Fixed Assets at Cost:			
Opening Balance		32,894,007,480	29,863,871,981
Net Addition during the Period/Year		923,571,434	4,729,639,101
		33,817,578,914	34,593,511,082
Sales/Transfer during the Period/Year		-	(1,699,503,602)
Closing Balance		33,817,578,914	32,894,007,480
Accumulated Depreciation:			
Opening Balance		14,622,449,518	13,017,303,686
Charged during the Period/ Year		839,277,328	1,660,856,625
		15,461,726,846	14,678,160,311
Sales/Transfer during the Period/Year		-	(55,710,793)
		15,461,726,846	14,622,449,518
Carrying Value	Tk.	**18,355,852,068**	**18,271,557,962**

		31-12-2018	30-06-2018
3. INVENTORIES: Tk. 3,703,318,435			
The break-up is as under:			
Raw Materials		1,303,124,836	1,121,094,686
Packing Materials		539,751,808	469,946,615
Work-in-Process		242,919,417	204,086,317
Finished Goods		1,050,645,508	941,732,136
Spares & Accessories		508,895,671	444,000,926
Goods- in-Transit		57,981,195	461,230,103
	Tk.	**3,703,318,435**	**3,642,090,783**
4. ADVANCES, DEPOSITS & PREPAYMENTS : Tk. 1,976,365,645			
This consists of as follows:			
Advances:		**813,657,185**	**1,023,773,655**
Employees		190,213,869	177,166,722
Land Purchase		339,135,533	114,804,755
Suppliers		284,307,783	531,802,178
Income Tax		-	200,000,000
Deposits:		**1,135,745,738**	**1,069,017,289**
Value Added Tax		290,043,899	429,137,122
Earnest Money & Security Deposit		215,163,394	141,832,266
Interest on Fixed Deposit Receipts		630,538,445	488,240,998
Others		-	9,806,903
Prepayments:		**26,962,722**	**38,556,178**
Office Rent		11,283,561	6,385,565
Insurance Premium		15,679,161	32,170,613
	Tk.	**1,976,365,645**	**2,131,347,122**
5. SHORT TERM LOAN (Unsecured): Tk. 5,112,535,665			
This consists of as follows:			
(a) Square Textiles Ltd.		494,853,468	1,385,741
(b) Square Fashions Ltd.		4,435,778,150	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	181,904,047
	Tk.	**5,112,535,665**	**3,131,975,363**
6. CASH AND CASH EQUIVALENTS: Tk. 20,154,914,171			
This is made up as follows:			
(a) Cash in Hand		13,837,745	4,347,122
(b) Cash at Bank:		**20,141,076,426**	**16,699,617,582**
* Current Account		2,223,536,436	1,413,887,145
* STD Account		219,478,263	214,854,684
* Fixed Deposit Account (BD Taka)		15,053,791,516	12,713,244,578
* Fixed Deposit Account (USD)		2,268,859,741	1,936,582,928
* Export Retention Quota Account (USD)		332,854,898	393,523,444
* Margin Held Account (USD)		42,555,572	27,524,803
	Tk.	**20,154,914,171**	**16,703,964,704**
7. DEFERRED TAX LIABILITY: Tk. 1,254,195,484			
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
Addition during the Period		127,549,511	70,966,504
Closing Balance	Tk.	**1,254,195,484**	**1,126,645,973**

		31-12-2018	30-06-2018
8. LIABILITIES FOR EXPENSES: Tk. 19,199,562			
This consists of as follows:			
Accrued Expenses		19,199,562	89,334,542
Audit Fees		-	287,500
	Tk.	**19,199,562**	**89,622,042**
9. LIABILITIES FOR OTHER FINANCE: Tk. 2,999,175,646			
This consists of as follows:			
Sundry Creditors		2,366,809,298	442,013,565
Income Tax (Deduction at Source)		14,103,069	11,457,165
Retention Money		647,730	3,319,330
Workers' Profit Participation Fund and Welfare Fund		592,264,646	541,252,736
Income Tax Payable (Note-9.1)		25,350,903	37,146,534
	Tk.	**2,999,175,646**	**1,035,189,330**
9.1 INCOME TAX PAYABLE: Tk. 25,350,903			
This is arrived at as follows:			
Opening balance		37,146,534	30,717,014
Provision made for the Period		1,292,062,718	2,534,562,419
Tax Paid (Including Advance Income Tax during the Period)		(1,303,858,349)	(2,528,132,899)
	Tk.	**25,350,903**	**37,146,534**

		2018 (Jul'2018-Dec'2018)	2017 (Jul'2017-Dec'2017)
10. GROSS REVENUE: Tk. 18,471,659,314			
This is made-up as follows:			
Local Sales		17,785,248,567	16,418,915,947
Export Sales Equivalent in US $ 8,252,021 (Jul'17-Dec'17 US $ 8,634,306)		686,410,747	711,640,894
	Tk.	**18,471,659,314**	**17,130,556,841**
11. COST OF GOODS SOLD: Tk. 8,058,494,350			
Materials		5,212,880,481	4,984,845,795
Factory Overhead		2,845,613,869	2,591,352,259
	Tk.	**8,058,494,350**	**7,576,198,054**
12. SELLING & DISTRIBUTION EXPENSES: Tk. 3,221,056,389			
This consists of as follows:			
Salaries and Allowances		546,208,943	512,574,098
Travelling and Conveyance		57,319,526	48,345,239
Printing and Stationery		32,326,250	29,160,007
Postage, Telephone, Fax & Telex		24,741,820	19,876,782
Electricity, Gas and Water		13,107,718	13,139,905
Office and Godown Rent		10,958,869	11,282,223
Repairs and Maintenance including car maintenance		199,872,509	173,413,934
Govt. Taxes and Licence Fees		14,413,412	8,581,004
Field Staff Salaries, Allowances, TA and DA		814,865,232	724,653,101
Marketing and Promotional Expenses		586,205,152	517,962,492
Delivery and Packing Expenses		74,018,713	42,159,309
Export Expenses		71,257,254	61,297,335
Special Discount		535,625,979	416,789,683
Security Services		38,535,381	34,524,200
Depreciation		92,705,591	74,169,841
Other Expenses		108,894,040	118,190,238
	Tk.	**3,221,056,389**	**2,806,119,391**

SMARTSTOCK

		2018 (Jul'2018-Dec'2018)	2017 (Jul'2017-Dec'2017)
13. ADMINISTRATIVE EXPENSES: Tk. 551,066,814			
This consists of as follows:			
Salaries and Allowances		175,264,162	158,940,495
Directors' Remuneration		41,880,274	36,302,494
Travelling and Conveyance		64,250,809	58,600,056
Printing and Stationery		7,067,305	6,857,465
Postage, Telephone, Internet		4,552,209	5,125,308
Electricity, Gas & Water		14,173,053	11,237,425
Tiffin and Refreshment		24,830,088	23,290,587
Repairs and Maintenance		68,186,133	61,645,747
Bank Charges		6,190,577	9,695,011
Insurance Premium		6,294,584	5,598,778
Govt. Taxes, Stamp Duty & Licence Fee		4,954,144	3,936,365
Security Services		25,905,258	19,633,666
Legal Charges		993,800	1,478,925
Depreciation		51,832,528	43,369,367
Software & Hardware Support Services		33,626,033	10,496,173
Other Expenses		21,065,857	25,030,872
	Tk.	**551,066,814**	**481,238,734**
14. OTHER INCOME: Tk. 1,954,475,026			
This is arrived at as follows:			
Bank Interest		701,724,235	531,080,678
Interest on Loan to Sister Concern		106,036,389	5,091,915
Dividend		24,651,068	121,501,864
Commission Received		1,018,758,375	927,818,207
Gain on Marketable Securities (Realized)		39,813,387	218,911,870
Foreign Exchange Fluctuation Gain		7,399,976	58,277,416
Others		56,091,596	53,376,033
	Tk.	**1,954,475,026**	**1,916,057,983**

15. RELATED PARTY TRANSACTIONS:

The company did not do any related transactions with it's 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:

	Receivable/(Payable)	Receivable/(Payable)
Square Textiles Ltd.	494,853,468	21,876,165
Square Fashions Ltd.	4,435,778,150	3,457,349
Square InformatiX Ltd.	4,957,648	(4,917,462)
Square Denims Ltd.	-	343,272,946
Square Apparels Ltd.	-	217,756,968
Square Herbal & Nutraceuticals Ltd.	181,904,047	233,628,918
Square Securities Management Ltd.	63,614,012	70,741,106
Pharma Packeges (Pvt.) Ltd.	38,001,894	123,300,000
Square Formulations Ltd.	(5,590,981,036)	(2,883,897,522)
AEGIS Servicee Ltd.	-	(11,009)

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	190,871,460	156,323,881
Post-Employment Benefits	6,204,479	-
Other Long-Term Benefits	-	-
Termination Benefits	-	-
Share-Based Payment	-	-

17. The Contingent Liabilities of the companies as of December 31, 2018 were as follows:

For Sight LC for the Group Tk. 196.86 Crore only, out of which Tk. 165.98 Crore for Square Pharmaceuticals Ltd. and Tk. 30.88 Crore for Square Formulations Ltd., There is no contingent liability of the Square Pharmaceuticals Kenya EPZ Limited.