

MIRA INFORM REPORT

Report No. :	526565
Report Date :	24.08.2018

IDENTIFICATION DETAILS

Name :	SQUARE PHARMACEUTICALS LIMITED
Registered Office :	Square Centre, 48, Mohakhali C/A, Dhaka-1212
Country :	Bangladesh
Financials (as on) :	31.12.2017
Date of Incorporation :	10.11.1964
Com. Reg. No.:	C-2252
Legal Form :	Public Listed Co
Line of Business :	Manufacturer, Exporter, Distributor and Importer of Pharmaceutical Finished Products, Basic Chemicals, Agro Vet Products Pesticide Products, Small Volume Parental Ophthalmic Products and Insulin Products.
No. of Employees :	5868

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

MIRA's Rating :	A+
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Credit Rating	Explanation	Rating Comments
A+	Low Risk	Business dealings permissible with low risk of default

Status :	Good
Payment Behaviour :	Regular
Litigation :	Clear

NOTES :

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Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Bangladesh	A2	A2

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

BANGLADESH - ECONOMIC OVERVIEW

Bangladesh's economy has grown roughly 6% per year since 1996 despite prolonged periods of political instability, poor infrastructure, endemic corruption, insufficient power supplies, and slow implementation of economic reforms. Although more than half of GDP is generated through the services sector, almost half of Bangladeshis are employed in the agriculture sector, with rice as the single-most-important product.

Garment exports, the backbone of Bangladesh's industrial sector, accounted for more than 80% of total exports and were on track to again surpass \$25 billion in 2017. The sector continues to grow, despite the need for improvements in factory working conditions to avert further high-profile accidents that have killed more than 1,000 workers in recent years. Steady export growth in the garment sector combined with remittances from overseas Bangladeshis - which totaled about \$13 billion and 6% of GDP in 2016 - are key contributors to Bangladesh's sustained economic growth and rising foreign exchange reserves.

The recent influx of hundreds of millions of additional refugees from Burma will place pressure on the Bangladeshi government's budget and the country's rice supplies, which declined in 2017 in part because of adverse weather.

Source : CIA

IDENTIFICATION DETAILS

Correct company Name : SQUARE PHARMACEUTICALS LIMITED
Head Office : Square Centre, 48, Mohakhali C/A, Dhaka-1212, Bangladesh.
Tel No : 88-02-8833047-56, 9859007, 9119758
Fax No : 88-02-8834941, 8828768
E-mail : info@squaregroup.com
Website : www.squarepharma.com.bd
Date/ Year of Incorporation : 10.11.1964
Incorporation No. : C-2252
Legal Form (General) : Public Listed Co Public (but not listed) Private Co State-owned Co
 Sole Proprietorships Partnership Not Registered
 others (please specify) _____
Legal form (Specific) : LTD CORP INC CO
 others (please specify) _____
Issuing Authority : Registrar of Joint Stock Companies & Firms City Corporation
 Municipal Administration Union Council
 Cantonment Board Chief Controller of Import & Export (CCIE)

FINANCIALS- SUMMARY

Year	Turnover/ Sales	Assets	Income
30 th June, 2017	BDT 15682846301 (July-Dec'2016)	BDT 45763246051	BDT 3874765909 (July-Dec'2016)
31 st Dec' 2017	BDT 17130556841 (July-Dec'2017)	BDT 50631495682	BDT 4269474665 (July-Dec'2017)

FULLCHECK REPORT DETAILS

Information Parted By

Name : Mr. Anjan Kumar Paul
Designation : Head of Human Resources
Contract No : N/A

Locations Details

Operating Address : Square Centre, 48, Mohakhali C/A, Dhaka-1212, Bangladesh.
Tel No : 88-02-8833047-56, 9859007, 9119758
Fax No : 88-02-8834941, 8828768
E-mail : info@squaregroup.com

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Website : www.squarepharma.com.bd

Location : : Owned ✓ Rented Leased Area 8500 Sq. ft.

Type of Office : : Commercial Office Bldg. ✓ Semi-commercial office Bldg.
Retail shop Industrial Park
Business Center Home Office
Residential Bldg.

Factory-1:

Address : Momin Nagar, Gorai, Mirzapur, Tangail, Bangladesh
Tel No : N/A
Fax No : N/A

Factory-2:

Address : Square Road, Salgaria, Pabna, Bangladesh.
Tel No : N/A
Fax No : N/A

Factory-3:

Address : Board Ghar Bazar, Kaliakoir, Gazipur, Bangladesh.
Tel No : N/A
Fax No : N/A

Factory-4:

Address : Sutrapur, Kaliakoir, Gazipur, Bangladesh
Tel No : Nil
Fax No : Nil

Employee:

No. of Employees	In Office : 2829	Worker : 1288
	In Branch: : 1751	Total : 5868

OWNERSHIP/SHAREHOLDERS

Names of Shareholders	No. of Share	Country
Mr. Samuel S Chowdhury	39150140	Bangladesh.
Mrs. Ratna Patra	37521827	Bangladesh.

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Mr. Tapan Chowdhury	40002534	Bangladesh.
Mr. Anjan Chowdhury	40509040	Bangladesh.
Mr. Kazi Iqbal Harun	23042831	Bangladesh.
General Public	557164718	Bangladesh.

DIRECTORS

Name : Mr. Samuel S. Chowdhury
Designation : Chairman
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

Name : Mrs. Ratna Patra
Designation : Vice Chairman
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

Name : Mr. Tapan Chowdhury
Designation : Managing Director
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

Name : Mr. Anjan Chowdhury
Designation : Director
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

Name : Mr. Kazi Iqbal Harun
Designation : Director
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

6.

Name : Mr. M. Sekander Ali
Designation : Independent Director
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

7.

Name : Mrs. Nihad Kabir
Designation : Independent Director
Nationality : Bangladeshi.
Email address : N/A
Other details : N/A

MANAGEMENT

Name : Mr. Tapan Chowdhury
Job Description : Managing Director
Nationality : Bangladeshi
Email address : N/A
Other details : N/A

Name : Mr. Khandaker Habibuzzaman (FCS)
Job Description : Company Secretary
Nationality : Bangladeshi
Email address : N/A
Other details : N/A

Name : Mr. M Ashiqul Hoque Chawdhury
Job Description : Head of Admin & Supply Chain
Nationality : Bangladeshi
Email address : N/A
Other details : N/A

Name : Mr. Md. Kabir Reza (FCMA)
Job Description : Company Secretary
Nationality : Bangladeshi
Email address : N/A
Other details : N/A

Name : Mr. Muhammadul Haque
Job Description : Head of Marketing
Nationality : Bangladeshi
Email address : N/A

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Trading Terms:

Purchasing Terms:	L/C	√	Cash	Others			
	Credit :		30 days	60 days	√	90 days	days
Selling Terms :	L/C		Cash	√	Others		
	Credit :	√	30 days	60 days		90 days	days

DETAILED DATA

Trade	:	Overseas Clients	:	N/A
Reference & Related Parties	:	Local Clients	:	Local Pharmacy
	:	Overseas Suppliers	:	N/A
	:	Local Suppliers	:	N/A
Trade Markets	:	Exports	:	Europe
	:	Imports	:	India, China
Brand Name	:	N/A		
Certified	:	N/A		
Auditors	:	M/s. Ahmed Zaker & Co.		
	:	Chartered Accountants		
Operation Status	:	Active		
Member	:	Dhaka Chamber of Commerce & Industry		

CAPITAL STRUCTURE

Authorized Capital	:	BDT 10,000 Million
Paid-up Capital	:	BDT 7373910900
No. of Shares	:	737391090
Share Value	:	BDT 10.00 Each
Main Assets	:	BDT 50631495682

FINANCIAL STATEMENT- DETAILED

Balance Sheet :

Currency

: BDT

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Financial Highlights	Denomination	: 1
	Financial Year Ending	: 31 st Dec'2017
	31-12-2017	30-06-2017
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
Advance, Deposit & Prepayments	1,199,177,593	1,381,066,856
Short Term Loan	5 89,886,064	2 1,386,290
Cash And Cash Equivalent	18,265,232,117	15,689,575,448
Total Assets	50,631,495,682	45,763,246,051
Shareholders' Equity And Liabilities		
Share Holders' 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	1 05,878,200	1 05,878,200
Gain On Marketable Securities (Unrealized)	6 28,595,118	5 73,534,470
Retained Earnings	32,981,840,206	31,627,632,641
Non- Current Liabilities :	1,063,524,373	1,055,679,469
Deferred Tax Liability	1,063,524,373	1,055,679,469
Current Liabilities :	6,442,281,885	3,505,604,271
Short Term Loans	2,883,897,522	1,700,295,979
Trade Creditors	1,027,649,901	7 20,284,653
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	7 37,391,090	7 37,391,090

Income Statement :

Financial Highlights	Currency	: BDT
	Denomination	: 1
	Financial Year Ending	: 31 st Dec'2017
	July-Dec'2017	July-Dec'2016
Gross Turnover	17,130,556,841	15,682,846,301

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Less: Value Added Tax	2,296,248,932	2,145,140,103
Net Turnover	14,834,307,909	13,537,706,198
Cost Of Goods Sold	(7,576,198,054)	(6,662,996,892)
Gross Profit	7,258,109,855	6,874,709,306
Operating Expenses:	(3,287,436,290)	(2,817,496,481)
Selling & Distribution Expenses	(2,806,119,391)	(2,400,003,748)
Administrative Expenses	(481,238,734)	(417,350,142)
Finance Cost	(78,165)	(142,591)
Profit From Operation	3,970,673,565	4,057,212,825
Other Income	1,916,057,983	1,311,739,806
Profit Before Wppf & Wf	5,886,731,548	5,886,731,548
Allocation For WPPF & WF	(280,320,550)	(255,664,411)
Profit Before Tax	5,606,410,998	5,113,288,220
Income Tax Expenses-Current	(1,329,091,429)	(1,220,931,924)
Income Tax Expenses-Deferred	(7,844,904)	(17,590,387)
Profit After Tax For The Period	4,269,474,665	3,874,765,909
Other Comprehensive Income:		
Gain/(Loss) On Marketable Securities (Unrealized)	5 5,060,648	263,210,600
Total comprehensive Income For The Period	4,324,535,313	4,137,976,509
Earnings Per Share (EPS)	5.79	5.25
Number Of Shares Used To Compute EPS	737,391,090	737,391,090

ASSOCIATES/SUBSIDIARIES/ RELATED PARTIES

Sister Concerns	:	Square Group
Subsidiary	:	Nil
Name of The Group	:	Squre Yarns Ltd. Unitrend Limited Mediacom Limited Square Air Limited Square Fashion Ltd. Square Textiles Ltd. Square Hospitals Ltd. Square Spinning Ltd. Square InformatiX Ltd. Square Knit fabrics Ltd. Square Formulations Ltd. Square Toiletries Limited Square Cephalosporins Ltd. Square Consumer Products Ltd. Square Herbal and Nutraceuticals Ltd. Square Agro Development and Processing Ltd

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BANKING

Bank Name : HSBC
Citibank N.A
Trust Bank Ltd.
Bank Asia Ltd.
Janata Bank Ltd
Prime Bank Ltd.
BRAC Bank Ltd.
Bank Alfalah Ltd.
Eastern Bank Ltd.
Marcantile Bank Ltd.
Standard Chartered Bank
Shahjalal Islami Bank Ltd.
Commercial Bank of Ceylon

ADVERSE DATA MONITORING

Dishonored Checks : No Record Found
Debt : No Record Found
Litigation : Clear
Performance Defaults : No Record Found
Adverse Local Media Coverage/ : No Record Found
Adverse Filing History

SITE VISIT COMMENTARY

Our representative visited the subject company Head address which is situated at Square Centre, 48, Mohakhali C/A, Dhaka-1212, Bangladesh. It is situated at semi commercial area.

GENERAL COMMENTS

SC has been in its line of business for about 53 years.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.07
UK Pound	1	INR 90.25
Euro	1	INR 81.05
BDT	1	INR 0.83

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

Analysis Done by :	NIS
Report Prepared by :	TPT

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RATING EXPLANATIONS

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)