

# SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARIES

1ST QUARTER FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Unaudited)

As At 30 June 2011

	30-06-2011 Taka	31-03-2011 Taka
<b>ASSETS:</b>		
<b>Non-Current Assets:</b>	<b>14,711,011,410</b>	<b>14,066,327,661</b>
Property, Plant and Equipment-Carrying Value	8,307,880,945	8,059,462,294
Capital Work-in-Progress	1,139,115,186	887,584,197
Investment - Long Term (at Cost)	229,324,380	229,324,380
Investment - Associates Undertaking	4,389,519,624	4,273,562,289
Investment in Marketable Securities (Fair Value)	645,098,729	616,321,955
Preoperating/Preliminary Expenses	72,546	72,546
<b>Current Assets:</b>	<b>8,307,808,706</b>	<b>8,454,124,714</b>
Inventories	3,273,057,961	3,178,959,238
Trade Debtors	879,465,368	1,421,567,342
Advances, Deposits and Prepayments	811,141,107	597,979,121
Short Term Loan	2,468,453,008	2,504,841,900
Margin against BTB Letter of Credit	407,445,321	321,469,720
Cash and Cash Equivalents	468,245,941	429,307,393
<b>TOTAL ASSETS</b>	<b>23,018,820,116</b>	<b>22,520,452,375</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES:</b>		
<b>Shareholders' Equity:</b>	<b>16,926,813,021</b>	<b>15,963,712,784</b>
Share Capital	1,961,739,000	1,961,739,000
Share Premium	2,035,465,000	2,035,465,000
General Reserve	105,878,200	105,878,200
Tax Holiday Reserve	1,535,759,092	1,532,954,925
Gain on Marketable Securities (Unrealized)	282,480,039	294,179,676
Retained Earnings	11,005,491,690	10,033,495,983
Non Controlling Interest	6,141,403	5,849,133
<b>Non-Current Liabilities:</b>	<b>1,240,498,135</b>	<b>1,028,511,238</b>
Long Term Loans - Secured	937,632,631	725,645,734
Deffered Tax Liability	302,865,504	302,865,504
<b>Current Liabilities:</b>	<b>4,845,367,557</b>	<b>5,522,379,220</b>
Short Term Bank Loans	2,576,115,974	2,914,113,426
Long Term Loans-Current Portion	506,031,869	518,199,933
Trade Creditors	853,250,017	1,208,102,997
Liabilities for Expenses	60,568,959	90,485,689
Liabilities for Other Finance	849,400,738	791,477,175
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>23,018,820,116</b>	<b>22,520,452,375</b>

Sd/-  
Tapan Chowdhury  
Managing Director

Sd/-  
Md. Kabir Reza  
Chief Financial Officer

# SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARIES

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

For the 1st Quarter Ended 30 June 2011

	April-June 2011 Taka	April-June 2010 Taka
GROSS TURNOVER	5,206,232,203	4,453,676,876
Less: Value Added Tax	668,281,988	574,403,982
<b>NET TURNOVER</b>	<b>4,537,950,215</b>	<b>3,879,272,894</b>
Cost of Goods Sold	(2,524,871,310)	(2,158,042,721)
<b>GROSS PROFIT</b>	<b>2,013,078,905</b>	<b>1,721,230,173</b>
<b>Operating Expenses:</b>	<b>(914,973,731)</b>	<b>(710,112,788)</b>
Selling & Distribution Expenses	(625,751,919)	(528,971,715)
Administrative Expenses	(172,688,979)	(141,833,536)
Financial Expenses	(116,532,833)	(39,307,537)
<b>PROFIT FROM OPERATIONS</b>	<b>1,098,105,174</b>	<b>1,011,117,385</b>
Other Income	104,846,098	91,044,488
<b>PROFIT BEFORE WPPF</b>	<b>1,202,951,272</b>	<b>1,102,161,873</b>
Allocation for WPPF	(57,283,394)	(52,483,899)
<b>PROFIT BEFORE TAX</b>	<b>1,145,667,878</b>	<b>1,049,677,974</b>
Provision for Income Tax	(286,533,069)	(241,442,666)
<b>PROFIT AFTER TAX</b>	<b>859,134,809</b>	<b>808,235,308</b>
Profit/(Loss) from Associates Undertaking	115,957,335	92,493,923
<b>PROFIT FOR THE PERIOD</b>	<b>975,092,144</b>	<b>900,729,231</b>
Other Comprehensive Income:		
Gain on Marketable Securities (Unrealized)	(11,699,637)	14,302,071
<b>Total Comprehensive Income for the Period</b>	<b>963,392,507</b>	<b>915,031,302</b>
<b>Profit Attributable to:</b>		
Owners of the Company	974,799,874	900,279,395
Non Controlling Interest	292,270	449,836
	<b>975,092,144</b>	<b>900,729,231</b>
<b>Total Comprehensive Income Attributable to:</b>		
Owners of the Company	<b>963,100,237</b>	<b>914,581,466</b>
Non Controlling Interest	<b>292,270</b>	<b>449,836</b>
	<b>963,392,507</b>	<b>915,031,302</b>
Earnings Per Share (EPS)	49.69	45.89
Number of Shares used to compute EPS	19,617,390	19,617,390

Sd/-  
Tapan Chowdhury  
Managing Director

Sd/-  
Md. Kabir Reza  
Chief Financial Officer

**SQUARE PHARMACEUTICALS LTD.**

AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)**

For the 1st Quarter Ended 30 June 2011

	Share Capital Taka	Share Premium Taka	General Reserve Taka	Tax Holiday Reserve Taka	Gain on Marketable Securities (Unrealized) Taka	Retained Earnings Taka	Non Controlling Interest Taka	Total Taka
At 31 March 2011	1,961,739,000	2,035,465,000	105,878,200	1,532,954,925	294,179,676	10,033,495,983	5,849,133	15,969,561,912
Total Comprehensive Income (Apr'2011-Ju)	-	-	-	-	(11,699,637)	974,799,874	292,270	963,392,507
Transfer to Tax Holiday Reserve	-	-	-	2,804,167	-	(2,804,167)	-	-
<b>At 30 June 2011</b>	<b>1,961,739,000</b>	<b>2,035,465,000</b>	<b>105,878,200</b>	<b>1,535,759,092</b>	<b>282,480,039</b>	<b>11,005,491,690</b>	<b>6,141,403</b>	<b>16,932,954,424</b>

**SQUARE PHARMACEUTICALS LTD.**

AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)**

For the 1st Quarter Ended 30 June 2010

	Share Capital Taka	Share Premium Taka	General Reserve Taka	Tax Holiday Reserve Taka	Gain on Marketable Securities (Unrealized) Taka	Retained Earnings Taka	Non Controlling Interest Taka	Total Taka
At 31 March 2010	1,509,030,000	2,035,465,000	105,878,200	1,440,910,734	166,952,026	7,848,925,625	4,024,660	11,111,186,245
Total Comprehensive Income (Apr'2010-Ju)	-	-	-	-	14,302,071	900,279,395	449,836	915,031,302
Transfer to Tax Holiday Reserve	-	-	-	32,448,818	-	(32,448,818)	-	-
<b>At 30 June 2010</b>	<b>1,509,030,000</b>	<b>2,035,465,000</b>	<b>105,878,200</b>	<b>1,473,359,552</b>	<b>181,254,097</b>	<b>8,716,756,202</b>	<b>4,474,496</b>	<b>14,026,217,547</b>

Sd/  
Tapan Chowdhury  
Managing DirectorSd/  
Md. Kabir Reza  
Chief Financial Officer

**SQUARE PHARMACEUTICALS LTD.**  
**AND ITS SUBSIDIARIES**  
**CONSOLIDATED CASH FLOWS STATEMENT (Unaudited)**  
For the 1st Quarter Ended 30 June 2011

	1st Quarter Ended 30th June 2011 Taka	1st Quarter Ended 30th June 2010 Taka
<b>Cash Flows From Operating Activities:</b>		
<b>RECEIPTS:</b>		
Collections from Sales	5,114,191,439	3,593,400,978
Others	43,532,082	35,334,867
	5,157,723,521	3,628,735,845
<b>PAYMENTS:</b>		
Purchase of Raw and Packing Materials	2,478,160,142	1,527,595,195
Manufacturing and Operating Expenses	1,422,361,102	1,049,280,677
Bank Interest	116,532,833	39,307,537
Income Tax	242,184,086	138,090,570
Workers Profit Participation Fund	23,657,883	14,387,320
	4,282,896,046	2,768,661,299
Net cash provided by operating activities	874,827,475	860,074,546
<b>Cash Flows From Investing Activities:</b>		
Purchase of Fixed Assets	(506,248,994)	(287,944,888)
Pre-operating Cost	-	(46,284)
Capital Work-in-Progress	(251,530,989)	(52,772,153)
Interest Received	46,302,940	50,100,687
Dividend Received	17,854,255	6,074,830
Short Term Loan	36,388,892	(404,639,326)
Investment in Marketable Securities	(40,476,412)	(60,276,839)
Sale of Marketable Securities	-	2,858,162
Long Term Investment	-	(10,000,000)
Net cash used in investing activities	(697,710,308)	(756,645,811)
<b>Cash Flows From Financing Activities:</b>		
Long Term Loan Received	275,013,371	54,000,000
Long Term Loan Repaid	(75,194,538)	(68,009,617)
Short Term Bank Loan Decrease	(337,997,452)	(21,248,934)
Net cash provided by financing activities	(138,178,619)	(35,258,551)
Increase in Cash and Bank Balances	38,938,548	68,170,184
Cash and Bank Balances at Opening	429,307,393	269,807,801
Cash and Bank Balances at Closing	468,245,941	337,977,985

Sd/-  
Tapan Chowdhury  
Managing Director

Sd/-  
Md. Kabir Reza  
Chief Financial Officer

# **SQUARE PHARMACEUTICALS LTD.**

## **CASH FLOWS STATEMENT (Unaudited)** For the 1st Quarter Ended 30 June 2011

	<b>1st Quarter Ended 30th June 2011 Taka</b>	<b>1st Quarter Ended 30th June 2010 Taka</b>
<b>Cash Flows From Operating Activities:</b>		
<b>RECEIPTS:</b>		
Collections from Sales	3,847,124,938	3,120,533,582
Others	119,612,914	107,472,218
	<u>3,966,737,852</u>	<u>3,228,005,800</u>
<b>PAYMENTS:</b>		
Purchase of Raw and Packing Materials	1,663,212,206	1,600,742,535
Manufacturing and Operating Expenses	1,292,355,988	948,180,290
Bank Interest	102,636,699	33,381,870
Income Tax	230,772,130	134,974,596
Workers Profit Participation Fund	23,482,383	14,266,420
	<u>3,312,459,406</u>	<u>2,731,545,711</u>
Net cash provided by operating activities	<u>654,278,446</u>	<u>496,460,089</u>
<b>Cash Flows From Investing Activities:</b>		
Purchase of Fixed Assets	(476,185,791)	(192,742,647)
Capital Work-in-Progress	(251,530,989)	(52,772,153)
Interest Received	48,616,286	52,015,360
Dividend Received	17,854,255	6,074,830
Short Term Loan	127,511,077	(171,701,339)
Investment in Marketable Securities	(15,000,000)	-
Sale of Marketable Securities	-	2,858,162
Long Term Investment	-	(10,000,000)
Net cash used in investing activities	<u>(548,735,162)</u>	<u>(366,267,787)</u>
<b>Cash Flows From Financing Activities:</b>		
Long Term Loan Received	275,013,371	54,000,000
Long Term Loan Repaid	(65,194,538)	(58,009,617)
Short Term Bank Loan Decrease	(291,581,171)	(67,793,224)
Net cash provided by financing activities	<u>(81,762,338)</u>	<u>(71,802,841)</u>
Increase in Cash and Bank Balances	23,780,946	58,389,461
Cash and Bank Balances at Opening	370,301,755	258,727,695
Cash and Bank Balances at Closing	<u>394,082,701</u>	<u>317,117,156</u>

Sd/-  
Tapan Chowdhury  
Managing Director

Sd/-  
Md. Kabir Reza  
Chief Financial Officer

# **SQUARE PHARMACEUTICALS LTD.**

## **STATEMENT OF COMPREHENSIVE INCOME (Unaudited)**

**For the 1st Quarter Ended 30 June 2011**

	<b>April-June 2011 Taka</b>	<b>April-June 2010 Taka</b>
GROSS TURNOVER	4,362,995,969	3,713,978,206
Less: Value Added Tax	597,758,147	509,488,723
<b>NET TURNOVER</b>	<b>3,765,237,822</b>	<b>3,204,489,483</b>
Cost of Goods Sold	(1,970,596,537)	(1,682,035,729)
<b>GROSS PROFIT</b>	<b>1,794,641,285</b>	<b>1,522,453,754</b>
<b>Operating Expenses:</b>	<b>(864,913,770)</b>	<b>(675,919,481)</b>
Selling & Distribution Expenses	(596,861,565)	(503,822,521)
Administrative Expenses	(165,415,506)	(138,715,090)
Financial Expenses	(102,636,699)	(33,381,870)
<b>PROFIT FROM OPERATIONS</b>	<b>929,727,515</b>	<b>846,534,273</b>
Other Income	183,326,846	165,175,649
<b>PROFIT BEFORE WPPF</b>	<b>1,113,054,361</b>	<b>1,011,709,922</b>
Allocation for WPPF	(53,002,589)	(48,176,663)
<b>PROFIT BEFORE TAX</b>	<b>1,060,051,772</b>	<b>963,533,259</b>
Provision for Income Tax	(257,055,936)	(241,442,666)
<b>PROFIT AFTER TAX FOR THE PERIOD</b>	<b>802,995,836</b>	<b>722,090,593</b>
Other Comprehensive Income :		
Gain/(Loss) on Marketable Securities (Unrealized)	(7,705,491)	5,935,640
<b>Total Comprehensive Income for the Period</b>	<b>795,290,345</b>	<b>728,026,233</b>
Earnings Per Share (EPS)	40.93	36.81
Number of Shares used to compute EPS	19,617,390	19,617,390

Sd/-  
Tapan Chowdhury  
Managing Director

Sd/-  
Md. Kabir Reza  
Chief Financial Officer

**SQUARE PHARMACEUTICALS LTD.**

## STATEMENT OF CHANGES IN EQUITY (Unaudited)

For the 1st Quarter Ended 30 June 2011

	Share Capital Taka	Share Premium Taka	General Reserve Taka	Tax Holiday Reserve Taka	Gain on Marketable Securities (Unrealized) Taka	Retained Earnings Taka	Total Taka
At 31 March 2011	1,961,739,000	2,035,465,000	105,878,200	1,101,935,237	259,435,115	8,353,256,438	13,817,708,990
Total Comprehensive Income (Apr'2011-Jun'2011)	-	-	-	-	(7,705,491)	802,995,836	795,290,345
At 30 June 2011	1,961,739,000	2,035,465,000	105,878,200	1,101,935,237	251,729,624	9,156,252,274	14,612,999,335

**SQUARE PHARMACEUTICALS LTD.**

## STATEMENT OF CHANGES IN EQUITY (Unaudited)

For the 1st Quarter Ended 30 June 2010

	Share Capital Taka	Share Premium Taka	General Reserve Taka	Tax Holiday Reserve Taka	Gain on Marketable Securities (Unrealized) Taka	Retained Earnings Taka	Total Taka
At 31 March 2010	1,509,030,000	2,035,465,000	105,878,200	1,101,935,237	166,952,026	6,802,071,388	11,721,331,851
Total Comprehensive Income (Apr'2010-Jun'2010)	-	-	-	-	5,935,640	722,090,593	728,026,233
At 30 June 2010	1,509,030,000	2,035,465,000	105,878,200	1,101,935,237	172,887,666	7,524,161,981	12,449,358,084

Sd/-  
Tapan Chowdhury  
Managing Director

Sd/-  
Md. Kabir Reza  
Chief Financial Officer

# **SQUARE PHARMACEUTICALS LTD.**

## **CASH FLOWS STATEMENT (Unaudited)** For the 1st Quarter Ended 30 June 2011

	<b>1st Quarter Ended 30th June 2011</b> Taka	<b>1st Quarter Ended 30th June 2010</b> Taka
<b>Cash Flows From Operating Activities:</b>		
<b>RECEIPTS:</b>		
Collections from Sales	3,847,124,938	3,120,533,582
Others	119,612,914	107,472,218
	3,966,737,852	3,228,005,800
<b>PAYMENTS:</b>		
Purchase of Raw and Packing Materials	1,663,212,206	1,600,742,535
Manufacturing and Operating Expenses	1,292,355,988	948,180,290
Bank Interest	102,636,699	33,381,870
Income Tax	230,772,130	134,974,596
Workers Profit Participation Fund	23,482,383	14,266,420
	3,312,459,406	2,731,545,711
Net cash provided by operating activities	654,278,446	496,460,089
<b>Cash Flows From Investing Activities:</b>		
Purchase of Fixed Assets	(476,185,791)	(192,742,647)
Capital Work-in-Progress	(251,530,989)	(52,772,153)
Interest Received	48,616,286	52,015,360
Dividend Received	17,854,255	6,074,830
Short Term Loan	127,511,077	(171,701,339)
Investment in Marketable Securities	(15,000,000)	-
Sale of Marketable Securities	-	2,858,162
Long Term Investment	-	(10,000,000)
Net cash used in investing activities	(548,735,162)	(366,267,787)
<b>Cash Flows From Financing Activities:</b>		
Long Term Loan Received	275,013,371	54,000,000
Long Term Loan Repaid	(65,194,538)	(58,009,617)
Short Term Bank Loan Decrease	(291,581,171)	(67,793,224)
Net cash provided by financing activities	(81,762,338)	(71,802,841)
Increase in Cash and Bank Balances	23,780,946	58,389,461
Cash and Bank Balances at Opening	370,301,755	258,727,695
Cash and Bank Balances at Closing	394,082,701	317,117,156

Sd/-  
Tapan Chowdhury  
Managing Director

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Md. Kabir Reza  
Chief Financial Officer