

SQUARE PHARMACEUTICALS LTD.

1ST QUARTER FINANCIAL STATEMENTS STATEMENT OF FINANCIAL POSITION (Unaudited) As At 30 June 2014

	30-06-2014 Taka	31-03-2014 Taka
ASSETS:		
Non-Current Assets:	18,614,871,488	18,781,466,580
Property, Plant and Equipment-Carrying Value	11,747,034,032	11,156,871,302
Capital Work-in-Progress	2,894,323,858	3,232,773,494
Investment - Long Term (at Cost)	3,166,121,331	3,661,121,331
Investment in Marketable Securities (Fair Value)	807,392,267	730,700,453
Current Assets:	9,428,405,147	7,768,068,298
Inventories	2,589,194,129	2,345,389,488
Trade Debtors	840,010,800	757,757,419
Advances, Deposits and Prepayments	845,987,534	530,659,925
Short Term Loan	2,260,488,253	2,047,985,968
Cash and Cash Equivalents	2,892,724,431	2,086,275,498
TOTAL ASSETS	28,043,276,635	26,549,534,878
SHAREHOLDERS' EQUITY AND LIABILITIES:		
Shareholders' Equity:	25,323,828,050	22,277,516,628
Share Capital	4,819,992,630	4,819,992,630
Share Premium	2,035,465,000	2,035,465,000
General Reserve	105,878,200	105,878,200
Tax Holiday Reserve	284,928,193	-
Gain on Marketable Securities (Unrealized)	365,047,399	417,680,687
Retained Earnings	17,712,516,628	14,898,500,111
Non-Current Liabilities:	828,740,138	855,398,657
Long Term Loans - Secured	100,345,100	136,440,907
Deffered Tax Liability	728,395,038	718,957,750
Current Liabilities:	1,890,708,447	3,416,619,593
Short Term Bank Loans	110,017,874	114,638,033
Long Term Loans - Current Portion	153,709,898	167,574,698
Trade Creditors	181,932,940	1,717,013,624
Liabilities for Expenses	24,746,223	20,463,398
Liabilities for Other Finance	1,420,301,512	1,396,929,840
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	28,043,276,635	26,549,534,878

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 2014

	April-June 2014 Taka	April-June 2013 Taka
GROSS TURNOVER	7,487,440,719	5,871,024,438
Less: Value Added Tax	990,523,944	813,725,348
NET TURNOVER	6,496,916,775	5,057,299,090
Cost of Goods Sold	(3,393,808,464)	(2,647,292,157)
GROSS PROFIT	3,103,108,311	2,410,006,933
Operating Expenses:	(1,229,787,004)	(1,048,945,788)
Selling & Distribution Expenses	(990,272,324)	(785,167,536)
Administrative Expenses	(224,676,756)	(200,828,017)
Financial Expenses	(14,837,924)	(62,950,235)
PROFIT FROM OPERATIONS	1,873,321,307	1,361,061,145
Other Income	193,427,675	247,065,590
PROFIT BEFORE WPPF	2,066,748,982	1,608,126,735
Allocation for WPPF	(98,416,618)	(76,577,464)
PROFIT BEFORE TAX	1,968,332,364	1,531,549,271
Provision for Income Tax	(469,047,676)	(362,647,474)
Provision for Deferred Income Tax	(9,437,288)	(4,405,967)
PROFIT AFTER TAX FOR THE PERIOD	1,489,847,400	1,164,495,830
Other Comprehensive Income :		
Gain on Marketable Securities (Unrealized)	(84,208,158)	52,936,404
Total Comprehensive Income for the Period	1,405,639,242	1,217,432,234
Earnings Per Share (EPS)	3.09	2.42
Number of Shares used to compute EPS	481,999,263	481,999,263

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 2014

Particulars	At 31 March 2014	Adjustment for Merger of Square Cephalosporins Ltd.	Total Comprehensive Income (Apr'14-Jun'14)	At 30 June 2014
Share Capital	4,819,992,630	-	-	4,819,992,630
Share Premium	2,035,465,000	-	-	2,035,465,000
General Reserve	105,878,200	-	-	105,878,200
Tax Holiday Reserve	-	284,928,193	-	284,928,193
Gain on Marketable Securities (Unrealized)	417,680,687	31,574,870	(84,208,158)	365,047,399
Retained Earnings	14,898,500,111	1,324,169,117	1,489,847,400	17,712,516,628
Total Taka	22,277,516,628	1,640,672,180	1,405,639,242	25,323,828,050

STATEMENT OF CHANGES IN EQUITY (Unaudited)

For the 1st Quarter Ended 30 June 2013

Particulars	At 31 March 2013	Total Comprehensive Income (Apr'13-Jun'13)	At 30 June 2013
Share Capital	3,707,686,640	-	3,707,686,640
Share Premium	2,035,465,000	-	2,035,465,000
General Reserve	105,878,200	-	105,878,200
Tax Holiday Reserve	-	-	-
Gain on Marketable Securities (Unrealized)	297,945,485	52,936,404	350,881,889
Retained Earnings	12,697,770,859	1,164,495,830	13,862,266,689
Total Taka	18,844,746,184	1,217,432,234	20,062,178,418

Sd/-
Tapan Chowdhury
Managing Director

Sd/-
Md. Kabir Reza
Chief Financial Officer

SQUARE PHARMACEUTICALS LTD.

STATEMENT OF CASH FLOWS (Unaudited) For the 1st Quarter Ended 30 June 2014

	April-June 2014 Taka	April-June 2013 Taka
Cash Flows From Operating Activities:		
RECEIPTS:		
Collection from Sales	7,332,624,357	6,045,731,872
Others	15,345,617	104,276,912
	7,347,969,974	6,150,008,784
PAYMENTS:		
Purchase of Raw and Packing Materials	2,514,100,915	1,637,283,460
Manufacturing and Operating Expenses	2,012,608,544	1,469,477,746
Value Added Tax	990,523,944	813,725,348
Bank Interest	14,837,924	62,950,235
Income Tax	541,652,961	267,273,580
Workers Profit Participation Fund	30,334,870	21,162,195
Others	12,265,395	-
	6,116,324,553	4,271,872,564
Net cash provided by operating activities	1,231,645,421	1,878,136,220
Cash Flows From Investing Activities:		
Purchase of Fixed Assets	(284,259,106)	(231,812,370)
Capital Work-in-Progress	(64,973,145)	(650,164,296)
Interest Received	44,157,862	47,524,249
Dividend Received	133,924,196	96,675,937
Short Term Loan	(212,502,285)	187,614,248
Investment in Marketable Securities	(47,239,951)	(699,520)
Long Term Investment	-	(220,204,680)
Net cash used in investing activities	(430,892,429)	(771,066,432)
Cash Flows From Financing Activities:		
Long Term Loan Received	-	7,382,751
Long Term Loan Repaid	(49,960,606)	(85,332,236)
Short Term Bank Loan Decrease	(10,902,234)	(278,654,052)
Net cash used in financing activities	(60,862,840)	(356,603,537)
Increase in Cash and Cash Equivalents	739,890,152	750,466,251
Cash and Cash Equivalents at the Opening	2,152,834,279	932,407,871
Cash and Cash Equivalents at the Closing	2,892,724,431	1,682,874,122

Sd/-
Tapan Chowdhury
Managing Director

Sd/-
Md. Kabir Reza
Chief Financial Officer

SQUARE PHARMACEUTICALS LIMITED

Notes to the Interim Financial Statements

For the period ended June 30, 2014

Basis of preparation of the Interim Financial Statements:

These Financial Statements (They) are unaudited Interim Financial Statements (hereafter 'the Interim Financial Statements') of Square Pharmaceuticals Limited, Company incorporated in Bangladesh under Companies Act 1913, for the quarter ended June 30, 2014 (hereafter 'the Interim Period'). They are prepared in accordance with the International Accounting Standard (IAS 34) 'Interim Financial Reporting'. These Financial Statements should read in conjunction with the Annual Financial Statements as of March 31, 2014, as they provide an update of previously reported information.

The accounting policies and presentation used are consistent with those used in the Annual Financial Statements, except where noted below. Where necessary, the companies 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 Statements. 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.

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.

The Board of Directors on its meeting of dated July 17, 2014 proposed dividend for the year ended March 31, 2014 @ 30% Cash and @ 15% Bonus. It shall be accounted for after due approval in AGM that to be held on September 25, 2014.

The Company has no reportable operating segments as per requirement of IFRS-8, operating segment.

There is no significant event to the end of the interim period that has to be reflected in the financial statements for the interim period.

SQUARE PHARMACEUTICALS LTD.

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The Company did not carry out any related party transaction other than Square Textiles Limited, Square Hospitals Limited, Square Informatix Limited, Square Formulations Limited and Square Fashions Limited. Balance as of reporting date is given below:

	Receivable
- Square Textiles Ltd.	Tk. 255,254,131
- Square Hospitals Ltd.	Tk. 53,320,609
- Square Informatix Ltd.	Tk. 205,159,630
- Square Formulations Ltd.	Tk. 1,222,508,752
- Square Fashions Ltd.	Tk. 519,145,131

Figures have been rounded off to the nearest Taka.

The contingent liabilities of the company is Tk. 1,689,834,657 as on June 30, 2014 for opening letters of credit by the banks in favour of foreign suppliers for Raw Materials, Packing Materials and Plant & Machineries.

Provision for deferred tax is raised for Tk. 9,437,288 for the adjustable temporary difference upto June 30, 2014.

Comparative figures of 1st Quarter for June 30,2013 doesn't include Square Cephalosporins Ltd. but these are included in June 30, 2014 because merger of Square Cephalosporins Ltd. with Square Pharmaceuticals Ltd. has executed on April 01, 2014.

Sd/-
Tapan Chowdhury
Managing Director

Sd/-
Md. Kabir Reza
Chief Financial Officer

SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Unaudited) As At 30 June 2014

	30-06-2014 Taka	31-03-2014 Taka
ASSETS:		
Non-Current Assets:	23,572,068,927	23,546,701,250
Property, Plant and Equipment-Carrying Value	14,230,235,919	13,933,689,469
Capital Work-in-Progress	2,918,352,535	3,256,802,171
Investment - Long Term (at Cost)	147,694,430	147,694,430
Investment - Associates Undertaking	5,468,393,776	5,364,154,708
Investment in Marketable Securities (Fair Value)	807,392,267	844,360,472
Current Assets:	8,450,616,471	7,499,373,281
Inventories	2,777,571,286	2,737,085,779
Trade Debtors	840,010,800	766,634,978
Advances, Deposits and Prepayments	898,682,244	671,749,541
Short Term Loan	1,032,879,501	1,161,185,776
Cash and Cash Equivalents	2,901,472,640	2,162,717,207
TOTAL ASSETS	32,022,685,398	31,046,074,531
SHAREHOLDERS' EQUITY AND LIABILITIES:		
Shareholders' Equity:	28,044,095,341	26,739,581,929
Share Capital	4,819,992,630	4,819,992,630
Share Premium	2,035,465,000	2,035,465,000
General Reserve	105,878,200	105,878,200
Tax Holiday Reserve	406,231,702	406,231,702
Gain on Marketable Securities (Unrealized)	365,047,399	449,255,557
Retained Earnings	20,311,480,410	18,922,758,840
Non Controlling Interest	(424,923)	9,369,803
Non-Current Liabilities:	1,777,398,593	1,902,585,673
Long Term Loans - Secured	1,049,003,555	1,183,627,923
Deffered Tax Liability	728,395,038	718,957,750
Current Liabilities:	2,201,616,387	2,394,537,126
Short Term Bank Loans	110,017,874	131,104,817
Long Term Loans-Current Portion	470,699,239	461,433,822
Trade Creditors	187,622,399	217,855,755
Liabilities for Expenses	24,746,222	20,518,598
Liabilities for Other Finance	1,408,530,653	1,563,624,134
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	32,022,685,398	31,046,074,531

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 2014

	April-June 2014 Taka	April-June 2013 Taka
GROSS TURNOVER	7,495,142,439	6,498,779,499
Less: Value Added Tax	991,642,997	902,571,061
NET TURNOVER	6,503,499,442	5,596,208,438
Cost of Goods Sold	(3,557,558,813)	(2,946,551,799)
GROSS PROFIT	2,945,940,629	2,649,656,639
Operating Expenses:	(1,272,334,727)	(1,126,203,455)
Selling & Distribution Expenses	(990,272,324)	(824,803,020)
Administrative Expenses	(224,676,756)	(234,226,726)
Financial Expenses	(57,385,647)	(67,173,709)
PROFIT FROM OPERATIONS	1,673,605,902	1,523,453,184
Other Income	63,904,359	56,124,928
PROFIT BEFORE WPPF	1,737,510,261	1,579,578,112
Allocation for WPPF	(98,416,618)	(79,809,840)
PROFIT BEFORE TAX	1,639,093,643	1,499,768,272
Provision for Income Tax	(469,047,676)	(386,890,296)
Provision for Deferred Income Tax	(9,437,288)	(4,405,967)
PROFIT AFTER TAX	1,160,608,679	1,108,472,009
Profit/(Loss) from Associates Undertaking	227,453,281	223,576,762
PROFIT FOR THE PERIOD	1,388,061,960	1,332,048,771
Other Comprehensive Income:		
Gain/(Loss) on Marketable Securities (Unrealized)	(84,208,158)	58,575,308
Total Comprehensive Income for the Period	1,303,853,802	1,390,624,079
Profit Attributable to:		
Owners of the Company	1,388,886,883	1,331,837,228
Non Controlling Interest	(824,923)	211,543
	1,388,061,960	1,332,048,771
Total Comprehensive Income Attributable to:		
Owners of the Company	1,304,678,725	1,390,412,536
Non Controlling Interest	(824,923)	211,543
	1,303,853,802	1,390,624,079
Earnings Per Share (EPS)	2.88	2.76
Number of Shares used to compute EPS	481,999,263	481,999,263

Sd/-

Tapan Chowdhury
Managing Director

Sd/-

Md. Kabir Reza
Chief Financial Officer

SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY (Unaudited) For the 1st Quarter Ended 30 June 2014

Particulars	At 31 March 2014	Adjustment for Merger of Square Cephalosporins Ltd.	Total Comprehensive Income (Apr'14-Jun'14)	At 30 June 2014
Share Capital	4,819,992,630	-	-	4,819,992,630
Share Premium	2,035,465,000	-	-	2,035,465,000
General Reserve	105,878,200	-	-	105,878,200
Tax Holiday Reserve	406,231,702	-	-	406,231,702
Gain on Marketable Securities (Unrealized)	449,255,557	-	(84,208,158)	365,047,399
Retained Earnings	18,922,758,840	(165,313)	1,388,886,883	20,311,480,410
Non Controlling Interest	9,369,803	(8,969,803)	(824,923)	(424,923)
Total Taka	26,748,951,732	(9,135,116)	1,303,853,802	28,043,670,418

STATEMENT OF CHANGES IN EQUITY (Unaudited) For the 1st Quarter Ended 30 June 2013

Particulars	At 31 March 2013	Total Comprehensive Income (Apr'13-Jun'13)	At 30 June 2013
Share Capital	3,707,686,640	-	3,707,686,640
Share Premium	2,035,465,000	-	2,035,465,000
General Reserve	105,878,200	-	105,878,200
Tax Holiday Reserve	406,231,702	-	406,231,702
Gain on Marketable Securities (Unrealized)	313,532,224	58,575,308	372,107,532
Retained Earnings	15,801,470,675	1,331,837,228	17,133,307,903
Non Controlling Interest	7,678,418	211,543	7,889,961
Total Taka	22,377,942,859	1,390,624,079	23,768,566,938

Sd/-
Tapan Chowdhury
Managing Director

Sd/-
Md. Kabir Reza
Chief Financial Officer

SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited) For the 1st Quarter Ended 30 June 2014

	April-June 2014 Taka	April-June 2013 Taka
Cash Flows From Operating Activities:		
RECEIPTS:		
Collection from Sales	7,343,118,363	6,668,721,804
Others	9,036,514	14,240,056
	7,352,154,877	6,682,961,860
PAYMENTS:		
Purchase of Raw and Packing Materials	2,616,366,432	1,802,528,037
Manufacturing and Operating Expenses	2,108,113,246	1,634,487,186
Value Added Tax	991,642,997	902,571,061
Bank Interest	57,385,647	67,173,709
Income Tax	554,450,540	374,467,570
Workers Profit Participation Fund	30,334,880	21,357,195
Others	16,966,288	-
	6,375,260,030	4,802,584,758
Net cash provided by operating activities	976,894,847	1,880,377,102
Cash Flows From Investing Activities:		
Purchase of Fixed Assets	(285,868,758)	(243,636,936)
Pre-operating Cost	-	(31,901,828)
Investment in Marketable Securities	(47,239,951)	(699,520)
Long Term Investment	-	(16,204,680)
Short Term Loan	128,306,275	194,767,366
Capital Work-in-Progress	(64,973,145)	(989,141,481)
Interest Received	44,157,862	47,524,249
Dividend Received	133,924,196	96,980,686
Net cash used in investing activities	(91,693,521)	(942,312,144)
Cash Flows From Financing Activities:		
Long Term Loan Received	-	272,098,153
Long Term Loan Repaid	(125,358,950)	(85,332,236)
Short Term Bank Loan Increase/(Decrease)	(21,086,943)	(364,433,410)
Net cash provided/(used) by financing activities	(146,445,893)	(177,667,493)
Increase in Cash and Cash Equivalents	738,755,433	760,397,465
Cash and Cash Equivalents at the Opening	2,162,717,207	981,187,836
Cash and Cash Equivalents at the Closing	2,901,472,640	1,741,585,301

Sd/-
Tapan Chowdhury
Managing Director

Sd/-
Md. Kabir Reza
Chief Financial Officer