

# SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARIES

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Unaudited)

As At 31 December 2014

	31-12-2014 Taka	31-03-2014 Taka
<b>ASSETS:</b>		
<b>Non-Current Assets:</b>	<b>24,385,022,981</b>	<b>23,546,701,250</b>
Property, Plant and Equipment-Carrying Value	14,534,449,950	13,933,689,469
Deferred Tax Assets	97,377,526	-
Capital Work-in-Progress	2,954,853,034	3,256,802,171
Investment - Long Term (at Cost)	251,599,097	147,694,430
Investment - Associates Undertaking	5,700,539,093	5,364,154,708
Investment in Marketable Securities (Fair Value)	846,204,281	844,360,472
	<b>9,079,940,489</b>	<b>7,499,373,281</b>
<b>Current Assets:</b>		
Inventories	2,989,800,526	2,737,085,779
Trade Debtors	818,335,483	766,634,978
Advances, Deposits and Prepayments	772,041,790	671,749,541
Short Term Loan	1,288,477,605	1,161,185,776
Cash and Cash Equivalents	3,211,285,085	2,162,717,207
<b>TOTAL ASSETS</b>	<b>33,464,963,470</b>	<b>31,046,074,531</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES:</b>		
<b>Shareholders' Equity:</b>	<b>29,409,940,889</b>	<b>26,739,581,929</b>
Share Capital	5,542,991,520	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)	345,186,027	449,255,557
Retained Earnings	20,974,188,440	18,922,758,840
Non Controlling Interest	(1,653,461)	9,369,803
<b>Non-Current Liabilities:</b>	<b>1,517,248,196</b>	<b>1,902,585,673</b>
Long Term Loans - Secured	729,245,806	1,183,627,923
Deffered Tax Liability	788,002,390	718,957,750
<b>Current Liabilities:</b>	<b>2,539,427,846</b>	<b>2,394,537,126</b>
Short Term Bank Loans	83,073,566	131,104,817
Long Term Loans-Current Portion	232,459,512	461,433,822
Trade Creditors	63,794,328	217,855,755
Liabilities for Expenses	42,708,080	20,518,598
Liabilities for Other Finance	2,117,392,360	1,563,624,134
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>33,464,963,470</b>	<b>31,046,074,531</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 3rd Quarter Ended 31 December 2014

	<i>Nine Months Ended</i>		<i>Third Quarter Ended</i>	
	April-December 2014 Taka	April-December 2013 Taka	October-December 2014 Taka	October-December 2013 Taka
GROSS TURNOVER	23,165,744,129	20,210,306,746	7,381,026,502	6,946,968,912
Less: Value Added Tax	3,099,905,840	2,733,689,424	1,008,981,755	921,873,261
<b>NET TURNOVER</b>	<b>20,065,838,289</b>	<b>17,476,617,322</b>	<b>6,372,044,747</b>	<b>6,025,095,651</b>
Cost of Goods Sold	(10,880,191,583)	(8,936,180,994)	(3,353,473,245)	(3,082,425,660)
<b>GROSS PROFIT</b>	<b>9,185,646,706</b>	<b>8,540,436,328</b>	<b>3,018,571,502</b>	<b>2,942,669,991</b>
<b>OPERATING EXPENSES:</b>	<b>(3,932,621,545)</b>	<b>(3,530,221,248)</b>	<b>(1,243,182,178)</b>	<b>(1,068,082,853)</b>
Selling & Distribution Expenses	(3,107,179,618)	(2,728,596,914)	(934,380,451)	(842,150,476)
Administrative Expenses	(706,338,183)	(656,948,862)	(285,064,369)	(196,886,059)
Financial Expenses	(119,103,744)	(144,675,472)	(23,737,358)	(29,046,318)
<b>PROFIT FROM OPERATIONS</b>	<b>5,253,025,161</b>	<b>5,010,215,080</b>	<b>1,775,389,324</b>	<b>1,874,587,138</b>
Other Income	191,110,353	182,386,335	86,184,250	63,004,266
<b>PROFIT BEFORE WPPF</b>	<b>5,444,135,514</b>	<b>5,192,601,415</b>	<b>1,861,573,574</b>	<b>1,937,591,404</b>
Allocation for WPPF	(294,170,435)	(252,101,425)	(97,235,013)	(92,509,114)
<b>PROFIT BEFORE TAX</b>	<b>5,149,965,079</b>	<b>4,940,499,990</b>	<b>1,764,338,561</b>	<b>1,845,082,290</b>
Provision for Income Tax Expense	(1,419,358,432)	(1,254,148,538)	(472,589,825)	(460,526,715)
Provision for Deferred Income Tax Expense	(69,044,640)	(108,345,869)	(5,266,569)	(99,102,644)
Deferred Tax Income/(Expense)	97,377,526	-	97,377,526	-
<b>PROFIT AFTER TAX</b>	<b>3,758,939,533</b>	<b>3,578,005,583</b>	<b>1,383,859,693</b>	<b>1,285,452,931</b>
Profit/(Loss) from Associate Undertakings	459,598,598	527,786,767	143,732,197	223,187,088
<b>PROFIT AFTER TAX</b>	<b>4,218,538,131</b>	<b>4,105,792,350</b>	<b>1,527,591,890</b>	<b>1,508,640,019</b>
Other Comprehensive Income:				
Gain/(Loss) on Marketable Securities (Unrealized)	(104,069,530)	88,013,800	(61,643,171)	64,060,956
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>4,114,468,601</b>	<b>4,193,806,150</b>	<b>1,465,948,719</b>	<b>1,572,700,975</b>
Profit Attributable to:				
Owners of the Company	4,220,591,592	4,104,822,961	1,527,924,159	1,508,313,036
Non Controlling Interest	(2,053,461)	969,389	(332,269)	326,983
	<b>4,218,538,131</b>	<b>4,105,792,350</b>	<b>1,527,591,890</b>	<b>1,508,640,019</b>
Total Comprehensive Income Attributable to:				
Owners of the Company	4,116,522,062	4,192,836,761	1,466,280,988	1,572,373,992
Non Controlling Interest	(2,053,461)	969,389	(332,269)	326,983
	<b>4,114,468,601</b>	<b>4,193,806,150</b>	<b>1,465,948,719</b>	<b>1,572,700,975</b>
Earnings Per Share (EPS)	7.61	7.41	2.76	2.72
Number of Shares used to compute EPS	554,299,152	554,299,152	554,299,152	554,299,152

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 3rd Quarter Ended 31 December 2014**

	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 2014	4,819,992,630	2,035,465,000	105,878,200	406,231,702	449,255,557	18,922,758,840	9,369,803	26,748,951,732
Transfer for Merger of Square Cephalosporins Ltd.	-	-	-	-	-	(165,313)	(8,969,803)	(9,135,116)
Total Comprehensive Income (Apr'14-Dec'14)	-	-	-	-	(104,069,530)	4,220,591,592	(2,053,461)	4,114,468,601
Cash Dividend (2013-2014)	-	-	-	-	-	(1,445,997,789)	-	(1,445,997,789)
Stock Dividend (2013-2014)	722,998,890	-	-	-	-	(722,998,890)	-	-
<b>At 31 December 2014</b>	<b>5,542,991,520</b>	<b>2,035,465,000</b>	<b>105,878,200</b>	<b>406,231,702</b>	<b>345,186,027</b>	<b>20,974,188,440</b>	<b>(1,653,461)</b>	<b>29,408,287,428</b>
<b>At 31 December 2013</b>	<b>4,819,992,630</b>	<b>2,035,465,000</b>	<b>105,878,200</b>	<b>406,231,702</b>	<b>313,532,224</b>	<b>13,762,243,025</b>	<b>7,678,418</b>	<b>21,451,021,199</b>

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 3rd Quarter Ended 31 December 2014

	April-December 2014 Taka	April-December 2013 Taka
<b>Cash Flows From Operating Activities:</b>		
<b>RECEIPTS:</b>		
Collections from Sales	23,021,673,721	20,198,795,496
Others	51,579,770	46,473,260
	23,073,253,491	20,245,268,756
<b>PAYMENTS:</b>		
Purchase of Raw and Packing Materials	8,125,887,310	6,552,303,425
Manufacturing and Operating Expenses	5,473,125,458	4,094,383,847
Value Added Tax	3,099,905,840	2,733,689,424
Financial Expenses	119,103,744	144,675,472
Income Tax Expense	1,282,856,718	932,535,941
Workers Profit Participation Fund	136,811,978	121,875,843
	18,237,691,048	14,579,463,952
Net cash provided by operating activities	4,835,562,443	5,665,804,804
<b>Cash Flows From Investing Activities:</b>		
Purchase of Fixed Assets	(1,409,741,739)	(908,085,450)
Capital Work-in-Progress	(125,502,321)	(1,858,140,373)
Preoperating Expenses	-	(182,339,646)
Investment	(203,921,969)	140,546,117
Short Term Loan	(127,291,829)	(131,920,078)
Interest Received	101,209,208	116,893,299
Dividend Received	155,639,552	123,942,435
Net cash used in investing activities	(1,609,609,098)	(2,699,103,696)
<b>Cash Flows From Financing Activities:</b>		
Long Term Loan Received	-	566,524,160
Long Term Loan Repaid	(683,356,427)	(343,802,260)
Short Term Bank Loan Decrease	(48,031,251)	(927,625,259)
Dividend Paid	(1,445,997,789)	(926,921,660)
Net cash provided by financing activities	(2,177,385,467)	(1,631,825,019)
Increase in Cash and Cash Equivalents	1,048,567,878	1,334,876,089
Cash and Cash Equivalents at the Opening	2,162,717,207	981,187,836
Cash and Cash Equivalents at the Closing	3,211,285,085	2,316,063,925

Sd/-  
Tapan Chowdhury  
Managing Director

Sd/-  
Md. Kabir Reza  
Chief Financial Officer

# SQUARE PHARMACEUTICALS LTD.

## STATEMENT OF FINANCIAL POSITION (Unaudited)

As At 31 December 2014

	31-12-2014 Taka	31-03-2014 Taka
<b>ASSETS:</b>		
<b>Non-Current Assets:</b>	<b>19,201,949,247</b>	<b>18,781,466,580</b>
Property, Plant and Equipment-Carrying Value	12,130,865,934	11,156,871,302
Capital Work-in-Progress	2,954,853,034	3,232,773,494
Investment - Long Term (at Cost)	3,270,025,998	3,661,121,331
Investment in Marketable Securities (Fair Value)	846,204,281	730,700,453
<b>Current Assets:</b>	<b>10,820,078,948</b>	<b>7,768,068,298</b>
Inventories	2,589,148,101	2,345,389,488
Trade Debtors	818,335,483	757,757,419
Advances, Deposits and Prepayments	722,162,212	530,659,925
Short Term Loan	3,535,916,797	2,047,985,968
Cash and Cash Equivalents	3,154,516,355	2,086,275,498
<b>TOTAL ASSETS</b>	<b>30,022,028,195</b>	<b>26,549,534,878</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES:</b>		
<b>Shareholders' Equity:</b>	<b>26,763,127,115</b>	<b>22,277,516,628</b>
Share Capital	5,542,991,520	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)	345,186,027	417,680,687
Retained Earnings	18,448,678,175	14,898,500,111
<b>Non-Current Liabilities:</b>	<b>841,175,404</b>	<b>855,398,657</b>
Long Term Loans - Secured	53,173,014	136,440,907
Deffered Tax Liability	788,002,390	718,957,750
<b>Current Liabilities:</b>	<b>2,417,725,676</b>	<b>3,416,619,593</b>
Short Term Bank Loans	83,073,566	114,638,033
Long Term Loans - Current Portion	97,325,759	167,574,698
Trade Creditors	59,073,931	1,717,013,624
Liabilities for Expenses	42,708,081	20,463,398
Liabilities for Other Finance	2,135,544,339	1,396,929,840
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>30,022,028,195</b>	<b>26,549,534,878</b>

Sd/-  
Tapan Chowdhury  
Managing Director

Sd/-  
Md. Kabir Reza  
Chief Financial Officer

# SQUARE PHARMACEUTICALS LTD.

STATEMENT OF COMPREHENSIVE INCOME (Unaudited)  
For the 3rd Quarter Ended 31 December 2014

	Nine Months Ended		Third Quarter Ended	
	April-December 2014 Taka	April-December 2013 Taka	October-December 2014 Taka	October-December 2013 Taka
<b>GROSS TURNOVER</b>	22,913,988,320	18,283,475,572	7,226,157,427	6,258,073,216
Less: Value Added Tax	3,063,334,869	2,458,527,635	986,487,410	823,163,646
<b>NET TURNOVER</b>	19,850,653,451	15,824,947,937	6,239,670,017	5,434,909,570
COST OF GOODS SOLD	(10,295,228,021)	(8,047,115,585)	(3,171,434,621)	(2,740,641,591)
<b>GROSS PROFIT</b>	9,555,425,430	7,777,832,352	3,068,235,396	2,694,267,979
<b>OPERATING EXPENSES:</b>	<b>(3,824,221,110)</b>	<b>(3,374,088,386)</b>	<b>(1,217,926,854)</b>	<b>(1,032,151,372)</b>
Selling & Distribution Expenses	(3,089,694,545)	(2,619,197,111)	(926,975,763)	(809,782,754)
Administrative Expenses	(706,338,183)	(617,791,883)	(285,064,369)	(194,893,415)
Financial Expenses	(28,188,382)	(137,099,392)	(5,886,722)	(27,475,203)
<b>PROFIT FROM OPERATIONS</b>	5,731,204,320	4,403,743,966	1,850,308,542	1,662,116,607
Other Income	446,374,813	579,328,295	191,626,720	175,652,360
<b>PROFIT BEFORE WPPF</b>	6,177,579,133	4,983,072,261	2,041,935,262	1,837,768,967
Allocation for WPPF	(294,170,435)	(237,289,155)	(97,235,013)	(87,512,808)
<b>PROFIT BEFORE TAX</b>	5,883,408,698	4,745,783,106	1,944,700,249	1,750,256,159
Provision for Income Tax Expense	(1,419,358,432)	(1,143,056,510)	(472,589,825)	(423,054,416)
Provision for Deferred Income Tax Expense	(69,044,640)	(108,345,869)	(5,266,569)	(99,102,644)
<b>PROFIT AFTER TAX</b>	4,395,005,626	3,494,380,727	1,466,843,855	1,228,099,099
Other Comprehensive Income:				
Gain/(Loss) on Marketable Securities (Unrealized)	(104,069,530)	85,001,748	(61,643,171)	65,184,698
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>4,290,936,096</b>	<b>3,579,382,475</b>	<b>1,405,200,684</b>	<b>1,293,283,797</b>
<b>Earnings Per Share (EPS)</b>	7.93	6.30	2.65	2.22
Number of Shares used to compute EPS	554,299,152	554,299,152	554,299,152	554,299,152

Sd/-  
Tapan Chowdhury  
Managing Director

Sd/-  
Md. Kabir Reza  
Chief Financial Officer

# **SQUARE PHARMACEUTICALS LTD.**

STATEMENT OF CHANGES IN EQUITY (Unaudited)  
For the 3rd Quarter Ended 31 December 2014

	Share Capital Taka	Share Premium Taka	General Reserve Taka	Tax Holiday Reserve Taka	Gain on Marketable Securities (Unrealized) Taka	Retained Earnings Taka	Total Taka
<b>At 31 March 2014</b>	<b>4,819,992,630</b>	<b>2,035,465,000</b>	<b>105,878,200</b>	-	<b>417,680,687</b>	<b>14,898,500,111</b>	<b>22,277,516,628</b>
Transfer for Merger of Square Cephalosporins Ltd.	-	-	-	284,928,193	31,574,870	1,324,169,117	1,640,672,180
Total Comprehensive Income (Apr'14-Dec'14)	-	-	-	-	(104,069,530)	4,395,005,626	4,290,936,096
Cash Dividend (2013-2014)	-	-	-	-	-	(1,445,997,789)	(1,445,997,789)
Stock Dividend (2013-2014)	722,998,890	-	-	-	-	(722,998,890)	-
<b>At 31 December 2014</b>	<b>5,542,991,520</b>	<b>2,035,465,000</b>	<b>105,878,200</b>	<b>284,928,193</b>	<b>345,186,027</b>	<b>18,448,678,175</b>	<b>26,763,127,115</b>
<b>At 31 December 2013</b>	<b>4,819,992,630</b>	<b>2,035,465,000</b>	<b>105,878,200</b>	-	<b>382,947,233</b>	<b>14,152,923,936</b>	<b>21,497,206,999</b>

Sd/-  
Tapan Chowdhury  
Managing Director

Sd/-  
Md. Kabir Reza  
Chief Financial Officer

# SQUARE PHARMACEUTICALS LTD.

## STATEMENT OF CASH FLOWS (Unaudited) For the 3rd Quarter Ended 31 December 2014

	April-December 2014 Taka	April-December 2013 Taka
<b>Cash Flows From Operating Activities:</b>		
<b>RECEIPTS:</b>		
Collections from Sales	22,790,700,349	18,286,696,260
Others	108,189,877	344,137,254
	22,898,890,226	18,630,833,514
<b>PAYMENTS:</b>		
Purchase of Raw and Packing Materials	7,782,463,462	5,713,461,334
Manufacturing and Operating Expenses	5,180,084,035	3,771,632,695
Value Added Tax	3,063,334,869	2,458,527,635
Financial Expenses	28,188,382	137,099,392
Income Tax Expense	1,261,437,923	787,909,533
Workers Profit Participation Fund	136,811,968	121,359,743
	17,452,320,639	12,989,990,332
Net cash provided by operating activities	5,446,569,587	5,640,843,182
<b>Cash Flows From Investing Activities:</b>		
Purchase of Fixed Assets	(1,322,460,129)	(905,157,810)
Capital Work-in-Progress	(125,502,321)	(1,092,411,159)
Investment	(203,921,969)	140,546,117
Short Term Loan	(1,487,930,829)	(739,692,324)
Interest Received	176,649,348	116,893,299
Dividend Received	155,639,552	121,984,299
Net cash used in investing activities	(2,807,526,348)	(2,357,837,578)
<b>Cash Flows From Financing Activities:</b>		
Long Term Loan Received	-	7,514,001
Long Term Loan Repaid	(153,516,832)	(332,681,731)
Short Term Bank Loan Decrease	(37,846,542)	(829,327,242)
Dividend Paid	(1,445,997,789)	(926,921,660)
Net cash used by financing activities	(1,637,361,163)	(2,081,416,632)
Increase in Cash and Cash Equivalents	1,001,682,076	1,201,588,972
Cash and Cash Equivalents at the Opening	2,152,834,279	932,407,871
Cash and Cash Equivalents at the Closing	3,154,516,355	2,133,996,843

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 December 31, 2014**

### **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 and Square Formulations Limited, Companies incorporated in Bangladesh under companies act, for the quarter ended on December 31, 2014 (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 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 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.

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

Income tax expense and provision for deferred income tax expense/income is recognized based upon the best estimate of the weighted average income tax expected for the reporting period.

Cash Dividend for 2013-2014 amounting to Tk. 1,445,997,789 have been paid to the Shareholders and also Bonus Shares have been accounted for which was approved by the shareholders in AGM held on September 25, 2014.

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 Hospitals Limited, Square InformatiX Limited, Square Formulations Limited, Square Textiles Limited, Square Fashions Limited and Aegis Services Limited during the period of reporting.

The contingent liabilities of the companies as of December 31, 2014 were as follows;

For Sight and deferred LC for the group Tk. 209.89 crore only. Out of which Tk.186.46 crore for Square Pharmaceuticals Limited and Tk. 23.43 for Square Formulations Limited.

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 no intension to dispose these assets, so it is not required to record the impairment gain as provisions of BAS-36.