

SQUARE PHARMACEUTICALS LTD.

and its subsidiary

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Unaudited) As at 30 September 2015

	30-09-2015 Taka	31-03-2015 Taka
ASSETS:		
Non-Current Assets:	25,935,755,209	25,458,986,164
Property, Plant and Equipment-Carrying Value	17,980,571,728	18,009,200,507
Deferred Tax Assets	61,156,206	75,167,249
Capital Work-in-Progress	403,415,164	207,629,864
Investment - Long Term (at Cost)	233,723,615	251,599,097
Investment - Associates Undertaking	6,344,107,731	6,036,139,963
Investment in Marketable Securities (Fair Value)	912,780,765	879,249,484
Current Assets:	12,776,657,772	9,732,170,099
Inventories	3,631,829,439	3,310,086,668
Trade Debtors	1,126,223,909	894,543,303
Advances, Deposits and Prepayments	716,076,785	750,169,066
Short Term Loan	831,949,286	885,185,428
Cash and Cash Equivalents	6,470,578,353	3,892,185,634
TOTAL ASSETS	38,712,412,981	35,191,156,263
SHAREHOLDERS' EQUITY AND LIABILITIES:		
Shareholders' Equity:	33,282,439,730	31,093,302,284
Share Capital	6,235,865,460	5,542,991,520
Share Premium	2,035,465,000	2,035,465,000
General Reserve	105,878,200	105,878,200
Gain on Marketable Securities (Unrealized)	317,772,840	265,332,813
Retained Earnings	24,587,458,230	23,143,634,751
Non Controlling Interest	(1,746,222)	(1,669,864)
Non-Current Liabilities:	917,926,368	1,550,505,777
Long Term Loans - Secured	-	659,147,818
Deffered Tax Liability	917,926,368	891,357,959
Current Liabilities:	4,513,793,105	2,549,018,066
Long Term Loans-Current Portion	-	257,154,669
Trade Creditors	704,477,014	254,773,030
Liabilities for Expenses	81,061,954	43,002,246
Liabilities for Other Finance	3,728,254,137	1,994,088,121
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	38,712,412,981	35,191,156,263
Net Assets Value (NAV) per Share	53.37	49.86
Number of Shares used to compute NAV	623,586,546	623,586,546

Sd/-
Samuel S Chowdhury
Chairman

Sd/-
Mrs. Ratna Patra
Vice Chirman

Sd/-
Tapan Chowdhury
Managing Director

Sd/-
Md. Kabir Reza
Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

and its subsidiary

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited) For the Half-Yearly Ended 30 September 2015

	Half-Yearly Results		Quarterly Results	
	Half-Year Ended 30th Sept 2015 Taka	Half-Year Ended 30th Sept 2014 Taka	July-September 2015 Taka	July-September 2014 Taka
GROSS TURNOVER	17,872,048,585	15,784,717,627	9,365,355,120	8,289,575,188
Less: Value Added Tax	2,463,196,546	2,090,924,085	1,306,701,368	1,099,281,088
NET TURNOVER	15,408,852,039	13,693,793,542	8,058,653,752	7,190,294,100
Cost of Goods Sold	(7,984,676,325)	(7,526,718,338)	(4,109,747,731)	(3,969,159,525)
GROSS PROFIT	7,424,175,714	6,167,075,204	3,948,906,021	3,221,134,575
OPERATING EXPENSES:	(2,790,592,840)	(2,689,439,367)	(1,439,686,285)	(1,417,104,640)
Selling & Distribution Expenses	(2,319,821,894)	(2,172,799,167)	(1,225,095,550)	(1,182,526,843)
Administrative Expenses	(451,655,856)	(421,273,814)	(209,629,303)	(196,597,058)
Finance Cost	(19,115,090)	(95,366,386)	(4,961,432)	(37,980,739)
PROFIT FROM OPERATIONS	4,633,582,874	3,477,635,837	2,509,219,736	1,804,029,935
Other Income	217,637,006	104,926,103	115,080,940	41,021,744
PROFIT BEFORE WPPF	4,851,219,880	3,582,561,940	2,624,300,676	1,845,051,679
Allocation for WPPF	(237,598,298)	(196,935,422)	(124,091,843)	(98,518,804)
PROFIT BEFORE TAX	4,613,621,582	3,385,626,518	2,500,208,833	1,746,532,875
Income Tax Expenses-Current	(1,174,422,397)	(946,768,607)	(628,835,851)	(477,720,931)
Income Tax Expenses-Deferred	(40,579,452)	(63,778,071)	(29,372,243)	(54,340,783)
PROFIT AFTER TAX	3,398,619,733	2,375,079,840	1,842,000,739	1,214,471,161
Profit/(Loss) from Associates Undertaking	400,898,784	315,866,401	141,363,146	88,413,120
PROFIT FOR THE PERIOD	3,799,518,517	2,690,946,241	1,983,363,885	1,302,884,281
Other Comprehensive Income:				
Gain/(Loss) on Marketable Securities (Unrealized)	52,440,027	(42,426,359)	47,816,747	41,781,799
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3,851,958,544	2,648,519,882	2,031,180,632	1,344,666,080
Profit Attributable to:				
Owners of the Company	3,799,594,875	2,692,667,433	1,983,327,011	1,303,780,550
Non Controlling Interest	(76,358)	(1,721,192)	36,874	(896,269)
	3,799,518,517	2,690,946,241	1,983,363,885	1,302,884,281
Total Comprehensive Income Attributable to:				
Owners of the Company	3,852,034,902	2,650,241,074	2,031,143,758	1,345,562,349
Non Controlling Interest	(76,358)	(1,721,192)	36,874	(896,269)
	3,851,958,544	2,648,519,882	2,031,180,632	1,344,666,080
Earnings Per Share (EPS)	6.09	4.32	3.18	2.09
Number of Shares used to compute EPS	623,586,546	623,586,546	623,586,546	623,586,546

Sd/-
Samuel S Chowdhury
Chairman

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Mrs. Ratna Patra
Vice Chairman

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Managing Director

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Md. Kabir Reza
Chief Financial Officer

Sd/-
Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

and its subsidiary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited) For the Half-Yearly Ended 30 September 2015

	Share Capital Taka	Share Premium Taka	General Reserve Taka	Tax Holiday Reserve Taka	Gain/(Loss) on Marketable Securities (Unrealized) Taka	Retained Earnings Taka	Non Controlling Interest Taka	Total Taka
At 31 March 2015	5,542,991,520	2,035,465,000	105,878,200	-	265,332,813	23,143,634,751	(1,669,864)	31,091,632,420
Total Comprehensive Income (Apr'15-Sep'15)	-	-	-	-	52,440,027	3,799,594,875	(76,358)	3,851,958,544
Cash Dividend (2014-2015)	-	-	-	-	-	(1,662,897,456)	-	(1,662,897,456)
Stock Dividend (2014-2015)	692,873,940	-	-	-	-	(692,873,940)	-	-
At 30 September 2015	6,235,865,460	2,035,465,000	105,878,200	-	317,772,840	24,587,458,230	(1,746,222)	33,280,693,508
At 30 September 2014	5,542,991,520	2,035,465,000	105,878,200	406,231,702	449,255,557	16,753,596,848	400,000	25,293,818,827

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SQUARE PHARMACEUTICALS LTD.

and its subsidiary

CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited) For the Half-Year Ended 30 September 2015

	Half-Year Ended 30th Sept 2015 Taka	Half-Year Ended 30th Sept 2014 Taka
Cash Flows From Operating Activities:		
RECEIPTS:		
Collections from Sales	17,552,641,279	15,317,740,160
Others	63,898,086	31,278,858
	17,616,539,365	15,349,019,018
PAYMENTS:		
Purchase of Raw and Packing Materials	5,307,381,004	5,374,858,488
Manufacturing and Operating Expenses	4,390,459,286	4,349,776,056
Value Added Tax	2,463,196,546	2,090,924,085
Finance Cost	19,115,090	95,366,386
Income Tax	1,097,676,725	911,922,054
Workers Profit Participation Fund	54,871,610	55,835,918
Others	-	10,835,569
	13,332,700,261	12,889,518,556
Net cash provided by operating activities	4,283,839,104	2,459,500,462
Cash Flows From Investing Activities:		
Purchase of Fixed Assets	(810,474,715)	(873,823,557)
Capital Work-in-Progress	(315,770,462)	(43,275,262)
Investment	(2,111,101)	(44,704,325)
Short Term Loan	53,236,142	(92,753,722)
Interest Received	127,407,254	66,541,316
Dividend Received	158,568,984	139,964,142
Net cash used in investing activities	(789,143,898)	(848,051,408)
Cash Flows From Financing Activities:		
Long Term Loan Repaid	(916,302,487)	(630,665,318)
Short Term Bank Loan Decrease	-	(117,150,164)
Net cash used in financing activities	(916,302,487)	(747,815,482)
Increase in Cash and Cash Equivalents	2,578,392,719	863,633,572
Cash and Cash Equivalents at the Opening	3,892,185,634	2,162,717,207
Cash and Cash Equivalents at the Closing	6,470,578,353	3,026,350,779
Net Operating Cash Flow per Share (NOCF)	6.87	3.94
Number of Shares used to compute NOCF	623,586,546	623,586,546

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Chairman

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Vice Chairman

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Chief Financial Officer

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Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

STATEMENT OF FINANCIAL POSITION (Unaudited)

As at 30 September 2015

	30-09-2015 Taka	31-03-2015 Taka
ASSETS:		
Non-Current Assets:	21,613,615,942	21,614,399,749
Property, Plant and Equipment-Carrying Value	15,780,531,767	15,721,139,105
Capital Work-in-Progress	-	119,985,162
Investment - Long Term (at Cost)	4,920,303,410	4,894,025,998
Investment in Marketable Securities (Fair Value)	912,780,765	879,249,484
Current Assets:	13,788,086,368	9,739,782,495
Inventories	2,874,366,343	2,684,259,324
Trade Debtors	1,126,223,909	894,543,303
Advances, Deposits and Prepayments	666,208,195	714,842,990
Short Term Loan	2,732,000,369	1,596,661,104
Cash and Cash Equivalents	6,389,287,552	3,849,475,774
TOTAL ASSETS	35,401,702,310	31,354,182,244
SHAREHOLDERS' EQUITY AND LIABILITIES:		
Shareholders' Equity:	29,972,409,842	28,031,892,107
Share Capital	6,235,865,460	5,542,991,520
Share Premium	2,035,465,000	2,035,465,000
General Reserve	105,878,200	105,878,200
Gain on Marketable Securities (Unrealized)	317,772,840	265,332,813
Retained Earnings	21,277,428,342	20,082,224,574
Non-Current Liabilities:	917,926,368	931,442,176
Long Term Loans - Secured	-	40,084,217
Deffered Tax Liability	917,926,368	891,357,959
Current Liabilities:	4,511,366,100	2,390,847,961
Long Term Loans - Current Portion	-	81,514,503
Trade Creditors	697,736,785	254,773,030
Liabilities for Expenses	79,305,866	42,958,189
Liabilities for Other Finance	3,734,323,449	2,011,602,239
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	35,401,702,310	31,354,182,244
Net Assets Value per Share (NAV)	48.06	44.95
Number of Shares used to compute NAV	623,586,546	623,586,546

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SQUARE PHARMACEUTICALS LTD.

STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
For the Half-Year Ended 30 September 2015

	Half-Yearly Results		Quarterly Results	
	Half-Year Ended 30th Sept 2015 Taka	Half-Year Ended 30th Sept 2014 Taka	July-September 2015 Taka	July-September 2014 Taka
GROSS TURNOVER	16,727,969,535	15,687,830,893	8,660,931,184	8,200,390,174
Less: Value Added Tax	2,294,631,691	2,076,847,459	1,202,295,141	1,086,323,515
NET TURNOVER	14,433,337,844	13,610,983,434	7,458,636,043	7,114,066,659
COST OF GOODS SOLD	(7,350,503,730)	(7,123,793,400)	(3,726,675,672)	(3,749,984,936)
GROSS PROFIT	7,082,834,114	6,487,190,034	3,731,960,371	3,364,081,723
	49.07	47.66		
Operating Expenses:	(2,762,930,168)	(2,606,294,256)	(1,431,260,475)	(1,376,507,252)
Selling & Distribution Expenses	(2,302,636,213)	(2,162,718,782)	(1,217,871,807)	(1,172,446,458)
Administrative Expenses	(449,938,558)	(421,273,814)	(208,830,969)	(196,597,058)
Finance Cost	(10,355,397)	(22,301,660)	(4,557,699)	(7,463,736)
PROFIT FROM OPERATIONS	4,319,903,946	3,880,895,778	2,300,699,896	1,987,574,471
Other Income	669,660,322	254,748,093	305,228,824	81,320,418
PROFIT BEFORE WPPF	4,989,564,268	4,135,643,871	2,605,928,720	2,068,894,889
Allocation for WPPF	(237,598,298)	(196,935,422)	(124,091,843)	(98,518,803)
PROFIT BEFORE TAX	4,751,965,970	3,938,708,449	2,481,836,877	1,970,376,086
Income Tax Expenses-Current	(1,174,422,397)	(946,768,607)	(628,835,851)	(477,821,986)
Income Tax Expenses-Deferred	(26,568,409)	(63,778,071)	(18,375,203)	(54,340,783)
PROFIT AFTER TAX FOR THE PERIOD	3,550,975,164	2,928,161,771	1,834,625,823	1,438,213,317
Other Comprehensive Income:				
Gain/(Loss) on Marketable Securities (Unrealized)	52,440,027	(42,426,359)	47,816,747	(41,781,799)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3,603,415,191	2,885,735,412	1,882,442,570	1,396,431,518
Earnings Per Share (EPS)	5.69	4.70	2.94	2.31
Number of Shares used to compute EPS	623,586,546	623,586,546	623,586,546	623,586,546

Sd/-
Samuel S Chowdhury
Chairman

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Mrs. Ratna Patra
Vice Chairman

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Managing Director

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Chief Financial Officer

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Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

STATEMENT OF CHANGES IN EQUITY (Unaudited) For the Half-Year Ended 30 September 2015

	Share Capital Taka	Share Premium Taka	General Reserve Taka	Tax Holiday Reserve Taka	Gain/(Loss) on Marketable Securities (Unrealized) Taka	Retained Earnings Taka	Total Taka
At 31 March 2015	5,542,991,520	2,035,465,000	105,878,200	-	265,332,813	20,082,224,574	28,031,892,107
Total Comprehensive Income (Apr'15-Sep'15)	-	-	-	-	52,440,027	3,550,975,164	3,603,415,191
Cash Dividend (2014-2015)	-	-	-	-	-	(1,662,897,456)	(1,662,897,456)
Stock Dividend (2014-2015)	692,873,940	-	-	-	-	(692,873,940)	-
At 30 September 2015	6,235,865,460	2,035,465,000	105,878,200	-	317,772,840	21,277,428,342	29,972,409,842
At 30 September 2014	5,542,991,520	2,035,465,000	105,878,200	284,928,193	406,829,198	16,981,834,320	25,357,926,431

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SQUARE PHARMACEUTICALS LTD.

STATEMENT OF CASH FLOWS (Unaudited) For the Half-Year Ended 30 September 2015

	Half-Year Ended 30th Sept 2015 Taka	Half-Year Ended 30th Sept 2014 Taka
Cash Flows From Operating Activities:		
RECEIPTS:		
Collections from Sales	16,426,242,633	15,237,779,333
Others	255,241,199	46,486,635
	16,681,483,832	15,284,265,968
PAYMENTS:		
Purchase of Raw and Packing Materials	4,971,863,006	5,199,187,085
Manufacturing and Operating Expenses	4,127,074,743	4,097,722,847
Value Added Tax	2,294,631,691	2,076,847,459
Finance Cost	10,355,397	22,301,660
Income Tax	1,087,266,649	896,331,273
Workers Profit Participation Fund	54,871,610	55,835,908
Others	-	6,134,676
	12,546,063,096	12,354,360,908
Net cash provided by operating activities	4,135,420,736	2,929,905,060
Cash Flows From Investing Activities:		
Purchase of Fixed Assets	(746,132,403)	(861,278,613)
Capital Work-in-Progress	-	(43,275,262)
Investment	(2,111,101)	(44,704,325)
Short Term Loan	(1,135,339,265)	(1,122,875,307)
Interest Received	251,003,547	66,541,316
Dividend Received	158,568,984	139,964,142
Net cash used in investing activities	(1,474,010,238)	(1,865,628,049)
Cash Flows From Financing Activities:		
Long Term Loan Repaid	(121,598,720)	(119,720,337)
Short Term Bank Loan Decrease	-	(106,965,455)
Net cash used in financing activities	(121,598,720)	(226,685,792)
Increase in Cash and Cash Equivalents	2,539,811,778	837,591,219
Cash and Cash Equivalents at the Opening	3,849,475,774	2,152,834,279
Cash and Cash Equivalents at the Closing	6,389,287,552	2,990,425,498
Net Operating Cash Flow per Share (NOCF)	6.63	4.70
Number of Shares used to compute NOCF	623,586,546	623,586,546

Sd/-
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Chairman

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Managing Director

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Company Secretary

SQUARE PHARMACEUTICALS LIMITED

Notes to the Interim Financial Statements For the Second Quarter Ended September 30, 2015

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 Second Quarter Ended on September 30, 2015 (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, 2015, 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.

During the period, the company made investments in the form of fixed assets are as follows:

- Land	Tk. 122,810,539
- Building	Tk. 181,707,898
- Plant & Machinery	Tk. 353,255,752
- Laboratory Equipment	Tk. 11,787,378
- Others	Tk. 76,570,836

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.

Deferred Income Tax Expense is raised for Tk. 26,568,409 for the adjustable temporary difference upto September 30, 2015.

Dividend payment for the year ended March 31, 2015 is in process @ 30% cash of par Value of Share and 12.50% stock dividend (Bonus Shares) for holding 100 (one hundred) shares that approved by the shareholders in AGM held on September 16, 2015.

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 Textiles Limited, Square InformatiX Limited, Square Formulations Limited, Square Fashions Limited and AEGIS Services Ltd. balance as of reporting date is given below:

	<u>Receivable</u>
- Square Textiles Ltd.	62,691,117
- Square Fashions Ltd.	677,218,176
- Square InformatiX Ltd.	92,039,993
- Square Formulations Ltd.	1,900,051,083
	<u>Payable</u>
- AEGIS Services Ltd.	Nil

Figures have been rounded off to the nearest Taka.

The contingent liabilities of the companies as of September 30, 2015 were as follows;

For Sight and deferred LC for the group Tk. 181.33 Crore only. Out of which Tk. 1,462,798,645 crore for Square Pharmaceuticals Limited and Tk. 350,494,835 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.