

**SQUARE PHARMACEUTICALS LTD.
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Unaudited)
As At 30 June 2013**

	30-06-2013 Taka	31-03-2013 Taka
ASSETS:		
Non-Current Assets:	21,516,396,521	20,310,855,617
Property, Plant and Equipment-Carrying Value	8,920,619,995	9,613,059,761
Capital Work-in-Progress	6,570,990,851	4,907,039,756
Investment - Long Term (at Cost)	173,899,110	157,694,430
Investment - Associates Undertaking	5,042,107,171	4,915,458,933
Investment in Marketable Securities (Fair Value)	746,260,597	686,985,768
Preoperating/Preliminary Expenses	62,518,797	30,616,969
Current Assets:	6,986,371,474	6,945,861,767
Inventories	2,725,393,906	3,091,263,712
Trade Debtors	679,424,877	812,741,029
Advances, Deposits and Prepayments	925,976,842	951,911,276
Short Term Loan	913,990,548	1,108,757,914
Cash and Cash Equivalents	1,741,585,301	981,187,836
TOTAL ASSETS	28,502,767,995	27,256,717,384
SHAREHOLDERS' EQUITY AND LIABILITIES:		
Shareholders' Equity:	23,760,676,977	22,370,264,441
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)	372,107,532	313,532,224
Retained Earnings	17,133,307,903	15,801,470,675
Non Controlling Interest	7,889,961	7,678,418
Non-Current Liabilities:	1,745,503,029	1,603,367,092
Long Term Loans - Secured	1,244,057,153	1,106,327,183
Deffered Tax Liability	501,445,876	497,039,909
Current Liabilities:	2,988,698,028	3,275,407,433
Short Term Bank Loans	937,614,968	1,302,048,378
Long Term Loans-Current Portion	589,457,283	540,421,336
Trade Creditors	125,187,091	7,034,724
Liabilities for Expenses	50,927,448	173,261,777
Liabilities for Other Finance	1,285,511,238	1,252,641,218
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	28,502,767,995	27,256,717,384

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 2013**

	April-June 2013 Taka	April-June 2012 Taka
GROSS TURNOVER	6,498,779,499	4,928,699,619
Less: Value Added Tax	902,571,061	670,476,572
NET TURNOVER	5,596,208,438	4,258,223,047
Cost of Goods Sold	(2,946,551,799)	(2,233,263,504)
GROSS PROFIT	2,649,656,639	2,024,959,543
Operating Expenses:	(1,126,203,455)	(938,762,518)
Selling & Distribution Expenses	(824,803,020)	(675,000,645)
Administrative Expenses	(234,226,726)	(176,045,210)
Financial Expenses	(67,173,709)	(87,716,663)
PROFIT FROM OPERATIONS	1,523,453,184	1,086,197,025
Other Income	56,124,928	67,959,836
PROFIT BEFORE WPPF	1,579,578,112	1,154,156,861
Allocation for WPPF	(79,809,840)	(58,360,858)
PROFIT BEFORE TAX	1,499,768,272	1,095,796,003
Provision for Income Tax	(386,890,296)	(284,744,035)
Provision for Deferred Income Tax	(4,405,967)	-
PROFIT AFTER TAX	1,108,472,009	811,051,968
Profit/(Loss) from Associates Undertaking	223,576,762	172,133,798
PROFIT FOR THE PERIOD	1,332,048,771	983,185,766
Other Comprehensive Income:		
Gain on Marketable Securities (Unrealized)	58,575,308	30,049,652
Total Comprehensive Income for the Period	1,390,624,079	1,013,235,418
Profit Attributable to:		
Owners of the Company	1,331,837,228	982,982,148
Non Controlling Interest	211,543	203,618
	1,332,048,771	983,185,766
Total Comprehensive Income Attributable to:		
Owners of the Company	1,390,412,536	1,013,031,800
Non Controlling Interest	211,543	203,618
	1,390,624,079	1,013,235,418
Earnings Per Share (EPS)	3.59	2.65
Number of Shares used to compute EPS	370,768,664	370,768,664

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 2013**

	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 2013	3,707,686,640	2,035,465,000	105,878,200	406,231,702	313,532,224	15,801,470,675	7,678,418	22,377,942,859
Total Comprehensive Income (Apr'13-Jun'13)	-	-	-	-	58,575,308	1,331,837,228	211,543	1,390,624,079
At 30 June 2013	3,707,686,640	2,035,465,000	105,878,200	406,231,702	372,107,532	17,133,307,903	7,889,961	23,768,566,938

**SQUARE PHARMACEUTICALS LTD.
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the 1st Quarter Ended 30 June 2012**

	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 2012	2,648,347,600	2,035,465,000	105,878,200	449,870,449	420,437,468	13,460,021,134	7,339,774	19,127,359,625
Total Comprehensive Income (Apr'12-Jun'12)	-	-	-	-	30,049,652	982,982,148	203,618	1,013,235,418
At 30 June 2012	2,648,347,600	2,035,465,000	105,878,200	449,870,449	450,487,120	14,443,003,282	7,543,392	20,140,595,043

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 2013**

	April-June 2013 Taka	April-June 2012 Taka
Cash Flows From Operating Activities:		
RECEIPTS:		
Collection from Sales	6,668,721,804	4,884,151,555
Others	14,240,056	19,819,292
	6,682,961,860	4,903,970,847
PAYMENTS:		
Purchase of Raw and Packing Materials	1,802,528,037	1,440,078,974
Manufacturing and Operating Expenses	1,634,487,186	1,547,211,546
Value Added Tax	902,571,061	670,476,572
Bank Interest	67,173,709	87,716,663
Income Tax	374,467,570	282,821,330
Workers Profit Participation Fund	21,357,195	15,482,445
	4,802,584,758	4,043,787,530
Net cash provided by operating activities	1,880,377,102	860,183,317
Cash Flows From Investing Activities:		
Purchase of Fixed Assets	(243,636,936)	(771,723,919)
Pre-operating Cost	(31,901,828)	(856,550)
Investment in Marketable Securities	(699,520)	(6,291,953)
Long Term Investment	(16,204,680)	-
Short Term Loan	194,767,366	224,833,660
Capital Work-in-Progress	(989,141,481)	(463,433,253)
Interest Received	47,524,249	47,793,050
Dividend Received	96,980,686	71,878,147
Net cash used in investing activities	(942,312,144)	(897,800,818)
Cash Flows From Financing Activities:		
Long Term Loan Received	272,098,153	600,000
Long Term Loan Repaid	(85,332,236)	(57,937,139)
Short Term Bank Loan Increase/(Decrease)	(364,433,410)	82,735,195
Net cash provided/(used) by financing activities	(177,667,493)	25,398,056
Increase in Cash and Cash Equivalents	760,397,465	(12,219,445)
Cash and Cash Equivalents at the Opening	981,187,836	747,628,997
Cash and Cash Equivalents at the Closing	1,741,585,301	735,409,552

Sd/-

Tapan Chowdhury
Managing Director

Sd/-

Md. Kabir Reza
Chief Financial Officer

SQUARE PHARMACEUTICALS LTD.
1ST QUARTER FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION (Unaudited)
As At 30 June 2013

	30-06-2013 Taka	31-03-2013 Taka
ASSETS:		
Non-Current Assets:	18,374,917,086	17,450,947,962
Property, Plant and Equipment-Carrying Value	8,659,007,622	9,322,186,497
Capital Work-in-Progress	5,031,633,648	3,718,326,254
Investment - Long Term (at Cost)	4,041,326,011	3,821,121,331
Investment in Marketable Securities (Fair Value)	642,949,805	589,313,880
Current Assets:	6,082,707,687	5,996,697,544
Inventories	2,223,851,166	2,503,683,240
Trade Debtors	663,906,467	800,974,912
Advances, Deposits and Prepayments	590,439,028	650,380,369
Short Term Loan	921,636,904	1,109,251,152
Cash and Cash Equivalents	1,682,874,122	932,407,871
TOTAL ASSETS	<u>24,457,624,773</u>	<u>23,447,645,506</u>
SHAREHOLDERS' EQUITY AND LIABILITIES:		
Shareholders' Equity:	20,062,178,418	18,844,746,184
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
Gain on Marketable Securities (Unrealized)	350,881,889	297,945,485
Retained Earnings	13,862,266,689	12,697,770,859
Non-Current Liabilities:	757,987,610	810,461,067
Long Term Loans - Secured	256,541,734	313,421,158
Deffered Tax Liability	501,445,876	497,039,909
Current Liabilities:	3,637,458,745	3,792,438,255
Short Term Bank Loans	834,040,079	1,112,694,131
Long Term Loans - Current Portion	490,433,973	511,504,034
Trade Creditors	1,183,633,849	1,086,097,881
Liabilities for Expenses	43,835,174	109,604,834
Liabilities for Other Finance	1,085,515,670	972,537,375
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	<u>24,457,624,773</u>	<u>23,447,645,506</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 2013

	April-June 2013 Iaka	April-June 2012 Iaka
GROSS TURNOVER	5,871,024,438	4,446,687,386
Less: Value Added Tax	813,725,348	601,668,931
NET TURNOVER	5,057,299,090	3,845,018,455
Cost of Goods Sold	(2,647,292,157)	(2,005,395,874)
GROSS PROFIT	2,410,006,933	1,839,622,581
Operating Expenses:	(1,048,945,788)	(892,927,780)
Selling & Distribution Expenses	(785,167,536)	(642,550,629)
Administrative Expenses	(200,828,017)	(174,370,383)
Financial Expenses	(62,950,235)	(76,006,768)
PROFIT FROM OPERATIONS	1,361,061,145	946,694,801
Other Income	247,065,590	213,558,110
PROFIT BEFORE WPPF	1,608,126,735	1,160,252,911
Allocation for WPPF	(76,577,464)	(55,250,139)
PROFIT BEFORE TAX	1,531,549,271	1,105,002,772
Provision for Income Tax	(362,647,474)	(261,413,640)
Provision for Deferred Income Tax	(4,405,967)	-
PROFIT AFTER TAX FOR THE PERIOD	1,164,495,830	843,589,132
Other Comprehensive Income :		
Gain on Marketable Securities (Unrealized)	52,936,404	33,486,284
Total Comprehensive Income for the Period	1,217,432,234	877,075,416
Earnings Per Share (EPS)	3.14	2.28
Number of Shares used to compute EPS	370,768,664	370,768,664

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

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

SQUARE PHARMACEUTICALS LTD.
STATEMENT OF CHANGES IN EQUITY (Unaudited)
For the 1st Quarter Ended 30 June 2012

	Share Capital Taka	Share Premium Taka	General Reserve Taka	Gain on Marketable Securities (Unrealized) Taka	Retained Earnings Taka	Total Taka
At 31 March 2012	2,648,347,600	2,035,465,000	105,878,200	399,421,439	11,077,772,016	16,266,884,255
Total Comprehensive Income (Apr'2012-Jun'2012)	-	-	-	33,486,284	843,589,132	877,075,416
At 30 June 2012	2,648,347,600	2,035,465,000	105,878,200	432,907,723	11,921,361,148	17,143,959,671

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 2013

	April-June 2013 Taka	April-June 2012 Taka
Cash Flows From Operating Activities:		
RECEIPTS:		
Collection from Sales	6,045,731,872	4,425,880,220
Others	104,276,912	94,069,459
	6,150,008,784	4,519,949,679
PAYMENTS:		
Purchase of Raw and Packing Materials	1,637,283,460	1,676,928,772
Manufacturing and Operating Expenses	1,469,477,746	1,288,452,594
Value Added Tax	813,725,348	601,668,931
Bank Interest	62,950,235	76,006,768
Income Tax	267,273,580	255,204,180
Workers Profit Participation Fund	21,162,195	15,288,495
	4,271,872,564	3,913,549,740
Net cash provided by operating activities	1,878,136,220	606,399,939
Cash Flows From Investing Activities:		
Purchase of Fixed Assets	(231,812,370)	(768,376,418)
Capital Work-in-Progress	(650,164,296)	(463,433,253)
Interest Received	47,524,249	47,793,050
Dividend Received	96,675,937	71,697,747
Short Term Loan	187,614,248	593,261,840
Investment in Marketable Securities	(699,520)	(1,294,216)
Long Term Investment	(220,204,680)	(19,712,841)
	(771,066,432)	(540,064,091)
Net cash used in investing activities	(771,066,432)	(540,064,091)
Cash Flows From Financing Activities:		
Long Term Loan Received	7,382,751	600,000
Long Term Loan Repaid	(85,332,236)	(57,937,139)
Short Term Bank Loan Increase/(Decrease)	(278,654,052)	66,752,353
	(356,603,537)	9,415,214
Net cash (used)/provided in financing activities	(356,603,537)	9,415,214
Increase in Cash and Cash Equivalents	750,466,251	75,751,062
Cash and Cash Equivalents at the Opening	932,407,871	586,920,267
Cash and Cash Equivalents at the Closing	1,682,874,122	662,671,329

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, 2013

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, 2013 (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, 2013, 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 21, 2013 proposed dividend for the year ended March 31, 2013 @ 25% Cash and @ 30% Bonus. It shall be accounted for after due approval in AGM that to be held on September 25, 2013.

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.

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 Cephalosporins Limited. Balance as of reporting date is given below:

	<i>Receivable</i>
- Square Textiles Ltd.	Tk. 9,489,298
- Square Hospitals Ltd.	Tk. 768,108,258
- Square InformatiX Ltd.	Tk. 136,392,992
- Square Formulations Ltd.	7,646,356
	<i>Payable</i>
- Square Cephalosporins Ltd.	Tk. 1,058,975,881

Figures have been rounded off to the nearest Taka.

The contingent liabilities of the company is Tk. 1,572,485,243 as on June 30, 2013 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. 4,405,967 for the adjustable temporary difference upto June 30, 2013.

Sd/-
Tapan Chowdhury
Managing Director

Sd/-
Md. Kabir Reza
Chief Financial Officer