

SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Unaudited) As At 31 March 2017

Particulars	31-03-2017	30-06-2016
	Taka	Taka
ASSETS:		
Non-Current Assets:	28,306,067,361	27,240,402,799
Property, Plant and Equipment-Carrying Value	18,764,906,133	18,848,282,139
Investment - Long Term (at Cost)	484,158,553	555,873,893
Investment - Associates Undertaking	7,140,593,006	6,764,511,325
Investment in Marketable Securities (Fair Value)	1,916,409,669	1,071,735,442
Current Assets:	23,251,816,708	17,063,366,651
Inventories	3,416,351,765	3,694,711,088
Trade Debtors	1,426,975,793	1,335,829,914
Advances, Deposits and Prepayments	1,380,063,249	1,131,340,560
Short Term Loan	177,656,415	2,378,929,958
Cash and Cash Equivalents	16,850,769,486	8,522,555,131
TOTAL ASSETS	51,557,884,069	44,303,769,450
SHAREHOLDERS' EQUITY AND LIABILITIES:		
Shareholders' Equity:	46,305,550,849	40,557,494,698
Share Capital	6,859,452,000	6,235,865,460
Share Premium	2,035,465,000	2,035,465,000
General Reserve	105,878,200	105,878,200
Tax Exemption Reserve	808,409,222	301,826,665
Gain on Marketable Securities (Unrealized)	698,371,188	266,786,579
Retained Earnings	35,797,975,239	31,611,672,794
Non Controlling Interest	6,926,118	593,836
Non-Current Liabilities:	1,096,657,976	1,054,498,262
Deffered Tax Liability	1,096,657,976	1,054,498,262
Current Liabilities:	4,148,749,126	2,691,182,654
Short Term Loan	-	2,693,932
Trade Creditors	1,386,674,676	693,982,698
Liabilities for Expenses	61,582,387	42,871,218
Liabilities for Other Finance	2,700,492,063	1,951,634,806
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	51,557,884,069	44,303,769,450
Net Assets Value per Share (NAV)	67.51	59.13
Number of Shares used to compute NAV	685,945,200	685,945,200

Sd/-
Samuel S Chowdhury
Chairman

Sd/-
Ratna Patra
Vice Chairman

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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Unaudited) For the 3rd Quarter Ended 31 March 2017

Particulars	Nine Months Results		Third Quarter Results	
	Jul'2016-Mar'2017 Taka	Jul'2015-Mar'2016 Taka	Jan'2017-Mar'2017 Taka	Jan'2016-Mar'2016 Taka
GROSS TURNOVER	30,892,955,689	27,958,881,896	10,991,874,386	9,736,551,138
Less: Value Added Tax	4,250,818,005	3,826,539,831	1,482,382,234	1,277,000,501
NET TURNOVER	26,642,137,684	24,132,342,065	9,509,492,152	8,459,550,637
Cost of Goods Sold	(13,070,938,710)	(12,532,305,299)	(4,796,882,682)	(4,555,865,585)
GROSS PROFIT	13,571,198,974	11,600,036,766	4,712,609,470	3,903,685,052
OPERATING EXPENSES:	(4,382,662,731)	(3,743,298,071)	(1,266,716,900)	(1,090,910,105)
Selling & Distribution Expenses	(3,727,413,795)	(3,130,837,801)	(1,079,791,179)	(913,153,932)
Administrative Expenses	(655,100,348)	(607,246,581)	(186,925,721)	(177,655,092)
Finance Cost	(148,588)	(5,213,689)	-	(101,081)
PROFIT FROM OPERATIONS	9,188,536,243	7,856,738,695	3,445,892,570	2,812,774,947
Other Income	739,049,890	459,990,609	300,827,836	188,765,305
PROFIT BEFORE WPPF	9,927,586,133	8,316,729,304	3,746,720,406	3,001,540,252
Allocation for WPPF	(481,717,932)	(395,099,852)	(178,415,257)	(142,930,490)
PROFIT BEFORE TAX	9,445,868,201	7,921,629,452	3,568,305,149	2,858,609,762
Income Tax Expenses-Current	(2,151,130,604)	(1,727,542,777)	(796,811,541)	(572,184,440)
Income Tax Expenses-Deferred	(42,159,714)	(194,087,120)	(18,142,054)	(133,080,611)
PROFIT AFTER TAX	7,252,577,883	5,999,999,555	2,753,351,554	2,153,344,711
Profit/(Loss) from Associate Undertakings	564,572,125	681,144,816	180,465,411	342,134,334
PROFIT AFTER TAX	7,817,150,008	6,681,144,371	2,933,816,965	2,495,479,045
Other Comprehensive Income:				
Gain/(Loss) on Marketable Securities (Unrealized)	431,584,609	5,993,063	159,891,966	(12,302,173)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	8,248,734,617	6,687,137,434	3,093,708,931	2,483,176,872
Profit Attributable to:				
Owners of the Company	7,810,817,726	6,679,720,781	2,931,549,437	2,494,824,469
Non Controlling Interest	6,332,282	1,423,590	2,267,528	654,576
	7,817,150,008	6,681,144,371	2,933,816,965	2,495,479,045
Total Comprehensive Income Attributable to:				
Owners of the Company	8,242,402,335	6,685,713,844	3,091,441,403	2,482,522,296
Non Controlling Interest	6,332,282	1,423,590	2,267,528	654,576
	8,248,734,617	6,687,137,434	3,093,708,931	2,483,176,872
Earnings Per Share (EPS)	11.39	9.74	4.27	3.64
Number of Shares used to compute EPS	685,945,200	685,945,200	685,945,200	685,945,200

Sd/-
Samuel S. Chowdhury
Chairman

Sd/-
Ratna Patra
Vice Chairman

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 CHANGES IN EQUITY (Unaudited) For the 3rd Quarter Ended 31 March 2017

Particulars	Share Capital Taka	Share Premium Taka	General Reserve Taka	Tax Exemption Reserve Taka	Gain on Marketable Securities (Unrealized) Taka	Retained Earnings Taka	Non Controlling Interest Taka	Total Taka
At 30 June 2016	6,235,865,460	2,035,465,000	105,878,200	301,826,665	266,786,579	31,611,672,794	593,836	40,558,088,534
Total Comprehensive Income (Jul'2016-Mar'2017)	-	-	-	-	431,584,609	7,810,817,726	6,332,282	8,248,734,617
Transfer to Tax Exemption Reserve	-	-	-	506,582,557	-	(506,582,557)	-	-
Cash Dividend (2015-2016)	-	-	-	-	-	(2,494,346,184)	-	(2,494,346,184)
Stock Dividend (2015-2016)	623,586,540	-	-	-	-	(623,586,540)	-	-
At 31 March 2017	6,859,452,000	2,035,465,000	105,878,200	808,409,222	698,371,188	35,797,975,239	6,926,118	46,312,476,967
At 31 March 2016	6,235,865,460	2,035,465,000	105,878,200	174,714,346	275,949,156	29,217,089,465	(359,506)	38,044,602,121

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Company Secretary

SQUARE PHARMACEUTICALS LTD.

AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited) For the 3rd Quarter Ended 31 March 2017

Particulars	3rd Quarter Ended 31 March 2017 Taka	3rd Quarter Ended 31 March 2016 Taka
Cash Flows From Operating Activities:		
RECEIPTS:		
Collections from Sales	30,862,392,337	28,098,825,171
Others	198,658,364	84,299,352
	31,061,050,701	28,183,124,523
PAYMENTS:		
Purchase of Raw and Packing Materials	7,989,656,722	8,597,395,198
Manufacturing and Operating Expenses	7,272,329,538	5,655,440,177
Value Added Tax	4,250,818,005	3,826,539,831
Finance Cost	148,588	5,213,689
Income Tax Expense	2,649,415,157	1,406,517,674
Workers Profit Participation Fund	424,804,297	395,310,136
Others	-	13,701,327
	22,587,172,307	19,900,118,032
Net cash provided by operating activities	8,473,878,394	8,283,006,491
Cash Flows From Investing Activities:		
Purchase of Fixed Assets	(1,368,587,178)	(2,012,146,918)
Disposal of Fixed Assets	794,060	49,736,480
Investment	(341,374,277)	44,493,441
Short Term Loan	2,198,579,611	(439,606,837)
Gain on Sale of Marketable Securities	44,660,528	8,396,616
Interest Received	441,629,655	155,527,426
Dividend Received	244,043,522	34,588,189
Net cash used in investing activities	1,219,745,921	(2,159,011,603)
Cash Flows From Financing Activities:		
Long Term Loan Repaid	-	(309,810,998)
Short Term Bank Loan Decrease	-	(2,297,884)
Dividend Paid	(1,365,409,960)	(1,662,897,456)
Net cash provided by financing activities	(1,365,409,960)	(1,975,006,338)
Increase in Cash and Cash Equivalents	8,328,214,355	4,148,988,550
Cash and Cash Equivalents at the Opening	8,522,555,131	4,523,522,906
Cash and Cash Equivalents at the Closing	16,850,769,486	8,672,511,456
Net Operating Cash Flow per Share (NOCF)	12.35	12.08
Number of Shares used to compute NOCF	685,945,200	685,945,200

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Samuel S. Chowdhury
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Md. Kabir Reza
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Ratna Patra
Vice Chairman

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Company Secretary

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Tapan Chowdhury
Managing Director

SQUARE PHARMACEUTICALS LTD.

STATEMENT OF FINANCIAL POSITION (Unaudited) As at 31 March 2017

Particulars	31-03-2017 Taka	30-06-2016 Taka
ASSETS:		
Non-Current Assets:	22,810,898,263	22,121,390,658
Property, Plant and Equipment-Carrying Value	16,288,446,247	16,269,701,528
Investment - Long Term (at Cost)	4,708,238,347	4,779,953,688
Investment in Marketable Securities (Fair Value)	1,814,213,669	1,071,735,442
Current Assets:	22,520,888,420	17,053,294,946
Inventories	2,834,171,945	2,947,663,942
Trade Debtors	1,415,655,399	1,329,754,444
Advances, Deposits and Prepayments	1,329,329,277	1,050,060,488
Short Term Loan	177,656,415	3,280,174,547
Cash and Cash Equivalents	16,764,075,384	8,445,641,525
TOTAL ASSETS	45,331,786,683	39,174,685,604
SHAREHOLDERS' EQUITY AND LIABILITIES:		
Shareholders' Equity:	39,686,707,809	35,597,063,091
Share Capital	6,859,452,000	6,235,865,460
Share Premium	2,035,465,000	2,035,465,000
General Reserve	105,878,200	105,878,200
Gain on Marketable Securities (Unrealized)	676,165,545	266,786,579
Retained Earnings	30,009,747,064	26,953,067,852
Non-Current Liabilities:	1,028,173,789	995,800,939
Deferred Tax Liability	1,028,173,789	995,800,939
Current Liabilities:	4,616,905,085	2,581,821,574
Short Term Loan	915,345,458	2,693,932
Trade Creditors	1,270,441,544	648,412,068
Liabilities for Expenses	61,512,781	42,789,106
Liabilities for Other Finance	2,369,605,302	1,887,926,468
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	45,331,786,683	39,174,685,604
Net Assets Value per Share (NAV)	57.86	51.89
Number of Shares used to compute NAV	685,945,200	685,945,200

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SQUARE PHARMACEUTICALS LTD.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Unaudited) For the 3rd Quarter Ended 31 March 2017

Particulars	Nine Months Results		Third Quarter Results	
	Jul'2016-Mar'2017	Jul'2015-Mar'2016	Jan'2017-Mar'2017	Jan'2016-Mar'2016
	Taka	Taka	Taka	Taka
GROSS TURNOVER	24,375,520,612	25,066,016,341	8,692,674,311	8,342,407,954
Less: Value Added Tax	3,287,612,756	3,400,040,263	1,142,472,653	1,072,644,834
NET TURNOVER	21,087,907,856	21,665,976,078	7,550,201,658	7,269,763,120
COST OF GOODS SOLD	(10,194,078,903)	(11,274,516,241)	(3,836,082,011)	(4,027,165,324)
GROSS PROFIT	10,893,828,953	10,391,459,837	3,714,119,647	3,242,597,796
OPERATING EXPENSES:	(4,311,455,299)	(3,710,328,429)	(1,188,958,818)	(1,016,612,272)
Selling & Distribution Expenses	(3,657,694,735)	(3,100,574,606)	(1,007,690,987)	(851,238,692)
Administrative Expenses	(653,617,973)	(604,967,878)	(181,267,831)	(165,296,510)
Finance Cost	(142,591)	(4,785,945)	-	(77,070)
PROFIT FROM OPERATIONS	6,582,373,654	6,681,131,408	2,525,160,829	2,225,985,524
Other Income	1,975,498,949	1,020,352,337	663,759,143	432,369,477
PROFIT BEFORE WPPF	8,557,872,603	7,701,483,745	3,188,919,972	2,658,355,001
Allocation for WPPF	(407,517,743)	(366,737,321)	(151,853,332)	(126,588,334)
PROFIT BEFORE TAX	8,150,354,860	7,334,746,424	3,037,066,640	2,531,766,667
Income Tax Expenses-Current	(1,943,370,074)	(1,727,542,777)	(722,438,150)	(572,184,440)
Income Tax Expenses-Deferred	(32,372,850)	(66,636,395)	(14,782,463)	(24,429,417)
PROFIT AFTER TAX	6,174,611,936	5,540,567,252	2,299,846,027	1,935,152,810
Other Comprehensive Income:				
Gain/(Loss) on Marketable Securities (Unrealized)	409,378,966	5,993,063	146,168,366	(12,302,173)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	6,583,990,902	5,546,560,315	2,446,014,393	1,922,850,637
Earnings Per Share (EPS)	9.00	8.08	3.35	2.82
Number of Shares used to compute EPS	685,945,200	685,945,200	685,945,200	685,945,200

Sd/-
Samuel S. Chowdhury
Chairman

Sd/-
Md. Kabir Reza
Chief Financial Officer

Sd/-
Ratna Patra
Vice Chairman

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Tapan Chowdhury
Managing Director

Sd/-
Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

STATEMENT OF CHANGES IN EQUITY (Unaudited) For the 3rd Quarter Ended 31 March 2017

Particulars	Share Capital Taka	Share Premium Taka	General Reserve Taka	Gain on Marketable Securities (Unrealized) Taka	Retained Earnings Taka	Total Taka
At 30 June 2016	6,235,865,460	2,035,465,000	105,878,200	266,786,579	26,953,067,852	35,597,063,091
Total Comprehensive Income (Jul'2016-Mar'2017)	-	-	-	409,378,966	6,174,611,936	6,583,990,902
Cash Dividend (2015-2016)	-	-	-	-	(2,494,346,184)	(2,494,346,184)
Stock Dividend (2015-2016)	623,586,540	-	-	-	(623,586,540)	-
At 31 March 2017	6,859,452,000	2,035,465,000	105,878,200	676,165,545	30,009,747,064	39,686,707,809
At 31 March 2016	6,235,865,460	2,035,465,000	105,878,200	275,949,156	24,983,369,771	33,636,527,587

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Chief Financial Officer

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Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LTD.

STATEMENT OF CASH FLOWS (Unaudited) For the 3rd Quarter Ended 31 March 2017

	3rd Quarter Ended 31 March 2017 Taka	3rd Quarter Ended 31 March 2016 Taka
Cash Flows From Operating Activities:		
RECEIPTS:		
Collections from Sales	24,319,399,043	25,214,460,748
Others	1,226,213,286	539,584,989
	25,545,612,329	25,754,045,737
PAYMENTS:		
Purchase of Raw and Packing Materials	5,996,362,896	7,756,488,622
Manufacturing and Operating Expenses	5,360,979,372	5,317,156,966
Value Added Tax	3,287,612,756	3,400,040,263
Finance Cost	142,591	4,785,945
Income Tax Expenses	2,632,969,998	1,373,687,779
Workers Profit Participation Fund	418,746,655	395,310,136
Others	-	13,701,327
	17,696,814,268	18,261,171,038
Net cash provided by operating activities	7,848,798,061	7,492,874,699
Cash Flows From Investing Activities:		
Purchase of Fixed Assets	(1,194,893,352)	(1,414,427,336)
Disposal of Fixed Assets	794,060	49,736,480
Investment	(261,383,920)	44,493,441
Short Term Loan	2,539,791,572	(600,399,447)
Gain on Sale of Marketable Securities	44,660,528	8,396,616
Interest Received	462,625,348	260,603,517
Dividend Received	243,451,522	34,588,189
Net cash used in investing activities	1,835,045,758	(1,617,008,540)
Cash Flows From Financing Activities:		
Long Term Loan Repaid	-	(95,947,106)
Dividend Paid	(1,365,409,960)	(1,662,897,456)
Net cash used by financing activities	(1,365,409,960)	(1,758,844,562)
Increase in Cash and Cash Equivalents	8,318,433,859	4,117,021,597
Cash and Cash Equivalents at the Opening	8,445,641,525	4,443,806,872
Cash and Cash Equivalents at the Closing	16,764,075,384	8,560,828,469
Net Operating Cash Flow per Share (NOCF)	11.44	10.92
Number of Shares used to compute NOCF	685,945,200	685,945,200

Sd/-
Samuel S. Chowdhury
Chairman

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Ratna Patra
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Khandaker Habibuzzaman
Company Secretary

SQUARE PHARMACEUTICALS LIMITED

Notes to the Interim Financial Statements For the Third Quarter Ended March 31, 2017

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 Third Quarter Ended on March 31, 2017 (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 June 30, 2016, 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. 523,940,930
- Building	Tk. 269,710,783
- Plant & Machinery	Tk. 120,737,133
- Laboratory Equipment	Tk. 27,414,731
- Furniture & Fixture	Tk. 39,070,803
- Others	Tk. 214,018,972

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 the group of Tk. 42,159,714 for the adjustable temporary difference upto March 31, 2017, out of which Tk. 32,372,850 for Square Pharmaceuticals Ltd. and Tk. 9,786,864 for Square Formulations Ltd.

Cash Dividend for the period 2015-2016 (Apr'2015-Jun'2016) amounting to Tk. 1,365,409,960 have been paid/released to the Shareholders out of which Tk. 2,494,346,184 and also Bonus Shares have been accounted for which was approved by the shareholders in the AGM held on December 13, 2016.

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 Fashions Limited, Square Informatix Limited, Square Denims Limited, Square Apparels Limited, Square Securities Management Limited, Square Formulations Limited and Aegis Services Ltd. balance as of reporting date is given below:

	<u>Receivable</u>
- Square Textiles Ltd.	17,812,632
- Square Fashions Ltd.	8,226,399
- Square Informatix Ltd.	129,848,882
- Square Denims Ltd.	14,797,621
- Square Apparels Ltd.	6,970,881
- Square Securities Management Ltd.	205,264,304
	<u>Payable</u>
- Square Formulations Ltd.	915,345,458
- Aegis Services Ltd.	2,550,837

Figures have been rounded off to the nearest Taka.

The contingent liabilities of the companies as of March 31, 2017 were as follows;

For Sight and deferred LC for the group Tk. 215.17 Crore only. Out of which Tk. 1,857,763,234 crore for Square Pharmaceuticals Limited and Tk. 293,968,788 for Square Formulations Limited.