

First Quarter
Financial Statements 2024-2025
(Unaudited)



SQUARE Textiles PLC.
(Consolidated and Standalone)

SQUARE Textiles PLC. & It's Subsidiary

Consolidated Statement of Financial Position (Unaudited)

As at September 30, 2024

Particulars	Notes	30/Sep/24 Taka	30/Jun/24 Taka
ASSETS:			
Non-Current Assets		11,342,358,043	11,054,375,979
Property, Plant & Equipment- Carrying Value	02	10,276,510,297	10,023,590,113
Capital Work In Progress and In Transit	03	1,009,563,986	974,502,106
Goodwill		56,283,760	56,283,760
Current Assets		13,795,621,862	14,041,861,542
Inventories	04	6,134,839,952	6,574,079,489
Trade Receivable	05	6,391,235,224	6,343,668,667
Advances, Deposits & Prepayments	06	769,305,029	642,442,449
Cash & Cash Equivalents	07	500,241,657	481,670,937
TOTAL ASSETS		25,137,979,905	25,096,237,521
SHAREHOLDERS' EQUITY & LIABILITIES:			
Shareholders' Equity		10,595,537,950	10,221,148,570
Share Capital		1,972,520,000	1,972,520,000
Retained Earnings		8,623,017,950	8,248,628,570
Non controlling Interest	08	15,390,543	15,352,206
TOTAL SHAREHOLDERS' EQUITY		10,610,928,493	10,236,500,776
Non-Current Liabilities		3,110,444,610	3,302,333,932
Long Term Borrowings	09	2,842,190,228.00	3,027,234,666
Deferred Tax Liability	10	268,254,382	275,099,266
Current Liabilities & Provisions		11,416,606,802	11,557,402,813
Short Term Bank Loan (Secured)	11	10,601,663,397	10,885,908,176
Creditors & Other Payables	12	153,686,934	110,490,045
Liabilities for Others Finance	13	304,913,545	277,650,782
Unclaimed Dividend Account		10,160,681	10,374,894
Provision for Income Tax	14	346,182,245	272,978,916
TOTAL LIABILITIES		14,527,051,412	14,859,736,745
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		25,137,979,905	25,096,237,521
Net Asset Value Per Share	22	53.72	51.82

Attached notes form parts of these Financial Statements.

Sd/-
Tapan Chowdhury
Chairman

Sd/-
Ratna Patra
Vice Chairman

Sd/-
Samuel S Chowdhury
Managing Director

Sd/-
Md. Aminur Rahman
Chief Financial Officer

Sd/-
Sanjib Baran Roy
Company Secretary

SQUARE Textiles PLC. & It's Subsidiary

Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited)
For the 1st Quarter Ended September 30, 2024

Particulars	NOTE	3 Months (Amount in Tk)	
		July to September 2024-25	July to September 2023-24
Sales Revenue	15	5,772,323,762	4,411,322,879
Cost of Goods Sold	16	4,895,176,554	3,761,742,699
Gross Profit		877,147,208	649,580,180
Administrative Overhead	17	67,972,562	71,988,579
Selling and Distribution Overhead	18	10,204,592	8,115,472
Profit from Operations		798,970,054	569,476,129
Finance Cost	19	338,979,198	137,263,560
Non-Operating Income	20	2,834,614	4,984,995
Profit Before W.P.P.F & W.F		462,825,470	437,197,564
Allocation for W.P.P.F & W.F		22,039,308	20,818,932
Profit Before Tax		440,786,162	416,378,632
Provision for Tax (Current)	14	73,203,329	73,102,675
Deferred Tax Expenses (Income)	10	(6,844,884)	(10,497,875)
Profit After Tax for The Period		374,427,717	353,773,832
Non-Controlling Interest		38,337	34,366
Net Income for the Period		374,389,380	353,739,466

(Transferred to the Statement of Changes in Equity)

Earnings Per Share (EPS)	21	1.90	1.79
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SQUARE Textiles PLC. & It's Subsidiary

Consolidated Statement of Changes in Equity (Unaudited)

For the 1st Quarter Ended September 30, 2024

Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2024	1,972,520,000	8,248,628,570	10,221,148,570
Net Profit For the 1st Quarter Ended September 30, 2024	-	374,389,380	374,389,380
Balance As at September 30, 2024	1,972,520,000	8,623,017,950	10,595,537,950

For the 1st Quarter Ended September 30, 2023

Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2023	1,972,520,000	7,678,623,995	9,651,143,995
Net Profit For the 1st Quarter Ended September 30, 2023	-	353,739,466	353,739,466
Balance As at September 30, 2023	1,972,520,000	8,032,363,461	10,004,883,461

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SQUARE Textiles PLC. & It's Subsidiary

Consolidated Statement of Cash flows (Unaudited)

For the 1st Quarter Ended September 30, 2024

Particulars	Amount (Tk)	
	July to Sept' 2024-25	July to Sept' 2023-24
Cash Flows from Operating Activities:		
Receipts from Sales Revenue	5,724,757,205	4,359,487,893
Exchange Fluctuation Gain (Realization from Transection)	19,387,226	71,596,157
Receipts/ (Payment) from Other Income/ Expenses	-	6,420
Total Receipts	5,744,144,431	4,431,090,470
Payment for Supplies and Other Services	(3,125,175,356)	(2,514,510,605)
Paid for Operating & Non-operating Expenses	(1,184,921,520)	(890,251,341)
Interest Expenses Paid	(334,059,292)	(88,140,149)
Income Tax Paid	(61,339,976)	(49,320,310)
Total Payments	(4,705,496,144)	(3,542,222,405)
Net Cash Generated (Used in) from Operating Activities	1,038,648,287	888,868,065
Cash Flows from Investing Activities:		
Purchase of Property, Plant & Equipment	(542,633,417)	(244,027,780)
Sales of Property, Plant & Equipment	1,450,000	-
Net Cash Generated (Used in) from Investing Activities	(541,183,417)	(244,027,780)
Cash Flows from Financing Activities:		
Long Term Loan Received/ (Repaid)	(214,402,198)	(45,000,000)
Short Term Bank Loan Received/ (Repaid)	(254,887,019)	(33,957,124)
Payment of Dividend	(214,213)	(65,433)
Net Cash Generated (Used in) from Financing Activities	(469,503,430)	(79,022,557)
Increase/ (Decrease) in Cash & Cash Equivalents	27,961,440	565,817,728
Net effect of foreign currency translation	(9,390,720)	(66,617,582)
Opening Cash & Cash Equivalents	481,670,937	555,900,580
Closing Cash & Cash Equivalents	500,241,657	1,055,100,726
Net Operating Cash Flows Per Share	5.27	4.51

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SQUARE Textiles PLC. AND ITS SUBSIDIARY

Notes to the Consolidated Interim Financial Statements (Unaudited) For the 1st Quarter Ended September 30, 2024

01. Basis of preparation of the Consolidated Interim Financial Statements:

These Financial Statements (They) are the unaudited consolidated interim financial statements (hereafter "The Consolidated Interim Financial Statements") of SQUARE Textiles PLC. and Square Texcom Limited, Companies incorporated in Bangladesh under Companies Act 1913 & 1994, for the 1st Quarter Ended on September 30, 2024 (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 on June 30, 2024, 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 comparatives 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.

We understand that our business is growing every year that means our assets are performing according to intention 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 on intension to dispose these assets, so it is not required to record the impairment gain as provisions of IAS-36.

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

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

There is no significant even after the end of the interim period that has to be reflected in the Consolidated Financial Statements for the interim period except.

Figures have been rounded off to the nearest Taka.

	30-Sep-24	30-Jun-24
02. Consolidated Property, Plant & Equipment:		
Details of Property, Plant & Equipment and Depreciation as at September 30, 2024 are as below:		
Fixed Assets at Cost		
Opening Balance	17,822,261,353	13,434,094,874
Addition during the Year	507,571,537	4,442,227,266
Sale/ Obsolete during the Year	(144,955,030)	(54,060,787)
Closing Balance(Cost)	18,184,877,860	17,822,261,353
Accumulated Depreciation		
Opening Balance	7,798,671,240	6,978,683,242
Charged during the Year	246,039,461	874,048,785
Adjustment for sale/Obsolete	(136,343,138)	(54,060,787)
	7,908,367,563	7,798,671,240
Carrying Value	Tk. 10,276,510,297	10,023,590,113
	30-Sep-24	30-Jun-24

03. Consolidated Capital Work In Progress and In Transit:

Capital Work In Progress and In Transit	1,009,563,986	974,502,106
Tk.	1,009,563,986	974,502,106

The amount of Capital Work In Progress includes investment of SQUARE Textiles PLC. Unit-04 Extension project and some of BMRE activities of existing units.

04. Consolidated Inventories:

Stocks of Materials	5,847,774,610	6,263,123,993
Raw Materials	5,111,994,099	5,595,798,705
Raw Materials In Transit	145,236,929	144,714,261
Packing Materials	26,095,766	26,295,509
Work - in - process	264,076,167	276,345,302
Finished Goods	300,371,649	219,970,216
Stocks of Spares	287,065,342	310,955,496
Spares at Store	282,987,843	303,584,838
Spares in Transit	4,077,499	7,370,658
Tk.	6,134,839,952	6,574,079,489

05. Consolidated Trade Receivable:

Aging of the above balance is as follows:

Below 60 days	3,028,771,705	2,991,291,632
Within 61-120 days	2,432,334,840	2,343,643,767
Above 120 days	930,128,679	1,008,733,268
Tk.	6,391,235,224	6,343,668,667

a) There was no amount due from the Directors (Including Managing Director), Managing Agent, Manager and other Officers of the Company and any of them severally or jointly with any other person.

b) The carrying amount of Trade Debtors pledged as security.

c) Trade Receivable is secured, considered as good and is falling due within one year.

06. Consolidated Advances, Deposits & Prepayments:

This is made up of the followings:

Advance	530,917,582	437,814,315
Income Tax	271,888,280	210,548,304
Salary & PF Current account	11,107,000	10,552,000
Other Expenses and VAT	147,579,934	136,199,970
Suppliers & Contractor	100,342,368	80,514,041
Deposits	238,387,447	204,628,134
Security Deposit	192,482,354	190,723,041
Margin on Bank Guarantee	45,905,093	13,905,093
Tk.	769,305,029	642,442,449
	30-Sep-24	30-Jun-24

07. Consolidated Cash & Cash Equivalents:

This is made up of the followings:

Cash in hand	7,375,243	4,805,807
Cash at Bank	492,866,414	476,865,130
Tk.	500,241,657	481,670,937

08. Non Controlling Interest:Tk.

5,000 shares of Tk 100 at par of Square Texcom Ltd.	500,000	500,000
Shares of Accumulated Profit	14,890,543	14,852,206
	15,390,543	15,352,206

09. Long Term Borrowings (Secured):

Standard Chartered Bank	1,789,047,619	1,927,380,952
The City Bank	950,000,000	1,000,000,000
DBBL	895,122,142	921,191,007
Infrastructure Development Company (IDCOL)	120,169,379	120,169,379
Less: Current Portion of Long Term Borrowings	(912,148,912)	(941,506,672)
Tk.	2,842,190,228	3,027,234,666

10. Consolidated Deferred Tax Liability:

Opening Balance	275,099,266	281,935,141
Deferred Tax Expenses/ (Income)	(6,844,884)	(6,835,875)
Closing Balance	Tk. 268,254,382	275,099,266

This represents tax liability payable in future due to accumulated taxable temporary differences (Above deferred tax balance creates only from difference between accounting basis depreciation and tax basis depreciation on fixed assets). We don't have any other assets or liabilities except fixed assets for provision of Deferred Tax liabilities to present in details form for unused tax losses and unused tax credits.

a) Deferred Tax Liability is arrived at as follows:

Carrying Value of Depreciable Fixed Assets	9,554,411,026	9,301,490,844
Less: Tax Base Carrying Value	(7,766,048,479)	(7,467,495,733)
Taxable Temporary Difference	1,788,362,547	1,833,995,111
Tax Rate	15.00%	15.00%
Closing Deferred Tax Liability	268,254,382	275,099,266
Less: Opening Deferred Tax Liability	(275,099,266)	(281,935,141)
Deferred Tax (Income) / Expense	(6,844,884)	(6,835,875)

11. Consolidated Short Term Bank Loan (Secured):

Revolving Loan	2,695,000,000	1,095,000,000
EDF & UPAS	6,994,514,485	8,849,401,504
Current Portion of Long Term Borrowings	912,148,912	941,506,672
Tk. 10,601,663,397	10,885,908,176	

a) These short term loans are secured against hypothecation of Stock and Trade Receivable.

b) The Short Term Bank Loan consist of the UPAS & EDF loan against Import of Raw Materials and Capital Machineries of expansion project at Habiganj.

30-Sep-24

30-Jun-24

12. Consolidated Creditors & Others Payable:

Payable for Audit Fees	862,500	862,500
Provision for Utility Bill	135,369,039	94,560,398
Provision for Salary & Allowances	10,070,799	5,220,699
Others	7,384,596	9,846,448
153,686,934	110,490,045	

This represents amount payable to regular suppliers of packing materials, utilities, and other services rendered to the company. All suppliers were paid on a regular basis.

13. Consolidated Liabilities for Other Finance:

PF, WPPF & Other Fund	90,835,587	68,492,730
Others	214,077,958	209,158,052
Tk. 304,913,545	277,650,782	

14. Consolidated Provision for Income Tax:

Opening Balance	272,978,916	303,600,731
Adjustment with Advance Tax	-	(242,010,307)
Current Year Provision	73,203,329	211,388,492
Closing Balance	Tk. 346,182,245	272,978,916

Calculation of Effective Tax Rate:

Current Income Tax Expenses	73,203,329	211,388,492
Deferred Tax Expenses/ (Income)	(6,844,884)	(6,835,875)
Total Tax Expenses	66,358,445	204,552,617
Effective Tax Rate (Total Tax Expenses / Profit Before Tax)	15.05%	14.97%

	July-24 to Sep'-24	July-23 to Sep'-23
15. Consolidated Sales Revenue:		
Export Sale of Yarns	5,772,323,762	4,411,322,879
Tk.	5,772,323,762	4,411,322,879

During the period sales increased by BDT 136.1 (30.85%) crore due to increased of yarn production from new Project at Habiganj, BMRE at Gazipur Project and SQUARE Texcom Ltd. as well as increased conversion rate of USD.

16. Consolidated Cost of Goods Sold:

Raw Materials Consumed	3,583,721,628	2,727,339,466
Factory Overhead (Note: 16.01)	1,311,454,926	1,034,403,233
Cost of Goods Sold	4,895,176,554	3,761,742,699

During the period Raw Material cost increased by BDT 85.64 (31.4%) crore due to increase of yarn production from new Project at Habiganj, BMRE at Gazipur Project and SQUARE Texcom Ltd.

	July-24 to Sep'-24	July-23 to Sep'-23
16.01. Factory Overhead:		
Factory Wages, Salary & Allowances	335,737,110	253,412,739
Production Workers' Free Lunch	1,975,108	1,686,798
Fuel, Petrol, Light, Diesel etc.	166,424,199	87,546,801
Electricity, Gas & Water	404,433,434	364,548,617
Factory Consumable Expense	22,962,073	17,618,759
Repairs & Maintenance of Vehicles	7,586,957	8,186,619
Industrial All Risk Insurance Premium	8,113,530	8,610,532
Govt. Tax, VAT & License Fees	736,112	3,804,216
Security Services	10,930,398	10,009,634
Spare Parts - Machinery	105,188,185	81,916,622
Depreciation	243,862,181	193,850,008
Other Overhead	3,505,639	3,211,888
Total	1,311,454,926	1,034,403,233

Fuel, Gas and Electricity cost increased significantly due to increased of fuel and GAS price as well as increased of fuel consumption for additional production capacity under new Project and BMRE.

17. Consolidated Administrative Overhead:

Salary and Allowances	31,385,342	29,273,014
Directors' Remuneration	16,473,600	15,898,125
Overseas Travelling	2,849,740	4,916,931
Vehicles Running & Maintenance	2,432,564	3,358,345
Fees & Subscription	1,264,415	591,035
Rental Expenses	4,029,180	7,360,204
Office Consumable Expense	513,766	463,072
Electricity, Gas & Water	721,173	787,738
Software & Hardware Support Expenses	1,109,112	1,150,525
Head Office Employees' Free Lunch	915,151	786,002
Annual General Meeting Expenses	22,725	75,526
Depreciation	2,177,280	2,255,589
Other Expenses	4,078,514	5,072,473
Total	67,972,562	71,988,579

Directors' Remuneration is not included the Member Director of "Audit Committee" and "Nomination & Remuneration Committee"

18. Consolidated Selling & Distribution Overhead:

Export Sale Expenses	7,696,443	6,047,208
Loading & unloading	2,508,149	2,068,264
Total	Tk. 10,204,592	8,115,472

July-24 to Sep'-24

July-23 to Sep'-23

19. Finance Cost:

Interest on Deferred LC Loan	199,487,937	98,909,672
Interest on OD	1,291	-
Interest on Short Term Loan	36,909,166	34,106,253
Interest on Long Term Loan	102,580,804	4,247,635
Tk.	338,979,198	137,263,560

During the period Finance cost increased by BDT 20.17 (146.94%) crore due to additional Financing for the expansion Project and some BMRE activities as well as increased of interest rate of Loan Financing.

20. Non-Operating Income:

Interest Income	-	6,420
Gain/ (Loss) on Disposal of Assets	(7,161,892)	-
Forex Exchange Rate Fluctuation Gain/ (Loss)	9,996,506	4,978,575
Tk.	2,834,614	4,984,995

21. Earnings Per Share (EPS):

The Computation is given below:

Earning attributable to Ordinary Shares
including other income

374,389,380 353,739,466

Number of Ordinary shares

197,252,000 197,252,000

Earnings Per Share

Tk. 1.90 1.79

During the period EPS increased by BDT 0.11 (6.15%) due to increased of yarn production from new Project at Habiganj, BMRE at Gazipur Project and SQUARE Texcom Ltd.

22. Net Asset Value (NAV) Per Share:

The Computation is given below:

Equity Attributable to the Owners of the Company

Tk. 10,595,537,950 10,221,148,570

Number of Ordinary shares

197,252,000 197,252,000

Net Asset Value (NAV) Per Share

Tk. 53.72 51.82

23. Net Operating Cash flows per Share (NOCFPS):

The Computation is given below:

Net Cash Generated (Used in) from Operating

Tk. 1,038,648,287 888,868,065

Number of Ordinary shares

197,252,000 197,252,000

Net Operating Cash flows per Share (NOCFPS)

Tk. 5.27 4.51

July-24 to Sep'-24

July-23 to Sep'-23

24. Reconciliation of Net Profit with Cash Flows from Operating Activities:

The Computation is given below:

Profit After Tax	374,427,717	353,773,832
Adjustment to reconcile net profit to net cash provided by operating activities :		
Non-cash Expenses:	248,585,297	252,225,304
Depreciation	246,039,461	196,105,597
Deferred Tax	(6,844,884)	(10,497,875)
Net effect of foreign currency translation	9,390,720	66,617,582
Non-Operating Items:	7,161,892	-
Gain/ (Loss) on Disposal of Assets	7,161,892	-
Changes in working Capital:	408,473,381	282,868,929
(Increase)/Decrease in Inventories	439,239,537	90,878,838
(Increase)/Decrease in Trade Receivable	(47,566,557)	(51,834,986)
(Increase)/Decrease in Advances, Deposits & Prepayments	(126,862,580)	(11,211,669)
Increase/(Decrease) in Creditors & Other Payables	43,196,889	112,708,447
Increase/(Decrease) in Liabilities for Others Finance	27,262,763	69,225,624
Increase/(Decrease) in Income Tax Payable	73,203,329	73,102,675
Net Cash Generated (Used in) from Operating Activities	1,038,648,287	888,868,065

25. Regarding Consolidated Net Operating Cash Flows per Share:

The business (100% export oriented spinning industry) operation is volatile and realization from debtors (100% confirmed back to back LC) also very positively co-related with this, but all import payments should be made as per provision of UCPDC-600, resultant, the per share operating cash flows fluctuates from quarter to quarter, which is very common for the spinning business trend.

SQUARE Textiles PLC.

Statement of Financial Position (Unaudited)

As at September 30, 2024

Particulars	Notes	30/Sep/24 Taka	30/Jun/24 Taka
ASSETS:			
Non-Current Assets		10,784,842,447	10,516,431,959
Property, Plant & Equipment- Carrying Value	02	9,309,232,021	9,150,327,907
Capital Work In Progress and In Transit	03	986,276,466	876,770,092
Investment - Long Term (At Cost)		489,333,960	489,333,960
Current Assets		12,544,574,473	12,696,384,703
Inventories	04	5,569,211,221	5,941,001,033
Trade Receivable	05	5,846,508,314	5,748,546,987
Advances, Deposits & Prepayments	06	712,312,832	592,440,589
Cash & Cash Equivalents	07	416,542,106	414,396,094
TOTAL ASSETS		23,329,416,920	23,212,816,662
SHAREHOLDERS' EQUITY & LIABILITIES:			
Shareholders' Equity		9,929,867,114	9,588,681,769
Share Capital		1,972,520,000	1,972,520,000
Retained Earnings		7,957,347,114	7,616,161,769
Non-Current Liabilities		3,077,035,947	3,267,597,322
Long Term Borrowings	08	2,842,190,228	3,027,234,666
Deferred Tax Liability	09	234,845,719	240,362,656
Current Liabilities & Provisions		10,322,513,859	10,356,537,571
Short Term Bank Loan (Secured)	10	9,581,337,275	9,748,367,290
Creditors & Other Payables	11	135,793,399	92,369,073
Liabilities for Others Finance	12	277,166,189	253,296,948
Unclaimed Dividend Account		10,160,681	10,374,894
Provision for Income Tax	13	318,056,315	252,129,366
TOTAL LIABILITIES		13,399,549,806	13,624,134,893
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		23,329,416,920	23,212,816,662
Net Asset Value Per Share	25	50.34	48.61

Attached notes form parts of these Financial Statements.

Sd/-
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Chairman

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Vice Chairman

Sd/-
Samuel S Chowdhury
Managing Director

Sd/-
Md. Aminur Rahman
Chief Financial Officer

Sd/-
Sanjib Baran Roy
Company Secretary

SQUARE Textiles PLC.

Statement of Profit or Loss and Other Comprehensive Income (Unaudited) For the 1st Quarter Ended September 30, 2024

Particulars	NOTE	3 Months (Amount in Tk)	
		July to September 2024-25	July to September 2023-24
Sales Revenue	14	5,222,996,295	3,940,771,491
Cost of Goods Sold	15	4,405,647,489	3,347,791,744
Gross Profit		817,348,806	592,979,747
Administrative Overhead	16	64,470,222	66,881,059
Selling and Distribution Overhead	17	8,989,384	7,350,323
Profit from Operations		743,889,200	518,748,365
Finance Cost	18	324,490,190	125,799,465
Non-Operating Income	19	2,276,115	7,996,581
Profit Before W.P.P.F & W.F		421,675,125	400,945,481
Allocation for W.P.P.F & W.F		20,079,768	19,092,642
Profit Before Tax		401,595,357	381,852,839
Provision for Tax (Current)	13	65,926,949	67,377,652
Deferred Tax Expenses (Income)	09	(5,516,937)	(9,499,983)
Profit After Tax for The Period		341,185,345	323,975,170

(Transferred to the Statement of Changes in Equity)

Earnings Per Share (EPS)	24	1.73	1.64
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Attached notes form parts of these Financial Statements.

Sd/-
Tapan Chowdhury
Chairman

Sd/-
Ratna Patra
Vice Chairman

Sd/-
Samuel S Chowdhury
Managing Director

Sd/-
Md. Aminur Rahman
Chief Financial Officer

Sd/-
Sanjib Baran Roy
Company Secretary

SQUARE Textiles PLC.

Statement of Changes in Equity (Unaudited)

For the 1st Quarter Ended September 30, 2024

Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2024	1,972,520,000	7,616,161,769	9,588,681,769
Net Profit For the 1st Quarter Ended September 30, 2024	-	341,185,345	341,185,345
Balance As at September 30, 2024	1,972,520,000	7,957,347,114	9,929,867,114

For the 1st Quarter Ended September 30, 2023

Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2023	1,972,520,000	7,125,982,121	9,098,502,121
Net Profit For the 1st Quarter Ended September 30, 2023	-	323,975,170	323,975,170
Balance As at September 30, 2023	1,972,520,000	7,449,957,291	9,422,477,291

Sd/-
Tapan Chowdhury
Chairman

Sd/-
Ratna Patra
Vice Chairman

Sd/-
Samuel S Chowdhury
Managing Director

Sd/-
Md. Aminur Rahman
Chief Financial Officer

Sd/-
Sanjib Baran Roy
Company Secretary

SQUARE Textiles PLC.

Statement of Cash flows (Unaudited)
For the 1st Quarter Ended September 30, 2024

Particulars	Amount (Tk)	
	July to Sept' 2024-25	July to Sept' 2023-24
Cash Flows from Operating Activities:		
Receipts from Sales Revenue	5,125,034,968	3,898,186,521
Exchange Fluctuation Gain (Realization from Transection)	10,832,679	73,154,115
Receipts/ (Payment) from Other Income/ Expenses	-	6,420
Total Receipts	5,135,867,647	3,971,347,056
Payment for Supplies and Other Services	(2,819,717,854)	(2,410,484,307)
Paid for Operating & Non-operating Expenses	(1,086,697,496)	(793,751,311)
Interest Expenses Paid	(320,987,381)	(71,397,695)
Income Tax Paid	(55,343,432)	(46,038,145)
Total Payments	(4,282,746,163)	(3,321,671,458)
Net Cash Generated (Used in) from Operating Activities	853,121,484	649,675,598
Cash Flows from Investing Activities:		
Purchase of Property, Plant & Equipment	(494,593,714)	(237,929,027)
Sales of Property, Plant & Equipment	1,320,000	-
Net Cash Generated (Used in) from Investing Activities	(493,273,714)	(237,929,027)
Cash Flows from Financing Activities:		
Long Term Loan Received/ (Repaid)	(214,402,198)	(45,000,000)
Short Term Bank Loan Received/ (Repaid)	(137,672,255)	153,798,368
Payment of Dividend	(214,213)	(65,433)
Net Cash Generated (Used in) from Financing Activities	(352,288,666)	108,732,935
Increase/ (Decrease) in Cash & Cash Equivalents	7,559,104	520,479,506
Net effect of foreign currency translation	(5,413,092)	(65,163,954)
Opening Cash & Cash Equivalents	414,396,094	433,725,644
Closing Cash & Cash Equivalents	416,542,106	889,041,196
Net Operating Cash flows per Share	4.33	3.29

Sd/-
Tapan Chowdhury
Chairman

Sd/-
Ratna Patra
Vice Chairman

Sd/-
Samuel S Chowdhury
Managing Director

Sd/-
Md. Aminur Rahman
Chief Financial Officer

Sd/-
Sanjib Baran Roy
Company Secretary

SQUARE Textiles PLC.

Notes to the Interim Financial Statements (Unaudited) For the 1st Quarter Ended September 30, 2024

01. 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 Textiles PLC. , for the 1st Quarter Ended on September 30, 2024 (here after the interim period). They are prepared in accordance with the Bangladesh Accounting Standard (IAS-34) 'Interim Financial Reporting'. These financial statement should read in conjunction with the Annual Financial Statements as of June 30, 2024, as they provide an update of previous 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 comparatives 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.

We understand that our business is growing every year that means our assets are performing according to intention 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 on intension to dispose these assets, so it is not required to record the impairment gain as provisions of IAS-36.

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

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

Figures have been rounded off to the nearest Taka.

30-Sep-24

30-Jun-24

02. Property, Plant & Equipment:

Details of Property, Plant & Equipment and Depreciation as at September 30, 2024 are as below:

Fixed Assets at Cost

Opening Balance	16,299,752,748	12,386,487,650
Addition during the Year	385,087,340	3,965,278,441
Sale/ Obsolete during the Year	(138,884,171)	(52,013,343)
Closing Balance(Cost)	16,545,955,917	16,299,752,748

Accumulated Depreciation

Opening Balance	7,149,424,841	6,421,169,120
Charged during the Year	221,719,754	780,269,064
Adjustment for sale/Obsolete	(134,420,699)	(52,013,343)
	7,236,723,896	7,149,424,841

Carrying Value

Tk.	9,309,232,021	9,150,327,907
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30-Sep-24

30-Jun-24

03. Capital Work In Progress and In Transit:

Capital Work In Progress and In Transit	986,276,466	876,770,092
Tk.	986,276,466	876,770,092

The amount of Capital Work In Progress includes investment of SQUARE Textiles PLC. Unit-04 Extension project and some of BMRE activities of existing units.

04. Inventories:

Stocks of Materials	5,297,013,171	5,646,910,218
Raw Materials	4,680,991,854	5,101,175,763
Raw Materials In Transit	120,354,373	102,868,830
Packing Materials	23,060,996	23,317,542
Work - in - process	224,671,892	237,866,325
Finished Goods	247,934,056	181,681,758
Stocks of Spares	272,198,050	294,090,815
Spares at Store	268,225,809	287,182,309
Spares in Transit	3,972,241	6,908,506
Tk.	5,569,211,221	5,941,001,033

05. Trade Receivable:

Aging of the above balance is as follows:

Below 60 days	2,721,429,269	2,692,671,907
Within 61-120 days	2,227,642,827	2,118,809,884
Above 120 days	897,436,218	937,065,196
Tk.	5,846,508,314	5,748,546,987

a) There was no amount due from the Directors (Including Managing Director), Managing Agent, Manager and other Officers of the Company and any of them severally or jointly with any other person.

b) The carrying amount of Trade Debtors pledged as security.

c) Trade Receivable is secured, considered as good and is falling due within one year.

06. Advances, Deposits & Prepayments:

This is made up of the followings:

Advance	487,243,156	401,130,226
Income Tax	246,722,777	191,379,345
Salary & PF Current account	11,082,000	10,532,000
Other Expenses and VAT	133,058,499	120,698,967
Suppliers & Contractor	96,379,880	78,519,914
Deposits	225,069,676	191,310,363
Security Deposit	180,150,554	178,391,241
Margin on Bank Guarantee	44,919,122	12,919,122
Tk.	712,312,832	592,440,589
	30-Sep-24	30-Jun-24

07. Cash & Cash Equivalents:

This is made up of the followings:

Cash in hand	6,421,630	3,354,704
Cash at Bank	410,120,476	411,041,390
Tk.	416,542,106	414,396,094

08. Long Term Borrowings (Secured):

Standard Chartered Bank	1,789,047,619	1,927,380,952
The City Bank	950,000,000	1,000,000,000
DBBL	895,122,142	921,191,007
Infrastructure Development Company (IDCOL)	120,169,379	120,169,379
Less: Current Portion of Long Term Borrowings	(912,148,912)	(941,506,672)
Tk.	2,842,190,228	3,027,234,666

09. Deferred Tax Liability:

Opening Balance	240,362,656	243,163,333
Deferred Tax Expenses (Income)	(5,516,937)	(2,800,677)
Closing Balance	Tk. 234,845,719	240,362,656

This represents tax liability payable in future due to accumulated taxable temporary differences (Above deferred tax balance creates only from difference between accounting basis depreciation and tax basis depreciation on fixed assets). We don't have any other assets or liabilities except fixed assets for provision of Deferred Tax liabilities to present in details form for unused tax losses and unused tax credits.

a) Deferred Tax Liability is arrived at as follows:

Carrying Value of Depreciable Fixed Assets	8,627,061,614	8,468,157,502
Less: Tax Base Carrying Value	(7,061,423,487)	(6,865,739,794)
Taxable Temporary Difference	1,565,638,127	1,602,417,708
Tax Rate	15.00%	15.00%
Closing Deferred Tax Liability	234,845,719	240,362,656
Less: Opening Deferred Tax Liability	(240,362,656)	(243,163,333)
Deferred Tax (Income) / Expense	(5,516,937)	(2,800,677)

10. Short Term Bank Loan (Secured):

Revolving Loan	2,695,000,000	1,095,000,000
EDF & UPAS	5,974,188,363	7,711,860,618
Current Portion of Long Term Borrowings	912,148,912	941,506,672
Tk. 9,581,337,275	9,748,367,290	

a) These short term loans are secured against hypothecation of Stock and Trade Receivable.

b) The Short Term Bank Loan consist of the UPAS & EDF loan against Import of Raw Materials and Capital Machineries of expansion project at Habiganj.

11. Creditors & Others Payable:

Payable for Audit Fees	805,000	805,000
Provision for Utility Bill	120,514,671	79,530,839
Provision for Salary & Allowances	8,889,082	5,220,699
Others	5,584,646	6,812,535
135,793,399	92,369,073	

This represents amount payable to regular suppliers of packing materials, utilities, and other services rendered to the company. All suppliers were paid on a regular basis.

12. Liabilities for Other Finance:

	30-Sep-24	30-Jun-24
PF, WPPF & Other Fund	84,105,203	63,738,771
Others	193,060,986	189,558,177
Tk. 277,166,189	253,296,948	

13. Provision for Income Tax:

Opening Balance	252,129,366	281,740,876
Adjustment with Advance Tax	-	(221,831,043)
Provision made for the period (Note: 13.01)	65,926,949	192,219,533
Closing Balance	Tk. 318,056,315	252,129,366

Note: 13.01: Provision made for the period

A) Net Current Tax Liability on Profit Basis	65,926,949	194,888,576
B) Tax Liability on Sales Revenue Basis	20,901,090	75,781,335
C) Advance Income Tax (Source Tax) Paid Under ITO-1984	55,343,432	191,379,345
Higher Amount of Tax Under Above Calculation (A:B:C)	65,926,949	194,888,576
Add/ Less: Short/ (Excess) provision for Prior period	-	(2,669,043)
Income Tax Provision for the period	65,926,949	192,219,533

A) Net Current Tax Liability on Profit Basis:

Profit Before Tax	401,595,357	1,271,354,504
Less: Non-Operating Income	2,276,115	18,462,977
Net Operating Income Before Tax	399,319,242	1,252,891,527
Tax Rate on Net Operating Income Before Tax (as per NBR)	15.00%	15.00%
Tax Rate on Non-Operating Income (as per NBR)	22.50%	22.50%
Income Tax Liability on Operating Profit	59,897,886	187,933,729
Add: Tax Liability on Non-Operating Income	512,126	4,154,170
Total Tax Liability on Profit	60,410,012	192,087,899
Less: Deferred Tax Expenses (Income)	(5,516,937)	(2,800,677)
Net Current Tax Liability on Profit Basis	65,926,949	194,888,576

B) Tax Liability on Sales Revenue Basis:

i) Minimum Tax Rate on Sales Revenue Under ITA-2023	0.60%	0.60%
ii) Applicable For Textiles Business as Per NBR (0.60%/22.50%*15%)	0.40%	0.40%
Sales Revenue and Other Income	5,225,272,410	18,945,333,771
Minimum Tax Amount on Sales Revenue	20,901,090	75,781,335

C) Advance Income Tax (Source Tax) Paid Under ITO-2023:

	55,343,432	191,379,345
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Since the applicable tax on Profit before tax (Tk. 65,926,949) is higher than the minimum Tax on Revenue under ITA-2023 (Tk. 20,901,090) and the source tax deducted under Income Tax Ordinance-2023 (Tk. 55,343,432), so the higher is provided as Tax Expense for the period ended September 30, 2024.

Calculation of Effective Tax Rate:

Current Income Tax Expenses	65,926,949	192,219,533
Deferred Tax Expenses/ (Income)	(5,516,937)	(2,800,677)
Total Tax Expenses	60,410,012	189,418,856
Effective Tax Rate (Total Tax Expenses / Profit Before Tax)	15.04%	14.90%

July-24 to Sep'-24	July-23 to Sep'-23
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14. Sales Revenue:

Export Sale of Yarns	<u>5,222,996,295</u>	<u>3,940,771,491</u>
Tk.	5,222,996,295	3,940,771,491

During the period sales increased by BDT 128.22 (32.54%) crore due to increased of yarn production from new Project at Habiganj and BMRE at Gazipur Project as well as increased conversion rate of USD.

15. Cost of Goods Sold:

This is arrived as follows:

Raw Materials Consumed	3,213,039,227	2,429,181,442
Factory Overhead (Note:15.01)	1,192,608,262	918,610,302
Cost of Goods Sold	4,405,647,489	3,347,791,744

During the period Raw Materials cost increased by BDT 78.39 (32.27%) crore due to increase of yarn production from new Project at Habiganj and BMRE at Gazipur Project.

15.01. Factory Overhead:

Factory Wages, Salary & Allowances	300,008,885	223,899,788
Production Workers' Free Lunch	1,834,442	1,518,610
Fuel, Petrol, Light, Diesel etc.	163,824,078	78,692,746
Electricity, Gas & Water	362,581,723	323,983,997
Factory Consumable Expense	21,905,435	16,305,605
Repairs & Maintenance of Vehicles	6,992,930	7,483,581
Industrial All Risk Insurance Premium	6,128,415	6,546,667
Govt.Tax, VAT & License Fees	60,720	2,992,850
Security Services	9,408,782	8,690,380
Spare Parts - Machinery	97,373,911	75,288,929
Depreciation	219,542,474	170,527,336
Other Overhead	2,946,467	2,679,813
Total	Tk. 1,192,608,262	918,610,302

Fuel, Gas and Electricity cost increased significantly due to increased of fuel and GAS price as well as increased of fuel consumption for additional production capacity under new Project and BMRE.

16. Administrative Overhead:

Salary and Allowances	28,317,297	26,621,214
Directors' Remuneration	16,473,600	15,898,125
Overseas Travelling	2,849,740	3,265,105
Vehicles Running & Maintenance	2,331,444	3,258,379
Fees & Subscription	1,220,149	576,377
Rental Expenses	4,029,180	7,360,204
Office Consumable Expense	509,394	453,272
Electricity, Gas & Water	721,173	787,738
Software & Hardware Support Expenses	971,599	1,027,459
Head Office Employees' Free Lunch	892,241	768,712
Annual General Meeting Expenses	22,725	75,526
Depreciation	2,177,280	2,255,589
Other Expenses	3,954,400	4,533,359
Total	Tk. 64,470,222	66,881,059

Directors' Remuneration is not included the Member Director of "Audit Committee" and "Nomination & Remuneration Committee"

July-24 to Sep'-24

July-23 to Sep'-23

17. Selling & Distribution Overhead:

This is arrived as follows:

Export Sale Expenses	6,828,221	5,528,317
Loading & unloading	2,161,163	1,822,006
Total	Tk. 8,989,384	7,350,323

18. Finance Cost:

Interest on Deferred LC Loan	184,998,929	87,445,577
Interest on OD	1,291	-
Interest on Short Term Loan	36,909,166	34,106,253
Interest on Long Term Loan	102,580,804	4,247,635
Total	Tk. 324,490,190	125,799,465

During the period Finance cost increased by BDT 19.87 (157.95%) crore due to additional Financing for the expansion project and some BMRE activities as well as increased of interest rate of Loan Financing.

19. Non-Operating Income:

Interest Income	-	6,420
Gain/ (Loss) on Disposal of Assets	(3,143,472)	-
Forex Exchange Rate Fluctuation Gain/ (Loss)	5,419,587	7,990,161
Total	Tk. 2,276,115	7,996,581

20. Key Management Personnel Compensation:

During the year, the amount of compensation paid to Key Management Personnel including Board of Directors is as under (As para 17 of IAS 24):

Short Term Employee Benefits	30,260,241	29,753,477
Post Employment Benefits	493,524	1,642,538
Other Long Term Benefits	-	-
Termination Benefits	-	-
Share Based Payment	-	-
	30-Sep-24	30-Jun-24

21. Related Party Transaction:

During the year, the Company carried out a number of transactions with related parties in the normal course of business and on an arms' length basis. The name of related parties, nature of relationship and their total value have been set out in accordance with the provisions of IAS 24: Related Party Disclosure.

01. Transaction with Square Pharmaceuticals PLC. (SPL):

Opening Balance	-	-
Total Paid	1,706,200,000	5,466,850,000
Total Received	(1,706,200,000)	(5,466,850,000)
Closing Balance- Receivable/ (Payable)	Tk. -	-

02. Transaction with Aegis Services Ltd. (ASL):

Opening Balance	-	(31,816)
Total Service Received	(9,620,991)	(47,716,424)
Total Paid	9,620,991	47,748,240
Closing Balance- Receivable/ (Payable)	Tk. -	-

30-Sep-24

30-Jun-24

03. Transaction with Square Informatix Ltd. (SIL):

Opening Balance	-	-
Total Service Received	(1,440,867)	(3,974,767)
Total Paid	1,440,867	3,974,767
Closing Balance- Receivable/ (Payable)	Tk. -	-

04. Transaction with Square Hospitals Ltd. (SHL):

Opening Balance	-	(255,477)
Total Service Received	(718,834)	(2,608,593)
Total Paid	718,834	2,864,070
Closing Balance- Receivable/ (Payable)	Tk. -	-

05. Transaction with Square Fashions Ltd. (SFL):

Opening Balance	556,785,609	303,080,480
Total Goods Delivered	287,693,216	1,595,588,644
Total Received	(324,903,216)	(1,341,883,515)
Closing Balance- Receivable/ (Payable)	Tk. 519,575,609	556,785,609

06. Transaction with Square Denims Ltd. (SDL):

Opening Balance	770,974,557	269,349,031
Total Goods Delivered	499,312,628	2,248,397,156
Total Received	(539,162,428)	(1,746,771,630)
Closing Balance- Receivable/ (Payable)	Tk. 731,124,757	770,974,557

07. Transaction with Square Apparel Ltd. (SAPL):

Opening Balance	96,067,177	71,756,814
Total Goods Delivered	113,460,128	589,034,347
Total Received	(120,491,639)	(564,723,984)
Closing Balance- Receivable/ (Payable)	Tk. 89,035,666	96,067,177

22. Contingent Liability:

Contingent Liability of the Company was 154.91 Crore as on September 30, 2024 for opening LCs by the banks in favour of foreign suppliers for raw materials and spares.

23. Event after Balance sheet date:

There is no significant event that qualify for reporting between the end of financial year closing date and financial statement issue date other than normal business activities.

24. Earnings Per Share (EPS):

The Computation is given below:

	July-24 to Sep'-24	July-23 to Sep'-23
Earning attributable to Ordinary Shares including other income	Tk. 341,185,345	323,975,170
Number of Ordinary shares	197,252,000	197,252,000
Earnings Per Share	Tk. 1.73	1.64

During the period EPS increased by BDT 0.09 (5.49%) due to increased of yarn production from new Project at Habiganj and BMRE at Gazipur Project.

25. Net Asset Value (NAV) Per Share:

The Computation is given below:

	July-24 to Sep'-24	July-23 to Sep'-23
Equity Attributable to the Owners of the Company	Tk. 9,929,867,114	9,588,681,769
Number of Ordinary shares	197,252,000	197,252,000
Net Asset Value (NAV) Per Share	Tk. 50.34	48.61

26. Net Operating Cash flows per Share (NOCFPS):

The Computation is given below:

	July-24 to Sep'-24	July-23 to Sep'-23
Net Cash Generated (Used in) from Operating Activities	Tk. 853,121,484	649,675,598
Number of Ordinary shares	197,252,000	197,252,000
Net Operating Cash flows per Share (NOCFPS)	Tk. 4.33	3.29

27. Reconciliation of Net Profit with Cash Flows from Operating Activities:

The Computation is given below:

Profit After Tax	341,185,345	323,975,170
Adjustment to reconcile net profit to net cash provided by operating activities :		
Non-cash Expenses:	221,615,909	228,446,896
Depreciation	221,719,754	172,782,925
Deferred Tax	(5,516,937)	(9,499,983)
Net effect of foreign currency translation	5,413,092	65,163,954
Non-Operating Items:	3,143,472	-
Gain/ (Loss) on Disposal of Assets	3,143,472	-
Changes in working Capital:	287,176,758	97,253,532
(Increase)/Decrease in Inventories	371,789,812	(86,826,790)
(Increase)/Decrease in Trade Receivable	(97,961,327)	(42,584,970)
(Increase)/Decrease in Advances, Deposits & Prepayments	(119,872,243)	(10,144,411)
Increase/(Decrease) in Creditors & Other Payables	43,424,326	96,721,649
Increase/(Decrease) in Liabilities for Others Finance	23,869,241	72,710,402
Increase/(Decrease) in Income Tax Payable	65,926,949	67,377,652
Net Cash Generated (Used in) from Operating Activities	853,121,484	649,675,598

28. Regarding Net Operating Cash Flows per Share:

The business (100% export oriented spinning industry) operation is volatile and realization from debtors (100% confirmed back to back LC) also very positively co-related with this, but all import payments should be made as per provision of UCPDC-600, resultant, the per share operating cash flows fluctuates from quarter to quarter, which is very common for the spinning business trend.