

Second Quarter
Financial Statement 2023-2024
(Unaudited)



SQUARE Textiles PLC.
(Consolidated and Standalone)



SQUARE Textiles PLC.

and its Subsidiary

Consolidated Statement of Financial Position (Unaudited)

As at December 31, 2023

Particulars	Notes	31/Dec/23	30/Jun/23
		Taka	Taka
ASSETS:			
Non-Current Assets		10,549,641,652	9,901,212,553
Property, Plant & Equipment- Carrying Value	02	8,170,577,282	6,455,411,632
Capital Work In Progress and In Transit	03	2,322,780,610	3,389,517,161
Goodwill		56,283,760	56,283,760
Current Assets		11,913,707,767	9,308,749,743
Inventories	04	5,103,315,619	4,384,063,319
Trade Receivable	05	4,423,599,433	3,807,809,993
Advances, Deposits & Prepayments	06	657,628,351	560,975,851
Cash & Cash Equivalents	07	1,729,164,364	555,900,580
TOTAL ASSETS		22,463,349,419	19,209,962,296
SHAREHOLDERS' EQUITY & LIABILITIES:			
Shareholders' Equity		9,661,500,278	9,651,143,995
Share Capital		1,972,520,000	1,972,520,000
Retained Earnings		7,688,980,278	7,678,623,995
Non controlling Interest	08	15,301,771	15,260,040
TOTAL SHAREHOLDERS' EQUITY		9,676,802,049	9,666,404,035
Non-Current Liabilities		266,832,095	321,935,141
Long Term Borrowings	09	-	40,000,000
Deferred Tax Liability	10	266,832,095	281,935,141
Current Liabilities & Provisions		12,519,715,275	9,221,623,120
Short Term Bank Loan (Secured)	11	9,496,289,994	8,588,192,412
Creditors & Other Payables	12	1,733,764,766	99,431,947
Liabilities for Others Finance	13	855,161,704	222,103,790
Unclaimed Dividend Account		8,206,166	8,294,240
Provision for Income Tax	14	426,292,645	303,600,731
TOTAL LIABILITIES		12,786,547,370	9,543,558,261
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		22,463,349,419	19,209,962,296
Net Asset Value Per Share	22	48.98	48.93

Attached notes form parts of these Financial Statements.

Sd/-
Tapan Chowdhury
Chairman

Sd/-
Mrs. 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.

and its Subsidiary

Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited) For the 2nd Quarter Ended December 31, 2023

Particulars	Notes	6 Months (Amount inTk)		2nd Quarter Results (Tk)	
		July to Dec	July to Dec	Oct to Dec	Oct to Dec
		2023-24	2022-23	2023-24	2022-23
Sales Revenue	15	9,724,107,262	8,014,951,052	5,312,784,383	4,067,514,309
Cost of Goods Sold	16	8,496,920,978	7,045,941,207	4,735,178,279	3,666,805,747
Gross Profit		1,227,186,284	969,009,845	577,606,104	400,708,562
Administrative Overhead	17	139,018,966	145,448,838	67,030,387	77,431,530
Selling and Distribution Overhead	18	16,904,185	17,204,617	8,788,713	10,264,953
Profit from Operations		1,071,263,133	806,356,390	501,787,004	313,012,079
Finance Cost	19	339,904,980	121,993,600	202,641,420	84,516,563
Non-Operating Income	20	13,871,873	9,354,470	8,886,878	(616,502)
Profit Before W.P.P.F & W.F		745,230,026	693,717,260	308,032,462	227,879,014
Allocation for W.P.P.F & W.F		35,487,144	33,034,155	14,668,212	10,851,381
Profit Before Tax		709,742,882	660,683,105	293,364,250	217,027,633
Provision for Tax (Current)	14	122,691,914	99,397,384	49,589,239	33,675,160
Deferred Tax Expenses (Income)	10	(15,103,046)	4,262,549	(4,605,171)	2,542,544
Profit After Tax for The Period		602,154,014	557,023,172	248,380,182	180,809,929
Non-Controlling Interest		41,731	38,572	7,365	12,344
Net Income for the Period		602,112,283	556,984,600	248,372,817	180,797,585

(Transferred to the Statement of Changes in Equity)

Earnings Per Share (EPS)	21	3.05	2.82	1.26	0.92
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Consolidated Statement of Changes in Equity (Unaudited) For the 2nd Quarter Ended December 31, 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 2nd Quarter Ended December 31, 2023	-	602,112,283	602,112,283
Cash Dividend for 2022-23	-	(591,756,000)	(591,756,000)
Balance As at December 31, 2023	1,972,520,000	7,688,980,278	9,661,500,278

Consolidated Statement of Changes in Equity (Unaudited) For the 2nd Quarter Ended December 31, 2022

Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2022	1,972,520,000	7,223,730,437	9,196,250,437
Net Profit For the 2nd Quarter Ended December 31, 2022	-	556,984,600	556,984,600
Cash Dividend for 2021-22	-	(690,382,000)	(690,382,000)
Balance As at December 31, 2022	1,972,520,000	7,090,333,037	9,062,853,037

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Consolidated Statement of Cash flows (Unaudited)

For the 2nd Quarter Ended December 31, 2023

Particulars	Amount (Tk)	
	July to December 2023-24	July to December 2022-23
Cash Flows from Operating Activities:		
Receipts from Sales Revenue	9,108,317,822	8,350,212,434
Exchange Fluctuation Gain (Realization from Transaction)	82,384,315	18,724,457
Receipts/ (Payment) from Other Income/ Expenses	194,236	1,982,968
Total Receipts	9,190,896,373	8,370,919,859
Payment for Supplies and Other Services	(5,392,933,746)	(5,786,532,546)
Paid for Operating & Non-operating Expenses	(1,973,689,084)	(1,809,547,223)
Interest Expenses Paid	(266,798,693)	(70,421,191)
Income Tax Paid	(136,104,589)	(132,397,384)
Total Payments	(7,769,526,112)	(7,798,898,344)
Net Cash Generated (Used in) from Operating Activities	1,421,370,261	572,021,515
Cash Flows from Investing Activities:		
Purchase of Property, Plant & Equipment	(1,047,409,307)	(346,671,522)
Sales of Property, Plant & Equipment	2,950,000	80,001
Net Cash Generated (Used in) from Investing Activities	(1,044,459,307)	(346,591,521)
Cash Flows from Financing Activities:		
Long Term Loan Received/ (Repaid)	(90,000,000)	(173,320,000)
Short Term Bank Loan Received/ (Repaid)	958,097,582	1,820,918,576
Payment of Dividend	(88,074)	(117,161)
Net Cash Generated (Used in) from Financing Activities	868,009,508	1,647,481,415
Increase/ (Decrease) in Cash & Cash Equivalents	1,244,920,462	1,872,911,409
Net effect of foreign currency translation	(71,656,678)	(8,243,100)
Opening Cash & Cash Equivalents	555,900,580	640,976,161
Closing Cash & Cash Equivalents	1,729,164,364	2,505,644,470
Net Operating Cash Flows Per Share	7.21	2.90

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SQUARE Textiles PLC.

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Notes to the Consolidated Interim Financial Statements (Unaudited) For the 2nd Quarter Ended December 31, 2023

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 2nd Quarter Ended on December 31, 2023 (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, 2023, 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.

	<u>31-Dec-23</u>	<u>30-Jun-23</u>
02. Consolidated Property, Plant & Equipment:		
Details of Property, Plant & Equipment and Depreciation as at December 31, 2023 are as below:		
Fixed Assets at Cost		
Opening Balance	13,434,094,874	13,155,210,134
Addition during the Year	2,114,145,858	431,155,280
Sale/ Obsolete during the Year	(22,417,447)	(152,270,540)
Closing Balance(Cost)	15,525,823,285	13,434,094,874
Accumulated Depreciation		
Opening Balance	6,978,683,242	6,446,166,707
Charged during the Year	398,980,208	681,163,538
Adjustment for sale/Obsolete	(22,417,447)	(148,647,003)
	7,355,246,003	6,978,683,242
Carrying Value	Tk. 8,170,577,282	6,455,411,632

03. Consolidated Capital Work In Progress and In Transit:

Capital Work In Progress and In Transit	2,322,780,610	3,389,517,161
	Tk. 2,322,780,610	3,389,517,161

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.

	31-Dec-23	30-Jun-23
04. Consolidated Inventories:		
Stocks of Materials	4,844,892,549	4,153,849,361
Raw Materials	4,294,735,703	3,450,692,005
Raw Materials In Transit	109,490,154	259,344,576
Packing Materials	31,749,781	28,680,944
Work - in - process	232,108,508	221,144,610
Finished Goods	176,808,403	193,987,226
Stocks of Spares	258,423,070	230,213,958
Spares at Store	253,555,521	226,106,447
Spares in Transit	4,867,549	4,107,511
Tk.	5,103,315,619	4,384,063,319

05. Consolidated Trade Receivable:

Aging of the above balance is as follows:

Below 60 days	2,309,009,946	1,655,834,475
Within 61-120 days	1,374,953,695	1,471,366,342
Above 120 days	739,635,792	680,609,176
Tk.	4,423,599,433	3,807,809,993

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	500,615,922	413,538,870
Income Tax	339,064,528	202,959,939
Salary & PF Current account	15,372,000	9,982,000
Other Expenses and VAT	83,001,570	122,803,629
Suppliers & Contractor	63,177,824	77,793,302
Deposits	157,012,429	147,436,981
Security Deposit	143,296,765	133,855,015
Margin on Bank Guarantee	13,715,664	13,581,966
Tk.	657,628,351	560,975,851

07. Consolidated Cash & Cash Equivalents:

This is made up of the followings:

Cash in hand	9,555,001	8,749,388
Cash at Bank	1,719,609,363	547,151,192
Tk.	1,729,164,364	555,900,580

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	14,801,771	14,760,040
	15,301,771	15,260,040

09. Long Term Borrowings (Secured):

Standard Chartered Bank	130,000,000	220,000,000
Less: Current Portion of Long Term Borrowings	(130,000,000)	(180,000,000)
Tk.	-	40,000,000

	<u>31-Dec-23</u>	<u>30-Jun-23</u>
10. Consolidated Deferred Tax Liability:		
Opening Balance	281,935,141	320,533,438
Deferred Tax Expenses/ (Income)	(15,103,046)	(38,598,297)
Closing Balance	Tk. 266,832,095	281,935,141

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	7,448,478,011	5,734,527,461
Less: Tax Base Carrying Value	(5,669,597,380)	(3,854,959,853)
Taxable Temporary Difference	1,778,880,631	1,879,567,608
Tax Rate	15.00%	15.00%
Closing Deferred Tax Liability	266,832,095	281,935,141
Less: Opening Deferred Tax Liability	(281,935,141)	(320,533,438)
Deferred Tax (Income) / Expense	(15,103,046)	(38,598,297)

11. Consolidated Short Term Bank Loan (Secured):

Revolving Loan	1,900,000,000	1,400,000,000
EDF & UPAS	7,466,289,994	7,008,192,412
Current Portion of Long Term Borrowings	130,000,000	180,000,000
Tk.	9,496,289,994	8,588,192,412

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.

12. Consolidated Creditors & Others Payable:

Payable for Audit Fees	-	747,500
Provision for Utility Bill	147,648,297	89,100,669
Provision for Salary & Allowances	85,827,622	124,563
Others	1,500,288,847	9,459,215
	1,733,764,766	99,431,947

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	36,181,680	67,986,053
Declared Dividend for Last Year	591,756,000	-
Others	227,224,024	154,117,737
Tk.	855,161,704	222,103,790

Due to provision of cash dividend of Tk. 591,756,000 for the year of 2022-23, Liabilities for Other Finance shown higher balance compared to previous period.

14. Consolidated Provision for Income Tax:

Opening Balance	303,600,731	371,515,004
Adjustment with Advance Tax	-	(300,231,290)
Current Year Provision	122,691,914	232,317,017
Closing Balance	Tk. 426,292,645	303,600,731
Calculation of Effective Tax Rate:		
Current Income Tax Expenses	122,691,914	232,317,017
Deferred Tax Expenses/ (Income)	(15,103,046)	(38,598,297)
Total Tax Expenses	107,588,868	193,718,720
Effective Tax Rate (Total Tax Expenses / Profit Before Tax)	15.16%	14.47%

	<u>July-23 to Dec'-23</u>	<u>July-22 to Dec'-22</u>
15. Consolidated Sales Revenue:		
Export Sale of Yarns	9,724,107,262	8,014,951,052
Tk.	<u>9,724,107,262</u>	<u>8,014,951,052</u>

During the period sales increased by BDT 170.92 (21.33%) crore due to increase of yarn production from new project of SQUARE Textiles PLC at Habiganj and BMRE of it's subsidiary company SQUARE Texcom Ltd.

16. Consolidated Cost of Goods Sold:

Raw Materials Consumed	6,336,223,377	5,255,833,984
Factory Overhead (Note: 16.01)	2,160,697,601	1,790,107,223
Cost of Goods Sold	<u>8,496,920,978</u>	<u>7,045,941,207</u>

During the period Raw Material cost increased by BDT 108.04 (20.56%) crore due to increase of yarn production from new project at Habiganj and BMRE of SQUARE Texcom Ltd.

16.01. Factory Overhead:

Factory Wages, Salary & Allowances	509,893,168	480,757,199
Production Workers' Free Lunch	3,563,873	2,719,528
Fuel, Petrol, Light, Diesel etc.	156,702,787	241,716,237
Electricity, Gas & Water	810,537,090	487,570,508
Factory Consumable Expense	39,438,444	26,972,722
Repairs & Maintenance of Vehicles	17,802,478	14,986,289
Industrial All Risk Insurance Premium	16,431,041	14,760,078
Govt. Tax, VAT & License Fees	4,469,496	7,021,116
Security Services	20,924,523	12,756,935
Spare Parts - Machinery	178,487,053	157,464,120
Depreciation	394,472,742	336,593,293
Other Overhead	7,974,906	6,789,198
Total	<u>2,160,697,601</u>	<u>1,790,107,223</u>

Fuel, Gas and Electricity cost increased significantly due to Gas & Electricity crisis as well as increase of fuel and GAS price.

17. Consolidated Administrative Overhead:

Salary and Allowances	57,637,100	61,512,916
Directors' Remuneration	31,796,250	31,796,250
Overseas Travelling	8,726,278	12,062,086
Vehicles Running & Maintenance	6,457,330	6,101,999
Fees & Subscription	2,682,963	11,211,638
Rental Expenses	11,961,207	7,103,857
Office Consumable Expense	751,274	669,674
Electricity, Gas & Water	1,667,407	1,539,715
Software & Hardware Support Expenses	2,142,590	1,532,435
Head Office Employees' Free Lunch	1,496,894	1,502,026
Annual General Meeting Expenses	371,438	99,632
Depreciation	4,507,466	4,534,523
Other Expenses	8,820,769	5,782,087
Total	<u>139,018,966</u>	<u>145,448,838</u>

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

18. Consolidated Selling & Distribution Overhead:

Export Sale Expenses	13,076,941	13,809,319
Loading & unloading	3,827,244	3,395,298
Total	<u>16,904,185</u>	<u>17,204,617</u>

19. Finance Cost:

Interest on Deferred LC Loan	255,233,023	64,313,571
Interest on OD	-	44
Interest on Short Term Loan	77,683,489	22,781,265
Interest on Long Term Loan	6,988,468	34,898,720
Tk.	<u>339,904,980</u>	<u>121,993,600</u>

During the period Finance cost increased by BDT 21.79 (178.62%) crore due to additional financing for the expansion project at Habiganj and some BMRE activities.

	<u>July-23 to Dec'-23</u>	<u>July-22 to Dec'-22</u>
20. Non-Operating Income:		
Interest Income	194,236	1,916,968
Cash Incentive	-	66,000
Gain/ (Loss) on Disposal of Assets	2,950,000	(3,109,855)
Forex Exchange Rate Fluctuation Gain/ (Loss)	10,727,637	10,481,357
Tk.	<u>13,871,873</u>	<u>9,354,470</u>

21. Earnings Per Share (EPS):

The Computation is given below:

Earning attributable to Ordinary Shares including other income	602,112,283	556,984,600
Number of Ordinary shares	197,252,000	197,252,000
Earnings Per Share	<u>3.05</u>	<u>2.82</u>

During the period EPS increased by BDT 0.23 (8.16%) due to increase of yarn production from new project at Habiganj as well as BMRE activities in SQUARE Texcom Ltd.

22. Net Asset Value (NAV) Per Share:

Equity Attributable to the Owners of the Company	Tk. 9,661,500,278	9,651,143,995
Number of Ordinary shares	197,252,000	197,252,000
Net Asset Value (NAV) Per Share	<u>48.98</u>	<u>48.93</u>

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

Net Cash Generated (Used in) from Operating	Tk. 1,421,370,261	572,021,515
Number of Ordinary shares	197,252,000	197,252,000
Net Operating Cash flows per Share (NOCFPS)	<u>7.21</u>	<u>2.90</u>

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

Profit After Tax	602,154,014	557,023,172
Adjustment to reconcile net profit to net cash provided by operating activities :		
Non-cash Expenses:	455,533,840	353,633,465
Depreciation	398,980,208	341,127,816
Deferred Tax	(15,103,046)	4,262,549
Net effect of foreign currency translation	71,656,678	8,243,100
Non-Operating Items:	(2,950,000)	3,109,855
Gain/ (Loss) on Disposal of Assets	(2,950,000)	3,109,855
Changes in working Capital:	366,632,407	(341,744,977)
(Increase)/Decrease in Inventories	(719,252,300)	(571,123,377)
(Increase)/Decrease in Trade Receivable	(615,789,440)	335,261,382
(Increase)/Decrease in Advances, Deposits & Prepayments	(96,652,500)	(198,791,996)
Increase/(Decrease) in Creditors & Other Payables	1,634,332,819	23,561,711
Increase/(Decrease) in Liabilities for Others Finance	41,301,914	(30,050,081)
Increase/(Decrease) in Income Tax Payable	122,691,914	99,397,384
Net Cash Generated (Used in) from Operating Activities	<u>1,421,370,261</u>	<u>572,021,515</u>

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 December 31, 2023

Particulars	Notes	31/Dec/23	30/Jun/23
		Taka	Taka
ASSETS:			
Non-Current Assets			
		10,002,143,497	9,315,269,810
Property, Plant & Equipment- Carrying Value	02	7,258,721,108	5,965,318,530
Capital Work In Progress and In Transit	03	2,254,088,429	2,860,617,320
Investment - Long Term (At Cost)		489,333,960	489,333,960
Current Assets			
		11,024,176,516	8,269,586,259
Inventories	04	4,732,778,081	3,805,343,652
Trade Receivable	05	4,105,492,794	3,518,327,277
Advances, Deposits & Prepayments	06	607,408,882	512,189,686
Cash & Cash Equivalents	07	1,578,496,759	433,725,644
TOTAL ASSETS		21,026,320,013	17,584,856,069
SHAREHOLDERS' EQUITY & LIABILITIES:			
Shareholders' Equity			
		9,072,715,327	9,098,502,121
Share Capital		1,972,520,000	1,972,520,000
Retained Earnings		7,100,195,327	7,125,982,121
Non-Current Liabilities			
		230,104,149	283,163,333
Long Term Borrowings	08	-	40,000,000
Deferred Tax Liability	09	230,104,149	243,163,333
Current Liabilities & Provisions			
		11,723,500,537	8,203,190,615
Short Term Bank Loan (Secured)	10	8,767,894,446	7,617,616,928
Creditors & Other Payables	11	1,707,972,729	88,554,330
Liabilities for Others Finance	12	843,604,514	206,984,241
Unclaimed Dividend Account		8,206,166	8,294,240
Provision for Income Tax	13	395,822,682	281,740,876
TOTAL LIABILITIES		11,953,604,686	8,486,353,948
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		21,026,320,013	17,584,856,069
Net Asset Value Per Share	25	46.00	46.13

Attached notes form parts of these Financial Statements.

Sd/-
Tapan Chowdhury
Chairman

Sd/-
Mrs. 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 Profit or Loss and Other Comprehensive Income (Unaudited) For the 2nd Quarter Ended December 31, 2023

Particulars	Notes	6 Months (Amount inTk)		2nd Quarter Results (Tk)	
		July to Dec	July to Dec	Oct to Dec	Oct to Dec
		2023-24	2022-23	2023-24	2022-23
Sales Revenue	14	8,812,578,923	7,352,569,883	4,871,807,432	3,743,752,378
Cost of Goods Sold	15	7,661,810,785	6,447,905,546	4,314,019,041	3,371,684,017
Gross Profit		1,150,768,138	904,664,337	557,788,391	372,068,361
Administrative Overhead	16	129,504,668	135,695,579	62,623,609	72,683,676
Selling and Distribution Overhead	17	15,010,541	15,545,529	7,660,218	9,317,232
Profit from Operations		1,006,252,929	753,423,229	487,504,564	290,067,453
Finance Cost	18	318,896,149	111,447,467	193,096,684	77,452,313
Non-Operating Income	19	12,984,639	7,340,039	4,988,058	(683,133)
Profit Before W.P.P.F & W.F		700,341,419	649,315,801	299,395,938	211,932,007
Allocation for W.P.P.F & W.F		33,349,591	30,919,800	14,256,949	10,092,000
Profit Before Tax		666,991,828	618,396,001	285,138,989	201,840,007
Provision for Tax (Current)	13	114,081,806	88,949,275	46,704,154	28,393,039
Deferred Tax Expenses (Income)	09	(13,059,184)	5,869,355	(3,559,201)	3,340,454
Profit After Tax for The Period		565,969,206	523,577,371	241,994,036	170,106,514

(Transferred to the Statement of Changes in Equity)

Earnings Per Share (EPS)	24	2.87	2.65	1.23	0.86
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Attached notes form parts of these Financial Statements.

Sd/-
Tapan Chowdhury
Chairman

Sd/-
Mrs. 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 2nd Quarter Ended December 31, 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 2nd Quarter Ended December 31, 2023	-	565,969,206	565,969,206
Cash Dividend for 2022-23	-	(591,756,000)	(591,756,000)
Balance As at December 31, 2023	1,972,520,000	7,100,195,327	9,072,715,327

Statement of Changes in Equity (Unaudited)

For the 2nd Quarter Ended December 31, 2022

Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2022	1,972,520,000	6,744,942,512	8,717,462,512
Net Profit For the 2nd Quarter Ended December 31, 2022	-	523,577,371	523,577,371
Cash Dividend for 2021-22	-	(690,382,000)	(690,382,000)
Balance As at December 31, 2022	1,972,520,000	6,578,137,883	8,550,657,883

Sd/-
Tapan Chowdhury
Chairman

Sd/-
Mrs. 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 2nd Quarter Ended December 31, 2023

Particulars	Amount (Tk)	
	July to December 2023-24	July to December 2022-23
Cash Flows from Operating Activities:		
Receipts from Sales Revenue	8,225,413,406	7,637,754,882
Exchange Fluctuation Gain (Realization from Transaction)	79,812,818	14,858,585
Receipts/ (Payment) from Other Income/ Expenses	194,236	1,962,771
Total Receipts	8,305,420,460	7,654,576,238
Payment for Supplies and Other Services	(5,014,304,304)	(5,296,614,743)
Paid for Operating & Non-operating Expenses	(1,778,452,024)	(1,633,106,236)
Interest Expenses Paid	(244,462,423)	(65,528,032)
Income Tax Paid	(127,494,481)	(113,949,275)
Total Payments	(7,164,713,232)	(7,109,198,286)
Net Cash Generated (Used in) from Operating Activities	1,140,707,228	545,377,952
Cash Flows from Investing Activities:		
Purchase of Property, Plant & Equipment	(1,039,103,142)	(275,386,035)
Sales of Property, Plant & Equipment	2,950,000	80,001
Net Cash Generated (Used in) from Investing Activities	(1,036,153,142)	(275,306,034)
Cash Flows from Financing Activities:		
Long Term Loan Received/ (Repaid)	(90,000,000)	(173,320,000)
Short Term Bank Loan Received/ (Repaid)	1,200,277,518	1,693,686,001
Payment of Dividend	(88,074)	(117,161)
Net Cash Generated (Used in) from Financing Activities	1,110,189,444	1,520,248,840
Increase/ (Decrease) in Cash & Cash Equivalents	1,214,743,530	1,790,320,758
Net effect of foreign currency translation	(69,972,415)	(6,371,462)
Opening Cash & Cash Equivalents	433,725,644	514,806,497
Closing Cash & Cash Equivalents	1,578,496,759	2,298,755,793
Net Operating Cash flows per Share	5.78	2.76

Sd/-
Tapan Chowdhury
Chairman

Sd/-
Mrs. Ratna Patra
Vice-Chairman

Sd/-
Samuel S Chowdhury
Managing Director

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Chief Financial Officer

Sd/-
Sanjib Baran Roy
Company Secretary



SQUARE Textiles PLC.

Notes to the Interim Financial Statements (Unaudited)

For the 2nd Quarter Ended December 31, 2023

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 2nd Quarter Ended on December 31, 2023 (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, 2023, 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.

02. Property, Plant & Equipment:

Details of Property, Plant & Equipment and Depreciation as at December 31, 2023 are as below:

	<u>31-Dec-23</u>	<u>30-Jun-23</u>
Fixed Assets at Cost		
Opening Balance	12,386,487,650	12,087,504,492
Addition during the Year	1,645,632,033	430,455,280
Sale/ Obsolete during the Year	(20,370,003)	(131,472,122)
Closing Balance(Cost)	<u>14,011,749,680</u>	<u>12,386,487,650</u>
Accumulated Depreciation		
Opening Balance	6,421,169,120	5,926,117,077
Charged during the Year	352,229,455	623,334,309
Adjustment for sale/Obsolete	(20,370,003)	(128,282,266)
	<u>6,753,028,572</u>	<u>6,421,169,120</u>
Carrying Value	Tk. <u>7,258,721,108</u>	<u>5,965,318,530</u>

03. Capital Work In Progress and In Transit:

Capital Work In Progress and In Transit	<u>2,254,088,429</u>	<u>2,860,617,320</u>
Tk.	<u>2,254,088,429</u>	<u>2,860,617,320</u>

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.

	31-Dec-23	30-Jun-23
04. Inventories:		
Stocks of Materials	4,490,937,359	3,590,229,344
Raw Materials	4,018,951,667	3,142,303,957
Raw Materials In Transit	83,438,471	51,563,061
Packing Materials	27,911,451	25,289,129
Work - in - process	202,977,574	198,222,447
Finished Goods	157,658,196	172,850,750
Stocks of Spares	241,840,722	215,114,308
Spares at Store	237,537,014	211,452,290
Spares in Transit	4,303,708	3,662,018
Tk.	4,732,778,081	3,805,343,652

05. Trade Receivable:

Aging of the above balance is as follows:

Below 60 days	2,128,263,425	1,508,747,664
Within 61-120 days	1,277,785,749	1,367,692,572
Above 120 days	699,443,620	641,887,041
Tk.	4,105,492,794	3,518,327,277

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:

Advance	463,679,858	378,036,110
Income Tax	312,029,110	184,534,629
Salary & PF Current account	15,352,000	9,962,000
Other Expenses and VAT	74,977,389	107,102,026
Suppliers & Contractor	61,321,359	76,437,455
Deposits	143,729,024	134,153,576
Security Deposit	130,964,965	121,523,215
Margin on Bank Guarantee	12,764,059	12,630,361
Tk.	607,408,882	512,189,686

07. Cash & Cash Equivalents:

This is made up of the followings:

Cash in hand	8,667,031	7,779,003
Cash at Bank	1,569,829,728	425,946,641
Tk.	1,578,496,759	433,725,644

08. Long Term Borrowings (Secured):

Standard Chartered Bank	130,000,000	220,000,000
Less: Current Portion of Long Term Borrowings	(130,000,000)	(180,000,000)
Tk.	-	40,000,000

	<u>31-Dec-23</u>	<u>30-Jun-23</u>
09. Deferred Tax Liability:		
Opening Balance	243,163,333	276,297,479
Deferred Tax Expenses (Income)	(13,059,184)	(33,134,146)
Closing Balance	Tk. 230,104,149	243,163,333

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	6,576,550,701	5,284,363,223
Less: Tax Base Carrying Value	(5,042,523,042)	(3,663,274,337)
Taxable Temporary Difference	1,534,027,659	1,621,088,886
Tax Rate	15.00%	15.00%
Closing Deferred Tax Liability	230,104,149	243,163,333
Less: Opening Deferred Tax Liability	(243,163,333)	(276,297,479)
Deferred Tax (Income) / Expense	(13,059,184)	(33,134,146)

10. Short Term Bank Loan (Secured):

Revolving Loan	1,900,000,000	1,400,000,000
EDF & UPAS	6,737,894,446	6,037,616,928
Current Portion of Long Term Borrowings	130,000,000	180,000,000
Tk.	8,767,894,446	7,617,616,928

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	-	690,000
Provision for Utility Bill	135,518,521	81,725,748
Provision for Salary & Allowances	76,274,996	83,168
Others	1,496,179,212	6,055,414
	1,707,972,729	88,554,330

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:

PF, WPPF & Other Fund	33,841,602	63,411,055
Declared Dividend for Last Year	591,756,000	-
Others	218,006,912	143,573,186
Tk.	843,604,514	206,984,241

Due to provision of cash dividend of Tk. 591,756,000 for the year of 2022-23, Liabilities for Other Finance shown higher balance compared to previous period.

13. Provision for Income Tax:

Opening Balance	281,740,876	338,829,854
Adjustment with Advance Tax	-	(271,342,421)
Provision made for the period (Note: 13.01)	114,081,806	214,253,443
Closing Balance	Tk. 395,822,682	281,740,876

	31-Dec-23	30-Jun-23
Note: 13.01:Provision made for the period		
A) Net Current Tax Liability on Profit Basis	114,081,806	224,950,087
B) Tax Liability on Sales Revenue Basis	35,302,254	59,871,850
C) Advance Income Tax (Source Tax) Paid Under ITO-1984	90,198,066	179,534,629
Higher Amount of Tax Under Above Calculation (A:B:C)	114,081,806	224,950,087
Add/ Less: Short/ (Excess) provision for Prior period	-	(10,696,644)
Income Tax Provision for the period	114,081,806	214,253,443
A) Net Current Tax Liability on Profit Basis:		
Profit Before Tax	666,991,828	1,252,540,906
Less: Non-Operating Income	12,984,639	52,464,069
Net Operating Income Before Tax	654,007,189	1,200,076,837
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	98,101,078	180,011,526
Add: Tax Liability on Non-Operating Income	2,921,544	11,804,415
Total Tax Liability on Profit	101,022,622	191,815,941
Less: Deferred Tax Expenses (Income)	(13,059,184)	(33,134,146)
Net Current Tax Liability on Profit Basis	114,081,806	224,950,087
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%)	0.400%	0.40%
Sales Revenue and Other Income	8,825,563,562	14,967,962,444
Minimum Tax Amount on Sales Revenue	35,302,254	59,871,850
C) Advance Income Tax (Source Tax) Paid Under ITO-1984:		
	90,198,066	179,534,629

Since the applicable tax on Profit before tax (Tk. 114,081,806) is higher than minimum Tax on Revenue under ITA-2023 (Tk. 35,302,254) and the source tax deducted under Income Tax Ordinance-1984 (Tk. 90,198,066), so the higher is provided as Tax Expense for the period ended December 31, 2023.

Calculation of Effective Tax Rate:

Current Income Tax Expenses	114,081,806	214,253,443
Deferred Tax Expenses/ (Income)	(13,059,184)	(33,134,146)
Total Tax Expenses	101,022,622	181,119,297
Effective Tax Rate (Total Tax Expenses / Profit Before Tax)	15.15%	14.46%

July-23 to Dec'-23	July-22 to Dec'-22
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14. Sales Revenue:

Export Sale of Yarns	8,812,578,923	7,352,569,883
Tk.	8,812,578,923	7,352,569,883

During the period sales increased by BDT 146 (19.86%) crore due to increase of yarn production from new project at Habiganj.

15. Cost of Goods Sold:

Raw Materials Consumed	5,733,014,688	4,816,756,230
Factory Overhead (Note:15.01)	1,928,796,097	1,631,149,316
Cost of Goods Sold	7,661,810,785	6,447,905,546

During the period Raw Material cost increased by BDT 91.63 (19.02%) crore due to increase of yarn production from new project at Habiganj.

	<u>July-23 to Dec'-23</u>	<u>July-22 to Dec'-22</u>
15.01. Factory Overhead:		
Factory Wages, Salary & Allowances	451,372,083	422,064,275
Production Workers' Free Lunch	3,278,152	2,431,986
Fuel, Petrol, Light, Diesel etc.	143,580,503	234,203,213
Electricity, Gas & Water	724,991,452	447,977,743
Factory Consumable Expense	36,848,323	24,509,882
Repairs & Maintenance of Vehicles	16,290,477	13,542,341
Industrial All Risk Insurance Premium	12,271,565	10,789,562
Govt. Tax, VAT & License Fees	3,658,675	6,427,060
Security Services	17,806,875	10,596,685
Spare Parts - Machinery	164,315,653	145,182,669
Depreciation	347,721,989	307,674,395
Other Overhead	6,660,350	5,749,505
Total	Tk. <u>1,928,796,097</u>	<u>1,631,149,316</u>

Fuel, Gas and Electricity cost increased significantly due to Gas & Electricity crisis as well as increase of fuel and GAS price.

16. Administrative Overhead:

Salary and Allowances	52,460,566	56,178,185
Directors' Remuneration	31,796,250	31,796,250
Overseas Travelling	5,846,255	8,983,810
Vehicles Running & Maintenance	6,196,987	5,832,763
Fees & Subscription	2,575,645	10,694,596
Rental Expenses	11,961,207	7,103,857
Office Consumable Expense	723,852	643,534
Electricity, Gas & Water	1,667,407	1,539,715
Software & Hardware Support Expenses	1,861,563	1,267,887
Head Office Employees' Free Lunch	1,465,304	1,463,686
Annual General Meeting Expenses	371,438	99,632
Depreciation	4,507,466	4,534,523
Other Expenses	8,070,728	5,557,141
Total	Tk. <u>129,504,668</u>	<u>135,695,579</u>

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

17. Selling & Distribution Overhead:

Export Sale Expenses	11,589,654	12,605,896
Loading & unloading	3,420,887	2,939,633
Total	Tk. <u>15,010,541</u>	<u>15,545,529</u>

18. Finance Cost:

Interest on Deferred LC Loan	234,224,192	53,767,482
Interest on Short Term Loan	77,683,489	22,781,265
Interest on Long Term Loan	6,988,468	34,898,720
Total	Tk. <u>318,896,149</u>	<u>111,447,467</u>

During the period Finance cost increased by BDT 20.74 (186.1%) crore due to additional financing for the expansion project and some BMRE activities.

19. Non-Operating Income:

Interest Income	194,236	1,896,771
Cash Incentive	-	66,000
Gain/ (Loss) on Disposal of Assets	2,950,000	(3,109,855)
Forex Exchange Rate Fluctuation Gain/ (Loss)	9,840,403	8,487,123
Total	Tk. <u>12,984,639</u>	<u>7,340,039</u>

July-23 to Dec'-23 July-22 to Dec'-22

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	68,595,511	67,554,948
Post Employment Benefits	1,642,538	12,139,266
Other Long Term Benefits	-	-
Termination Benefits	-	-
Share Based Payment	-	-
	<u>31-Dec-23</u>	<u>30-Jun-23</u>

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	1,467,548,000	4,035,238,300
Total Received	(2,946,700,000)	(4,035,238,300)
Closing Balance- Receivable/ (Payable)	Tk. (1,479,152,000)	-

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

Opening Balance	(31,816)	-
Total Service Received	(24,223,233)	(24,178,804)
Total Paid	21,223,743	24,146,988
Closing Balance- Receivable/ (Payable)	Tk. (3,031,306)	(31,816)

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

Opening Balance	-	(76,188)
Total Service Received	(2,357,582)	(4,956,760)
Total Paid	2,132,575	5,032,948
Closing Balance- Receivable/ (Payable)	Tk. (225,007)	-

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

Opening Balance	(255,477)	-
Total Service Received	(1,860,877)	(2,005,809)
Total Paid	1,933,029	1,750,332
Closing Balance- Receivable/ (Payable)	Tk. (183,325)	(255,477)

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

Opening Balance	303,080,480	206,863,139
Total Goods Delivered	589,463,124	1,045,498,606
Total Received	(607,146,325)	(949,281,265)
Closing Balance- Receivable/ (Payable)	Tk. 285,397,279	303,080,480

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

Opening Balance	269,349,031	180,748,131
Total Goods Delivered	647,019,624	1,034,853,059
Total Received	(664,869,246)	(946,252,159)
Closing Balance- Receivable/ (Payable)	Tk. 251,499,409	269,349,031

06. Transaction with Square Apparels Ltd. (SAPL):

Opening Balance	71,756,814	85,409,363
Total Goods Delivered	228,492,364	262,234,442
Total Received	(231,072,549)	(275,886,991)
Closing Balance- Receivable/ (Payable)	Tk. 69,176,629	71,756,814

	<u>31-Dec-23</u>	<u>30-Jun-23</u>
22. Contingent Liability:		
Contingent Liability of the Company was 133.08 Crore as on December 31, 2023 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):		
Earning attributable to Ordinary Shares		
including other income	Tk. 565,969,206	523,577,371
Number of Ordinary shares	197,252,000	197,252,000
Earnings Per Share	Tk. <u>2.87</u>	<u>2.65</u>
During the period EPS increased by BDT 0.22 (8.30%) due to increase of yarn production from new project at Habiganj.		
25. Net Asset Value (NAV) Per Share:		
The Computation is given below:		
Equity Attributable to the Owners of the Company	Tk. 9,072,715,327	9,098,502,121
Number of Ordinary shares	197,252,000	197,252,000
Net Asset Value (NAV) Per Share	Tk. <u>46.00</u>	<u>46.13</u>
26. Net Operating Cash flows per Share (NOCFPS):		
The Computation is given below:		
Net Cash Generated (Used in) from Operating Activities	Tk. 1,140,707,228	545,377,952
Number of Ordinary shares	197,252,000	197,252,000
Net Operating Cash flows per Share (NOCFPS)	Tk. <u>5.78</u>	<u>2.76</u>
27. Reconciliation of Net Profit with Cash Flows from Operating Activities:		
The Computation is given below:		
Profit After Tax	565,969,206	523,577,371
Adjustment to reconcile net profit to net cash provided by operating activities :		
Non-cash Expenses:	409,142,686	324,449,735
Depreciation	352,229,455	312,208,918
Deferred Tax	(13,059,184)	5,869,355
Net effect of foreign currency translation	69,972,415	6,371,462
Non-Operating Items:	(2,950,000)	3,109,855
Gain/ (Loss) on Disposal of Assets	(2,950,000)	3,109,855
Changes in working Capital:	168,545,336	(305,759,009)
(Increase)/Decrease in Inventories	(927,434,429)	(518,566,955)
(Increase)/Decrease in Trade Receivable	(587,165,517)	285,184,999
(Increase)/Decrease in Advances, Deposits & Prepayments	(95,219,196)	(156,248,445)
Increase/(Decrease) in Creditors & Other Payables	1,619,418,399	23,687,539
Increase/(Decrease) in Liabilities for Others Finance	44,864,273	(28,765,422)
Increase/(Decrease) in Income Tax Payable	114,081,806	88,949,275
Net Cash Generated (Used in) from Operating Activities	<u>1,140,707,228</u>	<u>545,377,952</u>

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.