

**First Quarter
Financial Statements 2023-2024
(Unaudited)**



SQUARE Textiles PLC.
(Consolidated and Standalone)

SQUARE Textiles PLC. & It's Subsidiary

Consolidated Statement of Financial Position (Unaudited)

As at September 30, 2023

Particulars	Notes	30/Sep/23	30/Jun/23
		Taka	Taka
ASSETS:			
Non-Current Assets		9,949,134,736	9,901,212,553
Property, Plant & Equipment- Carrying Value	02	7,462,625,837	6,455,411,632
Capital Work In Progress and In Transit	03	2,430,225,139	3,389,517,161
Goodwill		56,283,760	56,283,760
Current Assets		9,780,117,706	9,308,749,743
Inventories	04	4,293,184,481	4,384,063,319
Trade Receivable	05	3,859,644,979	3,807,809,993
Advances, Deposits & Prepayments	06	572,187,520	560,975,851
Cash & Cash Equivalents	07	1,055,100,726	555,900,580
TOTAL ASSETS		19,729,252,442	19,209,962,296
SHAREHOLDERS' EQUITY & LIABILITIES:			
Shareholders' Equity		10,004,883,461	9,651,143,995
Share Capital		1,972,520,000	1,972,520,000
Retained Earnings		8,032,363,461	7,678,623,995
Non controlling Interest	08	15,294,406	15,260,040
TOTAL SHAREHOLDERS' EQUITY		10,020,177,867	9,666,404,035
Non-Current Liabilities		271,437,266	321,935,141
Long Term Borrowings	09	-	40,000,000
Deferred Tax Liability	10	271,437,266	281,935,141
Current Liabilities & Provisions		9,437,637,309	9,221,623,120
Short Term Bank Loan (Secured)	11	8,549,235,288	8,588,192,412
Creditors & Other Payables	12	212,140,394	99,431,947
Liabilities for Others Finance	13	291,329,414	222,103,790
Unclaimed Dividend Account		8,228,807	8,294,240
Provision for Income Tax	14	376,703,406	303,600,731
TOTAL LIABILITIES		9,709,074,575	9,543,558,261
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		19,729,252,442	19,209,962,296
Net Asset Value Per Share	22	50.72	48.93

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, 2023

Particulars	NOTE	3 Months (Amount inTk)	
		July to September 2023-24	July to September 2022-23
Sales Revenue	15	4,411,322,879	3,947,436,743
Cost of Goods Sold	16	3,761,742,699	3,379,135,460
Gross Profit		649,580,180	568,301,283
Administrative Overhead	17	71,988,579	68,017,308
Selling and Distribution Overhead	18	8,115,472	6,939,664
Profit from Operations		569,476,129	493,344,311
Finance Cost	19	137,263,560	37,477,037
Non-Operating Income	20	4,984,995	9,970,972
Profit Before W.P.P.F & W.F		437,197,564	465,838,246
Allocation for W.P.P.F & W.F		20,818,932	22,182,774
Profit Before Tax		416,378,632	443,655,472
Provision for Tax (Current)	14	73,102,675	65,722,224
Deferred Tax Expenses (Income)	10	(10,497,875)	1,720,005
Profit After Tax for The Period		353,773,832	376,213,243
Non-Controlling Interest		34,366	26,228
Net Income for the Period		353,739,466	376,187,015

(Transferred to the Statement of Changes in Equity)

Earnings Per Share (EPS)	21	1.79	1.91
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Attached notes form parts of these Financial Statements.

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Chief Financial Officer

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Sanjib Baran Roy
Company Secretary

SQUARE Textiles PLC. & It's Subsidiary

Consolidated Statement of Changes in Equity (Unaudited)

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
Cash Dividend for 2022-23	-	-	-
Balance As at September 30, 2023	1,972,520,000	8,032,363,461	10,004,883,461

For the 1st Quarter Ended September 30, 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 1st Quarter Ended September 30, 2022	-	376,187,015	376,187,015
Cash Dividend for 2021-22	-	-	-
Balance As at September 30, 2022	1,972,520,000	7,599,917,452	9,572,437,452

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SQUARE Textiles PLC. & It's Subsidiary

Consolidated Statement of Cash flows (Unaudited)

For the 1st Quarter Ended September 30, 2023

Particulars	Amount (Tk)	
	July to Sept 2023-24	July to Sept 2022-23
Cash Flows from Operating Activities:		
Receipts from Sales Revenue	4,359,487,893	4,133,262,408
Exchange Fluctuation Gain (Realization from Transection)	71,596,157	16,146,690
Receipts/ (Payment) from Other Income/ Expenses	6,420	5,260
Total Receipts	4,431,090,470	4,149,414,358
Payment for Supplies and Other Services	(2,514,510,605)	(2,618,269,814)
Paid for Operating & Non-operating Expenses	(890,251,341)	(830,287,313)
Interest Expenses Paid	(88,140,149)	(37,294,896)
Income Tax Paid	(49,320,310)	(86,285,160)
Total Payments	(3,542,222,405)	(3,572,137,183)
Net Cash Generated (Used in) from Operating Activities	888,868,065	577,277,175
Cash Flows from Investing Activities:		
Purchase of Property, Plant & Equipment	(244,027,780)	(62,560,123)
Net Cash Generated (Used in) from Investing Activities	(244,027,780)	(62,560,123)
Cash Flows from Financing Activities:		
Long Term Loan Received/ (Repaid)	(45,000,000)	(86,660,000)
Short Term Bank Loan Received/ (Repaid)	(33,957,124)	(246,463,206)
Payment of Dividend	(65,433)	(70,221)
Net Cash Generated (Used in) from Financing Activities	(79,022,557)	(333,193,427)
Increase/ (Decrease) in Cash & Cash Equivalents	565,817,728	181,523,625
Net effect of foreign currency translation	(66,617,582)	(6,180,978)
Opening Cash & Cash Equivalents	555,900,580	640,976,161
Closing Cash & Cash Equivalents	1,055,100,726	816,318,808
Net Operating Cash Flows Per Share	4.51	2.93

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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, 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 1st Quarter Ended on September 30, 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 an intention 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 event 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>30-Sep-23</u>	<u>30-Jun-23</u>
02. Consolidated Property, Plant & Equipment:		
Details of Property, Plant & Equipment and Depreciation as at September 30, 2023 are as below:		
Fixed Assets at Cost		
Opening Balance	13,434,094,874	13,155,210,134
Addition during the Year	1,203,319,802	431,155,280
Sale/ Obsolete during the Year	<u>(2,047,444)</u>	<u>(152,270,540)</u>
Closing Balance(Cost)	<u>14,635,367,232</u>	<u>13,434,094,874</u>
Accumulated Depreciation		
Opening Balance	6,978,683,242	6,446,166,707
Charged during the Year	196,105,597	681,163,538
Adjustment for sale/Obsolete	<u>(2,047,444)</u>	<u>(148,647,003)</u>
	<u>7,172,741,395</u>	<u>6,978,683,242</u>
Carrying Value	Tk. <u>7,462,625,837</u>	<u>6,455,411,632</u>

03. Consolidated Capital Work In Progress and In Transit:

Capital Work In Progress and In Transit	<u>2,430,225,139</u>	<u>3,389,517,161</u>
Tk.	<u>2,430,225,139</u>	<u>3,389,517,161</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.

	30-Sep-23	30-Jun-23
04. Consolidated Inventories:		
Stocks of Materials	4,053,728,947	4,153,849,361
Raw Materials	3,504,522,794	3,450,692,005
Raw Materials In Transit	95,070,915	259,344,576
Packing Materials	24,825,095	28,680,944
Work - in - process	264,111,095	221,144,610
Finished Goods	165,199,048	193,987,226
Stocks of Spares	239,455,534	230,213,958
Spares at Store	237,024,867	226,106,447
Spares in Transit	2,430,667	4,107,511
Tk.	4,293,184,481	4,384,063,319

05. Consolidated Trade Receivable:

Aging of the above balance is as follows:

Below 60 days	1,887,177,333	1,655,834,475
Within 61-120 days	1,479,892,287	1,471,366,342
Above 120 days	492,575,359	680,609,176
Tk.	3,859,644,979	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	424,750,539	413,538,870
Income Tax	252,280,249	202,959,939
Salary & PF Current account	13,374,379	9,982,000
Other Expenses and VAT	57,596,364	122,803,629
Suppliers & Contractor	101,499,547	77,793,302
Deposits	147,436,981	147,436,981
Security Deposit	133,855,015	133,855,015
Margin on Bank Guarantee	13,581,966	13,581,966
Tk.	572,187,520	560,975,851

07. Consolidated Cash & Cash Equivalents:

This is made up of the followings:

Cash in hand	9,472,094	8,749,388
Cash at Bank	1,045,628,632	547,151,192
Tk.	1,055,100,726	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	14,794,406	14,760,040
	15,294,406	15,260,040

09. Long Term Borrowings (Secured):

Standard Chartered Bank	175,000,000	220,000,000
Less: Current Portion of Long Term Borrowings	(175,000,000)	(180,000,000)
Tk.	-	40,000,000

10. Consolidated Deferred Tax Liability:

Opening Balance	281,935,141	320,533,438
Deferred Tax Expenses/ (Income)	(10,497,875)	(38,598,297)
Closing Balance	271,437,266	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.

	<u>30-Sep-23</u>	<u>30-Jun-23</u>
a) Deferred Tax Liability is arrived at as follows:		
Carrying Value of Depreciable Fixed Assets	6,740,526,566	5,734,527,461
Less: Tax Base Carrying Value	(4,930,944,791)	(3,854,959,853)
Taxable Temporary Difference	1,809,581,775	1,879,567,608
Tax Rate	15.00%	15.00%
Closing Deferred Tax Liability	271,437,266	281,935,141
Less: Opening Deferred Tax Liability	(281,935,141)	(320,533,438)
Deferred Tax (Income) / Expense	(10,497,875)	(38,598,297)

11. Consolidated Short Term Bank Loan (Secured):

Revolving Loan	1,750,000,000	1,400,000,000
EDF & UPAS	6,624,235,288	7,008,192,412
Current Portion of Long Term Borrowings	175,000,000	180,000,000
Tk.	8,549,235,288	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	121,288,938	89,100,669
Provision for Salary & Allowances	82,718,891	124,563
Others	8,132,565	9,459,215
	212,140,394	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	88,088,266	67,986,053
Others	203,241,148	154,117,737
Tk.	291,329,414	222,103,790

14. Consolidated Provision for Income Tax:

Opening Balance	303,600,731	371,515,004
Adjustment with Advance Tax	-	(300,231,290)
Current Year Provision	73,102,675	232,317,017
Closing Balance	376,703,406	303,600,731

Calculation of Effective Tax Rate:

Current Income Tax Expenses	73,102,675	232,317,017
Deferred Tax Expenses/ (Income)	(10,497,875)	(38,598,297)
Total Tax Expenses	62,604,800	193,718,720
Effective Tax Rate (Total Tax Expenses / Profit Before Tax)	15.04%	14.47%

15. Consolidated Sales Revenue:

Export Sale of Yarns	4,411,322,879	3,947,436,743
Tk.	4,411,322,879	3,947,436,743

During the period sales increased by BDT 46.39 (11.75%) crore due to increase of yarn production from new project at Habiganj and BMRE of SQUARE Texcom Ltd.

16. Consolidated Cost of Goods Sold:

Raw Materials Consumed	2,727,339,466	2,503,516,082
Factory Overhead (Note: 16.01)	1,034,403,233	875,619,378
Cost of Goods Sold	3,761,742,699	3,379,135,460

During the period Raw Material cost increased by BDT 22.38 (8.94%) crore due to increase of yarn production from new

project at Habiganj and BMRE of SQUARE Texcom Ltd.

	<u>July-23 to Sept'-23</u>	<u>July-22 to Sept'-22</u>
16.01. Factory Overhead:		
Factory Wages, Salary & Allowances	253,412,739	237,334,876
Production Workers' Free Lunch	1,686,798	1,326,117
Fuel, Petrol, Light, Diesel etc.	87,546,801	114,689,852
Electricity, Gas & Water	364,548,617	248,058,113
Factory Consumable Expense	17,618,759	13,184,093
Repairs & Maintenance of Vehicles	8,186,619	6,193,352
Industrial All Risk Insurance Premium	8,610,532	8,109,108
Govt.Tax, VAT & License Fees	3,804,216	806,286
Security Services	10,009,634	6,453,328
Spare Parts - Machinery	81,916,622	67,881,740
Depreciation	193,850,008	168,040,940
Other Overhead	3,211,888	3,541,573
Total	Tk. <u>1,034,403,233</u>	<u>875,619,378</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	29,273,014	31,600,893
Directors' Remuneration	15,898,125	15,898,125
Overseas Travelling	4,916,931	3,636,782
Vehicles Running & Maintenance	3,358,345	2,726,540
Fees & Subscription	591,035	2,209,970
Rental Expenses	7,360,204	3,551,929
Office Consumable Expense	463,072	335,183
Electricity, Gas & Water	787,738	813,932
Software & Hardware Support Expenses	1,150,525	809,648
Head Office Employees' Free Lunch	786,002	674,485
Annual General Meeting Expenses	75,526	78,432
Depreciation	2,255,589	2,266,458
Other Expenses	5,072,473	3,414,931
Total	Tk. <u>71,988,579</u>	<u>68,017,308</u>

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

18. Consolidated Selling & Distribution Overhead:

Export Sale Expenses	6,047,208	5,501,125
Loading & unloading	2,068,264	1,438,539
Total	Tk. <u>8,115,472</u>	<u>6,939,664</u>

19. Finance Cost:

Interest on Deferred LC Loan	98,909,672	21,834,319
Interest on OD	-	44
Interest on Short Term Loan	34,106,253	357,500
Interest on Long Term Loan	4,247,635	15,285,174
Total	Tk. <u>137,263,560</u>	<u>37,477,037</u>

During the period Finance cost increased by BDT 9.98 (266.3%) crore due to additional financing for the expansion project and some BMRE activities.

20. Non-Operating Income:

Interest Income	6,420	5,260
Forex Exchange Rate Fluctuation Gain/ (Loss)	4,978,575	9,965,712
Total	Tk. <u>4,984,995</u>	<u>9,970,972</u>

21. Earnings Per Share (EPS):

The Computation is given below:

Earning attributable to Ordinary Shares including other income	353,739,466	376,187,015
Number of Ordinary shares	197,252,000	197,252,000
Earnings Per Share	Tk. <u>1.79</u>	<u>1.91</u>

During the period EPS decreased by BDT 0.12 (-6.28%) due to significantly increase of energy cost for GAS & diesel price hike as well as increase of finance cost for financing in new project at Habiganj.

	<u>July-23 to Sept'-23</u>	<u>July-22 to Sept'-22</u>
22. Net Asset Value (NAV) Per Share:		
The Computation is given below:		
Equity Attributable to the Owners of the Company	Tk. 10,004,883,461	9,651,143,995
Number of Ordinary shares	197,252,000	197,252,000
Net Asset Value (NAV) Per Share	Tk. 50.72	48.93
23. Net Operating Cash flows per Share (NOCFPS):		
The Computation is given below:		
Net Cash Generated (Used in) from Operating	Tk. 888,868,065	577,277,175
Number of Ordinary shares	197,252,000	197,252,000
Net Operating Cash flows per Share (NOCFPS)	Tk. 4.51	2.93
24. Reconciliation of Net Profit with Cash Flows from Operating Activities:		
The Computation is given below:		
Profit After Tax	353,773,832	376,213,243
Adjustment to reconcile net profit to net cash provided by operating activities :		
Non-cash Expenses:	252,225,304	178,208,381
Depreciation	196,105,597	170,307,398
Deferred Tax	(10,497,875)	1,720,005
Net effect of foreign currency translation	66,617,582	6,180,978
Changes in working Capital:	282,868,929	22,855,551
(Increase)/Decrease in Inventories	90,878,838	(144,559,719)
(Increase)/Decrease in Trade Receivable	(51,834,986)	185,825,665
(Increase)/Decrease in Advances, Deposits & Prepayments	(11,211,669)	(132,215,157)
Increase/(Decrease) in Creditors & Other Payables	112,708,447	20,583,054
Increase/(Decrease) in Liabilities for Others Finance	69,225,624	27,499,484
Increase/(Decrease) in Income Tax Payable	73,102,675	65,722,224
Net Cash Generated (Used in) from Operating Activities	888,868,065	577,277,175

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. During the period under review cash flows from operating activities declined due to increase of inventory by TK.71.96 crore for seasonal inventory procurement.

SQUARE Textiles PLC.

Statement of Financial Position (Unaudited)

As at September 30, 2023

Particulars	Notes	30/Sep/23	30/Jun/23
		Taka	Taka
ASSETS:			
Non-Current Assets			
		9,380,415,912	9,315,269,810
Property, Plant & Equipment- Carrying Value	02	6,527,341,582	5,965,318,530
Capital Work In Progress and In Transit	03	2,363,740,370	2,860,617,320
Investment - Long Term (At Cost)		489,333,960	489,333,960
Current Assets			
		8,864,457,982	8,269,586,259
Inventories	04	3,892,170,442	3,805,343,652
Trade Receivable	05	3,560,912,247	3,518,327,277
Advances, Deposits & Prepayments	06	522,334,097	512,189,686
Cash & Cash Equivalents	07	889,041,196	433,725,644
TOTAL ASSETS		18,244,873,894	17,584,856,069
SHAREHOLDERS' EQUITY & LIABILITIES:			
Shareholders' Equity			
		9,422,477,291	9,098,502,121
Share Capital		1,972,520,000	1,972,520,000
Retained Earnings		7,449,957,291	7,125,982,121
Non-Current Liabilities			
		233,663,350	283,163,333
Long Term Borrowings	08	-	40,000,000
Deferred Tax Liability	09	233,663,350	243,163,333
Current Liabilities & Provisions			
		8,588,733,253	8,203,190,615
Short Term Bank Loan (Secured)	10	7,766,415,296	7,617,616,928
Creditors & Other Payables	11	185,275,979	88,554,330
Liabilities for Others Finance	12	279,694,643	206,984,241
Unclaimed Dividend Account		8,228,807	8,294,240
Provision for Income Tax	13	349,118,528	281,740,876
TOTAL LIABILITIES		8,822,396,603	8,486,353,948
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		18,244,873,894	17,584,856,069
Net Asset Value Per Share	25	47.77	46.13

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 Profit or Loss and Other Comprehensive Income (Unaudited)

For the 1st Quarter Ended September 30, 2023

Particulars	NOTE	3 Months (Amount inTk)	
		July to September 2023-24	July to September 2022-23
Sales Revenue	14	3,940,771,491	3,608,817,505
Cost of Goods Sold	15	3,347,791,744	3,076,221,529
Gross Profit		592,979,747	532,595,976
Administrative Overhead	16	66,881,059	63,011,903
Selling and Distribution Overhead	17	7,350,323	6,228,297
Profit from Operations		518,748,365	463,355,776
Finance Cost	18	125,799,465	33,995,154
Non-Operating Income	19	7,996,581	8,023,172
Profit Before W.P.P.F & W.F		400,945,481	437,383,794
Allocation for W.P.P.F & W.F		19,092,642	20,827,800
Profit Before Tax		381,852,839	416,555,994
Provision for Tax (Current)	13	67,377,652	60,556,236
Deferred Tax Expenses (Income)	09	(9,499,983)	2,528,901
Profit After Tax for The Period		323,975,170	353,470,857

(Transferred to the Statement of Changes in Equity)

Earnings Per Share (EPS)	24	1.64	1.79
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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, 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
Cash Dividend for 2022-23	-	-	-
Balance As at September 30, 2023	1,972,520,000	7,449,957,291	9,422,477,291

For the 1st Quarter Ended September 30, 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 1st Quarter Ended September 30, 2022	-	353,470,857	353,470,857
Cash Dividend for 2021-22	-	-	-
Balance As at September 30, 2022	1,972,520,000	7,098,413,369	9,070,933,369

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, 2023

Particulars	Amount (Tk)	
	July to Sept 2023-24	July to Sept 2022-23
Cash Flows from Operating Activities:		
Receipts from Sales Revenue	3,898,186,521	3,760,567,953
Exchange Fluctuation Gain (Realization from Transaction)	73,154,115	12,612,549
Receipts/ (Payment) from Other Income/ Expenses	6,420	5,260
Total Receipts	3,971,347,056	3,773,185,762
Payment for Supplies and Other Services	(2,410,484,307)	(2,391,565,397)
Paid for Operating & Non-operating Expenses	(793,751,311)	(748,548,241)
Interest Expenses Paid	(71,397,695)	(33,222,294)
Income Tax Paid	(46,038,145)	(73,472,726)
Total Payments	(3,321,671,458)	(3,246,808,658)
Net Cash Generated (Used in) from Operating Activities	649,675,598	526,377,104
Cash Flows from Investing Activities:		
Purchase of Property, Plant & Equipment	(237,929,027)	(57,921,352)
Net Cash Generated (Used in) from Investing Activities	(237,929,027)	(57,921,352)
Cash Flows from Financing Activities:		
Long Term Loan Received/ (Repaid)	(45,000,000)	(86,660,000)
Short Term Bank Loan Received/ (Repaid)	153,798,368	(204,834,130)
Payment of Dividend	(65,433)	(70,221)
Net Cash Generated (Used in) from Financing Activities	108,732,935	(291,564,351)
Increase/ (Decrease) in Cash & Cash Equivalents	520,479,506	176,891,401
Net effect of foreign currency translation	(65,163,954)	(4,594,637)
Opening Cash & Cash Equivalents	433,725,644	514,806,497
Closing Cash & Cash Equivalents	889,041,196	687,103,261
Net Operating Cash flows per Share	3.29	2.67

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, 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 1st Quarter Ended on September 30, 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.

	<u>30-Sep-23</u>	<u>30-Jun-23</u>
02. Property, Plant & Equipment:		
Details of Property, Plant & Equipment and Depreciation as at September 30, 2023 are as below:		
Fixed Assets at Cost		
Opening Balance	12,386,487,650	12,087,504,492
Addition during the Year	734,805,977	430,455,280
Sale/ Obsolete during the Year	-	(131,472,122)
Closing Balance(Cost)	<u>13,121,293,627</u>	<u>12,386,487,650</u>
Accumulated Depreciation		
Opening Balance	6,421,169,120	5,926,117,077
Charged during the Year	172,782,925	623,334,309
Adjustment for sale/Obsolete	-	(128,282,266)
	<u>6,593,952,045</u>	<u>6,421,169,120</u>
Carrying Value	Tk. <u><u>6,527,341,582</u></u>	<u><u>5,965,318,530</u></u>
03. Capital Work In Progress and In Transit:		
Capital Work In Progress and In Transit	<u><u>2,363,740,370</u></u>	<u><u>2,860,617,320</u></u>
	Tk. <u><u>2,363,740,370</u></u>	<u><u>2,860,617,320</u></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.

	30-Sep-23	30-Jun-23
04. Inventories:		
Stocks of Materials	3,668,253,858	3,590,229,344
Raw Materials	3,188,430,123	3,142,303,957
Raw Materials In Transit	77,191,679	51,563,061
Packing Materials	21,990,660	25,289,129
Work - in - process	232,082,926	198,222,447
Finished Goods	148,558,470	172,850,750
Stocks of Spares	223,916,584	215,114,308
Spares at Store	221,754,306	211,452,290
Spares in Transit	2,162,278	3,662,018
Tk.	<u>3,892,170,442</u>	<u>3,805,343,652</u>

05. Trade Receivable:

Aging of the above balance is as follows:

Below 60 days	1,715,249,854	1,508,747,664
Within 61-120 days	1,384,016,253	1,367,692,572
Above 120 days	461,646,140	641,887,041
Tk.	<u>3,560,912,247</u>	<u>3,518,327,277</u>

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	388,180,521	378,036,110
Income Tax	230,572,774	184,534,629
Salary & PF Current account	13,354,379	9,962,000
Other Expenses and VAT	44,304,285	107,102,026
Suppliers & Contractor	99,949,083	76,437,455
Deposits	134,153,576	134,153,576
Security Deposit	121,523,215	121,523,215
Margin on Bank Guarantee	12,630,361	12,630,361
Tk.	<u>522,334,097</u>	<u>512,189,686</u>

07. Cash & Cash Equivalents:

This is made up of the followings:

Cash in hand	8,003,071	7,779,003
Cash at Bank	881,038,125	425,946,641
Tk.	<u>889,041,196</u>	<u>433,725,644</u>

08. Long Term Borrowings (Secured):

Standard Chartered Bank	175,000,000	220,000,000
Less: Current Portion of Long Term Borrowings	(175,000,000)	(180,000,000)
Tk.	<u>-</u>	<u>40,000,000</u>

09. Deferred Tax Liability:

Opening Balance	243,163,333	276,297,479
Deferred Tax Expenses (Income)	(9,499,983)	(33,134,146)
Closing Balance	<u>233,663,350</u>	<u>243,163,333</u>

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.

	<u>30-Sep-23</u>	<u>30-Jun-23</u>
a) Deferred Tax Liability is arrived at as follows:		
Carrying Value of Depreciable Fixed Assets	5,845,171,175	5,284,363,223
Less: Tax Base Carrying Value	(4,287,415,506)	(3,663,274,337)
Taxable Temporary Difference	<u>1,557,755,669</u>	<u>1,621,088,886</u>
Tax Rate	15.00%	15.00%
Closing Deferred Tax Liability	<u>233,663,350</u>	<u>243,163,333</u>
Less: Opening Deferred Tax Liability	(243,163,333)	(276,297,479)
Deferred Tax (Income) / Expense	<u>(9,499,983)</u>	<u>(33,134,146)</u>

10. Short Term Bank Loan (Secured):

Revolving Loan	1,750,000,000	1,400,000,000
EDF & UPAS	5,841,415,296	6,037,616,928
Current Portion of Long Term Borrowings	175,000,000	180,000,000
Tk.	<u>7,766,415,296</u>	<u>7,617,616,928</u>

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	107,131,482	81,725,748
Provision for Salary & Allowances	72,796,101	83,168
Others	5,348,396	6,055,414
	<u>185,275,979</u>	<u>88,554,330</u>

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	81,719,687	63,411,055
Others	197,974,956	143,573,186
Tk.	<u>279,694,643</u>	<u>206,984,241</u>

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)	67,377,652	214,253,443
Closing Balance	<u>349,118,528</u>	<u>281,740,876</u>

Note: 13.01: Provision made for the period

A) Net Current Tax Liability on Profit Basis	67,377,652	224,950,087
B) Tax Liability on Sales Revenue Basis	15,795,072	59,871,850
C) Advance Income Tax (Source Tax) Paid Under ITO-1984	46,038,145	179,534,629
Higher Amount of Tax Under Above Calculation (A:B:C)	67,377,652	224,950,087
Add/ Less: Short/ (Excess) provision for Prior period	-	(10,696,644)
Income Tax Provision for the period	<u>67,377,652</u>	<u>214,253,443</u>

A) Net Current Tax Liability on Profit Basis:

Profit Before Tax	381,852,839	1,252,540,906
Less: Non-Operating Income	7,996,581	52,464,069
Net Operating Income Before Tax	<u>373,856,258</u>	<u>1,200,076,837</u>
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	56,078,439	180,011,526
Add: Tax Liability on Non-Operating Income	1,799,230	11,804,415
Total Tax Liability on Profit	<u>57,877,669</u>	<u>191,815,941</u>
Less: Deferred Tax Expenses (Income)	(9,499,983)	(33,134,146)
Net Current Tax Liability on Profit Basis	<u>67,377,652</u>	<u>224,950,087</u>

	30-Sep-23	30-Jun-23
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	3,948,768,072	14,967,962,444
Minimum Tax Amount on Sales Revenue	15,795,072	59,871,850
C) Advance Income Tax (Source Tax) Paid Under ITO-1984:	46,038,145	179,534,629

Since the applicable tax on Profit before tax (Tk. 67,377,652) is higher than minimum Tax on Revenue under ITA-2023 (Tk. 15,795,072) and the source tax deducted under Income Tax Ordinance-1984 (Tk. 46,038,145), so the higher is provided as Tax Expense for the period ended September 30, 2023.

	July-23 to Sept'-23	July-22 to Sept'-22
Calculation of Effective Tax Rate:		
Current Income Tax Expenses	67,377,652	214,253,443
Deferred Tax Expenses/ (Income)	(9,499,983)	(33,134,146)
Total Tax Expenses	57,877,669	181,119,297
Effective Tax Rate (Total Tax Expenses / Profit Before Tax)	15.16%	14.46%

14. Sales Revenue:

Export Sale of Yarns	3,940,771,491	3,608,817,505
Tk.	3,940,771,491	3,608,817,505

During the period sales increased by BDT 33.20 (9.20%) crore due to increase of yarn production from new project at Habiganj.

15. Cost of Goods Sold:

This is arrived as follows:

Raw Materials Consumed	2,429,181,442	2,275,870,177
Factory Overhead (Note:15.01)	918,610,302	800,351,352
Cost of Goods Sold	Tk. 3,347,791,744	3,076,221,529

During the period Raw Material cost increased by BDT 15.33 (6.74%) crore due to increase of yarn production from new project at Habiganj.

15.01. Factory Overhead:

Factory Wages, Salary & Allowances	223,899,788	208,808,012
Production Workers' Free Lunch	1,518,610	1,236,617
Fuel, Petrol, Light, Diesel etc.	78,692,746	113,785,638
Electricity, Gas & Water	323,983,997	228,215,145
Factory Consumable Expense	16,305,605	11,917,827
Repairs & Maintenance of Vehicles	7,483,581	5,545,115
Industrial All Risk Insurance Premium	6,546,667	5,901,842
Govt.Tax, VAT & License Fees	2,992,850	247,500
Security Services	8,690,380	5,327,875
Spare Parts - Machinery	75,288,929	62,776,229
Depreciation	170,527,336	153,544,878
Other Overhead	2,679,813	3,044,674
Total	Tk. 918,610,302	800,351,352

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	26,621,214	28,763,314
Directors' Remuneration	15,898,125	15,898,125
Overseas Travelling	3,265,105	2,181,047
Vehicles Running & Maintenance	3,258,379	2,606,610
Fees & Subscription	576,377	1,922,188
Rental Expenses	7,360,204	3,551,929
Office Consumable Expense	453,272	310,363
Electricity, Gas & Water	787,738	813,932
Software & Hardware Support Expenses	1,027,459	700,146
Head Office Employees' Free Lunch	768,712	650,645
Annual General Meeting Expenses	75,526	78,432
Depreciation	2,255,589	2,266,458
Other Expenses	4,533,359	3,268,714
Total	Tk. 66,881,059	63,011,903

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

	<u>July-23 to Sept'-23</u>	<u>July-22 to Sept'-22</u>
17. Selling & Distribution Overhead:		
This is arrived as follows:		
Export Sale Expenses	5,528,317	4,924,794
Loading & unloading	1,822,006	1,303,503
Total	Tk. 7,350,323	6,228,297

18. Finance Cost:

Interest on Deferred LC Loan	87,445,577	18,352,480
Interest on Short Term Loan	34,106,253	357,500
Interest on Long Term Loan	4,247,635	15,285,174
Tk.	125,799,465	33,995,154

During the period Finance cost increased by BDT 9.18 (270.04%) crore due to additional financing for the expansion project and some BMRE activities.

19. Non-Operating Income:

Interest Income	6,420	5,260
Forex Exchange Rate Fluctuation Gain/ (Loss)	7,990,161	8,017,912
Tk.	7,996,581	8,023,172

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	29,753,477	29,230,123
Post Employment Benefits	1,642,538	4,918,537
Other Long Term Benefits	-	-
Termination Benefits	-	-
Share Based Payment	-	-
	30-Sep-23	30-Jun-23

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	828,250,000	4,035,238,300
Total Received	(828,250,000)	(4,035,238,300)
Closing Balance- Receivable/ (Payable)	Tk. -	-

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

Opening Balance	(31,816)	-
Total Service Received	(13,246,412)	(24,178,804)
Total Paid	9,833,383	24,146,988
Closing Balance- Receivable/ (Payable)	Tk. (3,444,845)	(31,816)

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

Opening Balance	-	(76,188)
Total Service Received	(1,520,689)	(4,956,760)
Total Paid	1,243,561	5,032,948
Closing Balance- Receivable/ (Payable)	Tk. (277,128)	-

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

Opening Balance	(255,477)	-
Total Service Received	(980,539)	(2,005,809)
Total Paid	1,236,016	1,750,332
Closing Balance- Receivable/ (Payable)	Tk. -	(255,477)

	<u>30-Sep-23</u>	<u>30-Jun-23</u>
04. Transaction with Square Fashions Ltd. (SFL):		
Opening Balance	303,080,480	206,863,139
Total Goods Delivered	274,016,359	1,045,498,606
Total Received	(307,452,613)	(949,281,265)
Closing Balance- Receivable/ (Payable)	Tk. <u>269,644,226</u>	<u>303,080,480</u>
05. Transaction with Square Denims Ltd. (SDL):		
Opening Balance	269,349,031	180,748,131
Total Goods Delivered	317,546,298	1,034,853,059
Total Received	(309,974,526)	(946,252,159)
Closing Balance- Receivable/ (Payable)	Tk. <u>276,920,803</u>	<u>269,349,031</u>
06. Transaction with Square Apparels Ltd. (SAPL):		
Opening Balance	71,756,814	85,409,363
Total Goods Delivered	94,756,234	262,234,442
Total Received	(104,256,391)	(275,886,991)
Closing Balance- Receivable/ (Payable)	Tk. <u>62,256,657</u>	<u>71,756,814</u>

22. Contingent Liability:

Contingent Liability of the Company was 156.82 Crore as on September 30, 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.

	<u>July-23 to Sept'-23</u>	<u>July-22 to Sept'-22</u>
24. Earnings Per Share (EPS):		
The Computation is given below:		
Earning attributable to Ordinary Shares including other income	Tk. 323,975,170	353,470,857
Number of Ordinary shares	197,252,000	197,252,000
Earnings Per Share	Tk. <u>1.64</u>	<u>1.79</u>

During the period EPS decreased by BDT 0.15 (-8.38%) due to significantly increase of energy cost for GAS & diesel price hike as well as increase of finance cost for financing in 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. 9,422,477,291	9,098,502,121
Number of Ordinary shares	197,252,000	197,252,000
Net Asset Value (NAV) Per Share	Tk. <u>47.77</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. 649,675,598	526,377,104
Number of Ordinary shares	197,252,000	197,252,000
Net Operating Cash flows per Share (NOCFPS)	Tk. <u>3.29</u>	<u>2.67</u>

July-23 to Sept'-23 **July-22 to Sept'-22**

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

The Computation is given below:

Profit After Tax	323,975,170	353,470,857
Adjustment to reconcile net profit to net cash provided by operating activities :		
Non-cash Expenses:	228,446,896	162,934,874
Depreciation	172,782,925	155,811,336
Deferred Tax	(9,499,983)	2,528,901
Net effect of foreign currency translation	65,163,954	4,594,637
Changes in working Capital:	97,253,532	9,971,373
(Increase)/Decrease in Inventories	(86,826,790)	(144,368,774)
(Increase)/Decrease in Trade Receivable	(42,584,970)	151,750,448
(Increase)/Decrease in Advances, Deposits & Prepayments	(10,144,411)	(104,244,706)
Increase/(Decrease) in Creditors & Other Payables	96,721,649	19,163,751
Increase/(Decrease) in Liabilities for Others Finance	72,710,402	27,114,418
Increase/(Decrease) in Income Tax Payable	67,377,652	60,556,236
Net Cash Generated (Used in) from Operating Activities	649,675,598	526,377,104

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. During the period under review cash flows from operating activities declined due to increase of inventory by TK.64.14 crore for seasonal inventory procurement.