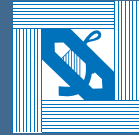




SQUARE TEXTILES PLC.



2022-2023

ANNUAL REPORT

Year Ended June 2023

At a Glance

Performance 2022-2023

Standalone



Credit Rating
By CRISL **AA+**

Export Sales 4.20% ↘

2022-2023 BDT 14,967.96 million
2021-2022 BDT 15,624.30 million

Net Profit (AT) 40.68% ↘

2022-2023 BDT 1,071.42 million
2021-2022 BDT 1,806.30 million

Assets 17.00% ↗

2022-2023 BDT 17,584.86 million
2021-2022 BDT 15,029.58 million

NAV 4.39% ↗

Net Assets Value

2022-2023 BDT 46.13 per share
2021-2022 BDT 44.19 per share

EPS 40.72% ↘

Earnings Per Share

2022-2023 BDT 5.43 per share
2021-2022 BDT 9.16 per share

Dividend Payout 14.28% ↘

in Cash

2022-2023 BDT 591.76 million
2021-2022 BDT 690.38 million

Shareholders' Equity 4.37% ↗

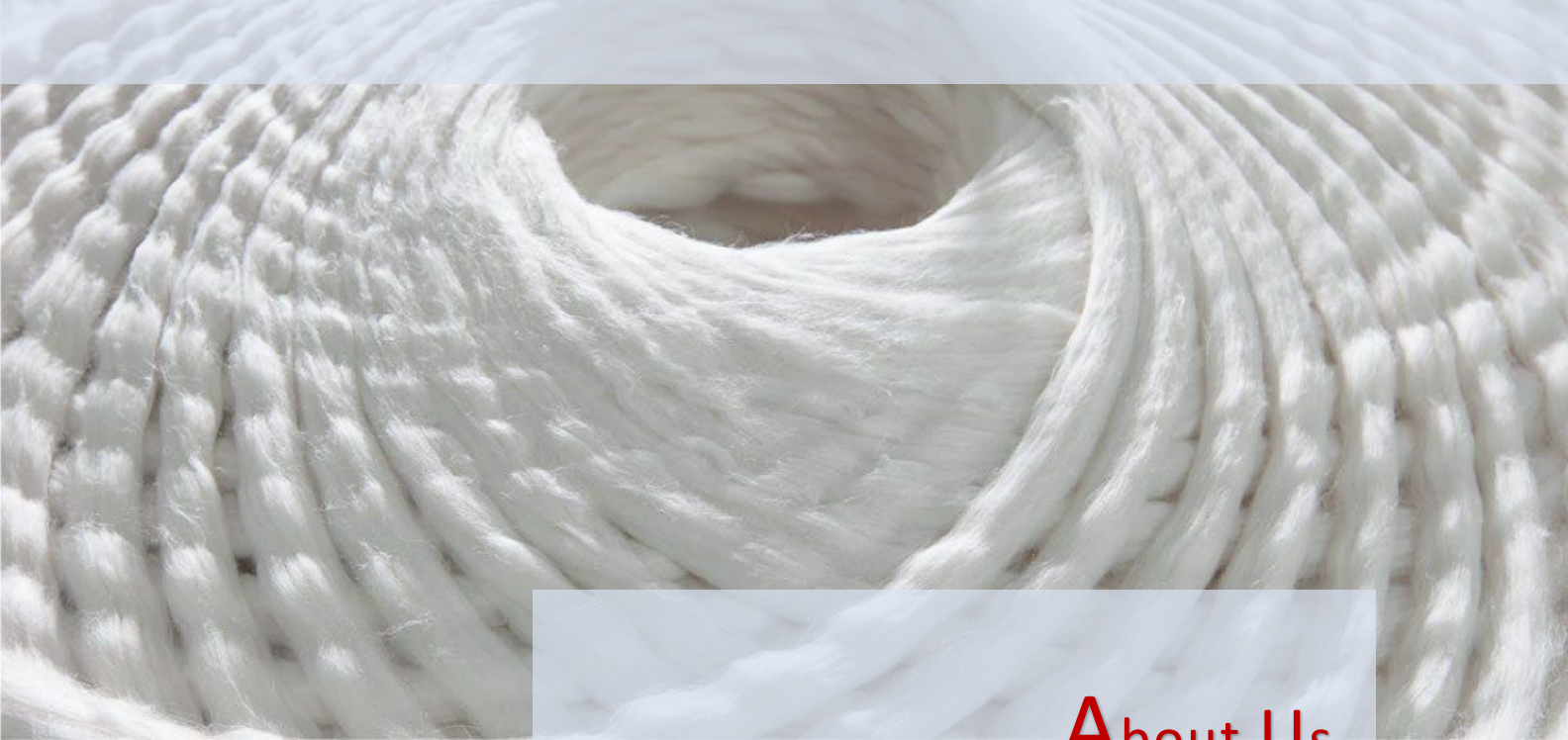
2022-2023 BDT 9,098.50 million
2021-2022 BDT 8,717.46 million

Bangladesh's spinning industry is currently suffering from a number of problems that cause significant losses like decreased demand for yarn, low prices, overstocking, illegal trade, and increases in the cost of electricity and gas. Moreover, the short supply of gas bounds huge payments for diesel to run the backup generators.

According to industry sources, the orders fell by about 35%, for which almost all yarn manufacturers have extra yarn unsold. Moreover, the price of yarn in all counts has decreased by BDT 8.00 to 12.00 per pound, the resultant profit is negative.

Non-Stop Dividend →
Since Listing 2002

Awarded in 2000
**CONFIDENCE
IN TEXTILES**
Tested for harmful substances
according to Oeko-Tex® Standard 100



About Us

Square Textiles PLC., a yarn manufacturer, was incorporated on October 15, 1994, as a public company limited by shares under the veteran leadership of the Founder Chairman late Samson H Chowdhury with the mission to maximize the production of quality products and services strictly on ethical and moral standards at minimum costs to the society ensuring optimum benefits to the consumers, the shareholders and other stakeholders.

The commercial operations commenced in 1997 with an installed capacity of 30,000 spindles and extended to 60,000 spindles in the following year 1998 to cater to the need of the knit yarn market of the export-oriented RMG industry. The project has been installed with world-reputed state-of-the-art technology from Europe at the back process and ring unit of Chinese origin with SKF Germany drafting zone which is capable to produce excellent quality yarns. In 2000, the turnover stood at BDT 210 crore with a net profit of BDT 40 crore.

Square Tex was listed with the Dhaka and Chittagong Stock Exchange of Bangladesh in 2002 under the Direct Listing Regulation 2001 and has never missed a dividend payment to its shareholders.

At present, the total installed production capacity is 1,29,262 spindles, 5,192 rotor heads, and 3,168 vortex heads.

The Export Sales and Net Profit during the year 2022-2023 stood at BDT 14,968 million and 1,071 million respectively and has around 4,563 employees across the country and abroad.



SQUARE
Textiles PLC.
textile@squaregroup.com

ANNUAL REPORT

Year Ended June 2023

Contents

☐ About Us	- 01
☐ 28 th AGM Notice	- 07
☐ Board of Directors	- 08
☐ Statement of Value addition	- 10
☐ Chairman’s Message	- 11
☐ 5 Years Business Results	- 12
☐ Report from the MD	- 13
☐ Corporate Information	- 15
☐ Corporate Sustainability	- 16
☐ Corporate Achievement	- 18
☐ Directors’ Report (English)	- 19
☐ Management’s Discussion & Analysis	- 31
☐ Certificate of Compliance	- 36
☐ Status of Compliance	- 37
☐ Directors’ Report (Bangla)	- 41
☐ Corporate Governance Report	- 50
☐ Audit Committee Report	- 55
☐ NRC Policy	- 56
☐ Dividend Distribution Policy	- 58
☐ Auditors’ Report	- 62
☐ Financial Report	
☐ Consolidated	- 70
☐ Standalone	- 92
☐ Subsidiary	- 120
☐ Unclaimed/Unsettled Dividend	- 116
☐ Proxy Form	- 127
☐ Corporate Compliance	- 129



The Founder



Samson H Chowdhury
1925-2012

*Work hard and bring success that would
be the biggest respect to me.*

Vision & Mission



VISION

Our conception of business germinated from our vision which sees it as a means to the well-being of the investors, stakeholders, employees and members of the society at large by creating new wealth in the form of goods and services that go to satisfy the wants of all of them without disturbing or damaging the socio-ecological-economic balance of the Mother Earth and the process of human civilization leading to peaceful co-existence of all the living beings.

MISSION

Our mission is the polestar of our vision for maximization of production of quality products and services strictly on ethical and moral standards at minimum costs to the society ensuring optimum benefits to the consumers, the shareholders and other stakeholders.

CORPORATE FOCUS

Our vision is the polestar to our mission that fulfils our objectives with emphasis on the quality of product, process and services blended with good governance that help build the image of the most venerable corporate citizenship at home and abroad.

OBJECTIVE

- To strive hard to optimize profit through conduction of transparent business operations within the legal & Social framework with malice to none and justice for all in respective of gender disparity, caste, creed or religion or region.
- To Increase productivity.
- To create more jobs with minimum investments.
- To be competitive in the internal as well as external markets.
- To maximize export earning with minimum imported in-puts.
- To reduce the income gap between top & bottom categories of employees.
- To promote corporate social responsibilities (CSR) amongst all.



SQUARE
Textiles PLC.



SQUARE
Textiles PLC.
textile@squaregroup.com

SQUARE CENTRE
48 Mohakhali C.A.
Dhaka 1212
Bangladesh

To
The Members
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange PLC

Annual Report for the year ended June 30, 2023

Dear Madam/Sir(s)

We are pleased to enclose a copy of the Annual Report containing the Directors' Report, and Auditors' Report along with the Audited Financial Statements comprising Statement of Financial Position as at June 30, 2023, Statement of Profit or Loss and other Comprehensive Income, Changes in Equity and Cash Flows for the year ended June 30, 2023 along with notes thereon, all related Consolidated and Subsidiary Financial Statements, Corporate Governance Compliances and others for your information and records.

Yours sincerely.

Sanjib Baran Roy
Company Secretary

Dated: 21 November, 2023


**Transmittal
Letter**



We Strive For

We in SQUARE, strive, above all, for top quality products at the least cost reaching the lowest rungs of the economic class of people in the country. We value our social obligations.

We owe our shareholders and strive for the protection of their capital as well as ensure the highest return and growth of their assets.




We strive for the best compensation for all the employees who constitute the backbone of the management and operational strength of the company through a pay - package composed of salary/wages, allowances, bonuses, profit participation, leave/ salary, and superannuation & retirement benefits and other emergency grants & gratis.

We strive for the best cooperation of the creditors and debtors the banks and financial institutions who provide financial support when we need it, the suppliers of raw materials & supplies who offer them at the best prices at the opportune moments, the providers of utilities - power, gas & water etc. and the customers who buy our products & services by redeeming their claim in time by making prompt payment and by distributing proper product on due dates.

We strive for the fulfillment of our responsibility to the Government through payment of the entire range of due taxes, duties, and claims to various public agencies like municipalities, etc.

We strive as responsible citizens, for a social order devoid of malpractices, anti-environmental behaviors, unethical and immoral activities, and corruptive dealings.

We keep away from any discriminatory practices between sexes, races, religions, colors, or political beliefs.



We strive to practice good governance in every sphere of activities covering inter alia, not being limited to, disclosure and reporting to the shareholders by holding the Annual General Meeting on time, distribution of dividends and other benefits to shareholders, reporting /dissemination of price sensitive information, acquisition of shares by insiders, recruitment & promotion of staff, procurement & supplies, sale of assets, etc. All that directly and indirectly affect the interest of concerned groups- the shareholders, the creditors, suppliers, employees, the government, and society in general.





28th Annual General Meeting 2023

Notice is hereby given that the 28th Annual General Meeting of the Members of Square Textiles PLC. will be held on Thursday the 14th December, 2023 at 11:00 a.m. under virtual platform through the link <https://agmbd.live/squaretextiles2023> to transact the following business:

- Agenda-1: To receive, consider and adopt the Audited Financial Statements for the year ended 30th June, 2023 together with the reports of the Directors' and the Auditors' thereon.
- Agenda-2: To declare a dividend for the year ended 30th June, 2023.
- Agenda-3: To elect Directors in terms of the relevant provision of Articles of Association.
- Agenda-4: To approve the appointment of the Independent Director.
- Agenda-5: To appoint Statutory Auditors for the year 2023-2024 and fix their remuneration.
- Agenda-6: To appoint Compliance Auditor for the year 2023-2024 and fix their remuneration.
- Agenda-7: To approve the sale of goods to the sister concern of Square Textiles PLC.

By order of the Board.

Sanjib Baran Roy
Company Secretary

Dated: 21 November, 2023

28th AGM Notice

Notes:

- i) The proxy form must be affixed with requisite revenue stamp and be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
- ii) Members are requested to submit to the Company's Share Office on or before 10th December 2023, their written option to receive dividend. In case of non-submission of such option with the stipulated time, the dividend will be paid off as deemed appropriate by the Company.
- iii) The Annual Report is available in the Company's web site at www.textile@squaregroup.com

THE DIRECTORS

Square Textiles PLC.

The Board of Directors is comprised of the following distinguished Members:

Mr. Tapan Chowdhury
Chairman

Mrs. Ratna Patra
Vice Chairman

Mr. Samuel S Chowdhury
Managing Director

Mr. Anjan Chowdhury
Director

Mr. Abul Kalam Azad
Independent Director

Chairman

Mr. Tapan Chowdhury
Non-Executive Director



Mr. Tapan Chowdhury is a Director of the Company since its inception in 1994, was appointed as Managing Director in 1998, and in 2018 elected as Honorable Chairman.

He also holds the position of Managing Director of Square Pharmaceuticals PLC., a listed company.

He is the second son of the late Samson H Chowdhury, founder Chairman of the Company, a science graduate from the University of Dhaka, Diploma in Marketing and Management, United Kingdom and has completed different advanced courses on Business Management in Europe.

Having a prosperous experience of more than 45 years in Textiles, RMG, Pharmaceuticals, Hospitals, IT, Healthcare, Toiletries, Food & Consumer Products, Organic Tea Plantation, Capital Market Operation & Satellite TV Broadcasting.

Mr. Tapan Chowdhury is also a Sponsor Director for 25 other companies, namely Square Pharmaceuticals Kenya EPZ Ltd., Square Hospitals Ltd., Square Lifesciences Ltd., Square Toiletries Ltd., Square Food & Beverages Ltd., Square Fashions Ltd., Square Denims Ltd., Square Air Ltd., and Maasranga Communications Ltd. (Maasranga Television) under the Square Group.

Vice Chairman

Mrs. Ratna Patra
Non-Executive Director



Mrs. Ratna Patra is a Director of the Company since its inception in 1994 and has been appointed as Vice Chairman in this year of 2012.

She is only daughter of the late Samson H Chowdhury, Founder Chairman of the Company. She graduated from Dhaka University and has a business experience of more than 21 years in the textiles and pharmaceuticals sector.

Mrs. Ratna Patra is also a Director of Square Pharmaceuticals PLC., a listed company, designated as Vice Chairman.

Mrs. Patra is also a Sponsor Director for 25 other companies, namely Square Pharmaceuticals Kenya EPZ Ltd., Square Hospitals Ltd., Square Lifesciences Ltd., Square Toiletries Ltd., Square Food & Beverages Ltd., Square Fashions Ltd., Square Denims Ltd., Square Air Ltd., and Maasranga Communications Ltd. (Maasranga Television) under the Square Group.





Managing Director

Mr. Samuel S Chowdhury

Executive Director.



Mr. Samuel S Chowdhury is a Director of the Company since its inception in 1994 and was appointed in the position of Managing Director in 2018.

He is the eldest son of late the Samson H Chowdhury, Founder Chairman of the Company. He obtained a Bachelor's degree from Rajshahi University and Masters in Business Administration from Trinity University, USA.

Mr. Chowdhury has a rich experience of more than 39 years in the pharmaceuticals, textiles, toiletries, media & communication sectors including capital market operations.

Mr. Samuel S Chowdhury is also a director of Square Pharmaceuticals PLC. (Listed Company) designated as Chairman and also acting as Chairman of 33 other limited companies namely Square Pharmaceuticals Kenya EPZ Ltd., Square Hospitals Ltd., Square Toiletries Ltd., Square Fashions Ltd., Square Food and Beverages Ltd., Square Denims Ltd. Square Apparels Ltd., Square Securities Management Ltd., Square Air Ltd., Sabazpur Tea Company Ltd. and Maasranga Television under the Square Group.

Director

Mr. Anjan Chowdhury

Non-Executive Director.



Mr. Anjan Chowdhury is a Director of the Board of Directors of Square Textiles PLC. since its inception in 1994, he is the youngest son of the late Samson H Chowdhury, Founder Chairman of the Company, who obtained a Bachelor's degree in Business Administration from the University of South Florida, USA.

He has a rich experience of more than 30 years in Pharmaceuticals, Hospitals, Textiles, RMG, IT, Healthcare, Toiletries, Food & Consumer Products, Organic Tea Plantation, Capital Market Operation & Satellite TV Broadcasting

Mr. Anjan Chowdhury is also Sponsor Director in 25 other limited companies namely Square Pharmaceuticals Kenya EPZ Ltd., Square Hospitals Ltd., Square Lifesciences Ltd., Square Textiles Ltd., Square Toiletries Ltd., Square Food & Beverages Ltd., Square Fashions Ltd., Square Denims Ltd., Square Informatics Ltd., Square Securities Management Ltd., Square Agro Development and Processing Ltd., Square Air Ltd., ASTRAS Ltd., Sabazpur Tea Company Ltd. and Maasranga Communications Ltd (Maasranga Television) under the Square Group.

Independent Director

Mr. Abul Kalam Azad

Mr. Abul Kalam Azad has appointed to the Board of Directors as Independent Directors in July, 2023.

A Commerce Graduate from the University of Chittagong and a Fellow Member (FCA) of the Institute of Chartered Accountants of Bangladesh.

He is the Founding Principal and Sole Practitioner of Azad Abul Kalam & Co., Chartered Accountants since 2008 and Founding Partner and Sole Practitioner of Azad Zamir & Co., Chartered Accountants since 1984.

Mr. Abul Kalam Azad was also the Independent Director of Envoy Textiles Ltd., a listed company, and Chairman of the Audit Committee.



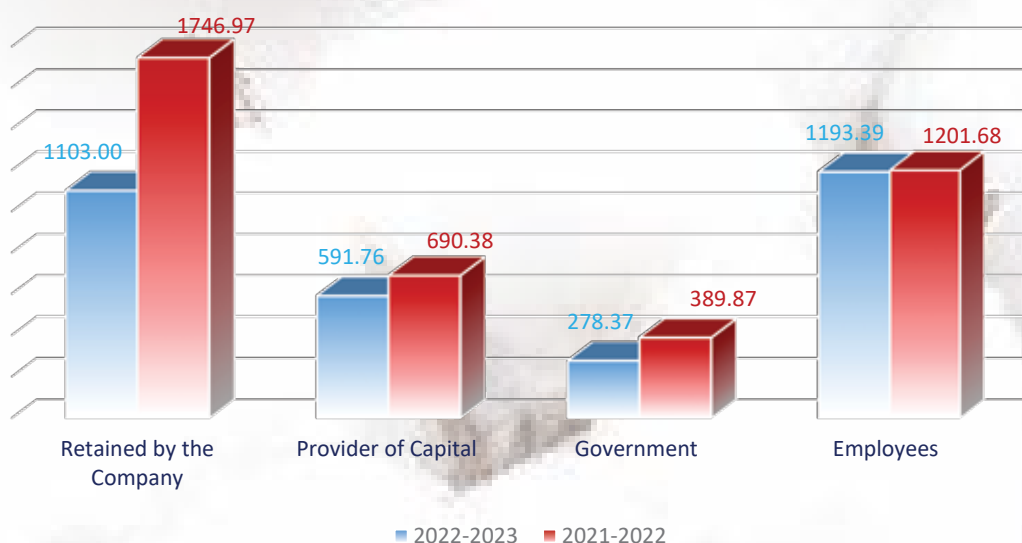
Statement of Value Addition



Year Ended 30 June 2023

Particulars	2022-2023	2021-2022
Source of Fund:		
Net Turnover	14,967,962,444	15,624,302,486
Less: Bought in Materials & Services	(11,853,907,676)	(11,648,739,633)
Add: Other Income	52,464,069	53,343,676
Value Added	3,166,518,837	4,028,906,529
Applied in the following Ways:		
Employees:	1,193,389,658	1,201,681,161
Salaries Wages Gratuity and Other benefits	1,130,762,613	1,095,192,610
Contribution to workers profit participation & welfare fund	62,627,045	106,488,551
Government:	278,373,261	389,870,436
Corporate Tax	181,119,297	323,466,429
Other Government Dues	97,253,964	66,404,007
Provider of Capital:	591,756,000	690,382,000
Dividend	591,756,000	690,382,000
Retained by the Company:	1,102,999,918	1,746,972,932
Depreciation	623,334,309	631,050,336
Retain Earning	479,665,609	1,115,922,596
	3,166,518,837	4,028,906,529

BDT in Million



Message From The Chairman

Dear Shareholders, Ladies
and Gentlemen

I believe you all have had the predictive form of mind and thinking about what the desired message could evoke from the Chair as the events over the past years had already shown to the world through various unfortunate effects and impacts on their lives. The most disastrous monsters were COVID-19 which laid almost all nations to the floor.

The matter did not end here. Before the sun could rise again the wars began to have its toll on the lives as peoples of almost all nations creating economic and financial disorders with shortage of food as well as all types of raw materials for the production of necessities as are required for survival.

The so called "sanctions" by powerful /resourceful nations did not hesitate to show their ugly tooth. Countries like Bangladesh, a growing economy graduating from an under-developed to a developing status suddenly began to suffer resulting in job losses, internal price-spiral, and shortage of all importable necessities due to shipping sanctions and currency crises therewith.

The result on our economy and international trade was obvious, Exports suffered, reserves and remittance from Wage-earners fell affecting the export-oriented industries with lower profit and loan defaults. The future seems to be more uncertain than ever.

I would request you all to face the situation with strong stamina and proceed with caution.

With best wishes.


Tapan Chowdhury
Chairman



Figures in '000

Particulars	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Turnover (Net)	14,967,962	15,624,302	11,924,705	9,505,326	8,896,244
Gross Profit	1,876,842	2,699,982	1,335,718	682,944	951,351
Net Profit (Before Tax)	1,252,541	2,129,771	733,098	90,140	435,911
Net Profit (After Tax)	1,071,422	1,806,305	621,634	51,362	346,462
Shareholders' Equity	9,098,502	8,717,463	7,305,662	6,881,280	7,224,422
Total Assets	17,584,856	15,029,581	15,418,898	14,190,038	12,954,548
Total Current Assets	8,269,586	7,413,708	8,523,673	7,272,823	6,396,837
Total Current Liabilities	8,203,191	5,732,488	5,207,496	7,094,063	5,494,425
Current Ratio	1.22	1.30	1.64	1.03	1.16

Shares Outstanding	197,252,000	197,252,000	197,252,000	197,252,000	197,252,000
Face Value per Share	10.00	10.00	10.00	10.00	10.00
Dividend (Cash)	30%	35%	20%	10%	20%
Dividend (Stock)	-	-	-	-	-
Net Asset Value Per Share (NAV)	46.13	44.19	37.04	34.89	36.63
Net Operating Cash Flow per Share	4.64	15.24	5.64	-0.42	-3.48
EPS-Earning per Share (Standalone)	5.43	9.16	3.15	0.26	1.76
EPS-Earning per Share (Consolidated)	5.81	9.93	3.41	0.27	2.18
EPS on Share Issued for Cash	42.53	71.71	24.68	2.04	13.75
Quoted Price per Share - DSE	67.50	66.40	47.50	29.00	45.70
Quoted Price per Share - CSE	67.50	68.80	46.00	29.70	45.80
Price Earnings Ratio-DSE (Time)	12.43	7.25	15.08	111.54	25.97
Price Earnings Ratio-CSE (Time)	12.43	7.51	14.60	114.23	26.02
Market Capitalization-DSE (in billion)	13.31	13.10	9.37	5.72	9.01
Market Capitalization-CSE (in billion)	13.31	13.57	9.07	5.86	9.03

Shareholders :	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Sponsors/Directors	7	7	7	7	7
Financial & other Institution	234	218	249	240	238
Foreign Investors	2	3	3	5	5
General Public	15,895	14,644	14,759	16,558	17,194
Total -	16,138	14,872	15,018	16,810	17,444

Employees :	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019
Executives	203	206	198	187	178
Non Executives	193	189	173	142	130
Workers	4,167	4,156	4,105	3,894	3,657
Total -	4,563	4,551	4,476	4,223	3,965

Report From The Managing Director

Dear Shareholders, Ladies
and Gentlemen

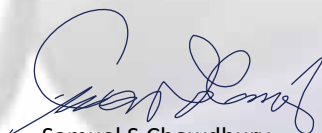
I am pleased to welcome you all at the 28th Annual General Meeting of the Company and submit the Annual Report containing Directors Report along with Financial Statements as required by laws and regulations for your kind consideration and approval as necessary.

An analysis of the Financial statements of the Company, as standalone, would reveal that while Turnover, mostly exports, fell only marginally during the current year, the cost of goods sold had increased due to increased import prices of raw materials/supplies resulting in decrease in Gross Profit by about 30%, which caused a heavy reduction of Net Profit (AT) by about 40%. The consequential effect on dividend is obvious.

The reason for increased cost of business is multifarious and is known to all of us. The situation in the future with more wars and world disorders in trade and financial system seems to be uncertain for doing business in every country.

We hope, the world leaders will succeed to avoid wars and eliminate disorders in every sphere of activities so that the peoples of all nations can breathe and survive.

With best wishes.


Samuel S Chowdhury
Managing Director



Management Apparatus



Management Committee

Mr. Samuel S Chowdhury Managing Director	Chairman
Mr. Anjan Chowdhury Director	Member
Mr. Md. Kabir Reza Head of Accounts & Finance	Member
Mr. Taslimul Hoque Head of Operations	Member

Audit Committee

Mr. Abul Kalam Azad Independent Director	Chairman
Mrs. Ratna Patra Director	Member
Mr. Anjan Chowdhury Director	Member
Mr. Sanjib Baran Roy Company Secretary	Secretary

Nomination and Remuneration Committee

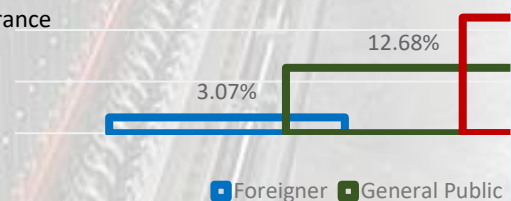
Mr. Abul Kalam Azad Independent Director	Chairman
Mrs. Ratna Patra Director	Member
Mr. Anjan Chowdhury Director	Member
Mr. Sanjib Baran Roy Company Secretary	Secretary

Operational Head

Ms. Sanchia Chowdhury	Head of Business Strategy
Mr. Eris S Chowdhury	Head of TSD and SCM
Ms. Anika Chowdhury	Head of Business Development
Mr. Taslimul Hoque	Head of Operations
Mr. Anjan Kumar Paul	Head of HR & Admin
Mr. Md. Shahid Raihan	Head of Production
Mr. Avijit Kumar Biswas	Head of Procurement
Mr. Shah Mohammad Faisal	Head of Sales & Marketing
Mr. Rajibul Kabir	Head of Supply Chain Management
Mr. Shah Didarul Islam	Head of Engineering
Mr. Subrata Roy	Head of Quality Assurance

The Ownership Structure

Sponsor	- 12.28%
Institutions	- 44.12%
General Public	- 25.32%
Foreigners	- 6.28%





Corporate Information

CFO, Company Secretary and HIAC

Mr. Md. Aminur Rahman, FCMA
Mr. Sanjib Baran Roy, FCS
Mr. Md. Mozibur Rahman, FCA

Chief Financial Officer
Company Secretary
Head of Internal Audit
and Compliance

Statutory Auditors

M/s. Ahmed Zaker & Co.
Chartered Accountants
Green City Edege, 10th Floor, 89 Kakrail
Dhaka

Compliance Auditors

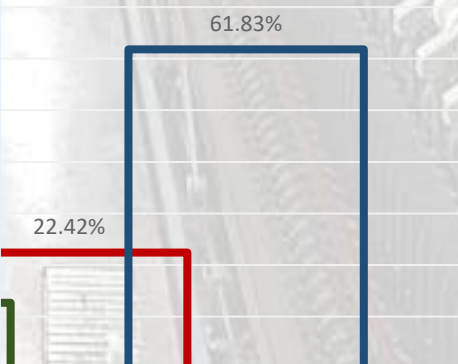
M/s Chowdhury Bhattacharjee & Co.
Chartered Accountants
47/8 Indira Road, Ground Floor
Dhaka

Legal Advisor

Mr. Rakanuddin Mahmud, Bar-at-Law
Ms. Nazia Kabir, Bar-at-Law

Shareholders

1,959,707 shares
4,215,173 shares
5,014,476 shares
5,062,644 shares



Institutions Sponsors/Directors

Bankers

Standard Chartered Bank, HSBC Bank Limited
Prime Bank Limited, Bank Alfalah Limited
The City Bank Limited
Commercial Bank of Ceylon PLC.

Insurers

Pioneer Insurance Co. Ltd.
Pragati Insurance Co. Ltd.
Eastland Insurance Co. Ltd.

Corporate Sustainability



At Square Textiles PLC. “Corporate Sustainability” is embedded within the principles and values of the company. Through successful “triple bottom line” performance, focusing on social, environmental and financial factors, the company is able to generate increased earnings, reduce material usage, energy expenditures and wastes, and increase social contribution. The focus on Sustainability has contributed to long-term success for the company over the years.

State of the art Facility

We focus on continuous efforts to introduce innovative means of production that allows for optimum utilization of materials and energy. Our state of the art production facility is equipped with upgraded technologies and machineries that are energy efficient as well environmental friendly. In 2018, we have introduced PCW plant (fabric crushing). We are the pioneer in introducing this technology in Bangladesh.

Ready Recycling Facility

The manufacturing facility is fitted to contain dust and waste discharge to the environment. On a daily basis, 4 (four) out of 6 (six) tons of waste materials, on average, are recycled. Hard wastes are crushed and reused as raw materials in production. Our PCW plant processes garment wastages into fibers. There are no chemical applications in our manufacturing process and hence there are no environmental damage as a result of any spillovers or emissions of harmful gas.

Minimizing Occupational Hazards

We follow stringent safety measures and regularly monitor and review occupational health and safety procedures. We ensure that our factory workers always follow the safety protocols necessary to ensure a hazard free working environment and uninterrupted operations. In regards to such health and safety issue, proper training and awareness are provided to all production employees.

Creating Product Diversity

We believe in “Product Diversity” as a means of economic sustainability. The company has about 40 percent product diversification within our total product port-folio.

This Product Diversity has led to enhancement of the company’s brand image, increased profitability, and risk mitigation.

Overall, our emphasis on Corporate Sustainability has led us to create a blend of strategies where financial & non-financial aspects are perfectly integrated within the good governance and management practices of the company, as well as engage all stakeholders in an open platform where financial, social and environmental issues are shared and communicated. All these have translated to positive outcomes that is beneficial to all parties within the value chain.

Sustainable Energy Program

Bangladesh is an active partner with UNDP in implementing Sustainable Development Goals (SDGs) also known as the Global Goals, were adopted by all United Nations Member States in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030.

SQUARE Textiles PLC. as a Spinner, it requires 19.50 MWh electricity to run operations. Out of total requirement, 16.50 MWh electricity generated from Natural Gas & HFO and 3.00 MWh outsourced from REB and other Merchant Power Plants. Considering Environment (Our Mother Planet’s Health), Cost of Energy, SQUARE Textiles has implemented its 1st phase for Solar Power Project. The Environmental and Fiscal benefits of this Solar Project is as follows;

- Installation Capacity : 2,646 Kwh
- Service period: 25 Years
- Energy Generating (Yearly): 4,683,420 Kwh (Daily average 6 hours @ 2,205 Kwh)
- Carbon Emission (Yearly): 3,138,818 Kg (Equivalent 1.43 Lac Matured Tree Plantation)
- Water Savings (Yearly): 43.46 Lac Liters
- Energy Cost Savings (Yearly): BDT 2.58 Crore



Corporate
Sustainability

Corporate Achievement

SQUARE TEXTILES PLC.

1994

Year of Establishment
(Incorporated as a Public Limited Company)

1997

Year of Operation

2000

☞ Awarded Oeko-Tex Standard 100 Certificate
☞ Awarded ISO-9001:2008 Certificate

2002

☞ Listing with Dhaka Stock Exchange Ltd. Chittagong Stock Exchange Ltd.

☞ Awarded CottonUSA Certificate

2003

Awarded SUPIMA license

2007

Awarded Global Organic Textiles Standard (GOTS) Certificate

2008

Awarded Cotton made in Africa (CmiA) Certificate

2009

Awarded USTERIZED Certificate

2022

Won Export Trophy Gold

2021

☞ Won Export Trophy Gold
☞ Received ICSB National Award for Corporate Governance Excellence

2020

Awarded "AA" rating in the long term and "ST-1" in short term by CRISL

2018

Won Export Trophy Gold

2017

☞ Awarded as Best Taxpayer Textiles Sector
☞ Awarded "AA" rating in the long term and "ST-1" in short term by CRISL

2015

Won ICSB National Award Gold for Corporate Governance Excellence.

2011

Authorized Capital BDT 3,000 million

2010

Received HSBC Export Excellence Award.



Directors' Report

Year Ended June 2023



The Board of Directors of the Company is delighted to present its Report for the financial year ended 30 June 2023 before the honorable Shareholders.

The Directors' Report is presented in accordance with the provisions of Section 184 of the Companies Act 1994, Rule 12 (and the schedule there under) of the Bangladesh Securities and Exchange Rules 2020, Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission and International Accounting Standard-1 as adopted by The Financial Reporting Council, Bangladesh.

OPERATIONAL OVERVIEW:

Textiles Sector

During the era of Mughal governance, Bengal emerged as a significant hub for the textile industry, attaining prominence from the 16th through the 18th century. Since the conclusion of the independence war in 1971, the economy of Bangladesh has predominantly revolved around the agricultural sector. During that period, Bangladesh first embraced industrialization based on the "Import-substitution" model.

However, it subsequently transitioned into an "Export" focused approach, with a particular emphasis on the textile industry.

At present, The Bangladesh Textile Industry is a crucial component of the country's economy, generating over 80% of its total exports and employing millions of workers. The industry is well known for producing a wide range of textiles, including cotton and synthetic fabrics, readymade garments, and home textiles. It is no surprise that Bangladesh has become a significant player in the global textile market and has emerged as the second

largest exporter of Ready-Made Garments (RMG) globally.

There are a number of issues that Bangladesh has to conquer in order to maintain its presence and advance in this sector. We are all aware that natural gas, low-cost labour, and affordable energy are the pillars around which this industry is built. In recent years, this topic has grown contentious, despite the fact that policymakers are actively devising the required reforms in order to safeguard this vital industry.

However, Bangladesh still continues to maintain its second position in RMG exports.

Spinning Sector

The spinning sector serves as the backbone of the textiles and garment industry in Bangladesh. It forms the initial stage of the textile production process, where raw cotton or other fibers are transformed into yarn. It produces the yarn used for weaving or knitting fabrics, which are then used in the production of various textile and apparel products.

The spinning sector is the first stage in the textile value chain, providing the yarn that is used to manufacture fabrics and garments. It plays a critical role in supplying the necessary raw materials for the textile and garment industry. The spinning mills produce a wide range of yarn types, including cotton yarn, synthetic yarn, and blended yarn. The variety of yarns produced caters to the diverse needs of the textile and apparel manufacturers in the country. The yarn produced in Bangladesh's spinning mills is used for both domestic consumption and export. The export of yarn to various countries, including China, Turkey, and other textile manufacturing nations, generates significant revenue and it is like the broader textiles industry, is labor-intensive, providing employment to a substantial number of people, both directly and indirectly.

Bangladesh has a substantial spinning capacity, with numerous spinning mills and factories across the country. The sector has seen consistent growth, and many modern and well-equipped spinning mills have been established. Square Textiles is one of them producing quality yarns and 3rd in position according to the export of yarns.

Similar to the broader textiles industry, sustainability and environmental considerations are becoming increasingly important and spinning mills are encouraged and emphasized to adopt eco-friendly practices and reduce their environmental footprint.

Yarn exports have the potential to increase, especially if Bangladesh continues to improve the quality of its products and explore new international markets.

The Government's support to the spinning sector through various incentives and policies, including duty drawbacks and subsidies will boost up to encourage investment and growth.

Operational Performance

Bangladesh's spinning industry is currently suffering from a number of problems that cause significant losses like decreased demand for yarn, low prices, overstocking, illegal trade, and increases in the cost of electricity, fuel and gas. Moreover, the short supply of gas bounds huge payments for diesel to run the backup generators.

According to industry sources, the orders fell by about 35%, for which almost all yarn manufacturers have extra yarn unsold. Moreover, the price of yarn in all counts has decreased by BDT 8.00 to 12.00 per pound, the resultant profit is negative, while the average loss is \$0.70 per kg.

Besides, there have been accusations of illegal imports of textiles, including yarn, from neighboring countries. Also, a vast volume of yarn is imported under the duty-free facility and sold on the open market without going to the weavers, which may have exacerbated the local textile mills' issue.

Square Textiles, to cope with the situation, has adopted a multiple-product mix to attain high-margin benefits as an alternative production technique. Hence, we have restated the production capacity installation criterion and actual production quantity to make them (the production data) equivalent and comparable. Still, production efficiency decreased in 2022-2023 from 97.34% to 94.58% against 2021-2022.

Standalone

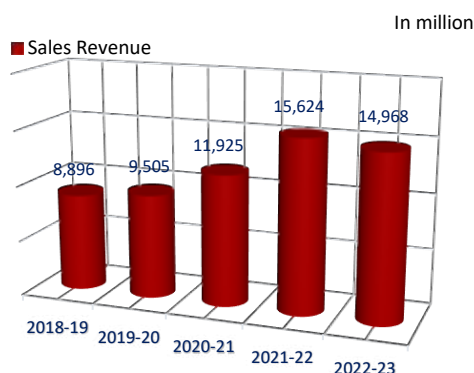
The Revenue from Operations and Operating Profit stood at BDT 14,967.96 and 1,573.12 million, compared to BDT 15,624.30 and 2,424.55 million respectively in the previous year, experiencing a decline of 4.20% and 35.12%.

The Net Profit After Tax also experienced a decline by 40.68% to BDT 1,071.42 million, compared to BDT 1,806.30 million in the previous year.

Consolidated

The Revenue from operations and Operating Profit stood at BDT 16,508.16 and 1,687.15 million, compared to BDT 17,432.25 and 2,618.85 million respectively in the previous year, noticing a drop of 5.30% and 35.58% respectively.

The Net Profit after Tax for the year also registered a decline of 41.52% to BDT 1,145.28 million, as against BDT 1,958.56 million in the previous year.



COMPANY'S OPERATIONS

Square Textiles is one of the leading manufacturers in Bangladesh that makes yarns for knitting and weaving. The company has been in the business for more than 26 years.

Square Textiles focuses on more sustainable and eco-friendly products, namely Organic, BCI, Tencel, Re-cycle (Cotton and Polyester) etc. They are also developing more value-added products, i.e., Galaxy, Flutter, Lurex, Mozaik, Neppy, Snow, Siro etc., which are more fashion trendy and have higher export value.

Square Textiles' products are widely known by their loyal customers for their superior quality and dedicated services.

CAPACITY/PRODUCTION

Competition in national and international markets has been fierce over the past few years. We have resorted to a more diverse product mix in pursuit of higher margins as a means of production in order to cope with the situation.

Because of this, we have restated the production capacity installation criterion and actual production quantity to make them (The production data) equivalent and comparable.

However, due to various unavoidable circumstances like the short supply of gas, the production efficiency registered declined in 2022-2023 to 94.58% from 97.34% than that of the efficiency of 2021-2022.

The total installed production capacity (at an average of 30s Ring and 14s O/E counts) as on June 30, 2023 was as follows:

<u>Spindles/Rotors</u>	In Nos.	
Particulars	2022-23	2021-22
<u>Installation:</u>		
Spindle Installed	129,262	129,262
Rotor head Installed	5,192	5,192
Vortex head Installed	3,168	3,168
<u>Operation:</u>		
Spindle Operated	129,262	129,262
Rotor head Operated	5,192	5,192
Vortex head Operated	3,168	3,168

<u>Product Capacity Installed</u>	in Kg	
Particulars	2022-23	2021-22
<u>Equivalent to-</u>		
30s Count (Ring Yarn)	19,234,705	19,470,638
14s Count (O/E Yarn)	11,023,466	10,984,367
30s Count (Vortex Yarn)	10,545,795	10,533,644
Total -	40,803,966	40,988,649

<u>Actual Production</u>	in Kg	
Particulars	2022-23	2021-22
Actual Production	42,586,429	44,723,006
<u>Equivalent to-</u>		
30s Count (Ring Yarn)	18,223,198	19,043,265
14s Count (O/E Yarn)	10,425,567	10,644,031
30s Count (Vortex Yarn)	9,941,652	10,210,973
Total -	38,590,417	39,898,269

<u>Production Efficiency</u>	in %	
Particulars	2022-23	2021-22
Equivalent to-		
30s Count (Ring Yarn)	94.74%	97.81%
14s Count (O/E Yarn)	94.58%	96.90%
30s Count (Vortex Yarn)	94.27%	96.94%
Total (Average) -	94.58%	97.34%

COST OF PRODUCTION

The cost of production has varied during the past years primarily due to wide fluctuations in the price of raw cotton, packing materials, fuel and power and spare parts which were beyond the control of the Management.

The level of costs and their incidence are given below:

Particulars	in Ton	
Particulars	2022-23	2021-22
Output of Yarn	42,586	44,723
Cost of Major Items	in Tk. '000	
Particulars	2022-23	2021-22
Raw Material Consumed	9,624,989	9,944,420
Packing Materials	150,877	143,436
Fuel/Power etc.	1,411,805	940,183
Spare Parts	287,125	243,822
Other Overhead	1,715,282	1,674,350
Total Cost -	13,190,078	12,946,211

Unit Cost/Kg.	in Tk.	
Particulars	2022-23	2021-22
Raw Material	226.01	222.36
Packing Materials	3.54	3.21
Fuel/Power etc.	33.15	21.02
Spare Parts	6.74	5.45
Other Overhead	40.28	37.44
Total Unit Cost-	309.72	289.48
Raw Material Cost % of Total Cost-	72.97%	76.81%

The above figure reveals that though the raw material cost per unit increased by 1.64%, packing materials cost increased by 10.28%, Fuel/ Power cost increased by 57.71%, Spare Parts cost increased by 23.67%, and other overhead increased by 7.59%, which lead to total unit cost increased by 6.99% in 2022-2023 over 2021-2022. During the year under review, the price of raw cotton in the international market was significantly unstable.

MARKETING OPERATIONS:

Market Exposure

The marketing efforts of the Company have consistently prioritized export sales, as evidenced by the following information:

<u>Quantity Sold (Kg)</u>	in '000	
Particulars	2022-23	2021-22
Export Sales	42,473	44,819
Total -	42,473	44,819

<u>Sales Revenue (Tk.)</u>	in '000	
Particulars	2022-23	2021-22
Export Sales	14,967,962	15,624,302
Total -	14,967,962	15,624,302

The above figures show that Sales Quantity decreased by 5.23% and Sales Revenue also decreased by 4.20% in 2022-2023 over 2021-2022.

Unit Selling Prices Attained

The selling prices (Taka/Kg) have changed over the years, as shown below:

Particulars	2022-23	2021-22
Export Sales	352.41	348.61
Total -	352.41	348.61

The above indicates that the selling price increased by 1.09% in 2022-2023 over 2021-2022

CAPITAL EXPENDITURES

In order to continuously enhance and expand the production facilities, the company invested a net capital expenditure of Tk. 2,325.92 million, as outlined below.

Particulars	in '000	
	2022-23	2021-22
Land/Civil Construction	416,070	322,504
Plan & Machinery	1,858,274	956,132
Other Fixed Assets	51,576	54,971
Total -	2,325,920	1,333,607

The above investments have enabled the company to increase the rate of production efficiency at a reasonable level over the years. The entire amount has been invested out of its internal generation of funds and bank borrowings.

INDUSTRY OUTLOOK

In the wake of the changing world demand structure, Bangladesh is on the right track to progressive higher demand for garments of mid to higher quality brands due to fiscal war between large economies such as the USA, China, EU, etc.

The sector offers great scope for expansion and doubles the foreign exchange earnings provided the Government rationalizes fiscal/monetary policies and provides necessary monetary/non-monetary support/incentives to local as well as strategic investors.

LOANS AND GUARANTEES

Details of loans granted and guarantees given during the year under review are depicted in Note No. 13, 15 and 36 of the standalone financial statement.

RELATED PARTY TRANSACTION

Square Textiles has engaged in a number of related party transactions, the details of which are detailed in Note No. 40 of the standalone Accounts.

FOREIGN EXCHANGE EARNED/SAVED

Square Textiles contributed substantially to the Foreign Exchange Reserve of the country during the year under review through its export marketing operation. This amounted to Tk. 2,373.56 million.

Details are depicted below:

Particulars	in '000	
	2022-23	2021-22
Total Export	15,687,889	15,874,023
Less Import		
Raw Materials	11,055,271	9,590,887
Spare Parts	357,940	258,681
Misc. (with BMRE)	1,901,121	1,005,681
Net Export	2,373,557	5,018,774

USTERIZED
Certified

FINANCIAL RESULTS

The Company's (standalone) operating financial result for the year ended 30 June, 2023, as compared to the previous year are summarized hereunder:

Particulars	2022-2023	2021-2022	↑↓ in %
Export Sales Revenue	14,967,962,444	15,624,302,486	4.20 ↘
Cost of Goods Sold	13,091,120,429	12,924,320,836	1.29 ↗
Gross Profit	1,876,842,015	2,699,981,650	30.49 ↘
Administrative Expenses	277,298,769	253,925,491	9.20 ↗
Selling & Dist. Expenses	26,421,188	21,510,989	22.83 ↗
Operating Income	1,573,122,058	2,424,545,170	35.12 ↘
Finance Cost	310,418,176	241,629,270	28.47 ↗
Non-Operating Income	52,464,069	53,343,676	1.65 ↘
Net profit before WPPF	1,315,167,951	2,236,259,576	41.19 ↘
Contribution WPPF	62,627,045	106,488,551	41.19 ↘
Net profit (Before Tax)	1,252,540,906	2,129,771,025	41.19 ↘
Provision for Income Tax	214,253,443	309,854,073	30.85 ↘
Provision for Deferred Tax	(33,134,146)	13,612,356	343.41 ↘
Net Profit (After Tax)	1,071,421,609	1,806,304,596	40.68 ↘
Gross Profit Margin	12.54%	17.28%	4.74 ↘
Net Profit Margin (AT)	7.16%	11.56%	4.40 ↘
EPS (Earning Per Share) in Taka	5.43	9.16	40.72 ↘

The Turnover decreased by 4.20%, along with Gross Profit and Net Profit (After Tax) by 30.49% and 40.68%, respectively, during the year 2022-2023 in comparison to the previous year. Gross Profit Margin as well as Net Profit Margin decreased by 4.74% and 4.40%, respectively. The Financial Result of the Company for the year 2022-2023 depicts a significant decrease due to productivity decreased by 2,137 tons (approx.) for the crisis of GAS supply, as well as the energy cost significantly increased due to the huge price hike of diesel and gas.

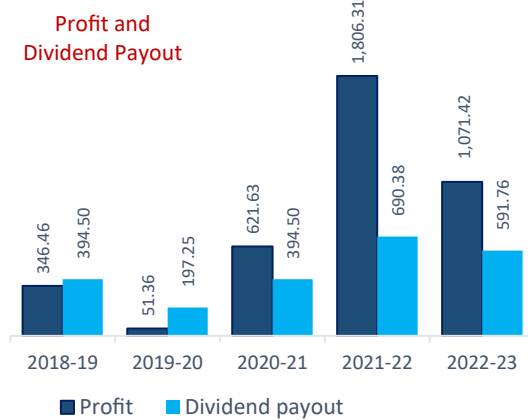
During this period, the selling price (in USD) of yarn also decreased due to lower demand in the RMG sector in both local and international markets. These

situations influenced the maximization of the unit cost of production and finally led to lower profitability during the reporting year than that of the previous year.

APPROPRIATION OF PROFIT

The Board of Directors recommended the appropriation of the net profit earned for the year ended June 30, 2023 in the following manner:

	in Taka
- Net profit (after tax) for the year ended June 2023.	1,071,421,609
- Recommended for Cash Dividend @30.00%.	591,756,000
- Net Un-appropriated Profit (for ploughing back)	479,665,609



RISK & CONCERN

The international situation in the coming years will largely determine the future of industry and commerce at home and abroad.

It is heartening, however, to see the government is identifying all of the factors that could stymie industry and commerce and taking appropriate measures to cope, as a result of which Bangladesh has begun to improve its position in the World Bank Ranking Hall of Progress' "Doing Business" Index.

INVESTMENT IN SUBSIDIARIES

Square Textiles has invested Tk. 489,333,960 as equity holder (99.88%) in the capital of Square Texcom Ltd.

As per provision of the Company Act 1994, Square Texcom Ltd. is a subsidiary of Square Textiles PLC. and, as such, the Directors Report, along with the Auditors' Report and Audited Financial Statement, have been included as part of this report.

CREDIT RATING REPORT

The Credit Rating Information and Services Ltd. (CRISL) reaffirmed the credit rating to Square Textiles on the basis of financial and other relevant quantitative and qualitative information on 14 December, 2022.

The reaffirmed ratings are:

Long Term Rating = "AA+", which indicates Higher Safety and Higher Credit Quality.

Short Term Rating = "ST-1", which indicates the Highest Certainty of Timely Repayment.

CONTRIBUTION TO NATIONAL EXCHEQUER

Square Textiles PLC. contributed an amount of Tk. 278.37 million during the year 2022-2023 to the National Exchequer, as against Tk. 389.87 million in the previous year of 2021-2022.

MINORITY INTERESTS

In compliance with Condition No. 1(5) (xvi) of the Corporate Governance Code 2018 of BSEC, the Board hereby confirms that the interests of the minority shareholders have been duly protected in the Company.

EXTRA-ORDINARY ACTIVITIES

The Company did not engage in or continue any extraordinary activities, and as a result, it did not suffer or gain any loss or gain as a result of such activities.

MANAGEMENT'S DISCUSSION & ANALYSIS

A Management's Discussion and Analysis signed by the Managing Director and presenting a detailed analysis of the

company's position and operations, along with a brief discussion of changes in the financial statements and other requirements of the Corporate Governance Code, is disclosed in Annexure- iii of this report.

UNCLAIMED/UNSETTLED DIVIDENDS

Unclaimed/unsettled dividends are taken care of according to directives of the Bangladesh Securities and Exchange Commission and other regulatory authorities from time to time.

Details of unclaimed/unsettled dividends for the years from 2002 to 2022 are presented on page 116 of this report.

CONSOLIDATION OF ACCOUNTS

In terms of BSEC Regulations, the company has consolidated the Accounts following the codes of International Accounting Standard - 28 & IFRS-10 reflecting shareholders' gross benefits/value of investments.

The consolidated financial statements are included in this Annual Report.

ELECTION OF DIRECTOR

Mr. Tapan Chowdhury, Director as well as Chairman of the Company, retired as per articles 125 & 126 of the Articles of Association and being eligible, offered themselves for re-election.

A brief resume and other information about the above-mentioned director are depicted in Annexure-ii.

APPOINTMENT OF INDEPENDENT DIRECTOR

The Board of Directors has appointed Mr. Abul Kalam Azad, FCA as Independent Director on 12th July, 2023 in place of Mr. S. M. Rezaur Rahman who has been relieved from the office of Independent Director of Square Textiles PLC on 12th July 2023, as he had expressed his inability to continue his responsibilities due to unavoidable personal reasons.

A brief resume and other information of the above-mentioned directors is depicted in Annexure-II.

APPOINTMENT OF STATUTORY AUDITORS

M/s Ahmed Zaker & Co., Chartered Accountants, an Independent Member Firm of Geneva Group International (GGI), was the Statutory Auditor for the year 2022-2023 and submitted an Unqualified Report on Financial Statements of Square Textiles PLC. for the year ended 30 June, 2023.

M/s Ahmed Zaker & Co. is not eligible for reappointment as they are delisted from the panel list of BSEC.

M/s. K. M. Hasan & Co., Chartered Accountants of Hometown Apartment, 8th & 9th Floor, 87 Eskaton Road, Dhaka expressed their interest to be appointed as auditors of the Company for the year 2023-2024.

The Board of Directors, in its meeting held on October 22, 2023, recommended their appointment.



Credit Rating By CRISL

APPOINTMENT OF COMPLIANCE AUDITORS

M/s Chowdhury Bhattacharjee & Co., Chartered Accountants, retired at this Annual General Meeting and being eligible, offered themselves for re-appointment as Compliance Auditor of the Company for the year 2023-2024.

The Board of Directors, in its meeting held on October 22, 2023, recommended their appointment.

TO APPROVE THE SALE OF GOODS TO THE SISTER CONCERN OF SQUARE TEXTILES PLC.

Square Textiles PLC. is required to obtain approval of the shareholders with regard to the sale of goods to the sister concern amounting to 10% or above of the total revenue or turnover as shown on the statement of profit or loss and comprehensive income for the immediate preceding financial year as per clause 1 of the Notification No. BSEC/CMRRCD/ 2009-193/10/Admin/118 dated March 22, 2021 by the Bangladesh Securities and Exchange Commission.

DIRECTORS' DECLARATION ON THE FINANCIAL STATEMENTS

As a part of corporate good governance, the Board is accountable for providing a true and fair view of the company's financial performance and status. To that end, the Directors affirm to the best of their knowledge that:

- The Financial Statements of the Company present a true and fair view of the Company's state of affairs, a result of its

operation, cash flows and changes in equity.

- Proper books of accounts as required by the prevailing laws have been maintained.
- Appropriate accounting policies have been constantly applied in the preparation of the financial statements and the accounting estimates are based on reasonable and prudent.
- The financial statements were prepared in accordance with IAS/IFRS as applicable in Bangladesh.
- The internal control system is sound in design and is effectively implemented and monitored.
- There is no significant doubt about the company's ability to continue as a going concern.
- There is no significant deviation from the operating result of the last year.
- Remuneration paid to Mr. Samuel S Chowdhury, Managing Director has been shown in Note # 22 in the notes of accounts.
- Key operating and financial data of the last 5 (five) years have been presented in summarized form in Page No. 12.

CORPORATE GOVERNANCE COMPLIANCE REPORT

In accordance with the requirements of the Corporate Governance Code 2018 of the Bangladesh Securities and Exchange Commission, an additional statement in pursuance of Clause 1 (5), resume of the directors who shall be reappointed, Management Discussion Analysis, Certificate from the CEO and CFO to the Board, Certificate on Compliance of the Conditions



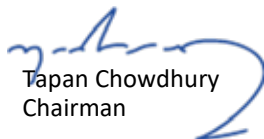
of the Corporate Governance Code 2018 by the Compliance Auditors and Status of Compliance are depicted in the Annexure - i, ii, iii, iv, v, and vi respectively.

The Audit Committee Report, the Nomination and Remuneration Policy, and the Dividend Distribution Policy are also presented in the Annual Report.

MANAGEMENT APPRECIATION

The Board of Directors records with deep appreciation the performance of the management, the officers, staff and workers whose relentless efforts helped to increase productivity as well as the turnover despite the natural and unnatural adverse factors of production and marketing throughout the country and the world. It is expected the employees and management will continue to improve the results in the interest of shareholders, whose unswerving trust in management has always been an inspiration to the Board of Directors.

The Directors humbly express their gratitude and acknowledge with keen interest the cooperation and unflinching support they have received from various agencies, including the Bangladesh Securities and Exchange Commission, the Stock Exchanges, the National Board of Revenue and other agencies of the public and private sector. We look forward to a brighter future for all of us.



Tapan Chowdhury
Chairman

- In the event of conflict between English text and Bangla text of this report, English text shall prevail.

SQUARE TEXTILES PLC.





Board Meeting and Attendance 2022-2023

Under Condition # 1(5)(xxii) of CGC

Name of the Directors	Position	Meeting Held	Attended
Mr. Tapan Chowdhury	Chairman	10	10
Mrs. Ratna Patra	Vice Chairman	10	10
Mr. Samuel S Chowdhury	Managing Director	10	10
Mrs. Anita Chowdhury	Director	10	1 *
Mr. Anjan Chowdhury	Director	10	10
Mrs. Nihad Kabir	Independent Director	10	2 **
Mr. S M Rezaur Rahman	Independent Director	10	10

* Passed away on 13-11-2022

** Relieved from the office on request on 20-10-2022

Pattern of Shareholding as on 30 June 2023

Under Condition # 1(5)(xxiii) of CGC

Name of the Shareholders	Status	Shares held	%
i. Parent/Subsidiary/Associated Companies and other related parties.	-	-	-
ii. Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and their Spouses and Minor Children's:			
Mr. Tapan Chowdhury	Chairman	6,588,167	3.34
Mrs. Ratna Patra	Vice Chairman	4,474,493	2.27
Mr. Samuel S Chowdhury	Managing Director	6,181,939	3.13
Mrs. Anita Chowdhury	Director	5,843,083	2.96
Mr. Anjan Chowdhury	Director	5,401,909	2.74
Mrs. Nihad Kabir	Independent Director	-	-
Mr. S M Rezaur Rahman	Independent Director	-	-
Mr. Aminur Rahman	Chief Financial Officer	-	-
Mr. Sanjib Baran Roy	Company Secretary	-	-
Mr. Mozibur Rahman	Head of Internal Audit & Compliance	25,800	0.013
iii. Executives:			
Mr. Taslimul Hoque	Head of Operations	848	0.0008
Mr. Md. Shahid Raihan	Head of Production	-	-
Mr. Avijit Kumar Biswas	Head of Procurement	-	-
Mr. Shah Mohammad Faisal	Head of Sales & Marketing	-	-
Mr. Rajibul Kabir	Head of Supply Chain Management	-	-
iv. Shareholders Holding 10% or more voting interest in the company:			
Square Pharmaceuticals PLC.	Sponsor Shareholder	91,436,679	46.36

Directors Profile

Who are seeking appointment
Under Condition # 1(5)(xxiv)(a) of CGC

Annexure II
to the Directors' Report



RE-APPOINTMENT OF DIRECTOR

Mr. Tapan Chowdhury

Mr. Tapan Chowdhury is a Director of the Company since its inception in 1994 and was appointed as Chairman in 2018.

He is the second son of late Samson H Chowdhury, founder Chairman of the Company, a science graduate from the University of Dhaka, Diploma in Marketing and Management, United Kingdom and has completed different advanced courses on Business Management in Europe.



Having a prosperous experience of more than 43 years in Textiles, RMG, Pharmaceuticals, Hospitals, IT, Healthcare, Toiletries,

Food & Consumer Products, Organic Tea Plantation, Capital Market Operation & Satellite TV Broadcasting.

Mr. Tapan Chowdhury also Sponsor Director in 25 other private limited company namely Square Pharmaceuticals Kenya EPZ Ltd., Square Hospitals Ltd., Square Lifesciences Ltd., Square Textiles PLC., Square Toiletries Ltd., Square Food & Beverages Ltd., Square Fashions Ltd., Square Denims Ltd., Square Informatics Ltd., Square Securities Management Ltd., Square Agro Development and Processing Ltd., Square Air Ltd., ASTRAS Ltd., Sabazpur Tea Company Ltd. and Maasranga Communications Ltd (Maasranga Television) under the Square Group.

He was an Adviser (Minister) to the Caretaker Government of Bangladesh in 2007. Mr. Chowdhury was also a Former President of Metropolitan Chamber of Commerce and Industry (MCCI), Bangladesh Textile Mills Association (BTMA), Bangladesh Association of Publicly Listed Companies (BAPLC), Bangladesh YMCA and National Church Fellowship of Bangladesh.

At present he is the Chairman of Bangladesh Herbal Product Manufacturing Association, Koinonia Bangladesh., Vice President of Baptist World Alliance and Asia Pacific Baptist Federation, Member of the Advisory Committee, Ministry of Commerce, Executive Committee of International Chamber of Commerce (ICC), Independent Board of NIRAPON, Advisory Committee of Bangladesh Association of Pharmaceutical Industries (BAPI), Board of Governors of Bangladesh Enterprise Institute (BEI), and Core Member of United Baptist Church Trust Association.

Mr. Tapan Chowdhury has been awarded several times as the highest individual taxpayer in the country.

APPOINTMENT OF INDEPENDENT DIRECTOR

Mr. Abul Kalam Azad

Mr. Abul Kalam Azad, a Commerce Graduate from the University of Chittagong, and a Fellow Member (FCA) of the Institute of Chartered Accountants of Bangladesh.



Mr. Azad has been the Founding Principal and Sole Practitioner of Azad Abul Kalam & Co., Chartered Accountants, since 2008 and also the Founding Partner and Sole Practitioner of Azad Zamir & Co., Chartered

Accountants, since 1984.

Mr. Azad was the Independent Director as well as the Chairman of the Audit Committee of Envoy Textiles Ltd.



Management's Discussion & Analysis

Under Condition # 1(5)(xxv) of CGC

Pursuant to Condition No. 1 (5) (xxv) of the Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission, the Management's Discussion & Analysis for the year ended 30 June, 2023 are presented hereunder:

ACCOUNTING POLICIES AND ESTIMATION FOR PREPARATION OF FINANCIAL STATEMENTS:

Square Textiles PLC. follows International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) along with prevailing local rules and regulations applicable to the preparation of financial statements. Detail descriptions of accounting policies and estimations used for the preparation of the financial statements of the Company are disclosed in Notes No. 2 and 3 to the standalone financial statements.

CHANGES IN ACCOUNTING POLICIES AND ESTIMATION:

Square Tex has been following consistent policies and estimations and there are no such changes in accounting policies or estimations which a material impact on financial statements.

COMPARATIVE ANALYSIS OF FINANCIAL AND OPERATIONAL PERFORMANCE:

The Directors' Report provides the analysis of financial performance and position during the year under review and a detailed comparison of financial performance and position as well as cash flows are presented as part of the financial statements including notes.

However, major areas of financial performance, financial position as well as cash flows with the immediate preceding five years including the effects of inflation are depicted herein below:

Figures Tk. in '000

Particulars	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Financial Performance						
Revenue	14,967,962	15,624,302	11,924,705	9,505,326	8,896,244	6,367,125
Gross Profit	1,876,842	2,699,982	1,335,718	682,944	951,351	671,530
Net Profit (Before Tax)	2,129,771	2,129,771	733,098	90,140	435,911	348,045
Net Profit (After Tax)	1,071,422	1,806,305	621,634	51,362	346,462	290,914
Financial Performance (Inflation Adjusted)						
						Base Year
Revenue	10,737,893	12,300,478	10,090,128	8,496,586	8,430,861	6,367,125
Gross Profit	1,346,431	2,125,603	1,130,222	610,467	901,584	671,530
Net Profit (Before Tax)	1,527,880	1,676,696	620,313	80,574	413,107	348,045
Net Profit (After Tax)	768,629	1,422,042	525,998	45,911	328,338	290,914
Financial Position						
Shares Outstanding	197,252,000	197,252,000	197,252,000	197,252,000	197,252,000	187,859,048
Shareholders' Equity	9,098,502	8,717,463	7,305,662	6,881,280	7,224,422	5,386,034
Total Assets	17,584,856	15,029,581	15,418,898	14,190,038	12,954,548	9,425,480
Total Liability	8,486,354	6,312,119	8,113,236	7,308,758	5,730,126	4,039,447
Current Assets	8,269,586	7,413,708	8,523,673	7,272,823	6,396,837	4,430,793
Current Liabilities	8,203,191	5,732,488	5,207,496	7,094,063	5,494,425	3,910,867

Particulars	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
Financial Position (Inflation Adjusted)						Base Year
Shares Outstanding	141,506,968	155,289,747	166,905,420	176,318,886	186,933,283	187,859,048
Shareholders' Equity	6,527,191	6,862,960	6,181,710	6,151,013	6,846,495	5,386,034
Total Assets	12,615,232	11,832,275	13,046,751	12,684,139	12,276,865	9,425,480
Total Liability	6,088,041	4,969,315	6,865,041	6,533,125	5,430,370	4,039,447
Current Assets	5,932,533	5,836,559	7,212,334	6,501,004	6,062,203	4,430,793
Current Liabilities	5,884,902	4,512,992	4,406,340	6,341,215	5,206,999	3,910,867
Cash Flow						
Net Cash Generated from Operating Activities	914,288	3,006,352	1,112,290	(83,287)	(686,379)	(290,861)
Net Cash Used in Investing Activities	(2,322,470)	(1,326,347)	(584,615)	(874,167)	(1,432,871)	(1,341,726)
Net Cash Used in Financing Activities	1,494,874	(2,522,099)	591,164	1,042,556	1,771,675	1,696,880
Cash Flow (Inflation Adjusted)						Base Year
Net Cash Generated from Operating Activities	655,903	2,366,798	941,168	(74,448)	(650,473)	(290,861)
Net Cash Used in Investing Activities	(1,666,121)	(1,044,188)	(494,674)	(781,397)	(1,357,914)	(1,341,726)
Net Cash Used in Financing Activities	1,072,410	(1,985,562)	500,215	931,916	1,678,995	1,696,880
Financial Ratio						
Current Ratio	1.01	1.29	1.64	1.03	1.16	1.13
Debt to Equity	0.93	0.72	1.11	1.06	0.79	0.75
Gross Profit Margin (In %)	12.54%	17.28%	11.20%	7.18%	10.69%	10.55%
Net Profit Margin (In %)	7.16%	11.56%	5.21%	0.54%	3.89%	4.57%
Return on Equity (In %)	11.78%	20.72%	8.51%	0.75%	4.80%	5.40%
Return on Assets (In %)	6.09%	12.02%	4.03%	0.36%	2.67%	3.09%
Ordinary Shares Information						
Shares Outstanding	197,252,000	197,252,000	197,252,000	197,252,000	197,252,000	187,859,048
Face Value per Share	10.00	10.00	10.00	10.00	10.00	10.00
Dividend-Cash (In %)	30	35	20	10	20	20
Dividend-Stock (In %)	0	0	0	0	0	5
Dividend Payout (Cash+Stock) in '000	591,756	690,382	394,504	197,252	394,504	469,648
Net Assets Value per Share	46.13	44.19	37.04	34.89	36.63	27.31
Net Operating Cash Flow per Share	4.64	15.24	5.64	-0.42	-3.48	-1.48
EPS-Earnings per Share (Standalone)	5.43	9.16	3.15	0.26	1.76	1.47
EPS-Earnings per Share (Consolidated)	5.81	9.93	3.41	0.27	2.18	2.32
EPS on Share Issued for Cash	42.53	71.71	24.68	2.04	13.75	11.55
Inflation Rate (In %)	9.74	7.48	5.64	6.02	5.52	5.78

Inflation Rate Source: Bangladesh Bureau of Statistics \

COMPARISON OF FINANCIAL PERFORMANCES WITH PEER INDUSTRY SCENARIO:

A comparison of financial performances, financial position as well as cash flows for the year ended 30 June, 2022 of 5 (five) spinning companies are presented below in order of market capitalization:

Figures Tk. in '000

Particulars	Square Tex	Paramount Tex	Matin Spinning	Envoy Textiles	Malek Spinning
Financial Performance					
Revenue	15,624,302	6,615,529	6,002,688	12,401,550	4,044,427
Gross Profit	2,699,982	995,630	1,611,938	1,726,219	442,678
Net Profit (Before Tax)	2,129,771	825,326	1,244,830	596,395	280,777
Net Profit (After Tax)	1,806,305	760,009	1,051,761	501,308	242,019
Financial Position					
Shares Outstanding (in Million)	1,972.52	1628.34	974.90	1,677.35	1,936.00
Shareholders' Equity	8,717,463	4,819,728	5,910,585	6,409,047	5,148,584
Total Assets	15,029,581	17,116,230	10,391,089	19,721,351	7,933,975
Total Liabilities	6,312,119	12,296,502	4,480,504	13,312,304	2,785,391
Current Assets	7,413,708	7,204,075	4,488,533	9,314,286	3,887,575
Current Liabilities	5,732,488	6,229,625	4,222,906	8,328,214	2,324,713
Cash Flow					
Net Cash Generated from Operating Activities	3,006,352	571,588	601,835	576,110	423,364
Net Cash Used in Investing Activities	(1,326,347)	(4,623,830)	(1,303,873)	(595,473)	(228,474)
Net Cash Used in Financing Activities	(2,522,099)	4,116,161	801,386	89,495	(170,175)
Market Capitalization (in million)	13,314	7,897	7,565	7,481	5,266

FINANCIAL AND ECONOMIC SCENARIO OF BANGLADESH AND THE GLOBAL (IN BRIEF):**Bangladesh:**

Bangladesh has proven a robust history of development and progress, particularly during times of increased international volatility. Over the past 20 years, fast economic expansion has been backed by a large demographic dividend, trustworthy ready-made garment (RMG) exports, sustained remittance inflows, and stable macroeconomic circumstances.

Bangladesh's story of reducing poverty and growing is truly inspiring. In 1971, Bangladesh was one of the poorest countries in the world. By 2015, it was among the lower-middle income. In 2026, it ought to be off the UN's ranking of the Least Developed Countries (LDCs). Using the world poverty line of \$2.15 a day as a direction, the

percentage of poor people fell from 41.9 percent in 1991 to 13.50 percent in 2016.

Furthermore, there were notable enhancements in human development outcomes across several dimensions.

While the Bangladeshi economy has been slowly recovering from the effects of COVID-19 and the current Russia-Ukraine conflict, the recent downturn in global economic development has been weighing on the country's progress.

Prior to the COVID-19 period, GDP growth in Bangladesh was 7.88 percent in FY 2018-19. The growth rate during the COVID-19 slowed to 3.45 percent in FY 2019-20 before picking up speed to 6.94 percent in FY 2020-21 and 7.10 percent in FY 2021-22. The Bangladesh Bureau of Statistics (BBS) reported that in the current FY 2022-23, the GDP growth rate reached 6.03 percent, as well as the per capita national income reached US\$ 2,765.

The inflation averaged 6.15 percent in the fiscal year 2021-22, up 0.59 percentage points from the fiscal year 2020-21. In the first 10 months of the current fiscal year (July-April, 2023), the average inflation rate is 8.85 percent, compared to 5.88 percent in the same time of the previous fiscal year. The annualized rate of inflation was 9.24 percent in April 2023, compared to 6.29 percent in April 2022. This is a significant increase in the rate of inflation. The government has implemented a number of measures as part of both its fiscal and monetary policies in order to keep inflation at a level that is manageable.

To improve the circumstances in the future, we need to get more investment, fix infrastructure problems that slow things down, make sure of availability of the gas and electricity, get rid of corruption from all sectors, keep the political climate stable, and create more jobs for skilled workers.

However, the government is working assiduously towards the goals of becoming an upper-middle-income country by 2031 and a knowledge-based, lively, and prosperous developed nation by 2041.

The Global:

The Ukraine's war has caused an enormous catastrophe for humanity, which ought to be resolved peacefully. At the same time, economic damage from the conflict is contributing to a significant slowdown in global growth and adding to inflation. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest.

As per the International Monetary Fund (IMF), Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than projected in January. Beyond 2023, global growth is forecast to decline to about 3.3 percent over the medium term.

War-induced commodity price increases and broadening price pressures have led to 2022

inflation projections of 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies- 1.8 and 2.8 percentage points higher than projected last January.

Monetary policy should stay the course to restore price stability, and fiscal policy should aim to alleviate the cost-of-living pressures while maintaining a sufficiently tight stance aligned with monetary policy.

The implementation of structural reforms has the potential to provide further assistance in reducing inflation by enhancing productivity and alleviating limitations in the supply chain. Moreover, the promotion of multilateral cooperation is crucial in expediting the transition towards green energy and mitigating the risk of fragmentation.

RISKS AND CONCERNS ISSUES RELATED TO THE FINANCIAL STATEMENTS:

Square Tex has exposure to Counterparty Risk, Financial Risk, Credit Risk, Liquidity Risk, and Market Risk arising from the financial statements. The detailed explanation of risk and concerns are explained in Note 3.12 to the consolidated financial statements. Square Tex has sufficient and effective measures/ controls to mitigate the risks and concerns.

FUTURE PLAN OR PROJECTION OR FORECAST:

Square Textiles PLC.'s management is highly concerned with implementing the essential, achievable plans and strategy in terms of sustainability in its performance and financial position, and promises to continue operations for the foreseeable future.


Samuel S Chowdhury
Managing Director



Declaration by CEO and CFO

Under Condition # 1(5)(xxvi) of CGC

Annexure IV
to the Directors' Report



The Board of Directors
Square Textiles PLC.
Square Centre, 48 Mohakhali C.A.
Dhaka.

Date: 11 October, 2023

Subject: Declaration on Financial Statements for the year ended on 30th June, 2023.

Dear Sirs,

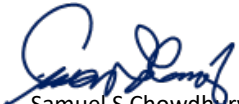
Pursuant to condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/ CMRRCD/2006 -158/207/Admin/80 Dated 3 June, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:


1. The Financial Statements of Square Textiles PLC. for the year ended on 30th June, 2023 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh and any departure therefrom has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure the above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on 30th June, 2023, and to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which is fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,


Samuel S Chowdhury
Managing Director


Md. Aminur Rahman
Chief Financial Officer

Certificate of Compliance

Under Condition # 1(5)(xxvii) of CGC

Annexure V
to the Directors' Report



Report to the Shareholders of Square Textiles PLC. on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Square Textiles PLC. for the year ended on 30th June, 2023. This Code relates to the Notification No. BSEC/CMRRCD/2006 -158/207/Admin/80 Dated 3 June, 2018 of the Bangladesh Securities and Exchange Commission.

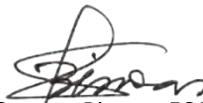
Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management to ensure compliance with the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance with the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, that we required, and after due scrutiny and verification thereof, we report that in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission.
- (b) The company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws, and other relevant laws and
- (d) The governance of the company is satisfactory.

Place : Dhaka
Dated : 02 November, 2023


Saptam Biswas, FCA
Partner
Enrollment No: 1615
Chowdhury Bhattacharjee & Co.
Chartered Accountants



Status of Compliance

Under Condition # 1(5)(xxvii) of CGC

Condition No.	Title	Compliance Status		Remarks (If any)
		Compiled	Not Compiled	
1.00	Board of Directors			
1.1(1)	Board Size (minimum - 5 and maximum - 20)	√		
1.2(2)	Independent Director			
1.2(a)	1/5th of the total as Independent Director (ID)	√		
1.2(b)(i)	Does not hold any share of less than 1% shares in the Company	√		
1.2(b)(ii)	Not a Sponsor of the Company	√		
1.2(b)(iii)	Who has not been an executive of the company	√		
1.2(b)(iv)	Does not have other relationship	√		
1.2(b)(v)	Not a Member or TREC, Director or Officer of any Stock Exchange	√		
1.2(b)(vi)	Not a Shareholder/Director/Officer of any Member/TREC holder of Stock Exch.	√		
1.2(b)(vii)	Not a partner or an Executive or was not a partner or an Executive during the preceding 3 (Three) years of the concerned Company's statutory audit firm.	√		
1.2(b)(viii)	Not an Independent Director in more than five listed Companies.	√		
1.2(b)(ix)	Not Convicted by a court of competent jurisdiction as a defaulter in payment of any loan/advance to a Bank or a Non-Bank Financial Institution.	√		
1.2(b)(x)	Not convicted for a Criminal Offence	√		
1.2(c)	Appointed by the Board and approved by the shareholders in AGM.	√		
1.2(d)	Post cannot remain vacant more than 90 days.	√		
1.2(e)	Tenure of the Independent Director.	√		
1.3	Qualification of Independent Director			
1.3(a)	Independent Director shall be a knowledgeable individual.	√		
1.3(b)(i)	Business Leader who is or was a promoter or director of an unlisted company.	√		
1.3(b)(ii)	Should be a Corporate Leader/Business Leader.	√		
1.3(b)(iii)	Former official of the government.	√		
1.3(b)(iv)	University Teacher who has an educational background in Economics or Commerce or Business Studies or Law.	√		
1.3(b)(v)	Professional Chartered Accountant/ Secretary or equivalent qualification.	√		
1.3(c)	The independent director shall have at least 10(ten) years of experience.	√		
1.3(d)	Relaxation in special cases.			N/A
1(4)	Quality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The posts of Chairperson of the board and CEO are different individuals.	√		
1(4)(b)	MD and/or CEO of a listed Company shall not hold the same position in another listed Company.	√		
1(4)(c)	The Chairperson shall be elected from among the non-executive directors.	√		
1(4)(d)	The Board shall clearly define the respective roles and responsibilities of the Chairperson and the Managing Director and/or CEO.	√		
1(4)(e)	In absence of the Chairperson of the Board etc.	√		
1(5)	The Directors' Report to Shareholders :			
1(5)(i)	Industry outlook and possible future developments in the industry	√		
1(5)(ii)	Segment-wise or product-wise performance	√		
1(5)(iii)	Risks and concerns including internal and external risk factors.	√		
1(5)(iv)	Discussion on Cost of Goods sold Gross profit Margin and Net Profit Margin.	√		
1(5)(v)	Discussion on continuity of any extraordinary activities and implications.	√		
1(5)(vi)	Detailed discussion and statement on related party transactions.	√		
1(5)(vii)	Utilization of proceeds from public/rights issues and/or through any others.			N/A
1(5)(viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing, etc.			N/A
1(5)(ix)	Explanation by the Management if significant variance occurs between Quarterly Financial Performance and Annual Financial Statements.			N/A
1(5)(x)	Remuneration to Directors including Independent Director.	√		
1(5)(xi)	Statement that financial statements prepared by the management of the issuer present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	√		
1(5)(xii)	Proper books of account of the issuer company have been maintained.	√		
1(5)(xiii)	Appropriate accounting policies have been consistently applied in preparation to the financial statements and the accounting estimates are based on reasonable and prudent judgment.	√		
1(5)(xiv)	International Accounting Statement (IAS) Bangladesh Accounting Standard (BAS) /International Financial Reporting standard (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	√		
1(5)(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.	√		
1(5)(xviii)	Significant deviations from the last year's operation results of the issuer company shall be highlighted and the reasons there of should be explained.	√		

Condition No.	Title	Compliance Status		Remarks (If any)
		Compiled	Not Compiled	
1(5)(xix)	Key operating and financial data of at least preceding 5 (Five) years shall be summarized.	√		
1(5)(xx)	If the issuer company has not declared a dividend (cash or stock) for the year, the reasons thereof shall be given.			N/A
1(5)(xxi)	Board's statement to the effect that no bonus shares or stock dividend paid as interim dividend.			N/A
1(5)(xxii)	The number of Board meetings held during the year and attendance by each Director shall be disclosed.	√		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate (name wise details).	√		
1(5)(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details).	√		
1(5)(xxiii)(b)	Directors, CEO, Company Secretary, CFO, HIAC and their spouses and minor children (name wise details).	√		
1(5)(xxiii)(c)	Executives	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		
1(5)(xxiv)(a)	A brief resume of the director in case of appointment or reappointment.	√		
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas.	√		
1(5)(xxiv)(c)	Names of the companies in which the person also holds the directorship and	√		
1(5)(xxv)	Management discussion and analysis signed by CEO/MD presenting detail analysis of the company's position and operations.			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements.	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation as well as cash flows on absolute figure for such changes	√		
1(5)(xxv)(c)	Comparative analysis and financial position as well as cash flow for current financial year with immediate preceding five years explaining reasons	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario.	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and globe.	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements.	√		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation shall be explained to the shareholders in the next AGM	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(30) shall be disclosed as per Annexure-A	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed	√		
1(6)	Meeting of the Board of Directors			
1(6)	Compliance under Bangladesh Secretarial Standards (BSS).	√		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee(NRC)	√		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior.....	√		
2	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary.	√		
2(b)	Independent Director of holding company also in the subsidiary company.	√		
2(c)	Minutes of subsidiary to be placed in the meeting of holding company.	√		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company.	√		
2(e)	The Audit Committee of the holding company shall also review the financial statements in particular the investments made by the subsidiary company.	√		
3	Managing Director (MD) or Chief Executive Officer, Chief Financial Officer (CFO), Head of Internal Audit and			
3.1	Appointment			
3(1)(a)	Board shall appoint a MD or CEO, Company Secretary, CFO, and HIAC.	√		
3(1)(b)	The positions of the MD,CEO,CS,CFO & HIAC shall be filled by different individuals.	√		
3(1)(c)	The MD or CEO, CS, CFO, and HIAC of a listed company shall not hold any executive position in any other company at the same time.	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS.	√		
3(1)(e)	MD or CEO, CS, CFO, and HIAC shall not be removed from their position without approval of the Board and be disseminated to the commission and exchange.	√		
3.2	Requirement to attend Board of Directors' Meetings			
3(2)	MD or CEO,CS,CFO and HIAC shall attend the meetings of the Board.	√		
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)(i)	The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	√		
3(3)(a)(ii)	The statements together present a true and fair view of the company's affairs and are in compliance	√		
3(3)(b)	The MD or CEO and CFO to certify on due diligence in the Report.	√		



Condition No.	Title	Compliance Status		Remarks (If any)
		Compiled	Not Compiled	
3(3)(c)	The certification of the MD/CEO and CFO shall be disclosed in the Annual Report.	√		
4	Board of Directors' Committee			
4 (i)	Audit Committee	√		
4 (ii)	Nomination and Remuneration Committee	√		
5	Audit Committee			
5.1	Responsibility to the Board of Directors			
5(1) (a)	Company shall have an Audit Committee as a sub-committee of the Board.	√		
5(1) (b)	Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company.	√		
5(1) (c)	Audit Committee shall report on its activities to the Board of Directors.	√		
5.2	Constitution of the Audit committee			
5(2) (a)	The Audit Committee shall be composed of at least 3 (three) members.	√		
5(2) (b)	Board shall appoint members of the Audit Committee who shall be non-executive director.	√		
5(2) (c)	All members of the Audit Committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial.	√		
5(2) (d)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold	√		
5(2) (e)	The Company Secretary shall act as the Secretary of the Audit Committee	√		
5(2)(f)	Quorum of Audit Committee meeting, at least One independent director.	√		
5.3	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select Chairperson of the Audit Committee who will be ID.	√		
5(3)(b)	Absence of the Chairperson of the Audit Committee members to elect one.	√		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the AGM.	√		
5.4	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least 4 meetings in a financial year.	√		
5(4)(b)	Quorum of Audit Committee, presence of 2 or 2/3 members whichever is higher.	√		
5.5	Role of Audit Committee			
5(5)(a)	Oversee the financial reporting process.	√		
5(5)(b)	Monitor choice of accounting policies and principles.	√		
5(5)(c)	Internal Audit and Compliance process to ensure that it is adequately resourced.	√		
5(5)(d)	Performance of external auditors.	√		
5(5)(e)	Hold meeting with the auditors, review the annual financial statements before submission to the Board for approval or adoption.	√		
5(5)(f)	Review with the management, the annual financial statements before submission to the Board for approval.	√		
5(5)(g)	Review with the management, the Quarterly and half yearly financial statements before submission to the Board for approval.	√		
5(5)(h)	The review adequacy of internal audit function.	√		
5(5)(i)	Review the management's discussion and analysis before disclosing in the Annual Report.	√		
5(5)(j)	Review statement of all related party transactions submitted by the Mgt.	√		
5(5)(k)	Review management letters or letter of Internal Control weakness issued by statutory auditors.	√		
5(5)(l)	Oversee determination of audit fees based on scope and magnitude.	√		
5(5)(m)	Oversee whether IPO proceeds utilized as per the published Prospectus.			N/A
5.6	Reporting of the Audit Committee			
5.6 (a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5(6)(a)(ii)(a)	Report on conflicts of interests.	√		
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process.	√		
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliance including securities related laws, relies and regulation.	√		
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.	√		
5.6 (b)	Reporting to the Authorities			
5.7	Reporting to the Shareholders and General Investors			
5(7)	Reporting to the Shareholders and General Investors	√		
6	Nomination and Remuneration Committee (NRC)			
6.1	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a NRC as a sub-committee of the Board.	√		
6(1)(b)	NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications	√		
6(1)(c)	The Terms of Reference of the NRC shall be clearly set forth in writing.	√		
6.2	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an ID.	√		
6(2)(b)	All members of the Committee shall be non-executive directors.	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board.	√		



Condition No.	Title	Compliance Status		Remarks (If any)
		Compiled	Not Compiled	
6(2)(d)	Board have authority to remove and appoint any member of the committee.	√		
6(2)(e)	Board shall fill the vacancy within 180 days of such vacancy in the Committee.	√		
6(2)(f)	The Chairperson of the Committee may appoint/co-opt any external expert.	√		
6(2)(g)	The company secretary shall act as the secretary of the committee.	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director.	√		
6(2)(i)	No member of the NRC shall receive any remuneration/advisory, other than Director's fees or honorarium form the company.	√		
6.3	Chairperson of the NRC			
6(3)(a)	Board shall select 1 member of the NRC to be Chairperson of the Committee	√		
6(3)(b)	Absence of chairperson, the remaining members may elect one of them.	√		
6(3)(c)	Chairperson of the NRC shall attend the AGM.	√		
6.4	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year.	√		
6(4)(b)	The Chairperson of the NRC, may convene any emergency meeting.	√		
6(4)(c)	Quorum of NRC meeting, presence of 2 or 2/3 members whichever is higher.	√		
6(4)(d)	Proceedings of NRC meeting shall be recorded in the minutes and such minutes shall be confirmed in the next meeting.	√		
6.5	Role of NRC			
6(5)(a)	NRC shall be independent and responsible/accountable to the Board and to the shareholders.	√		
6(5)(b)(i)(a)	Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully.	√		
6(5)(b)(i)(b)	Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.	√		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long term performance.	√		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, experience etc.	√		
6(5)(b)(iii)	Identifying persons who are qualified the criteria laid down and recommend their appointment and removal to the Board.	√		
6(5)(b)(iv)	Formulating criteria for evaluation of performance of independent directors and the Board.	√		
6(5)(b)(v)	Identifying company's needs for employees at different levels and determine their selection, transfer or replacement.	√		
6(5)(b)(vi)	Developing recommending and reviewing annually the company's human resources and training policies.	√		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC at a glance in its annual report.	√		
7	External or Statutory Auditors			
7(1)	Issuer company shall not engage its external auditors to perform the following:			
7(1)(i)	Appraisal or valuation services or fairness opinions.	√		
7(1)(ii)	Financial information systems design and implementation.	√		
7(1)(iii)	Book keeping or other service related to the account ion records.	√		
7(1)(iv)	Broker-dealer services	√		
7(1)(v)	Actuarial services	√		
7(1)(vi)	Internal/special audit services.	√		
7(1)(vii)	Any services that the Audit Committee may determine.	√		
7(1)(viii)	Certification services on compliance of corporate governance.	√		
7(1)(ix)	Any other service that may create conflict of interest.	√		
7(2)	No partner or employees of the External/Statutory Auditors audit firms shall possess any share of the company they audit at least during the tenure.	√		
7(3)	Representative of External Auditors shall remain present in the AGM.	√		
8	Maintaining a website by the company			
8(1)	The company shall have an official website linked with that of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchanges.	√		
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing professional firm on yearly basis regarding the compliance of the conditions of Corporate.	√		
9(2)	The professional who will provide the certificate on compliance of Corporate Governance shall be appointed by the Shareholders in the AGM.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors report whether the company has complied with these conditions.	√		



পরিচালনা পর্ষদের প্রতিবেদন

৩০ জুন, ২০২৩ সমাপ্ত আর্থিক বছরের

স্কয়ার টেক্সটাইলস্ পিএলসি
এর সদস্য বৃন্দের জন্যে

কোম্পানির পরিচালনা পর্ষদ সম্মানিত শেয়ারহোল্ডারদের বরাবর ৩০ জুন, ২০২৩ সমাপ্ত আর্থিক বছরের জন্য তাদের প্রতিবেদন উপস্থাপন করতে পেরে আনন্দিত।

পরিচালকদের প্রতিবেদন কোম্পানি আইন ১৯৯৪ এর ধারা ১৮৪, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ বিধিমালা ২০২০ এর বিধি ১২ (এবং এর অধীনে তফসিল), বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের কর্পোরেট গভর্নেন্স কোড ২০১৮ এবং দ্য ফিন্যান্সিয়াল রিপোর্টিং কাউন্সিল, বাংলাদেশ কর্তৃক গৃহীত ইন্টারন্যাশনাল অ্যাকাউন্টিং স্ট্যান্ডার্ড-১ এর বিধান অনুসারে উপস্থাপন করা হয়েছে।

কার্যক্রম পর্যালোচনা:

টেক্সটাইলস্ সেক্টর

মুঘল শাসনের যুগে, তৎকালীন বেঙ্গল, বস্ত্র শিল্পের একটি উল্লেখযোগ্য কেন্দ্র হিসাবে আবির্ভূত হয়েছিল, ষোড়শ থেকে অষ্টাদশ শতাব্দী পর্যন্ত এটি প্রাধান্য লাভ করেছিল। ১৯৭১ সালে স্বাধীনতা যুদ্ধ সমাপ্তির পর থেকে বাংলাদেশের অর্থনীতি প্রধানত কৃষি খাতকে কেন্দ্র করে আর্ভিত হয়েছিল। সেই সময়কালে বাংলাদেশ প্রথম "আমদানি-বিকল্প" মডেলের উপর ভিত্তি করে শিল্পায়ন গ্রহণ করে।

যাইহোক, এটি পরে, বস্ত্র শিল্পের উপর বিশেষ জোর দিয়ে একটি "রপ্তানি" কেন্দ্রিক দৃষ্টিভঙ্গিতে রূপান্তরিত হয়।

বর্তমানে, বস্ত্র শিল্প বাংলাদেশের অর্থনীতির একটি গুরুত্বপূর্ণ উপাদান, যা এর মোট রপ্তানির ৮০% এরও বেশি উৎপাদন করে এবং লক্ষ লক্ষ কর্মী নিয়োগ করে। শিল্পটি সুতি এবং সিহেটিক কাপড়, তৈরি পোশাক এবং হোম টেক্সটাইল সহ বিভিন্ন ধরনের বস্ত্রের উৎপাদনের জন্য সুপরিচিত।

এতে অবাধ হওয়ার কিছু নেই যে বাংলাদেশ বিশ্ব বস্ত্র বাজারে একটি উল্লেখযোগ্য প্রতিষ্ঠান হিসেবে পরিচিত হয়ে উঠেছে এবং বিশ্বব্যাপী দ্বিতীয় বৃহত্তম তৈরি পোশাক রপ্তানিকারক হিসাবে আবির্ভূত হয়েছে। এই সেক্টরে নিজেদের অবস্থান বজায় রাখতে এবং অগ্রযাত্রা অব্যাহত রাখতে বাংলাদেশকে বেশ কিছু বিষয়কে প্রয়োজনীয় পদক্ষেপ/ব্যবস্থা নিতে হবে।

এই সেক্টরে নিজেদের অবস্থান বজায় রাখতে এবং অগ্রসর হওয়ার জন্য বাংলাদেশকে বেশ কিছু বিষয়কে বিবেচনায় আনতে হবে। আমরা সবাই জানি যে প্রচুর প্রাকৃতিক গ্যাস, কম খরচে শ্রম এবং সাশ্রয়ী শক্তি হল সেই খুঁটি যার চারপাশে এই শিল্প গড়ে উঠেছে। সাম্প্রতিক বছরগুলিতে, এই বিষয়টি বিতর্কিত হয়ে উঠেছে, যদিও নীতিনির্ধারণকরা এই গুরুত্বপূর্ণ শিল্পকে রক্ষা করার জন্য প্রয়োজনীয় সংস্কারের ব্যাপারে অত্যন্ত সক্রিয় ভূমিকা পালন করছেন।

তবে, বাংলাদেশ এখনও তৈরি পোশাক রপ্তানিতে দ্বিতীয় অবস্থান ধরে রেখেছে।

স্পিনিং সেক্টর

স্পিনিং সেক্টর বাংলাদেশের বস্ত্র ও পোশাক শিল্পের মেরুদণ্ড হিসেবে কাজ করে। এটি বস্ত্র উৎপাদনে প্রক্রিয়ার প্রাথমিক পর্যায়ে গঠন করে, যেখানে কাঁচা তুলা বা অন্যান্য তন্তুগুলি সুতায় রূপান্তরিত হয়। এটি বয়ন বা বুনন কাপড়ের জন্য ব্যবহৃত সুতা তৈরি করে, যা পরে বিভিন্ন বস্ত্র এবং পোশাক পণ্য উৎপাদনে ব্যবহৃত হয়।

স্পিনিং সেক্টর হল টেক্সটাইল মান শৃঙ্খলার প্রথম পর্যায়ে, যা কাপড় এবং পোশাক তৈরিতে ব্যবহৃত সুতা সরবরাহ করে। বস্ত্র ও পোশাক শিল্পের জন্য প্রয়োজনীয় কাঁচামাল সরবরাহে এটি গুরুত্বপূর্ণ ভূমিকা পালন করে। সুতা, সিহেটিক সুতা, মিশ্রিত সুতাসহ বিভিন্ন ধরনের সুতা উত্পাদন করে থাকে স্পিনিং মিলগুলো। উৎপাদিত সুতা দেশের বস্ত্র ও পোশাক প্রস্তুতকারকদের বিভিন্ন চাহিদা পূরণ করে। বাংলাদেশের স্পিনিং মিলগুলোতে উৎপাদিত সুতা অভ্যন্তরীণ ব্যবহার ও রপ্তানি উভয় কাজে ব্যবহৃত হয়।

চীন, তুরস্ক এবং অন্যান্য টেক্সটাইল উৎপাদনকারী দেশগুলি সহ বিভিন্ন দেশে এই সুতা রপ্তানি উল্লেখযোগ্য রাজস্ব আহরণ করে এবং এটি বৃহত্তর টেক্সটাইল শিল্পের মতো, প্রত্যক্ষ এবং পরোক্ষভাবে যথেষ্ট সংখ্যক পরিশ্রমী লোকের কর্মসংস্থানের ব্যবস্থা করে।

বাংলাদেশে অসংখ্য স্পিনিং মিল রয়েছে এবং পর্যাপ্ত সুতা উৎপাদন ক্ষমতা রয়েছে। এ খাতের ধারাবাহিক প্রবৃদ্ধি হয়েছে এবং অনেক আধুনিক ও সুসজ্জিত স্পিনিং মিল স্থাপিত হয়েছে। এর মধ্যে স্কয়ার টেক্সটাইল উন্নতমানের সুতা উৎপাদন করে এবং সুতা রপ্তানির ভিত্তিতে ৩য় অবস্থানে রয়েছে।

বৃহত্তর টেক্সটাইল শিল্পের অনুরূপ, স্থায়িত্ব এবং পরিবেশগত বিবেচনাগুলি ক্রমশ গুরুত্বপূর্ণ হয়ে উঠছে এবং স্পিনিং মিলগুলিকে পরিবেশ-বান্ধব অনুশীলনগুলি গ্রহণ এবং তাদের পরিবেশগত পদচিহ্ন হ্রাস করার জন্য উৎসাহিত এবং জোর দেওয়া হচ্ছে।

বিশেষ করে বাংলাদেশ যদি তার পণ্যের মান উন্নয়ন এবং নতুন নতুন আন্তর্জাতিক বাজারের সন্ধান অব্যাহত রাখে তাহলে সুতা রপ্তানি বৃদ্ধির সম্ভাবনা রয়েছে।

শুল্ক প্রত্যাহার ও ভর্তুকি সহ বিভিন্ন প্রণোদনা ও নীতির মাধ্যমে স্পিনিং সেক্টরে সরকারের সহায়তা বিনিয়োগ ও প্রবৃদ্ধিকে উৎসাহিত করবে।

কর্মদক্ষতা

বাংলাদেশের স্পিনিং শিল্প বর্তমানে বেশ কিছু সমস্যায় ভুগছে যা উল্লেখযোগ্য ক্ষতির কারণ, যেমন সুতার চাহিদা কমে যাওয়া, কম দাম, অতিরিক্ত মজুদ, অবৈধ বাণিজ্য এবং বিদ্যুৎ ও গ্যাসের দাম বৃদ্ধি। তদুপরি, গ্যাসের স্বল্পতায় বিকল্প হিসেবে ডিজেল জেনারেটর চালানোর জন্যে অতিরিক্ত খরচ করা হয়েছে।

ব্যবসা সমীক্ষা অনুযায়ী, অর্ডার কমেছে প্রায় ৩৫%, যার জন্য প্রায় সকল সুতা প্রস্তুতকারকের কাছে অতিরিক্ত সুতা মজুদ রয়েছে। অধিকন্তু, সব রকমের কাউন্টের সুতার দাম প্রায় পাউন্ড প্রতি ৮.০০ থেকে ১২.০০ টাকা কমেছে, ফলে লাভ নেতিবাচক হয়েছে, যা গড়ে প্রায় প্রতি কেজিতে ০.৭০ ডলার।

এছাড়া, প্রতিবেশী দেশগুলো থেকে সুতা ও কাপড় অবৈধভাবে আমদানির অভিযোগ রয়েছে। অধিকন্তু, শুল্কমুক্ত সুবিধার অধীনে বিপুল পরিমাণ সুতা আমদানি করা হয় এবং তাঁতিদের কাছে না গিয়ে খোলা বাজারে বিক্রি করা হয়, যা স্থানীয় টেক্সটাইল মিলগুলির সমস্যাকে আরও বাড়িয়ে তুলতে পারে।

স্কয়ার টেক্সটাইল, পরিস্থিতি মোকাবেলা করার জন্য, একটি বিকল্প উৎপাদন কৌশল হিসাবে উচ্চ-মার্জিন সুবিধা অর্জনের জন্য বহু-পণ্যের মিশ্রণ গ্রহণ করেছে। অতঃপর, আমরা উৎপাদন ক্ষমতা প্রতিস্থাপন অনুমাপক এবং প্রকৃত উৎপাদনের পরিমাণকে (উৎপাদন ডেটা) সমতুল্য এবং তুলনীয় করার জন্য

পুনরায় উল্লেখ করেছি। তারপরও, ২০২২-২০২৩ সালে উৎপাদন দক্ষতা ৯৪.৫৮% হয়েছে যা ২০২১-২০২২ সালে ছিল ৯৭.৩৪%।

একক আর্থিক ফলাফল

বিক্রয় রাজস্ব এবং পরিচালন মুনাফা যথাক্রমে ১৪,৯৬৭.৯৬ এবং ১,৫৭৩.১২ মিলিয়ন টাকায় দাঁড়িয়েছে, গত বছরে যথাক্রমে ১৫,৬২৪.৩০ এবং ২,৪২৪.৫৫ মিলিয়ন টাকার তুলনায়, ৪.২০% এবং ৩৫.১২% হ্রাস পেয়েছে।

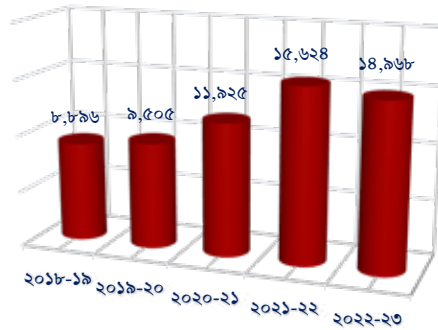
ট্যাক্স-পরবর্তী নিট মুনাফাও ৪০.৬৮% কমে ১,০৭১.৪২ মিলিয়ন টাকা হয়েছে, যা গত বছরের ছিল ১,৮০৬.৩০ মিলিয়ন টাকা।

সমন্বিত আর্থিক ফলাফল

বিক্রয় রাজস্ব এবং পরিচালন মুনাফা যথাক্রমে ১৬,৫০৮.১৬ এবং ১,৬৮৭.১৫ মিলিয়ন টাকায় দাঁড়িয়েছে, গত বছরে যথাক্রমে ১৭,৪৩২.২৫ এবং ২,৬১৮.৮৫ মিলিয়ন টাকার তুলনায়, যথাক্রমে ৫.৩০% এবং ৩৫.৫৮% কমেছে।

ট্যাক্স-পরবর্তী নিট মুনাফাও ৪১.৫২% হ্রাস পেয়ে ১,১৪৫.২৮ মিলিয়ন টাকা হয়েছে, যা গত বছরের ১,৯৫৮.৫৬ মিলিয়ন টাকা ছিল।

বিক্রয়



কোম্পানীর ব্যবসায়িক কার্যক্রম

স্কয়ার টেক্সটাইলস্ দেশের অন্যতম বৃহত্তম নিটিং এবং উইভিং সুতা উৎপাদনকারী প্রতিষ্ঠান যা বিগত ২৬ বছর ধরে সফলতার সাথে পরিচালিত হয়ে আসছে।

টেকসই এবং পরিবেশবান্ধব পণ্য যেমন অর্গানিক, বিসিআই, টেনসেল, রি-সাইকেল (তুলা এবং পলিস্টার) প্রভৃতিতে আলোকপাত করে থাকে। এ ছাড়াও গ্যালাক্সি, ফ্লাটার, লোরস্ক, মোজাইক নেপি, সাইরো ইত্যাদি উচ্চ মূল্যমানের রপ্তানিযোগ্য সুতা উৎপাদন করছে।

স্কয়ার টেক্সটাইলস্ গ্রাহকদেরকে উন্নত ও গুণগতমান সম্পন্ন পণ্য এবং সেবা নিশ্চিত প্রদানে অঙ্গীকারবদ্ধ।

উৎপাদন ক্ষমতা/উৎপাদন

বিগত কয়েক বছরে, আমরা জাতীয় এবং আন্তর্জাতিক বাজারে কঠিন প্রতিযোগিতার মুখোমুখি হয়েছি। পরিস্থিতি মোকাবেলা করার জন্য, আমরা একটি বিকল্প উৎপাদন কৌশল হিসাবে উচ্চ মার্জিন সম্পন্ন একাধিক পণ্য মিশ্রণ পদ্ধতি গ্রহণ করেছি।

উৎপাদন দক্ষতা যাচাইয়ে ও পণ্যের একক পরিমাণের সুবিধার্থে সকল প্রকার সুতার একটি নির্দিষ্ট পরিমাপ সূত্র প্রয়োগ করা হয়েছে।

যাইহোক, গ্যাসের স্বল্প সরবরাহের মতো বিভিন্ন অনিবার্য পরিস্থিতির কারণে ২০২২-২০২৩ সালে উৎপাদন দক্ষতা ২০২১-২০২২ সালের দক্ষতার তুলনায় ৯৭.৩৪% থেকে ৯৪.৫৮% এ হ্রাস পেয়েছে।

৩০ জুন, ২০২৩ পর্যন্ত মোট স্থাপিত উৎপাদন ক্ষমতা নিচে দেখানো হলো:

স্পিন্ডলস্/রোটরস	সংখ্যা	
বিবরণ	২০২২-২৩	২০২১-২২
স্থাপিত:		
স্থাপিত স্পিন্ডলস্	১২৯,২৬২	১২৯,২৬২
স্থাপিত রোটর হেডস্	৫,১৯২	৫,১৯২
স্থাপিত ভরটেক্স হেডস্	৩,১৬৮	৩,১৬৮

সক্রিয়:		
সক্রিয়: স্পিন্ডলস্	১২৯,২৬২	১২৯,২৬২
সক্রিয়: রোটর হেডস্	৫,১৯২	৫,১৯২
সক্রিয়: ভরটেক্স হেডস্	৩,১৬৮	৩,১৬৮

স্থাপিত উৎপাদন ক্ষমতা

কেজি

বিবরণ	২০২২-২৩	২০২১-২২
সমতুল্য উৎপাদন -		
৩০ সিঙ্গেল কাউন্ট (রিং ইয়ার্ণ)	১৯,২৩৪,৭০৫	১৯,৪৭০,৬৩৮
১৪ সিঙ্গেল কাউন্ট (ও/ই ইয়ার্ণ)	১১,০২৩,৪৬৬	১০,৯৮৪,৩৬৭
৩০ সিঙ্গেল কাউন্ট (ভরটেক্স ইয়ার্ণ)	১০,৫৪৫,৭৯৫	১০,৫৩৩,৬৪৪
মোট -	৪০,৮০৩,৯৬৬	৪০,৯৮৮,৬৪৯

প্রকৃত উৎপাদন

কেজি

বিবরণ	২০২২-২৩	২০২১-২২
প্রকৃত উৎপাদন	৪২,৫৮৬,৪২৯	৪৪,৭২৩,০০৬
সমতুল্য উৎপাদন-		
৩০ সিঙ্গেল কাউন্ট (রিং ইয়ার্ণ)	১৮,২২৩,১৯৮	১৯,০৪৩,২৬৫
১৪ সিঙ্গেল কাউন্ট (ও/ই ইয়ার্ণ)	১০,৪২৫,৫৬৭	১০,৬৪৪,০৩১
৩০ সিঙ্গেল কাউন্ট (ভরটেক্স ইয়ার্ণ)	৯,৯৪১,৬৬২	১০,২১০,৯৭৩
মোট -	৩৮,৫৯০,৪২৭	৩৯,৮৯৮,২৬৯

উৎপাদন দক্ষতা

(%)

বিবরণ	২০২২-২৩	২০২১-২২
সমতুল্য উৎপাদন-		
৩০ সিঙ্গেল কাউন্ট (রিং ইয়ার্ণ)	৯৪.৭৪%	৯৭.৮১%
১৪ সিঙ্গেল কাউন্ট (ও/ই ইয়ার্ণ)	৯৪.৫৮%	৯৬.৯০%
৩০ সিঙ্গেল কাউন্ট (ভরটেক্স ইয়ার্ণ)	৯৪.২৭%	৯৬.৯৪%
মোট (গড়) -	৯৪.৫৮%	৯৭.৩৪%

উৎপাদন ব্যয়

বিগত বছরগুলোতে কাঁচা তুলা, প্যাকিং দ্রব্যসামগ্রী, বিদ্যুৎ ও জ্বালানী তেল এবং মেশিনের খুচরা যন্ত্রাংশের ক্রয়মূল্যের বৃদ্ধির ফলে উৎপাদন ব্যয় বেড়েছে যা ছিল ব্যবস্থাপনা কর্তৃপক্ষের নিয়ন্ত্রণের বাইরে।

খাতওয়ারী ব্যয়ের পরিমাণ এবং তাদের আনুসঙ্গিক প্রভাব নিচে দেখানো হলো:

		টন	
বিবরণ	২০২২-২৩	২০২১-২২	
সূতার উৎপাদন (কেজি)	৪২,৫৮৬	৪৪,৭২৩	
বৃহত্তর খাতগুলোর ব্যয় সমূহ		টাকা (,০০০)	
বিবরণ	২০২২-২৩	২০২১-২২	
ব্যবহৃত কাঁচামাল	৯,৬২৪,৯৮৯	৯,৯৪৪,৪২০	
প্যাকিং সামগ্রী	১৫০,৮৭৭	১৪৩,৪৩৬	
জ্বালানী তেল/বিদ্যুৎ ইত্যাদি	১,৪১১,৮০৫	৯৪০,১৮৩	
খুচরা যন্ত্রাংশ	২৮৭,১২৫	২৪৩,৮২২	
অন্যান্য খরচ সমূহ	১,৭১৫,২৮২	১,৬৭৪,৩৫০	
মোট ব্যয় -	১৩,১৯০,০৭৮	১২,৯৪৬,২১১	

প্রতি কেজির মূল্য		টাকা	
বিবরণ	২০২২-২৩	২০২১-২২	
ব্যবহৃত কাঁচামাল	২২৬.০১	২২২.৩৬	
প্যাকিং সামগ্রী	৩.৫৪	৩.২১	
জ্বালানী তেল/বিদ্যুৎ ইত্যাদি	৩৩.১৫	২১.০২	
খুচরা যন্ত্রাংশ	৬.৭৪	৫.৪৫	
অন্যান্য খরচ সমূহ	৪০.২৮	৩৭.৪৪	
মোট ইউনিট ব্যয় -	৩০৯.৭২	২৮৯.৪৮	
মোট শতকরা হিসাবে কাঁচামাল	৭২.৯৭%	৭৬.৮১%	

উপরোক্ত আর্থিক বিবরণ হতে প্রতীয়মান হয় যে, প্রতি ইউনিট কাঁচামালের খরচ বেড়েছে ১.৬৪%, প্যাকিং উপকরণের খরচ বেড়েছে ১০.২৮%, জ্বালানী/বিদ্যুতের খরচ বেড়েছে ৫৭.৭১%, খুচরা যন্ত্রাংশের খরচ বেড়েছে ২৩.৬৭%, এবং অন্যান্য ওভারহেড খরচ বেড়েছে ৭.৫৯% যা, ২০২১-২২ এর তুলনায় ২০২২-২৩ সালে মোট ইউনিট খরচ ৬.৯৯%

বৃদ্ধি পেয়েছে। পর্যালোচনাধীন আর্থিক বছরে আন্তর্জাতিক বাজারে কাঁচা তুলার দাম উল্লেখযোগ্যভাবে অস্থিতিশীল ছিল।

বিপণন কার্যক্রম:

বাজার পরিস্থিতি

বিগত বছরের মত এ বছরও কোম্পানী রপ্তানি বিক্রয়ের উপর প্রাধান্য দেয়ার ধারাবাহিকতা বজায় রেখেছে, যা নিম্নরূপঃ

বিক্রয়ের পরিমাণ (কেজি)		(,০০০)	
বিবরণ	২০২২-২৩	২০২১-২২	
রপ্তানি বিক্রয়	৪২,৪৭৩	৪৪,৮১৯	
মোট -	৪২,৪৭৩	৪৪,৮১৯	
বিক্রয়লব্ধ আয়		(,০০০)	
বিবরণ	২০২২-২৩	২০২১-২২	
রপ্তানি বিক্রয়	১৪,৯৬৭,৯৬২	১৫,৬২৪,৩০২	
মোট -	১৪,৯৬৭,৯৬২	১৫,৬২৪,৩০২	

উপরোক্ত পরিসংখ্যান অনুসারে, গত বছরের তুলনায় বিক্রয় এককের পরিমাণ ৫.২৩% এবং বিক্রয় রাজস্ব ৪.২০% হ্রাস পেয়েছে।

একক বিক্রয় মূল্য

পূর্ববর্তী বছরের তুলনায় এ বছরে বিক্রয় মূল্য (টাকা/কেজি) উল্লেখযোগ্য ভাবে তারতম্য ঘটেছে যা নীচে দেখানো হলো:

বিবরণ	২০২২-২৩	২০২১-২২
রপ্তানি বিক্রয়	৩৫২.৪১	৩৪৮.৬১
মোট -	৩৫২.৪১	৩৪৮.৬১

উপরে তথ্য থেকে এটা প্রতীয়মান হয় যে পূর্ববর্তী বছর ২০২১-২০২২ সালের তুলনায় পর্যালোচনাধীন ২০২২-২০২৩ সালে বিক্রয় মূল্যে ১.০৯% বৃদ্ধি হয়েছে, কারণ, ইউএস ডলারের বিপরীতে বাংলাদেশি টাকার মান উল্লেখযোগ্যভাবে হ্রাস পেয়েছে কিন্তু দেশীয় ও আন্তর্জাতিক বাজারে ইউএস ডলার -এ সুতার দাম কমেছে।

মূলধনী খরচ সমূহ

প্রযুক্তিগত উন্নয়ন ও পণ্যের উৎপাদনশীলতা বৃদ্ধির জন্য, স্কয়ার টেক্সটাইল ২০২২-২০২৩ বছরে অতিরিক্ত নীট মূলধন ব্যয় করেছে ২,৩২৫.৯২ মিলিয়ন টাকা, যা নীচে উপস্থাপন করা হয়েছে:

বিবরণ	২০২২-২৩	২০২১-২২
জমি/নির্মাণ কাজ	৪১৬,০৭০	৩২২,৫০৪
যন্ত্রপাতি	১,৮৫৮,২৭৪	৯৫৬,১৩২
অন্যান্য স্থায়ী সম্পদ	৫১,৫৭৬	৫৪,৯৭১
মোট -	২,৩২৫,৯২০	১,৩৩৩,৬০৭

উপরোক্ত বিনিয়োগগুলি কোম্পানিকে বছরের পর বছর ধরে প্রয়োজনীয় উৎপাদন দক্ষতার হার বজায় রাখতে সহযোগিতা করবে। পুরো অর্থ বিনিয়োগ করা হয়েছে কোম্পানির অভ্যন্তরীণ তহবিল এবং ব্যাংক থেকে নেয়া ঋণের মাধ্যমে।

টেক্সটাইলস শিল্পের ভবিষ্যত দৃষ্টিভঙ্গি

পরিবর্তিত বিশ্ব চাহিদা কাঠামোর প্রেক্ষাপটে মার্কিন যুক্তরাষ্ট্র, চীন, ইউই ইত্যাদির মতো বৃহৎ অর্থনীতি সমৃদ্ধ দেশের মধ্যকার আর্থিক প্রতিযোগিতার ফলে বাংলাদেশে উচ্চ মানের ব্যান্ড গার্মেন্টসের প্রগতিশীল ব্যাপক চাহিদা রয়েছে।

এই সেক্টরটির বিস্তৃতির বিশাল সুযোগ রয়েছে এবং দ্বিগুণ বৈদেশিক মুদ্রা আয়ের সম্ভাবনা রয়েছে যদি সরকার রাজস্ব/আর্থিক নীতিকে শিথলবান্ধব করে এবং স্থানীয় বিনিয়োগকারীদের জন্য প্রয়োজনীয় আর্থিক/অ-আর্থিক সহায়তা/প্রণোদনা প্রদান করে।

ঋণ এবং গ্যারান্টি

অনুমোদিত ঋণের বিশদ বিবরণ এবং পর্যালোচনাধীন বছরের মধ্যে প্রদত্ত গ্যারান্টিগুলি একক আর্থিক বিবরণীতে যথাক্রমে নোট নং ১৩, ১৫ এবং ৩৬ এ উপস্থাপন করা হয়েছে।।

রিলেটেড পার্টি লেনদেন

স্কয়ার টেক্সটাইল বেশ কয়েকটি রিলেটেড পার্টি ট্রানজেকশনে নিযুক্ত রয়েছে, যার বিশদ বিবরণ স্বতন্ত্র হিসাবের নোট নং ৪০- এ দেখানো হয়েছে।

বৈদেশিক মুদ্রার অর্জন/সঞ্চয়

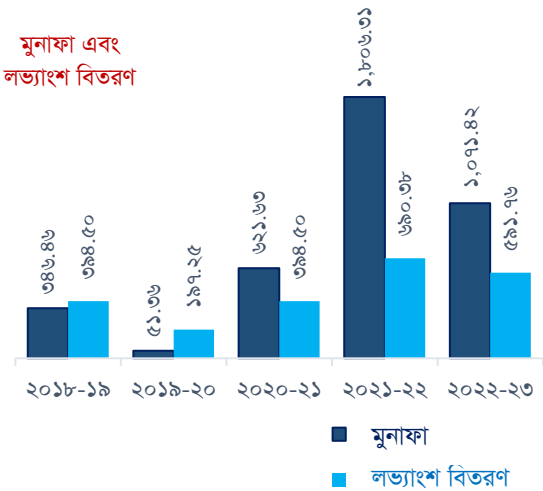
স্কয়ার টেক্সটাইল তার রপ্তানি এবং ব্যবসায়িক বিপণন কার্যক্রমের মাধ্যমে পর্যালোচনাধীন বছরে দেশের বৈদেশিক মুদ্রার রিজার্ভে যথেষ্ট অবদান রেখেছে। এর পরিমাণ ছিল ২,৩৭৩.৫৬ মিলিয়ন।

বিস্তারিত নীচে উপস্থাপন করা হয়েছে:

বিবরণ	২০২২-২৩	২০২১-২২
মোট রপ্তানি আয়	১৫,৬৮৭,৮৮৯	১৫,৮৭৪,০২৩
বাদ: আমদানি খরচ সমূহ:		
কাঁচা তুলা	১১,০৫৫,২৭১	৯,৫৯০,৮৮৭
খুচরা যন্ত্রাংশ	৩৫৭,৯৪০	২৫৮,৬৮১
বিবিধ (বিএমআরই)	১,৯০১,১২১	১,০০৫,৬৮১
মোট -	২,৩৭৩,৫৫৭	৫,০১৮,৭৭৪

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মুনাফা এবং লভ্যাংশ বিতরণ



আর্থিক ফলাফল

পূর্ববর্তী বৎসরের তুলনায় আলোচ্য ২০২২-২০২৩ বৎসরে কোম্পানীর আর্থিক ব্যবস্থাপনার ফলাফল নিম্নে আলোচনা করা হলো:

বিবরণ	২০২২-২০২৩	২০২১-২০২২	↑↓ শতাংশতে
বিক্রয়	১৪,৯৬৭,৯৬২,৪৪৪	১৫,৬২৪,৩০২,৪৮৬	৪.২০%
বিক্রিত পণ্যের উৎপাদন খরচ	১৩,০৯১,১২০,৪২৯	১২,৯২৪,৩২০,৮৩৬	১.২৯%
মোট মুনাফা	১,৮৭৬,৮৪২,০১৫	২,৬৯৯,৯৮১,৬৫০	৩০.৪৯%
প্রশাসনিক ব্যয়	২৭৭,২৯৮,৭৬৯	২৫৩,৯২৫,৪৯১	৯.২০%
বিক্রয় এবং বিতরণ খরচ	২৬,৪২১,১৮৮	২১,৫১০,৯৮৯	২২.৮৩%
পরিচালন মুনাফা	১,৫৭৩,১২২,০৫৮	২,৪২৪,৫৪৫,১৭০	৩৫.১২%
আর্থিক খরচ সমূহ	৩১০,৪১৮,১৭৬	২৪১,৬২৯,২৭০	২৮.৪৭%
অন্যান্য আয়	৫২,৪৬৪,০৬৯	৫৩,৩৪৩,৬৭৬	১.৬৫%
নীট মুনাফা (ডব্লিউ.পি.পি.এফ. এর পূর্বে)	১,৩১৫,১৬৭,৯৫১	২,২৩৬,২৫৯,৫৭৬	৪১.১৯%
ডব্লিউ.পি.পি.এফ. এ অনুদান	৬২,৬২৭,০৪৫	১০৬,৪৮৮,৫৫১	৪১.১৯%
নীট মুনাফা (কর পূর্ব)	১,২৫২,৫৪০,৯০৬	২,১২৯,৭৭১,০২৫	৪১.১৯%
আয়কর সঞ্চিতি	২১৪,২৫৩,৪৪৩	৩০৯,৮৫৪,০৭৩	৩০.৮৫%
বিলম্বিত আয়কর সঞ্চিতি	(৩৩,১৩৪,১৪৬)	১৩,৬১২,৩৫৬	৩৪.৩৪%
নীট মুনাফা (কর পরবর্তী)	১,০৭১,৪২১,৬০৯	১,৮০৬,৩০৪,৫৯৬	৪০.৬৮%
মোট মুনাফা মার্জিন	১২.৫৪%	১৭.২৮%	৪.৭৪%
নীট মুনাফা মার্জিন	৭.১৬%	১১.৫৬%	৪.৪০%
শেয়ার প্রতি আয় (টাকা)	৫.৪৩	৯.১৬	৪০.৭২%

গত বছরের তুলনায় ২০২২-২০২৩ বছরে মোট মুনাফা এবং নিট মুনাফা (কর-পরবর্তী) যথাক্রমে ৩০.৪৯% এবং ৪০.৬৮% সহ বিক্রয় ৪.২০% কমেছে। মোট মুনাফা এবং নিট মুনাফা (কর-পরবর্তী) যথাক্রমে ৪.৭৪% এবং ৪.৪০% কমেছে।

২০২২-২০২৩ সালে ব্যাপকভাবে গ্যাস সংকট দেখা দেয়, যার কারণে প্রায় ২,১৩৭ টন সুতা উৎপাদন হ্রাস পেয়েছে, এছাড়া ডিজেল ও গ্যাসের মূল্যবৃদ্ধির জন্যে উৎপাদন খরচ উল্লেখযোগ্যহারে বেড়ে গিয়েছে, ফলে আলোচ্য বছরে মুনাফা কম হয়েছে।

এই সময়ের মধ্যে, স্থানীয় এবং আন্তর্জাতিক উভয় বাজারে আরএমজি সেক্টরে কম চাহিদার কারণে সুতার বিক্রয় মূল্যও (ইউএস ডলার) হ্রাস পেয়েছে। এই পরিস্থিতিগুলি উৎপাদনের ইউনিট খরচের সর্বাধিকীকরণকে প্রভাবিত করেছিল এবং শেষ পর্যন্ত রিপোর্টিং বছরে আগের বছরের তুলনায় কম লাভের দিকে পরিচালিত করেছিল।

মুনাফা বন্টন

পরিচালনা পর্ষদ নিম্নোক্ত উপায়ে ৩০ জুন ২০২৩ সমাপ্ত বছরের জন্যে নিট মুনাফা বন্টনের প্রস্তাব করেন:

টাকায়

নিট মুনাফা (কর-পরবর্তী), ২০২৩ সালের জুনে শেষ হওয়া বছরের জন্যে।	১,০৭১,৪২১,৬০৯
খ) নগদ লভ্যাংশ প্রস্তাব @৩০%	৫৯১,৭৫৬,০০০
গ) নিট অবশিষ্ট মুনাফা (ভবিষ্যতে ব্যবসা সম্প্রসারণের জন্যে)	৪৭৯,৬৬৫,৬০৯

পরিচালনা পর্ষদের প্রতিবেদন

৩০ জুন, ২০২৩ সমাপ্ত আর্থিক বছরের

স্কয়ার টেক্সটাইলস পিএলসি
এর সদস্য বৃন্দের জন্যে

ঝুঁকি এবং উদ্বেগ

আগামী বছর গুলোতে আন্তর্জাতিক শিল্প ও বাণিজ্যের ভবিষ্যত নির্ধারণ করবে আন্তর্জাতিক বাজার পরিস্থিতি উপর।

তবে এটা খুবই আনন্দের বিষয় যে, সরকার শিল্প ও বাণিজ্যকে বাধাগ্রস্ত করতে পারে এমন সমস্ত কারণকে চিহ্নিত করছেন এবং তা মোকাবেলায় যথাযথ প্রয়োজনীয় বিভিন্ন পদক্ষেপ গ্রহণ করছেন।

যার ফলস্বরূপ বিশ্বব্যাপক র‍্যাঙ্কিং "ডুইং বিজনেস" সূচকে বাংলাদেশের অবস্থান উন্নিত হতে শুরু করেছে।

সাবসিডিয়ারী কোম্পানীতে বিনিয়োগ

স্কয়ার টেক্সটাইলস পিএলসি, স্কয়ার টেক্সকম লিমিটেড-এর মূলধন ইকুইটি হিসাবে ৪৮৯,৩৩৩,৯৬০ টাকা বিনিয়োগ করেছে যা মোট মূলধনের ৯৯.৮৮%।

১৯৯৪ সালের কোম্পানী আইন অনুসারে স্কয়ার টেক্সকম লিমিটেড, স্কয়ার টেক্সটাইলস পিএলসি-এর সাবসিডিয়ারী কোম্পানী বিধায় পরিচালনা পর্ষদের প্রতিবেদন এবং নিরীক্ষিত হিসাব এই প্রতিবেদনের সাথে উপস্থাপন করা হয়েছে।

ক্রেডিট রেটিং রিপোর্ট

ক্রেডিট রেটিং ইনফরমেশন অ্যান্ড সার্ভিসেস লিমিটেড ২১ ডিসেম্বর, ২০২১ তারিখে আর্থিক এবং অন্যান্য প্রাসঙ্গিক পরিমাণগত এবং গুণগত তথ্যের ভিত্তিতে স্কয়ার টেক্সটাইলকে সর্বোচ্চ ক্রেডিট রেটিং নিশ্চিত করেছে।

পুনর্নিশ্চিত রেটিংঃ

দীর্ঘমেয়াদী রেটিং = "এএ+", যা উচ্চতর নিরাপত্তা এবং উচ্চতর ক্রেডিট গুণমান নির্দেশ করে।

স্বল্পমেয়াদী রেটিং = "এস.টি.-১", যা সময়মত পরিশোধের সর্বোচ্চ নিশ্চিততা নির্দেশ করে।

জাতীয় কোষাগারে অবদান

স্কয়ার টেক্সটাইল ২০২২-২০২৩ অর্থবছরে ২৭৮.৩৭ মিলিয়ন টাকা জাতীয় কোষাগারে জমা দিয়েছে, গত বছরে এটা ৩৮৯.৮৭ মিলিয়ন টাকা ছিল।

মাইনোরিটির স্বার্থ

কর্পোরেট গভর্নেন্স কোডের কোড ১(৫)(xvi) এর সাথে সঙ্গতি রেখে কোম্পানির বোর্ড এর মাধ্যমে নিশ্চিত করে যে মাইনোরিটি শেয়ারহোল্ডারদের স্বার্থ কোম্পানিতে যথাযথভাবে সুরক্ষিত হয়েছে।

বিশেষ কার্যক্রম

কোম্পানীটি কোনও বিশেষ কার্যক্রম গ্রহণ করেনি বা চালিয়ে যায়নি এবং এই ধরনের কার্যক্রম থেকে কোনও প্রকার লাভ-ক্ষতি হয়নি।

ম্যানেজমেন্ট ডিসকাশন এন্ড এনালাইসিস

কোম্পানির পরিচালন অবস্থান, ক্রিয়াকলাপ, আর্থিক বিবরণী এবং অন্যান্য প্রয়োজনীয়তার পরিবর্তনের সংক্ষিপ্ত আলোচনা ব্যবস্থাপনা পরিচালক কর্তৃক স্বাক্ষরিত ম্যানেজমেন্ট ডিসকাশন এন্ড এনালাইসিস এই প্রতিবেদনের সংযোজন-iii এ প্রকাশিত হয়েছে।

দাবিহীন/অনিশ্চিতকৃত লভ্যাংশ

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন এবং অন্যান্য নিয়ন্ত্রক কর্তৃপক্ষের নির্দেশনা অনুসারে দাবিহীন/ অনিশ্চিতকৃত লভ্যাংশের হিসাব সঠিকভাবে রাখা হয়।

২০০২ থেকে ২০২২ সাল পর্যন্ত দাবিহীন/অনিশ্চিতকৃত লভ্যাংশের বিশদ বিবরণ এই প্রতিবেদনের ১১৬ পৃষ্ঠায় উপস্থাপন করা হয়েছে।

এএ+

ক্রেডিট রেটিং করেছেন
সিআরআইএসএল

হিসাব একত্রীকরণ

বিএসইসি এর বিধিমালা ও ইন্টারন্যাশনাল একাউন্টিং স্ট্যান্ডার্ড-২৮ এবং আইএফআরএস-১০ এর নিয়মাবলী অনুসরণ করে আর্থিক প্রতিবেদন একত্রীকৃত করা হয়েছে যাতে শেয়ারহোল্ডারবৃন্দের সার্বিক মুনাফা/বিনিয়োগ মূল্য সঠিকভাবে নির্ধারণ করা যায়।

স্কয়ার টেক্সটাইল পিএলসি-এর একিভূত আর্থিক প্রতিবেদন এই বার্ষিক প্রতিবেদনে উপস্থাপন করা হয়েছে।

পরিচালক নির্বাচন

সংঘবিধির ১২৫ ও ১২৬ অনুচ্ছেদ অনুযায়ী কোম্পানীর পরিচালক ও চেয়ারম্যান জনাব তপন চৌধুরী অবসর গ্রহণ করেছেন এবং পুনঃনির্বাচিত হওয়ার যোগ্য বিধায় পুনঃনির্বাচিত হওয়ার ইচ্ছা প্রকাশ করেছেন।

উপরে উল্লিখিত পরিচালকের জীবনবৃত্তান্ত এবং অন্যান্য তথ্য বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের ৩ জুন, ২০১৮ তারিখে প্রজ্ঞাপনের ১.৫ (xxii) সংযুক্তি-ii তে বর্ণিত হয়েছে।

স্বতন্ত্র পরিচালকের পুনঃনিয়োগ

কোম্পানীর পরিচালনা পর্ষদ ১২ই জুলাই, ২০২৩ তারিখে জনাব আরুল কালাম আজাদ, এফসিএকে স্বতন্ত্র পরিচালক হিসেবে জনাব এস.এম. রেজাউর রহমানের জায়গায় নিয়োগ দিয়েছে, যিনি ১২ই জুলাই ২০২৩ তারিখে স্কয়ার টেক্সটাইল পিএলসি'র স্বাধীন পরিচালকের অফিস থেকে অব্যাহতি পেয়েছেন, কারণ তিনি অনিবার্য ব্যক্তিগত কারণে তার দায়িত্ব চালিয়ে যেতে অপারগতা প্রকাশ করেছিলেন।

উপরে উল্লিখিত পরিচালকের একটি সংক্ষিপ্ত জীবনবৃত্তান্ত এবং অন্যান্য তথ্য সংযুক্তি - ii এ বর্ণিত করা হয়েছে

বিধিবদ্ধ নিরীক্ষক নিয়োগ

মেসার্স আহমেদ যাকের অ্যান্ড কোং, চার্টার্ড অ্যাকাউন্ট্যান্টস, জেনেভা গ্রুপ ইন্টারন্যাশনালের (জিজিআই) একটি স্বাধীন

সদস্য সংস্থা, ২০২২-২০২৩ সালের জন্য সংবিধিবদ্ধ অডিটর ছিলেন এবং স্কয়ার টেক্সটাইল পিএলসি-এর ৩০ জুন, ২০২৩ সমাপ্ত বছরের আর্থিক বিবৃতিগুলির উপর একটি আনকুয়ালিফাইড প্রতিবেদন জমা দিয়েছেন।।

মেসার্স আহমেদ জাকের অ্যান্ড কোং, বিএসইসি এর প্যানেল তালিকা থেকে বাদ পড়েছে বিধায় পুনঃনিয়োগের জন্য যোগ্য নয়।

মেসার্স কে এম হাসান অ্যান্ড কোং, চার্টার্ড একাউন্ট্যান্টস, হোমটাউন অ্যাপার্টমেন্ট, ৮ম ও ৯ম তলা, ৮৭ ইস্কাটন রোড, ঢাকা ২০২৩-২০২৪ সালের জন্য কোম্পানির নিরীক্ষক হিসেবে নিয়োগের আহ্বান প্রকাশ করেছেন।

পরিচালনা পর্ষদ ২২ অক্টোবর, ২০২৩ তারিখের সভায় তাদের নিয়োগের সুপারিশ করেছেন।

কমপ্লায়েন্স নিরীক্ষক নিয়োগ

মেসার্স চৌধুরী ভট্টাচার্য এন্ড কোং, চার্টার্ড একাউন্ট্যান্টস এই বার্ষিক সাধারণ সভায় অবসর গ্রহণ করেছেন এবং যোগ্য বিধায় ২০২৩-২০২৪ এর জন্য কোম্পানির কমপ্লায়েন্স অডিটর হিসাবে নিয়োগ পাওয়ার ইচ্ছা প্রকাশ করেছেন।

পরিচালনা পর্ষদ ২২ অক্টোবর, ২০২৩ তারিখের সভায় তাদের নিয়োগের সুপারিশ করেছেন।

স্কয়ার টেক্সটাইলস পিএলসি এর সহযোগি প্রতিষ্ঠানের কাছে পণ্য বিক্রয় অনুমোদন প্রসঙ্গ

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের ২২ মার্চ, ২০২১ তারিখের বিজ্ঞপ্তি নং BSEC/CMRRCD/ 2009-193/10/Admin/118 এর ধারা ১ অনুযায়ী, স্কয়ার টেক্সটাইল পিএলসি তার সহযোগি প্রতিষ্ঠানের কাছে পণ্য বিক্রির ক্ষেত্রে শেয়ারহোল্ডারদের অনুমোদন প্রয়োজন যদি তা পূর্ববর্তি বছরের মোট রাজস্ব বা টার্নওভারের ১০% বা তার বেশি পরিমাণ হয়।

আর্থিক বিবরণী উপর পরিচালকদের ঘোষণা

কর্পোরেট সুশাসনের একটি অংশ হিসাবে, পরিচালনা পর্ষদ কোম্পানির আর্থিক অবদান এবং অবস্থা-এর একটি সত্যতা এবং গ্রহণযোগ্যতা প্রদানের জন্য দায়বদ্ধ। সেই লক্ষ্যে, পরিচালকগণ তাদের সর্বোত্তম জ্ঞানে নিশ্চিত করেছেন যে:

- কোম্পানির আর্থিক বিবরণী, কোম্পানির কার্যক্রমের ফলাফল, নগদ প্রবাহ এবং ইকুইটি পরিবর্তনের একটি সত্য এবং ন্যায্য দৃষ্টিভঙ্গি উপস্থাপন করে।
- প্রচলিত আইন অনুসারে হিসাবের প্রয়োজনীয় সঠিক নথি রক্ষণাবেক্ষণ করা হয়েছে।
- আর্থিক বিবরণী তৈরিতে একাউন্টিং অনুমানগুলি যুক্তিসঙ্গত এবং বিচক্ষণতার উপর ভিত্তি করে এবং যথাযথ একাউন্টিং নীতিগুলি ক্রমাগত প্রয়োগ করা হয়েছে।
- বাংলাদেশে প্রযোজ্য আই.এ.এস/ আই.এফ.আর. এস অনুযায়ী আর্থিক বিবরণী প্রস্তুত করা হয়েছে।
- অভ্যন্তরীণ কন্ট্রোল সিস্টেমটি কার্যমোগত দিক থেকে খুবই কার্যকরী এবং সঠিকভাবে এর প্রয়োগ ও পর্যবেক্ষণ করা হয়।
- একটি ব্যবসায়-প্রতিষ্ঠান হিসাবে সকল ব্যবসায়িক কার্যক্রম চালিয়ে যাওয়ার ক্ষমতা সম্পর্কে কোন উল্লেখযোগ্য সংশয় নেই।
- গত বছরের পরিচালনা ফলাফল তুলনায় এ বছর কোন উল্লেখযোগ্য বিচ্যুতি নেই।
- জনাব স্যামুয়েল এস চৌধুরী, ব্যবস্থাপনা পরিচালক-কে দেওয়া পারিশ্রমিক নোটস অফ একাউন্টস-এর নোট # ২২ এ দেখানো হয়েছে।
- গত ৫ (পাঁচ) বছরের মূল পরিচালনা এবং আর্থিক তথ্য পৃষ্ঠা নং ১২ এ একটি সংক্ষিপ্ত আকারে উপস্থাপন করা হয়েছে।

কর্পোরেট গভর্নেন্স কমপ্লায়েন্স প্রতিবেদন

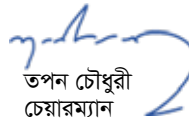
বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের কর্পোরেট গভর্নেন্স কোড ২০১৮-এর ধারা ১(৫) অনুসারে একটি অতিরিক্ত বিবৃতি, পরিচালক পুনঃনিয়োগ প্রার্থীদের জীবনবৃত্তান্ত, ব্যবস্থাপনার আলোচনা বিশ্লেষণ, সিইও এবং সিএফওর কাছ থেকে বোর্ডের উদ্দেশ্যে সনদ, কোম্পানির কমপ্লায়েন্স অডিটরদের সনদ এবং কর্পোরেট গভর্নেন্স কোড ২০১৮ প্রতিপালনের অবস্থা যথাক্রমে সংযুক্তি- i, ii, iii, iv, V ও vi এর মধ্যে বর্ণনা/প্রকাশ করা হলো।

অডিট কমিটির রিপোর্ট, মনোনয়ন ও পারিশ্রমিক নীতি এবং লভ্যাংশ বন্টন নীতিও এই বার্ষিক প্রতিবেদনে উপস্থাপন করা হয়।

ব্যবস্থাপনা কর্তৃপক্ষের স্বীকৃতি

পরিচালনা পর্ষদ ব্যবসায়িক কার্যক্রমে নির্বাহী ব্যবস্থাপনা, কর্মকর্তা ও শ্রমিক কর্মচারীদের অবদানকে গভীরভাবে মূল্যায়ন করেছে। সারা বিশ্বে বাণিজ্য ও উৎপাদনে বিভিন্ন বৈরী প্রভাব থাকা সত্ত্বেও তাদের নিরলস প্রচেষ্টা কোম্পানীকে উৎপাদনের ধারা অব্যাহত রাখতে সাহায্য করেছে। সম্মানিত শেয়ার-হোল্ডারগণ যে আস্থা পরিচালনা পর্ষদের উপর রেখেছেন তা পরিচালনা পর্ষদকে অনুপ্রাণিত করে আসছে এবং ব্যবস্থাপনা কর্তৃপক্ষ, নির্বাহী কর্মকর্তা ও কর্মচারীগণ তা ধরে রাখতে সচেষ্ট হবেন।

পরিচালনা পর্ষদ বিনীতভাবে বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ষ্টক এক্সচেঞ্জ, জাতীয় রাজস্ব বোর্ড এবং অন্যান্য সরকারি ও বেসরকারি এজেন্সিগুলোকে প্রতিষ্ঠান এর কার্যক্রম পরিচালনায় সহযোগিতা দেয়ার জন্য কৃতজ্ঞতা জানাচ্ছেন। আমরা সকলের ভবিষ্যৎ উন্নয়ন কামনা করি।


তপন চৌধুরী
চেয়ারম্যান

Corporate Governance

Square Textiles PLC.



Corporate governance is the process of directing and controlling a Company. Governance is the process of identifying and enforcing the company's ethics, rights, and obligations among its various stakeholders.

Good corporate governance is important to its long-term viability. Square Textiles' corporate governance is as follows:

Board of Directors

The Board of Directors, the top management tier, is responsible for overall control and supervision of the company's affairs, primarily through strategic planning and budgetary control mechanisms, in accordance with the concept of Good Corporate Management Practice and the provisions of the Articles of Association. To that purpose, the Board of Directors meets on a regular basis to resolve policy and strategy concerns, with minutes and decisions being recorded for implementation by Executive Management.

During the year under review, the Board of Directors of Square Textiles met 10 (ten) times to transact various agendas. The intervening gap between the meetings was within the period prescribed under the Companies Act.

The present Board of Directors is comprised by the following owners/persons:

Name of the Director	Position
Mr. Tapan Chowdhury	Chairman
Mrs. Ratna Patra	Vice Chairman
Mr. Samuel S Chowdhury	Managing Director
Mr. Anjan Chowdhury	Director
Mr. Abul Kalam Azad	Independent Director

The Board of Directors is reconstituted every year by the Members (shareholders) of the Company at the Annual General Meeting through the retirement/re-election/election of one-third of its members.

Members of the Board of Directors often travel abroad to bring into focus the Company's image and acquire technological gains.

Top Management inaugurates/participates in seminars, training courses, conferences, and various cultural activities of the employees and workers which instill in them a sense of belongingness.

Separate Role of the Chairman and Managing Director

Separate individuals are holding the positions of Chairman and Managing Director.

Mr. Tapan Chowdhury is the Company's Chairman and is responsible for the functions of the Board, while Mr. Samuel S Chowdhury is the Managing Director and acts as the Company's Chief Executive Officer.

Independent Director

In compliance with the BSEC Regulations on Good Governance, the Board of Directors, as empowered by the Regulations, appointed Mr. Abul Kalam Azad, a Fellow Member (FCA) of the Institute of Chartered Accountants of Bangladesh. Founding Principal and Sole Practitioner of Azad Abul Kalam & Co., Chartered Accountants, since 2008 and Founding Partner and Sole Practitioner of Azad Zamir & Co., Chartered Accountants, since 1984.

Board of Directors and its Roles and Responsibilities

The Board of Directors, as the highest level of authority, has the primary responsibility of providing general supervision, overseeing operations, and controlling the affairs of the company through appropriate delegation and accountability processes via the lines of command.



The Board of Directors, as the highest level of authority, has the primary responsibility of providing general supervision, overseeing operations, and controlling the affairs of the company through appropriate delegation and accountability processes via the lines of command.

The Board of Directors, on the other hand, is ultimately responsible for directing the company's operations in compliance with the law and in the best interests of shareholders, stakeholders, the state, and society.

In order to accomplish its responsibilities, the Board of Directors meets at least once per quarter and makes necessary decisions/ directions to the Executive Management. Operational performance, financial results, budget reviews, capital expenditure proposals for BMRE or new projects/ divisions/product lines, procurement of funds through the issue of shares or borrowing, procurement of raw materials, plant & machinery, pricing of products/ discounts, recruitment, training, and promotion of officers, approval of the annual financial statement, appropriation of profit and recommendation of dividends, and other interests of the stakeholders, including the employees and workers, are usually discussed at such meetings.

The Board of Directors pays special attention to establishing and articulating productivity and compensation plans for employees and workers, as well as rewarding them appropriately based on the quality and quantity of their work.

The Board is also responsible for removing operational threats to workers' lives and health, for environmentally friendly working

Board of Directors	
Constitution	Not less than 3 or more than 15 Directors.
Type of Mandate	Unitary Board of 5 Directors
Female	1 (one)
Male	4 (Four)
Non-Executive Directors	4 (Six)
Executive Directors	1 (One)
Independent Director	1 (One)
Meeting held 2022-23	10 (Ten)

conditions, and for social relationships that are expected of good citizens in a country.

Chief Financial Officer, Company Secretary and Head of Internal Audit and Compliance

The following three qualified professionals have been appointed as CFO, CS, and HIAC of the Company as per the requirement of the Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission:

CFO - Mr. Md. Aminur Rahman, a Fellow Cost Management Accountant (FCMA) is delegated to the responsibility of Chief Financial Officer.

CS Mr. Sanjib Baran Roy, a Fellow Chartered Secretary (FCS) is responsible for the office of the Company Secretary.

HIAC Mr. Mozibur Rahman, a Fellow Chartered Accountant (FCA) is executing the responsibility of Head of Internal Audit and Compliance.

Audit Committee

The Board of Directors has constituted an Audit Committee of the Board consisting of 3 (three) Non-Executive Directors, namely Mr. Abul Kalam Azad, Independent Director, Mrs. Ratna Patra, Vice Chairman and Mr. Anjan Chowdhury, Director.



Mr. Abul Kalam Azad, the Independent Director is the Chairman of the Committee. The Audit Committee carries out its responsibilities as per the provisions of law and submits its report to the Board of Directors from time to time. The Audit Committee shall also coordinate with the internal and external auditors as and when required. The Audit Committee ensures that adequate internal checks & balances supported by adequate MIS are in place for the detection of errors fraud and other deficiencies.

The other responsibilities include inter alia, not be limited to, the prevention of conflict of interest between the company and its Directors officials, customers, suppliers, government, and any other interest groups and detecting or removing any scope of insider trading in the company's stock. The Audit Committee also ensures compliance with the requirements of BSEC and other agencies.

The Committee met 4 (four) times during the year under review.

Nomination and Remuneration Committee

The Board of Directors formed a Nomination and Remuneration Committee of the Board comprising of 3 (three) Non-Executive Directors namely Mr. Abul Kalam Azad, Independent Director, Mrs. Ratna Patra, Vice Chairman and Anjan Chowdhury, Director.

Mr. Abul Kalam Azad, the Independent Director is the Chairman of the Committee.

The terms of reference of the Nomination & Remuneration Committee inter alia include determining the Company's policy on specific remuneration packages for executive directors, reviewing, recommending and/or approving remuneration to whole-time Directors, reviewing and approving the

Remuneration Policy of the Company, formulating criteria for evaluation of Independent Directors and the Board, to devise a policy on Board Diversity, to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board the appointment or removal of such persons and to discharge such other functions and exercise such other powers as may be delegated/ directed by the Board of Directors from time to time.

The Committee met once during the year under review.

Executive Management

The Managing Director, the CEO, is the head of the Executive Management Team which comprises senior executive members of the Company. Within the limits of delegated authority and responsibility by the Board of Directors, Executive Management operates through further delegation of authority at every echelon of line management.

The Executive Management operates within the framework of policy and Planning strategies set by the Top Management with periodic performance reporting for guidance.

The Executive Management is responsible for the preparation of segment plans/sub-segment plans for every profit center with budgetary targets for every item of goods and services and is held accountable for deficiencies, with an appreciation for outstanding and exceptional performances. These operations are continuously carried out by the Executive Management through a series of Committees, Sub-Committees, Adhoc Committees and Standing Committees assisting the line management.



Legal Advisers

In order to avail the best legal services for Good Corporate Governance, the company has empaneled top-ranking legal professionals, namely Mr. Rokonuddin Mahmud, Bar-at-Law and Mrs. Nihad Kabir, Bar-at-Law. They have had long-term fundamental support for the company's good governance efforts.

Shareholders' Relationship

Corporate Governance issues include how major policy decisions are made in business corporations, how various stakeholders can influence the process, who is held accountable for performance and what performance standards are applied. In a nutshell, power and influence are crucial in corporate governance. As shareholders belong to the most important stakeholders, the ownership structure has an impact on the balance of power among shareholders.

Though sponsors usually hold majority shares required for ordinary resolutions, public shareholders have a definite role and influence in the passing of special resolutions required for changes in the business object, sale of business/productive assets, merger and amalgamation, winding up or dissolution and amendments to Memorandum and Articles of Association for protection of minority interest up to 49.9% of the shareholdings.

Shareholding Status 30 June 2023:

Shareholders Group	Holding
Sponsors/Directors	61.83%
Institutions	22.42%
General Public	12.68%
Foreigners	3.07%

The position of shareholders as of 30th June, 2023 indicates that the Sponsors of the

Company do not hold the required 75% shareholdings for passing special resolutions. This allows the Public Shareholders (individuals and institutions) to play an effective role in protecting their legal corporate rights. to 49.9% of the shareholdings.

The Company has its Annual General Meeting [Members (Shareholders) Meeting] on a regular basis, as required by law, with proper notice and disclosures in the Directors' Report and the Auditors' Report on Accounts/Notes, and resolutions are passed unanimously. All reasonable and practicable suggestions are implemented with good grace.

All inquiries are attended to by the Company Secretary, where necessary. Internal Audit Committee investigates matters of significant merit for consideration by the Management Committee/Managing Director/Audit Committee of the Board/ Board of Directors as the case may be.

The shareholders, as owners, are provided with material information on the company's operations quarterly and annually. They are also provided routine services by the Company Affairs Division headed by the Company Secretary on any company matters which are permissible.

The Board is, however, responsible to the Members (Shareholders) as well as investors for the publication of PSI (Price Sensitive Information) as per regulations of the Bangladesh Securities and Exchange Commission.

The Company has a website to provide permissible information, notices, price sensitive information, financial reports, disclosures, and others to shareholders and interested investors. A qualified Chartered



Secretary is in charge of all these responsibilities as Company Secretary.

Dividend Policy

The Board of Directors is committed to exhibiting a continuous dividend distribution policy of accretive wealth (profits) among present and future generations of Members (shareholders). This would allow the Company to increase its capital wealth and continue to exist in perpetuity, benefiting both current and future generations.

Financial/Statutory Auditors

The role of the Financial/Statutory Auditors in the certification of the financial statements is the most significant aspect of corporate governance and the protection of the interests of investors. As evident from the Annual Reports, the company rigidly follows the Companies Act, Rules of the Bangladesh Securities and Exchange Commission, Listing Regulations, Code of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and International Standard of Auditing (ISA) with legally required disclosures of Accounts and Financial Statements.

All this has been possible due to the high-level capability and integrity of the Financial/Statutory Auditor of Square Textiles PLC. M/s. Ahmed Zaker & Co., Chartered Accountants whose unchallenging performance has played a very trustworthy role in the protection of the interest of the stakeholders of the Company.

Compliance Auditors

The Compliance Auditor is responsible for certification of compliance with the conditions of the Corporate Governance Code 2018 of the Bangladesh Securities and Exchange Commission as well as the provisions of relevant Bangladesh Secretarial Standards of

the Institute of Chartered Secretaries of Bangladesh (ICSB).

M/s. Chowdhury Bhattacharjee & Co., Chartered Accountants, is the Compliance Auditors of Square Textiles PLC. appointed by its Members (shareholders) at their Annual General Meeting.

Segment Report

The Company's operations are carried out on an aggregate basis and are managed as a single operating segment. Accordingly, the company operates in one segment of developing, manufacturing and marketing cotton/yarn for human as well as industrial use.

Risk Perception

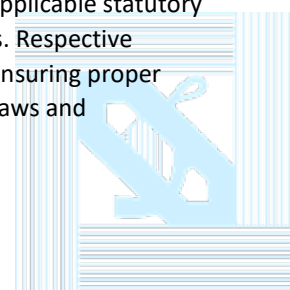
The Company's Management perceives investment risk within the national and international economic perspectives in relation to legal and moral requirements involving, inter alia, intellectual property rights, scientific inventions, WTO Regulation, MFA, etc., and monetary and fiscal investment policies and has prepared its production and marketing strategies to meet the challenges from these risks.

Secretarial Standard

Square Textiles makes every effort to adhere to the Secretarial Standard on meetings of the Board of Directors, Members (shareholders), Minutes, and Dividends issued by the Institute of Chartered Secretaries of Bangladesh.

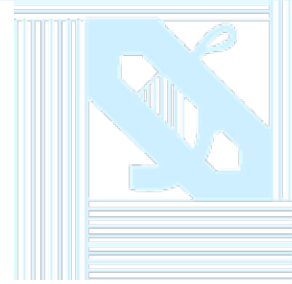
Compliances

Square Textiles has established procedures to ensure compliance with all applicable statutory and regulatory requirements. Respective officers are responsible for ensuring proper compliance with applicable laws and regulations.



Audit Committee Report 2022-2023

Under Condition # 5(7) of CGC



Square Textiles PLC. has an Audit Committee as a subcommittee of the Board of Directors in order to assist the Board of Directors in ensuring and fulfilling its oversight responsibilities.

The Audit Committee is comprised of the following Members of the Board of Directors:

Mr. Abul Kalam Azad, Independent Director	- Chairman
Mrs. Ratna Patra, Vice Chairman	- Member
Mr. Anjan Chowdhury, Director	- Member

Mr. Sanjib Baran Roy, Company Secretary acts as the Secretary to the Committee.

The Audit Committee performs its responsibility in harmony with the Corporate Governance Code 2018 of the Bangladesh Securities and Exchange Commission and ensures compliance thereon.

The scope of the Audit Committee was defined as under:

- Review and recommend to the Board to approve the quarterly and annual financial statements prepared for statutory purposes;
- Monitor and oversee the choice of accounting policies and principles, internal control, risk management process, auditing matter, hiring and performance of external auditors;
- Review statements of significant related party transactions submitted by the management.
- Carry on a supervision role to safeguard the systems of governance and independence of statutory auditors and
- Review and consider the report of internal auditors and statutory auditors' observations on internal control.

Major activities carried out during the reporting year 2022-2023:

- ❖ Examined and reviewed the fairness of the quarterly and annual financial statements and recommended them to the Board for consideration.
- ❖ Overseen, reviewed and approved the procedure and task of the internal audit, financial report preparation and external audit reports.
- ❖ Reviewed and recommended Related Party Transactions, Loans, Guarantees and Investments.
- ❖ Considered and made a recommendation to the Board on the appointment and remuneration of Statutory Auditors.

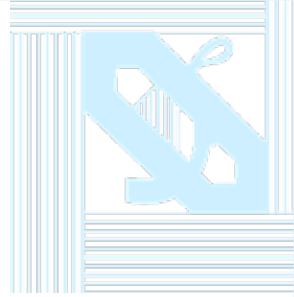
The Committee found the adequate arrangement to present a true and fair view of the activities and the financial status of the company and didn't find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting.

Abul Kalam Azad
Chairman, Audit Committee

Date: 12th October, 2023

NRC SQUARE TEXTILES

Under Condition # 6(5)(c)



A. Nomination and Remuneration Policy

1.00 Introduction

The Nomination and Remuneration Policy is prepared and adopted in compliance with Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission in view to formulate and recommend proper, fair, transparent and non-discriminatory nomination and remuneration for the Directors and Top Level Executives of the Square Textiles PLC.

The Nomination and Remuneration Policy of Directors and Top Level Executives has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors of Square Textiles PLC.

2.00 Definitions

“NRC or the Committee” means Nomination and Remuneration Committee

“the Company” means Square Textiles PLC.

“Board” means Board of Directors of Square Textiles PLC.

“Director” means Member of the Board.

“Top Level Executive” means the Managing Director or Chief Executive Officer, Additional or Deputy Managing Director, Chief Operating Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and Compliance, Head of Administration and Human Resources or equivalent positions and same level or ranked or salaried officials of the company.

3.00 Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been constituted by the Board of Directors of the Company as a subcommittee to assist the Board under Condition No. 6 of the Corporate Governance Code 2018 of the Bangladesh Securities and Exchange Commission.

NRC is independent and responsible or accountable to the Board of Directors and to the Shareholders of Company.

The NRC consists of the following Non-Executive Director of the Board:

Name of the Members	Position in the Committee
Mr. Abul Kalam Azad Independent Director	- Chairman
Mrs. Ratna Patra Director	- Member
Mr. Anjan Chowdhury Director	- Member

The Terms of Reference of the NRC have been defined and adopted by the Board of Directors of the Company.

4.00 Objective

The objective of the NRC is to oversee, assist and guide the Board of Directors:-

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of Directors and Top Level Executives.
- To devise a policy on Board's diversity taking into consideration of age, gender, experience, ethnicity, educational background and nationality.
- To the appointment, fixation of remuneration and removal of Directors and Top Level Executives.
- To formulate the criteria in respect to evaluate performance of the Independent Director and the Board.
- To identify the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria.
- To develop, recommend and review the company's human resources and training policies.

- To retain, motivate and promote talent and to ensure long term sustainability of talented Top Level Executive and create competitive advantage.
- To recommend Code of Conduct for the Chairman and other Members of the Board and Managing Director.
- To Implement and monitor policies and processes regarding principles of corporate governance.

5.00 Nomination and Appointment of Directors and Top Level Executives

The committee is responsible to ensure that the procedures for nomination and appointment of Directors and Top Level Executive are taken place in transparent, rigorous and non-discriminatory way. The committee also responsible to identify and ascertain the combination of age, gender, educational background, experience, knowledge, ethnicity, diversity, nationality and other relevant personal values & attributes for nomination and appointment of Director and Top Level Executives.

6.00 Remuneration for Directors and Top Level Executives

The committee shall oversee, review and make a report with a recommendation to the Board the the level and composition of remuneration is reasonable and sufficient to attract, motivate and retain suitable, dependable and skilled Director and Top Level Executive. They also consider and review the relationship of remuneration to performance is clear and meet appropriate performance benchmarks, remuneration to Director and Top Level Executive involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

7.00 Validation of the Policy

This policy on Nomination and Remuneration of Directors and Top Level Executives of the Company has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors of Square Textiles PLC.

8.00 Amendments to the Policy

The Board preserve the rights to amend and review time to time the provisions of the policy depending on the legal and other requirements or for a bona fide purpose.

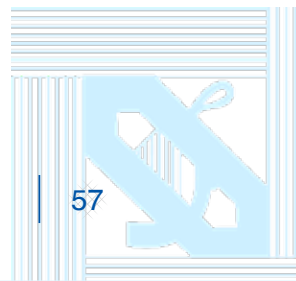
B. Evaluation of Performance

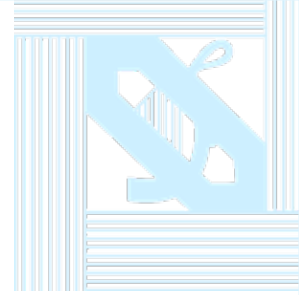
Evaluation of performance of Directors be carried out through completion of a preset confidential questionnaire and/or collective feedback or any other effective criteria adopted by the Board yearly or at such intervals of its work, function and performance as may be considered necessary in order to ascertain the effectiveness and to measure the contribution of the Directors as well as the Top Level Executives of the Company.

C. Activities of the NRC carried out during the reporting period

The NRC carried out the following activities in line with Committee's Terms of Reference during the reporting period:

- i. Reviewed and recommended the Code of Conduct for the Chairman, other Members of the Board and Managing Director.
- ii. Reviewed the Company's existing policy relating to the remuneration of Directors and Top Level Executives.
- iii. Discussed and decided in regard to formulate the criteria of evaluation of performance of the Board and Independent Directors.
- iv. Reviewed the Company's existing Human Resource and Training policies.





DIVIDEND Distribution Policy

SQUARE TEXTILES PLC.

1.00 Introduction

The Dividend Distribution Policy is prepared and adopted in compliance with the provisions of the Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January, 2021 of the Bangladesh Securities and Exchange Commission (BSEC) about dividend declaration, pay off, disbursement and compliance.

The Board of Directors (the Board) will consider the directive while declaring/recommending dividend on behalf of the Company. The Policy is not an alternative to the decision of the Board for declaring/recommending dividend, which takes into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided by the Board.

2.00 Definitions

“the Act” means Companies Act 1994

“the Company” means Square Textiles PLC.

“AGM” means Annual General Meeting

“Board” means Board of Directors of Square Textiles PLC.

“Shareholders” means Members whose name is registered in the Member Register of the Company.

“Shares” means Ordinary Equity Shares.

3.00 Concept of Dividend

The dividend is the share of the profit that a Company decides to distribute among its Shareholders in proportion to the amount paid-up on shares they hold in the form of Cash and/or Stock (Bonus). The profits earned by the Company can either be retained in the business or can be distributed among the Shareholders as dividend.

4.00 Types of Dividend

The Act deals with two types of dividend - Interim and Final.

- **Interim** dividend is the dividend declared by the Board between two AGMs as and when considered appropriate. The Act authorizes the Board to declare an interim dividend during any financial year out of the profits for the financial year in which the dividend is sought to be declared and/or out of the surplus in the profit and loss account.
- **Final** dividend is recommended for the financial year at the time of approval of the annual financial statements as well as the appropriation of profit. The Board shall have the power to recommend the final dividend to the shareholders for their approval at the AGM of the Company. The Dividend recommended by the Board of Directors cannot be changed prior to holding the AGM.

5.00 Declaration of Dividend

Subject to the provisions of the Act, dividend shall be declared and paid out of:

- a. Profits of the Company for the year for which the dividend is to be paid after setting off carried over previous losses and depreciation not provided in the previous year(s);
- b. Undistributed profits of the previous financial years after providing for depreciation in accordance with law and remaining undistributed.
- c. Out of a & b both.

Before declaration of dividend, the Company may transfer a portion of its profits to reserves of the Company as may be considered appropriate by the Board at its discretion.

In the event of inadequacy or absence of profits in any financial year, the Company may declare dividend out of free reserves subject to the compliance with the Act and Rules.

6.00 Factors Governing Declaration of Dividend

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among the shareholders and amount of profit to be retained in business.

The circumstances for dividend pay-out decision depends on various external and internal factors which the Board of Directors shall consider while recommend/ declaring dividend including the following:

6.01 External Factors:

- The Board shall endeavor to retain a larger portion of profits to build up reserves, in case of Adverse Economic Scenario.
- The Board shall evaluate the market trends in terms of technological changes mandating investments, competition impacting profits, etc., which may require the Company to conserve resources.
- The Board shall consider the restrictions, if any, imposed by the Act and other applicable laws with regard to declaration of dividend in order to ensure compliance with the applicable laws.
- Dividend distribution tax or any tax deduction at source as required by tax regulations, applicable at the time of declaration of dividend may impact the decision with regard to dividend declaration.
- Other factors beyond control of the Management like natural calamities, fire, etc. effecting operations of the Company may impact the decision with regard to dividend declaration.

6.02 Internal Factors:

- Profitability
- Availability and Liquidity of Funds
- Capital Expenditure needs for the existing businesses
- Expansion/Modernization of the business
- Additional investments in subsidiaries/associates of the Company
- Cost of raising funds from alternate sources
- Cost of servicing outstanding debts
- Funds for meeting contingent liabilities
- Mergers and Acquisitions
- Any other factor as deemed appropriate by the Board.

Apart from the above factors, the Board also considers past dividend history and sense of shareholders' expectations while determining the rate of dividend. The Board may additionally recommend special dividend in special circumstances.

7.00 Financial Parameters for Declaring Dividend

The Company is committed to deliver sustainable value to its stakeholders. The Company shall strive to distribute an optimal and appropriate level of the profits among the shareholders in the form of dividend.

To keep investment attractive and to ensure capital appreciation for the shareholders, the Company shall also endeavor to provide consistent return over a period of time. While deciding on the dividend, micro and macroeconomic parameters for the country in general and the Company in particular shall also be considered.

Taking into consideration the aforementioned factors, the Board shall endeavor to maintain a dividend pay-out.

8.00 Utilization of Retained Earnings

Subject to the provisions of the Act and other applicable laws, retained earnings may be utilized as under:

- Issue of fully paid-up bonus shares
- Declaration of dividend-Interim or Final
- Augmenting internal resources
- Funding for capital expenditure/expansion plans/acquisition;
- Repayment of debt
- Any other permitted use as may be decided by the Board.

9.00 Parameters for Various Classes of Shares

Currently, the Company has only one class of shares - Equity Shares. There is no privilege amongst Equity Shareholders of the Company with respect to dividend distribution.

10.00 Circumstances Impacting Dividend Payment

The Company has been paying dividend to its shareholders around three decades and shall endeavor to continue with the dividend payment.

Given here in below are some of the circumstances in which shareholders of the Company may or may not expect dividend pay-out:

10.01 May Expect Dividend:

- Adequate profits and liquidity
- Accumulated profits not warranted for immediate business needs.

10.02 May Not Expect Dividend:

- Non availability of profits for dividend distribution

- Funds available for dividend but need to be conserved due to:
 - Business needs;
 - Adverse economic /market scenario expected in near future;
 - Augmenting internal resources.

11.00 Disclosure

This Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and on the Company's website www.textile.squaregroup.com

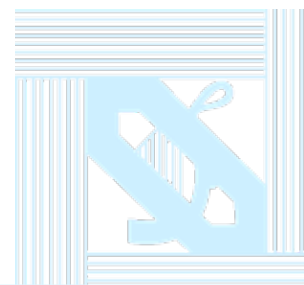
If the Company proposes to declare dividend on the basis of any additional parameters apart from those mentioned in the Policy or proposes to change the parameters contained in this Policy, it shall disclose such changes along with the rationale for the same in the Annual Report and on the website.

12.00 Effective Date

This Policy has been approved by the Board of Directors of the Company at its meeting held on 1st February, 2021 and shall be effective and applicable for dividend, if any, declared for the Financial Year 2020-21 onwards.

13.00 Review/Amendment

The Board may amend, abrogate, modify or revise any or all provisions of this Policy. However, amendments in the Act or in the Listing Regulations shall be binding even if not incorporated in this Policy.



Financial Statement

Year Ended June, 2023

CONSOLIDATED

☐ Statement of Financial Position	- 70
☐ Statement of Profit or Loss and other Comprehensive Income	- 71
☐ Statement of Changes in Equity	- 72
☐ Statement of Cash Flows	- 73
☐ Basis of Preparation and Presentation	- 74
☐ Application of IAS	- 75
☐ Employees Benefit Scheme	- 77
☐ Financial Risk Management	- 78
☐ Related Party Transaction	- 88
☐ Property, Plants and Equipment	- 90



Independent Auditors' Report

**To the Shareholders of SQUARE Textiles PLC.
and its Subsidiaries**

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of SQUARE Textiles PLC. and its subsidiaries (the "Group") as well as the separate financial statements of SQUARE Textiles PLC. (the "Company"), which comprise the consolidated and separate statements of financial position as at 30 June 2023 and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flow for the year then ended and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated financial position of the group and the separate financial position of the company as at 30 June 2023, and of its consolidated and separate profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and its consolidated and separate cash flows for the year then ended in accordance with international financial reporting standards (IFRSs), the Companies Act-1994, the Securities and Exchange Rules-2020 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide opinion on these matters.

Risk	Our response to the risk
Revenue Recognition	
<p>The Group reported total revenue of Tk. 16,508,162,222 for the year ended 30 June 2023 which is 5.30% (Tk. 924,086,541) lower than prior year revenue. Revenue generates from 100% Export sales.</p> <p>Revenue recognition has significant and wide influence on financial statements. Revenue is recognized when the amounts and the related costs are reliably measured and the performance obligation is satisfied through passing of control to the customers.</p> <p>Export sales is recognized at the time of delivery from Factory Godown. The sales price is determined considering the effect of rebate, discounts and incentives.</p> <p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p> <p>We focused on the proper cutoff of sales to the Company's customers. There is a risk of differences between the timing of invoicing of products and the dispatch of the products.</p>	<p>Our audit procedures included the following to assess this risk:</p> <ul style="list-style-type: none"> ➤ Performed walkthroughs of the revenue cycle at significant components to gain understanding of when the revenue should be recognized, to map out the relevant controls and processes in place; ➤ We assessed the appropriateness of revenue recognition accounting policy in line with IFRS-15; ➤ Tested the internal control over financial reporting, we also assessed the existence and accuracy of the sales recorded; ➤ Sent balance confirmations to debtors on sample basis to confirm the accuracy, valuation and existence of balances; ➤ Reconciled between sales report and VAT return (Mushak-9.1). ➤ Finally assessed the appropriateness and presentation of disclosures against IFRS-15.
See note no- 3.7 & 21 to the consolidated financial statements	

Property, Plant and Equipment	
<p>At the reporting date, the carrying value of the Group's property, plant and equipment amounted to Tk. 6,455,411,632 and Capital work in progress Tk. 3,385,190,846). The valuation of property, plant and equipment was identified as a key audit matter due to the significance of this balance to the financial statements.</p> <p>Expenditures are capitalized if they create new or enhance the existing assets, and expensed if they relate to repair or maintenance of the assets. Classification of the expenditures involves judgment. The useful lives of PPE items are based on management's estimates regarding the period during which the asset or its significant components will be used. The estimates are based on historical experience.</p>	<p>Our audit included the following procedure:</p> <ul style="list-style-type: none"> ➤ We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IAS-16 and found them to be consistent; ➤ We evaluated the assumptions made by management in the determination of useful lives to ensure that these are consistent with the principles of IAS-16; ➤ We compared the useful lives of each class of asset in the current year to the prior year to determine whether there are any significant changes in the useful life of assets, and considered the reasonableness of changes based on our knowledge of the business and the industry;

Risk	Our response to the risk
<p>Impairment of PPE</p> <p>At the end of each reporting period, management assesses whether there is any indication that an asset may be impaired as per IAS-36.</p> <p>If any such indication exists, management estimates the recoverable amount (RA) of the asset. If the RA of an asset becomes lower than its carrying amount (CA), Impairment loss shall be charged and CA is reduced to its RA.</p>	<ul style="list-style-type: none"> ➤ We obtained a listing of capital expenditures incurred during the year and on a sample basis, checked whether the items were procured based on internal purchase order that had been properly approved by the responsible individuals; ➤ We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from capital in progress to ready for use, with the date of the act of completion of the work; ➤ We assessed whether there are circumstances that indicate a possible impairment of PPE and if such circumstances exist, how they have been dealt with by the entity; ➤ Assessed the appropriateness and presentation of disclosures as per IAS-16.
<p>See note no-3.1 to 3.4, 4 & 5 to the consolidated financial statements</p>	

Valuation of inventory	
<p>The inventory of Tk. 4,384,063,319 at 30 June 2023 held in warehouses and factory premises of the Group.</p> <p>In order to carry inventory at the lower of cost and net realizable value, management has identified slow moving, obsolete and damaged inventories and made adjustments to the carrying value of these items, the calculation of which requires certain estimates and assumptions.</p> <p>Inventory value is calculated in entity's accounting system using an automated process. Manual process requires interfaces and inputs, there is a risk of inappropriate management override and chances of error exist.</p>	<p>Our procedures included the following to assess inventory Valuation:</p> <ul style="list-style-type: none"> ➤ Evaluating the design and implementation of key inventory controls operating across the factory premises; ➤ Attending inventory counts and reconciling the count results to the inventory listing to test the completeness of data; ➤ Testing, on a sample basis, the stock aging profile and the market price used in assessing the net realizable values of inventories to the related supporting documents; ➤ Comparing the net realizable value obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories; and ➤ Finally assessed the appropriateness and presentation of disclosures as per IAS-2.
<p>See note no- 3.5 & 7 to the consolidated financial statements</p>	



Risk	Our response to the risk
Measurement of Deferred Tax Liability	
<p>The Group reported deferred tax liability of Tk. 281,935,141 as at 30 June 2023.</p> <p>Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.</p> <p>Significant judgement is required in relation to deferred tax liability as it is dependent on forecasts of future profitability over a number of years.</p>	<p>We obtained an understanding of the Company's key controls over the recognition and measurement of deferred tax assets and liabilities and the assumptions used in estimating the future taxable expense of the Company. Our audit included the following procedure:</p> <ul style="list-style-type: none"> ➤ We evaluated the reasonableness of key assumptions, timing of reversal of temporary differences and expiration of tax loss carry forwards, recognition and measurement of deferred tax liability; ➤ We performed the mathematical accuracy of the deferred tax calculation; ➤ We assessed the adequacy of the Company's disclosures setting out the basis of deferred tax liability balances and the level of estimation involved; ➤ We also assisted in evaluating the tax implications as per Income Tax Act-2023, the reasonableness of estimates and calculations determined by management; and ➤ Finally assessed the appropriateness and presentation of disclosures as per IAS-12: Income Taxes.
See note no-3.15 & 15 to the consolidated financial statements	
Related party transaction	
<p>The Group has related party transaction and we focused on identification of related parties and disclosure of related party transaction in accordance with IAS-24: Related Party Disclosures.</p>	<p>Our audit procedures amongst other included the following:</p> <ul style="list-style-type: none"> ➤ Evaluated the design and tested the operating effectiveness of controls over identification and disclosure of related party transaction; ➤ Evaluated the transactions among the related parties and tested material accounting balances; ➤ Evaluated the Board of Director's approval for related parties' transactions; ➤ Sent balance confirmation to the related parties to confirm the accuracy and existence of receivables/payable balances; and ➤ Evaluated the disclosures in the Separate and Consolidated financial statements in compliance with IAS 24 "Related Party Disclosures".
See note no- 3.17 & 34 to the consolidated financial statements	



Risk	Our response to the risk
Recoverability Assessment of Trade Receivable	
<p>The total amount of trade receivable of the group is Tk. 3,807,809,993 at 30 June 2023. Trade receivable comprise solely from the sale of yarns, which is secured by Letter of Credit. Outstanding balances from various customers in different business segments and jurisdictions are subject to their independent business risk.</p> <p>The increasing challenges over the economy and operating environment in the manufacturing industry during the year have increased the risks of default on receivables from the customers. In particular, in the event of insolvency of customers, the group is exposed to potential risk of financial loss when the customers fail to meet their contractual obligations in accordance with the requirements of the agreements.</p> <p>Accordingly, we identified the recoverability of trade receivables as a key audit matter because of the significance of trade receivables to group's and company's Financial Position and because of the significant degree of management judgment involved in evaluating the adequacy of the allowance for doubtful debts.</p>	<p>Our audit procedures to assess the recoverability of trade receivables included the following:</p> <ul style="list-style-type: none"> ➤ Tested the accuracy of aging of Trade receivable at year end on a sample basis; ➤ Evaluating the Company's policy for making allowance for doubtful debts with reference to the requirements of the prevailing accounting standards; ➤ Assessing the classification of trade receivables in the trade receivable ageing report by comparison with sales invoice and other underlying documentation on a test basis; ➤ Sent balance confirmations to debtors on sample basis and partially obtain the confirmation; ➤ Assessed the recoverability of the receivables on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers, historical payment pattern of customers; and ➤ Inspecting subsequent bank receipts from customers and other relevant underlying documentation relating to trade receivable balances at 30 June 2023.
See note no- 3.13 & 8 to the consolidated financial statements	
Long-Term Loan and Short-Term Loan	
<p>As at 30 June 2023, the reported amount of total long-term loan and Short-term loan is Tk. 40,000,000 & Tk. 8,588,192,412 respectively.</p> <p>We identified the long-term loan & short-term loan balances as a key audit matter because of the significance of these balances to group's and company's Financial Position.</p>	<p>Our audit procedures to address the matter included the following:</p> <ul style="list-style-type: none"> ➤ Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that the proper use of loan;

Risk	Our response to the risk
<p>The company borrowed long term loan from Standard chartered bank for the purpose of acquisition of non-current assets and working capital as well. Whereas, short term bank loan against letter of credit consists of Revolving Loan, EDF & UPAS from Standard Chartered Bank, HSBC, City Bank and Prime Bank Ltd.</p>	<ul style="list-style-type: none"> ➤ We verified sanction letter, loan schedule and bank statements to confirm the loan outstanding and found that the balance had been reported in the financial statements accurately; ➤ We also sent and obtain the outstanding balance confirmation to the respective banks; ➤ We also checked the financial expenses and classification of loan and repayment schedule as well; and ➤ We had checked the recording date of transactions and found the recording date is in line with the loan disbursement date. We also confirmed that the company had paid its installments within due time.
<p>See note no- 3.13,14 & 16 to the consolidated financial statements</p>	

Other Matter

The financial statements of the Group as at and for the year ended 30 June 2022 were audited by another auditor, who expressed an unmodified opinion on those statements.

The accounting year of the subsidiary company- Square Texcom Limited ends on the same date as of the Company. The Financial Statements of Square Texcom Limited was audited by another auditor and expressed unmodified opinion on those statements.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.



Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group in accordance with IFRSs, the Companies Act 1994, the Securities and

Exchange Rules 2020 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and event in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statement we are responsible for the direction, supervision and performance of the audit. We solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**Independent Auditors' Report
To the Shareholders**



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act-1994, and the Securities and Exchange Rules-2020 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the company so far as it appeared from our examinations of those books;
- c) the Consolidated and separate statements of Financial Position, statement of profit or loss & other comprehensive income and statement of changes in equity and statement of cash flows of the Group and the Company dealt with by the report are in agreement with the books of account and returns and
- d) the expenditure was incurred for the purpose of the Company's business.

Date : 22 Oct 2023
DVC : 2310220719AS220787
Place: Dhaka

AKM Rahmat Ullah, FCA, CPFA
Enrolment number: 0719
Partner
Ahmed Zaker & Co.
Chartered Accountants



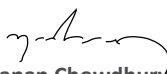
SQUARE TEXTILES PLC.

AND IT'S SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2023

Particulars	Notes	30 June 2023	30 June 2022
		Taka	Taka
ASSETS:			
Non-Current Assets			
Property, Plant & Equipment- Carrying Value	04	6,455,411,632	6,709,043,427
Capital Work In Progress and In Transit	05	3,385,190,846	1,355,869,970
Goodwill	06	56,283,760	56,283,760
		9,896,886,238	8,121,197,157
Current Assets			
Inventories	07	4,384,063,319	2,471,466,477
Trade Receivables	08	3,807,809,993	4,593,515,616
Advances, Deposits & Prepayments	09	565,302,166	453,254,662
Cash & Cash Equivalents	10	555,900,580	640,976,161
		9,313,076,058	8,159,212,916
TOTAL ASSETS		19,209,962,296	16,280,410,073
SHAREHOLDERS' EQUITY & LIABILITIES:			
Shareholders' Equity			
Share Capital	11	1,972,520,000	1,972,520,000
Retained Earnings	12	7,678,623,995	7,223,730,437
		9,651,143,995	9,196,250,437
Non controlling Interest			
	13	15,260,040	15,174,768
Non-Current Liabilities			
Long Term Borrowings	14	40,000,000	303,333,332
Deferred Tax Liability	15	281,935,141	320,533,438
		321,935,141	623,866,770
Current Liabilities & Provisions			
Short Term Bank Loan (Secured)	16	8,588,192,412	5,826,639,696
Creditors & Other Payables	17	99,431,947	84,900,098
Liabilities for Others Finance	18	222,103,790	153,411,550
Unclaimed Dividend Account	19	8,294,240	8,651,750
Provision for Income Tax	20	303,600,731	371,515,004
		9,221,623,120	6,445,118,098
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		19,209,962,296	16,280,410,073
Net Asset Value Per Share	31	48.93	46.62

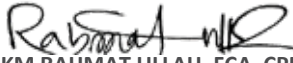
These financial statements should be read in conjunction with the annexed notes.


Tapan Chowdhury
Chairman


Samuel S Chowdhury
Managing Director


Sanjib Baran Roy
Company Secretary

Signed in terms of our separate
report of even date annexed


AKM RAHMAT ULLAH, FCA, CPFA
Partner, Ahmed Zaker & CO.
Chartered Accountants
Enrollment No-0719
DVC: 2310220719AS220787

Date: October 22, 2023
Place: Dhaka

SQUARE TEXTILES PLC.

AND IT'S SUBSIDIARY

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2023

Particulars	Notes	2022-2023	2021-2022
		Taka	Taka
Sales Revenue	21	16,508,162,222	17,432,248,763
Cost of Goods Sold	22	(14,492,669,397)	(14,509,929,506)
Gross Profit		2,015,492,825	2,922,319,257
Administrative Overhead	23	(297,746,569)	(278,290,668)
Selling and Distribution Overhead	24	(30,593,087)	(25,180,274)
Profit from Operations		1,687,153,169	2,618,848,315
Finance Cost	25	(342,720,350)	(250,393,099)
Non-Operating Income	26	61,600,708	56,734,401
Profit Before W.P.P.F & W.F		1,406,033,527	2,425,189,617
Allocation for W.P.P.F & W.F	27	(66,953,977)	(115,485,220)
Profit Before Tax		1,339,079,550	2,309,704,397
Provision for Tax (Current)	20	(232,317,017)	(340,496,006)
Deferred Tax Expenses/ (Income)	15	38,598,297	(10,469,038)
Profit After Tax for The Period		1,145,360,830	1,958,739,353
Non-Controlling Interest		(85,272)	(175,798)
Net Income for the Period		1,145,275,558	1,958,563,555
Earnings Per Share (EPS)	30	5.81	9.93

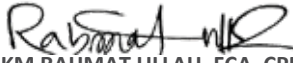
These financial statements should be read in conjunction with the annexed notes.


Tapan Chowdhury
Chairman


Samuel S Chowdhury
Managing Director


Sanjib Baran Roy
Company Secretary

Signed in terms of our separate
report of even date annexed


AKM RAHMAT ULLAH, FCA, CPFA
Partner, Ahmed Zaker & CO.
Chartered Accountants
Enrollment No-0719
DVC: 2310220719AS220787

Date: October 22, 2023
Place: Dhaka

SQUARE TEXTILES PLC.

AND IT'S SUBSIDIARY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2023

Particulars	Amount in Taka		
	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 Year Ended June 30, 2023	-	1,145,275,558	1,145,275,558
Cash Dividend for 2021-22	-	(690,382,000)	(690,382,000)
Balance As at June 30, 2023	1,972,520,000	7,678,623,995	9,651,143,995

FOR THE YEAR ENDED JUNE 30, 2022

Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total
Balance as at June 30, 2021	1,972,520,000	5,659,670,882	7,632,190,882
Net Profit For the Year Ended June 30, 2022	-	1,958,563,555	1,958,563,555
Cash Dividend for 2020-21	-	(394,504,000)	(394,504,000)
Balance As at June 30, 2022	1,972,520,000	7,223,730,437	9,196,250,437

These financial statements should be read in conjunction with the annexed notes.


Tapan Chowdhury
Chairman


Samuel S Chowdhury
Managing Director


Sanjib Baran Roy
Company Secretary

Date: October 22, 2023
Place: Dhaka

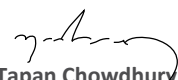
SQUARE TEXTILES PLC.

AND IT'S SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2023

Particulars	Note	2022-2023	2021-2022
		July to June Taka	July to June Taka
Cash Flows from Operating Activities:			
Receipts from Sales Revenue		17,293,867,845	17,647,048,779
Exchange Fluctuation Gain (Realization from Transaction)		227,606,107	30,826,820
Receipts/ (Payment) from Other Income/ Expenses		12,594,204	26,752,977
Total Receipts		17,534,068,156	17,704,628,576
Payment for Supplies and Other Services		(12,604,235,634)	(11,207,647,572)
Paid for Operating & Non-operating Expenses		(3,657,774,322)	(2,832,537,336)
Interest Expenses Paid		(225,234,378)	(253,503,210)
Income Tax Paid		(299,600,741)	(205,164,840)
Total Payments		(16,786,845,075)	(14,498,852,958)
Net Cash Generated/ (Used in) from Operating Activities		747,223,081	3,205,775,618
Cash Flows from Investing Activities:			
Purchase of Property, Plant & Equipment		(2,464,802,471)	(1,727,524,270)
Sales of Property, Plant & Equipment		4,470,012	7,480,000
Net Cash Generated (Used in) from Investing Activities		(2,460,332,459)	(1,720,044,270)
Cash Flows from Financing Activities:			
Long Term Loan Received/ (Repaid)		(430,000,000)	(2,675,959,956)
Short Term Bank Loan Received/ (Repaid)		2,928,219,384	837,708,460
Payment of Dividend		(690,739,510)	(440,703,592)
Net Cash Generated/ (Used in) from Financing Activities		1,807,479,874	(2,278,955,088)
Increase/(Decrease) in Cash & Cash Equivalents		94,370,496	(793,223,740)
Net effect of foreign currency translation		(179,446,077)	(5,107,160)
Opening Cash & Cash Equivalents		640,976,161	1,439,307,061
Closing Cash & Cash Equivalents		555,900,580	640,976,161
Net Operating Cash Flows Per Share	32	3.79	16.25

These financial statements should be read in conjunction with the annexed notes.


Tapan Chowdhury
Chairman


Samuel S Chowdhury
Managing Director


Sanjib Baran Roy
Company Secretary

Date: October 22, 2023
Place: Dhaka

SQUARE TEXTILES PLC.

AND IT'S SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED JUNE 30, 2023

1. Establishment and Operations:

1.1 Legal Form of the Enterprises:

Square Textiles PLC. (Here in after said as the company) is a public limited company and its subsidiary, Square Texcom Limited incorporated with the Registrar of Joint Stock Companies and Firms, Dhaka, Bangladesh under Companies Act, 1913 and Companies Act, 1994 respectively. The Square Textiles PLC. is listed with the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange PLC. in 2002.

1.2 Address of Registered office and factory of the company:

- a) Registered Office: Square Centre, 48 Mohakhali C/A, Dhaka -1212,
- b) Factory Office:
 - i. Saradaganj, Kashimpur, Gazipur
 - ii. Olipur, Habiganj, Sylhet.
- c) Factory Office of Square Texcom Limited: Kathali, valuka, Mymensingh.

1.3 Nature of Business:

The group owns Six (6) units of spinning mills, and a twisting mill. It's activities and operations are related with manufacturing and marketing of Yarns.

2. Summary of significant accounting policies and other material information:

2.1 Statement of Compliance:

The consolidated financial statements have been prepared in conformity with the provisions of the Companies Act, 1994, The Securities and Exchanges Rules 2020, International Financial Reporting Standards (IFRSs) and other relevant rules and regulations.

2.2 Basis of Consolidation:

These consolidated financial statements comprise the consolidated financial position and the consolidated results of operation of the Company and its subsidiaries (collectively referred as 'Group') on a line by line and non-controlling interest are shown separately as a line item of the statement of financial position and statement of comprehensive income.

Subsidiaries:

Subsidiaries are enterprise controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are taken into account. The results of operations and total assets and liabilities of subsidiaries are included in the consolidated financial statements on a line by-line basis and the interest of non-controlling shareholders, if any, in results and net assets of subsidiaries are stated separately. The financial statements of subsidiaries are included in consolidated financial statement of the Group from the dated control commence until the date control ceases. Any gain or loss, increase/decrease in non-controlling in subsidiaries without a change control, is recognized as a component of equity.

Transactions eliminated on consolidation:

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

2.3 Basis of Preparation:

The consolidated financial statements have been prepared in accordance with the going concern principle and historical cost convention. The significant accounting policies are set out next page.

2.4 Statement on Compliance of International Financial Reporting Standards:

The following IASs and IFRSs are applicable for the financial statements for the year under review:

S/N	Name of the IAS	IAS No.	Status
1	Presentation of Financial Statements	1	Applied
2	Inventories	2	Applied
3	Statement of Cash Flows	7	Applied
4	Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
5	Events after the reporting period	10	Applied
6	Construction Contracts	11	Replaced by IFRS 15
7	Income Taxes	12	Applied
8	Property, Plant and Equipment	16	Applied
9	Leases	17	Replaced by IFRS 16
10	Revenue	18	Replaced by IFRS 15
11	Employee Benefits	19	Applied
12	Accounting for Government Grants and Disclosure of Government Assistance	20	Not Applicable
13	The Effects of Changes in Foreign Exchange Rates	21	Applied
14	Borrowing Costs	23	Applied
15	Related Party Disclosures	24	Applied
16	Accounting and Reporting by Retirement Benefit Plans	26	Not Applicable
17	Separate Financial Statements	27	Applied
18	Investment In Associates and Joint Ventures	28	Not Applicable
19	Financial Reporting in Hyperinflationary Economics	29	Not Applicable
20	Financial Instruments: Presentation	32	Applied
21	Earnings per share	33	Applied
22	Interim Financial Reporting	34	Applied
23	Impairment of Assets	36	Applied
24	Provisions, Contingent Liabilities and Contingent Assets	37	Applied
25	Intangible Assets	38	Applied
26	Financial Instruments: Recognition and Measurement	39	Replaced by IFRS 9
27	Investment Property	40	Not Applicable
28	Agriculture	41	Not Applicable

S/N	Name of the IFRS	IFRS No.	Status
1	First time adoption of International Financial Reporting Standards	1	Not Applicable
2	Shares based Payment	2	Not Applicable
3	Business Combinations	3	Not Applicable
4	Insurance Contract	4	Not Applicable
5	Non-current Assets Held for Sale and Discontinued Operations	5	Not Applicable
6	Exploration for and Evaluation of Mineral Resources	6	Not Applicable
7	Financial Instruments: Disclosure	7	Applied
8	Operating Segments	8	Not Applicable
9	Financial Instrument	9	Applied
10	Consolidated Financial Statements	10	Applied
11	Joint Arrangement	11	Not Applicable
12	Disclosure of Interest in other entities	12	Applied
13	Fair Value Measurement	13	Applied
14	Regulatory deferral accounts	14	Not Applicable
15	Revenue from Contracts with Customers	15	Applied
16	Leases	16	Applied

2.5 Going Concern:

As per IAS-1 the group is required to make assessment at the end of each year to assess its capability to continue as going concern. The management of the group makes such assessment each year. The group has adequate resources to continue in operation for the foreseeable future and has wide coverage of its liabilities. For this reason, the Directors continue to adopt the going concern assumption while the financial statements have been prepared.

2.6 Accrual Basis:

The consolidated financial statements have been prepared, except cash flow information using the accrual basis of accounting.

2.7 Functional and presentation currency:

These consolidated financial statements are presented in Bangladesh Taka (BDT or Tk.) which is the group functional currency.

2.8 Structure Contents and Presentation of Financial Statements:

The presentation of the financial statements is in accordance with the guidelines provided by IAS-1.

“Presentation of Financial Statements”. A complete set of financial statements comprise:

- i) Consolidated Statement of Financial Position as at June 30, 2023;
- ii) Consolidated Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2023;
- iii) Consolidated Statement of Changes in Equity for the year ended June 30, 2023;
- iv) Consolidated Statement of Cash Flows for the year ended June 30, 2023 and
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended June 30, 2023.

2.9 Use of Estimates and Judgements:

The preparation of financial statements in conformity with IFRSs requires management to make Judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and assumptions are reviewed on an ongoing basis.

The estimates and underlying assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making Judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

In particular, significant areas of estimation uncertainty and critical Judgements in applying accounting policies that has the most significant effect on the amount recognized in the financial statements are income tax provision (both current and deferred tax), depreciation and gratuity provision.

2.10 Statement of Cash Flows:

Statement of cash flows has been prepared as per IAS-7: Statement of Cash Flows using Direct Method as per the requirement of Securities and Exchange Rules 2020.

3.0 Property, Plant and Equipment:

As per IAS-16, Property, Plant and Equipment are stated at their historical cost less accumulated depreciation. No depreciation has been charged on the Freehold Land and on the Capital work in progress. Depreciation is charged on all other assets on straight-line method. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS 5 and the date that the assets are derecognized.

Depreciation is computed on the straight-line basis over the estimated useful lives as follows:

Particulars	Useful Life (Years)
Factory Building and other Construction	20
Plant & Machinery	10-15
Laboratory & other Equipment	5-8
Furniture & Fixture	5-8
Motor Vehicles	5
Electrical Installation	5-8

3.1 Subsequent Costs:

The cost of replacing or upgrading part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss.

3.2 Disposal of Fixed Assets:

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the statement of profit or loss, which is determined with reference to the net book value of the assets and net sales proceeds.

3.3 Impairment of Asset:

The carrying values of all non-current assets are reviewed for impairment, either on a stand-alone basis or as part of a larger cash generating unit, when there is an indication that the assets might be impaired. Additionally, Goodwill, Intangible Assets with indefinite useful lives and Intangible Assets which are not yet available for use are tested for impairment annually. Any provision for impairment is charged to the profit or loss statement in the year concerned.

3.4 Capital Work in Progress:

Capital work in progress consists of cost incurred for acquisition of new plant and machinery, civil structure, factory shed for warehouse etc. which were not ready for use till reporting date.

3.5 Inventories:

As per IAS-2, Inventories comprises of Raw Materials, Raw Materials in transit, Packing Materials, Work in Progress, Finished Goods, and Spare & Spare Parts in transit. Inventories are valued at the lower of cost and net realizable value. Cost comprises invoice value plus applicable handling charges. Net realizable value is based on estimated selling price less estimated cost to completion and selling expenses.

3.6 Employees' Benefit Scheme:

Provident Fund:

The group has established an approved contributory provident fund scheme. A board of trustees wholly administers the fund. No part of the fund is included in the asset of the group.

Gratuity Fund:

The group establish funded (defined contribution) Gratuity plan and it is approved by NBR.

Group Insurance:

The group has two group insurance schemes for its permanent employees, premium for which is being charged to statement of comprehensive Income.

Worker's Profit & Participation Fund:

The group makes a regular allocation of 5% on net profit before tax to these funds and payment is made to the worker's as per provision of Labor Law 2006 chapter-15.

3.7 Revenue Recognition:

As per IFRS-15, Revenue is recognized as control is passed, either over time or at a point in time an entity recognizes revenue over time if one of the following criteria is met, the customer simultaneously receives and consumes all of the benefits provided by the entity as the entity performs; the entity's performance creates or enhances an asset that the customer controls as the asset is created; or the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Income refers to increases in economic benefits during the accounting period in the form of inflows or enhancements of assets or decreases of liabilities that result in an increase in equity, other than those relating to contributions from equity participants.

3.8 Other Income:

It is recognized on accrual basis.

3.9 Foreign Currency Transactions:

As per IAS-21 Transactions in Foreign Currencies are translated into BDT at the rate of exchange ruling on date of transaction. Monetary assets and liabilities expressed in foreign currencies are translated into BDT at the rate of exchange ruling at the date of Statement of Financial position.

3.10 Borrowing Costs:

As per IAS-23 Borrowing costs are recognized as expenses in the period in which they incurred and capitalized the same that incurred before commencement of commercial operation.

3.11 Advances, Deposits and Prepayments:

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment, inventory or expenses. Deposits are measured at payment value.

3.12 Due to/Due from sister concern:

These represent balance amounts due to /from sister concerns which are derived from short term loan.

3.13 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Receivables:

Trade Receivables are stated at their nominal value and considered good. No provision has been made for doubtful debt and no amount was written off as bad.

Payables:

Trade Payables are stated at their nominal value.

Cash and Cash Equivalents:

Cash and cash equivalents comprises cash in hand, bank current accounts, other bank deposits free of encumbrance and having maturity dates of three months or less from respective dates of deposit.

Borrowings:

Interest bearing bank loans and overdrafts are recorded at the proceeds received net of direct issue costs. Finance charges are accounted for on an accrual basis.

Financial Risk Management:

The group has exposures to the following risks its use of financial statements:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the group risk management framework. The Board oversees how management monitors compliance with risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risks faced by the group. The Board is assisted in its oversight role by Audit Committee. Internal audit, under the purview of Audit Committee, undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit Risk:

Credit risk is the risk of financial loss to the group if a buyer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group receivable from customers and investment securities. The group sales are made to renowned RMG Exporting Company. Sales made to the entity are fully secured by Letters of Credit issued by local scheduled banks.

Liquidity Risk:

Liquidity risk is the risk that the group will unable to meet its financial obligations as they fall due. The group approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group reputation. In general, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/ fund to make the expected payment within due date. Moreover, the group seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligations in the event that there is insufficient cash to make the required payment.

The requirement is determined in advance through cash flows projections and credit lines facilities with banks are negotiated accordingly.

Seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Board also monitors dividend trend to ordinary shareholders.

Market Risk:

Market Risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the group income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Capital Risk Management:

The group objectives when managing capital are to safeguard the group ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Board also monitors dividend trend to ordinary shareholders.

Money Laundering:

The group considers prevention of money laundering risk not only as a compliance requirement imposed by the law of the country but also as one of its ethical business values.

3.14 Lease:

As per IFRS- 16, the entity has no lease. So, there will be no implication regarding IFRS 16 in this financial year.

3.15 Taxation:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other Comprehensive Income because it excludes items of income or expenses that are

taxable or deductible in other years and it further excludes items that are never taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group liability for current tax is calculated using tax rates that have been enacted on date of Statement of Financial Position.

Deferred Tax:

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted by the date of Statement of Financial Position.

3.16 Contingent Liabilities and Assets:

Current or possible obligations or assets arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain events which are not within the control of the group.

3.17 Related Party Transaction:

The group has some related party transactions in arm length transactions.

3.18 Segment Reporting:

As per IFRS-8, as there is a single business and geographic segment within which the group operates as such no segment reporting is felt necessary.

3.19 Earnings Per Share:

As per IAS-33, Basis Earning per Share (EPS) has been computed dividing the earnings attributable to the weighted average number of the ordinary shares during the year.

3.20 Comparative Figure:

The comparative figures have been regrouped, reclassified or modified from previously published interim and annual Financial Statements to facilitate any necessary presentational changes to conform to the current year's presentation.

Comparative information has been disclosed in respect of the previous year for all numerical information in the current financial statement. Narrative and descriptive information for comparative information have also been disclosed whenever it is relevant for understanding of current year's financial statements.

3.21 Financial Year:

For this year financial year means, July 01, 2022 to June 30, 2023.

3.22 Events after the Reporting Period:

As per IAS-10 "Events after the Reporting Period" are those events favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue.

3.23 Consolidated Financial Statements:

Consolidated Financial Statements comprise the following:

1. Square Textiles PLC.
2. Square Texcom Limited

3.24 General:

Figures have been rounded off to the nearest taka, as it the reporting currency of these financials.

Particulars	June 30, 2023	June 30, 2022
	Taka	Taka
4. Consolidated Property, Plant & Equipment:		
Details of Property, Plant & Equipment and Depreciation as at June 30, 2023 are shown in the annexed schedule-A. Depreciation for the year charged to Factory Overhead and Administrative overhead (Note-22.3 & 23). The break-up of the balances are depicted below:		
Fixed Assets at Cost		
Opening Balance	13,155,210,134	12,792,433,005
Addition during the Year	431,155,280	441,444,238
Sale/ Obsolete during the Year	(152,270,540)	(78,667,109)
Closing Balance (Cost)	13,434,094,874	13,155,210,134
Accumulated Depreciation		
Opening Balance	6,446,166,707	5,832,982,726
Charged during the Year	681,163,538	688,632,854
Adjustment for sale/Obsolete during the year	(148,647,003)	(75,448,873)
	6,978,683,242	6,446,166,707
Carrying Value	Tk. 6,455,411,632	6,709,043,427
5. Consolidated Capital Work In Progress and In Transit:		
Opening Balance	1,355,869,970	62,382,185
Addition during the Year	2,408,717,221	1,336,085,890
Transfer to Property, Plant & Equipment	(379,396,345)	(42,598,105)
Closing Balance (Cost)	Tk. 3,385,190,846	1,355,869,970
a) The value of PPE in Transit is shifted to the heading "Capital Work In Progress and In Transit" from the Heading "Advances, Deposits & Prepayments"		
6. Consolidated Goodwill:		
Investment in Square Texcom Ltd. (For 4,330,502 shares of Square Texcom Ltd.)	489,333,960	65,783,760
Less: Face Value of the Shares	433,050,200	9,500,000
	Tk. 56,283,760	56,283,760
7. Consolidated Inventories:		
Stocks of Materials	4,153,849,361	2,259,852,806
Raw Materials	3,450,692,005	1,891,092,606
Raw Materials In Transit	259,344,576	48,373,070
Packing Materials	28,680,944	25,642,217
Work - In - Process	221,144,610	142,626,650
Finished Goods	193,987,226	152,118,263
Stocks of Spares	230,213,958	211,613,671
Spares at Store	226,106,447	206,394,084
Spares in Transit	4,107,511	5,219,587
	Tk. 4,384,063,319	2,471,466,477

The basis of valuation is stated in Note -3(5). Carrying amount of inventories pledged as security. No segmentation of stock is required because of homogenous materials and process.

Particulars	June 30, 2023	June 30, 2022
	Taka	Taka
8. Consolidated Accounts Receivable:		
This represents invoice value of goods delivered to customer. This is considered good and collectible.		
Aging of the Trade Receivables is as Follows:		
Below 60 days	1,655,834,475	1,988,299,156
Within 61-120 days	1,471,366,342	1,722,775,117
Above 120 days	680,609,176	882,441,343
Tk.	<u><u>3,807,809,993</u></u>	<u><u>4,593,515,616</u></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. Classification schedule as required by Schedule XI of Companies Act 1994.		
9. Consolidated Advances, Deposits & Prepayments:		
This is made up of the followings:		
Advance	417,865,185	329,238,586
Income Tax	202,959,939	203,590,488
Salary & PF Current account	9,982,000	86,000
Other Expenses	122,803,629	65,939,658
Suppliers & Contractor	82,119,617	59,622,440
Deposits	147,436,981	124,016,076
Security Deposit	133,855,015	111,346,762
Margin on Bank Guarantee	13,581,966	12,669,314
Tk.	<u><u>565,302,166</u></u>	<u><u>453,254,662</u></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) There was no amount was due by the associated undertaking.		
c) The advances & deposits considered good & recoverable.		
10. Consolidated Cash & Cash Equivalents:		
Cash in Hand	8,749,388	12,434,533
Cash at Bank (Note-10.1)	547,151,192	628,541,628
	<u><u>555,900,580</u></u>	<u><u>640,976,161</u></u>
10.1 Cash at Bank		
Standard Chartered Bank	302,922,147	336,514,580
HSBC Bank	103,730,472	164,741,441
Prime Bank	76,073,675	98,957,195
The City Bank	42,292,072	69,854
Commercial Bank of Ceylon	77,976	85,026
Bank Alfalah	389,517	391,212
Janata Bank	13,950,439	17,600,831
Mutual Trust Bank	5,033,241	7,729,181
Dutch Bangla Bank	648,630	653,010
Pubali Bank	2,033,023	1,799,298
	<u><u>547,151,192</u></u>	<u><u>628,541,628</u></u>

Foreign currency account balances have been converted to Taka at the ruling rate at the reporting date.

Particulars	June 30, 2023	June 30, 2022
	Taka	Taka
11. Share Capital:		
This is made up of the followings:		
Authorized:	<u>3,000,000,000</u>	<u>3,000,000,000</u>
300,000,000 Ordinary Shares of Tk. 10.00 each		
Issued, Subscribed and Paid up:	<u>1,972,520,000</u>	<u>1,972,520,000</u>
(197,252,000 Ordinary Shares of Tk. 10.00 each fully Paid up)		
Position of Shareholding is given in Schedule-B of Page-115		
12. Retained Earnings:		
Opening Balance	7,223,730,437	5,659,670,882
Add: Profit for the Year	1,145,275,558	1,958,563,555
Less: Cash Dividend paid during the Year	(690,382,000)	(394,504,000)
Tk.	<u>7,678,623,995</u>	<u>7,223,730,437</u>
13. Non Controlling Interest:		
5,000 shares of Tk. 100 at par of Square Texcom Limited	500,000	500,000
Shares of Accumulated Profit	14,760,040	14,674,768
Tk.	<u>15,260,040</u>	<u>15,174,768</u>
(a) This represents the minority share holdings in Square Texcom Limited as on June 30, 2023.		
(b) Voting power is not different with proportion of ownership interest. The Group is using equity method of accounting in preparation of consolidated financial statements.		
14. Consolidated Long Term Borrowings:		
Standard Chartered Bank	220,000,000	400,000,000
HSBC	-	250,000,000
Less: Current Portion of Long Term Borrowings	(180,000,000)	(346,666,668)
Tk.	<u>40,000,000</u>	<u>303,333,332</u>
These long term loans are secured against hypothecation of Stock, Trade Receivables and Plant & Machinery.		
15. Consolidated Deferred Tax Liability:		
Opening Balance	320,533,438	310,064,400
Deferred tax Expenses/ (Income)	(38,598,297)	10,469,038
Closing Balance	<u>281,935,141</u>	<u>320,533,438</u>
Tk.		
This represents tax liability payable in future due to accumulated taxable temporary differences (Above deferred tax balance create 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	5,734,527,461	5,993,119,746
Less: Tax Base Carrying Value	(3,854,959,853)	(3,856,230,166)
Taxable Temporary Difference	<u>1,879,567,608</u>	<u>2,136,889,580</u>
Tax Rate	15.00%	15.00%
Closing Deferred Tax Liability	<u>281,935,141</u>	<u>320,533,438</u>
Less: Opening Deferred Tax Liability	(320,533,438)	(310,064,400)
Deferred Tax (Income) / Expense	<u>(38,598,297)</u>	<u>10,469,038</u>
16. Consolidated Short Term Bank Loan:		
Revolving Loan	1,400,000,000	-
EDF & UPAS	7,008,192,412	5,479,973,028
Current Portion of Long Term Borrowings	180,000,000	346,666,668
Tk.	<u>8,588,192,412</u>	<u>5,826,639,696</u>
These short term loans are secured against hypothecation of Stock and Trade Receivable.		

Particulars	June 30, 2023	June 30, 2022
	Taka	Taka
17. Consolidated Creditors & Other Payables:		
Payable for Audit Fees	747,500	632,500
Payable for Utility Bills	89,100,669	64,010,809
Payable for Salary & Allowances	124,563	7,798,549
Others	9,459,215	12,458,240
Tk.	<u>99,431,947</u>	<u>84,900,098</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.		
18. Consolidated Liabilities for Others Finance:		
PF, WPPF & Other Fund	67,986,053	116,779,785
Provision for Gratuity (Note-18.1)	-	-
Others	154,117,737	36,631,765
Tk.	<u>222,103,790</u>	<u>153,411,550</u>
18.1 Provision for Gratuity:		
Opening Balance	-	14,579,422
Provision made for the period	16,526,810	35,268,984
Payment made during the period	(16,526,810)	(49,848,406)
Closing Balance	<u>-</u>	<u>-</u>
19. Unclaimed Dividend:		
Opening Balance	8,651,750	54,851,342
Addition During The Year	690,382,000	394,504,000
Paid During The Year	(690,739,510)	(440,703,592)
Closing Balance	<u>8,294,240</u>	<u>8,651,750</u>
20. Consolidated Provision for Income Tax:		
Opening Balance	371,515,004	101,269,364
Adjustment with Advance Tax	(300,231,290)	(70,250,366)
Current Year Provision (Note: 20.1)	232,317,017	340,496,006
Closing Balance	<u>303,600,731</u>	<u>371,515,004</u>
20.1 Provision made for the period:		
Higher Amount of Tax Under Company-wise Calculation (Please See the Individual Company-wise Notes):		
A) For SQUARE Textiles PLC.	224,950,087	309,854,073
B) For SQUARE Texcom Limited	19,815,443	30,641,933
Total Tax Expenses	<u>244,765,530</u>	<u>340,496,006</u>
Add/ Less: Short/ (Excess) provision for Prior period	(12,448,513)	-
Income Tax Provision for the period	<u>232,317,017</u>	<u>340,496,006</u>
Calculation of Effective Tax Rate:		
Current Income Tax Expenses	232,317,017	340,496,006
Deferred Tax Expenses/ (Income)	(38,598,297)	10,469,038
Total Tax Expenses	<u>193,718,720</u>	<u>350,965,044</u>
Effective Tax Rate (Total Tax Expenses / Profit Before Tax)	14.47%	15.20%

Particulars	2022-2023	2021-2022
	Taka	Taka
21. Consolidated Sales Revenue:		
In Quantity (KG)		
Opening Stock	572,604	680,476
Production during the Year	47,113,174	50,113,381
Available for Sale	47,685,778	50,793,857
Closing Stock	(727,849)	(572,604)
Sales during the year	46,957,929	50,221,253
(To be accounted for as follows)		
Sales Accounted as follows:		
In Quantity (KG)		
Export Sale of Yarns	46,957,929	50,221,253
	46,957,929	50,221,253
In Taka		
Export Sale of Yarns	16,508,162,222	17,432,248,763
	16,508,162,222	17,432,248,763
	Tk.	
During the period sales decreased by BDT 92.41 (-5.30%) crore due to decrease of yarn production for energy crisis and variation of product mixing (Finer Count of Yarns).		
22. Consolidated Cost of Goods Sold:		
Raw Materials Consumed (Note-22.1)	10,677,284,158	11,232,485,000
Packing Materials Consumed (Note-22.2)	167,873,693	159,686,504
Factory Overhead (Note- 22.3)	3,767,898,469	3,136,141,539
Cost of Goods Manufacturing	14,613,056,320	14,528,313,043
Work-In-Process (Opening)	142,626,650	130,184,323
Work-In-Progress (Closing)	(221,144,610)	(142,626,650)
Cost of Production	14,534,538,360	14,515,870,716
Finished Goods (Opening)	152,118,263	146,177,053
Finished Goods (Closing)	(193,987,226)	(152,118,263)
Cost of Goods Sold	14,492,669,397	14,509,929,506
	Tk.	
22.1 Consolidated Raw Materials Consumed:		
In Quantity (KG)		
Opening Stock	12,818,006	13,351,425
Purchase during the year	50,848,568	54,181,072
Raw Materials Available for Consumption	63,666,574	67,532,497
Closing Stock	(14,173,166)	(12,818,006)
Raw Materials Consumed	49,493,408	54,714,491
In Taka		
Opening Stock	1,891,092,606	2,056,387,039
Purchase during the year	12,236,883,557	11,067,190,567
Raw Materials Available for Consumption	14,127,976,163	13,123,577,606
Closing Stock	(3,450,692,005)	(1,891,092,606)
Raw Materials Consumed	10,677,284,158	11,232,485,000
Consumption Ratio on Purchase	87.25%	101.49%
22.2 Consolidated Packing Materials Consumed:		
Opening Stock	25,642,217	24,301,204
Purchase during the year	170,912,420	161,027,517
Available for Consumption	196,554,637	185,328,721
Closing Stock	(28,680,944)	(25,642,217)
Packing Materials Consumed	167,873,693	159,686,504
Consumption Ratio on Purchase	98.22%	99.17%
	TK	

Particulars	2022-2023	2021-2022
	Taka	Taka
22.3. Consolidated Factory Overhead:		
Factory Wages, Salary & Allowances	1,060,627,971	1,033,906,800
Travelling & Conveyance	301,410	290,991
Overseas Travelling	1,521,412	1,099,699
Recruitment & Training Expenses	135,637	64,169
Printing Expenses	510,872	496,892
Stationery Expenses	1,949,599	1,871,395
Software & Hardware Support Expenses	3,975,283	3,745,448
Production Workers' Free Lunch	5,945,949	5,207,037
Uniform & Liveries	462,568	474,777
Fuel, Petrol, Light, Diesel etc.	381,696,297	117,159,963
Electricity, Gas & Water	1,156,176,589	881,335,653
Factory Consumable Expense	65,579,255	58,233,005
Medical Expenses	2,015,003	2,056,944
Repairs & Maintenance of Vehicles	28,789,792	21,029,389
Papers, Books and Periodicals	19,654	17,090
Industrial All Risk Insurance Premium	32,599,036	23,179,365
Postage, Telephone, Fax & Telex	501,187	424,857
Govt. Tax, VAT & License Fees	8,104,251	12,097,035
Security Services	31,939,469	23,842,357
Spare Parts - Machinery	311,403,860	265,752,320
Group Insurance	1,535,365	1,413,129
Depreciation (Schedule-A)	672,108,010	682,443,224
Total	Tk. 3,767,898,469	3,136,141,539

Fuel, Gas and Electricity cost increased significantly (Tk 53.94 crore or 54.02%) due to huge price hike of Diesel and GAS.

23. Consolidated Administrative Overhead:

Salary and Allowances	141,644,407	137,800,864
Directors' Remuneration	63,592,500	55,252,500
Independent Directors' Honorarium	450,000	600,000
Travelling & Conveyance	929,890	897,291
Overseas Travelling	17,956,201	18,247,266
Recruitment & Training Expenses	252,776	639,897
Head Office Employees' Free Lunch	3,068,230	2,490,282
Uniform & Liveries	87,270	156,410
Printing Expenses	230,346	161,308
Stationery Expenses	511,604	475,521
Software & Hardware Support Expenses	3,442,321	3,064,237
Postage, Telephone, Fax & Telex	374,010	390,772
Electricity, Gas & Water	2,800,285	3,139,743
Office Consumable Expense	1,584,021	2,055,368
Rental Expenses	14,280,714	14,486,116
Vehicles Running & Maintenance	10,707,779	9,491,531
Medical Expenses	561,203	1,296,117
Group Insurance	483,529	452,911
Bank Charges & Commission	11,911,308	7,871,292
Fees & Subscription	11,030,842	8,560,701
Security Service	440,679	431,343
Govt. Tax, Stamp Duty & Licence Fees	334,243	1,930,001
Annual General Meeting Expenses	1,016,383	1,324,067
Audit Fees	1,000,500	885,500
Depreciation (Schedule-A)	9,055,528	6,189,630
Total	Tk. 297,746,569	278,290,668

Particulars	2022-2023	2021-2022
	Taka	Taka
a) Audit Fees represent auditors' remuneration for audit of the Company's Financial Statements for the Year ended.		
b) The Rental Expenses incurred to use two floor spaces for office with two "one-year cancellable" (both parties three months notice period) contracts. The Contracts don't offer any buying option or any assurance of post use minimum market price for the used floors. Considering exemptions allowed in IFRS-16 (Shorter contact tenor and small amount of rental expenses) the rental agreements not considered as finance lease.		
c) Directors' Remuneration is not included the Member Director of "Audit Committee" and "Nomination & Remuneration Committee".		
d) During this year Fixed Assets Schedule is rearranged by separating Factory Location and Head Office Location. In this regard the depreciation amount charged in Factory Overhead and Administrative Overhead separately.		
24. Consolidated Selling & Distribution Overhead:		
Export Sale Expenses	22,398,621	18,819,897
Loading & Unloading	8,194,466	6,360,377
Tk.	30,593,087	25,180,274
25. Consolidated Finance Cost:		
Interest on Deferred LC Loan	261,657,145	69,858,222
Interest on Loan ag. Export Bill Discount	-	10,518
Interest on OD	4,292	111,332
Interest on Short Term Loan	43,208,284	14,605,555
Interest on Long Term Loan	37,850,629	165,807,472
Tk.	342,720,350	250,393,099
Interest expenses is derived from short-term loan and is recognized on an accrual basis. The finance cost includes no interest on any sort of borrowing from directors including managing director and managers.		
26. Consolidated Non-Operating Income:		
Interest Income	11,073,482	23,185,743
Cash Incentive	537,000	-
Forfeited Provident Fund	983,721	3,567,234
Gain/ (Loss) on Disposal of Assets	846,475	4,261,764
Forex Exchange Rate Fluctuation Gain/ (Loss)	48,160,030	25,719,660
Tk.	61,600,708	56,734,401
P.F Forfeiture amount represents the amount forfeited from Employees Provident Fund and returned to the company as per guideline of FRC.		
27. Consolidated Allocation for W.P.P.F & W.F:	66,953,977	115,485,220
	66,953,977	115,485,220
This represents 5% of Net Income before Tax after charging the allocation as per provisions of the Companies Profit under Labour Law 2006 and amended in 2016.		
28. Consolidated Provision for Income Tax Expenses:	232,317,017	340,496,006
	232,317,017	340,496,006
This represents estimated Income Tax on Net Income for the Year and adjustment any short/excess provision for prior years.		
29. Consolidated Provision for Deferred Tax Expenses/ (Income):	(38,598,297)	10,469,038
	(38,598,297)	10,469,038
This represents tax liability payable in future due to accumulated taxable temporary differences (Above deferred tax balance create only from difference between accounting basis depreciation and tax basis depreciation on fixed assets).		

Particulars	2022-2023	2021-2022
	Taka	Taka
30. Consolidated Earnings Per Share (EPS):		
Earning attributable to Ordinary Shares including other income	1,145,275,558	1,958,563,555
Number of Ordinary shares	197,252,000	197,252,000
Earnings Per Share	Tk. 5.81	9.93
31. Consolidated Net Asset Value (NAV) Per Share:		
Equity Attributable to the Owners of the Company	9,651,143,995	9,196,250,437
Number of Ordinary shares	197,252,000	197,252,000
Net Asset Value (NAV) Per Share	Tk. 48.93	46.62
32. Consolidated Net Operating Cash flows per Share (NOCFPS):		
Net Cash Generated (Used in) from Operating Activities	747,223,081	3,205,775,618
Number of Ordinary shares	197,252,000	197,252,000
Net Operating Cash flows per Share (NOCFPS)	Tk. 3.79	16.25
33. Consolidated Reconciliation of Net Profit with Cash Flows from Operating Activities:		
Profit After Tax	1,145,275,558	1,958,563,555
Adjustment to reconcile net profit to net cash provided by operating activities :		
Non-cash Expenses:	822,011,318	704,209,052
Depreciation	681,163,538	688,632,854
Deferred Tax	(38,598,297)	10,469,038
Net effect of foreign currency translation	179,446,077	5,107,160
Non-Operating Items:	(761,203)	(4,085,966)
(Gain)/Loss on Disposal of Assets	(846,475)	(4,261,764)
Profit Ratio of Non controlling Interest	85,272	175,798
Changes in Working Capital:	(1,219,302,592)	547,088,977
(Increase)/Decrease in Inventories	(1,912,596,842)	193,223,139
(Increase)/Decrease in Accounts Receivable	785,705,623	214,800,016
(Increase)/Decrease in Advances, Deposits & Prepayments	(107,721,189)	(189,262,181)
Increase/(Decrease) in Creditors & Other Payables	14,531,849	5,808,113
Increase/(Decrease) in Liabilities for Others Finance	68,692,240	52,274,250
Increase/(Decrease) in Income Tax Payable	(67,914,273)	270,245,640
Net Cash Generated (Used in) from Operating Activities	747,223,081	3,205,775,618
34. 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.		
Transaction with Square Pharmaceuticals PLC. (SPL):		
Opening Balance	-	-
Total Paid	4,035,238,300	-
Total Received	(4,035,238,300)	-
Closing Balance- Receivable/ (Payable)	-	-

Particulars	2022-2023	2021-2022
	Taka	Taka
Transaction with Square Hospitals Ltd. (SHL):		
Opening Balance	-	-
Total Service Received	(2,005,809)	2,478,491
Total Paid	1,750,332	(2,478,491)
Closing Balance- Receivable/ (Payable)	(255,477)	-
Transaction with Aegis Services Ltd. (ASL):		
Opening Balance	-	-
Total Service Received	(24,178,804)	(20,788,466)
Total Paid	24,146,988	20,788,466
Closing Balance- Receivable/ (Payable)	(31,816)	-
Transaction with Square Informatix Ltd. (SIL):		
Opening Balance	(76,188)	(76,188)
Total Service Received	(4,956,760)	(10,435,577)
Total Paid	5,032,948	10,435,577
Closing Balance- Receivable/ (Payable)	-	(76,188)
Transaction with Square Fashions Ltd. (SFL):		
Opening Balance	206,863,139	421,918,019
Total Goods Delivered	1,045,498,606	987,532,883
Total Received	(949,281,265)	(1,202,587,763)
Closing Balance- Receivable/ (Payable)	303,080,480	206,863,139
Transaction with Square Denims Ltd. (SDL):		
Opening Balance	180,748,131	375,470,516
Total Goods Delivered	1,034,853,059	1,011,286,841
Total Received	(946,252,159)	(1,206,009,226)
Closing Balance- Receivable/ (Payable)	269,349,031	180,748,131
Transaction with Square Apparels Ltd. (SAPL):		
Opening Balance	85,409,363	149,736,737
Total Goods Delivered	262,234,442	404,390,036
Total Received	(275,886,991)	(468,717,410)
Closing Balance- Receivable/ (Payable)	71,756,814	85,409,363

35. Events after the Reporting period:

- 35.1** The Board of Directors in its meeting held on October 22, 2023 approved the financial statements for the year ended June 30, 2023. The Board of Directors also authorised the same for issue.
- 35.2** The Board of Directors of SQUARE TEXTILES PLC. as its 28th board meeting held on October 22, 2023 has recommended @ 30.00% cash dividend {i.e. Tk. 3.00 (Tk. three) per share} for the year ended June 30, 2023. These dividends are subject to the approval by the shareholders at the forthcoming Annual General Meeting of the company. The total amount of Proposed Cash Dividend for the year 2022-23 is calculated at Tk. 591,756,000.00
- 35.3** Except above no other significant event occurred till the date of signing the financial statements.

SQUARE TEXTILES PLC.

CONSOLIDATED SCHEDULE OF PROPERTY, PLANT & EQUIPMENT
As on June 30, 2023

Particulars	Cost				Depreciation			W.D.V As At 30th June-2023
	At 01st July 2022	During the Period		At 30th June-2023	During the Period		At 30th June-2023	
		Additions	Sales/ Obsoles		Charged	Adjustments		
	Amount in Taka							
Factory:								
Land & Land Development	715,923,681	4,960,490	-	720,884,171	-	-	-	720,884,171
Building-Factory & Utility	1,484,384,482	-	-	1,484,384,482	637,669,356	65,640,263	-	703,309,619
Building-Others	494,246,306	-	-	494,246,306	289,439,497	21,416,866	-	310,856,363
Sheds	30,082,640	-	-	30,082,640	24,062,260	1,244,993	-	25,307,253
Plant & Machinery	9,481,038,000	420,864,390	(146,793,963)	9,755,108,427	4,884,368,805	517,287,345	(143,396,471)	5,258,259,679
Laboratory Equipment	62,664,705	140,000	(20,040)	62,784,665	18,536,513	8,283,301	(4,484)	26,815,330
Electrical Installation	447,636,076	-	-	447,636,076	308,114,987	30,507,178	-	338,622,165
Gas Line Installation	49,145,684	-	-	49,145,684	34,424,950	2,454,096	-	36,879,046
Motor Vehicles	176,413,920	4,600,000	(4,940,000)	176,073,920	135,986,441	12,641,895	(4,940,000)	143,688,336
Office Equipment	26,240,799	493,700	-	26,734,499	19,397,233	1,807,909	-	21,205,142
Furniture & Fixture	17,116,778	-	-	17,116,778	15,839,891	470,475	-	16,310,366
Computer	4,559,522	-	(4,537)	4,554,985	4,470,943	66,860	(4,537)	4,533,266
Boundary Wall	60,502,377	-	-	60,502,377	28,283,492	3,472,697	-	31,756,189
Deep Tube-Well	5,050,800	-	-	5,050,800	4,457,332	164,143	-	4,621,475
Safety & Security Equipment	2,549,390	-	-	2,549,390	2,261,673	246,616	-	2,508,289
Communication and Network Equipment	7,195,200	-	-	7,195,200	5,767,248	519,647	-	6,286,895
Other Assets	44,480,657	200	(512,000)	43,968,857	20,945,325	5,883,726	(301,511)	26,527,540
Sub Total- Factory	13,109,231,017	431,058,780	(152,270,540)	13,388,019,257	6,434,025,946	672,108,010	(148,647,003)	6,957,486,953
Head Office:								
Motor Vehicles	43,057,071	-	-	43,057,071	10,671,171	8,611,414	-	19,282,585
Office Equipment	311,896	96,500	-	408,396	185,107	71,791	-	256,898
Computer	310,150	-	-	310,150	244,008	43,752	-	287,760
Hardware & Software	2,300,000	-	-	2,300,000	1,040,475	328,571	-	1,369,046
Sub Total- Head Office	45,979,117	96,500	-	46,075,617	12,140,761	9,055,528	-	24,879,328
As at June 30, 2023	13,155,210,134	431,155,280	(152,270,540)	13,434,094,874	6,446,166,707	681,163,538	(148,647,003)	6,978,683,242
As at June 30, 2022	12,792,433,005	441,444,238	(78,667,109)	13,155,210,134	5,832,982,726	688,632,854	(75,448,873)	6,709,043,427

Financial Statement

Year Ended June, 2023

STANDALONE

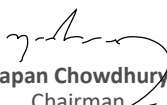
☐ Statement of Financial Position	- 92
☐ Statement of Profit or Loss and other Comprehensive Income	- 93
☐ Statement of Changes in Equity	- 94
☐ Statement of Cash Flows	- 95
☐ Basis of Preparation and Presentation	- 96
☐ Application of IAS	- 96
☐ Employees Benefit Scheme	- 99
☐ Financial Risk Management	- 100
☐ Related Party Transaction	- 102
☐ Property, Plant & Equipment	- 114
☐ Schedule of Share Capital	- 115

SQUARE TEXTILES PLC.

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2023

Particulars	Notes	30 June 2023	30 June 2022
		Taka	Taka
ASSETS:			
Non-Current Assets			
Property, Plant & Equipment- Carrying Value	04	9,315,269,810	7,615,873,593
Capital Work In Progress and In Transit	05	5,965,318,530	6,161,387,415
Investment - Long Term (At Cost)	06	2,860,617,320	965,152,218
		489,333,960	489,333,960
Current Assets			
Inventories	07	8,269,586,259	7,413,707,605
Trade Receivable	08	3,805,343,652	2,243,342,297
Advances, Deposits & Prepayments	09	3,518,327,277	4,238,253,857
Cash & Cash Equivalents	10	512,189,686	417,304,954
		433,725,644	514,806,497
TOTAL ASSETS		17,584,856,069	15,029,581,198
SHAREHOLDERS' EQUITY & LIABILITIES:			
Shareholders' Equity			
Share Capital	11	9,098,502,121	8,717,462,512
Retained Earnings	12	1,972,520,000	1,972,520,000
		7,125,982,121	6,744,942,512
Non-Current Liabilities			
Long Term Borrowings	13	283,163,333	579,630,811
Deferred Tax Liability	14	40,000,000	303,333,332
		243,163,333	276,297,479
Current Liabilities & Provisions			
Short Term Bank Loan (Secured)	15	8,203,190,615	5,732,487,875
Creditors & Other Payables	16	7,617,616,928	5,168,669,589
Liabilities for Others Finance	17	88,554,330	75,674,946
Unclaimed Dividend Account	18	206,984,241	140,661,736
Provision for Income Tax	19	8,294,240	8,651,750
		281,740,876	338,829,854
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		17,584,856,069	15,029,581,198
Net Asset Value Per Share	29	46.13	44.19

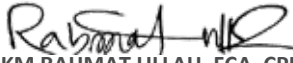
These financial statements should be read in conjunction with the annexed notes.


Tapan Chowdhury
Chairman


Samuel S Chowdhury
Managing Director


Sanjib Baran Roy
Company Secretary

Signed in terms of our separate
report of even date annexed


AKM RAHMAT ULLAH, FCA, CPFA
Partner, Ahmed Zaker & CO.
Chartered Accountants
Enrollment No-0719
DVC: 2310220719AS220787

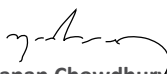
Date: October 22, 2023
Place: Dhaka

SQUARE TEXTILES PLC.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2023

Particulars	Notes	July to June 2022-2023	July to June 2021-2022
		Taka	Taka
Sales Revenue	20	14,967,962,444	15,624,302,486
Cost of Goods Sold	21	(13,091,120,429)	(12,924,320,836)
Gross Profit		1,876,842,015	2,699,981,650
Administrative Overhead	22	(277,298,769)	(253,925,491)
Selling and Distribution Overhead	23	(26,421,188)	(21,510,989)
Profit from Operations		1,573,122,058	2,424,545,170
Finance Cost	24	(310,418,176)	(241,629,270)
Non-Operating Income	25	52,464,069	53,343,676
Profit Before W.P.P.F & W.F		1,315,167,951	2,236,259,576
Allocation for W.P.P.F & W.F	26	(62,627,045)	(106,488,551)
Profit Before Tax		1,252,540,906	2,129,771,025
Provision for Tax (Current)	19	(214,253,443)	(309,854,073)
Deferred Tax Expenses/ (Income)	14	33,134,146	(13,612,356)
Profit After Tax for The Period		1,071,421,609	1,806,304,596
Earnings Per Share (EPS)	28	5.43	9.16

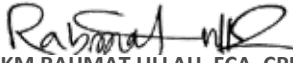
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AKM RAHMAT ULLAH, FCA, CPFA
Partner, Ahmed Zaker & CO.
Chartered Accountants
Enrollment No-0719
DVC: 2310220719AS220787

Date: October 22, 2023
Place: Dhaka

SQUARE TEXTILES PLC.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2023

Particulars	Amount in Taka		
	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 Year Ended June 30, 2023	-	1,071,421,609	1,071,421,609
Cash Dividend for 2021-22	-	(690,382,000)	(690,382,000)
Balance As at June 30, 2023	1,972,520,000	7,125,982,121	9,098,502,121

FOR THE YEAR ENDED JUNE 30, 2022

Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total
Balance as at June 30, 2021	1,972,520,000	5,333,141,916	7,305,661,916
Net Profit For the Year Ended June 30, 2022	-	1,806,304,596	1,806,304,596
Cash Dividend for 2020-21	-	(394,504,000)	(394,504,000)
Balance As at June 30, 2022	1,972,520,000	6,744,942,512	8,717,462,512

These financial statements should be read in conjunction with the annexed notes.


Tapan Chowdhury
Chairman


Samuel S Chowdhury
Managing Director


Sanjib Baran Roy
Company Secretary


Date: October 22, 2023
Place: Dhaka

SQUARE TEXTILES PLC.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2023

Particulars	Note	July-June	July-June
		2022-2023	2021-2022
		Taka	Taka
Cash Flows from Operating Activities:			
Receipts from Sales Revenue		15,687,889,024	15,874,023,004
Exchange Fluctuation Gain (Realization from Transaction)		207,499,682	18,772,611
Receipts/ (Payment) from Other Income/ Expenses		12,477,366	26,473,657
Total Receipts		15,907,866,072	15,919,269,272
Payment for Supplies and Other Services		(11,210,896,700)	(9,911,912,215)
Paid for Operating & Non-operating Expenses		(3,316,002,598)	(2,565,196,473)
Interest Expenses Paid		(200,102,799)	(246,507,569)
Income Tax Paid		(266,575,820)	(189,301,229)
Total Payments		(14,993,577,917)	(12,912,917,486)
Net Cash Generated (Used in) from Operating Activities		914,288,155	3,006,351,786
Cash Flows from Investing Activities:			
Purchase of Property, Plant & Equipment		(2,325,920,382)	(1,333,606,765)
Sales of Property, Plant & Equipment		3,450,001	7,260,000
Net Cash Generated (Used in) from Investing Activities		(2,322,470,381)	(1,326,346,765)
Cash Flows from Financing Activities:			
Long Term Loan Received/ (Repaid)		(430,000,000)	(2,675,959,956)
Short Term Bank Loan Received/ (Repaid)		2,615,614,007	594,564,806
Payment of Dividend		(690,739,510)	(440,703,592)
Net Cash Generated (Used in) from Financing Activities		1,494,874,497	(2,522,098,742)
Increase/ (Decrease) in Cash & Cash Equivalents		86,692,271	(842,093,721)
Net effect of foreign currency translation		(167,773,124)	4,055,644
Opening Cash & Cash Equivalents		514,806,497	1,352,844,574
Closing Cash & Cash Equivalents		433,725,644	514,806,497
Net Operating Cash flows per Share	30	4.64	15.24

These financial statements should be read in conjunction with the annexed notes.


Tapan Chowdhury
Chairman


Samuel S Chowdhury
Managing Director


Sanjib Baran Roy
Company Secretary

Date: October 22, 2023
Place: Dhaka

SQUARE TEXTILES PLC.

NOTES TO THE FINANCIAL STATEMENT:

As at and for the year ended June 30, 2023

1. Establishment and Operations:

1.1 Legal Form of the Enterprises:

Square Textiles PLC. (Here in after said as the company) was formed and incorporated with the Registrar of Joint Stock Companies and Firms in Bangladesh in 1994 under the Companies Act, 1913 (Now operating under Companies Act, 1994) as public company limited by shares. The company is listed with the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange PLC. in 2002.

1.2 Address of Registered office and factory of the company:

- a) Registered Office: Square Centre, 48 Mohakhali C/A, Dhaka -1212,
- b) Factory Office:
 - i. Saradaganj, Kashimpur, Gazipur.
 - ii. Olipur, Habiganj, Sylhet.

1.3 Nature of Business:

The company owns Five (5) units of spinning mills, and a twisting mill. It's activities and operations are related with manufacturing and marketing of Yarns.

2. Summary of significant accounting policies and other material information:

2.1 Statement of Compliance:

The financial statements have been prepared in conformity with the provisions of the Companies Act 1994, The Securities and Exchanges Rules 2020, International Financial Reporting Standards and other relevant rules and regulations.

2.2 Basis of Preparation:

The financial statements have been prepared in accordance with the going concern principle and historical cost convention. The significant accounting policies are set out below.

2.3 Statement on Compliance of International Accounting Standards:

The following IASs and IFRSs are applicable for the financial statements for the year under review:

S/N	Name of the IAS	IAS No.	Status
1	Presentation of Financial Statements	1	Applied
2	Inventories	2	Applied
3	Statement of Cash Flows	7	Applied
4	Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
5	Events after the reporting period	10	Applied
6	Construction Contracts	11	Replaced by IFRS 15
7	Income Taxes	12	Applied
8	Property, Plant and Equipment	16	Applied
9	Leases	17	Replaced by IFRS 16
10	Revenue	18	Replaced by IFRS 15
11	Employee Benefit	19	Applied

S/N	Name of the IAS	IAS No.	Status
12	Accounting for Government Grants and Disclosure of Government Assistance	20	Not Applicable
13	The Effects of Changes in Foreign Exchange Rates	21	Applied
14	Borrowing Costs	23	Applied
15	Related Party Disclosures	24	Applied
16	Accounting and Reporting by Retirement Benefit Plans	26	Not Applicable
17	Separate Financial Statements	27	Applied
18	Investment In Associates and Joint Ventures	28	Not Applicable
19	Financial Reporting in Hyperinflationary Economics	29	Not Applicable
20	Financial Instruments: Presentation	32	Applied
21	Earnings per share	33	Applied
22	Interim Financial Reporting	34	Applied
23	Impairment of Assets	36	Applied
24	Provisions, Contingent Liabilities and Contingent Assets	37	Applied
25	Intangible Assets	38	Not Applicable
26	Financial Instruments: Recognition and Measurement	39	Replaced by IFRS 9
27	Investment Property	40	Not Applicable
28	Agriculture	41	Not Applicable

S/N	Name of the IFRS	IFRS No.	Status
1	First time adoption of International Financial Reporting Standards	1	Not Applicable
2	Shares based Payment	2	Not Applicable
3	Business Combinations	3	Not Applicable
4	Insurance Contract	4	Not Applicable
5	Non-current Assets Held for Sale and Discontinued Operations	5	Not Applicable
6	Exploration for and Evaluation of Mineral Resources	6	Not Applicable
7	Financial Instruments: Disclosure	7	Applied
8	Operating Segments	8	Not Applicable
9	Financial Instrument	9	Applied
10	Consolidated Financial Statements	10	Applied
11	Joint Arrangement	11	Not Applicable
12	Disclosure of Interest in other entities	12	Applied
13	Fair Value Measurement	13	Applied
14	Regulatory deferral accounts	14	Not Applicable
15	Revenue from Contracts with Customers	15	Applied
16	Leases	16	Applied

2.4 Going Concern:

As per IAS-1 a company is required to make assessment at the end of each year to assess its capability to continue as going concern. The management of the Company makes such assessment each year. The company has adequate resources to continue in operation for the foreseeable future and has wide coverage of its liabilities. For this reason, the Directors continue to adopt the going concern assumption while the financial statements have been prepared.

2.5 Accrual Basis:

The financial statements have been prepared, except cash flow information using the accrual basis of Accounting.

2.6 Functional and presentation currency:

These financial statements are presented in Bangladesh Taka (BDT or Tk.) which is the Compa functional currency.

2.7 Structure Contents and Presentation of Financial Statements:

The presentation of the financial statements is in accordance with the guidelines provided by IAS-1:

“Presentation of Financial Statements”. A complete set of financial statements comprise:

- i) Statement of Financial Position as at June 30, 2023
- ii) Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2023
- iii) Statement of Changes in Equity for the year ended June 30, 2023
- iv) Statement of Cash Flows for the year ended June 30, 2023 and
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the Financial Statements for the year ended June 30, 2023.

2.8 Use of Estimates and Judgements:

The preparation of financial statements in conformity with IFRSs requires management to make Judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and assumptions are reviewed on an ongoing basis.

The estimates and underlying assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making Judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

In particular, significant areas of estimation uncertainty and critical Judgements in applying accounting policies that has the most significant effect on the amount recognized in the financial statements are income tax provision (both current and deferred tax), depreciation and gratuity provision.

2.9 Statement of Cash Flows:

Statement of cash flows has been prepared as per IAS-7: Statement of Cash Flows using Direct Method as per the requirement of Securities and Exchange Rules 2020.

3.0 Property, Plant and Equipment:

As per IAS-16, Property, Plant and Equipment are stated at their historical cost less accumulated depreciation. No depreciation has been charged on the Freehold Land and on the Capital work in progress. Depreciation is charged on all other assets on straight-line method. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS-5 and the date that the assets are derecognized.

Depreciation is computed on the straight-line basis over the estimated useful lives as follows:

Particulars	Useful Life (Years)
Factory Building and other Construction	20
Plant & Machinery	10-15

Laboratory & other Equipment	5-8
Furniture & Fixture	5-8
Motor Vehicles	5
Electrical Installation	5-8

3.1 Subsequent Costs:

The cost of replacing or upgrading part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss.

3.2 Disposal of Fixed Assets:

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the statement of profit or loss, which is determined with reference to the net book value of the assets and net sales proceeds.

3.3 Impairment of Asset:

The carrying values of all non-current assets are reviewed for, either on a stand-alone basis or as part of a larger cash generating unit, when there is an indication that the assets might be impaired. Additionally, Goodwill, Intangible Assets with indefinite useful lives and Intangible Assets which are not yet available for use are tested for impairment annually. Any provision for impairment is charged to the profit or loss statement in the year concerned.

3.4 Capital Work in Progress:

Capital work in progress consists of cost incurred for acquisition of new plant and machinery, civil structure, factory shed for warehouse etc. which were not ready for use till reporting date.

3.5 Inventories:

As per IAS-2, Inventories comprises of Raw Materials, Raw Materials in transit, Packing Materials, Work in Progress, Finished Goods, Comber Noil, and Spare & Spare Parts in transit. Inventories are valued at the lower of cost and net realizable value. Cost comprises invoice value plus applicable handling charges. Net realizable value is based on estimated selling price less estimated cost to completion and selling expenses.

3.6 Employees' Benefit Scheme:

Provident Fund:

The company has established an approved contributory provident fund scheme. A board of trustees wholly administers the fund. No part of the fund is included in the asset of the group.

Gratuity Fund:

The company establish funded (defined contribution) Gratuity plan and it is approved by NBR.

Group Insurance:

The group has two group insurance schemes for its permanent employees, premium for which is being charged to statement of profit or loss and other comprehensive income.

Worker's Profit & Participation Fund:

The company makes a regular allocation of 5% on net profit before tax to these funds and payment is made to the worker's as per provision of Labor Law 2006 and amended in 2016 chapter-15.

3.7 Revenue Recognition:

As per IFRS-15, Revenue is recognized as control is passed, either over time or at a point in time an entity recognizes revenue over time if one of the following criteria is met: the customer simultaneously receives and consumes all of the benefits provided by the entity as the entity performs; the entity's performance creates or enhances an asset that the customer controls as the asset is created; or the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Income refers to increases in economic benefits during the accounting period in the form of inflows or enhancements of assets or decreases of liabilities that result in an increase in equity, other than those relating to contributions from equity participants.

3.8 Other Income:

It is recognized on accrual basis.

3.9 Foreign Currency Transactions:

As per IAS-21 Transactions in Foreign Currencies are translated into BDT at the rate of exchange ruling on date of transaction. Monetary assets and liabilities expressed in foreign currencies are translated into BDT at the rate of exchange ruling at the date of Statement of Financial position.

3.10 Borrowing Costs:

As per IAS-23 Borrowing costs are recognized as expenses in the period in which they incurred and capitalized the same that incurred before commencement of commercial operation.

3.11 Advances, Deposits and Prepayments:

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment, inventory or expenses. Deposits are measured at payment value.

3.12 Due to / Due from sister concerns:

These represent balance amounts due to /from sister concerns which are derived from short term loan.

3.13 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Receivables:

Trade Receivables are stated at their nominal value and considered good. No provision has been made for doubtful debt and no amount was written off as bad debt.

Payables:

Trade Payables are stated at their nominal value.

Due to / Due from related parties:

Due to /due from related parties are stated at their nominal value.

Investment in subsidiary:

This is initially stated at cost and subsequently at cost less impairment, if any.

Cash and Cash Equivalents:

Cash and cash equivalents comprises cash in hand, bank current accounts, other bank deposits free of encumbrance and having maturity dates of three months or less from respective dates of deposit.

Borrowings:

Interest bearing bank loans are recorded at the proceeds received net of direct issue costs. Finance charges are accounted for on an accrual basis.

Financial Risk Management:

The company has exposures to the following risks its use of financial statements:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The Board oversees how management monitors compliance with risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risks faced by the group. The Board is assisted in its oversight role by Audit Committee. Internal audit, under the purview of Audit Committee, undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit Risk:

Credit risk is the risk of financial loss to the Company if a buyer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivable from customers and investment securities. The Company's sales are made to renowned RMG Exporting Company. Sales made to the entity are fully secured by Letters of Credit issued by local scheduled banks.

Liquidity Risk:

Liquidity risk is the risk that the Company will unable to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. In general, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. Moreover, the Company seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligations in the event that there is insufficient cash to make the required payment.

The requirement is determined in advance through cash flows projections and credit lines facilities with banks are negotiated accordingly.

Seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Board also monitors dividend trend to ordinary shareholders.

Market Risk:

Market Risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Capital Risk Management:

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Board also monitors dividend trend to ordinary shareholders.

Money Laundering:

The company considers prevention of money laundering risk not only as a compliance requirement imposed by the law of the country but also as one of its ethical business values.

3.14 Lease:

As per IFRS- 16, the entity has no lease. So, there will be no implication regarding IFRS 16 in this financial year.

3.15 Taxation:

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the

statement of Profit or Loss and other Comprehensive Income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted on date of Statement of Financial Position.

Deferred Tax:

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted by the date of Statement of Financial Position.

3.16 Contingent Liabilities and Assets:

Current or possible obligations or assets arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain events which are not within the control of the company.

3.17 Related Party Transaction:

The objective of Related Party Disclosure IAS 24 is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operating decisions.

The Company transacts with related parties and recognize as per IAS 24 'Related Party Disclosures'. Related party transactions have been disclosed under Note- 40.

3.18 Segment Reporting:

As per IFRS 8, as there is a single business and geographic segment within which the company operates as such no segment reporting is felt necessary.

3.19 Earnings Per Share:

As per IAS 33, Basis Earning per Share (EPS) has been computed dividing the earnings attributable to the weighted average number of the ordinary shares during the year.

3.20 Comparative Figure:

Comparative information has been disclosed in respect of the previous year for all numerical information in the current financial statement. Narrative and descriptive information for comparative information have also been disclosed whenever it is relevant for understanding of current year's financial statements.

3.21 Financial Year:

For this year financial year means, July 01, 2022 to June 30, 2023.

3.22 Events after the Reporting Period:

As per IAS 10 "Events after the Reporting Period" are those events favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue.

3.23 General:

Figures have been rounded off to the nearest taka, as it the reporting currency of these financials.

Particulars	June 30, 2023	June 30, 2022
	Taka	Taka
4. Property, Plant & Equipment:		
Details of Property, Plant & Equipment and Depreciation as at June 30, 2023 are shown in the annexed schedule-A. Depreciation for the year charged to Factory Overhead and Administrative (Note-21.3 & 22). The break-up of the balances are depicted below:		
Fixed Assets at Cost		
Opening Balance	12,087,504,492	11,723,998,907
Addition during the Year	430,455,280	437,299,499
Sale/ Obsolete during the Year	(131,472,122)	(73,793,914)
Closing Balance (Cost)	12,386,487,650	12,087,504,492
Accumulated Depreciation		
Opening Balance	5,926,117,077	5,365,642,419
Charged during the Year	623,334,309	631,050,336
Adjustment for sale/Obsolete	(128,282,266)	(70,575,678)
	6,421,169,120	5,926,117,077
Carrying Value	Tk. 5,965,318,530	6,161,387,415
5. Capital Work In Progress and In Transit:		
Opening Balance	965,152,218	61,437,199
Addition during the Year	2,274,861,447	945,368,138
Transfer to Property, Plant & Equipment	(379,396,345)	(41,653,119)
Closing Balance (Cost)	Tk. 2,860,617,320	965,152,218
a) The Capital work in progress includes Plant & Machinery (Tk. 36.53 crore), Civil Work (Tk. 1.12 crore) and other Assets (Tk. 0.29 crore). This year it has been transferred to Non-current assets is completed and ready for use as per management intention.		
b) The value of PPE in Transit is shifted to the heading "Capital Work In Progress and In Transit" from the Heading "Advances, Deposits & Prepayments"		
6. Investment- Long Term (At Cost):		
This represents investments in share of Square Texcom Ltd.		
Investment in share of Square Texcom Ltd. (4,330,502 shares of Tk. 100 each)	489,333,960	489,333,960
	Tk. 489,333,960	489,333,960
Square Texcom Limited, a private limited company incorporated under Companies Act 1994. A subsidiary company of the company holding 99.88% shares.		
7. Inventories:		
Stocks of Materials		
Raw Materials	3,142,303,957	1,712,022,186
Raw Materials In Transit	51,563,061	35,902,690
Packing Materials	25,289,129	23,320,421
Work - In - Process	198,222,447	131,982,572
Finished Goods	172,850,750	140,133,748
	3,590,229,344	2,043,361,617
Stocks of Spares		
Spares at Store	211,452,290	195,047,766
Spares in Transit	3,662,018	4,932,914
	215,114,308	199,980,680
	Tk. 3,805,343,652	2,243,342,297

The basis of valuation is stated in Note -3.5. of page no-99, carrying amount of inventories pledged as security.

Particulars	June 30, 2023	June 30, 2022
	Taka	Taka
8. Trade Receivables:		
This represents invoice value of goods delivered to customer. This is considered good and collectible.		
Aging of the Trade Receivables is as follows:		
Below 60 days	1,508,747,664	1,808,414,323
Within 61-120 days	1,367,692,572	1,602,007,214
Above 120 days	641,887,041	827,832,320
Tk.	3,518,327,277	4,238,253,857
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 Receivables pledged as security.		
c) Accounts Receivable is secured, considered as good and is falling due within one year.		
9. Advances, Deposits & Prepayments:		
This is made up of the followings:		
Advance		
Income Tax	184,534,629	189,301,230
Salary & PF Current account	9,962,000	75,000
Other Expenses	107,102,026	56,965,105
Suppliers & Contractor	76,437,455	58,902,972
	378,036,110	305,244,307
Deposits		
Security Deposit	121,523,215	100,314,962
Margin on Bank Guarantee	12,630,361	11,745,685
	134,153,576	112,060,647
Tk.	512,189,686	417,304,954
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) There was no amount was due by the associated undertaking.		
c) The advances & deposits considered good & recoverable.		
10. Cash & Cash Equivalents:		
Cash in hand	7,779,003	10,390,880
Cash at Bank (Note-10.1)	425,946,641	504,415,617
Tk.	433,725,644	514,806,497
10.1 Cash at Bank		
Standard Chartered Bank	223,825,374	264,684,655
HSBC Bank	74,346,706	128,360,893
Prime Bank	63,349,663	83,041,657
The City Bank	42,292,072	69,854
Commercial Bank of Ceylon	77,976	85,026
Bank Alfalah	389,517	391,212
Janata Bank	13,950,439	17,600,831
Mutual Trust Bank	5,033,241	7,729,181
Dutch Bangla Bank	648,630	653,010
Pubali Bank	2,033,023	1,799,298
	425,946,641	504,415,617

Foreign currency account balances have been converted to Taka at the ruling rate at the reporting date.

Particulars	June 30, 2023	June 30, 2022
	Taka	Taka
11. Share Capital:		
This is made up of the followings:		
Authorized:	<u>3,000,000,000</u>	<u>3,000,000,000</u>
300,000,000 Ordinary Shares of Tk. 10.00 each		
Issued, Subscribed and Paid up:		
(197,252,000 Ordinary Shares of Tk. 10.00 each fully Paid up)	<u>1,972,520,000</u>	<u>1,972,520,000</u>
	<u>1,972,520,000</u>	<u>1,972,520,000</u>
Position of Shareholding is given in Schedule-B		
12. Retained Earnings:		
Opening Balance	6,744,942,512	5,333,141,916
Add: Net income during the Year	1,071,421,609	1,806,304,596
Less: Cash Dividend paid during the Year	(690,382,000)	(394,504,000)
Tk.	<u>7,125,982,121</u>	<u>6,744,942,512</u>
13. Long Term Borrowings:		
Standard Chartered Bank	220,000,000	400,000,000
HSBC Bank	-	250,000,000
Less: Current Portion of Long Term Borrowings	(180,000,000)	(346,666,668)
Tk.	<u>40,000,000</u>	<u>303,333,332</u>
14. Deferred Tax Liability:		
Opening Balance	276,297,479	262,685,123
Deferred Tax Expenses (Income)	(33,134,146)	13,612,356
Closing Balance	<u>243,163,333</u>	<u>276,297,479</u>
This represents tax liability payable in future due to accumulated taxable temporary differences (Above deferred tax balance create 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	5,284,363,223	5,485,392,598
Less: Tax Base Carrying Value	(3,663,274,337)	(3,643,409,408)
Taxable Temporary Difference	<u>1,621,088,886</u>	<u>1,841,983,190</u>
Tax Rate	15.00%	15.00%
Closing Deferred Tax Liability	<u>243,163,333</u>	<u>276,297,479</u>
Less: Opening Deferred Tax Liability	(276,297,479)	(262,685,123)
Deferred Tax Expense/ (Income)	<u>Tk. (33,134,146)</u>	<u>13,612,356</u>
15. Short Term Bank Loan (Secured):		
Revolving Loan	1,400,000,000	-
EDF & UPAS	6,037,616,928	4,822,002,921
Current Portion of Long Term Borrowings	180,000,000	346,666,668
Tk.	<u>7,617,616,928</u>	<u>5,168,669,589</u>
These short term loans are secured against hypothecation of Stock and Trade Receivable.		
16. Creditors & Other Payables:		
Payable for Audit Fees	690,000	575,000
Provision for Utility Bill	81,725,748	60,025,469
Provision for Salary & Allowances	83,168	7,798,549
Others	6,055,414	7,275,928
Tk.	<u>88,554,330</u>	<u>75,674,946</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.		

Particulars	June 30, 2023	June 30, 2022
	Taka	Taka
17. Liabilities for Others Finance:		
PF, WPPF & Other Fund	63,411,055	107,403,927
Provision for Gratuity (Note: 17.01)	-	-
Others	143,573,186	33,257,809
Tk.	206,984,241	140,661,736
17.1. Provision for Gratuity:		
Opening Balance	-	-
Provision made for the period	15,669,586	34,864,212
Payment made during the period	(15,669,586)	(34,864,212)
Closing Balance	-	-
18. Unclaimed Dividend:		
Opening Balance	8,651,750	54,851,342
Addition During The Year	690,382,000	394,504,000
Paid During The Year	(690,739,510)	(440,703,592)
Closing Balance	8,294,240	8,651,750
* Year-wise Unclaimed Dividend:		
Year: 2018-19	-	3,378,468
Year: 2019-20	1,284,736	1,568,144
Year: 2020-21	3,037,054	3,705,138
Year: 2021-22	3,972,450	-
Total Balance:	8,294,240	8,651,750
19. Provision for Income Tax:		
Opening Balance	338,829,854	90,489,894
Adjustment with Advance Tax	(271,342,421)	(61,514,113)
Provision made for the period (Note: 19.01)	214,253,443	309,854,073
Closing Balance	281,740,876	338,829,854
19.1 Provision made for the period		
A) Net Current Tax Liability on Profit Basis	224,950,087	309,854,073
B) Tax Liability on Sales Revenue Basis	60,081,706	62,497,210
C) Advance Income Tax (Source Tax) Paid Under ITO-1984	179,534,629	89,301,229
Higher Amount of Tax Under Above Calculation (A:B:C)	224,950,087	309,854,073
Add/ Less: Short/ (Excess) provision for Prior period	(10,696,644)	-
Income Tax Provision for the period	214,253,443	309,854,073
A) Net Current Tax Liability on Profit Basis:		
Profit Before Tax	1,252,540,906	2,129,771,025
Less: Non-Operating Income	52,464,069	53,343,676
Net Operating Income Before Tax	1,200,076,837	2,076,427,349
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	180,011,526	311,464,102
Add: Tax Liability on Non-Operating Income	11,804,415	12,002,327
Total Tax Liability on Profit	191,815,941	323,466,429
Less: Deferred Tax Expenses (Income)	(33,134,146)	13,612,356
Net Current Tax Liability on Profit Basis	224,950,087	309,854,073
B) Tax Liability on Sales Revenue Basis:		
i) Minimum Tax Rate on Sales Revenue Under ITA-2023	0.60%	0.60%

Particulars	June 30, 2023	June 30, 2022
	Taka	Taka
ii) Applicable For Textiles Business as Per NBR (0.60%/22.50%*15%)	0.40%	0.40%
Sales Revenue and Other Income	15,020,426,513	15,624,302,486
Minimum Tax Amount on Sales Revenue	60,081,706	62,497,210
C) Advance Income Tax (Source Tax) Paid Under ITO-1984:	179,534,629	89,301,229
Since the applicable tax on Profit before tax (Tk. 224,950,087) is higher than the minimum Tax on Revenue under ITA-2023 (Tk. 60,081,706) and source tax deducted under Income Tax Ordinance 1984 (Tk. 179,534,629), so the higher is provided as Tax Expense for the period ended June 30, 2023.		
Calculation of Effective Tax Rate:		
Current Income Tax Expenses	214,253,443	309,854,073
Deferred Tax Expenses/ (Income)	(33,134,146)	13,612,356
Total Tax Expenses	181,119,297	323,466,429
Effective Tax Rate (Total Tax Expenses / Profit Before Tax)	14.46%	15.19%
20. Sales Revenue:	2022-2023	2021-2022
In Quantity (KG)		
Opening Stock	526,011	622,050
Production during the Year	42,586,429	44,723,006
Available for Sale	43,112,440	45,345,056
Closing Stock	(639,115)	(526,011)
Sales during the year	42,473,325	44,819,045
(To be accounted for as follows)		
Sales Accounted as follows:		
In Quantities (KG)		
Export Sale of Yarns	42,473,325	44,819,045
Kg.	42,473,325	44,819,045
In Taka		
Export Sale of Yarns	14,967,962,444	15,624,302,486
Tk.	14,967,962,444	15,624,302,486
During the period sales decreased by BDT 65.63 (-4.20%) crore due to decrease of yarn production for energy crisis and variation of product mixing (Finer Count of Yarns).		
21. Cost of Goods Sold:		
Raw Materials Consumed (Note-21.1)	9,624,988,734	9,944,420,301
Packing Materials Consumed (Note-21.2)	150,876,500	143,435,615
Factory Overhead (Note- 21.3)	3,414,212,072	2,858,354,702
Cost of Goods Manufacturing	13,190,077,306	12,946,210,618
Work-In-Process (Opening)	131,982,572	116,600,280
Work-In-Process (Closing)	(198,222,447)	(131,982,572)
Cost of Production	13,123,837,431	12,930,828,326
Finished Goods (Opening)	140,133,748	133,626,258
Finished Goods (Closing)	(172,850,750)	(140,133,748)
Cost of Goods Sold	13,091,120,429	12,924,320,836
Tk.	13,091,120,429	12,924,320,836

Particulars	2022-2023	2021-2022
	Taka	Taka
21.1. Raw Materials Consumed:		
In Quantity (KG)		
Opening Stock	11,869,482	12,317,297
Purchase during the year	45,544,940	48,409,392
Raw Materials Available for Consumption	57,414,422	60,726,689
Closing Stock	(12,763,940)	(11,869,482)
Raw Materials Consumed	Kg. 44,650,482	48,857,207
In Taka		
Opening Stock	1,712,022,186	1,873,243,764
Purchase during the year	11,055,270,505	9,783,198,723
Raw Materials Available for Consumption	12,767,292,691	11,656,442,487
Closing Stock	(3,142,303,957)	(1,712,022,186)
Raw Materials Consumed	Tk. 9,624,988,734	9,944,420,301
Consumption Ratio on Purchase	87.06%	101.65%
21.2. Packing Materials Consumed:		
Opening Stock	23,320,421	21,882,935
Purchase during the year	152,845,208	144,873,101
Available for production	176,165,629	166,756,036
Closing Stock	(25,289,129)	(23,320,421)
Packing Materials Consumed	Tk. 150,876,500	143,435,615
Consumption Ratio on Purchase	98.71%	99.01%
21.3. Factory Overhead:		
Factory Wages, Salary & Allowances	938,088,170	914,626,427
Travelling & Conveyance	168,445	179,161
Overseas Travelling	1,521,412	1,099,699
Recruitment & Training Expenses	110,350	53,137
Printing Expenses	382,023	408,326
Stationery Expenses	1,668,456	1,568,936
Software & Hardware Support Expenses	3,124,725	2,845,308
Production Workers' Free Lunch	5,194,633	4,641,101
Uniform & Liveries	409,718	428,519
Fuel, Petrol, Light, Diesel etc.	353,016,708	112,449,818
Electricity, Gas & Water	1,058,788,230	827,733,161
Factory Consumable Expense	60,764,452	52,972,895
Medical Expenses	1,687,266	1,812,947
Repairs & Maintenance of Vehicles	26,118,022	18,835,328
Papers, Books and Periodicals	12,148	10,320
Industrial All Risk Insurance Premium	25,469,281	17,088,230
Postage, Telephone, Fax & Telex	469,410	411,052
Govt. Tax, VAT & License Fees	7,390,102	11,303,151
Security Services	27,092,935	19,958,720
Spare Parts - Machinery	287,125,071	243,822,202
Group Insurance	1,331,734	1,245,558
Depreciation (Schedule-A)	614,278,781	624,860,706
Raw Materials Consumed	Tk. 3,414,212,072	2,858,354,702

Fuel, Gas and Electricity cost increased significantly (Tk. 47.16 crore or 50.16%) due to huge price hike of fuel and GAS.

Particulars	2022-2023	2021-2022
	Taka	Taka
22. Administrative Overhead:		
Salary and Allowances	129,081,943	125,313,683
Directors' Remuneration	63,592,500	55,252,500
Independent Directors' Honorarium	450,000	600,000
Travelling & Conveyance	879,140	843,780
Overseas Travelling	12,709,115	9,966,219
Recruitment & Training Expenses	252,776	639,897
Head Office Employees' Free Lunch	3,008,340	2,417,387
Uniform & Liveries	83,130	144,750
Printing Expenses	224,018	153,349
Stationery Expenses	482,571	470,961
Software & Hardware Support Expenses	2,976,830	2,578,485
Postage, Telephone, Fax & Telex	373,930	390,772
Electricity, Gas & Water	2,800,285	3,139,743
Office Consumable Expense	1,529,921	1,996,078
Rental Expenses	14,280,714	14,486,116
Vehicles Running & Maintenance	10,203,945	9,057,588
Medical Expenses	560,703	1,263,970
Group Insurance	469,574	440,865
Bank Charges & Commission	10,937,810	7,681,930
Fees & Subscription	10,749,122	6,941,812
Security Service	440,679	431,343
Govt. Tax, Stamp Duty & Licence Fees	265,812	1,458,816
Annual General Meeting Expenses	1,016,383	1,324,067
Audit Fees	874,000	741,750
Depreciation (Schedule-A)	9,055,528	6,189,630
Tk.	277,298,769	253,925,491

- Audit Fees represent auditors' remuneration for audit during the year.
- The Rental Expenses incurred to use two floor spaces for office with two "one-year cancellable" (both parties three months notice period) contracts. The Contracts don't offer any buying option or any assurance of post use minimum market price for the used floors. Considering exemptions allowed in IFRS-16 (Shorter contract tenor and small amount of rental expenses) the rental agreements not considered as finance lease.
- Directors' Remuneration is not included the Member Director of "Audit Committee" and "Nomination & Remuneration Committee"
- During this year Fixed Assets Schedule is rearranged by separating Factory Location and Head Office Location. In this regard the depreciation amount charged in Factory Overhead and Administrative Overhead separately.

23. Selling & Distribution Overhead:

Export Sale Expenses	19,466,822	16,210,148
Loading & Unloading	6,954,366	5,300,841
Total	Tk. 26,421,188	21,510,989

24. Finance Cost:

Interest on Deferred LC Loan	229,355,015	61,094,393
Interest on Loan ag. Export Bill Discount	-	10,518
Interest on OD	4,248	111,332
Interest on Short Term Loan	43,208,284	14,605,555
Interest on Long Term Loan	37,850,629	165,807,472
Tk.	310,418,176	241,629,270

Interest expenses is derived from short-term loan and is recognized on an accrual basis. The finance cost includes no interest on any sort of borrowing from directors including managing director and managers.

Particulars	2022-2023	2021-2022
	Taka	Taka
25. Non-Operating Income:		
Interest Income	11,042,398	23,145,852
Cash Incentive	537,000	-
Forfeited Provident Fund	897,968	3,327,805
Gain/ (Loss) on Disposal of Assets	260,145	4,041,764
Forex Exchange Rate Fluctuation Gain/ (Loss)	39,726,558	22,828,255
Tk.	52,464,069	53,343,676
26. Allocation for W.P.P.F & W.F:	62,627,045	106,488,551
Tk.	62,627,045	106,488,551
This represents 5% of Net Income before Tax after charging the allocation as per provisions of the Companies Profit under Labour Law 2006, amended in 2016.		
27. Income Tax Expenses:	214,253,443	309,854,073
	214,253,443	309,854,073
This represents estimated Income Tax on Net Income for the Year and adjustment any short/excess provision for prior years.		
28. Earnings Per Share (EPS):		
Earning attributable to Ordinary Shares including other income	1,071,421,609	1,806,304,596
Number of Ordinary shares	197,252,000	197,252,000
Earnings Per Share	5.43	9.16
29. Net Asset Value (NAV) Per Share:		
Equity Attributable to the Owners of the Company	9,098,502,121	8,717,462,512
Number of Ordinary shares	197,252,000	197,252,000
Net Asset Value (NAV) Per Share	46.13	44.19
30. Net Operating Cash flows per Share (NOCFPS):		
Net Cash Generated (Used in) from Operating Activities	914,288,155	3,006,351,786
Number of Ordinary Shares	197,252,000	197,252,000
Net Operating Cash flows per Share (NOCFPS)	4.64	15.24
31. Reconciliation of Net Profit with Cash Flows from Operating Activities:		
Profit After Tax	1,071,421,609	1,806,304,596
Adjustment to reconcile net profit to net cash provided by operating activities :		
Non-cash Expenses:	757,973,287	640,607,048
Depreciation	623,334,309	631,050,336
Deferred Tax	(33,134,146)	13,612,356
Net effect of foreign currency translation	167,773,124	(4,055,644)
Non-Operating Items:	(260,145)	(4,041,764)
Gain/ (Loss) on Disposal of Assets	(260,145)	(4,041,764)
Changes in working Capital:	(914,846,596)	563,481,906
(Increase)/Decrease in Inventories	(1,562,001,355)	180,201,016
(Increase)/Decrease in Accounts Receivable	719,926,580	249,720,518
(Increase)/Decrease in Advances, Deposits & Prepayments	(94,884,732)	(179,304,692)
Increase/(Decrease) in Creditors & Other Payables	12,879,384	4,775,061
Increase/(Decrease) in Liabilities for Others Finance	66,322,505	59,750,043
Increase/(Decrease) in Income Tax Payable	(57,088,978)	248,339,960
Net Cash Generated (Used in) from Operating Activities	914,288,155	3,006,351,786

Particulars	2022-2023	2021-2022
	Taka	Taka
32. Number of Employees:		
The Number of employees and expenses incurred for employees during the year as follows:		
No. of Employees:		
Below Tk. 71,880.00 p.a	-	-
Tk. 71,880.00 and Above	4,563	4,551
	<u>4,563</u>	<u>4,551</u>
Amount in Taka		
Below Tk. 71,880.00 p.a	-	-
Tk. 71,880.00 and Above	1,067,170,113	1,039,940,110
	<u>1,067,170,113</u>	<u>1,039,940,110</u>
	Tk. 1,067,170,113	1,039,940,110

There is no Salary/Wages/Remuneration below Tk.5,990/- per month with w.e.f May-2018.

33. 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	114,537,591	111,782,161
Post Employment Benefits	11,101,539	19,175,934
Other Long Term Benefits	-	-
Termination Benefits	-	-
Share Based Payment	-	-

34. Capital Expenditure Commitment:

Contract for capital expenditure are being executed by the Contractors and running bills are accounted for but the unfinished contracts has not been reflected in this Financial Statements.

35. Claim Acknowledgement:

There was no claim against the Company not acknowledged as debt as on June 30, 2023.

36. Contingent Liability:

Contingent liabilities at the Statement of Financial Position date are as follows;

36.1. Guarantee Issued by Bank in favor of Vendor (Utility, Insurance etc):

Standard Chartered Bank	7,582,032	7,582,032
HSBC Bank	4,011,670	4,011,670
Prime Bank	135,398,668	142,398,668
The City Bank	35,915,205	-
Bank Alfalah	17,409,336	17,409,336
	<u>17,409,336</u>	<u>17,409,336</u>
	Tk. 200,316,911	171,401,706

Particulars	2022-2023	2021-2022
	Taka	Taka
36.2. Contingent Liability under Import LC:		
Standard Chartered Bank	421,554,772	194,835,854
HSBC Bank	942,693,302	2,641,131,334
Prime Bank	171,352,341	151,915,221
The City Bank	626,533,991	-
Tk.	2,162,134,406	2,987,882,409
37. Production Capacity and Utilization:		
Capacity Installed (In Qty):		
No. of Spindles Installed	129,262	129,262
No. of Rotor Heads Installed	5,192	5,192
No. of Vortex Heads Installed	3,168	3,168
Capacity Utilised (In Qty):		
No. of Spindles Operated	129,262	129,262
No. of Rotor Heads Operated	5,192	5,192
No. of Vortex Heads Operated	3,168	3,168
Production Target (In Kg):		
-At Equivalent 30s Count (Ring Yarn)	19,234,705	19,470,638
- At Equivalent 14s Count (O/E Yarn)	11,023,466	10,984,367
- At Equivalent 30s Count (Vortex Yarn)	10,545,795	10,533,644
	40,803,966	40,988,649
Actual Production (In Kg):		
-At Equivalent 30s Count (Ring Yarn)	18,223,198	19,043,265
- At Equivalent 14s Count (O/E Yarn)	10,425,567	10,644,031
- At Equivalent 30s Count (Vortex Yarn)	9,941,652	10,210,973
	38,590,417	39,898,269

During the last few years we had to face hard competition in the national & international market. To cope with the situation we have adopted multiple product mix to attain high margin as strategy of value addition through product differentiation. Hence, we have restated the production capacity installation criterion and actual production quantity to make them (The production data) equivalent & comparable.

38. Dividend Paid to the Shareholders:

During the year under review total cash dividend amounting to Tk. 690,382,000 has been paid to the shareholders.

39. Credit Facility:

There was no credit facility available to the Company under any contract other than bank credit facility and trade credit available in the ordinary course of business.

40. 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.

Transaction with Square Pharmaceuticals PLC. (SPL):

Opening Balance	-	-
Total Paid	4,035,238,300	-
Total Received	(4,035,238,300)	-
Closing Balance- Receivable/ (Payable)	Tk. -	-

Particulars	2022-2023	2021-2022
	Taka	Taka
Transaction with Square Hospitals Ltd. (SHL):		
Opening Balance	-	-
Total Service Received	(2,005,809)	2,478,491
Total Paid	1,750,332	(2,478,491)
Closing Balance- Receivable/ (Payable)	Tk. (255,477)	-
Transaction with Aegis Services Ltd. (ASL):		
Opening Balance	-	-
Total Service Received	(24,178,804)	(20,788,466)
Total Paid	24,146,988	20,788,466
Closing Balance- Receivable/ (Payable)	Tk. (31,816)	-
Transaction with Square Informatix Ltd. (SIL):		
Opening Balance	(76,188)	(76,188)
Total Service Received	(4,956,760)	(10,435,577)
Total Paid	5,032,948	10,435,577
Closing Balance- Receivable/ (Payable)	Tk. -	(76,188)
Transaction with Square Fashions Ltd. (SFL):		
Opening Balance	206,863,139	421,918,019
Total Goods Delivered	1,045,498,606	987,532,883
Total Received	(949,281,265)	(1,202,587,763)
Closing Balance- Receivable/ (Payable)	Tk. 303,080,480	206,863,139
Transaction with Square Denims Ltd. (SDL):		
Opening Balance	180,748,131	375,470,516
Total Goods Delivered	1,034,853,059	1,011,286,841
Total Received	(946,252,159)	(1,206,009,226)
Closing Balance- Receivable/ (Payable)	Tk. 269,349,031	180,748,131
Transaction with Square Apparels Ltd. (SAPL):		
Opening Balance	85,409,363	149,736,737
Total Goods Delivered	262,234,442	404,390,036
Total Received	(275,886,991)	(468,717,410)
Closing Balance- Receivable/ (Payable)	Tk. 71,756,814	85,409,363

41. Events after the Reporting period

- 41.1** The Board of Directors in it's meeting held on October 22, 2023 approved the financial statements for the year ended June 30, 2023. The Board of Directors also authorised the same for issue.
- 41.2** The Board of Directors of SQUARE TEXTILES PLC. as it's 28th board meeting held on October 22, 2023 has recommended @ 30.00% cash dividend (i.e. Tk. 3.00 (Tk. three) per share) for the year ended June 30, 2023. These dividends are subject to the approval by the shareholders at the forthcoming Annual General Meeting of the company. The total amount of Proposed Cash Dividend for the year 2022-23 is calculated at Tk. 591,756,000.00
- 41.3** Except above no other significant event occurred till the date of signing the financial statements.

SQUARE TEXTILES PLC.

SCHEDULE OF PROPERTY, PLANT & EQUIPMENT As on June 30, 2023

Schedule-A
Amount in Taka

Particulars	Cost			Depreciation			W.D.V As At 30th June-2023	
	At 01st July 2022	During the Period		At 01st July 2022	During the Period			At 30th June-2023
		Additions	Sales/ Obsoles		Charged	Adjustments		
Factory:								
Land & Land Development	675,994,817	4,960,490	-	680,955,307	-	-	680,955,307	
Building-Factory & Utility	1,356,865,895	-	-	1,356,865,895	575,845,050	59,564,957	721,455,888	
Building-Others	379,562,365	-	-	379,562,365	250,946,475	14,177,872	114,438,018	
Sheds	22,346,112	-	-	22,346,112	16,325,732	1,244,993	4,775,387	
Plant & Machinery	8,773,909,172	420,164,390	(126,000,082)	9,068,073,480	4,533,085,885	474,330,304	4,183,693,562	
Laboratory Equipment	62,202,239	1,400,000	(20,040)	62,322,199	18,074,047	8,283,301	35,969,335	
Electrical Installation	410,440,351	-	-	410,440,351	271,634,318	30,391,223	108,414,810	
Gas Line Installation	43,678,531	-	-	43,678,531	30,638,991	2,087,291	10,952,249	
Motor Vehicles	164,583,920	4,600,000	(4,940,000)	164,243,920	124,156,441	12,641,895	32,385,584	
Office Equipment	24,582,149	493,700	-	25,075,849	18,066,293	1,676,689	5,332,867	
Furniture & Fixture	15,868,717	-	-	15,868,717	14,833,151	355,184	680,382	
Computer	4,052,623	-	-	4,052,623	3,979,670	51,508	21,445	
Boundary Wall	51,420,826	-	-	51,420,826	25,592,289	2,833,452	22,995,085	
Deep Tube-Well	2,730,800	-	-	2,730,800	2,691,402	5,837	33,561	
Safety & Security Equipment	2,243,507	-	-	2,243,507	1,955,790	246,616	41,101	
Communication and Network Equipment	7,007,669	-	-	7,007,669	5,650,432	503,933	853,304	
Other Assets	44,035,682	200	(512,000)	43,523,882	20,500,350	5,883,726	17,441,317	
Sub Total- Factory	12,041,525,375	430,358,780	(131,472,122)	12,340,412,033	5,913,976,316	614,278,781	5,940,439,202	
Head Office:								
Motor Vehicles	43,057,071	-	-	43,057,071	10,671,171	8,611,414	23,774,486	
Office Equipment	311,896	96,500	-	408,396	185,107	71,791	151,498	
Computer	310,150	-	-	310,150	244,008	43,752	22,390	
Hardware & Software	2,300,000	-	-	2,300,000	1,040,475	328,571	930,954	
Sub Total- Head Office	45,979,117	96,500	-	46,075,617	12,140,761	9,055,528	24,879,328	
As at June 30, 2023	12,087,504,492	430,455,280	(131,472,122)	12,386,487,650	5,926,117,077	623,334,309	5,965,318,530	
As at June 30, 2022	11,723,998,907	437,299,499	(73,793,914)	12,087,504,492	5,365,642,419	631,050,336	6,161,387,415	

Notes
Standalone

SQUARE TEXTILES PLC.

Schedule of Share Capital
As on June 30, 2023

Position of shareholding of ordinary shares as on June 30, 2023

Schedule-B

Sl. No.	Particulars	2022-2023		2021-2022	
		Number of Shares	%	Number of Shares	%
1	Sponsor	121,959,707	61.83	121,959,707	61.83
2	Foreign Investors	6,062,644	3.07	6,103,232	3.09
3	Financial and other Institutions	44,215,173	22.42	44,762,150	22.69
4	General Public	25,014,476	12.68	24,426,911	12.39
	Total -	197,252,000	100.00	197,252,000	100.00

Distribution schedule of each class of equity security setting out the number of holders and percentage as on June 30, 2023

Sl. No.	Range of Holdings	As per Folio		Holdings	As per BO ID		Total Share Holding	%
		No. of holders	Holdings		No. of holders	Holdings		
1	Less than 500 shares	3,493	288,372	8,045	1,036,758	1,325,130	0.67	
2	500 to 5,000 shares	250	290,190	3,535	5,529,701	5,819,891	2.95	
3	5001 to 10,000 shares	7	49,127	376	2,774,014	2,823,141	1.43	
4	10,001 to 20,000 shares	4	58,452	186	2,734,183	2,792,635	1.42	
5	20,001 to 30,000 shares	2	54,478	52	1,288,179	1,342,657	0.68	
6	30,001 to 40,000 shares	2	65,762	35	1,265,222	1,330,984	0.67	
7	40,001 to 50,000 shares	3	140,791	37	1,750,666	1,891,457	0.96	
8	50,001 to 100,000 shares	2	168,484	39	3,002,040	3,170,524	1.61	
9	100,001 to 1,000,000 shares	5	2,430,515	47	16,608,717	19,039,232	9.65	
10	Over 1,000,000 shares	9	63,128,875	9	94,587,474	157,716,349	79.96	
	Total	3,777	66,675,046	12,361	130,576,954	197,252,000	100.00	

Unclaimed/Unsettled Dividend 2002-2022

Under the Directives # BSEC/SRMIC/2021-198/254

dated 19/10/2021 of BSEC



The unclaimed/unsettled cash dividend for the years from 2002 to 2019 has been deposited to the Capital Market Stabilization (CMS) Fund as instructed by the Bangladesh Securities and Exchange Commission.

Summary of unclaimed/unsettled cash dividend year-wise:







Deposited to CMS Fund:	Amount in Taka
2001-2002	102,069.00
2002-2003	152,604.00
2003-2004	139,500.00
2004-2005	266,701.10
2005-2006	731,069.67
2006-2007	1,234,315.47
2007-2008	1,337,732.15
2008-2009	2,100,961.91
2009-2010	2,606,924.85
2010-2011	1,341,152.05
2011-2012	3,216,920.72
2012-2013	3,367,134.52
2013-2014	3,043,586.94
2014-2015	1,331,560.63
2015-2016	1,484,348.17
2016-2017	1,055,513.53
2017-2018	1,209,602.58
2018-2019	2,111,988.70
Unspecified (not returned/not been chased (2002-2019))	25,493,800.30
Total -	50,215,497.59
Dividends for the last 3 years lying with the Company:	
2019-2020 (Dividend Returned)	754,477.05
2020-2021 (Dividend Returned)	1,278,055.20
2021-2022 (Dividend Returned)	2,341,880.00
Unspecified (not returned/not been cashed (2019-2021))	3,919,827.75
Total -	8,294,240.00

SQUARE TEXTILES PLC.

Financial Statement

Year Ended June, 2023

Subsidiary

 Directors' Report	- 118
 Auditors' Report	- 120
 Statement of Financial Position	- 122
 Statement of Profit or Loss and other Comprehensive Income	- 123
 Statement of Changes in Equity	- 124
 Statement of Cash Flows	- 125



Square Texcom Ltd.

SQUARE TEXCOM LIMITED

Year ended
30 June, 2023.

DIRECTORS' REPORT

to the Members

I have the pleasure on behalf of the Board of Directors submitting to you its Report along with its audited accounts containing the Statement of Financial Position as of June 30, 2023, Statement of Profit or loss and other Comprehensive Income, Changes in Equity and Cash Flows for the year ended June 30, 2023, and the Auditor's Report thereon in terms of the provisions of section 184 of the Companies Act 1994 and IAS codes:

OPERATIONAL RESULTS

The operational performance during the years 2022-2023, along with a comparison with 2021-2022, is as follows:

Particulars	In million	
	2022-23	2021-22
Turnover	1,540.20	1,807.95
Gross Profit	138.65	222.34
Net Profit (AT)	73.94	152.43
Gross Margin	9.00%	12.30%
Net Margin (AT)	4.80%	8.43%
Earning Per Shares	17.05	35.16
Par value Tk. 100		

The above reveals that the Turnover and Gross Profit and Net Profit (AT) decreased by 14.81%, 37.64% and 51.49% respectively during the year under review.

The Financial Result of the Company for the year 2022-23 depicts a significant lower due to productivity decreased by 864 Tons (approx.) for the crisis of GAS supply as well as the energy cost significantly increased

due to huge price hikes of diesel and GAS. During the period the selling price in USD of yarn also decreased due to lower demand in the RMG sector in both local and international markets. These situations influenced to maximization of unit cost of production and finally led to down profitability during the reporting year than that of the previous year.

MARKET OPERATIONS

Similar to the Square Textiles PLC, Square Texcom Limited has been also based on exports at 100%. This is in line with the group's policy of export production in the greater interest of the Company.

SHAREHOLDING

The Company has issued a total of 43,35,502 shares of Tk. 100 each. The present shareholding pattern of the company is as follows:

Name of the Shareholders	Shareholding (shares)	(%)
Mr. Samuel S Chowdhury	1,166	0.03
Mr. Tapan Chowdhury	1,166	0.03
Mr. Anjan Chowdhury	1,166	0.03
Mrs. Ratna Patra	1,166	0.03
Mrs. Anita Chowdhury	336	0.01
M/s Square Textiles PLC.	43,30,502	99.87
Total -	43,35,502	100.00

On the basis of the above shareholdings, Square Texcom Ltd. has the status of a subsidiary of Square Textiles PLC.

BOARD OF DIRECTORS

The following persons are the Members of the Board of Directors of the Company:

Mr. Samuel S Chowdhury	Chairman
Mrs. Ratna Patra	Vice-Chairman
Mr. Anjan Chowdhury	Managing Director
Mr. Tapan Chowdhury	Director
Mr. Abul Kalam Azad	Director

(Nominee of Square Textiles PLC.)

CAPITAL EXPENDITURE

A contract for capital expenditure is being executed by the Contractors and running bills are accounted for but the unfinished contracts have not been reflected in this Financial Statements.

APPROPRIATION OF PROFIT

The Board of Directors decided to transfer the entire profit to the General Reserve for ploughing back in the long-term interest of the shareholders. As such the Board of Directors did not recommend for declaration of any dividend for the year 2022-2023.

FINANCIAL POSITION

The Statement of Financial Position as on 30 June, 2023, Statement of Profit or Loss and other Comprehensive Income, Changes in Equity and Cash Flows ended at 30 June, 2023 are placed herewith.

APPOINTMENT OF AUDITORS

M/s. Chowdhury Bhattacharjee & Co., Chartered Accountants, Auditors of the Company, retire at this Annual General Meeting and being eligible have offered themselves for appointment as Auditors for the year 2023-2024 and re-fixation of their remuneration.

ACKNOWLEDGEMENT

The Board of Directors thankfully acknowledges the devotion and dedication of all the workers, employees and officers without which the Company's operation could not have attained the successes as reported above.

The Board also records with appreciation the support, service and co-operation rendered by all concerned.



Samuel S Chowdhury
Chairman

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS' OF SQUARE TEXCOM LIMITED

Opinion

We have audited the accompanying Financial Statements of Square Texcom Limited, which comprises the Statement of Financial Position as at 30 June, 2023 Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and Notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the Financial Statements prepared in accordance with International Financial Reporting Standards (IFRS), give a true and fair view of the state of the company's affairs as at 30 June, 2023 and of the results of its operations and its Cash Flows for the year then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our Responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to Going Concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidences that is sufficient and appropriate to provide a basis for audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

চৌধুরী ভট্টাচার্য্য এন্ড কোং
CHOWDHURY BHATTACHARJEE & CO.
CHARTERED ACCOUNTANTS

DHAKA OFFICE : 47/2, Indira Road, Dhaka-1215
Ph : 9123236, Fax : 8802-8120187
CTG. OFFICE : 922, Jubilee Road, Ctg.-4000
Ph : 031-614907 (O) 624228 (R)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidences obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidences obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Further to our opinion in the above paragraph, we state that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) In our opinion, proper books of account as required by law have been kept by "Square Texcom Limited" so far as it appeared from our examination of those books;
- (iii) The Company's Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income and its Statement of Cash Flows dealt with by the report are in agreement with the books of account; and
- (iv) The expenditure incurred was for the purpose of the Company's business.

October 18, 2023
Place: Dhaka



Saptam Biswas, FCA

Partner, Chowdhury Bhattacharjee & Co.
(Chartered Accountants)

Enrollment No: 1615
DVC: 2310181615AS253554

SQUARE TEXCOM LIMITED


STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2023

Particulars	30 June, 2023	30 June, 2022
	Taka	Taka
ASSETS		
Non Current Assets :	1,014,666,628	938,373,764
Property, Plant and Equipment - Carrying Value	490,093,102	547,656,012
Capital Work in Progress	524,573,526	390,717,752
Current Assets :	1,043,489,799	745,505,311
Inventories	578,719,667	228,124,180
Trade Receivable	289,482,716	355,261,759
Advances, Deposits and Prepayments	53,112,480	35,949,708
Cash and Cash Equivalents	122,174,936	126,169,664
TOTAL ASSETS	2,058,156,427	1,683,879,075
SHAREHOLDERS EQUITY AND LIABILITIES		
Share Holders Equity :	1,000,952,114	927,012,893
Share Capital	433,550,200	433,550,200
Retained Earnings	567,401,914	493,462,693
Non-Current Liabilities :	38,771,808	44,235,959
Deferred Tax Liability	38,771,808	44,235,959
Current Liabilities and Provisions :	1,018,432,505	712,630,223
Short Term Bank Loan (Secured)	970,575,484	657,970,107
Creditors and Other Payables	10,877,617	9,225,152
Liabilities for Others Finance	15,119,549	12,749,814
Provision for Income Tax	21,859,855	32,685,150
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2,058,156,427	1,683,879,075
Net Assets Value Per Share	230.87	213.82


Anjan Chowdhury
Managing Director


Tapan Chowdhury
Director


Md. Ashrafur Rahman
Company Secretary


Saptam Biswas, FCA
Partner, Chowdhury Bhattacharjee & Co.
(Chartered Accountants)
Enrollment No: 1615
DVC: 2310181615AS253554

October 18, 2023
Dhaka

SQUARE TEXCOM LIMITED


STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE, 2023

Particulars	July - June	July - June
	2022-23	2021-22
	Taka	Taka
Sales Revenue	1,540,199,778	1,807,946,277
Cost of Goods Sold	(1,401,548,968)	(1,585,608,670)
Gross Profit	138,650,810	222,337,607
Administrative Overhead	(20,447,800)	(24,365,177)
Selling and Distribution Overhead	(4,171,899)	(3,669,285)
Profit from Operations	114,031,111	194,303,145
Finance Cost	(32,302,174)	(8,763,829)
Non-Operating Income	9,136,639	3,390,725
Profit before W.P.P.F and W.F	90,865,576	188,930,041
Allocation for W.P.P.F and W.F	(4,326,932)	(8,996,669)
Profit before Tax	86,538,644	179,933,372
Income Tax Expenses (Current)	(18,063,574)	(30,641,933)
Income Tax (Expenses) /Deferred	5,464,151	3,143,318
Net Profit After Tax For The Year	73,939,221	152,434,757
(Transferred to the Statement of Changes in Equity)		
Earnings Per Share (EPS)	17.05	35.16


Anjan Chowdhury
Managing Director


Tapan Chowdhury
Director


Md. Ashrafur Rahman
Company Secretary


Saptam Biswas, FCA
Partner, Chowdhury Bhattacharjee & Co.
(Chartered Accountants)
Enrollment No: 1615
DVC: 2310181615AS253554

October 18, 2023
Dhaka

SQUARE TEXCOM LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE, 2023

Amount in Taka

Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2022	433,550,200	493,462,693	927,012,893
Net Profit For the Year Ended June 30, 2023	-	73,939,221	73,939,221
Balance As at June 30, 2023	433,550,200	567,401,914	1,000,952,114

FOR THE YEAR ENDED 30 JUNE, 2022

Amount in Taka

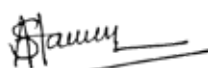
Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2021	433,550,200	341,027,936	774,578,136
Net Profit For the Year Ended June 30, 2022	-	152,434,757	152,434,757
Balance As at June 30, 2022	433,550,200	493,462,693	927,012,893



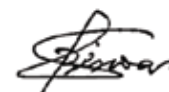
Anjan Chowdhury
Managing Director



Tapan Chowdhury
Director



Md. Ashrafur Rahman
Company Secretary



Saptam Biswas, FCA
Partner, Chowdhury Bhattacharjee & Co.
(Chartered Accountants)
Enrollment No: 1615
DVC: 2310181615AS253554

October 18, 2023
Dhaka

SQUARE TEXCOM LIMITED

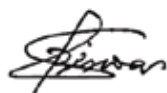
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE, 2023

Particulars	July-June 2022-2023	July-June 2021-2022
	Taka	Taka
Cash Flows from Operating Activities:		
Receipts from Sales Revenue	1,605,978,821	1,773,025,775
Exchange Fluctuation Gain (Realization from Transaction)	20,106,425	12,054,209
Receipts/ (Payment) from Other Income/ Expenses	116,838	279,320
Total Receipts	1,626,202,084	1,785,359,304
Payment for Supplies and Other Services	(1,393,338,934)	(1,295,735,357)
Paid for Operating & Non-operating Expenses	(341,771,724)	(267,340,863)
Interest Expenses Paid	(25,131,579)	(6,995,641)
Income Tax Paid	(33,024,921)	(15,863,611)
Total Payments	(1,793,267,158)	(1,585,935,472)
Net Cash Flow From (Used in) Operating Activities	(167,065,074)	199,423,832
Cash Flows from Investing Activities:		
Purchase of Property, Plant & Equipment	(138,882,089)	(393,917,505)
Sales of Property, Plant & Equipment	1,020,011	220,000
Net Cash Generated (Used in) from Investing Activities	(137,862,078)	(393,697,505)
Cash Flows from Financing Activities:		
Short Term Bank Loan Received/ (Repaid)	312,605,377	243,143,654
Net Cash Generated (Used in) from Financing Activities	312,605,377	243,143,654
Increase/ (Decrease) in Cash & Cash Equivalents	7,678,225	48,869,981
Net effect of foreign currency translation	(11,672,953)	(9,162,804)
Opening Cash & Cash Equivalents	126,169,664	86,462,487
Closing Cash & Cash Equivalents	122,174,936	126,169,664
Net Operating Cash Flows Per Share	(38.53)	46.00


Anjan Chowdhury
Managing Director


Tapan Chowdhury
Director


Md. Ashrafur Rahman
Company Secretary


Saptam Biswas, FCA
Partner, Chowdhury Bhattacharjee & Co.
(Chartered Accountants)
Enrollment No: 1615
DVC: 2310181615AS253554

October 18, 2023
Dhaka



**Products of
Square Tex**

Yarns

100% Viscose & Blended

100% Tencel & Blended

100% Modal & Blended

100% Cotton Combed

100% Cotton Karded

Duo Core Spun

Open end Slub

Core Spun

OpenEnd

Compact

Organic

Vortex

Neppy

Inject

Pima

Cmia

Siro

Slub

Flex



SQUARE
Textiles PLC.

SQUARE TEXTILES PLC.

Square Centre, 48, Mohakhali Commercial Area
Dhaka-1212

PROXY FORM

I/We _____

of _____

being a member of Square Textiles PLC., do hereby appoint

Mr./Mrs./Miss _____

of _____

as my/our proxy to attend and vote for me/us on my/our behalf at the 28th Annual General Meeting of the Company to be held on Thursday the 14th December, 2023 at 11:00 a.m. under virtual platform through the link <https://agmbd.live/squaretextiles2023>.

As witness my hand this day of _____ 2023.

Signature of the Proxy
Dated:

Signature of the Member
Dated:

Folio/BOID

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Note: A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote in his/her stead. The proxy form should reach the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.

Affix
Revenue
Stamp

Signature Verified

Authorized Signatory
Square Textiles PLC.

Corporate Profile

Date of Incorporation

15 October 1994

Authorized Capital

BDT 3,000 million

Paid-up Capital

BDT 1,972.52 million

Business Line

Manufacturing and Marketing of 100% Export oriented Viscose, Tencel, Modal and Cotton (Natural and Artificial fibers) yarns.

Registered Office

Square Centre
48, Mohakhali C.A.
Dhaka-1212
Bangladesh

Factories

1. Sardagonj, Kashimpur
Gazipur, Bangladesh
2. Olipur, Hobigonj
Bangladesh

Listing in 2002

Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange PLC.

Subsidiary Company

Square Texcom Ltd.

Phone

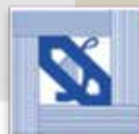
880-2-8833047-56,
Ext-229, 585

Website

www.textile.squaregroup.com

Email

cs@squaregroup.com



Corporate Compliance

For the Financial Year 2021-2022

Dividend Recommended

20 October 2022

Record Date for 27th AGM

28 November 2022

27th Annual General Meeting

24 December 2022

Dividend Issued

16 January 2023

For the Financial Year 2022-2023

Publication of 1st Qtr. Financial Report

14 November 2022

Publication of 2nd Qtr. Financial Report

30 January 2023

Publication of 3rd Qtr. Financial Report

30 April 2023

Transfer of Unclaimed/Unsettled cash dividend 2019 to CMS Fund

13 April 2023

Dividend Recommended

22 October 2023

Audited Financial Report to BSEC, DSE and CSE

10 November 2023

Record Date for 28th AGM

16 November 2023

Notice of 28th AGM

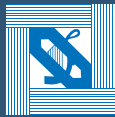
21 November 2023

28th Annual General Meeting

14 December 2023

Dividend Payable

By 13 January 2024



Registered Address

Corporate Headquarters
Square Centre
48 Mohakhali Commercial Area,
Dhaka, Bangladesh
Phone: +88-02-9859007, 8833047-56
www.textile.squaregroup.com

SQUARE TEXTILES PLC.