

Third Quarter
Financial Statement 2020-2021
(Unaudited)



SQUARE TEXTILES LIMITED
(Consolidated and Standalone)

SQUARE Textiles Limited & It's Subsidiary

Consolidated Statement of Financial Position (Unaudited)

As at March 31, 2021

Particulars	Notes	31-Mar-21 Taka	30-Jun-20 Taka
ASSETS:			
Non-Current Assets			
		7,236,705,144	7,143,572,161
Property, Plant & Equipment- Carrying Value	02	7,048,844,113	5,584,199,044
Capital Work In Progress	03	131,577,271	1,503,089,357
Goodwill		56,283,760	56,283,760
Current Assets			
		8,005,184,175	7,798,973,675
Inventories	04	3,032,120,548	3,212,755,636
Accounts Receivable	05	4,348,630,792	4,006,190,860
Advances, Deposits & Prepayments	06	317,026,065	283,520,858
Cash & Cash Equivalents	07	307,406,770	296,506,321
TOTAL ASSETS		15,241,889,319	14,942,545,836
SHAREHOLDERS' EQUITY & LIABILITIES:			
Shareholders' Equity			
		7,323,319,666	7,157,580,431
Share Capital		1,972,520,000	1,972,520,000
Retained Earnings		5,350,799,666	5,185,060,431
Non controlling Interest	08	14,964,649	14,940,976
Non-Current Liabilities			
		3,220,566,420	260,567,761
Long Term Borrowings	09	2,923,214,661	-
Deferred Tax Liability	10	297,351,759	260,567,761
Current Liabilities & Provisions			
		4,683,038,584	7,509,456,668
Short Term Bank Loan (Secured)	11	4,338,277,869	3,889,798,280
Creditors & Other Payables	12	88,337,420	87,224,604
Liabilities for Others Finance	13	113,637,678	158,642,781
Short Term Loan	14	-	3,277,576,394
Provision for Income Tax	15	142,785,617	96,214,609
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		15,241,889,319	14,942,545,836
Net Asset Value Per Share	23	37.13	36.29

Attached notes form parts of these Financial Statements.

Sd/-
Tapan Chowdhury
Chairman

Sd/-
Ratna Patra
Vice Chairman

Sd/-
Samuel S Chowdhury
Managing Director

Sd/-
M. Habibur Rahman
Chief Financial Officer

Sd/-
Sanjib Baran Roy
Company Secretary

SQUARE Textiles Limited & It's Subsidiary

Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited)

For the 3rd Quarter Ended March 31, 2021

Particulars	Notes	Nine Months Results (Tk)		Third Quarter Results (Tk)	
		July to Mar 2020-21	July to Mar 2019-20	Jan to Mar 2020-21	Jan to Mar 2019-20
Sales Revenue	16	9,407,306,492	7,814,932,136	3,960,451,285	2,468,084,566
Cost of Goods Sold	17	8,469,779,141	7,013,818,685	3,549,366,429	2,218,264,145
Gross Profit		937,527,351	801,113,451	411,084,856	249,820,421
Administrative Overhead	18	187,726,995	194,524,382	69,402,606	58,900,256
Selling and Distribution Overhead	19	17,199,213	15,169,005	7,890,581	6,098,461
Profit from Operations		732,601,143	591,420,064	333,791,669	184,821,704
Finance Cost	20	277,602,748	295,198,361	68,340,637	108,008,518
Non-Operating Income	21	13,690,015	9,720,618	(13,202,980)	4,495,661
Profit Before W.P.P.F & W.F		468,688,410	305,942,321	252,248,052	81,308,847
Allocation for W.P.P.F & W.F		22,318,496	14,568,682	12,011,812	3,871,850
Profit Before Tax		446,369,914	291,373,639	240,236,240	77,436,997
Provision for Tax (Current)	15	46,571,008	44,962,209	17,399,408	4,043,798
Deferred Tax Expenses (Income)	10	36,783,998	11,627,271	15,281,748	4,020,156
Profit After Tax for The Period		363,014,908	234,784,159	207,555,084	69,373,043
Non-Controlling Interest		23,673	547,235	15,231	148,820
Net Income for the Period		362,991,235	234,236,924	207,539,853	69,224,223

(Transferred to the Statement of Changes in Equity)

Earnings Per Share (EPS)	22	1.84	1.19	1.05	0.35
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SQUARE Textiles Limited & It's Subsidiary

Consolidated Statement of Changes in Equity (Unaudited) For the 3rd Quarter Ended March 31, 2021

Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2020	1,972,520,000	5,185,060,431	7,157,580,431
Net Profit For the 3rd Quarter Ended March 31, 2021	-	362,991,235	362,991,235
Cash Dividend for 2019-20	-	(197,252,000)	(197,252,000)
Balance As at March 31, 2021	1,972,520,000	5,350,799,666	7,323,319,666

Consolidated Statement of Changes in Equity (Unaudited) For the 3rd Quarter Ended March 31, 2021

Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2019	1,972,520,000	5,526,237,447	7,498,757,447
Net Profit For the 3rd Quarter Ended March 31, 2021	-	234,236,924	234,236,924
Cash Dividend for 2018-19	-	(394,504,000)	(394,504,000)
Balance As at March 31, 2020	1,972,520,000	5,365,970,371	7,338,490,371

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SQUARE Textiles Limited & It's Subsidiary

Consolidated Statement of Cash flows (Unaudited)

For the 3rd Quarter Ended March 31, 2021

Particulars	Amount (Tk)	
	July to March 2020-21	July to March 2019-20
Cash Flows from Operating Activities:		
Receipts from Sales Revenue	9,064,866,560	7,599,187,445
Exchange Fluctuation Gain (Realization from Transaction)	(10,971,447)	6,869,185
Receipts/ (Payment) from Other Income/ Expenses	29,784,397	281,988
Total Receipts	9,083,679,510	7,606,338,618
Payments to Suppliers	(6,198,020,502)	(5,071,805,406)
Paid for Operating & Non-operating Expenses	(1,836,947,926)	(1,656,134,348)
Interest Expenses Paid	(184,958,456)	(168,969,073)
Income Tax Paid	(46,571,008)	(75,244,909)
Total Payments	(8,266,497,892)	(6,972,153,736)
Net Cash Generated (Used in) from Operating Activities	817,181,618	634,184,882
Cash Flows from Investing Activities:		
Purchase of Property, Plant & Equipment	(586,800,245)	(928,515,773)
Sales of Property, Plant & Equipment	6,749,400	-
Net Cash Generated (Used in) from Investing Activities	(580,050,845)	(928,515,773)
Cash Flows from Financing Activities:		
Long Term Loan Received/ (Repaid)	2,923,214,661	-
Short Term Bank Loan Received/ (Repaid)	448,479,589	62,276,089
Short Term Loan from/ (To) Sister Company	(3,397,290,511)	695,272,148
Payment of Dividend	(197,252,000)	(394,504,000)
Net Cash Generated (Used in) from Financing Activities	(222,848,261)	363,044,237
Increase/ (Decrease) in Cash & Cash Equivalents	14,282,512	68,713,346
Net effect of foreign currency translation	(3,382,063)	2,569,446
Opening Cash & Cash Equivalents	296,506,321	180,632,712
Closing Cash & Cash Equivalents	307,406,770	251,915,504
Net Operating Cash Flows Per Share	4.14	3.22

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SQUARE TEXTILES LIMITED AND ITS SUBSIDIARY

Notes to the Consolidated Interim Financial Statements (Unaudited) For the 3rd Quarter Ended March 31, 2021

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

These Financial Statements (They) are the unaudited consolidated interim financial statements (hereafter "The Consolidated Interim Financial Statements") of Square Textiles Limited and Square Texcom Limited, Companies incorporated in Bangladesh under Companies Act 1913 & 1994, for the 3rd quarter ended March 31, 2021 (hereafter "The Interim Period"). They are prepared in accordance with the International Accounting Standard (IAS 34) "Interim Financial Reporting". These financial statements should read in conjunction with the Annual Financial Statements as on June 30, 2020, as they provide an update of previously reported information.

The accounting policies and presentation used are consistent with those used in the Annual Financial Statements, except where noted below. Where necessary, the comparatives have been reclassified or extended from the previously reported Interim Financial Statements to take into account any presentational changes made in the Annual Financial Statements or in these Interim Financial Statements.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and disclosure of contingent liabilities at the date of the Interim Financial Statements. If in the future such estimates and assumptions, which are based on management's best judgment at the date of the interim financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

We understand that our business is growing every year that means our assets are performing according to intention of procurement and in sum up the discounted future cash flow from the operation of the assets would be positive if we dispose those assets at the date of financial reporting. But presently we have on intension to dispose these assets, so it is not required to record the impairment gain as provisions of IAS-36.

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

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

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

Figures have been rounded off to the nearest Taka.

	<u>31-Mar-21</u>	<u>30-Jun-20</u>
02. Consolidated Property, Plant & Equipment: Tk.	7,048,844,113	

'Details of Property, Plant & Equipment and Depreciation as at March 31, 2021 are as below:

Fixed Assets at Cost		
Opening Balance	10,873,378,928	10,742,926,989
Addition during the Year	1,958,312,331	155,478,961
Sale/ Obsolete during the Year	(112,882,863)	(25,027,022)
Closing Balance(Cost)	<u>12,718,808,396</u>	<u>10,873,378,928</u>
Accumulated Depreciation		
Opening Balance	5,289,179,884	4,729,826,737
Charged during the Year	485,176,992	573,409,711
Adjustment for sale/Obsolete	(104,392,593)	(14,056,564)
	<u>5,669,964,283</u>	<u>5,289,179,884</u>
Carrying Value	Tk. <u>7,048,844,113</u>	<u>5,584,199,044</u>

		<u>31-Mar-21</u>	<u>30-Jun-20</u>
03. Capital Work In Progress: Tk.	131,577,271		
Capital Work In Progress		131,577,271	1,503,089,357
	Tk.	<u><u>131,577,271</u></u>	<u><u>1,503,089,357</u></u>

The amount of Capital Work In Progress includes cost of BMRE activities.

04. Consolidated Inventories: Tk.	3,032,120,548		
Stocks of Raw Materials		2,768,763,263	2,977,078,425
Raw Materials		2,381,283,637	2,425,754,931
Raw Materials In Transit		140,449,670	66,728,856
Packing Materials		16,669,541	15,953,264
Work - in - process		118,033,980	124,403,202
Finished Goods		112,326,435	344,238,172
Stocks of Spares		263,357,285	235,677,211
Spares at Store		257,904,450	229,837,814
Spares in Transit		5,452,835	5,839,397
	Tk.	<u><u>3,032,120,548</u></u>	<u><u>3,212,755,636</u></u>

05. Consolidated Accounts Receivable: Tk.	4,348,630,792		
Aging of the above balance is as follows:			
Below 60 days		1,810,782,762	1,625,432,952
Within 61-120 days		949,276,747	701,610,840
Above 120 days		1,588,571,283	1,679,147,068
	Tk.	<u><u>4,348,630,792</u></u>	<u><u>4,006,190,860</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) Accounts Receivable is secured, considered as good and is falling due within one year.

06. Consolidated Advances, Deposits & Prepayments:	317,026,065		
This is made up of the followings:			
Advance		198,367,424	165,122,907
Income Tax		112,546,283	65,975,276
Salary & PF Current account		4,096,273	468,080
Other Expenses		11,201,048	28,644,702
Suppliers & Contractor		70,523,820	70,034,849
Deposits		118,658,641	118,397,951
Security Deposit		106,528,762	106,523,162
Margin on Bank Guarantee		12,129,879	11,874,789
	Tk.	<u><u>317,026,065</u></u>	<u><u>283,520,858</u></u>

07. Consolidated Cash & Cash Equivalents: Tk.	307,406,770		
This is made up of the followings:			
Cash in hand		16,947,300	5,923,021
Cash at Bank		290,459,470	290,583,300
	Tk.	<u><u>307,406,770</u></u>	<u><u>296,506,321</u></u>

		<u>31-Mar-21</u>	<u>30-Jun-20</u>
08. Non Controlling Interest: Tk.	14,964,649		
5,000 shares of Tk 100 at par of Square Texcom Ltd.		500,000	500,000
Shares of Accumulated Profit		14,464,649	14,440,976
		<u>14,964,649</u>	<u>14,940,976</u>

09. Long Term Borrowings (Secured): Tk.	2,923,214,661		
Standard Chartered Bank		1,800,000,000	-
HSBC Bank		1,500,000,000	-
Infrastructure Development Company (IDCOL)		118,465,791	-
Less: Current Portion of Long Term Borrowings		(495,251,130)	-
	Tk.	<u>2,923,214,661</u>	<u>-</u>

10. Consolidated Deferred Tax Liability: Tk.	297,351,759		
Opening Balance		260,567,761	279,327,185
Deferred tax Expenses/ (Income)		36,783,998	(18,759,424)
Closing Balance	Tk.	<u>297,351,759</u>	<u>260,567,761</u>

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

Deferred Tax Liability is arrived at as follows:

Carrying Value of Depreciable Fixed Assets		6,332,920,432	4,868,275,363
Less: Tax Base Carrying Value		(4,350,575,372)	(3,131,156,951)
Taxable Temporary Difference		<u>1,982,345,060</u>	<u>1,737,118,412</u>
Tax Rate		15.00%	15.00%
Closing Deferred Tax Liability		<u>297,351,759</u>	<u>260,567,761</u>
Less: Opening Deferred Tax Liability		(260,567,761)	(279,327,185)
Deferred Tax (Income)/ Expense		<u>36,783,998</u>	<u>(18,759,424)</u>

11. Consolidated Short Term Bank Loan (Secured): Tk	4,338,277,869		
Bank Overdraft		-	64,544,195
Current Portion of Long Term Borrowings		495,251,130	-
Revolving Loan		430,000,000	800,000,000
Deferred LC Loan		3,413,026,739	3,025,254,085
	Tk.	<u>4,338,277,869</u>	<u>3,889,798,280</u>

These short term loans are secured against hypothecation of Stock and Accounts Receivable.

12. Consolidated Creditors & Others Payable: Tk.	88,337,420		
Provision for Audit Fees		-	506,000
Provision for Utility Bill		62,272,975	60,619,289
Provision for Salary & Allowances		9,818,540	7,360,303
Others		16,245,905	18,739,012
		<u>88,337,420</u>	<u>87,224,604</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.

13. Consolidated Liabilities for Other Finance: Tk.	113,637,678		
PF, WPPF & Other Fund		32,216,471	19,297,308
Provision for Gratuity		9,710,438	42,580,253
Dividend Unclaimed		55,159,267	53,581,472
Others		16,551,502	43,183,748
	Tk.	<u>113,637,678</u>	<u>158,642,781</u>

	<u>31-Mar-21</u>	<u>30-Jun-20</u>
14. Consolidated Short Term Loan: Tk.	-	
Loan To (From) Sqaure Pharma. Ltd.	-	3,277,576,394
Short Term Loan Received	Tk. -	3,277,576,394
15. Consolidated Provision for Income Tax: Tk.	142,785,617	
Opening Balance	96,214,609	78,908,344
Adjustment with Advance Tax	-	(47,214,381)
Current Year Provision	46,571,008	64,520,646
Closing Balance	Tk. 142,785,617	96,214,609
<u>Calculation of Effective Tax Rate:</u>		
Current Income Tax Expenses	46,571,008	44,962,209
Deferred Tax Expenses/ (Income)	36,783,998	11,627,271
Total Tax Expenses	83,355,006	56,589,480
Effective Tax Rate (Total Tax Expenses / Profit Before Tax)	18.67%	19.42%

	<u>July-20 to Mar-21</u>	<u>July-19 to Mar-20</u>
16. Consolidated Sales Revenue: Tk.	9,407,306,492	
Export Sale of Yarns	9,407,306,492	7,814,932,136
	Tk. 9,407,306,492	7,814,932,136

During the period sales increased by BDT 159.24 (20.38%) crore due to incremental production under some BMRE investment and increased of sales price.

17. Consolidated Cost of Goods Sold: Tk.	8,469,779,141	
Raw Materials Consumed	6,409,026,276	5,162,770,640
Factory Overhead (Note: 17.01)	2,060,752,865	1,851,048,045
Cost of Goods Sold	Tk. 8,469,779,141	7,013,818,685

During the period Raw Material cost increased by BDT 124.63 (24.14%) crore due to increased of production quantity and increased cotton price in international market.

17.01. Factory Overhead: Tk.	2,060,752,865	
Factory Wages, Salary & Allowances	683,936,528	634,268,348
Production Workers' Free Lunch	3,657,815	3,473,708
Fuel, Petrol, Light, Diesel etc.	65,658,171	33,222,172
Electricity, Gas & Water	566,329,160	501,562,119
Factory Consumable Expense	37,576,809	32,497,020
Repairs & Maintenance of Vehicles	14,037,675	13,166,439
Industrial All Risk Insurance Premium	15,008,082	14,156,725
Govt.Tax, VAT & License Fees	494,489	915,866
Security Services	18,102,622	21,553,337
Spare Parts - Machinery	163,317,764	158,233,191
Depreciation	485,176,992	428,414,652
Other Overhead	7,456,758	9,584,468
Total	Tk. 2,060,752,865	1,851,048,045

	<u>July-20 to Mar-21</u>	<u>July-19 to Mar-20</u>
18. Consolidated Administrative Overhead: Tk.	187,726,995	
Salary and Allowances	103,301,147	89,069,778
Directors' Remuneration	36,000,000	32,336,217
Overseas Travelling	9,500,195	35,637,784
Vehicles Running & Maintenance	6,691,099	6,864,981
Fees & Subscription	6,519,101	4,376,534
Rental Expenses	10,273,983	9,777,736
Office Consumable Expense	882,852	1,212,820
Electricity, Gas & Water	2,235,252	2,066,363
Software & Hardware Support Expenses	2,628,407	1,808,920
Head Office Employees' Free Lunch	1,685,394	1,810,881
Annual General Meeting Expenses	1,159,386	1,331,643
Other Expenses	6,850,179	8,230,725
Total	Tk. <u>187,726,995</u>	<u>194,524,382</u>

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

19. Consolidated Selling & Distribution Overhead: Tk.	17,199,213	
Export Sale Expenses	12,178,208	11,888,548
Loading & unloading	5,021,005	3,280,457
Total	Tk. <u>17,199,213</u>	<u>15,169,005</u>

20. Finance Cost: Tk.	277,602,748	
Interest on Deferred LC Loan	41,862,992	133,149,479
Interest on Loan ag. Export Bill Discount	2,512,455	12,014,358
Interest on OD	120,525	930,342
Interest on Short Term Loan	76,664,681	35,780,691
Interest on LongTerm Loan	36,727,978	-
Interest on Sister Concerns	119,714,117	113,323,491
	Tk. <u>277,602,748</u>	<u>295,198,361</u>

During the period Finance cost decreased by BDT 1.76 (-5.96%) crore due to received long term loan from bank in low finance cost.

21. Non-Operating Income: Tk.	13,690,015	
Interest Income	302,774	281,988
Forfeited Provident Fund	29,481,623	-
Gain/Loss on Disposal of Assets	(1,740,870)	-
Forex Exchange Rate Fluctuation Gain/ (Loss)	(14,353,512)	9,438,630
	Tk. <u>13,690,015</u>	<u>9,720,618</u>

22. Earnings Per Share (EPS):

The Computation is given below:

Earning attributable to Ordinary Shares including other income	362,991,235	234,236,924
Number of Ordinary shares	197,252,000	197,252,000
Earnings Per Share	Tk. <u>1.84</u>	<u>1.19</u>

During the period EPS increased by BDT 0.65 (54.62%) due to increased production and increased sales price of yarn.

	<u>July-20 to Mar-21</u>	<u>July-19 to Mar-20</u>
23. Net Asset Value (NAV) Per Share:		
The Computation is given below:		
Equity Attributable to the Owners of the Number of Ordinary shares	Tk. 7,323,319,666 197,252,000	7,157,580,431 197,252,000
Net Asset Value (NAV) Per Share	Tk. 37.13	36.29

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

The Computation is given below:

Net Cash Generated (Used in) from Operating Number of Ordinary shares	Tk. 817,181,618 197,252,000	634,184,882 197,252,000
Net Operating Cash flows per Share (NOCFPS)	Tk. 4.14	3.22

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

The Computation is given below:

Profit After Tax	363,014,908	234,784,159
Adjustment to reconcile net profit to net cash provided by operating activities :		
Non-cash Expenses:	525,343,053	437,472,477
Depreciation	485,176,992	428,414,652
Deferred Tax	36,783,998	11,627,271
Net effect of foreign currency translation	3,382,063	(2,569,446)
Non-Operating Items:	121,454,987	113,323,491
Interest Expenses/ (Income) on Sister Company Loan	119,714,117	113,323,491
Gain/ (Loss) on Disposal of Assets	1,740,870	-
Changes in working Capital:	(192,631,330)	(151,395,245)
(Increase)/Decrease in Inventories	180,635,088	41,919,400
(Increase)/Decrease in Accounts Receivable	(342,439,932)	(215,744,691)
(Increase)/Decrease in Advances, Deposits & Prepayments	(33,505,207)	(68,073,879)
Increase/(Decrease) in Creditors & Other Payables	1,112,816	32,103,586
Increase/(Decrease) in Liabilities for Others Finance	(45,005,103)	13,438,130
Increase/(Decrease) in Income Tax Payable	46,571,008	44,962,209
Net Cash Generated (Used in) from Operating Activities	817,181,618	634,184,882

26. Regarding Consolidated Net Operating Cash Flows per Share:

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

SQUARE Textiles Limited

Statement of Financial Position (Unaudited)

As at March 31, 2021

Particulars	Notes	31-Mar-21	30-Jun-20
		Taka	Taka
ASSETS:			
Non-Current Assets			
Property, Plant & Equipment- Carrying Value	02	6,440,893,177	4,933,468,123
Capital Work In Progress	03	120,821,990	1,494,412,857
Investment - Long Term (At Cost)		489,333,960	489,333,960
Current Assets			
Inventories	04	2,779,059,640	2,946,881,714
Accounts Receivable	05	4,060,564,988	3,693,864,711
Advances, Deposits & Prepayments	06	288,778,081	254,040,909
Short Term Loan	07	-	140,003,283
Cash & Cash Equivalents	08	242,169,008	238,032,107
TOTAL ASSETS		14,421,620,844	14,190,037,664
SHAREHOLDERS' EQUITY & LIABILITIES:			
Shareholders' Equity			
Share Capital		1,972,520,000	1,972,520,000
Retained Earnings		5,053,995,898	4,908,759,862
Non-Current Liabilities			
Long Term Borrowings	09	2,923,214,661	-
Deferred Tax Liability	10	251,128,822	214,694,410
Current Liabilities & Provisions			
Short Term Bank Loan (Secured)	11	3,916,079,380	3,512,688,525
Creditors & Other Payables	12	79,662,841	78,389,484
Liabilities for Others Finance	13	99,902,698	142,087,355
Short Term Loan	14	-	3,277,576,394
Provision for Income Tax	15	125,116,544	83,321,634
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		14,421,620,844	14,190,037,664
Net Asset Value Per Share	27	35.62	34.89

Attached notes form parts of these Financial Statements.

Sd/-
Tapan Chowdhury
Chairman

Sd/-
Ratna Patra
Vice Chairman

Sd/-
Samuel S Chowdhury
Managing Director

Sd/-
M. Habibur Rahman
Chief Financial Officer

Sd/-
Sanjib Baran Roy
Company Secretary

SQUARE Textiles Limited

Statement of Profit or Loss and Other Comprehensive Income (Unaudited) For the 3rd Quarter Ended March 31, 2021

Particulars	Notes	Nine Months Results (Tk)		Third Quarter Results (Tk)	
		July to Mar 2020-21	July to Mar 2019-20	Jan to Mar 2020-21	Jan to Mar 2019-20
Sales Revenue	16	8,573,052,601	7,198,945,614	3,587,713,038	2,293,612,186
Cost of Goods Sold	17	7,690,620,679	6,453,901,171	3,205,736,725	2,059,451,313
Gross Profit		882,431,922	745,044,443	381,976,313	234,160,873
Administrative Overhead	18	171,558,066	174,467,097	63,638,224	53,235,910
Selling and Distribution Overhead	19	13,306,950	12,795,701	5,302,720	5,299,479
Profit from Operations		697,566,906	557,781,645	313,035,369	175,625,484
Finance Cost	20	273,454,879	282,722,728	66,910,946	104,378,523
Non-Operating Income	21	17,641,199	13,800,053	(9,688,279)	5,892,690
Profit Before W.P.P.F & W.F		441,753,226	288,858,970	236,436,144	77,139,651
Allocation for W.P.P.F & W.F		21,035,868	13,755,189	11,258,864	3,673,317
Profit Before Tax		420,717,358	275,103,781	225,177,280	73,466,334
Provision for Tax (Current)	15	41,794,910	41,002,341	15,662,262	3,800,732
Deferred Tax Expenses (Income)	10	36,434,412	10,261,977	15,166,680	3,268,949
Profit After Tax for The Period		342,488,036	223,839,463	194,348,338	66,396,653

(Transferred to the Statement of Changes in Equity)

Earnings Per Share (EPS)	26	1.74	1.13	0.99	0.34
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Attached notes form parts of these Financial Statements.

Sd/-
Tapan Chowdhury
Chairman

Sd/-
Ratna Patra
Vice Chairman

Sd/-
Samuel S Chowdhury
Managing Director

Sd/-
M. Habibur Rahman
Chief Financial Officer

Sd/-
Sanjib Baran Roy
Company Secretary

SQUARE Textiles Limited

Statement of Changes in Equity (Unaudited) For the 3rd Quarter Ended March 31, 2021

Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2020	1,972,520,000	4,908,759,862	6,881,279,862
Net Profit For the 3rd Quarter Ended March 31, 2021	-	342,488,036	342,488,036
Cash Dividend for 2019-20	-	(197,252,000)	(197,252,000)
Balance As at March 31, 2021	1,972,520,000	5,053,995,898	7,026,515,898

Statement of Changes in Equity (Unaudited) For the 3rd Quarter Ended March 31, 2021

Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2019	1,972,520,000	5,251,902,027	7,224,422,027
Net Profit For the 3rd Quarter Ended March 31, 2021	-	223,839,463	223,839,463
Cash Dividend for 2018-19	-	(394,504,000)	(394,504,000)
Balance As at March 31, 2020	1,972,520,000	5,081,237,490	7,053,757,490

Sd/-
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Sd/-
Ratna Patra
Vice Chairman

Sd/-
Samuel S Chowdhury
Managing Director

Sd/-
M. Habibur Rahman
Chief Financial Officer

Sd/-
Sanjib Baran Roy
Company Secretary

SQUARE Textiles Limited

Statement of Cash flows (Unaudited) For the 3rd Quarter Ended March 31, 2021

Particulars	Amount (Tk)	
	July to March 2020-21	July to March 2019-20
Cash Flows from Operating Activities:		
Receipts from Sales Revenue	8,206,352,324	7,005,255,194
Exchange Fluctuation Gain (Realization from Transaction)	(10,283,360)	6,219,311
Receipts/ (Payment) from Other Income/ Expenses	27,845,081	238,681
Total Receipts	8,223,914,045	7,011,713,186
Payments to Suppliers	(5,616,597,872)	(4,728,694,286)
Paid for Operating & Non-operating Expenses	(1,682,307,735)	(1,494,221,763)
Interest Expenses Paid	(175,572,000)	(158,193,470)
Income Tax Paid	(41,794,910)	(70,673,285)
Total Payments	(7,516,272,517)	(6,451,782,804)
Net Cash Generated (Used in) from Operating Activities	707,641,528	559,930,382
Cash Flows from Investing Activities:		
Purchase of Property, Plant & Equipment	(584,140,664)	(879,581,883)
Sales of Property, Plant & Equipment	6,709,400	-
Net Cash Generated (Used in) from Investing Activities	(577,431,264)	(879,581,883)
Cash Flows from Financing Activities:		
Long Term Loan Received/ (Repaid)	2,923,214,661	-
Short Term Bank Loan Received/ (Repaid)	403,390,855	96,854,501
Short Term Loan from/ (To) SQUARE Pharmaceuticals Ltd.	(3,397,290,511)	695,272,148
Short Term Loan from/ (To) SQUARE Texcom Ltd.	144,997,354	(20,654,816)
Payment of Dividend	(197,252,000)	(394,504,000)
Net Cash Generated (Used in) from Financing Activities	(122,939,641)	376,967,833
Increase/ (Decrease) in Cash & Cash Equivalents	7,270,623	57,316,332
Net effect of foreign currency translation	(3,133,722)	2,471,442
Opening Cash & Cash Equivalents	238,032,107	155,346,636
Closing Cash & Cash Equivalents	242,169,008	215,134,410
Net Operating Cash flows per Share	3.59	2.84

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Chairman

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Chief Financial Officer

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Sanjib Baran Roy
Company Secretary

SQUARE TEXTILES LIMITED

Notes to the Interim Financial Statements (Unaudited) For the 3rd Quarter Ended March 31, 2021

01. Basis of preparation of the Interim Financial Statements:

These Financial Statements (They) are the unaudited interim Financial statement (here after 'the Interim Financial Statements') of Square Textiles Ltd. , for the 3rd Quarter Ended on March 31, 2021 (here after the interim period). They are prepared in accordance with the Bangladesh Accounting Standard (IAS-34) 'Interim Financial Reporting'. These financial statement should read in conjunction with the Annual Financial Statements as of June 30, 2020, as they provide an update of previous reported information.

The accounting policies and presentation used are consistent with those used in the Annual Financial Statements, except where noted below. Where necessary, the comparatives have been reclassified or extended from the previously reported Interim Financial Statements to take into account any presentational changes made in the Annual Financial Statements or in these Interim Financial Statements.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and disclosure of contingent liabilities at the date of the Interim Financial Statements. If in the future such estimates and assumptions, which are based on management's best judgment at the date of the interim financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

We understand that our business is growing every year that means our assets are performing according to intention of procurement and in sum up the discounted future cash flow from the operation of the assets would be positive if we dispose those assets at the date of financial reporting. But presently we have on intension to dispose these assets, so it is not required to record the impairment gain as provisions of IAS-36.

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

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

Figures have been rounded off to the nearest Taka.

	<u>31-Mar-21</u>	<u>30-Jun-20</u>
02. Property, Plant & Equipment: Tk.	6,440,893,177	
'Details of Property, Plant & Equipment and Depreciation as at March 31, 2021 are as below:		
Fixed Assets at Cost		
Opening Balance	9,809,975,786	9,744,255,806
Addition during the Year	1,957,731,531	77,819,980
Sale/ Obsolete during the Year	(112,462,113)	(12,100,000)
Closing Balance(Cost)	<u>11,655,245,204</u>	<u>9,809,975,786</u>
Accumulated Depreciation		
Opening Balance	4,876,507,663	4,369,522,594
Charged during the Year	441,816,207	513,776,868
Adjustment for sale/Obsolete	(103,971,843)	(6,791,799)
	<u>5,214,352,027</u>	<u>4,876,507,663</u>
Carrying Value	Tk. <u>6,440,893,177</u>	<u>4,933,468,123</u>
03. Capital Work In Progress: Tk.	120,821,990	
Capital Work In Progress	120,821,990	1,494,412,857
	Tk. <u>120,821,990</u>	<u>1,494,412,857</u>

The amount of Capital Work In Progress includes cost of BMRE activities.

	<u>31-Mar-21</u>	<u>30-Jun-20</u>
04. Inventories: Tk.	2,779,059,640	
Stocks of Raw Materials	2,531,489,752	2,728,036,083
Raw Materials	2,202,234,411	2,243,666,211
Raw Materials In Transit	104,392,519	57,986,482
Packing Materials	15,612,749	14,937,386
Work - in - process	108,803,451	104,774,292
Finished Goods	100,446,622	306,671,712
Stocks of Spares	247,569,888	218,845,631
Spares at Store	242,877,782	213,286,079
Spares in Transit	4,692,106	5,559,552
Tk.	<u>2,779,059,640</u>	<u>2,946,881,714</u>
05. Accounts Receivable: Tk.	4,060,564,988	
Aging of the above balance is as follows:		
Below 60 days	1,684,903,728	1,507,104,875
Within 61-120 days	889,463,285	659,273,663
Above 120 days	1,486,197,975	1,527,486,173
Tk.	<u>4,060,564,988</u>	<u>3,693,864,711</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) Accounts Receivable is secured, considered as good and is falling due within one year.		
06. Advances, Deposits & Prepayments: Tk.	288,778,081	
This is made up of the followings:		
Advance	182,035,259	147,513,013
Income Tax	98,100,034	56,305,124
Salary & PF Current account	4,091,273	464,000
Other Expenses	9,562,917	23,214,570
Suppliers & Contractor	70,281,035	67,529,319
Deposits	106,742,822	106,527,896
Security Deposit	95,496,962	95,491,362
Margin on Bank Guarantee	11,245,860	11,036,534
Tk.	<u>288,778,081</u>	<u>254,040,909</u>
07. Short Term Loan (Unsecured): Tk.	-	
Loan To (From) Square Texcom Ltd.	-	140,003,283
Short Term Loan Given	Tk. -	<u>140,003,283</u>
08. Cash & Cash Equivalents: Tk.	242,169,008	
This is made up of the followings:		
Cash in hand	16,191,361	4,945,337
Cash at Bank	225,977,647	233,086,770
Tk.	<u>242,169,008</u>	<u>238,032,107</u>

	<u>31-Mar-21</u>	<u>30-Jun-20</u>
09. Long Term Borrowings (Secured): Tk.	2,923,214,661	
Standard Chartered Bank	1,800,000,000	-
HSBC Bank	1,500,000,000	-
Infrastructure Development Company (IDCOL)	118,465,791	-
Less: Current Portion of Long Term Borrowings	(495,251,130)	-
Tk.	<u>2,923,214,661</u>	<u>-</u>

10. Deferred Tax Liability: Tk.	251,128,822	
Opening Balance	214,694,410	235,701,174
Deferred tax Income	-	(21,006,764)
Deferred tax Expenses	36,434,412	-
Closing Balance	<u>Tk. 251,128,822</u>	<u>214,694,410</u>

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

a) Deferred Tax Liability is arrived at as follows:

Carrying Value of Depreciable Fixed Assets	5,764,898,360	4,257,473,306
Less: Tax Base Carrying Value	(4,090,706,213)	(2,826,177,237)
Taxable Temporary Difference	<u>1,674,192,147</u>	<u>1,431,296,069</u>
Tax Rate	15.00%	15.00%
Closing Deferred Tax Liability	<u>251,128,822</u>	<u>214,694,410</u>
Less: Opening Deferred Tax Liability	(214,694,410)	(235,701,174)
Deferred Tax (Income) / Expense	<u>36,434,412</u>	<u>(21,006,764)</u>

11. Short Term Bank Loan (Secured): Tk.	3,916,079,380	
Bank Overdraft	-	58,218,295
Current Portion of Long Term Borrowings	495,251,130	-
Revolving Loan	430,000,000	800,000,000
Loan ag. Export Bill Discount	-	-
Deferred LC Loan	2,990,828,250	2,654,470,230
Tk.	<u>3,916,079,380</u>	<u>3,512,688,525</u>

These short term loans are secured against hypothecation of Stock and Accounts Receivable.

12. Creditors & Others Payable: Tk.	79,662,841	
Provision for Audit Fees	-	460,000
Provision for Utility Bill	58,306,523	58,283,301
Provision for Salary & Allowances	8,970,624	7,360,303
Others	12,385,694	12,285,880
	<u>79,662,841</u>	<u>78,389,484</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.

13. Liabilities for Other Finance: Tk.	99,902,698	
PF, WPPF & Other Fund	29,788,384	18,849,783
Provision for Gratuity	-	32,869,815
Dividend Unclaimed	55,159,267	53,581,472
Others	14,955,047	36,786,285
Tk.	<u>99,902,698</u>	<u>142,087,355</u>

14. Short Term Loan: Tk.	-	
Loan To (From) Sqaure Pharma. Ltd.	-	3,277,576,394
Short Term Loan Received	<u>Tk. -</u>	<u>3,277,576,394</u>

	<u>31-Mar-21</u>	<u>30-Jun-20</u>
15. Provision for Income Tax: Tk.	125,116,544	
Opening Balance	83,321,634	70,751,117
Adjustment with Advance Tax	-	(47,214,381)
Provision made for the period (Note: 15.01)	41,794,910	59,784,898
Closing Balance	Tk. 125,116,544	83,321,634

Note: 15.01: Provision made for the period

A) Net Current Tax Liability on Profit Basis	28,437,312	36,107,072
B) Tax Liability on Sales Revenue Basis	30,862,989	34,219,175
C) Advance Income Tax (Source Tax) Paid Under ITO-1984	41,794,910	56,305,125
Higher Amount of Tax Under Above Calculation (A:B:C)	41,794,910	56,305,125
Add/ Less: Short/ (Excess) provision for Prior period	-	3,479,773
Income Tax Provision for the period	41,794,910	59,784,898

Since the source tax deducted under Income Tax Ordinance 1984 for Tk. 41,794,910 is higher than the applicable tax on Profit before tax (Tk. 28,437,312) and minimum Tax on Revenue under ITO-1984 (Tk. 30,862,989), so the higher is provided as Tax Expense for the period ended March 31, 2021.

Calculation of Effective Tax Rate:

Current Income Tax Expenses	41,794,910	41,002,341
Deferred Tax Expenses/ (Income)	36,434,412	10,261,977
Total Tax Expenses	78,229,322	51,264,318
Effective Tax Rate (Total Tax Expenses / Profit Before Tax)	18.59%	18.63%

	<u>July-20 to Mar-21</u>	<u>July-19 to Mar-20</u>
16. Sales Revenue: Tk.	8,573,052,601	
Export Sale of Yarns	8,573,052,601	7,198,945,614
Tk.	8,573,052,601	7,198,945,614

During the period sales increased by BDT 137.41 (19.09%) crore due to incremental production under some BMRE investment and increased of sales price.

17. Cost of Goods Sold: Tk. 7,690,620,679

This is arrived as follows:

Raw Materials Consumed	5,815,995,357	4,787,527,073
Factory Overhead (Note:17.01)	1,874,625,322	1,666,374,098
Cost of Goods Sold	Tk. 7,690,620,679	6,453,901,171

During the period Raw Material cost increased by BDT 102.85 (21.48%) crore due to increased of production quantity and increased cotton price in international market.

17.01. Factory Overhead: Tk. 1,874,625,322

Factory Wages, Salary & Allowances	604,705,763	559,254,943
Production Workers' Free Lunch	3,273,150	3,045,548
Fuel, Petrol, Light, Diesel etc.	62,957,103	30,572,428
Electricity, Gas & Water	530,518,499	461,936,133
Factory Consumable Expense	33,889,174	29,315,394
Repairs & Maintenance of Vehicles	12,653,369	11,714,277
Industrial All Risk Insurance Premium	11,468,835	10,756,228
Govt. Tax, VAT & License Fees	102,499	430,549
Security Services	15,297,061	18,552,117
Spare Parts - Machinery	151,181,981	148,062,219
Depreciation	441,816,207	384,127,705
Other Overhead	6,761,681	8,606,557
Total	Tk. 1,874,625,322	1,666,374,098

	<u>July-20 to Mar-21</u>	<u>July-19 to Mar-20</u>
18. Administrative Overhead: Tk.	171,558,066	
Salary and Allowances	93,730,249	75,927,580
Directors' Remuneration	36,000,000	32,336,217
Overseas Travelling	5,343,845	30,620,498
Vehicles Running & Maintenance	6,340,473	6,464,860
Fees & Subscription	5,557,118	3,967,012
Rental Expenses	10,273,983	9,777,736
Office Consumable Expense	790,262	1,124,572
Electricity, Gas & Water	2,235,252	2,066,363
Software & Hardware Support Expenses	2,093,053	1,585,724
Head Office Employees' Free Lunch	1,634,904	1,755,366
Annual General Meeting Expenses	1,159,386	1,331,643
Other Expenses	6,399,541	7,509,526
Total	Tk. <u>171,558,066</u>	<u>174,467,097</u>

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

19. Selling & Distribution Overhead: Tk.	13,306,950	
This is arrived as follows:		
Export Sale Expenses	9,787,745	10,325,676
Loading & unloading	3,519,205	2,470,025
Total	Tk. <u>13,306,950</u>	<u>12,795,701</u>

20. Finance Cost: Tk.	273,454,879	
Interest on Deferred LC Loan	37,719,250	120,746,535
Interest on Loan ag. Export Bill Discount	2,512,455	12,014,358
Interest on OD	116,398	857,653
Interest on Short Term Loan	76,664,681	35,780,691
Interest on LongTerm Loan	36,727,978	-
Interest on Sister Concerns	119,714,117	113,323,491
Total	Tk. <u>273,454,879</u>	<u>282,722,728</u>

During the period Finance cost decreased by BDT 0.93 (-3.29%) crore due to received long term loan from bank in

21. Non-Operating Income: Tk.	17,641,199	
Interest Income	5,245,996	5,109,301
Forfeited Provident Fund	27,593,156	-
Gain/Loss on Disposal of Assets	(1,780,870)	-
Forex Exchange Rate Fluctuation Gain/ (Loss)	(13,417,083)	8,690,752
Total	Tk. <u>17,641,199</u>	<u>13,800,053</u>

22. 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	92,283,634	93,820,031
Post Employment Benefits	18,179,945	10,612,989
Other Long Term Benefits	-	-
Termination Benefits	-	-
Share Based Payment	-	-

	<u>31-Mar-21</u>	<u>30-Jun-20</u>
23. Related Party Transaction:		
During the year, the Company carried out a number of transactions with related parties in the normal course of business and on an arms' length basis. The name of related parties, nature of relationship and their total value have been set out in accordance with the provisions of IAS 24: Related Party Disclosure.		
01. Transaction with Sqaure Pharma. Ltd. (SPL):		
Opening Balance	(3,277,576,394)	(2,168,788,505)
Total Received	(1,269,870,456)	(3,274,786,839)
Total Paid	4,547,446,850	2,165,998,950
Closing Balance- Receivable/ (Payable)	Tk. <u>-</u>	<u>(3,277,576,394)</u>
02. Transaction with Square Texcom Ltd. (STCL):		
Opening Balance	140,003,283	161,617,019
Total Paid	231,382,648	323,611,285
Total Received	(371,385,931)	(345,225,021)
Closing Balance- Receivable/ (Payable)	Tk. <u>-</u>	<u>140,003,283</u>
03. Transaction with Aegis Services Ltd. (ASL):		
Opening Balance	-	-
Total Service Received	(20,471,677)	(20,512,629)
Total Paid	20,414,421	20,512,629
Closing Balance- Receivable/ (Payable)	Tk. <u>(57,256)</u>	<u>-</u>
04. Transaction with Square Informatix Ltd. (SIL):		
Opening Balance	-	-
Total Service Received	(3,289,556)	(4,359,305)
Total Paid	3,264,351	4,359,305
Closing Balance- Receivable/ (Payable)	Tk. <u>(25,205)</u>	<u>-</u>
05. Transaction with Square Hospitals Ltd. (SHL):		
Opening Balance	(201,937)	-
Total Service Received	(2,035,083)	(733,945)
Total Paid	2,237,020	532,008
Closing Balance- Receivable/ (Payable)	Tk. <u>-</u>	<u>(201,937)</u>
06. Transaction with Square Fashions Ltd. (SFL):		
Opening Balance	330,135,734	319,233,143
Total Goods Delivered	615,903,168	848,929,680
Total Received	(688,390,316)	(838,027,089)
Closing Balance- Receivable/ (Payable)	Tk. <u>257,648,586</u>	<u>330,135,734</u>
07. Transaction with Square Denims Ltd. (SDL):		
Opening Balance	157,466,237	175,953,745
Total Goods Delivered	530,792,316	416,568,106
Total Received	(458,512,907)	(435,055,614)
Closing Balance- Receivable/ (Payable)	Tk. <u>229,745,646</u>	<u>157,466,237</u>
08. Transaction with Square Apparels Ltd. (SAPL):		
Opening Balance	239,108,927	105,560,271
Total Goods Delivered	498,602,714	476,802,220
Total Received	(555,698,324)	(343,253,564)
Closing Balance- Receivable/ (Payable)	Tk. <u>182,013,317</u>	<u>239,108,927</u>

24. Contingent Liability:

Contingent Liability of the Company was Tk. 131.73 Crore as on March 31, 2021 for opening LCs by the banks in favour of foreign suppliers for raw materials and spares.

25. Event after Balance sheet date:

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

	<u>July-20 to Mar-21</u>	<u>July-19 to Mar-20</u>
26. Earnings Per Share (EPS):		
The Computation is given below:		
Earning attributable to Ordinary Shares including other income	Tk. 342,488,036	223,839,463
Number of Ordinary shares	197,252,000	197,252,000
Earnings Per Share	Tk. 1.74	1.13

During the period EPS increased by BDT 0.61 (53.98%) due to increased production and increased sales price of yarn.

27. Net Asset Value (NAV) Per Share:

The Computation is given below:

Equity Attributable to the Owners of the Company	Tk. 7,026,515,898	6,881,279,862
Number of Ordinary shares	197,252,000	197,252,000
Net Asset Value (NAV) Per Share	Tk. 35.62	34.89

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

The Computation is given below:

Net Cash Generated (Used in) from Operating Activities	Tk. 707,641,528	559,930,382
Number of Ordinary shares	197,252,000	197,252,000
Net Operating Cash flows per Share (NOCFPS)	Tk. 3.59	2.84

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

The Computation is given below:

Profit After Tax	342,488,036	223,839,463
Adjustment to reconcile net profit to net cash provided by operating activities :		
Non-cash Expenses:	481,384,341	391,918,240
Depreciation	441,816,207	384,127,705
Deferred Tax	36,434,412	10,261,977
Net effect of foreign currency translation	3,133,722	(2,471,442)
Non-Operating Items:	116,500,916	108,452,871
Interest Expenses/ (Income) on Sister Company Loan	114,720,046	108,452,871
Gain/ (Loss) on Disposal of Assets	1,780,870	-
Changes in working Capital:	(232,731,765)	(164,280,192)
(Increase)/Decrease in Inventories	167,822,074	11,929,221
(Increase)/Decrease in Accounts Receivable	(366,700,277)	(193,690,420)
(Increase)/Decrease in Advances, Deposits & Prepayments	(34,737,172)	(68,812,596)
Increase/(Decrease) in Creditors & Other Payables	1,273,357	32,554,184
Increase/(Decrease) in Liabilities for Others Finance	(42,184,657)	12,737,078
Increase/(Decrease) in Income Tax Payable	41,794,910	41,002,341
Net Cash Generated (Used in) from Operating Activities	707,641,528	559,930,382

30. Regarding Net Operating Cash Flows per Share:

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