

Annual Report 2013





*Truth, morality and ethics are the
core elements of success of an organization.*


Samson H Chowdhury



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Proxy Form

Vision Mission Objectives & Corporate Focus

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.

OBJECTIVES

- 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.

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.



To
All Shareholders
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

Sub : Annual Report for the year ended 31st December, 2013

Dear Sir (s)

We are pleased to enclose a copy of Annual Report together with the Audited Financial Statements comprising Consolidated and Separate Statement of Financial Position as at 31st December, 2013 and Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 31st December, 2013 along with notes thereon of Square Textiles Limited and its Subsidiaries, Square Yarns Limited & Square Texcom Limited for your information and records.

Yours sincerely



Khandaker Habibuzzaman
Company Secretary

Dated: 25th May, 2014
Dhaka

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 protection of their capital as well as ensure highest return and growth of their assets.
- We strive for best compensation to all the employees who constitute the back bone of the management and operational strength of the company through a pay - package composing salary/wages, allowances, bonuses, profit participation, leave/ salary and superannuations & retirement benefits and other emergency grants & gratis.
- We strive for the best co-operation of the creditors & debtors the banks & financial institutions who provide financial support when we need them, 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 fulfillment of our responsibility to the Government through payment of entire range of due taxes, duties and claims to various public agencies like municipalities etc.
- We strive as responsible citizen, 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 for practicing good governance in every sphere of activities covering inter alia, not being limited to, disclosure & reporting to shareholders holding AGM in 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, government and the society in general.



19th Annual General Meeting Notice

Notice is hereby given that the 19th ANNUAL GENERAL MEETING of the shareholders of SQUARE TEXTILES LTD. will be held on Monday the 16th June, 2014 at 10:30 a.m at Factory Premises, Sardaganj, Kashimpur, Gazipur to transact the following agenda:

- Agenda-1: To receive, consider and adopt the Audited Financial Statement for the year ended 31st December, 2013 together with Report of the Directors and Auditors' thereon.
- Agenda-2: To declare dividend for the year ended 31st December, 2013.
- Agenda-3: To elect Directors in terms of the relevant provision of the Articles of Association of the Company.
- Agenda-4: To appoint Auditors for the year 2014 and to fix their remuneration.

By order of the Board



Khandaker Habibuzzaman
Company Secretary

Dated: 25th May, 2014
Dhaka

Notes:

- (i) The proxy form must be affixed with requisite revenue stamp and must 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 18th June, 2014 their written option to receive dividend. In case of non-submission of such option within the stipulated time, the dividend will be paid off as deemed appropriate by the Company.

Corporate Governance

Corporate governance is key to its sustenance. Good Corporate Governance is key to successful sustenance. Our Corporate Governance is as follows:

Board of Directors

In line with the concept of good corporate management practice and the provisions of Articles of Association, The Board of Directors, The Top Management tier is responsible for overall control and supervision of the entire affairs of the Company primarily through strategic planning & budgetary control mechanisms. To this end, The Board of Directors hold periodic meetings to resolve issues of policies and strategies, recording the minutes/ decisions for implementation by the Executive Management. During the year under review the board held 8 (eight) meetings to transact various agenda.

The Board of Directors is reconstituted every year by the shareholders through 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

The positions of Chairman and Managing Director are held separate persons. The Chairman is responsible for functions of the Board while the Managing Director serves as the Chief Executive of the Company.

Audit Committee of Board

An audit committee consisting of the Independent Director as Chairman and two other Directors as member has been constituted in terms of the BSEC guidelines for ensuring good governance practices. The audit committee of the Board held 4 (four) Meetings during the year and examined the coverage of internal and

Executive Management

The Managing Director, the CEO, is the head of the Executive Management Team which comprises senior members of the Management Apparatus. 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 the line management. The Executive Management operates within the frame work of policy & Planning strategies set by the Top Management with periodic performance reporting for guidance. The Executive Management is responsible for preparation of segment plans/ sub-segment plans for every profit centres with budgetary targets for every items of goods & services and are held accountable for deficiencies, with appreciation for outstanding and exceptional performances. These operations are continuously carried out by the Executive Management through series of Committees, Sub-Committees, Adhoc Committees & Standing Committees assisting the line management.



Management Committee

Comprising top executives, deal with entire organizational matters.

Standing Committees

❖ Audit Committees

- Internal Audit Committee
- ISO Audit Committee
- Social /Environmental Committee
- Performance Evaluation Audit Committee

❖ Employment Relations Committees

- Remuneration Committee
- Work Environment Committee
- Employees Welfare & Recreation Committee

❖ Management Committees

- Product Planning & Development Committee
- Quality Control & Research Committee
- Production & Inventory Management Committee
- Export Promotion Committee

Communication with the Shareholders

The Shareholders as owners are required to be provided with material information on the Company's operation quarterly, half-yearly and annually. They are also provided routine services by the Company Secretary in any company matters which is permissible. The Board is however responsible to the Shareholders as well as investors for publication of price sensitive information as per regulations of Bangladesh Securities and Exchange Commission. A qualified Chartered Secretary is in charge for all these responsibilities as Company Secretary. The Company has also a web site to provide permissible information/notices/price sensitive informations/financial reports/disclosures and others for the Shareholders and interested investors.

Compliances

Square has an 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.

Chief Financial Officer, Head of Internal Audit and Company Secretary

The Company has appointed Mr. Md. Alamgir Hossain, FCMA, FCA as Chief Financial Officer, Mrs. Nasrin Akter, FCA, as Head of Internal Audit and Mr. Khandaker Habibuzzaman, FCS as Company Secretary of the company as per requirement of Bangladesh Securities and Exchange Commission.

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 of cotton/yarn for human as well as industrial use.

Risk Perception

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





CORPORATE PROFILE



Management Apparatus

Board of Directors

Mr. Samuel S. Chowdhury
Mrs. Ratna Patra
Mr. Tapan Chowdhury
Mrs. Anita Chowdhury
Mr. Anjan Chowdhury
Mr. M. Sekander Ali
Mr. Syed Afzal Hasan Uddin

Chairman
Vice Chairman
Managing Director
Director
Director
Independent Director
Independent Director

Audit Committee

Mr. M. Sekander Ali
Mrs. Ratna Patra
Mr. Anjan Chowdhury

Chairman
Member
Member

Management Committee

Mr. Tapan Chowdhury
Mr. Anjan Chowdhury
Mr. Mostaque Ahmed Siddiqui
Mr. Md. Kabir Reza
Mr. Md. Alamgir Hossain

Chairman
Member
Member
Member
Member

Company Secretary

Mr. Khandaker Habibuzzaman



Management Team

Mr. Mostaque Ahmed Siddiqui	Chief Operating Officer
Mr. Md. Alamgir Hossain	Chief Financial Officer
Mr. Md. Abdur Rashid	Head of Factory
Mr. Md. Idris Ali	Head of Engineering
Mrs. Nasrin Akter	Head of Internal Audit
Mr. Sayeed Ahmed Chowdhury	Head of Technical Services Department
Mr. Abul Kalam Azad	Head of Quality Assurance
Mr. Nazibur Rahman	Head of Salse & Marketing
Mr. Md. Adam Ali Khondoker	Head of HR & Admin

Legal Advisers

1. Mr. Rokanuddin Mahmud, Bar-at- Law
Walsow Tower, 21-23, Kazi Nazrul Islam
Avenue, Dhaka.
2. Ms. Nazia Kabir, Bar-at-Law
Concord Ovilash (1st floor), House-62
Road- 11A, Dhanmondi, Dhaka

Auditors

M/s. Das Chowdhury Dutta & Co.
Chartered Accountants
Well Tower, 1st Floor, Flat-A/1
12/A Purana Paltan Line, Dhaka

Registered Office

Square Centre
48, Mohakhali C.A., Dhaka-1212
Bangladesh
Phone: 880-2-8833047-56, 8859007
Web: www.textile.squaregroup.com

Factory

Saradaganj, Kashimpur
Gazipur, Bangladesh

Bankers

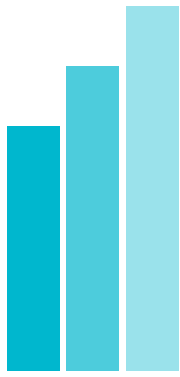
1. Standard Chartered Bank
SCB House, 67 Gulshan Avenue
Dhaka.
2. HSBC Ltd.
Anchor Tower
1/1 –B Sonargaon Road
Dhaka.
3. Prime Bank Ltd.
Adamjee Court, Annex Building-2
119-120, Motijheel C/A,
Dhaka.
4. Bank Al Falah Limited
5, Rajuk Avenue,
Dhaka.

Insurers

1. Pioneer Insurance Co, Ltd.
10, Dilkusha C/A
Dhaka.
2. Pragati Insurance Co. Ltd.
20-21, Kawran Bazar
Dhaka

Listing

1. Dhaka Stock Exchange (DSE)
2. Chittagong Stock Exchange (CSE)



Corporate Achievement

- Year of Establishment : 1994
(Incorporated as a Public Limited Company)
- Year of Operation : 1997
- Awarded Oeko-Tex Standard 100 Certificate : 2000
- Awarded ISO-9001:2008 Certificate : 2000
- Listing with Dhaka Stock Exchange : 2002
- Listing with Chittagong Stock Exchange : 2002
- Awarded CottonUSA Certificate : 2002
- Awarded SUPIMA License : 2003
- Awarded Global Organic Textiles Standard (GOTS) Certificate : 2007
- Awarded Cotton made in Africa (CmiA) Certificate : 2008
- Awarded USTERIZED Certificate : 2009
- HSBC Export Excellence Award : 2010
- Awarded "AA" rating in the long term and "ST-2" rating in short term by CRISL : 2012
- Business Lines : Manufacturing and Marketing of yarn
- Authorized Capital : Tk. 3,000 million
- Paid-up Capital : Tk. 1,344.20 million
- Number of Employees (as on December 31, 2013) : 2,044 Persons
- Subsidiary Companies : Square Yarns Ltd.
Square Texcom Ltd.



Message from The Chairman



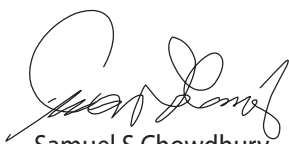
Dear Shareholders, Ladies and Gentlemen,

As I, on behalf of the Board of Directors, welcome you all to the 19th Annual General Meeting, I recall the memories of the Founder Chairman's departure from this Mortal World on 5th January, 2012 leaving for us his great ideals not only as an outstanding entrepreneur but also as a "Father-Figure" in Humanism and Social Being. On completion of the second Anniversary on 5th January, 2014, we reiterate and reaffirm our faith in his ideals that he enacted in his chequered life as a guidance for all of us- old and young, irrespective of genders, religion or caste. We all believe without any exceptions that if we remain determined in following the traits of our great Founder, our business operations shall succeed in withstanding all or any kinds of bad weather. We salute him time and again.

The year 2014 was not a congenial one and is not required to be recalled by any name or game as all of us have had experienced in vivid sight. Despite presence of all adversities that can bring mortal disasters to any natural or legal person in any situation, business or service, your company, under the capable leadership of the Managing Director, sailed through successfully for which the Board of Directors records with appreciation the performance of his Team, Officers and Workers. I would also like to mention that though our contribution to the National Exchequer declined marginally (4.15%) during 2013 over 2012, our Net Export Earnings during the year 2013 increased by 15.29% over the previous year. The benefit to the Employees increased substantially by 23.10% in 2013 over 2012. Similarly, shareholders' receipts increased by 4.55% in 2013 over 2012.

While concluding, I would recall the services and assistances received from all the stakeholders-financiers, insurers, suppliers, creditors, buyers and the community. I would also thank the Government, Government Agencies, Regulatory Bodies and the public in general for their cooperation and "Feel-Good" approaches to the Company.

With best wishes for the time ahead.


Samuel S Chowdhury
Chairman



Corporate Operational Results

	2013	2012	2011	2010	2009
					(Figures in thousand)
Turnover (Net)	5,238,437	5,431,438	5,247,749	4,445,402	3,882,244
Gross Profit	948,720	988,529	1,085,336	886,759	533,374
Net Profit before tax	696,779	696,939	744,200	676,174	311,777
Net Profit after tax	587,782	588,715	634,757	564,769	260,634
Shareholders' Equity	4,886,371	4,508,986	4,076,121	3,571,239	3,119,404
Total Assets	6,358,457	6,175,378	7,240,316	6,605,934	5,508,282
Total Current Assets	4,095,603	4,389,591	4,804,457	4,301,132	3,224,730
Total Current Liabilities	1,363,962	1,554,244	3,052,890	2,923,391	2,276,602
Current ratio	3.00	2.82	1.57	1.47	1.42
Ordinary Shares Outstanding	134,420,271	116,887,192	97,405,993	81,171,661	70,584,053
Face Value per Share	10	10	10	10	10
Shareholders' Equity per Share	36.35	38.58	41.85	44.00	44.19
Earning Per Share (EPS)	4.37	4.38	4.72	4.20	1.94
EPS on Share Issued for Cash	23.33	23.06	24.62	22.64	10.45
Quoted Price per Share (DSE)	90.40	102.80	111.20	209.80	111.54
Quoted Price per Share (CSE)	89.80	101.70	111.50	207.80	111.37
Price Earnings Ratio-DSE (Time)	20.69	20.68	17.46	30.14	30.22
Price Earnings Ratio-CSE (Time)	20.55	20.46	17.50	29.86	30.23
Cash Dividend Declared per Share	2.00	1.80	1.60	1.60	1.60
Stock Dividend Declared	100:10	100:15	5:1	5:1	100:15
Total Dividend Declared (%)	30	33	36	36	31
Number of Shareholders	28,265	26,369	24,968	26,152	29,789
Human Resources (Persons):					
Executives	169	171	217	170	182
Non-Executives	202	116	101	160	170
Workers	1,673	1,620	1,590	1,452	1,532



Message of Assurances from The Managing Director

Dear Shareholders, Ladies and Gentlemen,

It is a great pleasure for me, as the Managing Director/CEO and Head of the Management Team to report to you on our performance in carrying out our responsibilities reposed by you in us by investing in the ownership of this Company. As you would recall, we had just passed out the second Anniversary of Expiration of our Founder Chairman (05 Jan, 2014) who founded and led this Company to the peak-position in the sector. We re-affirm that the standards set by him have remained imbedded in us both the Management Team and the workers alike, that enkindles in us every moment and strengthens our faith, morale and abilities to perform our duties at the highest levels of efficiency and workmanship. The candle that he handed over to us through his mortal departure shall, we assure, by grace of God, never burn out nor get put-off by any whirl-wind in our hands.

The Company's operations during the year under review had only insignificantly suffered due to reasons not required to be re-stated as you all know as first hand knowledge. The overall economic jolt had resulted in an integral digital fall in GDP estimates by the Government as well as World Bank/IMF/ADB/JICA etc. In view of this our results can be judged as "miraculous" as our Turnover had declined marginally by only 3.55% with retaining Net Profit (AT) at almost the same level of the previous year. This had been possible only by adoption of strategic management steps in continuing supply chain and production operations, skillful handling of transport/delivery system, congenial workers and community relationship and an all time alertness at all echelons of Management.

We again assure you all that, in order to protect the interest of all of us, we shall never fail in our endeavours to accept or face any challenge that is humanly possible. We reiterate our commitments to do the best to retain our leadership in the Corporate World of Business.

Thanking you all.

With best wishes.


Tapan Chowdhury
Managing Director



SQUARE TEXTILES LIMITED

Directors' Report to the Shareholders

Dear Shareholders,

In terms of provisions of Section 184 of the Companies Act 1994, Rule 12 (and the schedule there under) of the Securities and Exchange Rules 1987 and IAS – 1 (International Accounting Standards – 1) codes as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), it is the pleasure of the Board of Directors to submit its Report to the Shareholders for the year ended 31 December 2013 in the following paragraphs;

COMPANY'S OPERATIONS:

(1) CAPACITY/ PRODUCTION

The total installed production capacity (at average 30s Ring, 14s OE and 10s OE counts) as of December 31, 2013 was as follows:

	2013	2012	2011	2010	2009
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(1.1) Spindles/ Rotors

a) Installation :

- No. of Spindle installed	59,472	59,472	59,472	59,472	59,472
- No. of Rotor head installed	3,960	3,960	3,960	3,960	3,960

b) Operation:

- No. of Spindle installed	59,472	59,472	59,472	59,472	59,472
No. of Rotor head operated installed	3,960	3,960	3,960	3,960	3,960

(1.2) Production Capacity Installed (Kg):

-At Equivalent 30s Count (Ring Yarn)	11,582,899	11,582,899	11,582,899	11,582,899	11,582,899
-At Equivalent 10s Count (O/E Yarn)	2,329,234	2,329,234	2,329,234	2,329,234	2,329,234
- At Equivalent 14s Count (O/E Yarn)	10,000,454	10,000,454	10,000,454	10,000,454	10,000,454

Total 23,912,587 23,912,587 23,912,587 23,912,587 23,912,587



Directors' Report

	2013	2012	2011	2010	2009
(1.3) (a) Actual Production (Kg):	20,360,167	21,238,092	20,703,512	20,035,936	23,190,746
(b) Equivalent to-					
- At Equivalent 30s Count (Ring Yarn)	10,133,481	10,686,456	10,612,745	10,352,180	10,593,511
- At Equivalent 10s Count (O/E Yarn)	1,763,027	1,786,932	1,766,667	1,723,291	2,079,084
- At Equivalent 14s Count (O/E Yarn)	8,323,211	8,455,852	8,334,898	8,130,259	8,737,910
Total	<u>20,219,719</u>	<u>20,929,240</u>	<u>20,714,310</u>	<u>20,205,730</u>	<u>21,410,505</u>

(1.4) Production Efficiency (%):

- 30s Count (Ring Yarn)	87.49	92.26	91.62	89.37	91.46
- 10s Count (O/E Yarn)	75.69	76.72	75.85	73.99	89.26
- 14s Count (O/E Yarn)	83.23	84.55	83.35	81.30	87.38
Total	<u>84.56</u>	<u>87.52</u>	<u>86.63</u>	<u>84.50</u>	<u>89.54</u>

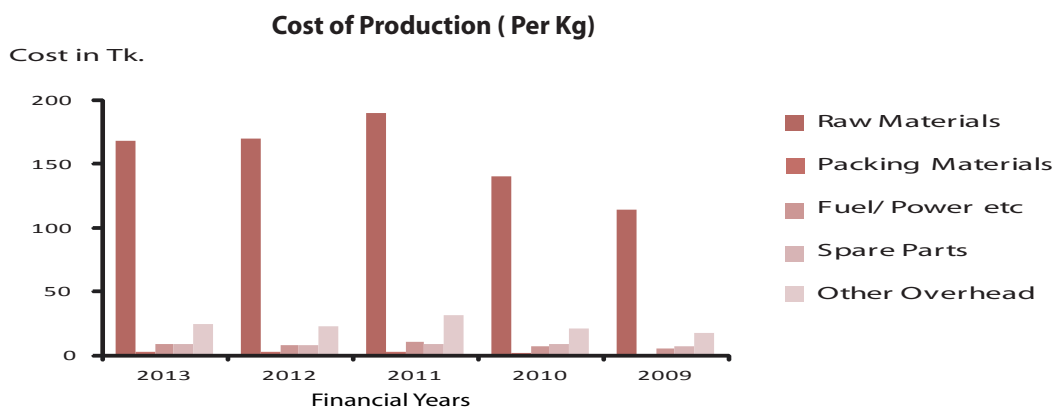
The rate of Production efficiency marginally decreased by 2.96% (87.52% minus 84.56%) in 2013 over 2012 due to productmix change & shortage of gas/power and political unrest.

(2) 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 & power and spare parts which were beyond the control of the Management. The level of costs and their incidences are given below:

	2013	2012	2011	2010	2009
(a) Output of Yarn (Kg)	20,360,167	21,238,092	17,497,597	20,035,936	23,190,746
(b) Cost of Major Items:					
Raw Material Consumed (Tk)	3,420,089,628	3,602,437,104	3,313,577,001	2,807,161,179	2,644,967,512
Packing Materials	59,539,202	50,462,892	43,510,941	31,982,712	30,261,942
Fuel/ Power etc	175,582,441	166,771,408	176,022,570	134,507,081	119,836,772
Spare Parts	177,935,177	160,163,827	155,321,804	166,050,000	163,554,586
Other Overhead	503,486,777	478,600,051	534,293,693	418,425,535	399,713,131
Total Cost	<u>4,336,633,225</u>	<u>4,458,435,282</u>	<u>4,222,726,009</u>	<u>3,558,126,507</u>	<u>3,358,333,943</u>

(c) Unit cost/Kg (Tk):	2013	2012	2011	2010	2009
Raw Material Consumed(Tk)	167.98	169.62	189.37	140.11	114.05
Cost of Packing Materials	2.92	2.38	2.49	1.60	1.30
Fuel/ Power etc	8.62	7.85	10.06	6.71	5.17
Spare Parts	8.74	7.54	8.88	8.29	7.05
Other Overhead	24.73	22.53	30.54	20.88	17.24
Unit Cost	212.99	209.92	241.34	177.59	144.81
Raw Materials Cost % of Total:	78.87%	80.80%	78.47%	78.89%	78.76%



The above figure reveals that though the raw material costs per unit decreased by almost 1.00%, the unit cost increased by 1.46% in 2013 over 2012, due to increase (22.69%) in cost of packing materials, Fuel/Power (9.8%), Spare Parts (15.92%) and other overheads (9.76%) in 2013 over 2012. During the year under review the price of raw cotton in the international market had marginally declined as a result of which its share in unit cost had fallen from 80.80% in 2012 to 78.87 % in 2013.

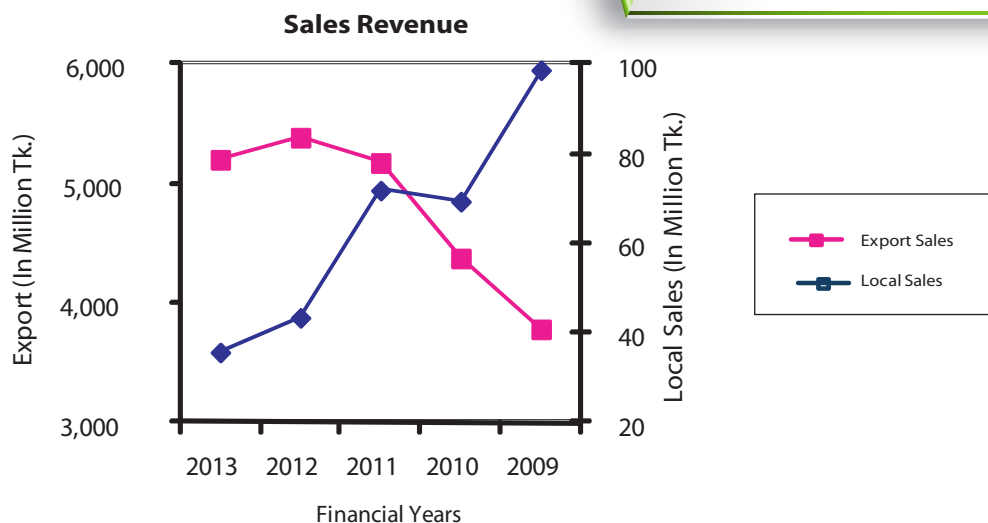
(3) MARKETING OPERATIONS:

(i) Market Exposure:

The Company's marketing operations continued its emphasis on export sales over the years as depicted below:

	2013	2012	2011	2010	2009
(a)Quantity Sold (Kg)					
(i) Local Sales	234,455	211,780	223,805	416,387	561,347
(ii) Export Sales	20,020,064	20,966,201	17,273,792	19,628,509	22,625,699
(iii) Total Sales	20,254,519	21,177,981	17,497,597	20,044,896	23,187,046
(b) Sales Revenue (Tk):					
(i) Local Sales	35,721,610	43,451,501	71,867,683	69,398,155	98,729,395
(ii) Export Sales	5,202,715,655	5,387,986,166	5,175,881,264	4,376,003,957	3,783,514,615
(iii) Total Sales	5,238,437,265	5,431,437,667	5,247,748,947	4,445,402,112	3,882,244,010





The above figures show while the local sales revenue decreased by 17.79% and export sales revenue decreased by 3.44% during the period over last year. The overall turnover decreased by 3.55% in 2013 over 2012, as against decreased in sales unit by 4.36% in 2013 over 2012. The marginal decline in quantity sold/ exported and the sales/ export revenue is in line with the decrease in production for the same factors.

(ii) Unit Selling Prices Attained:

The selling Prices (Taka/ Kg) over the years varied as shown below:

	2013	2012	2011	2010	2009
Local Sales	152.36	205.17	321.12	166.67	175.88
Export Sales	259.88	256.98	299.64	222.94	167.22
Total Sales (Average)	258.63	256.47	299.91	221.77	167.43

The above indicate that while local selling price decreased by 25.74% and export selling price increased by 1.13% in 2013 over 2012. This is primarily ascribable to the international situation and export demand. The overall average price marginally increased by 0.84% during 2013 over 2012, as against unit cost which increased by 1.46% over the previous year.

CAPITAL EXPENDITURES:

In order to continuously upgrade the productive facilities, the company made an additional net capital expenditures of Tk. 260.43 million as follows:

	2013	2012	2011	2010	2009
Land/civil construction	116.90	128.53	72.46	52.72	31.18
Plant and Machinery	137.70	178.92	225.86	43.55	57.39
Other Fixed Assets	5.83	13.14	33.01	8.50	8.30
Total	260.43	320.59	331.33	104.77	96.87

(Taka in Million)

The above investments had enabled the company to sustain the rate of production efficiency at the reasonable level over the years. The entire amount has been invested out of its internal generation of fund.

INVESTMENT IN SUBSIDIARIES:

The Company has invested Tk. 95,000,000.00 as equity (99.48%) in the capital of Square Yarns Limited. The Company has also invested Tk. 65,783,760.00 as equity (95%) in the capital of Square Texcom Limited and also deposited Tk. 423,550,119.00 as share money deposit. As per provision of the Company Act 1994, Square Yarns Limited and Square Texcom Limited are subsidiary of Square Textiles Limited and as such Directors Report along with Auditors Report and Audited Financial Statement have been included as part of this report.

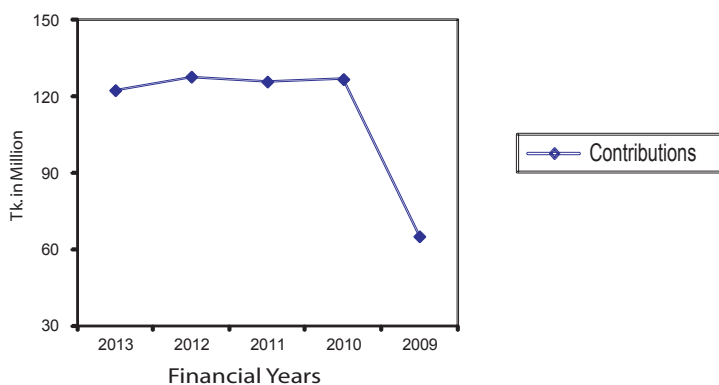
CONTRIBUTIONS:

1. Contribution to National Exchequer:

The Company contributed an amount of Tk. 122.63 million in 2013 to the National Exchequer consisting of the following:

	(Taka in Million)				
	2013	2012	2011	2010	2009
Corporate Income Tax	108.99	107.38	109.44	111.41	51.14
Advance Income Tax (Deducted at source)	4.06	4.96	2.41	1.44	1.43
Excise/VAT/Import Duties/Taxes etc.	7.07	13.60	12.65	6.73	11.36
Govt. Taxes/Stamp Duties/License Fees etc.	2.51	1.99	1.51	7.39	1.17
Total	<u>122.63</u>	<u>127.93</u>	<u>126.01</u>	<u>126.97</u>	<u>65.10</u>

Contributions To National Exchequer



2. Foreign Exchange Earned/Saved:

The Company contributed substantially to the Foreign Exchange Reserve of the Country during 2013 through its export marketing operation. This amounted to Tk. 1,746.94 million is as detailed below:

	(Taka in Million)				
	2013	2012	2011	2010	2009
Total Export Earnings	5,356.96	5,369.65	4,833.92	4,376.00	3,783.51
Less: import costs / expenses					
Raw Cotton	3,368.57	3,653.60	3,290.46	3,021.33	2,351.78
Spare Parts	202.17	162.32	139.67	103.34	75.00
Miscellaneous	39.28	38.53	39.31	30.50	28.99
Net Export Earnings	<u>1,746.94</u>	<u>1,515.20</u>	<u>1,364.48</u>	<u>1,220.83</u>	<u>1,327.74</u>

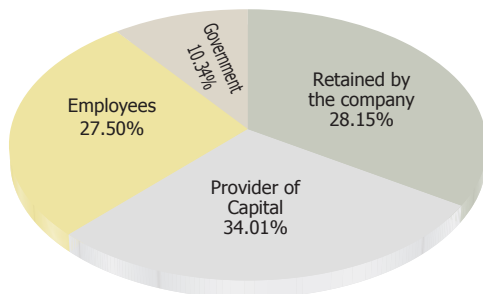


Directors' Report

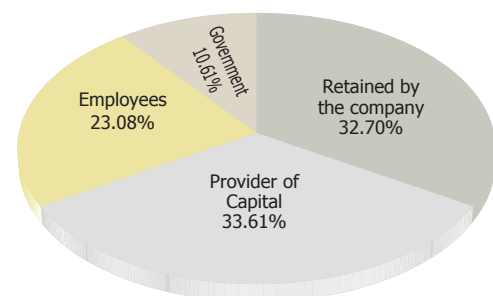
3) Value Added Statements:

	2013	2012
Source of Funds		
Net Turnover	5,238,437,265	5,431,437,667
Less: Bought in Materials and Services	(4,075,423,209)	(4,286,110,753)
Add: Other Income	22,819,858	2,410,922
Value Added	Tk. 1,185,833,914	1,147,737,836
Applied in the following Ways		
Employees	326,132,749	264,924,794
Salaries, Wages, Gratuity and Other benefits	291,293,806	230,461,647
Contribution to Workers Profit Participation & Welfare fund	34,838,943	34,463,147
Government	122,629,651	121,773,344
Corporate Tax	108,996,823	107,382,449
Other Government Dues	13,632,828	14,390,895
Provider of Capital		
Dividend	403,260,813	385,727,734
Retained by the company	333,810,701	375,311,964
Depreciation	149,289,478	172,324,529
Retain Earning	184,521,223	202,987,435
Tk.	1,185,833,914	1,147,737,836

Distribution of Value Addition in 2013



Distribution of Value Addition in 2012



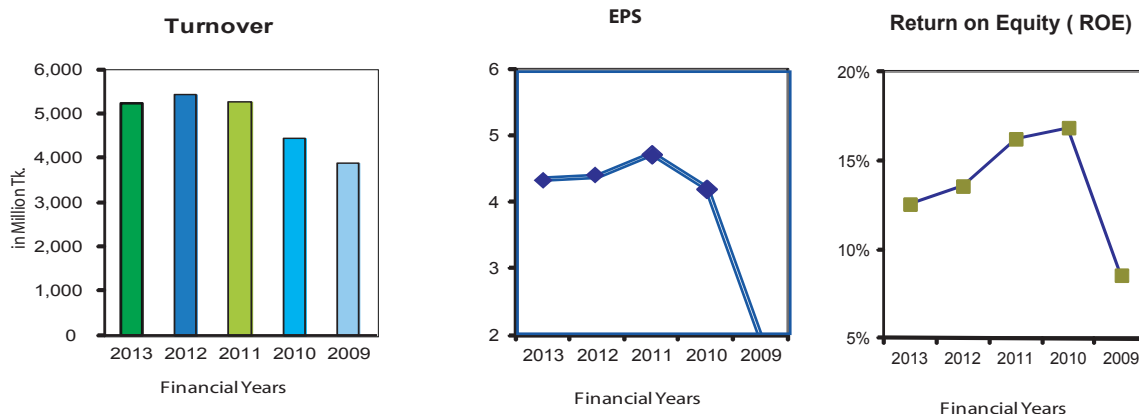
FINANCIAL RESULTS:

The Company's operating financial results, as compared to the previous year are summarized hereunder:

	2013	2012	2011	2010	2009
Turnover	5,238,437,265	5,431,437,667	5,247,748,947	4,445,402,112	3,882,244,010
Cost of Goods Sold	4,289,716,936	4,442,908,182	4,162,412,472	3,558,642,850	3,348,870,289
Gross Profit	948,720,329	988,529,485	1,085,336,475	886,759,262	533,373,721
Operating Expenses	202,310,024	186,201,253	157,385,096	113,189,908	109,832,354
Finance Cost	37,612,361	73,336,162	162,981,165	94,609,920	121,730,159
Operating Income	708,797,944	728,992,070	764,970,214	678,959,434	301,811,208
Other Income	22,819,858	2,410,922	15,710,732	31,023,629	25,554,510
Net profit before WPPF	731,617,802	731,402,992	780,680,946	709,983,063	327,365,718
Contribution WPPF	34,838,943	34,463,147	36,481,050	33,808,717	15,588,844
Net profit (BT)	696,778,859	696,939,845	744,199,896	676,174,346	311,776,874
Provision for Income Tax	107,850,441	107,382,449	109,443,150	111,405,203	51,142,872
Provision for Deferred Tax	1,146,382	842,227	-	-	-
Net Profit (AT)	587,782,036	588,715,169	634,756,746	564,769,143	260,634,002
Gross Margin	18.11%	18.20%	20.68%	19.95%	13.74%
Net Margin	11.22%	10.84%	12.10%	12.70%	6.71%
Earning Per Share (EPS)	4.37	4.38	4.72	4.20	1.94
Return on Equity(ROE)	12.51%	13.71%	16.60%	16.88%	8.57%
Outstanding Shares	134,420,271	116,887,192	97,405,993	81,171,661	70,584,053
Face value per share (Tk.)	10	10	10	10	10

The turnover decreased by 3.55% during the year 2013 in comparison to 2012 due to decline of USD/Taka conversion rate and decrease in production (3.39%) for power shortage and political unrest. Gross profit decreased by 4.03% and Net profit decreased by 0.16% due to increase in unit cost (1.46%) in the year 2013 than 2012.

The cost of goods sold (COGS) has increased during the year of reporting due to increase in cost of packing materials, fuel/power, spare parts & factory overheads which were beyond the control of the Management. The cost of goods sold (COGS) per unit has inclined by 0.95% in the year of 2013 over previous year due to decrease in quantity sold by about 4.36% and change in cost of raw materials consumed, packing cost and factory overheads in the reporting period than previous year by (- 0.97%), 22.69% and 10.98% respectively.



Directors' Report

APPROPRIATION:

The net profit of Tk. 587,782,036 earned during the year 2013. It has been recommended by the board of directors to be appropriated in the following manner:

a) Provision for proposed cash dividend for the year 2013 @20% (Tk. 2.00 Per share)	Tk. 268,840,542
b) Provision for Stock Dividend (Bonus Share) @10% (in the ratio of 10:100)	Tk. 134,420,271
c) Transfer to General Reserve & Surplus	Tk. 184,521,223
	<u>Tk. 587,782,036</u>

ELECTION OF DIRECTORS:

Mrs. Ratna Patra and Mr. Anjan Chowdhury, Directors of the Company, retire as per article 125 & 126 of Articles of Association and being eligible have offered themselves for re-election. Brief resume and other information of the above mentioned Directors as per clause 1.5 (xxii) of BSEC notification dated 7th August, 2012 are depicted in Annexure-III.

APPOINTMENT OF AUDITORS:

The meeting was informed that the existing Auditors of the Company M/s. Das Chowdhury Dutta & Co., Chartered Accountant retires at this Annual General Meeting and being eligible offered themselves for appointment as Auditors of the company for the year 2014.

CORPORATE GOVERNANCE:

Corporate Governance is the practice of good citizenship, through which the company is governed by the board, keeping in view its accountability to the shareholders and to the society. A statement in pursuance to clause 1.5, audit committee report as per clause 3.5, certificate from professional accountant as per clause 7(i) and a status of compliance as per clause 7(ii) of the BSEC notification no. SEC/CMRRCD/2006-158/134/admin/44 dated 7th August, 2012 are depicted/disclosed in the Annexure-I, IV, V, and VI respectively.

MANAGEMENT APPRECIATION:

The Board of Directors record with deep appreciation the performance of the management, the officers, staff and workers whose relentless effort helped increase the productivity as well as net profit despite the natural and unnatural adverse factors of production and marketing throughout the country and the world. It is expected the employees and the management will continue to improve the results for the interest of shareholders whose unswerving trust in management has always been an inspiration to the Board of Directors. The director humble express its gratitude and acknowledge with keen interest the cooperation and unflinching support it has received from various agencies including Bangladesh Securities and Exchange Commission, Stock Exchanges, National Board of Revenue and other agencies of the public and the private sector.

We look forward to brighter future for all of us.


Samuel S Chowdhury
Chairman

* In the event of conflict between English text and Bangla text of this report, English text shall be prevailed.





ANNEXURE
to the Directors' Report



ANNEXURE-I

The Directors also report that:

- Related Party Transactions are depicted in Note no.36 in the Notes of Account.
- Remuneration of Directors including Independent Director have been shown in Note no.28 in the Notes of Account.
- The Financial Statement of the Company present true and fair view of the Company's state of affairs, result of its operation, cash flows and changes in equity.
- Proper books of accounts as required by the prevailing law have been maintained.
- Appropriate accounting policies have been followed in formulating the financial statements and accounting estimates were reasonable and prudent.
- The financial statement was prepared in accordance with IAS/BAS/IFRS/BFRS.
- 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.
- Key operating and financial data of last five years have been presented in summarized form in page no. 14
- The number of Board Meeting and the Attendance of Directors during the year 2013 were as follows:

Name of Directors	Position	Meeting Held	Attended
Mr. Samuel S Chowdhury	Chairman	8	8
Mrs. Ratna Patra	Vice Chairman	8	8
Mr. Tapan Chowdhury	Managing Director	8	8
Mrs. Anita Chowdhury	Director	8	6
Mr. Anjan Chowdhury	Director	8	8
Mr. M Sekander Ali	Independent Director	8	8
*Mr. Syed Afzal Hasan Uddin	Independent Director	8	5

* Appointed on 9th May 2013.

- ❖ The pattern of shareholding as required by clause 1.5(xxi) of the BSEC Notification dated 7th August, 2012, stated in Annexure II.



ANNEXURE-II

Pattern of Shareholding as on 31 st December, 2013			
Name of the Shareholders	Status	Shares held	%
i. Parent/Subsidiary/Associated Companies and other related parties	-	-	-
ii. Directors:			
Mr. Samuel S Chowdhury	Chairman	4,212,774	3.13
Mrs. Ratna Patra	Vice Chairman	3,049,210	2.27
Mr. Tapan Chowdhury	Managing Director	4,489,604	3.34
Mrs. Anita Chowdhury	Director	3,981,856	2.96
Mr. Anjan Chowdhury	Director	3,681,212	2.74
Mr. M Sekendar Ali	Independent Director	-	-
Mr. Afzal Hasan Uddin	Independent Director	-	-
iii. Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and their Spouses and Minor Childrens:			
Mr. Tapan Chowdhury	Chief Executive Officer	4,489,604	3.34
Mr. Md. Alamgir Hossain	Chief Financial Officer	-	-
Mr. Khandaker Habibuzzaman	Company Secretary	1,473	0.0011
Mrs. Nasrin Akter	Head of Internal Audit	-	-
iv. Executives:			
Mr. Mostaque Ahmed Siddiqui	COO	4,288	0.0032
Mr. Md. Abdur Rashid	Head of Factory	-	-
Mr. Md. Idris Ali	Head of Engineering	-	-
Mr. Sayeed Ahmed Chowdhury	Head of TSD	-	-
Mr. Md. Mozibur Rahman	Senior Manager, A&F	-	-
v. Shareholders Holding 10% or more voting interest in the company:			
Square Pharmaceuticals Limited	Sponsor Shareholder	61,607,069	45.83

ANNEXURE-III

Brief Resume of the Directors

Directors who seek re-appointment:

Mrs. Ratna Patra

Mrs. Ratna Patra is a Director of the Company since 2007 and was appointed as Vice Chairman in the year of 2012. She is the daughter of late Samson H Chowdhury, Founder Chairman of the Company. She graduated from Dhaka University and has a business experience of more than 10 years in the pharmaceuticals and textiles sector. She is also Director in 19 other Private Limited Company namely Square Hospitals Limited, Square Toiletries Limited, Square Food & Beverage Ltd., Square Securities Management Ltd. and Maasranga Television under the Square Group.

Mr. Anjan Chowdhury

Mr. Anjan Chowdhury is a Director of the Company since 1991, son of late Samson H Chowdhury, Founder Chairman of the Company. He obtained Bachelor's degree in Business Administration from the University of South Florida, USA and has a rich experience of more than 21 years in the pharmaceuticals, textiles, toiletries, media & communication sector including capital market operations. He has been awarded several times as a highest individual Taxpayer in the Country.

He has been instrumental in the execution of several projects of the Square Group namely Square Toiletries Ltd., Square Food & Beverage Ltd., including the Maasranga Television.

Beside holding directorship in Square Group, Mr. Anjan Chowdhury is the Chairman of Industry skill Council (ISC) a US Aid Funded Project, President of Bangladesh Agro Processors Association, Vice-President of Bangladesh Cosmetics & Toiletries Manufacturers Association, EC Member of Metropolitan Chamber of Commerce & Industry and Director of Mutual Trust Bank Limited. He is also a member of the Audit Committee of the Company and Square Textiles Limited.

Mr. Chowdhury participated in a good number of professional trainings and workshops held in USA, Canada, Europe, Australia and Asia.



ANNEXURE-IV

AUDIT COMMITTEE REPORT

For the Year 2013

Square Textiles Limited having an Audit Committee as a sub committee of the Board of Directors in order to assist the Board of Directors in ensuring and fulfilling its oversight responsibilities.

The Audit Committee consists of the following persons:

Mr. M Sekander Ali, Independent Director	- Chairman
Mrs. Ratna Patra, Vice Chairman	- Member
Mr. Anjan Chowdhury, Director	- Member
Mr. Khandaker Habibuzzaman, Company Secretary	- Member Secretary

The scope of Audit Committee was defined as under:

- Review and recommend to the Board to approve the quarterly, half-yearly and annual financial statements prepared for statutory purpose;
- Monitor and oversee choice of accounting policies and principles, internal control risk management process, auditing matter, hiring and performance of external auditors;
- Review statement 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.

Activities carried out during the year

The Committee reviewed the integrity of the quarterly and annual financial statement and recommended to the Board for consideration. The Committee had overseen, reviewed and approved the procedure and task of the internal audit, financial report preparation and the external audit reports. The Committee found 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.



M Sekander Ali
Chairman
Audit Committee

Date: 08th April, 2014

ANNEXURE-V

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE GUIDELINES.

To the Members of Square Textiles Ltd.

This is to certify that Square Textiles Ltd. has complied with the conditions of Corporate Governance Guidelines imposed by the Bangladesh Securities and Exchange Commission vide their Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August 2012.

Dated: 28th April 2014
Dhaka



B.K. Bhattacharjee, FCA
Partner

Chowdhury Bhattacharjee & Co.
Chartered Accountants



ANNEXURE-VI

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August, 2012

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.1	Board's Size: The number of the board members shall not be less than 5 (five) and more than 20 (twenty)	✓		
1.2	Independent Directors:			
1.2 (i)	One fifth (1/5) of the total number of directors	✓		
1.2 (ii) a)	Does not hold any share or holds less than 1% shares of the total paid-up shares.	✓		
1.2 (ii) b)	Not connected with any sponsor/director/shareholder who holds 1% or more shares of the total paid-up shares on the basis of family relationship.	✓		
1.2 (ii) c)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	✓		
1.2 (ii) d)	Not a member, director or officer of any stock exchange	✓		
1.2 (ii) e)	Not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market	✓		
1.2 (ii) f)	Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any statutory audit firm.	✓		
1.2 (ii) g)	Not be an independent director in more than 3 (three) listed companies;	✓		
1.2 (ii) h)	Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a NBF	✓		
1.2 (ii) i)	Not been convicted for a criminal offence involving moral turpitude	✓		
1.2 (iii)	Nominated by the board of directors and approved by the shareholders in the AGM	✓		
1.2 (iv)	Not remain vacant for more than 90 (ninety) days.	✓		
1.2 (v)	Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.2 (vi)	Tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	✓		
1.3	Qualification of Independent Director (ID)			
1.3 (i)	Knowledge of Independent Directors	✓		
1.3 (ii)	Background of Independent Directors	✓		
1.3 (iii)	Special cases for qualifications			N/A
1.4	Individual Chairman of the Board and CEO	✓		
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	✓		
1.5 (iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	✓		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	✓		
1.5 (vi)	Basis for related party transactions	✓		
1.5 (vii)	Utilization of proceeds from public issues, 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.			N/A
1.5 (ix)	Explanation about significant variance occurs between Quarterly Financial performance and Annual Financial Statements			N/A
1.5 (x)	Remuneration to directors including independent directors	✓		
1.5 (xi)	Fairness of Financial Statement	✓		
1.5 (xii)	Maintenance of proper books of accounts	✓		
1.5 (xiii)	Adoption of appropriate accounting policies and estimates	✓		
1.5 (xiv)	Followed IAS, BAS, IFRS and BFRS in preparation of financial statements	✓		
1.5 (xv)	Soundness of internal control system	✓		



Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.5 (xvi)	Ability to continue as a going concern	✓		
1.5 (xvii)	Significant deviations from the last year's	✓		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years	✓		
1.5 (xix)	Reasons for not declared dividend			N/A
1.5 (xx)	Number of board meetings held during the year and attendance	✓		
1.5 (xxi)	Pattern of shareholding:			
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties	✓		
1.5 (xxi) b)	Directors,CEO,CS,CFO,HIA and their spouses and minor children	✓		
1.5 (xxi) c)	Executives	✓		
1.5 (xxi) d)	10% or more voting interest	✓		
1.5 (xxii)	Appointment/re-appointment of director:			
1.5 (xxii) a)	Resume of the director	✓		
1.5 (xxii) b)	Expertise in specific functional areas	✓		
1.5 (xxii) c)	Holding of directorship and membership of committees of the board other than this company.	✓		
2	Chief Financial Officer, Head of Internal Auditor and Company Secretary:			
2.1	Appointment of CFO, HIA and CS	✓		
2.2	Attendance of CFO and CS at the meeting of the Board of Directors.	✓		
3	Audit Committee :			
3 (i)	Constitution of Audit Committee	✓		
3 (ii)	Assistance of the Audit Committee to Board of Directors	✓		
3 (iii)	Responsibility of the Audit Committee	✓		
3.1	Constitution of the Audit Committee:			
3.1 (i)	At least 3 (three) members	✓		
3.1 (ii)	Appointment of members of the Audit Committee	✓		
3.1 (iii)	Qualification of Audit Committee members	✓		
3.1 (iv)	Term of Service of Audit Committee members	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
3.1 (v)	Secretary of the Audit Committee	✓		
3.1 (vi)	Quorum of the Audit Committee	✓		
3.2	Chairman of the Audit Committee			
3.2 (i)	Board of Directors shall select the Chairman.	✓		
3.2 (ii)	Chairman of the audit committee shall remain present in the AGM.	✓		
3.3	Role of Audit Committee			
3.3 (i)	Oversee the financial reporting process	✓		
3.3 (ii)	Monitor choice of accounting policies and principles	✓		
3.3 (iii)	Monitor Internal Control Risk management process	✓		
3.3 (iv)	Oversee hiring and performance of external auditors	✓		
3.3 (v)	Review the annual financial statements before submission to the board for approval	✓		
3.3 (vi)	Review the quarterly and half yearly financial statements before submission to the board for approval	✓		
3.3 (vii)	Review the adequacy of internal audit function	✓		
3.3 (viii)	Review statement of significant related party transactions	✓		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors	✓		
3.3 (x)	Disclosure about the uses/applications of funds raised by IPO/RPO/Right issue	✓		
3.4	Reporting of the Audit Committee:			
3.4.1	Reporting to the Board of Directors:			
3.4.1 (i)	Activities of Audit Committee	✓		
3.4.1 (ii) a)	Conflicts of interests	✓		
3.4.1 (ii) b)	Material defect in the internal control system	✓		
3.4.1 (ii) c)	Infringement of laws, rules and regulations	✓		
3.4.1 (ii) d)	Any other matter	✓		
3.4.2	Reporting to the Authorities			
		✓		



Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
3.5	Reporting to the Shareholders and General Investors	✓		
4	Engagement of External/Statutory Auditors:			
4 (i)	Appraisal or valuation services or Fairness opinions	✓		
4 (ii)	Financial information systems design and implementation	✓		
4 (iii)	Book-keeping	✓		
4 (iv)	Broker-dealer services	✓		
4 (v)	Actuarial services	✓		
4 (vi)	Internal audit services	✓		
4 (vii)	Services that the Audit Committee determines	✓		
4 (viii)	Audit firms shall not hold any share of the company they audit.	✓		
4 (ix)	Audit/certificate service on compliance of corporate governance.	✓		
5	Subsidiary Company :			
5 (i)	Composition of the Board of Directors	✓		
5 (ii)	At least 1 (one) independent director to the subsidiary company	✓		
5 (iii)	Submission of Minutes to the holding company	✓		
5 (iv)	Review of Minutes by the holding company	✓		
5 (v)	Review of Financial Statement by the holding company	✓		
6.	Duties of Chief Executive Officer and Chief Financial Officer:			
6 (i) a)	Reviewed the materiality of the financial statement	✓		
6 (i) b)	Reviewed about compliance of the accounting standard	✓		
6 (ii)	Reviewed about fraudulent, illegal or violation of the company's code of conduct	✓		
7.	Reporting and Compliance of Corporate Governance:			
7 (i)	Obtain certificate about compliance of conditions of Corporate Governance Guidelines	✓		
7 (ii)	Annexure attached in the directors' report	✓		

স্বয়ার টেক্সটাইলস্ লিঃ

শেয়ারহোল্ডারগণের প্রতি পরিচালনা পর্ষদের প্রতিবেদন

সম্মানিত শেয়ারহোল্ডারবৃন্দ:

স্বয়ার টেক্সটাইলস্ লিঃ (স্বয়ার টেক্সটাইলস্ লিঃ) ১৯৭৪ সালে ১৮৪ নং আইন, ১৯৮৭ সালের ১২ নং আইন (গেজিট নং ১৩৩) ক্রমে গঠিত। স্বয়ার টেক্সটাইলস্ লিঃ (স্বয়ার টেক্সটাইলস্ লিঃ) ১৯৭৪ সালের ১২ নং আইন (গেজিট নং ১৩৩) ক্রমে গঠিত। স্বয়ার টেক্সটাইলস্ লিঃ (স্বয়ার টেক্সটাইলস্ লিঃ) ১৯৭৪ সালের ১২ নং আইন (গেজিট নং ১৩৩) ক্রমে গঠিত।

কার্যক্রম:

১। ডিবিডি বণ্টন

৩১ ডিসেম্বর ২০১৩ তারিখের ডিবিডি বণ্টন (৩০ ডিসেম্বর, ১৪ ডিসেম্বর, ১০ ডিসেম্বর) এর বিবরণ:

	২০১৩	২০১২	২০১১	২০১০	২০০৯
(১.১) ডিবিডি/ডিবিডি/ডিবিডি					
(ক) ডিবিডি:					
ডিবিডি/ডিবিডি/ডিবিডি	৫৯,৪৭২	৫৯,৪৭২	৫৯,৪৭২	৫৯,৪৭২	৫৯,৪৭২
ডিবিডি/ডিবিডি/ডিবিডি	৩,৯৬০	৩,৯৬০	৩,৯৬০	৩,৯৬০	৩,৯৬০
(ল) ডিবিডি/ডিবিডি/ডিবিডি:					
ডিবিডি/ডিবিডি/ডিবিডি	৫৯,৪৭২	৫৯,৪৭২	৫৯,৪৭২	৫৯,৪৭২	৫৯,৪৭২
ডিবিডি/ডিবিডি/ডিবিডি	৩,৯৬০	৩,৯৬০	৩,৯৬০	৩,৯৬০	৩,৯৬০
(১.২) ডিবিডি/ডিবিডি/ডিবিডি:					
৩০ ডিসেম্বর/ডিবিডি/ডিবিডি (১৯৭৪)	১১,৫৮২,৮৯৯	১১,৫৮২,৮৯৯	১১,৫৮২,৮৯৯	১১,৫৮২,৮৯৯	১১,৫৮২,৮৯৯
১০ ডিসেম্বর/ডিবিডি/ডিবিডি (১৯৮৭)	২,৩২৯,২৩৪	২,৩২৯,২৩৪	২,৩২৯,২৩৪	২,৩২৯,২৩৪	২,৩২৯,২৩৪
১৪ ডিসেম্বর/ডিবিডি/ডিবিডি (১৯৮৭)	১০,০০০,৪৫৪	১০,০০০,৪৫৪	১০,০০০,৪৫৪	১০,০০০,৪৫৪	১০,০০০,৪৫৪
ডিবিডি/ডিবিডি/ডিবিডি	<u>২৩,৯১২,৫৮৭</u>	<u>২৩,৯১২,৫৮৭</u>	<u>২৩,৯১২,৫৮৭</u>	<u>২৩,৯১২,৫৮৭</u>	<u>২৩,৯১২,৫৮৭</u>



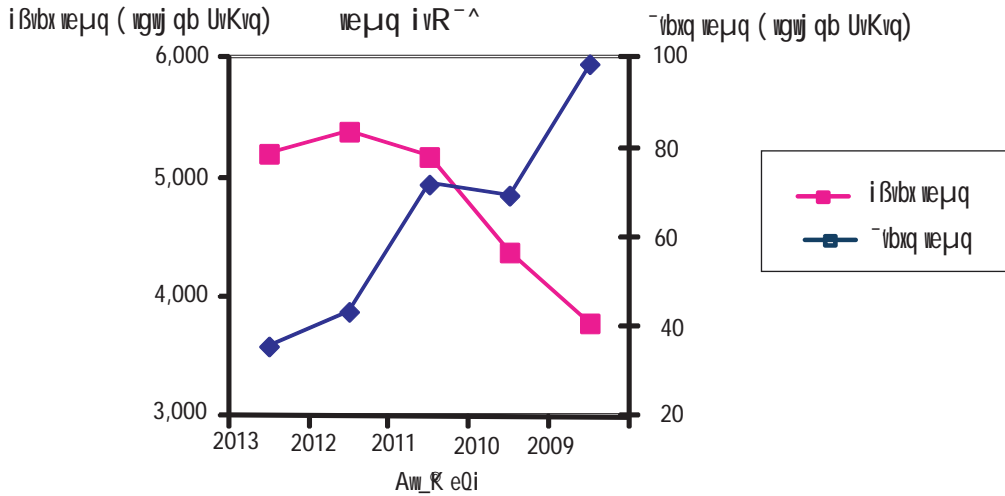
	২০১৩	২০১২	২০১১	২০১০	২০০৯
(১.৩) (ক) প্রকৃত উৎপাদন (কেজি):	20,360,167	21,238,092	20,703,512	20,035,936	23,190,746
(খ) সমতুল্য উৎপাদন-					
30 মিমি/জি কিউডি মিজি (মিসি বিয়ু)	10,133,481	10,686,456	10,612,745	10,352,180	10,593,511
10 মিমি/জি কিউডি মিজি (ইচবি গিউ)	1,763,027	1,786,932	1,766,667	1,723,291	2,079,084
14 মিমি/জি কিউডি মিজি (ইচবি গিউ)	8,323,211	8,455,852	8,334,898	8,130,259	8,737,910
মোট	২০,২১৯,৭১৯	২০,৯২৯,২৪০	২০,৭১৪,৩১০	২০,২০৫,৭৩০	২১,৪১০,৫০৫
(১.৪) উৎপাদন দক্ষতা (%):					
30 মিমি/জি কিউডি মিজি	87.49	92.26	91.62	89.37	91.46
10 মিমি/জি কিউডি মিজি	75.69	76.72	75.85	73.99	89.26
14 মিমি/জি কিউডি মিজি	83.23	84.55	83.35	81.30	87.38
মোট	৮৪.৫৬	৮৭.৫২	৮৬.৬৩	৮৪.৫০	৮৯.৫৪

কিউডি মিজি বিয়ু, বিয়ু বিয়ু ইন্ডিয়া লিমিটেডের উৎপাদন ক্ষমতা ২০১৩-১৪ সালে ২.৯৬% বৃদ্ধি পেয়েছে।

২। উৎপাদন ব্যয়:

উৎপাদন ব্যয় ২০১৩-১৪ সালে ৩,৩৩৬,৬৩৩ টাকা হলে ২০১২-১৩ সালে ৩,৪৫৮,৮৩৫ টাকা ছিল। ২০১১-১২ সালে উৎপাদন ব্যয় ৩,২২২,৭২৬ টাকা এবং ২০১০-১১ সালে ৩,৫৫৮,১২৬ টাকা এবং ২০০৯-১০ সালে ৩,৩৫৮,৩৩৩ টাকা ছিল।

	2013	2012	2011	2010	2009
(ক) মজি ড্রাব (ফিউ)	20,360,167	21,238,092	17,497,597	20,035,936	23,190,746
(ল) উৎপাদন ব্যয় : • উৎপাদন ব্যয় (উকিউ) • উৎপাদন ব্যয় • বিয়ু বিয়ু/বিয়ু বিয়ু • উৎপাদন ব্যয় • উৎপাদন ব্যয়	3,420,089,628 59,539,202 175,582,441 177,935,177 503,486,777	3,602,437,104 50,462,892 166,771,408 160,163,827 478,600,051	3,313,577,001 43,510,941 176,022,570 155,321,804 534,293,693	2,807,161,179 31,982,712 134,507,081 166,050,000 418,425,535	2,644,967,512 30,261,942 119,836,772 163,554,586 399,713,131
মোট উৎপাদন ব্যয়	৪,৩৩৬,৬৩৩	৪,৪৫৮,৮৩৫	৪,২২২,৭২৬	৩,৫৫৮,১২৬	৩,৩৫৮,৩৩৩



Dctiv³ wPÍ t_tK eSv hvq th, MZ eQti i Zj bvq 2013 mtj vbxq evRvti weµq Avq 17.79% nrm tctqtQ Ges i Bvbx Avq MZ eQti i Zj bvq 3.44% nrm tctqtQ| 2012 mtj i Zj bvq Avtj vP eQti weµq GKK 4.36% nrm cvl qvq mvguMK weµq 3.55% nrm tctqtQ, hvni cãvb Kvib mvguMK Drcv b nrm|

(২) প্রাপ্ত একক বিক্রয় মূল্য:

ceZPeQti i Zj bvq G eQti weµqgj DÍj LthvM fvtē Zvi Zg NtUtQ hv bxp t Lvtbv ntj v :

	(UvKv/tKvR)				
	2013	2012	2011	2010	2009
vbxq evRvti weµq	152.36	205.17	321.12	166.67	175.88
i Bvbx weµq	259.88	256.98	299.64	222.94	167.22
tgU weµq (Mo)	<u>২৫৮.৬৩</u>	<u>২৫৬.৮৭</u>	<u>২৯৯.৯১</u>	<u>২২১.৭৭</u>	<u>১৬৭.৮৩</u>

Dcti i Z_vjx wbt`R Kti vbxq weµqgj 2012 mtj i Zj bvq 2013 mtj 25.74% nrm tctqtQ Ges i Bvbx gj GKB mgtq 1.13% ep tctqtQ| cU_wgKfvte GB Ae v Avti mcZ ntqtQ AvSRwZK cwi tek Ges i Bvbx Pvn`vi Kvib| 2012 mtj i Zj bvq 2013 mtj Mo weµq gj ep tctqtQ 0.84% hvi wci xZ GKB mgtq GKK ciz e`q 1.46% ep tctqtQ|

মূলধনী খরচ সমূহ:

Drcv b Kwvfgv DEtivEi DbwZ Kiti j tKvuvbx 260.43 wgµj qb UvKv gj abx LvZ G eQi e`q Kiti hv wbgie t

	(wgµj qb UvKvq)				
	২০১৩	২০১২	২০১১	২০১০	২০০৯
Rvg/wbgfY KvR	116.90	128.53	72.46	52.72	31.18
hšcmZ	137.70	178.92	225.86	43.55	57.39
Ab`vb` m`u`	5.83	13.14	33.01	8.50	8.30
tgU weµq	<u>২৬০.৪৩</u>	<u>৩২০.৫৯</u>	<u>৩৩১.৩৩</u>	<u>১০৪.৭৭</u>	<u>৯৬.৮৭</u>

Dctiv³ weµq Drcv b fvgZv eRvq ivLz mnvZv Kiti| ctiv weµqMUvB wR`^Drn t_tK Kiv ntqtQ|

মবেম্মল্লবী খ ত্করূব্বত্ঝ বেলত্ঝম:

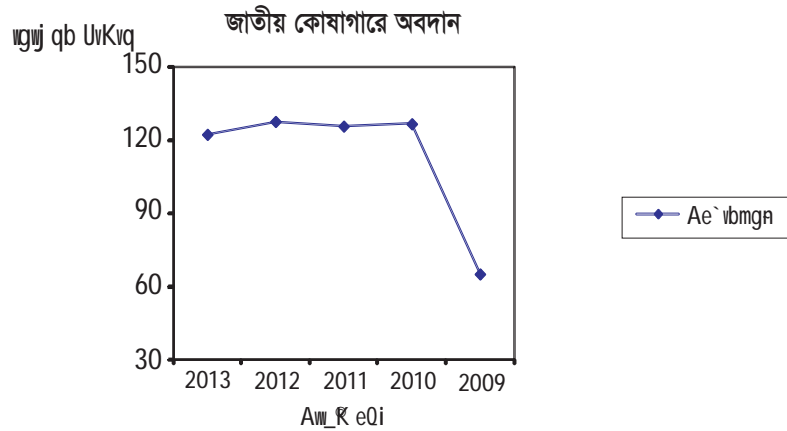
ঝঁঝী তু- উব্ঝ ম&য় ঝত্ঝ 95,000,000 উক্ঝ ঝঁঝী ঝব্ঝী ঝ ঝত্ঝ G গ্ঝ ab ঝম্বে 99.48% বেলত্ঝম্ ঝত্ঝ GQovl 65,783,760 উক্ঝ ঝঁঝী তু- Kg ঝ ঝত্ঝ-G গ্ঝ ab ঝম্বে 95% বেলত্ঝম্ ঝত্ঝ Ges 423,550,119 উক্ঝ ত্ঝী ঝব্ঝ ম্‌ঝঝRU ঝম্বে ঝ ত্ঝ 1994 ম্‌ঝী ঝ ত্করূব্ব অBB অন্ম্‌ঝী ঝঁঝী ঝব্ঝী ঝ ঝত্ঝ Ges ঝঁঝী তু- Kg ঝ ঝত্ঝ ত্করূব্বঝ ঝঁঝী তু- উব্ঝ ম&য় ঝত্ঝ-Gi মবেম্মল্লবী ত্করূব্ব ঝাঝ ঝী Pj ঝ c।ঝ i ঝঝতে`b Ges ঝব্‌ঝ ঝ ঝম্বে GB ঝঝতে`ঝী ম্‌ঝ ঝঁঝী ঝ ন্ত্ঝ।

অবদানসমূহ:

(1) RvZxq tKvlvMvfi Ae`vb:

ত্করূব্ব 2013 ম্‌ঝী 122.63 ঝঁঝী ঝ উক্ঝ RvZxq tKvlvMvfi Rgv ঝ ত্ঝ। হ্ঝী ঝেী Y ঝত্‌P ত্‌ Lfঝ ন্ত্ঝ t

	(ঝঁঝী ঝ উক্ঝ)				
	২০১৩	২০১২	২০১১	২০১০	২০০৯
KtঝঝীU AvqKi	108.99	107.38	109.44	111.41	51.14
AwM্ঝ AvqKi (Drm ন্ত্ঝ KZঝ)	4.06	4.96	2.41	1.44	1.43
AveMvix ঝঁঝী/F'vU/Avg`vbx ঝঁঝী/BZ'w`	7.07	13.60	12.65	6.73	11.36
mi Kvix Ki/ó'vঝু ঝঁঝী/vBঝY ঝ BZ'w`	2.51	1.99	1.51	7.39	1.17
মোট	১২২.৬৩	১২৭.৯৩	১২৬.০১	১২৬.৯৭	৬৫.১০



(২) বৈদেশিক মুদ্রার অর্জন/সঞ্চয়:

ত্করূব্ব Dt্‌ঝ LఢvM'fঝেী ঝব্ঝ ঝW'ঝ' ঝ্‌g'g' ত্‌ ঝী ঝে' ঝK গ্‌ ঝী Rv'f' Ae`vb ত্‌ঝLt্‌ 2013 ম্‌ঝী হ্ঝী ঝ ঝ' 1,746.94 ঝঁঝী ঝ উক্ঝ। হ্ঝী ঝে' ঝী Z ঝেী Y ঝত্‌P ত্‌ L qv ন্ত্‌

	(ঝঁঝী ঝ উক্ঝ)				
	২০১৩	২০১২	২০১১	২০১০	২০০৯
tgvU ঝ ঝব্ঝ Avq	5,356.96	5,369.65	4,833.92	4,376.00	3,783.51
ev` : Avg`v ঝ LiP mgn:					
KuPv Zj v	3,368.57	3,653.60	3,290.46	3,021.33	2,351.78
L'Pi v হ'ঝysk	202.17	162.32	139.67	103.34	75.00
weiea	39.28	38.53	39.31	30.50	28.99
bxU ঝ ঝব্ঝ Avq	১,৭৪৬.৯৮	১,৫১৫.২০	১,৩৬৪.৪৮	১,২২০.৮৩	১,৩২৭.৭৪



(৩) মূল্য সংযোজন বিবরণী:

অর্থের উৎস সমূহ

bxU weμq

er` : DcKi Y I tmevgj`

thvM : Ab`vb` Avq

	২০১৩	২০১২
	5,238,437,265	5,431,437,667
	(4,075,423,209)	(4,286,110,753)
	22,819,858	2,410,922

মূল্য সংযোজন

টাকা	১,১৮৫,৮৩৩,৯১৪	১,১৪৭,৭৩৭,৮৩৬
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msthvRZ g#j` i c@qvM

কর্মকর্তা-কর্মচারী

teZb, gRjx, M@PBU Ges Ab`vb` mjeaw`

g#vdivi Ask I Kj`vY Znjej

	326,132,749	264,924,794
	291,293,806	230,461,647
	34,838,943	34,463,147

mi Kvi x tKvl vMvi

Ktc#i U AvqKi

Ab`vb` mi Kvi x cvl bv

	122,629,651	121,773,344
	108,996,823	107,382,449
	13,632,828	14,390,895

মূলধন যোগানদাতা

j f`vsk

	403,260,813	385,727,734
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কোম্পানীর নিকট রক্ষিত

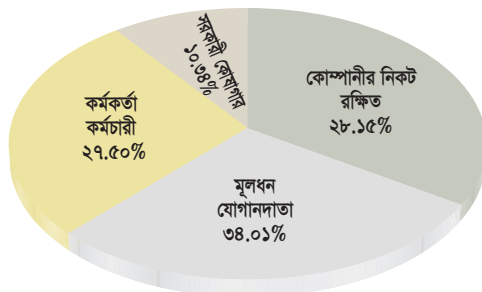
AePq

AvewUZ g#vdivi

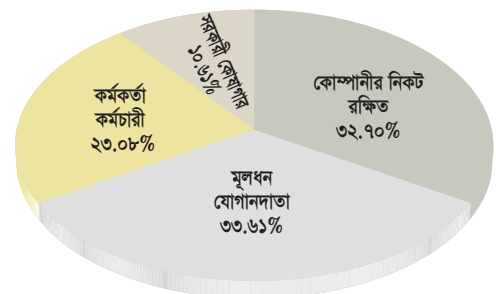
	333,810,701	375,311,964
	149,289,478	172,324,529
	184,521,223	202,987,435

UvKv	1,185,833,914	1,147,737,836
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gj` msthvR#bi eEb-2013



gj` msthvR#bi eEb-2012



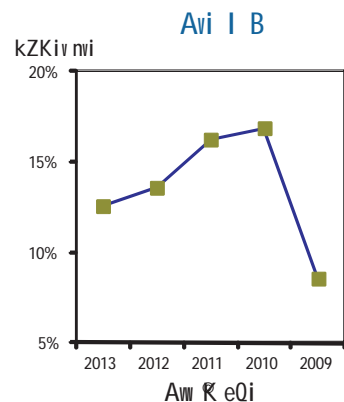
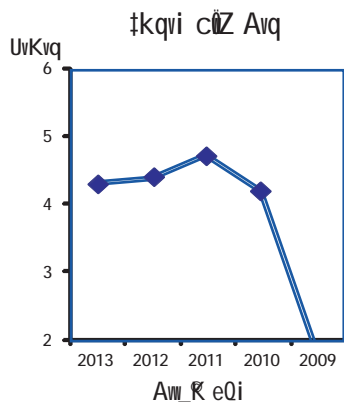
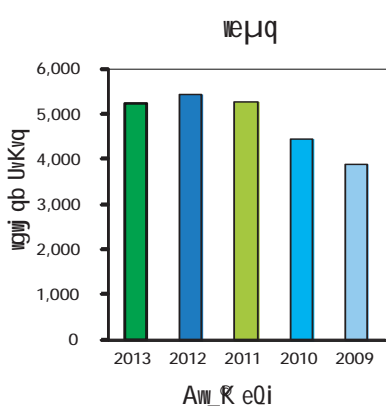
আর্থিক ফলাফল:

৳ e⁰Z⁰Permtⁱ i Zj bvq Avtj vP^o ermti tKv^oúvbxⁱ Aw_R^ee⁻vcbvⁱ dj vdj wbtg⁰Avtj vPbv Kiv ntj v :

	২০১৩	২০১২	২০১১	২০১০	২০০৯
৳	5,238,437,265	5,431,437,667	5,247,748,947	4,445,402,112	3,882,244,010
৳	4,289,716,936	4,442,908,182	4,162,412,472	3,558,642,850	3,348,870,289
৳	948,720,329	988,529,485	1,085,336,475	886,759,262	533,373,721
৳	202,310,024	186,201,253	157,385,096	113,189,908	109,832,354
৳	37,612,361	73,336,162	162,981,165	94,609,920	121,730,159
৳	708,797,944	728,992,070	764,970,214	678,959,434	301,811,208
৳	22,819,858	2,410,922	15,710,732	31,023,629	25,554,510
৳	731,617,802	731,402,992	780,680,946	709,983,063	327,365,718
৳	34,838,943	34,463,147	36,481,050	33,808,717	15,588,844
৳	696,778,859	696,939,845	744,199,896	676,174,346	311,776,874
৳	107,850,441	107,382,449	109,443,150	111,405,203	51,142,872
৳	1,146,382	842,227	-	-	-
৳	587,782,036	588,715,169	634,756,746	564,769,143	260,634,002
৳	18.11%	18.20%	20.68%	19.95%	13.74%
৳	11.22%	10.84%	12.10%	12.70%	6.71%
৳	4.37	4.38	4.72	4.20	1.94
৳	12.51%	13.71%	16.60%	16.88%	8.57%
৳	134,420,271	116,887,192	97,405,993	81,171,661	70,584,053
৳	10	10	10	10	10

2012 মর্জি i Zj bvq 2013 মর্জি Wj vi we^obgq nvi nwm cvl qvq tgvU ৳ 3.55% nwm tctq⁰ Ges Rjv vbxⁱ f Zv I i vR^oavZK AwⁱZiⁱ ip Drcv^b (3.39%) nwm tctq⁰ | Avtj vP^o eQ^oi 2012 মর্জি i Zj bvq GKK c⁰Z^o Drcv^b e⁻q 1.46% e^ox^o cvl qvq tgvU g^ob^ov^od^o Ges b^ox^oU g^ob^ov^od^o h^ov^omtg 4.03% Ges 0.16% nwm tctq⁰ |

Avtj vP^o eQ^oi tgv^oKx LiP, Rjv vbx/ we^oyr, L^oPiv h^os^oysk Ges K^ovi Lv^obi Dc^omi e⁻qmg^on e^ox^oi K^ovi t^ob we^oavZ c^ot^ob^oi e⁻q e^ox^o tctq⁰ hv e⁻vcbv KZ^ot^oq^oi w^ob^oq^os^ot^oYi evB^ot^oi w^oQj | MZ eQ^oi i Zj bvq Avtj vP^o eQ^oi tgvU ৳ 4.36% nwm cvl qvq Ges K^ovi P^ovg^oj e⁻q, tgv^oKx LiP Ges K^ovi Lv^obi Dc^omi e⁻q h^ov^omtg -0.97%, 22.69% Ges 10.98% e^ox^o cvl qvq B^oD^oub^oU c^oZ^o we^oavZ c^ot^ob^oi e⁻q 0.95% e^ox^o tctq⁰ |



মুনাফা বন্টন:

2013 মত্জ Ki cieZPbxU Avq UvKv 587,782,036 cwi Pvj bv cl^o wbgieftc eEtb i Rb^o cTve Ktib:

K) 2013 মত্জ i bM ^o j f ^o vsk cTve @20% (2.00 UvKv cZ tkqvi)	UvKv	268,840,542
L) 2013 মত্জ i Rb ^o fevbm tkqvi @10% (cZ 100 tkqti 10w tkqvi)	UvKv	134,420,271
M) mvavi Y mwAwZtZ ^o vbrst	UvKv	184,521,223
	UvKv	<u>৫৮৭,৭৮২,০৩৬</u>

পরিচালক নির্বাচন:

msNwevai 125 I 126 Abt^o Abhvqx tKv^o vbx i cwi Pvj K wgtmm i Zve cvT Ges Rbve AAb tPšajx Aemi MhY Ktib Ges cptubePZ nI qvi thvM^o weavq cptubePZ nI qvi B^o v cKvk Ktib| 7B AvM^o, 2012 Zwi tL we.Gm.B.wm tbnwcltKkb Gi 1.5 (xxii) kZ^o Abhvqx Dcti Dtj wLZ cwi Pvj Ke^o i RxebeEvs-Ges Ab^o v^o Z^o mshy^o-(iii) tZ ewYZ ntqtQ|

নিরীক্ষক নিয়োগ:

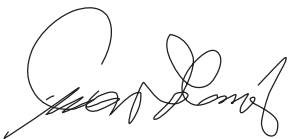
eZg^o v tKv^o vbx i vbi x^o K tgmvm^o vm tPšajx^o E GE tKvs, PvUwGKvDbtUsUm&GB ewl R mvavi Y mfvq Aemi MhY Ktib Ges thvM^o weavq 2014 A^o Qti i Rb^o KvR Kivi B^o v cKvk Ktib|

কর্পোরেট গভর্নেন্স:

Ktc^o iU Mftb^o nt^o m^o vmi KtZi Pp^o hvi gva^o tg cwi Pvj bv cl^o tKv^o vbx i cwi Pvj bv Ktib, tkqvi tnv^o vi/^o msik^o e^o eM^o Ges mgv^o Ri cZ Review wnzvi wofw^o wbtq| wmwKDwi wJR GE G- tPA Kvgkb Gi tbnwUk bs GmBw/wmGgAvi Avimw/2006-158/134/clwmb/44 AvM^o 07, 2012 Gi wbi tL GKw weib 1.5 aviv Abjv^o t AwWU Kvgw cZte^o b 3.5 aviv Abjv^o t aviv 7 (1) Abjv^o t c^o dkbj GKvDbtUsU KZR mwUcltKU Ges tKv^o vbx i Ktc^o iU Mftb^o cZcvj b 7 (2) Gi Ae^o v h^o v^o mshy^o - I, IV, V, Ges Vi eY^o v/cKvk Kiv ntj v|

ব্যবস্থাপনা কর্তৃপক্ষের স্বীকৃতি:

cwi Pvj bv cl^o e^o emwqK Kvh^o t^o g wbe^o v^o e^o vcbv, KgRZ^o I k^o gK KgPvi^o t^o i Ae^o v^o tK Mfxi f^o t^o g^o vqb Ktib| m^o v^o w^o t^o g^o ewYR^o I Drc^o t^o b wef^o b^o eix c^o f^o ve^o vKv m^o t^o E^o t^o Zv^o t^o i w^o b^o i j m c^o P^o v tKv^o vbx tK Drc^o t^o b^o i aviv Ae^o v^o nZ ivL^o tZ m^o v^o h^o Ktib| m^o v^o w^o t^o g^o tkqvi tnv^o vi MY th Av^o v cwi Pvj bv cl^o i Dci t^o t^o t^o b Zv cwi Pvj bv cl^o tK Ab^o v^o t^o bZ Ktib Av^o t^o Q Ges e^o v^o vcbv KZ^o t^o g^o, wbe^o v^o KgRZ^o I KgPvi^o MY Zv a^o t^o ivL^o tZ m^o t^o P^o n^o t^o eb| cwi Pvj bv cl^o w^o b^o i Z^o f^o t^o e^o v^o sK, wmwKDwi wJR G^o U G- tPA Kvgkb, oK G- tPA, RvZxq ivR^o t^o w^o Ges Ab^o v^o m^o i Kwi I temi Kwi G^o t^o R^o t^o t^o g^o c^o Z^o v^o b Gi Kvh^o t^o g cwi Pvj bvq m^o t^o h^o w^o Zv t^o qvi Rb^o KZ^o t^o g^o v^o b^o t^o b| Avgiv mK^o t^o i f^o w^o t^o r Db^o t^o b Kvgbv Kwi |



m^o v^o t^o g^o t^o g^o Gm tPšajx
tPqvi g^o v^o b



Consolidated Financial Report of Square Textiles Ltd



AUDITORS' REPORT

Auditors' Report to the Shareholders on Consolidated Statement of Financial Position Square Textiles Limited

We have audited the accompanying Consolidated Financial Statements of Square Textiles Limited, which comprises the Consolidated Statement of Financial Position as at 31 December 2013 and the related Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows for the year ended, and all related summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchanges Rules 1987 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards, give a true and fair view of the state of the company's affairs as at 31 December, 2013 and the results of its operations and its cash flows for the period then ended and comply with the companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations.

- (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 Textiles Limited so far as it appeared from our examination of those books;
- (iii) The company's Statement of Financial Position, Statement of Comprehensive Income and its Statement of Cash Flows dealt with by the report are in agreement with the books of account and returns;
- (iv) The expenditure incurred was for the purpose of the company's business.

Dated, Dhaka
April 28, 2014


Das Chowdhury Dutta & Co.
Chartered Accountants

SQUARE TEXTILES LIMITED

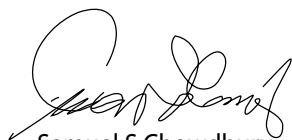
Consolidated Statement of Financial Position

As at December 31, 2013

		31-12-2013	31-12-2012 (Restated)	31-12-2011 (Restated)
NET ASSETS:	Notes			
Fixed Assets		3,201,946,753	2,654,799,577	2,498,402,353
Assets at Cost Less Depreciation	4	3,145,662,993	2,598,515,817	2,442,118,593
Goodwill	5	56,283,760	56,283,760	56,283,760
Current Assets:		5,310,436,702	5,450,698,872	6,371,106,117
Stocks	6	1,799,599,933	1,651,754,805	1,902,471,712
Trade Debtors	7	2,512,022,250	2,656,903,857	3,331,220,012
Short Term Loan	13	158,344,925	253,320,756	-
Advances, Deposits and Prepayments	8	334,249,036	415,642,990	656,428,247
Cash & Bank Balances	9	506,220,558	473,076,464	480,986,146
Less: Current Liabilities:		2,359,399,763	2,584,353,232	4,034,826,920
Short Term Bank Loan	10	59,196,004	121,326,193	497,733,221
Sundry Creditors	11	1,691,108,407	1,797,488,294	2,205,497,561
Other Current Liabilities	12	367,409,713	286,416,355	327,145,001
Short Term Loan		-	-	569,592,985
Provision for Income Tax	14	241,685,639	379,122,390	434,858,152
Net Current Assets		2,951,036,939	2,866,345,640	2,336,279,197
Deferred Tax Liability	15	186,685,909	183,459,186	180,036,773
	Tk.	<u>5,966,297,783</u>	<u>5,337,686,031</u>	<u>4,654,644,777</u>
FINANCED BY:				
Share Holders Equity:		5,957,711,911	5,331,216,596	4,649,666,770
Share Capital	16	1,344,202,710	1,168,871,920	974,059,930
General Reserve and Surplus	17	4,613,509,201	4,162,344,676	3,675,606,840
Non controlling Interest	18	8,585,872	6,469,435	4,978,007
	Tk.	<u>5,966,297,783</u>	<u>5,337,686,031</u>	<u>4,654,644,777</u>

Attached notes form part of these financial statements .
Dated, Dhaka: April 28, 2014

As per our annexed report of even date.


Samuel S Chowdhury
Chairman


Tapan Chowdhury
Managing Director


Khandaker Habibuazzaman
Company Secretary


Das Chowdhury Dutta & Co.
Chartered Accountants



SQUARE TEXTILES LIMITEDConsolidated Statement of Comprehensive Income
For the year Ended December 31, 2013

		2013	2012 (Restated)
	Notes		
Sales	19	8,164,430,907	8,741,773,216
Cost of Goods Sold	20	(6,842,097,977)	(7,367,250,799)
Gross Profit		1,322,332,930	1,374,522,417
Operating Expenses	21	(232,385,012)	(220,435,740)
Finance Cost	22	(51,875,706)	(110,937,301)
Operating Income		1,038,072,212	1,043,149,376
Other Income		15,035,914	309,079
Net Income Before W.P.P & W.F		1,053,108,126	1,043,458,455
Allocation for W.P.P. & W.F	23	(50,148,006)	(49,288,046)
Net Income Before Tax		1,002,960,120	994,170,409
Provision for Income Tax	24	(153,777,630)	(151,857,146)
Provision for Deferred Income Tax	25	10,173,792	(3,422,413)
Net Profit after Tax		839,008,698	838,890,850
Non Controlling Interest		(2,116,437)	(1,491,435)
Net Income for the Year	Tk.	836,892,261	837,399,415
(Transferred to the Consolidated Statement of Changes in Equity)			
Earning Per Share	26 Tk.	6.225	6.229

Attached notes form part of these financial statements .
Dated, Dhaka: April 28, 2014

As per our annexed report of even date.


Samuel S Chowdhury
Chairman


Tapan Chowdhury
Managing Director


Khandaker Habibuzzaman
Company Secretary


Das Chowdhury Dutta & Co.
Chartered Accountants

SQUARE TEXTILES LIMITED

Consolidated Statement of Changes in Equity For the Year Ended December 31, 2013


Particulars	Share Capital	General Reserve and Surplus	Total
As at December 31, 2012	1,168,871,920	4,162,344,676	5,331,216,596
Net Profit for the Year 2013	-	836,892,261	836,892,261
Cash Dividend for 2012	-	(210,396,946)	(210,396,946)
Stock Dividend for 2012	175,330,790	(175,330,790)	-
As at December 31, 2013	Tk. 1,344,202,710	4,613,509,201	5,957,711,911

Consolidated Statement of Changes in Equity (Restated) For the Year Ended December 31, 2012

Particulars	Share Capital	General Reserve and Surplus	Total
As at December 31, 2011	974,059,930	3,675,606,840	4,649,666,770
Net Profit for the Year 2012	-	837,399,415	837,399,415
Cash Dividend for 2011	-	(155,849,589)	(155,849,589)
Stock Dividend for 2011	194,811,990	(194,811,990)	-
As at December 31, 2012	Tk. 1,168,871,920	4,162,344,676	5,331,216,596

Attached notes form part of these financial statements .
Dated, Dhaka: April 28, 2014

As per our annexed report of even date.


Samuel S Chowdhury
Chairman


Tapan Chowdhury
Managing Director


Khandaker Habibuzzaman
Company Secretary


Das Chowdhury Dutta & Co.
Chartered Accountants



SQUARE TEXTILES LIMITED**Consolidated Statement of Cash Flows
For The Year Ended December 31, 2013**

	2013	2012
Cash Flow From Operating Activities:		
Receipts:		
Cash From Sales Revenue	8,309,312,514	9,416,089,370
Cash From Other Income	70,336	309,079
Total Cash Receipts	8,309,382,850	9,416,398,449
Payments:		
Purchase of Raw & Packing Materials	(5,649,382,823)	(6,199,716,937)
Paid for Operating & Non-operating Exp.	(1,378,025,116)	(1,027,215,247)
Interest Expenses	(55,993,110)	(118,834,528)
Income Tax payments	(153,988,434)	(160,410,376)
Workers Profit Participation Fund and Welfare Fund	(52,947,266)	(58,495,461)
Total Payments	(7,290,336,749)	(7,564,672,549)
Net Cash Flow From Operating Activities	1,019,046,101	1,851,725,900
Cash Flow From Investing Activities		
Net Sales (Purchase) of Fixed Assets	(821,150,682)	(432,218,526)
Net Cash Flow From Investing Activities	(821,150,682)	(432,218,526)
Cash Flow From Financing Activities		
Short Term Bank Received (Repaid)	(62,130,189)	(448,653,727)
Short Term Loan From (to) Inter Co.	107,775,810	(822,913,740)
Dividend Payment	(210,396,946)	(155,849,589)
Net Cash Flow From Financing Activities	(164,751,325)	(1,427,417,056)
Net Cash Position	33,144,094	(7,909,682)
Opening Cash & Cash Equivalents	473,076,464	480,986,146
Closing Cash in Hand	Tk. 506,220,558	473,076,464

Attached notes form part of these financial statements .
Dated, Dhaka: April 28, 2014

As per our annexed report of even date.


Samuel S Chowdhury
Chairman


Tapan Chowdhury
Managing Director


Khandaker Habibuzzaman
Company Secretary


Das Chowdhury Dutta & Co.
Chartered Accountants

SQUARE TEXTILES LIMITED

Notes to the Consolidated Financial Statements For the year ended December 31, 2013

NOTE -1: ESTABLISHMENT AND OPERATIONS.

a) **Legal Form of the Enterprises.** Square Textiles Limited (Here in after said as the Company) is a public limited company and its subsidiaries, Square Yarns Limited and Square Texcom Limited incorporated with Registrar, joint stock companies and firms, Dhaka, Bangladesh under Companies Act 1913 and Companies Act 1994 respectively. The principal activities of the Company and its subsidiary (the group) are described in note 1(b) and (c).

b) **Address of Registered office and factory of the group.** The address of the registered offices and factories of the group is described in page no. 11 of this annual report.

c) **Nature of Business.** The group owns Five (5) units of spinning mills, and a twisting mill. Its activities and operations are related with manufacturing and marketing of Yarns.

NOTE-2: ADOPTION OF BAS.

During the year of reporting Management of the Company adopted BAS 16 (Revised in 2007). We also restated previous years financial statement as per provision of BAS 8 for this adoption.

NOTE- 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION.

a) **Statement of Compliance.** The financial statements have been prepared in conformity with the provisions of the Companies Act 1994, The Securities and Exchanges Rules 1987 and other relevant rules and regulations.

b) **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.

c) **Basis of Consolidation.** The consolidated financial statements, incorporate the financial statements of the company and entities controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other member of the group.

All intra group transaction, balances, income and expenses are eliminated in full on consolidation. Non-controlling interest in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein.

These consolidated financials have been prepared in consolidation with the audited accounts of the company and the audited accounts of Square Yarns Limited for the Year ended December 31, 2013 and restated Financials of Square Texcom Limited as of December 31, 2013 being there is a difference between Financial Year of Square Texcom Limited and Square Textiles Limited.

d) **Fixed Assets.** Fixed Assets i.e. property, Plant, 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 BFRS 5 and the date that the assets are derecognized. Depreciation is computed on the straight- line basis over the estimated useful lives as follows:



	Years	Depreciation Percentage
Factory Building and other Construction	20	5%
Plant & Machinery	15	6.67%
Laboratory & other Equipment	6.67	15%
Furniture & Fixture	6.67	15%
Motor Vehicles	5	20%
Electrical Installation	6.67	15%

Impairment of Asset: Revenue and Profitability of the company is Consistent and net worth of the company is growing every year, that indicates our assets are performing at their highest as per our intended procurement and the summation of the discounted future cash flow from the operation of the assets would be positive if we dispose off those assets at the date of financial reporting. But presently we have no intension to dispose off these assets; As such we did not consider to recording the impairment loss/ gain.

e) **Stocks.** Stocks comprise 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.

f) **Employees' Separation Plan.** 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.

The group has separate unfunded gratuity scheme under which an employee is entitled to the benefit depending on length of service.

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

g) **Revenue Recognition.**

Sale of Goods. Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- the group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the group; and
- the cost incurred or to be incurred in respect of the transaction can be measured reliably.

Other Income. It is recognized when received.

h) **Foreign Currency Transactions.** 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.

i) **Borrowing Costs.** Borrowing costs are recognized as expenses in the period in which they incurred and capitalized the same that incurred before commencement of commercial operation.

j) **Financial Instruments.** Financial assets and liabilities are recognized on the Statement of Financial Position when the group has become a party to a contractual provision of the instrument.

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.

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

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.

k) **Cash and Cash Equivalents.** Cash and cash equivalents comprise 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.

l) **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 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. The group'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 shall be settled or the asset realized, based on tax rates (and tax laws) that have been enacted by the date of Statement of Financial Position.

m) **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.

n) **Related Party Transaction.** The group has some related party transaction in arm length transaction with its sister concern.

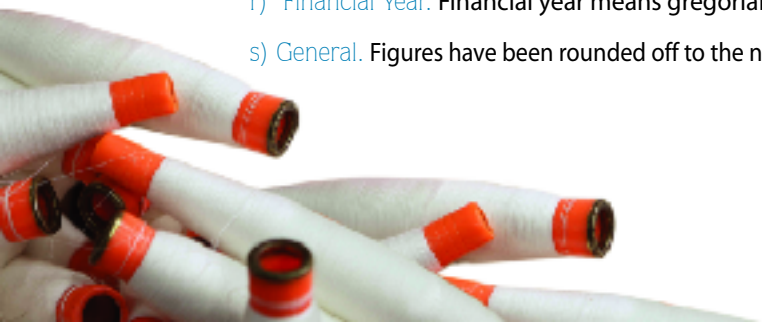
o) **Segment Reporting.** There are three business centres in two geographical segment but same business nature of the group. So there no reportable business segment because the subsidiary's financial statements are enclosed with these financials.

p) **Earning Per Share.** Basis Earning per Share (EPS) has been computed dividing the earnings attributable to the weighted average number of the ordinary shares during the period.

q) **Comparative Figure.** Certain prior year figures have been regrouped /reclassified to conform to current year's presentation.

r) **Financial Year.** Financial year means gregorian calendar year, January 01, 2013 to December 31, 2013.

s) **General.** Figures have been rounded off to the nearest taka, as it is the reporting currency of these financials.



4. FIXED ASSETS: TK.3,145,662,993

'Details of Fixed Assets and Depreciation as of December 31, 2013 are shown in the annexed schedule-01. Depreciation for the year charged to Factory Overhead (Note-20.3). The break-up of the balances are depicted below:

	31-Dec-13	31-Dec-12
Fixed Assets at Cost:		
Opening Balance	5,295,971,181	4,865,412,655
Addition during the year	977,742,900	587,996,908
Sale/Adjustment during the year	(152,558,463)	(157,438,382)
Closing Balance (Cost)	<u>6,121,155,618</u>	<u>5,295,971,181</u>
Accumulated Depreciation:		
Opening Balance	2,697,455,364	2,423,294,062
Charged during the year	278,037,261	275,821,302
Adjustment for sale/Transfer	-	(1,660,000)
	<u>2,975,492,625</u>	<u>2,697,455,364</u>
Written Down Value	Tk. <u>3,145,662,993</u>	<u>2,598,515,817</u>

5. GOODWILL: TK. 56,283,760

Investment in Square Texcom Ltd. (For 95,000 Shares of Square Texcom Ltd.)	65,783,760	65,783,760
Less: Face Value of the Shares	9,500,000	9,500,000
	<u>56,283,760</u>	<u>56,283,760</u>

6. STOCKS: TK. 1,799,599,933

Stocks of Raw Materials	1,629,069,169	1,550,220,527
Raw Materials	1,092,160,928	1,284,459,331
Raw Materials In Transit	277,743,938	81,746,543
Finished Goods	141,505,486	39,051,833
Packing Materials	26,505,091	16,624,178
Work - in - process	67,542,962	85,245,677
Comber Noil	23,610,764	43,092,965
Stock of Spares	170,530,764	101,534,278
Spares at Store	166,354,271	96,622,301
Spares in Transit	4,176,493	4,911,977
Tk.	<u>1,799,599,933</u>	<u>1,651,754,805</u>

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

7. TRADE DEBTORS: TK. 2,512,022,250

This represents invoice value of goods delivered to customer. This is considered good and collectable. Aging of the above balance is as follows:

Below 180 days	2,337,506,247	2,555,459,870
Above 180 days	174,516,003	101,443,987
Tk.	<u>2,512,022,250</u>	<u>2,656,903,857</u>

a) There was no amount due by 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.

	31-Dec-13	31-Dec-12
8. ADVANCES, DEPOSITS & PREPAYMENTS: TK. 334,249,036		
This is made up of the followings:		
Advance:	299,203,798	390,268,427
Income Tax	119,588,389	263,761,404
Salary & PF Current account	34,126,626	22,121,545
Expenses	84,358,621	55,353,724
Contractor	61,130,162	49,031,754
Deposits:	35,045,238	25,374,563
Margin & Deposit	6,162,434	5,968,314
Security Deposit	28,882,804	19,278,644
Adv. Ag. Excise Duty	-	127,605
Tk.	<u>334,249,036</u>	<u>415,642,990</u>

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

(b) There was no amount due by the associated undertaking.

(c) The advances & deposits considered good & recoverable.

9. CASH AND BANK BALANCES: TK. 506,220,558

This is made up of the followings:

Cash in hand	3,504,314	2,206,205
Cash at Bank	502,716,244	470,870,259
Tk.	<u>506,220,558</u>	<u>473,076,464</u>

10. SHORT TERM BANK LOAN: TK. 59,196,004

This is made up of the followings:

Bank Overdraft	59,196,004	38,435,223
Export Development Fund	-	82,890,970
Tk.	<u>59,196,004</u>	<u>121,326,193</u>

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

11. SUNDRY CREDITORS: TK. 1,691,108,407

<u>1,691,108,407</u>	<u>1,797,488,294</u>
-----------------------------	-----------------------------

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

12. OTHER CURRENT LIABILITIES: TK. 367,409,713

This consists of as follows:

Retention Money	3,046,929	1,941,621
Allocation for W.P.P & W.F	103,945,245	90,048,163
Others	260,417,539	194,426,571
Tk.	<u>367,409,713</u>	<u>286,416,355</u>



Consolidated

	31-Dec-13	31-Dec-12
13. SHORT TERM LOAN: TK. 158,344,925		
Loan to (from) Square Pharmaceuticals Limited	158,344,925	253,320,756
14. PROVISION FOR INCOME TAX : TK. 241,685,639		
Opening Balance	379,122,390	434,858,152
Income Tax Expenses Adjusted	(291,214,381)	(207,592,908)
Current Year Provision	153,777,630	151,857,146
	241,685,639	379,122,390
15. DEFERRED TAX LIABILITY: TK. 186,685,909		
Opening Balance	183,459,186	180,036,773
Adjustment of Deferred Tax	(6,947,069)	-
Provision for this Year	10,173,792	3,422,413
	186,685,909	183,459,186

This represents tax liability payable in future due to accumulated taxable temporary differences.

16.SHARE CAPITAL: TK. 1,344,202,710

This is made up of the followings:

Authorized: 300,000,000 Ordinary Shares of Tk. 10.00 each	Tk.	<u>3,000,000,000</u>	<u>3,000,000,000</u>
Issued, Subscribed and Paid up: 134,420,271 Ordinary Shares of Tk. 10.00 each Fully Paid up in cash	Tk.	<u>1,344,202,710</u>	<u>1,168,871,920</u>

The distribution schedule showing the number of Shareholders and Corresponding holding percentage under DSE & CSE listing regulation 37 is given in notes no. 17, Page no. 72 of separate Financial Statement of Square Textiles Limited.

17. GENERAL RESERVE AND SURPLUS: TK. 4,613,509,201

Opening Balance	4,162,344,676	3,675,606,840
Less: Dividend paid during the year	(210,396,946)	(155,849,589)
Less: Appropriation for stock dividend at the rate of 15 shares for every 100 shares held	(175,330,790)	(194,811,990)
Add: Surplus of the Year	836,892,261	837,399,415
	4,613,509,201	4,162,344,676

	31-Dec-13	31-Dec-12
18. NON CONTROLLING INTEREST: TK.8,585,872		
5,000 shares of Tk 100 at par of Square Yarns Ltd.	500,000	500,000
5,000 shares of Tk 100 at par of Square Texcom Ltd.	500,000	500,000
Shares of Accumulated Profit	7,585,872	5,469,435
Tk.	8,585,872	6,469,435

This represents non controlling interest in Square Yarns Limited and Square Texcom Limited as on December 31, 2013.

	2013	2012
19. SALES TK. 8,164,430,907		
Sales Comprises the following:		
In Quantity(KG)		
Opening Stock	179,918	104,410
Production during the Year	28,430,062	29,821,282
Available for Sale	28,609,980	29,925,692
Closing Stock	(623,605)	(179,918)
Sales during the year (To be accounted for as follows)	Kg. 27,986,375	29,745,774
Sales Accounted as follows:		
Local Sale of Yarns	314,317	268,319
Export Sale of Yarns	27,672,058	29,477,455
	Kg. 27,986,375	29,745,774
In Taka		
Local Sale of Yarns	49,827,244	59,665,501
Export Sale of Yarns	8,114,603,663	8,682,107,715
Tk.	8,164,430,907	8,741,773,216



20. COST OF GOODS SOLD TK. 6,842,097,977

This is arrived as follows:

	2013	2012
Raw Material Consumed (Note-20.1)	5,513,380,443	6,135,781,226
Packing Material Consumed (Note-20.2)	71,362,959	60,614,254
Factory Overhead (Note- 20.3)	1,342,105,513	1,214,333,473
Cost of Goods Manufacturing	<u>6,926,848,915</u>	<u>7,410,728,953</u>
Opening Work-In-Process (Opening)	85,245,677	56,064,522
Closing Work-In-Process (Closing)	(67,542,962)	(85,245,677)
Cost of Production	<u>6,944,551,630</u>	<u>7,381,547,798</u>
Finished Goods (Opening)	39,051,833	24,754,834
Finished Goods (Closing)	(141,505,486)	(39,051,833)
Tk.	<u>6,842,097,977</u>	<u>7,367,250,799</u>

20.1 RAW MATERIAL CONSUMED: TK. 5,513,380,443

This is arrived as follows:

In Quantity(KG)		
Opening Stock	8,408,382	8,582,064
Purchase during the year	29,128,200	31,230,020
Raw Material Available for Consumption	<u>37,536,582</u>	<u>39,812,084</u>
Closing Stock	(6,580,018)	(8,408,382)
Raw Material Consumed	<u>Kg. 30,956,564</u>	<u>31,403,702</u>
In Taka		
Opening Stock	1,284,459,331	1,330,485,930
Purchase during the year	5,321,082,040	6,089,754,627
Raw Material Available for Consumption	<u>6,605,541,371</u>	<u>7,420,240,557</u>
Closing Stock	(1,092,160,928)	(1,284,459,331)
Tk.	<u>5,513,380,443</u>	<u>6,135,781,226</u>

2013**2012****20.2. PACKING MATERIALS CONSUMED: TK. 71,362,959**

This is arrived as follows:

Opening Stock	16,624,178	15,629,222
Purchase	81,243,872	61,609,210
Materials available for Consumed	97,868,050	77,238,432
Closing Stock	(26,505,091)	(16,624,178)
Tk.	<u>71,362,959</u>	<u>60,614,254</u>

20.3. FACTORY OVERHEAD: TK. 1,342,105,513

Factory Wages , Salary & Allowances	382,304,272	299,477,970
Travelling & Conveyance	114,366	42,615
Printing & Stationery	4,174,384	3,980,366
Production Workers Free Lunch	6,379,890	6,863,507
Uniform & Liveries	144,600	51,530
Fuel , Petrol , Light , Diesel etc.	114,385,810	84,212,924
Electricity , Gas & Water	180,821,840	167,472,973
Repairs & Maintenance - Factory	93,370,065	103,423,034
Technical Consultant Expenses	12,772	479,661
Medical Expenses	323,515	256,468
Repairs & Maintenance of Vehicles	19,079,960	14,371,890
Papers Books and Periodicals	14,356	11,475
Industrial All Risk Insurance	10,784,114	14,157,880
Telephone , Fax , & Telex Charges	1,113,958	1,003,568
Government Taxes & License Fee	4,098,734	1,121,535
Security Services	14,426,686	11,481,774
Research & Development	463,023	283,975
Spare Parts - Machinery	230,353,642	205,133,646
Group Insurance	1,702,265	1,391,556
Yarn Making Charge	-	23,293,824
Depreciation (Schedule-01)	278,037,261	275,821,302
Tk.	<u>1,342,105,513</u>	<u>1,214,333,473</u>



Consolidated

21. OPERATING EXPENSES: TK. 232,385,012

This is arrived as follows:

	2013	2012
Administrative Overhead (Note 21.1)	225,433,812	208,780,542
Selling & Distribution Overhead (Note 21.2)	6,951,200	11,655,198
Tk.	232,385,012	220,435,740

21.1. ADMINISTRATIVE OVERHEAD: TK. 225,433,812

Salary and Allowances	82,163,380	62,980,682
Directors Remuneration	19,329,129	20,004,903
Travelling and Conveyance	613,721	604,001
Overseas Travelling	45,201,419	46,908,306
Training Expenses	89,440	26,000
Printing and Stationery	1,774,641	1,954,677
Postage, Telephone, Fax & Telex	1,257,109	1,349,754
Electricity, Gas & Water	1,267,979	1,180,729
Vehicles Running & Maintenance	8,444,019	7,036,872
Tiffin and Refreshment	1,318,676	2,037,996
Fees, Subscription	5,643,406	5,922,498
Repairs & Maintenance	7,665,022	6,050,572
Bank Charges & Commission	1,332,664	2,857,895
Insurance	352,214	479,523
Medical Expenses	9,181	10,170
Govt. Taxes, Stamp Duty & Licence Fee	416,983	426,991
Lease Rent	35,016,408	35,016,408
Office Rent	8,845,824	9,041,992
Security Service	401,294	757,887
Annual General Meeting Expenses	4,076,253	3,960,186
Audit Fees	215,050	172,500
Tk.	225,433,812	208,780,542

a) Audit Fees represent provision for the auditors' remuneration for audit of the Company's Financial Statements for the year ended December 31, 2013.

21.2. SELLING & DISTRIBUTION OVERHEAD: TK. 6,951,200

This is arrived as follows:

Sales Promotion Expenses	-	400
Expenses for Export	5,323,154	10,761,785
Carrage Outword	1,628,046	893,013
Tk.	6,951,200	11,655,198

	2013	2012
22. FINANCE COST: TK. 51,875,706		
This is arrived as follows:		
Interest on Short Term Loan	51,875,706	110,937,301
Tk.	51,875,706	110,937,301

The finance cost includes no interest on any sort of borrowing from directors including managing director and managers.

23. ALLOCATION FOR W.P.P & W.F.: TK. 50,148,006

This represents 5% of Net Income before charging Income Tax as per provisions of the Labour Law - 2006, Chapter - 15 and it shall be allocated among eligible workers as defined in the said act.

24. PROVISION FOR INCOME TAX: TK. 153,777,630

This represents estimated Income Tax on Net Income for the period from January 1, 2013 to December 31, 2013.

25. PROVISION FOR DEFERRED INCOME TAX: Tk. 10,173,792

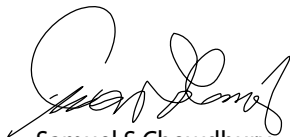
The provision for deferred tax is rised due to taxable temporary differences for this year.

26. EARNING PER SHARE (EPS):

The Computation is given below:

Surplus for the year attributable to Shareholders (Net Profit after tax)	Tk.	836,892,261	837,399,415
Weighted average number of shares outstanding for the year 2013 and restated for the year 2012.		134,420,271	134,420,271
Earning Per Share	Tk.	6.225	6.229

These Financial Statements have been approved by the Board on April 27, 2014


Samuel S Chowdhury
Chairman


Tapan Chowdhury
Managing Director


Khandaker Habibuzzaman
Company Secretary



SQUARE TEXTILES LIMITED

Schedule of Consolidated Fixed Assets

Consolidated Fixed Assets - Tk. 3,145,662,993

Schedule-01

PARTICULARS	At 1st January 2013	COST		At 31st December 2013	DEPRECIATION			Written Down Value as at 31 December 2013
		During the year 2013			At 31 December 2013	During the year 2013		
		Additions	Sales/Transfer			Charged	Adjustments/Transfer	
Freehold Land	461,001,777	78,501,860	-	539,503,637	-	-	-	539,503,637
Building	759,771,623	113,965,480	(24,699,636)	849,037,467	44,723,257	-	388,044,725	460,992,742
Temporary Shed	17,040,285	3,993,556	-	21,033,841	1,703,794	-	13,144,081	7,889,760
Plant & Machinery	3,772,407,090	386,286,391	-	4,158,693,481	208,550,355	-	2,362,078,385	1,796,615,096
Plant & Machinery in Transit	24,007,518	361,625,347	(127,858,827)	257,774,038	-	-	-	257,774,038
Furniture & Fixture	12,842,228	453,576	-	13,295,804	768,655	-	12,482,385	813,419
Office Equipment	13,904,621	631,334	-	14,535,955	704,551	-	12,889,906	1,646,049
Motor Vehicles	78,173,385	12,835,000	-	91,008,385	53,712,778	-	61,741,281	29,267,104
Electrical Installation	106,074,100	13,853,722	-	119,927,822	84,926,925	-	94,644,605	25,283,217
Deep Tubewell	4,826,125	-	-	4,826,125	2,555,101	-	2,823,393	2,002,732
Boundary Wall	18,290,638	4,588,356	-	22,878,994	7,057,379	-	8,201,328	14,677,666
Gas Line Installation	23,926,556	775,812	-	24,702,368	14,505,924	-	16,434,947	8,267,421
Workshop Tools	2,962,145	-	-	2,962,145	1,797,002	-	2,130,029	832,116
Testing Equipment	743,090	232,466	-	975,556	711,385	-	877,560	97,996
Total-2013	5,295,971,181	977,742,900	(152,558,463)	6,121,155,618	2,697,455,364	278,037,261	2,975,492,625	3,145,662,993
Total-2012	4,865,412,655	587,996,908	(157,438,382)	5,295,971,181	2,423,294,062	275,821,302	2,697,455,364	2,598,515,817



Financial Report of Square Textiles Ltd.



AUDITORS' REPORT

Auditors' Report to the Shareholders of Square Textiles Limited

We have audited the accompanying Financial Statements of Square Textiles Limited, which comprises the Statement of Financial Position as at 31 December 2013 and Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year ended, and all related summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchanges Rules 1987 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards, give a true and fair view of the state of the company's affairs as at 31 December, 2013 and the results of its operations and its cash flows for the period then ended and comply with the companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations.

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 Textiles Limited so far as it appeared from our examination of those books;
- (iii) The company's Statement of Financial Position, Statement of Comprehensive Income and its Statement of Cash Flows dealt with by the report are in agreement with the books of account and returns;
- (iv) The expenditure incurred was for the purpose of the company's business.

Dated, Dhaka
April 28, 2014


Das Chowdhury Dutta & Co.
Chartered Accountants

SQUARE TEXTILES LIMITED

Statement of Financial Position As at December 31, 2013

		31-12-2013	31-12-2012	31-12-2011
NET ASSETS:	Notes		(Restated)	(Restated)
Fixed Assets		2,262,854,293	1,785,786,543	2,435,858,613
Assets at Cost Less Depreciation	4	1,678,520,414	1,567,383,544	1,417,455,614
Investment-Long Term (At Cost)	5	160,783,760	160,783,760	160,783,760
Share Money Deposit	6	423,550,119	57,619,239	857,619,239
Current Assets:		4,095,602,705	4,389,591,043	4,804,457,403
Stocks	7	1,243,943,446	1,156,434,388	1,236,014,474
Trade Debtors	8	1,879,244,296	2,033,491,148	2,008,696,513
Short Term Loan	9	459,680,590	606,599,198	695,694,698
Advance, Deposits and Prepayments	10	271,092,185	293,416,412	542,235,494
Cash & Bank Balances	11	241,642,188	299,649,897	321,816,224
Less: Current Liabilities:		1,363,962,388	1,554,243,774	3,052,890,011
Short Term Bank Loan	12	42,333,500	86,339,827	486,705,024
Short Term Loan		-	-	569,592,985
Sundry Creditors	13	915,358,665	1,001,945,184	1,385,606,603
Other Current Liabilities	14	293,249,108	246,571,137	291,387,314
Provision for income Tax	15	113,021,115	219,387,626	319,598,085
Net Current Assets		2,731,640,317	2,835,347,269	1,751,567,392
Less: Deferred Tax Liability	16	108,123,167	112,147,459	111,305,232
Tk.		4,886,371,443	4,508,986,353	4,076,120,773
FINANCED BY:				
Share Holders Equity:		4,886,371,443	4,508,986,353	4,076,120,773
Share Capital	17	1,344,202,710	1,168,871,920	974,059,930
General Reserve and Surplus	18	3,542,168,733	3,340,114,433	3,102,060,843
Tk.		4,886,371,443	4,508,986,353	4,076,120,773

Attached notes form part of these financial statements .
Dated, Dhaka: April 28, 2014

As per our annexed report of even date.


Samuel S Chowdhury
Chairman


Tapan Chowdhury
Managing Director


Khandaker Habibuzzaman
Company Secretary


Das Chowdhury Dutta & Co.
Chartered Accountants



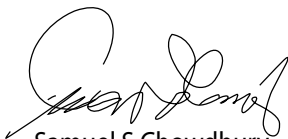
SQUARE TEXTILES LIMITED

Statement of Comprehensive Income For the Year Ended December 31, 2013

		2013	2012
	Notes		(Restated)
Sales	19	5,238,437,265	5,431,437,667
Cost of Goods Sold	20	(4,289,716,936)	(4,442,908,182)
Gross Profit		948,720,329	988,529,485
Operating Expenses	21	(202,310,024)	(186,201,253)
Finance Cost	22	(37,612,361)	(73,336,162)
Operating Income		708,797,944	728,992,070
Other Income		22,819,858	2,410,922
Net Income Before W.P.P & W.F		731,617,802	731,402,992
Allocation For W.P.P. & W.F	23	(34,838,943)	(34,463,147)
Net Income Before Tax		696,778,859	696,939,845
Provision For Income Tax	24	(107,850,441)	(107,382,449)
Provision For Deferred Tax	16	(1,146,382)	(842,227)
Net Income For The Year	Tk.	587,782,036	588,715,169
(Transferred to the Statement of Changes Equity)			
Earning Per Share	25 Tk.	4.37	4.38


Attached notes form part of these financial statements .
Dated, Dhaka: April 28, 2014

As per our annexed report of even date.


Samuel S Chowdhury
Chairman


Tapan Chowdhury
Managing Director


Khandaker Habibuzzaman
Company Secretary


Das Chowdhury Dutta & Co.
Chartered Accountants

SQUARE TEXTILES LIMITED

Statement of Changes in Equity For the year Ended December 31, 2013

Particulars	Share Capital	General Reserve and Surplus	Total Tk.
As at December 31, 2012	1,168,871,920	3,340,114,433	4,508,986,353
Net Profit for the Year 2013	-	587,782,036	587,782,036
Cash Dividend for 2012	-	(210,396,946)	(210,396,946)
Stock Dividend for 2012	175,330,790	(175,330,790)	-
As at December 31, 2013 Tk.	1,344,202,710	3,542,168,733	4,886,371,443

Statement of Changes in Equity (Restated) For the year Ended December 31, 2012

Particulars	Share Capital	General Reserve and Surplus	Total Tk.
As at December 31, 2011	974,059,930	3,102,060,843	4,076,120,773
Net Profit for the Year 2012	-	588,715,169	588,715,169
Cash Dividend for 2011	-	(155,849,589)	(155,849,589)
Stock Dividend for 2011	194,811,990	(194,811,990)	-
As at December 31, 2012 Tk.	1,168,871,920	3,340,114,433	4,508,986,353

Attached notes form part of these financial statements.
Dated, Dhaka: April 28, 2014

As per our annexed report of even date.


Samuel S Chowdhury
Chairman


Tapan Chowdhury
Managing Director


Khandaker Habibuzzaman
Company Secretary


Das Chowdhury Dutta & Co.
Chartered Accountants



SQUARE TEXTILES LIMITED

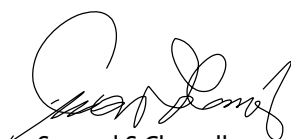
Statement of Cash Flows For the Year Ended December 31, 2013

	2013	2012
Cash Flow From Operating Activities:		
RECEIPTS:		
Cash From Sales Revenue	5,392,684,117	5,406,643,032
Cash From Other Income	70,336	2,410,922
Total Cash Receipts	5,392,754,453	5,409,053,954
PAYMENTS:		
Paid to Suppliers	(3,501,303,689)	(3,864,393,064)
Paid for Operating and Non-operating Expenses	(1,020,430,239)	(699,587,125)
Interest Expenses	(39,566,545)	(82,078,577)
Income Tax	(131,020,342)	(127,299,539)
Workers Profit Participation Fund and Welfare Fund	(47,348,977)	(50,637,782)
Total Payments	(4,739,669,792)	(4,823,996,087)
Net Cash Flow From Operating Activities	653,084,661	585,057,867
Cash Flow From Investing Activities		
Net Sales (Purchase) of Fixed Assets	(230,938,549)	(322,252,459)
Received Back (Paid to) of Share Money Deposit	(365,930,880)	800,000,000
Net Cash Flow From Investing Activities	(596,869,429)	477,747,541
Cash Flow From Financing Activities		
Short Term Bank Loan	(44,006,327)	(448,624,661)
Short Term Loan from/(to) Inter Co.	140,180,332	(480,497,485)
Payment of Dividend	(210,396,946)	(155,849,589)
Net Cash Flow From Financing Activities	(114,222,941)	(1,084,971,735)
Net Cash Increased (Decreased)	(58,007,709)	(22,166,327)
Opening Cash & Cash Equivalent	299,649,897	321,816,224
Closing Cash & Cash Equivalents	Tk. 241,642,188	299,649,897

Attached notes form part of these financial statements.

Dated, Dhaka: April 28, 2014

As per our annexed report of even date.


Samuel S Chowdhury
Chairman


Tapan Chowdhury
Managing Director


Khandaker Habibuzzaman
Company Secretary


Das Chowdhury Dutta & Co.
Chartered Accountants

SQUARE TEXTILES LIMITED

Notes to the Financial Statements For the year ended December 31, 2013

NOTE -1: ESTABLISHMENT AND OPERATIONS.

a) *Legal Form of the Enterprises.* Square Textiles Limited (Here in after said as the Company) is a public limited company incorporated with Registrar, joint stock companies and firms, Dhaka, Bangladesh under Companies Act 1913. The principal activities of the Company are described in note 1(b) and (c).

b) *Address of Registered office and factory of the group.* The address of the registered office at Square Centre, 48 Mohakhali C/A, Dhaka 1212. Factory at Sharadaganj Kashimpur, Gazipur.

c) *Nature of Business.* The company owns three units of spinning mills, and a twisting mill. Its activities and operations are related with manufacturing and marketing of Yarns.

NOTE-2: ADOPTION OF NEW IAS/IFRS.

The management of the Company adopted BAS-1 (Revised-2008) in the year of reporting.

NOTE- 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION.

a) *Statement of Compliance.* The financial statements have been prepared in conformity with the provisions of the Companies Act 1994, The Securities and Exchanges Rules 1987 and other relevant rules and regulations.

b) *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 same as set out in page no. 50.



4. ASSETS AT COST LESS DEPRECIATION: TK. 1,678,520,4

Details of Fixed Assets and Depreciation as of December 31, 2013 are shown in the annexed schedule-02. Depreciation for the year charged to Factory Overhead (Note-20.3). The break-up of the balances are depicted below:

	31-Dec-13	31-Dec-12
Fixed Assets at Cost:		
Opening Balance	3,667,973,224	3,347,380,765
Addition during the year	302,609,070	462,524,303
Sale/ Transfer during the year	(42,182,722)	(141,931,844)
Closing Balance	<u>3,928,399,572</u>	<u>3,667,973,224</u>
Accumulated Depreciation:		
Opening Balance	2,100,589,680	1,929,925,151
Charged during the year	149,289,478	172,324,529
Adjustment for sale/Transfer	-	(1,660,000)
	<u>2,249,879,158</u>	<u>2,100,589,680</u>
Written Down Value	Tk. <u>1,678,520,414</u>	<u>1,567,383,544</u>

5. INVESTMENT- LONG TERM (AT COST): TK. 160,783,760

This represents investments in Shares of Square Yarns Limited and Square Texcom Limited.

Investment in Share of Square Yarns Limited (950,000 Shares of Tk. 100 each)	95,000,000	95,000,000
Investment in Shares of Square Texcom Limited (95,000 Shares of Tk. 100 each)	65,783,760	65,783,760
Tk.	<u>160,783,760</u>	<u>160,783,760</u>

- 1) Square Yarns Ltd., a private limited company incorporated under Companies Act 1994, a subsidiary company of the company holding 99.48% share.
- 2) Square Texcom Limited, a private limited company incorporated under Companies Act 1994, a Subsidiary company of the Company holding 95% share.

6. SHARE MONEY DEPOSIT: TK. 423,550,119

Share money deposit with Square Texcom Limited	423,550,119	57,619,239
Tk.	<u>423,550,119</u>	<u>57,619,239</u>

7. STOCKS: TK. 1,243,943,446

Stock of Raw Materials	1,116,533,610	1,102,560,844
Raw Materials	780,312,223	918,415,446
Raw Materials In Transit	189,205,471	67,225,037
Finished Goods	84,591,120	26,895,268
Packing Materials	10,583,867	7,922,400
Work - In - Process	28,230,165	39,009,728
Comber noil	23,610,764	43,092,965
Stock of Spares	127,409,836	53,873,544
Spares at Store	127,054,375	53,163,927
Spares in Transit	355,461	709,617
Tk.	<u>1,243,943,446</u>	<u>1,156,434,388</u>

The basis of valuation is stated in Note -3(e) of page no.51, carrying amount of inventories pledged as security.

8. TRADE DEBTORS: TK. 1,879,244,296

31-Dec-13

31-Dec-12

This represents invoice value of goods delivered to customer. This is considered good and collectible.

Aging of the above balance is as follows:

Below 180 days	1,756,717,568	1,938,323,762
Above 180 days	122,526,728	95,167,386
Tk.	<u>1,879,244,296</u>	<u>2,033,491,148</u>

- a) There was no amount due by the Directors (Including Managing Director), Managing Agent, Manager and other Officers of the Company and any of them severly or jointly with any other person.
b) The carrying amount of Trade Debtors pledged as security.

9. SHORT TERM LOAN: Tk. 459,680,590

Loan to (from) Square Pharmaceuticals Limited	158,344,925	253,320,756
Loan to (from) Sqaure Yarns Limited	14,528,484	245,584,166
Loan to (from) Square Texcom Limited	286,807,181	107,694,276
Short Term Loan Given	459,680,590	606,599,198
Short Term Loan Received		-
Tk.	<u>459,680,590</u>	<u>606,599,198</u>

10. ADVANCE, DEPOSITS & PREPAYMENTS: TK. 271,092,185

This is made up of the followings:

Advance:	242,855,347	271,296,624
Income Tax	97,368,909	185,736,193
Salary & PF Current account	23,966,048	16,467,923
Expenses	82,149,273	52,273,286
Contractor	39,371,117	16,819,222
Deposits:	28,236,838	22,119,788
Margin & Deposit	4,670,384	4,150,414
Security Deposit	23,566,454	17,920,944
Adv. Ag. Excise Duty	-	48,430
Tk.	<u>271,092,185</u>	<u>293,416,412</u>

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

- (b) There was no amount due by the associated undertaking.

11. CASH AND BANK BALANCES: TK. 241,642,188

This is made up of the followings:

Cash in Hand	2,391,587	908,662
Cash at Bank	239,250,601	298,741,235
Tk.	<u>241,642,188</u>	<u>299,649,897</u>



	31-Dec-13	31-Dec-12
12. SHORT TERM BANK LOAN: TK. 42,333,500		
Bank Overdraft	42,333,500	38,080,363
Export Development Fund	-	48,259,464
Tk.	42,333,500	86,339,827

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

	31-Dec-13	31-Dec-12
13. SUNDRY CREDITORS: TK.915,358,665		
Tk.	915,358,665	1,001,945,184

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

	31-Dec-13	31-Dec-12
14. OTHER CURRENT LIABILITIES : TK. 293,249,108		
This consists of as follows:		
Retention Money	2,687,995	1,582,687
Allocation for W.P.P & W.F	57,603,140	61,679,049
Others	232,957,973	183,309,401
Tk.	293,249,108	246,571,137

	31-Dec-13	31-Dec-12
15. PROVISION FOR INCOME TAX: TK. 113,021,115		
Opening Balance	219,387,626	319,598,085
Adjustment of Tax	(214,216,952)	(207,592,908)
Current Year Provision	107,850,441	107,382,449
Tk.	113,021,115	219,387,626

	31-Dec-13	31-Dec-12
16. DEFERRED TAX LIABILITY: TK. 108,123,167		
Opening Balance	112,147,459	111,305,232
Adjustment of Deferred Tax	(5,170,674)	-
Provision for Current Year	1,146,382	842,227
Tk.	108,123,167	112,147,459

This represents Tax Liability Payable in Future Due to accumulated taxable temporary differences

17.SHARE CAPITAL: TK. 1,344,202,710

This is made up of the followings:

	31-Dec-13	31-Dec-12
Authorized:		
300,000,000 Ordinary Shares of Tk. 10.00 each	Tk. <u>3,000,000,000</u>	<u>3,000,000,000</u>
Issued, Subscribed and Paid up:		
Opening Balance	1,168,871,920	974,059,930
Bonus Share Issued	175,330,790	194,811,990
134,420,271 Ordinary Shares of Tk. 10.00 each Fully Paid up	TK. <u>1,344,202,710</u>	<u>1,168,871,920</u>

The position of shareholders as on December 31, 2013 is as follows:

Particulars of Investors	Number of Investors	Number of Shares	Percentage of Share Holding 2013	Percentage of Share Holding 2012
Sponsors	9	82,919,445	61.69 %	61.31%
Foreign Investors	30	8,619,575	6.41 %	6.39%
Local Institutions	411	19,552,782	14.55 %	12.42%
General Public	27,815	23,328,469	17.35 %	19.88%
Total	28,265	134,420,271	100.00 %	100.00%

Distribution schedule of each class of equity security setting out the number of holders and percentage as on December 31, 2013

Range of Holdings	As per Folio		As per BO ID		Total share Holding	%
	No. of holders	Holdings	No. of holders	Holdings		
Less than 500 shares	3,903	305,699	19,138	1,726,389	2,032,088	1.51
500 to 5,000 shares	198	211,690	4,298	6,313,673	6,525,363	4.85
5001 to 10,000 shares	15	84,988	320	2,265,592	2,350,580	1.75
10,001 to 20,000 shares	8	88,769	178	2,448,780	2,537,549	1.89
20,001 to 30,000 shares	4	96,477	47	1,173,330	1,269,807	0.95
30,001 to 40,000 shares	2	61,815	21	733,666	795,481	0.59
40,001 to 50,000 shares	2	95,991	19	854,982	950,973	0.71
50,001 to 100,000 shares	3	216,603	38	2,594,477	2,811,080	2.09
100,001 to 1,000,000 shares	9	4,889,820	49	13,484,552	18,374,372	13.67
Over 1,000,000 shares	6	39,952,925	7	56,820,053	96,772,978	71.99
Total	4,150	46,004,777	24,115	88,415,494	134,420,271	100.00



18. GENERAL RESERVE AND SURPLUS: TK. 3,542,168,733

	31-Dec-13	31-Dec-12
Opening Balance	3,340,114,433	3,102,060,843
Less: Dividend paid during the year	(210,396,946)	(155,849,589)
Less: Appropriation for stock dividend at the rate of 15 (fifteen) share for every 100 (hundred) shares held	(175,330,790)	(194,811,990)
Net Income for the Year	587,782,036	588,715,169
Tk.	<u>3,542,168,733</u>	<u>3,340,114,433</u>

19. SALES: TK. 5,238,437,265

	2013	2012
Sales Comprises the following:		
In Quantity(KG)		
Opening Stock	129,899	69,788
Production during the Year	20,560,167	21,238,092
Available for Sale	20,690,066	21,307,880
Closing Stock	(435,547)	(129,899)
Sales during the year	<u>20,254,519</u>	<u>21,177,981</u>
(To be accounted for as follows)		
Sales Accounted as follows:		
Local Sale of Yarns	234,455	211,780
Export Sale of Yarns	20,020,064	20,966,201
Kg.	<u>20,254,519</u>	<u>21,177,981</u>
In Taka		
Local Sale of Yarns	35,721,610	43,451,501
Export Sale of Yarns	5,202,715,655	5,387,986,166
Tk.	<u>5,238,437,265</u>	<u>5,431,437,667</u>

20. COST OF GOODS SOLD TK. 4,289,716,936

	Notes		
This is arrived as follows:			
Raw Material Consumed	20.1	3,420,089,628	3,602,437,104
Packing Material Consumed	20.2	59,539,202	50,462,892
Factory Overhead	20.3	857,004,395	805,535,286
Cost of Goods Manufacturing		<u>4,336,633,225</u>	<u>4,458,435,282</u>
Opening Work-In-Process (Opening)		39,009,728	36,839,338
Closing Work In Process (Closing)		(28,230,165)	(39,009,728)
Cost of Production		<u>4,347,412,788</u>	<u>4,456,264,892</u>
Finished Goods (Opening)		26,895,268	13,538,558
Finished Goods (Closing)		(84,591,120)	(26,895,268)
Cost of Goods Sold	Tk.	<u>4,289,716,936</u>	<u>4,442,908,182</u>

20.1 RAW MATERIAL CONSUMED: TK. 3,420,089,628

This is arrived as follows:

In Quantity(KG)

	2013	2012
Opening Stock	6,115,783	5,727,764
Purchase during the year	21,083,963	22,835,408
Raw Material Available for Consumption	27,199,746	28,563,172
Closing Stock	(4,626,077)	(6,115,783)
Raw Material Consumed	Kg. 22,573,669	22,447,389

In Taka

Opening Stock	918,415,446	878,054,073
Purchase during the year	3,281,986,405	3,642,798,477
Raw Material Available for Consumption	4,200,401,851	4,520,852,550
Closing Stock	(780,312,223)	(918,415,446)
Raw Material Consumed	Tk. 3,420,089,628	3,602,437,104

20.2. PACKING MATERIALS CONSUMED: TK. 59,539,202

This is arrived as follows:

Opening Stock	7,922,400	10,145,232
Purchase	62,200,669	48,240,060
Materials Available for Production	70,123,069	58,385,292
Closing Stock	(10,583,867)	(7,922,400)
Packing Materials Consumed	Tk. 59,539,202	50,462,892



20.3. FACTORY OVERHEAD: TK. 857,004,395

This is made up as follows:

	2013	2012
Factory Wages , Salary & Allowances	254,531,796	209,782,359
Travelling & Conveyance	99,746	36,614
Printing & Stationery	3,242,438	3,076,696
Production Workers Free Lunch	4,989,695	5,497,938
Uniform & Liveries	131,400	36,000
Fuel , Petrol , Light , Diesel etc.	66,055,696	59,813,372
Electricity , Gas & Water	109,526,745	106,958,036
Repairs & Maintenance - Factory	58,050,106	57,181,664
Technical Consultant Expenses	12,772	479,661
Medical Expenses	296,658	232,290
Repairs & Maintenance of Vehicles	15,360,844	12,647,091
Papers, Books and Periodicals	12,190	8,706
Industrial All Risk Insurance	6,859,202	9,527,563
Telephone , Fax , & Telex Charges	853,437	777,386
Govt. Taxes & Licence & Fees	2,246,652	859,941
Security Services	5,945,261	4,795,572
Research & Development	426,343	283,975
Spare Parts - Machinery	177,935,177	160,163,827
Group Insurance	1,138,759	1,052,066
Depreciation (Schedule-02)	149,289,478	172,324,529
Tk.	857,004,395	805,535,286

21. OPERATING EXPENSES: TK. 202,310,024

This is arrived as follows:

	Notes	2013	2012
Administrative Overhead	21.1	197,820,204	180,887,902
Selling & Distribution Overhead	21.2	4,489,820	5,313,351
Tk.		202,310,024	186,201,253

21.1. ADMINISTRATIVE OVERHEAD: TK. 197,820,204

This is arrived as follows:

	2013	2012
Salary and Allowances	68,837,670	54,028,901
Directors Remuneration	19,329,129	16,594,875
Travelling and Conveyance	538,185	506,846
Overseas Travelling	37,135,909	38,528,758
Training Expenses	84,940	18,000
Printing and Stationery	1,684,951	1,889,047
Postage, Telephone, Fax & Telex	1,192,316	1,258,119
Electricity, Gas & Water	755,521	737,235
Vehicles Running & Maintenance	8,246,309	6,992,437
Tiffin and Refreshment	1,272,049	1,998,367
Fees, Subscription & Donation	4,863,088	5,256,957
Repairs & Maintenance	5,980,140	3,939,589
Bank Charges & Commission	962,635	1,771,078
Insurance	332,227	351,794
Medical Expenses	9,181	8,646
Govt. Taxes, Stamp Duty & Licence Fee	265,994	378,155
Lease Rent	35,016,408	35,016,408
Office Rent	6,863,628	6,949,072
Security Service	201,171	559,682
Annual General Meeting Expenses	4,076,253	3,960,186
Audit Fees	172,500	143,750
Tk.	197,820,204	180,887,902

Audit Fees represent provision for the auditors' remuneration for audit of the Company's Financial Statements for the year ended December 31, 2013.

	2013	2012
21.2. SELLING & DISTRIBUTION OVERHEAD: TK. 4,489,820		

This is arrived as follows:

Export Sales Expenses	3,302,685	5,153,560
Carriage Outward	1,187,135	159,791
Tk.	4,489,820	5,313,351

22. FINANCE COST: TK. 37,612,361

This is arrived as follows:

Interest on Short Term Loan	37,612,361	73,336,162
	37,612,361	73,336,162

The finance cost includes no interest on any sort of borrowing from Directors including Managing Director and Managers.

23. ALLOCATION FOR W.P.P & W.F.: TK. 34,838,943

This represents 5% of Net Income before charging Income Tax as per provisions of the Labour Law-2006, Chapter-15 and it shall be allocated among the eligible workers as defined in the said act.

24. PROVISION FOR INCOME TAX: TK. 107,850,441

This represents estimated Income Tax on Net Income for the period from January 1, 2013 to December 31, 2013.

25. EARNING PER SHARE (EPS):

The Computation is given below:

Surplus for the year attributable to Shareholders (Net Profit after tax)	587,782,036	588,715,169
Weighted average number of shares outstanding for the year 2013 and restated for the year 2012.	134,420,271	134,420,271
Earning Per Share	Tk. 4.37	4.38

26. APPROPRIATION DURING THE YEAR

The appropriations for the year 2012 have been reflected in the "Statement of Changes in Equity". The Board of Directors proposed both cash and stock dividend of Tk. 2.00 (Taka Two) only per share and 10 (Ten) fully paid up bonus shares for every 100 (Hundred) shares respectively for the year 2013. It will be recognised as liability in the accounts as and when the proposal approved by the shareholders in the Annual General Meeting (AGM). Total fund required for Cash Dividend Tk. 268,840,542 & Stock Dividend Tk. 134,420,271.



27. NUMBER OF EMPLOYEES:

The Number of employees and expenses incurred for employees during the year as follows:

	2013	2012
No. of Employees:		
Below Tk. 63,600.00 p.a	-	-
Tk. 63,600.00 and Above	2,044	1,982
	2,044	1,982
Amount in Taka		
Below Tk. 63,600.00 p.a	-	-
Tk. 63,600.00 and Above	323,369,466	249,752,872
	323,369,466	249,752,872

There is no Salary/Wages/Remuneration below Tk. 5300/- per month with w.e.f December' 2013.

28. PAYMENTS/PERQUISITES TO DIRECTORS AND OFFICERS:

The Aggregate amount paid/provided during the year in respect of "Directors" and "Officers" of the Company are as follows:

Directors Remuneration	19,329,129	16,594,875
Managerial Remuneration	20,169,006	15,771,133
Managerial Benefits:		
Basic and House rent	11,911,790	9,430,210
Bonus	3,747,853	2,930,630
Medical and Conveyance	2,499,383	1,954,389
Company Contribution to P.F.	2,009,980	1,571,702

29. CAPITAL EXPENDITURE COMMITMENT:

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

30. CLAIM ACKNOWLEDGEMENT:

There was no claim against the Company not acknowledged as debt as on December 31, 2013.

2013

2012

31. CONTINGENT LIABILITIES:

31.1 Contingent Liability of the Company was Tk. 517,516,725 as on December 31, 2013 for opening LCs by the banks in favour of foreign suppliers for raw materials and spares.

31.2 There was no facts and figures for which the company has contingent liability to any party other than to Banks as on December 31, 2013.

32. PRODUCTION CAPACITY AND UTILISATION:

Capacity Installed:

- No of Spindles Installed	59,472	59,472
- No of Rotor Heads Installed	3,960	3,960

Capacity Utilised:

- No of Spindles Operated	59,472	59,472
- No of Rotor Heads Operated	3,960	3,960

Production Target: (In Kg)

- At Equivalent 30s Count (Ring Yarn)	11,582,899	11,582,899
- At Equivalent 10s Count (O/E Yarn)	2,329,234	2,329,234
- At Equivalent 14s Count (O/E Yarn)	10,000,454	10,000,454

Total:	23,912,587	23,912,587
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Actual Production (In Kg):

- At Equivalent 30s Count (Ring Yarn)	10,133,481	10,686,456
- At Equivalent 10s Count (O/E Yarn)	1,763,027	1,786,932
- At Equivalent 14s Count (O/E Yarn)	8,323,211	8,455,852

Total:	20,219,719	20,929,240
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33. DIVIDEND PAID TO THE SHAREHOLDERS:

During the year under review total cash dividend amounting to Tk. 210,396,946 has been paid to the shareholders.

34. 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.



2013

2012

35. 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.

36. RELATED PARTY TRANSACTION:

The Company did not carried out any related party transactions without Square Pharmaceuticals Limited (SPL), Square Yarns Limited (SYL) and Square Texcom Limited (STCL) during the Year of reporting. The summary is as follows:

Transaction with SPL:

Total Received During the Year	215,832,992	674,788,100
Total Paid During the Year	374,177,917	928,108,856
Closing Balance	Tk. 158,344,925	253,320,756

Transaction with SYL:

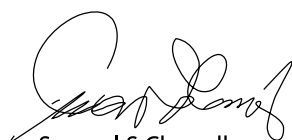
Total Received During the Year	347,721,331	442,751,916
Total Paid During the Year	362,249,815	688,336,082
Closing Balance	Tk. 14,528,484	245,584,166

Transaction with STCL:

Total Received During the Year	21,525,491	36,836,030
Total Paid During the Year	308,332,672	144,530,306
Closing Balance	Tk. 286,807,181	107,694,276

37. APPROVAL OF ACCOUNTS:

These financial statements have been approved by the board on April 27, 2014.


Samuel S Chowdhury
Chairman


Tapan Chowdhury
Managing Director


Khandaker Habibuzzaman
Company Secretary

SQUARE TEXTILES LIMITED

Schedule of Fixed Assets

Fixed Assets - Tk. 1,678,520,414

Schedule-02

PARTICULARS	At 1st January 2013	COST			At 31st December 2013	At 1st January 2013	DEPRECIATION			Written Down Value as at 31st December 2013			
		During the year 2013					At 31st December 2013	During the year 2013	At 31st December 2013		Written Down Value as at 31st December 2013		
		Additions	Sales/Transfer	Adjustments/Transfer								Charged	Adjustments/Transfer
Freehold Land	440,045,869	73,779,560	-	513,825,429	-	-	-	-	513,825,429				
Building	452,488,256	42,231,779	-	494,720,035	267,530,718	27,052,254	-	294,582,972	200,137,063				
Temporary Shed	12,434,286	863,027	-	13,297,313	10,164,427	543,314	-	10,707,741	2,589,572				
Plant & Machinery	2,575,678,752	69,614,969	-	2,645,293,721	1,690,463,200	110,302,731	-	1,800,765,931	844,527,790				
Plant & Machinery in Transit	7,209	110,271,223	(42,182,722)	68,095,710	-	-	-	-	68,095,710				
Furniture & Fixture	7,797,858	396,015	-	8,193,873	7,287,358	242,004	-	7,529,362	664,511				
Office Equipment	11,868,512	824,900	-	12,693,412	10,948,767	523,579	-	11,472,346	1,221,066				
Motor Vehicles	71,643,385	3,890,000	-	75,533,385	47,182,778	6,239,504	-	53,422,282	22,111,103				
Electrical Installation	54,357,537	737,597	-	55,095,134	44,156,055	2,121,711	-	46,277,766	8,817,368				
Deep Tubewell	2,506,125	-	-	2,506,125	2,392,701	105,892	-	2,498,593	7,532				
Boundary Wall	18,207,998	-	-	18,207,998	7,042,917	910,400	-	7,953,317	10,254,681				
Gas Line Installation	19,364,959	-	-	19,364,959	12,700,781	1,083,089	-	13,783,870	5,581,089				
Workshop Tools	1,504,388	-	-	1,504,388	651,888	165,000	-	816,888	687,500				
Testing Equipment	68,090	-	-	68,090	68,090	-	-	68,090	-				
Total 2013	3,667,973,224	302,609,070	(42,182,722)	3,928,399,572	2,100,589,680	149,289,478	-	2,249,879,158	1,678,520,414				
Total 2012	3,347,380,765	462,524,303	(141,931,844)	3,667,973,224	1,929,925,151	172,324,529	(1,660,000)	2,100,589,680	1,567,383,544				



Subsidiary Profile





Square Yarns Limited
(A Subsidiary of Square Textiles Ltd.)

SQUARE YARNS LIMITED

Directors' Report to the Shareholders for the year 2013

Dear Shareholders,

I have the pleasure on behalf of the Board of Directors to submit to you its Report along with its audited accounts containing the Statement of Financial Position as of December 31, 2013, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows ended at December 31, 2013 and the Auditors Report thereon in terms of the provisions of section 184 of the Companies Act 1994 and IAS codes :

Shareholding:

The shareholding pattern of the company is as follows:

Name of the Shareholders	Shareholding	% of holding
Mr. Samuel S Chowdhury	1,166	0.12
Mr. Tapan Chowdhury	1,166	0.12
Mr. Anjan Chowdhury	1,166	0.12
Mr. Charles C R Patra	1,000	0.10
Mrs. Anita Chowdhury	336	0.04
Mrs. Ratna Patra	166	0.02
M/s Square Textiles Limited	950,000	99.48

On the basis of the above shareholdings, Square Yarns Ltd. has the status of subsidiary to Square Textiles Limited.

Board of Directors:

The following persons are the members of the Board of Directors of the Company.

Mr. Samuel S. Chowdhury	Chairman and Managing Director
Mr. Tapan Chowdhury	Director
Mr. Anjan Chowdhury	Director
Mr. Charles C R Patra	Director
Mr. M Sekander Ali (Nominee of Square Textiles Ltd.)	Director

Mr. M Sekander Ali, Independent Director of Square Textiles Limited (holding company) represents as nominee director in the Board of Directors of Square Yarns Limited in compliance of the condition No.5 of the corporate governance guideline dated 7th August, 2012 of Bangladesh Securities and Exchange Commission.

Market Operations:

Similar to the Square Textiles Limited, the operations of Square Yarns Limited has been based on exports at almost 100% level with less than significant local sales. This is in line with the group's policy of export production in the grater interest of the Company.

Operational Results:

The operational performance during the years 2012 and 2013 are as follows:

		2013	2012
Sales	Tk.	2,505,842,341	3,124,544,464
Gross Profit/(Loss)	Tk.	322,382,233	368,540,259
Net Profit/(Loss) AT	Tk.	233,330,417	246,118,571
Gross Margin		12.87%	11.80%
Net Margin (After Tax)		9.31%	7.88%
Earnings Per Share (par value Tk. 100/-)	Tk.	244.33	257.72

The above reveals that the sales decreased by 19.80% during year 2013. The above decrease took place due to cut down of sub-contract production.

However, the Gross Margin and Net Profit/EPS decreased by 12.52% and 5.20% respectively in the year under review.

Capital Expenditure:

The Company made a net Capital Expenditure of Tk. 87,470,992 during the year under review as follows :

	2013	2012
Plant & Machinery	87,432,092	30,052,032
Other Assets	38,900	113,800
Total	87,470,992	30,165,832

The investments have been made from internal generation of fund.

Appropriation of Profit:

Though the Company earned a respectable level of profit Tk. 244.33 per share 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 2013.

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 2014 and re-fixation of their remuneration.

Acknowledgement:

The Board of Directors thankfully acknowledge 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 record with appreciation the support, service and co-operation rendered by all concerned.



Samuel S Chowdhury
Chairman & Managing Director



**Auditors' Report to the Shareholders of
Square Yarns Limited**

We have audited the accompanying financial statements of Square Yarns Limited, which comprises the Statement of Financial Position as at 31 December 2013 and the related Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year ended, and all related summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.


Opinion

In our opinion, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards, give a true and fair view of the state of the company's affairs as at 31 December, 2013 and the results of its operations and its cash flows for the period then ended and comply with the companies Act 1994 and other applicable laws and regulations.

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 Yarns Limited so far as it appeared from our examination of those books;
- (iii) The company's Statement of Financial Position, Statement of Comprehensive Income and its Statement of Cash Flows dealt with by the report are in agreement with the books of account and returns;
- (iv) The expenditure incurred was for the purpose of the company's business.

Dated, Dhaka
April 28, 2014


B.K. Bhattacharjee, FCA
Partner
Chowdhury Bhattacharjee & Co.
Chartered Accountants

SQUARE YARNS LIMITED

Statement of Financial Position As at December 31, 2013

	31-12-2013	31-12-2012 (Restated)	31-12-2011 (Restated)
NET ASSETS:			
Fixed Assets :	885,907,139	895,339,688	959,643,306
At Cost Less Depreciation	885,907,139	895,339,688	959,643,306
Current Assets:	1,201,892,532	1,239,100,125	2,131,873,050
Stocks	437,644,934	437,303,004	635,355,892
Trade Debtors	549,569,503	573,949,731	1,267,796,085
Advance , Deposit & Prepayments	38,689,050	84,441,817	74,319,750
Cash & Bank Balance	175,989,045	143,405,573	154,401,323
Less : Current Liabilities:	887,110,113	1,165,304,277	1,571,079,577
Short Term Bank Loan	16,506,644	23,987,235	11,028,197
Short Term Loan	14,528,484	245,584,166	600,252,776
Sundry Creditors	687,563,804	713,810,994	817,892,008
Liability for Other Finance	50,290,956	27,880,184	31,623,634
Provision for Income Tax	118,220,225	154,041,698	110,282,962
Net Current Assets	314,782,419	73,795,848	560,793,473
Less: Deferred Tax Liability	69,535,332	71,311,727	68,731,541
Tk. 1,131,154,226	897,823,809	1,451,705,238	
FINANCED BY:			
Share Holders Equity :	1,131,154,226	897,823,809	1,451,705,238
Share Capital	95,500,000	95,500,000	95,500,000
Share Money Deposit	-	-	800,000,000
General Reserve and Surplus	1,035,654,226	802,323,809	556,205,238
Tk. 1,131,154,226	897,823,809	1,451,705,238	

Dated, Dhaka: April 28, 2014

As per our annexed report of even date.



Samuel S Chowdhury
Chairman & MD



Charles C. R. Patra
Director



Khandaker Habibuzzaman
Company Secretary



B.K. Bhattacharjee, FCA
Partner
Chowdhury Bhattacharjee & Co.
Chartered Accountants



Subsidiary Profile


SQUARE YARNS LIMITED


Statement of Comprehensive Income For the Year Ended December 31, 2013

	2013	2012 (Restated)
Sales	2,505,842,341	3,124,544,464
Cost of Goods Sold	(2,183,460,108)	(2,756,004,205)
Gross Profit	322,382,233	368,540,259
Operating Expenses	(21,091,391)	(25,935,435)
Finance Cost	(13,059,150)	(35,561,086)
Income Before WPPF & WF	288,231,692	307,043,738
Allocation For WPPF & WF	(13,725,319)	(14,586,245)
Net Profit Before Tax	274,506,373	292,457,493
Income Tax Current	(41,175,956)	(43,758,736)
Income Tax-Deferred	-	(2,580,186)
Net Profit For The Year	Tk. 233,330,417	246,118,571
(Transferred to the Statement of Changes in Equity)		
Earning Per Share	244.33	257.72

Dated, Dhaka: April 28, 2014

As per our annexed report of even date.


Samuel S Chowdhury
Chairman & MD


Charles C.R. Patra
Director


Khandaker Habibuzzaman
Company Secretary


B.K. Bhattacharjee, FCA
Partner
Chowdhury Bhattacharjee & Co.
Chartered Accountants

SQUARE YARNS LIMITED

Statement of Changes in Equity For the Year ended December 31, 2013


Particulars	Share Capital	General Reserve & Surplus	Total Tk.
As at 31st December 2012	95,500,000	802,323,809	897,823,809
Net Profit for the Year 2013	-	233,330,417	233,330,417
As at 31st December 2013	95,500,000	1,035,654,226	1,131,154,226


Statement of Changes in Equity (Restated) For the Year ended December 31, 2012

Particulars	Share Capital	General Reserve & Surplus	Total Tk.
As at 31st December 2011	95,500,000	556,205,238	651,705,238
Net Profit for the Year 2012	-	246,118,571	246,118,571
As at 31st December 2012	95,500,000	802,323,809	897,823,809


Dated, Dhaka: April 28, 2014

As per our annexed report of even date.


Samuel S Chowdhury
Chairman & MD


Charles C. R. Patra
Director


Khandaker Habibuzzaman
Company Secretary


B.K. Bhattacharjee, FCA
Partner
Chowdhury Bhattacharjee & Co.
Chartered Accountants



SQUARE YARNS LIMITED


Statement of Cash Flows


For The Year Ended December 31, 2013

	2013	2012
Cash Flow From Operating Activities:		
Receipts:		
Cash from Sales Revenue	2,530,222,569	3,818,390,818
Total Cash Receipts	2,530,222,569	3,818,390,818
Payments:		
Purchase of Raw & Packing Materials	(1,885,457,025)	(2,307,859,568)
Paid for Operating & Non-operating Exp.	(246,995,268)	(251,567,344)
Interest Expenses	(13,127,195)	(35,928,313)
Income Tax Paid	(19,804,301)	(30,311,025)
Workers Profit Participation Fund and Welfare Fund	(5,598,289)	(7,857,679)
Total Payments	(2,170,982,078)	(2,633,523,929)
Net Cash Flow From Operating Activities	359,240,491	1,184,866,889
Cash Flow From Investing Activities		
Purchase of Fixed Assets	(112,925,034)	(30,165,832)
Net Cash Flow From Investing Activities	(112,925,034)	(30,165,832)
Cash Flow From Financing Activities		
Short Term Bank Loan Received	(7,480,591)	(11,028,197)
Short Term Loan from (to) Inter Co.	(206,251,394)	(354,668,610)
Refund of Share Money Deposit to STxL	-	(800,000,000)
Net Cash Flow From Financing Activities	(213,731,985)	(1,165,696,807)
Net Cash Position	32,583,472	(10,995,750)
Opening Cash & Cash Equivalents	143,405,573	154,401,323
Closing Cash & Cash Equivalents	Tk. 175,989,045	143,405,573


Dated, Dhaka: April 28, 2014

As per our annexed report of even date.


Samuel S Chowdhury
Chairman & MD


Charles C. R. Patra
Director


Khandaker Habibuazzaman
Company Secretary


B.K. Bhattacharjee, FCA
Partner
Chowdhury Bhattacharjee & Co.
Chartered Accountants



Square Texcom Limited
(A Subsidiary of Square Textiles Ltd.)



SQUARE TEXCOM LIMITED

Directors' Report to the Shareholders for the year 2012-2013

Dear Shareholders,

In terms of the provisions of section 184 of the Companies Act 1994 and IAS codes, I, on behalf of the Board of Directors, have the pleasure to submit its Report to you at the annual general meeting for the period ended 30th June, 2013 in the following paragraphs:

Shareholding:

The shareholding pattern of the company is as follows:

Name of the Shareholders	Shareholding	% of holding
Mr. Samuel S Chowdhury	1,166	1.166
Mr. Tapan Chowdhury	1,166	1.166
Mr. Anjan Chowdhury	1,166	1.166
Mrs. Anita Chowdhury	336	0.336
Mrs. Ratna Patra	1,166	1.166
M/s. Square Textiles Limited	950,000	95.00

On the basis of the above shareholdings, Square Texcom Ltd. has the status of subsidiary to Square Textiles Limited.

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. M Sekander Ali	Director
(Nominee of Square Textiles Ltd.)	

Mr. M Sekander Ali, Independent Director of Square Textiles Limited (holding company) represents as nominee director in the Board of Directors of Square Texcom Limited in compliance of the condition No. 5 of the corporate governance guideline dated 7th August, 2012 of Bangladesh Securities and Exchange Commission.

Operations:

The operational performance during the years 2011-2012 and 2012-2013 are as follows:

	2012-2013	2011-2012
Sales	471,909,474	131,721,348
Gross Profit/(Loss)	76,011,033	20,405,875
Net Profit / (Loss) AT	38,070,241	11,135,609
Gross Margin	16.11%	15.49%
Net Margin (AT)	8.07%	8.45%
Earnings Per Share (Par value Tk. 100)	380.70	111.36

The above reveals that the sales, Gross Profit and Net Profit/ EPS increased by 258.26%, 272.50% and 241.88% respectively during year 2012-13 over the previous year of 2011-2012.

Implementation:

The total cost of project incurred upto 30th June, 2013 as follows:

	2012-2013	2011-2012
Plant & Machinery	380,853,436	55,984,464
Buildings (Factory)	49,072,593	26,929,668
Land	4,722,300	14,293,450
Other Assets	11,650,751	63,773,368
Total Tk.	446,299,080	160,980,950

The additional investments during 2012-13 was made from internal borrowing from sister concern/ parent company and internal generation of fund.

APPROPRIATION OF PROFIT:

Though the Company earned a respectable level of profit Tk. 380.70 per share 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 recommended for declaration of any dividend for the year 2012-2013.

Financial Position:

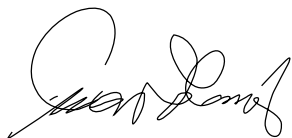
The Statement of Financial Position as of 30th June 2013, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows ended at 30 June 2013 are placed herewith.

Appointment of Auditors:

M/s. Chowdhury Bhattacharjee & Co., Chartered Accountants', Auditors of the Company, retire at this Annual General Meeting and being eligible have offer themselves for appointment as Auditors for the year 2013-2014 and re-fixation of their remuneration.

Acknowledgement:

The Directors record with appropriation the services rendered by all concerned.



Samuel S Chowdhury
Chairman



AUDITORS' REPORT

Auditors' Report to the Shareholders of Square Texcom Limited

We have audited the accompanying financial statements of Square Texcom Limited, which comprises the Statement of Financial Position as at 30th June 2013 and the related Statement of Comprehensive Income, for the year ended, and all related summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards, give a true and fair view of the state of the company's affairs as at 30th June, 2013 and the results of its operations comply with the companies Act 1994 and other applicable laws and regulations.

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 Comprehensive Income dealt with by the report are in agreement with the books of account and returns;
- (iv) The expenditure incurred was for the purpose of the company's business.

Dated, Dhaka
September 17, 2013



B.K. Bhattacharjee, FCA
Partner
Chowdhury Bhattacharjee & Co.
Chartered Accountants

SQUARE TEXCOM LIMITED

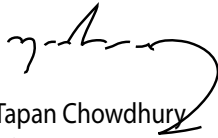
Statement of Financial Position As at June 30, 2013

	30-06-2013	30-06-2012
NET ASSETS:		
Fixed Assets:		
At Cost Less Depreciation	579,551,475	155,517,814
Preoperative Expenses	564,583,621	140,549,960
	14,967,854	14,967,854
Current Assets:		
Stocks	260,707,136	232,330,406
Accounts Receivable	43,932,977	120,969,320
Short Term Loan	136,435,949	43,714,670
Advance , Deposit & Prepayments	-	14,622,634
Cash & Bank Balance	26,530,798	21,010,654
	53,807,412	32,013,128
Less : Current Liabilities:		
Short Term Bank Loan	764,247,284	357,117,574
Short Term Loan	355,860	202,180,040
Sundry Creditors	530,918,486	-
Other Current Liabilities	206,866,061	146,757,102
Provision for Income Tax	16,151,062	6,215,325
	9,955,815	1,965,107
Net Current Assets	(503,540,148)	(124,787,168)
Deferred Tax Liability	7,210,440	-
	Tk. 68,800,887	30,730,646
FINANCED BY:		
Share Holders Equity:		
Share Capital	68,800,887	30,730,646
Share Money Deposit	10,000,000	10,000,000
General Reserve and Surplus	57,619,239	57,619,239
	1,181,648	(36,888,593)
	Tk. 68,800,887	30,730,646

Dated, Dhaka: September 17, 2013

As per our annexed report of even date.


Anjan Chowdhury
Managing Director


Tapan Chowdhury
Director


Khandaker Habibuzzaman
Company Secretary


B.K. Bhattacharjee, FCA
Partner
Chowdhury Bhattacharjee & Co.
Chartered Accountants



SQUARE TEXCOM LIMITED

Statement of Comprehensive Income
For the Year Ended June 30, 2013

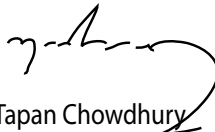
	2012-2013	2011-2012
Sales	471,909,474	131,721,348
Cost of Goods Sold	(395,898,441)	(111,315,473)
Gross Profit	76,011,033	20,405,875
Operating Expenses	(7,418,796)	(3,541,784)
Finance Cost	(12,657,279)	(3,108,339)
Net Profit/(Loss) Before Allocation of W.P.P.F & W.F.F	55,934,958	13,755,752
Allocation for W.P.P.F & W.F.F	(2,663,569)	(655,036)
Net Profit/(Loss) Before Tax	53,271,389	13,100,716
Provision for Income Tax	(7,990,708)	(1,965,107)
Provision for Deferred Tax	(7,210,440)	-
Net Profit/(Loss) For The Year	38,070,241	11,135,609
(Transferred to the Statement of Changes in Equity)		
Earning Per Share	380.70	111.36

Tk.

Dated, Dhaka: September 17, 2013

As per our annexed report of even date.


Anjan Chowdhury
Managing Director


Tapan Chowdhury
Director


Khandaker Habibuzzaman
Company Secretary


B.K. Bhattacharjee, FCA
Partner
Chowdhury Bhattacharjee & Co.
Chartered Accountants

SQUARE TEXCOM LIMITED

Statement of Changes in Equity For the Year ended June 30, 2013

Particulars	Share Capital	General Reserve & Surplus	Total Tk.
As at 30 th June 2012	10,000,000	(36,888,593)	(26,888,593)
Net Profit for the Year 2012-13	-	38,070,241	38,070,241
As at 30th June 2013	10,000,000	1,181,648	11,181,648

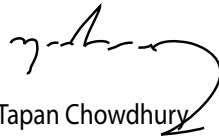
Statement of Changes in Equity For the Year ended June 30, 2012

Particulars	Share Capital	General Reserve & Surplus	Total Tk.
As at 30 th June 2011	10,000,000	(48,024,202)	(38,024,202)
Net Profit for the Year 2011-12	-	11,135,609	11,135,609
As at 30th June 2012	10,000,000	(36,888,593)	(26,888,593)


Dated, Dhaka: September 17, 2013

As per our annexed report of even date.


Anjan Chowdhury
Managing Director


Tapan Chowdhury
Director


Khandaker Habibuzzaman
Company Secretary


B.K. Bhattacharjee, FCA
Partner
Chowdhury Bhattacharjee & Co.
Chartered Accountants



SQUARE TEXCOM LIMITED

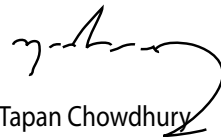
Statement of Cash Flows

For The Year Ended June 30, 2013

	2012-2013	2011-2012
Cash Flow From Operating Activities:		
Receipts:		
Cash from Sales Revenue	379,188,194	88,474,264
Total Cash Receipts	379,188,194	88,474,264
Payments:		
Purchase of Raw & Packing Materials	(139,321,500)	(6,723,912)
Paid for Operating & Non-operating Exp.	(97,488,591)	(62,792,815)
Interest Expenses	(6,389,922)	(780,002)
Income Tax Paid	(5,416,758)	(512,744)
Total Payments	(248,616,771)	(70,809,473)
Net Cash Flow From Operating Activities	130,571,423	17,664,791
Cash Flow From Investing Activities		
Purchase of Fixed Assets	(424,899,351)	(95,890,330)
Net Cash Flow From Investing Activities	(424,899,351)	(95,890,330)
Cash Flow From Financing Activities		
Short Term Bank Loan Received	(201,824,180)	202,180,040
Short Term Loan from (to) Inter Co.	517,946,392	(93,122,042)
Net Cash Flow From Financing Activities	316,122,212	109,057,998
Net Cash Position	21,794,284	30,832,459
Opening Cash & Cash Equivalents	32,013,128	1,180,669
Closing Cash & Cash Equivalents	Tk. 53,807,412	32,013,128

Dated, Dhaka: September 17, 2013

As per our annexed report of even date.


Anjan Chowdhury
Managing Director

Tapan Chowdhury
Director


Khandaker Habibuzzaman
Company Secretary

B.K. Bhattacharjee, FCA
Partner
Chowdhury Bhattacharjee & Co.
Chartered Accountants

১৮তম বার্ষিক সাধারণ সভা

১৩ই জুন, ২০১৩

আদাবানা পাকসন, মানদাপাড়া, কাশিমপুর, গাজীপুর

 **SQUARE**
TEXTILES LIMITED

 **SQUARE**
TEXTILES LIMITED



Square Textiles Limited

Registered Office : Square Centre, 48, Mohakhali Commercial Area, Dhaka-1212

PROXY FORM

I/We

of

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

Mr/Mrs/Miss

of

as my/our proxy to attend and vote for me/us on my/our behalf at the 19th Annual General Meeting of the Company to be held on Monday the 16th June, 2014 at 10:30 a.m. at Factory Premises, Sardaganj, Kashimpur, Gazipur.

As witness my hand this day of, 2014.

Affix
Revenue
Stamp

.....
(Signature of the Proxy)

.....
(Signature of the Shareholder)

Dated

Dated

Folio / BO ID

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

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

Signature Verified

Authorized Signatory
Square Textiles Limited



