

# Annual Report 2009







## TRANSMITTAL LETTER

To  
All Shareholders  
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 December 31, 2009**

Dear Sir (s)

We are pleased to enclose a copy of Annual Report together with the Audited Accounts including Consolidated and Separate Balance Sheets as at December 31, 2009 and Income Statements, Cash Flow Statements for the year ended December 31, 2009 along with notes thereon of Square Textiles Limited & its Subsidiary, Square Yarns Limited for your information and records.

Yours sincerely



Khandaker Habibuzzaman  
Company Secretary

Dated: Dhaka  
May 25, 2010

## 15TH ANNUAL GENERAL MEETING NOTICE

Notice is hereby given that the 15TH ANNUAL GENERAL MEETING of the shareholders of SQUARE TEXTILES LTD. will be held on **Wednesday** the **16th June**, 2010 at 10.30 a.m at Factory Premises, Sardaganj, Kashimpur, Gazipur to transact the following agenda:

### Ordinary Business

- Agenda1: To receive, consider and adopt the Accounts for the year ended December 31, 2009 together with the report of the Directors and Auditors' thereon.
- Agenda 2: To declare dividend for the year ended December 31, 2009.
- Agenda 3: To elect Directors in terms of the relevant provision of the Articles of Association of the Company.
- Agenda 4: To appoint Auditors and to fix their remuneration.

Dated: Dhaka  
May 25, 2010

By order of the Board



Khandaker Habibuzzaman  
Company Secretary

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.







# Corporate Highlights

## **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 pole star 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.

## **CORPORATE GOVERNANCE:**

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

### **A) TOP MANAGEMENT:**

#### **(i) 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 6 (six) 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 and appointment of an independent director as per SEC guidelines.

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.

#### **(ii) 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 SEC guidelines for ensuring good governance practices. The audit committee of the Board held 2 (two) Meetings during the year and examined the coverage of internal and external audit.

## **B) 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:**

### **(a) AUDIT COMMITTEES:**

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

### **(b) EMPLOYMENT RELATIONS COMMITTEES:**

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

### **(c) MANAGEMENT COMMITTEES:**

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





## 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.

## 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.

A high-angle, soft-focus photograph of a minimalist desk. In the upper right, a white ceramic mug filled with dark coffee sits on a white surface. To its left, a portion of a white keyboard and a white mouse are visible. In the lower left, a white ceramic vase holds a brown branch with several fluffy white flowers. The text "Corporate review" is overlaid in a teal color on the right side of the image.

## Corporate review





## MANAGEMENT APPARATUS

### a) Board of Directors:

Mr. Samson H. Chowdhury  
Mr. Samuel S. Chowdhury  
Mr. Tapan Chowdhury  
Mrs. Anita Chowdhury  
Dr. Kazi Harunur Rashid  
Mr. Anjan Chowdhury  
Mr. Charles C.R. Patra  
Mrs. Ratna Patra  
Mr. Kazi Iqbal Harun  
Mr. M. Sekander Ali

Chairman  
Vice- Chairman  
Managing Director  
Director  
Director  
Director  
Director  
Director  
Independent Director

### b) Audit Committee:

Mr. M. Sekander Ali  
Mr. Charles C.R. Patra  
Mr. Anjan Chowdhury

Chairman  
Member  
Member

### c) Management Committee:

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

Chairman  
Member  
Member  
Member  
Member

### d) Senior Corporate Officials:

Chief Financial Officer  
Company Secretary  
Head of Internal Audit

Mr. Md. Alamgir Hossain, FCMA, FCA  
Mr. Khandaker Habibuzzaman, ACS  
Mr. Mojibur Rahman Bhuiyan, CA (I)

### e) Legal Advisers:

1. Mr. Rokanuddin Mahmud, Bar-at- Law  
Walsow Tower, 21-23, Kazi Nazrul Islam  
Avenue, Dhaka.
2. Mr. M. Moniruzzaman Khan, Bar- at- Law  
City Heart, 67, Naya Paltan, VIP Road, Dhaka.
3. Ms. Nihad Kabir, Bar-at-Law  
Concord Ovalash (1st floor), House-62  
Road- 11A, Dhanmondi, Dhaka

### f) Auditors:

M/s. Chowdhury Bhattacharjee & Co.  
Chartered Accountants  
47/2, Indira Road  
Dhaka-1215, Bangladesh.

### g) Factory:

Saradaganj, Kashimpur, Gazipur, Bangladesh

### h) Registered Office:

"Square Centre"  
48, Mohakhali C.A., Dhaka-1212, Bangladesh  
Phone: 880-2-8833047-56, 8859007

### i) Bankers:

1. Standard Chartered Bank  
SCB House, 67 Gulshan Avenue, Dhaka.
2. Bank Al Falah Limited  
5, Rajuk Avenue, Dhaka
3. HSBC Ltd.  
Anchor Tower  
1/1 –B Sonargaon Road  
Dhaka-1205, Bangladesh.

### j) Insurers:

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

## GENERAL INFORMATION

### CORPORATE HISTORY:

* Year of Establishment (Incorporated as a Public Limited Company)	: 1994
* Year of Operation	: 1997
* Stock Exchange Listings (Dhaka & Chittagong)	: 2002
* Awarded Oeko-Tex Standard 100	: 2000
* Awarded ISO-9002 Certificate	: 2000
* Business Lines	: Manufacturing and marketing of yarn
* Authorized Capital	: Tk. 1,000 million
* Paid-up Capital	: Tk. 705.84 million
* Number of Employees (As on December 31, 2009)	: 1,884 Persons

### CORPORATE OPERATIONAL RESULTS:

	2009	2008	2007	2006	2005
				(Figures in thousand)	
Turnover (Net)	3,882,244	3,052,235	2,541,543	2,620,966	2,390,979
Gross Profit	533,374	463,216	582,846	579,900	543,160
Net Profit before tax	311,777	277,582	411,123	403,965	397,812
Net Profit after tax	260,634	236,530	352,447	348,833	255,494
Shareholders' Equity	3,119,404	2,964,646	2,020,482	1,770,905	1,513,511
Total Assets	5,508,282	5,807,897	3,659,375	3,120,686	2,585,177
Total Current Assets	3,224,730	3,437,050	2,085,816	1,417,780	1,391,410
Total Current Liabilities	2,276,602	2,722,233	1,382,789	1,269,821	989,212
Current ratio	1.42	1.26	1.51	1.12	1.41
No. of Share Outstanding	70,584,053	58,820,044	39,433,370	34,289,887	30,479,900
Face Value per Share	10	10	10	10	10
Shareholders' Equity per Share	44.19	50.04	51.23	51.65	49.66
Earning per Share	3.69	4.71	8.94	8.85	6.48
EPS on Share Issued for Cash	10.45	9.39	13.99	13.85	10.14
Quoted Price per Share (DSE)	111.54	117.30	127.40	75.60	81.70
Quoted Price per Share (CSE)	111.37	118.00	127.80	75.20	81.50
Price Earnings ratio-DSE (Time)	30.22	24.90	14.25	7.43	9.75
Dividend Declared per Share(Cash)	1.60	1.8	2.5	3.00	3.00
Dividend Declared (Stock)	100:15	5:1	5:1	100:15	8:1
Dividend Declared (%)	31	38	45	45	42.50
Number of Shareholders	29,789	30,179	22,657	15,877	14,320
Human Resources: (Persons)					
Executives	182	178	150	140	125
Staff	170	167	112	105	75
Workers	1532	1,520	1,363	1,244	1,254



## MESSAGE FROM THE CHAIRMAN

**Dear Shareholders,**

As the year 2009 began with a new era and inspired the nation with great expectation, the company too passed through and inched ahead with increased turnover amidst recession amongst the countries that import our products and supply our raw materials. As the signs of recession started to die away and major buyers began to shift their sourcing strategy to Bangladesh, the threatened systemic effects on our exports ceased to be seriously perceived. However, internally, the manufacturing sector continued to face power/gas shortages with declining output and increased costs of production thus eroding competitiveness of our export products, especially RMG and food products. The remittance from wage-earners started against to increase with positive impact on the balance of payment as a result of which no crisis-borrowing from IMF was called for. The fundamentals of the economy including inflation rate, exchange rate, interest rates, GDP growth rate etc were maintained within their limits, through the "investments" failed to show signs of growth particularly due to shortage of gas & power factors.

In the face of the economic atmosphere as outlined above, the company's performance would be rated outstanding by many investors improvement in the gas/power situation in the coming days would be indispensable for survival with expected profitability, I hope the shareholders and stakeholders would recognize the fact of life and be prepared accordingly.

Looking forward to better days ahead.

Samson H. Chowdhury



## ASSURANCE TO THE STAKEHOLDERS' FROM THE MANAGING DIRECTOR/CEO

### **Dear Shareholders,**

I feel it my obligation to all of our stakeholders restates our assurances in maintaining operational results up to their expectations. I would like to inform them that despite the shortages of gas and power our operations were maintained without significant loss of output. The merger of Square Spinnings Ltd. with the company was successfully integrated without any loss of jobs to the workers/employees.

I would further assure the shareholders that the workers, employees and the Management team would leave no stone unturned in protecting the interest of all stockholders, workers, employers, suppliers, lenders, regulators, government and above all the shareholders who have reposed their trust in us with their savings.

Seeking your cooperation and guidance for a brighter future.

Tapan Chowdhury





## **Directors report**



# DIRECTORS' REPORT

## 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 2009 in the following paragraphs;

#### COMPANY'S OPERATIONS:

##### (1) CAPACITY/ PRODUCTION

The Company's installed production capacity increased by 59.68% during the year 2009 due to merger of Square Spinnings Limited with Square Textiles Limited on September 30, 2008. The total installed production capacity (at average 30s, 14s OE and 10s OE counts) as of December 31, 2009 was as follows:

	2009	2008	2007	2006	2005
<b>(1.1) Spindles/ Rotors</b>					
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	768	768	768
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	768	768	768
<b>(1.2) Production Capacity Installed (Kg):</b>					
-At Equivalent 30s Count (Ring Yarn)	11,582,899	11,271,574	11,271,574	11,271,574	11,271,574
-At Equivalent 10s Count (O/E Yarn)	2,329,234	2,239,230	2,239,230	2,239,230	2,239,230
- At Equivalent 14s Count (O/E Yarn)	10,000,454	1,464,610	-	-	-
<b>Total</b>	<b><u>23,912,587</u></b>	<b><u>14,975,414</u></b>	<b><u>13,510,804</u></b>	<b><u>13,510,804</u></b>	<b><u>13,510,804</u></b>



# Directors' Report

	2009	2008	2007	2006	2005
<b>(1.3) Actual Production (Kg):</b>					
- At Equivalent 30s Count (Ring Yarn)	10,593,511	10,333,745	10,669,536	11,024,743	11,099,667
- At Equivalent 10s Count (O/E Yarn)	2,079,084	2,099,388	2,216,588	2,225,227	2,232,795
- At Equivalent 14s Count (O/E Yarn)	8,737,910	1,445,570	-	-	-
<b>Total</b>	<b>21,410,505</b>	<b>13,878,703</b>	<b>12,886,124</b>	<b>13,249,970</b>	<b>13,332,462</b>
<b>(1.4) Production Efficiency (%):</b>					
- 30s Count (Ring Yarn)	91.46	91.68	94.66	97.81	98.47
- 10s Count (O/E Yarn)	89.26	93.75	98.99	99.37	99.71
- 14s Count (O/E Yarn)	87.38	98.70	-	-	-
<b>Total</b>	<b>89.54</b>	<b>92.68</b>	<b>95.38</b>	<b>98.07</b>	<b>98.68</b>

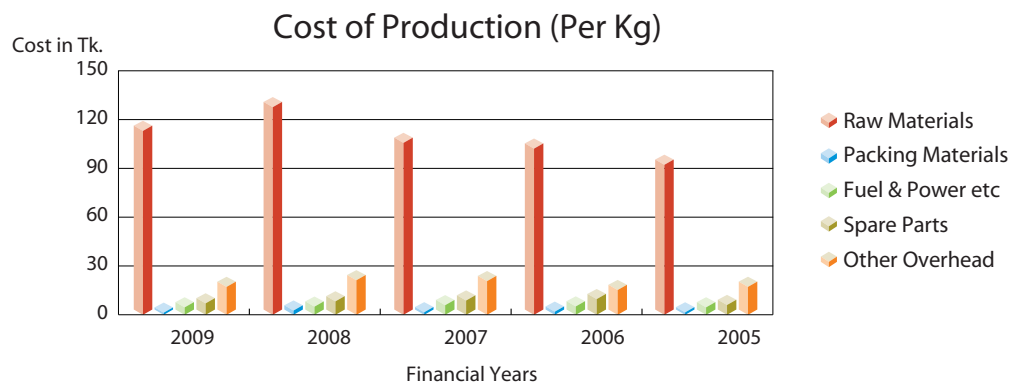
From the above it is evident that production increased by 54.27% over the previous year due to increase in Rotor Heads which was acquired from Square Spinnings Limited by merger process. Production efficiency however marginally fell in 2009 over 2008 due to productmix change and shortage of gas/power.

## (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:

	2009	2008	2007	2006	2005
<b>(a) Output of Yarn (Kg)</b>	23,190,746	15,657,509	13,597,921	14,025,223	14,932,931
<b>(b) Cost of Major Items:</b>					
Raw Material Consumed (Tk)	2,644,967,512	2,006,550,074	1,450,439,367	1,530,074,887	1,391,342,402
Packing Materials	30,261,942	41,945,314	22,029,802	29,352,841	23,257,848
Fuel/ Power etc	119,836,772	79,522,329	81,178,400	83,543,899	69,315,430
Spare Parts	163,554,586	130,557,589	120,532,125	145,102,874	91,045,786
Other Overhead	399,713,131	337,331,633	286,320,181	247,218,587	261,823,164
<b>Total Cost</b>	<b>3,358,333,943</b>	<b>2,595,906,939</b>	<b>1,960,499,875</b>	<b>2,035,293,088</b>	<b>1,836,784,630</b>

(c) Unit cost/Kg (Tk):	2009	2008	2007	2006	2005
Raw Material Consumed(Tk)	114.05	128.15	106.66	102.46	93.17
Packing Materials	1.30	2.68	1.62	1.97	1.56
Fuel/ Power etc	5.17	5.08	5.97	5.59	4.64
Spare Parts	7.05	8.34	8.86	9.72	6.10
Other Overhead	17.24	21.54	21.06	16.56	17.53
<b>Unit Cost</b>	<b><u>144.81</u></b>	<b><u>165.79</u></b>	<b><u>144.17</u></b>	<b><u>136.30</u></b>	<b><u>123.00</u></b>
Raw Materials Cost % of Total:	78.76%	77.30%	73.98%	75.18%	75.75%



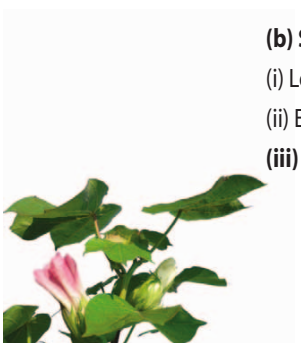
The above figure reveals that the unit cost fell by 12.65% in 2009 over 2008 while raw material costs decreased by 11.00% in 2009 over 2008. Cost of packing materials, spare parts and other overheads also declined in 2009 over 2008 by 51.49%, 15.46% and 19.96% respectively. Unit cost of raw materials to total unit cost however increased by 1.89% during the year 2009 over 2008. The decrease in the major items such as raw materials, packing materials, and other overhead was due to fall in international market.

### (3)MARKETING OPERATIONS:

#### (i) Market Exposure:

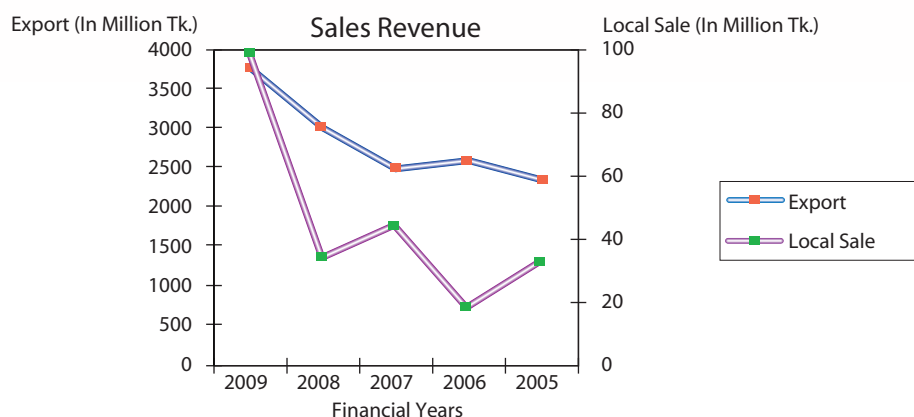
The Company's marketing operations continued its emphasis on export sales over the years as depicted below:

	2009	2008	2007	2006	2005
<b>(a)Quantity Sold (Kg)</b>					
(i) Local Sales	561,347	165,247	221,514	112,706	248,067
(ii) Export Sales	22,625,699	15,491,421	13,371,187	14,001,403	14,725,387
<b>(iii) Total Sales</b>	<b><u>23,187,046</u></b>	<b><u>15,656,668</u></b>	<b><u>13,592,701</u></b>	<b><u>14,114,109</u></b>	<b><u>14,973,454</u></b>
<b>(b) Sales Revenue (Tk):</b>					
(i) Local Sales	98,729,395	34,128,293	44,373,889	18,307,968	32,632,279
(ii) Export Sales	3,783,514,615	3,018,107,347	2,497,168,878	2,602,657,963	2,358,346,242
<b>(iii) Total Sales</b>	<b><u>3,882,244,010</u></b>	<b><u>3,052,235,640</u></b>	<b><u>2,541,542,767</u></b>	<b><u>2,620,965,931</u></b>	<b><u>2,390,978,521</u></b>





## Directors' Report



The above figures show while the local sales revenue increased by 189.29% in 2009 over the previous year the export revenue rose by 25.36% during the year under review over 2008. The overall turnover also increased by 27.19% during 2009 over 2008.

### (ii) Unit Selling Prices Attained:

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

	2009	2008	2007	2006	2005
Local Sales	175.88	206.53	200.32	162.44	131.56
Export Sales	167.22	194.82	186.76	185.88	160.16
<b>Total Sales (Average)</b>	<b>167.43</b>	<b>194.95</b>	<b>186.98</b>	<b>185.70</b>	<b>159.68</b>

The above indicate that while local selling price decreased by 14.84% during 2009 over 2008, export selling price fell by 14.17% over the same period. This is primarily ascribable to the international situation and export demand. The overall average price decreased by 14.12% during 2009 over 2008, as against raw material price fall of about 11.00% over the previous year.

### CAPITAL EXPENDITURES:

In order to continuously upgrade the productive facilities, the Company made additional net capital expenditures of Tk. 96.87 million as follows:

	2009	2008	2007	2006	2005
(Taka in Million)					
Land/civil construction	31.18	17.96	5.54	17.37	84.42
Plant and Machinery	57.39	103.98	86.55	39.27	61.95
Other Fixed Assets	8.30	8.66	5.59	4.94	16.16
<b>Total</b>	<b>96.87</b>	<b>130.60</b>	<b>97.68</b>	<b>61.58</b>	<b>162.53</b>

The above investment have helped increase the production efficiency. The entire amount has been invested out of its internal generation of fund.

### INVESTMENT IN SUBSIDIARIES:

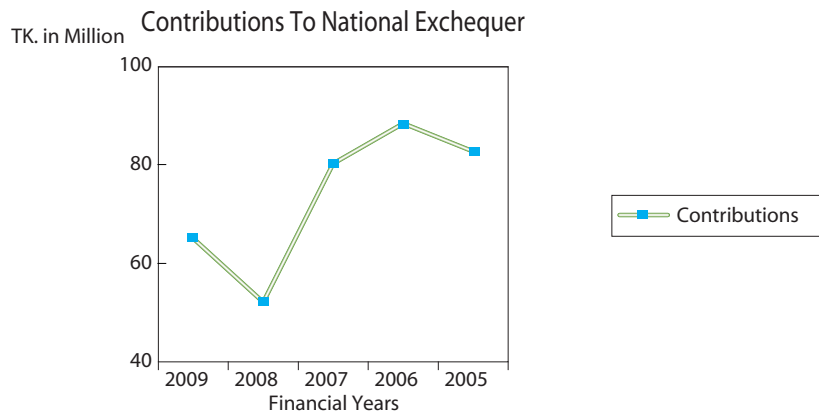
The Company has invested Tk. 95,000,000 as equity (99.50%) in the capital of Square Yarns Limited and has also deposited Tk. 800,000,000 as share money deposit. As per provision of the Company Act 1994 Square Yarns Limited is a subsidiary and as such Directors report along with audited accounts have been included as part of this report. The Company has also paid Tk. 10,000,000 as agreement signing money for acquisition of 95,000 ordinary shares of Tk. 100 each (95%) of Mithapur Textiles Limited at valuka Mymensing. The Acquisition is expected to increased profitability of the Company.

### CONTRIBUTIONS:

#### 1. Contribution to National Exchequer:

The Company contributed an amount of Tk. 65.10 million in 2009 to the National Exchequer consisting of the following:

	2009	2008	2007	(Taka in Million)	
				2006	2005
Corporate Income Tax	51.14	41.05	58.68	55.37	59.86
Advance Income Tax (Deducted at source)	1.43	1.43	5.50	3.49	14.33
Excise/VAT/Import Duties/Taxes etc.	11.36	9.01	16.00	29.54	8.09
Govt. Taxes/Stamp Duties/License Fees etc.	1.17	0.65	0.14	0.08	0.49
<b>Total</b>	<b>65.10</b>	<b>52.14</b>	<b>80.32</b>	<b>88.48</b>	<b>82.77</b>



#### 2. Foreign Exchange Earned/Saved:

The Company contributed substantially to the Foreign Exchange Reserve of the Country during 2009 through its export marketing operation. This amounted to Tk. 1,327.74 million as detailed below:

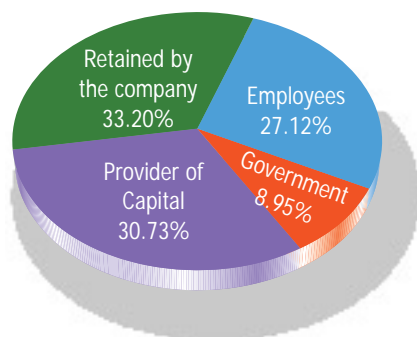
	2009	2008	2007	(Taka in Million)	
				2006	2005
Total Export Earnings	3,783.51	3,018.10	2,497.17	2,620.96	2,390.98
Less: import costs / expenses					
Raw Cotton	2,351.78	2,339.00	1,417.67	1,557.42	1,578.13
Spare Parts	75.00	150.18	147.95	135.81	59.02
Miscellaneous	28.99	11.95	10.90	39.21	13.63
<b>Net Export Earnings</b>	<b>1,327.74</b>	<b>516.97</b>	<b>920.65</b>	<b>888.52</b>	<b>740.20</b>

# Directors' Report

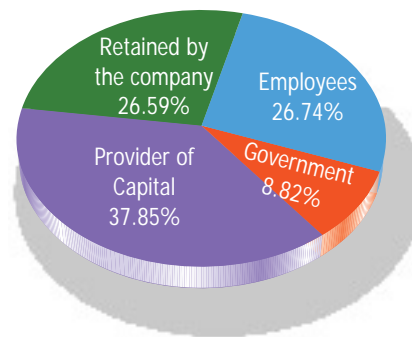
## 3) VALUE ADDED STATEMENTS:

	2009	2008
<b>Source of Funds</b>		
Net Turnover	3,882,244,010	3,052,235,640
Less: Bought in Materials and Services	(3,195,621,485)	(2,485,272,448)
Add: Other Income	25,554,510	23,722,979
<b>Value Added</b>	<b>Tk. 712,177,035</b>	<b>590,686,171</b>
<b>Applied in the following Ways</b>		
<b>Employees</b>	193,146,215	157,956,700
Salaries, Wages, Gratuity and Other benefits	177,557,371	144,077,613
Contribution to Workers Profit Participation & Welfare fund	15,588,844	13,879,087
<b>Government</b>	63,769,683	52,144,778
Corporate Tax	51,142,872	41,051,825
Other Government Dues	12,626,811	11,092,953
<b>Provider of Capital</b>		
Dividend	218,810,564	223,516,167
<b>Retained by the company</b>	236,450,573	157,068,526
Depreciation	194,627,135	144,054,784
Retain Earning	41,823,438	13,013,742
<b>Tk.</b>	<b>712,177,035</b>	<b>590,686,171</b>

Distribution of Value Addition in 2009



Distribution of Value Addition in 2008



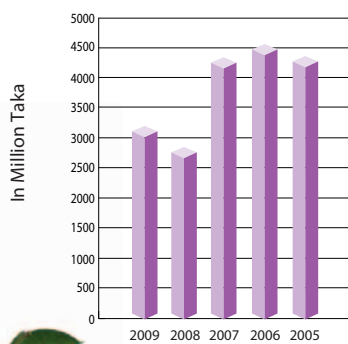
## FINANCIAL RESULTS:

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

	(Taka)	(Taka)	(Taka)	(Taka)	(Taka)
	2009	2008	2007	2006	2005
Turnover	3,882,244,010	3,052,235,640	2,541,542,767	2,620,965,931	2,390,978,521
Cost of Goods Sold	3,348,870,289	2,589,019,736	1,958,696,404	2,041,065,393	1,847,818,461
Gross Profit	533,373,721	463,215,904	582,846,363	579,900,538	543,160,060
Operating Expenses	109,832,354	85,777,018	61,767,371	65,329,725	57,551,911
Finance Cost	121,730,159	109,701,045	106,026,180	77,350,086	67,966,406
Operating Income	301,811,208	267,737,841	415,052,812	437,220,727	417,641,743
Other Income	25,554,510	23,722,979	16,626,533	1,606,504	61,069
Extra Ordinary Income/Expenditure	-	-	-	(14,663,944)	-
Net profit before WPPF	327,365,718	291,460,820	431,679,345	424,163,287	417,702,812
Contribution WPPF	15,588,844	13,879,087	20,556,159	20,198,252	19,890,610
Net profit (BT)	311,776,874	277,581,733	411,123,186	403,965,035	397,812,202
Provision for Income Tax	51,142,872	41,051,825	58,676,050	55,131,582	59,864,394
Provision for Deferred Tax	-	-	-	-	82,453,478
Net Profit (AT)	260,634,002	236,529,908	352,447,136	348,833,453	255,494,330
Gross Margin	13.74%	15.18%	22.93%	22.13%	22.72%
Net Margin	6.71%	7.75%	13.87%	13.31%	10.69%
Earing per share (EPS)	3.69	4.71	7.45	7.37	5.39
Return on Equity(ROE)	8.57%	9.49%	18.59%	21.24%	17.85%
Outstanding Shares	70,584,053	58,820,044	39,433,370	34,289,887	30,479,900
Face value per share (Tk.)	10	10	10	10	10

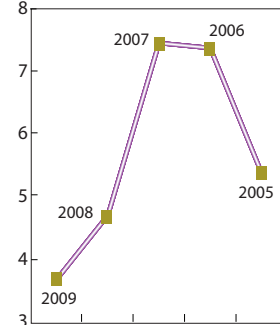
The turnover increased by 27.19% during 2009 over 2008 when it rose by 20.09% over 2007. However, The gross margin fell by 9.88% to 13.74% during the year 2009 as against a fell of 33.80% to 15.18% during the previous year. As the operating expenditure increased by 28.04% over previous year, the operating income increased by 12.72% only over the previous year. Due to sharp fall in gross margin, increase in operating expenses and higher other income and non provision of deferred tax the net profit increased by 10.19% only over the previous year. The EPS however fell due to issuance of bonus share during the previous year.

Operating Income



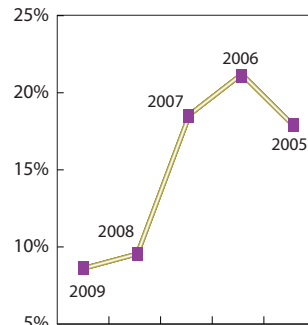
Financial Years

Tk. EPS



Financial Year

Percentage Return on Equity(ROE)



Financial Year



## Directors' Report

### APPROPRIATION:

The net profit of Tk. 260,634,002 earned during the year 2009 has been recommended by the board of directors to be appropriated in the following manner:

a) Provision for proposed cash dividend for the year 2009 Tk. 1.60 per share	Tk 112,934,484
b) Provision for Bonus Share in the ratio of 100:15	Tk 105,876,080
c) Transfer to general reserve & surplus	Tk 41,823,438
	<u><b>260,634,002</b></u>

In view of EPS of Tk 3.69 per share of Tk. 10 (Ten) each, the Board of directors have been pleased to recommend for declaration of cash dividend at the rate of Tk.1.60 per share by the shareholders and issuance of bonus shares as stock dividend at the rate of 15 (Fifteen) shares for existing 100 shares.

### ELECTION OF DIRECTORS:

Dr. Kazi Harunar Rashid, Mr. Kazi Iqbal Harun and Mr. Charles C R Patra retire as per article 125 & 126 of articles of association and being eligible offer themselves for reelection.

### APPOINTMENT OF AUDITORS:

M/s. Chowdhury Battacharjee & Co. Chartered Accountants, Auditors, retire at this Annual General Meeting and being eligible offer themselves for re-appointment for the year 2010.

### 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. The status report required to be presented by the company in pursuance to notification No. SEC/CMRRCD/2006-158/Admin/02-08 of February 20, 2006 issued by Securities & Exchange Commission is depicted in the ANNEXTURE-i.

### 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 the 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 humbly express its gratitude and acknowledge with keen interest the cooperation and unflinching support it has received from various agencies including Securities and Exchange Commission, Stock Exchanges, National Board of Revenue and other agencies of the public and the private sector.



Samson H Chowdhury  
Chairman

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





**Annexure**



## ANNEXURE-I

The Directors also report that:

- The financial statements of the Company present true and fair view of Company's state of affairs result of its operations, cash flows and changes in equity.
- Proper books of accounts as required by 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 have been prepared in accordance with International Accounting Standard (IAS) as applicable in Bangladesh.
- The internal control system is sound in design and effectively implemented and monitored.
- There are so significant doubts upon the company's ability to continue as a going concern.
- There is no significant deviation from the operating result of the last year.
- The number of board meetings and the attendance of directors during the year 2009 were as follows:

Name of Directors	Position	Meeting Held	Attended
Mr. Samson H. Chowdhury	Chairman	6	6
Mr. Samuel S. Chowdhury	Vice- Chairman	6	6
Mr. Tapan Chowdhury	Managing Director	6	4
Mrs. Anita Chowdhury	Director	6	5
Dr. Kazi Harunur Rashid	Director	6	6
Mr. Anjan Chowdhury	Director	6	6
Mr. Charles C.R. Patra	Director	6	6
Mrs. Ratna Patra	Director	6	4
Mr. Kazi Iqbal Harun	Director	6	5
Mr. M. Sekender Ali	Independent Director	6	6

- The classification of shareholders by holding as at December 31st ,2009 is given in ANNEXURE-II
- Compliance report is enclosed herewith as ANNEXURE-II
- Status of compliance with the conditions imposed by the Securities and Exchange Commission is enclosed as ANNEXURE-III.
- Key operating and financial data of last three years have been presented in summarized form in ANNEXURE-IV.

## ANNEXURE-II

Pattern of Shareholding as on December 31, 2009

Particulars	Nos. Share holding	Percentage	Remark
Parent Company	-	-	The company is not subsidiary of any company
Associated Companies:			
Square Pharmaceuticals Ltd.	32,784,641	46.45%	
Other Related Parties:			
Directors:			
Mr. Samson H. Chowdhury	5,595,939	7.93%	
Mrs. Anita Chowdhury	225,559	0.32%	
Mr. Samuel S. Chowdhury	1,279,472	1.81%	
Mr. Tapan Chowdhury	1,424,836	2.02%	
Mr. Anjan Chowdhury	1,000,349	1.42%	
Mrs. Ratna Patra	668,485	.95%	
Dr. Kazi Harunur Rashid	346,046	0.49%	
Mr. Kazi Iqbal Harun	341,638	0.48%	
Mr. Charles C.R. Patra	42,587	0.06%	
Chief Executive Officer(CEO) and his spouse and minor children:	1,424,836	2.02%	
Chief Financial Officer(CFO) and his spouse and minor children:	-	-	
Company Secretary(CS) and his spouse and minor children:	774	-	
Head of Internal Audit(HIA) and his spouse and minor children:	1,154	-	
Executives(Top five salaried person other than CEO,CFO,CS,HIA):			
1. Mr. Mostaque Ahmed Siddiqui, ED	2,253	-	
2. Mr. Abdur Rashid, GM,Factory	-	-	
3. Mr. Idris Ali, DGM, Utility	-	-	
4. Mr. AZM Salahuddin, AGM, Marketing	-	-	
5. Mr. Muhammad Zahangir Alam, Manager	100	-	
Shareholders Holding 10% or more voting right:			
Square Pharmaceuticals Ltd.	32,784,641	46.45%	





## Annexure

### ANNEXURE-III

Status of compliance with the conditions imposed by the Securities and Exchange Commission's notification No. SEC/CMRRCD/2006-158/Admin/02-08 dated February 20, 2006

Condition No.	Title	Compliance Status	Explanation for non compliance with the condition
1.1	Board's Size: Board members should not be less than 5(Five) and more than 20(Twenty)	Complied	
1.2(i)	Independent Director: At least 1/10 th	Complied	
1.2(ii)	Appointment of independent Director by elected Directors	Complied	
1.3	Individual Chairman of the Board, Chief Executive, clearly defined roles and responsibilities	Complied	
1.4	The Directors report to Shareholders on:-		
1.4(a)	Fairness of financial Statements	Complied	
1.4(b)	Maintenance of Proper books of accounts	Complied	
1.4(c)	Adaptation of appropriate Accounting policies and estimates	Complied	
1.4(d)	Compliance with International Accounting Standard (IAS)	Complied	
1.4(e)	Soundness of Internal Control System	Complied	
1.4(f)	Ability to Continue as Going Concern	Complied	
1.4(g)	Significant deviation from last year	Complied	
1.4(h)	Presentation of last three years data	Complied	
1.4(i)	Declaration of Dividend	Complied	
1.4(j)	Details of Board Meeting	Complied	
1.4(k)	Shareholding Pattern	Complied	
2.1	Appointment of CFO, Head of Internal Audit and Company Secretary and defining of their respective roles, responsibilities and duties	Complied	



Condition No.	Title	Compliance Status	Explanation for non compliance with the condition
2.2	Attendance of CFO and the Company Secretary at Board of Directors meeting	Complied	
3.00	Audit Committee	Complied	
3.1(i)	Constitution of Committee	Complied	
3.1(ii)	Constitution of Committee with Board members including one Independent Director	Complied	
3.1(iii)	Filling of Casual Vacancy in committee	Complied	
3.2(i)	Chairman of the Committee	Complied	
3.2(ii)	Professional Qualification and experience of the Chairman of the committee	Complied	
3.3.1(i)	Reporting to the Board of Directors	Complied	
3.3.1(ii)(a)	Reporting of Conflict of Interest to the Board of Directors	Complied	
3.3.1(ii)(b)	Reporting of any fraud or irregularity to the Board of Directors	Complied	
3.3.1(ii)(c)	Reporting of violation of laws to the Board of Directors	Complied	
3.3.1(ii)(d)	Reporting of any other matter to the Board of Directors	Complied	
3.3.2	Reporting of Qualified point to Commission	Complied	
3.4	Reporting of activities to the Shareholders and General Investors	Complied	
4.00	External/Statutory Auditors:		
4.00(i)	Non-engagement in appraisal or valuation	Complied	
4.00(ii)	Non- engagement in designing of Financial Information System	Complied	
4.00(iii)	Non-engagement in Book-Keeping	Complied	
4.00(iv)	Non-engagement in Broker-dealer service	Complied	
4.00(v)	Non-engagement in Actuarial Services	Complied	
4.00(vi)	Non-engagement in Internal Audit	Complied	
4.00(vii)	Non-engagement in any other services	Complied	





## Annexure

### ANNEXURE-IV

Key operating and financial data of last three years have been presented below in summarized form;

Figure in Tk.,000.00

Particulars	2009	2008	2007
Turnover	3,882,244	3,052,236	2,541,54
Cost of Goods Sold	3,348,870	2,589,020	1,958,696
Gross Profit	533,373	463,216	582,846
Operating Expenses	109,832	85,777	61,767
Finance Cost	121,730	109,701	106,026
Operating Income	301,811	267,738	415,053
Other Income	25,554	23,723	16,626
Net profit before WPPF	327,365	291,461	431,679
Contribution WPPF	15,588	13,879	20,556
Net profit (BT)	311,776	277,582	411,123
Provision for Income Tax	51,142	41,052	58,676
Net Profit (AT)	260,634	236,530	352,447
Total Assets	5,508,281	5,807,897	3,483,231
Total Fixed Assets	2,283,552	2,370,847	1,573,559
Total Current Assets	3,224,729	3,437,050	1,909,672
Total Current Liabilities	2,276,601	2,722,233	1,382,888
Current Ratio	1.42	1.26	1.38
Shareholders' Equity	3,119,404	2,964,646	2,020,482
Earning Per Share (EPS)	3.69	4.71	7.45
Dividend Per Share Cash	Tk. 1.60	Tk. 1.80	Tk. 2.50
Divident Per Share Bonus	100:15	1:5	1:5
MP (DSE) Year End	111.54	117	127.40
PER (Year End)	30.22	24	14.25





# Audit Committee Report

## AUDIT COMMITTEE REPORT

### Square Textiles Limited For the year 2009

The Audit Committee consists of the following members:

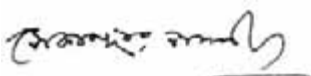
Mr. M Sekander Ali	Chairman
Mr. Anjan Chowdhury	Member
Mr Charles C R Patra	Member

#### The scope of Audit Committee was defined as under:

- Review and recommend to the Board to approve the financial statements prepared for statutory purpose;
- Report to the Board of Directors on internal audit findings from time to time considering the significance of the issues;
- Carry on a supervision role to safeguard the system of governance and independence of statutory auditors; and
- Review and consider the internal report and statutory auditors' observations on internal control.

#### Activities carried out during the year:

The Committee reviewed and discussed 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

Dated: April 18, 2010





## স্কয়ার টেক্সটাইলস্ লিঃ

### শেয়ারহোল্ডারগণের প্রতি পরিচালনা পর্ষদের প্রতিবেদন

#### সম্মানিত শেয়ারহোল্ডারবৃন্দ:

পরিচালনা পর্ষদ আনন্দের সাথে কোম্পানী আইন ১৯৯৪ এর ধারা নং ১৮৪, সিকিউরিটিজ এন্ড এক্সচেঞ্জ রুলস্ ১৯৮৭ এর ১২ নং বিধির (এবং তফসিল অনুযায়ী) শর্তানুসারে এবং ইনস্টিটিউট অব চার্টার্ড একাউন্ট্যান্টস্ অব বাংলাদেশ কর্তৃক গৃহীত আইএএস - ১ (আন্তর্জাতিক হিসাব মানদণ্ড - ১) অনুসারে ৩১ ডিসেম্বর ২০০৯ তারিখে সমাপ্ত আর্থিক বছরের প্রতিবেদন সম্মানিত শেয়ারহোল্ডারবৃন্দের কাছে নিম্নোক্ত পরিচ্ছেদগুলোতে পেশ করছেন :

#### কার্যক্রম:

##### ১। উৎপাদন ক্ষমতা/উৎপাদন

- ২০০৮ সালের ৩০ সেপ্টেম্বর তারিখে স্কয়ার স্পিনিংস্ লিমিটেড এর সহিত কোম্পানীর একত্রীকরণ এর কারণে স্থাপিত উৎপাদন □  
□ ক্ষমতা ৫৯.৬৮ ভাগ বৃদ্ধি পেয়েছে। ৩১ ডিসেম্বর ২০০৯ তারিখে মোট স্থাপিত উৎপাদন ক্ষমতা (গড়ে ৩০ সিঙ্গেল, ১৪ ট্রিঙ্গেল □  
□ এবং ১০ সিঙ্গেল) ছিল নিম্নরূপ:

□ □ ২০০৯ □ ২০০৮ □ ২০০৭ □ ২০০৬ □ ২০০৫

##### (১.১) স্পিন্ডলস্ /রোটর হেডস্

##### (ক) স্থাপিত :

□ স্থাপিত স্পিন্ডলস্ এর সংখ্যা □ ৫৯,৪৭২ □ ৫৯,৪৭২ □ ৫৯,৪৭২ □ ৫৯,৪৭২ □ ৫৯,৪৭২  
□ স্থাপিত রোটর হেডস্ এর সংখ্যা □ ৩,৯৬০ □ ৩,৯৬০ □ ৭৬৮ □ ৭৬৮ □ ৭৬৮

##### (খ) উৎপাদন কাজে ব্যবহৃত :

□ স্পিন্ডলস্ □ ৫৯,৪৭২ □ ৫৯,৪৭২ □ ৫৯,৪৭২ □ ৫৯,৪৭২ □ ৫৯,৪৭২  
□ রোটর হেডস্ □ ৩,৯৬০ □ ৩,৯৬০ □ ৭৬৮ □ ৭৬৮ □ ৭৬৮

##### (১.২) স্থাপিত উৎপাদন ক্ষমতা (কেজি) :

□ ৩০ সিঙ্গেল কাউন্টের সমতুল্য □ ১১,৫৮২,৮৯৯ □ ১১,২৭১,৫৭৪ □ ১১,২৭১,৫৭৪ □ ১১,২৭১,৫৭৪ □ ১১,২৭১,৫৭৪  
□ ২০ সিঙ্গেল কাউন্টের সমতুল্য □ ২,৩২৯,২৩৪ □ ১,৪৬৪,৬১০ □ - □ - □ -  
□ ১০ সিঙ্গেল কাউন্টের সমতুল্য □ ১০,০০০,৪৫৪ □ ২,২৩৯,২৩০ □ ২,২৩৯,২৩০ □ ২,২৩৯,২৩০ □ ২,২৩৯,২৩০  
□ মোট □ ২৩,৯১২,৫৮৭ □ ১৪,৯৭৫,৪১৪ □ ১৩,৫১০,৮০৪ □ ১৩,৫১০,৮০৪ □ ১৩,৫১০,৮০৪

## পরিচালনা পর্ষদের প্রতিবেদন

	২০০৯	২০০৮	২০০৭	২০০৬	২০০৫
(১.৩) প্রকৃত উৎপাদন (কেজি):					
৩০ সিঙ্গেল কাউন্টের সমতুল্য (রিং ইয়ার্প)	১০,৫৯৩,৫১১	১০,৩৩৩,৭৪৫	১০,৬৬৯,৫৩৬	১১,০২৪,৭৪৩	১১,০৯৯,৬৬৭
১৪ সিঙ্গেল কাউন্টের সমতুল্য (ওপেন এন্ড)	৮,৭৩৭,৯১০	১,৪৪৫,৫৭০	-	-	-
১০ সিঙ্গেল কাউন্টের সমতুল্য (ওপেন এন্ড)	২,০৭৯,০৮৪	২,০৯৯,৩৮৮	২,২১৬,৫৮৮	২,২২৫,২২৭	২,২৩২,৭৯৫
মোট	২১,৪১০,৫০৫	১৩,৮৭৮,৭০৩	১২,৮৮৬,১২৪	১৩,২৪৯,৯৭০	১৩,৩৩২,৪৬২

(১.৪) উৎপাদন দক্ষতা (%):					
৩০ সিঙ্গেল কাউন্টের সমতুল্য	৯১.৪৬	৯১.৬৮	৯৪.৬৬	৯৭.৮১	৯৮.৪৭
১৪ সিঙ্গেল কাউন্টের সমতুল্য	৮৭.৩৮	৯৮.৭০			
১০ সিঙ্গেল কাউন্টের সমতুল্য	৮৯.২৬	৯৩.৭৫	৯৮.৯৯	৯৯.৩৭	৯৯.৭১
মোট	৮৯.৫৪	৯২.৬৮	৯৫.৩৮	৯৮.০৭	৯৮.৬৮

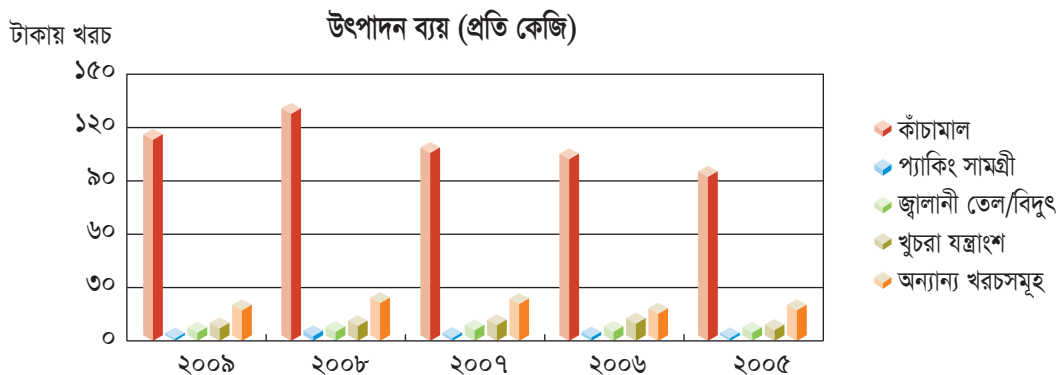
উপরোক্ত পরিসংখ্যান হতে প্রতীয়মান হয় যে, উৎপাদন গত বছরের তুলনায় ৫৪.২৭% বৃদ্ধি পেয়েছে কারণ এসএসএলকে একীভূত করার ফলে রোটর হেডস্ এর সংখ্যা বৃদ্ধি পেয়েছে। উৎপাদন দক্ষতা ২০০৮ সালের তুলনায় ২০০৯ সালে কিছুটা হ্রাস পেয়েছে প্রধানত উৎপাদন মিশ্রনের পরিবর্তনের জন্য এবং গ্যাস এবং বিদ্যুৎ এর স্বল্পতার জন্য।

## ২। উৎপাদন ব্যয়:

বিগত বছরগুলোতে ব্যাপক মাত্রায় কাঁচা তুলা, প্যাকিং দ্রব্যসামগ্রী, বিদ্যুৎ ও জ্বালানী তেল এবং মেশিনের খুচরা যন্ত্রাংশের ক্রয়মূল্যের হ্রাস/বৃদ্ধির ফলে উৎপাদন ব্যয় বেড়েছে যা ছিল ব্যবস্থাপনা কর্তৃপক্ষের নিয়ন্ত্রণের বাইরে। খাতওয়ারী ব্যয়ের পরিমাণ এবং তাদের আনুমানিক প্রভাব নিচে দেখানো হলো :

	২০০৯	২০০৮	২০০৭	২০০৬	২০০৫
(ক) সূতার উৎপাদন (কেজি)	২৩,১৯০,৭৪৬	১৫,৬৫৭,৫০৯	১৩,৫৯৭,৯২১	১৪,০২৫,২২৩	১৪,৯৩২,৯৩১
(খ) গুরুত্বপূর্ণ খাতগুলোর ব্যয় সমূহ :					
ব্যবহৃত কাঁচামাল (টাকায়)	২,৬৪৪,৯৬৭,৫১২	২,০০৬,৫৫০,০৭৪	১,৪৫০,৪৩৯,৩৬৭	১,৫৩০,০৭৪,৮৮৭	১,৩৯১,৩৪২,৪০১
প্যাকিং সামগ্রীর মূল্য	৩০,২৬১,৯৪২	৪১,৯৪৫,৩১৪	২২,০২৯,৮০২	২৯,৩৫২,৮৪১	২৩,২৫৭,৮৪৮
জ্বালানী তেল/বিদ্যুৎ ইত্যাদি	১১৯,৮৩৬,৭৭২	৭৯,৫২২,৩২৯	৮১,১৭৮,৪০০	৮৩,৫৪৩,৮৯৯	৬৯,৩১৫,৪৩০
খুচরা যন্ত্রাংশ	১৬৩,৫৫৪,৫৮৬	১৩০,৫৫৭,৫৮৯	১২০,৫৩২,১২৫	১৪৫,১০২,৮৭৪	৯১,০৪৫,৭৮৬
অন্যান্য খরচ সমূহ	৩৯৯,৭১৩,১৩১	৩৩৭,৩৩১,৬৩৩	২৮৬,৩২০,১৮১	২৪৭,২১৮,৫৮৭	২৬১,৮২৩,১৬৪
মোট ব্যয়	৩,৩৫৮,৩৩৩,৯৪৩	২,৫৯৫,৯০৬,৯৩৯	১,৯৬০,৪৯৯,৮৭৫	২,০৩৫,২৯৩,০৮৮	১,৮৩৬,৭৮৪,৬২৯

	২০০৯	২০০৮	২০০৭	২০০৬	২০০৫
(গ) প্রতি কেজির মূল্য (টাকায়):					
কাঁচামাল	১১৪.০৫	১২৮.১৫	১০৬.৬৬	১০২.৪৬	৯৩.১৭
প্যাকিং সামগ্রী	১.৩০	২.৬৮	১.৬২	১.৯৭	১.৫৬
জ্বালানী তেল/বিদ্যুৎ	৫.১৭	৫.০৮	৫.৯৭	৫.৫৯	৪.৬৪
খুচরা যন্ত্রাংশ	৭.০৫	৮.৩৪	৮.৮৬	৯.৭২	৬.১
অন্যান্য খরচসমূহ	১৭.২৪	২১.৫৪	২১.০৬	১৬.৫৬	১৭.৫৩
প্রতি কেজি উৎপাদন খরচ	১৪৪.৮১	১৬৫.৭৯	১৪৪.১৭	১৩৬.৩০	১২৩.০০
মোট শতকরা হিসাবে কাঁচামাল	৭৮.৭৬%	৭৭.৩০%	৭৩.৯৮%	৭৫.১৮%	৭৫.৭৫%



উপরোক্ত বিবরণ হতে প্রতীয়মান হয় যে, আলোচ্য বছরে ২০০৮ সালের তুলনায় প্রতি কেজির উৎপাদন ব্যয় হ্রাস পেয়েছে ১২.৬৫%, একই সময়ে ২০০৮ সালের তুলনায় ২০০৯ সালে কাঁচামাল ব্যয়, হ্রাস পেয়েছে ১১.০০%। প্যাকিং সামগ্রী, খুচরা যন্ত্রাংশ এবং অন্যান্য উপরি ব্যয় যথাক্রমে ৫১.৪৯%, ১৫.৪৬% এবং ১৯.৯৬% হ্রাস পেয়েছে ২০০৮ সালের তুলনায় ২০০৯ সালে। অন্যদিকে একই একক প্রতি কাঁচা মালের ব্যয় বৃদ্ধি পেয়েছে ১.৮৯% ২০০৮ সালের তুলনায়। প্রধান উপাদানগুলো যেমন: কাঁচামাল, প্যাকিং সামগ্রী, এবং অন্যান্য উপরি ব্যয় কমার মূল কারণ ছিল দেশীয় এবং আন্তর্জাতিকভাবে মূল্য নিয়ন্ত্রণ, যা অধিকাংশই ছিল ব্যবস্থাপনা কর্তৃপক্ষের নিয়ন্ত্রণের বাইরে।

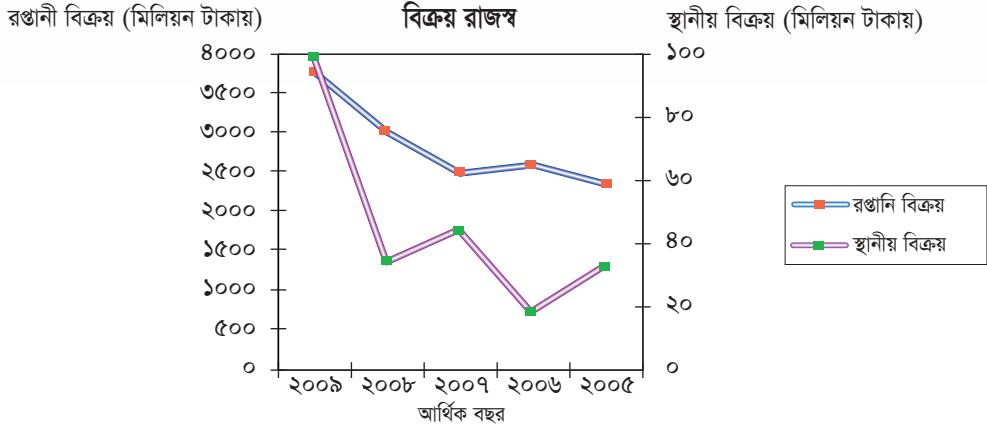
### ৩। বিপণন কার্যক্রম:

#### (১) বাজার পরিস্থিতি :

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

	২০০৯	২০০৮	২০০৭	২০০৬	২০০৫
(ক) বিক্রয়ের পরিমাণ (কেজি)					
স্থানীয় বাজারে বিক্রয়	৫৬১,৩৪৭	১৬৫,২৪৭	২২১,৫১৪	১১২,৭০৬	২৪৮,০৬৭
রপ্তানি বিক্রয়	২২,৬২৫,৬৯৯	১৫,৪৯১,৪২১	১৩,৩৭১,১৮৭	১৪,০০১,৪০৩	১৪,৭২৫,৩৮৭
মোট বিক্রয়	২৩,১৮৭,০৪৬	১৫,৬৫৬,৬৬৮	১৩,৫৯২,৭০১	১৪,১১৪,১০৯	১৪,৯৭৩,৪৫৪
(খ) বিক্রয়লব্ধ আয় (টাকায়)					
স্থানীয় বাজার হতে আয়	৯৮,৭২৯,৩৯৫	৩৪,১২৮,২৯৩	৪৪,৩৭৩,৮৮৯	১৮,৩০৭,৯৬৮	৩২,৬৩২,২৭৯
রপ্তানি আয়	৩,৭৮৩,৫১৪,৬১৫	৩,০১৮,১০৭,৪৭৭	২,৪৯৭,১৬৮,৮৭৮	২,৬০২,৬৫৭,৯৬৩	২,৩৫৮,৩৪৬,২৪২
মোট বিক্রয়	৩,৮৮২,২৪৪,০১০	৩,০৫২,২৩৫,৬৮০	২,৫৪১,৫৪২,৭৬৭	২,৬২০,৯৬৫,৯৩১	২,৩৯০,৯৭৮,৫২১

## পরিচালনা পর্ষদের প্রতিবেদন



উপরোক্ত চিত্র থেকে বুঝা যায় যে, গত বছরের তুলনায় ২০০৯ সালে স্থানীয় বাজারে বিক্রয় আয় ১৮৯.২৯% বৃদ্ধি পেয়েছে কিন্তু রপ্তানী আয় গত বছরের তুলনায় ২৫.৩৬% বৃদ্ধি পেয়েছে। সামগ্রিকভাবে ২০০৮ সালের তুলনায় আলোচ্য বছরে বিক্রয় আয় ২৭.১৯% বৃদ্ধি পেয়েছে।

### (২) প্রাপ্ত একক বিক্রয় মূল্য :

পূর্ববর্তী বছরের তুলনায় এ বছরে বিক্রয়মূল্য উল্লেখযোগ্য ভাবে তারতম্য ঘটেছে যা নীচে দেখানো হলো :

	২০০৯	২০০৮	২০০৭	২০০৬	২০০৫
স্থানীয় বাজারে বিক্রয়	১৭৫.৮৮	২০৬.৫৩	২০০.৩২	১৬২.৪৪	১৩১.৫৬
রপ্তানী বিক্রয়	১৬৭.২২	১৯৪.৮২	১৮৬.৭৬	১৮৫.৮৮	১৬০.১৬
মোট বিক্রয় (গড়)	১৬৭.৪৩	১৯৪.৯৫	১৮৬.৯৮	১৮৫.৭০	১৫৯.৬৮

উপরের তথ্যাবলী নির্দেশ করে স্থানীয় বিক্রয়মূল্য ২০০৮ সালের তুলনায় ২০০৯ সালে ১৪.৮৪% হ্রাস পেয়েছে এবং রপ্তানী মূল্য একই সময়ে ১৪.১৭% বৃদ্ধি পেয়েছে। প্রাথমিকভাবে রপ্তানী মূল্য বৃদ্ধির অন্যতম কারণ আন্তর্জাতিক পরিবেশ এবং রপ্তানী চাহিদা। ২০০৮ সালের তুলনায় ২০০৯ সালে গড় বিক্রয় মূল্য হ্রাস পেয়েছে ১৪.১২% যার বিপরীতে একই সময়ে কাঁচামালের মূল্য বৃদ্ধি পেয়েছে ১১.০০%।

### মূলধনী খরচ সমূহ:

উৎপাদন কার্ঠামো উত্তরোত্তর উন্নীত করণের লক্ষ্যে কোম্পানী ৯৬.৮৭ মিলিয়ন টাকা মূলধনী খাতে এ বছর ব্যয় করেছে যা নিম্নরূপ :

	২০০৯	২০০৮	২০০৭	২০০৬	২০০৫
জমি/নির্মাণ কাজ	৩১.১৮	১৭.৯৬	৫.৫৪	১৭.৩৭	৮৪.৪২
যন্ত্রপাতি	৫৭.৩৯	১০৩.৯৮	৮৬.৫৫	৩৯.২৭	৬১.৯৫
অন্যান্য সম্পদ	৮.৩০	৮.৬৬	৫.৫৯	৪.৯৪	১৬.১৬
মোট বিনিয়োগ	৯৬.৮৭	১৩০.৬০	৯৭.৬৮	৬১.৫৮	১৬২.৫৩

উপরোক্ত বিনিয়োগ উৎপাদন ক্ষমতা বৃদ্ধি করতে সহায়তা করেছে। পুরো বিনিয়োগটাই নিজস্ব উৎস থেকে করা হয়েছে।



## সাবসিডিয়ারী কোম্পানীতে বিনিয়োগ:

স্কয়ার টেক্সটাইলস্ লিমিটেড ৯৫,০০০,০০০ টাকার শেয়ার (৯৯.৫০%) স্কয়ার ইয়ার্নস লিমিটেড এ মূলধন হিসাবে বিনিয়োগ করেছে এবং ৮০০,০০০,০০০ টাকা শেয়ার মানি ডিপোজিট হিসাবে দিয়েছে। ১৯৯৪ সালের কোম্পানী আইন অনুসারে স্কয়ার ইয়ার্নস লিমিটেড একটি সাবসিডিয়ারী কোম্পানী বিধায় পরিচালনা পর্ষদের প্রতিবেদন এবং নিরীক্ষিত হিসাব এই প্রতিবেদনের সাথে সংযুক্ত করা হয়েছে। এছাড়াও কোম্পানী মিঠাপুর টেক্সটাইলস্ লিমিটেড, ভালুকা ময়মনসিংহ এর প্রতিটি ১০০ টাকা হারে ৯৫,০০০ সাধারণ শেয়ার (মোট শেয়ারের ৯৫%), অধিগ্রহণের জন্য চুক্তি স্বাক্ষর বাবদ ১০,০০০,০০০ টাকা প্রদান করেছে। এ অধিগ্রহণের জন্য কোম্পানীর মূনাফা বৃদ্ধি পেতে পারে।

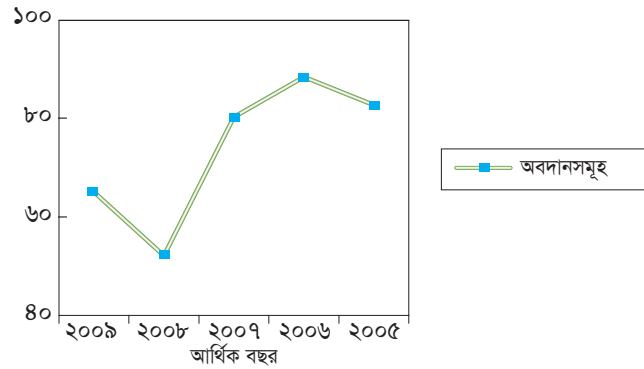
## অবদানসমূহ:

### (১) জাতীয় কোষাগারে অবদান:

কোম্পানী ২০০৯ সালে ৬৫.১০ মিলিয়ন টাকা জাতীয় কোষাগারে জমা দিয়েছে। যার বিবরণ নীচে দেখানো হলো :

					(মিলিয়ন টাকায়)	
		২০০৯	২০০৮	২০০৭	২০০৬	২০০৫
	কর্পোরেট আয়কর	৫১.১৪	৪১.০৫	৫৮.৬৮	৫৫.৩৭	৫৯.৮৬
	অগ্রিম আয়কর (উৎস হতে কর্তন)	১.৪৩	১.৪৩	৫.৫০	৩.৪৯	১৪.৩৩
	আবগারী শুল্ক/ভ্যাট/আমদানী শুল্ক/কর ইত্যাদি	১১.৩৬	৯.০১	১৬.০০	২৯.৫৪	৮.০৯
	সরকারী কর/স্ট্যাম্প শুল্ক/লাইসেন্স ফি ইত্যাদি	১.১৭	০.৬৫	০.১৪	০.০৮	০.৪৯
	মোট	৬৫.১০	৫২.১৪	৮০.৩২	৮৮.৪৮	৮২.৭৭

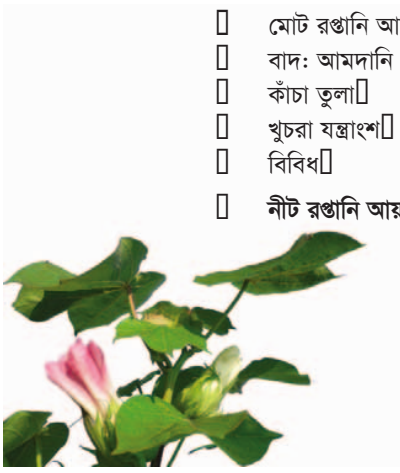
জাতীয় কোষাগারে অবদান



### (২) বৈদেশিক মুদ্রার অর্জন/সঞ্চয়:

কোম্পানী উল্লেখযোগ্যভাবে রপ্তানি বাণিজ্যের মাধ্যমে দেশের বৈদেশিক মুদ্রা রিজার্ভে অবদান রেখেছে ২০০৯ সালে যার পরিমাণ ১,৩২৭.৭৪ মিলিয়ন টাকা। যার বিস্তারিত বিবরণ নিচে দেওয়া হল:

					(মিলিয়ন টাকায়)	
		২০০৯	২০০৮	২০০৭	২০০৬	২০০৫
	মোট রপ্তানি আয়	৩,৭৮৩.৫১	৩,০১৮.১০	২,৪৯৭.১৭	২,৬২০.৯৬	২,৩৯০.৯৮
	বাদ: আমদানি খরচ সমূহ:					
	কাঁচা তুলা	২,৩৫১.৭৮	২,৩৩৯.০০	১,৪১৭.৬৭	১,৫৫৭.৪২	১,৫৭৮.১৩
	খুচরা যন্ত্রাংশ	৭৫.০০	১৫০.১৮	১৪৭.৯৫	১৩৫.৮১	৫৯.০২
	বিবিধ	২৮.৯৯	১১.৯৫	১০.৯০	৩৯.২১	১৩.৬৩
	নীট রপ্তানি আয়	১,৩২৭.৭৪	৫১৬.৯৭	৯২০.৬৫	৮৮৮.৫২	৭৪০.২০

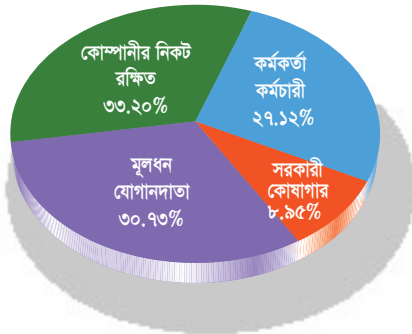


## পরিচালনা পর্ষদের প্রতিবেদন

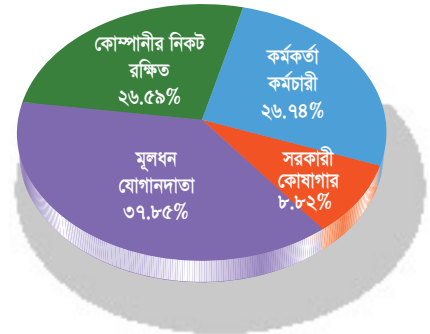
### (৩) মূল্য সংযোজন বিবরণী:

	২০০৯	২০০৮
অর্থের উৎস সমূহ		
নীট বিক্রয়	৩,৮৮২,২৪৪,০১০	৩,০৫২,২৩৫,৬৪০
বাদ : উপকরণ ও সেবামূল্য	(৩,১৯৫,৬২১,৪৮৫)	(২,৪৮৫,২৭২,৪৪৮)
যোগ : অন্যান্য আয়	২৫,৫৫৪,৫১০	২৩,৭২২,৯৭৯
<b>মূল্য সংযোজন</b>	<b>৭১২,১৭৭,০৩৫</b>	<b>৫৯০,৬৮৬,১৭১</b>
সংযোজিত মূল্যের প্রয়োগ		
কর্মকর্তা-কর্মচারী	১৯৩,১৪৬,২১৫	১৫৭,৯৫৬,৭০০
বেতন, মজুরী, গ্র্যাচুইটি এবং অন্যান্য সুবিধাদি	১৭৭,৫৫৭,৩৭১	১৪৪,০৭৭,৬১৩
মুনাফার অংশ ও কল্যাণ তহবিল	১৫,৫৮৮,৮৪৪	১৩,৮৭৯,০৮৭
সরকারী কোষাগার	৬৩,৭৬৯,৬৮৩	৫২,১৪৪,৭৭৮
কর্পোরেট আয়কর	৫১,১৪২,৮৭২	৪১,০৫১,৮২৫
অন্যান্য সরকারী পাওনা	১২,৬২৬,৮১১	১১,০৯২,৯৫৩
মূলধন যোগানদাতা		
লভ্যাংশ	২১৮,৮১০,৫৬৪	২২৩,৫১৬,১৬৭
কোম্পানীর নিকট রক্ষিত	২৩৬,৪৫০,৫৭৩	১৫৭,০৬৮,৫২৬
অবচয়	১৯৪,৬২৭,১৩৫	১৪৪,০৫৪,৭৮৪
আবন্তিত মুনাফা	৪১,৮২৩,৪৩৮	১৩,০১৩,৭৪২
<b>টাকা</b>	<b>৭১২,১৭৭,০৩৫</b>	<b>৫৯০,৬৮৬,১৭১</b>

মূল্য সংযোজনের বণ্টন-২০০৯



মূল্য সংযোজনের বণ্টন-২০০৮

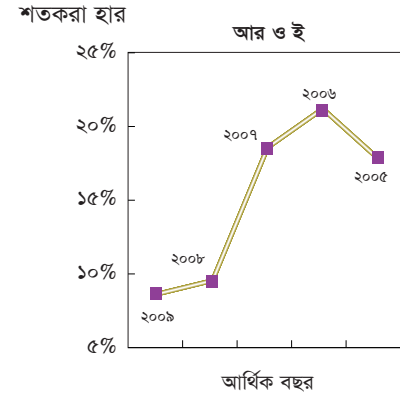
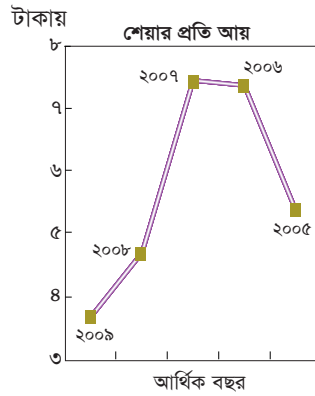
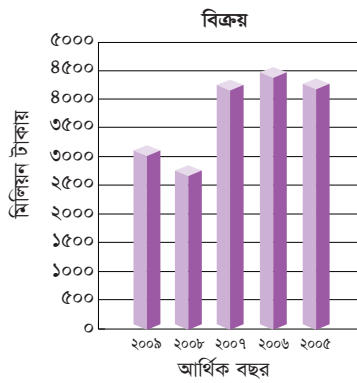


## আর্থিক ফলাফল:

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

	২০০৯	২০০৮	২০০৭	২০০৬	২০০৫
বিক্রয়	৩,৮৮২,২৪৪,০১০	৩,০৫২,২৩৫,৬৪০	২,৫৪১,৫৪২,৭৬৭	২,৬২০,৯৬৫,৯৩১	২,৩৯০,৯৭৮,৫২১
বিক্রিত পণ্যের উৎপাদন মূল্য	৩,৩৪৮,৮৭০,২৮৯	২,৫৮৯,০১৯,৭৩৬	১,৯৫৮,৬৯৬,৪০৪	২,০৪১,০৬৫,২৯৩	১,৮৪৭,৮১৮,৪৬১
মোট মুনাফা	৫৩৩,৩৭৩,৭২১	৪৬৩,২১৫,৯০৪	৫৮২,৮৪৬,৩৬৩	৫৭৯,৯০০,৬৩৮	৫৪৩,১৬০,০৬০
পরিচালন খরচ সমূহ	১০৯,৮৩২,৩৫৪	৮৫,৭৭৭,০১৮	৬১,৭৬৭,৩৭১	৬৫,৩২৯,৭২৫	৫৭,৫৫১,৯১১
আর্থিক খরচ সমূহ	১২১,৭৩০,১৫৯	১০৯,৭০১,০৪৫	১০৬,০২৬,১৮০	৭৭,৩৫০,০৮৬	৬৭,৯৬৬,৪০৬
পরিচালন মুনাফা	৩০১,৮১১,২০৮	২৬৭,৭৩৭,৮৪১	৪১৫,০৫২,৮১২	৪৩৭,২২০,৭২৭	৪১৭,৬৪১,৭৪৩
অন্যান্য আয়	২৫,৫৫৪,৫১০	২৩,৭২২,৯৭৯	১৬,৬২৬,৫৩৩	১,৬০৬,৫০৪	৬১,০৬৯
অগ্নিজনিত ক্ষতি	-	-	-	(১৪,৬৬৩,৯৪৪)	-
নীট মুনাফা (ডিবিউ পি পি এফ) পূর্ব	৩২৭,৩৬৫,৭১৮	২৯১,৪৬০,৮২০	৪৩১,৬৭৯,৩৪৫	৪২৪,১৬৩,২৮৭	৪১৭,৭০২,৮১২
ডিবিউ পি পি এফ এ অনুদান	১৫,৫৮৮,৮৪৪	১৩,৮৭৯,০৮৭	২০,৫৫৬,১৫৯	২০,১৯৮,২৫২	১৯,৮৯০,৬১০
নীট মুনাফা (কর পূর্ব)	৩১১,৭৭৬,৮৭৪	২৭৭,৫৮১,৭৩৩	৪১১,১২৩,১৮৬	৪০৩,৯৬৫,০৩৫	৩৯৭,৮১২,২০২
আয়কর সঞ্চিতি	৫১,১৪২,৮৭২	৪১,০৫১,৮২৫	৫৮,৬৭৬,০৫০	৫৫,১৩১,৫৮২	৫৯,৮৬৪,৩৯৪
বিলম্বিত আয়কর সঞ্চিতি	-	-	-	-	৮২,৪৫৩,৪৭৮
নীট মুনাফা (কর পরবর্তী)	২৬০,৬৩৪,০০২	২৩৬,৫২৯,৯০৮	৩৫২,৪৪৭,১৩৬	৩৪৮,৮৩৩,৪৫৩	২৫৫,৮৯৪,৩৩০
মোট মুনাফার হার	১৩.৭৪%	১৫.৮৮%	২২.৯৩%	২২.১৩%	২২.৭২%
নীট মুনাফার হার	৬.৭১%	৭.৭৫%	১৩.৮৭%	১৩.৩১%	১০.৬৯%
শেয়ার প্রতি আয়	৩.৬৯	৪.৭১	৭.৪৫	৭.৩৭	৫.৩৯
আর ও ই	৮.৫৭%	৯.৪৯%	১৮.৫৯%	২১.২৪%	১৭.৮৫%
পরিশোধিত শেয়ার	৭০,৫৮৪,০৫৩	৫৮,৮২০,০৪৪	৩৯,৪৩৩,৩৭০	৩৪,২৮৯,৮৮৭	৩০,৪৭৯,৯০০
শেয়ারের নামিক মূল্য	১০	১০	১০	১০	১০

মোট বিক্রয় ২০০৮ সালের তুলনায় ২০০৯ সালে ২৭.১৯% বৃদ্ধি পেয়েছে যা ২০০৮ সালে ২০.০৯% বৃদ্ধি পেয়েছিল। যা হোক, মোট মুনাফার হার ৯.৮৮% বৃদ্ধি পেয়ে ১৩.৭৪% হয়েছে। নীট মুনাফা বিগত বছরের তুলনায় ১০.১৯% বৃদ্ধি পেয়েছে যেহেতু পরিচালন ব্যয় ২৮.০৪% বৃদ্ধি পেয়েছে, এবং পরিচালন আয় বৃদ্ধি পেয়েছে ১২.৭২%। শেয়ার প্রতি আয় ২০০৮ সালের বোনাসের প্রভাবে এবং নতুন শেয়ার ইস্যুর জন্য কিছুটা হ্রাস পেয়েছে।



## মুনাফা বন্টন:

২০০৯ সালে কর পরবর্তী নীট আয় টাকা ২৬০,৬৩৪,০০২ পরিচালনা পর্ষদ নিম্নরূপে বন্টনের জন্য প্রস্তাব করেন:

ক) ২০০৯ সালের নগদ লভ্যাংশ প্রস্তাব (১.৬০ টাকা প্রতি শেয়ার)		টাকা	১১২,৯৩৪,৪৮৪
খ) ২০০৯ সালের জন্য বোনাস শেয়ার (১০০:১৫)		টাকা	১০৫,৮৭৬,০৮০
গ) সাধারণ সঞ্চিতিতে স্থানান্তর		টাকা	৪১,৮২৩,৪৩৮
টাকা			<u>২৬০,৬৩৪,০০২</u>

শেয়ার প্রতি আয় ৩.৬৯ টাকা এবং পর্যাপ্ত রিজার্ভ হওয়ার ফলে পরিচালনা পর্ষদ ১০ টাকা মূল্যের প্রতিটি শেয়ারের জন্য ১.৬০ টাকা হারে নগদ লভ্যাংশ এবং প্রতি ১০০টি (একশত) শেয়ারের জন্য ১৫ (পনেরটি) বোনাস শেয়ার প্রদান করার প্রস্তাব করেছেন।



### পরিচালক নির্বাচন:

সংঘবিধির ১২৫ ও ১২৬ অনুচ্ছেদ অনুযায়ী জনাব ডা. কাজী হারুন আর রশিদ, জনাব কাজী ইকবাল হারুন এবং জনাব চার্লস সি আর পাত্র অবসর গ্রহণ করেছেন এবং পুনর্নির্বাচিত হওয়ার যোগ্য বিধায় পুনর্নির্বাচিত হওয়ার ইচ্ছা প্রকাশ করেছেন।

### নিরীক্ষক নিয়োগ:

কোম্পানীর নিরীক্ষক মেসার্স চৌধুরী ভট্টাচার্য এন্ড কোং, চার্টার্ড একাউন্ট্যান্টস্ অত্র সভায় অবসর গ্রহণ করেছেন এবং যোগ্য বিধায় ২০১০ সালের জন্য পুনর্নিয়োগ পাবার ইচ্ছা প্রকাশ করেছেন।

### কর্পোরেট গভর্নেন্স:

কর্পোরেট গভর্নেন্স হচ্ছে সুনামের চর্চা যার মাধ্যমে পরিচালনা পর্ষদ কোম্পানীর পরিচালনা করেন, শেয়ার হোল্ডার/স্বার্থ সংশ্লিষ্ট ব্যক্তিবর্গ এবং সমাজের প্রতি জবাবদিহিতার দৃষ্টিভঙ্গি নিয়ে। সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর নোটিশ নং এসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/প্রশাসন/০২-০৮ ফেব্রুয়ারি ২০, ২০০৬ এর নিরিখে কোম্পানীর কর্পোরেট গভর্নেন্স এর অবস্থান চিত্রায়িত হয়েছে সংযুক্তি ১ (এক) এর মধ্যে।

### ব্যবস্থাপনা কর্তৃপক্ষের স্বীকৃতি:

পরিচালনা পর্ষদ ব্যবসায়িক কার্যক্রমে নির্বাহী ব্যবস্থাপনা, কর্মকর্তা ও শ্রমিক কর্মচারীদের অবদানকে গভীরভাবে মূল্যায়ন করেছে। সারা বিশ্বে বাণিজ্য ও উৎপাদনে বিভিন্ন বৈরী প্রভাব থাকা সত্ত্বেও তাদের নিরলস প্রচেষ্টা কোম্পানীকে উৎপাদন ক্ষমতা এবং নীট মুনাফা বৃদ্ধিতে সাহায্য করেছে। সম্মানিত শেয়ারহোল্ডারগণ যে আস্থা পরিচালনা পর্ষদের উপর রেখেছেন তা পরিচালনা পর্ষদকে অনুপ্রাণিত করে আসছে এবং ব্যবস্থাপনা কর্তৃপক্ষ, নির্বাহী কর্মকর্তা ও কর্মচারীগণ তা ধরে রাখতে সচেষ্ট হবেন। পরিচালনা পর্ষদ বিনীতভাবে ব্যাংক, সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ষ্টক এক্সচেঞ্জ, জাতীয় রাজস্ব বোর্ড এবং অন্যান্য সরকারি ও বেসরকারি এজেন্সিগুলোকে প্রতিষ্ঠান এর কার্যক্রম পরিচালনায় সহযোগিতা দেয়ার জন্য কৃতজ্ঞতা জানাচ্ছেন।

আমরা সকলের ভবিষ্যৎ উন্নয়ন কামনা করি।

স্যামসন এইচ চৌধুরী  
চেয়ারম্যান



**Financial report**





# Auditors' Report

## AUDITORS' REPORT

### **Auditors' Report to the Shareholders on Consolidated Financial Statements of Square Textiles Limited**

We have audited the accompanying Consolidated Financial Statements of Square Textiles Limited comprising Consolidated Balance Sheet as at 31 December 2009 and the related Consolidated Income Statement, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statements together with related notes and schedule thereto for the year then ended. The preparation of these financial statements are the responsibility of the Company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

We conducted our audit in accordance with the BSA. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates and judgments made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements, prepared in accordance with BAS, give a true and fair view of the state of the company's affairs as at 31 December, 2009 and of the results of its operations and its cash flow for the year then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof.
- (b) in our opinion, the company management has followed relevant provisions of laws and rules in managing the affairs of the company and proper books of accounts, records and other statutory books have been maintained so far as it appeared from our examination of those books.
- (c) the Company's Consolidated Balance Sheet and Consolidated Income Statement dealt with by the report are in agreement with the books of account.
- (d) the expenditure incurred and payments were for the purpose of the Company's business.

Dated, Dhaka  
April 28, 2010



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


**Square Textiles Limited**  
**Consolidated Balance Sheet**  
**As at December 31, 2009**

		31-12-2009	31-12-2008
<b>NET ASSETS:</b>	<b>Notes</b>		
Fixed Assets		<b>2,517,420,230</b>	<b>2,696,313,904</b>
Assets at Cost Less Depreciation	4	2,507,420,230	2,696,313,904
Investment	5	10,000,000	-
<b>Current Assets:</b>		<b>3,785,335,229</b>	<b>4,213,188,496</b>
Stocks	6	1,367,504,190	1,600,950,725
Trade Debtors	7	2,188,554,329	2,318,863,152
Advances, Deposits and Prepayments	8	138,163,815	225,261,286
Cash & Bank Balances	9	91,112,895	68,113,333
<b>Less: Current Liabilities:</b>		<b>2,784,133,019</b>	<b>3,495,826,349</b>
Short Term Bank Loan	10	613,478,255	1,236,736,843
Sundry Creditors	11	1,270,464,545	1,590,516,200
Other Current Liabilities	12	187,919,788	163,760,726
Short Term Loan	13	552,993,073	301,562,429
Provision for income Tax	14	159,277,358	203,250,151
<b>Net Current Assets</b>		<b>1,001,202,210</b>	<b>717,362,147</b>
Deferred Tax Liability	15	170,482,362	166,125,855
<b>Tk.</b>		<b>3,348,140,078</b>	<b>3,247,550,196</b>
<b>FINANCED BY:</b>			
<b>Share Holders Equity :</b>		<b>3,346,445,128</b>	<b>3,099,349,824</b>
Share Capital	16	705,840,530	588,200,440
General Reserve and Surplus	17	2,640,604,598	2,511,149,384
Long Term Loan	18	-	146,991,408
Non controlling Interest	19	1,694,950	1,208,964
<b>Tk.</b>		<b>3,348,140,078</b>	<b>3,247,550,196</b>

Attached notes form part of these financial statements .  
Dated, Dhaka: April 28, 2010

As per our annexed report of even date.

  
Tapan Chowdhury  
Managing Director

  
Samuel S. Chowdhury  
Vice Chairman

  
Khandaker Habibuzzaman  
Company Secretary

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



# Consolidated Income Statement


## Square Textiles Limited Consolidated Income Statement For the year Ended December 31, 2009

		2009	2008
	Notes		
<b>Sales</b>	20	5,075,626,120	4,417,580,642
<b>Cost of Goods Sold</b>	21	(4,308,815,485)	(3,672,486,432)
<b>Gross Profit</b>		<b>766,810,635</b>	<b>745,094,210</b>
Operating Expenses	22	(124,704,336)	(92,268,126)
Finance Cost	23	(184,450,808)	(203,160,806)
Operating Income		457,655,491	449,665,278
Other Income		554,007	1,076,892
Net Income Before W.P.P & W.F		458,209,498	450,742,170
Allocation for W.P.P. & W.F	24	(21,819,500)	(21,463,913)
Net Income Before Tax		436,389,998	429,278,257
Provision for Income Tax	25	(69,834,840)	(63,806,304)
Provision for Deferred Income Tax	26	(13,097,789)	(19,230,025)
Net Profit after Tax		353,457,369	346,241,928
Minority Interest		(485,986)	(574,408)
<b>Net Income For The Year</b>	<b>Tk.</b>	<b>352,971,383</b>	<b>345,667,520</b>
(Transferred to the Statement of Changes in Equity)			
<b>Earning Per Share</b>	27 <b>Tk.</b>	<b>5.00</b>	<b>6.89</b>

Attached notes form part of these financial statements .  
Dated, Dhaka: April 28, 2010

As per our annexed report of even date.

  
Tapan Chowdhury  
Managing Director

  
Samuel S. Chowdhury  
Vice Chairman

  
Khandaker Habibuzzaman  
Company Secretary

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

## Square Textiles Limited

### Consolidated Statement of Changes in Equity For the Year Ended December 31, 2009

Particulars	Share Capital	General Reserve and Surplus	Total
As at December 31, 2008	588,200,440	2,511,149,384	3,099,349,824
Net Profit for the Year 2009	-	352,971,383	352,971,383
Cash Dividend for 2008	-	(105,876,079)	(105,876,079)
Stock Dividend for 2008	117,640,090	(117,640,090)	-
<b>As at December 31, 2009</b> <b>Tk.</b>	<b>705,840,530</b>	<b>2,640,604,598</b>	<b>3,346,445,128</b>

## Square Textiles Limited

### Consolidated Statement of Changes in Equity For the Year Ended December 31, 2008


Particulars	Share Capital	General Reserve and Surplus	Total
As at December 31, 2007	394,333,700	1,651,714,869	2,046,048,569
Net Profit for the Year 2008	-	345,667,520	345,667,520
Share Issue for SSL Merger	115,000,000	-	115,000,000
Reserve for SSL Merger	-	691,217,160	691,217,160
Cash Dividend for 2007	-	(98,583,425)	(98,583,425)
Stock Dividend for 2007	78,866,740	(78,866,740)	-
<b>As at December 31, 2008</b> <b>Tk.</b>	<b>588,200,440</b>	<b>2,511,149,384</b>	<b>3,099,349,824</b>

Attached notes form part of these financial statements .  
Dated, Dhaka: April 28, 2010

As per our annexed report of even date.



Tapan Chowdhury  
Managing Director



Samuel S. Chowdhury  
Vice Chairman



Khandaker Habibuzzaman  
Company Secretary



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



# Consolidated Cash Flow Statement


## Square Textiles Limited Consolidated Cash flow Statement For The Year Ended December 31, 2009

	2009	2008
<b>Cash Flow From Operating Activities:</b>		
<b>Receipts:</b>		
Cash From Sales Revenue	5,205,934,944	3,959,334,359
Cash from Other Income	259,007	29,780
Total Cash Receipts	5,206,193,951	3,959,364,139
<b>Payments:</b>		
Purchase for Raw & Packing Materials	(3,517,276,046)	(2,788,801,476)
Manufacturing and Operating Exp.	(674,537,687)	(641,371,478)
Bank Interest	(178,021,331)	(208,664,913)
Income Tax payments	(45,207,953)	(86,492,822)
Workers Profit Participation Fund	(22,447,675)	(15,534,662)
Total Payments	(4,437,490,692)	(3,740,865,351)
<b>Net Cash Flow From Operating Activities</b>	<b>768,703,259</b>	<b>218,498,788</b>
<b>Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets	(100,446,327)	(188,789,011)
Investment in Mithapur Tex	(10,000,000)	
Disposal of Fixed Assets	295,000	1,047,111
Cash Received from SSL	-	13,198,790
<b>Net Cash Flow From Investing Activities</b>	<b>(110,151,327)</b>	<b>(174,543,110)</b>
<b>Cash Flow From Financing Activities</b>		
Short term Bank Received	(433,487,797)	79,139,361
Dividend Payment	(105,876,079)	(98,583,425)
Short term loan from sister concern	240,573,705	169,759,962
Long Term Loan	(336,762,199)	(184,306,882)
<b>Net Cash Flow From Financing Activities</b>	<b>(635,552,370)</b>	<b>(33,990,984)</b>
Net Cash Position	22,999,562	9,964,694
Opening Cash & Cash Equivalents	68,113,333	58,148,639
<b>Closing Cash in Hand</b>	<b>Tk. 91,112,895</b>	<b>68,113,333</b>

Attached notes form part of these financial statements .  
Dated, Dhaka: April 28, 2010

As per our annexed report of even date.

  
Tapan Chowdhury  
Managing Director

  
Samuel S. Chowdhury  
Vice Chairman

  
Khandaker Habibuzzaman  
Company Secretary

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



# Square Textiles Limited

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2009.

### 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 subsidiary, Square Yarns 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.9 of this annual report.

**c) Nature of Business.** The group 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 IFRS.

During the year of reporting there is no adoption of new Accounting Standard/Financial Reporting Standard.

### 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 entity 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. Minority interests 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, 2009.

**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 for full year has been charged on additions irrespective of date when the related assets are put into use but no depreciation charged on the assets disposed off during the year. Depreciation is computed on the straight- line basis over the estimated useful lives as follows:





## Notes to the Consolidated Financial Statements

	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%

**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 Income statement.

### **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 balance sheet date. Gains or losses resulting from foreign currency transactions are taken to the income statement.

**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 Balance Sheet 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 currents 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 income statement 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 by the balance sheet date.

**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 balance sheet date.

**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 two business centres but same geographical segment and 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. Being there is scope of dilution of EPS for the year; no diluted EPS has been calculated.

**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, 2009 to December 31, 2009.

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



# Notes to the Consolidated Financial Statements

## 4. FIXED ASSETS: TK. 2,507,420,230

'Details of Fixed Assets and Depreciation as of December 31, 2009 are shown in the annexed schedule-01. Depreciation for the year charged to Factory Overhead (Note-21.3). The break-up of the balances are depicted below:

	31-Dec-09	31-Dec-08
<b>Fixed Assets at Cost:</b>		
Opening Balance	4,219,726,142	3,621,905,550
Addition during the year	157,818,242	698,522,591
Sale/ Transfer during the year	(57,815,869)	(100,701,999)
Closing Balance (Cost)	4,319,728,515	4,219,726,142
<b>Accumulated Depreciation:</b>		
Opening Balance	1,523,412,238	1,286,553,356
Charged during the year	289,346,047	238,563,882
Adjustment for sale/Transfer	(450,000)	(1,705,000)
	1,812,308,285	1,523,412,238
<b>Written Down Value</b>	<b>Tk. 2,507,420,230</b>	<b>2,696,313,904</b>
<b>5. INVESTMENT- LONG TERM (AT COST):</b>		
Investment in Share of Mithapur Textiles Ltd.	10,000,000	-
	10,000,000	-

The Balance is nil due to adjustment & elimination during consolidation of Accounts of Square Yarns Limited with Square Textiles Limited as on December 31, 2009.

## 6. STOCKS: TK. 1,367,504,190

<b>Stocks of Raw Materials</b>	<b>1,327,683,464</b>	<b>1,474,048,457</b>
Raw Materials	1,110,236,913	1,249,311,835
Raw Materials In Transit	145,882,614	162,237,719
Finished Goods	18,973,524	16,087,229
Packing Materials	13,358,350	5,024,224
Work - in - process	30,331,482	22,664,058
Comber Noil	8,900,581	18,723,392
<b>Stock of Spares</b>	<b>39,820,726</b>	<b>126,902,268</b>
Spares at Store	38,226,042	121,687,949
Spares in Transit	1,594,684	5,214,319
<b>Tk.</b>	<b>1,367,504,190</b>	<b>1,600,950,725</b>

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. 2,188,554,329

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	2,141,781,389	2,241,781,389
Above 180 days	46,772,940	77,081,763
<b>Tk.</b>	<b>2,188,554,329</b>	<b>2,318,863,152</b>

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-09	31-Dec-08
<b>8. ADVANCE, DEPOSIT &amp; PREPAYMENTS: TK. 138,163,815</b>		
This is made up of the followings:		
Advance:	<b>119,984,578</b>	<b>207,155,092</b>
Income Tax	79,255,044	156,578,671
Salary & PF Current account	8,781,091	18,808,675
Expenses	28,225,939	27,196,079
Contractor	3,722,504	4,571,667
Deposits:	<b>18,179,237</b>	<b>18,106,194</b>
Margin & Deposit	3,021,002	3,021,002
Security Deposit	14,966,837	14,966,837
Adv. Ag. Excise Duty	191,398	118,355
<b>Tk.</b>	<b>138,163,815</b>	<b>225,261,286</b>

- (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. 91,112,895**

This is made up of the followings:

Cash in hand	2,347,777	2,292,234
Cash at Bank	88,765,118	65,821,099
<b>Tk.</b>	<b>91,112,895</b>	<b>68,113,333</b>

#### **10. SHORT TERM BANK LOAN: TK. 613,478,255**

Bank Overdraft	293,478,255	255,000,569
Local Purchase Offer (LPO)	100,000,000	190,000,000
Clean Import Loan (CIL)	100,000,000	509,451,464
Revolving Loan	120,000,000	92,514,019
Long Term Loan (Due in FY-2009)	-	189,770,791
<b>Tk.</b>	<b>613,478,255</b>	<b>1,236,736,843</b>

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

#### **11. SUNDRY CREDITORS: TK. 1,270,464,545**

<b>1,270,464,545</b>	<b>1,590,516,200</b>
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This represents amount payable to regular suppliers of raw materials, Defered 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. 187,919,788**

This consists of as follows:

Retention Money	1,471,179	1,861,364
Allocation for W.P.P & W.F	100,390,737	93,920,913
Others	86,057,872	67,978,449
<b>Tk.</b>	<b>187,919,788</b>	<b>163,760,726</b>





# Notes to the Consolidated Financial Statements

31-Dec-09

31-Dec-08

## 13. SHORT TERM LOAN: TK. 552,993,073

Loan from Square Pharmaceuticals Limited	<u>552,993,073</u>	<u>301,562,429</u>
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## 14. PROVISION FOR INCOME TAX : TK. 159,277,358

Opening Balance	203,250,151	122,964,246
Income Tax Expenses for FY 2006-'07	(113,807,633)	-
Provision for SSL	-	16,479,601
Current Year Provision	69,834,840	63,806,304
	<u>159,277,358</u>	<u>203,250,151</u>

## 15. DEFERRED TAX LIABILITY: TK. 170,482,362

Opening Balance	166,125,855	105,838,030
Adjusted for deductible temporary difference	(8,741,282)	-
Liability for SSL	-	41,057,800
Provision for this Year	13,097,789	19,230,025
	<u>170,482,362</u>	<u>166,125,855</u>

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

## 16. SHARE CAPITAL: TK. 705,840,530

This is made up of the followings:

Authorized:	<b>Tk.</b>	<u>1,000,000,000</u>	<u>1,000,000,000</u>
100,000,000 Ordinary Shares of Tk. 10.00 each			
Issued, Subscribed and Paid up:	<b>Tk.</b>	<u>705,840,530</u>	<u>588,200,440</u>
70,584,053 Ordinary Shares of Tk. 10.00 each			
Fully Paid up in cash			

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. 66 of separate accounts of Square Textiles Limited.

## 17. GENERAL RESERVE AND SURPLUS: TK. 2,640,604,598

Opening Balance	2,511,149,384	1,651,714,869
Less: Dividend paid during the year	(105,876,079)	(98,583,425)
Less: Appropriation for stock dividend at the rate of one share for every five shares held	(117,640,090)	(78,866,740)
Add: Gain from Purchase of SSL	-	691,217,160
Add: Surplus of the Year	352,971,383	345,667,520
	<u>2,640,604,598</u>	<u>2,511,149,384</u>

		31-Dec-09	31-Dec-08
<b>18. LONG TERM LOAN:</b>			
Banker	Term		
Term loan from SCB	4 years	-	39,848,550
Term Loan from Citibank N.A	4 years	-	32,142,858
Term Loan from HSBC	4 years	-	75,000,000
	<b>Tk.</b>	<b>-</b>	<b>146,991,408</b>

**19. NON CONTROLLING INTEREST: TK. 1,694,950**

5,000 shares of Tk 100 at par	500,000	500,000
Profit Share	1,194,950	708,964
	<b>Tk. 1,694,950</b>	<b>1,208,964</b>

This represents non controlling interest in Square Yarns Limited as on December 31, 2009.

	2009	2008
<b>20. SALES TK. 5,075,626,120</b>		
Sales Comprises the following:		
In Quantity(KG)		
Opening Stock	98,030	52,659
Production during the Year	23,190,746	22,483,737
Received from SSL	-	10,750
Available for Sale	23,288,776	22,547,146
Closing Stock	(67,950)	(98,030)
Sales during the year	<b>Kg. 23,220,826</b>	<b>22,449,116</b>
(To be accounted for as follows)		
Sales Accounted as follows:		
Local Sale of Yarns	626,327	209,957
Export Sale of Yarns	28,624,990	22,239,159
	<b>Kg. 29,251,317</b>	<b>22,449,116</b>
In Taka		
Local Sale of Yarns	108,384,075	43,170,385
Export Sale of Yarns	4,967,242,045	4,374,410,257
	<b>Tk. 5,075,626,120</b>	<b>4,417,580,642</b>



## Notes to the Consolidated Financial Statements

	2009	2008
<b>21. COST OF GOODS SOLD TK. 4,308,815,485</b>		
This is arrived as follows:		
Raw Material Consumed (Note-21.1)	3,333,644,030	2,809,665,800
Packing Material Consumed (Note-21.2)	41,831,609	56,790,933
Factory Overhead (Note- 21.3)	943,893,565	811,754,795
Cost of Goods Manufacturing	4,319,369,204	3,678,211,528
Opening Work-In-Process (Opening)	22,664,058	18,404,275
Add: Recv. from SSL	-	5,421,222
Closing Work-In-Process (Closing)	(30,331,482)	(22,664,058)
Cost of Production	4,311,701,780	3,679,372,967
Finished Goods (Opening)	16,087,229	7,818,104
Add: Recv. from SSL	-	1,382,590
Finished Goods (Closing)	(18,973,524)	(16,087,229)
<b>Tk.</b>	<b>4,308,815,485</b>	<b>3,672,486,432</b>

### 21.1 RAW MATERIAL CONSUMED: TK. 3,333,644,030

This is arrived as follows:

In Quantity(KG)		
Opening Stock	10,893,014	6,106,709
Purchase during the year	31,013,422	31,382,027
Imported	29,145,577	28,681,340
Local	1,867,845	317,086
Received from SSL	-	2,383,601
Raw Material Available for Consumption	41,906,436	37,488,736
Closing Stock	(10,847,395)	(10,893,014)
Raw Material Consumed	<b>Kg. 31,059,041</b>	<b>26,595,722</b>

In Taka		
Opening Stock	1,249,311,835	579,422,001
Received from SSL	-	236,993,787
Purchase during the year	3,194,569,108	3,242,561,847
Raw Material Available for Consumption	4,443,880,943	4,058,977,635
Closing Stock	(1,110,236,913)	(1,249,311,835)
Raw Material Consumed	<b>Tk. 3,333,644,030</b>	<b>2,809,665,800</b>

2009

2008

**21.2. PACKING MATERIALS CONSUMED: TK. 41,831,609**

This is arrived as follows:

Opening Stock	5,024,224	4,775,296
Purchase & Received from SSL	50,165,735	57,039,861
Materials available for Consumed	55,189,959	61,815,157
Closing Stock	(13,358,350)	(5,024,224)
<b>Tk.</b>	<b>41,831,609</b>	<b>56,790,933</b>

**21.3. FACTORY OVERHEAD: TK. 943,893,565**

Factory Wages , Salary & Allowances	180,423,465	146,364,405
Training Expenses	5,700	3,600
Travelling & Conveyance	221,884	41,209
Printing & Stationery	2,333,026	1,811,766
Production Workers Free Lunch	5,841,257	4,533,296
Uniform & Liveries	186,841	59,684
Fuel , Petrol , Light , Diesel etc.	23,928,418	14,598,618
Electricity , Gas & Water	148,410,977	110,023,741
Repairs & Maintenance - Factory	72,996,252	100,091,129
Technical Consultant Expenses	5,182	347,910
Office Maintenance - Factory	155,108	215,399
Medical Expenses	213,145	280,046
Repairs & Maintenance of Vehicles	10,526,938	11,204,165
Papers Books and Periodicals	19,050	11,312
Fire Insurance Premium	14,511,596	11,752,923
Telephone , Fax , & Telex Charges	696,985	589,082
Security Services	5,916,154	3,418,194
Research & Development	904,326	208,670
Spare Parts - Machinery	186,253,196	166,598,100
Group Insurance	998,018	1,037,664
Depreciation (Schedule-1)	289,346,047	238,563,882
<b>Tk.</b>	<b>943,893,565</b>	<b>811,754,795</b>



# Notes to the Consolidated Financial Statements

	2009	2008
<b>22. OPERATING EXPENSES: TK. 124,704,336</b>		
This is arrived as follows:		
Administrative Overhead (Note 22.1)	105,678,956	81,399,412
Selling & Distribution Overhead (Note 22.2)	19,025,380	10,868,714
<b>Tk.</b>	<b>124,704,336</b>	<b>92,268,126</b>

## 22.1. ADMINISTRATIVE OVERHEAD: TK. 105,678,956

Salary and Allowances	36,467,978	31,370,245
Directors Remuneration	8,400,000	6,800,000
Consultant Fee	499,618	374,241
Travelling and Conveyance	392,376	376,743
Overseas Travelling	30,968,116	15,802,927
Training Expenses	165,562	341,607
Printing and Stationery	1,055,773	683,287
Computer Consumable	260,485	148,265
Postage, Telephone, Fax & Telex	965,818	1,313,882
Electricity, Gas & Water	934,237	587,158
Vehicles Running & Maintenance	5,643,682	4,913,651
Tiffin and Refreshment	1,326,471	1,418,613
Fees, Subscription	4,319,922	2,993,735
Repairs & Maintenance	3,474,903	2,375,295
Bank Charges & Commission	1,369,580	1,549,040
Insurance	275,835	217,364
Medical Expenses	6,206	20,497
Govt. Taxes, Stamp Duty & Licence Fee	1,260,656	706,059
Office Rent	2,819,042	2,015,000
Security Service	643,427	455,205
Annual General Meeting Expenses	4,359,269	6,861,598
Audit Fees	70,000	75,000
<b>Tk.</b>	<b>105,678,956</b>	<b>81,399,412</b>

a) Audit Fees represent provision for the auditors' remuneration for audit of the Company's Financial Statements for the year ended December 31, 2009.

## 22.2. SELLING & DISTRIBUTION OVERHEAD: TK. 19,025,380

This is arrived as follows:		
Sales Promotion Expenses	6,729,104	877,120
Packing Expenses	125,710	133,775
Expenses for Export	9,931,412	8,215,492
Excise Duty on Sales	2,017,539	717,813
Carrage Outword	221,615	924,514
<b>Tk.</b>	<b>19,025,380</b>	<b>10,868,714</b>



	2009	2008
<b>23. FINANCE COST: TK. 184,450,808</b>		
This is arrived as follows:		
Interest on Short Term Loan	184,450,808	203,160,806
<b>Tk.</b>	<b>184,450,808</b>	<b>203,160,806</b>

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

**24. ALLOCATION FOR W.P.P & W.F.: TK. 21,819,500**

This represents 5% of Net Income before Tax after charging the allocation as per provisions of the Labour Law - 2006, Chapter - 15 and is payable to workers as defined in the said act.

**25. PROVISION FOR INCOME TAX: TK. 69,834,840**

This represents estimated Income Tax on Net Income for the period from January 1, 2009 to December 31, 2009.

**26. PROVISION FOR DEFERRED INCOME TAX: Tk. 13,097,789**

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

**27. EARNING PER SHARE (EPS):**

The Computation is given below:  
Surplus for the year attributable to  
Shareholders (Net Profit after tax)

<b>Tk.</b>	352,971,383	345,667,520
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Weighted average number of shares  
outstanding for the year 2009 and  
restated for the year 2008.


70,584,053	70,584,053
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Earning Per Share

<b>Tk.</b>	5.00	4.90
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These Financial Statements have been approved by the Board on April 21, 2010

  
Tapan Chowdhury  
Managing Director

  
Samuel S. Chowdhury  
Vice Chairman

  
Khandaker Habibuzzaman  
Company Secretary



# Square Textiles Ltd.

## Schedule of Consolidated Fixed Assets

Consolidated Fixed Assets - Tk. 2,507,420,230

Schedule-01

PARTICULARS	At 31 December 2008	COST		DEPRECIATION				Written Down Value as at 31 December 2009	
		During the year		At 31 December 2009	At 31 December 2008	During the year			At 31 December 2009
		Additions	Sales/Transfer			Charged	Adjustments/ Transfer		
Freehold Land	186,147,356	31,183,745	-	217,331,101	-	-	-	217,331,101	
Building	658,184,070	-	-	658,184,070	195,788,299	35,225,456	-	427,170,315	
Temporary Shed	9,675,222	-	-	9,675,222	8,586,361	504,764	-	584,097	
Plant & Machinery	3,176,037,173	60,729,634	-	3,236,766,807	1,202,881,027	236,589,738	-	1,797,296,042	
Plant & Machinery in Trans	215,637	57,150,231	(57,365,869)	-	-	-	-	-	
Furniture & Fixture	11,731,224	35,065	-	11,766,289	8,091,893	857,421	-	2,816,975	
Office Equipment	11,515,722	244,340	-	11,760,062	9,139,184	683,668	-	1,937,210	
Motor Vehicles	49,972,165	3,785,000	(450,000)	53,307,165	31,785,889	6,322,942	(450,000)	15,648,334	
Electrical Intallation	83,529,068	-	-	83,529,068	53,610,001	6,440,860	-	23,478,207	
Deep Tubewell	2,506,125	-	-	2,506,125	1,492,513	225,047	-	788,565	
Boundary Wall	12,246,315	-	-	12,246,315	3,862,185	612,316	-	7,771,815	
Gas Line Installation	16,035,804	4,690,227	-	20,726,031	7,265,075	1,665,168	-	11,795,788	
Workshop Tools	1,417,170	-	-	1,417,170	708,222	151,917	-	557,032	
Testing Equipment	513,091	-	-	513,090	201,590	66,750	-	244,750	
<b>Total 2009</b>	<b>4,219,726,142</b>	<b>157,818,242</b>	<b>(57,815,869)</b>	<b>4,319,728,515</b>	<b>1,523,412,239</b>	<b>289,346,047</b>	<b>(450,000)</b>	<b>2,507,420,230</b>	
Total 2008	3,621,905,550	698,522,591	(100,701,999)	4,219,726,142	1,286,553,356	238,563,882	(1,705,000)	2,696,313,904	







# Auditors' Report

## AUDITORS' REPORT

### Auditors' Report to the Shareholders of Square Textiles Limited

We have audited the accompanying Financial Statements of Square Textiles Limited comprising Balance Sheet as at 31 December 2009 and the related Income Statement, Statement of Changes in Equity, Cash flow Statements together with related notes and schedule thereto for the year then ended. The preparation of these financial statements are the responsibility of the Company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

We conducted our audit in accordance with the BSA. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates and judgments made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements, prepared in accordance with BAS, give a true and fair view of the state of the company's affairs as at 31 December, 2009 and of the results of its operations and its cash flow for the year then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof.
- (b) in our opinion, the company management has followed relevant provisions of laws and rules in managing the affairs of the company and proper books of accounts, records and other statutory books have been maintained so far as it appeared from our examination of those books.
- (c) the company's Balance Sheet and Income Statement dealt with by the report are in agreement with the books of account.
- (d) the expenditure incurred and payments were for the purpose of the company's business.

Dated, Dhaka  
April 28, 2010



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

# Square Textiles Limited


## Balance Sheet As at December 31, 2009

		31-12-2009	31-12-2008
<b>NET ASSETS:</b>	<b>Notes</b>		
Fixed Assets		<b>2,283,552,606</b>	<b>2,370,847,250</b>
Assets at Cost Less Depreciation	4	1,378,552,606	1,475,847,250
Investment-Long Term (At Cost)	5	105,000,000	95,000,000
Share Money Deposit	6	800,000,000	800,000,000
<b>Current Assets:</b>		<b>3,224,729,710</b>	<b>3,437,049,714</b>
Stocks	7	942,568,134	1,267,785,890
Trade Debtors	8	1,683,329,048	1,689,670,282
Short Term Loan	9	431,848,649	224,332,805
Advance, Deposits and Prepayments	10	120,651,506	210,569,262
Cash & Bank Balances	11	46,332,373	44,691,475
<b>Less: Current Liabilities:</b>		<b>2,276,601,803</b>	<b>2,722,233,092</b>
Short Term Bank Loan	12	573,802,358	777,528,585
Short Term Loan	9	552,993,073	301,562,429
Sundry Creditors	13	870,756,515	1,322,409,529
Other Current Liabilities	14	170,321,074	149,339,005
Provision for income Tax	15	108,728,783	171,393,544
<b>Net Current Assets</b>		<b>948,127,907</b>	<b>714,816,622</b>
Less: Deferred Tax Liability	16	112,276,486	121,017,768
<b>Tk.</b>		<b>3,119,404,027</b>	<b>2,964,646,104</b>
<b>FINANCED BY:</b>			
<b>Share Holders Equity :</b>		<b>3,119,404,027</b>	<b>2,964,646,104</b>
Share Capital	17	705,804,530	588,200,440
General Reserve and Surplus	18	2,413,563,497	2,376,445,664
<b>Tk.</b>		<b>3,119,404,027</b>	<b>2,964,646,104</b>

Attached notes form part of these financial statements .  
Dated, Dhaka: April 28, 2010

As per our annexed report of even date.

  
Tapan Chowdhury  
Managing Director

  
Samuel S. Chowdhury  
Vice Chairman

  
Khandaker Habibuzzaman  
Company Secretary

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





# Income Statement

## Square Textiles Limited


### Income Statement For the Year Ended December 31, 2009

		2009	2008
	<b>Notes</b>		
<b>Sales</b>	19	3,882,244,010	3,052,235,640
<b>Cost of Goods Sold</b>	20	(3,348,870,289)	(2,589,019,736)
<b>Gross Profit</b>		<b>533,373,721</b>	<b>463,215,904</b>
Operating Expenses	21	(109,832,354)	(85,777,018)
Finance Cost	22	(121,730,159)	(109,701,045)
Operating Income		301,811,208	267,737,841
Other Income		25,554,510	23,722,979
Net Income Before W.P.P & W.F		327,365,718	291,460,820
Allocation For W.P.P. & W.F	23	(15,588,844)	(13,879,087)
Net Income Before Tax		311,776,874	277,581,733
Provision For Income Tax	24	(51,142,872)	(41,051,825)
Net Income For The Year	<b>Tk.</b>	<b>260,634,002</b>	<b>236,529,908</b>
(Transferred to the Statement of Changes Equity)			
<b>Earning Per Share</b>	25 <b>Tk.</b>	<b>3.69</b>	<b>3.35</b>

Attached notes form part of these financial statements .  
Dated, Dhaka: April 28, 2010

As per our annexed report of even date.

  
Tapan Chowdhury  
Managing Director

  
Samuel S. Chowdhury  
Vice Chairman

  
Khandaker Habibuzzaman  
Company Secretary

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

**Square Textiles Limited**  
Statement of Changes in Equity  
For the year Ended December 31, 2009

Particulars	Share Capital	General Reserve and Surplus	Total Tk.
As at December 31, 2008	588,200,440	2,376,445,664	2,964,646,104
Net Profit for the Year 2009	-	260,634,002	260,634,002
Cash Dividend for 2008	-	(105,876,079)	(105,876,079)
Stock Dividend for 2008	117,640,090	(117,640,090)	-
<b>As at December 31, 2009</b> <b>Tk.</b>	<b>705,840,530</b>	<b>2,413,563,497</b>	<b>3,119,404,027</b>

**Square Textiles Limited**  
Statement of Changes in Equity  
For the year Ended December 31, 2008

Particulars	Share Capital	General Reserve and Surplus	Total Tk.
As at December 31, 2007	394,333,700	1,626,148,761	2,020,482,461
Net Profit for the Year 2008	-	236,529,908	236,529,908
Cash Dividend for 2007	-	(98,583,425)	(98,583,425)
Stock Dividend for 2007	78,866,740	(78,866,740)	-
Share Issued	115,000,000	-	115,000,000
Gain from Acquisition of SSL	-	691,217,160	691,217,160
<b>As at December 31, 2008</b> <b>Tk.</b>	<b>588,200,440</b>	<b>2,376,445,664</b>	<b>2,964,646,104</b>

Attached notes form part of these financial statements .

Dated, Dhaka: April 28, 2010

As per our annexed report of even date.



Tapan Chowdhury  
Managing Director



Samuel S. Chowdhury  
Vice Chairman



Khandaker Habibuzzaman  
Company Secretary



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



# Cash Flow Statement

## Square Textiles Limited

### Cash Flow Statement

For the Year Ended December 31, 2009

	2009	2008
<b>Cash Flow From Operating Activities:</b>		
<b>RECEIPTS:</b>		
Cash From Sales Revenue	3,888,585,244	2,763,272,886
Cash from Other Income	259,007	23,676
Total Cash Receipts	3,888,844,251	2,763,296,562
<b>PAYMENTS:</b>		
Purchase for Raw & Packing Materials	(2,840,712,628)	(1,951,063,214)
Manufacturing and Operating Exp.	(517,209,344)	(482,296,269)
Finance Cost	(112,410,317)	(114,091,254)
Income Tax	(41,934,432)	(77,675,961)
Workers Profit Participation Fund	(16,355,199)	(13,369,264)
Total Payments	(3,528,621,920)	(2,638,495,962)
<b>Net Cash Flow From Operating Activities</b>	<b>360,222,331</b>	<b>124,800,600</b>
<b>Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets	(97,332,491)	(130,606,406)
Profit from disposal of Fixed Assets	295,000	1,047,111
Cash Receiver from Merger of SSL	(10,000,000)	13,198,790
<b>Net Cash Flow From Investing Activities</b>	<b>(107,037,491)</b>	<b>(116,360,505)</b>
<b>Cash Flow From Financing Activities</b>		
Shortterm Bank Loan	(203,726,227)	(27,451,291)
Short Term loan from/(to) sister Concern	58,058,364	129,959,939
Payment of Dividend	(105,876,079)	(98,583,425)
<b>Net Cash Flow From Financing Activities</b>	<b>(251,543,942)</b>	<b>3,925,223</b>
Net Cash Position	1,640,898	12,365,318
Opening Cash & Cash Equivalents	44,691,475	32,326,157
<b>Closing Cash &amp; Cash Equivalents</b>	<b>Tk. 46,332,373</b>	<b>44,691,475</b>

Attached notes form part of these financial statements .  
Dated, Dhaka: April 28, 2010

As per our annexed report of even date.

  
Tapan Chowdhury  
Managing Director

  
Samuel S. Chowdhury  
Vice Chairman

  
Khandaker Habibuzzaman  
Company Secretary

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



## Square Textiles Limited

Notes to the Financial Statements

For the year ended December 31, 2009.

### 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.

During the year of reporting there is no adoption of new Accounting Standard.

### 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 below.



# Notes to the Financial Statements

## 4. ASSETS AT COST LESS DEPRECIATION: TK. 1,378,552,606

Details of Fixed Assets and Depreciation as of December 31, 2009 are shown in the annexed schedule-02. (Page 74) Depreciation for the year charged to Factory Overhead (Note-20.3). The break-up of the balances are depicted below:

	31-Dec-09	31-Dec-08
<b>Fixed Assets at Cost:</b>		
Opening Balance	2,814,150,203	2,274,512,218
Addition during the year	154,698,360	130,606,406
Add: Assets Received from SSL at WDV	-	410,736,579
Sale/ Transfer during the year	(57,815,869)	(1,705,000)
Closing Balance	2,911,032,694	2,814,150,203
<b>Accumulated Depreciation:</b>		
Opening Balance	1,338,302,953	1,195,953,169
Charged during the year	194,627,135	144,054,784
Adjustment for sale/Transfer	(450,000)	(1,705,000)
	1,532,480,088	1,338,302,953
<b>Written Down Value</b>	<b>Tk. 1,378,552,606</b>	<b>1,475,847,250</b>

## 5. INVESTMENT- LONG TERM (AT COST): TK. 105,000,000

This represents investments in Shares of Square Yarns Limited, and in the shares of Mithapur Textiles Limited.

Investment in Share of Square Yarns Limited	95,000,000	95,000,000
950,000 Shares of Tk. 100 each		
Shares of Mithapur Textiles Limited	10,000,000	-
Agreement Signing Money for 95,000 Ordinary Shares @ Tk. 100 Per Value	Tk. 105,000,000	95,000,000

1) Square Yarns Ltd., a private limited company incorporated under Companies Act 1994, a subsidiary company of the company.

2) Mithapur Textiles Limited, a private limited company incorporated under Companies Act 1994, Square Textiles Limited intended to buy out 95% share of the company from its existing shareholders

## 6. SHARE MONEY DEPOSIT: TK. 800,000,000

Balance with Square Yarns Limited	Tk. 800,000,000	800,000,000
-----------------------------------	-----------------	-------------

## 7. STOCKS: TK. 942,568,134

<b>Stock of Raw Materials</b>	<b>904,560,479</b>	<b>1,161,022,533</b>
Raw Materials	706,145,769	999,330,295
Raw Materials In Transit	141,812,866	113,278,384
Finished Goods	13,906,419	10,338,892
Packing Materials	12,237,747	3,690,600
Work - in - process	21,557,097	15,660,970
Comber noil	8,900,581	18,723,392
<b>Stock of Spares</b>	<b>38,007,655</b>	<b>106,763,357</b>
Spares at Store	37,801,672	101,554,355
Spares in Transit	205,983	5,209,002
<b>Tk.</b>	<b>942,568,134</b>	<b>1,267,785,890</b>

The basis of valuation is stated in Note -3(e) of page no.52, carrying amount of inventories pledged as security.



31-Dec-09

31-Dec-08

**8. TRADE DEBTORS: TK. 1,683,329,048**

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	1,582,753,832	1,588,290,066
Above 180 days	100,575,216	101,380,216
<b>Tk.</b>	<b>1,683,329,048</b>	<b>1,689,670,282</b>

- 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. 121,144,424**

Loan to Sqaure Yarns Limited	431,848,649	224,332,805
Loan from Square Pharmaceuticals Limited	(552,993,073)	(301,562,429)
<b>Tk.</b>	<b>(121,144,424)</b>	<b>(77,229,624)</b>

**10. ADVANCE, DEPOSITS & PREPAYMENTS: TK. 120,651,506**

This is made up of the followings:

<b>Advance:</b>	<b>102,472,269</b>	<b>192,480,403</b>
Income Tax	65,771,517	146,386,000
Salary & PF Current account	5,117,737	14,675,235
Expenses	27,860,511	26,847,501
Contractor	3,722,504	4,571,667
<b>Deposits:</b>	<b>18,179,237</b>	<b>18,088,859</b>
Margin & Deposit	3,021,002	3,021,002
Security Deposit	14,966,837	14,966,837
Adv. Ag. Excise Duty	191,398	101,020
<b>Tk.</b>	<b>120,651,506</b>	<b>210,569,262</b>

- (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. 46,332,373**

This is made up of the followings:

Cash in hand	1,499,732	1,540,530
Cash at Bank	44,832,641	43,150,945
<b>Tk.</b>	<b>46,332,373</b>	<b>44,691,475</b>



# Notes to the Financial Statements

31-Dec-09

31-Dec-08

## 12. SHORT TERM BANK LOAN: TK. 573,802,358

Overdraft	53,802,358	167,120,033
Local Purchase Offer	200,000,000	190,000,000
Revolving Loan	100,000,000	92,514,019
Clean Import Loan	220,000,000	327,894,533
<b>Tk.</b>	<b>573,802,358</b>	<b>777,528,585</b>

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

## 13. SUNDRY CREDITORS: TK. 870,756,515

<b>Tk.</b>	<b>870,756,515</b>	<b>1,322,409,529</b>
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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.

## 14. OTHER CURRENT LIABILITIES : TK. 170,321,074

This consists of as follows:

Retention Money	1,112,245	1,492,641
Allocation for W.P.P & W.F	90,415,587	83,349,942
Others	78,793,242	64,496,422
<b>Tk.</b>	<b>170,321,074</b>	<b>149,339,005</b>

## 15. PROVISION FOR INCOME TAX: TK. 108,728,783

Opening Balance	171,393,544	113,862,118
Provision for SSL	-	16,479,601
Adjustment of Tax for the FY 2006-'07	(113,807,633)	-
Current Year Provision	51,142,872	41,051,825
<b>Tk.</b>	<b>108,728,783</b>	<b>171,393,544</b>

## 16. DEFERRED TAX LIABILITY: TK. 112,276,486

Opening Balance	121,017,768	79,959,968
Liability for SSL	-	41,057,800
Adjusted for deductible temporary difference	(8,741,282)	-
<b>Tk.</b>	<b>112,276,486</b>	<b>121,017,768</b>

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

**31-Dec-09****31-Dec-08****17.SHARE CAPITAL: TK. 705,840,530**

This is made up of the followings:

Authorized:	Tk. 1,000,000,000	1,000,000,000
100,000,000 Ordinary Shares of Tk. 10.00 each		
Opening balance	588,200,440	394,333,700
Add share issued for merger of Square Spinings Ltd.	-	115,000,000
Add bonus share issued for the year 2007-'08	117,640,090	78,866,740
Issued, Subscribed and Paid up:	<b>Tk. 705,840,530</b>	<b>588,200,440</b>
70,584,053 Ordinary Shares of Tk. 10.00 each Fully Paid up		

The position of shareholders as on December 31, 2009 is as follows:

Particulars of Investors	Number of Investors	Number of Shares	Percentage of Share Holding 2009	Percentage of Share Holding 2008
Sponsors	10	43,709,546	61.93%	61.93%
Foreign Investors	16	4,744,281	6.72%	7.03%
Local Institutions	131	5,767,227	8.17%	6.50%
General Public	29,632	16,362,999	23.18%	24.54%
Total	29,789	70,584,053	100.00%	100.00%

Distribution schedule of each class of equity security setting out the number of holders and percentage as on 31 December 2009

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	4,394	249,324	20516	1,914,479	2,163,803	3.07
500 to 5,000 shares	167	156,004	4269	5,381,580	5,537,584	7.85
5001 to 10,000 shares	14	103,744	209	1,523,010	1,626,754	2.30
10,001 to 20,000 shares	13	184,044	85	1,159,518	1,343,562	1.90
20,001 to 30,000 shares	3	77,457	23	561,241	683,698	0.90
30,001 to 40,000 shares	2	71,155	13	447,994	519,149	0.74
40,001 to 50,000 shares	1	42,586	11	516,955	559,541	0.79
50,001 to 100,000 shares	1	70,330	23	1,399,215	1,469,545	2.08
100,001 to 1,000,000 shares	12	2,471,392	23	5,381,254	7,852,646	11.13
Over 1,000,000 shares	5	19,027,548	5	29,845,223	48,872,771	69.24
	4,612	22,453,584	25177	48,130,469	70,584,053	100.00



# Notes to the Financial Statements

31-Dec-09

31-Dec-08

## 18. GENERAL RESERVE AND SURPLUS: TK. 2,413,563,497

Opening Balance	2,376,445,664	1,626,148,761
Less: Dividend paid during the year	(105,876,079)	(98,583,425)
Less: Appropriation for stock dividend at the rate of 1 (one) share for every 5 (five) shares held	(117,640,090)	(78,866,740)
Add: Surplus for the Year	260,634,002	236,529,908
Add: Gain from Purchase of SSL (Note 18.1)	-	691,217,160
<b>Tk.</b>	<b>2,413,563,497</b>	<b>2,376,445,664</b>

## 18.1 MERGER OF SQUARE SPINNINGS LTD.

As on September 29, 2008:

Fixed Assets (WDV)	-	410,736,578
Net Current Assets	-	436,538,382
Deferred Tax Liability	-	(41,057,800)
Net Assets	-	806,217,160
Purchase Consideration (11,500,000 fully Paid up Share)	-	115,000,000
Gain from Merger (Transfer to General Reserve and Surplus)	-	<b>691,217,160</b>

## 19. SALES: TK. 3,882,244,010

2009

2008

Sales Comprises the following:

### In Quantity(KG)

Opening Stock	64,250	28,204
Production during the Year	23,190,746	15,657,509
Received from SSL	-	10,750
Available for Sale	23,254,996	15,696,463
Closing Stock	(67,950)	(64,250)
<b>Sales during the year</b>	<b>Kg. 23,187,046</b>	<b>15,632,213</b>
(To be accounted for as follows)		
Sales Accounted as follows:		
Local Sale of Yarns	561,347	165,247
Export Sale of Yarns	22,625,699	15,466,966
	<b>Kg. 23,187,046</b>	<b>15,632,213</b>
<b>In Taka</b>		
Local Sale of Yarns	98,729,395	34,128,293
Export Sale of Yarns	3,783,514,615	3,018,107,347
<b>Tk.</b>	<b>3,882,244,010</b>	<b>3,052,235,640</b>

**20. COST OF GOODS SOLD TK. 3,348,870,289**

		2009	2008
This is arrived as follows:	<b>Notes</b>		
Raw Material Consumed	20.1	2,644,967,512	2,006,550,074
Packing Material Consumed	20.2	30,261,942	41,945,314
Factory Overhead	20.3	683,104,488	547,411,551
Cost of Goods Manufacturing		3,358,333,942	2,595,906,939
Opening Work-In-Process (Opening)		15,660,971	8,210,449
Add: Work-In-Process Received from SSL		-	5,421,222
Closing Work In Process (Closing)		(21,557,097)	(15,660,971)
Cost of Production		3,352,437,816	2,593,877,640
Finished Goods (Opening)		10,338,892	4,098,398
Add: Finished Goods Received from SSL		-	1,382,590
Finished Goods (Closing)		(13,906,419)	(10,338,892)
<b>Cost of Goods Sold</b>	<b>Tk.</b>	<b>3,348,870,289</b>	<b>2,589,019,736</b>

**20.1 RAW MATERIAL CONSUMED: TK. 2,644,967,512**

This is arrived as follows:

**In Quantity(KG)**

Opening Stock		8,650,060	4,553,662
Purchase during the year		23,158,144	23,486,505
Imported		21,290,299	20,786,580
Local		1,867,845	316,324
Received from SSL		-	2,383,601
Raw Material Available for Consumption		31,808,204	28,040,167
Closing Stock		(7,042,899)	(8,650,060)
Raw Material Consumed	<b>Kg.</b>	<b>24,765,305</b>	<b>19,390,107</b>

**In Taka**

Opening Stock		999,330,295	429,886,525
Purchase during the year		2,351,782,986	2,339,000,057
Received from SSL		-	236,993,787
Raw Material Available for Consumption		3,351,113,281	3,005,880,369
Closing Stock		(706,145,769)	(999,330,295)
Raw Material Consumed	<b>Tk.</b>	<b>2,644,967,512</b>	<b>2,006,550,074</b>

**20.2. PACKING MATERIALS CONSUMED: TK. 30,261,942**

This is arrived as follows:

Opening Stock		3,690,600	2,643,951
Purchase		38,809,089	42,991,963
Materials available for production		42,499,689	45,635,914
Closing Stock		(12,237,747)	(3,690,600)
Packing Materials Consumed	<b>Tk.</b>	<b>30,261,942</b>	<b>41,945,314</b>

Item wise quantity schedule with value given below:

Packing Materials	2009		2008	
	Quantity (Pcs.)	Value (Tk.)	Quantity (Pcs.)	Value (Tk.)
Paper Cone	6,549,538	17,028,798	7,489,452	20,326,201
Paper Tube	2,751,666	6,603,998	2,003,910	4,850,842
Polythene Bag (Small)	313,375	5,797,438	317,790	9,250,722
Sundries	-	831,708	-	7,517,549
Packing Materials Consumed	-	30,261,942	-	41,945,314





# Notes to the Financial Statements

## 20.3. FACTORY OVERHEAD: TK. 683,104,488

This is made up as follows:

	2009	2008
Factory Wages , Salary & Allowances	133,641,338	107,025,889
Travelling & Conveyance	140,783	38,501
Printing & Stationery	1,949,804	1,408,590
Production Workers Free Lunch	4,389,857	3,236,763
Uniform & Liveries	49,600	41,440
Fuel , Petrol , Light , Diesel etc.	16,825,437	8,736,086
Electricity , Gas & Water	101,456,749	70,786,243
Repairs & Maintenance - Factory	41,950,696	57,578,013
Technical Consultant Expenses	5,182	347,910
Office Maintenance - Factory	68,556	200,666
Medical Expenses	131,395	243,398
Repairs & Maintenance of Vehicles	9,050,570	9,651,137
Papers, Books and Periodicals	19,050	6,812
Fire Insurance Premium	10,143,323	7,597,885
Telephone , Fax , & Telex Charges	576,391	476,682
Security Services	2,906,753	2,426,039
Research & Development	904,326	191,761
Spare Parts - Machinery	163,554,586	130,557,589
Group Insurance	712,957	805,363
Depreciation (Schedule-2)	194,627,135	144,054,784
<b>Tk.</b>	<b>683,104,488</b>	<b>547,411,551</b>

## 21. OPERATING EXPENSES: TK. 109,832,354

This is arrived as follows:

	Notes		
Administrative Overhead	21.1	99,333,729	78,370,522
Selling & Distribution Overhead	21.2	10,498,625	7,406,496
<b>Tk.</b>		<b>109,832,354</b>	<b>85,777,018</b>

## 21.1. ADMINISTRATIVE OVERHEAD: TK. 99,333,729

This is arrived as follows:

Salary and Allowances	35,516,034	30,251,720
Directors Remuneration	8,400,000	6,800,000
Consultant Fee	499,618	374,241
Travelling and Conveyance	322,159	311,592
Overseas Travelling	28,992,794	15,703,625
Training Expenses	165,562	341,607
Printing and Stationery	1,010,377	586,676
Computer Consumable	256,755	105,165
Postage, Telephone, Fax & Telex	912,190	1,279,314
Electricity, Gas & Water	645,945	536,333
Vehicles Running & Maintenance	5,643,592	4,903,166
Tiffin and Refreshment	1,311,221	1,364,855
Fees & Subscription	4,247,372	2,643,355
Repairs & Maintenance	1,881,842	1,999,484
Bank Charges & Commission	1,151,805	1,096,644
Insurance Premium	266,734	201,316
Medical Expenses	6,206	19,645
Govt. Taxes, Stamp Duty & Licence Fee	1,168,073	650,000
Office Rent	1,996,460	1,842,399
Security Service	519,721	437,787
Annual General Meeting Expenses	4,359,269	6,861,598
Audit Fees	60,000	60,000
<b>Tk.</b>	<b>99,333,729</b>	<b>78,370,522</b>

Audit Fees represent provision for the auditors' remuneration for audit of the Company's Financial Statements for the year ended December 31, 2009.

	2009	2008
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## 21.2. SELLING & DISTRIBUTION OVERHEAD: TK. 10,498,625

This is arrived as follows:

Sales Promotion Expenses	1,370,053	825,220
Packing Expenses	125,710	133,775
Export Sales Expenses	6,950,225	5,742,411
Excise Duty on Sale	1,861,637	666,460
Carrage Outward	191,000	38,630
<b>Tk.</b>	<b>10,498,625</b>	<b>7,406,496</b>

## 22. FINANCE COST: TK. 121,730,159

This is arrived as follows:

Interest on Short Term Loan	121,730,159	109,701,045
	<b>121,730,159</b>	<b>109,701,045</b>

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. 15,588,844

This represents 5% of Net Income before tax after charging the allocation as per provisions of the Labour Law-2006, Chapter-15 and is payable to workers as defined in the said act.

## 24. PROVISION FOR INCOME TAX: TK. 51,142,872

This represents estimated Income Tax on Net Income for the period from January 1, 2009 to December 31, 2009.

## 25. EARNING PER SHARE (EPS):

The Computation is given below:

Surplus for the year attributable to Shareholders (Net Profit after tax)	260,634,002	236,529,908
Weighted average number of shares outstanding for the year 2009 and restated for the year 2008.	70,584,053	70,584,053
<b>Earning Per Share</b>	<b>Tk. 3.69</b>	<b>3.35</b>

## 26. APPROPRIATION DURING THE YEAR

The appropriations for the year 2008 have been reflected in the "Statement of Changes in Equity". The Board of Directors proposed both cash and stock dividend of Tk.1.6(Taka one and sixty paisa) only per share and 15 (Fifteen) fully paid up bonus share for every 100 (Hundred) shares respectively for the year 2009. 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 proposed cash dividend and stock dividend Tk. 112,934,484.80 and Tk. 105,876,079.50 respectively.



# Notes to the Financial Statements

2009

2008

## 27. NUMBER OF EMPLOYEES:

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

No. of Employees:

Below Tk. 36,000.00 p.a

885

1,305

Tk. 36,000.00 and Above

999

560

**1,884**

**1,865**

Amount in Taka

Below Tk. 36,000.00 p.a

74,429,244

41,160,646

Tk. 36,000.00 and Above

94,728,128

53,379,340

**169,157,372**

**94,539,986**

## 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

8,400,000

6,800,000

Managerial Remuneration

10,356,079

9,246,500

Managerial Benefits:

Basic and House rent

6,006,526

5,362,970

Bonus

1,760,534

1,571,905

Medical and Conveyance

1,449,851

1,294,510

Company Contribution to P.F.

1,139,169

1,017,115

## 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. There was no material capital expenditure authorised by the board.

## 30. CLAIM ACKNOWLEDGEMENT:

There was no claim against the Company not acknowledged as debt as on December 31, 2009.

2009

2008

**31. CONTINGENT LIABILITIES:**

31.1 Contingent Liability of the Company was Tk. 466,437,232.00 as on December 31, 2009 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, 2009.

**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	11,271,574
- At Equivalent 14s Count (O/E Yarn)	2,329,234	1,464,610
- At Equivalent 10s Count (O/E Yarn)	10,000,454	2,239,230

<b>Total:</b>	<b>23,912,587</b>	<b>14,975,414</b>
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**Actual Production( In Kg):**

- At Equivalent 30s Count (Ring Yarn)	10,593,511	10,333,745
- At Equivalent 14s Count (O/E Yarn)	2,079,084	1,445,570
- At Equivalent 10s Count (O/E Yarn)	8,737,910	2,099,388

<b>Total:</b>	<b>21,410,505</b>	<b>13,878,703</b>
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**33. DIVIDEND PAID TO THE SHAREHOLDERS:**

During the year under review total cash dividend amounting to Tk. 105,876,079.00 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.



# Notes to the Financial Statements

2009

2008

## 35. EVENT AFTER BALANCE SHEET DATE:

As per sale agreement of shares of Mithapur Textile Limited the Company filed a petition before RJSC to transfer in shares and taken over the total operations of the factory and all assets of the Mithapur Textiles Limited.

## 36. RELATED PARTY TRANSACTION:

The Company did not carried out any related party transactions without Square Pharmaceuticals Limited (SPL) and Square Yarns Limited (SYL) is as follows:

Transaction with SPL:

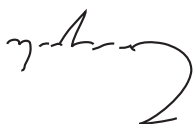
Opening Balance	(301,562,429)	-
Total Received During the Year	(1,014,496,926)	(558,805,854)
Total Paid During the Year	763,066,282	257,243,425
Balance	<b>Tk. (552,993,073)</b>	<b>(301,562,429)</b>

Transaction with SYL:

Opening Balance	224,332,805	-
Total Received During the Year	(1,223,599,725)	(526,015,037)
Total Paid During the Year	1,431,115,569	750,347,842
Balance	<b>Tk. 431,848,649</b>	<b>224,332,805</b>

## 37. APPROVAL OF ACCOUNTS:

These financial statements have been approved by the board on April 21, 2010.



Tapan Chowdhury  
Managing Director



Samuel S. Chowdhury  
Vice Chairman



Khandaker Habibuzzaman  
Company Secretary



# Square Textiles Ltd.

## Schedule of Fixed Assets

**Fixed Assets - Tk. 1,378,552,606**

**Schedule-02**

PARTICULARS	At 31 December 2008	COST		At 31 December 2009	DEPRECIATION				Written Down Value as at 31 December 2009
		During the year			At 31 December 2008	During the year		At 31 December 2009	
		Additions	Sales/Transfer			Charged	Adjustments/ Transfer		
Freehold Land	179,484,898	31,183,745	-	210,668,643	-	-	-	-	210,668,643
Building	423,402,540	-	-	423,402,540	172,310,145	23,486,379	-	195,796,524	227,606,016
Temporary Shed	9,675,222	-	-	9,675,222	8,586,361	504,764	-	9,091,125	584,097
Plant & Machinery	2,069,525,669	57,583,999	-	2,127,109,668	1,059,176,460	162,575,607	-	1,221,752,066	905,357,602
Plant & Machinery in Trans.	189,885	57,175,984	(57,365,869)	-	-	-	-	-	-
Furniture & Fixture	6,958,457	35,065	-	6,993,522	6,660,063	141,506	-	6,801,569	191,953
Office Equipment	10,621,322	244,340	-	10,865,662	8,875,709	549,508	-	9,425,217	1,440,445
Motor Vehicles	43,442,165	3,785,000	(450,000)	46,777,165	29,173,889	5,016,942	(450,000)	33,740,831	13,036,334
Electrical Intallation	40,950,396	-	-	40,950,396	40,836,399	54,059	-	40,890,458	59,938
Deep Tubewell	2,506,125	-	-	2,506,125	1,492,513	225,047	-	1,717,560	788,565
Boundary Wall	12,246,315	-	-	12,246,315	3,862,185	612,316	-	4,474,500	7,771,815
Gas Line Installation	14,674,732	4,690,227	-	19,364,959	6,856,753	1,461,007	-	8,317,760	11,047,199
Workshop Tools	404,388	-	-	404,388	404,388	-	-	404,388	-
Testing Equipment	68,090	-	-	68,090	68,090	-	-	68,090	-
<b>Total-2008</b>	<b>2,814,150,203</b>	<b>154,698,360</b>	<b>(57,815,869)</b>	<b>2,911,032,694</b>	<b>1,338,302,953</b>	<b>194,627,135</b>	<b>(450,000)</b>	<b>1,532,480,088</b>	<b>1,378,552,606</b>
Total-2007	2,274,512,218	639,932,791	(100,294,806)	2,814,150,203	1,195,953,169	144,054,784	(1,705,000)	1,338,302,953	1,475,847,250



**SQUARE YARNS LIMITED**



## SQUARE YARNS LIMITED

### DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

I have the Pleasure on behalf of the Board of Directors to submit to you its Report containing the audited accounts including the Income Statement for the year ended 31 December 2009, Balance Sheet as at 31 December 2009, Cash Flow Statement for the year 2009 and the Auditors' Report thereon and compliances of the other provisions/requirements of Section 184 of the companies Act 1994 as here under detailed/enclosed.

#### OPERATIONS:

The Company, which had commenced commercial production since 10 January 2007 had successfully increased the output and operating results during the year 2009 as a full year of the operation. Despite several adverse factors in both the local and the international market the Company's achievement is commendable as may be observed from the following comparative anylasis of results of 2008 and 2009:

	2009	2008
<b>Quantity Produced (Kg):</b>		
Actual:	6,089,762	6,373,399
At Equivalent 30/s:	6,232,161	6,122,532
<b>Quantity Sold (Kg):</b>		
Local sales	64,980	44,710
Export	5,999,291	6,772,193
<b>Total Sales</b>	<b>6,064,271</b>	<b>6,816,903</b>
<b>Sales Revenue (Tk.):</b>		
Local sales	9,654,590	9,042,092
Export	1,183,727,520	1,356,302,910
<b>Total Sales</b>	<b>1,193,382,110</b>	<b>1,365,345,002</b>
<b>Selling price attained (Tk.):</b>		
Local sales	148.58/Kg	202.24/Kg
Export	197.31/Kg	200.28/Kg
<b>Unit Cost of Production Kg (Tk.):</b>		
a) Cost of Production Per Unit (Kg)	157.81	170.32
b) Raw Materials Consumed	113.09	126.01
c) Packing Materials Consumed	1.90	2.33
d) Factory Overhead	42.82	41.48

The above statistics compares relatively at equivalent level with those of Square Textiles Limited, the parent Company



# Directors' Report

## MARKET OPERATIONS:

Similar to the Square Textiles Limited, Square Yarns Ltd. has been also concentrated 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 greater interest of the Company.

## CAPITAL EXPENDITURES:

The Company made a net Capital Expenditures of Tk. 3,145,635 during the year under review (2009) as follows :

	2009	2008
Plant & Machinery	3,145,635	58,150,307
Other Assets	-	32,300
<b>Total</b>	<b>3,145,635</b>	<b>58,182,607</b>

## FINANCIAL RESULTS:

The operating financial result during the year 2009 were as follows:

	(Taka)	(Taka)
Sales Revenue	1,193,382,110	1,365,345,002
Gross Profit	233,436,914	281,878,306
Operating Income	130,843,780	159,275,246
Net Income (BT)	124,613,124	151,696,523
Net Income (AT)	92,823,367	109,712,019
Earning Per Share	97.20	114.88
Gross Margin	19.56%	20.65%
Net Margin (AT)	7.78%	8.04%

## APPROPRIATION OF PROFIT:

Though the Company has earned a respectable level of profit (Tk. 97.20 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 2009.

## AUDITORS:

M/s. Chowdhury Battacharjee & Co. Chartered Accountants, Auditors, retire at this Annual General Meeting and being eligible offer themselves for re-appointment for the year 2010.

## ACKNOWLEDGEMENT:

The Board of Directors thankfully acknowledge the devotion and dedication of all the workers, employees and officers without which the Company's operations could not have attained the successes as reported above. The Board also records with appreciation the support and co-operation it received from Banks, BOI, PDB/REB and the Government in general.

Looking forward to a bright future for all of us.



Samson H Chowdhury  
Chairman









# Auditros' Report

## AUDITORS' REPORT

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

We have audited the accompanying Financial Statements of Square Yarns Limited comprising Balance Sheet as at 31 December 2009 and the related Income Statement, Statement of Changes in Equity, Cash flow Statements together with related notes and schedule thereto for the year then ended. The preparation of these financial statements are the responsibility of the Company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

We conducted our audit in accordance with the BSA. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates and judgments made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements, prepared in accordance with BAS, give a true and fair view of the state of the company's affairs as at 31 December, 2009 and of the results of its operations and its cash flow for the year then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof.
- (b) in our opinion, the company management has followed relevant provisions of laws and rules in managing the affairs of the company and proper books of accounts, records and other statutory books have been maintained so far as it appeared from our examination of those books.
- (c) the company's Balance Sheet and Income Statement dealt with by the report are in agreement with the books of account.
- (d) the expenditure incurred and payments were for the purpose of the company's business.



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

Dated, Dhaka  
March 15, 2010

# Square Yarns Limited

## Balance Sheet As at December 31, 2009

	31-12-2009	31-12-2008
<b>NET ASSETS:</b>		
Fixed Assets :		
At Cost Less Depreciation	1,128,867,624	1,220,466,654
	1,128,867,624	1,220,466,654
<b>Current Assets:</b>	<b>992,454,165</b>	<b>1,000,471,585</b>
Stocks	424,936,056	333,164,835
Trade Debtors	505,225,278	629,192,865
Advance , Deposit & Prepayments	17,512,309	14,692,024
Cash & Bank Balance	44,780,522	23,421,861
<b>Less : Current Liabilities:</b>	<b>939,379,864</b>	<b>997,926,062</b>
Short Term Bank Loan	39,675,897	269,437,467
Long Term Loan(Current portion)	-	189,770,791
Short Term Loan	431,848,648	224,332,805
Sundry Creditors	399,708,030	268,106,671
Liability for Other Finance	17,598,714	14,421,721
Provision for Income Tax	50,548,575	31,856,607
Net Current Assets	<b>53,074,301</b>	<b>2,545,523</b>
Less: Deferred Tax Liability	(58,205,876)	45,108,087
<b>Tk.</b>	<b>1,123,736,049</b>	<b>1,177,904,090</b>
<b>FINANCED BY:</b>		
<b>Share Holders Equity :</b>	<b>1,123,736,049</b>	<b>1,030,912,682</b>
Share Capital	95,500,000	95,500,000
General Reserve and Surplus	228,236,049	135,412,682
Share money deposit from STxL	800,000,000	800,000,000
Long Term Loan	-	146,991,408
<b>Tk.</b>	<b>1,123,736,049</b>	<b>1,177,904,090</b>

Attached notes form part of these financial statements .  
Dated, Dhaka: March 15, 2010

As per our annexed report of even date.

Samuel S. Chowdhury  
Managing Director

Charles C. R. Patra  
Director

Khandaker Habibuzzaman  
Company Secretary

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

# Income Statement

## Square Yarns Limited


### Income Statement For the Year Ended December 31, 2009

	2009	2008
<b>Sales</b>	1,193,382,110	1,365,345,002
<b>Cost of Goods Sold</b>	(959,945,196)	(1,083,466,696)
<b>Gross Profit</b>	<b>233,436,914</b>	<b>281,878,306</b>
Operating Expenses	(14,871,982)	(6,491,108)
Finance Cost	(87,721,152)	(116,111,952)
Operating Income	130,843,780	159,275,246
Other Income	-	6,103
Net Profit Before W.P.P.F	130,843,780	159,281,349
Allocation For W.P.P & W.F	(6,230,656)	(7,584,826)
Net Income Before Tax	124,613,124	151,696,523
Provision for Income Tax	(18,691,968)	(22,754,479)
Provision for Deferred Income Tax	(13,097,789)	(19,230,025)
Net Income For The Year	<b>Tk. 92,823,367</b>	<b>109,712,019</b>
(Transferred to the Statement of Changes in Equity)		
<b>Earning Per Share</b>	<b>97.20</b>	<b>114.88</b>

Attached notes form part of these financial statements .  
Dated, Dhaka: March 15, 2010

As per our annexed report of even date.

  
Samuel S. Chowdhury  
Managing Director

  
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, 2009

Particulars	Share capital	General Reserve & Surplus	Total Tk.
As at 31st December 2008	95,500,000	135,412,682	230,912,682
Net Profit for the Year 2009	-	92,823,367	92,823,367
<b>As at 31st December 2009</b>	<b>95,500,000</b>	<b>228,236,049</b>	<b>323,736,049</b>

## Square Yarns Limited

### Statement of Changes in Equity For the Year ended December 31, 2008

Particulars	Share capital	General Reserve & Surplus	Total Tk.
As at 31st December 2007	95,500,000	25,700,663	121,200,663
Net Profit for the Year 2008	-	109,712,019	109,712,019
<b>As at 31st December 2008</b>	<b>95,500,000</b>	<b>135,412,682</b>	<b>230,912,682</b>

Attached notes form part of these financial statements .  
Dated, Dhaka: March 15, 2010

As per our annexed report of even date.



Samuel S. Chowdhury  
Managing Director



Charles C. R. Patra  
Director



Khandaker Habibuzzaman  
Company Secretary



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

# Cash Flow Statement

## Square Yarns Limited

### Cash flow Statement

For The Year Ended December 31, 2009

	2009	2008
<b>Cash Flow From Operating Activities:</b>		
<b>Receipts:</b>		
Cash from Sales Revenue	1,317,349,696	1,196,061,475
Cash from Other Income	-	6,103
Total Cash Receipts	1,317,349,696	1,196,067,578
<b>Payments:</b>		
Purchase for Raw & Packing Materials	676,563,417	837,738,260
Manufacturing and Operating Exp.	159,714,107	159,455,897
Bank Interest	62,485,203	94,573,658
Income Tax Paid	3,273,520	8,798,173
Workers Profit Participation Fund	6,826,477	1,803,398
Total Payments	908,862,724	1,102,369,386
<b>Net Cash Flow From Operating Activities</b>	<b>408,486,972</b>	<b>93,698,192</b>
<b>Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets	(3,119,882)	(58,182,607)
<b>Net Cash Flow From Investing Activities</b>	<b>(3,119,882)</b>	<b>(58,182,607)</b>
<b>Cash Flow From Financing Activities</b>		
Share Capital	-	-
Short Term Loan Received	182,515,340	39,800,024
Long Term Bank Loan Payment	(336,762,199)	(184,306,882)
Short Term Bank Loan Received	(229,761,570)	106,590,652
<b>Net Cash Flow From Financing Activities</b>	<b>(384,008,429)</b>	<b>(37,916,206)</b>
Net Cash Position	21,358,661	(2,400,621)
Opening Cash & Cash Equivalents	23,421,861	25,822,482
<b>Closing Cash in hand &amp; Bank Balance</b>	<b>Tk. 44,780,522</b>	<b>23,421,861</b>

Attached notes form part of these financial statements .  
Dated, Dhaka: March 15, 2010

As per our annexed report of even date.



Samuel S. Chowdhury  
Managing Director



Charles C.R. Patra  
Director



Khandaker Habibuzzaman  
Company Secretary



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





# 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 15th Annual General Meeting of the Company to be held on Wednesday the 16th June, 2010 at 10:30 a.m. at Factory Premises, Sardaganj, Kashimpur, Gazipur.

As witness my hand this day of \_\_\_\_\_, 2010.

Affix  
Revenue  
Stamp

\_\_\_\_\_  
(Signature of the Proxy)

Dated \_\_\_\_\_

\_\_\_\_\_  
(Signature of the Shareholder)

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

# স্কয়ার টেক্সটাইলস্ লিমিটেড

রেজিস্টার্ড অফিসঃ স্কয়ার সেন্টার, ৪৮ মহাখালী বাণিজ্যিক এলাকা, ঢাকা-১২১২

## প্রস্তুতি ফরম

আমি/আমরা \_\_\_\_\_

ঠিকানা \_\_\_\_\_

স্কয়ার টেক্সটাইলস্ লিমিটেড এর সদস্য হিসেবে

জন্ম/বেগম \_\_\_\_\_

ঠিকানা \_\_\_\_\_

আমরা/আমাদের প্রতিনিধি হিসেবে আগামী বুধবার, ১৬ জুন ২০১০ সকাল ১০:৩০ ঘটিকায় কারখানা প্রাঙ্গণ, সারদাগঞ্জ, কাশিমপুর, গাজীপুর-এ অনুষ্ঠিতব্য কোম্পানীর পঞ্চদশ বার্ষিক সাধারণ সভায় এবং এর মূলতবী ঘোষিত সভায় আমার/আমাদের পক্ষে উপস্থিত থাকিবার এবং ভোট প্রদান করিবার জন্য নিযুক্ত করিলাম।

স্বাক্ষর হিসেবে অদ্য ....., ২০১০ তারিখে আমি/আমরা এই দলিলে সজ্ঞানে স্বাক্ষর করিলাম।

রেজিস্টার্ড স্ট্যাম্প  
সংযুক্ত করুন

প্রতিনিধির স্বাক্ষর

সদস্যের স্বাক্ষর

তারিখ \_\_\_\_\_

তারিখ \_\_\_\_\_

ফলিও / বিওআইডি নম্বর

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বিঃ দ্রঃ বার্ষিক সাধারণ সভায় যোগদানের অধিকারী শেয়ার হোল্ডার তার পরিবর্তে বার্ষিক সাধারণ সভায় যোগদানের জন্য একজন প্রক্সি নিয়োগ করিতে পারেন।  
প্রক্সি ফরম যথাযথ পূরণের পর সভা অনুষ্ঠানের ৪৮ ঘন্টা পূর্বে কোম্পানীর রেজিস্টার্ড অফিসে জমা দিতে হইবে।

স্বাক্ষর পরীক্ষিত

অনুমোদনকারীর স্বাক্ষর  
স্কয়ার টেক্সটাইলস্ লিমিটেড



**Square Centre**, 48 Mohakhali C/A, Dhaka-1212, Bangladesh