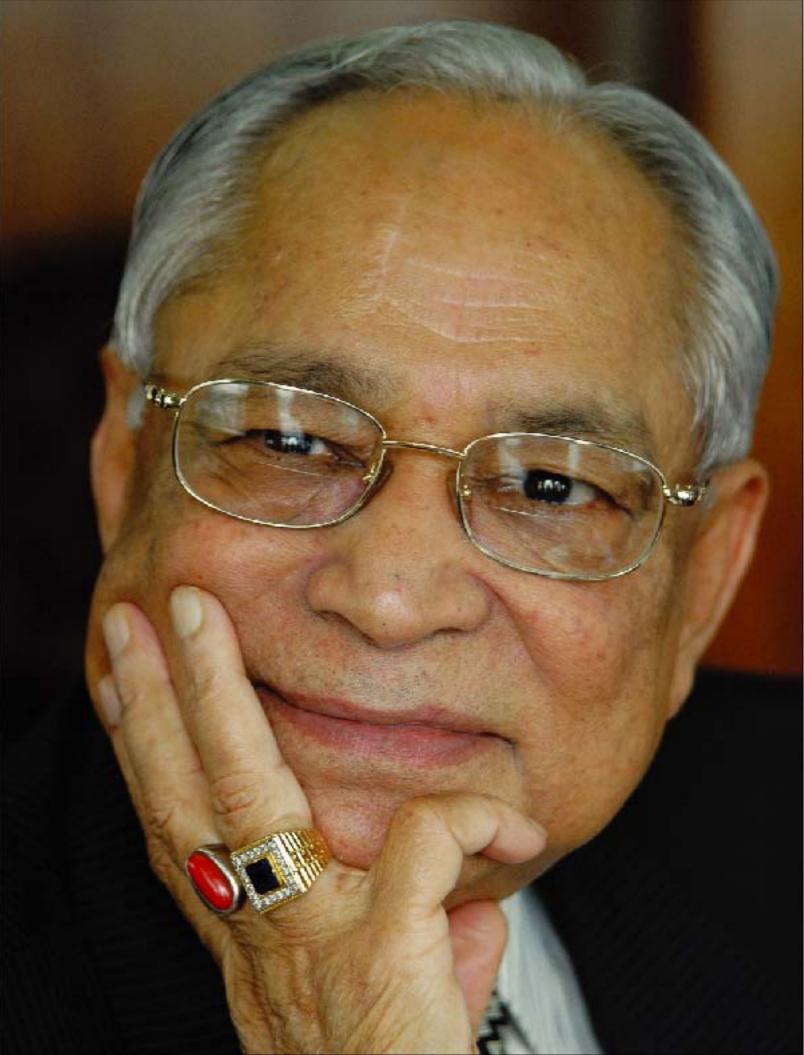


Annual Report 2011





WE MOURN, NATION MOURNS DEEPLY

CONDOLENCE MEETING OF THE BOARD OF DIRECTORS

To pay condolence and tribute to the departed soul of the beloved and honorable founder Chairman of the Company late Mr. Samson H Chowdhury

At the outset, Mr. Samuel S Chowdhury, with heavy heart and chocked voice, informed the Board of Directors of the saddest and shocking news of the sudden demise of the Founder Chairman Mr. Samson H Chowdhury on 5th January, 2012 at the Raffles Hospitals at Singapore leaving his family members, colleagues, employees of the Square Group, Business Community, Corporate Houses, Government officials, Members of the Parliament, Respected Prime Minister & her Cabinet Members and the Honorable President of the Country, in a state of shock and mourning. His demise was deeply felt and continued to be mourned throughout the post-funeral days. The bereaved family of the late Chairman acknowledge with deep gratitude the heartfelt condolence offered by the people of all strata of the Country.

As proposed by Mr. M Sekander Ali, Independent Director, the Board observed a minute of silence as a mark of respect to the departed soul of the beloved and honorable founder Chairman of the Company late Mr. Samson H Chowdhury.

Thereafter, Dr. Kazi Harunar Rashid, only living founding Director of the Company apprised the Board of the colorful, honest, devoted and righteousness of his industrious life that brought him to the peak that only a few can ascend to. He observed that his life-story will act as a philosophy and guide to those who would aspire to rise to high peaks of life in any sphere of activities. He observed that the post liberation generation and the posterity will do justice to themselves and to the nation by learning lesson from his career.

Mr. M Sekander Ali, Independent Director recalled the history of industrial development, especially the textiles sector and the role played by the late Chairman in achieving the present position of the group. He specially mentioned late Chairman's deep concern for accountability to the shareholders, national exchequer, employees of the Company and CSR to the society at large. He said all these aspects made the late Chairman a shining example to those who would love to serve the people and the nation.

On the proposal by Dr. Kazi Harunar Rashid, the Board of Directors passed the following resolutions:

The Board of Directors, being shocked and grieved at the sudden demise of the Founder Chairman Mr. Samson H Chowdhury, deeply mourn and condole his death with heavy heart and pray for the salvation of his departed soul with rest in peace.

The condolence be offered in writing to the wife of late Samson H Chowdhury on behalf of the Board of Directors.

The Directorship as well as the Chairmanship of late Samson H Chowdhury be and is hereby declared vacant w.e.f. 5th January, 2012 and necessary returns be filed with appropriate authorities as per prevailing law.

'যেতে নাহি দিব'। হায়, তবু যেতে দিতে হয়, তবু চলে যায়।'



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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, 2011

Dear Sir (s)

We are pleased to enclose a copy of Annual Report together with the Audited Financial Statements comprising Consolidated and Separate Statement of Financial Position as at December 31, 2011 and Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended December 31, 2011 along with notes thereon of Square Textiles Limited and its Subsidiaries, Square Yarns Limited & Square Texcom Limited for your information and records.

Yours sincerely

Khandaker Habibuzzaman Company Secretary

Dated: May 13, 2012 Dhaka



VISION

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

MISSION

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

OBJECTIVES

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

CORPORATE FOCUS

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



17TH ANNUAL GENERAL MEETING NOTICE

Notice is hereby given that the 17TH ANNUAL GENERAL MEETING of the shareholders of SQUARE TEXTILES LTD. will be held on Tuesday the 29th May, 2012 at 10:30 a.m at Factory Premises, Sardaganj, Kashimpur, Gazipur to transact the following agenda:

Agenda-1: To receive, consider and adopt the Audited Financial Statement for the year ended December 31, 2011 together with Report of the Directors and Auditors' thereon.

Agenda-2: To declare dividend for the year ended December 31, 2011.

Agenda-3: To elect Directors in terms of the relevant provision of the Articles of Association of the Company.

Agenda-4: To appoint Auditors for the year 2012 and to fix their remuneration.

By order of the Board

Khandaker Habibuzzaman Company Secretary Dated: May 13, 2012 Dhaka

Notes:

- (i) The proxy form must be affixed with requisite revenue stamp and must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
- (ii) Members are requested to submit to the Company's Share Office on or before May 31, 2012, their written option to receive dividend. In case of non-submission of such option within the stipulated time, the dividend will be paid off as deemed appropriate by the Company.



CORPORATE GOVERNANCE

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

Board of Directors

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

The Board of Directors is reconstituted every year by the shareholders through retirement /re-election/ election of one- third of its members.

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

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

Separate Role of the Chairman and Managing Director

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

Audit Committee of Board

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

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.

CORPORATE GOVERNANCE

Management Committee

Comprising top executives, deal with entire organizational matters.

Standing Committees

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

*** Employment Relations Committees**

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

* Management Committees

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

Communication with the Shareholders

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

Compliances

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

Chief Financial Officer, Head of Internal Audit and Company Secretary

The Company has appointed Mr. Md. Alamgir Hossain, FCMA, FCA as Chief Financial Officer, Mr. Md. Majibur Rahman Bhuiyan, CA(I), MBA as Head of Internal Audit and Mr. Khandaker Habibuzzaman, ACS as Company Secretary of the company as per requirement of Securities and Exchange Commission.

Segment Report

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

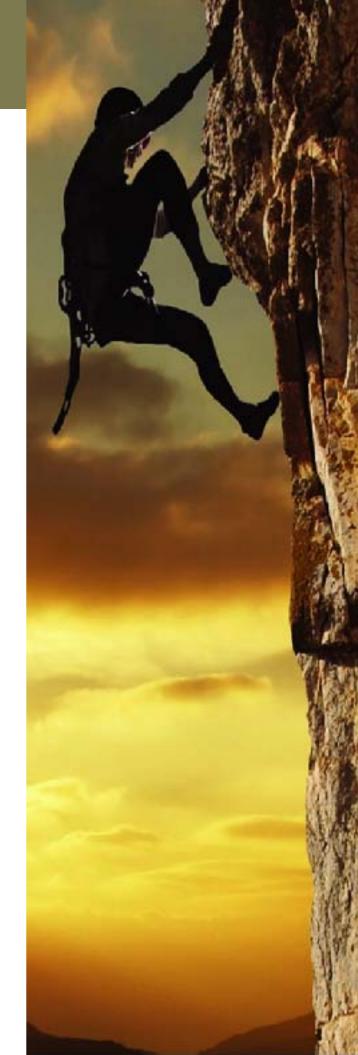
Risk Perception

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



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.





Management Apparatus

Board of Directors

Mr. Samuel S. Chowdhury
Mrs. Ratna Patra
Wice Chairman
Wr. Tapan Chowdhury
Mrs. Anita Chowdhury
Mr. Anjan Chowdhury
Director
Mr. Anjan Chowdhury
Director

Mr. Anjan Chowdhury
Dr. Kazi Harunar Rashid
Director
Mr. Kazi Iqbal Harun
Director
Mr. Charles C.R. Patra
Director

Mr. M. Sekander Ali Independent Director

Audit Committee

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

Management Committee

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

Company Secretary

Mr. Khandaker Habibuzzaman



MANAGEMENT APPARATUS



Management Apparatus

Management Team

Mr. Mostaque Ahmed Siddiqui **Chief Operating Officer** Mr. Md. Alamgir Hossain **Chief Financial Officer** Mr. Md. Abdur Rashid **Head of Factory** Mr. Md. Idris Ali Head of Utility Head of Internal Audit Mr. Majibur Rahman Bhuiyan Mr. Sayeed Ahmed Chowdhury Head of Procurement & Planning Mr. Mohammad Shohel Anwar **Head of Quality Assurance** Mr. Md. Nazibur Rahman **Head of Marketing** Mr. Md. Adam Ali Khondoker Head of HR & Admin

Legal Advisers

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

Auditors

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

Registered Office

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

Factory

Saradaganj, Kashimpur Gazipur, Bangladesh

Bankers

- 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

Insurers

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

Listing

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



CORPORATE ACHIEVEMENT

8	Year of Establishment	:	1994
	(Incorporated as a Public Limited Company)		
8	Year of Operation	:	1997
8	Awarded Oeko-Tex Standard 100 Certificate	:	2000
8	Awarded ISO-9001:2008 Certificate	:	2000
8	Listing with Dhaka Stock Exchange	:	2002
8	Listing with Chittagong Stock Exchange	:	2002
&	Awarded CottonUSA Certificate	:	2002
8	Awarded SUPIMA License	:	2003
&	Awarded Global Organic Textiles Standard (GOTS) Certificate	:	2007
8	Awarded Cotton made in Africa (CmiA) Certificate	:	2008
₩	Awarded USTERIZED Certificate	:	2009
8	HSBC Export Excellence Award	:	2010
8	Business Lines	:	Manufacturing and
			Marketing of yarn
8	Authorized Capital	:	Tk. 3,000 million
8	Paid-up Capital	:	Tk. 974.06 million
8	Number of Employees (as on December 31, 2011)	:	1908 Persons

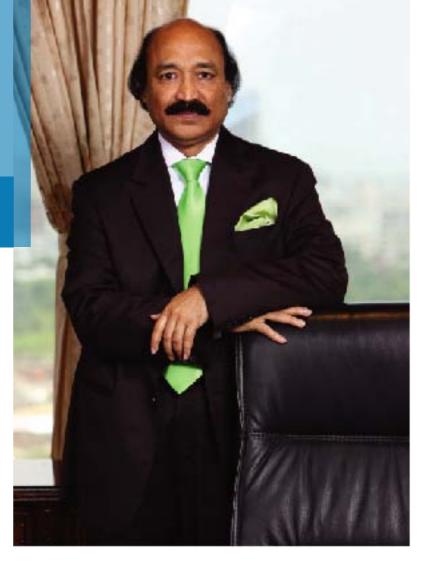
CORPORATE OPERATIONAL RESULTS

	2011	2010	2009	2008	2007
				(Figures i	n thousand)
Turnover (Net)	5,247,749	4,445,402	3,882,244	3,052,235	2,541,543
Gross Profit	1,070,758	886,759	533,374	463,216	582,846
Net Profit before tax	729,621	676,174	311,777	277,582	411,123
Net Profit after tax	620,178	564,769	260,634	236,530	352,447
Shareholders' Equity	4,061,542	3,571,239	3,119,404	2,964,646	2,020,482
Total Assets	7,225,737	6,605,934	5,508,282	5,807,897	3,659,375
Total Current Assets	4,804,457	4,301,132	3,224,730	3,437,050	2,085,816
Total Currecnt Liabilities	3,052,890	2,923,391	2,276,602	2,722,233	1,382,789
Current ratio	1.57	1.47	1.42	1.26	1.51
Ordinary Shares Outstanding	97,405,993	81,171,661	70,584,053	58,820,044	39,433,370
Face Value per Share	10	10	10	10	10
Shareholders' Equity per Share	41.70	44.00	44.19	50.04	51.23
Earning Per Share (EPS)	6.37	5.80	2.68	2.43	3.62
EPS on Share Issued for Cash	24.62	22.64	10.45	9.39	13.99
Quoted Price per Share (DSE)	111.20	209.80	111.54	117.30	127.40
Quoted Price per Share (CSE)	111.50	207.80	111.37	118.00	127.80
Price Earnings Ratio-DSE (Time)	17.46	30.14	30.22	24.90	14.25
Price Earnings Ratio-CSE (Time)	17.50	29.86	30.23	25.05	14.30
Cash Dividend Declared per Share	1.60	1.60	1.60	1.8	2.5
Stock Dividend Declared	5:1	5:1	100:15	5:1	5:1
Total Dividend Declared (%)	36	36	31	38	45
Number of Shareholders	24,968	26,152	29,789	30,179	22,657
Human Resources (Persons):					
Executives	217	170	182	178	150
Staff	101	160	170	167	112
Workers	1590	1452	1532	1,520	1,363

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

Business has survived civilization in the changing world of our humans, as we live & die, leaving core concept of life - truth, uprightness, honesty, sincerity, morality and ethics, standing on themselves, shining and outshining in all our activities, that end in success or failure, change our fate, enabling us to enjoy or suffer. All these have been proved to be true by the performance of our Founder Chairman's life and activities. "If we take lesson from his experience, though hardly people do so as the dictum says: It is the lesson of history that no one takes lesson from history", we shall not fail. We, therefore, vow, we shall take lesson from the life of our Founder Chairman and work for keeping his mantle glowing through out generations of civilizations, in the changing world of ours. Thus shall survive his thoughts and ideals of ethical business, lead the institutions he established into an enlightened socio-economic order of life and happiness he dreamed for.



Business to-day faces a new element of disorder in the dire consequences of and impact from "Climate Change", a fall-out from the developed world. As a national enterprise we shall have to positively comply and contribute to the attempt for diminishing the effect of the fall out so that the human race in this planet survives. The socio-economic disorders including financial crises in the developed world have had already produced adverse effects on our economy creating pressure on price level of all consumer items. We must keep an eye on our cost of production and try to keep it dwarfed through increased efficiency, research & development and large scale economic production. This should be our first target of CSR.

Despite energy crises, high fuel prices in the international market, recession in the developed economies, maladjustments in the processes and prices of raw materials and end products, the Company had continued its growth trend unabated. This has been possible due to practice of astute management skill and efficiency by the Top Management Team headed by the Managing Director and the operational executives, officers and workers together. The business outlook offers us a unique scope for faster growth amongst the nations of the Region we are in provided our state policy and socio-economic situation remains favorable to the operations of the private sector. We earnestly hope that the economy will attain its current target of 7% GDP growth rate and push it up to the level of 8%-10% which is necessary for effective poverty alleviation in the country.

While concluding, I, on behalf of the Board of Directors, Shareholders and all other Stakeholders, would recall the life time services rendered by our Founder Chairman, Samson H Chowdhury till his departure from this Mortal-World on 05 January, 2012 and pray for salvation of his soul & rest in peace in heaven.

With best wishes for all of us.

Samuel S. Chowdhury



Dear Stakeholders,

The year of our operations, the accounting year 2011 AD, was the last operational year under supervision of our most venerable Founder Chairman who left us on 05 January 2012 leaving us to bear the burden of all the Stakeholders' interest in the Company. While we all stand in silence praying for the Salvation of his soul and rest in peace in heaven, I, as CEO and head of the Management Team, pledge to you all and assure that the ideals of good corporate governance that our late beloved Chairman had set in over the years and ingrained in us, shall not be abandoned at any cost. The legacy of his administrative skills and love for ethical business will be breathed in and out again and again to produce the best results in the time immemorial.

The Directors' Report contain in details our operational dynamics - production, productivity, financial performance and returns on investments which all show growth over the previous year. As a publicly listed one, our Company tops the list in all dimensions. This is the result of hard and sincere work of all of us. I assure you that with cooperation from all of you, we shall, by the grace of Almighty, continue to lead in the sector in the days ahead.

Thanking you all.

Tapan Chowdhury

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 2011 in the following paragraphs;

COMPANY'S OPERATIONS:

(1) CAPACITY/ PRODUCTION

The total installed production capacity (at average 30s Ring, 14s OE and 10s OE counts) as of December 31, 2011 was as follows:

	2011	2010	2009	2008	2007
(1.1) Spindles/ Rotors					
a) Installation :					
- No. of Spindle installed	59,472	59,472	59,472	59,472	59,472
- No. of Rotor head installed	3,960	3,960	3,960	3,960	768
b) Operation:					
- No. of Spindle installed	59,472	59,472	59,472	59,472	59,472
- No. of Rotor head operated ins	talled 3,960	3,960	3,960	3,960	768
(1.2) Production Capacity Installe	ed (Kg):				
-At Equivalent 30s Count (Ring Yarn)	11,582,899	11,582,899	11,582,899	11,271,574	11,271,574
-At Equivalent 10s Count (O/E Yarn)	2,329,234	2,329,234	2,329,234	2,239,230	2,239,230
- At Equivalent 14s Count (O/E Yarn)	10,000,454	10,000,454	10,000,454	1,464,610	-
	Total <u>23,912,587</u>	23,912,587	23,912,587	14,975,414	13,510,804



	2011	2010	2009	2008	2007
(1.3) Actual Production (Kg):					
- At Equivalent 30s Count (Ring Yarn)	10,612,745	10.352.180	10.593.511	10.333.745	10.669.536
, , ,	, ,	.,,	.,,.	.,,	.,,
 At Equivalent 10s Count (O/E Yarn) 	1,766,667	1,723,291	2,079,084	2,099,388	2,216,588
- At Equivalent 14s Count (O/E Yarn)	8,334,898	8,130,259	8,737,910	1,445,570	-
Total	20,714,310	20,205,730	21,410,505	13,878,703	12,886,124
(1.4) Production Efficiency (%):					
- 30s Count (Ring Yarn)	91.62	89.37	91.46	91.68	94.66
- 10s Count (O/E Yarn)	75.85	73.99	89.26	93.75	98.99
- 14s Count (O/E Yarn)	83.35	81.30	87.38	98.70	-
Tota	86.63	84.50	89.54	92.68	95.38

Production efficiency marginally increase by 2.13% in 2011 over 2010 due to change of productmix. Out of actual production of 20,714,310 kg as mentioned above, 3,205,915 kg are made through sub contract.

(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:

	2011	2010	2009	2008	2007
(a) Output of Yarn (Kg)	17,497,597	20,035,936	23,190,746	15,657,509	13,597,921
(b) Cost of Major Items:					
Raw Material Consumed (Tk)	3,313,577,001	2,807,161,179	2,644,967,512	2,006,550,074	1,450,439,367
Packing Materials	43,510,941	31,982,712	30,261,942	41,945,314	22,029,802
Fuel/ Power etc	176,022,570	134,507,081	119,836,772	79,522,329	81,178,400
Spare Parts	155,321,804	166,050,000	163,554,586	130,557,589	120,532,125
Other Overhead	548,872,585	418,425,535	399,713,131	337,331,633	286,320,181
Total Cost	4,237,304,901	3,558,126,507	3,358,333,943	2,595,906,939	1,960,499,875

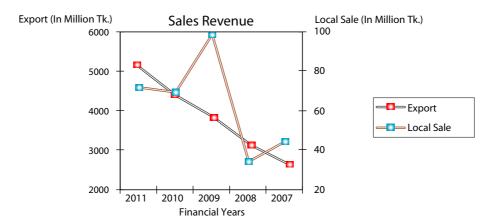
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Raw Material Consumed (Tk)	3,313,577,001	2,807,161,179	2,644,967,512	2,006,550,074	1,450,439,367
Packing Materials	43,510,941	31,982,712	30,261,942	41,945,314	22,029,802
Fuel/ Power etc	176,022,570	134,507,081	119,836,772	79,522,329	81,178,400
Spare Parts	155,321,804	166,050,000	163,554,586	130,557,589	120,532,125
Other Overhead	548,872,585	418,425,535	399,713,131	337,331,633	286,320,181
Total Cost	4,237,304,901	3,558,126,507	3,358,333,943	2,595,906,939	1,960,499,875



The above figures show while the local sales revenue increased by 3.56% in and export sales revenus increased by 18.28% during the period over last year. The overall turnover increased by 18.05% in 2011over 2010.

(ii) Unit Selling Prices Attained:

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

	2011	2010	2009	2008	2007
Local Sales	321.12	166.67	175.88	206.53	200.32
Export Sales	299.64	222.94	167.22	194.82	186.76
Total Sales (Average)	299.91	221.77	167.43	194.95	186.98

The above indicate that while local selling price increased by 92.67% and export selling price increased by 34.40% in 2011 over 2010. This is primarily ascribable to the international situation and export demand. The overall average price increased by 35.23% during 2011 over 2010, as against raw material price increased by about 36.99% over the previous year.

CAPITAL EXPENDITURES:

In order to continuously upgrade the productive facilities, the company made additional net capital expenditures of Tk. 331.33 million as follows:

				(Tak	a in Million)
	2011	2010	2009	2008	2007
Land/civil construction	72.46	52.72	31.18	17.96	5.54
Plant and Machinery	225.86	43.55	57.39	103.98	86.55
Other Fixed Assets	33.01	8.50	8.30	8.66	5.59
Total	331.33	104.77	96.87	130.60	97.68

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:

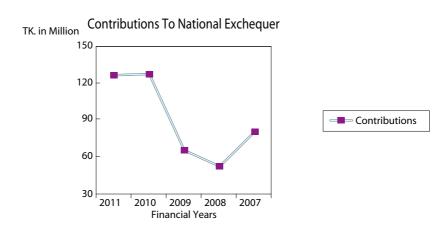
The Company has invested Tk. 95,000,000.00 as equity (99.50%) in the capital of Square Yarns Limited and has also deposited Tk. 800,000,000 as share money deposit. The Company has also invested Tk. 65,783,760.00 as equity (95%) in the capital of Square Texcom Limited (erstwhile Mithapur Textiles Limited). As per provision of the Company Act 1994 Square Yarns Limited and Square Texcom Limited are subsidiary of Square Textiles Limited and as such Directors Report along with Auditors Report and Audited Financial Statement have been included as part of this report.

CONTRIBUTIONS:

1. Contribution to National Exchequer:

The Company contributed an amount of Tk. 126.01 million in 2011 to the National Exchequer consisting of the following:

				(Taka in	Million)
	2011	2010	2009	2008	2007
Corporate Income Tax	109.44	111.41	51.14	41.05	58.68
Advance Income Tax (Deducted at source)	2.41	1.44	1.43	1.43	5.50
Excise/VAT/Import Duties/Taxes etc.	12.65	6.73	11.36	9.01	16.00
Govt.Taxes/Stamp Duties/License Fees etc.	1.51	7.39	1.17	0.65	0.14
Total	126.01	126.97	65.10	52.14	80.32



2. Foreign Exchange Earned/Saved:

The Company contributed substantially to the Foreign Exchange Reserve of the Country during 2011 through its export marketing operation. This amounted to Tk. 1,364.48 million as detailed below:

(Taka in Million)

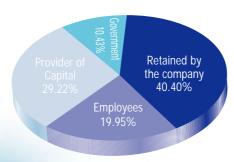
	2011	2010	2009	2008	2007
Total Export Earings	4,833.92	4,376.00	3,783.51	3,018.10	2,497.17
Less: import costs / expenses					
Raw Cotton	3,290.46	3,021.33	2,351.78	2,339.00	1,417.67
Spare Parts	139.67	103.34	75.00	150.18	147.95
Miscellaneous	39.31	30.50	28.99	11.95	10.90
Net Export Earings	1,364.48	1,220.83	1,327.74	516.97	920.65



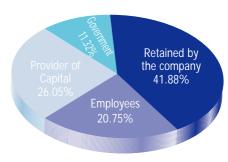
3) Value Added Statements:

3) value Added Statements:		
	2011	2010
Source of Funds		
Net Turnover	5,247,748,947	4,445,402,112
Less: Bought in Materials and Services	(4,063,337,924)	(3,354,783,820)
Add: Other Income	15,710,732	31,023,629
Value Added Tk.	1,200,121,755	1,121,641,921
Applied in the following Ways		
Employees	239,459,425	232,737,642
Salaries, Wages, Gratuty and Other benefits	202,978,375	198,928,925
Contribution to Workers Profit Participation & Welfare fund	36,481,050	33,808,717
Government	125,180,454	126,965,203
Corporate Tax	109,443,150	111,405,203
Other Government Dues	15,737,304	15,560,000
Provider of Capital		
Dividend	350,661,575	292,217,980
Retained by the company	484,820,301	469,721,096
Depreciation	215,304,022	197,169,933
·	269,516,279	272,551,163
Retain Earning	209,310,279	2/2,331,103
Tk.	1,200,121,755	1,121,641,921
I K.	1,200,121,733	1,121,071,321

Distribution of Value Addition in 2011



Distribution of Value Addition in 2010



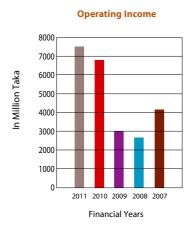


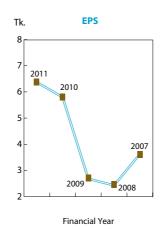
FINANCIAL RESULTS:

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

	2011	2010	2009	2008	2007
Turnover	5,247,748,947	4,445,402,112	3,882,244,010	3,052,235,640	2,541,542,767
Cost of Goods Sold	4,176,991,364	3,558,642,850	3,348,870,289	2,589,019,736	1,958,696,404
Gross Profit	1,070,757,583	886,759,262	533,373,721	463,215,904	582,846,363
Operating Expenses	157,385,096	113,189,908	109,832,354	85,777,018	61,767,371
Finance Cost	162,981,165	94,609,920	121,730,159	109,701,045	106,026,180
Operating Income	750,391,322	678,959,434	301,811,208	267,737,841	415,052,812
Other Income	15,710,732	31,023,629	25,554,510	23,722,979	16,626,533
Net profit before WPPF	766,102,054	709,983,063	327,365,718	291,460,820	431,679,345
Contribution WPPF	36,481,050	33,808,717	15,588,844	13,879,087	20,556,159
Net profit (BT)	729,621,004	676,174,346	311,776,874	277,581,733	411,123,186
Provision for Income Tax	109,443,150	111,405,203	51,142,872	41,051,825	58,676,050
Net Profit (AT)	620,177,854	564,769,143	260,634,002	236,529,908	352,447,136
Gross Margin	20.40%	19.95%	13.74%	15.18%	22.93%
Net Margin	11.82%	12.70%	6.71%	7.75%	13.87%
Earing Per Share (EPS)	6.37	5.80	2.68	2.43	3.62
Return on Equity(ROE)	16.25%	16.88%	8.57%	9.49%	18.59%
Outstanding Shares	97,405,993	81,171,661	70,584,053	58,820,044	39,433,370
Face value per share (Tk.)	10	10	10	10	10

The trurnover increased by 18.05% during the year 2011 as against 14.50% of 2010. However, The gross margin is 20.75% during the year 2011 as against 66.25% of the previous year. As the operating expenditure increased by 39.05% over previous year, the operating income increased by 10.52% only over the previous year.







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APPROPRIATION:

The net profit of Tk. 620,177,854.00 earned during the year 2011. It has been recommended by the Board of Directors that the said net profit is to be appropriated in the following manner:

a) Provision for proposed cash dividend for the year 2011 @16% (Tk. 1.6 per share)	Tk. 155,849,589
b) Provision for Stock Dividend (Bonus Share) @20% (in the ratio of 5:1)	Tk. 194,811,986
c) Transfer to General Reserve & Surplus	Tk. 269,516,279
	Tk 620.177.854

ELECTION OF DIRECTORS:

Dr. Kazi Harunar Rashid, Mrs Ratna Patra and Mr. Anjan Chowdhury, Directors of the Company, retire as per Article 125 & 126 of Articles of Association and being eligible offer themselves for reelection.

APPOINTMENT OF AUDITORS:

The existing Auditors of the company M/s. Chowdhury Bhattacharjee & Co., Chartered Accountants retires at this Annual General Meeting on completion of consecutive three years, they are not eligible for reappointment as per SEC order No. SEC/CMRRCD/2009-193/104/admin dated July 27, 2011.

Mr. Ahsan Zamir & Co. Chartered Accountants expressed their interest to be appointed as auditors of the company for the year 2012.

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 humble 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.

Samuel S Chowdhury

Chairman

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



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 no 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 2011** were as follows:

Name of Directors	Position	Meeting Held	Attended
Mr. Samson H Chowdhury	Chairman	8	8
Mr. Samuel S. Chowdhury	Vice Chairman	8	8
Mr. Tapan Chowdhury	Managing Director	8	8
Mrs. Anita Chowdhury	Director	8	6
Dr. Kazi Harunar Rashid	Director	8	6
Mrs. Ratna Patra	Director	8	7
Mr. Anjan Chowdhury	Director	8	8
Mr. Charles C.R. Patra	Director	8	7
Mr. Kazi Iqbal Harun	Director	8	7
Mr. M. Sekender Ali	Independent Director	8	8

- The pattarns of shareholding as on December 31, 2011 is given in 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, 2011

Particulars	Nos. Share holding	Percentage	Remark
Parent Company	-	-	The company
			is not subsidiary
			of any company
Associated Companies:	-	-	The company
			has no associate company
Other Related Parties:	-	-	
Directors:			
Mr. Samson H. Chowdhury	7,722,394	7.93%	
Mrs. Anita Chowdhury	311,270	0.32%	
Mr. Samuel S. Chowdhury	1,765,670	1.81%	
Mr. Tapan Chowdhury	1,966,272	2.02%	
Mrs. Ratna Patra	922,508	0.95%	
Mr. Anjan Chowdhury	1,380,480	1.42%	
Dr. Kazi Harunar Rashid	477,540	0.49%	
Mr. Kazi Iqbal Harun	471,458	0.48%	
Mr. Charles C.R. Patra	58,767	0.06%	
Mr. M Sekandar Ali	-	-	
Chief Executive Officer(CEO) and	1,966,272	2.02%	
his spouse and minor children:			
Chief Financial Officer(CFO) and	-	-	
his spouse and minor children:			
Company Secretary(CS) and	1068	0.0011%	
his spouse and minor children:			
Head of Internal Audit(HIA) and	442	0.0005%	
his spouse and minor children:			
Executives (Top five salaried person			
other than CEO,CFO,CS,HIA):			
1. Mr. Mostaque Ahmed Siddiqui, COO	3,108	0.0032%	
2. Mr. Abdur Rashid, Head of Factory	-	-	
3. Mr. Idris Ali, Head of Utility	-	-	
4. Mr. Sayeed Ahmed Chowdhury, Head of P&P	-	-	
5. Mr. Md. Mozibur Rahman, Senior Manager, A&F	-	-	
Shareholders holding 10%			
or more voting right:			
Square Pharmaceuticals Ltd.	44,642,804	45.83%	

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	Complied	
	should not be less than 5(Five)	33	
	and more than 20(Twenty)		
1.2(i)	Independent Director: At least	Complied	
(,	1/10 th		
1.2(ii)	Appointment of independent	Complied	
, ,	Director by elected Directors	'	
1.3	Individual Chairman of the	Complied	
	Board, Chief Executive,	'	
	clearly defined roles and		
	responsibilities		
1.4	The Directors report to		
	Shareholders on:-		
1.4(a)	Fairness of financial Statements	Complied	
1.4(b)	Maintenance of Proper books	Complied	
	of accounts		
1.4(c)	Adaptation of appropriate	Complied	
	Accounting policies and estimates		
1.4(d)	Compliance with International	Complied	
	Accounting Standard (IAS)		
1.4(e)	Soundness of Internal	Complied	
	Control System		
1.4(f)	Ability to Continue as Going	Complied	
	Concern		
1.4(g)	Significant deviation	Complied	
	from last year		
1.4(h)	Presentation of last	Complied	
	three years data		
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	Complied	
	Internal Audit and Company		
	Secretary and defining of their		
	respective roles, responsibilities		
	and duties		

Condition No.	Title	Compliance Status	Explanation for non compliance with the condition
2.2	Attendance of CFO and the	Complied	
	Company Secretary at Board		
	of Directors meeting		
3.00	Audit Committee	Complied	
3.1(i)	Constitution of Committee	Complied	
3.1(ii)	Constitution of Committee with	Complied	
	Board members including one		
	Independent Director		
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	Complied	
	to the Board of Directors		
3.3.1(ii)(b)	Reporting of any fraud or irregularity	Complied	
	to the Board of Directors		
3.3.1(ii)(c)	Reporting of violation of laws	Complied	
	to the Board of Directors		
3.3.1(ii)(d)	Reporting of any other matter	Complied	
	to the Board of Directors		
3.3.2	Reporting of Qualified point	Complied	
	to Commission		
3.4	Reporting of activities to the	Complied	
	Shareholders and General Investors		
4.00	External/Statutory Auditors:		
4.00(i)	Non-engagement in appraisal	Complied	
	or valuation		
4.00(ii)	Non- engagement in designing	Complied	
	of Financial Information System		
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-IV

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

Figure in Tk.,000.00

Particulars	2011	2010	2009
Turnover	5,247,749	4,445,402	3,882,244
Cost of Goods Sold	4,176,991	3,558,643	3,348,870
Gross Profit	1,070,758	886,759	533,373
Operating Expenses	157,385	113,190	109,832
Finance Cost	162,981	94,610	121,730
Operating Income	750,391	678,959	301,811
Other Income	15,711	31,023	25,554
Net profit before WPPF	766,102	709,983	327,365
Contribution WPPF	36,481	33,809	15,588
Net profit (BT)	729,621	676,174	311,776
Provision for Income Tax	109,443	111,405	51,142
Net Profit (AT)	620,178	564,769	260,634
Total Assets	7,225,737	6,605,934	5,508,281
Total Fixed Assets	2,421,280	2,304,802	2,283,552
Total Current Assets	4,804,457	4,301,132	3,224,729
Total Current Liabilities	3,052,890	2,923,391	2,276,601
Current Ratio	1.57	1.47	1.42
Shareholders' Equity	4,061,542	3,571,239	3,119,404
Earning Per Share (EPS)	6.37	5.80	2.68
Cash Dividend Per Share	Tk. 1.60	Tk. 1.60	Tk. 1.60
Stock Dividend	5:1	5:1	Tk. 100:15
Market Price year end (DSE)	111.20	209.80	111.54
Market Price year end (CSE)	111.50	207.80	111.37
Price Earnings Ratio year end (DSE)	17.46	30.14	30.22
Price Earnings Ratio year end (CSE)	17.50	29.86	30.23



Square Textiles Limited

AUDIT COMMITTEE REPORT

For the year 2011

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:

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

Activities carried out during the year:

The Committee reviewed the first quarter, half yearly, third quarter and annual financial statement and recommended to the Board for consideration. The Committee also overseen, reviewed and approved the procedure and task of the internal audit, financial report preparation and the external audit reports. The Committee found adequate arrangement to present a true and fair view of the activities and the financial status of the company and didn't find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting.

M Sekander Ali Chairman

Audit Committee

Dated: April 02, 2012



পরিচালনা পর্যদের প্রতিবেদন

¬qvi †U· UvBj m&wj t tkqvi‡nvì viM‡bi cäZ cwiPvj bv cl♀i cäZ‡e`b

সম্মানিত শেয়ারহোল্ডারবৃন্দ:

cwiPuj bv cl® Avb\$\`i mvt_ tKv¤úvbx AvBb 1994 Gi aviv bs 184, wmwKDwiwUR GÛ G· ṭPÄ i"j m&1987 Gi 12 bs wewai (Ges Zdwmj Abhvqx) kZfbymvti Ges BbwówUDU Ae PvUW®GKvD>U"»Um&Ae evsjvt`k KZfK MnxZ AvBGGm - 1 (AvšfRfmZK wnmve gvb`Ê - 1) Abymvti 31 wWtm¤î 2011 Zwwi‡L mgvß Aw_fK eQţii cliZţe`b m¤§wbZ tkqviţnvì vie\$\`i KvtQ wbţgw³ cwiţ"Q` ţţytZ tck KiţQb:

কার্যক্রম:

১। উৎপাদন ক্ষমতা/উৎপাদন

31 wWtm¤î 2011 Zwii ‡L †gvU ~(wcZ Drcv`b ¶gZv (Mto 30 wmt½j , 14 wmt½j Ges 10 wmt½j) uQj wbgie/jc:

	২০১১	২০১০	২০০৯	২০০৮	২০০৭
(১.১) স্পিভল্স্ /রোটর হেডস্					
(ক) স্থাপিত:					
⁻wcZw⁻úÛj & n&GimsL¨v	59,472	59,472	59,472	59,472	59,472
¯(wcZ†ivUi †nWm&Gi msL"v	3,960	3,960	3,960	3,960	768
(খ) উৎপাদন কাজে ব্যবহৃত :					
w ⁻ úÛj & n&	59,472	59,472	59,472	59,472	59,472
†ivUi †nW a n&	3,960	3,960	3,960	3,960	768
(১.২) স্থাপিত উৎপাদন ক্ষমতা (কেজি) :					
30 wm‡½j KvD‡Ui mgZjj¨(wis BqvY)⁵	11,582,899	11,582,899	11,271,574	11,271,574	11,271,574
10 wm‡½j KvD‡Ui mgZj¨(I‡cb GÛ)	2,329,234	2,329,234	2,329,234	2,239,230	2,239,230
14 wm‡½j KvD‡Ui mgZj¨(I‡cb GÛ)	10,000,454	10,000,454	10,000,454	1,464,610	-
মোট	২৩,৯১২,৫৮৭	২৩,৯১২,৫৮৭	২৩,৯১২,৫৮৭	\$8,\$96,8\$8	\$0,6\$0,b08

cwi Pvj bv cl P i cäZţe`b



	২ ০১১	২০১০	২০০৯	२००४	२००१
(১.৩) প্রকৃত উৎপাদন (কেজি):					
30 wm‡½j KvD‡›Ui mgZji (wis BqvY\$	10,612,745	10,352,180	10,593,511	10,333,745	10,669,536
10 wmt½j KvD⊅Ui mgZj¨(l‡cb GÛ)	1,766,667	1,723,291	2,079,084	2,099,388	2,216,588
14 wm‡½j KvD⊅Ui mgZj (I‡cb GÛ)	8,334,898	8,130,259	8,737,910	1,445,570	-
মোট	২০,৭১৪,৩১০	২০,২০৫,৭৩০	\$5,8\$0,60	১৩,৮৭৮,৭০৩	১ ২,৮৮৬,১২8
(১.৪) উৎপাদন দক্ষতা (%):					
30 wm‡½j KvD‡›Ui mgZj "	91.62	89.37	91.46	91.68	94.66
10 wm‡½j KvD⊅Ui mgZj¨	75.85	73.99	89.26	93.75	98.99
14 wm‡½j KvD\$Ui mgZj¨	83.35	81.30	87.38	98.70	-
মোট	৮৬.৬৩	b8.¢0	89.68	৯২.৬৮	৯৫.৩৮

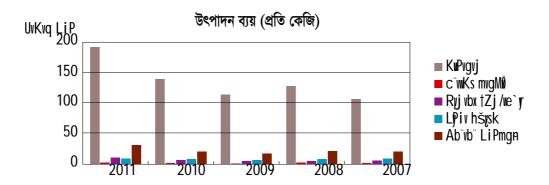
Dc‡iv³ cwimsL"vb n‡Z c¤Zxqgvb nq th, Drcv`b MZ eQ‡ii Zj bvq 2.13% ey× †c‡q‡Q c@vbZ Drcv`b wgk‡bi cwieZ∯bi Rb" | cKZ Drcv`b 20,714,310 †KwR myZvi gta" 3,205,915 †KwR Drcw`Z ntqtQ mve-KbUi± Gi gva"tg |

২। উৎপাদন ব্যয়:

weMZ eQi¸ţjv‡Z e"vcK gyllvq KwPv Zjjv, c"wKs `e"mvgMi, we`ÿr I Ryjvbx†Zj Ges tgwk‡bi LPiv hšys‡ki µqg‡j"i nwm/ew×i dtj Drcv`b e"q tetotQ hv nQj e"e"vcbv KZ@t¶i nbqštYi evBti| LvZlqvix e"tqi cnigvY Ges Zvt`i Avbylvn/2K cifive nbtP †` Lv‡bv n‡j v :

	২০১১	২০১০	২০০৯	২০০৮	২০০৭
(ক) সূতার উৎপাদন (কেজি)	17,497,597	20,035,936	23,190,746	15,657,509	13,597,921
(খ) শুরুত্বপূর্ণ খাতগুলোর ব্যয় সমূহ:					
• e¨eüŻ K u Pvgvj (UvKvq)	3,313,577,001	2,807,161,179	2,644,967,512	2,006,550,074	1,450,439,367
• c¨wKs mvgMði gj¨	43,510,941	31,982,712	30,261,942	41,945,314	22,029,802
Ryj vbx †Zj /we`ÿr BZ¨wi`	176,022,570	134,507,081	7119,836,772	79,522,329	81,178,400
LPiv hšysk	155,321,804	166,050,000	163,554,586	130,557,589	120,532,125
Ab¨vb¨ LiP mgn	548,872,585	418,425,535	399,713,131	337,331,633	286,320,181
মোট ব্যয়	8,২৩৭,৩০৪,৯০১	৩,৫৫৮,১২৬,৫০৭	৩,৩৫৮,৩৩৩,৯৪৩	২,৫৯৫,৯০৬,৯৩৯	১,৯৬০,৪৯৯,৮৭৫

	২০১১	২০১০	২০০৯	२००४	२००१
(গ) প্রতি কেজির মূল্য (টাকায়):					
K u Pvgv j	189.37	140.11	114.05	128.15	106.66
c"wKs mvgMØ	2.49	1.60	1.30	2.68	1.62
Ryj vbx †Zj /we`ÿr	10.06	6.71	5.17	5.08	5.97
LPiv hš <u>y</u> sk	8.88	8.29	7.05	8.34	8.86
Ab"vb" Li Pmgn	31.37	20.88	17.24	21.54	21.06
প্রতি কেজি উৎপাদন খরচ	২৪২.১৬	ኔ ዓዓ.৫৯	\$88.৮\$	১৬৫.৭৯	۶۵.۵۹۷
tavU kZKiv wnmvte KuPvavj	78.20%	78.89%	78.76%	77.30%	73.98%



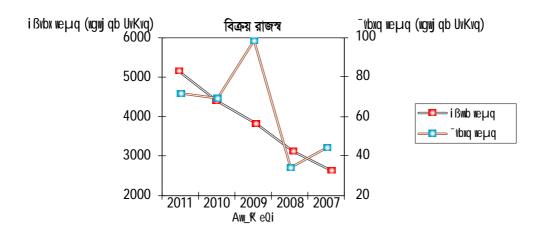
Dcţi v³ weei Y n‡Z cữ xqgvb nq th, Avţj vP" eQţi 2010 mvţj i Zji bvq cử Z tKwRi Drcv` b e"q ey× tcţqtQ 36.36%, GKB mgţq 2010 mvţj i Zji bvq 2011 mvţj KwPvgvj e"q, c"wKs mvgMið, Ryj vbx, LPi v hšysk Ges Ab"vb" Dcwi e"q h_vµ‡g 35.16%, 55.63%. 49.78% Ges 07.11%, 50.24% ey× tc‡q‡Q | Ab"w`‡K GKB GKK cử Z KwPv gvţj i e"q nvm tc‡q‡Q 0.69% 2010 mvţj i Zji bvq | cðavb Dcv` vb $_s$ ţj v thgb: KwPvgvj , c"wKs mvgMið, Ges Ab"vb" Dcwi e"q evovi gj Kvi b wQj AvšRŵZK evRvţi gj" ey× |

৩। বিপনণ কার্যক্রম:

(১) বাজার পরিস্থিতি : MZ eQṭii gZ G eQiI †Kv¤úvbx ißwb weµṭqi Dci cðavb¨†`qvi avivewnKZv eRvq ti‡L‡Q, hv wbgðe∫ct

		२०১১	২০১০	২০০৯	२००४	२००१
(ক)	বিক্রয়ের পরিমাণ (কেজি)					
	⁻√bxq evRv‡i weµq	223,805	416,387	561,347	165,247	221,514
	i ßwb weµq	17,273,792	19,628,509	22,625,699	15,491,421	13,371,187
	মোট বিক্রয়	\$9,889,689	২০,০৪৪,৮৯৬	২৩,১৮৭,০৪৬	১ ৫,৬৫৬,৬৬৮	১৩,৫৯২,৭০১
(뉙)	বিক্রয়লদ্ধ আয় (টাকায়)					
	⁻√vbxq evRvi n‡Z Avq	71,867,683	69,398,155	98,729,395	34,128,293	44,373,889
	i ßwb Avq	5,175,881,264	4,376,003,957	3,783,514,615	3,018,107,347	2,497,168,878
	মোট বিক্রয়	৫,২৪৭,৭৪৮,৯৪৭	8,88৫,80২,১১২	७,৮৮২,২৪৪,०১०	७,०৫२,२७৫,५8०	২,৫৪১,৫৪২,৭৬৭

cwi Pvj bv cl 🗣 i cüZţe`b



Dcţiv³ wPÎ t_tK eßv hvq th, MZ eQţii Zj bvq 2011 mvţj ¯vbxq evRvţi weµq Avq 3.56% ew× tcţqtQ Ges iBvbx Avq MZ eQţii Zj bvq 18.28% ew× tcţqtQ | mvgwMKfvţe 2010 mvţj i Zj bvq Avţj vP¨ eQţi weµq Avq 18.05% ew× tcţqtQ |

(২) প্রাপ্ত একক বিক্রয় মূল্য:

 $ce@ZPeQtii \ Zjibvq \ G \ eQti \ we\mu qgj \ ``Dtj \ LthwM'' \ fvte \ Zvi \ Zg \ ``NtUtQ \ hv \ bxtP \ f` Lvtbv \ ntj \ v :$

						(টাকা/কেজি)
		२०১১	২০১০	২০০৯	२००४	২০০৭
•	⁻vbxq evRv‡i weµq	321.12	166.67	175.88	206.53	200.32
•	ißwb weµq	299.64	222.94	167.22	194.82	186.76
	মোট বিক্রয় (গড়)	২৯৯.৯১	২২১.৭৭	১৬৭.৪৩	୬ ଜ.৪৫ረ	১৮৬.৯৮

Dcţii Z_"vejx wbt`R Kţi "vbxq weµqgj" 2010 mvţji Zjbvq 2011 mvţj 92.67% ew> tcţqtQ Ges ißwb gj" GKB mgtq 34.40% ew> tcţqtQ| c0_wgKfvţe ißwb gj" ew>i Ab"Zg KviY AvšRŵZK cwiţek Ges ißwb Pwn`v| 2010 mvţji Zjbvq 2011 mvţj Mo weµq gj" ew> tcţqtQ 35.23% hvi wecixtZ GKB mgtq KwPvgvţji gj" ew> tcţqtQ 36.36%|

মূলধনী খরচ সমূহ:

Drcv`b KvVvtgv DˇivËi DbneZ Ki‡Yi j‡¶" †Kv¤úvbx 331.33 ngnj qb UvKv gj abx Lv‡Z G eQi e¨q K‡i‡Q hv nbgne/c t

(vgwj qb UvKvq)

	২০১১	২০১০	২০০৯	२००४	२००१
Rwg/wbg@Y KvR	72.46	52.72	31.18	17.96	5.54
hšcwZ	225.86	43.55	57.39	103.98	86.55
Ab¨vb¨ m¤ú`	33.01	8.50	8.30	8.66	5.59
মোট বিনিয়োগ	৩৩১.৩৩	\$08.99	৯৬.৮৭	\$90. 60	৯৭.৬৮

Dcţiv3 wewbţqvM Drcv`b ¶gZv ew× KiţZ mnvgZv KţiţQ| cţiv wewbţqvMUvB wbR^^Drm t_ţK Kiv nţqţQ|



সাবসিডিয়ারী কোম্পানীতে বিনিয়োগ:

 $^-$ qvi tU- UvBj m&wj wgtUW 95,000,000 UvKv $^-$ qvi Bqvbm wj wgtUW G gj ab wnmvte 99.50% wewbtqvM KtitQ Ges 800,000,000 UvKv tkqvi gwb wWtcwRU wnmvte w tqtQ| GQvovI 65,783,760 UvKv $^-$ qvi tU- Kg wj wgtUW (c‡e $^-$ bvg wQj wgVvcj tU- UvBj m&wj wgtUW) Gi gj ab wnmvte 95% wewbtqvM KtitQ| 1994 mvtj i tKv $^-$ uvbx AvBb Abymvti $^-$ qvi Bqvbm wj wgtUW Ges $^-$ qvi tU- Kg wj wgtUW tKv $^-$ uvwbQq mvewmwWqvixtKv $^-$ uvbx weavq cwi Pvj bv cI $^+$ i c $^-$ UZte b Ges wbi wy¶Z wnmve GB c $^-$ UZte tbi mvt_ mshy $^-$ Kiv ntqtQ|

অবদানসমূহ:

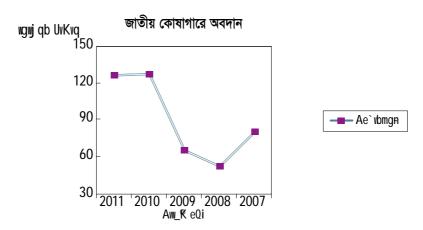
(১) জাতীয় কোষাগারে অবদান:

†Kv¤úvbx 2011 mvtj 126.01 ugwj qb UvKv RvZxq †KvIvMvti Rgv w`tqtQ| hvi weeiY bxtP †`Lvtbv ntj v t

	(ligh)			ab uvkvd)	
	२०১১	२०১०	২০০৯	२००४	२००१
K‡c@tiU AvqKti	109.44	111.41	51.14	41.05	58.68
AwNÖg AvqKi (Drm n‡Z KZ®)	2.41	1.44	1.43	1.43	5.50
AveMvixïé/f`vU/Avg`vbxïé/Ki BZ``w`	12.65	6.73	11.36	9.01	16.00
miKvix Ki/ó"v¤ú¨ié/jvB‡mÝ wd BZ"wì`	1.51	7.39	1.17	0.65	0.14
মোট	১২৬.০১	১২৬.৯৭	৬৫.১০	৫২.১৪	৮০.৩২

(unui ab Hul/ua)

(سمسأ ملم السلاسما



(২) বৈদেশিক মুদ্রার অর্জন/সঞ্চয়:

†Kv¤úvbx Dtj LthvM¨fvte ißwb ewYtR¨i gva¨tg t`tki ^et`wkK gỳ v wi Rvtf®Ae`vb †i‡LtQ 2011 mvtj hvi cwigvY 1,364.48 ugwj qb UvKv| hvi we¯lwi Z weeiY wb†P †`I qv nj t

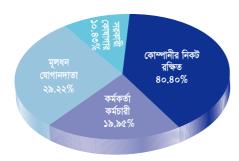
	(IIgily qo ukkiq)			yy qo uvkvq)	
	२०১১	২০ ১০	২০০৯	২০০৮	২০০৭
tgvU ißwob Avq ev`: Avg`wob LiPmgn:	4,833.92	4,376.00	3,783.51	3,018.10	2,497.17
KuPv Zj v	3,290.46	3,021.33	2,351.78	2,339.00	1,417.67
LPiv hšysk	139.67	103.34	75.00	150.18	147.95
wewea	39.31	30.50	28.99	11.95	10.90
নীট রপ্তানি আয়	<u>১,৩৬৪.৪৮</u>	১,২২০.৮৩	১,৩২৭.৭৪	৫১৬.৯৭	৯২০.৬৫



(৩) মূল্য সংযোজন বিবরণী:

(७) मृषा भरत्याञ्चन ।ययप्रभाः			
		२०১১	२०১०
অর্থের উৎস সমূহ			
bxU weµq		5,247,748,947	4,445,402,112
ev`: DcKiY I †mevgj		(4,063,337,924)	(3,354,783,820)
thvM : Ab"vb" Avq		15,710,732	31,023,629
भृ न्य সংযোজन	টাকা	১,২০০,১২১,৭৫৫	১,১২১,৬৪১,৯২১
সংযোজিত মূল্যের প্রয়োগ			
কর্মকর্তা-কর্মচারী		239,459,425	232,737,642
teZb, gRjix, MÖvPBvU Ges Ab¨vb¨ myeawi`		202,978,375	198,928,925
gþvdvi Ask I Kj "vY Znnej		36,481,050	33,808,717
সরকারী কোষাগার		125,180,454	126,965,203
K‡c¶iU AvqKi		109,443,150	111,405,203
Ab"vb" mi Kvi x cvI bv		15,737,304	15,560,000
মূলধন যোগানদাতা			
jfïsk		350,661,575	292,217,980
কোম্পানীর নিকট রক্ষিত		484,820,301	469,721,096
AePq		215,304,022	197,169,933
AvewUZ glovdv		269,516,279	272,551,163
	টাকা	১,২০০,১২১,৭৫৫	১,১২১,৬৪১,৯২১

gj msthvRtbi eEb-2011



gj "msthvRtbi eEb-2010



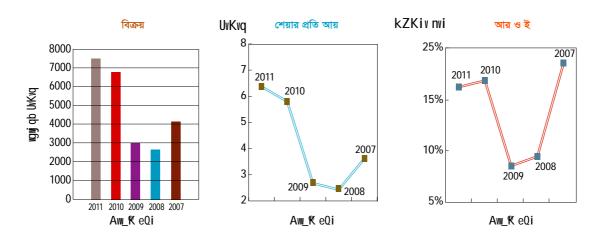


আর্থিক ফলাফল:

ce@Z@ermtii Zi bya AytivP" ermti tKv¤úvbxi Aww & e"e"vcbvi divdi wbtaœAytivPbv Kiv ntiv:

CCCZX CIIII+II Zy DIQ 7 11+J II	CITITE TICK GIDAL 7 WILLIC	C C ICDII GJ IC	1) 110+9w (1+) 11 bi	· · · · · · · · · · · · · · · · · · ·	
	२०১১	২০১০	২০০৯	২০০৮	२००१
weµq	5,247,748,947	4,445,402,112	3,882,244,010	3,052,235,640	2,541,542,767
wewuZc‡Y"i Drcv`bgj"	4,176,991,364	3,558,642,850	3,348,870,289	2,589,019,736	1,958,696,404
tgvU glpvdv	1,070,757,583	886,759,262	533,373,721	463,215,904	582,846,363
cwi Pvj b Li P mgyn	157,385,096	113,189,908	109,832,354	85,777,018	61,767,371
Aw_K LiP mgn	162,981,165	94,609,920	121,730,159	109,701,045	106,026,180
cwi Pvj b glovďv	750,391,322	678,959,434	301,811,208	267,737,841	415,052,812
Ab"vb" Avq	15,710,732	31,023,629	25,554,510	23,722,979	16,626,533
bxU glpvdv (WweD vc vc Gd) ce©	766,102,054	709,983,063	327,365,718	291,460,820	431,679,345
WieĐuc iic Gd G Aby vb	36,481,050	33,808,717	15,588,844	13,879,087	20,556,159
bxUgbvdv(Kice®	729,621,004	676,174,346	311,776,874	277,581,733	411,123,186
AvqKi mwÂwZ	109,443,150	111,405,203	51,142,872	41,051,825	58,676,050
bxUʻgybvdv (KicieZn?)	620,177,854	564,769,143	260,634,002	236,529,908	352,447,136
tgvU glovdvi nvi	20.40%	19.95%	13.74%	15.18%	22.93%
bxU gjovolvi nvi	11.82%	12.70%	6.71%	7.75%	13.87%
†kqvi c ů Z Avq	6.37	5.80	2.68	2.43	3.62
Avi I B	16.25%	16.88%	8.57%	9.49%	18.59%
cwi‡kwaZ†kqvi	97,405,993	81,171,661	70,584,053	58,820,044	39,433,370
tkqvtii bwgK gj	10	10	10	10	10

tgvU we μ q 2010 mvtj i Zj bvq 2011 mvtj 18.05% e ψ × †ctqtQ hv 2010 mvtj 14.50% e ψ × †ctqtQj | hv †nvK, 2010 mvtj i Zj bvq 2011 mvtj †gvU g|pvdvi nvi 20.75% e ψ × †ctqtQ | Ab \ddot{w} ‡K c \dot{w} Pvj b e \ddot{q} 39.05% e $\dot{\psi}$ × †ctqtQ, Ges c \dot{w} Pvj b Avq e $\dot{\psi}$ × †ctqtQ 10.52% |



মুনাফা বন্টন:

2011 mvtj Ki cieZPbxU Avq UvKv 620,177,854 cwiPvj bv cl® wbgie#c eÈtbi Rb ctwe Ktib:

K) 2011 mv‡ji bM`jfïvsk cÔre @ 16% (1.60 UvKv cÔZ †kqvi)	UvKv	155,849,589
L) 2011 mutj i Rb" tevbvm tkqvi @ 20% (5:1)	UvKv	194,811,986
M) mvavi Y mwÂwZ‡Z ¯vbvš∔	UvKv	269,516,279
	টাকা	৬২০,১৭৭,৮৫৪

cwi Pvj bv cl P i cůZte b

পরিচালক নির্বাচন:

msNwewai 125 l 126 Ab‡"Q` Ab†nvqx†Kv¤úvbxi cwiPvjK Rbve Wv: KvRx nvi"b Ai ikx`, wg‡mm iZnecvÎ Ges Rbve AÄb†Pšajx Aemi MbY K‡i‡Qb Ges cþtwbenPZ nlqvi †hvM" weavq cþtwbenPZ nlqvi B"Qv ckvk K‡i‡Qb|

নিরীক্ষক নিয়োগ:

TKv¤úvbxi wbix¶K tgmvm®tPŠajx fÆvPvh®GÛ tKvs, PvUMV®GKvD>U"v>Um&AÎ mfvq Aemi Mồb KţiţQb Ges GmBwm Avţ`k bs SEC/CMRRCD/2009-193/104/admin of dated July 27, 2011 Abynvţi avivewnK 3 eQi AwWU Kvh®m¤úv`b Kivq cb:wbţqvţMi thwM" bţnb, tgmvm®Avnmvb Rwgi GÊ tKvs, PvUMV®GKvD>U"v>Um tKv¤úvbxi wbix¶K wnmvţe 2012 A_@Qţii Rb" KvR Kivi B"Qv ckVk KţiţQb|

কর্পোরেট গভর্নেন্স:

KţcṛtiU Mftb¶ nt"O mpvMwiKtZi PPP hvi gva"tg cwiPvjbv cl® tKv¤úvbxi cwiPvjbv Kţib, tkqvi tnvìvi/¯r_©mswké e"w³eM©Ges mgytRi c#Z Revew`wnZvi` woftwlz wbtq| wmwKDwiwUR GÊ G· tPÄ Kwgkb Gi tbwUk bs GmBwm/wmGgAviAviwmwW/2006-158/c#kvmb/02-08 tde*qwi 20, 2006 Gi wbwi‡L tKv¤úvbxi Kţc̞tiU Mftþ¶ Gi Ae¯vb wPÎwqZ nṭq‡Q mshw³ 1 (GK) Gi q‡a"|

ব্যবস্থাপনা কর্তৃপক্ষের স্বীকৃতি:

cwi Pvj bv c I © e e ewwqK Kvh Pitg wbe Pnx e e vcbv, KgRZPI kilgK KgPvi xt`i Ae`vbtK Mfxi fvte gj vqb Ktitq | mvi v wetk ewy R I Drcv`tb wewf boe e ix cofve _vkv mtë i Zvt`i wbij m copov tkv m vot kv prov`b ¶gZv Ges bxU glovdv eyx tZ mvnvh Ktitq | m m symbZ tkqvi tnvì vi MY th Av v cwi Pvj bv c I P i Dci tittqb Zv cwi Pvj bv c I V AbycombZ Kti AvmtQ Ges e e vcbv KZP¶, wbe Pnx KgRZPI KgPvi xMY Zv ati i v LtZ m tpó n teb | cwi Pvj bv c I V webxZfvte e vsk, wmwkDwi v UR GÛ G·tPÄ Kvgkb, óK G·tpÄ, RvZxq i v R - tew Ges Ab v b m i Kwi I tem i Kwi GtRvý, tj v tk cozovb Gi Kvh Pig cwi Pvj bv q mnthwMZv t qvi Rb KZÁZv Rvbvt Ob |

Avgiv mKţji fwel r Dbqb Kvgbv Kwi |

m"vg‡qj Gm †Pšajx †Pqviq"vb







AUDITORS' REPORT

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

We have audited the accompanying Consolidated Financial Statements of Square Textiles Limited, which comprises the Consolidated Statement of Financial Position as at 31 December 2011 and the related Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows for the year ended, and all related summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards, give a true and fair view of the state of the company's affairs as at 31 December, 2011 and the results of its operations and its cash flows for the period then ended and comply with the companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations.

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

Dated, Dhaka April 24, 2012 B.K. Bhattacharjee, FCA

Partner

Chowdhury Bhattacharjee & Co. Chartered Accountants



Consolidated Statement of Financial Position As at December 31, 2011

		31-12-2011	31-12-2010
NET ASSETS:	Notes		
Fixed Assets		2,483,823,461	2,431,705,707
Assets at Cost Less Depreciation	4	2,427,539,701	2,375,421,947
Goodwill	5	56,283,760	56,283,760
Current Assets:		6,371,106,117	5,597,368,885
Stocks	6	1,902,471,712	2,337,729,488
Trade Debtors	7	3,331,220,012	2,793,836,999
Advances, Deposits and Prepayments	8	656,428,247	342,870,550
Cash & Bank Balances	9	480,986,146	122,931,848
Less: Current Liabilities:		4,034,826,920	3,908,757,979
Short Term Bank Loan	10	497,733,221	1,115,737,221
Sundry Creditors	11	2,205,497,561	1,500,362,542
Other Current Liabilities	12	327,145,001	216,323,182
Short Term Loan	13	569,592,985	787,887,594
Provision for Income Tax	14	434,858,152	288,447,440
Net Current Assets		2,336,279,197	1,688,610,906
Deferred Tax Liability	15	180,036,773	176,909,275
·	Tk.	4,640,065,885	3,943,407,338
FINANCED BY:			
Share Holders Equity:		4,635,087,878	3,940,131,862
Share Capital	16	974,059,932	811,716,610
General Reserve and Surplus	17	3,661,027,946	3,128,415,252
Non controlling Interest	20	4,978,007	3,275,476
	Tk.	4,640,065,885	3,943,407,338

Attached notes form part of these financial statements . Dated, Dhaka: April 24, 2012

As per our annexed report of even date.

Samuel S. Chowdhury Chairman

Tapan Chowdhury Managing Director

Khandaker Habibuzzaman Company Secretary B.K Bhattacharjee, FČA

Partner

Chowdhury Bhattacharjee & Co. Chartered Accountants



Consolidated Statement of Comprehensive Income For the year Ended December 31, 2011

		2011	2010
	Notes		
Sales	21	9,391,822,689	6,096,627,967
Cost of Goods Sold	22	(7,942,084,250)	(4,960,533,384)
Gross Profit		1,449,738,439	1,136,094,583
Operating Expenses	23	(181,811,012)	(128,465,638)
Finance Cost	24	(243,725,859)	(103,750,309)
Operating Income		1,024,201,568	903,878,636
Other Income		673,417	311,937
Net Income Before W.P.P & W.F		1,024,874,985	904,190,573
Allocation for W.P.P. & W.F	25	(48,803,570)	(43,056,694)
Net Income Before Tax		976,071,415	861,133,879
Provision for Income Tax	26	(146,410,712)	(139,149,133)
Provision for Deferred Income Tax	27	(3,127,498)	(7,398,167)
Net Profit after Tax		826,533,205	714,586,579
Non Controlling Interest		(1,702,531)	(1,424,765)
Net Income for the Year	Tk.	824,830,674	713,161,814
(Transferred to the Consolidated Statement of Cha	nges in Equity)		
Earning Per Share	28 Tk.	8.47	7.32

Attached notes form part of these financial statements . Dated, Dhaka: April 24, 2012

As per our annexed report of even date.

Samuel S. Chowdhury Chairman

Tapan Chowdhury Managing Director Khandaker Habibuzzaman Company Secretary B.K Bhattacharjee, FCA

Partner

Chowdhury Bhattacharjee & Co. Chartered Accountants



Consolidated Statement of Changes in Equity For the Year Ended December 31, 2011

Particulars	Share Capital	General Reserve and Surplus	Total
As at December 31, 2010	811,716,610	3,128,415,252	3,940,131,862
Net Profit for the Year 2011	-	824,830,674	824,830,674
Cash Dividend for 2010	-	(129,874,658)	(129,874,658)
Stock Dividend for 2010	162,343,322	(162,343,322)	-
As at December 31, 2011 Tk.	974,059,932	3,661,027,946	4,635,087,878

Consolidated Statement of Changes in Equity For the Year Ended December 31, 2010

Particulars	Share Capital	General Reserve and Surplus	Total
As at December 31, 2009	705,840,530	2,640,604,598	3,346,445,128
Accumulated Loss of Square Texcom Ltd.	-	(6,540,595)	(6,540,595)
Net Profit for the Year 2010	-	713,161,814	713,161,814
Cash Dividend for 2009	-	(112,934,485)	(112,934,485)
Stock Dividend for 2009	105,876,080	(105,876,080)	-
As at December 31, 2010 Tk.	811,716,610	3,128,415,252	3,940,131,862

Attached notes form part of these financial statements . Dated, Dhaka: April 24, 2012

As per our annexed report of even date.

Samuel S. Chowdhury Chairman

Tapan Chowdhury

Managing Director

Khandaker Habibuzzaman Company Secretary B.K Bhattacharjee, FČA

Partner

Chowdhury Bhattacharjee & Co. Chartered Accountants



Square Textiles LimitedConsolidated Statement of Cash Flows For The Year Ended December 31, 2011

	2011	2010
Cash Flow From Operating Activities: Receipts:		
Cash From Sales Revenue Cash From Other Income	8,888,004,814 673,418	5,380,910,052 311,937
Total Cash Receipts Payments:	8,888,678,232	5,381,221,989
Purchase of Raw & Packing Materials Paid for Operating & Non-operating Exp. Income Tax payments Workers Profit Participation Fund and Welfare Fund Total Payments	(5,360,022,598) (1,636,915,524) (150,320,675) (43,066,570) (7,190,325,367)	(4,794,515,208) (892,373,764) (94,502,545) (48,028,134) (5,829,419,651)
Net Cash Flow From Operating Activities	1,698,352,865	(448,197,662)
Cash Flow From Investing Activities Net Sales (Purchase) of Fixed Assets Investment in Shares of Square Texcom Ltd.	(352,864,293)	(135,279,812) (46,283,760)
Net Cash Flow From Investing Activities	(352,864,293)	(181,563,572)
Cash Flow From Financing Activities Short Term Bank Received (Repaid) Short Term Loan From (to) Sister Concern Long Term Loan Dividend Payment	(618,004,000) (259,685,890) - (109,744,384)	502,258,966 327,046,706 (54,791,000) (112,934,485)
Net Cash Flow From Financing Activities	(987,434,274)	661,580,187
Net Cash Position Opening Cash & Cash Equivalents	358,054,298 122,931,848	31,818,953 91,112,895
Closing Cash in Hand Tk.	480,986,146	122,931,848

Attached notes form part of these financial statements . Dated, Dhaka: April 24, 2012

As per our annexed report of even date.

Samuel S. Chowdhury Chairman

Tapan Chowdhury Managing Director Khandaker Habibuzzaman **Company Secretary**

B.K Bhattacharjee, FCA

Partner

Chowdhury Bhattacharjee & Co. **Chartered Accountants**



Notes to the Consolidated Financial Statements For the year ended December 31, 2011

NOTE-1: ESTABLISHMENT AND OPERATIONS.

- a) Legal Form of the Enterprises. Square Textiles Limited (Here in after said as the Company) is a public limited company and its subsidiaries, Square Yarns Limited and Square Texcom Limited incorporated with Registrar, joint stock companies and firms, Dhaka, Bangladesh under Companies Act 1913 and Companies Act 1994 respectively. The principal activities of the Company and its subsidiary (the group) are described in note 1(b) and (c).
- **b)** Address of Registered office and factory of the group. The address of the registered offices and factories of the group is described in page no. 11 of this annual report.
- c) Nature of Business. The group owns Five (5) units of spinning mills, and a twisting mill. Its activities and operations are related with manufacturing and marketing of Yarns.

NOTE-2: ADOPTION OF NEW IFRS.

During the year of reporting Management of the Company adopted revised IAS-1 (revised in 2008).

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

- **a) Statement of Compliance.** The financial statements have been prepared in conformity with the provisions of the Companies Act 1994, The Securities and Exchanges Rules 1987 and other relevant rules and regulations.
- **b) Basis of preparation.** The financial statements have been prepared in accordance with the going concern principle and historical cost convention. The significant accounting policies are set out below.
- c) Basis of Consolidation. The consolidated financial statements, incorporate the financial statements of the company and entities controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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

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

These consolidated financials have been prepared in consolidation with the audited accounts of the company and the audited accounts of Square Yarns Limited for the Year ended December 31, 2011 and restated Financials of Square Texcom Limited as of December 31, 2011 being there is a difference between Financial Year of Square Texcom Limited and Square Textiles Limited.

d) Fixed Assets. Fixed Assets i.e. property, Plant, Equipment are stated at their historical cost less accumulated depreciation. No depreciation has been charged on the Freehold Land and on the Capital work in progress. Depreciation is charged on all other assets on straight-line method. Depreciation 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:



		Depreciation
	Years	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 Statement of Comprehensive Income.

g) Revenue Recognition.

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

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

Other Income. It is recognized when received.

- h) Foreign Currency Transactions. Transactions in Foreign Currencies are translated into BDT at the rate of exchange ruling on date of transaction. Monetary assets and liabilities expressed in foreign currencies are translated into BDT at the rate of exchange ruling at the date of Statement of Financial Position.
- i) **Borrowing Costs.** Borrowing costs are recognized as expenses in the period in which they incurred and capitalized the same that incurred before commencement of commercial operation.
- **j) Financial Instruments.** Financial assets and liabilities are recognized on the Statement of Financial Position when the group has become a party to a contractual provision of the instrument.



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

Payables. Trade Payables are stated at their nominal value.

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

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

- **k)** Cash and Cash Equivalents. Cash and cash equivalents comprise cash in hand, bank currents accounts, other bank deposits free of encumbrance and having maturity dates of three months or less from respective dates of deposit.
- I) Taxation. Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Statement of Comprehensive Income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted on date of Statement of Financial Position.

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

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

- m) Contingent Liabilities and Assets. Current or possible obligations or assets arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain events which are not within the control of the group.
- **n) Related Party Transaction.** The group has some related party transaction in arm length transaction with its sister concern.
- **o) Segment Reporting.** There are three business centres in two geographical segment but same business nature of the group. So there no reportable business segment because the subsidiary's financial statements are enclosed with these financials.
- **p) Earning Per Share.** Basis Earning per Share (EPS) has been computed dividing the earnings attributable to the weighted average number of the ordinary shares during the period.
- **q) Comparative Figure.** Certain prior year figures have been regrouped /reclassified to conform to current year's presentation.
- r) Financial Year. Financial year means gregorian calendar year, January 01, 2011 to December 31, 2011.
- s) General. Figures have been rounded off to the nearest taka, as it is the reporting currency of these financials.



4. FIXED ASSETS: TK. 2,427,539,701

'Details of Fixed Assets and Depreciation as of December 31, 2011 are shown in the annexed schedule-01. Depreciation for the year charged to Factory Overhead (Note-22.3). The break-up of the balances are depicted below:

Depreciation for the year charged to ractory Overhead (Note-22.3		
	31-Dec-11	31-Dec-10
Fixed Assets at Cost:		
Opening Balance	4,490,956,526	4,319,728,515
Addition during the year	575,428,606	168,102,977
Aquisition all Assets of Square Texcom Ltd.	-	35,943,575
Sale/Adjustment during the year	(200,972,477)	(32,818,541)
Closing Balance (Cost)	4,865,412,655	4,490,956,526
Accumulated Depreciation:		
Opening Balance	2,115,534,579	1,812,308,285
Charged during the year	322,788,375	299,616,804
Accumulated Depreciation of Square Texcom Ltd.	-	3,609,490
Adjustment for sale/Transfer	(450,000)	-
,	2,437,872,954	2,115,534,579
Written Down Value Tk.	2,427,539,701	2,375,421,947
5. GOOD WILL: TK. 56,283,760	45 700 740	45 Too T40
Investment in Square Texcom Ltd.	65,783,760	65,783,760
(For 95,000 Shares of Square Texcom Ltd.)		
Less: Face Value of the Shares	9,500,000	9,500,000
	56,283,760	56,283,760
6. STOCKS: TK. 1,902,471,712		
Stocks of Raw Materials	1,795,028,627	2,303,821,613
Raw Materials	1,330,485,935	1,406,192,998
Raw Materials In Transit	175,056,245	794,663,058
Finished Goods	24,754,834	23,015,911
Packing Materials	15,629,222	15,282,626
Work - in - process	56,064,522	41,277,400
Comber Noil	193,037,869	23,389,620
Stock of Spares	107,443,085	33,907,875
Spares at Store	91,070,789	17,037,437
Spares in Transit	16,372,296	16,870,438
Tk.	1,902,471,712	2,337,729,488

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 homoginus materials and process.

7.TRADE DEBTORS: TK. 3,331,220,012

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

Tk.	3,331,220,012	2,793,836,999
Above 180 days	123,648,577	102,798,373
Below 180 days	3,207,571,435	2,691,038,626

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 plegded as security.



31-Dec-11 31-Dec-10

8. ADVANCE, DEPOSIT & PREPAYMENTS: TK. 656,428,247

This is made up of the followings:

Advance:	609,868,633	297,802,101
Income Tax	313,472,116	162,849,865
Salary & PF Current account	66,575,037	13,399,840
Expenses	207,329,940	110,380,228
Contractor	22,491,540	11,172,168
Deposits:	46,559,614	45,068,449
Margin & Deposit	4,923,064	28,714,407
Security Deposit	41,508,945	16,226,437
Adv. Ag. Excise Duty	127,605	127,605
Tk.	656,428,247	342,870,550

- (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. 480,986,146

This is made up of the followings:

Cash in hand

Cash at Bank		478,896,285	116,956,174
	Tk.	480,986,146	122,931,848
10. SHORT TERM BANK LOAN: TK. 497,733,221			
This is made up of the followings:			
Bank Overdraft		99,584,145	249,610,430
Local Purchase Offer		100,000,000	100,000,000
Clean Import Loan		-	400,000,000
Revolving Loan		100,000,000	200,000,000
Export Development Fund		198,149,076	166,126,791
	Tk.	497,733,221	1,115,737,221

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

11. SUNDRY CREDITORS: TK. 2,205,497,561

2,205,497,561 1,500,362,542

2,089,861

5,975,674

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

12. OTHER CURRENT LIABILITIES: TK. 327,145,001

This consists of as follows:

 Retention Money
 1,622,296
 1,690,912

 Allocation for W.P.P & W.F
 143,407,402
 103,669,244

 Others
 182,115,303
 110,963,026

 Tk.
 327,145,001
 216,323,182



	31-Dec-11	31-Dec-10
13. SHORT TERM LOAN: TK. 569,592,985		
Loan from Square Pharmaceuticals Limited	569,592,985	787,887,594
14. PROVISION FOR INCOME TAX : TK. 434,858,152		
Opening Balance	288,447,440	159,277,358
Income Tax Expenses Adjusted	-	(9,979,051)
Current Year Provision	146,410,712	139,149,133
	434,858,152	288,447,440
15. DEFERRED TAX LIABILITY: TK. 180,036,773		
Opening Balance	176,909,275	170,482,362
Adjusted for deductable temporary difference	-	(971,254)
Provision for this Year	3,127,498	7,398,167
	180,036,773	176,909,275

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

16.SHARE CAPITAL: TK. 974,059,932

This is made up of the followings:

Authorized: 300,000,000 Ordinary Shares of Tk. 10.00 each	Tk.	3,000,000,000	1,000,000,000
Issued, Subscribed and Paid up: 97,405,993 Ordinary Shares of Tk. 10.00 each Fully Paid up in cash	Tk.	974,059,932	811,716,610

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 seperate Financial Statement of Square Textiles Limited.

17. GENERAL RESERVE AND SURPLUS: TK. 3,661,027,946

Opening Balance	3,128,415,252	2,640,604,598
Less: Dividend paid during the year	(129,874,658)	(112,934,485)
Less: Appropriation for stock dividend at the rate		
of one share for every five shares held	(162,343,322)	(105,876,080)
Add: Surplus of the Year	824,830,674	713,161,814
Add: Accumulated Loss of Square Texcom Ltd.	-	(6,540,595)
	3,661,027,946	3,128,415,252



	31-Dec-11	31-Dec-10
20. NON CONTROLLING INTEREST: TK. 4,978,007		
5,000 shares of Tk 100 at par of Square Yarns Ltd.	500,000	500,000
5,000 shares of Tk 100 at par of Square Texcom Ltd.	500,000	500,000
Shares of Accumulated Profit	3,978,007	2,275,476
Tk.	4,978,007	3,275,476

This represents non controlling interest in Square Yarns Limited and Square Texcom Limited as on December 31, 2011.

21. SALES TK. 9,391,822,689		2011	2010
Sales Comprises the following: In Quantity(KG)			
Opening Stock		88,177	67,950
Production during the Year		17,719,759	26,422,549
Available for Sale		17,807,936	26,490,499
Closing Stock		(82,333)	(88,177)
Sales during the year	Kg.	17,725,603	26,402,322
(To be accounted for as follows)			
Sales Accounted as follows:			
Local Sale of Yarns		259,728	1,222,296
Export Sale of Yarns		27,574,779	25,180,026
1	Kg.	27,834,507	26,402,322
In Taka			
Local Sale of Yarns		81,446,107	77,119,979
Export Sale of Yarns		9,310,376,582	6,019,507,988
	Tk.	9,391,822,689	6,096,627,967





2011 2010

22. COST OF GOODS SOLD TK. 7,942,084,250

This is arrived as follows:

Raw Material Consumed (Note-22.1)	6,658,635,365	3,883,848,884
Packing Material Consumed (Note-22.2)	58,167,088	45,657,336
Factory Overhead (Note- 22.3)	1,241,807,842	1,046,015,469
Cost of Goods Manufacturing	7,958,610,295	4,975,521,689
Opening Work-In-Process (Opening)	41,277,400	30,331,482
Closing Work-In-Process (Closing)	(56,064,522)	(41,277,400)
Cost of Production	7,943,823,173	4,964,575,771
Finished Goods (Opening)	23,015,911	18,973,524
Finished Goods (Closing)	(24,754,834)	(23,015,911)
Tk.	7,942,084,250	4,960,533,384

22.1 RAW MATERIAL CONSUMED: TK. 6,658,635,365

This is arrived as follows: In Quantity(KG)		
Opening Stock	10,653,613	10,847,395
Purchase during the year	28,211,936	26,691,229
Raw Material Available for Consumption	38,865,549	37,538,624
Closing Stock	(8,582,064)	(10,653,613)
Raw Material Consumed Kg.	30,283,485	26,885,011
		-,,-
In Taka		.,,
	1,406,192,998	1,110,236,913
In Taka		
In Taka Opening Stock	1,406,192,998	1,110,236,913
In Taka Opening Stock Purchase during the year	1,406,192,998 6,582,928,297	1,110,236,913 4,179,804,969



2011 2010

22.2. PACKING MATERIALS CONSUMED: TK. 58,167,088

This is arrived as follows:

Opening Stock	15,282,626	13,358,350
Purchase	58,513,684	47,581,612
Materials available for Consumed	73,796,310	60,939,962
Closing Stock	(15,629,222)	(15,282,626)
Tk	58,167,088	45,657,336

22.3. FACTORY OVERHEAD: TK. 1,241,807,842

Factory Wages , Salary & Allowances	261,535,772	213,829,536
Travelling & Conveyance	207,314	123,325
Printing & Stationery	2,560,943	2,387,401
Production Workers Free Lunch	5,507,522	5,098,496
Uniform & Liveries	221,593	191,578
Fuel , Petrol , Light , Diesel etc.	99,062,824	41,505,743
Electricity , Gas & Water	156,693,969	164,003,591
Repairs & Maintenance - Factory	148,750,429	92,704,722
Technical Consultant Expenses	43,510	978,867
Medical Expenses	160,475	115,324
Repairs & Maintenance of Vehicles	13,483,249	13,506,833
Papers Books and Periodicals	12,331	11,076
Fire Insurance Premium	18,764,918	15,338,510
Telephone, Fax, & Telex Charges	868,359	774,368
Government Taxes & License Fee	1,839,194	-
Security Services	9,014,839	8,431,219
Research & Development	2,752,785	169,719
Spare Parts - Machinery	181,322,179	186,900,500
Group Insurance	1,256,324	327,857
Yarn Making Charge	14,960,938	-
Depreciation (Schedule-1)	322,788,375	299,616,804
Tk.	1,241,807,842	1,046,015,469



	2011	2010
23.OPERATING EXPENSES: TK. 181,811,012		
This is arrived as follows:		
Administrative Overhead (Note 23.1)	166,246,481	112,805,770
Selling & Distribution Overhead (Note 23.2)	15,564,531	15,659,868
Tk.	181,811,012	128,465,638
23.1. ADMINISTRATIVE OVERHEAD: TK. 166,246,481		
Salary and Allowances	48,221,198	43,108,048
Directors Remuneration	13,332,000	10,120,000
Consultantion Fee	195,024	89,100
Travelling and Conveyance	540,082	389,095
Overseas Travelling	44,015,934	30,227,659
Training Expenses	82,600	279,449
Printing and Stationery	1,797,439	1,532,709
Postage,Telephone,Fax & Telex	1,014,580	1,114,121
Electricity, Gas & Water	1,099,334	930,727
Vehicles Running & Maintenance	6,921,466	5,325,630
Tiffin and Refreshment	1,596,915	2,213,313
Fees, Subscription	7,367,585	2,317,707
Repairs & Maintenance	6,457,296	4,308,426
Bank Charges & Commission	2,102,003	2,117,394
Insurance	85,612	11,506
Medical Expenses	5,143	6,320
Govt. Taxes, Stamp Duty & Licence Fee	1,600,549	1,125,202
Lease Rent	17,508,204	-
Office Rent	6,186,043	3,033,284
Security Service	622,940	465,596
Annual General Meeting Expenses	5,348,034	3,970,484
Audit Fees	146,500	120,000
Tk.	166,246,481	112,805,770

a) Audit Fees represent provision for the auditors' remuneration for audit of the Company's Financial Statements for the year ended December 31, 2011.

23.2. SELLING & DISTRIBUTION OVERHEAD: TK. 15,564,531

Tk.	15,564,531	15,659,868
Carrage Outword	506,392	393,580
Excise Duty on Sales	2,208,620	745,473
Expenses for Export	12,827,677	10,500,164
Sales Promotion Expenses	21,842	4,020,651
This is arrived as follows:		



		2011	2010
24. FINANCE COST: TK. 243,725,859			
This is arrived as follows:			
Interest on Short Term Loan		243,725,859	103,750,309
	Tk.	243,725,859	103,750,309

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

25. ALLOCATION FOR W.P.P & W.F.: TK. 48,803,570

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

26. PROVISION FOR INCOME TAX: TK. 146,410,712

This represents estimated Income Tax on Net Income for the period from January 1, 2011 to December 31, 2011.

27. PROVISION FOR DEFERRED INCOME TAX: Tk. 3,127,498

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

28. EARNING PER SHARE (EPS):

The Computation is given below: Surplus for the year attributable to Shareholders (Net Profit after tax)	Tk.	824,830,674	713,161,814
Weighted average number of shares outstanding for the year 2011 and restated for the year 2010.		97,405,993	97,405,993
Earning Per Share	Tk.	8.47	7.32

These Financial Statements have been approved by the Board on April 10, 2012

Samuel S. Chowdhury

Chairman

Tapan Chowdhury

Managing Director

Khandaker Habibuzzaman **Company Secretary**

Square Textiles Ltd. Schedule of Consolidated Fixed Assets

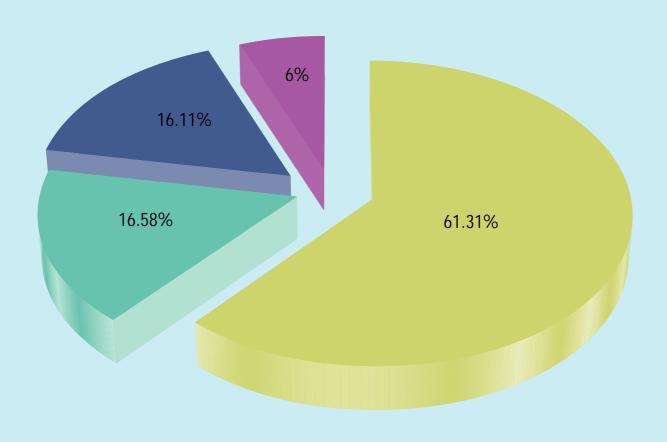
Consolidated Fixed Assets - Tk. 2,427,539,701

Schedule-01

Written	Down Value as at	31 December 2011	343,956,168	379,166,522	3,101,619	1,613,627,171	18,692,938	1,674,235	2,002,229	19,069,313	21,959,128	338,471	10,812,968	11,452,502	1,466,307	220,130	2,427,539,701	2,375,421,947
	At 31 December	2011	,	305,879,880	10,260,182	1,951,108,020	1	10,756,214	11,530,992	50,037,852	75,463,905	2,167,654	6,175,404	12,474,054	1,495,838	522,960	2,437,872,954	2,115,534,579
IATION	he year	Adjustments/ Transfer	1	1	1	1	1	1	1	(450,000)	1	1	1	1	1	-	(450,000)	1
DEPRECIATION	During the year	Charged	1	38,342,125	632,320	263,010,540	1	884,296	769,183	7,187,085	8,489,935	225,047	849,419	1,878,643	383,663	136,120	322,788,375	303,226,294
	Δt 1ct lanuary	2011	1	267,537,755	9,627,862	1,688,097,480	1	9,871,918	10,761,809	43,300,767	66,973,970	1,942,607	5,325,985	10,595,411	1,112,175	386,840	2,115,534,579	1,812,308,285
	At 31 December	2011	343,956,168	685,046,402	13,361,801	3,564,735,191	18,692,938	12,430,449	13,533,221	69,107,165	97,423,033	2,506,125	16,988,372	23,926,556	2,962,145	743,090	4,865,412,655 2,115,534,579	4,490,956,526
COST	During the year	Sales/Transfer	,	1	1	129,996,581 (198,531,269)	(1,991,208)	1	1	(450,000)	1	•	•	•	•	-	575,428,606 (200,972,477)	(32,818,541)
00	During	Additions	72,460,170	21,535,292	3,544,479	429,996,581	18,604,594	267,879	325,990	14,480,000	9,913,097	1	1	3,200,525	1,100,000	1	575,428,606	204,046,533
	At 1st January	2011	271,495,998	663,511,110	9,817,322	3,333,269,879	2,079,552	12,162,570	13,207,231	55,077,165	87,509,936	2,506,125	16,988,372	20,726,031	1,862,145	743,090	Tk. 4,490,956,526	4,319,728,514
	PARTICULARS		Freehold Land	Building	Temporary Shed	Plant & Machinary	Plant & Machinary in Trans	Furniture & Fixture	Office Equipment	Motor Vehicles	Electrical Intallation	Deep Tubewell	Boundary Wall	Gas Line Installation	Workshop Tools	Testing Equipment	Total 2011 Tk.	Total 2010



The Shareholders 2011



- Sponsors
- Local Institutions
- General Public
- Foreign Investors

AUDITORS' REPORT

Auditors' Report to the Shareholders of Square Textiles Limited

We have audited the accompanying Financial Statements of Square Textiles Limited, which comprises the Statement of Financial Position as at 31 December 2011 and Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year ended, and all related summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards, give a true and fair view of the state of the company's affairs as at 31 December, 2011 and the results of its operations and its cash flows for the period then ended and comply with the companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations.

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

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

B.K. Bhattacharjee, FCA

Partner

Chowdhury Bhattacharjee & Co. Chartered Accountants

Dated, Dhaka April 24, 2012



Statement of Financial Position As at December 31, 2011

		31-12-2011	31-12-2010
NET ASSETS:	Notes		
Fixed Assets		2,421,279,721	2,304,802,482
Assets at Cost Less Depreciation	4	1,402,876,722	1,286,399,483
Investment-Long Term(At Cost)	5	160,783,760	160,783,760
Share Money Deposit	6	857,619,239	857,619,239
Current Assets:		4,804,457,403	4,301,132,525
Stocks	7	1,236,014,474	1,623,278,528
Trade Debtors	8	2,008,696,513	1,666,731,087
Short Term Loan	9	695,694,698	656,447,428
Advance, Deposits and Prepayments	10	542,235,494	289,172,239
Cash & Bank Balances	11	321,816,224	65,503,243
Less: Current Liabilities:		3,052,890,011	2,923,391,090
Short Term Bank Loan	12	486,705,024	998,924,770
Short Term Loan	9	569,592,985	787,887,594
Sundry Creditors	13	1,385,606,603	733,985,411
Other Current Liabilities	14	291,387,314	192,438,380
Provision for income Tax	15	319,598,085	210,154,935
Net Current Assets		1,751,567,392	1,377,741,435
Less: Deferred Tax Liability	16	111,305,232	111,305,232
,	Tk.	4,061,541,881	3,571,238,685
FINANCED BY:			
Share Holders Equity:		4,061,541,881	3,571,238,685
Share Capital	17	974,059,932	811,716,610
General Reserve and Surplus	18	3,087,481,949	2,759,522,075
	Tk.	4,061,541,881	3,571,238,685

Attached notes form part of these financial statements . Dated, Dhaka: April 24, 2012

As per our annexed report of even date.

Samuel S. Chowdhury Chairman

Tapan Chowdhury Managing Director Khandaker Habibuzzaman Company Secretary B.K Bhattacharjee, FCA Partner

Chowdhury Bhattacharjee & Co. Chartered Accountants



Statement of Comprehensive Income For the Year Ended December 31, 2011

		2011	2010
	Notes		
Sales	19	5,247,748,947	4,445,402,112
Cost of Goods Sold	20	(4,176,991,364)	(3,558,642,850)
Gross Profit		1,070,757,583	886,759,262
Operating Expenses	21	(157,385,096)	(113,189,908)
Finance Cost	22	(162,981,165)	(94,609,920)
Operating Income		750,391,322	678,959,434
Other Income		15,710,732	31,023,629
Net Income Before W.P.P & W.F		766,102,054	709,983,063
Allocation For W.P.P. & W.F	23	(36,481,050)	(33,808,717)
Net Income Before Tax		729,621,004	676,174,346
Provision For Income Tax	24	(109,443,150)	(111,405,203)
Net Income For The Year	Tk.	620,177,854	564,769,143
(Transferred to the Statement of Changes Equity)			
Earning Per Share	25 Tk.	6.37	5.80

Attached notes form part of these financial statements . Dated, Dhaka: April 24, 2012

As per our annexed report of even date.

Samuel S. Chowdhury Chairman

Tapan Chowdhury

Managing Director

Khandaker Habibuzzaman Company Secretary B.K Bhattacharjee, FCA

artner

Chowdhury Bhattacharjee & Co. Chartered Accountants



Statement of Changes in Equity For the year Ended December 31, 2011

Particulars	Share Capital	General Reserve and Surplus	Total Tk.
As at December 31, 2010	811,716,610	2,759,522,075	3,571,238,685
Net Profit for the Year 2011	-	620,177,854	620,177,854
Cash Dividend for 2010	-	(129,874,658)	(129,874,658)
Stock Dividend for 2010	162,343,322	(162,343,322)	-
As at December 31, 2011 Tk.	974,059,932	3,087,481,949	4,061,541,881

Statement of Changes in Equity For the year Ended December 31, 2010

Particulars	Share Capital	General Reserve and Surplus	Total Tk.
As at December 31, 2009	705,840,530	2,413,563,497	3,119,404,027
Net Profit for the Year 2010	-	564,769,143	564,769,143
Cash Dividend for 2009	-	(112,934,485)	(112,934,485)
Stock Dividend for 2009	105,876,080	(105,876,080)	-
As at December 31, 2010 Tk.	811,716,610	2,759,522,075	3,571,238,685

Attached notes form part of these financial statements . Dated, Dhaka: April 24, 2012

As per our annexed report of even date.

Samuel S. Chowdhury Chairman

Tapan Chowdhury Managing Director Khandaker Habibuzzaman Company Secretary B.K Bhattacharjee, FCA

Partner

Chowdhury Bhattacharjee & Co.

Chartered Accountants



Statement of Cash Flows For the Year Ended December 31, 2011

	2011	2010
Cash Flows From Operating Activities: RECEIPTS:		
Cash From Sales Revenue	4,905,783,521	4,462,000,074
Cash From Other Income Total Cash Receipts	15,710,733 4,921,494,254	311,997 4,462,312,071
PAYMENTS:		
Paid to Suppliers	(2,161,856,882)	(3,789,869,600)
Paid for Operating and Non-operating Expenses	(1,152,050,252)	(612,177,108)
Income Tax	(126,268,176)	(87,425,774)
Workers Profit Participation Fund and Welfare Fund	(35,760,530)	(39,957,129)
Total Payments	(3,475,935,840)	(4,529,429,611)
Net Cash Flow From Operating Activities	1,445,558,414	(67,117,540)
Cash Flow From Investing Activities		
Net Sales (Purchase) of Fixed Assets	(309,739,425)	(105,016,810)
Investment in share of Square Texcom Ltd.	-	(55,783,760)
Share Money Deposit with Square Texcom Ltd.	-	(57,619,239)
Net Cash Flow From Investing Activities	(309,739,425)	(218,419,809)
Cash Flow From Financing Activities		
Shorterm Bank Loan	(512,219,746)	425,122,412
Short Term loan from/(to) sister Concern	(257,541,878)	(7,479,708)
Payment of Dividend	(109,744,384)	(112,934,485)
Net Cash Flow From Financing Activities	(879,506,008)	304,708,219
Net Cash Increased (Decreased)	256,312,981	19,170,870
Opening Cash & Cash Equivalent	65,503,243	46,332,373
Closing Cash & Cash Equivalents Tk.	321,816,224	65,503,243

Attached notes form part of these financial statements . Dated, Dhaka: April 24, 2012

As per our annexed report of even date.

Samuel S. Chowdhury Chairman Tapan Chowdhury Managing Director Khandaker Habibuzzaman Company Secretary B.K Bhattacharjee, FČA Partner

Chowdhury Bhattacharjee & Co. Chartered Accountants





Notes to the Financial Statements For the year ended December 31, 2011

NOTE-1: ESTABLISHMENT AND OPERATIONS.

- a) Legal Form of the Enterprises. Square Textiles Limited (Here in after said as the Company) is a public limited company incorporated with Registrar, joint stock companies and firms, Dhaka, Bangladesh under Companies Act 1913. The principal activities of the Company are described in note 1(b) and (c).
- **b)** Address of Registered office and factory of the group. The address of the registered office at Square Centre, 48 Mohakhali C/A, Dhaka 1212. Factory at Sharadaganj Kashimpur, Gazipur.
- c) Nature of Business. The company owns three units of spinning mills, and a twisting mill. Its activities and operations are related with manufacturing and marketing of Yarns.

NOTE-2: ADOPTION OF NEW IAS/IFRS.

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

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

- a) Statement of Compliance. The financial statements have been prepared in conformity with the provisions of the Companies Act 1994, The Securities and Exchanges Rules 1987 and other relevant rules and regulations.
- b) Basis of preparation. The financial statements have been prepared in accordance with the going concern principle and historical cost convention. The significant accounting policies are same as set out in page no.44.



4. ASSETS AT COST LESS DEPRECIATION: TK. 1,402,876,722

Details of Fixed Assets and Depreciation as of December 31, 2011 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-11	31-Dec-10
Fixed Assets at Cost:		
Opening Balance	3,016,049,504	2,911,032,694
Addition during the year	530,503,163	137,835,351
Sale/Transfer during the year	(199,171,902)	(32,818,541)
Closing Balance	3,347,380,765	3,016,049,504
Accumulated Depreciation:		
Opening Balance	1,729,650,021	1,532,480,088
Charged during the year	215,304,022	197,169,933
Adjustment for sale/Transfer	(450,000)	-
	1,944,504,043	1,729,650,021
Written Down Value Tk.	1,402,876,722	1,286,399,483

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

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

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

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

6. SHARE MONEY DEPOSIT: TK. 857,619,239

Share money deposit with Square Yarns Limited		800,000,000	800,000,000
Share money deposit with Square Texcom Limited		57,619,239	57,619,239
	Tk.	857,619,239	857,619,239
7. STOCKS: TK. 1,236,014,474			
Stock of Raw Materials		1,183,875,539	1,607,403,967
Raw Materials Raw Materials In Transit Finished Goods Packing Materials Work - in - process Comber noil		878,054,072 52,260,470 13,538,558 10,145,232 36,839,338 193,037,869	920,318,148 619,381,314 10,062,064 9,421,252 24,885,109 23,336,080
Stock of Spares		52,138,935	15,874,561
Spares at Store		51,266,952	15,196,227
Spares in Transit		871,983	678,334
		37 17203	07 0,33 1

The basis of valuation is stated in Note -3(e) of page no. 45, carrying amount of inventories pledged as security.

Tk. 1,236,014,474

1,623,278,528



8.TRADE DEBTORS: TK. 2,008,696,513

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
 1,888,174,722
 1,566,727,221

 Above 180 days
 120,521,791
 100,003,866

 Tk.
 2,008,696,513
 1,666,731,087

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 plegded as security.

9. SHORT TERM LOAN: Tk. 126,101,713

Loan to Sqaure Yarns Limited	600,252,777	637,792,888
Loan to Square Texcom Limited	95,441,921	18,654,540
Short Term Loan Given	695,694,698	656,447,428
Loan from Square Pharmaceuticals Limited	(569,592,985)	(787,887,594)
Tk.	126,101,713	(131,440,166)

10. ADVANCE, DEPOSITS & PREPAYMENTS: TK. 542,235,494

This is made up of the followings:

Advance:	498,953,305	270,006,558
Income Tax	268,515,162	142,246,986
Salary & PF Current account	45,360,245	5,428,485
Expenses	162,586,358	111,158,919
Contractor	22,491,540	11,172,168
Deposits:	43,282,189	19,165,681
Margin & Deposit	4,150,414	4,150,414
Security Deposit	39,083,345	14,966,837
Adv. Ag. Excise Duty	48,430	48,430
Tk.	542,235,494	289,172,239

- (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. 321,816,224

This is made up of the followings:

Cash in hand	1,207,458	775,926
Cash at Bank	320,608,766	64,727,317
Tk.	321,816,224	65,503,243



31-Dec-11 31	1-Dec-10
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12. SHORT TERM BANK LOAN: TK. 486,705,024

Bank Overdraft	88,555,948	232,797,979
Local Purchase Offer	100,000,000	100,000,000
Clean Import Loan	100,000,000	300,000,000
Revolving Loan	-	200,000,000
Export Development Fund	198,149,076	166,126,791
Tk.	486,705,024	998,924,770

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

13. SUNDRY CREDITORS: TK. 1,385,606,603

Tk.	1,385,606,603	733,985,411
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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. 291,387,314 This consists of as follows:		
Retention Money	1,263,362	1,331,978
Allocation for W.P.P & W.F	108,157,006	92,101,454
Others	181,966,946	99,004,948
Tk.	291,387,314	192,438,380
15. PROVISION FOR INCOME TAX: TK. 319,598,085		
Opening Balance	210,154,935	108,728,783
Adjsutment of Tax	-	(9,979,051)
Current Year Provision	109,443,150	111,405,203
Tk.	319,598,085	210,154,935
16. DEFERRED TAX LIABILITIY: TK. 111,305,232		
Opening Balance	111,305,232	112,276,486
Adjusted for deductable temporary difference	-	(971,254)
Tk.	111,305,232	111,305,232

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



		31-Dec-11		31-Dec-10
17.SHARE CAPITAL: TK. 974,059,932				
This is made up of the followings:				
Authorized: 300,000,000 Ordinary Shares of Tk. 10.00 each	Tk.	3,000,000,000	=	1,000,000,000
Issued, Subscribed and Paid up:				
Opening Balance		811,716,610		705,840,530
Bonus Share Issued		162,343,322		105,876,080
97,405,993.20 Ordinary Shares of Tk. 10.00 each Fully Paid up	Tk.	974,059,932		811,716,610

The position of shareholders as on December 31, 2011 is as follows:

Particulars of Investors	Number of Investors	Number of Shares	Percentage of Share Holding 2011	Percentage of Share Holding 2010
Sponsors	10	59,719,163	61.31%	61.31%
Foreign Investors	26	5,841,118	6.00%	5.49%
Local Institutions	148	16,152,444	16.58%	16.06%
General Public	24,784	15,693,268	16.11%	17.14%
Total	24,968	97,405,993	100.00%	100.00%

Distribution schedule of each class of equity security setting out the number of holders and percentage as on 31 December 2011

Range of Holdings	As per Folio		As per BO ID		Total share	0/	
	No. of holders	Holdings	No. of holders	Holdings	Holding	%	
Less than 500 shares	4157	297,739	17532	1,405,368	1,703,107	1.75	
500 to 5,000 shares	162	201,970	2633	3,599,013	3,800,983	3.90	
5001 to 10,000 shares	15	116,317	180	1,254,577	1,370,894	1.41	
10,001 to 20,000 shares	9	123,615	100	1,406,788	1,530,403	1.57	
20,001 to 30,000 shares	7	159,598	30	759,462	919,060	0.94	
30,001 to 40,000 shares	3	102,020	19	651,917	753,937	0.77	
40,001 to 50,000 shares	2	98,193	17	783,795	881,988	0.91	
50,001 to 100,000 shares	2	155,821	33	2,341,116	2,496,937	2.56	
100,001 to 1,000,000 shares	12	4,717,585	45	13,225,631	17,943,216	18.42	
Over 1,000,000 shares	5	27,717,620	5	38,287,848	66,005,468	67.76	
	4374	33,690,478	20594	63,715,515	97,405,993	100.00	



		31-Dec-11	31-Dec-10
18. GENERAL RESERVE AND SURPLUS: TK.	3,087,481,9	949	
Opening Balance		2,759,522,075	2,413,563,497
Less: Dividend paid during the year Less: Appropriation for stock dividend at the	rate of	(129,874,658)	(112,934,485)
20 (twenty) share for every 100 (hundred) sh		(162,343,322)	(105,876,080)
Net Income for the Year 2011	Tk.	620,177,854 3,087,481,949	564,769,143 2,759,522,075
	110	3,007,101,313	2// 33/322/0/3
19. SALES: TK. 5,247,748,947		2011	2010
Sales Comprises the following:			
In Quantity(KG)			
Opening Stock		58,990	67,950
Production during the Year		17,508,395	20,035,936
Available for Sale Closing Stock		17,567,385 (69,788)	20,103,886 (58,990)
Sales during the year	Kg.	17,497,597	20,044,896
(T. b (. l (. ll			
(To be accounted for as follows) Sales Accounted as follows:			
Local Sale of Yarns		223,805	416,387
Export Sale of Yarns		17,273,792	19,628,509
	Kg.	17,497,597	20,044,896
In Taka Local Sale of Yarns		71,867,683	69,398,155
Export Sale of Yarns		5,175,881,264	4,376,003,957
	Tk.	5,247,748,947	4,445,402,112
20. COST OF GOODS SOLD TK. 4,176,991,3	64		
This is arrived as follows:	Notes		
Raw Material Consumed	20.1	3,313,577,001	2,807,161,179
Packing Material Consumed	20.2	43,510,941	31,982,712
Factory Overhead	20.3	880,216,959	718,982,616
Cost of Goods Manufacturing		4,237,304,901	3,558,126,507
Opening Work-In-Process (Opening)		24,885,109	21,557,097
Closing Work In Process (Closing) Cost of Production		(36,839,338) 4,225,350,672	(24,885,109)
Finished Goods (Opening)		10,062,064	13,906,419
Finished Goods (Closing)		(13,538,558)	(10,062,064)
Cost of Goods Sold Before Adjustment		4,221,874,178	3,558,642,850
Income from Yarn Making Charge		(44,882,814)	_
Cost of Goods Sold After Adjustment	Tk.	4,176,991,364	3,558,642,850



2011 2010

(920,318,148)

2,807,161,179

20.1 RAW MATERIAL CONSUMED: TK. 3,313,577,001

This is arrived as follows:

In Quantity(KG)		
Opening Stock	7,042,240	7,042,899
Purchase during the year	17,716,388	20,660,195
Raw Material Available for Consumption	24,758,628	27,703,094
Closing Stock	(5,727,764)	(7,042,240)
	40 000 044	
Raw Material Consumed Kg.	19,030,864	20,660,854
Raw Material Consumed Kg. In Taka	19,030,864	20,660,854
	920,318,148	706,145,769
In Taka		
In Taka Opening Stock	920,318,148	706,145,769

Tk.

(878,054,073)

3,313,577,001

20.2. PACKING MATERIALS CONSUMED: TK. 43,510,941

This is arrived as follows:

Raw Material Consumed

Closing Stock

Opening Stock	9,421,252	12,237,747
Purchase	44,234,921	29,166,217
Materials available for production	53,656,173	41,403,964
Closing Stock	(10,145,232)	(9,421,252)
Packing Materials Consumed Tk.	43,510,941	31,982,712





20.2 FACTORY OVERLIEAD TV 200.244 050	2011	2010
20.3. FACTORY OVERHEAD: TK. 880,216,959		
This is made up as follows:		
Factory Wages , Salary & Allowances	180,093,874	147,011,667
Travelling & Conveyance	204,917	85,512
Printing & Stationery	1,854,359	1,515,204
Production Workers Free Lunch	4,125,254	3,409,511
Uniform & Liveries	80,160	53,308
Fuel, Petrol, Light, Diesel etc.	71,326,915	24,121,926
Electricity, Gas & Water	104,695,655	110,385,155
Repairs & Maintenance - Factory	83,117,210	42,093,207
Technical Consultant Expenses	43,510 143,240	892,875 92,928
Medical Expenses Repairs & Maintenance of Vehicles	11,681,698	11,321,224
Papers, Books and Periodicals	8,670	8,406
Fire Insurance Premium	12,498,328	10,262,339
Telephone , Fax , & Telex Charges	691,114	644,797
Security Services	4,246,516	3,689,113
Research & Development	350,731	169,719
Spare Parts - Machinery	155,321,804	166,050,000
Group Insurance	863,842	5,792
Yarn Making Charge	33,565,140	-
Depreciation (Schedule-1)	215,304,022	197,169,933
Tk.	880,216,959	718,982,616
This is arrived as follows: Administrative Overhead Selling & Distribution Overhead 21.1 21.2	150,671,771 6,713,325	104,761,367 8,428,541
Tk.	157,385,096	113,189,908
	107/000/000	110/102/200
21.1. ADMINISTRATIVE OVERHEAD: TK. 150,671,771		
This is arrived as follows:		
Salary and Allowances	46,033,551	41,797,258
Directors Remuneration	13,332,000	10,120,000
Consultantion Fee	195,024	89,100
Travelling and Conveyance	422,800	313,215
Overseas Travelling	37,003,160	28,022,150 275,947
Training Expenses Printing and Stationery	73,600 1,620,319	1,472,059
Postage, Telephone, Fax & Telex	943,765	1,075,072
Electricity, Gas & Water	738,781	689,501
Vehicles Running & Maintenance	6,920,486	5,325,632
Tiffin and Refreshment	1,565,150	1,707,081
Fees, Subscription & Donation	6,439,481	2,122,395
Repairs & Maintenance	4,288,243	3,087,699
Bank Charges & Commission	1,767,521	1,863,525
Insurance	72,182	1,444
Medical Expenses	5,143	6,320
Govt. Taxes, Stamp Duty & Licence Fee	1,510,459	506,352
Lease Rent	17,508,204	-
Office Rent	4,615,001	2,150,521
Security Service	143,867	65,612
Annual General Meeting Expenses	5,348,034	3,970,484
Audit Fees	125,000	100,000
Tk.	150,671,771	104,761,367

Audit Fees represent provision for the auditors' remuneration for audit of the Company's Financial Statements for the year ended December 31, 2011.



	2011	2010
21.2. SELLING & DISTRIBUTION OVERHEAD: TK. 6.713.32	5	

Tk.	6,713,325	8,428,541
Carriage Outward	79,105	366,200
Excise Duty on Sale	466,259	442,968
Export Sales Expenses	6,167,961	6,499,272
Sales Promotion Expenses	-	1,120,101
This is arrived as follows:		

22. FINANCE COST: TK. 162,981,165

	162,981,165	94,609,920
Interest on Short Term Loan	162,981,165	94,609,920
This is arrived as follows:		

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. 36,481,050

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

24. PROVISION FOR INCOME TAX: TK. 109,443,150

This represents estimated Income Tax on Net Income for the period from January 1, 2011 to December 31, 2011.

25. EARNING PER SHARE (EPS):

The Computation is given below:

Surplus for the year attributable to Shareholders			
(Net Profit after tax)	620,177,854	564,769,1	43
Weighted average number of shares outstanding			
for the year 2011 and restated for the year 2010.	97,405,993	97,405,9	93
Earning Per Share Tk	6.37	5.	80

26. APPROPRIATION DURING THE YEAR

The appropriations for the year 2010 have been reflected in the "Statement of Changes in Equity". The Board of Directors proposed both cash and stock dividend of Tk. 1.60 (Taka one and sixty paisa) only per share and 20 (Twenty) fully paid up bonus shares for every 100 (Hundred) shares respectively for the year 2011. It will be recognised as liability in the accounts as and when the proposal approved by the shareholders in the Annual General Meeting (AGM). Total fund required for Cash Dividend Tk. 155,849,589 & Stock Dividend Tk. 194,811,986.



2011	2010

27.NUMBER OF EMPLOYEES:

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

-		705
1,888		1,077
1,888		1,782
-		66,083,124
216,236,253		122,725,801
216,236,253		188,808,925
	1,888 - 216,236,253	1,888 - 216,236,253

There is no Salary/Wages/Remuneration below Tk. 3000/- per month with w.e.f January '01 2011.

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 Managerial Remuneration	13,332,000 13,918,571	10,120,000 11,598,809
Managerial Benefits:		
Basic and House rent	8,351,142	6,959,285
Bonus	2,505,343	2,087,786
Medical and Conveyance	1,670,228	1,391,857
Company Contribution to P.F.	1,391,857	1,159,881

29. CAPITAL EXPENDITURE COMMITMENT:

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

30. CLAIM ACKNOWLEDGEMENT:

There was no claim against the Company not acknowledged as debt as on December 31, 2011.



2011 2010

31. CONTINGENT LIABILITIES:

- 31.1 Contingent Liability of the Company was Tk. 364,330,018 as on December 31, 2011 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, 2011.

32. PRODUCTION CAPACITY AND UTILISATION:

Capacity Installed:

- No of Spindles Installed	59,472	59,472
- No of Rotor Heads Installed	3,960	3,960
Capacity Utilised:		
- No of Spindles Operated	59,472	59,472
- No of Rotor Heads Operated	3,960	3,960
Production Target: (In Kg)		
- At Equivalent 30s Count (Ring Yarn)	11,582,899	11,582,899
- At Equivalent 10s Count (O/E Yarn)	2,329,234	2,329,234
- At Equivalent 14s Count (O/E Yarn)	10,000,454	10,000,454
Total:	23,912,587	23,912,587
Actual Production(In Kg):		
- At Equivalent 30s Count (Ring Yarn)	10,612,745	10,352,180
- At Equivalent 10s Count (O/E Yarn)	1,766,667	1,723,291
- At Equivalent 14s Count (O/E Yarn)	8,334,898	8,130,259
Total:	20,714,310	20,205,730

33. DIVIDEND PAID TO THE SHAREHOLDERS:

During the year under review total cash dividend amounting to Tk. 129,874,658 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.



2011

2010

35. EVENT AFTER BALANCE SHEET DATE:

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

36. RELATED PARTY TRANSACTION:

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

Transaction with SPL:

Total Received During the Year		1,510,143,200	1,586,958,425
Total Paid During the Year		940,550,215	799,070,832
Closing Balance	Tk.	(569,592,985)	(787,887,593)
Transaction with SYL:			
Total Received During the Year		1,322,518,155	993,565,619
Total Paid During the Year		1,922,770,931	1,631,358,507
Closing Balance	Tk.	600,252,776	637,792,888
Transaction with STL:			
Total Received During the Year		70,560,020	189,703,251

37. APPROVAL OF ACCOUNTS:

Total Paid During the Year

Closing Balance

These financial statements have been approved by the board on April 10, 2012.

Samuel S. Chowdhury Chairman Tapan Chowdhury Managing Director

Tk.

166,001,942

95,441,922

Khandaker Habibuzzaman Company Secretary

208,357,791

18,654,540



Square Textiles Ltd. Schedule of Fixed Assets

Schedule-02

Fixed Assets - Tk. 1,402,876,722

		1800	TS			DEPRECIATION	ATION		Written
PARTICULARS	At 1st January	During	During the year	At 31 December	Δt 1ct lanuary	During the year	ıe year	At 31 December	Down Value as at
	2011	Additions	Sales/Transfer	2011	2011	Charged	Adjustments/ Transfer	2011	31 December 2011
Freehold Land	263,391,040	72,460,170	1	335,851,210	ı	1	1	•	335,851,210
Building	424,835,125	7,376,832	1	432,211,957	219,354,532	23,926,850	1	243,281,382	188,930,575
Temporary Shed	9,675,222	1	1	9,675,222	6,595,889	79,333	1	9,675,222	1
Plant & Machinary	2,170,657,414	424,579,196	424,579,196 (198,531,269)	2,396,705,341	1,387,232,307	180,557,638	ı	1,567,789,945	828,915,396
Plant & Machinary in Trans.	251,235	1	(190,633)	60,602	1	•	1	1	60,602
Furniture & Fixture	7,170,391	267,879	1	7,438,270	6,951,026	135,470	1	7,086,496	351,774
Office Equipment	11,322,222	325,990	ı	11,648,212	9,981,345	521,301	ı	10,502,646	1,145,567
Motor Vehicles	48,547,165	14,480,000	(450,000)	62,577,165	38,076,766	5,881,085	(450,000)	43,507,851	19,069,314
Electrical Intallation	40,950,396	9,913,097	1	50,863,493	40,944,517	1,506,004	1	42,450,521	8,412,972
Deep Tubewell	2,506,125	1	ı	2,506,125	1,942,607	225,047	1	2,167,654	338,471
Boundary Wall	16,905,732	1	ı	16,905,732	5,319,787	845,287	ı	6,165,073	10,740,659
Gas Line Installation	19,364,959	ı	1	19,364,959	9,778,767	1,461,007	1	11,239,774	8,125,185
Workshop Tools	404,388	1,100,000	ı	1,504,388	404,388	165,000	1	569,388	935,000
Testing Equipment	060'89	1	-	060'89	060'89	-	-	060'89	1
Total-2011 Tk.	3,016,049,504	530,503,163	(199,171,902)	3,347,380,765	1,729,650,021	215,304,022	(450,000)	1,944,504,043	1,402,876,722
Total-2010 Tk.	2,911,032,694	137,835,351	(32,818,541)	3,016,049,504	1,532,480,088	197,169,933	-	1,729,650,021	1,286,399,483







2011

2010

SQUARE YARNS LIMITED

Directors' Report to the Shareholders for the year 2011

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 Statement of Comprehensive Income for the year ended 31 December 2011, Statement of Financial Position as at 31 December 2011, Statement of Cash Flows for the year 2011 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 2011 as a full year 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 2011 and 2010.

	2011	2010
Quantity Produced (Kg):		
Actual:	5,285,887	5,576,312
At Equivalent 30/s:	5,671,722	5,938,317
Quantity Sold (Kg):		
Local Sales	35,923	35,167
Export Sales	9,917,463	5,551,517
Total Sales	9,953,386 **	5,586,684
Sales Revenue (Tk.):		
Local Sales	9,578,424	7,721,824
Export Sales	4,053,903,141	1,430,688,738
Total Sales	4.063.401.565 **	4 430 440 563
iotal Sales	4,063,481,565 **	1,438,410,562
iutai saies	4,003,481,303	1,438,410,562
** Total sales quantity included Kg / 4,274,554 and sales revenue Tk. / 1,742,094,367 by sub-		1,438,410,562
		1,438,410,562
** Total sales quantity included Kg / 4,274,554 and sales revenue Tk. / 1,742,094,367 by sub-		1,438,410,562 219.58/Kg
** Total sales quantity included Kg / 4,274,554 and sales revenue Tk. / 1,742,094,367 by sub- Selling price attained (Tk.):	-contract production.	
** Total sales quantity included Kg / 4,274,554 and sales revenue Tk./ 1,742,094,367 by sub- Selling price attained (Tk.): Local Sales	-contract production. 266.64/Kg	219.58/Kg
** Total sales quantity included Kg / 4,274,554 and sales revenue Tk./ 1,742,094,367 by sub- Selling price attained (Tk.): Local Sales	-contract production. 266.64/Kg	219.58/Kg
** Total sales quantity included Kg / 4,274,554 and sales revenue Tk./ 1,742,094,367 by sub- Selling price attained (Tk.): Local Sales Export Sales	-contract production. 266.64/Kg	219.58/Kg
** Total sales quantity included Kg / 4,274,554 and sales revenue Tk. / 1,742,094,367 by sub- Selling price attained (Tk.): Local Sales Export Sales Unit Cost of Production Kg (Tk.):	-contract production. 266.64/Kg 408.76/Kg	219.58/Kg 257.71/Kg
** Total sales quantity included Kg / 4,274,554 and sales revenue Tk./ 1,742,094,367 by sub- Selling price attained (Tk.): Local Sales Export Sales Unit Cost of Production Kg (Tk.): a) Cost of Production Per Unit (Kg)	266.64/Kg 408.76/Kg 372.67	219.58/Kg 257.71/Kg 217.81
** Total sales quantity included Kg / 4,274,554 and sales revenue Tk. / 1,742,094,367 by sub- Selling price attained (Tk.): Local Sales Export Sales Unit Cost of Production Kg (Tk.): a) Cost of Production Per Unit (Kg) b) Raw Materials Consumed	266.64/Kg 408.76/Kg 372.67 334.91	219.58/Kg 257.71/Kg 217.81 168.57



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 Compnany made a net Capital Expenditures of Tk. 18,604,594 during the year under review (2011) as follows:

	2011	2010
Plant & Machinery	18,604,594	1,816,963
Other Assets	-	23,700
Total	18,604,594	1,840,663
FINANCIAL RESULTS:	2011	2010
The operating financial result during the year 2011 were as follows:	: (Taka)	(Taka)
Sales Revenue	4,063,481,565	1,438,410,562
Gross Profit	357,634,345	223,814,916
Operating Income	241,604,782	176,535,922
Net Income (BT)	230,099,792	168,129,449
Net Income (AT)	192,457,325	135,511,864
Earning Per Share	201.53	141.90
Gross Margin	8.80%	15.56%
Net Margin (AT)	4.74%	9.42%

APPROPRIATION OF PROFIT:

Thought the Company has earned a respectable level of profit Tk. 201.53 per share the Board of Directors decided to transfer the entire profit to the General Reserve for ploughing back in the long term interest of the Shareholders. As such the Board of Directors did not recommended for declaration of any dividend for the year 2011.

AUDITORS:

M/s. Chowdhury Bhattacharjee & Co. Chartered Accountants, Auditors, retire at this Annual General Meeting and being eligible offer themselves for re-appointment for the year 2012.

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.

Samuel S. Chowdhury Chairman

AUDITORS' REPORT

Auditors' Report to the Shareholders of Square Yarns Limited

We have audited the accompanying financial statements of Square Yarns Limited, which comprises the Statement of Financial Position as at 31 December 2011 and the related Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year ended, and all related summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards, give a true and fair view of the state of the company's affairs as at 31 December, 2011 and the results of its operations and its cash flows for the period then ended and comply with the companies Act 1994 and other applicable laws and regulations.

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

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

B.K. Bhattacharjee, FCA

Partner

Chowdhury Bhattacharjee & Co.

Chartered Accountants

Dated, Dhaka April 05, 2012



Statement of Financial Position As at December 31, 2011

21 12 2011

21 12 2010

	31-12-2011	31-12-2010
NET ASSETS:		
Fixed Assets:		
At Cost Less Depreciation	959,643,306	1,035,882,370
	959,643,306	1,035,882,370
Current Assets:	2,131,873,050	1,896,660,698
Stocks	635,355,892	701,483,440
Trade Debtors	1,267,796,085	1,111,605,660
Advance, Deposit & Prepayments	74,319,750	31,206,734
Cash & Bank Balance	154,401,323	52,364,864
Less : Current Liabilities:	1,571,079,577	1,607,691,112
Short Term Bank Loan	11,028,197	116,812,451
Short Term Loan	600,252,776	637,792,888
Sundry Creditors	817,892,008	754,827,552
Liability for Other Finance	31,623,634	22,490,228
Provision for Income Tax	110,282,962	75,767,993
Net Current Assets	560,793,473	288,969,586
Less: Deferred Tax Liability	(68,731,541)	(65,604,043)
Tk.	1,451,705,238	1,259,247,913
FINANCED BY:		
Share Holders Equity:	1,451,705,238	1,259,247,913
Share Capital	95,500,000	95,500,000
General Reserve and Surplus	556,205,238	363,747,913
Share money deposit from STxL	800,000,000	800,000,000
Tk.	1,451,705,238	1,259,247,913

Attached notes form part of these financial statements . Dated, Dhaka: April 05, 2012

As per our annexed report of even date.

Samuel S. Chowdhury Chariman & MD

Charles C. R. Patra Director Khandaker Habibuzzaman Company Secretary B.K Bhattacharjee, FCA Partner

Chowdhury Bhattacharjee & Co. Chartered Accountants



Statement of Comprehensive Income For the Year Ended December 31, 2011

	2011	2010
Sales	4,063,481,565	1,438,410,562
Cost of Goods Sold	(3,705,847,220)	(1,214,595,646)
Gross Profit	357,634,345	223,814,916
Operating Expenses	(23,906,059)	(13,888,105)
Finance Cost	(92,123,504)	(33,390,889)
Operating Income	241,604,782	176,535,922
Allocation For W.P.P & W.F	(11,504,990)	(8,406,473)
Net Profit Before Tax	230,099,792	168,129,449
Income Tax Current	(34,514,969)	(25,219,418)
Income Tax-Deferred	(3,127,498)	(7,398,167)
Net Profit For The Year Tk.	192,457,325	135,511,864
(Transferred to the Statement of Changes in Equity)		
Earning Per Share	201.53	141.90

Attached notes form part of these financial statements . Dated, Dhaka: April 05, 2012

As per our annexed report of even date.

Samuel S. Chowdhury Chairman & MD

Charles C. R. Patra Director Khandaker Habibuzzaman Company Secretary B.K Bhattacharjee, FCA

Partner

Chowdhury Bhattacharjee & Co.



Statement of Changes in Equity For the Year ended December 31, 2011

Particulars	Share capital	General Reserve & Surplus	Total Tk.
As at 31st December 2010	95,500,000	363,747,913	459,247,913
Net Profit for the Year 2011	-	192,457,325	192,457,325
As at 31st December 2011	95,500,000	556,205,238	651,705,238

Statement of Changes in Equity For the Year ended December 31, 2010

Particulars	Share capital	General Reserve & Surplus	Total Tk.
As at 31st December 2009	95,500,000	228,236,049	323,736,049
Net Profit for the Year 2010	-	135,511,864	135,511,864
As at 31st December 2010	95,500,000	363,747,913	459,247,913

Attached notes form part of these financial statements . Dated, Dhaka: April 05, 2012

As per our annexed report of even date.

Samuel S. Chowdhury Chairman & MD

Charles C. R. Patra

Director

Khandaker Habibuzzaman **Company Secretary**

B.K Bhattacharjee, FCA

Partner

Chowdhury Bhattacharjee & Co.



Statement of Cash Flows

For The Year Ended December 31, 2011

	2011	2010
Cash Flow From Operating Activities: Receipts:		
Cash from Sales Revenue	3,907,291,140	832,030,180
Total Cash Receipts	3,907,291,140	832,030,180
Payments:		4
Purchase of Raw & Packing Materials	(3,155,320,516)	(879,566,555)
Paid for Operating & Non-operating Exp.	(415,255,386)	(186,658,214)
Income Tax Paid	(24,052,499)	(7,119,352)
Workers Profit Participation Fund and Welfare Fund	(7,306,040)	(8,073,606)
Total Payments	(3,601,934,441)	(1,081,417,727)
Net Cash Flow From Operating Activities	305,356,699	(249,387,547)
Cash Flow From Investing Activities		
Purchase of Fixed Assets	(18,604,594)	(1,858,405)
Net Cash Flow From Investing Activities	(18,604,594)	(1,858,405)
Cash Flow From Financing Activities		
Short Term Loan Received	(78,931,392)	181,693,740
Short Term Bank Loan Received	(105,784,254)	77,136,554
Net Cash Flow From Financing Activities	(184,715,646)	258,830,294
Net Cash Position	102,036,459	7,584,342
Opening Cash & Cash Equivalents	52,364,864	44,780,522
Closing Cash & Cash Equivalents Tk.	154,401,323	52,364,864

Attached notes form part of these financial statements .

Dated, Dhaka: April 05, 2012

Samuel S. Chowdhury Chairman & MD

Charles C. R. Patra Director

Khandaker Habibuzzaman Company Secretary

As per our annexed report of even date.

B.K Bhattacharjee, FCA

Partner

Chowdhury Bhattacharjee & Co.





SQUARE TEXCOM LIMITED

Directors' Report to the Shareholders for the year 2010-2011

Dear Shareholders,

In terms of the provisions of section 184 of the Companies Act 1994 and IAS codes, I, on behalf of the Board of Directors, have the pleasure to submit its Report to you at the annual general meeting for the period ended 30 June, 2011 in the following paragraphs:

1. IMPLEMENTATION:

The total cost of project incurred upto June 30, 2011 as follows:

	2010-2011	2009-2010
Plant & Machinery	36,605,703	13,497,670
Buildings (Factory)	14,008,918	36,82,860
Land	1,442,500	1,442,500
Other Assets	13,033,499	6,961,912
Total	Tk. 65,090,620	25,584,942

2. SHAREHOLDING:

The company has issued 95,000 shares of Tk. 100 each to Square Textiles Ltd. (STxL.) in addition 5,000 shares of Tk. 100 each have been issued to the individual shareholders as follows:

Mr. Samson H. Chowdhury	1,000 Shares
Mr. Samuel S. Chowdhury	1,000 Shares
Mr. Tapan Chowdhury	1,000 Shares
Mrs. Ratna Patra	1,000 Shares
Mr. Anjan Chowdhury	1,000 Shares

On the basis of the above shareholdings, Square Texcom Ltd. (Texcom) has the status of subsidiary to STxL.

3. BOARD OF DIRECTORS:

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

Mr. Samson H. Chowdhury
Mr. Anjan Chowdhury
Mr. Samuel S. Chowdhury
Mr. Tapan Chowdhury
Mrs. Ratna Patra

Chairman
Managing Director
Director
Director
Director.

4. OPERATIONS:

The operational performance during the years 2009-2010 and 2010-2011 are as follows:

	2010-2011	2009-2010
Sales	55,971,304	84,341,567
Gross Profit/(Loss)	(20,510,554)	3,707,335
Net Profit /(Loss) AT	(42,292,543)	(1,832,090)
Earnings Per Share	(42.29)	(18.32)

The above reveals that the Sales decreased by 33.64% during 2010-11 as against increase 556.62% over the previous year (after takeover) as production was suspended for certain period of time due to BMRE of the factory after taking over.



5. FINANCIAL POSITION:

The Statement of Financial Position as of June 30, 2011, Statement of Comprehensive Income then ended at June 30, 2011 are placed hereunder.

6. APPOINTMENT OF AUDITORS:

M/s. Chowdhury Bhattacharjee & Co., Chartered Accountants', Auditors of the Company, retire at this Annual General Meeting and being eligible have offer themselves for appointment as Auditors for the year 2011-2012 and re-fixation of their remuneration.

7. ACKNOWLEDGEMENT:

The Directors record with appropriation the services rendered by all concerned. To keep similarity with SQUARE family, Mithapur Textiles Limited was converted into Square Texcom Limited on 20th May 2011.



Chairman





AUDITORS' REPORT

Auditors' Report to the Shareholders of Square Texcom Limited

We have audited the accompanying financial statements of Square Texcom Limited, which comprises the Statement of Financial Position as at 30th June 2011 and the related Statement of Comprehensive Income, for the year ended, and all related summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards, give a true and fair view of the state of the company's affairs as at 30th June, 2011 and the results of its operations comply with the companies Act 1994 and other applicable laws and regulations. Further to our opinion in the above paragraph, we state that:

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

Dated, Dhaka September 28, 2011 B.K. Bhattacharjee, FCA

Partner

Chowdhury Bhattacharjee & Co. Chartered Accountants



Square Texcom Limited

Statement of Financial Position As at June 30, 2011

		30-06-2011
NET ASSETS:		
Fixed Assets:		67,834,141
At Cost Less Depreciation		52,866,287
Preoperative Expenses		14,967,854
Current Assets:		72,855,048
Stocks		50,394,890
Accounts Receivable		467,586
Advance, Deposit & Prepayments		20,811,903
Cash & Bank Balance		1,180,669
Less: Current Liabilities:		121,094,152
Short Term Loan		118,499,408
Liability for Exp.		674,364
Other CurrentLiabilities		1,920,380
Net Current Assets		(48,239,104)
	Tk.	19,595,037
FINANCED BY:		
Share Holders Equity:		19,595,037
Share Capital		10,000,000
Share Money Deposit		57,619,239
General Reserve and Surplus		(48,024,202)
Long Term Loan		
	Tk.	19,595,037

Attached notes form part of these financial statements . Dated, Dhaka: September 28, 2011

Anjan Chowdhury

Managing Director

Tapan Chowdhury

Director

Khandaker Habibuzzaman Company Secretary As per our annexed report of even date.

B.K Bhattacharjee, FCA

Partner

Chowdhury Bhattacharjee & Co.



Square Texcom Limited

Statement of Comprehensive Income For the Year Ended June 30, 2011

	2011
Sales	55,971,304
Cost of Goods Sold	(76,481,858)
Gross Profit	(20,510,554)
Operating Expenses	(9,734,233)
Finance Cost	(12,047,756)
Net Profit/(Loss) Before W.P.P & W.F	(42,292,543)
Allocation for W.P.P & W.F	-
Net Profit/(Loss) Before Tax	(42,292,543)
Provision for Income Tax	-
Net Profit/(Loss) For The Year	(42,292,543)
(Transferred to the Statement of Changes in Equity)	
Earning Per Share	(42.29)

Attached notes form part of these financial statements . Dated, Dhaka: September 28, 2011

Anjan Chowdhury Managing Director Tapan Chowdhury Director Khandaker Habibuzzaman Company Secretary As per our annexed report of even date.

B.K Bhattacharjee, FCA

Partner

Chowdhury Bhattacharjee & Co.







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., o	do here	by a	ppo	int									
Mr/Mrs/Miss														
of														
as my/our proxy to attend and vote the Company to be held on Tuesd Kashimpur, Gazipur.														
As witness my hand this day of	••••••		••••••	,20)12.							Affix Reve Stan	enue	
(Signature of the Proxy)					(Sig	gnat	ure c	of the	Sha	reho	lder	·)		
Dated					Da	ted _								
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

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