

Half-yearly Financial Report 2011





Dear Shareholders

We are pleased to present the unaudited half-yearly Financial Report 2011 of the Company and its Subsidiaries containing the consolidated and separate Statement of Financial Position as at June 30, 2011, Statement of Comprehensive Income, Statements of changes in equity and Statement of Cash Flow for the half-year ended June 30, 2011.



Tapan Chowdhury
Managing Director

SQUARE TEXTILES LIMITED

Consolidated Statement of Financial Position (Unaudited)
As of June 30, 2011

	June 30, 2011	December 31, 2010
	Tk.' 000	Tk.' 000
NET ASSETS:		
Fixed Asset :	2,437,498	2,431,705
At Cost Less Depreciation	2,381,215	2,375,422
Goodwill	56,283	56,283
Current Assets :	5,782,235	5,597,368
Stocks	2,111,409	2,337,729
Trade Debtors	2,840,938	2,793,836
Advance , Deposit & Prepayments	570,350	342,871
Cash & Bank Balance	259,538	122,932
Less : Current Liabilities :	3,856,130	3,908,758
Short Term Bank Loan	1,191,991	1,115,737
Sundry Creditors	1,693,886	1,500,363
Other Current Liabilities	374,791	216,323
Short Term Loan	239,944	787,888
Provision for income Tax	355,518	288,447
Net Current Assets	1,926,105	1,688,610
Deferred Tax Liability	180,608	176,909
	<u>4,182,995</u>	<u>3,943,406</u>
FINANCED BY :		
Share Holders Equity :	4,178,547	3,940,131
Share Capital	974,060	811,716
General Reserve and Surplus	3,204,487	3,128,415
Non controlling Interest	4,448	3,275
	<u>4,182,995</u>	<u>3,943,406</u>

Attached notes of page 4-5 form parts of these Financial Statements.



Tapan Chowdhury
Managing Director



Md. Alamgir Hossain
Chief Financial Officer

SQUARE TEXTILES LIMITED

Consolidated Statement of Comprehensive Income (Unaudited)
For the period Ended June 30, 2011

	Six Months Ended		2nd Quarter Ended	
	June 30, 2011	June 30, 2010	April 01 to June 30 2011	April 01 to June 30 2010
	Tk.'000	Tk.'000	Tk.'000	Tk.'000
Sales	4,216,998	2,559,790	2,234,553	1,334,296
Cost of Goods Sold	(3,522,879)	(2,041,936)	(1,895,380)	(1,051,259)
Gross Profit	694,119	517,854	339,173	283,037
Operating Expenses	(77,170)	(56,308)	(42,139)	(30,199)
Finance Cost	(136,115)	(47,110)	(75,273)	(7,986)
Operating Profit	480,834	414,436	221,761	244,852
Other Income	186	51	3	50
Net Income before WPP & WF	481,020	414,487	221,764	244,802
Allocation for WPP & WF	(22,906)	(19,737)	(10,561)	(11,697)
Net Profit before Income Tax	458,114	394,750	211,203	233,105
Provision for Income Tax	(68,718)	(59,213)	(31,682)	(36,691)
Provision for Deferred Income Tax	(3,699)	(6,428)	(1,850)	(3,214)
Net Profit after Income Tax	385,697	329,109	177,671	193,200
Minority Interest	(1,174)	(659)	(438)	(434)
Net Profit for the Period	384,523	328,450	177,233	192,766

(Transferred to the Consolidated Statement of Changes in Equity)

Earning Per Share	3.95	3.37	1.82	1.98
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Attached notes of page 4-5 form parts of these Financial Statements.



Tapan Chowdhury
Managing Director



Md. Alamgir Hossain
Chief Financial Officer



SQUARE TEXTILES LIMITED

Consolidated Statement of Changes in Equity (Unaudited)
For the Period Ended June 30, 2011

	Share Capital	General Reserve and Surplus	Total
	Tk. '000	Tk. '000	Tk. '000
As at December 31, 2010	811,717	3,128,415	3,940,132
Net Profit for the period ended June '30, 2011	-	384,523	384,523
Cash Dividend for 2010	-	(146,108)	(146,108)
Stock Dividend for 2010	162,343	(162,343)	-
Balance As at June 30, 2011	<u>974,060</u>	<u>3,204,487</u>	<u>4,178,547</u>

Consolidated Statement of Changes in Equity (Unaudited)
For the period ended June 30, 2010

	Share Capital	General Reserve and Surplus	Total
	Tk. '000	Tk. '000	Tk. '000
As at December 31, 2009	705,840	2,634,072	3,339,912
Net Profit for for the period ended June '30, 2010	-	328,450	328,450
Cash Dividend for 2009	-	(112,933)	(112,933)
Stock Dividend for 2009	105,876	(105,876)	-
Balance As at June 30, 2010	<u>811,716</u>	<u>2,743,712</u>	<u>3,555,429</u>

Attached notes of page 4-5 form parts of these Financial Statements.


Tapan Chowdhury
Managing Director


Md. Alamgir Hossain
Chief Financial Officer

SQUARE TEXTILES LIMITED

Consolidated Statement of Cash Flow (Unaudited)
For the Period Ended June 30, 2011

	<i>Six Months Ended</i>	
	<u>June 30, 2011</u>	<u>June 30, 2010</u>
	Tk. '000	Tk. '000
Cash Flow From Operating Activities:		
<i>Receipts :</i>		
Cash From Sales Revenue	4,206,644	2,617,901
Cash From Other Income	186	51
Total Cash Receipts	4,206,830	2,617,952
<i>Payments :</i>		
Purchase for Raw & Packing Materials	(2,376,228)	(1,640,068)
Manufacturing and Operating Exp.	(837,759)	(465,840)
Finance Cost	(80,456)	(33,087)
Workers Profit Participation Fund	(20,634)	(20,728)
Total Payments	(3,315,077)	(2,159,723)
Net Cash Flow From Operating Activities	891,753	458,229
Cash Flow From Investing Activities :		
Purchase of Fixed Assets	(293,236)	(48,236)
Investment In Square Texcom Ltd.	-	(58,881)
Net Cash Flow From Investing Activities	(293,236)	(107,117)
Cash Flow From Financing Activities		
Shor term Loan Received/(Payment)	(547,944)	103,726
Shor term Bank Loan Received/(Payment)	86,033	(385,535)
Net Cash Flow From Financing Activities	(461,911)	(281,809)
Net Cash Position	136,606	69,303
Opening Cash and Bank Balance	122,932	91,113
Closing Cash and Bank Balance	<u>259,538</u>	<u>160,416</u>

Attached notes of page 4-5 form parts of these Financial Statements.


 Tapan Chowdhury
 Managing Director


 Md. Alamgir Hossain
 Chief Financial Officer



SQUARE TEXTILES LIMITED AND ITS SUBSIDIARIES

Notes to the Interim Financial Statements
For the period ended June 30, 2011

Basis of preparation of the Interim Financial Statements:

These Financial Statements (They) are the unaudited interim financial statements (hereafter 'the Interim Financial Statements') of Square Textiles Limited, Square Yarns limited & Square Texcom Limited, Companies incorporated in Bangladesh under Companies Act 1994 for the half year ended June 30, 2011 (hereafter 'the interim period'). They are prepared in accordance with the International Accounting Standard (IAS 34) 'Interim Financial reporting'. These financial statements should read in conjunction with the Annual Financial Statements as of December 31, 2010, as they provide an update of previously reported information.

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



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

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

Income tax expense is recognized based upon the best estimate of the weighted average income tax rate expected for the reporting period.

Dividend payment for the year ended December 31, 2010 is in process @ 16% cash of par value of share and 20 (Fifteen) stock dividend for holding 100 (One Hundred) shares that approved by the shareholders in AGM held on June 16, 2011.

The Company has no reportable segments as per requirement of IAS 14, segment reporting.

There is no significant event to the end of the interim period that has to be reflected in the financial statements for the interim period.

The Company did not carry out any related party transaction other than Square Pharmaceuticals Limited, Square Yarns Limited & Mithapur Textiles Limited. During the reporting period total received & total payment was Tk. 74.80 crore and Tk. 20.01 crore from / to Square Pharmaceuticals Ltd., Tk. 95.11 crore & Tk. 10.00 crore from / to Square Yarns Ltd. and Tk. 10.80 crore paid to Square Texcom Limited.

Figures have been rounded off to the nearest Tk.'000.

The contingent liabilities of the company as on June 30, 2011 is as follows;

For Sight and Deferred LCs for the group Tk. 48.33 crore only. Out of which Tk. 30.15 crore for Square Textiles Limited, Tk. 18.15 crore only for Square Yarns Limited and Tk. 5.00 crore only for Square Texcom Limited.


Tapan Chowdhury
Managing Director


Md. Alamgir Hossain
Chief Financial Officer



SQUARE TEXTILES LIMITED

Statement of Financial Position (Unaudited)
As of June 30, 2011

	June 30, 2011	December 31, 2010
	Tk.'000	Tk.'000
NET ASSETS:		
Fixed Asset :	2,338,533	2,304,802
At Cost Less Depreciation	1,320,130	1,286,399
Investment- Long Term	160,784	160,784
Share Money Deposit	857,619	857,619
Current Assets :	4,504,519	4,301,133
Stocks	1,453,888	1,623,279
Trade Debtors	2,313,618	1,666,732
Short Term Loan	153,979	656,447
Advance , Deposit & Prepayments	468,480	289,172
Cash & Bank Balance	114,554	65,503
Less : Current Liabilities :	3,025,326	2,923,391
Short Term Bank Loan	1,103,101	998,925
Short Term Loan	453,268	787,888
Sundry Creditors	868,079	733,985
Other Current Liabilities	341,082	192,438
Provision for income Tax	259,796	210,155
Net Current Assets	1,479,193	1,377,742
Less: Deferred Tax Liability	111,305	111,305
	<u>3,706,421</u>	<u>3,571,239</u>
FINANCED BY :		
Share Holders Equity :	3,706,421	3,571,239
Share Capital	974,060	811,717
General Reserve and Surplus	2,732,361	2,759,522
	<u>3,706,421</u>	<u>3,571,239</u>

Attached notes of page 4-5 form part of these Financial Statements.


Tapan Chowdhury
Managing Director


Md. Alamgir Hossain
Chief Financial Officer

SQUARE TEXTILES LIMITED

Statement of Comprehensive Income (Unaudited)
For the period Ended June 30, 2011

	Six Months Ended		2nd Quarter Ended	
	June 30, 2011	June 30, 2010	April 01 to June 30 2011	April 01 to June 30 2010
	Tk.'000	Tk.'000	Tk.'000	Tk.'000
Sales	2,889,950	1,782,233	1,435,561	892,110
Cost of Goods Sold	(2,381,202)	(1,376,360)	(1,183,946)	(668,873)
Gross Profit	508,748	405,873	251,615	223,237
Operating Expenses	(64,379)	(50,233)	(34,118)	(25,969)
Finance Cost	(112,097)	(42,522)	(60,886)	(17,175)
Operating Profit	332,272	313,118	156,611	180,093
Other Income	15,206	20,051	4,002	20,035
Net Income before WPP & WF	347,478	333,169	160,613	200,128
Allocation for WPP & WF	(16,547)	(15,865)	(7,648)	(9,530)
Net Profit before Income Tax	330,931	317,304	152,965	190,598
Provision for Income Tax	(49,641)	(47,595)	(22,946)	(30,187)
Net Profit for the Period	281,290	269,709	130,019	160,411
Earning Per Share	2.89	2.77	1.33	1.65

Attached notes of page 4-5 form parts of these Financial Statements.


Tapan Chowdhury
Managing Director


Md. Alamgir Hossain
Chief Financial Officer



SQUARE TEXTILES LIMITED

Statement of Changes in Equity (Unaudited)
For the Period Ended June 30, 2011

	Share Capital	General Reserve and Surplus	Total
	Tk. '000	Tk. '000	Tk. '000
As at December 31, 2010	811,717	2,459,522	3,271,239
Net Profit for the period ended June '30, 2011	-	281,290	281,290
Cash Dividend for 2010	-	(146,108)	(146,108)
Stock Dividend for 2010	162,343	(162,343)	-
Balance As at June 30, 2011	<u>974,060</u>	<u>2,432,361</u>	<u>3,406,421</u>

Statement of Changes in Equity (Unaudited) For the period ended June 30, 2010

	Share Capital	General Reserve and Surplus	Total
	Tk. '000	Tk. '000	Tk. '000
As at December 31, 2009	705,841	2,413,563	3,119,404
Net Profit for for the period ended June '30, 2010	-	269,709	269,709
Cash Dividend for 2009	-	(112,934)	(112,934)
Stock Dividend for 2009	105,876	(105,876)	-
Balance As at June 30, 2010	<u>811,717</u>	<u>2,464,462</u>	<u>3,276,179</u>

Attached notes of page 4-5 form parts of these Financial Statements.


Tapan Chowdhury
Managing Director


Md. Alamgir Hossain
Chief Financial Officer



SQUARE TEXTILES LIMITED

Statement of Cash Flow (Unaudited)
For the Period Ended June 30, 2011

	<i>Six Months Ended</i>	
	<u>June 30, 2011</u>	<u>June 30, 2010</u>
	<i>Tk.' 000</i>	<i>Tk.' 000</i>
Cash Flow From Operating Activities:		
<i>Receipts :</i>		
Cash From Sales Revenue	2,243,062	1,967,104
Cash From Other Income	186	51
Total Cash Receipts	2,243,248	1,967,155
<i>Payments :</i>		
Purchase for Raw & Packing Materials	(1,591,367)	(1,141,430)
Manufacturing and Operating Exp.	(493,640)	(346,585)
Finance Cost	(53,835)	(29,893)
Workers Profit Participation Fund	(19,758)	(18,093)
Total Payments	(2,158,600)	(1,536,001)
Net Cash Flow From Operating Activities	84,648	431,154
Cash Flow From Investing Activities :		
Purchase of Fixed Assets	(253,730)	(41,811)
Investment In Square Texcom Ltd.	-	(58,881)
Share Money Deposit of Square Texcom Ltd.	-	(57,619)
Net Cash Flow From Investing Activities	(253,730)	(158,311)
Cash Flow From Financing Activities		
Short Term Bank Loan Received/(payment)	104,177	112,951
Short Term Loan Received/(Payment)	113,956	(323,662)
Net Cash Flow From Financing Activities	218,133	(210,711)
Net Cash Position	49,051	62,132
Opening Cash and Bank Balance	65,503	46,332
Closing Cash and Bank Balance	114,554	108,464

Attached notes of page 4-5 form parts of these Financial Statements.


Tapan Chowdhury
Managing Director


Md. Alamgir Hossain
Chief Financial Officer



SQUARE YARNS LIMITED

Statement of Financial Position (Unaudited)
As of June 30, 2011

	June 30, 2011	December 31, 2010
	Tk.'000	Tk.'000
NET ASSETS:		
Fixed Asset :	988,461	1,035,882
At Cost Less Depreciation	988,461	1,035,882
Current Assets :	1,467,098	1,896,661
Stocks	599,858	701,483
Trade Debtors	458,605	1,111,606
Short Term Loan	213,324	-
Advance , Deposit & Prepayments	54,506	31,207
Cash & Bank Balance	140,805	52,365
Less : Current Liabilities :	1,036,623	1,607,691
Short Term Bank Loan	88,890	116,812
Short Term Loan	-	637,793
Sundry Creditors	825,807	754,827
Other Current Liabilities	29,555	75,769
Provision for income Tax	92,371	22,490
Net Current Assets	430,475	288,970
Less: Deferred Tax Liability	69,303	65,604
	1,349,633	1,259,248
FINANCED BY :		
Share Holders Equity :	1,349,633	1,259,248
Share Capital	95,500	95,500
General Reserve and Surplus	454,133	363,748
Share Money Deposit	800,000	800,000
	1,349,633	1,259,248

Attached notes of page 4-5 form part of these Financial Statements.

Samuel S. Chowdhury
Managing Director

Md. Alamgir Hossain
Chief Financial Officer

SQUARE YARNS LIMITED

Statement of Comprehensive Income (Unaudited)
For the period Ended June 30, 2011

	Six Months Ended		2nd Quarter Ended	
	June 30, 2011	June 30, 2010	April 01 to June 30 2011	April 01 to June 30 2010
	Tk.'000	Tk.'000	Tk.'000	Tk.'000
Sales	1,210,588	693,255	760,194	389,450
Cost of Goods Sold	(1,048,509)	(591,798)	(682,241)	(337,284)
Gross Profit	162,079	101,457	77,953	52,166
Operating Expenses	(12,350)	(5,191)	(7,617)	(2,959)
Finance Cost	(33,508)	(24,587)	(14,387)	(10,825)
Operating Profit	116,221	71,679	55,949	38,382
Allocation for WPP & WF	(5,534)	(3,414)	(2,664)	(1,828)
Net Profit before Income Tax	110,687	68,265	53,285	36,554
Income Tax Expenses- Current	(16,603)	(10,240)	(7,993)	(5,484)
Income Tax Expenses- Deferred	(3,699)	(6,428)	(1,850)	(3,214)
Net Profit for the Period	90,385	51,597	43,442	27,856
Earning Per Share	94.64	54.03	45.49	29.17

Attached notes of page 4-5 form parts of these Financial Statements.



Samuel S. Chowdhury
Managing Director



Md. Alamgir Hossain
Chief Financial Officer



SQUARE TEXCOM LIMITED

Statement of Financial Position (Unaudited)
As of June 30, 2011

	June 30, 2011	December 31, 2010
	Tk.'000	Tk.'000
NET ASSETS:		
Fixed Asset :	72,623	53,140
At Cost Less Depreciation	57,656	38,173
Pre Operative Expenses	14,967	14,967
Current Assets :	177,923	56,022
Stocks	57,663	12,967
Trade Debtors	68,717	15,500
Advance , Deposit & Prepayments	47,364	22,492
Cash & Bank Balance	4,179	5,063
Less : Current Liabilities :	161,484	34,122
Short Term Loan	153,979	18,655
Other Current Liabilities	4,154	12,943
Provision for income Tax	3,351	2,524
Net Current Assets	16,439	21,900
	89,062	75,040
FINANCED BY :		
Share Holders Equity :	75,909	75,040
Share Capital	10,000	10,000
Share Money Deposit	57,619	57,619
General Reserve and Surplus	21,443	7,421
	89,062	75,040

Attached notes of page 4-5 form part of these Financial Statements.

Anjan Chowdhury
Managing Director

Md. Alamgir Hossain
Chief Financial Officer

SQUARE TEXCOM LIMITED

Statement of Comprehensive Income (Unaudited)
For the period Ended June 30, 2011

	Six Months Ended		2nd Quarter Ended	
	June 30, 2011	June 30, 2010	April 01 to June 30 2011	April 01 to June 30 2010
	Tk.'000	Tk.'000	Tk.'000	Tk.'000
Sales	116,460	84,302	65,250	52,736
Cost of Goods Sold	(93,168)	(73,778)	(58,725)	(45,102)
Gross Profit	23,292	10,524	6,525	7,634
Operating Expenses	(5,971)	(884)	(659)	(497)
Net Profit before WPP & WF	17,321	9,640	5,866	7,137
Allocation for WPP & WF	(825)	(459)	(279)	(340)
Net Profit/(Loss) before Income Tax	16,496	9,181	5,587	6,797
Provision for Income Tax	(2,474)	(1,377)	(838)	(1,020)
Net Profit for the Period	14,022	7,804	4,749	5,777

(Transferred to the Consolidated Statement of Changes in Equity)

Earning Per Share	140.22	78.04	47.49	57.77
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Attached notes of page 4-5 form parts of these Financial Statements.



Anjan Chowdhury
Managing Director



Md. Alamgir Hossain
Chief Financial Officer

Corporate Headquarters
Square Centre
48 Mohakhali Commercial Area
Dhaka 1212, Bangladesh