

Half-yearly Financial Report 2014

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



Dear Shareholders

We are pleased to present the unaudited half-yearly Financial Report 2014 of the Company and its Subsidiaries containing the consolidated and separate Statement of Financial Position as at June 30, 2014, Statement of Comprehensive Income, Statements of changes in equity and Statement of Cash Flows for the half-year ended June 30, 2014.


Tapan Chowdhury
Managing Director

SQUARE TEXTILES LIMITED

Consolidated Statement of Financial Position (Unaudited)
As of June 30, 2014

	June 30, 2014	December 31, 2013
	Tk.'000	Tk.'000
NET ASSETS:		
Fixed Asset :	3,284,066	3,201,947
At Cost Less Depreciation	3,227,782	3,145,663
Goodwill	56,284	56,284
Current Assets :	5,682,387	5,310,437
Stocks	1,997,957	1,799,600
Trade Debtors	2,613,973	2,512,022
Short Term Loan	83,478	158,345
Advance, Deposit & Prepayments	468,734	334,249
Cash & Bank Balance	518,245	506,221
Less : Current Liabilities :	2,598,266	2,359,400
Short Term Bank Loan	1,727,212	1,675,511
Sundry Creditors	64,895	74,793
Other Current Liabilities	478,062	367,410
Provision for Income Tax	328,097	241,686
Net Current Assets	3,084,121	2,951,037
Deferred Tax Liability	195,618	186,686
	6,172,569	5,966,298
FINANCED BY :		
Share Holders Equity :	6,161,723	5,957,712
Share Capital	1,478,623	1,344,203
General Reserve and Surplus	4,683,100	4,613,509
Non controlling Interest	10,846	8,586
	6,172,569	5,966,298

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, 2014

	Six Months Ended		2nd Quarter	
	Jan'01 to June 30	Jan'01 to June 30	April 01 to June 30	April 01 to June 30
	2014	2013	2014	2013
	Tk.'000	Tk.'000	Tk.'000	Tk.'000
Sales	4,226,829	3,992,371	2,118,803	2,037,188
Cost of Goods Sold	3,485,383	3,270,402	1,748,088	1,648,479
Gross Profit	741,446	721,969	370,715	388,709
Operating Expenses	120,018	120,057	62,798	65,894
Finance Cost	25,858	32,987	16,247	18,337
Operating Income	595,570	568,925	291,670	304,478
Other Income	3,409	8,175	704	4,690
Net Income before WPPF & WF	598,979	577,100	292,374	309,168
Allocation for WPPF & WF	28,523	27,481	13,923	14,722
Net Income before Tax	570,456	549,619	278,451	294,446
Provision for Income Tax	86,412	82,443	42,005	44,167
Provision for Deferred Tax	8,932	7,984	5,767	7,984
Net Profit after Tax	475,112	459,192	230,679	242,295
Non-Controlling Interest	2,260	888	1,120	496
Net Income for the Period	472,852	458,304	229,559	241,799
Earning Per Share (EPS)	3.20	3.10	1.55	1.64

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, 2014

Tk. '000

	Share Capital	General Reserve and Surplus	Total
As at December 31, 2013	1,344,203	4,613,509	5,957,712
Net Profit for 1st Half 2014	-	472,852	472,852
Cash Dividend for 2013	-	(268,841)	(268,841)
Stock Dividend for 2013	134,420	(134,420)	-
Balance As at June 30, 2014	1,478,623	4,683,100	6,161,723

Consolidated Statement of Changes in Equity (Unaudited)
For the period ended June 30, 2013

Tk. '000

	Share Capital	General Reserve and Surplus	Total
As at December 31, 2012	1,168,872	4,162,344	5,331,216
Net Profit for 1st Half 2013	-	458,304	458,304
Cash Dividend for 2012	-	(210,397)	(210,397)
Stock Dividend for 2012	175,331	(175,331)	-
Balance As at June 30, 2013	1,344,203	4,234,920	5,579,123

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 Flows (Unaudited)
For the Period Ended June 30, 2014

	Six Months Ended	
	June 30, 2014	June 30, 2013
	Tk. '000	Tk. '000
Cash Flow From Operating Activities:		
Receipts :		
Cash From Sales Revenue	4,124,878	4,388,012
Cash From Other Income	85	56
Total Cash Receipts	4,124,963	4,388,068
Payments :		
Purchase for Raw & Packing Materials	(2,716,588)	(2,323,876)
Manufacturing and Operating Exp.	(920,942)	(695,348)
Interest Expenses	(14,941)	(21,358)
Income Tax	(82,820)	(92,479)
Workers Profit Participation Fund	(13,109)	(47,806)
Total Payments	(3,748,400)	(3,180,867)
Net Cash Flow From Operating Activities	376,563	1,207,201
Cash Flow From Investing Activities :		
Purchase of Fixed Assets	(208,256)	(523,871)
Sales/Transfer of Fixed Assets	-	51,038
Net Cash Flow From Investing Activities	(208,256)	(472,833)
Cash Flow From Financing Activities		
Short term Bank Loan Received/(Repaid)	51,701	(43,507)
Short term Loan from (to) Sister Concern	60,856	(381,665)
Dividend Payment	(268,841)	(210,397)
Net Cash Flow From Financing Activities	(156,284)	(635,569)
Net Cash Position	12,024	98,799
Opening Cash and Bank Balance	506,221	473,076
Closing Cash and Bank Balance	518,245	571,875

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, 2014

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, 2014 (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, 2013, 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.

All L/C liabilities are re-grouped as Short Term Bank Loan instead of Sundry Creditors.

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, 2013 is in process @ 20% cash and 10% (ten) stock (10 shares for every 100 shares) that approved by the shareholders in AGM held on June 16, 2014.

The Company has no reportable operating segments as per requirement of IFRS 8, operating segment.

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 & Square Texcom Limited. During the reporting period total received & total payment was Tk. 17.43 crore and Tk. 25.78 crore from / to Square Pharmaceuticals Ltd., Tk. 12.74 crore & Tk. 15.68 crore from / to Square Yarns Ltd. and Tk. 10.58 crore & Tk. 39.62 crore paid from / to Square Texcom Limited.

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

The contingent liabilities of the company as on June 30, 2014 is as follows;

For Sight and Deferred LCs for the group Tk. 47.64 crore only. Out of which Tk. 29.89 crore for Square Textiles Limited, Tk. 14.33 crore only for Square Yarns Limited and Tk. 3.42 crore only for Square Texcom Limited.

Provision for deferred tax newly created by Tk. 0.89 crore.


Tapan Chowdhury
Managing Director


Md. Alamgir Hossain
Chief Financial Officer

SQUARE TEXTILES LIMITED

Statement of Financial Position (Unaudited)
As of June 30, 2014

	June 30, 2014 Tk.'000	December 31, 2013 Tk.'000
NET ASSETS:		
Fixed Asset:	2,241,466	2,262,854
At Cost Less Depreciation	1,657,132	1,678,520
Investment- Long Term (At Cost)	160,784	160,784
Share Money Deposit	423,550	423,550
Current Assets :	4,292,139	4,095,603
Stocks	1,384,953	1,243,944
Trade Debtors	1,859,664	1,879,244
Short Term Loan	403,234	459,681
Advance, Deposit & Prepayments	354,915	271,092
Cash & Bank Balance	289,373	241,642
Less : Current Liabilities :	1,503,368	1,363,963
Short Term Bank Loan	874,515	907,106
Sundry Creditors	45,588	50,587
Other Current Liabilities	415,502	293,249
Provision for income Tax	167,763	113,021
Net Current Assets	2,788,771	2,731,640
Deferred Tax Liability	109,375	108,123
	4,920,862	4,886,371
FINANCED BY :		
Share Holders Equity :	4,920,862	4,886,371
Share Capital	1,478,623	1,344,203
General Reserve and Surplus	3,442,239	3,542,168
	4,920,862	4,886,371

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, 2014

	Six Months Ended		2nd Quarter	
	Jan'01 to June 30 2014 Tk.'000	Jan'01 to June 30 2013 Tk.'000	April 01 to June 30 2014 Tk.'000	April 01 to June 30 2013 Tk.'000
Sales	2,636,083	2,653,233	1,291,653	1,314,667
Cost of Goods Sold	2,159,857	2,162,184	1,060,781	1,058,632
Gross Profit	476,226	491,049	230,872	256,035
Operating Expenses	93,590	105,299	49,023	58,862
Finance Cost	12,092	12,221	4,815	5,948
Operating Income	370,544	373,529	177,034	191,225
Other Income	6,747	10,180	1,893	5,352
Net Income before WPPF & WF	377,291	383,709	178,927	196,577
Allocation for WPPF & WF	17,966	18,272	8,520	9,361
Net Income before Tax	359,325	365,437	170,407	187,216
Provision for Income Tax	54,742	54,816	25,798	28,083
Provision for Deferred Tax	1,252	-	739	-
Net Income for the Period	303,331	310,621	143,870	159,133
Earning Per Share (EPS)	2.05	2.10	0.97	1.08

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 Changes in Equity (Unaudited)
For the Period Ended June 30, 2014

Tk. '000

	Share Capital	General Reserve and Surplus	Total
As at December 31, 2013	1,344,203	3,542,169	4,886,372
Net Profit for 1st Half 2014	-	303,331	303,331
Cash Dividend for 2013	-	(268,841)	(268,841)
Stock Dividend for 2013	134,420	(134,420)	-
Balance As at June 30, 2014	1,478,623	3,442,239	4,920,862

Statement of Changes in Equity (Unaudited)
For the period ended June 30, 2013

Tk. '000

	Share Capital	General Reserve and Surplus	Total
As at December 31, 2012	1,168,872	3,340,115	4,508,987
Net Profit for 1st Half 2013	-	310,621	310,621
Cash Dividend for 2012	-	(210,397)	(210,397)
Stock Dividend for 2012	175,331	(175,331)	-
Balance As at June 30, 2013	1,344,203	3,265,008	4,609,211

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 Flows (Unaudited)
For the Period Ended June 30, 2014

	Six Months Ended	
	June 30, 2014	June 30, 2013
	Tk. '000	Tk. '000
Cash Flow From Operating Activities:		
Receipts:		
Cash From Sales Revenue	2,655,664	3,122,446
Cash From Other Income	85	56
Total Cash Receipts	2,655,749	3,122,502
Payments:		
Paid to Suppliers	(1,611,849)	(1,435,989)
Paid for Operating & Non Operating Exp.	(626,353)	(531,280)
Interest Expenses	(10,490)	(10,868)
Income Tax	(60,046)	(84,295)
Workers Profit Participation Fund	(5,536)	(44,544)
Total Payments	(2,314,274)	(2,106,976)
Net Cash Received (Used) From Operating Activities	341,475	1,015,526
Cash Flow From Investing Activities:		
Purchase of Fixed Assets	(43,231)	(105,157)
sales/Transfer of Fixed Assets	-	25,535
Net Cash Received (Used) From Investing Activities	(43,231)	(79,622)
Cash Flow From Financing Activities		
Short Term Bank Loan	(32,591)	(130,710)
Short Term Loan from (to) Sister Company	50,919	(440,626)
Payment of Dividend	(268,841)	(210,397)
Net Cash Received (Used) from Financing Activities	(250,513)	(781,733)
Net Cash Position	47,731	154,171
Opening Cash and Bank Balance	241,642	299,650
Closing Cash and Bank Balance	289,373	453,821

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, 2014

	June 30, 2014 Tk.'000	December 31, 2013 Tk.'000
NET ASSETS:		
Fixed Asset :	994,620	885,907
At Cost Less Depreciation	994,620	885,907
Current Assets :	1,205,101	1,201,892
Stocks	486,826	437,644
Trade Debtors	495,275	549,570
Advance , Deposit & Prepayments	80,151	38,689
Cash & Bank Balance	142,849	175,989
Less : Current Liabilities:	855,603	887,110
Short Term Bank Loan	629,267	690,552
Short Term Loan	29,391	14,528
Sundry Creditors	8,602	13,519
Other Current Liabilities	44,812	50,291
Provision for income Tax	143,531	118,220
Net Current Assets	349,498	314,782
Deferred Tax Liability	71,582	69,535
	1,272,536	1,131,154
FINANCED BY :		
Share Holders Equity :	1,272,536	1,131,154
Share Capital	95,500	95,500
General Reserve and Surplus	1,177,036	1,035,654
	1,272,536	1,131,154

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


Samuel S. Chowdhury
Chairman & MD


Md. Alamgir Hossain
Chief Financial Officer

SQUARE YARNS LIMITED

Statement of Comprehensive Income (Unaudited)
For the period Ended June 30, 2014

	Six Months Ended		2nd Quarter	
	Jan'01 to June 30 2014 Tk.'000	Jan'01 to June 30 2013 Tk.'000	April 01 to June 30 2014 Tk.'000	April 01 to June 30 2013 Tk.'000
Sales	1,161,208	1,145,966	581,567	600,517
Cost of Goods Sold	964,469	944,842	477,071	487,237
Gross Profit	196,739	201,124	104,496	113,280
Operating Expenses	9,652	9,628	5,566	4,399
Finance Cost	9,910	11,013	7,546	7,822
Net Income Before WPPF & WF	177,177	180,483	91,384	101,059
Allocation for WPPF & WF	8,437	8,594	4,352	4,812
Net Profit before Tax	168,740	171,889	87,032	96,247
Income Tax - Current	25,311	25,783	13,055	14,437
Income Tax - Deferred	2,047	-	2,047	-
Net Profit for the Period	141,382	146,106	71,930	81,810
Earning Per Share (EPS)	148.04	152.99	75.32	85.66

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


Samuel S. Chowdhury
Chairman & MD


Md. Alamgir Hossain
Chief Financial Officer

SQUARE TEXCOM LIMITED

Statement of Financial Position (Unaudited)
As of June 30, 2014

	June 30, 2014 Tk.'000	December 31, 2013 Tk.'000
NET ASSETS:		
Fixed Asset :	576,029	581,236
At Cost Less Depreciation	564,055	566,268
Pre Operative Expenses	11,974	14,968
Current Assets :	504,904	314,276
Stocks	126,179	118,011
Accounts Receivable	259,034	83,208
Advance , Deposit & Prepayments	33,668	24,468
Cash & Bank Balance	86,023	88,589
Less : Current Liabilities :	559,051	409,663
Short Term Bank Loan	223,430	77,854
Short Term Loan	290,365	286,807
Sundry Creditors	10,705	10,688
Other Current Liabilities	17,748	23,870
Provision for Income Tax	16,803	10,444
Net Current Assets	(54,147)	(95,387)
Deferred Tax Liability	14,661	9,027
	507,221	476,822
FINANCED BY :		
Share Holders Equity :	507,221	476,822
Share Capital	10,000	10,000
Share Money Deposit	423,550	423,550
General Reserve and Surplus	73,671	43,272
	507,221	476,822

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, 2014

	Six Months Ended		2nd Quarter	
	Jan 01 to June 30 2014 Tk.'000	Jan 01 to June 30 2013 Tk.'000	April 01 to June 30 2014 Tk.'000	April 01 to June 30 2013 Tk.'000
Sales	429,537	193,172	245,584	122,004
Cost of Goods Sold	361,057	163,376	210,236	102,610
Gross Profit	68,480	29,796	35,348	19,394
Operating Expenses	16,775	5,131	8,208	2,634
Finance Cost	7,194	11,758	5,076	5,229
Net Profit Before WPPF & WF	44,511	12,907	22,064	11,531
Allocation for WPPF & WF	2,120	615	1,051	550
Net Profit Before Tax	42,391	12,292	21,013	10,981
Income Tax-Current	6,359	1,844	3,152	1,648
Income Tax-Deferred	5,633	7,984	2,981	7,984
Net Profit for the Period	30,399	2,464	14,880	1,349
Earning Per Share (EPS)	303.99	24.64	148.79	13.49


Anjan Chowdhury
Managing Director


Md. Alamgir Hossain
Chief Financial Officer