

Half-yearly Financial Report 2009





*D*ear Shareholders

We are pleased to present the unaudited half-yearly Financial Report 2009 of the Company and its Subsidiary containing the consolidated and separate Balance Sheets as at June 30, 2009, Income Statements, Statements of changes in equity and Cash Flow Statements for the half-year ended June 30, 2009.


Tapan Chowdhury
Managing Director



SQUARE TEXTILES LIMITED

Consolidated Balance Sheet (Unaudited)

As of June 30, 2009

	June 30, 2009	December 31, 2008
	Tk.'000	Tk.'000
NET ASSETS:		
<i>Fixed Asset :</i>		
<i>At Cost Less Depreciation</i>	2,621,928	2,696,314
<i>Current Assets :</i>	3,629,131	4,213,188
<i>Stocks</i>	1,210,638	1,600,951
<i>Trade Debtors</i>	2,085,672	2,318,863
<i>Advance , Deposit & Prepayments</i>	262,582	225,261
<i>Cash & Bank Balance</i>	70,239	68,113
<i>Less : Current Liabilities :</i>	2,930,846	3,495,826
<i>Short Term Bank Loan</i>	988,650	1,236,737
<i>Sundry Creditors</i>	1,200,834	1,590,516
<i>Other Current Liabilities</i>	268,508	163,761
<i>Short Term Loan</i>	247,931	301,562
<i>Provision for income Tax</i>	224,923	203,250
<i>Net Current Assets</i>	698,285	717,362
<i>Deferred Tax Liability</i>	170,933	166,126
	<u>3,149,280</u>	<u>3,247,550</u>
FINANCED BY :		
<i>Share Holders Equity :</i>	3,111,537	3,099,350
<i>Share Capital</i>	705,840	588,200
<i>General Reserve and Surplus</i>	2,405,697	2,511,150
<i>Long Term Loans</i>	36,451	146,991
<i>Non controlling Interest</i>	1,292	1,209
	<u>3,149,280</u>	<u>3,247,550</u>

Attached notes of page 6-7 form parts of these Financial Statements.


Tapan Chowdhury
Managing Director


Md. Alamgir Hossain
Chief Financial Officer

SQUARE TEXTILES LIMITED

Consolidated Income Statement (Unaudited)
For the period Ended June 30, 2009

	Six Months Ended	
	June 30, 2009	June 30, 2008
	Tk.'000	Tk.'000
Sales	2,584,066	2,059,714
Cost of Goods Sold	(2,256,510)	(1,635,062)
Gross Profit	327,556	424,652
Operating Expenses	(55,984)	(41,162)
Finance Cost	(120,237)	(90,612)
Operating Profit	151,335	292,878
Other Income	523	1,056
Net Income before WPP & WF	151,858	293,934
Allocation for WPP & WF	(7,231)	(13,997)
Net Profit before Income Tax	144,627	279,937
Provision for Income Tax	(21,673)	(43,745)
Provision for Deferred Income Tax	(4,808)	(13,510)
Net Profit after Income Tax	118,146	222,682
Minority Interest	(83)	(212)
Net Profit for the Period	118,063	222,470

(Transferred to the Consolidated Statement of Changes in Equity)

Earning Per Share	1.67	4.70
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Attached notes of page 6-7 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, 2009

	Share Capital	General Reserve and Surplus	Total
	Tk. '000	Tk. '000	Tk. '000
As at December 2008	588,200	2,511,149	3,099,349
Net Profit for 2008	-	118,064	118,064
Cash Dividend for 2008	-	(105,876)	(105,876)
Stock Dividend for 2008	117,640	(117,640)	-
Balance As at June 30, 2009	<u>705,840</u>	<u>2,405,697</u>	<u>3,111,537</u>

Consolidated Statement of Changes in Equity (Unaudited) For the period ended June 30, 2008

	Share Capital	General Reserve and Surplus	Total
	Tk. '000	Tk. '000	Tk. '000
As at December 2007	394,334	1,651,714	2,046,048
Net Profit for 2007	-	222,469	222,469
Cash Dividend for 2007	-	(98,584)	(98,584)
Stock Dividend for 2007	78,866	(78,866)	-
Balance As at June 30, 2008	<u>473,200</u>	<u>1,696,734</u>	<u>3,111,537</u>

Attached notes of page 6-7 form parts of these Financial Statements.


 Tapan Chowdhury
 Managing Director


 Md. Alamgir Hossain
 Chief Financial Officer

SQUARE TEXTILES LIMITED

Consolidated Cashflow Statement (Unaudited)
For the Period Ended June 30, 2009

	Six Months Ended	
	June 30, 2009	June 30, 2008
	Tk.'000	Tk.'000
Cash Flow From Operating Activities:		
<i>Receipts :</i>		
Cash From Sales Revenue	2,817,257	1,815,437
Cash From Other Income	228	9
Total Cash Receipts	2,817,485	1,815,446
<i>Payments :</i>		
Purchase for Raw & Packing Materials	(1,814,790)	(1,017,255)
Manufacturing and Operating Exp.	(386,953)	(360,730)
Finance Cost	(106,781)	(103,461)
Workers Profit Participation Fund	(7,113)	(1,049)
Total Payments	(2,315,637)	(1,482,495)
Net Cash Flow From Operating Activities	501,848	332,951
Cash Flow From Investing Activities :		
Purchase of Fixed Assets	(62,868)	(123,154)
Profit from Disposal of Fixed Assets	295	1,047
Net Cash Flow From Investing Activities	(62,573)	(122,107)
Cash Flow From Financing Activities		
Shortterm Bank Loan Received	(263,741)	120,560
Shortterm Load Payment	(78,521)	(201,247)
Longterm Bank Loan Payment	(94,885)	(111,025)
Net Cash Flow From Financing Activities	(437,147)	(191,712)
Net Cash Position	2,126	19,132
Opening Cash and Bank Balance	68,113	58,149
Closing Cash and Bank Balance	70,239	77,281

Tapan Chowdhury
Managing Director

Md. Alamgir Hossain
Chief Financial Officer



SQUARE TEXTILES LIMITED AND ITS SUBSIDIARY

Notes to the Interim Financial Statements

For the period ended June 30, 2009

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 and Square Yarns limited, its subsidiary, a company incorporated in Bangladesh under Companies Act 1994 for the half year ended June 30, 2009 (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, 2008, 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 Financials of previous Half-year (January '08 to June '08) present the financial position of Square Textiles Limited before merger of Square Spinnings Limited. The merger process complete on September 30, 2008.

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, 2008 is in process @ 18% cash of par value of share and 20 (Twenty) stock dividend for holding 100 (One Hundred) shares that approved by the shareholders in AGM held on June 16, 2009.

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 and Square Yarns Limited. During the reporting period the total received and total payment was Tk. 38.17 crore and Tk. 15.69 crore from/to Square Pharmaceuticals Limited and Tk. 14.22 crore and Tk. 40.90 crore from/to Square Yarns Limited respectively.

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

The contingent liabilities of the company as on June 30, 2009 is as follows;

For Sight and Deferred LCs for the group Tk. 46.35 crore only. Out of which Tk. 30.60 crore for Square Textiles Limited and Tk.15.75 crore only for Square Yarns Limited.


Tapan Chowdhury
Managing Director




Md. Alamgir Hossain
Chief Financial Officer

SQUARE TEXTILES LIMITED

Balance Sheet (Unaudited)

As at June 30, 2009

	June 30, 2009	December 31, 2008
	Tk.'000	Tk.'000
NET ASSETS:		
<i>Fixed Asset :</i>	2,340,597	2,370,847
<i>At Cost Less Depreciation</i>	1,445,597	1,475,847
<i>Share Money Deposit</i>	95,000	95,000
<i>Investment-Long Term(At Cost)</i>	800,000	800,000
 <i>Current Assets :</i>	2,978,767	3,437,049
<i>Stocks</i>	893,102	1,267,786
<i>Trade Debtors</i>	1,570,873	1,689,670
<i>Short Term Loan</i>	237,110	224,333
<i>Advance , Deposit & Prepayments</i>	242,081	210,569
<i>Cash & Bank Balance</i>	35,601	44,691
 <i>Less : Current Liabilities :</i>	2,237,429	2,722,232
<i>Short Term Bank Loan</i>	651,184	777,529
<i>Short Term Loan</i>	247,931	301,562
<i>Sundry Creditors</i>	897,543	1,322,409
<i>Other Current Liabilities</i>	251,377	149,339
<i>Provision for income Tax</i>	189,394	171,393
 <i>Net Current Assets</i>	741,338	714,817
 <i>Less: Deferred Tax Liability</i>	121,018	121,018
	<u>2,960,917</u>	<u>2,964,646</u>
 FINANCED BY :		
 <i>Share Holders Equity :</i>	2,960,917	2,964,646
<i>Share Capital</i>	705,840	588,200
<i>General Reserve and Surplus</i>	2,255,077	2,376,446
	<u>2,960,917</u>	<u>2,964,646</u>

Attached notes of page 6-7 form part of these Financial Statements.


Tapan Chowdhury
Managing Director


Md. Alamgir Hossain
Chief Financial Officer

SQUARE TEXTILES LIMITED

Income Statement (Unaudited)

For the period ended June 30, 2009

	Six Months Ended	
	June 30, 2009	June 30, 2008
	Tk.' 000	Tk.' 000
Sales	1,997,288	1,375,351
Cost of Goods Sold	(1,751,292)	(1,085,700)
Gross Profit	245,996	289,651
Operating Expenses	(50,683)	(37,910)
Finance Cost	(81,006)	(43,063)
Operating Profit	114,307	208,678
Other Income	11,848	18,520
Net Profit Before WPP & WF	126,155	227,198
Allocation for WPP & WF	(6,007)	(10,819)
Net Profit Before Income Tax	120,148	216,379
Provision for Income Tax	(18,000)	(34,212)
Net Profit For The Period	102,148	182,167

(Transferred to the Statement of Changes in Equity)

Earning Per Share **1.45** **2.58**

Attached notes of page 6-7 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, 2009

	Share Capital	General Reserve and Surplus	Total
	Tk. '000	Tk. '000	Tk. '000
As at December 2008	588,200	2,376,446	2,964,646
Net Profit for 2008	-	102,148	102,148
Cash Dividend for 2008	-	(105,877)	(105,877)
Stock Dividend for 2008	117,640	(117,640)	-
Balance As at June 31, 2009	<u>705,840</u>	<u>2,255,077</u>	<u>2,960,917</u>

STATEMENT OF CHANGES IN EQUITY (Unaudited)

For the period ended June 30, 2008

	Share Capital	General Reserve and Surplus	Total
	Tk. '000	Tk. '000	Tk. '000
As at December 2007	394,334	1,273,701	1,668,035
Net Profit for 2007	-	181,756	181,756
Cash Dividend for 2007	-	(118,300)	(118,300)
Stock Dividend for 2007	59,150	(59,150)	-
Balance As at June 30, 2008	<u>453,484</u>	<u>1,278,007</u>	<u>1,731,491</u>

Attached notes of page 6-7 form part of these Financial Statements.


 Tapan Chowdhury
 Managing Director


 Md. Alamgir Hossain
 Chief Financial Officer

SQUARE TEXTILES LIMITED

Cash Flow Statement (Unaudited) For the period ended June 30, 2009

	<i>Six Months Ended</i>	
	<i>June 30, 2009</i>	<i>June 30, 2008</i>
	<i>Tk.' 000</i>	<i>Tk.' 000</i>
Cash Flows From Operating Activities :		
<i>Receipts:</i>		
Cash From Sales Revenue	2,116,086	1,203,819
Cash from Other Income	228	3
Total Cash Receipts	2,116,314	1,203,822
<i>Payments:</i>		
Purchase for Raw & Packing Materials	(1,486,126)	(794,443)
Manufacturing and Operating Exp.	(312,790)	(269,401)
Finance Cost	(68,846)	(51,909)
Workers Profit Participation Fund	(6,760)	(1,049)
Total Payments	(1,874,522)	(1,116,802)
Net Cash Flow From Operating Activities	241,792	87,020
Cash Flow From Investing Activities :		
Profit from Sale of Fixed Assets	295	1,047
Purchase of Fixed Assets	(59,750)	(66,402)
Net Cash Flow From Investing Activities	(59,455)	(65,355)
Cash Flow From Financing Activities :		
Shortterm Loan to Sister Concern	(65,083)	(48,539)
Shortterm Loan Payment	(126,345)	36,686
Net Cash Flow From Financing Activities	(191,428)	(11,853)
Net Cash Position	(9,090)	9,812
Opening Cash and Bank Balance	44,691	32,326
Closing Cash and Bank Balance	35,601	42,138

Attached notes of page 6-7 form part of these Financial Statements.


 Tapan Chowdhury
 Managing Director


 Md. Alamgir Hossain
 Chief Financial Officer

SQUARE YARNS LIMITED

Balance Sheet (Unaudited)

As of June 30, 2009

	June 30, 2009	December 31, 2008
	Tk.'000	Tk.'000
NET ASSETS :		
Fixed Assets :		
At Cost Less Depreciation	1,176,330	1,220,467
Current Assets :	871,912	1,000,472
Stocks	301,973	333,165
Trade Debtors	514,799	629,193
Advance , Deposit & Prepayments	20,501	14,692
Cash & Bank Balance	34,639	23,422
Less : Current Liabilities :	915,508	997,927
Short Term Bank Loan	132,041	269,437
Long Term Loan (Current portion)	205,425	189,771
Short Term Loan	222,220	224,333
Sundry Creditors	303,291	268,107
Provision for Income Tax	35,432	31,857
Other Current Liabilities	17,099	14,422
Net Current Assets/ (Liabilities)	(43,596)	2,545
Less: Deferred Tax Liability	(49,915)	(45,108)
	<u>1,082,819</u>	<u>1,177,904</u>
FINANCED BY :		
Share Holders Equity :	1,046,367	1,030,913
Share Capital	95,500	95,500
General Reserve and Surplus	150,867	135,413
Share money deposit from STxL	800,000	800,000
Term Loan:	36,452	146,991
Long Term Loan	<u>36,452</u>	<u>146,991</u>
	<u>1,082,819</u>	<u>1,177,904</u>

Attached notes of page 6-7 form part of these Financial Statements.



Samuel S. Chowdhury
Managing Director



Md. Alamgir Hossain
Chief Financial Officer

SQUARE YARNS LIMITED

Income Statement (Unaudited)

For the period ended June 30,2009

	Six Months Ended	
	June 30, 2009	June 30, 2008
	Tk.'000	Tk.'000
Sales	586,778	684,363
Cost of Goods Sold	(505,890)	(549,362)
Gross Profit	80,888	135,001
Operating Expenses	(5,301)	(3,252)
Finance Cost	(50,557)	(65,019)
Operating Profit	25,030	66,730
Other Income-Bank Interest	-	6
Net Profit Before WPP & WF	25,030	66,736
Allocation for WPP & WF	(1,192)	(3,178)
Net Profit for the Period	23,838	63,558
Provision for Income Tax	(3,576)	(9,534)
Provision for Deferred Income Tax	(4,808)	(13,510)
Net Profit for the Period	15,454	40,514
(Transferred to the Statement of Changes in Equity)		
Earning Per Share	16.18	42.42

Attached notes of page 6-7 form part of these Financial Statements.



Samuel S. Chowdhury
Managing Director



Md. Alamgir Hossain
Chief Financial Officer

Corporate Headquarters

Square Centre

48, Mohakhali Commercial Area

Dhaka 1212, Bangladesh