

**Second Quarter**  
**Financial Statement 2020-2021**  
**(Unaudited)**



**SQUARE TEXTILES LIMITED**  
(Consolidated and Standalone)

# SQUARE Textiles Limited & It's Subsidiary

## Consolidated Statement of Financial Position (Unaudited)

As at December 31, 2020

Particulars	Notes	31-Dec-20 Taka	30-Jun-20 Taka
<b>ASSETS:</b>			
<b>Non-Current Assets</b>		<b>7,378,694,172</b>	<b>7,143,572,161</b>
Property, Plant & Equipment- Carrying Value	02	6,864,802,674	5,584,199,044
Capital Work In Progress	03	457,607,738	1,503,089,357
Goodwill		56,283,760	56,283,760
<b>Current Assets</b>		<b>7,622,264,805</b>	<b>7,798,973,675</b>
Inventories	04	2,829,705,788	3,212,755,636
Accounts Receivable	05	3,867,327,108	4,006,190,860
Advances, Deposits & Prepayments	06	295,530,986	283,520,858
Cash & Cash Equivalents	07	629,700,923	296,506,321
<b>TOTAL ASSETS</b>		<b>15,000,958,977</b>	<b>14,942,545,836</b>
<b>SHAREHOLDERS' EQUITY &amp; LIABILITIES:</b>			
<b>Shareholders' Equity</b>		<b>7,115,779,813</b>	<b>7,157,580,431</b>
Share Capital		1,972,520,000	1,972,520,000
Retained Earnings		5,143,259,813	5,185,060,431
<b>Non controlling Interest</b>	08	<b>14,949,418</b>	<b>14,940,976</b>
<b>Non-Current Liabilities</b>		<b>1,392,904,970</b>	<b>260,567,761</b>
Long Term Borrowings	09	1,110,834,959	-
Deferred Tax Liability	10	282,070,011	260,567,761
<b>Current Liabilities &amp; Provisions</b>		<b>6,477,324,776</b>	<b>7,509,456,668</b>
Short Term Bank Loan (Secured)	11	4,208,384,057	3,889,798,280
Creditors & Other Payables	12	79,406,964	87,224,604
Liabilities for Others Finance	13	333,115,826	158,642,781
Short Term Loan	14	1,731,031,720	3,277,576,394
Provision for Income Tax	15	125,386,209	96,214,609
<b>TOTAL SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>		<b>15,000,958,977</b>	<b>14,942,545,836</b>
<b>Net Asset Value Per Share</b>	23	<b>36.07</b>	<b>36.29</b>

Attached notes form parts of these Financial Statements.

Sd/-  
Tapan Chowdhury  
Chairman

Sd/-  
Ratna Patra  
Vice Chairman

Sd/-  
Samuel S Chowdhury  
Managing Director

Sd/-  
M. Habibur Rahman  
Chief Financial Officer

Sd/-  
Sanjib Baran Roy  
Company Secretary

## SQUARE Textiles Limited & It's Subsidiary

### Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited) For the 2nd Quarter Ended December 31, 2020

Particulars	Note	Half Yearly (Amount in Tk)		2nd Quarter (Amount in Tk)	
		July to Dec.	July to Dec.	Oct. to Dec.	Oct. to Dec.
		2020-21	2019-20	2020-21	2019-20
Sales Revenue	16	5,446,855,207	5,346,847,570	2,836,865,604	2,792,421,021
Cost of Goods Sold	17	4,920,412,712	4,795,554,540	2,524,133,381	2,526,773,421
<b>Gross Profit</b>		<b>526,442,495</b>	<b>551,293,030</b>	<b>312,732,223</b>	<b>265,647,600</b>
Administrative Overhead	18	118,324,389	135,624,126	58,863,849	66,679,154
Selling and Distribution Overhead	19	9,308,632	9,070,544	4,595,118	4,654,089
<b>Profit from Operations</b>		<b>398,809,474</b>	<b>406,598,360</b>	<b>249,273,256</b>	<b>194,314,357</b>
Finance Cost	20	209,262,111	187,189,843	92,292,338	92,967,963
Non-Operating Income	21	26,892,995	5,224,957	(1,870,111)	3,953,965
<b>Profit Before W.P.P.F &amp; W.F</b>		<b>216,440,358</b>	<b>224,633,474</b>	<b>155,110,807</b>	<b>105,300,359</b>
Allocation for W.P.P.F & W.F		10,306,684	10,696,832	7,386,229	5,014,303
<b>Profit Before Tax</b>		<b>206,133,674</b>	<b>213,936,642</b>	<b>147,724,578</b>	<b>100,286,056</b>
Provision for Tax (Current)	15	29,171,600	40,918,411	16,079,300	11,491,512
Deferred Tax Expenses (Income)	10	21,502,250	7,607,115	18,808,660	3,950,503
<b>Profit After Tax for The Period</b>		<b>155,459,824</b>	<b>165,411,116</b>	<b>112,836,618</b>	<b>84,844,041</b>
<b>Non-Controlling Interest</b>		<b>8,442</b>	<b>398,415</b>	<b>6,848</b>	<b>171,818</b>
<b>Net Income for the Period</b>		<b>155,451,382</b>	<b>165,012,701</b>	<b>112,829,770</b>	<b>84,672,223</b>

(Transferred to the Statement of Changes in Equity)

<b>Earnings Per Share (EPS)</b>	<b>22</b>	<b>0.79</b>	<b>0.84</b>	<b>0.57</b>	<b>0.43</b>
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Attached notes form parts of these Financial Statements.

Sd/-  
Tapan Chowdhury  
Chairman

Sd/-  
Ratna Patra  
Vice Chairman

Sd/-  
Samuel S Chowdhury  
Managing Director

Sd/-  
M. Habibur Rahman  
Chief Financial Officer

Sd/-  
Sanjib Baran Roy  
Company Secretary

# SQUARE Textiles Limited & It's Subsidiary

## Consolidated Statement of Changes in Equity (Unaudited) For the 2nd Quarter Ended December 31, 2020

Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2020	1,972,520,000	5,185,060,431	7,157,580,431
Net Profit For the 2nd Quarter Ended December 31, 2020	-	155,451,382	155,451,382
Cash Dividend for 2019-20	-	(197,252,000)	(197,252,000)
<b>Balance As at December 31, 2020</b>	<b>1,972,520,000</b>	<b>5,143,259,813</b>	<b>7,115,779,813</b>

## Consolidated Statement of Changes in Equity (Unaudited) For the 2nd Quarter Ended December 31, 2019

Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2019	1,972,520,000	5,526,237,447	7,498,757,447
Net Profit For the 2nd Quarter Ended December 31, 2019	-	165,012,701	165,012,701
Cash Dividend for 2018-19	-	(394,504,000)	(394,504,000)
<b>Balance As at December 31, 2019</b>	<b>1,972,520,000</b>	<b>5,296,746,148</b>	<b>7,269,266,148</b>

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Chief Financial Officer

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Sanjib Baran Roy  
Company Secretary

# SQUARE Textiles Limited & It's Subsidiary

## Consolidated Statement of Cash flows (Unaudited) For the 2nd Quarter Ended December 31, 2020

Particulars	Notes	Amount (Tk)	
		July to December 2020-21	July to December 2019-20
<b>Cash Flows from Operating Activities:</b>			
Receipts from Sales Revenue		5,585,718,959	5,230,856,094
Exchange Fluctuation Gain (Realization from Transection)		(3,962,519)	3,841,840
Receipts/ (Payment) from Other Income/ Expenses		29,724,570	276,000
<b>Total Receipts</b>		<b>5,611,481,010</b>	<b>5,234,973,934</b>
Payments to Suppliers		(3,197,494,967)	(3,268,039,268)
Paid for Operating & Non-operating Expenses		(1,167,626,637)	(1,107,649,146)
Interest Expenses Paid		(119,551,663)	(97,422,405)
Income Tax Paid		(29,171,600)	(57,806,793)
<b>Total Payments</b>		<b>(4,513,844,867)</b>	<b>(4,530,917,612)</b>
<b>Net Cash Generated (Used in) from Operating Activities</b>		<b>1,097,636,143</b>	<b>704,056,322</b>
<b>Cash Flows from Investing Activities:</b>			
Purchase of Property, Plant & Equipment		(547,607,531)	(706,787,305)
Sales of Property, Plant & Equipment		4,649,400	-
<b>Net Cash Generated (Used in) from Investing Activities</b>		<b>(542,958,131)</b>	<b>(706,787,305)</b>
<b>Cash Flows from Financing Activities:</b>			
Long Term Loan Received/ (Repaid)		1,110,834,959	-
Short Term Bank Loan Received/ (Repaid)		318,585,777	39,362,345
Short Term Loan from/ (To) Sister Company		(1,649,865,541)	25,235,921
<b>Net Cash Generated (Used in) from Financing Activities</b>		<b>(220,444,805)</b>	<b>64,598,266</b>
<b>Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>		<b>334,233,207</b>	<b>61,867,283</b>
<b>Net effect of foreign currency translation</b>		<b>(1,038,605)</b>	<b>1,107,116</b>
<b>Opening Cash &amp; Cash Equivalents</b>		<b>296,506,321</b>	<b>180,632,712</b>
<b>Closing Cash &amp; Cash Equivalents</b>		<b>629,700,923</b>	<b>243,607,111</b>
<b>Net Operating Cash Flows Per Share</b>		<b>5.56</b>	<b>3.57</b>

Sd/-  
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# SQUARE TEXTILES LIMITED AND ITS SUBSIDIARY

## Notes to the Consolidated Interim Financial Statements (Unaudited) For the 2nd Quarter Ended December 31, 2020

### 01. Basis of preparation of the Consolidated Interim Financial Statements:

These Financial Statements (They) are the unaudited consolidated interim financial statements (hereafter "The Consolidated Interim Financial Statements") of Square Textiles Limited and Square Texcom Limited, Companies incorporated in Bangladesh under Companies Act 1913 & 1994, for the 2nd quarter ended December 31, 2020 (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 on June 30, 2020, 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.

We understand that our business is growing every year that means our assets are performing according to intention of procurement and in sum up the discounted future cash flow from the operation of the assets would be positive if we dispose those assets at the date of financial reporting. But presently we have on intension to dispose these assets, so it is not required to record the impairment gain as provisions of IAS-36.

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

The Company has no reportable operating segments as per requirement of IFRS-8, "Operating Segments".

There is no significant even after the end of the interim period that has to be reflected in the Consolidated Financial Statements for the interim period except.

Figures have been rounded off to the nearest Taka.

	31-Dec-20	30-Jun-20
<b>02. Consolidated Property, Plant &amp; Equipment: Tk.</b>	<b>6,864,802,674</b>	
Details of Property, Plant & Equipment and Depreciation as at December 31, 2020 are as below:		
<b>Fixed Assets at Cost</b>		
Opening Balance	10,873,378,928	10,742,926,989
Addition during the Year	1,593,089,150	155,478,961
Sale/ Obsolete during the Year	(13,205,971)	(25,027,022)
<b>Closing Balance(Cost)</b>	<b>12,453,262,107</b>	<b>10,873,378,928</b>
<b>Accumulated Depreciation</b>		
Opening Balance	5,289,179,884	4,729,826,737
Charged during the Year	310,005,669	573,409,711
Adjustment for sale/Obsolete	(10,726,120)	(14,056,564)
	<b>5,588,459,433</b>	<b>5,289,179,884</b>
<b>Carrying Value</b>	<b>Tk. 6,864,802,674</b>	<b>5,584,199,044</b>

		<u>31-Dec-20</u>	<u>30-Jun-20</u>
<b>03. Capital Work In Progress: Tk.</b>	<b>457,607,738</b>		
Capital Work In Progress		457,607,738	1,503,089,357
<b>Tk.</b>		<b>457,607,738</b>	<b>1,503,089,357</b>

The amount of Capital Work In Progress includes cost of R&D Project and some BMRE activities.

<b>04. Consolidated Inventories: Tk.</b>	<b>2,829,705,788</b>		
<b>Stocks of Raw Materials</b>		<b>2,580,053,164</b>	<b>2,977,078,425</b>
Raw Materials		2,196,339,719	2,425,754,931
Raw Materials In Transit		101,400,944	66,728,856
Packing Materials		16,824,142	15,953,264
Work - in - process		97,385,863	124,403,202
Finished Goods		168,102,496	344,238,172
<b>Stocks of Spares</b>		<b>249,652,624</b>	<b>235,677,211</b>
Spares at Store		246,551,168	229,837,814
Spares in Transit		3,101,456	5,839,397
<b>Tk.</b>		<b>2,829,705,788</b>	<b>3,212,755,636</b>

<b>05. Consolidated Accounts Receivable: Tk.</b>	<b>3,867,327,108</b>		
Aging of the above balance is as follows:			
Below 60 days		1,764,271,163	1,625,432,952
Within 61-120 days		1,043,512,945	701,610,840
Above 120 days		1,059,543,000	1,679,147,068
<b>Tk.</b>		<b>3,867,327,108</b>	<b>4,006,190,860</b>

a) There was no amount due from the Directors (Including Managing Director), Managing Agent, Manager and other Officers of the Company and any of them severally or jointly with any other person.

b) The carrying amount of Trade Debtors pledged as security.

c) Accounts Receivable is secured, considered as good and is falling due within one year.

<b>06. Consolidated Advances, Deposits &amp; Prepayments: Tk.</b>	<b>295,530,986</b>		
<b>This is made up of the followings:</b>			
<b>Advance</b>		<b>176,919,764</b>	<b>165,122,907</b>
Income Tax		95,146,876	65,975,276
Salary & PF Current account		229,940	468,080
Other Expenses		26,659,538	28,644,702
Suppliers & Contractor		54,883,410	70,034,849
<b>Deposits</b>		<b>118,611,222</b>	<b>118,397,951</b>
Security Deposit		106,528,762	106,523,162
Margin on Bank Guarantee		12,082,460	11,874,789
<b>Tk.</b>		<b>295,530,986</b>	<b>283,520,858</b>

<b>07. Consolidated Cash &amp; Cash Equivalents: Tk.</b>	<b>629,700,923</b>		
This is made up of the followings:			
Cash in hand		8,617,180	5,923,021
Cash at Bank		621,083,743	290,583,300
<b>Tk.</b>		<b>629,700,923</b>	<b>296,506,321</b>

<b>08. Non Controlling Interest: Tk.</b>	<b>14,949,418</b>		
5,000 shares of Tk 100 at par of Square Texcom Ltd.		500,000	500,000
Shares of Accumulated Profit		14,449,418	14,440,976
		<b>14,949,418</b>	<b>14,940,976</b>

		31-Dec-20	30-Jun-20
<b>09. Long Term Borrowings (Secured): Tk.</b>	<b>1,110,834,959</b>		
HSBC Bank		1,000,000,000	-
Infrastructure Development Company (IDCOL)		118,465,791	-
Less: Current Portion of Long Term Borrowings		(7,630,832)	-
<b>Tk.</b>		<b>1,110,834,959</b>	<b>-</b>

<b>10. Consolidated Deferred Tax Liability: Tk.</b>	<b>282,070,011</b>		
Opening Balance		260,567,761	279,327,185
Deferred tax Expenses/ (Income)		21,502,250	(18,759,424)
<b>Closing Balance</b>	<b>Tk.</b>	<b>282,070,011</b>	<b>260,567,761</b>

This represents tax liability payable in future due to accumulated taxable temporary differences (Above deferred tax balance creates only from difference between accounting basis depreciation and tax basis depreciation on fixed assets). We don't have any other assets or liabilities except fixed assets for provision of Deferred Tax liabilities to present in details form for unused tax losses and unused tax credits.

**a) Deferred Tax Liability is arrived at as follows:**

Carrying Value of Depreciable Fixed Assets	6,148,878,993	4,868,275,363
Less: Tax Base Carrying Value	(4,268,412,252)	(3,131,156,951)
<b>Taxable Temporary Difference</b>	<b>1,880,466,741</b>	<b>1,737,118,412</b>
Tax Rate	15.00%	15.00%
<b>Closing Deferred Tax Liability</b>	<b>282,070,011</b>	<b>260,567,761</b>
Less: Opening Deferred Tax Liability	(260,567,761)	(279,327,185)
<b>Deferred Tax (Income) / Expense</b>	<b>21,502,250</b>	<b>(18,759,424)</b>

<b>11. Consolidated Short Term Bank Loan (Secured): Tk.</b>	<b>4,208,384,057</b>		
Bank Overdraft	-	64,544,195	
Current Portion of Long Term Borrowings	7,630,832	-	
Revolving Loan	2,230,000,000	800,000,000	
Loan ag. Export Bill Discount	6,270,349	-	
Deferred LC Loan	1,964,482,876	3,025,254,085	
<b>Tk.</b>	<b>4,208,384,057</b>	<b>3,889,798,280</b>	

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

<b>12. Consolidated Creditors &amp; Others Payable: Tk.</b>	<b>79,406,964</b>		
Provision for Audit Fees	-	506,000	
Provision for Utility Bill	55,458,007	60,619,289	
Provision for Salary & Allowances	11,068,307	7,360,303	
Others	12,880,650	18,739,012	
	<b>79,406,964</b>	<b>87,224,604</b>	

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

<b>13. Consolidated Liabilities for Other Finance: Tk.</b>	<b>333,115,826</b>		
PF, WPPF & Other Fund	10,306,684	19,297,308	
Provision for Gratuity	42,580,253	42,580,253	
Dividend Unclaimed	250,655,560	53,581,472	
Others	29,573,329	43,183,748	
<b>Tk.</b>	<b>333,115,826</b>	<b>158,642,781</b>	

Due to provision of cash dividend of Tk.197,252,000 for the year of 2019-20, Liabilities for Other Finance shown higher balance compared to previous period.

<b>14. Consolidated Short Term Loan: Tk.</b>	<b>1,731,031,720</b>		
Loan To (From) Sqaure Pharma. Ltd.	1,731,031,720	3,277,576,394	
<b>Short Term Loan Received</b>	<b>Tk.</b>	<b>1,731,031,720</b>	<b>3,277,576,394</b>

		31-Dec-20	30-Jun-20
<b>15. Consolidated Provision for Income Tax: Tk.</b>	<b>125,386,209</b>		
Opening Balance		96,214,609	78,908,344
Adjustment with Advance Tax		-	(47,214,381)
Current Year Provision		29,171,600	64,520,646
<b>Closing Balance</b>	<b>Tk.</b>	<b>125,386,209</b>	<b>96,214,609</b>
<b>Calculation of Effective Tax Rate:</b>			
Current Income Tax Expenses		29,171,600	40,918,411
Deferred Tax Expenses/ (Income)		21,502,250	7,607,115
<b>Total Tax Expenses</b>		<b>50,673,850</b>	<b>48,525,526</b>
Effective Tax Rate (Total Tax Expenses / Profit Before Tax)		24.58%	22.68%
		July-20 to Dec-20	July-19 to Dec-19
<b>16. Consolidated Sales Revenue: Tk.</b>	<b>5,446,855,207</b>		
Export Sale of Yarns		5,446,855,207	5,346,847,570
	<b>Tk.</b>	<b>5,446,855,207</b>	<b>5,346,847,570</b>
During the period sales increased by BDT 10.00 (1.87%) crore due to incremental production under some BMRE investment.			
<b>17. Consolidated Cost of Goods Sold: Tk.</b>	<b>4,920,412,712</b>		
Raw Materials Consumed		3,586,524,676	3,593,903,698
Factory Overhead (Note: 17.01)		1,333,888,036	1,201,650,842
<b>Cost of Goods Sold</b>	<b>Tk.</b>	<b>4,920,412,712</b>	<b>4,795,554,540</b>
During the period Raw Material cost decreased by BDT 0.74 (-0.21%) crore due to decrease of cotton price in international market.			
<b>17.01. Factory Overhead: Tk.</b>	<b>1,333,888,036</b>		
Factory Wages, Salary & Allowances		448,881,717	413,384,791
Production Workers' Free Lunch		2,207,983	2,196,993
Fuel, Petrol, Light, Diesel etc.		39,370,718	21,703,092
Electricity, Gas & Water		374,395,788	324,651,647
Factory Consumable Expense		21,664,016	24,985,653
Repairs & Maintenance of Vehicles		8,658,668	8,496,543
Industrial All Risk Insurance Premium		10,071,540	9,609,092
Govt. Tax, VAT & License Fees		436,189	369,452
Security Services		12,874,202	12,499,566
Spare Parts - Machinery		101,482,034	93,644,680
Depreciation		310,005,669	284,946,029
Other Overhead		3,839,512	5,163,304
<b>Total</b>	<b>Tk.</b>	<b>1,333,888,036</b>	<b>1,201,650,842</b>
<b>18. Consolidated Administrative Overhead: Tk.</b>	<b>118,324,389</b>		
Salary and Allowances		64,249,937	59,194,872
Directors' Remuneration		24,000,000	21,557,478
Overseas Travelling		5,271,495	32,777,033
Vehicles Running & Maintenance		4,268,750	4,339,792
Fees & Subscription		4,075,885	2,795,241
Rental Expenses		7,557,258	5,560,065
Office Consumable Expense		740,875	693,578
Electricity, Gas & Water		1,618,957	1,498,796
Software & Hardware Support Expenses		986,237	1,116,059
Head Office Employees' Free Lunch		1,019,240	1,177,887
Annual General Meeting Expenses		539,168	237,379
Other Expenses		3,996,587	4,675,946
<b>Total</b>	<b>Tk.</b>	<b>118,324,389</b>	<b>135,624,126</b>
Directors' Remuneration is not included the Member Directors of "Audit Committee" and "Nomination & Remuneration Committee"			
<b>19. Consolidated Selling &amp; Distribution Overhead: Tk.</b>	<b>9,308,632</b>		
Export Sale Expenses		6,416,367	7,383,315
Loading & unloading		2,892,265	1,687,229
<b>Total</b>	<b>Tk.</b>	<b>9,308,632</b>	<b>9,070,544</b>

	July-20 to Dec-20	July-19 to Dec-19
<b>20. Finance Cost: Tk.</b>	<b>209,262,111</b>	
Interest on Deferred LC Loan	37,916,053	84,953,535
Interest on Loan ag. Export Bill Discount	2,465,502	8,129,529
Interest on OD	120,525	92,974
Interest on Short Term Loan	54,526,667	18,900,000
Interest on LongTerm Loan	10,912,497	-
Interest on Sister Concerns	103,320,867	75,113,805
<b>Tk.</b>	<b>209,262,111</b>	<b>187,189,843</b>

During the period Finance cost increased by BDT 2.21 (11.81%) crore due to Investment for new VORTEX Yarn project at

Habiganj by around BDT 200 crore and Investment for R&D with Fiber Dyeing unit and BMRE by around BDT 100 crore .

<b>21. Non-Operating Income: Tk.</b>	<b>26,892,995</b>	
Interest Income	242,946	276,000
Forfeited Provident Fund	29,481,623	-
Gain/Loss on Disposal of Assets	2,169,550	-
Forex Exchange Rate Fluctuation Gain/ (Loss)	(5,001,124)	4,948,957
<b>Tk.</b>	<b>26,892,995</b>	<b>5,224,957</b>

## 22. Earnings Per Share (EPS):

The Computation is given below:

Earning attributable to Ordinary Shares including other income	155,451,382	165,012,701
Number of Ordinary shares	197,252,000	197,252,000
<b>Earnings Per Share</b>	<b>0.79</b>	<b>0.84</b>

During the period EPS decreased by BDT 0.05 (-5.95%) due to increase of Finance Cost as well as decrease of Yarn price in international market for COVID-19 pandemic.

## 23. Net Asset Value (NAV) Per Share:

The Computation is given below:

Equity Attributable to the Owners of the Company	<b>Tk. 7,115,779,813</b>	<b>7,157,580,431</b>
Number of Ordinary shares	197,252,000	197,252,000
<b>Net Asset Value (NAV) Per Share</b>	<b>Tk. 36.07</b>	<b>36.29</b>

## 24. Net Operating Cash flows per Share (NOCFPS):

The Computation is given below:

Net Cash Generated (Used in) from Operating	<b>Tk. 1,097,636,143</b>	<b>704,056,322</b>
Number of Ordinary shares	197,252,000	197,252,000
<b>Net Operating Cash flows per Share (NOCFPS)</b>	<b>Tk. 5.56</b>	<b>3.57</b>

## 25. Reconciliation of Net Profit with Cash Flows from Operating Activities:

The Computation is given below:

<b>Profit After Tax</b>	<b>155,459,824</b>	<b>165,411,116</b>
<b>Adjustment to reconcile net profit to net cash provided by operating activities :</b>		
<b>Non-cash Expenses:</b>	<b>332,546,524</b>	<b>291,446,028</b>
Depreciation	310,005,669	284,946,029
Deferred Tax	21,502,250	7,607,115
Net effect of foreign currency translation	1,038,605	(1,107,116)

	July-20 to Dec-20	July-19 to Dec-19
<b>Non-Operating Items:</b>	<b>101,151,318</b>	<b>75,113,805</b>
Interest Expenses/ (Income) on Sister Company Loan	103,320,868	75,113,805
Gain/ (Loss) on Disposal of Assets	(2,169,550)	-
<b>Changes in working Capital:</b>	<b>508,478,477</b>	<b>172,085,373</b>
(Increase)/Decrease in Inventories	383,049,848	259,122,334
(Increase)/Decrease in Accounts Receivable	138,863,752	(115,991,476)
(Increase)/Decrease in Advances, Deposits & Prepayments	(12,010,128)	(51,023,962)
Increase/(Decrease) in Creditors & Other Payables	(7,817,640)	64,097,011
Increase/(Decrease) in Liabilities for Others Finance	(22,778,955)	(25,036,945)
Increase/(Decrease) in Income Tax Payable	29,171,600	40,918,411
<b>Net Cash Generated (Used in) from Operating Activities</b>	<b>1,097,636,143</b>	<b>704,056,322</b>

## 26. Regarding Consolidated Net Operating Cash Flows per Share:

The business (100% export oriented spinning industry) operation is volatile and realization from debtors (100% confirmed back to back LC) also very positively co-related with this, but all import payments should be made as per provision of UCPDC-600, resultant, the per share operating cash flows fluctuates from quarter to quarter, which is very common for the spinning business trend.

# SQUARE Textiles Limited

## Statement of Financial Position (Unaudited)

As at December 31, 2020

Particulars	Notes	31-Dec-20 Taka	30-Jun-20 Taka
<b>ASSETS:</b>			
<b>Non-Current Assets</b>		<b>7,175,708,495</b>	<b>6,917,214,940</b>
Property, Plant & Equipment- Carrying Value	02	6,242,390,427	4,933,468,123
Capital Work In Progress	03	443,984,108	1,494,412,857
Investment - Long Term (At Cost)		489,333,960	489,333,960
<b>Current Assets</b>		<b>7,080,858,948</b>	<b>7,272,822,724</b>
Inventories	04	2,585,217,027	2,946,881,714
Accounts Receivable	05	3,588,085,578	3,693,864,711
Advances, Deposits & Prepayments	06	265,752,371	254,040,909
Short Term Loan	07	67,587,457	140,003,283
Cash & Cash Equivalents	08	574,216,515	238,032,107
<b>TOTAL ASSETS</b>		<b>14,256,567,443</b>	<b>14,190,037,664</b>
<b>SHAREHOLDERS' EQUITY &amp; LIABILITIES:</b>			
<b>Shareholders' Equity</b>		<b>6,832,167,560</b>	<b>6,881,279,862</b>
Share Capital		1,972,520,000	1,972,520,000
Retained Earnings		4,859,647,560	4,908,759,862
<b>Non-Current Liabilities</b>		<b>1,346,797,101</b>	<b>214,694,410</b>
Long Term Borrowings	09	1,110,834,959	-
Deferred Tax Liability	10	235,962,142	214,694,410
<b>Current Liabilities &amp; Provisions</b>		<b>6,077,602,782</b>	<b>7,094,063,392</b>
Short Term Bank Loan (Secured)	11	3,841,968,090	3,512,688,525
Creditors & Other Payables	12	73,279,387	78,389,484
Liabilities for Others Finance	13	321,869,303	142,087,355
Short Term Loan	14	1,731,031,720	3,277,576,394
Provision for Income Tax	15	109,454,282	83,321,634
<b>TOTAL SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>		<b>14,256,567,443</b>	<b>14,190,037,664</b>
<b>Net Asset Value Per Share</b>	<b>27</b>	<b>34.64</b>	<b>34.89</b>

Attached notes form parts of these Financial Statements.

Sd/-  
Tapan Chowdhury  
Chairman

Sd/-  
Ratna Patra  
Vice Chairman

Sd/-  
Samuel S Chowdhury  
Managing Director

Sd/-  
M. Habibur Rahman  
Chief Financial Officer

Sd/-  
Sanjib Baran Roy  
Company Secretary

# SQUARE Textiles Limited

## Statement of Profit or Loss and Other Comprehensive Income (Unaudited) For the 2nd Quarter Ended December 31, 2020

Particulars	Note	Half Yearly (Amount inTk)		2nd Quarter (Amount inTk)	
		July to Dec.	July to Dec.	Oct. to Dec.	Oct. to Dec.
		2020-21	2019-20	2020-21	2019-20
Sales Revenue	16	4,985,339,563	4,905,333,428	2,577,426,146	2,565,611,881
Cost of Goods Sold	17	4,484,883,954	4,394,449,858	2,280,096,702	2,317,346,050
<b>Gross Profit</b>		<b>500,455,609</b>	<b>510,883,570</b>	<b>297,329,444</b>	<b>248,265,831</b>
Administrative Overhead	18	107,919,842	121,231,187	53,846,599	60,262,374
Selling and Distribution Overhead	19	8,004,230	7,496,222	3,831,879	3,835,856
<b>Profit from Operations</b>		<b>384,531,537</b>	<b>382,156,161</b>	<b>239,650,966</b>	<b>184,167,601</b>
Finance Cost	20	206,543,933	178,344,205	91,780,009	89,039,566
Non-Operating Income	21	27,329,478	7,907,363	(1,059,857)	5,408,708
<b>Profit Before W.P.P.F &amp; W.F</b>		<b>205,317,082</b>	<b>211,719,319</b>	<b>146,811,100</b>	<b>100,536,743</b>
Allocation for W.P.P.F & W.F		9,777,004	10,081,872	6,991,005	4,787,464
<b>Profit Before Tax</b>		<b>195,540,078</b>	<b>201,637,447</b>	<b>139,820,095</b>	<b>95,749,279</b>
Provision for Tax (Current)	15	26,132,648	37,201,609	14,231,076	10,826,592
Deferred Tax Expenses (Income)	10	21,267,732	6,993,028	18,690,350	3,515,012
<b>Profit After Tax for The Period</b>		<b>148,139,698</b>	<b>157,442,810</b>	<b>106,898,669</b>	<b>81,407,675</b>

(Transferred to the Statement of Changes in Equity)

<b>Earnings Per Share (EPS)</b>	<b>26</b>	<b>0.75</b>	<b>0.80</b>	<b>0.54</b>	<b>0.41</b>
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Attached notes form parts of these Financial Statements.

Sd/-  
Tapan Chowdhury  
Chairman

Sd/-  
Ratna Patra  
Vice Chairman

Sd/-  
Samuel S Chowdhury  
Managing Director

Sd/-  
M. Habibur Rahman  
Chief Financial Officer

Sd/-  
Sanjib Baran Roy  
Company Secretary

# SQUARE Textiles Limited

## Statement of Changes in Equity (Unaudited) For the 2nd Quarter Ended December 31, 2020

Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2020	1,972,520,000	4,908,759,862	6,881,279,862
Net Profit For the 2nd Quarter Ended December 31, 2020	-	148,139,698	148,139,698
Cash Dividend for 2019-20	-	(197,252,000)	(197,252,000)
<b>Balance As at December 31, 2020</b>	<b>1,972,520,000</b>	<b>4,859,647,560</b>	<b>6,832,167,560</b>

## Statement of Changes in Equity (Unaudited) For the 2nd Quarter Ended December 31, 2019

Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2019	1,972,520,000	5,251,902,027	7,224,422,027
Net Profit For the 2nd Quarter Ended December 31, 2019	-	157,442,810	157,442,810
Cash Dividend for 2018-19	-	(394,504,000)	(394,504,000)
<b>Balance As at December 31, 2019</b>	<b>1,972,520,000</b>	<b>5,014,840,837</b>	<b>6,987,360,837</b>

Sd/-  
Tapan Chowdhury  
Chairman

Sd/-  
Ratna Patra  
Vice Chairman

Sd/-  
Samuel S Chowdhury  
Managing Director

Sd/-  
M. Habibur Rahman  
Chief Financial Officer

Sd/-  
Sanjib Baran Roy  
Company Secretary

# SQUARE Textiles Limited

## Statement of Cash flows (Unaudited) For the 2nd Quarter Ended December 31, 2020

Particulars	Notes	Amount (Tk)	
		July to December 2020-21	July to December 2019-20
<b>Cash Flows from Operating Activities:</b>			
Receipts from Sales Revenue		5,091,118,696	4,775,932,639
Exchange Fluctuation Gain (Realization from Transaction)		(3,836,366)	3,374,300
Receipts/ (Payment) from Other Income/ Expenses		27,836,103	232,693
<b>Total Receipts</b>		<b>5,115,118,433</b>	<b>4,779,539,632</b>
Payments to Suppliers		(2,903,350,205)	(3,026,465,673)
Paid for Operating & Non-operating Expenses		(1,064,403,545)	(992,449,670)
Interest Expenses Paid		(111,442,427)	(90,518,587)
Income Tax Paid		(26,132,648)	(53,894,113)
<b>Total Payments</b>		<b>(4,105,328,825)</b>	<b>(4,163,328,043)</b>
<b>Net Cash Generated (Used in) from Operating Activities</b>		<b>1,009,789,608</b>	<b>616,211,589</b>
<b>Cash Flows from Investing Activities:</b>			
Purchase of Property, Plant & Equipment		(542,079,601)	(658,139,033)
Sales of Property, Plant & Equipment		4,609,400	-
<b>Net Cash Generated (Used in) from Investing Activities</b>		<b>(537,470,201)</b>	<b>(658,139,033)</b>
<b>Cash Flows from Financing Activities:</b>			
Long Term Loan Received/ (Repaid)		1,110,834,959	-
Short Term Bank Loan Received/ (Repaid)		329,279,565	72,616,131
Short Term Loan from/ (To) SQUARE Pharmaceuticals Ltd.		(1,649,865,541)	25,235,921
Short Term Loan from/ (To) SQUARE Texcom Ltd.		74,596,557	(5,331,183)
<b>Net Cash Generated (Used in) from Financing Activities</b>		<b>(135,154,460)</b>	<b>92,520,869</b>
<b>Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>		<b>337,164,947</b>	<b>50,593,425</b>
<b>Net effect of foreign currency translation</b>		<b>(980,539)</b>	<b>1,016,104</b>
<b>Opening Cash &amp; Cash Equivalents</b>		<b>238,032,107</b>	<b>155,346,636</b>
<b>Closing Cash &amp; Cash Equivalents</b>		<b>574,216,515</b>	<b>206,956,165</b>
<b>Net Operating Cash flows per Share</b>		<b>5.12</b>	<b>3.12</b>

Sd/-  
Tapan Chowdhury  
Chairman

Sd/-  
Ratna Patra  
Vice Chairman

Sd/-  
Samuel S Chowdhury  
Managing Director

Sd/-  
M. Habibur Rahman  
Chief Financial Officer

Sd/-  
Sanjib Baran Roy  
Company Secretary

# SQUARE TEXTILES LIMITED

## Notes to the Interim Financial Statements (Unaudited) For the 2nd Quarter Ended December 31, 2020

### 01. Basis of preparation of the Interim Financial Statements:

These Financial Statements (They) are the unaudited interim Financial statement (here after 'the Interim Financial Statements') of Square Textiles Ltd. , for the 2nd Quarter Ended on December 31, 2020 (here after the interim period). They are prepared in accordance with the Bangladesh Accounting Standard (IAS-34) 'Interim Financial Reporting'. These financial statement should read in conjunction with the Annual Financial Statements as of June 30, 2020, as they provide an update of previous 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.

We understand that our business is growing every year that means our assets are performing according to intention of procurement and in sum up the discounted future cash flow from the operation of the assets would be positive if we dispose those assets at the date of financial reporting. But presently we have on intension to dispose these assets, so it is not required to record the impairment gain as provisions of IAS-36.

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

The Company has no reportable operating segments as per requirement of IFRS-8, "Operating Segments".

Figures have been rounded off to the nearest Taka.

	31-Dec-20	30-Jun-20
<b>02. Property, Plant &amp; Equipment: Tk.</b>	<b>6,242,390,427</b>	
Details of Property, Plant & Equipment and Depreciation as at December 31, 2020 are as below:		
<b>Fixed Assets at Cost</b>		
Opening Balance	9,809,975,786	9,744,255,806
Addition during the Year	1,592,508,350	77,819,980
Sale/ Obsolete during the Year	(12,785,221)	(12,100,000)
<b>Closing Balance(Cost)</b>	<b>11,389,698,915</b>	<b>9,809,975,786</b>
<b>Accumulated Depreciation</b>		
Opening Balance	4,876,507,663	4,369,522,594
Charged during the Year	281,106,195	513,776,868
Adjustment for sale/Obsolete	(10,305,370)	(6,791,799)
	<b>5,147,308,488</b>	<b>4,876,507,663</b>
<b>Carrying Value</b>	<b>Tk. 6,242,390,427</b>	<b>4,933,468,123</b>

		31-Dec-20	30-Jun-20
<b>03. Capital Work In Progress: Tk.</b>	<b>443,984,108</b>		
Capital Work In Progress		443,984,108	1,494,412,857
<b>Tk.</b>		<b>443,984,108</b>	<b>1,494,412,857</b>

The amount of Capital Work In Progress includes cost of R&D Project and some BMRE activities.

<b>04. Inventories: Tk.</b>	<b>2,585,217,027</b>		
<b>Stocks of Raw Materials</b>		<b>2,353,537,119</b>	<b>2,728,036,083</b>
Raw Materials		2,026,446,222	2,243,666,211
Raw Materials In Transit		77,007,684	57,986,482
Packing Materials		15,666,583	14,937,386
Work - in - process		87,940,485	104,774,292
Finished Goods		146,476,145	306,671,712
<b>Stocks of Spares</b>		<b>231,679,908</b>	<b>218,845,631</b>
Spares at Store		229,359,257	213,286,079
Spares in Transit		2,320,651	5,559,552
<b>Tk.</b>		<b>2,585,217,027</b>	<b>2,946,881,714</b>

<b>05. Accounts Receivable: Tk.</b>	<b>3,588,085,578</b>		
Aging of the above balance is as follows:			
Below 60 days		1,607,034,192	1,507,104,875
Within 61-120 days		966,480,129	659,273,663
Above 120 days		1,014,571,257	1,527,486,173
<b>Tk.</b>		<b>3,588,085,578</b>	<b>3,693,864,711</b>

a) There was no amount due from the Directors (Including Managing Director), Managing Agent, Manager and other Officers of the Company and any of them severally or jointly with any other person.

b) The carrying amount of Trade Debtors pledged as security.

c) Accounts Receivable is secured, considered as good and is falling due within one year.

<b>06. Advances, Deposits &amp; Prepayments: Tk.</b>	<b>265,752,371</b>
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This is made up of the followings:

<b>Advance</b>		<b>159,011,204</b>	<b>147,513,013</b>
Income Tax		82,437,772	56,305,124
Salary & PF Current account		226,940	464,000
Other Expenses		23,138,693	23,214,570
Suppliers & Contractor		53,207,799	67,529,319
<b>Deposits</b>		<b>106,741,167</b>	<b>106,527,896</b>
Security Deposit		95,496,962	95,491,362
Margin on Bank Guarantee		11,244,205	11,036,534
<b>Tk.</b>		<b>265,752,371</b>	<b>254,040,909</b>

<b>07. Short Term Loan (Unsecured): Tk.</b>	<b>67,587,457</b>		
Loan To (From) Square Texcom Ltd.		67,587,457	140,003,283
<b>Short Term Loan Given</b>	<b>Tk.</b>	<b>67,587,457</b>	<b>140,003,283</b>

		31-Dec-20	30-Jun-20
<b>08. Cash &amp; Cash Equivalents: Tk.</b>	<b>574,216,515</b>		
This is made up of the followings:			
Cash in hand		7,431,069	4,945,337
Cash at Bank		566,785,446	233,086,770
	<b>Tk.</b>	<b>574,216,515</b>	<b>238,032,107</b>

<b>09. Long Term Borrowings (Secured): Tk.</b>	<b>1,110,834,959</b>		
HSBC Bank		1,000,000,000	-
Infrastructure Development Company (IDCOL)		118,465,791	-
Less: Current Portion of Long Term Borrowings		(7,630,832)	-
	<b>Tk.</b>	<b>1,110,834,959</b>	<b>-</b>

<b>10. Deferred Tax Liability: Tk.</b>	<b>235,962,142</b>		
Opening Balance		214,694,410	235,701,174
Deferred tax Income		-	(21,006,764)
Deferred tax Expenses		21,267,732	-
<b>Closing Balance</b>	<b>Tk.</b>	<b>235,962,142</b>	<b>214,694,410</b>

This represents tax liability payable in future due to accumulated taxable temporary differences (Above deferred tax balance creates only from difference between accounting basis depreciation and tax basis depreciation on fixed assets). We don't have any other assets or liabilities except fixed assets for provision of Deferred Tax liabilities to present in details form for unused tax losses and unused tax credits.

**a) Deferred Tax Liability is arrived at as follows:**

Carrying Value of Depreciable Fixed Assets	5,566,395,610	4,257,473,306
Less: Tax Base Carrying Value	(3,993,314,662)	(2,826,177,237)
<b>Taxable Temporary Difference</b>	<b>1,573,080,948</b>	<b>1,431,296,069</b>
Tax Rate	15.00%	15.00%
<b>Closing Deferred Tax Liability</b>	<b>235,962,142</b>	<b>214,694,410</b>
Less: Opening Deferred Tax Liability	(214,694,410)	(235,701,174)
<b>Deferred Tax (Income) / Expense</b>	<b>21,267,732</b>	<b>(21,006,764)</b>

<b>11. Short Term Bank Loan (Secured): Tk.</b>	<b>3,841,968,090</b>		
Bank Overdraft		-	58,218,295
Current Portion of Long Term Borrowings		7,630,832	-
Revolving Loan		2,230,000,000	800,000,000
Loan ag. Export Bill Discount		6,270,349	-
Deferred LC Loan		1,598,066,909	2,654,470,230
	<b>Tk.</b>	<b>3,841,968,090</b>	<b>3,512,688,525</b>

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

<b>12. Creditors &amp; Others Payable: Tk.</b>	<b>73,279,387</b>		
Provision for Audit Fees		-	460,000
Provision for Utility Bill		51,877,347	58,283,301
Provision for Salary & Allowances		11,068,307	7,360,303
Others		10,333,733	12,285,880
		<b>73,279,387</b>	<b>78,389,484</b>

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

	31-Dec-20	30-Jun-20
<b>13. Liabilities for Other Finance: Tk.</b>	<b>321,869,303</b>	
PF, WPPF & Other Fund	9,777,004	18,849,783
Provision for Gratuity	32,869,815	32,869,815
Dividend Unclaimed	250,655,560	53,581,472
Others	28,566,924	36,786,285
<b>Tk.</b>	<b>321,869,303</b>	<b>142,087,355</b>

Due to provision of cash dividend of Tk.197,252,000 for the year of 2019-20, Liabilities for Other Finance shown higher balance compared to previous period.

<b>14. Short Term Loan: Tk.</b>	<b>1,731,031,720</b>	
Loan To (From) Sqaure Pharma. Ltd.	1,731,031,720	3,277,576,394
<b>Short Term Loan Received</b>	<b>Tk. 1,731,031,720</b>	<b>3,277,576,394</b>

<b>15. Provision for Income Tax: Tk.</b>	<b>109,454,282</b>	
Opening Balance	83,321,634	70,751,117
Adjustment with Advance Tax	-	(47,214,381)
Provision made for the period (Note: 15.01)	26,132,648	59,784,898
<b>Closing Balance</b>	<b>Tk. 109,454,282</b>	<b>83,321,634</b>

**Note: 15.01: Provision made for the period**

A) Net Current Tax Liability on Profit Basis	10,796,228	36,107,072
B) Tax Liability on Sales Revenue Basis	17,947,222	34,219,175
C) Advance Income Tax (Source Tax) Paid Under ITO-1984	26,132,648	56,305,125
Higher Amount of Tax Under Above Calculation (A:B:C)	<b>26,132,648</b>	<b>56,305,125</b>
Add/ Less: Short/ (Excess) provision for Prior period	-	3,479,773
<b>Income Tax Provision for the period</b>	<b>26,132,648</b>	<b>59,784,898</b>

Since the source tax deducted under Income Tax Ordinance 1984 for Tk. 26,132,648 is higher than the applicable tax on Profit before tax (Tk. 10,796,228) and minimum Tax on Revenue under ITO-1984 (Tk. 17,947,222), so the higher is provided as Tax Expense for the period ended December 31, 2020.

**Calculation of Effective Tax Rate:**

Current Income Tax Expenses	26,132,648	37,201,609
Deferred Tax Expenses/ (Income)	21,267,732	6,993,028
<b>Total Tax Expenses</b>	<b>47,400,380</b>	<b>44,194,637</b>
Effective Tax Rate (Total Tax Expenses / Profit Before Tax)	<b>24.24%</b>	<b>21.92%</b>
	<b>July-20 to Dec-20</b>	<b>July-19 to Dec-19</b>

<b>16. Sales Revenue: Tk.</b>	<b>4,985,339,563</b>	
Export Sale of Yarns	4,985,339,563	4,905,333,428
<b>Tk.</b>	<b>4,985,339,563</b>	<b>4,905,333,428</b>

During the period sales increased by BDT 8 (1.63%) crore due to incremental production under some BMRE investment.

<b>17. Cost of Goods Sold: Tk.</b>	<b>4,484,883,954</b>	
This is arrived as follows:		
Raw Materials Consumed	3,272,561,161	3,316,382,700
Factory Overhead (Note:17.01)	1,212,322,793	1,078,067,158
<b>Cost of Goods Sold</b>	<b>Tk. 4,484,883,954</b>	<b>4,394,449,858</b>

During the period Raw Material cost decreased by BDT 4.38 (-1.32%) crore due to decrease of cotton price in international market..

	July-20 to Dec-20	July-19 to Dec-19
<b>17.01. Factory Overhead: Tk.</b>	<b>1,212,322,793</b>	
Factory Wages, Salary & Allowances	397,837,738	363,662,292
Production Workers' Free Lunch	2,008,277	1,899,560
Fuel, Petrol, Light, Diesel etc.	37,384,394	19,537,907
Electricity, Gas & Water	350,703,361	297,756,472
Factory Consumable Expense	19,551,630	22,463,553
Repairs & Maintenance of Vehicles	7,718,253	7,457,114
Industrial All Risk Insurance Premium	7,699,293	7,327,595
Govt.Tax, VAT & License Fees	44,679	260,500
Security Services	11,013,551	10,456,509
Spare Parts - Machinery	93,799,891	86,661,882
Depreciation	281,106,195	256,003,016
Other Overhead	3,455,531	4,580,758
<b>Total</b>	<b>Tk. 1,212,322,793</b>	<b>1,078,067,158</b>

<b>18. Administrative Overhead: Tk.</b>	<b>107,919,842</b>	
Salary and Allowances	57,450,536	50,112,954
Directors' Remuneration	24,000,000	21,557,478
Overseas Travelling	3,329,454	28,809,564
Vehicles Running & Maintenance	4,017,231	4,114,693
Fees & Subscription	3,235,402	2,498,548
Rental Expenses	7,557,258	5,560,065
Office Consumable Expense	688,719	628,226
Electricity, Gas & Water	1,618,957	1,498,796
Software & Hardware Support Expenses	790,510	945,513
Head Office Employees' Free Lunch	998,659	1,139,022
Annual General Meeting Expenses	539,168	237,379
Other Expenses	3,693,948	4,128,949
<b>Total</b>	<b>Tk. 107,919,842</b>	<b>121,231,187</b>

Directors' Remuneration is not included the Member Director of "Audit Committee" and "Nomination & Remuneration Committee"

<b>19. Selling &amp; Distribution Overhead: Tk.</b>	<b>8,004,230</b>	
This is arrived as follows:		
Export Sale Expenses	5,534,574	6,269,769
Loading & unloading	2,469,656	1,226,453
<b>Total</b>	<b>Tk. 8,004,230</b>	<b>7,496,222</b>

<b>20. Finance Cost: Tk.</b>	<b>206,543,933</b>	
Interest on Deferred LC Loan	35,202,002	76,180,586
Interest on Loan ag. Export Bill Discount	2,465,502	8,129,529
Interest on OD	116,398	20,285
Interest on Short Term Loan	54,526,667	18,900,000
Interest on LongTerm Loan	10,912,497	-
Interest on Sister Concerns	103,320,867	75,113,805
	<b>Tk. 206,543,933</b>	<b>178,344,205</b>

During the period Finance cost increased by BDT 2.82 (15.81%) crore due to Investment for new VORTEX Yarn project at Habiganj by around BDT 200 crore and Investment for R&D with Fiber Dyeing unit and BMRE by around BDT 100 crore .

	July-20 to Dec-20	July-19 to Dec-19
<b>21. Non-Operating Income: Tk.</b>	<b>27,329,478</b>	
Interest Income	2,423,677	3,516,959
Forfeited Provident Fund	27,593,156	-
Gain/Loss on Disposal of Assets	2,129,550	-
Forex Exchange Rate Fluctuation Gain/ (Loss)	(4,816,905)	4,390,404
<b>Tk.</b>	<b>27,329,478</b>	<b>7,907,363</b>

## 22. Key Management Personnel Compensation:

During the year, the amount of compensation paid to Key Management Personnel including Board of Directors is as under (As para 17 of IAS 24):

Short Term Employee Benefits	63,573,888	63,368,511
Post Employment Benefits	16,191,302	2,577,454
Other Long Term Benefits	-	-
Termination Benefits	-	-
Share Based Payment	-	-

	31-Dec-20	30-Jun-20
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## 23. Related Party Transaction:

During the year, the Company carried out a number of transactions with related parties in the normal course of business and on an arms' length basis. The name of related parties, nature of relationship and their total value have been set out in accordance with the provisions of IAS 24: Related Party Disclosure.

### 01. Transaction with Sqaure Pharma. Ltd. (SPL):

Opening Balance	(3,277,576,394)	(2,168,788,505)
Total Received	(1,253,455,326)	(3,274,786,839)
Total Paid	2,800,000,000	2,165,998,950
<b>Closing Balance- Receivable/ (Payable)</b>	<b>Tk. (1,731,031,720)</b>	<b>(3,277,576,394)</b>

### 02. Transaction with Square Texcom Ltd. (STCL):

Opening Balance	140,003,283	161,617,019
Total Paid	65,585,543	323,611,285
Total Received	(138,001,369)	(345,225,021)
<b>Closing Balance- Receivable/ (Payable)</b>	<b>Tk. 67,587,457</b>	<b>140,003,283</b>

### 03. Transaction with Aegis Services Ltd. (ASL):

Opening Balance	-	-
Total Service Received	(16,169,864)	(20,512,629)
Total Paid	11,045,653	20,512,629
<b>Closing Balance- Receivable/ (Payable)</b>	<b>Tk. (5,124,211)</b>	<b>-</b>

### 04. Transaction with Square Informatix Ltd. (SIL):

Opening Balance	-	-
Total Service Received	(2,652,143)	(4,359,305)
Total Paid	2,472,214	4,359,305
<b>Closing Balance- Receivable/ (Payable)</b>	<b>Tk. (179,929)</b>	<b>-</b>

### 05. Transaction with Square Hospitals Ltd. (SHL):

Opening Balance	(201,937)	-
Total Service Received	(1,375,228)	(733,945)
Total Paid	1,577,165	532,008
<b>Closing Balance- Receivable/ (Payable)</b>	<b>Tk. -</b>	<b>(201,937)</b>

	31-Dec-20	30-Jun-20
<b>06. Transaction with Square Fashions Ltd. (SFL):</b>		
Opening Balance	330,135,734	319,233,143
Total Goods Delivered	268,426,319	848,929,680
Total Received	(389,503,167)	(838,027,089)
<b>Closing Balance- Receivable/ (Payable)</b>	<b>Tk. 209,058,886</b>	<b>330,135,734</b>
<b>07. Transaction with Square Denims Ltd. (SDL):</b>		
Opening Balance	157,466,237	175,953,745
Total Goods Delivered	189,346,087	416,568,106
Total Received	(228,680,316)	(435,055,614)
<b>Closing Balance- Receivable/ (Payable)</b>	<b>Tk. 118,132,008</b>	<b>157,466,237</b>
<b>08. Transaction with Square Apparels Ltd. (SAPL):</b>		
Opening Balance	239,108,927	105,560,271
Total Goods Delivered	245,601,329	476,802,220
Total Received	(291,360,138)	(343,253,564)
<b>Closing Balance- Receivable/ (Payable)</b>	<b>Tk. 193,350,118</b>	<b>239,108,927</b>

#### 24. Contingent Liability:

Contingent Liability of the Company was Tk. 119.82 Crore as on December 31, 2020 for opening LCs by the banks in favour of foreign suppliers for raw materials and spares.

#### 25. Event after Balance sheet date:

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

Dividend for the year ended June 30, 2020 has been made provision to the shareholders @ 10% cash on par value of Share that approved by the shareholders in the AGM held on December 15, 2020. The dividend amount for Tk. 197,252,000/= already paid on January 07, 2021.

	July-20 to Dec-20	July-19 to Dec-19
<b>26. Earnings Per Share (EPS):</b>		
The Computation is given below:		
Earning attributable to Ordinary Shares		
including other income	Tk. 148,139,698	157,442,810
Number of Ordinary shares	197,252,000	197,252,000
<b>Earnings Per Share</b>	<b>Tk. 0.75</b>	<b>0.80</b>

During the period EPS decreased by BDT 0.05 (-6.25%) due to decreased sales price of yarn for COVID-19 pandemic as well as increased of production cost and finance cost.

#### 27. Net Asset Value (NAV) Per Share:

The Computation is given below:		
Equity Attributable to the Owners of the Company	Tk. 6,832,167,560	6,881,279,862
Number of Ordinary shares	197,252,000	197,252,000
<b>Net Asset Value (NAV) Per Share</b>	<b>Tk. 34.64</b>	<b>34.89</b>

#### 28. Net Operating Cash flows per Share (NOCFPS):

The Computation is given below:		
Net Cash Generated (Used in) from Operating Activities	Tk. 1,009,789,608	616,211,589
Number of Ordinary shares	197,252,000	197,252,000
<b>Net Operating Cash flows per Share (NOCFPS)</b>	<b>Tk. 5.12</b>	<b>3.12</b>

	July-20 to Dec-20	July-19 to Dec-19
<b>29. Reconciliation of Net Profit with Cash Flows from Operating Activities:</b>		
The Computation is given below:		
<b>Profit After Tax</b>	<b>148,139,698</b>	<b>157,442,810</b>
<b>Adjustment to reconcile net profit to net cash provided by operating activities :</b>		
<b>Non-cash Expenses:</b>	<b>303,354,466</b>	<b>261,979,940</b>
Depreciation	281,106,195	256,003,016
Deferred Tax	21,267,732	6,993,028
Net effect of foreign currency translation	980,539	(1,016,104)
<b>Non-Operating Items:</b>	<b>99,010,587</b>	<b>71,829,538</b>
Interest Expenses/ (Income) on Sister Company Loan	101,140,137	71,829,538
Gain/ (Loss) on Disposal of Assets	(2,129,550)	-
<b>Changes in working Capital:</b>	<b>459,284,857</b>	<b>124,959,301</b>
(Increase)/Decrease in Inventories	361,664,687	231,881,102
(Increase)/Decrease in Accounts Receivable	105,779,133	(129,400,789)
(Increase)/Decrease in Advances, Deposits & Prepayments	(11,711,462)	(48,717,842)
Increase/(Decrease) in Creditors & Other Payables	(5,110,097)	59,776,475
Increase/(Decrease) in Liabilities for Others Finance	(17,470,052)	(25,781,254)
Increase/(Decrease) in Income Tax Payable	26,132,648	37,201,609
<b>Net Cash Generated (Used in) from Operating Activities</b>	<b>1,009,789,608</b>	<b>616,211,589</b>

### 30. Regarding Net Operating Cash Flows per Share:

The business (100% export oriented spinning industry) operation is volatile and realization from debtors (100% confirmed back to back LC) also very positively co-related with this, but all import payments should be made as per provision of UCPDC-600, resultant, the per share operating cash flows fluctuates from quarter to quarter, which is very common for the spinning business trend.