

**Third Quarter**  
**Financial Statement 2018-2019**  
**(Unaudited)**



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

# SQUARE Textiles Limited & It's Subsidiary

## Consolidated Statement of Financial Position (Unaudited)

As at March 31, 2019

Particulars	Notes	31-Mar-19 Taka	30-Jun-18 Taka
<b>ASSETS:</b>			
<b>Non-Current Assets</b>		<b>6,560,708,556</b>	<b>5,850,815,043</b>
Property, Plant & Equipment- Carrying Value	02	5,085,713,939	4,369,283,667
Capital Work In Progress		1,418,710,857	1,425,247,616
Goodwill		56,283,760	56,283,760
<b>Current Assets</b>		<b>6,530,409,791</b>	<b>5,708,002,400</b>
Inventories	03	3,267,904,676	2,117,499,335
Accounts Receivable	04	2,644,535,231	2,537,386,382
Advances, Deposits & Prepayments	05	358,929,437	457,007,961
Cash & Cash Equivalents	06	259,040,447	596,108,722
<b>TOTAL ASSETS</b>		<b>13,091,118,347</b>	<b>11,558,817,443</b>
<b>SHAREHOLDERS' EQUITY &amp; LIABILITIES:</b>			
<b>Shareholders' Equity</b>		<b>7,424,387,816</b>	<b>7,444,414,383</b>
Share Capital		1,972,520,000	1,878,590,480
Retained Earnings		5,451,867,816	5,565,823,903
<b>Non controlling Interest</b>	07	<b>14,979,993</b>	<b>23,924,714</b>
<b>Non-Current Liabilities</b>			
Deferred Tax Liability	08	248,379,338	222,054,637
<b>Current Liabilities &amp; Provisions</b>		<b>5,403,371,200</b>	<b>3,868,423,709</b>
Short Term Bank Loan (Secured)	09	3,922,550,575	3,416,687,761
Creditors & Others Payable	10	91,516,396	131,402,995
Liabilities for Other Finance	11	149,005,838	136,623,950
Short Term Loan	12	1,020,376,322	1,385,741
Provision for Income Tax	13	219,922,069	182,323,262
<b>TOTAL SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>		<b>13,091,118,347</b>	<b>11,558,817,443</b>
<b>Net Asset Value Per Share (Restated)</b>		<b>37.64</b>	<b>37.74</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/-  
Md. Alamgir Hossain  
Chief Financial Office

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 3rd Quarter Ended March 31, 2019

Particulars	NOTE	Nine Months Results (Tk)		Third Quarter Results (Tk)	
		July to March 2018-19	July to March 2017-18	January to March 2018-19	January to March 2017-18
Sales Revenue	14	7,194,618,151	6,451,587,856	2,441,651,126	2,342,964,381
Cost of Goods Sold	15	6,381,519,794	5,804,596,714	2,150,809,231	2,103,701,567
<b>Gross Profit</b>		<b>813,098,357</b>	<b>646,991,142</b>	<b>290,841,895</b>	<b>239,262,814</b>
Administrative Overhead	16	188,493,875	179,996,822	64,211,826	56,697,766
Selling and Distribution Overhead	17	10,354,108	9,192,752	3,174,283	5,764,913
<b>Profit from Operations</b>		<b>614,250,374</b>	<b>457,801,568</b>	<b>223,455,786</b>	<b>176,800,135</b>
Finance Cost		176,075,785	72,433,840	70,719,079	35,412,195
Non-Operating Income		3,869,702	2,550,880	919,148	1,583,913
<b>Profit Before W.P.P.F &amp; W.F</b>		<b>442,044,291</b>	<b>387,918,608</b>	<b>153,655,855</b>	<b>142,971,853</b>
Allocation for W.P.P.F & W.F		21,049,727	18,472,315	7,316,945	6,808,183
<b>Profit Before Tax</b>		<b>420,994,564</b>	<b>369,446,293</b>	<b>146,338,910</b>	<b>136,163,670</b>
Provision for Tax (Current)		37,598,806	48,118,810	18,512,690	16,789,703
Provision for Tax (Deferred)		26,324,701	7,975,450	3,509,724	3,990,566
<b>Profit After Tax for The Period</b>		<b>357,071,057</b>	<b>313,352,033</b>	<b>124,316,496</b>	<b>115,383,401</b>
<b>Non-Controlling Interest</b>		<b>1,379,528</b>	<b>1,036,143</b>	<b>301,490</b>	<b>198,488</b>
<b>Net Income for the Period</b>		<b>355,691,529</b>	<b>312,315,890</b>	<b>124,015,006</b>	<b>115,184,913</b>

(Transferred to the Statement of Changes in Equity)

<b>Earnings Per Share (EPS)- Restate</b>	<b>18</b>	<b>1.80</b>	<b>1.58</b>	<b>0.63</b>	<b>0.58</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/-  
Md. Alamgir Hossain  
Chief Financial Office

Sd/-  
Sanjib Baran Roy  
Company Secretary

## SQUARE Textiles Limited & It's Subsidiary

### Consolidated Statement of Changes in Equity (Unaudited) For the 3rd Quarter Ended March 31, 2019

Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2018	1,878,590,480	5,565,823,903	7,444,414,383
Net Profit for the 3rd Quarter Ended March 31, 2019	-	355,691,529	355,691,529
Cash Dividend for 2017-18	-	(375,718,096)	(375,718,096)
Stock Dividend for 2017-18	93,929,520	(93,929,520)	-
<b>Balance As at March 31, 2019</b>	<b>1,972,520,000</b>	<b>5,451,867,816</b>	<b>7,424,387,816</b>

### Consolidated Statement of Changes in Equity (Unaudited) For the 3rd Quarter Ended March 31, 2018

Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2017	1,789,133,790	5,556,051,868	7,345,185,658
Net Profit for the 3rd Quarter Ended March 31, 2018	-	312,315,890	312,315,890
Cash Dividend for 2016-17	-	(357,826,758)	(357,826,758)
Stock Dividend for 2016-17	89,456,690	(89,456,690)	-
<b>Balance As at March 31, 2018</b>	<b>1,878,590,480</b>	<b>5,421,084,310</b>	<b>7,299,674,790</b>

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Company Secretary

# SQUARE Textiles Limited & It's Subsidiary

## Consolidated Statement of Cash flows (Unaudited)

For the 3rd Quarter Ended March 31, 2019

Particulars	Amount (Tk)	
	July to March 2018-19	July to March 2017-18
<b>Cash Flows from Operating Activities:</b>		
Receipts from Sales Revenue	7,087,469,302	6,062,908,131
Exchange Fluctuation Gain	3,654,099	2,170,984
Receipts from Other Income	215,603	379,896
<b>Total Receipts</b>	<b>7,091,339,004</b>	<b>6,065,459,011</b>
Payments to Suppliers	(5,839,286,340)	(4,388,818,373)
Paid for Operating & Non-operating Expenses	(1,456,698,237)	(1,558,878,917)
Interest Expenses Paid	(144,392,027)	(61,281,583)
Income Tax Paid	(42,480,935)	(47,007,907)
<b>Total Payments</b>	<b>(7,482,857,539)</b>	<b>(6,055,986,780)</b>
<b>Net Cash Generated (Used in) from Operating Activities</b>	<b>(391,518,535)</b>	<b>9,472,231</b>
<b>Cash Flows from Investing Activities:</b>		
Sales (Purchase) of Property, Plant & Equipment	(1,075,890,976)	(722,955,290)
Paid for Non controlling Interest for Merger of SYL	(9,287,050)	-
<b>Net Cash Generated (Used in) from Investing Activities</b>	<b>(1,085,178,026)</b>	<b>(722,955,290)</b>
<b>Cash Flows from Financing Activities:</b>		
Short Term Bank Loan Received/ (Repaid)	505,862,814	649,571,810
Short Term Loan from/ (To) Sister Company	1,009,483,568	20,598,244
Payment of Dividend	(375,718,096)	(357,826,758)
<b>Net Cash Generated (Used in) from Financing Activities</b>	<b>1,139,628,286</b>	<b>312,343,296</b>
<b>Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(337,068,275)</b>	<b>(401,139,763)</b>
<b>Opening Cash &amp; Cash Equivalents</b>	<b>489,666,295</b>	<b>862,921,763</b>
<b>Cash Balance of SYL from Merger</b>	<b>106,442,427</b>	<b>-</b>
<b>Closing Cash &amp; Cash Equivalents</b>	<b>259,040,447</b>	<b>461,782,000</b>
<b>Net Operating Cash Flows Per Share(Restated)</b>	<b>(1.98)</b>	<b>0.05</b>

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Company Secretary

# SQUARE TEXTILES LIMITED AND ITS SUBSIDIARIES

## Notes to the Consolidated Interim Financial Statements (Unaudited) For The 3rd Quarter Ended March 31, 2019

### 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 3rd quarter ended March 31, 2019 (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, 2018, 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 Segment".

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.

As per verdict of Hon'ble High Court, Square Yarns Limited (SYL) merged with Square Textiles Limited (STxL) with effect from January 01, 2019. These financials include business result and financial positions of Square Yarns Limited (SYL) for the period ended on December 31, 2018 to give clear understanding and comparability with last year published un-audit consolidated third quarterly (March 31, 2018) report of Square Textiles Limited.

Figures have been rounded off to the nearest Taka.

### 02. Consolidated Property, Plant & Equipment: Tk. 5,085,713,939

Details of Property, Plant & Equipment and Depreciation as at March 31, 2019 are as below:

	31-Mar-19	30-Jun-18
<b>Fixed Assets at Cost</b>		
Opening Balance	8,813,079,842	8,561,946,086
Addition during the Year	1,095,715,178	265,969,327
Addition of SYL before Merger	754,057	-
Sale/ Obsolete during the Year	(219,837,243)	(14,835,571)
<b>Closing Balance(Cost)</b>	<b>9,689,711,834</b>	<b>8,813,079,842</b>

	31-Mar-19	30-Jun-18
<b>Accumulated Depreciation</b>		
Opening Balance	4,443,796,175	4,047,294,966
Charged during the Year	308,709,877	409,249,836
Charged of SYL before Merger	57,287,587	-
Adjustment for sale/Obsolete	(205,795,744)	(12,748,627)
	<b>4,603,997,895</b>	<b>4,443,796,175</b>
<b>Carrying Value</b>	<b>Tk. 5,085,713,939</b>	<b>4,369,283,667</b>

**03. Consolidated Inventories: Tk. 3,267,904,676**

<b>Stocks of Raw Materials</b>	<b>3,000,616,035</b>	<b>1,851,301,619</b>
Raw Materials	2,454,826,582	1,316,945,017
Raw Materials In Transit	162,468,776	253,946,100
Packing Materials	41,931,735	13,842,823
Work - in - process	97,785,117	73,007,237
Finished Goods	243,603,825	193,560,442
<b>Stocks of Spares</b>	<b>267,288,641</b>	<b>266,197,716</b>
Spares at Store	262,062,810	239,896,287
Spares in Transit	5,225,831	26,301,429
	<b>Tk. 3,267,904,676</b>	<b>2,117,499,335</b>

**04. Consolidated Accounts Receivable: Tk. 2,644,535,231**

Aging of the above balance is as follows:

Below 60 days	1,247,577,508	1,043,624,024
Within 61-120 days	1,051,887,804	1,194,206,454
Above 120 days	345,069,919	299,555,904
	<b>Tk. 2,644,535,231</b>	<b>2,537,386,382</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. Classification schedule as required by Schedule XI of Companies Act 1994.

**05. Consolidated Advances, Deposits & Prepayments: Tk 358,929,437**

**This is made up of the followings:**

<b>Advance</b>	<b>276,326,256</b>	<b>375,973,570</b>
Income Tax	195,522,059	153,041,124
Salary & PF Current account	1,359,000	2,244,602
Other Expenses	11,766,252	21,702,776
Suppliers & Contractor	67,678,945	198,985,068
<b>Deposits</b>	<b>82,603,181</b>	<b>81,034,391</b>
Security Deposit	73,798,648	70,924,398
Margin on Bank Guarantee	8,804,533	10,109,993
	<b>Tk. 358,929,437</b>	<b>457,007,961</b>

	31-Mar-19	30-Jun-18
<b>06. Consolidated Cash &amp; Cash Equivalents: Tk.</b>	<b>259,040,447</b>	
This is made up of the followings:		
Cash in hand	5,542,548	7,535,794
Cash at Bank	253,497,899	588,572,928
<b>Tk.</b>	<b>259,040,447</b>	<b>596,108,722</b>

<b>07. Non Controlling Interest: Tk.</b>	<b>14,979,993</b>	
5,000 shares of Tk 100 at par of Square Yarns Limited	-	500,000
5,000 shares of Tk 100 at par of Square Texcom Ltd.	500,000	500,000
Shares of Accumulated Profit	14,479,993	22,924,714
	<b>14,979,993</b>	<b>23,924,714</b>

<b>08. Consolidated Deferred Tax Liability: Tk.</b>	<b>248,379,338</b>	
Opening Balance	222,054,637	203,277,250
Deferred tax Adjustment/ Assets	-	(5,346,547)
Adjustment of SYL Before Merger	(4,325,444)	-
Deferred tax Liabilities	30,650,145	24,123,934
Closing Balance	<b>248,379,338</b>	<b>222,054,637</b>

This represents tax liability payable in future due to accumulated taxable temporary differences (Above deferred tax balance create only from difference between accounting basis depreciation and tax basis depreciation on fixed assets).

<b>09. Consolidated Short Term Bank Loan (Secured): Tk.</b>	<b>3,922,550,575</b>	
Bank Overdraft	4,078,792	5,569,544
Revolving Loan	800,000,000	-
Deferred LC Loan	3,118,471,783	3,411,118,217
<b>Tk.</b>	<b>3,922,550,575</b>	<b>3,416,687,761</b>

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

<b>10. Consolidated Creditors &amp; Others Payable: Tk.</b>	<b>91,516,396</b>	
Creditors & Others Payable	91,516,396	131,402,995
	<b>91,516,396</b>	<b>131,402,995</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>11. Consolidated Liabilities for Other Finance: Tk.</b>	<b>149,005,838</b>	
Retention Money	1,781,837	1,781,837
WPPF & Other Fund	17,229,294	27,128,907
Others	129,994,707	107,713,206
<b>Tk.</b>	<b>149,005,838</b>	<b>136,623,950</b>

<b>12. Consolidated Short Term Loan: Tk.</b>	<b>(1,020,376,322)</b>	
Loan To (From) Sqaure Pharma. Ltd.	(1,020,376,322)	(1,385,741)
<b>Short Term Loan Received</b>	<b>Tk. (1,020,376,322)</b>	<b>(1,385,741)</b>



	31-Mar-19	30-Jun-18
<b>13. Consolidated Provision for Income Tax: Tk.</b>	<b>219,922,069</b>	
Opening Balance	182,323,262	368,938,056
Adjustment with Advance Tax	-	(250,943,247)
Provision of SYL Before Merger	15,878,889	-
Provision made for the period	21,719,918	64,328,453
Closing Balance	<b>Tk. 219,922,069</b>	<b>182,323,262</b>

	July-March 2018-19	July-March 2017-18
<b>14. Consolidated Sales Revenue: Tk.</b>	<b>7,194,618,151</b>	
Export Sale of Yarns	7,194,618,151	6,451,587,856
	<b>Tk. 7,194,618,151</b>	<b>6,451,587,856</b>

During the period sales increased by BDT 74.30 (11.52%) crore due to incremental production in Vortex project at Habiganj.

<b>15. Consolidated Cost of Goods Sold: Tk.</b>	<b>6,381,519,794</b>	
Raw Materials Consumed	4,656,600,407	4,073,501,430
Factory Overhead	1,724,919,387	1,731,095,284
<b>Cost of Goods Sold</b>	<b>Tk. 6,381,519,794</b>	<b>5,804,596,714</b>

<b>16. Consolidated Administrative Overhead: Tk.</b>	<b>188,493,875</b>	
Salary and Allowances	91,713,568	90,122,812
Directors' Remuneration	29,963,067	26,824,347
Overseas Travelling	25,800,660	20,468,447
Vehicles Running & Maintenance	7,671,219	11,546,481
Fees & Subscription	10,168,524	8,954,401
Rental Expenses	9,758,709	7,902,510
Office Consumable Expense	2,081,993	1,983,069
Electricity, Gas & Water	2,786,162	1,570,672
Software & Hardware Support Expenses	1,822,028	2,067,041
Head Office Employees' Free Lunch	982,523	1,873,051
Annual General Meeting Expenses	356,970	1,534,445
Other Expenses	5,388,452	5,149,546
<b>Total</b>	<b>Tk. 188,493,875</b>	<b>179,996,822</b>

<b>17. Consolidated Selling &amp; Distribution Overhead: Tk.</b>	<b>10,354,108</b>	
Export Sale Expenses	6,755,894	7,326,287
Loading & unloading	3,598,214	1,866,465
<b>Total</b>	<b>Tk. 10,354,108</b>	<b>9,192,752</b>

<b>18. Consolidated Earnings Per Share (EPS):</b>		
Earning attributable to Ordinary Shares including other income	<b>Tk. 355,691,529</b>	312,315,890
Number of Ordinary shares	197,252,000	197,252,000
<b>Earnings Per Share</b>	<b>Tk. 1.80</b>	<b>1.58</b>

The company has completed Vortex project at Habiganj and started commercial production from July 2018, which generated additional revenue with capacity of around 10/ton per day.

**19. 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. During the period under review cash flows from operating activities declined due to increase of inventory by TK.115.04 crore and debtor's by TK.10.71 crore for additional production capacity in Vortex project at Habiganj and seasonal inventory procurement.

# SQUARE Textiles Limited

## Statement of Financial Position (Unaudited) As at March 31, 2019

	Notes	31-Mar-19 Taka	30-Jun-18 Taka
<b>ASSETS:</b>			
<b>Non-Current Assets</b>		<b>6,336,421,279</b>	<b>4,994,687,046</b>
Property, Plant & Equipment- Carrying Value	02	4,449,032,918	3,001,819,096
Capital Work In Progress		1,398,054,482	1,408,534,071
Investment - Long Term (At Cost)		489,333,879	584,333,879
<b>Current Assets</b>		<b>6,129,332,809</b>	<b>4,430,793,243</b>
Inventories	03	3,057,817,875	1,478,552,169
Accounts Receivable	04	2,380,461,203	1,999,834,667
Advances, Deposits & Prepayments	05	327,060,742	391,186,509
Short Term Loan	06	136,304,678	123,843,099
Cash & Cash Equivalents	07	227,688,311	437,376,799
<b>TOTAL ASSETS</b>		<b>12,465,754,088</b>	<b>9,425,480,289</b>
<b>SHAREHOLDERS' EQUITY &amp; LIABILITIES:</b>			
<b>Shareholders' Equity</b>		<b>7,149,267,836</b>	<b>5,386,033,532</b>
Share Capital		1,972,520,000	1,878,590,480
Retained Earnings		5,176,747,836	3,507,443,052
<b>Non-Current Liabilities</b>			
Deferred Tax Liability	08	210,980,791	128,579,505
<b>Current Liabilities &amp; Provisions</b>		<b>5,105,505,461</b>	<b>3,910,867,252</b>
Short Term Bank Loan (Secured)	09	3,644,810,289	2,897,754,665
Creditors & Others Payable	10	86,262,649	79,467,584
Liabilities for Other Finance	11	140,535,836	116,974,941
Short Term Loan	12	1,020,376,322	724,638,161
Provision for Income Tax	13	213,520,365	92,031,901
<b>TOTAL SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>		<b>12,465,754,088</b>	<b>9,425,480,289</b>
<b>Net Asset Value Per Share (Restated)</b>		<b>36.24</b>	<b>27.31</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/-  
Md. Alamgir Hossain  
Chief Financial Office

Sd/-  
Sanjib Baran Roy  
Company Secretary

# SQUARE Textiles Limited

## Statement of Profit or Loss and Other Comprehensive Income (Unaudited) For the 3rd Quarter Ended March 31, 2019

Particulars	NOTE	Nine Months Results (Tk)		Third Quarter Results (Tk)	
		July to March 2018-19	July to March 2017-18	January to March 2018-19	January to March 2017-18
Sales Revenue	14	5,787,217,216	4,343,728,385	2,197,669,153	1,602,292,943
Cost of Goods Sold	15	5,133,023,540	3,878,283,893	1,927,846,192	1,420,666,085
<b>Gross Profit</b>		<b>654,193,676</b>	<b>465,444,492</b>	<b>269,822,961</b>	<b>181,626,858</b>
Administrative Overhead	16	159,612,058	147,902,973	58,658,251	49,095,348
Selling and Distribution Overhead	17	7,998,862	5,816,463	2,776,671	3,695,554
<b>Profit from Operations</b>		<b>486,582,756</b>	<b>311,725,056</b>	<b>208,388,039</b>	<b>128,835,956</b>
Finance Cost		156,906,644	54,376,485	65,960,876	24,294,084
Non-Operating Income	18	6,239,575	4,346,751	2,750,178	1,573,301
<b>Profit Before W.P.P.F &amp; W.F</b>		<b>335,915,687</b>	<b>261,695,322</b>	<b>145,177,341</b>	<b>106,115,173</b>
Allocation for W.P.P.F & W.F		15,995,985	12,461,682	6,913,207	5,053,103
<b>Profit Before Tax</b>		<b>319,919,702</b>	<b>249,233,640</b>	<b>138,264,134</b>	<b>101,062,070</b>
Provision for Tax (Current)		19,744,315	26,504,608	17,763,099	12,054,215
Provision for Tax (Deferred)		28,867,598	11,315,113	3,251,539	3,262,425
<b>Profit After Tax for The Period</b>		<b>271,307,789</b>	<b>211,413,919</b>	<b>117,249,496</b>	<b>85,745,430</b>

(Transferred to the Statement of Changes in Equity)

<b>Earnings Per Share (EPS)- Restated</b>	22	<b>1.38</b>	<b>1.07</b>	<b>0.59</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/-  
Md. Alamgir Hossain  
Chief Financial Office

Sd/-  
Sanjib Baran Roy  
Company Secretary

# SQUARE Textiles Limited

## Statement of Changes in Equity (Unaudited) For the 3rd Quarter Ended March 31, 2019

Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2018	1,878,590,480	3,507,443,052	5,386,033,532
Net Profit for the 3rd Quarter Ended March 31, 2019	-	271,307,789	271,307,789
Cash Dividend for 2017-18	-	(375,718,096)	(375,718,096)
Stock Dividend for 2017-18	93,929,520	(93,929,520)	-
Balance from Amalgamation of SQUARE Yarns Ltd.	-	1,867,644,611	1,867,644,611
<b>Balance As at March 31, 2019</b>	<b>1,972,520,000</b>	<b>5,176,747,836</b>	<b>7,149,267,836</b>

## Statement of Changes in Equity (Unaudited) For the 3rd Quarter Ended March 31, 2018

Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2017	1,789,133,790	3,663,812,572	5,452,946,362
Net Profit for the 3rd Quarter Ended March 31, 2018	-	211,413,919	211,413,919
Cash Dividend for 2016-17	-	(357,826,758)	(357,826,758)
Stock Dividend for 2016-17	89,456,690	(89,456,690)	-
<b>Balance As at March 31, 2018</b>	<b>1,878,590,480</b>	<b>3,427,943,043</b>	<b>5,306,533,523</b>

Sd/-  
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Ratna Patra  
Vice Chairman

Sd/-  
Samuel S Chowdhury  
Managing Director

Sd/-  
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Chief Financial Office

Sd/-  
Sanjib Baran Roy  
Company Secretary

# SQUARE Textiles Limited

## Statement of Cash flows (Unaudited) For the 3rd Quarter Ended March 31, 2019

Particulars	Notes	Amount (Tk)	
		July to March 2018-19	July to March 2017-18
<b>Cash Flows from Operating Activities:</b>			
Receipts from Sales Revenue		5,668,730,674	4,146,677,362
Exchange Fluctuation Gain		2,740,281	1,526,762
Receipts from Other Income		201,661	344,736
<b>Total Receipts</b>		<b>5,671,672,616</b>	<b>4,148,548,860</b>
Payments to Suppliers		(4,832,948,488)	(2,927,548,658)
Paid for Operating & Non-operating Expenses		(1,131,478,661)	(1,098,445,117)
Interest Expenses Paid		(125,643,515)	(42,674,546)
Income Tax Paid		(34,637,923)	(29,364,387)
<b>Total Payments</b>		<b>(6,124,708,587)</b>	<b>(4,098,032,708)</b>
<b>Net Cash Generated (Used in) from Operating Activities</b>		<b>(453,035,971)</b>	<b>50,516,152</b>
<b>Cash Flows from Investing Activities:</b>			
Sales (Purchase) of Property, Plant & Equipment		(1,081,324,204)	(692,599,682)
Paid for Non controlling Interest for Merger of SYL		(9,287,050)	-
<b>Net Cash Generated (Used in) from Investing Activities</b>		<b>(1,090,611,254)</b>	<b>(692,599,682)</b>
<b>Cash Flows from Financing Activities:</b>			
Short Term Bank Loan Received/ (Repaid)		560,478,246	642,468,075
Short Term Loan from/ (To) Sister Company		1,085,488,407	297,229,562
Payment of Dividend		(375,718,096)	(357,826,758)
<b>Net Cash Generated (Used in) from Financing Activities</b>		<b>1,270,248,557</b>	<b>581,870,879</b>
<b>Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>		<b>(273,398,668)</b>	<b>(60,212,651)</b>
<b>Opening Cash &amp; Cash Equivalents</b>		<b>437,376,799</b>	<b>373,083,455</b>
<b>Cash Balance of SYL from Merger</b>		<b>63,710,180</b>	<b>-</b>
<b>Closing Cash &amp; Cash Equivalents</b>		<b>227,688,311</b>	<b>312,870,804</b>
<b>Net Operating Cash flows per Share (Restated)</b>		<b>(2.30)</b>	<b>0.26</b>

Sd/-  
Tapan Chowdhury  
Chairman

Sd/-  
Ratna Patra  
Vice Chairman

Sd/-  
Samuel S Chowdhury  
Managing Director

Sd/-  
Md. Alamgir Hossain  
Chief Financial Office

Sd/-  
Sanjib Baran Roy  
Company Secretary

# SQUARE TEXTILES LIMITED

## Notes to the Interim Financial Statements (Unaudited)

For The 3rd Quarter Ended March 31, 2019

### 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 3rd Quarter Ended on March 31, 2019 (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, 2018, 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 Segment".

As per verdict of Hon'ble High Court, Square Yarns Limited (SYL) merged with Square Textiles Limited (STxL) with effect from January 01, 2019.

Figures have been rounded off to the nearest Taka.

### 02. Property, Plant & Equipment: Tk. 4,449,032,918

Details of Property, Plant & Equipment and Depreciation as at March 31, 2019 are as below:

	31-Mar-19	30-Jun-18
<b>Fixed Assets at Cost</b>		
Opening Balance	5,985,889,409	5,808,792,102
Balance of SYL after Merger	1,825,727,192	-
Addition during the Year	1,095,391,345	183,407,307
Sale/ Obsolete during the Year	(203,069,508)	(6,310,000)
<b>Closing Balance(Cost)</b>	<b>8,703,938,438</b>	<b>5,985,889,409</b>
<b>Accumulated Depreciation</b>		
Opening Balance	2,984,070,313	2,750,311,205
Balance of SYL after Merger	1,205,388,269	-
Charged during the Year	264,928,895	240,069,108
Adjustment for sale/Obsolete	(199,481,957)	(6,310,000)
	<b>4,254,905,520</b>	<b>2,984,070,313</b>
<b>Carrying Value</b>	<b>Tk. 4,449,032,918</b>	<b>3,001,819,096</b>

	31-Mar-19	30-Jun-18
<b>03. Inventories: Tk.</b>	<b>3,057,817,875</b>	
<b>Stocks of Raw Materials</b>	<b>2,808,095,536</b>	<b>1,267,037,971</b>
Raw Materials	2,340,892,323	987,719,563
Raw Materials In Transit	120,118,645	77,114,929
Packing Materials	39,179,265	10,534,616
Work - in - process	82,457,202	42,694,518
Finished Goods	225,448,101	148,974,345
<b>Stocks of Spares</b>	<b>249,722,339</b>	<b>211,514,198</b>
Spares at Store	246,323,383	194,217,841
Spares in Transit	3,398,956	17,296,357
<b>Tk.</b>	<b>3,057,817,875</b>	<b>1,478,552,169</b>

**04. Accounts Receivable: Tk. 2,380,461,203**

Aging of the above balance is as follows:

Below 60 days	1,128,785,819	864,286,947
Within 61-120 days	954,623,495	902,795,356
Above 120 days	297,051,889	232,752,364
<b>Tk.</b>	<b>2,380,461,203</b>	<b>1,999,834,667</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. Classification schedule as required by Schedule XI of Companies Act 1994.

**05. Advances, Deposits & Prepayments: Tk. 327,060,742**

**This is made up of the followings:**

<b>Advance</b>	<b>255,919,457</b>	<b>334,833,685</b>
Income Tax	186,842,453	125,021,010
Salary & PF Current account	1,356,000	1,995,000
Other Expenses	9,919,686	14,458,064
Suppliers & Contractor	57,801,318	193,359,611
<b>Deposits</b>	<b>71,141,285</b>	<b>56,352,824</b>
Security Deposit	63,122,583	49,539,729
Margin on Bank Guarantee	8,018,702	6,813,095
<b>Tk.</b>	<b>327,060,742</b>	<b>391,186,509</b>

**06. Short Term Loan (Unsecured): Tk. 136,304,678**

Loan To (From) Square Texcom Ltd.	136,304,678	123,843,099
<b>Short Term Loan Given</b>	<b>136,304,678</b>	<b>123,843,099</b>



		31-Mar-19	30-Jun-18
<b>07. Cash &amp; Cash Equivalents: Tk.</b>	<b>227,688,311</b>		
This is made up of the followings:			
Cash in hand		4,591,686	5,619,110
Cash at Bank		223,096,625	431,757,689
	<b>Tk.</b>	<b>227,688,311</b>	<b>437,376,799</b>

<b>08. Deferred Tax Liability: Tk.</b>	<b>210,980,791</b>		
Opening Balance		128,579,505	109,649,529
Deferred tax Adjustment/ Assets		-	-
Balance of Deferred tax Liabilities of SYL		53,533,688	-
Deferred tax Liabilities		28,867,598	18,929,976
Closing Balance	<b>Tk.</b>	<b>210,980,791</b>	<b>128,579,505</b>

This represents tax liability payable in future due to accumulated taxable temporary differences (Above deferred tax balance create only from difference between accounting basis depreciation and tax basis depreciation on fixed assets).

<b>09. Short Term Bank Loan (Secured): Tk.</b>	<b>3,644,810,289</b>		
Bank Overdraft		4,078,792	5,569,544
Revolving Loan		800,000,000	-
Deferred LC Loan		2,840,731,497	2,892,185,121
	<b>Tk.</b>	<b>3,644,810,289</b>	<b>2,897,754,665</b>

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

<b>10. Creditors &amp; Others Payable: Tk.</b>	<b>86,262,649</b>		
Creditors & Others Payable		86,262,649	79,467,584
		<b>86,262,649</b>	<b>79,467,584</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>11. Liabilities for Other Finance: Tk.</b>	<b>140,535,836</b>		
Retention Money		1,714,756	1,714,756
WPPF & Other Fund		15,995,985	17,402,229
Others		122,825,095	97,857,956
	<b>Tk.</b>	<b>140,535,836</b>	<b>116,974,941</b>

<b>12. Short Term Loan: Tk.</b>	<b>(1,020,376,322)</b>		
Loan To (From) Sqaure Pharma. Ltd.		(1,020,376,322)	(1,385,741)
Loan To (from) Square Yarns Ltd.		-	(723,252,420)
<b>Short Term Loan Received</b>	<b>Tk.</b>	<b>(1,020,376,322)</b>	<b>(724,638,161)</b>

<b>13. Provision for Income Tax: Tk.</b>	<b>213,520,365</b>		
Opening Balance		92,031,901	182,829,429
Adjustment with Advance Tax		-	(128,998,205)
Balance of Provision for tax Liabilities of SYL		101,744,149	-
Provision made for the period		19,744,315	38,200,677
Closing Balance	<b>Tk.</b>	<b>213,520,365</b>	<b>92,031,901</b>

	July-March 2018-19	July-March 2017- 18
<b>14. Sales Revenue: Tk.</b>	<b>5,787,217,216</b>	
Export Sale of Yarns	5,787,217,216	4,343,728,385
<b>Tk.</b>	<b>5,787,217,216</b>	<b>4,343,728,385</b>

During the period sales increased by BDT 144.35 (33.23%) crore due to incremental production in Vortex project at Habiganj and inclusion of three months operational result of Square Yarns Limited after merger.

<b>15. Cost of Goods Sold: Tk.</b>	<b>5,133,023,540</b>	
This is arrived as follows:		
Raw Materials Consumed	3,809,208,428	2,686,275,826
Factory Overhead	1,323,815,112	1,192,008,067
<b>Cost of Goods Sold</b>	<b>Tk. 5,133,023,540</b>	<b>3,878,283,893</b>

<b>16. Administrative Overhead: Tk.</b>	<b>159,612,058</b>	
This is arrived as follows:		
Salary and Allowances	73,141,900	74,210,192
Directors' Remuneration	29,963,067	26,824,347
Overseas Travelling	18,750,910	10,743,590
Vehicles Running & Maintenance	7,024,801	10,477,783
Fees & Subscription	9,691,731	7,400,616
Rental Expenses	9,656,709	6,574,212
Office Consumable Expense	1,842,186	1,626,087
Electricity, Gas & Water	2,363,842	1,311,944
Software & Hardware Support Expenses	1,441,570	1,324,562
Head Office Employees' Free Lunch	937,723	1,812,376
Annual General Meeting Expenses	356,970	1,534,445
Other Expenses	4,440,649	4,062,819
<b>Total</b>	<b>Tk. 159,612,058</b>	<b>147,902,973</b>

<b>17. Selling &amp; Distribution Overhead: Tk.</b>	<b>7,998,862</b>	
This is arrived as follows:		
Export Sale Expenses	4,973,390	4,533,022
Loading & unloading	3,025,472	1,283,441
<b>Total</b>	<b>Tk. 7,998,862</b>	<b>5,816,463</b>

<b>18. Non-Operating Income: Tk.</b>	<b>6,239,575</b>	
Interest Income	3,499,294	2,819,989
Forex Exchange Rate Fluctuation Gain/ (Loss)	2,740,281	1,526,762
<b>Tk.</b>	<b>6,239,575</b>	<b>4,346,751</b>

**19. 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	85,865,817	76,896,549
Post Employment Benefits	14,431,845	10,845,237
Other Long Term Benefits	-	-
Termination Benefits	-	-
Share Based Payment	-	-

July-March 2018-19
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July-March 2017- 18
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## 20. 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.

SQUARE Pharmaceuticals Ltd.	(1,020,376,322)	(1,385,741)
SQUARE Yarns Ltd.	-	(723,252,420)
SQUARE Texcom Ltd.	136,304,678	123,843,099
SQUARE InformatiX Ltd.	-	-
AEGIS Services Ltd.	-	-
SQUARE Hospitals Ltd.	-	-

## 21. Contingent Liability:

Contingent Liability of the Company was Tk. 117.96 Crore as on March 31, 2019 for opening LCs by the banks in favour of foreign suppliers for raw materials and spares.

## 22. Earnings Per Share (EPS):

The Computation is given below:

Earning attributable to Ordinary Shares including other income	<b>Tk.</b>	271,307,789	211,413,919
Number of Ordinary shares		197,252,000	197,252,000
<b>Earnings Per Share</b>	<b>Tk.</b>	<b>1.38</b>	<b>1.07</b>

Earnings Per Share (EPS) increased in current period due to additional revenue from new vortex project at habiganj and merger of Square Yarns Limited (SYL).

## 23. 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. During the period under review cash flows from operating activities declined due to increase of inventory by TK.110.69 crore and debtor's by TK.5.95 crore for additional production capacity in Vortex project at Habiganj and seasonal inventory procurement.