

**SQUARE TEXTILES LIMITED**  
and its Subsidiary

**FINANCIAL STATEMENT**

Year Ended June, 2022

**Consolidated**

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## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SQUARE TEXTILES LIMITED

### REPORT ON THE AUDIT OF THE CONSOLIDATED & SEPARATE FINANCIAL STATEMENTS.

#### Opinion

We have audited the consolidated financial statements of SQUARE TEXTILES LIMITED and its subsidiary (the 'Group') as well as the separate financial statements of SQUARE TEXTILES LIMITED (the 'Company') which comprise the consolidated and separate statement of financial position as at 30 June 2022 and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give true and fair view of the consolidated financial position of the Group and the separate financial position of the Company as at 30 June 2022, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters.



Key audit matter description	How the scope of our audit responded to the key audit matter.
<b>Property, plant and Equipment</b>	
<p>The carrying value of the PPE amounted to Taka 6,709,043,427 as at 30 June 2022. The valuation of PPE was identified as a key audit matter due to the significance of this balance to the financial statements.</p> <p>Expenditures are capitalized if they create new or enhance the existing assets, and expensed if they relate to repair or maintenance of the assets. Classification of the expenditures involves judgment. The useful lives of PPE items are based on management’s estimates regarding the period during which the asset or its significant components will be used. The estimates are based on historical experience and market practice and take into consideration the physical condition of the assets.</p> <p>See note no. 4 for details.</p>	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none"> <li>• We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent.</li> <li>• We obtained a listing of capital expenditures incurred during the year and, on a sample basis, checked whether the items were procured based on internal purchase order that had been properly approved by the responsible individuals.</li> <li>• We inspected a sample of invoices and L/ C documents to determine whether the classification between capital and operating expenditure was appropriate.</li> <li>• We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice.</li> <li>• We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from capital in progress to ready for use, with the date of the act of completion of the work.</li> </ul>
<b>Revenue Recognition</b>	
<p>The Group reported total revenue of Taka 17,432,248,763. Revenue is recognized when the amounts and the related costs are reliably measured and the performance obligation is complete through passing of control to the customers. Revenue from the sale of goods is recognized at the time when the goods are transferred to the buyer and control has passed.</p> <p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the group and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p> <p>We focused on the proper cut-off sale to the Group’s customers There is a risk of differences between the timing of invoicing of products and the dispatch of the products.</p> <p>See note no. 21 for details.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>• We assessed the appropriateness of revenue recognition accounting policy in line with IFRS 15 “Revenue from contracts with customers”</li> <li>• Tested the internal control over financial reporting. We also assessed the existence and accuracy of the sales recorded;</li> <li>• We performed analytical test to understand how the revenue has trended over the year among other parameters, we performed a detailed substantive testing on transactions around the year end to ensure revenues were recognized in the correct accounting period. We also tested journal entries focusing on sales transactions;</li> <li>• Verified VAT return with General Ledger.</li> <li>• We obtained supporting documents for sales, transactions recorded during the year; and</li> <li>• Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.</li> </ul>



Key audit matter description	How the scope of our audit responded to the key audit matter
<b>Valuation of Receivables</b>	
<p>The Group has a trade receivable of Taka 4,593,515,616 as at 30 June 2022.</p> <p>Trade receivable of the group comprise mainly receivables regarding the sale of yarns which is secured by Letter of Credit (L/C).</p> <p>See note no. 8 for details.</p>	<p>Our substantive procedures in relation to the assessing valuation of receivable comprises the following:</p> <ul style="list-style-type: none"> <li>• Obtained a list of outstanding receivables;</li> <li>• Reconciliation of receivables ageing to general ledger;</li> <li>• Conducting cut-off testing at the year-end;</li> <li>• Reviewing subsequent receipt of receivables balance.</li> </ul>
<b>Valuation of Inventories</b>	
<p>The amount of inventory is Taka 2,471,466,477 as at 30 June 2022 held in warehouses and across multiple product lines in factory.</p> <p>Inventories are carried at the lower of cost and net realizable value. As a result, management has applied judgement in determining the appropriate values for inventories.</p> <p>While excess holding of inventories could impact efficient use of working capital similarly lower level of inventories can result in stock outs or irregular supply to the market.</p> <p>See note no. 7 for details.</p>	<p>We obtained assurance over relevance and appropriateness of management’s assumptions applied in calculating the value of the inventories by:</p> <ul style="list-style-type: none"> <li>• Evaluating the design and implementation of key inventory controls operating across the factory and warehouse;</li> <li>• Reconciling the inventories with opening inventories, purchase, production and sales during the period and with closing inventories;</li> <li>• Testing, on a sample basis the stock expiry dates and the market price used in assessing the net realizable values of inventories of the related supporting documents.</li> <li>• Comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories.</li> </ul>
<b>Measurement of deferred tax liability</b>	
<p>The net deferred tax liability is Taka 320,533,438 as at 30 June 2022.</p> <p>Significant judgment is required in relation to deferred tax liabilities as it is dependent on forecasts of future profitability over a number of years.</p> <p>See note no. 15 for details.</p>	<p>We carried out the following substantive testing for this item.</p> <ul style="list-style-type: none"> <li>• We checked deferred tax expenses and liabilities in the financial statements and compare them with the Group’s calculation and records;</li> <li>• We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group’s key controls over the recognition and measurement of deferred tax liabilities and the assumptions used in estimating the Group’s future taxable income.</li> <li>• We involved tax specialists to assess key assumptions, controls, recognition and measurement of deferred tax liabilities.</li> <li>• We also assessed the appropriateness of presentation of disclosures against IAS-12 Income Taxes.</li> </ul>



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## Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditors report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and the separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of consolidated and separate financial statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, The Securities and Exchange Rules 1987, relevant notifications issued by Bangladesh Securities and Exchange Commission and other applicable laws and regulation and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a



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guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules 1987, we also report the following:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by law have been kept by the Group and the Company so far as it appeared from our examination of these books;
- c) The consolidated and the separate statements of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and return; and
- d) The expenditure incurred was for the purposes of the Group's and the Company's business.

Dated: October 24, 2022

Place: Dhaka

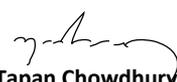
**Md. Farhad Husain Suman FCA**  
Partner, **K. M. HASAN & CO.**  
Chartered Accountants  
Enrollment No-1635  
**DVC: 2211021635AS939692**

# SQUARE TEXTILES LIMITED

AND ITS SUBSIDIARY  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2022

Particulars	Notes	30 June 2022	30 June 2021
		Taka	Taka
<b>ASSETS:</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment- Carrying Value	04	8,099,886,485	7,064,213,305
Capital Work In Progress	05	6,709,043,427	6,959,450,279
Goodwill	06	1,334,559,298	48,479,266
		56,283,760	56,283,760
<b>Current Assets</b>			
Inventories	07	8,180,523,588	9,197,615,462
Trade Receivables	08	2,471,466,477	2,664,689,616
Advances, Deposits & Prepayments	09	4,593,515,616	4,808,315,632
Cash & Cash Equivalents	10	474,565,334	285,303,153
		640,976,161	1,439,307,061
<b>TOTAL ASSETS</b>		<b>16,280,410,073</b>	<b>16,261,828,767</b>
<b>SHAREHOLDERS' EQUITY &amp; LIABILITIES:</b>			
<b>Shareholders' Equity</b>			
Share Capital	11	9,196,250,437	7,632,190,882
Retained Earnings	12	1,972,520,000	1,972,520,000
		7,223,730,437	5,659,670,882
<b>Non controlling Interest</b>	13	15,174,768	14,998,970
<b>Non-Current Liabilities</b>			
Long Term Borrowings	14	623,866,770	2,953,119,459
Deferred Tax Liability	15	303,333,332	2,643,055,059
		320,533,438	310,064,400
<b>Current Liabilities &amp; Provisions</b>			
Short Term Bank Loan (Secured)	16	6,445,118,098	5,661,519,456
Creditors & Other Payables	17	5,826,639,696	5,325,169,465
Liabilities for Others Finance	18	84,900,098	79,091,985
Unclaimed Dividend	19	153,411,550	101,137,300
Provision for Income Tax	20	8,651,750	54,851,342
		371,515,004	101,269,364
<b>TOTAL SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>		<b>16,280,410,073</b>	<b>16,261,828,767</b>
<b>Net Asset Value Per Share</b>	31	<b>46.62</b>	<b>38.69</b>

These financial statements should be read in conjunction with the annexed notes.

  
Tapan Chowdhury  
Chairman

  
Samuel S Chowdhury  
Managing Director

  
Sanjib Baran Roy  
Company Secretary

Signed in terms of our separate report of even date annexed

Date: October 24, 2022  
Place: Dhaka

  
Md. Farhad Husain Suman FCA  
Partner, K. M. HASAN & CO.  
Chartered Accountants  
Enrollment No-1635  
DVC: 2211021635AS939692

# SQUARE TEXTILES LIMITED

AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2022

Particulars	Notes	2021-2022	2020-2021
		Taka	Taka
<b>Sales Revenue</b>	<b>21</b>	<b>17,432,248,763</b>	<b>13,293,569,580</b>
Cost of Goods Sold	<b>22</b>	<b>(14,516,119,136)</b>	<b>(11,858,829,437)</b>
<b>Gross Profit</b>		<b>2,916,129,627</b>	<b>1,434,740,143</b>
Administrative Overhead	<b>23</b>	<b>(272,101,038)</b>	<b>(248,071,111)</b>
Selling and Distribution Overhead	<b>24</b>	<b>(25,180,274)</b>	<b>(19,905,333)</b>
<b>Profit from Operations</b>		<b>2,618,848,315</b>	<b>1,166,763,699</b>
Finance Cost	<b>25</b>	<b>(250,393,099)</b>	<b>(350,243,865)</b>
Non-Operating Income	<b>26</b>	<b>56,734,401</b>	<b>15,549,638</b>
<b>Profit Before W.P.P.F &amp; W.F</b>		<b>2,425,189,617</b>	<b>832,069,472</b>
Allocation for W.P.P.F & W.F	<b>27</b>	<b>(115,485,220)</b>	<b>(39,622,356)</b>
<b>Profit Before Tax</b>		<b>2,309,704,397</b>	<b>792,447,116</b>
Income Tax Expenses	<b>28</b>	<b>(340,496,006)</b>	<b>(71,030,032)</b>
Deferred Tax (Expenses)/Income	<b>29</b>	<b>(10,469,038)</b>	<b>(49,496,639)</b>
<b>Profit After Tax for The Period</b>		<b>1,958,739,353</b>	<b>671,920,445</b>
<b>Non-Controlling Interest</b>		<b>(175,798)</b>	<b>(57,994)</b>
<b>Net Income for the Period</b>		<b>1,958,563,555</b>	<b>671,862,451</b>
<b>Earnings Per Share (EPS)</b>	<b>30</b>	<b>9.93</b>	<b>3.41</b>

These financial statements should be read in conjunction with the annexed notes.

  
**Tapan Chowdhury**  
Chairman

  
**Samuel S Chowdhury**  
Managing Director

  
**Sanjib Baran Roy**  
Company Secretary

Signed in terms of our separate report of even date annexed

Date: October 24, 2022  
Place: Dhaka

  
**Md. Farhad Husain Suman FCA**  
Partner, K. M. HASAN & CO.  
Chartered Accountants  
Enrollment No-1635  
DVC: 2211021635AS939692

# SQUARE TEXTILES LIMITED

AND ITS SUBSIDIARY

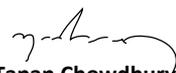
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2022

Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total
Balance as at July 01, 2021	1,972,520,000	5,659,670,882	7,632,190,882
Net Profit For the Year Ended June 30, 2022	-	1,958,563,555	1,958,563,555
Cash Dividend for 2020-21	-	(394,504,000)	(394,504,000)
<b>Balance As at June 30, 2022</b>	<b>1,972,520,000</b>	<b>7,223,730,437</b>	<b>9,196,250,437</b>

FOR THE YEAR ENDED JUNE 30, 2021

Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total
Balance as at July 01, 2020	1,972,520,000	5,185,060,431	7,157,580,431
Net Profit For the Year Ended June 30, 2021	-	671,862,451	671,862,451
Cash Dividend for 2019-20	-	(197,252,000)	(197,252,000)
<b>Balance As at June 30, 2021</b>	<b>1,972,520,000</b>	<b>5,659,670,882</b>	<b>7,632,190,882</b>

  
**Tapan Chowdhury**  
 Chairman

  
**Samuel S Chowdhury**  
 Managing Director

  
**Sanjib Baran Roy**  
 Company Secretary

Signed in terms of our separate report of even date annexed

Date: October 24, 2022  
 Place: Dhaka

  
**Md. Farhad Husain Suman FCA**  
 Partner, K. M. HASAN & CO.  
 Chartered Accountants  
 Enrollment No-1635  
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# SQUARE TEXTILES LIMITED

## AND IT'S SUBSIDIARY

### CONSOLIDATED STATEMENT OF CASH FLOWS

#### FOR THE YEAR ENDED JUNE 30, 2022

Particulars	Notes	2021-2022	2020-2021
		July to June Taka	July to June Taka
<b>Cash Flows from Operating Activities:</b>			
Receipts from Sales Revenue		17,647,048,779	12,491,444,808
Exchange Fluctuation Gain/(Loss) -Realization from Transaction		30,826,820	(17,478,566)
Receipts/ (Payment) from Other Income/ Expenses		26,752,977	37,242,641
<b>Total Receipts</b>		<b>17,704,628,576</b>	<b>12,511,208,883</b>
Payment to Supplies and Other Services		(11,207,647,572)	(8,405,078,614)
Paid for Operating & Non-operating Expenses		(2,832,537,336)	(2,555,019,146)
Interest Expenses Paid		(253,503,210)	(233,971,619)
Income Tax Paid		(205,164,840)	(68,676,015)
<b>Total Payments</b>		<b>(14,498,852,958)</b>	<b>(11,262,745,394)</b>
<b>Net Cash Generated/ (Used in) from Operating Activities</b>		<b>3,205,775,618</b>	<b>1,248,463,489</b>
<b>Cash Flows from Investing Activities:</b>			
Purchase of Property, Plant & Equipment		(1,727,524,270)	(596,571,733)
Sales of Property, Plant & Equipment		7,480,000	11,496,474
<b>Net Cash Generated (Used in) from Investing Activities</b>		<b>(1,720,044,270)</b>	<b>(585,075,259)</b>
<b>Cash Flows from Financing Activities:</b>			
Long Term Loan Received/ (Repaid)		(2,675,959,956)	2,643,055,059
Short Term Bank Loan Received/ (Repaid)		837,708,460	1,435,371,185
Short Term Loan from/ (To) Sister Company		-	(3,397,290,511)
Payment of Dividend		(440,703,592)	(197,252,000)
<b>Net Cash Generated (Used in) from Financing Activities</b>		<b>(2,278,955,088)</b>	<b>483,883,733</b>
Increase/ (Decrease) in Cash & Cash Equivalents		(793,223,740)	1,147,271,963
Net effect of foreign currency translation		(5,107,160)	(4,471,223)
Opening Cash & Cash Equivalents		1,439,307,061	296,506,321
<b>Closing Cash &amp; Cash Equivalents</b>		<b>640,976,161</b>	<b>1,439,307,061</b>
<b>Net Operating Cash Flows Per Share</b>	<b>32</b>	<b>16.25</b>	<b>6.33</b>

  
Tapan Chowdhury  
Chairman

  
Samuel S Chowdhury  
Managing Director

  
Sanjib Baran Roy  
Company Secretary

Signed in terms of our separate report of even date annexed

Date: October 24, 2022  
Place: Dhaka

# SQUARE TEXTILES LIMITED

## AND ITS SUBSIDIARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### AS AT AND FOR THE YEAR ENDED JUNE 30, 2022

#### 1. Establishment and Operations:

##### 1.1 Legal Form of the Enterprises:

Square Textiles Limited (Here in after said as the company) is a public limited company and its subsidiary, Square Texcom Limited incorporated with the Registrar of Joint Stock Companies and Firms, Dhaka, Bangladesh under Companies Act, 1913 and Companies Act, 1994 respectively. The Square Textiles Limited is listed with the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. in 2002.

##### 1.2 Address of Registered office and factory of the company:

- a) Registered Office: Square Centre 48, Mohakhali C/A, Dhaka -1212,
- b) Factory Office:
  - i. Saradaganj, Kashimpur, Gazipur
  - ii. Olipur, Habiganj, Sylhet.
- c) Factory Office of Square Texcom Limited: Kathali, valuka, Mymensingh.

##### 1.3 Nature of Business:

The group owns Six (6) units of spinning mills, and a twisting mill. It's activities and operations are related with manufacturing and marketing of Yarns.

#### 2. Summary of significant accounting policies and other material information:

##### 2.1 Statement of Compliance:

The consolidated financial statements have been prepared in conformity with the provisions of the Companies Act, 1994, The Securities and Exchanges Rules 1987, International Financial Reporting Standards (IFRSs) and other relevant rules and regulations.

##### 2.2 Basis of Consolidation:

These consolidated financial statements comprise the consolidated financial position and the consolidated results of operation of the Company and its subsidiaries (collectively referred as 'Group') on a line by line and non-controlling interest are shown separately as a line item of the statement of financial position and statement of comprehensive income.

##### Subsidiaries:

Subsidiaries are enterprise controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are taken into account. The results of operations and total assets and liabilities of subsidiaries are included in the consolidated financial statements on a line by-line basis and the interest of non-controlling shareholders, if any, in results and net assets of subsidiaries are stated separately. The financial statements of subsidiaries are included in consolidated financial statement of the Group from the dated control commence until the date control ceases. Any gain or loss, increase/decrease in non-controlling in subsidiaries without a change control, is recognized as a component of equity.

##### Transactions eliminated on consolidation:

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

##### 2.3 Basis of Preparation:

The consolidated financial statements have been prepared in accordance with the going concern principle and historical cost convention. The significant accounting policies are set out next page.

**2.4 Statement on Compliance of International Financial Reporting Standards:**

The following IASs and IFRSs are applicable for the financial statements for the year under review:

S/N	Name of the IAS	IAS No.	Status
1	Presentation of Financial Statements	1	Applied
2	Inventories	2	Applied
3	Statement of Cash Flows	7	Applied
4	Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
5	Events after the reporting period	10	Applied
6	Construction Contracts	11	Replaced by IFRS 15
7	Income Taxes	12	Applied
8	Property, Plant and Equipment	16	Applied
9	Leases	17	Replaced by IFRS 16
10	Revenue	18	Replaced by IFRS 15
11	Employee Benefits	19	Applied
12	Accounting for Government Grants and Disclosure of Government Assistance	20	Not Applicable
13	The Effects of Changes in Foreign Exchange Rates	21	Applied
14	Borrowing Costs	23	Applied
15	Related Party Disclosures	24	Applied
16	Accounting and Reporting by Retirement Benefit Plans	26	Not Applicable
17	Separate Financial Statements	27	Applied
18	Investment In Associates and Joint Ventures	28	Not Applicable
19	Financial Reporting in Hyperinflationary Economics	29	Not Applicable
20	Financial Instruments: Presentation	32	Applied
21	Earnings per share	33	Applied
22	Interim Financial Reporting	34	Applied
23	Impairment of Assets	36	Applied
24	Provisions, Contingent Liabilities and Contingent Assets	37	Applied
25	Intangible Assets	38	Applied
26	Financial Instruments: Recognition and Measurement	39	Replaced by IFRS 9
27	Investment Property	40	Not Applicable
28	Agriculture	41	Not Applicable

S/N	Name of the IFRS	IFRS No.	Status
1	First time adoption of International Financial Reporting Standards	1	Not Applicable
2	Shares based Payment	2	Not Applicable
3	Business Combinations	3	Not Applicable
4	Insurance Contract	4	Not Applicable
5	Non-current Assets Held for Sale and Discontinued Operations	5	Not Applicable
6	Exploration for and Evaluation of Mineral Resources	6	Not Applicable
7	Financial Instruments: Disclosure	7	Applied
8	Operating Segments	8	Not Applicable
9	Financial Instrument	9	Applied
10	Consolidated Financial Statements	10	Applied
11	Joint Arrangement	11	Not Applicable
12	Disclosure of Interest in other entities	12	Applied
13	Fair Value Measurement	13	Applied
14	Regulatory deferral accounts	14	Not Applicable
15	Revenue from Contracts with Customers	15	Applied
16	Leases	16	Applied

### **2.5 Going Concern:**

As per IAS-1 the group is required to make assessment at the end of each year to assess its capability to continue as going concern. The management of the group makes such assessment each year. The group has adequate resources to continue in operation for the foreseeable future and has wide coverage of its liabilities. For this reason, the Directors continue to adopt the going concern assumption while the financial statements have been prepared.

### **2.6 Accrual Basis:**

The consolidated financial statements have been prepared, except cash flow information using the accrual basis of accounting.

### **2.7 Functional and presentation currency**

These consolidated financial statements are presented in Bangladesh Taka (BDT or Tk) which is the group functional currency.

### **2.8 Structure Contents and Presentation of Financial Statements:**

The presentation of the financial statements is in accordance with the guidelines provided by IAS-1. "Presentation of Financial Statements". A complete set of financial statements comprise:

- i) Consolidated Statement of Financial Position as at June 30, 2022;
- ii) Consolidated Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2022;
- iii) Consolidated Statement of Changes in Equity for the year ended June 30, 2022;
- iv) Consolidated Statement of Cash Flows for the year ended June 30, 2022 and
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the Consolidated Financial Statements for the year ended June 30, 2022.

### **2.9 Use of Estimates and Judgments:**

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and assumptions are reviewed on an ongoing basis.

The estimates and underlying assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

In particular, significant areas of estimation uncertainty and critical judgments in applying accounting policies that has the most significant effect on the amount recognized in the financial statements are income tax provision (both current and deferred tax), depreciation and gratuity provision.

### **2.10 Statement of Cash Flows:**

Statement of cash flows has been prepared as per IAS 7: Statement of Cash Flows using Direct Method as per the requirement of Securities and Exchange Rules 1987.

### **3.0 Property, Plant and Equipment:**

As per IAS-16, Property, Plant and Equipment are stated at their historical cost less accumulated depreciation. No depreciation has been charged on the Freehold Land and on the Capital work in progress. Depreciation is charged on all other assets on straight-line method. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS 5 and the date that the assets are derecognized.

Depreciation is computed on the straight-line basis over the estimated useful lives as follows:

Particulars	Useful Life (Years)
Factory Building and other Construction	20
Plant & Machinery	10-15
Laboratory & other Equipment	5-8
Furniture & Fixture	5-8
Motor Vehicles	5
Electrical Installation	5-8

### 3.1 Subsequent Costs:

The cost of replacing or upgrading part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss.

### 3.2 Disposal of Fixed Assets:

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the statement of profit or loss, which is determined with reference to the net book value of the assets and net sales proceeds.

### 3.3 Impairment of Asset:

The carrying values of all non-current assets are reviewed for impairment, either on a stand-alone basis or as part of a larger cash generating unit, when there is an indication that the assets might be impaired. Additionally, Goodwill, Intangible Assets with indefinite useful lives and Intangible Assets which are not yet available for use are tested for impairment annually. Any provision for impairment is charged to the profit or loss statement in the year concerned.

### 3.4 Capital Work in Progress:

Capital work in progress consists of cost incurred for acquisition of new plant and machinery, civil structure, factory shed for warehouse etc. which were not ready for use till reporting date.

### 3.5 Inventories:

As per IAS-2, Inventories comprises of Raw Materials, Raw Materials in transit, Packing Materials, Work in Progress, Finished Goods, and Spare & Spare Parts in transit. Inventories are valued at the lower of cost and net realizable value. Cost comprises invoice value plus applicable handling charges. Net realizable value is based on estimated selling price less estimated cost to completion and selling expenses.

### 3.6 Employees' Benefit Scheme:

#### **Provident Fund:**

The group has established an approved contributory provident fund scheme. A board of trustees wholly administers the fund. No part of the fund is included in the asset of the group.

#### **Gratuity Fund:**

Square Textiles Limited establish funded (defined contribution) Gratuity plan and it is approved by NBR.

#### **Group Insurance:**

The group has two group insurance schemes for its permanent employees, premium for which is being charged to statement of comprehensive Income.

#### **Worker's Profit & Participation Fund:**

The group makes a regular allocation of 5% on net profit before tax to these funds and payment is made to the worker's as per provision of Labor Law 2006 chapter-15.

### **3.7 Revenue Recognition:**

As per IFRS-15, Revenue is recognized as control is passed, either over time or at a point in time an entity recognizes revenue over time if one of the following criteria is met: the customer simultaneously receives and consumes all of the benefits provided by the entity as the entity performs; the entity's performance creates or enhances an asset that the customer controls as the asset is created; or the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Income refers to increases in economic benefits during the accounting period in the form of inflows or enhancements of assets or decreases of liabilities that result in an increase in equity, other than those relating to contributions from equity participants.

### **3.8 Other Income:**

It is recognized on accrual basis.

### **3.9 Foreign Currency Transactions:**

As per IAS-21 Transactions in Foreign Currencies are translated into BDT at the rate of exchange ruling on date of transaction. Monetary assets and liabilities expressed in foreign currencies are translated into BDT at the rate of exchange ruling at the date of Statement of Financial position.

### **3.10 Borrowing Costs:**

As per IAS-23 Borrowing costs are recognized as expenses in the period in which they incurred and capitalized the same that incurred before commencement of commercial operation.

### **3.11 Advances, Deposits and Prepayments:**

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment, inventory or expenses.

Deposits are measured at payment value.

### **3.12 Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **Receivables:**

Trade Receivables are stated at their nominal value and considered good. No provision has been made for doubtful debt and no amount was written off as bad.

#### **Payables:**

Trade Payables are stated at their nominal value.

#### **Cash and Cash Equivalents:**

Cash and cash equivalents comprises cash in hand, bank current accounts, other bank deposits free of encumbrance and having maturity dates of three months or less from respective dates of deposit.

#### **Borrowings:**

Interest bearing bank loans and overdrafts are recorded at the proceeds received net of direct issue costs. Finance charges are accounted for on an accrual basis.

#### **Financial Risk Management:**

The group has exposures to the following risks its use of financial statements:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the group risk management framework. The Board oversees how management monitors compliance with risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risks faced by the group. The Board is assisted in its oversight role by Audit Committee. Internal audit, under the purview of Audit Committee, undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

**Credit Risk:**

Credit risk is the risk of financial loss to the group if a buyer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group receivable from customers and investment securities. The group sales are made to renowned RMG Exporting Company. Sales made to the entity are fully secured by Letters of Credit issued by local scheduled banks.

**Liquidity Risk:**

Liquidity risk is the risk that the group will unable to meet its financial obligations as they fall due. The group approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group reputation. In general, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. Moreover, the group seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligations in the event that there is insufficient cash to make the required payment.

The requirement is determined in advance through cash flows projections and credit lines facilities with banks are negotiated accordingly.

Seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Board also monitors dividend trend to ordinary shareholders.

**Market Risk:**

Market Risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the group income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

**Capital Risk Management:**

The group objectives when managing capital are to safeguard the group ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Board also monitors dividend trend to ordinary shareholders.

**Money Laundering:**

The group considers prevention of money laundering risk not only as a compliance requirement imposed by the law of the country but also as one of its ethical business values.

### **3.13 Taxation:**

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current Tax:**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other Comprehensive Income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group liability for current tax is calculated using tax rates that have been enacted on date of Statement of Financial Position.

#### **Deferred Tax:**

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted by the date of Statement of Financial Position.

### **3.14 Lease:**

As per IFRS- 16, the entity has no lease. So, there will be no implication regarding IFRS 16 in this financial year.

### **3.15 Contingent Liabilities and Assets:**

Current or possible obligations or assets arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain events which are not within the control of the group.

### **3.16 Related Party Transaction:**

The group has some related party transactions in arm length transactions.

### **3.17 Segment Reporting:**

As per IFRS-8, as there is a single business and geographic segment within which the group operates as such no segment reporting is felt necessary.

### **3.18 Earnings Per Share:**

As per IAS-33, Basis Earning per Share (EPS) has been computed dividing the earnings attributable to the weighted average number of the ordinary shares during the year.

### **3.19 Comparative Figure:**

Comparative information has been disclosed in respect of the previous year for all numerical information in the current financial statement. Narrative and descriptive information for comparative information have also been disclosed whenever it is relevant for understanding of current year's financial statements.

### **3.20 Financial Year:**

For this year financial year means, July 01, 2021 to June 30, 2022.

### **3.21 Events after the Reporting Period:**

As per IAS-10 "Events after the Reporting Period" are those events favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue.

### **3.22 Consolidated Financial Statements:**

Consolidated Financial Statements comprise the following:

1. Square Textiles Limited
2. Square Texcom Limited

### **3.23 General:**

Figures have been rounded off to the nearest taka, as it the reporting currency of these financials.

Particulars	June 30, 2022	June 30, 2021
	Taka	Taka
<b>4. Consolidated Property, Plant &amp; Equipment:</b>		
Details of Property, Plant & Equipment and Depreciation as at June 30, 2022 are shown in the annexed schedule-01. Depreciation for the year charged to Factory Overhead (Note-22.3). The break-up of the balances are depicted below:		
<b>Fixed Assets at Cost</b>		
Opening Balance	12,792,433,005	10,873,378,928
Addition during the Year	441,444,238	2,051,181,824
Adjustment for Sale/ Obsolete during the Year	(78,667,109)	(132,127,747)
<b>Closing Balance(Cost)</b>	<b>13,155,210,134</b>	<b>12,792,433,005</b>
<b>Accumulated Depreciation</b>		
Opening Balance	5,832,982,726	5,289,179,884
Charged during the Year	688,632,854	664,690,900
Adjustment for sale/Obsolete during the year	(75,448,873)	(120,888,058)
	<b>6,446,166,707</b>	<b>5,832,982,726</b>
<b>Carrying Value</b>	<b>6,709,043,427</b>	<b>6,959,450,279</b>
<b>5. Consolidated Capital Work In Progress:</b>		
Opening Balance	48,479,266	1,503,089,357
Addition during the Year	1,328,678,137	45,387,986
Transfer to Property, Plant & Equipment during the year	(42,598,105)	(1,499,998,077)
<b>Closing Balance</b>	<b>1,334,559,298</b>	<b>48,479,266</b>
<b>6. Consolidated Goodwill:</b>		
Investment in share of Square Texcom Ltd. (For 4,330,502 shares of TK. 100 each)	489,333,960	489,333,960
Less: Face Value of the Shares	433,050,200	433,050,200
	<b>56,283,760</b>	<b>56,283,760</b>
<b>7. Consolidated Inventories:</b>		
<b>Stocks of Materials</b>	<b>2,259,852,806</b>	<b>2,420,185,088</b>
Raw Materials	1,891,092,606	2,056,387,039
Raw Materials In Transit	48,373,070	63,135,469
Packing Materials	25,642,217	24,301,204
Work - In - Process	142,626,650	130,184,323
Finished Goods	152,118,263	146,177,053
<b>Stocks of Spares</b>	<b>211,613,671</b>	<b>244,504,528</b>
Spares at Store	206,394,084	241,493,396
Spares in Transit	5,219,587	3,011,132
	<b>2,471,466,477</b>	<b>2,664,689,616</b>

The basis of valuation is stated in Note -3.5. Carrying amount of inventories pledged as security. No segmentation of stock is required because of homogenous materials and process.

Particulars	June 30, 2022	June 30, 2021
	Taka	Taka
<b>8. Consolidated Trade Receivables:</b>		
This represents invoice value of goods delivered to customer.		
Aging of the Trade Receivables is as Follows:		
Below 60 days	1,988,299,156	2,083,214,823
Within 61-120 days	1,722,775,117	1,735,724,749
Above 120 days	882,441,343	989,376,060
	<u>4,593,515,616</u>	<u>4,808,315,632</u>
a) There was no amount due from the Directors (Including Managing Director), Managing Agent, Manager and other Officers of the Group and any of them severally or jointly with any other person.		
b) The carrying amount of Trade Receivables pledged as security.		
c) Trade Receivable is secured, considered as good and is falling due within one year.		
<b>9. Consolidated Advances, Deposits &amp; Prepayments:</b>		
This is made up of the followings:		
<b>Advance</b>	<b>350,549,258</b>	<b>166,403,918</b>
Income Tax	203,590,488	68,676,014
Salary & PF Current account	86,000	3,866,272
Other Expenses	65,939,658	28,623,136
Suppliers & Contractor	80,933,112	65,238,496
<b>Deposits</b>	<b>124,016,076</b>	<b>118,899,235</b>
Security Deposit	111,346,762	106,528,762
Margin on Bank Guarantee	12,669,314	12,370,473
	<u>474,565,334</u>	<u>285,303,153</u>
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) There was no amount was due by the associated undertaking.		
c) The advances & deposits considered good & recoverable.		
<b>10. Consolidated Cash &amp; Cash Equivalents:</b>		
Cash in hand	12,434,533	8,430,224
Cash at Bank (Note-10.1)	628,541,628	423,710,170
Fixed Deposit Receipt (Note-10.2)	-	1,007,166,667
	<u>640,976,161</u>	<u>1,439,307,061</u>
<b>10.1 Cash at Bank</b>		
Standard Chartered Bank	336,514,580	235,914,046
HSBC	164,741,441	104,721,636
Prime Bank Limited	98,957,195	52,610,801
The City Bank Limited	69,854	1,978,464
Commercial Bank of Ceylon	85,026	11,426
Bank Al-Falah	391,212	736,081
Janata Bank Limited	17,600,831	20,655,130
Mutual Trust Bank Limited	7,729,181	3,620,475
Dutch Bangla Bank Limited	653,010	2,157,390
Pubali Bank Limited	1,799,298	1,304,721
	<u>628,541,628</u>	<u>423,710,170</u>
<b>10.2 Fixed Deposit Receipt- Janata Bank Limited</b>	-	1,007,166,667
	-	<u>1,007,166,667</u>

Foreign currency account balances have been converted to Taka at the ruling rate at the reporting date.

Particulars	June 30, 2022	June 30, 2021
	Taka	Taka
<b>11. Share Capital:</b>		
This is made up of the followings:		
<b>Authorized:</b>	<u>3,000,000,000</u>	<u>3,000,000,000</u>
300,000,000 Ordinary Shares of Tk. 10.00 each		
<b>Issued, Subscribed and Paid up:</b>	<u>1,972,520,000</u>	<u>1,972,520,000</u>
(197,252,000 Ordinary Shares of Tk. 10.00 each fully Paid up)		
Position of Shareholding is given in Schedule-B of Page-112		
<b>12. Retained Earnings:</b>		
Opening Balance	5,659,670,882	5,185,060,431
Add: Profit for the Year	1,958,563,555	671,862,451
Less: Cash Dividend paid during the Year	(394,504,000)	(197,252,000)
	<u>7,223,730,437</u>	<u>5,659,670,882</u>
<b>13. Non Controlling Interest:</b>		
5,000 shares of Tk. 100 at par of Square Texcom Ltd.	500,000	500,000
Shares of Accumulated Profit	14,674,768	14,498,970
	<u>15,174,768</u>	<u>14,998,970</u>
(a) This represents the minority share holdings in Square Texcom Limited as on June 30, 2022.		
(b) Voting power is not different with proportion of ownership interest. The Group is using equity method of accounting in preparation of consolidated financial statements.		
<b>14. Consolidated Long Term Borrowings:</b>		
Standard Chartered Bank	400,000,000	1,710,000,000
HSBC	250,000,000	1,500,000,000
Infrastructure Development Company Ltd. (IDCOL)	-	115,959,956
Less: Current Portion of Long Term Borrowings	(346,666,668)	(682,904,897)
	<u>303,333,332</u>	<u>2,643,055,059</u>
These long term loans are secured against hypothecation of Stock, Trade Receivables and Plant & Machinery.		
<b>15. Consolidated Deferred Tax Liability:</b>		
Opening Balance	310,064,400	260,567,761
Deferred tax Expenses/ (Income)	10,469,038	49,496,639
	<u>320,533,438</u>	<u>310,064,400</u>
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). 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.		
<b>a) Deferred Tax Liability is arrived at as follows:</b>		
Carrying Value of Depreciable Fixed Assets	5,993,119,746	6,243,526,598
Less: Tax Base Carrying Value	(3,856,230,166)	(4,176,430,603)
<b>Taxable Temporary Difference</b>	<u>2,136,889,580</u>	<u>2,067,095,995</u>
Tax Rate	15.00%	15.00%
<b>Closing Deferred Tax Liability</b>	<u>320,533,437</u>	<u>310,064,399</u>
Less: Opening Deferred Tax Liability	(310,064,399)	(260,567,761)
<b>Deferred Tax (Income) / Expense</b>	<u>10,469,038</u>	<u>49,496,638</u>
<b>16. Consolidated Short Term Bank Loan:</b>		
Revolving Loan	-	1,250,000,000
EDF & UPAS	5,479,973,028	3,392,264,568
Current Portion of Long Term Borrowings	346,666,668	682,904,897
	<u>5,826,639,696</u>	<u>5,325,169,465</u>
These short term loans are secured against hypothecation of Stock and Trade Receivable.		

Particulars	June 30, 2022	June 30, 2021
	Taka	Taka
<b>17. Consolidated Creditors &amp; Other Payables:</b>		
Provision for Audit Fees	632,500	621,000
Provision for Utility Bills	64,010,809	59,498,009
Provision for Salary & Allowances	7,798,549	5,715,101
Others	12,458,240	13,257,875
	<b>84,900,098</b>	<b>79,091,985</b>
This represents amount payable to regular suppliers of packing materials, utilities, and other services rendered to the Group. All suppliers were paid on a regular basis.		
<b>18. Consolidated Liabilities for Others Finance:</b>		
PF, WPPF & Other Fund	116,779,785	46,816,002
Provision for Gratuity (Note-18.1)	-	14,579,422
Others	36,631,765	39,741,876
	<b>153,411,550</b>	<b>101,137,300</b>
<b>18.1 Provision for Gratuity:</b>		
Opening Balance	14,579,422	42,580,253
Provision made for the period	35,268,984	88,330,773
Payment made during the period	(49,848,406)	(116,331,604)
	-	<b>14,579,422</b>
<b>19. Unclaimed Dividend:</b>		
Opening Balance	54,851,342	53,581,472
Addition During The Year	394,504,000	197,252,000
Paid During The Year	(440,703,592)	(195,982,130)
	<b>8,651,750</b>	<b>54,851,342</b>
<b>20. Consolidated Provision for Income Tax:</b>		
Opening Balance	101,269,364	96,214,609
Adjustment with Advance Tax during the year	(70,250,366)	(65,975,277)
Provision made during the year (Note-20.1)	340,496,006	71,030,032
	<b>371,515,004</b>	<b>101,269,364</b>
<b>20.1 Provision made for the period:</b>		
<b>Higher Amount of Tax Under Company-wise Calculation (Please See the Individual Company-wise Notes):</b>		
A) For SQUARE Textiles Ltd.	309,854,073	63,434,674
B) For SQUARE Texcom Ltd.	30,641,933	7,556,647
<b>Total Tax Expenses</b>	<b>340,496,006</b>	<b>70,991,321</b>
Add/ Less: Short/ (Excess) provision for Prior period	-	38,711
<b>Income Tax Provision for the year</b>	<b>340,496,006</b>	<b>71,030,032</b>

Particulars	June 30, 2022	June 30, 2021
	Taka	Taka
<b>Calculation of Effective Tax Rate:</b>		
Current Income Tax Expenses	340,496,006	71,030,032
Deferred Tax Expenses/ (Income)	10,469,038	49,496,639
<b>Total Tax Expenses</b>	<b>350,965,044</b>	<b>120,526,671</b>
Effective Tax Rate (Total Tax Expenses / Profit Before Tax)	<b>15.20%</b>	<b>15.21%</b>
<b>21. Consolidated Sales Revenue:</b>		
<b>In Quantity (KG)</b>		
Opening Stock	680,476	1,499,406
Production during the Year	50,113,381	48,468,927
<b>Available for Sale</b>	<b>50,793,857</b>	<b>49,968,333</b>
Closing Stock	(572,604)	(680,476)
<b>Sales during the year</b>	<b>50,221,253</b>	<b>49,287,857</b>
(To be accounted for as follows)		
Sales Accounted as follows:		
<b>In Quantity (KG)</b>		
Export Sale of Yarns	50,221,253	49,287,857
	<b>50,221,253</b>	<b>49,287,857</b>
<b>In Taka</b>		
Export Sale of Yarns	17,432,248,763	13,293,569,580
	<b>17,432,248,763</b>	<b>13,293,569,580</b>
<b>22. Consolidated Cost of Goods Sold:</b>		
Raw Materials Consumed (Note-22.1)	11,232,485,000	8,631,658,550
Packing Materials Consumed (Note-22.2)	159,686,504	131,170,654
Factory Overhead (Note- 22.3)	3,142,331,169	2,903,720,235
<b>Cost of Goods Manufacturing</b>	<b>14,534,502,673</b>	<b>11,666,549,439</b>
Work-In-Process (Opening)	130,184,323	124,403,202
Work-In-Process (Closing)	(142,626,650)	(130,184,323)
<b>Cost of Production</b>	<b>14,522,060,346</b>	<b>11,660,768,318</b>
Finished Goods (Opening)	146,177,053	344,238,172
Finished Goods (Closing)	(152,118,263)	(146,177,053)
<b>Cost of Goods Sold</b>	<b>14,516,119,136</b>	<b>11,858,829,437</b>
<b>22.1 Consolidated Raw Materials Consumed:</b>		
<b>In Quantity (KG)</b>		
Opening Stock	13,351,425	16,633,295
Purchase during the year	54,181,072	48,944,609
<b>Raw Materials Available for Consumption</b>	<b>67,532,497</b>	<b>65,577,904</b>
Closing Stock	(12,818,006)	(13,351,425)
<b>Raw Materials Consumed</b>	<b>54,714,491</b>	<b>52,226,479</b>

Particulars	June 30, 2022	June 30, 2021
	Taka	Taka
<b>In Taka</b>		
Opening Stock	2,056,387,039	2,425,754,931
Purchase during the year	11,067,190,567	8,262,290,658
<b>Raw Materials Available for Consumption</b>	<b>13,123,577,606</b>	<b>10,688,045,589</b>
Closing Stock	(1,891,092,606)	(2,056,387,039)
<b>Raw Materials Consumed</b>	<b>11,232,485,000</b>	<b>8,631,658,550</b>
	TK	
<b>Consumption Ratio on Purchase</b>	<b>101.49%</b>	<b>104.47%</b>
<b>22.2 Consolidated Packing Materials Consumed:</b>		
Opening Stock	24,301,204	15,953,264
Purchase during the year	161,027,517	139,518,594
<b>Available for Consumption</b>	<b>185,328,721</b>	<b>155,471,858</b>
Closing Stock	(25,642,217)	(24,301,204)
<b>Packing Materials Consumed</b>	<b>159,686,504</b>	<b>131,170,654</b>
	TK	
<b>Consumption Ratio on Purchase</b>	<b>99.17%</b>	<b>94.02%</b>
<b>22.3. Consolidated Factory Overhead:</b>		
Factory Wages, Salary & Allowances	1,033,906,800	969,744,180
Travelling & Conveyance	290,991	217,628
Overseas Travelling	1,099,699	-
Recruitment & Training Expenses	64,169	81,341
Printing Expenses	496,892	444,991
Stationery Expenses	1,871,395	1,650,634
Software & Hardware Support Expenses	3,745,448	3,161,547
Production Workers' Free Lunch	5,207,037	4,687,308
Uniform & Liveries	474,777	447,929
Fuel, Petrol, Light, Diesel etc.	117,159,963	99,692,939
Electricity, Gas & Water	881,335,653	802,981,415
Factory Consumable Expense	58,233,005	47,891,175
Medical Expenses	2,056,944	2,254,982
Repairs & Maintenance of Vehicles	21,029,389	17,425,829
Papers, Books and Periodicals	17,090	41,870
Industrial All Risk Insurance Premium	23,179,365	20,349,082
Postage, Telephone, Fax & Telex	424,857	494,334
Govt. Tax, VAT & License Fees	12,097,035	918,375
Security Services	23,842,357	23,786,664
Spare Parts - Machinery	265,752,320	241,553,431
Group Insurance	1,413,129	1,203,681
Depreciation (Schedule-1)	688,632,854	664,690,900
	<b>3,142,331,169</b>	<b>2,903,720,235</b>
<b>23. Consolidated Administrative Overhead:</b>		
Salary and Allowances	137,800,864	137,159,193
Directors' Remuneration	55,252,500	48,000,000
Independent Directors' Honorarium	600,000	600,000
Travelling & Conveyance	897,291	716,602
Overseas Travelling	18,247,266	11,773,731
Recruitment & Training Expenses	639,897	76,146
Head Office Employees' Free Lunch	2,490,282	2,194,988
Uniform & Liveries	156,410	97,470
Printing Expenses	161,308	347,648

**Notes**  
**Consolidated**

Particulars	June 30, 2022	June 30, 2021
	Taka	Taka
Stationery Expenses	475,521	351,953
Software & Hardware Support Expenses	3,064,237	2,688,291
Postage, Telephone, Fax & Telex	390,772	507,017
Electricity, Gas & Water	3,139,743	3,046,418
Office Consumable Expense	2,055,368	1,716,592
Rental Expenses	14,486,116	14,104,313
Vehicles Running & Maintenance	9,491,531	8,701,367
Medical Expenses	1,296,117	356,350
Group Insurance	452,911	385,210
Bank Charges & Commission	7,871,292	3,684,486
Fees & Subscription	8,560,701	7,756,060
Security Service	431,343	593,267
Govt. Tax, Stamp Duty & Licence Fees	1,930,001	1,309,423
Annual General Meeting Expenses	1,324,067	1,163,986
Audit Fees	885,500	740,600
	<b>272,101,038</b>	<b>248,071,111</b>

a) Audit Fees represent auditors' remuneration for audit during the year.

b) The Rental Expenses incurred to use two floor spaces for office with two "one-year cancellable" (both parties three months notice period) contracts. The Contracts don't offer any buying option or any assurance of post use minimum market price for the used floors. Considering exemptions allowed in IFRS-16 (Shorter contract tenor and small amount of rental expenses) the rental agreements not considered as lease.

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

**24. Consolidated Selling & Distribution Overhead:**

Export Sale Expenses	18,819,897	14,433,563
Loading & Unloading	6,360,377	5,471,770
	<b>25,180,274</b>	<b>19,905,333</b>

**25. Consolidated Finance Cost:**

Interest on Deferred LC Loan	69,858,222	57,551,942
Interest on Loan ag. Export Bill Discount	10,518	2,512,455
Interest on OD	111,332	120,525
Interest on Short Term Loan	14,605,555	88,026,367
Interest on Long Term Loan	165,807,472	82,318,459
Interest on Sister Concerns	-	119,714,117
	<b>250,393,099</b>	<b>350,243,865</b>

Interest expenses is derived from short-term loan and is recognized on an accrual basis. The finance cost includes no interest on any sort of borrowing from directors including managing director and managers.

**26. Consolidated Non-Operating Income:**

Interest Income	23,185,743	7,761,018
Forfeited Provident Fund	3,567,234	29,481,623
Gain/ (Loss) on Disposal of Assets	4,261,764	256,785
Forex Exchange Rate Fluctuation Gain/ (Loss)	25,719,660	(21,949,788)
	<b>56,734,401</b>	<b>15,549,638</b>

**27. Consolidated Allocation for W.P.P.F & W.F:**

	115,485,220	39,622,356
	<b>115,485,220</b>	<b>39,622,356</b>

This represents 5% of Net Income before Tax after charging the allocation as per provisions of the Companies Profit under Labour Law 2006, amended in 2016.

Particulars	June 30, 2022	June 30, 2021
	Taka	Taka
<b>28. Consolidated Income Tax Expenses:</b>	340,496,006	71,030,032
	<u>340,496,006</u>	<u>71,030,032</u>
This represents estimated Income Tax on Net Income for the Year and adjustment any short/excess provision for prior years.		
<b>29. Consolidated Deferred Tax Expenses/ (Income):</b>	10,469,038	49,496,639
	<u>10,469,038</u>	<u>49,496,639</u>
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>30. Consolidated Earnings Per Share (EPS):</b>		
Earning attributable to Ordinary Shares including other income	1,958,563,555	671,862,451
Number of Ordinary shares	197,252,000	197,252,000
<b>Earnings Per Share</b>	<u>9.93</u>	<u>3.41</u>
<b>31. Consolidated Net Asset Value (NAV) Per Share:</b>		
Equity Attributable to the Owners of the Company	9,196,250,437	7,632,190,882
Number of Ordinary shares	197,252,000	197,252,000
<b>Net Asset Value (NAV) Per Share</b>	<u>46.62</u>	<u>38.69</u>
<b>32. Consolidated Net Operating Cash flows per Share (NOCFPS):</b>		
Net Cash Generated (Used in) from Operating Activities	3,205,775,618	1,248,463,489
Number of Ordinary shares	197,252,000	197,252,000
<b>Net Operating Cash flows per Share (NOCFPS)</b>	<u>16.25</u>	<u>6.33</u>
<b>33. Consolidated Reconciliation of Net Profit with Cash Flows from Operating Activities:</b>		
<b>Profit After Tax</b>	<b>1,958,563,555</b>	<b>671,862,451</b>
Adjustment to reconcile net profit to net cash provided by operating activities :		
<b>Non-cash Expenses:</b>	<b>704,209,052</b>	<b>718,658,762</b>
Depreciation	688,632,854	664,690,900
Deferred Tax	10,469,038	49,496,639
Net effect of foreign currency translation	5,107,160	4,471,223
<b>Non-Operating Items:</b>	<b>(4,085,966)</b>	<b>119,515,326</b>
Interest Expenses/ (Income) on Sister Company Loan	-	119,714,117
(Gain)/Loss on Disposal of Assets	(4,261,764)	(256,785)
Profit Ratio of Non controlling Interest	175,798	57,994
<b>Changes in Working Capital:</b>	<b>547,088,977</b>	<b>(261,573,050)</b>
(Increase)/Decrease in Inventories	193,223,139	548,066,020
(Increase)/Decrease in Trade Receivable	214,800,016	(802,124,772)
(Increase)/Decrease in Advances, Deposits & Prepayments	(189,262,181)	(1,782,295)
Increase/(Decrease) in Creditors & Other Payables	5,808,113	(8,132,619)
Increase/(Decrease) in Liabilities for Others Finance	52,274,250	(2,654,139)
Increase/(Decrease) in Income Tax Payable	270,245,640	5,054,755
<b>Net Cash Generated (Used in) from Operating Activities</b>	<b>3,205,775,618</b>	<b>1,248,463,489</b>

**34. Events after the Reporting period:**

**34.1** The Board of Directors in it's meeting held on October 20, 2022 approved the financial statements for the year ended June 30, 2022. The Board of Directors also authorised the same for issue.

**34.2** Except above no other significant event occurred till the date of signing the financial statements.

# SQUARE TEXTILES LIMITED

## CONSOLIDATED SCHEDULE OF PROPERTY, PLANT & EQUIPMENT

As on June 30, 2022

Schedule-01  
Amount in Taka

Particulars	Cost			Depreciation			W.D.V As At 30th June-2022	
	At 01st July 2021	During the Period		At 01st July 2021	During the Period			At 30th June-2022
		Additions	Sales/ Obsoles		Charged	Adjustments		
Land & Land Development	715,923,681	-	-	-	-	-	715,923,681	
Building-Factory & Utility	1,484,384,482	-	-	571,722,207	65,947,149	-	846,715,126	
Building-Others	494,246,306	-	-	266,227,208	23,212,289	-	204,806,809	
Sheds	23,882,640	6,200,000	-	23,850,600	211,660	-	6,020,380	
Plant & Machinery	9,161,429,158	377,609,629	(58,000,787)	4,425,101,385	514,907,315	(55,639,895)	4,596,669,195	
Laboratory Equipment	62,109,414	555,291	-	10,314,264	8,222,249	-	44,128,192	
Electrical Installation	444,836,076	2,800,000	-	269,438,796	38,676,191	-	139,521,089	
Gas Line Installation	49,145,684	-	-	31,970,854	2,454,096	-	14,720,734	
Motor Vehicles	189,399,239	50,628,213	(20,556,461)	144,452,551	21,904,178	(19,699,117)	72,813,379	
Office Equipment	26,035,453	517,242	-	17,536,270	2,046,070	-	6,970,355	
Furniture & Fixture	16,829,304	298,499	(11,025)	15,358,036	492,880	(11,025)	1,276,887	
Computer	4,869,672	-	-	4,557,035	157,916	-	154,721	
Hardware & Software	2,300,000	-	-	711,904	328,571	-	1,259,525	
Boundary Wall	57,952,249	2,550,128	-	25,100,569	3,182,923	-	32,218,885	
Deep Tube-Well	5,050,800	-	-	4,291,730	165,602	-	593,468	
Safety & Security Equipment	2,549,390	-	-	2,008,894	252,779	-	287,717	
Communication and Network Equipment	7,195,200	-	-	5,179,822	587,426	-	1,427,952	
Other Assets	44,294,257	285,236	(98,836)	15,160,601	5,883,560	(98,836)	23,535,332	
<b>As at June 30, 2022</b>	<b>12,792,433,005</b>	<b>441,444,238</b>	<b>(78,667,109)</b>	<b>5,832,982,726</b>	<b>688,632,854</b>	<b>(75,448,873)</b>	<b>6,709,043,427</b>	
<b>As at June 30, 2021</b>	<b>10,873,378,928</b>	<b>2,051,181,824</b>	<b>(132,127,747)</b>	<b>5,289,179,884</b>	<b>664,690,900</b>	<b>(120,888,058)</b>	<b>6,959,450,279</b>	

Notes  
Consolidated

# SQUARE TEXTILES LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2022

Particulars	Notes	30 June 2022	30 June 2021
		Taka	Taka
<b>ASSETS:</b>			
<b>Non-Current Assets</b>			
		<b>7,594,562,921</b>	<b>6,895,224,728</b>
Property, Plant & Equipment- Carrying Value	04	6,161,387,415	6,358,356,488
Capital Work In Progress	05	943,841,546	47,534,280
Investment - Long Term (At Cost)	06	489,333,960	489,333,960
<b>Current Assets</b>			
		<b>7,435,018,277</b>	<b>8,523,673,196</b>
Inventories	07	2,243,342,297	2,423,543,313
Trade Receivables	08	4,238,253,857	4,487,974,375
Advances, Deposits & Prepayments	09	438,615,626	259,310,934
Cash & Cash Equivalents	10	514,806,497	1,352,844,574
<b>TOTAL ASSETS</b>		<b>15,029,581,198</b>	<b>15,418,897,924</b>
<b>SHAREHOLDERS' EQUITY &amp; LIABILITIES:</b>			
<b>Shareholders' Equity</b>			
		<b>8,717,462,512</b>	<b>7,305,661,916</b>
Share Capital	11	1,972,520,000	1,972,520,000
Retained Earnings	12	6,744,942,512	5,333,141,916
<b>Non-Current Liabilities</b>			
		<b>579,630,811</b>	<b>2,905,740,182</b>
Long Term Borrowings	13	303,333,332	2,643,055,059
Deferred Tax Liability	14	276,297,479	262,685,123
<b>Current Liabilities &amp; Provisions</b>			
		<b>5,732,487,875</b>	<b>5,207,495,826</b>
Short Term Bank Loan	15	5,168,669,589	4,910,343,012
Creditors & Other Payables	16	75,674,946	70,899,885
Liabilities for Others Finance	17	140,661,736	80,911,693
Unclaimed Dividend	18	8,651,750	54,851,342
Provision for Income Tax	19	338,829,854	90,489,894
<b>TOTAL SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>		<b>15,029,581,198</b>	<b>15,418,897,924</b>
<b>Net Asset Value Per Share</b>	<b>29</b>	<b>44.19</b>	<b>37.04</b>

These financial statements should be read in conjunction with the annexed notes.

  
Tapan Chowdhury  
Chairman

  
Samuel S Chowdhury  
Managing Director

  
Sanjib Baran Roy  
Company Secretary

Signed in terms of our separate report of even date annexed

Date: October 24, 2022  
Place: Dhaka

  
Md. Farhad Husain Suman FCA  
Partner, K. M. HASAN & CO.  
Chartered Accountants  
Enrollment No-1635  
DVC: 2211021635AS939692

# SQUARE TEXTILES LIMITED

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2022

Particulars	Notes	July to June	July to June
		2021-2022	2020-2021
		Taka	Taka
<b>Sales Revenue</b>	<b>20</b>	15,624,302,486	11,924,704,664
Cost of Goods Sold	<b>21</b>	(12,930,510,466)	(10,588,987,142)
<b>Gross Profit</b>		<b>2,693,792,020</b>	<b>1,335,717,522</b>
Administrative Overhead	<b>22</b>	(247,735,861)	(224,235,269)
Selling and Distribution Overhead	<b>23</b>	(21,510,989)	(17,039,457)
<b>Profit from Operations</b>		<b>2,424,545,170</b>	<b>1,094,442,796</b>
Finance Cost	<b>24</b>	(241,629,270)	(344,165,255)
Non-Operating Income	<b>25</b>	53,343,676	19,475,519
<b>Profit Before W.P.P.F &amp; W.F</b>		<b>2,236,259,576</b>	<b>769,753,060</b>
Allocation for W.P.P.F & W.F	<b>26</b>	(106,488,551)	(36,654,908)
<b>Profit Before Tax</b>		<b>2,129,771,025</b>	<b>733,098,152</b>
Income Tax Expenses	<b>27</b>	(309,854,073)	(63,473,385)
Deferred Tax (Expenses)/ Income	<b>14</b>	(13,612,356)	(47,990,713)
<b>Profit After Tax</b>		<b>1,806,304,596</b>	<b>621,634,054</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<b>1,806,304,596</b>	<b>621,634,054</b>
Earnings Per Share (EPS)	<b>28</b>	<b>9.16</b>	<b>3.15</b>

These financial statements should be read in conjunction with the annexed notes.

  
Tapan Chowdhury  
Chairman

  
Samuel S Chowdhury  
Managing Director

  
Sanjib Baran Roy  
Company Secretary

Signed in terms of our separate report of even date annexed

Date: October 24, 2022  
Place: Dhaka

  
Md. Farhad Husain Suman FCA  
Partner, K. M. HASAN & CO.  
Chartered Accountants  
Enrollment No-1635  
DVC: 2211021635AS939692

# SQUARE TEXTILES LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2022

Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total
Balance as at July 01, 2021	1,972,520,000	5,333,141,916	7,305,661,916
Net Profit For the Year Ended June 30, 2022	-	1,806,304,596	1,806,304,596
Cash Dividend for 2020-21	-	(394,504,000)	(394,504,000)
<b>Balance As at June 30, 2022</b>	<b>1,972,520,000</b>	<b>6,744,942,512</b>	<b>8,717,462,512</b>

FOR THE YEAR ENDED JUNE 30, 2021

Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total
Balance as at July 01, 2020	1,972,520,000	4,908,759,862	6,881,279,862
Net Profit For the Year Ended June 30, 2021	-	621,634,054	621,634,054
Cash Dividend for 2019-20	-	(197,252,000)	(197,252,000)
<b>Balance As at June 30, 2021</b>	<b>1,972,520,000</b>	<b>5,333,141,916</b>	<b>7,305,661,916</b>

  
**Tapan Chowdhury**  
 Chairman

  
**Samuel S Chowdhury**  
 Managing Director

  
**Sanjib Baran Roy**  
 Company Secretary

Signed in terms of our separate report of even date annexed

Date: October 24, 2022  
 Place: Dhaka

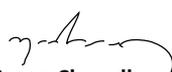
  
**Md. Farhad Husain Suman FCA**  
 Partner, K. M. HASAN & CO.  
 Chartered Accountants  
 Enrollment No-1635  
**DVC: 2211021635AS939692**

# SQUARE TEXTILES LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2022

Particulars	Notes	July-June	July-June
		2021-2022	2020-2021
		Taka	Taka
<b>Cash Flows from Operating Activities:</b>			
Receipts from Sales Revenue		15,874,023,004	11,130,595,000
Exchange Fluctuation Gain/ (Loss) -Realization from Transaction		18,772,611	(17,036,274)
Receipts/ (Payment) from Other Income/ Expenses		26,473,657	35,299,205
<b>Total Receipts</b>		<b>15,919,269,272</b>	<b>11,148,857,931</b>
Payment to Supplies and Other Services		(9,911,912,215)	(7,412,110,927)
Paid for Operating & Non-operating Expenses		(2,565,196,473)	(2,339,841,627)
Interest Expenses Paid		(246,507,569)	(223,101,314)
Income Tax Paid		(189,301,229)	(61,514,115)
<b>Total Payments</b>		<b>(12,912,917,486)</b>	<b>(10,036,567,983)</b>
<b>Net Cash Generated (Used in) from Operating Activities</b>		<b>3,006,351,786</b>	<b>1,112,289,948</b>
<b>Cash Flows from Investing Activities:</b>			
Purchase of Property, Plant & Equipment		(1,333,606,765)	(593,350,657)
Sales of Property, Plant & Equipment		7,260,000	8,735,400
<b>Net Cash Generated (Used in) from Investing Activities</b>		<b>(1,326,346,765)</b>	<b>(584,615,257)</b>
<b>Cash Flows from Financing Activities:</b>			
Long Term Loan Received/ (Repaid)		(2,675,959,956)	2,643,055,059
Short Term Bank Loan Received/ (Repaid)		594,564,806	1,397,654,487
Short Term Loan from/ (To) SQUARE Pharmaceuticals Ltd.		-	(3,397,290,511)
Short Term Loan from/ (To) SQUARE Texcom Ltd.		-	144,997,354
Payment of Dividend		(440,703,592)	(197,252,000)
<b>Net Cash Generated (Used in) from Financing Activities</b>		<b>(2,522,098,742)</b>	<b>591,164,389</b>
<b>Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>		<b>(842,093,721)</b>	<b>1,118,839,080</b>
<b>Net effect of foreign currency translation</b>		<b>4,055,644</b>	<b>(4,026,613)</b>
<b>Opening Cash &amp; Cash Equivalents</b>		<b>1,352,844,574</b>	<b>238,032,107</b>
<b>Closing Cash &amp; Cash Equivalents</b>		<b>514,806,497</b>	<b>1,352,844,574</b>
<b>Net Operating Cash flows per Share</b>	<b>30</b>	<b>15.24</b>	<b>5.64</b>

These financial statements should be read in conjunction with the annexed note.

  
Tapan Chowdhury  
Chairman

  
Saman S Chowdhury  
Managing Director

  
Sanjib Baran Roy  
Company Secretary

Signed in terms of our separate report of even date annexed

Date: October 24, 2022  
Place: Dhaka

# SQUARE TEXTILES LIMITED

## NOTES TO THE FINANCIAL STATEMENT:

As at and for the year ended June 30, 2022

### 1. Establishment and Operations:

#### 1.1 Legal Form of the Enterprises:

Square Textiles Limited (Here in after said as the company) was formed and incorporated with the Registrar of Joint Stock Companies and Firms in Bangladesh in 1994 under the Companies Act, 1913 (Now operating under Companies Act, 1994) as public company limited by shares. The company is listed with the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. in 2002.

#### 1.2 Address of Registered office and factory of the company:

a) Registered Office: Square Centre 48, Mohakhali C/A, Dhaka -1212,

b) Factory Office:

i. Saradaganj, Kashimpur, Gazipur.

ii. Olipur, Habiganj, Sylhet.

#### 1.3 Nature of Business:

The company owns Five (5) units of spinning mills, and a twisting mill. It's activities and operations are related with manufacturing and marketing of Yarns.

### 2. Summary of significant accounting policies and other material information:

#### 2.1 Statement of Compliance:

The financial statements have been prepared in conformity with the provisions of the Companies Act 1994, The Securities and Exchanges Rules 1987, International Financial Reporting Standards and other relevant rules and regulations.

#### 2.2 Basis of Preparation:

The financial statements have been prepared in accordance with the going concern principle and historical cost convention. The significant accounting policies are set out below.

#### 2.3 Statement on Compliance of International Accounting Standards:

The following IASs and IFRSs are applicable for the financial statements for the year under review:

S/N	Name of the IAS	IAS No.	Status
1	Presentation of Financial Statements	1	Applied
2	Inventories	2	Applied
3	Statement of Cash Flows	7	Applied
4	Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
5	Events after the reporting period	10	Applied
6	Construction Contracts	11	Replaced by IFRS 15
7	Income Taxes	12	Applied
8	Property, Plant and Equipment	16	Applied
9	Leases	17	Replaced by IFRS 16
10	Revenue	18	Replaced by IFRS 15
11	Employee Benefit	19	Applied

S/N	Name of the IAS	IAS No.	Status
12	Accounting for Government Grants and Disclosure of Government Assistance	20	Not Applicable
13	The Effects of Changes in Foreign Exchange Rates	21	Applied
14	Borrowing Costs	23	Applied
15	Related Party Disclosures	24	Applied
16	Accounting and Reporting by Retirement Benefit Plans	26	Not Applicable
17	Separate Financial Statements	27	Applied
18	Investment In Associates and Joint Ventures	28	Not Applicable
19	Financial Reporting in Hyperinflationary Economics	29	Not Applicable
20	Financial Instruments: Presentation	32	Applied
21	Earnings per share	33	Applied
22	Interim Financial Reporting	34	Applied
23	Impairment of Assets	36	Applied
24	Provisions, Contingent Liabilities and Contingent Assets	37	Applied
25	Intangible Assets	38	Not Applicable
26	Financial Instruments: Recognition and Measurement	39	Replaced by IFRS 9
27	Investment Property	40	Not Applicable
28	Agriculture	41	Not Applicable

S/N	Name of the IFRS	IFRS No.	Status
1	First time adoption of International Financial Reporting Standards	1	Not Applicable
2	Shares based Payment	2	Not Applicable
3	Business Combinations	3	Not Applicable
4	Insurance Contract	4	Not Applicable
5	Non-current Assets Held for Sale and Discontinued Operations	5	Not Applicable
6	Exploration for and Evaluation of Mineral Resources	6	Not Applicable
7	Financial Instruments: Disclosure	7	Applied
8	Operating Segments	8	Not Applicable
9	Financial Instrument	9	Applied
10	Consolidated Financial Statements	10	Applied
11	Joint Arrangement	11	Not Applicable
12	Disclosure of Interest in other entities	12	Applied
13	Fair Value Measurement	13	Applied
14	Regulatory deferral accounts	14	Not Applicable
15	Revenue from Contracts with Customers	15	Applied
16	Leases	16	Applied

#### **2.4 Going Concern:**

As per IAS-1 a company is required to make assessment at the end of each year to assess its capability to continue as going concern. The management of the Company makes such assessment each year. The company has adequate resources to continue in operation for the foreseeable future and has wide coverage of its liabilities. For this reason, the Directors continue to adopt the going concern assumption while the financial statements have been prepared.

#### **2.5 Accrual Basis:**

The financial statements have been prepared, except cash flow information using the accrual basis of Accounting.

#### **2.6 Structure Contents and Presentation of Financial Statements:**

The presentation of the financial statements is in accordance with the guidelines provided by IAS-1:

“Presentation of Financial Statements”. A complete set of financial statements comprise:

- i) Statement of Financial Position as at June 30, 2022
- ii) Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2022
- iii) Statement of Changes in Equity for the year ended June 30, 2022
- iv) Statement of Cash Flows for the year ended June 30, 2022 and
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the Financial Statements for the year ended June 30, 2022.

#### **2.7 Use of estimates and judgments:**

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and assumptions are reviewed on an ongoing basis.

The estimates and underlying assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

In particular, significant areas of estimation uncertainty and critical judgments in applying accounting policies that has the most significant effect on the amount recognized in the financial statements are income tax provision (both current and deferred tax), depreciation and gratuity provision.

#### **2.8 Statement of Cash Flows:**

Statement of cash flows has been prepared as per IAS 7: Statement of Cash Flows using Direct Method as per the requirement of Securities and Exchange Rules 1987.

#### **3.0 Property, Plant and Equipment:**

As per IAS-16, Property, Plant and Equipment are stated at their historical cost less accumulated depreciation. No depreciation has been charged on the Freehold Land and on the Capital work in progress. Depreciation is charged on all other assets on straight-line method. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS 5 and the date that the assets are derecognized.

Depreciation is computed on the straight-line basis over the estimated useful lives as follows:

Particulars	Useful Life (Years)
Factory Building and other Construction	20
Plant & Machinery	10-15
Laboratory & other Equipment	5-8
Furniture & Fixture	5-8
Motor Vehicles	5
Electrical Installation	5-8

### 3.1 Subsequent Costs:

The cost of replacing or upgrading part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss.

### 3.2 Disposal of Fixed Assets:

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the statement of profit or loss, which is determined with reference to the net book value of the assets and net sales proceeds.

### 3.3 Impairment of Asset:

The carrying values of all non-current assets are reviewed for impairment, either on a stand-alone basis or as part of a larger cash generating unit, when there is an indication that the assets might be impaired. Additionally, Goodwill, Intangible Assets with indefinite useful lives and Intangible Assets which are not yet available for use are tested for impairment annually. Any provision for impairment is charged to the profit or loss statement in the year concerned.

### 3.4 Capital Work in Progress:

Capital work in progress consists of cost incurred for acquisition of new plant and machinery, civil structure, factory shed for warehouse etc. which were not ready for use till reporting date.

### 3.5 Inventories:

As per IAS-2, Inventories comprises of Raw Materials, Raw Materials in transit, Packing Materials, Work in Progress, Finished Goods, Comber Noil, and Spare & Spare Parts in transit. Inventories are valued at the lower of cost and net realizable value. Cost comprises invoice value plus applicable handling charges. Net realizable value is based on estimated selling price less estimated cost to completion and selling expenses.

### 3.6 Employees' Benefit Scheme:

#### Provident Fund:

The company has established an approved contributory provident fund scheme. A board of trustees wholly administers the fund. No part of the fund is included in the asset of the group.

#### Gratuity Fund:

The company establish funded (defined contribution) Gratuity plan and it is approved by NBR.

#### Group Insurance:

The group has two group insurance schemes for its permanent employees, premium for which is being charged to statement of profit or loss and other comprehensive income.

#### Worker's Profit & Participation Fund:

The company makes a regular allocation of 5% on net profit before tax to these funds and payment is made to the worker's as per provision of Labor Law 2006 chapter-15.

**3.7 Revenue Recognition:**

As per IFRS-15, Revenue is recognized as control is passed, either over time or at a point in time an entity recognizes revenue over time if one of the following criteria is met: the customer simultaneously receives and consumes all of the benefits provided by the entity as the entity performs; the entity's performance creates or enhances an asset that the customer controls as the asset is created; or the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

Income refers to increases in economic benefits during the accounting period in the form of inflows or enhancements of assets or decreases of liabilities that result in an increase in equity, other than those relating to contributions from equity participants.

**3.8 Other Income:**

It is recognized on accrual basis.

**3.9 Foreign Currency Transactions:**

As per IAS-21 Transactions in Foreign Currencies are translated into BDT at the rate of exchange ruling on date of transaction. Monetary assets and liabilities expressed in foreign currencies are translated into BDT at the rate of exchange ruling at the date of Statement of Financial position.

**3.10 Borrowing Costs:**

As per IAS-23 Borrowing costs are recognized as expenses in the period in which they incurred and capitalized the same that incurred before commencement of commercial operation.

**3.11 Advances, Deposits and Prepayments:**

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment, inventory or expenses.

Deposits are measured at payment value.

**3.12 Due to / Due from sister concerns:**

These represent balance amounts due to /from sister concerns which are derived from short term loan.

**3.13 Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Receivables:**

Trade Receivables are stated at their nominal value and considered good. No provision has been made for doubtful debt and no amount was written off as bad debt.

**Payables:**

Trade Payables are stated at their nominal value.

**Due to / Due from related parties:**

Due to /due from related parties are stated at their nominal value.

**Investment in subsidiary:**

This is initially stated at cost and subsequently at cost less impairment, if any.

**Cash and Cash Equivalents:**

Cash and cash equivalents comprises cash in hand, bank current accounts, other bank deposits free of encumbrance and having maturity dates of three months or less from respective dates of deposit.

**Borrowings:**

Interest bearing bank loans are recorded at the proceeds received net of direct issue costs. Finance charges are accounted for on an accrual basis.

**Financial Risk Management:**

The company has exposures to the following risks its use of financial statements:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The Board oversees how management monitors compliance with risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risks faced by the group. The Board is assisted in its oversight role by Audit Committee. Internal audit, under the purview of Audit Committee, undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

**Credit Risk:**

Credit risk is the risk of financial loss to the Company if a buyer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivable from customers and investment securities. The Company's sales are made to renowned RMG Exporting Company. Sales made to the entity are fully secured by Letters of Credit issued by local scheduled banks.

**Liquidity Risk:**

Liquidity risk is the risk that the Company will unable to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. In general, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. Moreover, the Company seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligations in the event that there is insufficient cash to make the required payment.

The requirement is determined in advance through cash flows projections and credit lines facilities with banks are negotiated accordingly.

Seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Board also monitors dividend trend to ordinary shareholders.

**Market Risk:**

Market Risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

**Capital Risk Management:**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Board also monitors dividend trend to ordinary shareholders.

**Money Laundering:**

The company considers prevention of money laundering risk not only as a compliance requirement imposed by the law of the country but also as one of its ethical business values.

**3.14 Lease:**

As per IFRS- 16, the entity has no lease. So, there will be no implication regarding IFRS 16 in this financial year.

### **3.15 Taxation:**

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current Tax:**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of Profit or Loss and other Comprehensive Income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted on date of Statement of Financial Position.

#### **Deferred Tax:**

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted by the date of Statement of Financial Position.

### **3.16 Contingent Liabilities and Assets:**

Current or possible obligations or assets arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain events which are not within the control of the company.

### **3.17 Related Party Transaction:**

The objective of Related Party Disclosure IAS 24 is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operating decisions.

The Company transacts with related parties and recognize as per IAS 24 'Related Party Disclosures'. Related party transactions have been disclosed under Note- 40.

### **3.18 Segment Reporting:**

As per IFRS 8, as there is a single business and geographic segment within which the company operates as such no segment reporting is felt necessary.

### **3.19 Earnings Per Share:**

As per IAS 33, Basis Earning per Share (EPS) has been computed dividing the earnings attributable to the weighted average number of the ordinary shares during the year.

### **3.20 Comparative Figure:**

Comparative information has been disclosed in respect of the previous year for all numerical information in the current financial statement. Narrative and descriptive information for comparative information have also been disclosed whenever it is relevant for understanding of current year's financial statements.

### **3.21 Financial Year:**

For this year financial year means, July 01, 2021 to June 30, 2022.

### **3.22 Events after the Reporting Period:**

As per IAS 10 "Events after the Reporting Period" are those events favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue.

### **3.23 General:**

Figures have been rounded off to the nearest taka, as it the reporting currency of these financials.

Particulars	June 30, 2022	June 30, 2021
	Taka	Taka
<b>4. Property, Plant &amp; Equipment:</b>		
Details of Property, Plant & Equipment and Depreciation as at June 30, 2022 are shown in the annexed schedule-A. Depreciation for the year charged to Factory Overhead (Note-21.3). The break-up of the balances are depicted below:		
<b>Fixed Assets at Cost</b>		
Opening Balance	11,723,998,907	9,809,975,786
Addition during the Year	437,299,499	2,040,229,234
Adjustment for Sale/ Obsolete during the Year	(73,793,914)	(126,206,113)
<b>Closing Balance(Cost)</b>	<b>12,087,504,492</b>	<b>11,723,998,907</b>
<b>Accumulated Depreciation</b>		
Opening Balance	5,365,642,419	4,876,507,663
Charged during the Year	631,050,336	606,850,599
Adjustment for sale/Obsolete during the year	(70,575,678)	(117,715,843)
	<b>5,926,117,077</b>	<b>5,365,642,419</b>
<b>Carrying Value</b>	<b>6,161,387,415</b>	<b>6,358,356,488</b>
<b>5. Capital Work In Progress:</b>		
Opening Balance	47,534,280	1,494,412,857
Addition during the Year	937,960,385	43,849,400
Transfer to Property, Plant & Equipment	(41,653,119)	(1,490,727,977)
<b>Closing Balance(Cost)</b>	<b>943,841,546</b>	<b>47,534,280</b>
The Capital work in progress includes Plant and Machinery (Tk. 27,782,098), Civil Work (Tk. 9,130,887) and Other Assets (Tk. 4,740,134). This year it has been transferred to Non-current assets and ready for use.		
<b>6. Investment- Long Term (At Cost):</b>		
This represents investments in share of Square Texcom Ltd.		
Investment in share of Square Texcom Ltd. (4,330,502 shares of Tk. 100 each)	489,333,960	489,333,960
	<b>489,333,960</b>	<b>489,333,960</b>
Square Texcom Limited, a private limited company incorporated under Companies Act 1994. A subsidiary company of the company holding 99.88% shares.		
<b>7. Inventories:</b>		
<b>Stocks of Materials</b>		
Raw Materials	1,712,022,186	1,873,243,764
Raw Materials In Transit	35,902,690	47,287,238
Packing Materials	23,320,421	21,882,935
Work - In - Process	131,982,572	116,600,280
Finished Goods	140,133,748	133,626,258
	<b>2,043,361,617</b>	<b>2,192,640,475</b>
<b>Stocks of Spares</b>		
Spares at Store	195,047,766	228,074,240
Spares in Transit	4,932,914	2,828,598
	<b>199,980,680</b>	<b>230,902,838</b>
	<b>2,243,342,297</b>	<b>2,423,543,313</b>

The basis of valuation is stated in Note -3.5. of page no-95, carrying amount of inventories pledged as security.

Particulars	June 30, 2022	June 30, 2021
	Taka	Taka
<b>8. Trade Receivables:</b>		
This represents invoice value of goods delivered to customer.		
Aging of the Trade Receivables is as follows:		
Below 60 days	1,808,414,323	1,957,487,545
Within 61-120 days	1,602,007,214	1,623,630,680
Above 120 days	827,832,320	906,856,150
	<u>4,238,253,857</u>	<u>4,487,974,375</u>
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 Receivables pledged as security.		
c) Trade Receivable is secured, considered as good and is falling due within one year.		
<b>9. Advances, Deposits &amp; Prepayments:</b>		
This is made up of the followings:		
<b>Advance</b>		
Income Tax	189,301,230	61,514,114
Salary & PF Current account	75,000	3,861,272
Other Expenses	56,965,105	22,333,344
Suppliers & Contractor	80,213,644	64,622,496
	<u>326,554,979</u>	<u>152,331,226</u>
<b>Deposits</b>		
Security Deposit	100,314,962	95,496,962
Margin on Bank Guarantee	11,745,685	11,482,746
	<u>112,060,647</u>	<u>106,979,708</u>
	<u>438,615,626</u>	<u>259,310,934</u>
(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) There was no amount was due by the associated undertaking.		
(c) The advances & deposits considered good & recoverable.		
<b>10. Cash &amp; Cash Equivalents:</b>		
Cash in hand	10,390,880	6,738,435
Cash at Bank (Note-10.1)	504,415,617	338,939,472
Fixed Deposit Receipt (Note-10.2)	-	1,007,166,667
	<u>514,806,497</u>	<u>1,352,844,574</u>
<b>10.1 Cash at Bank</b>		
Standard Chartered Bank	264,684,655	182,341,182
HSBC	128,360,893	84,886,696
Prime Bank Limited	83,041,657	41,247,907
The City Bank Limited	69,854	1,978,464
Commercial Bank of Ceylon	85,026	11,426
Bank Al-Falah	391,212	736,081
Janata Bank Limited	17,600,831	20,655,130
Mutual Trust Bank Limited	7,729,181	3,620,475
Dutch Bangla Bank Limited	653,010	2,157,390
Pubali Bank Limited	1,799,298	1,304,721
	<u>504,415,617</u>	<u>338,939,472</u>
<b>10.2 Fixed Deposit Receipt- Janata Bank Limited</b>	-	1,007,166,667
	-	<u>1,007,166,667</u>

Foreign currency account balances have been converted to Taka at the ruling rate at the reporting date.

Particulars	June 30, 2022	June 30, 2021
	Taka	Taka
<b>11. Share Capital:</b>		
This is made up of the followings:		
<b>Authorized:</b>	<u>3,000,000,000</u>	<u>3,000,000,000</u>
300,000,000 Ordinary Shares of Tk. 10.00 each		
<b>Issued, Subscribed and Paid up:</b>		
(197,252,000 Ordinary Shares of Tk. 10.00 each fully Paid up)	<u>1,972,520,000</u>	<u>1,972,520,000</u>
	<u>1,972,520,000</u>	<u>1,972,520,000</u>
Details of Share Capital are shown in the annexed schedule-B.		
<b>12. Retained Earnings:</b>		
Opening Balance	5,333,141,916	4,908,759,862
Add: Net income during the Year	1,806,304,596	621,634,054
Less: Cash Dividend paid during the Year	<u>(394,504,000)</u>	<u>(197,252,000)</u>
	<u>6,744,942,512</u>	<u>5,333,141,916</u>
<b>13. Long Term Borrowings:</b>		
Standard Chartered Bank	400,000,000	1,710,000,000
HSBC	250,000,000	1,500,000,000
Infrastructure Development Company Ltd. (IDCOL)	-	115,959,956
Less: Current Portion of Long Term Borrowings	<u>(346,666,668)</u>	<u>(682,904,897)</u>
	<u>303,333,332</u>	<u>2,643,055,059</u>
These long term loans are secured against hypothecation of Stock, Trade Receivables and Plant & Machinery.		
<b>14. Deferred Tax Liability:</b>		
Opening Balance	262,685,123	214,694,410
Deferred Tax Expenses/ (Income)	<u>13,612,356</u>	<u>47,990,713</u>
	<u>276,297,479</u>	<u>262,685,123</u>
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). 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.		
<b>a) Deferred Tax Liability is arrived at as follows:</b>		
Carrying Value of Depreciable Fixed Assets	5,485,392,598	5,682,361,671
Less: Tax Base Carrying Value	<u>(3,643,409,408)</u>	<u>(3,931,127,520)</u>
<b>Taxable Temporary Difference</b>	<u>1,841,983,190</u>	<u>1,751,234,151</u>
Tax Rate	15.00%	15.00%
<b>Closing Deferred Tax Liability</b>	<u>276,297,479</u>	<u>262,685,123</u>
Less: Opening Deferred Tax Liability	<u>(262,685,123)</u>	<u>(214,694,410)</u>
<b>Deferred Tax Expense/ (Income)</b>	<u>13,612,356</u>	<u>47,990,713</u>
<b>15. Short Term Bank Loan (Secured):</b>		
Revolving Loan	-	1,250,000,000
EDF & UPAS	4,822,002,921	2,977,438,115
Current Portion of Long Term Borrowings	<u>346,666,668</u>	<u>682,904,897</u>
	<u>5,168,669,589</u>	<u>4,910,343,012</u>
These short term loans are secured against hypothecation of Stock and Trade Receivable.		

Particulars	June 30, 2022	June 30, 2021
	Taka	Taka
<b>16. Creditors &amp; Other Payables:</b>		
Provision for Audit Fees	575,000	575,000
Provision for Utility Bills	60,025,469	55,455,224
Provision for Salary & Allowances	7,798,549	5,715,101
Others	7,275,928	9,154,560
	<b>75,674,946</b>	<b>70,899,885</b>
<p>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.</p>		
<b>17. Liabilities for Others Finance:</b>		
PF, WPPF & Other Fund	107,403,927	42,775,585
Provision for Gratuity (Note: 17.01)	-	-
Others	33,257,809	38,136,108
	<b>140,661,736</b>	<b>80,911,693</b>
<b>17.1. Provision for Gratuity:</b>		
Opening Balance	-	32,869,815
Provision made for the year	34,864,212	83,461,789
Payment made during the year	(34,864,212)	(116,331,604)
	-	-
<b>18. Unclaimed Dividend:</b>		
Opening Balance	54,851,342	53,581,472
Addition During The Year	394,504,000	197,252,000
Payment During The Year	(440,703,592)	(195,982,130)
	<b>8,651,750</b>	<b>54,851,342</b>
<b>19. Provision for Income Tax:</b>		
Opening Balance	90,489,894	83,321,634
Adjustment with Advance Tax during the Year	(61,514,113)	(56,305,125)
Provision made for the period (Note: 19.01)	309,854,073	63,473,385
	<b>338,829,854</b>	<b>90,489,894</b>
<b>19.1 Provision made for the Year</b>		
A) Net Current Tax Liability on Profit Basis	309,854,073	63,434,674
B) Tax Liability on Sales Revenue Basis	62,497,210	47,698,819
C) Advance Income Tax (Source Tax) Paid Under ITO-1984	89,301,229	61,514,114
Higher Amount of Tax Under Above Calculation (A:B:C)	<b>309,854,073</b>	<b>63,434,674</b>
Add/ Less: Short/ (Excess) provision for Prior period	-	38,711
<b>Income Tax Provision for the Year</b>	<b>309,854,073</b>	<b>63,473,385</b>

Particulars	June 30, 2022	June 30, 2021
	Taka	Taka
<b>A) Net Current Tax Liability on Profit Basis:</b>		
Profit Before Tax	2,129,771,025	733,098,152
Less: Non-Operating Income	( 53,343,676 )	( 19,475,519 )
<b>Net Operating Income Before Tax</b>	<b>2,076,427,349</b>	<b>713,622,633</b>
Tax Rate on Net Operating Income Before Tax (as per NBR)	15.00%	15.00%
Tax Rate on Non-Operating Income (as per NBR)	22.50%	22.50%
Income Tax Liability on Operating Profit	311,464,102	107,043,395
Add: Tax Liability on Non-Operating Income	12,002,327	4,381,992
<b>Total Tax Liability on Profit</b>	<b>323,466,429</b>	<b>111,425,387</b>
Less: Deferred Tax Expenses (Income)	13,612,356	47,990,713
<b>Net Current Tax Liability on Profit Basis</b>	<b>309,854,073</b>	<b>63,434,674</b>
<b>B) Tax Liability on Sales Revenue Basis:</b>		
i) Minimum Tax Rate on Sales Revenue Under ITO-1984	0.60%	0.60%
ii) Applicable For Textiles Business as Per NBR	0.40%	0.40%
(0.60%/22.50%*15%) Sales Revenue	15,624,302,486	11,924,704,664
Minimum Tax Amount on Sales Revenue	<b>62,497,210</b>	<b>47,698,819</b>
<b>C) Advance Income Tax (Source Tax) Paid Under ITO-1984:</b>	<b>89,301,229</b>	<b>61,514,114</b>
<p>Since the applicable tax on Profit before tax (<b>Tk. 309,854,073</b>) is higher than the minimum Tax on Revenue under ITO-1984 (<b>Tk. 62,497,210</b>) and source tax deducted under Income Tax Ordinance 1984 (<b>Tk. 89,301,229</b>), so the higher is provided as Tax Expense for the period ended June 30, 2022.</p>		
<b>Calculation of Effective Tax Rate:</b>		
Current Income Tax Expenses	309,854,073	63,473,385
Deferred Tax Expenses/ (Income)	13,612,356	47,990,713
<b>Total Tax Expenses</b>	<b>323,466,429</b>	<b>111,464,098</b>
<b>Effective Tax Rate (Tax Expenses / Profit Before Tax)</b>	<b>15.19%</b>	<b>15.20%</b>
<b>20. Sales Revenue:</b>		
<b>In Quantity (KG)</b>		
Opening Stock	622,050	1,274,872
Production during the Year	44,723,006	42,831,924
<b>Available for Sale</b>	<b>Kg. 45,345,056</b>	<b>44,106,796</b>
Closing Stock	(526,011)	(622,050)
<b>Sales during the year</b>	<b>Kg. 44,819,045</b>	<b>43,484,746</b>
(To be accounted for as follows)		
<b>Sales Accounted as follows:</b>		
In Quantities (KG)		
Export Sale of Yarns	44,819,045	43,484,746
	<b>Kg. 44,819,045</b>	<b>43,484,746</b>
<b>In Taka</b>		
Export Sale of Yarns	15,624,302,486	11,924,704,664
	<b>Tk. 15,624,302,486</b>	<b>11,924,704,664</b>

**Notes**  
**Standalone**

Particulars	June 30, 2022	June 30, 2021
	Taka	Taka
<b>21. Cost of Goods Sold:</b>		
Raw Materials Consumed (Note-21.1)	9,944,420,301	7,660,971,035
Packing Materials Consumed (Note-21.2)	143,435,615	119,096,305
Factory Overhead (Note- 21.3)	2,864,544,332	2,647,700,336
<b>Cost of Goods Manufacturing</b>	<b>12,952,400,248</b>	<b>10,427,767,676</b>
Work-In-Process (Opening)	116,600,280	104,774,292
Work-In-Process (Closing)	(131,982,572)	(116,600,280)
<b>Cost of Production</b>	<b>12,937,017,956</b>	<b>10,415,941,688</b>
Finished Goods (Opening)	133,626,258	306,671,712
Finished Goods (Closing)	(140,133,748)	(133,626,258)
<b>Cost of Goods Sold</b>	<b>12,930,510,466</b>	<b>10,588,987,142</b>
<b>21.1. Raw Materials Consumed:</b>		
<b>In Quantity (KG)</b>		
Opening Stock	12,317,297	15,486,372
Purchase during the year	48,409,392	43,023,361
<b>Raw Materials Available for Consumption</b>	<b>60,726,689</b>	<b>58,509,733</b>
Closing Stock	(11,869,482)	(12,317,297)
<b>Raw Materials Consumed</b>	<b>48,857,207</b>	<b>46,192,436</b>
<b>In Taka</b>		
Opening Stock	1,873,243,764	2,243,666,211
Purchase during the year	9,783,198,723	7,290,548,588
<b>Raw Materials Available for Consumption</b>	<b>11,656,442,487</b>	<b>9,534,214,799</b>
Closing Stock	(1,712,022,186)	(1,873,243,764)
<b>Raw Materials Consumed</b>	<b>9,944,420,301</b>	<b>7,660,971,035</b>
<b>Consumption Ratio on Purchase</b>	<b>101.65%</b>	<b>105.08%</b>
<b>21.2. Packing Materials Consumed:</b>		
Opening Stock	21,882,935	14,937,386
Purchase during the year	144,873,101	126,041,854
<b>Available for Consumption</b>	<b>166,756,036</b>	<b>140,979,240</b>
Closing Stock	(23,320,421)	(21,882,935)
<b>Packing Materials Consumed</b>	<b>143,435,615</b>	<b>119,096,305</b>
<b>Consumption Ratio on Purchase</b>	<b>99.01%</b>	<b>94.49%</b>

Particulars	June 30, 2022	June 30, 2021
	Taka	Taka
<b>21.3. Factory Overhead:</b>		
Factory Wages, Salary & Allowances	914,626,427	858,317,492
Travelling & Conveyance	179,161	127,418
Overseas Travelling	1,099,699	-
Recruitment & Training Expenses	53,137	57,834
Printing Expenses	408,326	337,679
Stationery Expenses	1,568,936	1,400,956
Software & Hardware Support Expenses	2,845,308	2,291,673
Production Workers' Free Lunch	4,641,101	4,018,992
Uniform & Liveries	428,519	418,486
Fuel, Petrol, Light, Diesel etc.	112,449,818	96,078,221
Electricity, Gas & Water	827,733,161	754,481,010
Factory Consumable Expense	52,972,895	43,546,572
Medical Expenses	1,812,947	2,059,165
Repairs & Maintenance of Vehicles	18,835,328	15,607,287
Papers, Books and Periodicals	10,320	25,550
Industrial All Risk Insurance Premium	17,088,230	15,642,835
Postage, Telephone, Fax & Telex	411,052	486,861
Govt. Tax, VAT & License Fees	11,303,151	500,225
Security Services	19,958,720	20,018,562
Spare Parts - Machinery	243,822,202	224,258,309
Group Insurance	1,245,558	1,174,610
Depreciation (Schedule-A)	631,050,336	606,850,599
	<b>2,864,544,332</b>	<b>2,647,700,336</b>
<b>22. Administrative Overhead:</b>		
Salary and Allowances	125,313,683	121,946,541
Directors' Remuneration	55,252,500	48,000,000
Independent Directors' Honorarium	600,000	600,000
Travelling & Conveyance	843,780	659,082
Overseas Travelling	9,966,219	6,142,817
Recruitment & Training Expenses	639,897	76,146
Head Office Employees' Free Lunch	2,417,387	2,136,448
Uniform & Liveries	144,750	84,870
Printing Expenses	153,349	325,601
Stationery Expenses	470,961	345,378
Software & Hardware Support Expenses	2,578,485	2,081,781
Postage, Telephone, Fax & Telex	390,772	507,017
Electricity, Gas & Water	3,139,743	3,046,418
Office Consumable Expense	1,996,078	1,613,062
Rental Expenses	14,486,116	14,104,313
Vehicles Running & Maintenance	9,057,588	8,161,473
Medical Expenses	1,263,970	351,080
Group Insurance	440,865	385,210
Bank Charges & Commission	7,681,930	3,462,454
Fees & Subscription	6,941,812	6,660,837
Security Service	431,343	593,267
Govt. Tax, Stamp Duty & Licence Fees	1,458,816	1,135,438
Annual General Meeting Expenses	1,324,067	1,163,986
Audit Fees	741,750	652,050
	<b>247,735,861</b>	<b>224,235,269</b>

Particulars	June 30, 2022	June 30, 2021
	Taka	Taka
a) Audit Fees represent auditors' remuneration for audit during the year.		
b) The Rental Expenses incurred to use two floor spaces for office with two "one-year cancellable" (both parties three months notice period) contacts. The Contracts don't offer any buying option or any assurance of post use minimum market price for the used floors. Considering exemptions allowed in IFRS-16 (Shorter contact tenor and small amount of rental expenses) the rental agreements not considered as finance lease.		
c) Directors' Remuneration is not included the Member Director of "Audit Committee" and "Nomination & Remuneration Committee"		
<b>23. Selling &amp; Distribution Overhead:</b>		
Export Sale Expenses	16,210,148	12,400,380
Loading & Unloading	5,300,841	4,639,077
	<u>21,510,989</u>	<u>17,039,457</u>
<b>24. Finance Cost:</b>		
Interest on Deferred LC Loan	61,094,393	51,477,459
Interest on Loan ag. Export Bill Discount	10,518	2,512,455
Interest on OD	111,332	116,398
Interest on Short Term Loan	14,605,555	88,026,367
Interest on Long Term Loan	165,807,472	82,318,459
Interest on Sister Concerns	-	119,714,117
	<u>241,629,270</u>	<u>344,165,255</u>
Interest expenses is derived from short-term loan and is recognized on an accrual basis. The finance cost includes no interest on any sort of borrowing from directors including managing director and managers.		
<b>25. Non-Operating Income:</b>		
Interest Income	23,145,852	12,700,120
Forfeited Provident Fund	3,327,805	27,593,156
Gain/ (Loss) on Disposal of Assets	4,041,764	245,130
Foreign Exchange Rate Fluctuation Gain/ (Loss)	22,828,255	(21,062,887)
	<u>53,343,676</u>	<u>19,475,519</u>
<b>26. Allocation for W.P.P.F &amp; W.F:</b>	<u>106,488,551</u>	<u>36,654,908</u>
	<u>106,488,551</u>	<u>36,654,908</u>
This represents 5% of Net Income before Tax after charging the allocation as per provisions of the Companies Profit under Labour Law 2006, amended in 2016.		
<b>27. Income Tax Expenses:</b>	<u>309,854,073</u>	<u>63,473,385</u>
	<u>309,854,073</u>	<u>63,473,385</u>
This represents estimated Income Tax on Net Income for the Year and adjustment any short/excess provision for prior years.		
<b>28. Earnings Per Share (EPS):</b>		
Earning attributable to Ordinary Shares including other income	1,806,304,596	621,634,054
Number of Ordinary shares	197,252,000	197,252,000
<b>Earnings Per Share</b>	<u>9.16</u>	<u>3.15</u>

Particulars	June 30, 2022	June 30, 2021
	Taka	Taka
<b>29. Net Asset Value (NAV) Per Share:</b>		
Equity Attributable to the Owners of the Company	8,717,462,512	7,305,661,916
Number of Ordinary shares	197,252,000	197,252,000
<b>Net Asset Value (NAV) Per Share</b>	<b>44.19</b>	<b>37.04</b>
<b>30. Net Operating Cash flows per Share (NOCFPS):</b>		
Net Cash Generated (Used in) from Operating Activities	3,006,351,786	1,112,289,948
Number of Ordinary Shares	197,252,000	197,252,000
<b>Net Operating Cash flows per Share (NOCFPS)</b>	<b>15.24</b>	<b>5.64</b>
<b>31. Reconciliation of Net Profit with Cash Flows from Operating Activities:</b>		
<b>Profit After Tax</b>	<b>1,806,304,596</b>	<b>621,634,054</b>
Adjustment to reconcile net profit to net cash provided by operating activities :		
<b>Non-cash Expenses:</b>	<b>640,607,048</b>	<b>658,867,925</b>
Depreciation	631,050,336	606,850,599
Deferred Tax	13,612,356	47,990,713
Net effect of foreign currency translation	(4,055,644)	4,026,613
<b>Non-Operating Items:</b>	<b>(4,041,764)</b>	<b>114,474,916</b>
Interest Expenses/ (Income) on Sister Company Loan	-	114,720,046
Gain/ (Loss) on Disposal of Assets	(4,041,764)	(245,130)
<b>Changes in working Capital:</b>	<b>563,481,906</b>	<b>(282,686,947)</b>
(Increase)/Decrease in Inventories	180,201,016	523,338,401
(Increase)/Decrease in Trade Receivable	249,720,518	(794,109,664)
(Increase)/Decrease in Advances, Deposits & Prepayments	(179,304,692)	(5,270,025)
Increase/(Decrease) in Creditors & Other Payables	4,775,061	(7,489,599)
Increase/(Decrease) in Liabilities for Others Finance	59,750,043	(6,324,320)
Increase/(Decrease) in Income Tax Payable	248,339,960	7,168,260
<b>Net Cash Generated (Used in) from Operating Activities</b>	<b>3,006,351,786</b>	<b>1,112,289,948</b>
<b>32. Number of Employees:</b>		
The Number of employees and expenses incurred for employees during the year as follows:		
<b>No. of Employees:</b>		
Below Tk. 71,880.00 p.a	-	-
Tk. 71,880.00 and Above	4,551	4,476
	<b>4,551</b>	<b>4,476</b>
<b>Amount in Taka</b>		
Below Tk. 71,880.00 p.a	-	-
Tk. 71,880.00 and Above	1,039,940,110	980,264,033
	<b>1,039,940,110</b>	<b>980,264,033</b>

There is no Salary/Wages/Remuneration below Tk.5,990/- per month with w.e.f May-2018.

Particulars	June 30, 2022	June 30, 2021
	Taka	Taka
<b>33. Key Management Personnel Compensation:</b>		
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	111,782,161	109,093,018
Post Employment Benefits	19,175,934	18,517,445
Other Long Term Benefits	-	-
Termination Benefits	-	-
Share Based Payment	-	-
<b>34. Capital Expenditure Commitment:</b>		
Contract for capital expenditure are being executed by the Contractors and running bills are accounted for but the unfinished contracts has not been reflected in this Financial Statements.		
<b>35. Claim Acknowledgement:</b>		
There was no claim against the Company not acknowledged as debt as on June 30, 2022.		
<b>36. Contingent Liability:</b>		
Contingent liabilities at the Statement of Financial Position date are as follows;		
<b>36. 1. Guarantee Issued by Bank in favor of Vendor (Utility, Insurance etc):</b>		
Standard Chartered Bank	7,582,032	7,582,032
HSBC	4,011,670	769,770
Prime Bank Limited	142,398,668	136,020,468
Bank Al-falah	17,409,336	17,409,336
	<u>171,401,706</u>	<u>161,781,606</u>
<b>36. 2. Contingent Liability under Import LC:</b>		
Standard Chartered Bank	194,835,854	475,977,317
HSBC Bank	2,641,131,334	437,235,697
Prime Bank	151,915,221	222,944,143
	<u>2,987,882,409</u>	<u>1,136,157,157</u>
<b>37. Production Capacity and Utilization:</b>		
<b>Capacity Installed ( In Qty ):</b>		
No. of Spindles Installed	129,262	125,878
No. of Rotor Heads Installed	5,192	4,792
No. of Vortex Heads Installed	3,168	2,784
<b>Capacity Utilised ( In Qty ):</b>		
No. of Spindles Operated	129,262	125,878
No. of Rotor Heads Operated	5,192	4,792
No. of Vortex Heads Operated	3,168	2,784
<b>Production Target (In Kg):</b>		
-At Equivalent 30s Count (Ring Yarn)	19,470,638	19,343,617
- At Equivalent 14s Count (O/E Yarn)	10,984,367	10,741,362
- At Equivalent 30s Count (Vortex Yarn)	10,533,644	10,426,317
	<u>40,988,649</u>	<u>40,511,296</u>

Particulars	June 30, 2022	June 30, 2021
	Taka	Taka
<b>Actual Production (In Kg):</b>		
-At Equivalent 30s Count (Ring Yarn)	19,043,265	19,008,553
- At Equivalent 14s Count (O/E Yarn)	10,644,031	10,521,594
- At Equivalent 30s Count (Vortex Yarn)	10,210,973	10,228,368
	<b>39,898,269</b>	<b>39,758,515</b>

a) During the last few years we had to face hard competition in the national & international market. To cope with the situation we have adopted multiple product mix to attain high margin as strategy of value addition through product differentiation. Hence, we have restated the production capacity installation criterion and actual production quantity to make them (The production data) equivalent & comparable.

**38. Dividend Paid to the Shareholders:**

During the year under review total cash dividend amounting to Tk. 394,504,000 has been paid to the shareholders.

**39. Credit Facility:**

There was no credit facility available to the Company under any contract other than bank credit facility and trade credit available in the ordinary course of business.

**40. 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.

**Transaction with Square Pharmaceuticals Ltd. (SPL):**

Opening Balance	-	(3,277,576,394)
Total Received	-	(1,269,870,456)
Total Paid	-	4,547,446,850
<b>Closing Balance- Receivable/ (Payable)</b>	<b>-</b>	<b>-</b>

**Transaction with Square Texcom Ltd. (STCL):**

Opening Balance	-	140,003,283
Total Paid	-	231,382,648
Total Received	-	(371,385,931)
<b>Closing Balance- Receivable/ (Payable)</b>	<b>-</b>	<b>-</b>

**Transaction with Aegis Services Ltd. (ASL):**

Opening Balance	-	-
Total Service Received	(20,788,466)	(25,249,654)
Total Paid	20,788,466	25,249,654
<b>Closing Balance- Receivable/ (Payable)</b>	<b>-</b>	<b>-</b>

**Transaction with Square Informatix Ltd. (SIL):**

Opening Balance	(76,188)	-
Total Service Received	(10,435,577)	(4,932,361)
Total Paid	10,435,577	4,856,173
<b>Closing Balance- Receivable/ (Payable)</b>	<b>(76,188)</b>	<b>(76,188)</b>

Particulars	June 30, 2022	June 30, 2021
	Taka	Taka
<b>Transaction with Square Hospitals Ltd. (SHL):</b>		
Opening Balance	-	201,937
Total Service Received	(2,478,491)	(2,165,249)
Total Paid	2,478,491	2,367,186
<b>Closing Balance- Receivable/ (Payable)</b>	<b>-</b>	<b>-</b>
<b>Transaction with Square Fashions Ltd. (SFL):</b>		
Opening Balance	421,918,019	330,135,734
Total Goods Delivered	987,532,883	1,137,177,863
Total Received	(1,202,587,763)	(1,045,395,578)
<b>Closing Balance- Receivable/ (Payable)</b>	<b>206,863,139</b>	<b>421,918,019</b>
<b>Transaction with Square Denims Ltd. (SDL):</b>		
Opening Balance	375,470,516	157,466,237
Total Goods Delivered	1,011,286,841	834,624,758
Total Received	(1,206,009,226)	(616,620,479)
<b>Closing Balance- Receivable/ (Payable)</b>	<b>180,748,131</b>	<b>375,470,516</b>
<b>Transaction with Square Apparels Ltd. (SAPL):</b>		
Opening Balance	149,736,737	239,108,927
Total Goods Delivered	404,390,036	373,577,069
Total Received	(468,717,410)	(462,949,259)
<b>Closing Balance- Receivable/ (Payable)</b>	<b>85,409,363</b>	<b>149,736,737</b>

#### 41. Events after the Reporting period

- 41.1** The Board of Directors in it's meeting held on October 20, 2022 approved the financial statements for the year ended June 30, 2022. The Board of Directors also authorised the same for issue.
- 41.2** The Board of Directors of SQUARE TEXTILES LIMITED as it's 27th board meeting held on October 20, 2022 has recommended @ 35.00% cash dividend {i.e. Tk. 3.50 (Tk three and fifty paisa) per share} for the year ended June 30, 2022. These dividends are subject to the approval by the shareholders at the forthcoming Annual General Meeting of the company. The total amount of Proposed Cash Dividend for the year 2021-22 is calculated at Tk. 690,382,000.00
- 41.3** Except above no other significant event occurred till the date of signing the financial statements.

# SQUARE TEXTILES LIMITED

## SCHEDULE OF PROPERTY, PLANT & EQUIPMENT

As on June 30, 2022

Schedule-A

Amount in Taka

Particulars	Cost			Depreciation			W.D.V As At 30th June-2022	
	At 01st July 2021	During the Period		At 01st July 2021	During the Period			At 30th June-2022
		Additions	Sales/ Obsolete		Charged	Adjustments		
Land & Land Development	675,994,817	-	-	-	-	-	675,994,817	
Building-Factory & Utility	1,356,865,895	-	-	515,973,207	59,871,843	-	781,020,845	
Building-Others	379,562,365	-	-	234,973,180	15,973,295	-	128,615,890	
Sheds	16,146,112	6,200,000	-	16,114,072	211,660	-	6,020,380	
Plant & Machinery	8,454,012,335	374,874,429	(54,977,592)	4,113,737,198	471,965,387	(52,616,700)	4,240,823,287	
Laboratory Equipment	61,646,948	555,291	-	62,202,239	8,222,249	-	44,128,192	
Electrical Installation	407,640,351	2,800,000	-	233,074,082	38,560,236	-	138,806,033	
Gas Line Installation	43,678,531	-	-	28,551,700	2,087,291	-	13,039,540	
Motor Vehicles	175,719,239	50,628,213	(18,706,461)	130,772,551	21,904,178	(17,849,117)	72,813,379	
Office Equipment	24,376,803	517,242	-	16,343,544	1,907,856	-	6,642,645	
Furniture & Fixture	15,695,357	184,385	(11,025)	14,464,392	379,784	(11,025)	1,035,566	
Computer	4,362,773	-	-	4,082,211	141,467	-	139,095	
Hardware & Software	2,300,000	-	-	711,904	328,571	-	1,259,525	
Boundary Wall	50,166,123	1,254,703	-	22,811,117	2,781,172	-	25,828,537	
Deep Tube-Well	2,730,800	-	-	2,684,106	7,296	-	39,398	
Safety & Security Equipment	2,243,507	-	-	1,703,011	252,779	-	287,717	
Communication and Network Equipment	7,007,669	-	-	5,078,720	571,712	-	1,357,237	
Other Assets	43,849,282	285,236	(98,836)	14,715,626	5,883,560	(98,836)	23,535,332	
<b>As at June 30, 2022</b>	<b>11,723,998,907</b>	<b>437,299,499</b>	<b>(73,793,914)</b>	<b>5,365,642,419</b>	<b>631,050,336</b>	<b>(70,575,678)</b>	<b>6,161,387,415</b>	
<b>As at June 30, 2021</b>	<b>9,809,975,786</b>	<b>2,040,229,234</b>	<b>(126,206,113)</b>	<b>4,876,507,663</b>	<b>606,850,599</b>	<b>(117,715,843)</b>	<b>6,358,356,488</b>	

Notes Standalone

# SQUARE TEXTILES LIMITED

## Schedule of Share Capital

As on June 30, 2022

Position of shareholding of ordinary shares as on June 30, 2022

Schedule-B

Sl. No.	Particulars	2021-2022		2020-2021	
		Number of Shares	%	Number of Shares	%
1	Sponsor	121,959,707	61.83	121,959,707	61.83
2	Foreign Investors	6,103,232	3.09	6,144,232	3.12
3	Financial and other Institutions	44,762,150	22.69	46,158,417	23.40
4	General Public	24,426,911	12.39	22,989,644	11.65
	<b>Total -</b>	<b>197,252,000</b>	<b>100.00</b>	<b>197,252,000</b>	<b>100.00</b>

Distribution schedule of each class of equity security setting out the number of holders and percentage as on June 30, 2022

Sl. No.	Range of Holdings	As per Folio		As per BO ID			Total Share Holding	%
		No. of holders	Holdings	No. of holders	Holdings	%		
1	Less than 500 shares	3485	294,212	7309	890,986	1,185,198	0.60	
2	501 to 5,000 shares	253	290,937	3049	4,947,374	5,238,311	2.66	
3	5001 to 10,000 shares	7	49,127	328	2,433,135	2,482,262	1.26	
4	10,001 to 20,000 shares	4	58,452	206	3,103,269	3,161,721	1.60	
5	20,001 to 30,000 shares	2	54,478	56	1,356,593	1,411,071	0.72	
6	30,001 to 40,000 shares	2	65,762	30	1,065,226	1,130,988	0.57	
7	40,001 to 50,000 shares	3	140,791	26	1,194,838	1,335,629	0.68	
8	50,001 to 100,000 shares	3	228,360	31	2,380,407	2,608,767	1.32	
9	100,001 to 1,000,000 shares	5	2,430,515	54	17,441,023	19,871,538	10.07	
10	Over 1,000,000 shares	9	63,128,875	10	95,697,640	158,826,515	80.52	
	<b>Total</b>	<b>3,773</b>	<b>66,741,509</b>	<b>11,099</b>	<b>130,510,491</b>	<b>197,252,000</b>	<b>100.00</b>	

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