

SQUARE TEXTILES LIMITED

2020-2021

ANNUAL REPORT

Year Ended June, 2021



At a Glance

Performance 2020-2021


Consolidated

Sales 28.42% 


2020-2021 BDT 13,293.57 million
2019-2020 BDT 10,351.45 million

Gross Profit 93.51% 

2020-2021 BDT 1,434.74 million
2019-2020 BDT 741.44 million

Net Profit 1,160% 

2020-2021 BDT 671.86 million
2019-2020 BDT 53.33 million

NAV 6.61% 

2020-2021 BDT 38.69 per share
2019-2020 BDT 36.29 per share

EPS 1,163% 

2020-2021 BDT 3.41 per share
2019-2020 BDT 0.27 per share

Dividend Payout 100% 

2020-2021 BDT 394.50 million
2019-2020 BDT 197.25 million

Contribution 67.94% 

to National Exchequer

2020-2021 BDT 136.82 million
2019-2020 BDT 81.47 million

SQUARE TEXTILES LIMITED

- ✦ Replacement of new technology in production process.
- ✦ BMRE of Machineries.
- ✦ Optimal use of the Raw Materials.
- ✦ Enriched the Production Efficiency.
- ✦ Sales prices increased at a higher ratio in comparison with the price of raw materials.
- ✦ Demand increases both at Home and Abroad.
- ✦ Reduced the Rate of Corporation Taxation by the Government.





Insides

ANNUAL REPORT 2020-2021

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Vision & Mission

VISION

Our conception of business germinated from our vision which sees it as a means to the well-being of the investors, stakeholders, employees and members of the society at large by creating new wealth in the form of goods and services that go to satisfy the wants of all of them without disturbing or damaging the socio-ecological-economic balance of the Mother Earth and the process of human civilization leading to peaceful co-existence of all the living beings.

MISSION

Our mission is the polestar of our vision for maximization of production of quality products and services strictly on ethical and moral standards at minimum costs to the society ensuring optimum benefits to the consumers, the shareholders and other stakeholders.

CORPORATE FOCUS

Our vision is the polestar to our mission that fulfils our objectives with emphasis on the quality of product, process and services blended with good governance that help build the image of the most venerable corporate citizenship at home and abroad.

OBJECTIVE

- To strive hard to optimize profit through conduction of transparent business operations within the legal & Social framework with malice to none and justice for all in respective of gender disparity, caste, creed or religion or region.
- To Increase productivity.
- To create more jobs with minimum investments.
- To be competitive in the internal as well as external markets.
- To maximize export earning with minimum imported in-puts.
- To reduce the income gap between top & bottom categories of employees.
- To promote corporate social responsibilities (CSR) amongst all.



**SQUARE
TEXTILES
LTD.**



SQUARE
Textiles Limited

TRANSMITTAL LETTER

To

The Members
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

Annual Report for the year ended June 30, 2021

Dear Madam/Sir(s)

We are pleased to enclose a copy of the Annual Report containing Directors' Report, Auditors' Report alongwith the Audited Financial Statements comprising Statement of Financial Position as at June 30, 2021, Statement of Profit or Loss and other Comprehensive Income, Changes in Equity and Cash Flows for the year ended June 30, 2021 along with notes thereon, all related Consolidated and Subsidiaries Financial Statements, Corporate Governance Compliances and others for your information and records.

Yours sincerely.

Sanjib Baran Roy
Company Secretary

Dated: 24 November, 2021

TRANSMITTAL LETTER

WE STRIVE FOR

SQUARE TEXTILES LIMITED

We in SQUARE, strive, above all, for top quality products at the least cost reaching the lowest rungs of the economic class of people in the country. We value our social obligations.

We owe our shareholders and strive for protection of their capital as well as ensure highest return and growth of their assets.



We strive for best compensation to all the employees who constitute the back bone of the management and operational strength of the company through a pay - package composing salary/wages, allowances, bonuses, profit participation, leave/ salary and superannuation & retirement benefits and other emergency grants & gratis.

We strive for the best co-operation of the creditors & debtors the banks & financial institutions who provide financial support when we need them, the suppliers of raw materials & supplies who offer them at the best prices at the opportune moments, the providers of utilities - power, gas & water etc. and the customers who buy our products & services by redeeming their claim in time by making prompt payment and by distributing proper product on due dates.



We strive for fulfillment of our responsibility to the Government through payment of entire range of due taxes, duties and claims to various public agencies like municipalities etc.

We strive as responsible citizen, for a social order devoid of malpractices, anti-environmental behaviors, unethical and immoral activities and corruptive dealings.



We keep away from any discriminatory practices between sexes, races, religions, colors or political beliefs.

We strive for practicing good governance in every sphere of activities covering inter alia, not being limited to, disclosure & reporting to shareholders holding AGM in time, distribution of dividends and other benefits to shareholders, reporting /dissemination of price sensitive information, acquisition of shares by insiders, recruitment & promotion of staff, procurement & supplies, sale of assets etc. All that directly and indirectly affect the interest of concerned groups- the shareholders, the creditors, suppliers, employees, government and the society in general.

NOTICE 26TH AGM

Notice is hereby given that the 26th Annual General Meeting of the Members of Square Textiles Ltd. will be held on Wednesday the 15th December, 2021 at 11:00 a.m. under virtual platform through the link <https://tinyurl.com/stlagm2021> to transact the following business:

- Agenda-1: To receive, consider and adopt the Audited Financial Statement for the year ended 30th June, 2021 together with the reports of the Directors' and the Auditors' thereon
- Agenda-2: To declare dividend for the year ended 30th June, 2021
- Agenda-3: To elect Directors in terms of the relevant provision of Articles of Association.
- Agenda-4: To appoint Statutory Auditors for the year 2021-2022 and to fix their remuneration.
- Agenda-5: To appoint Compliance Auditors for the year 2021-2022 and to fix their remuneration.
- Agenda-6: To approve the sale of goods to the sister concern of Square Textiles Ltd.

By order of the Board.



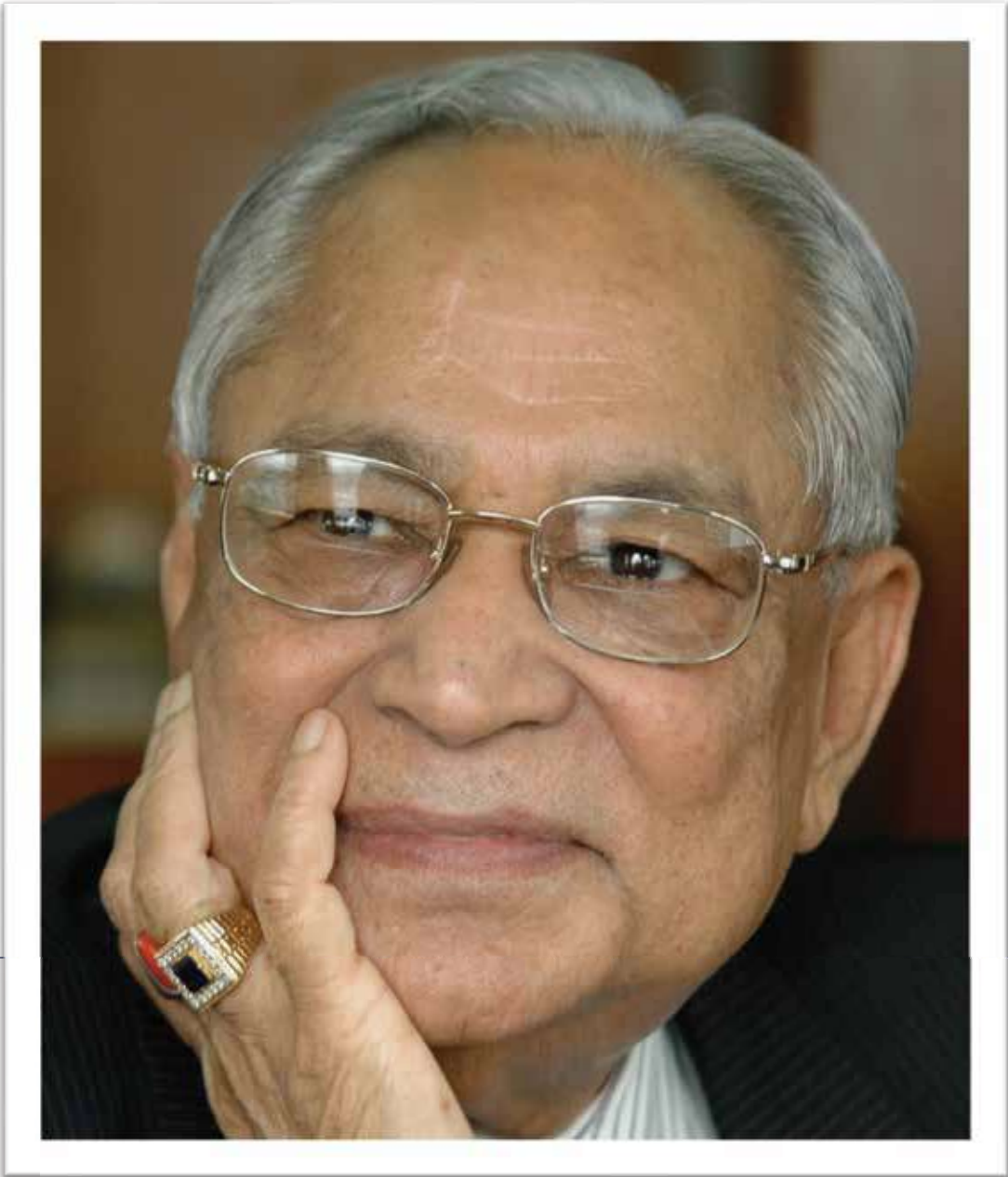
Sanjib Baran Roy
Company Secretary

Dated: 24 November, 2021

Notes:

- i) The proxy form must be affixed with requisite revenue stamp and be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
- ii) Members are requested to submit to the Company's Share Office on or before 13th December 2021, their written option to receive dividend. In case of non-submission of such option with the stipulated time, the dividend will be paid off as deemed appropriate by the Company.
- iii) The Annual Report is available in the Company's web site at www.textile.squaregroup.com

THE FOUNDER
1925-2012



If you love people, God will love you

A handwritten signature in black ink, appearing to read 'Samson H Chowdhury'.

Samson H Chowdhury

THE DIRECTORS



Mr. Tapan Chowdhury



Mrs. Ratna Patra



Mr. Samuel S Chowdhury



Mrs. Anita Chowdhury



Mr. Anjan Chowdhury



Mrs. Nihad Kabir



Mr. S M Rezaur Rahman

CHAIRMAN
Mr. Tapan Chowdhury

VICE CHAIRMAN
Mrs. Ratna Patra

MANAGING DIRECTOR
Mr. Samuel S Chowdhury

DIRECTOR
Mrs. Anita Chowdhury

DIRECTOR
Mr. Anjan Chowdhury

INDEPENDENT DIRECTOR
Mrs. Nihad Kabir

INDEPENDENT DIRECTOR
Mr. S M Rezaur Rahman

BOARD OF DIRECTORS

Square Textiles Limited

MANAGEMENT APPARATUS



Management Committee

Mr. Samuel S Chowdhury Managing Director	Chairman
Mr. Anjan Chowdhury Director	Member
Mr. Md. Kabir Reza Head of Accounts & Finance	Member
Mr. Md. Alamgir Hossain Head of Operations	Member

Audit Committee

Mrs. Nihad Kabir Independent Director	Chairman
Mrs. Ratna Patra Director	Member
Mr. Anjan Chowdhury Director	Member
Mr. Sanjib Baran Roy Company Secretary	Secretary

Nomination and Remuneration Committee

Mrs. Nihad Kabir Independent Director	Chairman
Mrs. Ratna Patra Director	Member
Mr. Anjan Chowdhury Director	Member
Mr. Sanjib Baran Roy Company Secretary	Secretary

CFO, Company Secretary and HIAC

Mr. M Habibur Rahman, FCMA
Mr. Sanjib Baran Roy, ACS
Mr. Mozibur Rahman, FCA

Statutory Auditors

M/s. K. M. Hasan & Co.
Chartered Accountants
Hometown Apartment
8th & 9th Floor
87 Eskaton Road
Dhaka

Compliance Auditors

M/s Chowdhury Bhattacharjee & Co.
Chartered Accountants
47/8 Indira Road
Ground Floor
Dhaka

SQUARE TEXTILES LIMITED

CORPORATE INFORMATION

Operational Head

Mr. Md. Alamgir Hossain	Head of Operations
Mr. Anjan Kumar Paul	Head of HR & Admin
Mr. Shah Didarul Islam	Head of Engineering
Mr. Avijit Kumar Biswas	Head of Procurement
Mr. Mozibur Rahman	Head of Internal Audit and Compliance
Mr. Md. Shahid Raihan	Head of Quality Assurance
Mr. Shah Mohammad Faisal	Head of Sales & Marketing

Legal Advisor

Mr. Rokanuddin Mahmud Bar-at-Law Walsow Tower 21-23 Kazi Nazrul Islam Avenue Dhaka	Ms. Nazia Kabir Bar-at-Law Concord Ovalash, 1 st floor House-62, Road-11A, Dhanmondi Dhaka
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Bankers

Standard Chartered Bank
HSBC Ltd., Prime Bank Ltd.
Bank Alfalah Ltd.
The City Bank Ltd.
Commercial Bank of Ceylon

Insurers

Pioneer Insurance Co. Ltd.
Pragati Insurance Co. Ltd.
Eastland Insurance Co. Ltd.

Listing

Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

Subsidiary Company

Square Texcom Ltd.

Registered Office

Square Centre
48 Mohakhali C.A.,
Dhaka 1212
Bangladesh

Factories

1. Sardaganj, Kashimpur
Gazipur, Bangladesh
2. Olipur, Hobigonj
Bangladesh

Phone, Email & Web

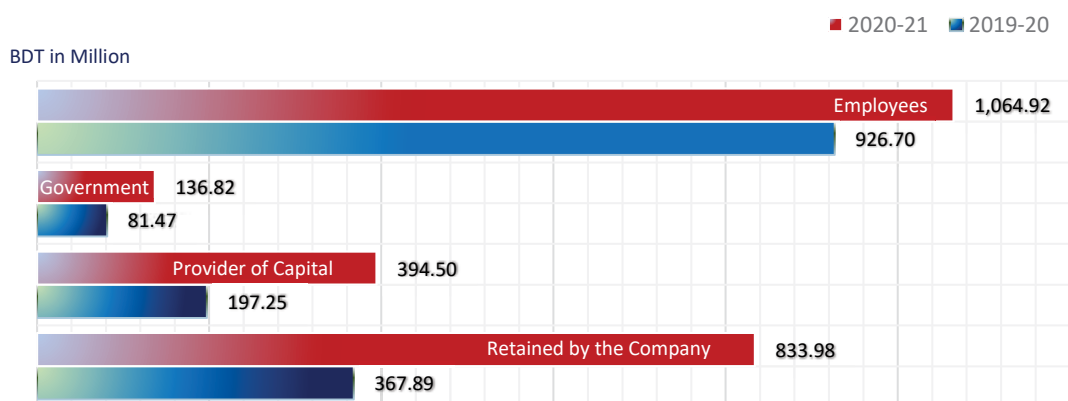
1. 880-2-8833047-56
880-2-9859007
2. cs@squaregroup.com
3. textile.squaregroup.com



STATEMENT OF VALUE ADDED

Year ended 30 June, 2021

	2020-2021	2019-2020
Source of Fund:		
Net Turnover	11,924,704,664	9,505,326,369
Less: Bought in Materials & Services	(9,513,956,213)	(7,947,811,620)
Add: Other Income	19,475,519	15,793,123
Value Added	2,430,223,970	1,573,307,872
Applied in the following Ways:		
Employees	1,064,918,941	926,696,822
Salaries Wages Gratuity and Other benefits	1,028,264,033	922,189,824
Contribution to workers profit participation & welfare fund	36,654,908	4,506,998
Government	136,820,376	81,472,347
Corporate Tax	111,464,098	59,784,898
Other Government Dues	25,356,278	21,687,449
Provider of Capital	394,504,000	197,252,000
Dividend	394,504,000	197,252,000
Retained by the Company	833,980,653	367,886,703
Depreciation	606,850,599	513,776,868
Retain Earning	227,130,054	(145,890,165)
	2,430,223,970	1,573,307,872



MESSAGE FROM THE CHAIRMAN

Dear Shareholders, Colleagues, Ladies
and Gentleman

I am happy to be able to welcome you on this occasion of the 26th Annual General Meeting of the Company, despite the devastating impact of the corona virus pandemic on almost in all the segment of the society. I hope you have gone through the Annual Report and have had seen how the Company Management could get out of the woods & thorns of business throughout the FY 2020-2021 when the COVID 19 had appeared so ugly and violently to destroy the economic superstructure of the country. The study of the financial operating results reveals a miraculous recovery in production, turnover and operating/net profit by unparalleled margin. The Management Team shares the larger tranche of the success for developing appropriate strategy for escaping from the grasp of the COVID 19. We all welcome the team and its allied forces.

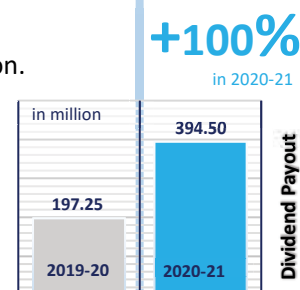
As you all may recall, we all the shareholders, holding the shares that were given to us by the late Founder Chairman Samson H Chowdhury as a gift/reward (free of cost) to the shareholders of Square Pharmaceuticals Ltd. (SPL) through a Financial/Accounting strategy called "Specie Dividend" from SPL's own investment in Square Textiles Ltd. The idea then was unknown to the Authorities/Regulators but was approved by them for the benefits of the Capital Market. The formulae should be followed by others for the sake of development of a modern Capital Market in the country.

Finally, I hope the crises emanating from COVID 19 would soon be overcome as the vaccination program by the Government is gradually extended to cover the entire population (following the regulations of WHO) as well as the awareness for following the health measures is growing among the people. I believe the Company's result in the coming years will show still better result as the "Bangladesh Brand" is gaining ground with the socioeconomic growing indices, especially in the increase in GDP, Trade Volume, Trade Diversification, Foreign Exchange Reserve, poverty-reduction, social- support to landless/houseless poor/ethnic and ever ignored segments including, but not being limited to, widows, handicapped, third-sex etc. The Role of the Government, non-the-less, is also a critical factor as "Brand" creator through its emphasis on Mega-Projects that generate not only job but also eases the obstacles to the growth of FDI and road to development.

With best wishes to you all for the coming year and a COVID 19 free nation.

Thanking You.


Tapan Chowdhury
Chairman



BUSINESS OPERATIONAL RESULTS

SQUARE TEXTILES LIMITED



Standalone

Figures in '000

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
Turnover (Net)	11,924,705	9,505,326	8,896,244	6,367,125	5,020,425
Gross Profit	1,335,718	682,944	951,351	671,530	525,634
Net Profit (Before Tax)	733,098	90,140	435,911	348,045	297,592
Net Profit (After Tax)	621,634	51,362	346,462	290,914	252,494
Shareholders' Equity	7,305,662	6,881,280	7,224,422	5,386,034	5,452,946
Total Assets	15,418,898	14,190,038	12,954,548	9,425,480	7,511,325
Total Current Assets	8,523,673	7,272,823	6,396,837	4,430,793	3,618,295
Total Current Liabilities	5,207,496	7,094,063	5,494,425	3,910,867	1,948,729
Current Ratio	1.64	1.03	1.16	1.13	1.86
Shares Outstanding	197,252,000	197,252,000	197,252,000	187,859,048	178,913,379
Face Value per Share	10.00	10.00	10.00	10.00	10.00
Dividend (Cash)	20%	10%	20%	20%	20%
Dividend (Stock)	-	-	-	5%	5%
Net Asset Value Per Share (NAV)	37.04	34.89	36.63	27.31	27.64
Net Operating Cash Flow per Share	5.64	-0.42	-3.48	-1.48	0.70
EPS-Earning per Share (Standalone)	3.15	0.26	1.76	1.47	1.28
EPS-Earning per Share (Consolidated)	3.41	0.27	2.18	2.32	2.09
EPS on Share Issued for Cash	24.68	2.04	13.75	11.55	10.02
Quoted Price per Share - DSE	47.50	29.00	45.70	50.70	67.70
Quoted Price per Share - CSE	46.00	29.70	45.80	51.20	68.40
Price Earnings Ratio-DSE (Time)	15.08	111.54	25.97	32.71	48.01
Price Earnings Ratio-CSE (Time)	14.60	114.23	26.02	33.03	48.51
Market Capitalization-DSE (in billion)	9.37	5.72	9.01	9.52	12.11
Market Capitalization-CSE (in billion)	9.07	5.86	9.03	9.62	12.23
Shareholders :	2020-21	2019-20	2018-19	2017-18	2016-17
Sponsors/Directors	7	7	7	7	8
Financial & other Institution	249	240	238	219	229
Foreign Investors	3	5	5	7	11
General Public	14,759	16,558	17,194	17,708	18,626
Total -	15,018	16,810	17,444	17,941	18,874
Employees :	2020-21	2019-20	2018-19	2017-18	2016-17
Executives	198	187	178	162	145
Non Executives	173	142	130	117	71
Workers	4,105	3,894	3,657	2,152	2,211
Total -	4,476	4,223	3,965	2,431	2,427

REPORT FROM THE MANAGING DIRECTOR

Dear Shareholders, Colleagues, Ladies
and Gentleman

Dear Shareholders, Ladies & Gentlemen,

It is a great pleasure for me to submit the Report of the Directors' containing Financial and others aspects of statutory Annual Report for the FY 2020-2021 of the Company at this 26th Annual General Meeting. The operational reports, as contained in the Annual Report, would indicate, inter alia, both short and long term stability in all the spheres of corporate operations and give a positive indication to the share-owners, lenders, suppliers, creditors, customers and other allied/related parties.

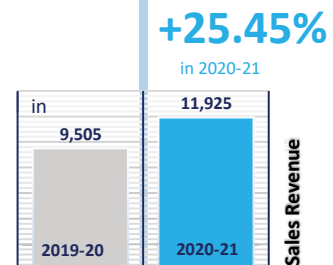
An examination of the operating performance would reveal that though the Company's operating assets/Capacity had remained same as was in the previous year, the output had increased by 7.06% over 2019-2020. This reflects an increase in efficiency/productivity rate by the operating human forces at all the levels of production. On the other hand the export-sale price per unit had increased by over 10% during the year under review over that of the prior year. This caused an increase in revenue by over 25%. Despite increase in cost of raw materials by about 15% over the previous year, the net profit (AT) had increased by over 1,100% over the previous year from Tk. 51.36 million to 621.63 million. This astronomical increase has had a positive impact on the long –term financial strength that would enable the company to undertake Mega Expansion/Diversification as the Board/Shareholders would consider desirable.

While on the subject, I would like to request the Shareholders to critically review the international business situation with caution and matured understanding keeping in mind the possibility of continuing effect of COVID 19 and its allied facets, the uncertainty of the trade-war, geo-political conflicts in almost every corner of the world which threaten the success of doing business. Despite a successful business year (2020-2021) by Square Textiles Ltd., we should engage ourselves in any long-term commitment keeping in mind the above major factors as a caution.

I hope the shareholders would welcome and appreciate the recommendations of the Board of Directors and approve the appropriation of profit and distribution of the dividend considering the existing/prospective business situation of the Country and the World.

Thanking you all and wishing a healthy working life for all.


Samuel S Chowdhury
Managing Director



DIRECTORS' REPORT

Year Ended June, 2021

To the Members of
Square Textiles

In terms of provisions of Section 184 of the Companies Act 1994, Rule 12 (and the schedule there under) of the Bangladesh Securities and Exchange Rules 1987, BSEC Notification on CGC dated 3rd June, 2018 and IAS-1 (International Accounting Standards-1) codes as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB), it is the pleasure of the Board of Directors to submit its Report to the Members of the Company for the year ended 30 June, 2021 in the following paragraphs:

OPERATIONAL OVERVIEW:

TEXTILES SECTOR

Bengle was one of the most prominent textile manufacturing centers from the 16th through the 18th century, while it was under Mughal rule. Since 1971, after the liberation war, Bangladesh's economy was primarily agriculture oriented. At that time, Bangladesh, though initially had adopted industrialization on the "Import-substitution" concept, but it gradually changed to "Export" oriented industrialization by focusing on the textile sector. And at present, Bangladesh has become the world's second largest RMG exporter.

Bangladesh textile sector registered a double-digit growth in demand for inspections (increasing work orders) for textile and garment items from international retailers and brands in the first quarter of 2021 compared to Q1 of 2020 and 2019, indicating sustained expansion over pre-pandemic levels rather than a simple rebound.

Bangladesh's modern textile industry is now one of the most significant sectors of the Bangladeshi economy. This industry employs around 20 million people in the country. Most of the workforce in the textile industry is made

up of women, and is a key driving force in the country's economy.

Bangladesh has become the 2nd largest RMG exporter in the world and it contributes 20% to Bangladesh's GDP.

With robust demand in the garment sector, Bangladesh's textile industry has a very bright future. However, there are several hurdles that Bangladesh must overcome in order to survive and grow in this field. We all know that plentiful natural gas, cheap labor, and energy are the backbone of this sector. In recent years, this issue has become antagonistic, though policy-makers are consciously formulating the necessary adjustments to protect this vital sector.

However, infrastructure like as ports, highways, technical institutions, and unions expanded, and soon a slew of Asian countries will become home to the world's finest seamstresses.

OPERATIONAL PERFORMANCE

Bangladesh's textile spinning industry is having a boom time, as yarn sales and consumption by local garment factories are increasing rapidly.

Spinning mills have also fared exceptionally well in the previous two and a half years, from the beginning of 2019 to July 2021.

Although the pandemic caused by the novel Coronavirus has been going on for more than a year and a half, which has caused disruption for the millers as well as for the whole apparel supply chain and the textile companies were adversely affected at one point during the COVID-19 pandemic in 2020.

However, beginning from November 2020, demand for yarn in both the domestic and

international markets had been increasing at a faster rate and is continuing. On top of that, the yarn prices increased at a higher ratio in comparison with the raw material prices.

And Square Textiles attained a higher growth in revenue by 25.45% and 28.42% during the year 2020-2021 at Standalone and Consolidated levels.

STANDALONE

The Revenue from operations and Operating Profit stood at BDT 11,924.70 and 1,094.44 million, compared to BDT 9,505.33 and 443.97 million respectively in the previous year, an increase of 25.45% and 146.51%.

The Net Profit increased by 1,110.30% to BDT 621.63 million, up from BDT 51.36 million the previous year.

CONSOLIDATED

The Revenue from operations and Operating Profit stood at BDT 13,293.57 and 1,166.76 million, compared to BDT 10,351.45 and 476.12 million respectively in the previous year, an increase of 28.42% and 145.06%.

The Net Profit for the year was also registered an upward trend that reached BDT 671.86 million, against BDT 53.33 million in the previous year, an increase of 1,160%.

COMPANY'S OPERATIONS

Square Textiles has more than 24 years of experience and competency in the yarn spinning arena, and is one of the largest producers of knitting and weaving yarns in Bangladesh.

Today it has one of the most sophisticated vertically integrated set-ups in which Square Textiles group enterprises produce around 153 tons of yarn every day.

Square Textiles focuses on more sustainable and eco-friendly products, namely Organic, BCI, Tencel, Re-cycle (Cotton and Polyester) etc. They are also developing more value-added products, i.e., Galaxy, Flutter, Lurex, Mozaik, Neppy, Snow, Siro etc., which are more fashion trendy and higher export value.

Products by Square Textiles are internationally recognized by its loyal clients for their exceptional quality and devoted services.

CAPACITY/PRODUCTION

During the last few years, we have faced hard competition in the national and international markets. To cope with the situation, we have adopted multiple product mix to attain high margin benefits as an alternative production technique. Hence, we have restated the production capacity installation criterion and actual production quantity to make them (The production data) equivalent and comparable. The production efficiency increased in 2020-21 to 98.14% from 97.03%, more than that of 2019-20.

The total installed production capacity (at an average of 30s Ring and 14s O/E counts) as on June 30, 2021 was as follows:

Spindles/Rotors	In Nos.	
	2020-21	2019-20
Installation:		
Spindle Installed	125,878	125,878
Rotor head Installed	4,792	3,960
Vortex head Installed	2,784	2,784
Operation:		
Spindle Operated	125,878	125,878
Rotor head Operated	4,792	3,960
Vortex head Operated	2,784	2,784

Product Capacity Installed	in Kg	
	2020-21	2019-20
Equivalent to-		
30s Count (Ring Yarn)	19,343,617	18,795,241
14s Count (O/E Yarn)	10,741,362	91,74,634
30s Count (Vortex Yarn)	10,426,317	10,305,628
Total -	40,511,296	38,275,503

Actual Production	in Kg	
	2020-21	2019-20
Actual Production	42,831,924	38,857,870
Equivalent to-		
30s Count (Ring Yarn)	19,008,553	18,305,990
14s Count (O/E Yarn)	10,521,594	8,810,382
30s Count (Vortex Yarn)	10,228,368	10,021,643
Total -	39,758,515	37,138,015

Production Efficiency	in %	
	2020-21	2019-20
Equivalent to-		
30s Count (Ring Yarn)	98.27	97.40
14s Count (O/E Yarn)	97.95	96.03
30s Count (Vortex Yarn)	98.10	97.24
Total (Average) -	98.14	97.03

COST OF PRODUCTION

The production cost has fluctuated throughout the years, owing mostly to wide fluctuations in the prices of raw cotton, packaging materials, fuel & power and spare parts, all of which were beyond the Management's control.

The level of costs and their incidence are given below:

	in Ton	
	2020-21	2019-20
Output of Yarn	42,832	38,858

Cost of Major Items	in Tk. '000	
	2020-21	2019-20
Raw Material Consumed	7,660,971	6,631,043
Packing Materials	119,096	89,354
Fuel/Power etc.	850,559	628,469
Spare Parts	224,258	181,561
Other Overhead	1,572,883	1,386,070
Total Cost -	1,0427,767	8,916,497

Unit Cost/Kg.	in Tk.	
	2020-21	2019-20
Raw Material	178.86	170.65
Packing Materials	2.78	2.30
Fuel/Power etc.	19.86	16.17
Spare Parts	5.24	4.67
Other Overhead	36.72	35.67
Total Unit Cost-	243.46	229.46
Raw Material Cost % of Total Cost-	73.47%	74.37%

The above result illustrates that, while raw material costs per unit increased by 4.81%, packing materials costs increased by 20.87%, fuel/power impact on its financials increased by 22.82%, spare parts costs increased by 12.21%, and other overhead costs increased by 2.94%, leading to a total unit cost increase of 6.10% in 2020-21 over 2019-20.

Due to the COVID-19 pandemic, the price of raw cotton on the international market was significantly unstable during the financial year under review.



MARKETING OPERATIONS:

MARKET EXPOSURE

Over the years, the company's marketing operations maintained an emphasis on export sales, as depicted below:

Quantity Sold (Kg)	in '000	
	2020-21	2019-20
Export Sales	43,485	38,361
Total -	43,485	38,361

Sales Revenue (Tk.)	in '000	
	2020-21	2019-20
Export Sales	11,924,705	9,505,326
Total -	11,924,705	9,505,326

According to the figures above, it illustrates that the sales volume increased by 13.36% while the sales revenue increased by 25.45% in the year 2020-2021 over 2019-2020.

UNIT SELLING PRICES ATTAINED

The selling prices (Taka/Kg) have changed over the years, as shown below:

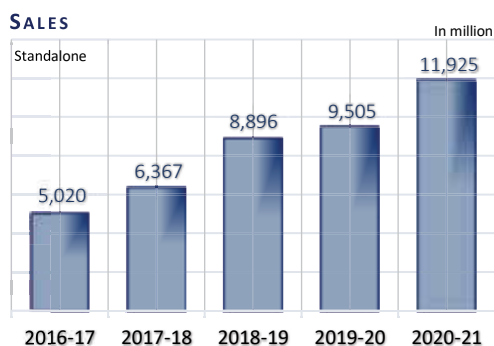
	2020-21	2019-20
Export Sales	274.23	247.79
Total -	274.23	247.79

A 10.67% increase in the Selling Price in the year 2020-2021 under review over the previous year 2019-2020, depicts the aforementioned data, which caused the export demand and the price of cotton yarn to increase in the international market.

CAPITAL EXPENDITURES

In order to continuously upgrade and increase the productive facilities, Square Textiles made an additional net capital expenditure of Tk. 593.35 million during the year 2020-2021, which is depicted below:

	in '000	
	2020-21	2019-20
Land/Civil Construction	13,251	115,621
Plan & Machinery	573,771	724,867
Other Fixed Assets	6,329	32,793
Total -	593,351	873,281



INDUSTRY OUTLOOK

In the wake of changing world demand structure of Bangladesh is on the right track of progressive higher demand for garments of mid to higher quality brands due to fiscal war between the large economics such as USA, China, EU etc.

The sector offers great scope of expansion and double the foreign exchange earnings provided Government rationalizes fiscal/ monetary policies and provide necessary both monetary/non- monetary support/incentives to local as well as strategic investors.

FINANCIAL RESULTS

The Company's operating financial results, as compared to the previous year are summarized hereunder:

Particulars	2020-2021	2019-2020	↑↓ in %
Turnover	11,924,704,664	9,505,326,369	25.45 ↗
Cost of Goods Sold	10,588,987,142	8,822,382,013	20.02 ↗
Gross Profit	1,335,717,522	682,944,356	95.58 ↗
Administrative Expenses	224,235,269	225,411,308	0.52 ↘
Selling & Dist. Expenses	17,039,457	13,562,392	25.64 ↗
Operating Income	1,094,442,796	443,970,656	146.51 ↗
Finance Cost	344,165,255	365,116,812	5.74 ↘
Other Income	19,475,519	15,793,123	23.32 ↗
Net profit before WPPF	769,753,060	94,646,967	713.29 ↗
Contribution WPPF	36,654,908	4,506,998	713.29 ↗
Net profit (Before Tax)	733,098,152	90,139,969	713.29 ↗
Provision for Income Tax	63,473,385	59,784,898	6.17 ↗
Provision for Deferred Tax	47,990,713	-21,006,764	328.45 ↘
Net Profit (After Tax)	621,634,054	51,361,835	1,110.30 ↗
Gross Profit Margin	11.20%	7.18%	55.99 ↗
Net Profit Margin (AT)	5.21%	0.54%	864.81 ↗
EPS (Earning Per Share) in Taka	3.15	0.26	1,111.54 ↗

The Turnover, Gross Profit and Net Profit (After Tax) increased by 25.45%, 95.58% and 1,110.30% respectively during the year 2020-2021 in comparison to previous year of 2019-2020.

Gross Profit Margin, Net Profit Margin and Earning per Shares (EPS) rose by 55.99%, 864.81% and 1,111.54% respectively during the year under review.

The financial result of the Company for the year 2020-2021 depicts a significant increase due to higher productivity raising output by 4,000 tons (approx.) through BMRE in capital machineries with modern technologies and increasing manpower efficiencies. During the period, the selling price of yarn also jumped up to meet increased demand in the RMG

sector in both the local and international markets. These circumstances led to reduction the unit cost of production, which resulted in higher profitability during the year over in the previous year.

LOANS AND GUARANTEES

Details of loans granted and guarantees given during the year under review are depicted in Note No. 10, 14 and 37 of the standalone financial statement.

RELATED PARTY TRANSACTION

Square Textiles has engaged in a number of related party transactions, the details of which are detailed in Note No. 41 of the standalone Accounts.

FOREIGN EXCHANGE EARNED/SAVED

Square Textiles contributed substantially to the Foreign Exchange Reserve of the country during the year under review through its export marketing operation. This amounted to Tk. 3,213.63 million, which is 176.46% higher than that of the previous year. Details are depicted below:

	in '000	
	2020-21	2019-20
Total Export	11,130,595	8,805,045
Less Import		
Raw Materials	7,103,639	6,717,353
Spare Parts	270,282	193,588
Misc. (with BMRE)	543,047	731,680
Net Export	3,213,627	1,162,424

RISK & CONCERN

Absence of sustainable long range planning, inadequate strategic investment policies, variable/ uncertain fiscal & monetary policies, disorderly employment crises, Buyers' dominance, international trade barriers, internal law and order situation especially in transport sector and lack of appropriate infrastructure etc. offer risk of business and investment.

It is however, heartening to note that the Government recognizing the above mentioned factors is now taking various measures as a result of which Bangladesh has begun to step up its position in the "Doing Business" Index of the World Bank Ranking Hall of Progress.

INVESTMENT IN SUBSIDIARIES

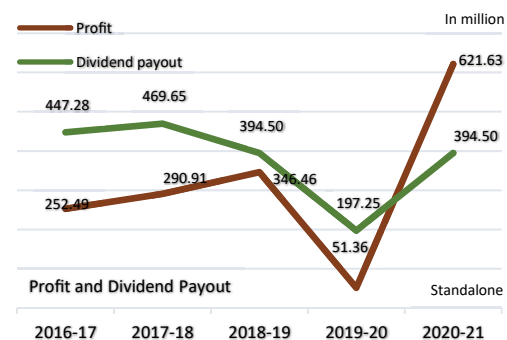
Square Textiles has invested Tk. 489,333,960 as equity holder (99.88%) in the capital of Square Texcom Limited.

As per provision of the Company Act 1994, Square Texcom Limited is a subsidiary of Square Textiles Limited and, as such, the Directors Report, along with the Auditors' Report and Audited Financial Statement, have been included as part of this report.

APPROPRIATION OF PROFIT

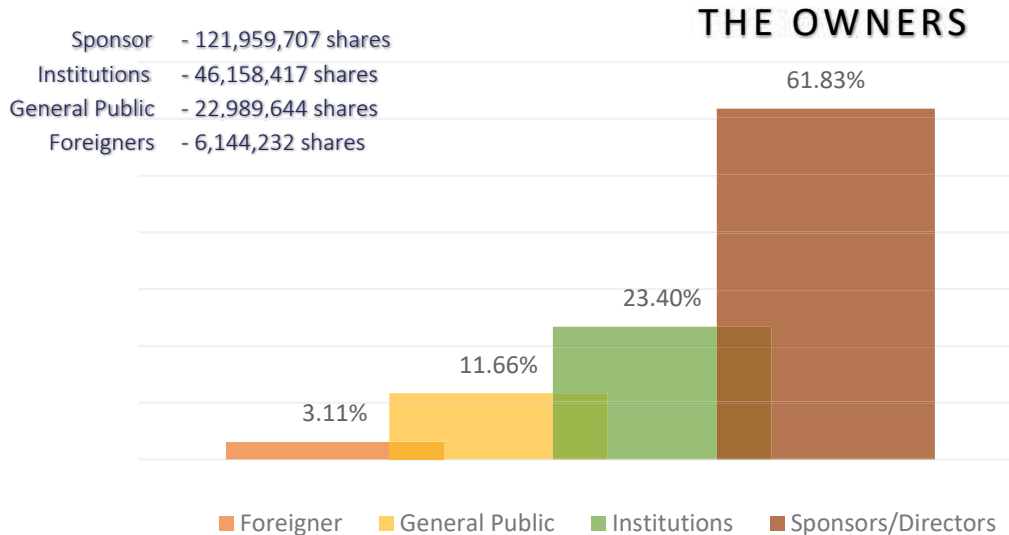
The Board of Directors recommended the appropriation of the net profit earned for the year ended June 30, 2021 in the following manner:

	in Taka
❖ Net profit (after tax) for the year ended June 2021.	621,634,054
❖ Recommended for Cash Dividend @20%.	394,504,000
❖ Net Un-appropriated Profit (for ploughing back)	227,130,054



MINORITY INTERESTS

In compliance with Condition No. 1(5) (xvi) of the Corporate Governance Code 2018 of BSEC, the Board hereby confirms that the interests of the minority shareholders have been duly protected in the Company.



CONTRIBUTION TO NATIONAL EXCHEQUER

Square Textiles contributed an amount of Tk. 136.82 million during the year to the National Exchequer as against Tk. 81.47 million in the previous year.

EXTRA-ORDINARY ACTIVITIES

The Company did not engage in or continue any extraordinary activities, and as a result, it did not suffer or gain any loss or gain as a result of such activities.

ELECTION OF DIRECTORS

Mrs. Anita Chowdhury and Mr. Tapan Chowdhury, Directors of the Company, retire as per articles 125 & 126 of the Articles of Association and being eligible, offer themselves for re-election.

A brief resume and other information about the above-mentioned directors are depicted in Annexure-ii.

General Meeting and being eligible, have offered themselves for reappointment as Statutory Auditors of the Company for the year 2021-2022.

The Board of Directors, in its meeting held on October 21, 2021, recommended their appointment.

APPOINTMENT OF COMPLIANCE AUDITORS

M/s Chowdhury Bhattacharjee & Co., Chartered Accountants, retired at this Annual General Meeting and being eligible, offered themselves for re-appointment as Compliance Auditor of the Company for the year 2021-2022.

The Board of Directors, in its meeting held on October 21, 2021, recommended their appointment.

TO APPROVE THE SALE OF GOODS TO THE SISTER CONCERN OF SQUARE TEXTILES LTD.

statement of profit or loss and comprehensive income for the immediate preceding financial year as per clause 1 of the Notification No. BSEC/CMRRCD/ 2009-193/10/Admin/118 dated March 22, 2021 by the Bangladesh Securities and Exchange Commission.

MANAGEMENT'S DISCUSSION & ANALYSIS

A Management's Discussion and Analysis signed by the Managing Director and presenting a detailed analysis of the company's position and operations, along with a brief discussion of changes in the financial statements and other requirements of the Corporate Governance Code, is disclosed in Annexure- iii of this report.

COSOLIDATION OF ACCOUNTS

In terms of BSEC Regulations, the company has consolidated the Accounts following the codes of International Accounting Standard - 28 & IFRS-10 reflecting shareholders gross benefits/value of investments.

The consolidated financial statements are included in this Annual Report.

CORPORATE GOVERNANCE COMPLIANCE REPORT

In accordance with the requirements of the Corporate Governance Code 2018 of the Bangladesh Securities and Exchange Commission, an additional statement in pursuance of Clause 1 (5), resume of the directors who shall be reappointed, Management Discussion Analysis, Certificate from the CEO and CFO to the Board, Certificate on Compliance of the Conditions of the Corporate Governance Code 2018 by the Compliance Auditors and Status of

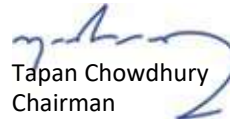
Compliance are depicted in the Annexure – i, ii, iii, iv, v, and vi respectively.

The Audit Committee Report, the Nomination and Remuneration Policy, and the Dividend Distribution Policy are also presented in the Annual Report.

MANAGEMENT APPRECIATION

The Board of Directors records with deep appreciation the performance of the management, the officers, staff and workers whose relentless efforts helped to increase productivity as well as the turnover despite the natural and unnatural adverse factors of production and marketing throughout the country and the world. It is expected the employees and management will continue to improve the results in the interest of shareholders, whose unwavering trust in management has always been an inspiration to the Board of Directors.

The Directors humbly express their gratitude and acknowledge with keen interest the cooperation and unflinching support they have received from various agencies, including the Bangladesh Securities and Exchange Commission, the Stock Exchanges, the National Board of Revenue and other agencies of the public and private sector. We look forward to a brighter future for all of us.


Tapan Chowdhury
Chairman

- In the event of conflict between English text and Bangla text of this report, English text shall prevail.

THE DIRECTORS ALSO REPORT THAT:

- The Financial Statement of the Company presents a true and fair view of the Company's state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of accounts as required by the prevailing law have been maintained.
- Appropriate accounting policies have been followed in formulating the financial statements and accounting estimates were reasonable and prudent.
- The financial statement was prepared in accordance with IAS or IFRS.
- The internal control system is sound in design and is effectively implemented and monitored.
- There is no significant doubt about the company's ability to continue as a going concern.
- There is no significant deviation from the operating results of last year.
- Remuneration paid to the Mr. Samuel S Chowdhury, Managing Director has been shown in Note # 23 in the notes of accounts.
- Key operating and financial data for the last 5 (five) years has been presented in summarized form in page no. 12.
- The number of Board Meeting and the Attendance of Directors during the year 2020-2021 were as follows:

Name of the Directors	Position	Meeting Held	Attended
Mr. Tapan Chowdhury	Chairman	7	7
Mrs. Ratna Patra	Vice Chairman	7	7
Mr. Samuel S Chowdhury	Managing Director	7	7
Mrs. Anita Chowdhury	Director	7	6
Mr. Anjan Chowdhury	Director	7	7
Mrs. Nihad Kabir	Independent Director	7	7
Mr. S M Rezaur Rahman	Independent Director	7	7

- The pattern of shareholding as on 30 June 2021 are as follows:

Name of the Shareholders	Status	Shares held	%
i. Parent/Subsidiary/Associated Companies and other related parties.	-	-	-
ii. Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and their Spouses and Minor Children's:			
Mr. Tapan Chowdhury	Chairman	6,588,167	3.34
Mrs. Ratna Patra	Vice Chairman	4,474,493	2.27
Mr. Samuel S Chowdhury	Managing Director	6,181,939	3.13
Mrs. Anita Chowdhury	Director	5,843,083	2.96
Mr. Anjan Chowdhury	Director	5,401,909	2.74
Mrs. Nihad Kabir	Independent Director	-	-
Mr. S M Rezaur Rahman	Independent Director	-	-
Mr. M Habibur Rahman	Chief Financial Officer	-	-
Mr. Sanjib Baran Roy	Company Secretary	-	-
Mr. Mozibur Rahman	Head of Internal Audit & Compl.	-	-
iii. Executives:			
Mr. Md. Alamgir Hossain	Head of Operations	-	-
Mr. Taslimul Hoque	Deputy Head of Operations	848	0.0008
Mr. Shah Didarul Islam	Head of Engineering	-	-
Mr. Md. Shahid Raihan	Head of Quality Assurance	-	-
Mr. Shah Mohammad Faisal	Head of Marketing	-	-
iv. Shareholders Holding 10% or more voting interest in the company:			
Square Pharmaceuticals Ltd.	Sponsor Shareholder	91,436,679	46.36

DIRECTORS PROFILE

Who are seeking appointment

RE-APPOINTMENT OF DIRECTOR

MRS. ANITA CHOWDHURY



Mrs. Anita Chowdhury is a Director of Square Textiles Ltd. She is the spouse of late Samson H Chowdhury, Founder Chairman of the Company.

Mrs. Chowdhury is associated with the business since its inception in 1994. She is also a sponsor shareholder of Square Pharmaceuticals Ltd. (Listed Company).

Mrs. Anita Chowdhury is also a director of three other private limited companies, namely Astras Limited, Square Holdings Limited, Square Air Limited under the Square Group.

MR. TAPAN CHOWDHURY

Mr. Tapan Chowdhury is a Director of the Company since its inception in 1994 and was appointed as Chairman in 2018. He is the second son of late Samson H Chowdhury, founder Chairman of the Company, science graduate from the University of Dhaka, Diploma in Marketing & Management, United Kingdom and has completed different advanced courses on Business Management in Europe.

Having a prosperous experience of more than 43 years in Textiles, RMG, Pharmaceuticals, Hospitals, IT, Healthcare, Toiletries, Food & Consumer Products, Organic Tea Plantation, Capital Market Operation & Satellite TV Broadcasting.

Mr. Tapan Chowdhury also Sponsor Director in 25 other private limited company namely Square Pharmaceuticals Kenya EPZ Ltd., Square Hospitals Ltd., Square Lifesciences Ltd., Square Textiles Ltd., Square Toiletries Ltd., Square Food & Beverages Ltd., Square Fashions Ltd., Square Denims Ltd., Square Informatics Ltd., Square Securities Management Ltd., Square Agro Development and Processing Ltd., Square Air Ltd., ASTRAS Ltd., Sabazpur Tea Company Ltd. and Maasranga Communications Ltd (Maasranga Television) under the Square Group.

He was an Adviser (Minister) to the Caretaker Government of Bangladesh in 2007. Mr. Chowdhury was also a Former President of Metropolitan Chamber of Commerce and Industry (MCCI), Bangladesh Textile Mills Association (BTMA), Bangladesh Association of Publicly Listed Companies (BAPLC), Bangladesh YMCA and National Church Fellowship of Bangladesh.

At present he is the Chairman of Bangladesh Herbal Product Manufacturing Association, Koinonia Bangladesh., Vice President of Baptist World Alliance and Asia Pacific Baptist Federation, Member of the Advisory Committee, Ministry of Commerce, Executive Committee of International Chamber of Commerce (ICC), Independent Board of NIRAPON, Advisory Committee of Bangladesh Association of Pharmaceutical Industries (BAPI), Board of Governors of Bangladesh Enterprise Institute (BEI), and Core Member of United Baptist Church Trust Association.

Mr. Tapan Chowdhury has been awarded several times as the highest individual taxpayer in the country.



MANAGEMENT'S DISCUSSION & ANALYSIS

Pursuant to Condition No. 1 (5) (xxv) of the Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission, the Management's Discussion & Analysis for the year ended 30 June, 2021 are presented hereunder:

ACCOUNTING POLICIES AND ESTIMATION FOR PREPARATION OF FINANCIAL STATEMENTS:

Square Textiles Ltd. follows International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) along with prevailing local rules and regulations applicable for preparation of financial statements. Detail description of accounting policies and estimation used for preparation of the financial statements of the Company are disclosed in the Notes No. 2 and 3 to the standalone financial statements.

CHANGES IN ACCOUNTING POLICIES AND ESTIMATION:

Square Tex has been following consistent policies and estimation and there is no such changes in accounting policies or estimation which has material impact on financial statements.

COMPARATIVE ANALYSIS OF FINANCIAL AND OPERATIONAL PERFORMANCE:

The Directors' Report provides the analysis of financial performance and position during the year under review and also a detail comparison of financial performance and position as well as cash flows are presented as part of the financial statements including notes.

However, major areas of financial performance, financial position as well as cash flows with immediate preceding five years including effects of inflation are depicted here in below:

Figures Tk. in '000

Particulars	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
Financial Performance						
Revenue	11,924,705	9,505,326	8,896,244	6,367,125	5,020,425	4,998,758
Gross Profit	1,335,718	682,944	951,351	671,530	525,634	787,050
Net Profit (Before Tax)	733,098	90,140	435,911	348,045	297,592	573,967
Net Profit (After Tax)	621,634	51,362	346,462	290,914	252,494	486,236
Financial Performance (Inflation Adjusted)						
						Base Year
Revenue	9,046,648	7,617,904	7,558,976	5,708,663	4,761,405	4,998,758
Gross Profit	1,013,339	547,335	808,346	602,083	498,515	787,050
Net Profit (Before Tax)	556,163	72,241	370,386	312,052	282,238	573,967
Net Profit (After Tax)	471,601	41,163	294,382	260,829	239,467	486,236
Financial Position						
Shares Outstanding	197,252,000	197,252,000	197,252,000	187,859,048	178,913,379	162,648,527
Shareholders' Equity	7,305,662	6,881,280	7,224,422	5,386,034	5,452,946	5,607,074
Total Assets	15,418,898	14,190,038	12,954,548	9,425,480	7,511,325	6,695,189
Total Liability	8,113,236	7,308,758	5,730,126	4,039,447	2,058,379	1,088,115
Current Assets	8,523,673	7,272,823	6,396,837	4,430,793	3,618,295	3,547,893
Current Liabilities	5,207,496	7,094,063	5,494,425	3,910,867	1,948,729	965,544

Annexure III

Particulars	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
Financial Position (Inflation Adjusted)						Base Year
Shares Outstanding	149,644,748	158,084,712	167,601,412	168,431,438	169,682,643	162,648,527
Shareholders' Equity	5,542,423	5,514,901	6,138,459	4,829,033	5,171,610	5,607,074
Total Assets	11,697,509	11,372,397	11,007,242	8,450,736	7,123,791	6,695,189
Total Liability	6,155,087	5,857,497	4,868,783	3,621,704	1,952,180	1,088,115
Current Assets	6,466,464	5,828,697	5,435,275	3,972,579	3,431,615	3,547,893
Current Liabilities	3,950,654	5,685,432	4,668,512	3,506,421	1,848,188	965,544
Cash Flow						
Net Cash Generated from Operating Activities	1,112,290	(83,287)	(686,379)	(290,861)	138,081	652,153
Net Cash Used in Investing Activities	(584,615)	(874,167)	(1,432,871)	(1,341,726)	(913,875)	(884,274)
Net Cash Used in Financing Activities	591,194	1,042,556	1,771,675	1,696,880	498,970	362,874
Cash Flow (Inflation Adjusted)						Base Year
Net Cash Generated from Operating Activities	843,836	(66,749)	(583,204)	(260,781)	130,957	652,153
Net Cash Used in Investing Activities	(443,517)	(700,588)	(1,217,484)	(1,202,970)	(866,725)	(884,274)
Net Cash Used in Financing Activities	448,485	835,541	1,505,360	1,521,396	473,226	362,874
Financial Ratio						
Current Ratio	1.64	1.03	1.16	1.13	1.86	3.67
Debt to Equity	1.11	1.06	0.79	0.75	0.38	0.19
Gross Profit Margin (In %)	11.20%	7.18%	10.69%	10.55%	10.47%	15.74%
Net Profit Margin (In %)	5.21%	0.54%	3.89%	4.57%	5.03%	9.73%
Return on Equity (In %)	8.51%	0.75%	4.80%	5.40%	4.63%	8.67%
Return on Assets (In %)	4.03%	0.36%	2.67%	3.09%	3.36%	7.26%
Ordinary Shares Information						
Shares Outstanding	197,252,000	197,252,000	197,252,000	187,859,048	178,913,379	162,648,527
Face Value per Share	10.00	10.00	10.00	10.00	10.00	10.00
Dividend-Cash (In %)	20	10	20	20	20	25
Dividend-Stock (In %)	0	0	0	5	5	10
Dividend Payout (Cash+Stock) in '000	394,504	197,252	394,504	469,648	447,283	569,270
Net Assets Value per Share	37.04	34.89	36.63	27.31	27.64	28.43
Net Operating Cash Flow per Share	5.64	-0.42	-3.48	-1.48	0.70	3.31
EPS-Earnings per Share (Standalone)	3.15	0.26	1.76	1.47	1.28	2.47
EPS-Earnings per Share (Consolidated)	3.41	0.27	2.18	2.32	2.09	3.76
EPS on Share Issued for Cash	24.68	2.04	13.75	11.55	10.02	19.30
Inflation Rate (In %)	5.64	6.02	5.52	5.78	5.44	5.92

Inflation Rate Source: Bangladesh Bureau of Statistics

Annexure III

COMPARISON OF FINANCIAL PERFORMANCES WITH PEER INDUSTRY SCENARIO:

A comparison of financial performances, financial position as well as cash flows for the year ended 30 June, 2020 of 5 (five) spinning companies are presented below in order of market capitalization:

Figures Tk. in '000

Particulars	Square Tex	Envoy Textiles	Paramount Tex	Matin Spinning	Malek Spinning
Financial Performance					
Revenue	9,505,326	8,176,823	5,153,734	3,904,153	2,584,091
Gross Profit	682,944	1,294,093	796,077	539,604	125,412
Net Profit (Before Tax)	90,140	287,038	712,585	253,427	(60,590)
Net Profit (After Tax)	51,362	274,122	658,814	210,211	(73,068)
Financial Position					
Shares Outstanding (in Million)	1,973	1,677	1,477	975	1,936
Shareholders' Equity	6,881,280	6,805,478	3,582,631	4,805,509	4,865,119
Total Assets	4,190,038	18,010,404	8,895,367	7,098,616	7,040,120
Total Liabilities	730,758	11,204,926	5,300,609	2,293,107	2,175,001
Current Assets	7,272,823	7,162,016	3,833,568	2,334,686	3,131,917
Current Liabilities	7,094,063	6,473,749	3,607,006	1,911,217	1,671,666
Cash Flow					
Net Cash Generated from Operating Activities	(83,287)	261,992	633,230	533,311	(43,586)
Net Cash Used in Investing Activities	(874,167)	(520,069)	(432,328)	(190,221)	(6,024)
Net Cash Used in Financing Activities	1,042,556	351,493	(175,829)	(336,222)	99,468
Market Capitalization (in million)	57,203.08	76,320.00	72,222.37	31,976.72	25,126.40

FINANCIAL AND ECONOMIC SCENARIO OF BANGLADESH AND THE GLOBAL (IN BRIEF):
Bangladesh

Bangladesh is a developing market economy and 35th largest in the world in nominal terms, and 30th largest by purchasing power parity, it is classified among the Next Eleven emerging market middle income economies and a frontier market.

The Bangladesh economy has been consistently performing well, with above 6% GDP growth since FY 2010-11, up until the COVID-19 outbreak. In fiscal year 2018-19, the growth rate was increased to 8.15%. Unfortunately, the country's economic growth slowed due to the negative impact of the COVID-19 situation.

Bangladesh Bureau of Statistics, the growth rate achieved in FY 2019-20 is 3.51% and estimated a GDP growth target of 5.47% in FY 2020-21.

The per capita income of Bangladesh grew by 10% year-on-year to \$2,227 USD in the fiscal year 2020-2021 as per statistics of the Bangladesh Bureau of Statistics (BBS), which was \$2,024 USD in the previous year.

Bangladesh's economy increased by 3.51% in 2019-20, the lowest rate in three decades, as the COVID-19 pandemic caused difficulties in all sectors of the economy. Following the end of the more than 2 month long national closure, economic activity gradually began to revive in the following 2020-21 fiscal year, and recovery efforts by people continued until the start of the

Annexure III

second wave of coronavirus in March 2021. However, a growth of 5.47% is expected for fiscal year 2020-2021 based on data from March and April, according to BBS.

Bangladesh, one of the world's most densely populated countries, has made significant progress in fulfilling social development targets for its 166.82 million inhabitants. The country's economy's tenacity is admirable.

However, good financial and economic policy is necessary to offset the financial sector's underperformance, diversify exports, and generate more job opportunities through increased private investment. It also necessitates the elimination of infrastructure bottlenecks, insufficient electricity and gas supply, bureaucratic corruption, political instability, natural disasters, and a skilled labor shortage.

The Global:

The world economy is recovering invincibly from the COVID-19 pandemic, although the process varies and is unequal between nations. According to the World Bank's released study titled "Global Economic Prospect, June 2021", economic growth in 2021 is predicted to be 5.6 percent, up from 3.5 percent in 2020. The major determinants of this unstable growth are substantial fiscal support for the economy, policy support, and vaccine access. Global growth will be 4.3 percent in 2022 and 3.1 percent in 2023, according to the study.

According to the research, developed economies would expand at a rate of 5.4 percent in 2021, with the United States potentially growing at a rate of 6.8 percent. More infectious coronavirus strains that have lately expanded to nations with rising markets and developing economies, as well as a lack of vaccine availability, are likely to impede the country's recovery process. In 2021, emerging markets and developing economies are anticipated to expand at a 6.0 percent annual

rate, with China rising at an 8.5 percent annual rate and India increasing at an 8.3 percent annual rate.

The International Monetary Fund (IMF) forecast global economic growth of 6.0 percent in 2021 in the World Economic Outlook (WEO) for April 2021, which is 0.8 percent higher than the projection in the October 2020 WEO.

RISKS AND CONCERNS ISSUES RELATED TO THE FINANCIAL STATEMENTS:

Square Tex has exposure to the Counterparty Risk, Financial Risk, Credit Risk, Liquidity Risk and Market Risk arising from the financial statements. The detail explanation of risk and concerns are explained in the Note 3.12 to the consolidated financial statements. Square Tex having sufficient and effective measures/controls to mitigate the risk and concerns.

FUTURE PLAN OR PROJECTION OR FORECAST:

Square Textiles Ltd.'s management is highly concerned in implementing the essential, achievable plans and strategy in terms of sustainability in its performance and financial position, and promises to continue operations for the foreseeable future.



Samuel S Chowdhury
Managing Director

DECLARATION BY CEO AND CFO

Under Condition # 1(5)(xxvi) of CGC

The Board of Directors
Square Textiles Ltd.
Square Centre, 48 Mohakhali C.A.
Dhaka.

Date: 11 October, 2021

Subject: Declaration on Financial Statements for the year ended on 30th June, 2021.

Dear Sirs,


Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006 -158/207/Admin/80 Dated 3 June, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of Square Textiles Ltd. for the year ended on 30th June, 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on 30th June, 2021 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,


Samuel S Chowdhury
Managing Director


M Habibur Rahman
Chief Financial Officer

CERTIFICATE OF COMPLIANCE

Under Condition # 1(5)(xxvii) of CGC

REPORT TO THE SHAREHOLDERS OF SQUARE TEXTILES LIMITED ON COMPLIANCE ON THE CORPORATE GOVERNANCE CODE

We have examined the compliance status to the Corporate Governance Code by Square Textiles Limited for the year ended on 30th June, 2021. This Code relates to the Notification No. BSEC/CMRRCD/2006 -158/207/Admin/80 Dated 3 June, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our investigation was limited to the procedures and their implementation as adopted by Management to ensure compliance with the Corporate Governance Code's conditions.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission or not complied (if not complied, specify non-compliances);
- (b) The company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws and
- (d) The governance of the company is satisfactory.

Place : Dhaka
Dated : 11 October, 2021



B.K. Bhattacharjee, FCA
Chartered Accountants
Partner Chowdhury Bhattacharjee & Co.

STATUS OF COMPLIANCE

Under Condition # 1(5)(xxvii) of CGC

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
1.00	Board of Directors			
1.(1)	Board Size (minimum - 5 and maximum - 20)	√		
1.(2)	Independent Director			
1.2.(a)	1/5th of total as Independent Director (ID)	√		
1.2 (b) (i)	Does not hold any share of less than 1% shares in the Company	√		
1.2(b) (ii)	Not a Sponsor of the Company	√		
1.2 (b)(iii)	Who has not been an executive of the company	√		
1.2 (b)(iv)	Does not have other relationship	√		
1.2 (b)(v)	Not a Member or TREC, Director or Officer of any Stock Exchange	√		
1.2 (b)(vi)	Not a Shareholder/Director/Officer of any Member/TREC holder of Stock Exch.	√		
1.2 (b)(vii)	Not a partner or an Executive or was not a partner or an Executive during the preceding 3 (Three) years of the concerned Company's statutory audit firm.	√		
1.2 (b)(viii)	Not an Independent Director in more than five listed Companies.	√		
1.2 (b)(ix)	Not Convicted by a court of competent jurisdiction as a defaulter in payment of any loan/advance to a Bank or a Non-Bank Financial Institution.	√		
1.2 (b)(x)	Not convicted for a Criminal Offence	√		
1.2 (c)	Appointed by the Board and approved by the shareholders in AGM.	√		
1.2 (d)	Post cannot remain vacant more than 90 days.	√		
1.2 (e)	Tenure of the Independent Director.	√		
1.3	Qualification of Independent Director			
1.3(a)	Independent Director shall be a knowledgeable individual.	√		
1.3(b)(i)	Business Leader who is or was a promoter or director of an unlisted company.	√		
1.(3)(b)(ii)	Should be a Corporate Leader/Business Leader.	√		
1(3)(b)(iii)	Former official of government.	√		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law.	√		
1(3)(b)(v)	Professional Chartered Accountant/ Secretary or equivalent qualification.	√		
1 (3) (c)	The independent director shall have at least 10(ten) years of experiences.	√		
1 (3) (d)	Relaxation in special cases.			N/A
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The posts of Chairperson of the board and CEO are different individuals.	√		
1(4)(b)	MD and/or CEO of a listed Company shall not hold the same position in another listed Company.	√		
1(4)(c)	The Chairperson shall be elected form among the non-executive directors.	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or CEO.	√		
1(4)(e)	In absence of Chairperson of the Board etc.	√		
1(5)	The Directors' Report to Shareholders :			
1(5)(i)	Industry outlook and possible future developments in the industry	√		
1(5)(ii)	Segment-wise or product-wise performance	√		
1(5)(iii)	Risks and concerns including internal and external risk factor.	√		
1(5)(iv)	Discussion on Cost of Goods sold Gross profit Margin and Net Profit Margin.	√		
1(5)(v)	Discussion on continuity of any extraordinary activities and implications.	√		
1(5)(vi)	Detailed discussion and statement on related party transactions.	√		
1(5)(vii)	Utilization of proceeds from public/rights issues and/or through any others.			N/A
1(5)(viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing, etc.			N/A
1(5)(ix)	Explanation by the Management if significant variance occurs between Quarterly Financial Performance and Annual Financial Statements.			N/A
1(5)(x)	Remuneration to Directors including Independent Director.	√		
1(5)(xi)	Statement that financial statements prepared by the management of the issuer present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	√		
1(5)(xii)	Proper books of account of the issuer company have been maintained.	√		
1(5)(xiii)	Appropriate accounting policies have been consistently applied in preparation to the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		
1(5)(xiv)	International Accounting Statement (IAS) Bangladesh Accounting Standard (BAS) /International Financial Reporting standard (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	√		
1(5)(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.	√		

Condition No.	Title			Remarks (If any)
		Compiled	Not Compiled	
1(5)(xviii)	Significant deviations from the last year's operation results of the issuer company shall be highlighted and the reasons there of should be explained.	√		
1(5)(xix)	Key operating and financial data of at least preceding 5 (Five) years shall be summarized.	√		
1(5)(xx)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons there of shall be given.			N/A
1(5)(xxi)	Board's statement to the effect that no bonus shares or stock dividend paid as interim dividend.			N/A
1(5)(xxii)	The number of Board meetings held during the year and attendance by each Director shall be disclosed.	√		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate (name wise details).	√		
1(5)(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details).	√		
1(5)(xxiii)(b)	Directors, CEO, Company Secretary, CFO, HIAC and their spouses and minor children (name wise details).	√		
1(5)(xxiii)(c)	Executives	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		
1(5)(xxiv)(a)	A brief resume of the director in case of appointment or reappointment.	√		
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas.	√		
1(5)(xxiv)(c)	Names of the companies in which the person also holds the directorship and	√		
1(5)(xxv)	Management discussion and analysis signed by CEO/MD presenting detail analysis of the company's position and operations.			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements.	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation as well as cash flows on absolute figure for such changes	√		
1(5)(xxv)(c)	Comparative analysis and financial position as well as cash flow for current financial year with immediate preceding five years explaining reasons	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario.	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and globe.	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements.	√		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation shall be explained to the shareholders in the next AGM	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(30) shall be disclosed as per Annexure-A	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed	√		
1(6)	Meeting of the Board of Directors			
1(6)	Compliance under Bangladesh Secretarial Standards (BSS).	√		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee(NRC)	√		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior.....	√		
2	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary.	√		
2(b)	Independent Director of holding company also in the subsidiary company.	√		
2(c)	Minutes of subsidiary to be placed in the meeting of holding company.	√		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company.	√		
2(e)	The Audit Committee of the holding company shall also review the financial statements in particular the investments made by the subsidiary company.	√		
3	Managing Director (MD) or Chief Executive Officer, Chief Financial Officer (CFO), Head of Internal Audit and			
3.1	Appointment			
3(1)(a)	Board shall appoint a MD or CEO, Company Secretary, CFO, and HIAC.	√		
3(1)(b)	The positions of the MD,CEO,CS,CFO & HIAC shall be filled by different individuals.	√		
3(1)(c)	The MD or CEO, CS, CFO, and HIAC of a listed company shall not hold any executive position in any other company at the same time.	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS.	√		
3(1)(e)	MD or CEO, CS, CFO, and HIAC shall not be removed from their position without approval of the Board and be disseminated to the commission and exchange.	√		
3.2	Requirement to attend Board of Directors' Meetings			
3 (2)	MD or CEO,CS,CFO and HIAC shall attend the meetings of the Board.	√		
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)(i)	The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	√		
3(3)(a)(ii)	The statements together present a true and fair view of the company's affairs and are in compliance	√		
3(3)(b)	The MD or CEO and CFO to certify on due diligence in the Report.	√		

Condition No.	Title	Compliance Status		Remarks (If any)
		Compiled	Not Compiled	
3(3)(c)	The certification of the MD/CEO and CFO shall be disclosed in the Annual Report.	√		
4	Board of Directors' Committee			
4(i)	Audit Committee	√		
4(ii)	Nomination and Remuneration Committee	√		
5	Audit Committee			
5.1	Responsibility to the Board of Directors			
5(1)(a)	Company shall have an Audit Committee as a sub-committee of the Board.	√		
5(1)(b)	Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company.	√		
5(1)(c)	Audit Committee shall report on its activities to the Board of Directors.	√		
5.2	Constitution of the Audit committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members.	√		
5(2)(b)	Board shall appoint members of the Audit Committee who shall be non-executive director.	√		
5(2)(c)	All members of the Audit Committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial.	√		
5(2)(d)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold	√		
5(2)(e)	The Company Secretary shall act as the Secretary of the Audit Committee	√		
5(2)(f)	Quorum of Audit Committee meeting, at least One independent director.	√		
5.3	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select Chairperson of the Audit Committee who will be ID.	√		
5(3)(b)	Absence of the Chairperson of the Audit Committee members to elect one.	√		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the AGM.	√		
5.4	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least 4 meetings in a financial year.	√		
5(4)(b)	Quorum of Audit Committee, presence of 2 or 2/3 members whichever is higher.	√		
5.5	Role of Audit Committee			
5(5)(a)	Oversee the financial reporting process.	√		
5(5)(b)	Monitor choice of accounting policies and principles.	√		
5(5)(c)	Internal Audit and Compliance process to ensure that it is adequately resourced.	√		
5(5)(d)	Performance of external auditors.	√		
5(5)(e)	Hold meeting with the auditors, review the annual financial statements before submission to the Board for approval or adoption.	√		
5(5)(f)	Review with the management, the annual financial statements before submission to the Board for approval.	√		
5(5)(g)	Review with the management, the Quarterly and half yearly financial statements before submission to the Board for approval.	√		
5(5)(h)	The review adequacy of internal audit function.	√		
5(5)(i)	Review the management's discussion and analysis before disclosing in the Annual Report.	√		
5(5)(j)	Review statement of all related party transactions submitted by the Mgt.	√		
5(5)(k)	Review management letters or letter of Internal Control weakness issued by statutory auditors.	√		
5(5)(l)	Oversee determination of audit fees based on scope and magnitude.	√		
5(5)(m)	Oversee whether IPO proceeds utilized as per the published Prospectus.			N/A
5.6	Reporting of the Audit Committee			
5.6(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5(6)(a)(ii)(a)	Report on conflicts of interests.	√		
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process.	√		
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliance including securities related laws, relies and regulation.	√		
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.	√		
5.6(b)	Reporting to the Authorities			
5.7	Reporting to the Shareholders and General Investors			
5(7)	Reporting to the Shareholders and General Investors	√		
6	Nomination and Remuneration Committee (NRC)			
6.1	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a NRC as a sub-committee of the Board.	√		
6(1)(b)	NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications	√		
6(1)(c)	The Terms of Reference of the NRC shall be clearly set forth in writing.	√		
6.2	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an ID.	√		
6(2)(b)	All members of the Committee shall be non-executive directors.	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board.	√		

Condition No.	Title	Compliance Status		Remarks (If any)
		Compiled	Not Compiled	
6(2)(d)	Board have authority to remove and appoint any member of the committee.	√		
6(2)(e)	Board shall fill the vacancy within 180 days of such vacancy in the Committee.	√		
6(2)(f)	The Chairperson of the Committee may appoint/co-opt any external expert.	√		
6(2)(g)	The company secretary shall act as the secretary of the committee.	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director.	√		
6(2)(i)	No member of the NRC shall receive any remuneration/advisory, other than Director's fees or honorarium from the company.	√		
6.3	Chairperson of the NRC			
6(3)(a)	Board shall select 1 member of the NRC to be Chairperson of the Committee	√		
6(3)(b)	Absence of chairperson, the remaining members may elect one of them.	√		
6(3)(c)	Chairperson of the NRC shall attend the AGM.	√		
6.4	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year.	√		
6(4)(b)	The Chairperson of the NRC, may convene any emergency meeting.	√		
6(4)(c)	Quorum of NRC meeting, presence of 2 or 2/3 members whichever is higher.	√		
6(4)(d)	Proceedings of NRC meeting shall be recorded in the minutes and such minutes shall be confirmed in the next meeting.	√		
6.5	Role of NRC			
6(5)(a)	NRC shall be independent and responsible/accountable to the Board and to the shareholders.	√		
6(5)(b)(i)(a)	Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully.	√		
6(5)(b)(i)(b)	Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.	√		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long term performance.	√		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, experience etc.	√		
6(5)(b)(iii)	Identifying persons who are qualified the criteria laid down and recommend their appointment and removal to the Board.	√		
6(5)(b)(iv)	Formulating criteria for evaluation of performance of independent directors and the Board.	√		
6(5)(b)(v)	Identifying company's needs for employees at different levels and determine their selection, transfer or replacement.	√		
6(5)(b)(vi)	Developing recommending and reviewing annually the company's human resources and training policies.	√		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC at a glance in its annual report.	√		
7	External or Statutory Auditors			
7(1)	Issuer company shall not engage its external auditors to perform the following:			
7(1)(i)	Appraisal or valuation services or fairness opinions.	√		
7(1)(ii)	Financial information systems design and implementation.	√		
7(1)(iii)	Book keeping or other service related to the account ion records.	√		
7(1)(iv)	Broker-dealer services	√		
7(1)(v)	Actuarial services	√		
7(1)(vi)	Internal/special audit services.	√		
7(1)(vii)	Any services that the Audit Committee may determine.	√		
7(1)(viii)	Certification services on compliance of corporate governance.	√		
7(1)(ix)	Any other service that may create conflict of interest.	√		
7(2)	No partner or employees of the External/Statutory Auditors audit firms shall possess any share of the company they audit at least during the tenure.	√		
7(3)	Representative of External Auditors shall remain present in the AGM.	√		
8	Maintaining a website by the company			
8(1)	The company shall have an official website linked with that of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchanges.	√		
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing professional firm on yearly basis regarding compliance of conditions of Corporate.	√		
9(2)	The professional who will provide the certificate on compliance of Corporate Governance shall be appointed by the Shareholders in the AGM.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors report whether the company has complied with these conditions.	√		

পরিচালনা পর্ষদের প্রতিবেদন ২০২০-২০২১

পরিচালনা পর্ষদ আনন্দের সাথে কোম্পানি আইন ১৯৯৪ এর ধারা ১৮৪ নং পরিচ্ছেদ, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ রুলস্ ১৯৮৭ এর ১২নং বিধির (এবং তফসিল অনুযায়ী) শর্তানুসারে, ২০১৮ সালের সি.জি.সি. এবং ইনস্টিটিউট অফ চার্টার্ড অ্যাকাউন্ট্যান্টস অফ বাংলাদেশ দ্বারা গৃহীত আই.এ.এস.-১ (আন্তর্জাতিক হিসাব মানদণ্ড-১) কোড অনুসারে, ৩০ জুন, ২০২১ তারিখে শেষ হওয়া বছরের প্রতিবেদন কোম্পানির সদস্যবৃন্দের কাছে নিম্নোক্ত পরিচ্ছেদগুলোতে পেশ করছেনঃ

কার্যক্রম পর্যালোচনা:

টেক্সটাইল সেক্টর

১৬ শতক থেকে ১৮ শতকের মধ্যে বেঙ্গল ছিল সবচেয়ে উল্লেখযোগ্য টেক্সটাইল উৎপাদন কেন্দ্রগুলির মধ্যে একটি, যখন এটি মুঘল শাসনের অধীনে ছিল। ১৯৭১ সাল থেকে মুক্তিযুদ্ধের পর বাংলাদেশের অর্থনীতি ছিল মূলত কৃষিনির্ভর। সে সময়, বাংলাদেশ প্রাথমিকভাবে "আমদানি-প্রতিস্থাপন" ধারণার ভিত্তিতে শিল্পায়ন গ্রহণ করলেও তা ধীরে ধীরে বন্ধ্রখাতকে কেন্দ্র করে "রপ্তানিমুখী" শিল্পায়নে পরিবর্তিত হয়। আর বর্তমানে বাংলাদেশ বিশ্বের দ্বিতীয় বৃহত্তম তৈরি পোশাক রপ্তানিকারক দেশ হয়েছে।

২০১৯ এবং ২০২০ সালের প্রথম ত্রৈমাসিকের তুলনায় ২০২১ সালের প্রথম ত্রৈমাসিকে আন্তর্জাতিক খুচরা বিক্রোতা এবং ব্রান্ডগুলির কাছ থেকে টেক্সটাইল এবং গার্মেন্টস আইটেম গুলির জন্য পরিদর্শনের (ওয়ার্ক অর্ডার বৃদ্ধি) চাহিদার ক্ষেত্রে বাংলাদেশের টেক্সটাইল সেক্টর দ্বিগুণ বৃদ্ধি পেয়েছে, যা প্রাক-মহামারী স্তরের উপর টেকসই সম্প্রসারণের ইঙ্গিত দেয়।

বাংলাদেশের আধুনিক বন্ধ্র শিল্প এখন বাংলাদেশের অর্থনীতির অন্যতম গুরুত্বপূর্ণ খাত। এই শিল্প দেশের প্রায় দুই কোটি মানুষের কর্মসংস্থান করে। টেক্সটাইল শিল্পের বেশিরভাগ কর্মশক্তি নারীদের দ্বারা গঠিত, এবং দেশের অর্থনীতিতে একটি মূল চালিকা শক্তি।

বাংলাদেশ বিশ্বের ২য় বৃহত্তম তৈরি পোশাক রপ্তানিকারক এবং এটি বাংলাদেশের জিডিপিতে ২০% অবদান রাখছে।

গার্মেন্টস সেক্টরে জোরালো চাহিদা থাকায় বাংলাদেশের বন্ধ্র শিল্পের একটি উজ্জ্বল ভবিষ্যত রয়েছে। যাইহোক, এই ক্ষেত্রে টিকে থাকতে এবং বৃদ্ধি পেতে বাংলাদেশকে অবশ্যই বেশ কিছু বাধা অতিক্রম করতে হবে। আমরা সবাই জানি যে প্রচুর প্রাকৃতিক গ্যাস, সমস্ত শ্রম এবং শক্তি এই সেক্টরের মেরুদণ্ড।

সাম্প্রতিক বছরগুলিতে, এই সমস্যাটি উল্লেখযোগ্য হয়ে উঠেছে, যদিও নীতি-নির্ধারণকরা সচেতনভাবে এই গুরুত্বপূর্ণ খাতকে রক্ষা করার জন্য প্রয়োজনীয় পদক্ষেপের সমন্বয় তৈরি করছেন।

যাইহোক, বন্দর, মহাসড়ক, প্রযুক্তিগত প্রতিষ্ঠান এবং ইউনিয়নগুলির মতো অবকাঠামো প্রসারিত হয়েছে এবং শীঘ্রই এশিয়ার কয়েকটি দেশ বিশ্বের সেরা নারীদর্জীদের আবাসস্থল হয়ে উঠবে।

কর্মক্ষমতা

বাংলাদেশের টেক্সটাইল স্পিনিং শিল্পের ক্রমবর্ধমান সময় চলছে, কারণ স্থানীয় পোশাক কারখানায় সুতা বিক্রি এবং ব্যবহার দ্রুত বাড়ছে।

স্পিনিং মিলগুলিও ২০১৯ এর শুরু থেকে ২০২১ সালের জুলাই পর্যন্ত আগের আড়াই বছরে ব্যতিক্রমীভাবে ভাল ফল করেছে।

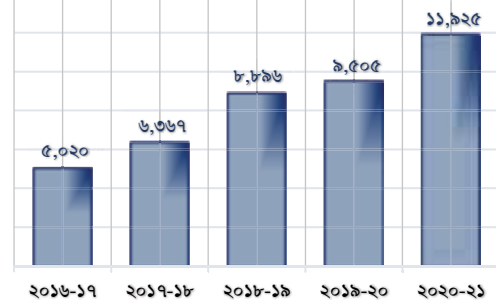
যদিও ২০২১ নোভেল করোনাভাইরাস দ্বারা সৃষ্ট মহামারীটি দেড় বছরেরও বেশি সময় ধরে চলছে, যা কারখানা মালিকদের পাশাপাশি পুরো পোশাক সরবরাহ শৃঙ্খলের জন্য বিঘ্ন সৃষ্টি করেছে এবং টেক্সটাইল কোম্পানিগুলি কোভিডের সময় এক পর্যায়ে বিরূপভাবে প্রভাবিত হয়েছিল।

তবে, নভেম্বর ২০২০ থেকে শুরু করে, অভ্যন্তরীণ এবং আন্তর্জাতিক উভয় বাজারে সুতার চাহিদা দ্রুত হারে বৃদ্ধি পেয়েছিল এবং অব্যাহত রয়েছে। তার উপরে, সুতার দাম কাঁচামালের দামের তুলনায় অনেক বেশি অনুপাতে বেড়েছে।

এবং স্কার টেক্সটাইল ২০২০-২০২১ সালে একক এবং একত্রিত স্তরে ২৫.৪৫% এবং ২৮.৪২% দ্বারা রাজস্বের উচ্চ প্রবৃদ্ধি অর্জন করেছে।

বিক্রয়

একক ভাবে



একক ভাবে

অপারেশন এবং পরিচালন মুনাফা থেকে রাজস্ব ১১৯২৪.৭০ এবং ১,০৯৪.৪৪ মিলিয়ন টাকায় দাঁড়িয়েছে, আগের বছরে যথাক্রমে ৯,৫০৫.৩৩ এবং ৪৪৩.৯৭ মিলিয়ন টাকার তুলনায়, ২৫.৪৫% এবং ১৪৬.৫১% বৃদ্ধি পেয়েছে।

নিট মুনাফা ১,১১০.৩০% বেড়ে ৬২১.৩৬ মিলিয়ন টাকা হয়েছে, যা আগের বছরের ৫১.৩৬ মিলিয়ন টাকা থেকে বেড়েছে।

একত্রিত

অপারেশন এবং অপারেটিং মুনাফা থেকে রাজস্ব দাঁড়িয়েছে ১৩,২৯৩.৫৭ এবং ১,১১৬.৭৬ মিলিয়ন টাকা, আগের বছরে যথাক্রমে ১০,৩৫১.৪৫ এবং ৪৭৬.১২ মিলিয়ন টাকার তুলনায়, ২৮.৪২% এবং ১৪৫.০৬% বৃদ্ধি পেয়েছে।

এ বছরের জন্য নিট মুনাফার উর্ধ্বমুখী প্রবণতা নথিভুক্ত হয়ে ৬৭১.৮৬ মিলিয়ন টাকায় পৌঁছেছে, যা আগের বছরে ৫৩.৩৩ মিলিয়ন টাকা ছিল, যা ১,১৬০% বৃদ্ধি পেয়েছে।

কোম্পানীর ব্যবসায়িক কার্যক্রম

স্কয়ার টেক্সটাইলস্ দেশের অন্যতম বৃহত্তম নিটিং এবং উইভিং সুতা উৎপাদনকারী প্রতিষ্ঠান যা বিগত ২৪ বছর ধরে সফলতার সাথে পরিচালিত হয়ে আসছে। বর্তমানে এটি দৈনিক প্রায় ১৫৩ টন সুতা উৎপাদন করে। টেকসই এবং পরিবেশবান্ধব পণ্য যেমন অর্গানিক, বিসিআই, টেনসেল, রি-সাইকেল (তুলা এবং পলিয়েস্টার) প্রভৃতিতে আলোকপাত করে থাকে। এ ছাড়াও গ্যালাক্সি, ফ্লাটার, লোরস্ক, মোজক নেপি, সাইরো ইত্যাদি উচ্চ মূল্যমানের রপ্তানিযোগ্য সুতা উৎপাদন করছে।

স্কয়ার টেক্সটাইলস্ গ্রাহকদেরকে উন্নত গুণগতমান সম্পন্ন পণ্য এবং সেবা নিশ্চিত প্রদানে অঙ্গিকারবদ্ধ।

উৎপাদন ক্ষমতা/উৎপাদন

বিগত কয়েক বছরে, আমরা জাতীয় এবং আন্তর্জাতিক বাজারে কঠিন প্রতিযোগিতার মুখোমুখি হয়েছি। পরিস্থিতি মোকাবেলা করার জন্য, আমরা একটি বিকল্প উৎপাদন কৌশল হিসাবে উচ্চ মার্জিন সুবিধা অর্জনের জন্য একাধিক পণ্য মিশ্রণ পদ্ধতি গ্রহণ করেছি। তাই, আমরা তাদের (উৎপাদন ডেটা) সমতুল্য এবং তুলনীয় করার জন্য উৎপাদন ক্ষমতা ইনস্টলেশনের মানদণ্ড এবং প্রকৃত উৎপাদন পরিমাণ পুনরায় মূল্যায়ন করেছি। ২০২০-২১ সালে উৎপাদন দক্ষতা ৯৭.০৩% থেকে বেড়ে ৯৮.১৪% হয়েছে, যা ২০১৯-২০২০ এর চেয়ে বেশি।

৩০ জুন, ২০২১ পর্যন্ত মোট স্থাপিত উৎপাদন ক্ষমতা নিচে দেখানো হলো:

স্পিন্ডলস্/রোটরস	সংখ্যা	
	২০২০-২১	২০১৯-২০
স্থাপিত:		
স্থাপিত স্পিন্ডলস্	১২৫,৮৭৮	১২৫,৮৭৮
স্থাপিত রোটর হেডস্	৪,৭৯২	৩,৯৬০
স্থাপিত ভরটেক্স হেডস	২,৭৮৪	২,৭৮৪
	২০২০-২১	২০১৯-২০
সক্রিয়:		
সক্রিয়: স্পিন্ডলস্	১২৫,৮৭৮	১২৫,৮৭৮
সক্রিয়: রোটর হেডস্	৪,৭৯২	৩,৯৬০
সক্রিয়: ভরটেক্স হেডস্	২,৭৮৪	২,৭৮৪

স্থাপিত উৎপাদন ক্ষমতা	কেজি	
	২০২০-২১	২০১৯-২০
সমতুল্য উৎপাদন -		
৩০ সিঙ্গেল কাউন্ট (রিং ইয়ার্ণ)	১৯,৩৪৩,৬১৭	১৮,৭৯৫,২৪১
১৪ সিঙ্গেল কাউন্ট (ও/ই ইয়ার্ণ)	১০,৭৪১,৩৬২	৯,৭৪৬,৩৩৪
৩০ সিঙ্গেল কাউন্ট (ভরটেক্স ইয়ার্ণ)	১০,৪২৬,৩১৭	১০,৩০৫,৬২৮
মোট -	৪০,৫১১,২৯৬	৩৮,২৭৫,৫০৩

প্রকৃত উৎপাদন	কেজি	
	২০২০-২১	২০১৯-২০
প্রকৃত উৎপাদন	৪২,৮৩১,৯২৪	৩৮,৮৫৭,৮৭০
সমতুল্য উৎপাদন-		
৩০ সিঙ্গেল কাউন্ট (রিং ইয়ার্ণ)	১৯,০০৮,৫৫৩	১৮,৩০৫,৯৯০
১৪ সিঙ্গেল কাউন্ট (ও/ই ইয়ার্ণ)	১০,৫২১,৫৯৪	৮,৮১০,৩৮২
৩০ সিঙ্গেল কাউন্ট (ভরটেক্স ইয়ার্ণ)	১০,২২৮,৩৬৮	১০,০২১,৬৪৩
মোট -	৩৯,৭৫৮,৫১৫	৩৭,১৩৮,০১৪

উৎপাদন দক্ষতা	%	
	২০২০-২১	২০১৯-২০
সমতুল্য উৎপাদন-		
৩০ সিঙ্গেল কাউন্ট (রিং ইয়ার্ণ)	৯৮.২৭	৯৭.৪০
১৪ সিঙ্গেল কাউন্ট (ও/ই ইয়ার্ণ)	৯৭.৯৫	৯৬.০৩
৩০ সিঙ্গেল কাউন্ট (ভরটেক্স ইয়ার্ণ)	৯৮.১০	৯৭.২৪
মোট (গড়) -	৯৮.১৪	৯৭.০৩

উৎপাদন ব্যয়

বিগত বছরগুলোতে কাঁচা তুলা, প্যাকিং দ্রব্যসামগ্রী, বিদ্যুৎ ও জ্বালানী তেল এবং মেশিনের খুচরা যন্ত্রাংশের ক্রয়মূল্যের হ্রাস/বৃদ্ধির ফলে উৎপাদন ব্যয় বেড়েছে যা ছিল ব্যবস্থাপনা কর্তৃপক্ষের নিয়ন্ত্রণের বাইরে।

খাতওয়ারী ব্যয়ের পরিমাণ এবং তাদের আনুসঙ্গিক প্রভাব নিচে দেখানো হলো:

	টন	
	২০২০-২১	২০১৯-২০
সূতার উৎপাদন (কেজি)	৪২,৮৩২	৩৮,৮৫৮
বৃহত্তর খাতগুলোর ব্যয় সমূহ	টাকা (,০০০)	
	২০২০-২১	২০১৯-২০
ব্যবহৃত কাঁচামাল	৭,৬৬০,৯৭১	৬,৬৩১,০৪৩
প্যাকিং সামগ্রী	১১৯,০৯৬	৮৯,৩৫৪
জ্বালানী তেল/বিদ্যুৎ ইত্যাদি	৮৫০,৫৫৯	৬২৮,৪৬৯
খুচরা যন্ত্রাংশ	২২৪,২৫৮	১৮১,৫৬১
অন্যান্য খরচ সমূহ	১,৫৭২,৮৮৩	১,৩৮৬,০৭০
মোট ব্যয় -	১,০৪২৭,৭৬৭	৮,৯১৬,৪৯৭

প্রতি কেজির মূল্য	টাকা	
	২০২০-২১	২০১৯-২০
ব্যবহৃত কাঁচামাল	১৭৮.৮৬	১৭০.৬৫
প্যাকিং সামগ্রী	২.৭৮	২.৩০
জ্বালানী তেল/বিদ্যুৎ ইত্যাদি	১৯.৮৬	১৬.১৭
খুচরা যন্ত্রাংশ	৫.২৪	৪.৬৭
অন্যান্য খরচ সমূহ	৩৬.৭২	৩৫.৬৭
মোট ইউনিট ব্যয় -	২৪৩.৪৬	২২৯.৪৬
মোট শতকরা হিসাবে কাঁচামাল	৭৩.৪৭%	৭৪.৩৭%

উপরোক্ত আর্থিক বিবরণ হতে প্রতীয়মান হয় যে, প্রতি ইউনিট কাঁচামালের খরচ বেড়েছে ৪.৮১%, প্যাকিং উপকরণের খরচ বেড়েছে ২০.৮৭%, জ্বালানী/বিদ্যুতের প্রভাব বেড়েছে ২২.৮২%, খুচরা যন্ত্রাংশের খরচ বেড়েছে ১২.২১%, এবং অন্যান্য ওভারহেড খরচ বেড়েছে ২.৯৪% দ্বারা, ২০১৯-২০ এর তুলনায় ২০২০-২১ সালে মোট ইউনিট খরচ ৬.১০% বৃদ্ধি পেয়েছে।

কোভিড-১৯ মহামারীর কারণে, পর্যালোচনাধীন আর্থিক বছরে আন্তর্জাতিক বাজারে কাঁচা তুলার দাম উল্লেখযোগ্যভাবে অস্থিতিশীল ছিল।

বিপণন কার্যক্রম:

বাজার পরিস্থিতি

বিগত বছরের মত এ বছরও কোম্পানী রপ্তানি বিক্রয়ের উপর প্রাধান্য দেয়ার ধারাবাহিকতা বজায় রেখেছে, যা নিম্নরূপঃ

বিক্রয়ের পরিমাণ (কেজি)	(,০০০)	
	২০২০-২১	২০১৯-২০
রপ্তানি বিক্রয়	৪৩,৪৮৫	৩৮,৩৬১
মোট -	৪৩,৪৮৫	৩৮,৩৬১
বিক্রয়লব্ধ আয়	(,০০০)	
	২০২০-২১	২০১৯-২০
রপ্তানি বিক্রয়	১১,৯২৪,৭০৫	৯,৫০৫,৩২৬
মোট -	১১,৯২৪,৭০৫	৯,৫০৫,৩২৬

উপরোক্ত পরিসংখ্যান অনুসারে, এটি চিত্রিত করে যে বিক্রয়ের পরিমাণ ১৩.৩৬% বৃদ্ধি পেয়েছে এবং ২০১৯-২০২০ সালের তুলনায় ২০২০-২০২১ সালে বিক্রয় আয় ২৫.৪৫% বৃদ্ধি পেয়েছে।

প্রাপ্ত একক বিক্রয় মূল্য

পূর্ববর্তী বছরের তুলনায় এ বছরে বিক্রয় মূল্য টাকা/কেজি উল্লেখযোগ্য ভাবে তারতম্য ঘটেছে যা নীচে দেখানো হলো:

	২০২০-২১	২০১৯-২০
রপ্তানি বিক্রয়	২৭৪.২৩	২৪৭.৭৯
মোট -	২৭৪.২৩	২৪৭.৭৯

উপরে তথ্য থেকে এটা প্রতীয়মান হয় যে পূর্ববর্তী বছর ২০১৯-২০২০ সালের তুলনায় পর্যালোচনাধীন ২০২০-২০২১ বছরে বিক্রয় মূল্যে ১০.৬৭% বৃদ্ধি হয়েছে, যা আন্তর্জাতিক বাজারে রপ্তানি চাহিদা এবং সুতার দাম বৃদ্ধির কারণ হয়েছিল।

শিল্প আউটলুক

পরিবর্তিত বিশ্ব চাহিদা কাঠামোর প্রেক্ষাপটে মার্কিন যুক্তরাষ্ট্র, চীন, ইউই ইত্যাদির মতো বৃহৎ অর্থনীতির মধ্যকার আর্থিক যুদ্ধের ফলে বাংলাদেশ উচ্চ মানের ব্যান্ড গার্মেন্টসের প্রগতিশীল উচ্চতর চাহিদা রয়েছে।

এই সেক্টরটির বিস্তৃতির বিশাল সুযোগ আছে এবং দ্বিগুণ বৈদেশিক মুদ্রা আয়ের সম্ভাবনা আছে যদি সরকার রাজস্ব/আর্থিক নীতিকে যৌক্তিক করে এবং স্থানীয় পাশাপাশি কৌশলগত বিনিয়োগকারীদের জন্য প্রয়োজনীয় আর্থিক/অ-আর্থিক সহায়তা/উদ্দীপনা প্রদান করে।

আর্থিক ফলাফল

পূর্ববর্তী বৎসরের তুলনায় আলোচ্য বৎসরে কোম্পানীর আর্থিক ব্যবস্থাপনার ফলাফল নিম্নে আলোচনা করা হলো:

বিবরণ	২০২০-২১	২০১৯-২০	↑↓ শতাংশে
বিক্রয়	১১,৯২৪,৭০৪,৬৬৪	৯,৫০৫,৩২৬,৩৬৯	২৫.৪৫%
বিক্রিত পণ্যের উৎপাদন খরচ	১০,৫৮৮,৯৮৭,১৪২	৮,৮২২,৩৮২,০১৩	২০.০২%
মোট মুনাফা	১,৩৩৫,৭১৭,৫২২	৬৮২,৯৪৪,৩৫৬	৯৫.৫৮%
প্রশাসনিক ব্যয়	২২৪,২৩৫,২৬৯	২২৫,৪১১,৩০৮	০.৫২%
বিক্রয় এবং বিতরণ খরচ	১৭,০৩৯,৪৫৭	১৩,৫৬২,৩৯২	২৫.৬৪%
পরিচালনা মুনাফা	১,০৯৪,৪৪২,৭৯৬	৪৪৩,৯৭০,৬৫৬	১৪৬.৫১%
আর্থিক খরচ সমূহ	৩৪৪,১৬৫,২৫৫	৩৬৫,১১৬,৮১২	৫.৭৪%
অন্যান্য আয়	১৯,৪৭৫,৫১৯	১৫,৭৯৩,১২৩	২৩.৩২%
নীট মুনাফা (ডব্লিউ.পি.পি.এফ. এর পূর্বে)	৭৬৯,৭৫৩,০৬০	৯৪,৬৪৬,৯৬৭	৭১৩.২৯%
ডব্লিউ.পি.পি.এফ. এ অনুদান	৩৬,৬৫৪,৯০৮	৪,৫০৬,৯৯৮	৭১৩.২৯%
নীট মুনাফা (কর পূর্ব)	৭৩৩,০৯৮,১৫২	৯০,১৩৯,৯৬৯	৭১৩.২৯%
আয়কর সঞ্চিতি	৬৩,৪৭৩,৩৮৫	৫৯,৭৮৪,৮৯৮	৬.১৭%
বিলম্বিত আয়কর সঞ্চিতি	৪৭,৯৯০,৭১৩	(২১,০০৬,৭৬৪)	৩২৮.৪৫%
নীট মুনাফা (কর পরবর্তী)	৬২১,৬৩৪,০৫৪	৫১,৩৬৮,৩০৫	১,১১০.৩০%
মোট মুনাফা মার্জিন	১১.২০%	৭.১৮%	৫৫.৯৯%
নীট মুনাফা মার্জিন	৫.২১%	০.৫৪%	৮৬৪.৮১%
শেয়ার প্রতি আয়	৩.১৫	০.২৬	১,১১১.৫৪%

২০২০-২০২১ সালে, আগের বছর ২০১৯-২০২০ এর তুলনায় বিক্রয়, মোট মুনাফা এবং নীট মুনাফা (কর-পরবর্তী) যথাক্রমে ২৫.৪৫%, ৯৫.৫৮% এবং ১,১১০.৩০% বৃদ্ধি পেয়েছে।

পর্যালোচনাধীন বছরে মোট মুনাফা মার্জিন, নীট মুনাফা মার্জিন এবং শেয়ার প্রতি আয় (ইপিএস) যথাক্রমে ৫৫.৯৯%, ৮৬৪.৮১% এবং ১,১১১.৫৪% বেড়েছে।

২০২০-২০২১ সালের কোম্পানির আর্থিক ফলাফল আনুযায়ী আধুনিক প্রযুক্তির সাথে মূলধনী যন্ত্রপাতিগুলিতে বিএমআরই এবং জনশক্তির দক্ষতা বৃদ্ধির কারণে একটি উল্লেখযোগ্য ৪,০০০ টন (প্রায়) উৎপাদনশীলতা বৃদ্ধি চিত্রিত হয়েছে।

পর্যালোচনাধীন সময়কালে, স্থানীয় এবং আন্তর্জাতিক উভয় বাজারে তৈরী পোশাক সেক্টরে বর্ধিত চাহিদা মেটাতে সুতার বিক্রয় মূল্যও বেড়েছে। এই পরিস্থিতিগুলি উৎপাদনের ইউনিট খরচ হ্রাসের দিকে পরিচালিত করে, যার ফলস্বরূপ আগের বছরের তুলনায় এই বছরে বেশি লাভ হয়েছে।

মূলধনী খরচ সমূহ

ক্রমাগত উন্নতকরণ এবং উৎপাদনশীল সুবিধা বৃদ্ধির জন্য, স্টার্টাউপ ইন্সটিটিউট ২০২০-২০২১ বছরে অতিরিক্ত নীট মূলধন ব্যয় করেছে ৫৯৩.৩৫ মিলিয়ন টাকা, যা নীচে চিত্রিত করা হয়েছে:

	২০২০-২১	২০১৯-২০
জমি/নির্মাণ কাজ	১৩,২৫১	১১৫,৬২১
যন্ত্রপাতি	৫৭৩,৭৭১	৭২৪,৮৬৭
অন্যান্য স্থায়ী সম্পদ	৬,৩২৯	৩২,৭৯৩
মোট -	৫৯৩,৩৫১	৮৭৩,২৮১

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ঋণ এবং গ্যারান্টি

অনুমোদিত ঋণের বিশদ বিবরণ এবং পর্যালোচনাধীন বছরের মধ্যে প্রদত্ত গ্যারান্টিগুলি একক আর্থিক বিবরণীতে যথাক্রমে নোট নং ১০ এবং ৩৭ এ চিত্রিত হয়েছে।

রিলেটেড পার্টি লেনদেন

স্কয়ার টেক্সটাইল বেস কয়েকটি রিলেটেড পার্টি ট্রানজেকশনে নিযুক্ত রয়েছে, যার বিশদ বিবরণ স্বতন্ত্র অ্যাকাউন্টের নোট নং ৪১-এ দেয়া হয়েছে।

বৈদেশিক মুদ্রার অর্জন/সঞ্চয়

স্কয়ার টেক্সটাইল তার রপ্তানি এবং ব্যবসায়িক বিপণন কার্যক্রমের মাধ্যমে পর্যালোচনাধীন বছরে দেশের বৈদেশিক মুদ্রার রিজার্ভে যথেষ্ট অবদান রেখেছে। এর পরিমাণ ছিল ৩,২১৩.৬৩ মিলিয়ন, যা আগের বছরের তুলনায় ১৭৬.৪৬% বেশি। বিস্তারিত নীচে চিত্রিত করা হয়েছে:

	(,০০০)	
	২০২০-২১	২০১৯-২০
মোট রপ্তানি আয়	১১,১৩০,৫৯৫	৮,৮০৫,০৪৫
বাদ: আমদানি খরচ সমূহ:		
কাঁচা তুলা	৭,১০৩,৬৩৯	৬,৭১৭,৩৫৩
খুচরা যন্ত্রাংশ	২৭০,২৮২	১৯৩,৫৮৮
বিবিধ (বিএমআরই)	৫৪৩,০৪৭	৭৩১,৬৮০
মোট -	৩,২১৩,৬২৭	১,১৬২,৪২৪

ঝুঁকি এবং উদ্বেগ

দীর্ঘ টেকসই পরিকল্পনা অনুপস্থিতি, অপরিষ্কৃত বিনিয়োগ নীতি ও কৌশল, কর্মী সংকট, পরিবর্তনশীল রাজস্ব এবং আর্থিক নীতি, পণ্য মূল্য নীতি, আন্তর্জাতিক বাণিজ্য বাধা, আর্থ-সামাজিক অচলবস্থা পরিস্থিতি এই অঞ্চলে গবেষণা ও উন্নয়ন বৃদ্ধির উপর প্রতিক্রিয়াশীল প্রভাব চাপিয়ে দেয়।

তবে এটি লক্ষণীয় বিষয় যে, উপরে বর্ণিত বিষয়গুলি স্বীকৃতি দেওয়ার জন্য সরকার এখন বিভিন্ন পদক্ষেপ গ্রহণ করছে যার ফলস্বরূপ বাংলাদেশ বিশ্বব্যাংক র্যাঙ্কিং হল অফ প্রোগ্রামের "ডুইং বিজনেস" সূচকে নিজের অবস্থান বাড়তে শুরু করেছে।

সাবসিডিয়ারী কোম্পানীতে বিনিয়োগ

স্কয়ার টেক্সটাইলস্‌ লিমিটেড, স্কয়ার টেক্সকম লিমিটেড-এর মূলধনে ইকুইটি হিসাবে ৪৮৯,৩৩৩,৯৬০ বিনিয়োগ করেছে যা মোট মূলধনের ৯৯.৮৮%।

১৯৯৪ সালের কোম্পানী আইন অনুসারে স্কয়ার টেক্সকম লিমিটেড, স্কয়ার টেক্সটাইলস্‌ লিমিটেড-এর সাবসিডিয়ারী কোম্পানী বিধায় পরিচালনা পর্ষদের প্রতিবেদন এবং নিরীক্ষিত হিসাব এই প্রতিবেদনের সাথে সংযুক্ত করা হয়েছে।

জাতীয় কোষাগারে অবদান

স্কয়ার টেক্সটাইল ২০২০-২০২১ অর্থবছরে ১৩৬.৮২ মিলিয়ন টাকা জাতীয় কোষাগারে জমা দিয়েছে, গত বছরের এটা ৮১.৪৭ মিলিয়ন টাকা ছিল

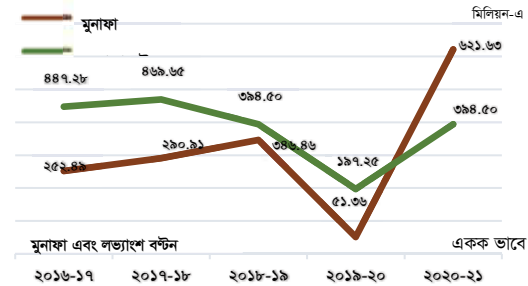
অসাধারণ কার্যক্রম

কোম্পানীটি কোনও অসাধারণ কার্যক্রম গ্রহণ করেনি বা চালিয়ে যায়নি এবং এই ধরনের কার্যক্রম থেকে কোনও প্রকার ক্ষতি বা লাভও করেনি।

মুনাফা বন্টন

পরিচালনা পর্ষদ নিম্নোক্ত উপায়ে ৩০ জুন ২০২১ সমাপ্ত বছরের জন্য নীট মুনাফা বন্টনের জন্য প্রস্তাব করেন:

	টাকায়
নীট মুনাফা (কর-পরবর্তী), ২০২১ সালের জুনে শেষ হওয়া বছরের জন্য।	৬২১,৬৩৪,০৫৪
খ) নগদ লভ্যাংশ প্রস্তাব @২০%	৩৯৪,৫০৪,০০০
গ) নিট অবস্থিত মুনাফা (ভবিষ্যতে সম্প্রসারণের জন্যে)	২২৭,১৩০,০৫৪



মাইনোরিটির স্বার্থ

কর্পোরেট গভর্নেন্স কোডের কোড ১(৫)(xvi) এর সাথে সঙ্গতি রেখে কোম্পানির বোর্ড এর মাধ্যমে নিশ্চিত করে যে মাইনোরিটি শেয়ারহোল্ডারদের স্বার্থ কোম্পানিতে যথাযথভাবে সুরক্ষিত হয়েছে।

হিসাব একত্রীকরণ

বিএসইসি এর বিধিমালা ও ইন্টারন্যাশনাল একাউন্টিং স্ট্যান্ডার্ড-২৮ এবং আইএফআরএস-১০ এর নিয়মাবলী অনুসরণ করে একাউন্টস্‌ একত্রীকৃত করা হয়েছে যাতে শেয়ারহোল্ডারবৃন্দের মোট সুবিধা/বিনিয়োগ মূল্য নির্ধারণ করা যায়।

স্কয়ার টেক্সটাইলস্‌ লিমিটেডের একিভূত আর্থিক প্রতিবেদন এই বার্ষিক প্রতিবেদন উপস্থাপন করা হয়েছে।

ম্যানেজমেন্ট ডিসকাশন এন্ড আনালাইসিস

কোম্পানির পরিচালন অবস্থান, ক্রিয়াকলাপ, আর্থিক বিবরণী এবং অন্যান্য প্রয়োজনীয়তার পরিবর্তনের সংক্ষিপ্ত আলোচনা ব্যবস্থাপনা পরিচালক কর্তৃক স্বাক্ষরিত ম্যানেজমেন্ট ডিসকাশন এন্ড আনালাইসিস এই প্রতিবেদনের সংযোজন-iii এ প্রকাশিত হয়েছে।

পরিচালক নির্বাচন

সংঘবিধির ১২৫ ও ১২৬ অনুচ্ছেদ অনুযায়ী কোম্পানীর পরিচালক মিসেস অনিতা চৌধুরী এবং জনাব তপন চৌধুরী অবসর গ্রহণ করেছেন এবং পুনর্নির্বাচিত হওয়ার যোগ্য বিধায় পুনর্নির্বাচিত হওয়ার ইচ্ছা প্রকাশ করেছেন। উপরে উল্লেখিত পরিচালকবৃন্দের জীবনবৃত্তান্ত এবং অন্যান্য তথ্য বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের ৩ জুন, ২০১৮ তারিখে প্রজ্ঞাপনের ১.৫ (xxii) সংযুক্তি-ii তে বর্ণিত হয়েছে।

বিধিবদ্ধ নিরীক্ষক নিয়োগ

বর্তমান কোম্পানীর নিরীক্ষক মেসার্স কে.এম. হাসান এন্ড কোং, চার্টার্ড একাউন্টেন্টস্‌ ২৬তম বার্ষিক সাধারণ সভায় অবসর গ্রহণ করেছেন এবং যোগ্য হয়ে নিজেকে ২০২১-২০২২ এর জন্য কোম্পানির বিধিবদ্ধ নিরীক্ষক হিসাবে নিযুক্ত হওয়ার আহ্বান প্রকাশ করে। পরিচালনা পর্ষদ ২১ অক্টোবর, ২০২১ তারিখের সভায় তাদের নিয়োগের সুপারিশ করেছেন।

কমপ্লায়েন্স নিরীক্ষক নিয়োগ

মেসার্স চৌধুরী ভট্টাচার্য এন্ড কোং, চার্টার্ড অ্যাকাউন্ট্যান্ট এই বার্ষিক সাধারণ সভায় অবসর গ্রহণ করেছেন এবং যোগ্য হয়ে নিজেকে ২০২১-২০২২ এর জন্য কোম্পানির কমপ্লায়েন্স অডিটর হিসাবে নিয়োগ দেওয়ার জন্য প্রস্তাব করেছেন। পরিচালনা পর্ষদ ২১ অক্টোবর, ২০২১ তারিখের সভায় তাদের নিয়োগের সুপারিশ করেছেন।

স্কয়ার টেক্সটাইলস্‌ লিমিটেডের সহযোগি প্রতিষ্ঠানের কাছে পণ্য বিক্রয় অনুমোদন প্রসঙ্গ।

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের ২২ মার্চ, ২০২১ তারিখের বিজ্ঞপ্তি নং BSEC/CMRRCD/2009-193/10/Admin/118 এর ধারা ১ অনুযায়ী, স্কয়ার টেক্সটাইল লিমিটেড তার সহযোগি প্রতিষ্ঠানের কাছে পণ্য বিক্রয় ক্ষেত্রে শেয়ারহোল্ডারদের অনুমোদন প্রয়োজন যদি তা মোট রাজস্ব বা টার্নওভারের ১০% বা তার বেশি পরিমাণ হয়, যা পূর্ববর্তী আর্থিক বছরের লাভ বা ক্ষতি এবং তাত্ক্ষণিক আয়ের বিবৃতিতে দেখানো হয়েছে।

কর্পোরেট গভর্নেন্স কমপ্লায়েন্স প্রতিবেদন

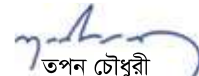
বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের কর্পোরেট গভর্নেন্স কোড ২০১৮-এর ধারা ১(৫) অনুসারে একটি অতিরিক্ত বিবৃতি, পরিচালক পুনর্নিয়োগ প্রার্থীদের জীবনবৃত্তান্ত, ব্যবস্থাপনার আলোচনা বিশ্লেষণ, সিইও এবং সিএফওর কাছ থেকে বোর্ডের উদ্দেশ্যে সনদ, কোম্পানির কমপ্লায়েন্স অডিটরদের সনদ এবং কর্পোরেট গভর্ন্যান্স কোড ২০১৮ প্রতিপালনের অবস্থা যথাক্রমে সংযুক্তি- i, ii, iii, iv, v ও vi এর মধ্যে বর্ণনা/প্রকাশ করা হলো।

অডিট কমিটির রিপোর্ট, মনোনয়ন ও পারিশ্রমিক নীতি এবং লভ্যাংশ বন্টন নীতিও এই বার্ষিক প্রতিবেদনে উপস্থাপন করা হয়।

ব্যবস্থাপনা কর্তৃপক্ষের স্বীকৃতি

পরিচালনা পর্ষদ ব্যবসায়িক কার্যক্রমে নির্বাহী ব্যবস্থাপনা, কর্মকর্তা ও শ্রমিক কর্মচারীদের অবদানকে গভীরভাবে মূল্যায়ন করেছে। সারা বিশ্বে বাণিজ্য ও উৎপাদনে বিভিন্ন বৈধী প্রভাব থাকা সত্ত্বেও তাদের নিরলস প্রচেষ্টা কোম্পানীকে উৎপাদনের ধারা অব্যাহত রাখতে সাহায্য করেছে। সম্মানিত শেয়ার-হোল্ডারগণ যে আস্থা পরিচালনা পর্ষদের উপর রেখেছেন তা পরিচালনা পর্ষদকে অনুপ্রাণিত করে আসছে এবং ব্যবস্থাপনা কর্তৃপক্ষ, নির্বাহী কর্মকর্তা ও কর্মচারীগণ তা ধরে রাখতে সচেষ্ট হবেন।

পরিচালনা পর্ষদ বিনীতভাবে বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, স্টক এক্সচেঞ্জ, জাতীয় রাজস্ব বোর্ড এবং অন্যান্য সরকারি ও বেসরকারি এজেন্সিগুলোকে প্রতিষ্ঠান এর কার্যক্রম পরিচালনায় সহযোগিতা দেয়ার জন্য কৃতজ্ঞতা জানাচ্ছেন। আমরা সকলের ভবিষ্যৎ উন্নয়ন কামনা করি।


তপন চৌধুরী



CORPORATE SUSTAINABILITY

At Square Textiles Ltd. “Corporate Sustainability” is embedded within the principles and values of the company. Through successful “triple bottom line” performance, focusing on social, environmental and financial factors, the company is able to generate increased earnings, reduce material usage, energy expenditures and wastes, and increase social contribution. The focus on Sustainability has contributed to long-term success for the company over the years.

STATE OF THE ART FACILITY

We focus on continuous efforts to introduce innovative means of production that allows for optimum utilization of materials and energy. Our state of the art production facility is equipped with upgraded technologies and machineries that are energy efficient as well as environmental friendly. In 2018, we have introduced PCW plant (fabric crushing). We are the pioneer in introducing this technology in Bangladesh.

READY RECYCLING FACILITY

The manufacturing facility is fitted to contain dust and waste discharge to the environment. On a daily basis, 4 (four) out of 6 (six) tons of waste materials, on average, are recycled. Hard wastes are crushed and reused as raw materials in production. Our PCW plant processes garment wastages into fibers. There are no chemical applications in our manufacturing process and hence there is no environmental damage as a result of any spillovers or emissions of harmful gas.

MINIMIZING OCCUPATIONAL HAZARDS

We follow stringent safety measures and regularly monitor and review occupational health and safety procedures. We ensure that our factory workers always follow the safety protocols necessary to ensure a hazard-free working environment and uninterrupted operations. In regards to such health and safety issues, proper training and awareness are provided to all production employees.

CREATING PRODUCT DIVERSITY

We believe in “Product Diversity” as a means of economic sustainability. The company has about 40 percent product diversification within our total product port-folio.

This Product Diversity has led to enhancement of the company’s brand image, increased profitability, and risk mitigation.

Overall, our emphasis on Corporate Sustainability has led us to create a blend of strategies where financial & non-financial aspects are perfectly integrated within the good governance and management practices of the company, as well as engage all stakeholders in an open platform where financial, social and environmental issues are shared and communicated. All these have translated to positive outcomes that is beneficial to all parties within the value chain.

SUSTAINABLE ENERGY PROGRAM

Bangladesh is an active partner with UNDP in implementing Sustainable Development Goals (SDGs) also known as the Global Goals, were adopted by all United Nations Member States in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030.

SQUARE Textiles Ltd. as a Spinner, it requires 19.50 MWh electricity to run operations. Out of total requirement, 16.50 MWh electricity generated from Natural Gas & HFO and 3.00 MWh outsourced from REB and other Merchant Power Plants. Considering Environment (Our Mother Planet’s Health), Cost of Energy, SQUARE Textiles Ltd. has implemented its 1st phase for Solar Power Project. The Environmental and Fiscal benefits of this Solar Project is as follows;

- Installation Capacity : 2,646 Kwh
- Service period: 25 Years
- Energy Generating (Yearly): 4,683,420 Kwh (Daily average 6 hours @ 2,205 Kwh)
- Carbon Emission (Yearly): 3,138,818 Kg (Equivalent 1.43 Lac Matured Tree Plantation)
- Water Savings (Yearly): 43.46 Lac Liters
- Energy Cost Savings (Yearly): BDT 2.58 Crore

CORPORATE GOVERNANCE



Corporate governance is the process of directing and controlling a Company. Governance is the process of identifying and enforcing the company's ethics, rights, and obligations among its various stakeholders.

Good corporate governance is important to its long-term viability. Square Textiles' corporate governance is as follows:

BOARD OF DIRECTORS

The Board of Directors, the top management tier, is responsible for overall control and supervision of the company's affairs, primarily through strategic planning and budgetary control mechanisms, in accordance with the concept of Good Corporate Management Practice and the provisions of the Articles of Association. To that purpose, the Board of Directors meets on a regular basis to resolve policy and strategy concerns, with minutes and decisions being recorded for implementation by Executive Management.

During the year under review, the Board of Directors of Square Textiles met 7 (seven) times to transact various agendas. The intervening gap between the meetings was within the period prescribed under the Companies Act.

The present Board of Directors is comprised by the following owners/persons:

Mr. Tapan Chowdhury	- Chairman
Mrs. Ratna Patra	- Vice Chairman
Mr. Samuel S Chowdhury	- Managing Director
Mrs. Anita Chowdhury	- Director
Mr. Anjan Chowdhury	- Director
Mrs. Nihad Kabir	- Independent Director
Mr. S.M. Rezaur Rahman	- Independent Director

The Board of Directors is reconstituted every year by the Members (shareholders) of the Company at the Annual General Meeting through the retirement/re-election/election of one-third of its members.

Members of the Board of Directors often travel abroad to bring into focus the Company's image and acquire technological gains.

Top Management inaugurates/participates in seminars, training courses, conferences, and various cultural activities of the employees and workers which instill in them a sense of belongingness.

SEPARATE ROLE OF THE CHAIRMAN AND MANAGING DIRECTOR

Board of Directors	
Constitution	Not less than 3 or more than 15 Directors.
Type of Mandate	Unitary Board of 7 Directors
Female	3 (Three)
Male	4 (Four)
Non-Executive Directors	6 (Six)
Executive Directors	1 (One)
Independent Director	2 (Two)
Meeting held 2020-21	7 (Seven)

Separate individuals are holding the positions of Chairman and Managing Director.

Mr. Tapan Chowdhury is the Company's Chairman and is responsible for the functions of the Board, while Mr. Samuel S Chowdhury is the Managing Director and acts as the Company's Chief Executive Officer.

INDEPENDENT DIRECTOR

In compliance with the BSEC Regulations on Good Governance, the Board of Directors, as empowered by the Regulations, appointed **Mrs. Nihad Kabir**, Barrister-at-Law, is an Advocate of the Supreme Court of Bangladesh, a legal advisor to several leading national, multinational, and international organizations, and the senior partner of Syed Ishtiaq Ahmed



& Associates, a firm of legal consultants and practitioners in Bangladesh. **Mr. S. M. Rezaur Rahman**, capital market consultant and Director of United Corporate Advisory Services Ltd., a firm of financial and investment advisory and post-issue management of initial public offerings of securities and other related jobs in Bangladesh, has been appointed as a non-shareholding Independent Director of Square Textiles, with the expectation that their expertise will contribute to further disclosure and protect the interests of all stakeholders, investors in general and smaller investors in particular.

ROLE & RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors, as the highest level of authority, has the primary responsibility of providing general supervision, overseeing operations, and controlling the affairs of the company through appropriate delegation and accountability processes via the lines of command.

The Board of Directors, on the other hand, is ultimately responsible for directing the company's operations in compliance with the law and in the best interests of shareholders, stakeholders, the state, and society.

In order to accomplish its responsibilities, the Board of Directors meets at least once per quarter and makes necessary decisions/directions to the Executive Management. Operational performance, financial results, budget reviews, capital expenditure proposals for BMRE or new projects/divisions/product lines, procurement of funds through the issue of shares or borrowing, procurement of raw materials, plant & machinery, pricing of products/discounts, recruitment, training, and

promotion of officers, approval of the annual financial statement, appropriation of profit and recommendation of dividends, and other interests of the stakeholders, including the employees and workers, are usually discussed at such meetings.

The Board of Directors pays special attention to establishing and articulating productivity and compensation plans for employees and workers, as well as rewarding them appropriately based on the quality and quantity of their work.

The Board is also responsible for removing operational threats to workers' lives and health, for environmentally friendly working conditions, and for social relationships that are expected of good citizens in a country.

CHIEF FINANCIAL OFFICER, COMPANY SECRETARY AND HEAD OF INTERNAL AUDIT AND COMPLIANCE

The Company has appointed Mr. M. Habibur Rahman, FCMA as Chief Financial Officer, Mr. Sanjib Baran Roy, ACS as Company Secretary, and Mr. Mozibur Rahman, FCA as Head of Internal Audit and Compliance, in accordance with the requirements of the Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission.

AUDIT COMMITTEE

The Board of Directors has constituted an Audit Committee of the Board consisting of 3 (three) Non-Executive Directors, namely Mrs. Nihad Kabir, Independent Director Mrs. Ratna Patra, Vice Chairman and Anjan Chowdhury, Director.

Mrs. Nihad Kabir, Independent Director is the Chairman of the Committee.



The Audit Committee carries out its responsibilities as per the provisions of law and submits its report to the Board of Directors from time to time. The Audit Committee shall also co-ordinate with the internal and external auditors as and when required. The Audit Committee ensures that adequate internal checks & balances supported by adequate MIS are in place for detection of errors frauds and other deficiencies.

The other responsibilities include inter alia, not being limited to, the prevention of conflict of interest between the company and its Directors officials, customers, suppliers, government and any other interest groups and detect or remove any scope of insider trading in the company's stock. The Audit Committee also ensures compliance of requirements of BSEC and other agencies.

The Committee met 4 (four) times during the year under review.

NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors formed a Nomination and Remuneration Committee of the Board comprising of 3 (three) Non-Executive Directors namely Mrs. Nihad Kabir, Independent Director, Mrs. Ratna Patra, Vice Chairman and Anjan Chowdhury, Director.

Mrs. Nihad Kabir, Independent Director is the Chairman of the Committee.

The terms of reference of the Nomination & Remuneration Committee inter alia include to determine the Company's policy on specific remuneration packages for executive directors, to review, recommend and/or approve remuneration to whole-time Directors, to review and approve the Remuneration Policy of the Company, to

formulate criteria for evaluation of Independent Directors and the Board, to devise a policy on Board Diversity, to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board the appointment or removal of such persons and to discharge such other functions and exercise such other powers as may be delegated/ directed by the Board of Directors from time to time.

The Committee met once during the year under review.

EXECUTIVE MANAGEMENT

The Managing Director, the CEO, is the head of the Executive Management Team which comprises senior executive members of the Company. Within the limits of delegated authority and responsibility by the Board of Directors, Executive Management operates through further delegation of authority at every echelon of line management.

The Executive Management operates within the framework of policy and Planning strategies set by the Top Management with periodic performance reporting for guidance.

The Executive Management is responsible for the preparation of segment plans/sub-segment plans for every profit center with budgetary targets for every item of goods and services and is held accountable for deficiencies, with appreciation for outstanding and exceptional performances. These operations are continuously carried out by the Executive Management through a series of Committees, Sub-Committees, Adhoc Committees and Standing Committees assisting the line management.



LEGAL ADVISERS

In order to avail the best legal services for Good Corporate Governance, the company has empaneled top ranking legal professionals, namely Mr. Rokonuddin Mahmud, Bar-at-Law and Ms. Nazia Kabir, Bar-at-Law. They have had long term fundamental support for the company's good governance efforts.

SHAREHOLDERS' RELATIONSHIP

Corporate Governance issues include how major policy decisions are made in business corporations, how various stakeholders can influence the process, who is held accountable for performance and what performance standards are applied. In a nutshell, power and influence are crucial in corporate governance. As shareholders belong to the most important stakeholders, the ownership structure has an impact on the balance of power among shareholders.

Though sponsors usually hold majority shares required for ordinary resolutions, public shareholders have a definite role and influence in the passing of special resolutions required for changes in the business object, sale of business/productive assets, merger and amalgamation, winding up or dissolution and amendments to Memorandum and Articles of Association for protection of minority interest up to 49.9% of the shareholdings.

Shareholding status 30 June 2021:

Shareholders Group	Holding
Sponsors/Directors	61.83%
Institutions	23.40%
General Public	11.66%
Foreigners	3.11%

The position of shareholders as on 30th June, 2021 indicates that the Sponsors of the Company do not hold the required

shareholdings (75%) for passing special resolutions. This allows the Public Shareholders (individuals and institutions) to play an effective role in protecting their legal corporate rights. to 49.9% of the shareholdings.

The Company has its Annual General Meeting [Members (Shareholders) Meeting] on a regular basis, as required by law, with proper notice and disclosures in the Directors' Report and the Auditors' Report on Accounts/Notes, and resolutions are passed unanimously. All reasonable and practicable suggestions are implemented with good grace.

All enquiries are attended by the Company Secretary, where necessary. Internal Audit Committee investigates matters of significant merit for consideration by the Management Committee/Managing Director/Audit Committee of the Board/ Board of Directors as the case may be.

The shareholders, as owners, are provided with material information on the company's operations quarterly and annually. They are also provided routine services by the Company Affairs Division headed by the Company Secretary on any company matters which are permissible.

The Board is, however, responsible to the Members (Shareholders) as well as investors for the publication of price sensitive information as per regulations of the Bangladesh Securities and Exchange Commission.

The Company has a web site to provide permissible information, notices, price-sensitive information, financial reports, disclosures, and others to shareholders and interested investors.



A qualified Chartered Secretary is in charge of all these responsibilities as Company Secretary.

DIVIDEND POLICY

The Board of Directors is committed to exhibiting a continuous dividend distribution policy of accretional wealth (profits) among present and future generations of Members (shareholders). This would allow the Company to increase its capital wealth and continue to exist in perpetuity, benefiting both current and future generations.

FINANCIAL/STATUTORY AUDITORS

The role of the Financial/Statutory Auditors in certification of the financial statements is the most significant aspect of corporate governance and the protection of the interests of investors. As evident from the Annual Reports, the company rigidly follows the Companies Act, Rules of Bangladesh Securities and Exchange Commission, Listing Regulations, Code of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and International Standard of Auditing (ISA) with legally required disclosures of Accounts and Financial Statements.

All this has been possible due to the high level capability and integrity of the Financial/Statutory Auditor of Square Textiles Ltd. M/s. K. M. Hasan & Co., Chartered Accountants whose unchallenging performance has played a very trustworthy role in the protection of interest of the stakeholders of the Company.

COMPLIANCE AUDITORS

The Compliance Auditor is responsible for certification on compliance with the conditions of the Corporate Governance Code 2018 of the Bangladesh Securities and Exchange Commission as well as the provisions of relevant Bangladesh Secretarial Standards

of the Institute of Chartered Secretaries of Bangladesh (ICSB).

M/s. Chowdhury Bhattacharjee & Co., Chartered Accountants, is the Compliance Auditors of Square Textiles Ltd appointed by its Members (shareholders) at their Annual General Meeting.

SEGMENT REPORT

The Company's operations are carried out on an aggregate basis and are managed as a single operating segment. Accordingly, the company operates in one segment of developing, manufacturing and marketing of cotton/yarn for human as well as industrial use.

RISK PERCEPTION

The Company's Management perceives investment risk within the national and international economic perspectives in relation to legal and moral requirements involving, inter alia, intellectual property rights, scientific inventions, WTO Regulation, MFA etc. and monetary and fiscal investment policies and has prepared its production and marketing strategies to meet the challenges from these risks.

SECRETARIAL STANDARD

Square Textiles makes every effort to adhere to the Secretarial Standard on meetings of the Board of Directors, Members (shareholders), Minutes, and Dividends issued by the Institute of Chartered Secretaries of Bangladesh.

COMPLIANCES

Square Textiles has established procedures to ensure compliance with all applicable statutory and regulatory requirements. Respective officers are responsible for ensuring proper compliance with applicable laws and regulations.

AUDIT COMMITTEE REPORT

For the year 2020-2021

Square Textiles Limited having an Audit Committee as a subcommittee of the Board of Directors in order to assist the Board of Directors in ensuring and fulfilling its oversight responsibilities.

The Audit Committee comprised by following Members of the Board of Directors:

Mrs. Nihad Kabir, Independent Director	- Chairman
Mrs. Ratna Patra, Vice Chairman	- Member
Mr. Anjan Chowdhury, Director	- Member

Mr. Sanjib Baran Roy, Company Secretary acts as the Secretary to the Committee.

The Audit Committee performs their responsibility in harmony with the Corporate Governance Code 2018 of the Bangladesh Securities and Exchange Commission and ensures compliance thereon.

The scope of Audit Committee was defined as under:

- (a) Review and recommend to the Board to approve the quarterly and annual financial statements prepared for statutory purpose;
- (b) Monitor and oversee choice of accounting policies and principles, internal control, risk management process, auditing matter, hiring and performance of external auditors;
- (c) Review statement of significant related party transactions submitted by the management.
- (d) Carry on a supervision role to safeguard the systems of governance and independence of statutory auditors and
- (e) Review and consider the report of internal auditors and statutory auditors' observations on internal control.

Major activities carried out during reporting year 2020-2021:

- ❖ Examined and reviewed the fairness of the quarterly and annual financial statements and recommended to the Board for consideration.
- ❖ Overseen, reviewed and approved the procedure and task of the internal audit, financial report preparation and the external audit reports.
- ❖ Reviewed and recommended Related Party Transactions, Loans, Guarantees and Investments.
- ❖ Considered and made recommendation to the Board on the appointment and remuneration of Statutory Auditors.

The Committee found adequate arrangement to present a true and fair view of the activities and the financial status of the company and didn't find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting.



Mrs. Nihad Kabir
Chairman, Audit Committee

Date: 12th October, 2021

NRC SQUARE TEXTILES

Under Condition # 6(5)(c)

A. Nomination and Remuneration Policy

1.00 Introduction

The Nomination and Remuneration Policy is prepared and adopted in compliance with Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission in view to formulate and recommend proper, fair, transparent and non-discriminatory nomination and remuneration for the Directors and Top Level Executives of the Square Textiles Ltd.

The Nomination and Remuneration Policy of Directors and Top Level Executives has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors of Square Textiles Ltd.

2.00 Definitions

“NRC or the Committee” means Nomination and Remuneration Committee

“the Company” means Square Textiles Ltd.

“Board” means Board of Directors of Square Textiles Ltd.

“Director” means Member of the Board.

“Top Level Executive” means the Managing Director or Chief Executive Officer, Additional or Deputy Managing Director, Chief Operating Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and Compliance, Head of Administration and Human Resources or equivalent positions and same level or ranked or salaried officials of the company.

3.00 Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been constituted by the Board of Directors of the Company as a subcommittee to assist the Board under the Condition No. 6 of the Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission.

NRC is independent and responsible or accountable to the Board of Directors and to the Shareholders of Company.

The NRC consists of the following Non-Executive Director of the Board:

Name of the Members	Position in the Committee
Mrs. Nihad Kabir Independent Director	- Chairman
Mrs. Ratna Patra Director	- Member
Mr. Anjan Chowdhury Director	- Member

The Terms of Reference of the NRC have been defined and adopted by the Board of Directors of the Company.

4.00 Objective

The objective of the NRC is to oversee, assist and guide the Board of Directors:-

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of Directors and Top Level Executives.
- To devise policy on Board's diversity taking into consideration of age, gender, experience, ethnicity, educational background and nationality.
- To the appointment, fixation of remuneration and removal of Directors and Top Level Executives.
- To formulate the criteria in respect to evaluate performance of the Independent Director and the Board.
- To identify the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria.
- To develop, recommend and review the company's human resources and training policies.

- To retain, motivate and promote talent and to ensure long term sustainability of talented Top Level Executive and create competitive advantage.
- To recommend Code of Conduct for the Chairman and other Members of the Board and Managing Director.
- To Implement and monitor policies and processes regarding principles of corporate governance.

5.00 Nomination and Appointment of Directors and Top Level Executives

The committee is responsible to ensure that the procedures for nomination and appointment of Directors and Top Level Executive are taken place in transparent, rigorous and non-discriminatory way. The committee also responsible to identify and ascertain the combination of age, gender, educational background, experience, knowledge, ethnicity, diversity, nationality and other relevant personal values & attributes for nomination and appointment of Director and Top Level Executives.

6.00 Remuneration for Directors and Top Level Executives

The committee shall oversee, review and make report with recommendation to the Board the level and composition of remuneration is reasonable and sufficient to attract, motivate and retain suitable, dependable and skilled Director and Top Level Executive. They also consider and review the relationship of remuneration to performance is clear and meets appropriate performance benchmarks, remuneration to Director and Top Level Executive involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

7.00 Validation of the Policy

This policy on Nomination and Remuneration of

Directors and Top Level Executives of the Company has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors of Square Textiles Ltd.

8.00 Amendments to the Policy

The Board preserve the rights to amend and review time to time the provisions of the policy depending on the legal and other requirements or for a bona fide purpose.

B. Evaluation of Performance

Evaluation of performance of Directors be carried out through completion of a preset confidential questionnaire and/or collective feedback or any other effective criteria adopted by the Board yearly or at such intervals of its work, function and performance as may be considered necessary in order to ascertain the effectiveness and to measure the contribution of the Directors as well as the Top Level Executives of the Company.

C. Activities of the NRC carried out during the reporting period

The NRC carried out the following activities in line with Committee's Terms of Reference during the reporting period:

- i. Reviewed and recommended the Code of Conduct for the Chairman, other Members of the Board and Managing Director.
- ii. Reviewed the Company's existing policy relating to the remuneration of Directors and Top Level Executives.
- iii. Discussed and decided in regard to formulate the criteria of evaluation of performance of the Board and Independent Directors.
- iv. Reviewed the Company's existing Human Resource and Training policies.

DIVIDEND Distribution Policy

SQUARE TEXTILES LIMITED

1.00 Introduction

The Dividend Distribution Policy is prepared and adopted in compliance with the provisions of the Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January, 2021 of the Bangladesh Securities and Exchange Commission (BSEC) about dividend declaration, pay off, disbursement and compliance.

The Board of Directors (the Board) will consider the directive while declaring/ recommending dividend on behalf of the Company. The Policy is not an alternative to the decision of the Board for declaring/recommending dividend, which takes into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided by the Board.

2.00 Definitions

“**the Act**” means Companies Act 1994

“**the Company**” means Square Textiles Limited

“**AGM**” means Annual General Meeting

“**Board**” means Board of Directors of Square Textiles Limited

“**Shareholders**” means Members whose name is registered in the Member Register of the Company.

“**Shares**” means Ordinary Equity Shares.

3.00 Concept of Dividend

Dividend is the share of the profit that a Company decides to distribute among its Shareholders in proportion to the amount paid-up on shares they hold in the form of Cash and/or Stock (Bonus). The profits earned by the Company can either be retained in the business or can be distributed among the Shareholders as dividend.

4.00 Types of Dividend

The Act deals with two types of dividend - Interim and Final.

- **Interim** dividend is the dividend declared by the Board between two AGMs as and when considered appropriate. The Act authorizes the Board to declare interim dividend during any financial year out of the profits for the financial year in which the dividend is sought to be declared and/or out of the surplus in the profit and loss account.
- **Final** dividend is recommended for the financial year at the time of approval of the annual financial statements as well as appropriation of profit. The Board shall have the power to recommend final dividend to the shareholders for their approval at the AGM of the Company. Dividend recommended by the Board of Directors cannot be changed prior to holding of the AGM.

5.00 Declaration of Dividend

Subject to the provisions of the Act, dividend shall be declared and paid out of:

- a. Profits of the Company for the year for which the dividend is to be paid after setting off carried over previous losses and depreciation not provided in the previous year(s);
- b. Undistributed profits of the previous financial years after providing for depreciation in accordance with law and remaining undistributed.
- c. Out of a & b both.

Before declaration of dividend, the Company may transfer a portion of its profits to reserves of the Company as may be considered appropriate by the Board at its discretion.

In the event of inadequacy or absence of profits in any financial year, the Company may declare dividend out of free reserves subject to the compliance with the Act and Rules.

6.00 Factors Governing Declaration of Dividend

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among the shareholders and amount of profit to be retained in business.

The circumstances for dividend pay-out decision depends on various external and internal factors which the Board of Directors shall consider while recommend/ declaring dividend including the following:

6.01 External Factors:

- The Board shall endeavor to retain a larger portion of profits to build up reserves, in case of Adverse Economic Scenario.
- The Board shall evaluate the market trends in terms of technological changes mandating investments, competition impacting profits, etc., which may require the Company to conserve resources.
- The Board shall consider the restrictions, if any, imposed by the Act and other applicable laws with regard to declaration of dividend in order to ensure compliance with the applicable laws.
- Dividend distribution tax or any tax deduction at source as required by tax regulations, applicable at the time of declaration of dividend may impact the decision with regard to dividend declaration.
- Other factors beyond control of the Management like natural calamities, fire, etc. effecting operations of the Company may impact the decision with regard to dividend declaration.

6.02 Internal Factors:

- Profitability
- Availability and Liquidity of Funds
- Capital Expenditure needs for the existing businesses
- Expansion/Modernization of the business
- Additional investments in subsidiaries/associates of the Company
- Cost of raising funds from alternate sources
- Cost of servicing outstanding debts
- Funds for meeting contingent liabilities
- Mergers and Acquisitions
- Any other factor as deemed appropriate by the Board.

Apart from the above factors, the Board also considers past dividend history and sense of shareholders' expectations while determining the rate of dividend. The Board may additionally recommend special dividend in special circumstances.

7.00 Financial Parameters for Declaring Dividend

The Company is committed to deliver sustainable value to its stakeholders. The Company shall strive to distribute an optimal and appropriate level of the profits among the shareholders in the form of dividend.

To keep investment attractive and to ensure capital appreciation for the shareholders, the Company shall also endeavor to provide consistent return over a period of time. While deciding on the dividend, micro and macroeconomic parameters for the country in general and the Company in particular shall also be considered.

Taking into consideration the aforementioned factors, the Board shall endeavor to maintain a dividend pay-out.

8.00 Utilization of Retained Earnings

Subject to the provisions of the Act and other applicable laws, retained earnings may be utilized as under:

- Issue of fully paid-up bonus shares
- Declaration of dividend-Interim or Final
- Augmenting internal resources
- Funding for capital expenditure/expansion plans/acquisition;
- Repayment of debt
- Any other permitted use as may be decided by the Board.

9.00 Parameters for Various Classes of Shares

Currently, the Company has only one class of shares - Equity Shares. There is no privilege amongst Equity Shareholders of the Company with respect to dividend distribution.

10.00 Circumstances Impacting Dividend Payment

The Company has been paying dividend to its shareholders around three decades and shall endeavor to continue with the dividend payment.

Given here in below are some of the circumstances in which shareholders of the Company may or may not expect dividend pay-out:

10.01 May Expect Dividend:

- Adequate profits and liquidity
- Accumulated profits not warranted for immediate business needs.

10.02 May Not Expect Dividend:

- Non availability of profits for dividend distribution
- Funds available for dividend but need to be conserved due to:
 - Business needs;
 - Adverse economic /market scenario expected in near future;
 - Augmenting internal resources.

11.00 Disclosure

This Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and on the Company's website www.textile.squaregroup.com

If the Company proposes to declare dividend on the basis of any additional parameters apart from those mentioned in the Policy or proposes to change the parameters contained in this Policy, it shall disclose such changes along with the rationale for the same in the Annual Report and on the website.

12.00 Effective Date

This Policy has been approved by the Board of Directors of the Company at its meeting held on 1st February, 2021 and shall be effective and applicable for dividend, if any, declared for the Financial Year 2020-21 onwards.

13.00 Review/Amendment

The Board may amend, abrogate, modify or revise any or all provisions of this Policy. However, amendments in the Act or in the Listing Regulations shall be binding even if not incorporated in this Policy.

UNCLAIMED/UNSETTLED DIVIDEND 2002 TO 2020



SQUARE TEXTILES LIMITED

The unclaimed/unsettled cash dividend for the year from 2002 to 2017 has been deposited to the Capital Market Stabilization (CMS) Fund as instructed by the Bangladesh Securities and Exchange Commission.

Summary of unclaimed/unsettled cash dividend year wise:

Deposited to CMS Fund:	Amount in Taka
2001-2002	102,069.00
2002-2003	152,604.00
2003-2004	139,500.00
2004-2005	266,701.10
2005-2006	731,069.67
2006-2007	1,234,315.47
2007-2008	1,337,732.15
2008-2009	2,100,961.91
2009-2010	2,606,924.85
2010-2011	1,341,152.05
2011-2012	3,216,920.72
2012-2013	3,367,134.52
2013-2014	3,043,586.94
2014-2015	1,331,560.63
2015-2016	1,484,348.17
2016-2017	1,055,513.53
Unspecified (not returned/not been chased (2002-2017))	22,168,354.09
Total Deposited to CMS Fund -	45,680,448.80
Dividend have returned:	
2017-2018	1,253,491.17
2018-2019	2,104,548.90
2019-2020	3,122,840.23
Unspecified (not returned/not been chased (2018-2020))	2,690,012.90
Total Dividend lying with the Company -	54,851,342.00

CORPORATE ACHIEVEMENT

SQUARE TEXTILES LIMITED

1994

Year of Establishment
(Incorporated as a Public Limited Company)

2020

☞ Awarded "AA" rating in the long term and "ST-1" in short term by CRISL

1997

Year of Operation

2018

Won Export Trophy Gold



2000

☞ Awarded Oeko-Tex Standard 100 Certificate

☞ Awarded ISO-9001:2008 Certificate

2017

☞ Awarded as Best Taxpayer Textiles Sector

☞ Awarded "AA" rating in the long term and "ST-1" in short term by CRISL



2015

Won ICSB National Award Gold for Corporate Governance Excellence.

2002

☞ Listing with Dhaka Stock Exchange Ltd. Chittagong Stock Exchange Ltd.

☞ Awarded CottonUSA Certificate

2011

Authorized Capital BDT 3,000 million



2010

Received HSBC Export Excellence Award.

2003

Awarded SUPIMA license

2009

Awarded USTERIZED Certificate



2007

Awarded Global Organic Textiles Standard (GOTS) Certificate

2008

Awarded Cotton made in Africa (CmiA) Certificate



FINANCIAL STATEMENT

2020-2021

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Standalone

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*McMillan Woods
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Professionalism at the forefront

INDEPENDENT AUDITORS' 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 2021 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 2021, 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.
Property, plant and Equipment	
<p>The carrying value of the PPE amounted to Tk. 6,959,450,279 as at 30 June, 2021. 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"> • We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent. • 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. • We inspected a sample of invoices and L/ C documents to determine whether the classification between capital and operating expenditure was appropriate. • We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice. • 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.
Revenue Recognition	
<p>The Group reported total revenue of Tk. 13,293,569,580. 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"> • We assessed the appropriateness of revenue recognition accounting policy in line with IFRS 15 “Revenue from contracts with customers” • Tested the internal control over financial reporting. We also assessed the existence and accuracy of the sales recorded; • 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; • Verified VAT return with General Ledger. • We obtained supporting documents for sales, transactions recorded during the year; and • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.



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Key audit matter description	How the scope of our audit responded to the key audit matter
Valuation of Receivables	
The Group has a trade receivable of Tk. 4,808,315,632 as at 30 June 2021.	Our substantive procedures in relation to the assessing valuation of receivable comprises the following:
Trade receivable of the group comprise mainly receivables regarding the sale of yarns which is secured by Letter of Credit (L/C).	<ul style="list-style-type: none"> • Obtained a list of outstanding receivables; • Reconciliation of receivables ageing to general ledger; • Conducting cut-off testing at the year-end; • Reviewing subsequent receipt of receivables balance.
See note no. 8 for details.	
Valuation of Inventories	
The amount of inventory is 2,664,689,616 as at 30 June, 2021 held in warehouses and across multiple product lines in factory.	We obtained assurance over relevance and appropriateness of management's assumptions applied in calculating the value of the inventories by:
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.	<ul style="list-style-type: none"> • Evaluating the design and implementation of key inventory controls operating across the factory and warehouse; • Reconciling the inventories with opening inventories, purchase, production and sales during the period and with closing inventories; • 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. • 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.
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.	
See note no. 7 for details.	
Measurement of deferred tax liability	
The net deferred tax liability is Tk. 310,064,400 as at 30 June, 2021.	We carried out the following substantive testing for this item
Significant judgment is required in relation to deferred tax liabilities as it is dependent on forecasts of future profitability over a number of years.	<ul style="list-style-type: none"> • We checked deferred tax expenses and liabilities in the financial statements and compare them with the Group's calculation and records; • 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. • We involved tax specialists to assess key assumptions, controls, recognition and measurement of deferred tax liabilities. • We also assessed the appropriateness of presentation of disclosures against IAS-12 income tax.
See note no. 15 for details.	



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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 guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always



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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.

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



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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 account and return; and
- d) The expenditure incurred was for the purposes of the Group's and the Company's business.

Dated: October 25, 2021
Place: Dhaka

K. M. HASAN & CO.

Chartered Accountants

Partner, Enroll. No: 1635

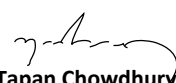
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SQUARE TEXTILES LIMITED

AND IT'S SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

Particulars	Notes	30 June 2021	30 June 2020
		Taka	Taka
ASSETS:			
Non-Current Assets			
Property, Plant & Equipment- Carrying Value	04	6,959,450,279	5,584,199,044
Capital Work In Progress	05	48,479,266	1,503,089,357
Goodwill	06	56,283,760	56,283,760
		7,064,213,305	7,143,572,161
Current Assets			
Inventories	07	2,664,689,616	3,212,755,636
Trade Receivable	08	4,808,315,632	4,006,190,860
Advances, Deposits & Prepayments	09	285,303,153	283,520,858
Cash & Cash Equivalents	10	1,439,307,061	296,506,321
		9,197,615,462	7,798,973,675
TOTAL ASSETS		16,261,828,767	14,942,545,836
SHAREHOLDERS' EQUITY & LIABILITIES:			
Shareholders' Equity			
Share Capital	11	1,972,520,000	1,972,520,000
Retained Earnings	12	5,659,670,882	5,185,060,431
		7,632,190,882	7,157,580,431
Non controlling Interest			
	13	14,998,970	14,940,976
Non-Current Liabilities			
Long Term Borrowings	14	2,643,055,059	-
Deferred Tax Liability	15	310,064,400	260,567,761
		2,953,119,459	260,567,761
Current Liabilities & Provisions			
Short Term Bank Loan	16	5,325,169,465	3,889,798,280
Creditors & Other Payables	17	79,091,985	87,224,604
Liabilities for Others Finance	18	155,988,642	158,642,781
Short Term Loan	19	-	3,277,576,394
Provision for Income Tax	20	101,269,364	96,214,609
		5,661,519,456	7,509,456,668
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		16,261,828,767	14,942,545,836
Net Asset Value Per Share	31	38.69	36.29

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 25, 2021
Place: Dhaka


K. M. HASAN & CO.
Chartered Accountants

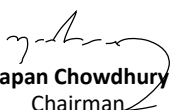
SQUARE TEXTILES LIMITED

AND IT'S SUBSIDIARY

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

Particulars	Notes	2020-2021	2019-2020
		Taka	Taka
Sales Revenue	21	13,293,569,580	10,351,450,641
Cost of Goods Sold	22	(11,858,829,437)	(9,610,006,494)
Gross Profit		1,434,740,143	741,444,147
Administrative Overhead	23	(248,071,111)	(249,693,902)
Selling and Distribution Overhead	24	(19,905,333)	(15,630,283)
Profit from Operations		1,166,763,699	476,119,962
Finance Cost	25	(350,243,865)	(381,117,745)
Non-Operating Income	26	15,549,638	9,042,781
Profit Before W.P.P.F & W.F		832,069,472	104,044,998
Allocation for W.P.P.F & W.F	27	(39,622,356)	(4,954,523)
Profit Before Tax		792,447,116	99,090,475
Income Tax Expenses	28	(71,030,032)	(64,520,646)
Deferred Tax (Expenses)/ Income	29	(49,496,639)	18,759,424
Profit After Tax for The Period		671,920,445	53,329,253
Non-Controlling Interest		(57,994)	(2,269)
Net Income for the Period		671,862,451	53,326,984
Other Comprehensive Income		-	-
Total Comprehensive Income		671,862,451	53,326,984
Earnings Per Share (EPS)	30	3.41	0.27

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 25, 2021
Place: Dhaka


K. M. HASAN & CO.
Chartered Accountants

SQUARE TEXTILES LIMITED

AND IT'S SUBSIDIARY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2021

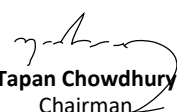
Amount in Taka

Particulars	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)
Balance As at June 30, 2021	1,972,520,000	5,659,670,882	7,632,190,882

FOR THE YEAR ENDED JUNE 30, 2020

Amount in Taka

Particulars	Share Capital	Retained Earnings	Total
Balance as at July 01, 2019	1,972,520,000	5,526,237,447	7,498,757,447
Net Profit For the Year Ended June 30, 2020	-	53,326,984	53,326,984
Cash Dividend for 2018-19	-	(394,504,000)	(394,504,000)
Balance As at June 30, 2020	1,972,520,000	5,185,060,431	7,157,580,431



Tapan Chowdhury
Chairman



Samuel S Chowdhury
Managing Director



Sanjib Baran Roy
Company Secretary

Signed in terms of our separate report of even date annexed

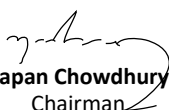
Date: October 25, 2021
Place: Dhaka



K. M. HASAN & CO.
Chartered Accountants

SQUARE TEXTILES LIMITED
AND IT'S SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

Particulars	Note	2020-2021	2019-2020
		July to June Taka	July to June Taka
Cash Flows from Operating Activities:			
Receipts from Sales Revenue		12,491,444,808	9,600,129,539
Exchange Fluctuation (Loss)/ Gain (Realization from Transection)		(17,478,566)	12,245,683
Receipts/ (Payment) from Other Income/ Expenses		37,242,641	497,537
Total Receipts		12,511,208,883	9,612,872,759
Payments to Suppliers		(8,405,078,614)	(7,264,642,973)
Paid for Operating & Non-operating Expenses		(2,555,019,146)	(2,098,576,482)
Interest Expenses Paid		(233,971,619)	(217,219,802)
Income Tax Paid		(68,676,015)	(64,617,762)
Total Payments		(11,262,745,394)	(9,645,057,019)
Net Cash Generated (Used in) from Operating Activities		1,248,463,489	(32,184,260)
Cash Flows from Investing Activities:			
Purchase of Property, Plant & Equipment		(596,571,733)	(933,827,253)
Sales of Property, Plant & Equipment		11,496,474	10,084,257
Net Cash Generated (Used in) from Investing Activities		(585,075,259)	(923,742,996)
Cash Flows from Financing Activities:			
Long Term Loan Received		2,643,055,059	-
Short Term Bank Loan Received		1,435,371,185	518,938,647
Short Term Loan from/ (To) Sister Company		(3,397,290,511)	950,180,456
Payment of Dividend		(197,252,000)	(394,504,000)
Net Cash Generated (Used in) from Financing Activities		483,883,733	1,074,615,103
Increase/ (Decrease) in Cash & Cash Equivalents		1,147,271,963	118,687,847
Net effect of foreign currency translation		(4,471,223)	(2,814,238)
Opening Cash & Cash Equivalents		296,506,321	180,632,712
Closing Cash & Cash Equivalents		1,439,307,061	296,506,321
Net Operating Cash Flows Per Share	32	6.33	(0.16)


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 25, 2021
Place: Dhaka

SQUARE TEXTILES LIMITED

AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED JUNE 30, 2021

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 Standard (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 below.

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
17	Insurance Contracts	17	Not Applicable

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, 2021;
- ii) Consolidated Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2021
- iii) Consolidated Statement of Changes in Equity for the year ended June 30, 2021
- iv) Consolidated Statement of Cash Flows for the year ended June 30, 2021 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, 2021.

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, 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 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:

The company establish funded (defined contribution) Gratuity plan and it is approved by NBR on 21st September 2020.

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 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.

3.13 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 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.

3.14 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, 2020 to June 30, 2021.

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, 2021	June 30, 2020
	Taka	Taka
4. Property, Plant & Equipment:		
Details of Property, Plant & Equipment and Depreciation as at June 30, 2021 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:		
Fixed Assets at Cost		
Opening Balance	10,873,378,928	10,742,926,989
Addition during the Year	2,051,181,824	155,478,961
Adjustment for Sale/ Obsolete during the Year	(132,127,747)	(25,027,022)
Closing Balance(Cost)	12,792,433,005	10,873,378,928
Accumulated Depreciation		
Opening Balance	5,289,179,884	4,729,826,737
Charged during the Year	664,690,900	573,409,711
Adjustment for sale/Obsolete during the year	(120,888,058)	(14,056,564)
	5,832,982,726	5,289,179,884
Carrying Value	6,959,450,279	5,584,199,044
5. Capital Work In Progress:		
Opening Balance	1,503,089,357	724,741,065
Addition during the Year	45,387,986	868,499,484
Transfer to Property, Plant & Equipment during the year	(1,499,998,077)	(90,151,192)
Closing Balance	48,479,266	1,503,089,357
6. Goodwill:		
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
	56,283,760	56,283,760
7. Inventories:		
Stocks of Raw Materials		
Raw Materials	2,056,387,039	2,425,754,931
Raw Materials In Transit	63,135,469	66,728,856
Packing Materials	24,301,204	15,953,264
Work - In - Process	130,184,323	124,403,202
Finished Goods	146,177,053	344,238,172
	2,420,185,088	2,977,078,425
Stocks of Spares		
Spares at Store	241,493,396	229,837,814
Spares in Transit	3,011,132	5,839,397
	244,504,528	235,677,211
	2,664,689,616	3,212,755,636

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, 2021	June 30, 2020
	Taka	Taka
8. Trade Receivables:		
This represents invoice value of goods delivered to customer.		
Aging of the trade receivables is as follows:		
Below 60 days	2,083,214,823	1,625,432,952
Within 61-120 days	1,735,724,749	701,610,840
Above 120 days	989,376,060	1,679,147,068
	<u>4,808,315,632</u>	<u>4,006,190,860</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 Recivable pledged as security.		
c) Trade Receivables is secured, considered as good and is falling due within one year.		
9. Advances, Deposits & Prepayments:		
This is made up of the followings:		
Advance		
Income Tax	68,676,014	65,975,276
Salary & PF Current account	3,866,272	468,080
Other Expenses	28,623,136	28,644,702
Suppliers & Contractor	65,238,496	70,034,849
	<u>166,403,918</u>	<u>165,122,907</u>
Deposits		
Security Deposit	106,528,762	106,523,162
Margin on Bank Guarantee	12,370,473	11,874,789
	<u>118,899,235</u>	<u>118,397,951</u>
	<u>285,303,153</u>	<u>283,520,858</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 due by the associated undertaking.		
(c) The advances & deposits are considered good & recoverable.		
10. Cash & Cash Equivalents:		
Cash in hand	8,430,224	5,923,021
Cash at Bank (Note-10.1)	423,710,170	290,583,300
Fixed Deposit Receipt (Note-10.2)	1,007,166,667	-
	<u>1,439,307,061</u>	<u>296,506,321</u>
10.1 Cash at Bank		
Standard Chartered Bank	235,914,046	191,679,634
HSBC	104,721,636	48,266,526
Prime Bank Limited	52,610,801	28,112,697
The City Bank Limited	1,978,464	186,151
Commercial Bank of Ceylon	11,426	13,966
Bank Al-Falah	736,081	959,161
Janata Bank Limited	20,655,130	3,668,856
Mutual Trust Bank Limited	3,620,475	6,214,040
Dutch Bangla Bank Limited	2,157,390	8,486,677
Pubali Bank Limited	1,304,721	2,995,017
Islami Bank Bangladesh Limited	-	575
	<u>423,710,170</u>	<u>290,583,300</u>

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

Particulars	June 30, 2021	June 30, 2020
	Taka	Taka
10.2 Fixed Deposit Receipt- Janata Bank Limited	1,007,166,667	-
11. Share Capital:		
This is made up of the followings:		
Authorized:	3,000,000,000	3,000,000,000
300,000,000 Ordinary Shares of Tk. 10.00 each		
Issued, Subscribed and Paid up:	1,972,520,000	1,972,520,000
(197,252,000 Ordinary Shares of Tk. 10.00 each fully Paid up)		
Details of Share Capital are shown in the annexed schedule-B.		
12. Retained Earnings:		
Opening Balance	5,185,060,431	5,526,237,447
Add: Net income during the Year	671,862,451	53,326,984
Less: Cash Dividend paid during the Year	(197,252,000)	(394,504,000)
	5,659,670,882	5,185,060,431
13. Non Controlling Interest:		
5,000 shares of Tk. 100 at par of Square Texcom Ltd.	500,000	500,000
Shares of Accumulated Profit	14,498,970	14,440,976
	14,998,970	14,940,976
(a) This represents the minority share holdings in Square Texcom Limited as on June 30, 2021.		
(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.		
14. Long Term Borrowings:		
Standard Chartered Bank	1,710,000,000	-
HSBC	1,500,000,000	-
Infrastructure development Company Limited (IDCOL)	115,959,956	-
Less: Current Portion of Long Term Borrowings	(682,904,897)	-
	2,643,055,059	-
These long term loans are secured against hypothecation of Stock, Trade Receivables and Plant & Machinery.		
15. Deferred Tax Liability:		
Opening Balance	260,567,761	279,327,185
Deferred tax Expenses/ (Income)	49,496,639	(18,759,424)
	310,064,400	260,567,761
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.		
a) Deferred Tax Liability is arrived at as follows:		
Carrying Value of Depreciable Fixed Assets	6,243,526,598	4,868,275,363
Less: Tax Base Carrying Value	(4,176,430,603)	(3,131,156,951)
Taxable Temporary Difference	2,067,095,995	1,737,118,412
Tax Rate	15.00%	15.00%
Closing Deferred Tax Liability	310,064,400	260,567,761
Less: Opening Deferred Tax Liability	(260,567,761)	(279,327,185)
Deferred Tax (Income) / Expense	49,496,639	(18,759,424)
16. Short Term Bank Loan:		
Bank Overdraft	-	64,544,195
Revolving Loan	1,250,000,000	800,000,000
L/C Liabilities	3,392,264,568	3,025,254,085
Current Portion of Long Term Borrowings	682,904,897	-
	5,325,169,465	3,889,798,280
These short term loans are secured against hypothecation of Stock and Trade Receivables.		

**Notes
Consolidated**

Particulars	June 30, 2021	June 30, 2020
	Taka	Taka
17. Creditors & Other Payables:		
Provision for Audit Fees	621,000	506,000
Provision for Utility Bill	59,498,009	60,619,289
Provision for Salary & Allowances	5,715,101	7,360,303
Others	13,257,875	18,739,012
	79,091,985	87,224,604
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.		
18. Liabilities for Others Finance:		
PF, WPPF & Other Fund	46,816,002	19,297,308
Provision for Gratuity (Note-18.1)	14,579,422	42,580,253
Unclaimed Dividend	54,851,342	53,581,472
Others	39,741,876	43,183,748
	155,988,642	158,642,781
18.1 Provision for Gratuity:		
Opening Balance	42,580,253	34,989,040
Provision made for the period	88,330,773	37,617,358
Payment made during the period	(116,331,604)	(30,026,145)
	14,579,422	42,580,253
19. Short Term Loan:		
Loan from Square Pharmaceuticals Limited.	-	3,277,576,394
	-	3,277,576,394
20. Provision for Income Tax:		
Opening Balance	96,214,609	78,908,344
Adjustment with Advance Tax during the year	(65,975,277)	(47,214,381)
Provision made for the year (Note: 20.01)	71,030,032	64,520,646
Closing Balance	101,269,364	96,214,609
20.1 Provision made for the year:		
Higher Amount of Tax Under Company-wise Calculation (Please See the Individual Company-wise Notes):		
A) For SQUARE Textiles Ltd.	63,434,674	56,305,125
B) For SQUARE Texcom Ltd.	7,556,647	4,735,748
Total Tax Expenses	70,991,321	61,040,873
Add/ Less: Short/ (Excess) provision for Prior year	38,711	3,479,773
Income Tax Provision for the year	71,030,032	64,520,646
Calculation of Effective Tax Rate:		
Current Income Tax Expenses	71,030,032	64,520,646
Deferred Tax Expenses/ (Income)	49,496,639	(18,759,424)
Total Tax Expenses	120,526,671	45,761,222
Effective Tax Rate (Tax Expenses / Profit Before Tax)	15.21%	46.18%

Notes
Consolidated

Particulars	June 30, 2021	June 30, 2020
	Taka	Taka
21. Sales Revenue:		
In Quantity (KG)		
Opening Stock	1,499,406	840,909
Production during the Year	48,468,927	42,916,326
Available for Sale	KG. 49,968,333	43,757,235
Closing Stock	(680,476)	(1,499,406)
Sales during the year	KG. 49,287,857	42,257,829
(To be accounted for as follows)		
Sales Accounted as follows:		
Export Sale of Yarns	49,287,857	42,257,829
	KG. 49,287,857	42,257,829
In Taka		
Export Sale of Yarns	13,293,569,580	10,351,450,641
	Tk. 13,293,569,580	10,351,450,641
22. Cost of Goods Sold:		
Raw Materials Consumed (Note-22.1)	8,631,658,550	7,170,243,734
Packing Materials Consumed (Note-22.2)	131,170,654	97,872,377
Factory Overhead (Note- 22.3)	2,903,720,235	2,441,252,328
Cost of Goods Manufacturing	11,666,549,439	9,709,368,439
Work-In-Process (Opening)	124,403,202	158,585,990
Work-In-Process (Closing)	(130,184,323)	(124,403,202)
Cost of Production	11,660,768,318	9,743,551,227
Finished Goods (Opening)	344,238,172	210,693,439
Finished Goods (Closing)	(146,177,053)	(344,238,172)
Cost of Goods Sold	11,858,829,437	9,610,006,494
22.1 Raw Materials Consumed:		
In Quantity (KG)		
Opening Stock	16,633,295	15,154,635
Purchase during the year	48,944,609	48,913,440
Raw Materials Available for Consumption	65,577,904	64,068,075
Closing Stock	(13,351,425)	(16,633,295)
Raw Materials Consumed	KG. 52,226,479	47,434,780
In Taka		
Opening Stock	2,425,754,931	2,345,843,023
Purchase during the year	8,262,290,658	7,250,155,642
Raw Materials Available for Consumption	10,688,045,589	9,595,998,665
Closing Stock	(2,056,387,039)	(2,425,754,931)
Raw Materials Consumed	Tk. 8,631,658,550	7,170,243,734
Consumption Ratio on Purchase	104.47%	98.90%
22.2 Packing Materials Consumed:		
Opening Stock	15,953,264	19,545,342
Purchase during the year	139,518,594	94,280,299
Available for Consumption	155,471,858	113,825,641
Closing Stock	(24,301,204)	(15,953,264)
Packing Materials Consumed	Tk. 131,170,654	97,872,377
Consumption Ratio on Purchase	94.02%	103.81%

Particulars	June 30, 2021	June 30, 2020
	Taka	Taka
22.3. Factory Overhead:		
Factory Wages, Salary & Allowances	969,744,180	875,610,488
Travelling & Conveyance	217,628	311,007
Overseas Travelling	-	1,634,891
Recruitment & Training Expenses	81,341	104,133
Printing Expenses	444,991	378,854
Stationery Expenses	1,650,634	1,461,239
Software & Hardware Support Expenses	3,161,547	2,300,010
Production Workers' Free Lunch	4,687,308	4,381,608
Uniform & Liveries	447,929	472,376
Fuel, Petrol, Light, Diesel etc.	99,692,939	45,698,470
Electricity, Gas & Water	802,981,415	634,044,261
Factory Consumable Expense	47,891,175	41,386,441
Medical Expenses	2,254,982	844,703
Repairs & Maintenance of Vehicles	17,425,829	15,372,111
Papers, Books and Periodicals	41,870	67,650
Industrial All Risk Insurance Premium	20,349,082	18,632,725
Postage, Telephone, Fax & Telex	494,334	387,491
Govt. Tax, VAT & License Fees	918,375	1,013,400
Security Services	23,786,664	27,232,990
Spare Parts - Machinery	241,553,431	195,104,332
Group Insurance	1,203,681	1,403,437
Depreciation (Schedule-01)	664,690,900	573,409,711
	2,903,720,235	2,441,252,328
23. Administrative Overhead:		
Salary and Allowances	137,159,193	124,415,088
Directors' Remuneration	48,000,000	43,114,956
Independent Directors' Honorarium	600,000	-
Travelling & Conveyance	716,602	798,172
Overseas Travelling	11,773,731	34,711,433
Recruitment & Training Expenses	76,146	431,319
Head Office Employees' Free Lunch	2,194,988	1,939,232
Uniform & Liveries	97,470	75,940
Printing Expenses	347,648	327,493
Stationery Expenses	351,953	373,172
Software & Hardware Support Expenses	2,688,291	1,999,850
Postage, Telephone, Fax & Telex	507,017	442,313
Electricity, Gas & Water	3,046,418	2,763,662
Office Consumable Expense	1,716,592	1,566,881
Rental Expenses	14,104,313	13,329,664
Vehicles Running & Maintenance	8,701,367	7,927,163
Medical Expenses	356,350	70,796
Group Insurance	385,210	500,639
Bank Charges & Commission	3,684,486	2,721,579
Fees & Subscription	7,756,060	6,960,019
Security Service	593,267	424,125
Govt. Tax, Stamp Duty & Licence Fees	1,309,423	2,905,263
Annual General Meeting Expenses	1,163,986	1,331,643
Audit Fees	740,600	563,500
	248,071,111	249,693,902

Notes Consolidated

Particulars	June 30, 2021	June 30, 2020
	Taka	Taka
a) Audit Fees represent auditor's remuneration of 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 are not considered as lease.		
c) Director's Remuneration is not included the Member Director of "Audit Committee" and "Nomination & Remuneration Committee".		
24. Selling & Distribution Overhead:		
Export Sale Expenses	14,433,563	10,898,817
Loading & unloading	5,471,770	4,731,466
	19,905,333	15,630,283
25. Finance Cost:		
Interest on Deferred LC Loan	57,551,942	156,561,124
Interest on Loan ag. Export Bill Discount	2,512,455	13,042,853
Interest on OD	120,525	958,977
Interest on Short Term Loan	88,026,367	51,947,358
Interest on Long Term Loan	82,318,459	-
Interest on Sister Concerns Loan	119,714,117	158,607,433
	350,243,865	381,117,745
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. Non-Operating Income:		
Interest Income	7,761,018	497,537
Forfeited Provident Fund	29,481,623	-
Gain/ (Loss) on Disposal of Assets	256,785	(886,201)
Forex Exchange Rate Fluctuation (Loss)/Gain	(21,949,788)	9,431,445
	15,549,638	9,042,781
27. Allocation for W.P.P.F & W.F:		
	39,622,356	4,954,523
	39,622,356	4,954,523
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.		
28. Income Tax Expenses:		
	71,030,032	64,520,646
	71,030,032	64,520,646
This represents estimated Income Tax on Net Income for the Year and adjustment any short/excess provision for prior years.		
29. Deferred Tax Expenses/ Income:		
	49,496,639	18,759,424
	49,496,639	18,759,424
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).		
30. Earnings Per Share (EPS):		
Earning attributable to Ordinary Shares including other income	671,862,451	53,326,984
Number of Ordinary shares	197,252,000	197,252,000
Earnings Per Share	3.41	0.27
31. Net Asset Value (NAV) Per Share:		
The Computation is given below:		
Equity Attributable to the Owners of the Company	7,632,190,882	7,157,580,431
Number of Ordinary shares	197,252,000	197,252,000
Net Asset Value (NAV) Per Share	38.69	36.29

Particulars	June 30, 2021	June 30, 2020
	Taka	Taka
32. Net Operating Cash flows per Share (NOCFPS):		
The Computation is given below:		
Net Cash Generated (Used in) from Operating Activities	1,248,463,489	(32,184,260)
Number of Ordinary shares	197,252,000	197,252,000
Net Operating Cash flows per Share (NOCFPS)	6.33	(0.16)
33. Reconciliation of Net Profit with Cash Flows from Operating Activities:		
Profit After Tax	671,862,451	53,326,984
Adjustment to reconcile net profit to net cash provided by operating activities :		
Non-cash Expenses:		
Depreciation	664,690,900	573,409,711
Deferred Tax	49,496,639	(18,759,424)
Net effect of foreign currency translation	4,471,223	2,814,238
	718,658,762	557,464,525
Non-Operating Items:		
Interest Expenses/ (Income) on Sister Company Loan	119,714,117	158,607,433
Profit Ratio of Non controlling Interest	57,994	2,269
(Gain)/ Loss on Disposal of Assets	(256,785)	886,201
	119,515,326	159,495,903
Changes in Working Capital:		
(Increase)/Decrease in Inventories	548,066,020	(103,986,188)
(Increase)/Decrease in Trade Receivable	(802,124,772)	(751,321,102)
(Increase)/Decrease in Advances, Deposits & Prepayments	(1,782,295)	6,412,757
Increase/(Decrease) in Creditors & Other Payables	(8,132,619)	15,647,953
Increase/(Decrease) in Liabilities for Other Finance	(2,654,139)	13,468,643
Increase/(Decrease) in Income Tax Payable	5,054,755	17,306,265
	(261,573,050)	(802,471,672)
Net Cash Generated (Used in) from Operating Activities	1,248,463,489	(32,184,260)

34. Events after the Reporting period:

34.1 The Board of Directors in it's meeting held on october 21,2021 approved the financial statements for the year ended June 30,2021. 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 statement.

SQUARE TEXTILES LIMITED

CONSOLIDATED SCHEDULE OF PROPERTY, PLANT & EQUIPMENT

As on June 30, 2021

Schedule-01
Amount in Taka

Particulars	Cost			Depreciation			W.D.V As At 30th July-2021
	At 01st July 2020	During the Period		At 01st July 2020	During the Period		
		Additions	Sales/ Obsolete		Charged	Adjustments	
Land & Land Development	715,923,681	-	-	-	-	-	715,923,681
Building-Factory & Utility	1,266,952,441	217,432,041	-	510,085,752	61,636,455	-	912,662,275
Building-Others	476,575,660	17,670,646	-	243,019,685	23,207,523	-	228,019,098
Sheds	23,847,688	34,952	-	23,352,757	497,843	-	32,040
Plant & Machinery	7,622,937,777	1,635,875,205	(97,383,824)	4,018,641,291	501,094,499	(94,634,405)	4,736,327,773
Laboratory Equipment	18,926,185	43,183,229	-	6,074,483	4,239,781	-	51,795,150
Electrical Installation	340,804,170	104,031,906	-	233,747,525	35,691,271	-	175,397,280
Gas Line Installation	49,145,684	-	-	29,516,758	2,454,096	-	17,174,830
Motor Vehicles	202,245,103	13,589,136	(26,435,000)	145,448,191	23,009,377	(24,005,017)	44,946,688
Office Equipment	21,552,787	4,620,629	(137,963)	15,621,844	2,002,522	(88,096)	8,499,183
Furniture & Fixture	24,809,762	162,692	(8,143,150)	16,254,795	1,235,971	(2,132,730)	1,471,268
Computer	4,869,672	-	-	4,315,771	241,264	-	312,637
Hardware & Software	2,300,000	-	-	383,333	328,571	-	1,588,096
Boundary Wall	54,687,652	3,264,597	-	22,319,428	2,781,141	-	32,851,680
Deep Tube-Well	5,050,800	-	-	4,120,291	171,439	-	759,070
Safety & Security Equipment	2,549,390	-	-	1,750,937	257,957	-	540,496
Communication and Network Equipment	6,422,389	800,621	(27,810)	4,556,148	651,484	(27,810)	2,015,378
Other Assets	33,778,087	10,516,170	-	9,970,895	5,189,706	-	29,133,656
As at June 30, 2021	10,873,378,928	2,051,181,824	(132,127,747)	5,289,179,884	664,690,900	(120,888,058)	6,959,450,279
As At June 30, 2020	10,742,926,989	155,478,961	(25,027,022)	4,729,826,737	573,409,711	(14,056,564)	5,584,199,044

Notes
Consolidated

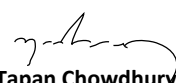
SQUARE TEXTILES LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2021

Particulars	Notes	30 June 2021	30 June 2020
		Taka	Taka
ASSETS:			
Non-Current Assets			
Property, Plant & Equipment- Carrying Value	04	6,358,356,488	4,933,468,123
Capital Work In Progress	05	47,534,280	1,494,412,857
Investment - Long Term (At Cost)	06	489,333,960	489,333,960
		6,895,224,728	6,917,214,940
Current Assets			
Inventories	07	2,423,543,313	2,946,881,714
Trade Receivables	08	4,487,974,375	3,693,864,711
Advances, Deposits & Prepayments	09	259,310,934	254,040,909
Short Term Loan	10	-	140,003,283
Cash & Cash Equivalents	11	1,352,844,574	238,032,107
		8,523,673,196	7,272,822,724
TOTAL ASSETS		15,418,897,924	14,190,037,664
SHAREHOLDERS' EQUITY & LIABILITIES:			
Shareholders' Equity			
Share Capital	12	1,972,520,000	1,972,520,000
Retained Earnings	13	5,333,141,916	4,908,759,862
		7,305,661,916	6,881,279,862
Non-Current Liabilities			
Long Term Borrowings	14	2,643,055,059	-
Deferred Tax Liability	15	262,685,123	214,694,410
		2,905,740,182	214,694,410
Current Liabilities & Provisions			
Short Term Bank Loan	16	4,910,343,012	3,512,688,525
Creditors & Other Payables	17	70,899,885	78,389,484
Liabilities for Others Finance	18	135,763,035	142,087,355
Short Term Loan	19	-	3,277,576,394
Provision for Income Tax	20	90,489,894	83,321,634
		5,207,495,826	7,094,063,392
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		15,418,897,924	14,190,037,664
Net Asset Value Per Share	30	37.04	34.89

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 25, 2021
Place: Dhaka

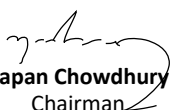

K. M. HASAN & CO.
Chartered Accountants

SQUARE TEXTILES LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2021

Particulars	Notes	July - June	July - June
		2020-2021	2019-2020
		Taka	Taka
Sales Revenue	21	11,924,704,664	9,505,326,369
Cost of Goods Sold	22	(10,588,987,142)	(8,822,382,013)
Gross Profit		1,335,717,522	682,944,356
Administrative Overhead	23	(224,235,269)	(225,411,308)
Selling and Distribution Overhead	24	(17,039,457)	(13,562,392)
Profit from Operations		1,094,442,796	443,970,656
Finance Cost	25	(344,165,255)	(365,116,812)
Non-Operating Income	26	19,475,519	15,793,123
Profit Before W.P.P.F & W.F		769,753,060	94,646,967
Allocation for W.P.P.F & W.F	27	(36,654,908)	(4,506,998)
Profit Before Tax		733,098,152	90,139,969
Income Tax Expenses	28	(63,473,385)	(59,784,898)
Deferred Tax (Expenses)/ Income	15	(47,990,713)	21,006,764
Profit After Tax		621,634,054	51,361,835
Other Comprehensive Income		-	-
Total Comprehensive Income		621,634,054	51,361,835
Earnings Per Share (EPS)	29	3.15	0.26

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 25, 2021
Place: Dhaka


K. M. HASAN & CO.
Chartered Accountants

SQUARE TEXTILES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2021

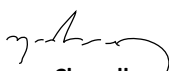
Amount in Taka

Particulars	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)
Balance As at June 30, 2021	1,972,520,000	5,333,141,916	7,305,661,916

FOR THE YEAR ENDED JUNE 30, 2020

Amount in Taka

Particulars	Share Capital	Retained Earnings	Total
Balance as at July 01, 2019	1,972,520,000	5,251,902,027	7,224,422,027
Net Profit For the Year Ended June 30, 2020	-	51,361,835	51,361,835
Cash Dividend for 2018-19	-	(394,504,000)	(394,504,000)
Balance As at June 30, 2020	1,972,520,000	4,908,759,862	6,881,279,862


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 25, 2021
Place: Dhaka

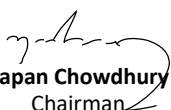

K. M. HASAN & CO.
Chartered Accountants

SQUARE TEXTILES LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2021

Particulars	Note	July-June	July-June
		2020-2021	2019-2020
		Taka	Taka
Cash Flows from Operating Activities:			
Receipts from Sales Revenue		11,130,595,000	8,805,045,152
Exchange Fluctuation (Loss)/ Gain (Realization from Transaction)		(17,036,274)	10,961,630
Receipts/ (Payment) from Other Income/ Expenses		35,299,205	444,450
Total Receipts		11,148,857,931	8,816,451,232
Payments to Suppliers		(7,412,110,927)	(6,747,347,967)
Paid for Operating & Non-operating Expenses		(2,339,841,627)	(1,887,680,281)
Interest Expenses Paid		(223,101,314)	(204,828,143)
Income Tax Paid		(61,514,115)	(59,882,014)
Total Payments		(10,036,567,983)	(8,899,738,405)
Net Cash Generated (Used in) from Operating Activities		1,112,289,948	(83,287,173)
Cash Flows from Investing Activities:			
Purchase of Property, Plant & Equipment		(593,350,657)	(878,588,725)
Sales of Property, Plant & Equipment		8,735,400	4,422,000
Net Cash Generated (Used in) from Investing Activities		(584,615,257)	(874,166,725)
Cash Flows from Financing Activities:			
Long Term Loan Received		2,643,055,059	-
Short Term Bank Loan Received		1,397,654,487	457,576,014
Short Term Loan from/ (To) SQUARE Pharmaceuticals Ltd.		(3,397,290,511)	950,180,456
Short Term Loan from/ (To) SQUARE Texcom Ltd.		144,997,354	29,303,874
Payment of Dividend		(197,252,000)	(394,504,000)
Net Cash Generated (Used in) from Financing Activities		591,164,389	1,042,556,344
Increase/ (Decrease) in Cash & Cash Equivalents		1,118,839,080	85,102,446
Net effect of foreign currency translation		(4,026,613)	(2,416,975)
Opening Cash & Cash Equivalents		238,032,107	155,346,636
Closing Cash & Cash Equivalents		1,352,844,574	238,032,107
Net Operating Cash Flows Per Share	31	5.64	(0.42)

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 25, 2021
Place: Dhaka

SQUARE TEXTILES LIMITED

Notes to the Separate Financial Statements
As at and for the year ended June 30, 2021

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. Its 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 Standard 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
17	Insurance Contracts	17	Not Applicable

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, 2021
- ii) Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2021
- iii) Statement of Changes in Equity for the year ended June 30, 2021
- iv) Statement of Cash Flows for the year ended June 30, 2021 and
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the Financial Statements for the year ended June 30, 2021.

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 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:

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 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 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 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 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- 41.

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 period.

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, 2020 to June 30, 2021.

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, 2021	June 30, 2020
	Taka	Taka
4. Property, Plant & Equipment:		
Details of Property, Plant & Equipment and Depreciation as at June 30, 2021 are shown in the annexed schedule-A. Depreciation for the year charged to Factory Overhead (Note-22.3). The break-up of the balances are depicted below:		
Fixed Assets at Cost		
Opening Balance	9,809,975,786	9,744,255,806
Addition during the Year	2,040,229,234	77,819,980
Sale/ Obsolete during the Year	(126,206,113)	(12,100,000)
Closing Balance(Cost)	11,723,998,907	9,809,975,786
Accumulated Depreciation		
Opening Balance	4,876,507,663	4,369,522,594
Charged during the Year	606,850,599	513,776,868
Adjustment for Sale/Obsolete during the year	(117,715,843)	(6,791,799)
	5,365,642,419	4,876,507,663
Carrying Value	6,358,356,488	4,933,468,123
5. Capital Work In Progress:		
Opening Balance	1,494,412,857	693,644,112
Addition during the Year	43,849,400	814,465,689
Transfer to Property, Plant & Equipment during the year	(1,490,727,977)	(13,696,944)
Closing Balance (Cost)	47,534,280	1,494,412,857
The Capital work in progress includes Plant and Machinery (Tk. 1,243,333,224) and other Assets (Tk. 247,394,753). This year it has been transferred to Non-current assets and ready for use.		
6. Investment- Long Term (At Cost):		
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
	489,333,960	489,333,960
Square Texcom Limited, a private limited company incorporated under Companies Act, 1994. A subsidiary company of the company holding 99.88% shares.		
7. Inventories:		
Stocks of Raw Materials		
Raw Materials	1,873,243,764	2,243,666,211
Raw Materials In Transit	47,287,238	57,986,482
Packing Materials	21,882,935	14,937,386
Work - In - Process	116,600,280	104,774,292
Finished Goods	133,626,258	306,671,712
	2,192,640,475	2,728,036,083
Stocks of Spares		
Spares at Store	228,074,240	213,286,079
Spares in Transit	2,828,598	5,559,552
	230,902,838	218,845,631
	2,423,543,313	2,946,881,714

The basis of valuation is stated in note - 3.5. carrying amount of inventories pledged as security.

Particulars	June 30, 2021	June 30, 2020
	Taka	Taka
8. Trade Receivables:		
This represents invoice value of goods delivered to customer.		
Aging of the trade receivables is as follows:		
Below 60 days	1,957,487,545	1,507,104,875
Within 61-120 days	1,623,630,680	659,273,663
Above 120 days	906,856,150	1,527,486,173
	<u>4,487,974,375</u>	<u>3,693,864,711</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 Receivable pledged as security.		
c) Trade Receivable is secured, considered as good and is falling due within one year.		
9. Advances, Deposits & Prepayments:		
This is made up of the followings:		
Advance		
Income Tax	61,514,114	56,305,124
Salary & PF Current account	3,861,272	464,000
Other Expenses	22,333,344	23,214,570
Suppliers & Contractor	64,622,496	67,529,319
	<u>152,331,226</u>	<u>147,513,013</u>
Deposits		
Security Deposit	95,496,962	95,491,362
Margin on Bank Guarantee	11,482,746	11,036,534
	<u>106,979,708</u>	<u>106,527,896</u>
	<u>259,310,934</u>	<u>254,040,909</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 due by the associated undertaking.		
(c) The advances & deposits are considered good & recoverable.		
10. Short Term Loan:		
Loan To Square Texcom Ltd.	-	140,003,283
	<u>-</u>	<u>140,003,283</u>
The above amount is unsecured but considered good and bears interest @1% above the commercial Bank's interest rate.		
11. Cash & Cash Equivalents:		
Cash in hand	6,738,435	4,945,337
Cash at Bank (Note-11.1)	338,939,472	233,086,770
Fixed Deposit Receipt (Note-11.2)	1,007,166,667	-
	<u>1,352,844,574</u>	<u>238,032,107</u>
11.1 Cash at Bank		
Standard Chartered Bank	182,341,182	149,101,959
HSBC	84,886,696	43,672,283
Prime Bank Limited	41,247,907	17,788,660
The City Bank Limited	1,978,464	186,151
Commercial Bank of Ceylon	11,426	13,966
Bank Al-Falah	736,081	959,161
Janata Bank Limited	20,655,130	3,668,856
Mutual Trust Bank Limited	3,620,475	6,214,040
Dutch Bangla Bank Limited	2,157,390	8,486,677
Pubali Bank Limited	1,304,721	2,995,017
	<u>338,939,472</u>	<u>233,086,770</u>

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

Particulars	June 30, 2021	June 30, 2020
	Taka	Taka
11.2 Fixed Deposit Receipt- Janata Bank Limited	1,007,166,667	-
12. Share Capital:		
This is made up of the followings:		
Authorized:		
300,000,000 Ordinary Shares of Tk. 10.00 each	<u>3,000,000,000</u>	<u>3,000,000,000</u>
Issued, Subscribed and Paid up:		
(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		
13. Retained Earnings:		
Opening Balance	4,908,759,862	5,251,902,027
Add: Net income during the Year	621,634,054	51,361,835
Less: Cash Dividend paid during the Year	<u>(197,252,000)</u>	<u>(394,504,000)</u>
	<u>5,333,141,916</u>	<u>4,908,759,862</u>
14. Long Term Borrowings:		
Standard Chartered Bank	1,710,000,000	-
HSBC	1,500,000,000	-
Infrastructure development Company Limited (IDCOL)	115,959,956	-
Less: Current Portion of Long Term Borrowings	<u>(682,904,897)</u>	<u>-</u>
	<u>2,643,055,059</u>	<u>-</u>
These long term loans are secured against hypothecation of Stock, Trade Receivables and Plant & Machinery.		
15. Deferred Tax Liability:		
Opening Balance	214,694,410	235,701,174
Deferred Tax Expenses/ (Income)	<u>47,990,713</u>	<u>(21,006,764)</u>
	<u>262,685,123</u>	<u>214,694,410</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.		
a) Deferred Tax Liability is arrived at as follows:		
Carrying Value of Depreciable Fixed Assets	5,682,361,671	4,257,473,306
Less: Tax Base Carrying Value	<u>(3,931,127,520)</u>	<u>(2,826,177,237)</u>
Taxable Temporary Difference	<u>1,751,234,151</u>	<u>1,431,296,069</u>
Tax Rate	15%	15%
Closing Deferred Tax Liability	<u>262,685,123</u>	<u>214,694,410</u>
Less: Opening Deferred Tax Liability	<u>(214,694,410)</u>	<u>(235,701,174)</u>
Deferred Tax Expense/ (Income)	<u>47,990,713</u>	<u>(21,006,764)</u>
16. Short Term Bank Loan:		
Bank Overdraft	-	58,218,295
Current Portion of Long Term Borrowings	682,904,897	-
Revolving Loan	1,250,000,000	800,000,000
LC Liabilities	<u>2,977,438,115</u>	<u>2,654,470,230</u>
	<u>4,910,343,012</u>	<u>3,512,688,525</u>
These short term loans are secured against hypothecation of Stock and Trade Receivable.		

**Notes
Standalone**

Particulars	June 30, 2021	June 30, 2020
	Taka	Taka
17. Creditors & Other Payables:		
Provision for Audit Fees	575,000	460,000
Provision for Utility Bill	55,455,224	58,283,301
Provision for Salary & Allowances	5,715,101	7,360,303
Others	9,154,560	12,285,880
	70,899,885	78,389,484
<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>		
18. Liabilities for Others Finance:		
PF, WPPF & Other Fund	42,775,585	18,849,783
Provision for Gratuity (Note-18.1)	-	32,869,815
Unclaimed Dividend	54,851,342	53,581,472
Others	38,136,108	36,786,285
	135,763,035	142,087,355
18.1 Provision for Gratuity:		
Opening Balance	32,869,815	30,026,145
Provision made for the year	83,461,789	32,869,815
Payment during the year	(116,331,604)	(30,026,145)
	-	32,869,815
19. Short Term Loan:		
Loan from Square Pharmaceuticals Ltd.	-	3,277,576,394
	-	3,277,576,394
20. Provision for Income Tax:		
Opening Balance	83,321,634	70,751,117
Adjustment with Advance Tax during the year	(56,305,125)	(47,214,381)
Provision made for the year (Note: 20.01)	63,473,385	59,784,898
Closing Balance	90,489,894	83,321,634
20.1 Provision made for the year:		
A) Net Current Tax Liability on Profit Basis	63,434,674	36,107,072
B) Tax Liability on Sales Revenue Basis	47,698,819	34,219,175
C) Advance Income Tax (Source Tax) Paid Under ITO-1984	61,514,114	56,305,125
Higher Amount of Tax Under Above Calculation (A:B:C)	63,434,674	56,305,125
Add/ Less: Short/ (Excess) provision for Prior year	38,711	3,479,773
Income Tax Provision for the year	63,473,385	59,784,898
A) Net Current Tax Liability on Profit Basis:		
Profit Before Tax	733,098,152	90,139,969
Less: Non-Operating Income	(19,475,519)	(15,793,123)
Net Operating Income Before Tax	713,622,633	74,346,846

Particulars	June 30, 2021	June 30, 2020
	Taka	Taka
Tax Rate on Operating Income Before Tax (as per NBR)	15.00%	15.00%
Tax Rate on Non-Operating Income (as per NBR)	22.50%	25.00%
Income Tax Liability on Operating Profit	107,043,395	11,152,027
Add: Tax Liability on Non-Operating Income	4,381,992	3,948,281
Total Tax Liability on Profit	111,425,387	15,100,308
Less: Deferred Tax Expenses (Income)	(47,990,713)	21,006,764
Net Current Tax Liability on Profit Basis	63,434,674	36,107,072
B) Tax Liability on Sales Revenue Basis:		
i) Minimum Tax Rate on Sales Revenue Under ITO-1984	0.60%	0.60%
ii) Applicable For Textiles Business as Per NBR (0.60%/22.50%*15%)	0.40%	0.36%
Sales Revenue	11,924,704,664	9,505,326,369
Minimum Tax Amount on Sales Revenue	47,698,819	34,219,175
C) Advance Income Tax (Source Tax) Paid Under ITO-1984:	61,514,114	56,305,125
Since the applicable tax on Profit before tax (Tk. 63,434,674) is higher than the source tax deducted under Income Tax Ordinance 1984 (Tk. 61,514,114) and minimum Tax on Revenue under ITO-1984 (Tk. 47,698,819), so the higher is provided as Tax Expense for the year ended June 30, 2021.		
Calculation of Effective Tax Rate:		
Current Income Tax Expenses	63,473,385	59,784,898
Deferred Tax Expenses/ (Income)	47,990,713	(21,006,764)
Total Tax Expenses	111,464,098	38,778,134
Effective Tax Rate (Tax Expenses / Profit Before Tax)	15.20%	43.02%
21. Sales Revenue:		
In Quantity (KG)		
Opening Stock	1,274,872	778,048
Production during the Year	42,831,924	38,857,870
Available for Sale	Kg. 44,106,796	39,635,918
Closing Stock	(622,050)	(1,274,872)
Sales during the year	Kg. 43,484,746	38,361,046
(To be accounted for as follows)		
Sales Accounted as follows:		
Export Sale of Yarns	43,484,746	38,361,046
	Kg. 43,484,746	38,361,046
In Taka		
Export Sale of Yarns	11,924,704,664	9,505,326,369
	Tk. 11,924,704,664	9,505,326,369

Particulars	June 30, 2021	June 30, 2020
	Taka	Taka
22. Cost of Goods Sold:		
Raw Materials Consumed (Note-22.1)	7,660,971,035	6,631,042,711
Packing Materials Consumed (Note-22.2)	119,096,305	89,354,354
Factory Overhead (Note- 22.3)	2,647,700,336	2,196,100,125
Cost of Goods Manufacturing	10,427,767,676	8,916,497,190
Work-In-Process (Opening)	104,774,292	118,430,636
Work-In-Progress (Closing)	(116,600,280)	(104,774,292)
Cost of Production	10,415,941,688	8,930,153,534
Finished Goods (Opening)	306,671,712	198,900,191
Finished Goods (Closing)	(133,626,258)	(306,671,712)
Cost of Goods Sold	10,588,987,142	8,822,382,013
22.1. Raw Materials Consumed:		
In Quantity (KG)		
Opening Stock	15,486,372	13,938,950
Purchase during the year	43,023,361	44,539,161
Raw Materials Available for Consumption	58,509,733	58,478,111
Closing Stock	(12,317,297)	(15,486,372)
Raw Materials Consumed	Kg. 46,192,436	42,991,739
In Taka		
Opening Stock	2,243,666,211	2,157,356,247
Purchase during the year	7,290,548,588	6,717,352,675
Raw Materials Available for Consumption	9,534,214,799	8,874,708,922
Closing Stock	(1,873,243,764)	(2,243,666,211)
Raw Materials Consumed	7,660,971,035	6,631,042,711
Consumption Ratio on Purchase	105.08%	98.72%
22.2. Packing Materials Consumed:		
Opening Stock	14,937,386	17,022,366
Purchase during the year	126,041,854	87,269,374
Available for Consumption	140,979,240	104,291,740
Closing Stock	(21,882,935)	(14,937,386)
Packing Materials Consumed	Tk. 119,096,305	89,354,354
Consumption Ratio on Purchase	94.49%	102.39%

Particulars	June 30, 2021	June 30, 2020
	Taka	Taka
22.3. Factory Overhead:		
Factory Wages, Salary & Allowances	858,317,492	772,540,146
Travelling & Conveyance	127,418	176,402
Overseas Travelling	-	1,634,891
Recruitment & Training Expenses	57,834	82,133
Printing Expenses	337,679	288,683
Stationery Expenses	1,400,956	1,240,862
Software & Hardware Support Expenses	2,291,673	1,933,781
Production Workers' Free Lunch	4,018,992	3,897,940
Uniform & Liveries	418,486	423,987
Fuel, Petrol, Light, Diesel etc.	96,078,221	42,307,071
Electricity, Gas & Water	754,481,010	586,162,091
Factory Consumable Expense	43,546,572	36,116,813
Medical Expenses	2,059,165	727,024
Repairs & Maintenance of Vehicles	15,607,287	13,691,784
Papers, Books and Periodicals	25,550	51,560
Industrial All Risk Insurance Premium	15,642,835	14,113,228
Postage, Telephone, Fax & Telex	486,861	368,351
Govt. Tax, VAT & License Fees	500,225	487,679
Security Services	20,018,562	23,285,024
Spare Parts - Machinery	224,258,309	181,560,647
Group Insurance	1,174,610	1,233,160
Depreciation (Schedule- A)	606,850,599	513,776,868
	2,647,700,336	2,196,100,125
23. Administrative Overhead:		
Salary and Allowances	121,946,541	106,534,722
Directors' Remuneration	48,000,000	43,114,956
Independent Directors' Honorarium	600,000	-
Travelling & Conveyance	659,082	713,609
Overseas Travelling	6,142,817	30,620,498
Recruitment & Training Expenses	76,146	431,319
Head Office Employees' Free Lunch	2,136,448	1,905,379
Uniform & Liveries	84,870	72,740
Printing Expenses	325,601	312,926
Stationery Expenses	345,378	372,297
Software & Hardware Support Expenses	2,081,781	1,744,310
Postage, Telephone, Fax & Telex	507,017	442,313
Electricity, Gas & Water	3,046,418	2,763,662
Office Consumable Expense	1,613,062	1,475,611
Rental Expenses	14,104,313	13,329,664
Vehicles Running & Maintenance	8,161,473	7,487,347
Medical Expenses	351,080	70,796
Group Insurance	385,210	492,198
Bank Charges & Commission	3,462,454	2,533,483
Fees & Subscription	6,660,837	6,318,873
Security Service	593,267	424,125
Govt. Tax, Stamp Duty & Licence Fees	1,135,438	2,418,587
Annual General Meeting Expenses	1,163,986	1,331,643
Audit Fees	652,050	500,250
	224,235,269	225,411,308

Particulars	June 30, 2021	June 30, 2020
	Taka	Taka
a) Audit Fees represent auditor's remuneration of 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 are not considered as lease.		
c) Director's Remuneration is not included the Member Director of "Audit Committee" and "Nomination & Remuneration Committee".		
24. Selling & Distribution Overhead:		
Export Sale Expenses	12,400,380	9,441,026
Loading & Unloading	4,639,077	4,121,366
	17,039,457	13,562,392
25. Finance Cost:		
Interest on Deferred LC Loan	51,477,459	140,633,783
Interest on Loan ag. Export Bill Discount	2,512,455	13,042,853
Interest on OD	116,398	885,385
Interest on Short Term Loan	88,026,367	51,947,358
Interest on Long Term Loan	82,318,459	-
Interest on Sister Concerns Loan	119,714,117	158,607,433
	344,165,255	365,116,812
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. Non-Operating Income:		
Interest Income	12,700,120	8,134,669
Forfeited Provident Fund	27,593,156	-
Gain/ (Loss) on Disposal of Assets	245,130	(886,201)
Foreign Exchange Rate Fluctuation Gain/ (Loss)	(21,062,887)	8,544,655
	19,475,519	15,793,123
27. Allocation for W.P.P.F & W.F:	36,654,908	4,506,998
This represents 5% of Net Income before Tax after charging the allocation as per provision of the Companies Profit under Labour Law 2006, amended in 2016.		
28. Income Tax Expenses:	63,473,385	59,784,898
This represents estimated Income Tax on Net Income for the Year and adjustment any short/excess provision for prior years.		
29. Earnings Per Share (EPS):		
Earning attributable to Ordinary Shares including other income	621,634,054	51,361,835
Number of Ordinary shares	197,252,000	197,252,000
Earnings Per Share	3.15	0.26
30. Net Asset Value (NAV) Per Share:		
Equity Attributable to the Owners of the Company	7,305,661,916	6,881,279,862
Number of Ordinary shares	197,252,000	197,252,000
Net Asset Value (NAV) Per Share	37.04	34.89

Particulars	June 30, 2021	June 30, 2020
	Taka	Taka
31. Net Operating Cash flows per Share (NOCFPS):		
Net Cash Generated (Used in) from Operating Activities	1,112,289,948	(83,287,173)
Number of Ordinary Shares	197,252,000	197,252,000
Net Operating Cash flows per Share (NOCFPS)	5.64	(0.42)
32. Reconciliation of Net Profit with Cash Flows from Operating Activities:		
Profit After Tax	621,634,054	51,361,835
Adjustment to reconcile net profit to net cash provided by operating activities :		
Non-Cash Expenses:		
Depreciation	606,850,599	513,776,868
Deferred Tax	47,990,713	(21,006,764)
Net effect of foreign currency translation	4,026,613	2,416,975
	658,867,925	495,187,079
Non-Operating Items:		
Interest Expenses/ (Income) on Sister Company Loan	114,720,046	150,917,214
(Gain)/ Loss on Disposal of Assets	(245,130)	886,201
	114,474,916	151,803,415
Changes in Working Capital:		
(Increase)/Decrease in Inventories	523,338,401	(125,061,998)
(Increase)/Decrease in Accounts Receivable	(794,109,664)	(700,281,217)
(Increase)/Decrease in Advances, Deposits & Prepayments	(5,270,025)	10,429,433
Increase/(Decrease) in Creditors & Other Payables	(7,489,599)	14,159,910
Increase/(Decrease) in Liabilities for Others Finance	(6,324,320)	6,543,853
Increase/(Decrease) in Income Tax Payable	7,168,260	12,570,517
	(282,686,947)	(781,639,502)
Net Cash Generated (Used in) from Operating Activities	1,112,289,948	(83,287,173)
33. Number of Employees:		
The Number of employees and expenses incurred for employees during the year as follows:		
No. of Employees:		
Below Tk. 71,880.00 p.a	-	-
Tk. 71,880.00 and Above	4,476	4,223
	4,476	4,223
Amount in Taka		
Below Tk. 71,880.00 p.a	-	-
Tk. 71,880.00 and Above	980,264,033	879,074,868
	980,264,033	879,074,868

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

Particulars	June 30, 2021	June 30, 2020
	Taka	Taka
34. Key Management Personnel Compensation:		
During the year, the amount of compensation paid to Key Management Personnel including Board of Directors is as under (As para 17 of IAS 24):		
Short Term Employee Benefits	109,093,018	110,793,701
Post Employment Benefits	18,517,445	-
Other Long Term Benefits	-	-
Termination Benefits	-	-
Share Based Payment	-	-
35. Capital Expenditure Commitment:		
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.		
36. Claim Acknowledgement:		
There was no claim against the Company not acknowledged as debt as on June 30, 2021.		
37. Contingent Liability:		
Contingent liabilities at the Balance Sheet date are as follows;		
37. 1. Guarantee Issued by Bank in favor of Vendor (Utility, Insurance etc):		
Standard Chartered Bank	7,582,032	7,582,032
HSBC	769,770	769,770
Prime Bank Limited	136,020,468	130,020,468
Bank Alfalah Limited	17,409,336	17,409,336
	161,781,606	155,781,606
37. 2. Contingent Liability under Import LC:		
Standard Chartered Bank	475,977,317	428,152,347
HSBC	437,235,697	316,318,995
Prime Bank Limited	222,944,143	-
	1,136,157,157	744,471,342
37. 3. Corporate Guarantees have been received from the following Associates/Sister Concern:		
Square Pharmaceuticals Ltd.;		
Standard Chartered Bank	4,131,000,000	4,131,000,000
HSBC	5,980,000,000	5,980,000,000
Prime Bank Limited	590,000,000	590,000,000
Commercial Bank of Ceylon	50,000,000	50,000,000
	10,751,000,000	10,751,000,000
37. 4. Corporate Guarantees have been issued to the following Associates/Sister Concern:		
Square Pharmaceuticals Ltd.;		
HSBC	810,000,000	810,000,000
Prime Bank Limited	770,000,000	770,000,000
Brac Bank Limited	240,000,000	240,000,000
Eastern Bank Limited	350,000,000	350,000,000
	2,170,000,000	2,170,000,000

Particulars	June 30, 2021	June 30, 2020
	Taka	Taka
Square Texcom Ltd.;		
Standard Chartered Bank	540,000,000	540,000,000
HSBC	936,000,000	936,000,000
Prime Bank Limited	165,000,000	165,000,000
	1,641,000,000	1,641,000,000
Square Fashion Yarns Ltd.;		
Prime Bank Limited	570,000,000	570,000,000
	570,000,000	570,000,000
38. Production Capacity and Utilization:		
Capacity Installed (In Qty):		
No. of Spindles Installed	125,878	125,878
No. of Rotor Heads Installed	4,792	3,960
No. of Vortex Heads Installed	2,784	2,784
Capacity Utilised (In Qty):		
No. of Spindles Operated	125,878	125,878
No. of Rotor Heads Operated	4,792	3,960
No. of Vortex Heads Operated	2,784	2,784
Production Target (In Kg):		
-At Equivalent 30s Count (Ring Yarn)	19,343,617	18,795,241
- At Equivalent 14s Count (O/E Yarn)	10,741,362	9,174,634
- At Equivalent 30s Count (Vortex Yarn)	10,426,317	10,305,628
	40,511,296	38,275,503
Actual Production (In Kg):		
-At Equivalent 30s Count (Ring Yarn)	19,008,553	18,305,990
- At Equivalent 14s Count (O/E Yarn)	10,521,594	8,810,382
- At Equivalent 30s Count (Vortex Yarn)	10,228,368	10,021,643
	39,758,515	37,138,014

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.

39. Dividend Paid to the Shareholders:

During the year under review total cash dividend amounting to Tk. 197,252,000 has been paid to the shareholders.

40. 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.

Particulars	June 30, 2021	June 30, 2020
	Taka	Taka
41. 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 Sqaure Pharma. Ltd. (SPL):		
Opening Balance	(3,277,576,394)	(2,168,788,505)
Total Received	(1,269,870,456)	(3,274,786,839)
Total Paid	4,547,446,850	2,165,998,950
Closing Balance- Receivable/ (Payable)	-	(3,277,576,394)
Transaction with Square Texcom Ltd. (STcL):		
Opening Balance	140,003,283	161,617,019
Total Paid	231,382,648	323,611,285
Total Received	(371,385,931)	(345,225,021)
Closing Balance- Receivable/ (Payable)	-	140,003,283
Transaction with Aegis Services Ltd. (ASL):		
Opening Balance	-	-
Total Service Received	(25,249,654)	(20,512,629)
Total Paid	25,249,654	20,512,629
Closing Balance- Receivable/ (Payable)	-	-
Transaction with Square Informatix Ltd. (SIL):		
Opening Balance	-	-
Total Service Received	(4,932,361)	(4,359,305)
Total Paid	4,856,173	4,359,305
Closing Balance- Receivable/ (Payable)	(76,188)	-
Transaction with Square Hospitals Ltd. (SHL):		
Opening Balance	(201,937)	-
Total Service Received	(2,165,249)	(733,945)
Total Paid	2,367,186	532,008
Closing Balance- Receivable/ (Payable)	-	(201,937)
Transaction with Square Fashions Ltd. (SFL):		
Opening Balance	330,135,734	319,233,143
Total Goods Delivered	1,137,177,863	848,929,680
Total Received	(1,045,395,578)	(838,027,089)
Closing Balance- Receivable/ (Payable)	421,918,019	330,135,734
Transaction with Square Denims Ltd. (SDL):		
Opening Balance	157,466,237	175,953,745
Total Goods Delivered	834,624,758	416,568,106
Total Received	(616,620,479)	(435,055,614)
Closing Balance- Receivable/ (Payable)	375,470,516	157,466,237

Particulars	June 30, 2021	June 30, 2020
	Taka	Taka
Transaction with Square Apparels Ltd. (SApL):		
Opening Balance	239,108,927	105,560,271
Total Goods Delivered	373,577,069	476,802,220
Total Received	(462,949,259)	(343,253,564)
Closing Balance- Receivable/ (Payable)	149,736,737	239,108,927

42. Events after the Reporting period

- 42.1** The Board of Directors in it's meeting held on October 21, 2021 approved the financial statements for the year ended June 30, 2021. The Board of Directors also authorised the same for issue.
- 42.2** The Board of directors of SQUARE TEXTILES LIMITED as it's 26th board meeting held on october 21, 2021 has recommended @ 20% cash dividend {i.e. Tk. 2.00 (Two) per share} for the year ended on June 30, 2021. 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 2020-2021 is calculated at Tk. 394,504,000.
- 42.3** 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, 2021

Schedule-A

Amount in Taka

Particulars	Cost			Depreciation			W.D. V As At 30th June-2021	
	At 01st July 2020	During the Period		At 01st July 2020	During the Period			At 30th June-2021
		Additions	Sales/ Obsolesces		At 30th June-2021	Charged		
Land & Land Development	675,994,817	-	-	675,994,817	-	-	675,994,817	
Building-Factory & Utility	1,146,721,449	210,144,446	-	1,356,865,895	460,138,773	55,834,434	840,892,688	
Building-Others	361,891,719	17,670,646	-	379,562,365	219,004,651	15,968,529	144,589,185	
Sheds	16,111,160	34,952	-	16,146,112	15,616,229	497,843	32,040	
Plant & Machinery	6,910,849,392	1,634,638,943	(91,476,000)	8,454,012,335	3,747,195,159	458,018,039	4,340,275,137	
Laboratory Equipment	18,463,719	43,183,229	-	61,646,948	5,612,017	4,239,781	51,795,150	
Electrical Installation	304,468,445	103,171,906	-	407,640,351	197,444,773	35,629,309	174,566,269	
Gas Line Installation	43,678,531	-	-	43,678,531	26,464,409	2,087,291	15,126,831	
Motor Vehicles	188,565,103	13,589,136	(26,435,000)	175,719,239	132,291,028	22,486,540	44,946,688	
Office Equipment	19,894,137	4,620,629	(137,963)	24,376,803	14,585,926	1,845,714	8,033,259	
Furniture & Fixture	23,675,815	162,692	(8,143,150)	15,695,357	15,463,763	1,133,359	1,230,965	
Computer	4,362,773	-	-	4,362,773	3,857,396	224,815	280,562	
Hardware & Software	2,300,000	-	-	2,300,000	383,333	328,571	1,588,096	
Boundary Wall	48,470,259	1,695,864	-	50,166,123	20,351,309	2,459,808	27,355,006	
Deep Tube-Well	2,730,800	-	-	2,730,800	2,670,973	13,133	46,694	
Safety & Security Equipment	2,243,507	-	-	2,243,507	1,445,054	257,957	540,496	
Communication and Network Equipment	6,221,048	800,621	(14,000)	7,007,669	4,456,950	635,770	1,928,949	
Other Assets	33,333,112	10,516,170	-	43,849,282	9,525,920	5,189,706	29,133,656	
As at June 30, 2021	9,809,975,786	2,040,229,234	(126,206,113)	11,723,998,907	4,876,507,663	606,850,599	6,358,356,488	
As at June 30, 2020	9,744,255,806	77,819,980	(12,100,000)	9,809,975,786	4,369,522,594	513,776,868	4,933,468,123	

Notes
Standalone

SQUARE TEXTILES LIMITED

Schedule of Share Capital

As on June 30, 2021

Position of shareholding of ordinary shares as on June 30, 2021

Schedule-B

Sl. No.	Shareholder's Group	Number of Shares	% of holding 2020-2021	% of holding 2019-2020
1	Sponsors	121,959,707	61.83	61.83
2	Foreign Investors	6,144,232	3.12	3.33
3	Financial and other Institutions	46,158,417	23.40	21.41
4	General Public	22,989,644	11.65	13.43
	Total	197,252,000	100.00	100.00

Distribution schedule of each class of equity security setting out the number of holders and percentage as on June 30, 2021

Sl. No.	Range of Holdings	As per Folio		As per BO ID		IN %	Total Share Holding
		No. of holders	Holdings	No. of holders	Holdings		
1	Less than 500 shares	3473	301,372	7,606	909,952	0.61%	1,211,324
2	501 to 5,000 shares	261	297,092	3,001	4,904,143	2.64%	5,201,235
3	5001 to 10,000 shares	8	58,847	377	2,688,929	1.39%	2,747,776
4	10,001 to 20,000 shares	4	58,452	207	2,984,149	1.54%	3,042,601
5	20,001 to 30,000 shares	2	54,478	52	1,283,595	0.68%	1,338,073
6	30,001 to 40,000 shares	2	65,762	28	959,654	0.52%	1,025,416
7	40,001 to 50,000 shares	3	140,791	19	887,271	0.52%	1,028,062
8	50,001 to 100,000 shares	4	339,693	40	2,938,718	1.66%	3,278,411
9	100,001 to 1,000,000 shares	5	2,430,515	52	17,126,916	9.91%	19,557,431
10	Over 1,000,000 shares	9	63,128,875	12	95,692,796	80.52%	158,821,671
	Total	3,771	66,875,877	11,394	130,376,123	100%	197,252,000

Notes
Standalone



**Products of
Square Tex**

Yarn

100% Viscose & Blended

100% Tencel & Blended

100% Modal & Blended

100% Cotton Combed

100% Cotton Karded

Duo Core Spun

Open end Slub

Core Spun

OpenEnd

Compact

Organic

Vortex

Neppy

Inject

Pima

Cmia

Siro

Slub

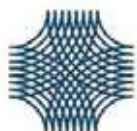
Flex



FINANCIAL STATEMENT 2020-2021

Subsidiary

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Square Texcom Ltd.

SQUARE TEXCOM LIMITED

DIRECTORS' REPORT
to the Members for the year
ended 30 June, 2021.

I have the pleasure on behalf of the Board of Directors to submit to you its Report along with its audited accounts containing the Statement of Financial Position as of June 30, 2021, Statement of Profit or loss and other Comprehensive Income, Changes in Equity and Cash Flows for the year ended June 30, 2021 and the Auditors Report thereon in terms of the provisions of section 184 of the Companies Act 1994 and IAS codes:

OPERATIONAL RESULTS

The operational performance during the years 2020-2021, with comparison with 2019-2020, is as follows:

Particulars	In million	
	2020-21	2019-20
Turnover	1,368.86	846.12
Gross Profit	99.02	58.50
Net Profit (AT)	50.29	1.97
Gross Margin	7.23%	6.91%
Net Margin (AT)	3.67%	0.23%
Earning Per Shares	11.60	0.45
Par value Tk. 100		

The above reveals that the Turnover and Gross Profit and Net Profit (AT) increased by 61.78%, 69.27% and 2,452.79% respectively during year under review.

The financial result of the Company for the year 2020-2021 depicts a significant increase due to higher productivity raising output by 1,580 tons (approx.) through BMRE in capital machineries with modern technologies and increasing manpower efficiencies. During the

period, the selling price of yarn also jumped up to meet increased demand in the RMG sector in both the local and international markets. These circumstances led to reduction the unit cost of production, which resulted in higher profitability during the year over in the previous year.

MARKET OPERATIONS

Similar to the Square Textiles Limited, Square Texcom Limited has been also based on exports at almost 100% level with less than significant local sales. This is in line with the group's policy of export production in the greater interest of the Company.

SHAREHOLDING

The Company has issued total of 43,35,502 share of Tk. 100 each. The present share-holding pattern of the company is as follows:

Name of the Shareholders	Shareholding (shares)	(%)
Mr. Samuel S Chowdhury	1,166	0.03
Mr. Tapan Chowdhury	1,166	0.03
Mr. Anjan Chowdhury	1,166	0.03
Mrs. Ratna Patra	1,166	0.03
Mrs. Anita Chowdhury	336	0.01
M/s Square Textiles Ltd.	43,30,502	99.87
Total -	43,35,502	100.00

On the basis of the above shareholdings, Square Texcom Ltd. has the status of subsidiary to Square Textiles Limited.

BOARD OF DIRECTORS

The following persons are the Members of the Board of Directors of the Company:

Mr. Samuel S Chowdhury	Chairman
Mrs. Ratna Patra	Vice-Chairman
Mr. Anjan Chowdhury	Managing Director
Mr. Tapan Chowdhury	Director
Mrs. Nihad Kabir (Nominee of Square Textiles Ltd.)	Director

CAPITAL EXPENDITURE

A 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.

APPROPRIATION OF PROFIT

The Board of Directors decided to transfer the entire profit to the General Reserve for ploughing back in the long term interest of the shareholders. As such the Board of Directors did not recommend for declaration of any dividend for the year 2020-2021.

FINANCIAL POSITION

The Statement of Financial Position as on 30 June, 2021, Statement of Profit or Loss and other Comprehensive Income, Change in Equity and Cash Flows ended at 30 June, 2021 are place herewith.

APPOINTMENT OF AUDITORS

M/s. Chowdhury Bhattacharjee & Co., Chartered Accountants', Auditors of the Company, retire at this Annual General Meeting and being eligible have offer themselves for appointment as Auditors for the year 2021-2022 and re-fixation of their remuneration.

ACKNOWLEDGEMENT

The Board of Directors thankfully acknowledge the devotion and dedication of all the workers, employees and officers without which the Company's operation could not have attained the successes as reported above.

The Board also record with appreciation the support, service and co-operation rendered by all concerned.



Samuel S Chowdhury
Chairman

চৌধুরী ভট্টাচার্য্য এন্ড কোং

CHOWDHURY BHATTACHARJEE & CO.

CHARTERED ACCOUNTANTS

DHAKA OFFICE : 47/2, Indira Road, Dhaka-1215

Ph : 9123236, Fax : 8802-8120187

CTG. OFFICE : 922, Jubilee Road, Ctg.-4000

Ph : 031-614907 (O) 624228 (R)

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS' OF SQUARE TEXCOM LIMITED

Opinion

We have audited the accompanying Financial Statements of Square Texcom Limited, which comprises the Statement of Financial Position as at 30 June, 2021 Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and Notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the Financial Statements prepared in accordance with International Financial Reporting Standards (IFRS), give a true and fair view of the state of the company's affairs as at 30 June, 2021 and of the results of its operations and its Cash Flows for the year then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

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. 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 Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to Going Concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 guarantee that an audit conducted in accordance with 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 Financial Statements

চৌধুরী ভট্টাচার্য্য এন্ড কোং

CHOWDHURY BHATTACHARJEE & CO.

CHARTERED ACCOUNTANTS

DHAKA OFFICE : 47/2, Indira Road, Dhaka-1215

Ph : 9123236, Fax : 8802-8120187

CTG. OFFICE : 922, Jubilee Road, Ctg.-4000

Ph : 031-614907 (O) 624228 (R)

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 Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidences that is sufficient and appropriate to provide a basis for audit 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.
- 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 evidences obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidences obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Further to our opinion in the above paragraph, we state that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) In our opinion, proper books of account as required by law have been kept by "Square Texcom Limited" so far as it appeared from our examination of those books;
- (iii) The Company's Statement of Financial Position, Statement of Profit or Loss & Comprehensive Income and its Statement of Cash Flows dealt with by the report are in agreement with the books of account; and
- (iv) The expenditure incurred was for the purpose of the Company's business.

Date: October 17, 2021

Place: Dhaka



B. K. Bhattacharjee, FCA

Partner

Chowdhury Bhattacharjee & Co.

(Chartered Accountants)

Enrollment No: 0517

DVC: 2110170517AS890289

SQUARE TEXCOM LIMITED

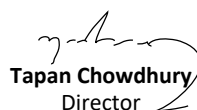
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2021

Particulars	30 June, 2021	30 June, 2020
	Taka	Taka
ASSETS		
Non Current Assets:	602,038,777	659,407,421
Property, Plant and Equipment - Carrying Value	601,093,791	650,730,921
Capital Work in Progress	944,986	8,676,500
Current Assets:	673,942,266	666,154,234
Inventories	241,146,303	265,873,922
Trade Receivable	320,341,257	312,326,149
Advances, Deposits and Prepayments	25,992,219	29,479,949
Cash and Cash Equivalents	86,462,487	58,474,214
TOTAL ASSETS	1,275,981,043	1,325,561,655
SHAREHOLDERS EQUITY AND LIABILITIES		
Share Holders Equity:	774,578,136	724,291,745
Share Capital	433,550,200	433,550,200
Retained Earnings	341,027,936	290,741,545
Non-Current Liabilities:	47,379,277	45,873,351
Deferred Tax Liability	47,379,277	45,873,351
Current Liabilities and Provisions:	454,023,630	555,396,559
Short Term Bank Loan (Secured)	414,826,453	377,109,755
Creditors and Other Payables	8,192,100	8,835,120
Liabilities for Others Finance	20,225,607	16,555,426
Short Term Loan	-	140,003,283
Provision for Income Tax	10,779,470	12,892,975
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,275,981,043	1,325,561,655
Net Assets Value Per Share	178.66	167.06

Attached notes form an integral part of these Financial Statements.



Anjan Chowdhury
Managing Director



Tapan Chowdhury
Director



Md. Kabir Reza
Executive Director (A&F)
and Company Secretary



B. K. Bhattacharjee, FCA
Partner
Chowdhury Bhattacharjee & Co.
(Chartered Accountants)

Date: October 17, 2021
Place: Dhaka

SQUARE TEXCOM LIMITED

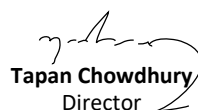
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE, 2021

Particulars	July - June	July - June
	2020-21	2019-20
	Taka	Taka
Sales Revenue	1,368,864,916	846,124,272
Cost of Goods Sold	(1,269,842,295)	(787,624,481)
Gross Profit	99,022,621	58,499,791
Administrative Overhead	(23,835,842)	(24,282,594)
Selling and Distribution Overhead	(2,865,876)	(2,067,891)
Profit from Operations	72,320,903	32,149,306
Finance Cost	(11,072,681)	(23,691,152)
Non-Operating Income	1,068,190	939,877
Profit before W.P.P.F and W.F	62,316,412	9,398,031
Allocation for W.P.P.F and W.F	(2,967,448)	(447,525)
Profit before Tax	59,348,964	8,950,506
Income Tax Expenses (Current)	(7,556,647)	(4,735,748)
Deferred Tax (Expenses) / Income	(1,505,926)	(2,247,340)
Net Profit After Tax for the Year	50,286,391	1,967,418
Earnings Per Share (EPS)	11.60	0.45

Attached notes form an integral part of these Financial Statements.



Anjan Chowdhury
Managing Director



Tapan Chowdhury
Director



Md. Kabir Reza
Executive Director (A&F)
and Company Secretary



B. K. Bhattacharjee, FCA
Partner
Chowdhury Bhattacharjee & Co.
(Chartered Accountants)

Date: October 17, 2021
Place: Dhaka

SQUARE TEXCOM LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE, 2021

Amount in Taka

Particulars	Share Capital Taka	Retained Earnings Taka	Share Money Deposit Taka	Total
Balance as at June 30, 2020	433,550,200	290,741,545	-	724,291,745
Net Profit For the Year Ended June 30, 2021	-	50,286,391	-	50,286,391
Balance As at June 30, 2021	433,550,200	341,027,936	-	774,578,136

FOR THE YEAR ENDED 30 JUNE, 2020

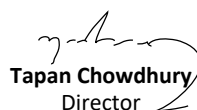
Amount in Taka

Particulars	Share Capital Taka	Retained Earnings Taka	Share Money Deposit Taka	Total
Balance as at June 30, 2019	10,000,000	288,774,127	423,550,119	722,324,246
Net Profit For the Year Ended June 30, 2020	-	1,967,418	-	1,967,418
Received against Share Money Deposit	-	-	81.00	81.00
Issuance of Share	423,550,200	-	(423,550,200)	-
Balance As at June 30, 2020	433,550,200	290,741,545	-	724,291,745

Attached notes form an integral part of these Financial Statements.



Anjan Chowdhury
Managing Director



Tapan Chowdhury
Director



Md. Kabir Reza
Executive Director(A&F)
and Company Secretary



B. K. Bhattacharjee, FCA
Partner
Chowdhury Bhattacharjee & Co.
(Chartered Accountants)

Date: October 17, 2021
Place: Dhaka

SQUARE TEXCOM LIMITED


STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2021

Particulars	July-June 2020-2021	July-June 2019-2020
	Taka	Taka
Cash Flows from Operating Activities:		
Receipts from Sales Revenue	1,360,849,808	795,084,387
Exchange Fluctuation Gain/ (Loss) (Realization from Transaction)	(442,292)	1,284,053
Receipts/ (Payment) from Other Income/ Expenses	1,943,436	53,087
Total Receipts	1,362,350,952	796,421,527
Payments to Suppliers	(992,967,687)	(517,295,006)
Paid for Operating & Non-operating Expenses	(215,177,519)	(210,896,201)
Interest Expenses Paid	(10,870,305)	(12,391,659)
Income Tax Paid	(7,161,900)	(4,735,748)
Total Payments	(1,226,177,411)	(745,318,614)
Net Cash Flow From (Used in) Operating Activities	136,173,541	51,102,913
Cash Flows from Investing Activities:		
Purchase of Property, Plant & Equipment	(3,221,076)	(55,238,528)
Sales of Property, Plant & Equipment	2,761,074	5,662,257
Net Cash Generated (Used in) from Investing Activities	(460,002)	(49,576,271)
Cash Flows from Financing Activities:		
Short Term Bank Loan Received/ (Repaid)	37,716,698	61,362,633
Short Term Loan from/ (To) Sister Company	(144,997,354)	(29,303,874)
Net Cash Generated (Used in) from Financing Activities	(107,280,656)	32,058,759
Increase/ (Decrease) in Cash and Cash Equivalents	28,432,883	33,585,401
Net effect of Foreign Currency Translation	(444,610)	(397,263)
Opening Cash and Cash Equivalents	58,474,214	25,286,076
Closing Cash & Cash Equivalents	86,462,487	58,474,214
Net Operating Cash Flows Per Share	31.41	11.79

Attached notes form an integral part of these Financial Statements.



Anjan Chowdhury
Managing Director



Tapan Chowdhury
Director



Md. Kabir Reza
Executive Director (A&F)
and Company Secretary



B. K. Bhattacharjee, FCA
Partner
Chowdhury Bhattacharjee & Co.
(Chartered Accountants)

Date: October 17, 2021
Place: Dhaka



COVID-19 মহামারীতে সাহসিকতার সাথে নিরলস সেবা প্রদানকালে জীবন উৎসর্গকারী সম্মানিত চিকিৎসকবৃন্দ, চিকিৎসা সেবার সাথে সম্পৃক্ত ব্যক্তিবর্গ এবং বিভিন্ন প্রতিষ্ঠানে কর্মরত ব্যক্তিবর্গের আত্মার প্রতি বিনয় শ্রদ্ধা জ্ঞাপন করছি।

সেই সাথে কৃতজ্ঞতা প্রকাশ করছি এই সংকটময় মুহূর্তে সেবাদানকারী সম্মানিত চিকিৎসকবৃন্দ, চিকিৎসা সেবার সাথে সম্পৃক্ত ব্যক্তিবর্গ, আইন প্রয়োগকারী সংস্থা এবং বিভিন্ন সেবাদানকারী সরকারি ও বেসরকারি প্রতিষ্ঠানে কর্মরত ব্যক্তিবর্গের প্রতি।

স্কয়ার টেক্সটাইলস্ লিমিটেড



SQUARE TEXTILES LIMITED

Square Centre, 48, Mohakhali Commercial Area
Dhaka-1212

PROXYFORM

I/We _____

of _____

being a member of Square Textiles Ltd., do hereby appoint

Mr./Mrs./Miss _____

of _____

as my/our proxy to attend and vote for me/us on my/our behalf at the 26th Annual General Meeting of the Company to be held on Wednesday the 15th December, 2021 at 11:00 am. under virtual platform through the link <https://tinyurl.com/stlagm2021>.

As witness my hand this day of _____ 2021.

Affix
Revenue
Stamp

Signature of the Proxy

Dated:

Signature of the Member

Dated:

Folio/BOID

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Note: A member entitled to attend and vote at the Annual General Meeting may appoint proxy to attend and vote in his/her stead. The proxy form should reach at the Registered Office of their Company not less than 48 hours before the time fixed for the meeting.

Signature Verified

Authorized Signatory
Square Textiles Limited

স্কার টেক্সটাইলস্ লিমিটেড

স্কার সেন্টার, ৪৮ মহাখালী বাণিজ্যিক এলাকা, ঢাকা-১২১২

প্রস্তুতি ফর্ম

আমি/আমরা _____

ঠিকানা _____

স্কার টেক্সটাইলস্ লিমিটেড এর সদস্য হিসেবে

জনাব/বেগম _____

ঠিকানা _____

আমরা/আমাদের প্রতিনিধি হিসেবে আগামী রোজ বুধবার, ১৫ ডিসেম্বর, ২০২১ সকাল ১১:০০ ঘটিকায় ভার্সুয়াল প্ল্যাটফর্ম-এর অধিনে <https://tinyurl.com/stlagm2021> লিঙ্ক-এর মাধ্যমে অনুষ্ঠিতব্য কোম্পানীর ২৬তম বার্ষিক সাধারণ সভায় এবং এর মূলতর্বি ঘোষিত সভায় আমার/আমাদের পক্ষে উপস্থিত থাকিবার এবং ভোট প্রদান করিবার জন্য নিযুক্তি করিলাম।

স্বাক্ষর হিসেবে অদ্য _____ ২০২১ তারিখে আমি/আমরা এই দলিলে সজ্ঞানে স্বাক্ষর করিলাম।

রাজস্ব
স্ট্যাম্প
সংযুক্ত
করণ

প্রতিনিধির স্বাক্ষর
তারিখ:

সদস্যের স্বাক্ষর
তারিখ:

ফলিও/বিওআইডি নম্বর

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

বিঃদ্রঃ বার্ষিক সাধারণ সভায় যোগদানের অধিকারী শেয়ার হোল্ডার তার পরিবর্তে বার্ষিক সাধারণ সভায় যোগদানের জন্য একজন প্রস্তুতি নিয়োগ করিতে পারেন। প্রস্তুতি ফর্ম যথাযথ পূরণের পর সভা অনুষ্ঠানের ৪৮ ঘন্টা পূর্বে কোম্পানীর রেজিস্টার্ড অফিসে জমা দিতে হইবে।

স্বাক্ষর পরীক্ষিত

অনুমোদনকারীর স্বাক্ষর
স্কার টেক্সটাইলস্ লিমিটেড

Corporate Compliance

For the Financial Year 2019-2020

Dividend Recommended
22 October 2020

Record Date for 25th AGM
22 November 2020

25th Annual General Meeting
15 December 2020

Dividend Issued
07 January 2021

For the Financial Year 2020-2021

Publication of 1st Qtr. Financial Report
13 November 2020

Publication of 2nd Qtr. Financial Report
29 January 2021

Publication of 3rd Qtr. Financial Report
07 May 2021

Dividend Recommended
21 October 2021

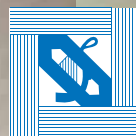
**Audited Financial Report to
BSEC, DSE and CSE**
11 November 2021

Record Date for 26th AGM
22 November 2021

Notice of 26th AGM
24 November 2021

26th Annual General Meeting
15 December 2021

Dividend Payable
By 13 January 2021





Registered Address

Corporate Headquarters
Square Centre

48 Mohakhali Commercial Area, Dhaka, Bangladesh

Phone: +88-02-9859007, 8833047-56

Fax: +88-02-8834941, 8828768

www.textile.squaregroup.com