

# Annual Report

## 2016- 2017





# At a Glance

Performance 2016-2017

## **Square Tex**

Consolidated

**Sales** - BDT 7,758.88 million

**Gross Profit** - BDT 788.94 million

**Net Profit** - BDT 413.74 million

**Earning Per Share** - BDT 2.30

**Net Assets Value** - BDT 7,345.19 million

**Dividend Payout (Cash)** - BDT 357.83 million

**Contribution to National Exchequer** - BDT 131.22 million

**Foreign Exchange Earned** - BDT 2,597.55 million

# Annual Report 2016-2017

## Contents



22<sup>nd</sup> AGM Notice - 05

Corporate Governance - 06

Corporate Profile 09-32

The Founder - 10

Board of Directors - 11

Management Apparatus - 12

Corporate Achievement - 14

Message from the Chairman - 15

5 years' Operational Results - 16

Report from the MD - 17

Directors' Report (English) - 18

CGC Report - 26

Merger of Square Yarns Ltd. - 28

Directors' Report (Bangla) - 29

Financial Report 33-71

Square Textiles Limited (Consolidated)

Auditors' Report - 35

Audited Financial Statement - 36

Square Textiles Limited (Separate)

Auditors' Report - 55

Audited Financial Statement - 56

Subsidiaries 72-87

Square Yarns Limited

Directors' Report - 73

Auditors' Report - 75

Audited Financial Statement - 76

Square Texcom Limited

Directors' Report - 81

Auditors' Report - 83

Audited Financial Statement - 84

Memory of 21<sup>st</sup> AGM, 2016 - 88

Proxy Form - 89

## 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.



## Vision & Mission

## 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.

## 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.

## Transmittal Letter

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

Sub: Annual Report for the year ended June 30, 2017

Dear Sir(s)

We are pleased to enclose a copy of Annual Report together with the Audited Financial Statements comprising Consolidated and Separate Statement of Financial Position as at June 30, 2017 and Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended June 30, 2017 along with notes thereon of Square Textiles Limited and its Subsidiaries, Square Yarns Limited & Square Texcom Limited for your information and records.

Yours sincerely



Khandaker Habibuzzaman  
Company Secretary

Dated: 12th November, 2017  
Dhaka



## We strive for

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.

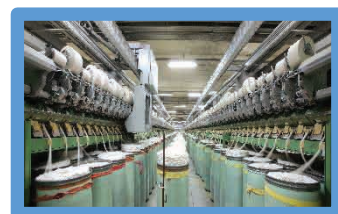
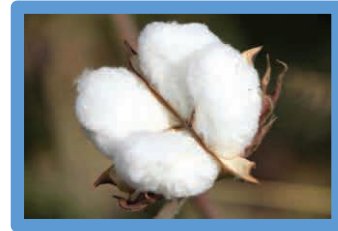
We strive for the best co-operation of the creditors & debtors the banks & financial institutions who provide financial support when we need them, the suppliers of raw materials & supplies who offer them at the best prices at the opportune moments, the providers of utilities - power, gas & water etc. 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.





## 22<sup>nd</sup> AGM Notice

Notice is hereby given that the 22<sup>nd</sup> Annual General Meeting of the Members of Square Textiles Ltd. will be held on Monday the 4<sup>th</sup> December, 2017 at 11:00 a.m. at the Samson H Chowdhury Centre, Dhaka Club Limited, Ramna, Dhaka to transact the following business:

### Ordinary Business:

- Agenda-1: To receive, consider and adopt the Audited Financial Statement for the year ended 30<sup>th</sup> June, 2017 together with the reports of the Directors' and the Auditors' thereon
- Agenda-2: To declare dividend for the year ended 30<sup>th</sup> June, 2017
- Agenda-3: To elect Directors in terms of the relevant provision of Articles of Association.
- Agenda-4: To appoint Auditors for the year 2017-2018 and to fix their remuneration.

### Special Business:

- Agenda-5: Amalgamation of Square Yarns Ltd. with Square Textiles Ltd.

By order of the Board



Khandaker Habibuzzaman  
Company Secretary

Dated: 12<sup>th</sup> November, 2017

### 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 3<sup>rd</sup> December 2017, 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](http://www.textile.squaregroup.com)



# Corporate Governance

**Corporate Governance** is key to its sustenance. Good Corporate Governance is key to successful sustenance. Our Corporate Governance is as follows:

## Board of Directors

In line with the concept of good corporate management practice and the provisions of Articles of Association, The Board of Directors, The Top Management tier is responsible for overall control and supervision of the entire affairs of the Company primarily through strategic planning & budgetary control mechanisms. To this end, The Board of Directors hold periodic meetings to resolve issues of policies and strategies, recording the minutes/ decisions for implementation by the Executive Management. During the year under review the board held 9 (nine) meetings to transact various agenda.

The Board of Directors is reconstituted every year by the shareholders through 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

The positions of Chairman and Managing Director are held separate persons. The Chairman is responsible for functions of the Board while the Managing Director serves as the Chief Executive of the Company.

## Audit Committee of Board

An audit committee consisting of the Independent Director as Chairman and two other Directors as member has been constituted in terms of the BSEC guidelines for ensuring good governance practices. The audit committee of the Board held 4 (four) Meetings during the year and examined the coverage of internal and external audit.

## Executive Management

The Managing Director, the CEO, is the head of the Executive Management Team which comprises senior members of the Management Apparatus. 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 the line management.

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

The Executive Management is responsible for preparation of segment plans/ sub-segment plans for every profit centers with budgetary targets for every items of goods & services and are

held accountable for deficiencies, with appreciation for outstanding and exceptional performances. These operations are continuously carried out by the Executive Management through series of Committees, Sub-Committees, Adhoc Committees & Standing Committees assisting the line management.

**The Board of Directors, the Top Management tier is responsible for overall control and supervision of the entire affairs of the Company primarily through strategic planning & budgetary control mechanisms.**



### Management Committee

Comprising top executives, deal with entire organizational matters.

### Standing Committees

#### Audit Committees

Internal Audit Committee  
ISO Audit Committee  
Social/Environmental Committee  
Performance Evaluation Audit Committee

#### Employment Relations Committees

Remuneration Committee  
Work Environment Committee  
Employees Welfare & Recreation Committee

#### Management Committees

Product Planning & Development Committee  
Quality Control & Research Committee  
Production & Inventory Management Committee  
Export Promotion Committee

### Communication with the Shareholders

The Shareholders as owners are required to be provided with material information on the Company's operation quarterly, half-yearly and annually. They are also provided routine services by the Company Secretary in any company matters which is permissible. The Board is however responsible to the Shareholders as well as investors for publication of price sensitive information as per regulations of Bangladesh Securities and Exchange Commission. A qualified Chartered Secretary is in charge for all these responsibilities as Company Secretary. The Company has also a web site to provide permissible information/notices/price sensitive information/financial reports/disclosures and others for the Shareholders and interested investors.

**Square has an 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.**

### Compliances

Square has an 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.

### Chief Financial Officer, Head of Internal Audit and Company Secretary

The Company has appointed Mr. Md. Kabir Reza, FCMA, as Chief Financial Officer, Mrs. Nasrin Akter, FCA, as Head of Internal Audit and Mr. Khandaker Habibuzzaman, FCS as Company Secretary of the company as per requirement of Bangladesh Securities and Exchange Commission.

### 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 Management perceives investment risk within the national and international economic perspectives in relation to legal and moral

requirements involving inter alia, intellectual property right, scientific invention, WTO Regulation, MFA etc. and monetary and fiscal investment policies and has prepared its production & marketing strategies to meet the challenges from these risks.



## **Products of Square Tex**

### **Yarn:**

Karded

Combed

Blended

Polyester

Slub

Spandex

Combed Compact

Viscose

Tencel

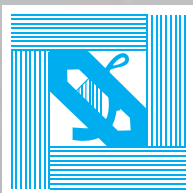
Vortex

Modal

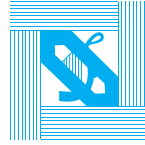
Galaxy

Inject

Snow



## Corporate Profile 2016-2017



# Square Textiles Ltd.

Manufacturing and Marketing of Yarn

### Corporate Profile

The Founder - 10
Board of Directors - 11
Management Apparatus - 12
Corporate Achievement - 14
Message from the Chairman - 15
5 years' Operational Results - 16
Report from the MD - 17
Directors' Report (English) - 18
CGC Report - 26
Merger of Square Yarns Ltd. - 28
Directors' Report (Bangla) - 29



# The Founder

The Founder



SAMSON H CHOWDHURY  
FOUNDER CHAIRMAN  
1926-2012

## Board of Directors



Mr. Samuel S Chowdhury  
Chairman

Mrs. Ratna Patra  
Vice Chairman

Mr. Tapan Chowdhury  
Managing Director

Mrs. Anita Chowdhury  
Director

Mr. Anjan Chowdhury  
Director

Mr. M. Sekander Ali  
Independent Director

Mr. Syed Afzal Hasan Uddin  
Independent Director

# Management Apparatus

## Management Committee

---

Mr. Tapan Chowdhury	Chairman
Mr. Anjan Chowdhury	Member
Mr. Mostaque Ahmed Siddiqui	Member
Mr. Md. Kabir Reza	Member
Mr. Md. Alamgir Hossain	Member

## Audit Committee

---

Mr. M. Sekander Ali	Chairman
Mrs. Ratna Patra	Member
Mr. Anjan Chowdhury	Member

## Chief Financial Officer

---

Mr. Md. Kabir Reza, FCMA

## Company Secretary

---

Mr. Khandaker Hazibuzzaman, FCS

## Operational Head

---

Mr. Mostaque Ahmed Siddiqui	Chief Operating Officer
Mr. Md. Alamgir Hossain	Executive Director, Operation
Mr. Suresh Chandra Bala	Plant In-charge
Mr. Md. Idris Ali	Head of Engineering
Mrs. Nasrin Akter	Head of Internal Audit
Mr. Md. Abul Kalam Azad	Head of Quality Assurance
Mr. Nazibur Rahman	Head of Sales & Marketing
Mr. Md. Adam Ali Khondoker	Head of HR & Admin



### Statutory Auditors

M/s. Ahmed Zaker & Co., Chartered Accountants  
45 Shaheed Syed Nazrul Islam Sarani, Bijoy Nagar  
Saiham Tower, 2<sup>nd</sup> floor  
Dhaka 1000

### 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 (1st floor), House-62, Road-11A  
Dhanmondi, Dhaka

### Bankers

Standard Chartered Bank  
HSBC Ltd.  
Prime Bank Ltd.  
Bank Alfalah Ltd.  
The City Bank Ltd.

### Insurers

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

### Listing

Dhaka Stock Exchange Ltd.  
Chittagong Stock Exchange Ltd.

### Subsidiary Company

Square Yarns Ltd.  
Square Texcom Ltd.

### Registered Office

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






### Factory

Sardaganj  
Kasimpur Gazipur  
Bangladesh

### Phone, Email, Website

- 880-2-8833047-56
- 880-2-9859007
- cs@squaregroup.com
- textiles.squaregroup.com

## Corporate Achievement

<b>1994</b>	<b>1997</b>
Year of Establishment (Incorporated as a Public Limited Company)	Year of Operation
<b>2000</b>	<b>2000</b>
Awarded Oeko-Tex Standard 100 Certificate	Awarded ISO-9001:2008 Certificate
	
<b>2002</b>	<b>2002</b>
Listing with Dhaka Stock Exchange Ltd. Chittagong Stock Exchange Ltd.	Awarded CottonUSA Certificate
	
<b>2003</b>	<b>2007</b>
Awarded SUPIMA license	Awarded Global Organic Textiles Standard (GOTS) Certificate
	
<b>2008</b>	<b>2009</b>
Awarded Cotton made in Africa (CmiA) Certificate	Awarded USTERIZED Certificate
	
<b>2010</b>	<b>2011</b>
HSBC Export Excellence Award	Authorised Capital BDT 3,000 Million
<b>2012</b>	<b>2015</b>
Awarded "AA" rating in the long term and "ST-2" in short term by CRISL	Awarded 1st prize "Corporate Governance Excellence" by ICSB
<b>2015</b>	
Awarded "AA" rating in the long term and "ST-1" in short term by CRISL	

## Message from the Chairman

*Dear Shareholders, Ladies  
and Gentleman*

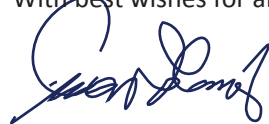
I have the pleasure to welcome you all at the 22<sup>nd</sup> Annual General Meeting of your Company for the year ended 30 June, 2017 as per provision of the prevailing laws and regulations of the Country and also thank you for taking the trouble of attending the meeting despite various difficulties being faced. I hope you all have received copies of the Annual Report containing Report of the Board of Directors along-with Audited Financial Statements & Auditors' Comments thereon.

I hope you have studied and analyzed the performance of the Company which had passed through and grown for over two (2) decades which overall successful results.

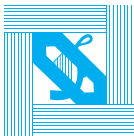
As you are aware of, the Company had been expanding its productive Capacity for production of various types and qualities of yarns, mainly for export (deemed). About 24% of its yarn output is consumed by RMG units of the group of companies. Though the demand for yarn is growing at a faster rate due to demand from RMG sector, various constraints including non-availability of raw-cotton from low-cost sources, increasing level of cost of energy. Conditionalities of the buyers/importers for upgradation of various facilities required for compliance by importers, increasing demand for salaries and wages, non-availability of appropriately trained work-force and executives etc. have raised cost of the production and reduced competitiveness and profit margin.

Though the operating results, primarily the net-profit (AT) for the year under review had suffered due to reasons as noted above, I would request you to stand steadfast with the Company with your investments as I expect that the national as well as international situation in the coming years will help improve the situation and protect the Country's largest export earning sector. As the country is due to enter into the middle Income" status by 2021 or before by attaining a GDP growth rate of over 7% per annum, I hope the national industrial enterprises would be in a position to grow and expand operation at home and abroad. A few policy restructuring by the government on the areas of fiscal and monetary regulations, infrastructural development, containment of corruption and social stability can offer tremendous opportunities to all sizes/types of investors and the people at large.

With best wishes for all of you.



**Samuel S  
Chowdhury**

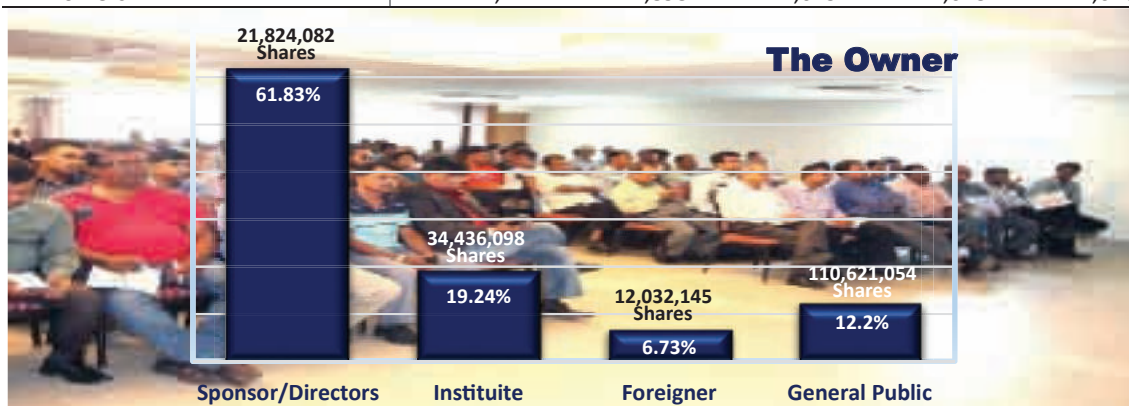


## Corporate Operational Results

(Separate)

Figures in '000

Particulars	2016-17	2015-16	2014	2013	2012
Turnover (Net)	5,020,425	4,998,758	5,115,828	5,238,437	5,431,438
Gross Profit	525,634	787,050	868,716	948,720	988,529
Net Profit (Before Tax)	297,592	573,967	644,992	696,779	696,939
Net Profit (After Tax)	252,494	486,236	541,191	587,782	588,715
Shareholders' Equity	5,452,946	5,607,074	5,158,723	4,886,371	4,508,986
Total Assets	7,511,325	6,695,189	6,265,137	6,358,457	6,175,378
Total Current Assets	3,618,295	3,547,893	3,903,436	4,163,698	4,389,591
Total Current Liabilities	1,948,729	965,544	993,110	1,363,962	1,554,244
Current Ratio	1.86	3.67	3.93	3.05	2.82
Shares Outstanding	178,913,379	162,648,527	147,862,298	134,420,271	116,887,192
Face Value per Share	10.00	10.00	10.00	10.00	10.00
Dividend (Cash)	20%	25%	20%	20%	18%
Dividend (Stock)	5%	10%	10%	10%	15%
Shareholders' Equity per Share	30.48	31.34	34.89	33.05	30.49
Net Operating Cash Flow per Share	0.77	3.65	4.65	3.65	3.27
EPS-Earning per Share (STxL)	1.41	2.72	3.02	3.29	3.29
EPS-Earning per Share (Consolidated)	2.30	4.14	4.50	4.68	4.63
EPS on Share Issued for Cash	10.02	19.30	21.48	23.33	23.06
Quoted Price per Share – DSE	67.70	70.80	91.00	90.40	102.80
Quoted Price per Share - CSE	68.40	71.70	90.90	89.80	101.70
Price Earning Ratio-DSE (Time)	48.01	26.02	24.86	22.74	25.82
Price Earning Ratio-CSE (Time)	48.51	26.36	24.84	22.59	25.54
Number of Shareholders	18,874	21,178	26,401	28,265	26,369
Sponsors/Directors	8	8	9	9	9
Financial & other Institution	229	226	225	411	334
Foreign Investors	11	13	12	30	28
General Public	18,626	20,931	26,155	27,815	25,998
No. of Employees	2,427	2,098	2,092	2,044	1,907
Executives	145	138	179	169	171
Non Executives	71	67	264	202	116
Workers	2,211	1,893	1,649	1,673	1,620



## Report from the Managing Director

*Dear Shareholders, Ladies  
and Gentleman*

I am delighted to welcome you all at this 22<sup>nd</sup> Annual General Meeting of the Company and thank you for attending the meeting for consideration, adoption and approval, as it may be, of the agenda contained in the Annual Report which, I hope, you all have received and studied. I would like to summarize the highlights for your kind attention and consideration.

As it would reveal to you, the Company's Turnover marginally increased by 0.45%, but cost of goods sold increased at a higher rate of 6.72% resulting in decrease of gross profit by 33.13% while operating expenses decreased marginally, financial cost increased by 157% due to increase of short term Bank Borrowing part of which has been utilized in capital spending for expansion project. On the other hand, other income has fallen by a third due to sale of part of marketable securities with a substantial capital gain. The major hit come from increase in Factory Overhead Costs (which increased by 21% on overall basis) with main increase in energy cost which increased by 57%, with over Tk. 200 million, resulting in fall in Net Profit (AT) by about Tk. 233 million and EPS falling from Tk. 2.72 to Tk. 1.41.

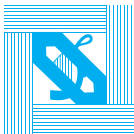
Other matrix of operational performance as may be found from the Director' Report, such as, production efficiency, unit costs, local/export prices per unit all reflect signs of Management efficiency as a main contributor to the operational results.

I assure you that if factors such as energy process, transport costs, natural disasters, social violence and international price/market situation could be rationally and internationally diplomatically controlled, our costs of operation would be competitive and investment would continue to be profitable in not only in Textiles/RMG sectors, but also in other existing/virgin sectors enabling the Country to attain its national goal to become a member of the rich income group by 2040.

With best wishes for all of you.



**Tapan  
Chowdhury**



# Directors' Report

to the Members for the year ended  
30 June, 2017

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 dated 7th August, 2012 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, 2017 in the following paragraphs:

## TEXTILES SECTOR

The textile and clothing sector is the largest manufacturing industry in Bangladesh and plays a vital role in the growth of economy, generation of more than 65% of the country's industrial employment and 81% of the export earnings. Spinning sector is a vital part as backward linkage of textile and clothing value chain, to stabilize supply chain and control the major costs. The products of the spinning are cotton yarn, polyester, synthetic yarn, woolen yarn and blended yarn mixed of cotton with polyester of different counts. Yarns are being used by the weaving sub-sectors like specialized textiles, handlooms and knitting and hosiery.

The private sector spinning mills can now meet around 100% demand of yarn at the domestic level as well as 95% of the demand for yarn for export oriented fabrics needs. In addition, almost 85% of cotton yarns and 50% demand for synthetic and blended yarn of export-oriented fabric producing mills are being met by the private sector spinning mills. (Source: Bangladesh Textile Mills Association).

Square Textiles has over 20 years of experience in yarn spinning. The industry is one of the largest producer of knitting & weaving yarns in Bangladesh. Today it has one of the most sophisticated vertically integrated set-ups by which we are producing around 75 ton of yarns every day.

Square Textiles focus on more sustainable and eco-friendly product i.e. Organic, BCI, Tencel, Re-cycle (cotton and Polyester) etc. We are developing more value added product i.e. Galaxy, Flutter, Lurex, Snow, Siro etc. that are more fashion trendy and higher valued export earner.

We are recognized by our valued customers through quality products with committed services.

## COMPANY'S OPERATIONS

### Capacity/Production

During the last few years we are facing huge power crisis i.e. scarcity of gas supply and competition in the domestic and international market. To cope with the situation we have arranged alternative fuel generated power and adopted multiple product mix to attain high margin benefit 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 & comparable.

The production efficiency in the year 2016-17 is 95.35% which is 1.21% less than that of 2015-2016.

The total installed production capacity (at average 30s Ring and 14s O/E counts) as on June 30, 2017 was as follows:

Spindles/Rotors		(In Nos.)	
	2016-17	2015-16	
<b>Installation:</b>			
Spindle Installed	81,648	64,512	
Rotor head Installed	3,960	3,960	
Vortex head Installed	288	-	
<b>Operation:</b>			
Spindle Operated	81,648	64,512	
Rotor head Operated	3,960	3,960	
Vortex head Operated	288	-	
<b>Product Capacity Installed</b>		(in Kg)	
	2016-17	2015-16	
<b>Equivalent to-</b>			
30s Count (Ring Yarn)	11,386,810	10,579,124	
14s Count (O/E Yarn)	10,257,001	10,378,120	
Total -	21,643,811	20,957,244	



Actual Production (in Kg)		
	2016-17	2015-16
Actual Production	20,227,206	20,044,228
Equivalent to-		
30s Count (Ring Yarn)	10,526,427	10,114,261
14s Count (O/E Yarn)	10,110,396	10,122,080
Total -	20,636,823	20,236,341

Production Efficiency (in %)		
	2016-17	2015-16
Equivalent to-		
30s Count (Ring Yarn)	92.44	95.61
14s Count (O/E Yarn)	98.57	97.53
Total (Average) -	95.35	96.56

### Cost of Production

The cost of production has varied during the past years primarily due to wide fluctuations in the price of raw cotton, packing materials, fuel & power and spare parts which were beyond the control of the Management. The level of costs and their incidences are given below:

		(in Kg)
	2016-17	2015-16
Output of Yarn	20,227	20,044

Cost of Major Items (in Tk.)		
	2016-17	2015-16
Raw Material Consumed	3,194,247	3,050,549
Packing Materials	53,527	52,769
Fuel/Power etc.	547,098	347,684
Spare Parts	145,881	156,224
Other Overhead	637,561	595,695
Total Cost -	4,578,314	4,202,921

Unit Cost/Kg. (in Tk.)		
	2016-17	2015-16
Raw Material Consumed	157.92	152.19
Packing Materials	2.65	2.63
Fuel/Power etc.	27.05	17.35
Spare Parts	7.21	7.79
Other Overhead	31.52	29.72
Total Unit Cost-	226.35	209.68
Raw Material Cost % of Total Cost-	69.77%	72.58%

The above figure reveals that though the raw material cost per unit increased by 3.77%, packing materials cost increased by 0.76%, fuel/power cost increased by 55.91%, spare parts cost decreased by 7.45% and other overheads increased by 6.06%, which lead to total unit cost increased by 7.95% in 2016-17 over 2015-16. Raw material cost ratio on total product cost declined by 2.81% due to highly change in power cost ratio. During the year under review the price of raw cotton in the

international market had significantly increased/fluctuated.

### MARKETING OPERATIONS

#### Market Exposure

The marketing operations of the Company continued its emphasis on export sales over the years which are depicted below:

Quantity Sold (Kg)		(Figure in '000)
	2016-17	2015-16
Export Sales	19,995	20,095
Total -	19,995	20,095

Sales Revenue (Tk)		(Figure in '000)
	2016-17	2015-16
Export Sales	5,020,525	4,998,758
Total -	5,020,525	4,998,758

The market exposure saying that there was no local sales revenue for the period under review. The export (overall) sales marginally decreased by 0.50% in 2016-17.

#### Unit Selling Prices Attained

The Selling Prices (Taka/Kg) over the years varied as shown below:

	2016-17	2015-16
Export Sales	251.08	248.76
Total -	251.08	248.76

The above figures indicate that selling price increased by 0.93% in 2016-17 over 2015-16. This is primarily ascribable to the international situation and export demand, but as against unit cost which increased by 7.95% over the previous period.

### CAPITAL EXPENDITURES

In order to continuously upgrade the productive facilities, the Company made an additional net capital expenditures of Tk. 913.88 million as follows:

		(Figure in '000)
	2016-17	2015-16
Land/Civil Construction	310,929	723,485
Plan & Machinery	538,008	77,135
Other Fixed Assets	64,938	83,654
Total -	913,875	884,274

The above investments had enabled the company to sustain the rate of production efficiency at the reasonable level over the years. The entire amount has been invested out of its internal generation of fund and borrowing from Banks.

## INVESTMENT IN SUBSIDIARIES

The Company has invested Tk. 95,000,000 as equity (99.48%) in the capital of Square Yarns Limited.

The Company has also invested Tk. 65,783,760 as equity (95%) in the capital of Square Texcom Limited and has also deposited Tk. 423,550,119 as share money deposit.

As per provision of the Company Act 1994 Square Yarns Limited and Square Texcom Limited are subsidiaries of Square Textiles Limited and as such Directors' Report along with Auditors Report & Audited Financial Statement have been included as part of this report.

## CONTRIBUTION TO NATIONAL EXCHEQUER

The Company contributed an amount of Tk. 86.38 million during the period to the National Exchequer consisting of the following:

	(Figure in '000)	
	2016-17	2015-16
Corporate Income Tax	58,020	81,208
AIT (Deducted at source)	5,767	5,137
VAT/Taxes etc.	18,936	16,459
Govt. Taxes/License Fees etc.	3,652	2,795
<b>Total -</b>	<b>86,375</b>	<b>105,599</b>

## FOREIGN EXCHANGE EARNED/SAVED

An amount of Tk. 1,747.32 million has earned/saved and contributed substantially to the Foreign Exchange Reserve of the Country during the 2016-2017 through its export marketing operation is as detailed below:

	(Figure in '000)	
	2016-17	2015-16
Total Export Earning	4,889,529	5,322,402
Less Import Costs :		
Raw Cotton	2,913,967	3,081,367
Spare Parts	191,954	209,237
Miscellaneous	36,285	34,215
<b>Total -</b>	<b>1,747,323</b>	<b>1,997,583</b>

## FINANCIAL RESULTS

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

	(Figure in '000)	
	2016-17	2015-16
Turnover	5,020,425	4,998,758
Cost of Goods Sold	4,494,791	4,211,708
Gross Profit	525,634	787,050
Administrative Expenses	177,383	178,559
Selling & Dist. Expenses	3,884	4,601
Operating Income	344,367	603,890
Finance Cost	36,494	14,314
Other Income	4,598	13,090
Net profit before WPPF	312,472	602,666
Contribution WPPF	14,880	28,698
Net profit (BT)	297,592	573,967
Provision for Income Tax	58,020	81,208
Provision for Deferred Tax	-12,921	6,523
Net Profit (AT)	252,494	486,236
Gross Margin	10.47%	15.74%
Net Margin (AT)	5.03%	9.73%
EPS (Earning Per Share)	1.41	2.72

The turnover marginally increased by 0.43% during the period of 2016-17 in comparison to 2015-16 due to incline of USD/Taka conversion rate, yarn price and increased in production (0.91%) for increased production capacity and product mix. Gross profit decreased by 33.21 and Net profit decreased by 48.07% due to increased material and overhead cost in the current period.

The cost of goods sold (COGS) has increased during the year of reporting due to increase in cost of raw materials, fuel/power and factory overheads which were beyond the control of the Management. The cost of goods sold (COGS) per unit has inclined by 7.25% in the current period over previous period due to decrease in quantity sold by about 0.50% and change in cost of raw materials consumed, packing cost and factory overheads in the reporting period than previous period.

## APPROPRIATION OF PROFIT

The Board of Directors recommended the appropriation of the net profit earned for the year ended June 30, 2017 in the following manner:

	(in Taka)
a) Fund available for appropriation including profit for the year 2016-17.	3,663,812,572
b) Provision for proposed Cash Dividend @20%.	357,826,758
c) Provision for Stock Dividend (Bonus Share) @5%.	89,456,690
d) Net General Reserve & Surplus	3,216,529,124

## ELECTION OF DIRECTORS

Mrs. Anita Chowdhury and Mr. Samuel S Chowdhury, Directors of the Company, retire as per article 125 & 126 of Articles of Association and being eligible offer themselves for re-election. Brief resume and other information of the above mentioned directors as per clause 1.5 (xxii) of BSEC notification dated 7th August, 2012 are depicted in Annexure-III.

## APPOINTMENT OF AUDITORS

M/s Ahmed Zaker & Co., Chartered Accountant retires at this Annual General Meeting and being eligible offered themselves for re-appointed as auditor of the Company for the year 2017-2018.

## AMALGAMATION OF SQUARE YARNS LIMITED WITH SQUARE TEXTILES LIMITED.

The Board of Directors has recommended for amalgamation under provision of section 228 & 229 of the Companies Act 1994 along with a proposal to compensate the minority share- holders in cash at a book value of shares as on 30 June, 2017 subject to approval by the Court of Jurisdiction, Hon'ble High Court division of the Supreme Court of Bangladesh. Details are in Annexure VII.

## CORPORATE GOVERNANCE

Corporate Governance is the practice of good citizenship, through which the company is governed by the board, keeping in view its accountability to the share-holders and to the society. A statement in pursuance to clause 1.5, Audit Committee Report as per clause 3.5, Resume of the Directors who shall be reappointed, Certificate from the CEO and CFO to the Board as per clause 6, Certificate from professional accountant as per clause 7(i) and status of compliance as per clause 7(ii) of the notification No. SEC/CMRRCD/2006-158/134/Admin/44 of 07th August, 2012 issued by BSEC is depicted in the Annexure - I, II, III, IV, V and VI respectively.

## MANAGEMENT APPRECIATION

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

The director humble express its gratitude and acknowledge with keen interest the cooperation and unflinching support it has received from various agencies including Bangladesh Securities and Exchange Commission, Stock Exchanges, National Board of Revenue and other agencies of the public and the private sector. We look forward to brighter future for all of us.

  
Samuel S Chowdhury  
Chairman

☐ In the event of conflict between English text and Bangla text of this report, English text shall be prevailed.

The Directors also report that:

- Related Party Transactions are depicted in Note no. 40 in the Notes of Account.
- Remuneration of Directors including Independent Director have been shown in Note no. 32 in the Notes of Account.
- The Financial Statement of the Company present true and fair view of the Company's state of affairs, result of its operation, 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/BAS/IFRS/BFRS.
- 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 result of the last year.
- Key operating and financial data of last five years have been presented in summarized form in page no. 16.
- The number of Board Meeting and the Attendance of Directors during the year 2016-2017 were as follows:

Name of the Directors	Position	Meeting Attended Held	
Mr. Samuel S Chowdhury	Chairman	9	9
Mrs. Ratna Patra	Vice Chairman	9	9
Mr. Tapan Chowdhury	Managing Director	9	9
Mr. Anita Chowdhury	Director	9	7
Mr. Anjan Chowdhury	Director	9	8
Mr. M Sekander Ali	Independent Director	9	9
Mr. Syed Afzal Hasan Uddin	Independent Director	9	9

- The pattern of shareholding as on 30 June 2017 are as follows:

Name of the Shareholders	Status	Shares held	%
i. Parent/Subsidiary/Associated Companies and other related parties	-	-	-
ii. Directors:			
Mr. Samuel S Chowdhury	Chairman	5,607,201	3.13
Mrs. Ratna Patra	Vice Chairman	4,058,498	2.27
Mr. Tapan Chowdhury	Managing Director	5,975,662	3.34
Mr. Anita Chowdhury	Director	5,299,849	2.96
Mr. Anjan Chowdhury	Director	4,899,692	2.74
Mr. M Sekander Ali	Independent Director	-	-
Mr. Syed Afzal Hasan Uddin	Independent Director	-	-
iii. Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and their Spouses and Minor Childrens:			
Mr. Tapan Chowdhury	Chief Executive Officer	5,975,662	3.34
Mr. Md. Kabir Reza	Chief Financial Officer	2,626	0.0015
Mr. Khandaker Habibuzzaman	Company Secretary	1,960	0.0011
Mrs. Nasrin Akter	Head of Internal Audit	-	-
iv. Executives:			
Mr. Mostaq Ahmed Siddiqui	Chief Operating Officer	5,709	0.0032
Mr. Suresh Chadra Bala	Plant In-charge	-	-
Mr. Md. Idris Ali	Head of Engineering	-	-
Mr. Nazibur Rahman	Head of Sales & Marketing	-	-
Mr. Md. Aabul Kalam Azad	Head of Quality Assurance	-	-
v. Shareholders Holding 10% or more voting interest in the company:			
Square Pharmaceuticals Ltd.	Sponsor Shareholder	82,935,764	46.36

## Audit Committee Report

For the year 2016-2017

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 consists of the following persons:

Mr. M Sekander Ali, Independent Director	- Chairman
Mrs. Ratna Patra, Director	- Member
Mr. Anjan Chowdhury, Director	- Member

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.

Activities carried out during the year:

The Committee reviewed the integrity of the quarterly and annual financial statement and recommended to the Board for consideration. The Committee had overseen, reviewed and approved the procedure and task of the internal audit, financial report preparation and the external audit reports. 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.



M Sekander Ali  
Chairman  
Audit Committee

Date: 10th October, 2017

## Directors Profile

Who are seeking re-appointment

### Mr. Samuel S Chowdhury

Mr. Samuel S Chowdhury is a Director of the Company since 1991 and has been appointed as Chairman in the 2012. He is the son of late Samson H Chowdhury, Founder Chairman of the Company. He obtained Bachelor's degree from the Rajshahi University and Masters in Business Administration from the Trinity University, USA and has a rich experience of more than 35 years in the pharmaceuticals, textiles, toiletries, media & communication sector including capital market operations. Mr. Samuel S Chowdhury is also a sponsor director of Square Textiles Limited (Listed Company) designated as Chairman.



He also Chairman in 33 other private limited Company namely Square Hospitals Limited, Square Toiletries Limited, Square Fashions Ltd., Square Food and Beverages Ltd., Square Denims Ltd. Square Apparels Ltd., Square Securities Management Ltd., Square Air Ltd., Sabazpur Tea Company Ltd. and Maasranga Television under the Square Group.

Mr. Samuel S Chowdhury has been awarded several times as a highest individual Taxpayer in the Country.

### Mrs. Anita Chowdhury

Mrs. Anita Chowdhury is a Director of the Company. She is the spouse of late Samson H Chowdhury, Founder Chairman of the Company. Mrs. Chowdhury is associated with the business from its inception (1994). She is also a sponsor shareholder of Square Pharmaceuticals Ltd. (Listed Company). Mrs. Anita Chowdhury is also Director in 3 other private limited company namely Astras Limited, Square Holdings Limited and Square Air Limited under the Square Group.






## Annexure IV

### Certificate to the Board of Directors

on Compliance with the Condition No. 6 of the  
Corporate Governance Guidelines of BSEC.

1. We the undersigned have reviewed the Financial Statements for the year ended June 30, 2017 and that to the best of our knowledge and belief:
  - a) the Financial Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) the Financial Statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during year ended June 30, 2017 which are fraudulent, illegal or violation of the company's code of conduct.

  
Tapan Chowdhury  
Managing Director

  
Md. Kabir Reza  
Chief Financial Officer

## Annexure V

### Certificate of Compliance

with the condition of  
Corporate Governance Guideline

To the Members of Square Textiles Ltd.

This is to certify that Square Textiles Ltd. has complied with the conditions of Corporate Governance Guidelines imposed by the Bangladesh Securities and Exchange Commission vide their Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August 2012 and subsequent amendment made there on.

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

10<sup>th</sup> October, 2017

## Corporate Governance Compliance Report

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August, 2012.

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
<b>1</b>	<b>Board of Directors:</b>	✓		
<b>1.1</b>	Board's Size: The number of the board members shall not be less than 5 (five) and more than 20 (twenty).	✓		
<b>1.2</b>	<b>Independent Directors:</b>			
<b>1.2 (i)</b>	One fifth (1/5) of the total number of directors.	✓		
<b>1.2 (ii) a)</b>	Does not hold any share or holds less than 1% shares of the total paid-up shares	✓		
<b>1.2 (ii) b)</b>	Not connected with any sponsor/director/shareholder who holds 1% or more shares of the total paid-up shares on the basis of family relationship.	✓		
<b>1.2 (ii) c)</b>	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/ associated companies	✓		
<b>1.2 (ii) d)</b>	Not a member, director or officer of any stock exchange	✓		
<b>1.2 (ii) e)</b>	Not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market	✓		
<b>1.2 (ii) f)</b>	Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any statutory audit firm.	✓		
<b>1.2 (ii) g)</b>	Not be an independent director in more than 3 (three) listed companies;	✓		
<b>1.2 (ii) h)</b>	Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a NBFI	✓		
<b>1.2 (ii) i)</b>	Not been convicted for a criminal offence involving moral turpitude	✓		
<b>1.2 (iii)</b>	Nominated by the board of directors and approved by the shareholders in the AGM	✓		
<b>1.2 (iv)</b>	Not remain vacant for more than 90 (ninety) days	✓		
<b>1.2 (v)</b>	Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	✓		
<b>1.2 (vi)</b>	Tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	✓		
<b>1.3</b>	<b>Qualification of Independent Director (ID)</b>			
<b>1.3 (i)</b>	Knowledge of Independent Directors	✓		
<b>1.3 (ii)</b>	Background of Independent Directors	✓		
<b>1.3 (iii)</b>	Special cases for qualifications			N/A
<b>1.4</b>	<b>Individual Chairman of the Board and CEO</b>	✓		
<b>1.5</b>	<b>The Directors' Report to Shareholders :</b>			
<b>1.5 (i)</b>	Industry outlook and possible future developments in the industry	✓		
<b>1.5 (ii)</b>	Segment-wise or product-wise performance	✓		
<b>1.5 (iii)</b>	Risks and concerns	✓		
<b>1.5 (iv)</b>	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	✓		
<b>1.5 (v)</b>	Discussion on continuity of any Extra-Ordinary gain or loss	✓		
<b>1.5 (vi)</b>	Basis for related party transactions	✓		
<b>1.5 (vii)</b>	Utilization of proceeds from public issues, rights issues and/or through any others			N/A
<b>1.5 (viii)</b>	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing.			N/A
<b>1.5 (ix)</b>	Explanation about significant variance occurs between Quarterly Financial performance and Annual Financial Statements			N/A
<b>1.5 (x)</b>	Remuneration to directors including independent directors	✓		
<b>1.5 (xi)</b>	Fairness of Financial Statement	✓		
<b>1.5 (xii)</b>	Maintenance of proper books of account	✓		
<b>1.5 (xiii)</b>	Adoption of appropriate accounting policies and estimates	✓		
<b>1.5 (xiv)</b>	Followed IAS, BAS, IFRS and BFRS in preparation of financial statements	✓		
<b>1.5 (xv)</b>	Soundness of internal control system	✓		
<b>1.5 (xvi)</b>	Ability to continue as a going concern	✓		
<b>1.5 (xvii)</b>	Significant deviations from the last year's	✓		
<b>1.5 (xviii)</b>	Key operating and financial data of at least preceding 5 (five) years	✓		
<b>1.5 (xix)</b>	Reasons for not declared dividend			N/A
<b>1.5 (xx)</b>	Number of board meetings held during the year and attendance	✓		
<b>1.5 (xxi)</b>	<b>Pattern of shareholding:</b>			
<b>1.5 (xxi) a)</b>	Parent/Subsidiary/Associated Companies and other related parties	✓		
<b>1.5 (xxi) b)</b>	Directors, CEO, CS, CFO, HIA and their spouses and minor children	✓		
<b>1.5 (xxi) c)</b>	Executives	✓		
<b>1.5 (xxi) d)</b>	10% or more voting interest	✓		
<b>1.5 (xxii)</b>	<b>Appointment/re-appointment of director</b>			
<b>1.5 (xxii) a)</b>	Resume of the director	✓		
<b>1.5 (xxii) b)</b>	Expertise in specific functional areas	✓		
<b>1.5 (xxii) c)</b>	Holding of directorship and membership of committees of the board other than this company.	✓		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
<b>2</b>	<b>Chief Financial Officer, Head of Internal Auditor and Company Secretary:</b>			
<b>2.1</b>	Appointment of CFO, HIA and CS	✓		
<b>2.2</b>	Attendance of CFO and CS at the meeting of the Board of Directors.	✓		
<b>3</b>	<b>Audit Committee:</b>			
<b>3 (i)</b>	Constitution of Audit Committee	✓		
<b>3 (ii)</b>	Assistance of the Audit Committee to Board of Directors	✓		
<b>3 (iii)</b>	Responsibility of the Audit Committee	✓		
<b>3.1</b>	<b>Constitution of the Audit Committee:</b>			
<b>3.1 (i)</b>	At least 3 (three) members	✓		
<b>3.1 (ii)</b>	Appointment of members of the Audit Committee	✓		
<b>3.1 (iii)</b>	Qualification of Audit Committee member	✓		
<b>3.1 (iv)</b>	Term of Service of Audit Committee members	✓		
<b>3.1 (v)</b>	Secretary of the Audit Committee	✓		
<b>3.1 (vi)</b>	Quorum of the Audit Committee	✓		
<b>3.2</b>	<b>Chairman of the Audit Committee</b>	✓		
<b>3.2 (i)</b>	Board of Directors shall select the Chairman	✓		
<b>3.2 (ii)</b>	Chairman of the audit committee shall remain present in the AGM.	✓		
<b>3.3</b>	<b>Role of Audit Committee</b>			
<b>3.3 (i)</b>	Oversee the financial reporting process	✓		
<b>3.3 (ii)</b>	Monitor choice of accounting policies and principles	✓		
<b>3.3 (iii)</b>	Monitor Internal Control Risk management process	✓		
<b>3.3 (iv)</b>	Oversee hiring and performance of external auditors	✓		
<b>3.3 (v)</b>	Review the annual financial statements before submission to the board for approval	✓		
<b>3.3 (vi)</b>	Review the quarterly and half yearly financial statements before submission to the board for approval	✓		
<b>3.3 (vii)</b>	Review the adequacy of internal audit function	✓		
<b>3.3 (viii)</b>	Review statement of significant related party transactions	✓		
<b>3.3 (ix)</b>	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors	✓		
<b>3.3 (x)</b>	Disclosure about the uses/applications of funds raised by IPO/RPO/Right issue	✓		
<b>3.4</b>	<b>Reporting of the Audit Committee:</b>			
<b>3.4.1</b>	Reporting to the Board of Directors:			
<b>3.4.1 (i)</b>	Activities of Audit Committee	✓		
<b>3.4.1 (ii) a)</b>	Conflicts of interests	✓		
<b>3.4.1 (ii) b)</b>	Material defect in the internal control system	✓		
<b>3.4.1 (ii) c)</b>	Infringement of laws, rules and regulations	✓		
<b>3.4.1 (ii) d)</b>	Any other matter	✓		
<b>3.4.2</b>	<b>Reporting to the Authorities</b>	✓		
<b>3.5</b>	<b>Reporting to the Shareholders and General Investors</b>	✓		
<b>4</b>	<b>Engagement of External/Statutory Auditors:</b>			
<b>4 (i)</b>	Appraisal or valuation services or Fairness opinions	✓		
<b>4 (ii)</b>	Financial information systems design and implementation	✓		
<b>4 (iii)</b>	Book-keeping	✓		
<b>4 (iv)</b>	Broker-dealer services	✓		
<b>4 (v)</b>	Actuarial services	✓		
<b>4 (vi)</b>	Internal audit services	✓		
<b>4 (vii)</b>	Services that the Audit Committee determines	✓		
<b>4 (viii)</b>	Audit firms shall not hold any share of the company they audit	✓		
<b>5</b>	<b>Subsidiary Company :</b>			
<b>5 (i)</b>	Composition of the Board of Directors	✓		
<b>5 (ii)</b>	At least 1 (one) independent director to the subsidiary company	✓		
<b>5 (iii)</b>	Submission of Minutes to the holding company	✓		
<b>5 (iv)</b>	Review of Minutes by the holding company	✓		
<b>5 (v)</b>	Review of Financial Statement by the Audit Committee of the holding company	✓		
<b>6.</b>	<b>Duties of Chief Executive Officer and Chief Financial Officer:</b>			
<b>6 (i) a)</b>	Reviewed the materially untrue of the financial statement	✓		
<b>6 (i) b)</b>	Reviewed about compliance of the accounting standard	✓		
<b>6 (ii)</b>	Reviewed about fraudulent, illegal or violation of the company's code of conduct	✓		
<b>7.</b>	<b>Reporting and Compliance of Corporate Governance:</b>			
<b>7 (i)</b>	Obtain certificate about compliance of conditions of Corporate Governance Guidelines	✓		
<b>7 (ii)</b>	Annexure attached in the Directors' Report	✓		

## MERGER OF SQUARE YARNS LIMITED WITH THE SQUARE TEXTILES LIMITED

Square Yarns Ltd. (SYL), a private limited company incorporated on 28-09-2005, established for production of high quality specialized yarn. The Company commenced commercial production from 10-01-2007 and had been in profitable operations all over the years to date. Latest five years result is as follows:

(in million)			
Year	Turnover	Net Profit	EPS
2012	3,124.54	245.38	256.95
2013	2,052.84	233.33	244.33
2014	2,214.41	207.55	217.34
2015-2016	2,470.07	193.22	202.33
2016-2017	2,011.06	127.65	133.66

SYL was incorporated with an authorised capital of Tk. 500.00 million divided into 5.00 million ordinary shares of Tk. 100.00 each. The paid up capital as on 30-06-2017 is Tk. 95.50 million for 9,55,000 fully paid up shares of Tk. 100.00 each. The net worth per share as on 30-06-2017 stood at Tk. 1857.41. The paid up capital is held as follows:

Name of the Shareholders	Shareholding (shares)	(%)
Mr. Samuel S Chowdhury	1,166	0.12
Mr. Tapan Chowdhury	1,166	0.12
Mr. Anjan Chowdhury	1,166	0.12
Mr. Charles C R Patra	1,000	0.10
Mrs. Anita Chowdhury	336	0.04
Mrs. Ratna Patra	166	0.02
M/s Square Textiles Ltd.	9,50,000	99.48
Total -	9,55,000	100.00

As the project of SYL is located within the premises of Square Textiles Ltd. (STxL) at Sardagonj, Kashimpur, the separated operations of various aspects of SYL is considered uneconomic and a complex one. Since STxL holds 99.48% of the paid up capital of SYL with only 0.52% being held by the

minority shareholders, Board of Directors has recommended for amalgamation under provision of section 228 & 229 of the Companies Act 1994 along with a proposal to compensate the minority shareholders in cash at a book value of shares as on 30 June, 2017 subject to approval by the Court of Jurisdiction, Hon'ble High Court division of the Supreme Court of Bangladesh. It may be mentioned that the minority shareholders of SYL have already given their consent to the proposed Merger and Amalgamation of the SYL with STxL and compensation them in cash at book value of shares held by them based on the audited accounts as on 30 June, 2017 subject to approval by the Hon'ble Court of jurisdiction.

If the proposal as above is approved by the shareholders, the following Special Resolution may be passed:

**“Resolved that the proposal of Merger and Amalgamation of Square Yarns Limited with Square Textiles Limited as per provision of section 228 & 229 and the Compensation in cash to the minority shareholders as per book value of shares as on 30 June, 2017, be and is hereby approved subject to the sanction by the Hon'ble High Court division of the Supreme Court of Bangladesh.”**

# পরিচালনা পর্ষদের প্রতিবেদন

২০১৬-২০১৭

পরিচালনা পর্ষদ আনন্দের সাথে কোম্পানী আইন ১৯৯৪ এর ১৮৪ নং পরিচ্ছেদ, সিকিউরিটিজ এন্ড এক্সচেঞ্জ রুলস্ ১৯৮৭ এর ১২নং বিধির (এবং তফসিল অনুযায়ী) শর্তানুসারে, ৭ই আগস্ট, ২০১২ তারিখে বি.এস.ই.সি এর নোটিফিকেশন, দি ইনফিটিউট অব চার্টার্ড একাউন্ট্যান্টস অব বাংলাদেশ কর্তৃক গৃহীত আইএএস-১ (আন্তর্জাতিক হিসাব মানদণ্ড-১) এবং অর্থআইন ২০১৬ অনুসারে ৩০ জুন ২০১৭ তারিখে সমাপ্ত বছরের প্রতিবেদন সম্মানিত কোম্পানীর সদস্যবৃন্দের কাছে নিম্নোক্ত পরিচ্ছেদগুলোতে পেশ করছেনঃ

## টেক্সটাইল সেক্টর

বাংলাদেশের টেক্সটাইল এবং পোশাক সেক্টর দেশের একটি বৃহত্তম উৎপাদন শিল্প যা দেশের অর্থনীতির প্রবৃদ্ধিতে একটি গুরুত্বপূর্ণ ভূমিকা পালন করে, এই সেক্টর দেশের কর্মসংস্থানের ক্ষেত্রে প্রায় ৬৫% এর বেশি ভূমিকা রাখে এবং রপ্তানি আয় করে ৮১%। স্পিনিং সেক্টর একটি অত্যন্ত গুরুত্বপূর্ণ অংশ যা টেক্সটাইল এবং পোশাকের মূল্যের চেনার অগ্রগামী লেনদেন হিসাবে, সাপ্লাই চেইনকে স্থিতিশীল করতে এবং প্রধান খরচ নিয়ন্ত্রণ করে। স্পিনিংয়ের পণ্যগুলি যথাক্রমে তুলোর সুতা, পলিয়েস্টার, সিনথেটিক সুতা, উলের সুতা, মিশ্র পরিমাপের মিশ্রিত সুতা এবং বিভিন্ন পরিমাপের পলিয়েস্টার সুতা। এই সুতা বিশেষত বস্ত্র, হাফলুম, বুনন এবং হোসিয়ারের মতো উপ-ক্ষেত্রগুলিতে ব্যবহার করা হচ্ছে।

স্পিনিং মিলস এর প্রাইভেট সেক্টর এখন আভ্যন্তরীণ প্রর্যায় প্রায় ১০০% চাহিদা এবং রপ্তানি ভিত্তিক কাপড়ের চাহিদা অনুযায়ী ৯৫% পূরণ করতে পারে। উপরন্তু, প্রায় ৮৫% তুলার সুতা এবং ৫০% রপ্তানি-ভিত্তিক ফ্যাব্রিক উৎপাদনকারী মিলের সিঙ্গেটিক এবং মিশ্র সুতার চাহিদা বেসরকারী খাতের স্পিনিং মিলের দ্বারা পূরণ করা হচ্ছে। (উৎস: বাংলাদেশ টেক্সটাইল মিলস অ্যাসোসিয়েশন)।

স্কয়ার টেক্সটাইলস দেশের অন্যতম বৃহত্তম নিটিং এবং উইভিং সুতা উৎপাদনকারী প্রতিষ্ঠান যা বিগত ২০ বছর ধরে সফলতার সাথে পরিচালিত হয়ে আসছে। বর্তমানে এটি দৈনিক প্রায় ৭৫টন সুতা উৎপাদন করে। টেকসই এবং ইকোবান্ধব পণ্য যেমন অর্গানিক, বিসিআই, টেনসেল, রি-সাইকেল (তুলা এবং পলিয়েস্টার) প্রভৃতিতে আলোকপাত করে থাকে। এ ছাড়াও গ্যালাক্সি, ফ্লাটার, লোরক্স, মো, সাইরো ইত্যাদি উচ্চ মূল্যমানের রপ্তানিযোগ্য সুতা উৎপাদন করছে।

আমাদের মূল্যবান গ্রাহকদেরকে উন্নত গুণ সম্পন্ন পণ্য এবং নিশ্চিত সেবা প্রদানে প্রতিশ্রুতিবদ্ধ।

## কোম্পানীর ব্যবসায়িক কার্যক্রম

### উৎপাদন ক্ষমতা/উৎপাদন

গত কয়েক বছর আমরা তীষণ বিদ্যুৎ সরবরাহ সংকট (অপ্রতুল গ্যাস সরবরাহ) এবং আভ্যন্তরীণ ও আন্তর্জাতিক বাজারে কঠিন প্রতিযোগিতার সম্মুখীন/মোকাবেলা করতে হচ্ছে।

এই পরিস্থিতি মোকাবেলা করার জন্য আমরা গুণগত মানসম্পন্ন ভিন্নধর্মী সুতা উৎপাদন ব্যবস্থা গ্রহণ করেছি যাতে বিকল্প উৎপাদন কৌশল হিসেবে সর্বোচ্চ মূল্য অর্জিত হয়। সুতরাং, আমাদের উৎপাদন ক্ষমতা এবং প্রকৃত উৎপাদনের ক্ষেত্রে নতুন সমীকরণের মাধ্যমে উৎপাদন দক্ষতার তুলনা করা হলো।

২০১৬-২০১৭ সালে উৎপাদন দক্ষতা ৯৫.৩৫% যা ২০১৫-২০১৬ তুলনায় ১.২১% কম।

৩০ জুন ২০১৭ তারিখে মোট স্থাপিত উৎপাদন ক্ষমতা (গড়ে ৩০ সিজেল রিং এবং ১৪ সিজেল ও/ই) ছিল নিম্নরূপ:

সিডলস/রোটরস	সংখ্যা	
	২০১৬-১৭	২০১৫-১৬
স্থাপিত:		
স্থাপিত সিডলস	৮১,৬৪৮	৬৪,৫১২
স্থাপিত রোটর হেডস	৩,৯৬০	৩,৯৬০
স্থাপিত ভরটেক্স হেডস	২৮৮	-
সক্রিয়:		
সক্রিয় সিডলস	৮১,৬৪৮	৬৪,৫১২
সক্রিয় রোটর হেডস	৩,৯৬০	৩,৯৬০
সক্রিয় ভরটেক্স হেডস	২৮৮	-

স্থাপিত উৎপাদন ক্ষমতা	কেজি	
	২০১৬-১৭	২০১৫-১৬
সমতুল্য উৎপাদন -		
৩০ সিজেল কাউন্ট (রিং ইয়ার্ণ)	১১,৩৮৬,৮১০	১০,৫৭৯,১২৪
১৪ সিজেল কাউন্ট (ও/ই ইয়ার্ণ)	১০,২৫৭,০০১	১০,৩৭৮,১২০
মোট -	২১,৬৪৩,৮১১	২০,৯৫৭,২৪৪

প্রকৃত উৎপাদন	কেজি	
	২০১৬-১৭	২০১৫-১৬
প্রকৃত উৎপাদন	২০,২২৭,২০৬	২০,০৪৪,২২৮
সমতুল্য উৎপাদন -		
৩০ সিজেল কাউন্ট (রিং ইয়ার্ণ)	১০,৫২৬,৪২৭	১০,১১৪,২৬১
১৪ সিজেল কাউন্ট (ও/ই ইয়ার্ণ)	১০,১১০,৩৯৬	১০,১২২,০৮০
মোট -	২০,৬৩৬,৮২৩	২০,২৩৬,৩৪১

উৎপাদন দক্ষতা	%	
	২০১৬-১৭	২০১৫-১৬
সমতুল্য উৎপাদন -		
৩০ সিজেল কাউন্ট (রিং ইয়ার্ণ)	৯২.৪৪	৯৫.৬১
১৪ সিজেল কাউন্ট (ও/ই ইয়ার্ণ)	৯৮.৫৭	৯৭.৫৩
মোট (গড়) -	৯৫.৩৫	৯৬.৫৬

## 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 আনুষঙ্গিক প্রভাব নিচে দেখানো হলো:

	২০১৬-১৭	২০১৫-১৬
সূতার উৎপাদন (কেজি)	২০,২২৭	২০,০৪৪

গুরুত্বপূর্ণ খাতগুলোর ব্যয় সমূহ	টাকা	
	২০১৬-১৭	২০১৫-১৬
ব্যবহৃত কাঁচামাল	৩,১৯৪,২৪৭	৩,০৫০,৫৪৯
প্যাকিং সামগ্রী	৫৩,৫২৭	৫২,৭৬৯
জ্বালানী তেল/বিদ্যুৎ ইত্যাদি	৫৪৭,০৯৮	৩৪৭,৬৮৪
খুচরা যন্ত্রাংশ	১৪৫,৮৮১	১৫৬,২২৪
অন্যান্য খরচ সমূহ	৬৩৭,৫৬১	৫৯৫,৬৯৫
মোট ব্যয় -	৪,৫৭৮,৩১৪	৪,২০২,৯২১

প্রতি কেজির মূল্য	টাকা	
	২০১৬-১৭	২০১৫-১৬
ব্যবহৃত কাঁচামাল	১৫৭.৯২	১৫২.১৯
প্যাকিং সামগ্রী	২.৬৫	২.৬৩
জ্বালানী তেল/বিদ্যুৎ ইত্যাদি	২৭.০৫	১৭.৩৫
খুচরা যন্ত্রাংশ	৭.২১	৭.৭৯
অন্যান্য খরচ সমূহ	৩১.৫২	২৯.৭২
মোট ইউনিট ব্যয় -	২২৬.৩৫	২০৯.৬৮
মোট শতকরা হিসাবে কাঁচামাল :-	৬৯.৭৭%	৭২.৫৮%

উপরোক্ত বিবরণ হতে প্রতীয়মান হয় যে, ২০১৫-২০১৬ সালের তুলনায় ২০১৬-২০১৭ সালে কাঁচামালের প্রতি ইউনিট ব্যয় বেড়েছে ৩.৭৭%, প্যাকিং সামগ্রী ব্যয় বেড়েছে ০.৭৬%, জ্বালানী তেল/বিদ্যুৎ ব্যয় বেড়েছে ৫৫.৯১%, খুচরা যন্ত্রাংশের ব্যয় হ্রাস পেয়েছে ৭.৪৫% এবং অন্যান্য খাতে ব্যয় বেড়েছে ৬.০৬% ফলশ্রুতিতে মোট ইউনিট ব্যয় বেড়েছে ৭.৯৫%।

বিদ্যুৎ খরচের আনুপাতিক হার উচ্চহারে পরিবর্তনের কারণে কাঁচামাল খরচের আনুপাতিক হার ২.৮১% কমেছে।

পর্যালোচিত বছরের আন্তর্জাতিক বাজারে কাঁচা তুলার মূল্য উল্লেখযোগ্য হারে বৃদ্ধি এবং অস্থিরতার মধ্যে বিরাজমান ছিল।

## বিপণন কার্যক্রম

### বাজার পরিস্থিতি

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

বিক্রয়ের পরিমাণ (কেজি)	(,০০০)	
	২০১৬-১৭	২০১৫-১৬
রপ্তানি বিক্রয়	১৯,৯৯৫	২০,০৯৫
মোট -	১৯,৯৯৫	২০,০৯৫

বিক্রয়লব্ধ আয়	(,০০০)	
	২০১৬-১৭	২০১৫-১৬
রপ্তানি বিক্রয়	৫,০২০,৫২৫	৪,৯৯৮,৭৫৮
মোট -	৫,০২০,৫২৫	৪,৯৯৮,৭৫৮

উপরোক্ত চিত্র থেকে বুঝা যায় যে, পর্যালোচিত ২০১৬-২০১৭ বছরে কোন স্থানীয় বিক্রয় রাজস্ব ছিল না এবং ২০১৬-২০১৭ বছরে রপ্তানি বিক্রয় সামগ্রিক ভাবে ০.৫০% কমেছে।

### প্রাপ্ত একক বিক্রয় মূল্য

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

	২০১৬-১৭	২০১৫-১৬
রপ্তানি বিক্রয়	২৫১.০৮	২৪৮.৭৬
মোট -	২৫১.০৮	২৪৮.৭৬

উপরের তথ্যাবলী নির্দেশ করে বিক্রয়মূল্য ২০১৫-২০১৬ বছরের তুলনায় ২০১৬-২০১৭ বছরে ০.৯৩% বেড়েছে। প্রাথমিকভাবে এই অবস্থা আরোপিত হয়েছে আন্তর্জাতিক বাজার এবং রপ্তানি চাহিদার কারণে কিন্তু গত বছরের তুলনায় একক প্রতি ব্যয় বেড়েছে ৭.৯৫%।

### মূলধনী খরচ সমূহ

উৎপাদন কাঠামো উত্তরোত্তর উন্নীত করণের লক্ষ্যে কোম্পানী ৯১৩.৮৮ মিলিয়ন টাকা মূলধনী খাতে এ বছর ব্যয় করেছে যা নিম্নরূপঃ

	(,০০০)	
	২০১৬-১৭	২০১৫-১৬
জমি/নির্মাণ কাজ	৩১০,৯২৯	৭২৩,৪৮৫
যন্ত্রপাতি	৫৩৮,০০৮	৭৭,১৩৫
অন্যান্য স্থায়ী সম্পদ	৬৪,৯৩৮	৮৩,৬৫৪
মোট -	৯১৩,৮৭৫	৮৮৪,২৭৪

উপরোক্ত বিনিয়োগ বর্তমান উৎপাদন ক্ষমতা বজায় রাখতে সহায়তা করেছে। পুরো বিনিয়োগ নিজস্ব উৎস এবং ব্যাংক ঋণ এর মাধ্যমে করা হয়েছে।



### সাবসিডিয়ারী কোম্পানীতে বিনিয়োগ

স্কয়ার টেক্সটাইলস্ লিমিটেড ৯৫,০০০,০০০ টাকা স্কয়ার ইয়ার্নস লিমিটেড এ মূলধন হিসাবে (৯৯.৪৮%) বিনিয়োগ করেছে। এছাড়াও ৬৫,৭৮৩,৭৬০ টাকা স্কয়ার টেক্সকম লিমিটেড-এ মূলধন হিসাবে (৯৫%) বিনিয়োগ করেছে এবং ৪২৩,৫৫০,১১৯ টাকা শেয়ার মানি ডিপোজিট হিসাবে দিয়েছে।

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

### অবদানসমূহ জাতীয় কোষাগারে অবদান

কোম্পানী ২০১৬-২০১৭ সালে ৮৬.৩৮ মিলিয়ন টাকা জাতীয় কোষাগারে জমা দিয়েছে। যার বিবরণ নীচে দেখানো হলো:

	২০১৬-১৭	২০১৫-১৬
কর্পোরেট আয়কর	৫৮,০২০	৮১,২০৮
অগ্রিম আয়কর (উৎস হতে কর্তন)	৫,৭৬৭	৫,১৩৭
ভ্যাট/কর ইত্যাদি	১৮,৯৩৬	১৬,৪৫৯
সরকারী কর/লাইসেন্স ফি	৩,৬৫২	২,৭৯৫
মোট -	৮৬,৩৭৫	১০৫,৫৯৯

### বৈদেশিক মুদ্রার অর্জন/সঞ্চয়

কোম্পানী উল্লেখযোগ্যভাবে রপ্তানি বাণিজ্যের মাধ্যমে দেশের বৈদেশিক মুদ্রা রিজার্ভে অবদান রেখেছে ২০১৬-১৭ সালে যার পরিমাণ ১,৭৪৭.৩২ মিলিয়ন টাকা। যার বিস্তারিত বিবরণ নিম্নে দেওয়া হল:

	২০১৬-১৭	২০১৫-১৬
মোট রপ্তানি আয়	৪,৮৮৯,৫২৯	৫,৩২২,৪০২
বাদ: আমদানি খরচ সমূহ:		
কাঁচা তুলা	২,৯১৩,৯৬৭	৩,০৮১,৩৬৭
খুচরা যন্ত্রাংশ	১৯১,৯৫৪	২০৯,২৩৭
বিবিধ	৩৬,২৮৫	৩৪,২১৫
মোট রপ্তানি আয় -	১,৭৪৭,৩২৩	১,৯৯৭,৫৮৩

### আর্থিক ফলাফল

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

	২০১৬-১৭	২০১৫-১৬
বিক্রয়	৫,০২০,৪২৫	৪,৯৯৮,৭৫৮
বিক্রিত পণ্যের উৎপাদন মূল্য	৪,৪৯৪,৭৯১	৪,২১১,৭০৮
মোট মুনাফা	৫২৫,৬৩৪	৭৮৭,০৫০
প্রশাসনিক ব্যয়	১৭৭,৩৮৩	১৭৮,৫৫৯
বিক্রয় এবং বিতরণ খরচ	৩,৮৮৪	৪,৬০১
পরিচালন মুনাফা	৩৪৪,৩৬৭	৬০৩,৮৯০
আর্থিক খরচ সমূহ	৩৬,৪৯৪	১৪,৩১৪
অন্যান্য আয়	৪,৫৯৮	১৩,০৯০
নীট মুনাফা (ডব্লিউপিপিএফ) পূর্ব	৩১২,৪৭২	৬০২,৬৬৬
ডব্লিউ পি পি এফ এ অনুদান	১৪,৮৮০	২৮,৬৯৮
নীট মুনাফা (কর পূর্ব)	২৯৭,৫৯২	৫৭৩,৯৬৭
আয়কর সঞ্চিতি	৫৮,০২০	৮১,২০৮
বিলম্বিত আয়কর	-১২,৯২১	৬,৫২৩
নীট মুনাফা (কর পরবর্তী)	২৫২,৪৯৪	৪৮৬,২৩৬
মোট মার্জিন	১০.৪৭%	১৫.৭৪%
নীট মার্জিন	৫.০৩%	৯.৭৩%
শেয়ার প্রতি আয়	১.৪১	২.৭২

২০১৫-২০১৬ বছরের তুলনায় ২০১৬-২০১৭ বছরে ডলার বিনিময় হার ও সূতার মূল্য বেড়ে যাওয়া এবং ০.৯১% উৎপাদন বৃদ্ধি (উৎপাদন ক্ষমতা বৃদ্ধি এবং পণ্য মিশ্রণের জন্য) মোট বিক্রয় ০.৪৩% বেড়েছে। কাঁচামাল এবং ওভেরহেড খরচ বেড়ে যাওয়ায় মোট মুনাফা এবং নীট মুনাফা যথাক্রমে ৩৩.২১% এবং ৪৮.০৭% কমেছে।

আলোচ্য বছরে জ্বালানী/বিদ্যুৎ এবং কারখানার উপরি ব্যয়সমূহ বৃদ্ধির কারণে বিক্রিত পণ্যের ব্যয় বৃদ্ধি পেয়েছে যা ব্যবস্থাপনা কর্তৃপক্ষের নিয়ন্ত্রণের বাইরে ছিল। গত বছরের তুলনায় আলোচ্য বছরে বিক্রিত পণ্যের একক প্রতি ব্যয় ৭.২৫% বেড়েছে কারণ কাঁচামাল ব্যয়, মোড়কী খরচ, কারখানার উপরি ব্যয়ের তারতম্য এবং বিক্রয় একক ০.৫০% হ্রাস পাওয়ার জন্য।

## মুনাফা বন্টন

পরিচালনা পর্ষদ নিম্নোক্ত উপায়ে ৩০ জুন ২০১৭ সমাপ্ত বছরের জন্য নিট মুনাফা বন্টনের জন্য প্রস্তাব করেন:

টাকায়	
ক) মুনাফা বন্টনের জন্য ব্যবহারযোগ্য তহবিল ২০১৬-২০১৭ বছরের মুনাফা সহ	৩,৬৬৩,৮১২,৫৭২
খ) নগদ লভ্যাংশ প্রস্তাব ২০%	৩৫৭,৮২৬,৭৫৮
গ) স্টক লভ্যাংশ (বোনাস) প্রস্তাব ৫%	৮৯,৪৫৬,৬৯০
ঘ) নেট সাধারণ তহবিল ও উদ্বৃত্ত	৩,২১৬,৫২৯,১২৪

## পরিচালক নির্বাচন

সংঘবিধির ১২৫ ও ১২৬ অনুচ্ছেদ অনুযায়ী কোম্পানীর পরিচালক মিসেস অনিতা চৌধুরী এবং জনাব স্যামুয়েল এস চৌধুরী অবসর গ্রহণ করেছেন এবং পুনঃনির্বাচিত হওয়ার যোগ্য বিধায় পুনঃনির্বাচিত হওয়ার ইচ্ছা প্রকাশ করেছেন। ৭ই আগস্ট, ২০১২ তারিখে বি.এস.ই.সি নোটিফিকেশন এর ১.৫ (xxii) শর্ত অনুযায়ী উপরে উল্লেখিত পরিচালকবৃন্দের জীবনবৃত্তান্ত এবং অন্যান্য তথ্য সংযুক্তি-III তে বর্ণিত হয়েছে।

## নিরীক্ষক নিয়োগ

বর্তমান কোম্পানীর নিরীক্ষক মেসার্স আহমদ জাকের এন্ড কোং, চার্টার্ড একাউন্টেন্টস্ এই বার্ষিক সাধারণ সভায় অবসর গ্রহণ করছেন এবং যোগ্য বিধায় ২০১৭-১৮ সালের জন্য নিরীক্ষক হিসেবে পুনরায় নিয়োগের ইচ্ছা প্রকাশ করেছেন।

## স্কার টেক্সটাইলস লিমিটেড সঙ্গে স্কার ইয়ার্ন লিমিটেড এর একত্রীকরণ

বোর্ড অফ ডিরেক্টরস স্কার টেক্সটাইলস লিমিটেড-এর সঙ্গে স্কার ইয়ার্ন লিমিটেড এর একত্রীকরণ বিষয়টি কোম্পানি আইন ১৯৯৪ এর ২২৮ ও ২২৯ ধারার বিধান অনুযায়ী এবং কোর্ট অব জাস্টিজ, সুপ্রিম কোর্ট বাংলাদেশের মাননীয় হাই কোর্ট বিভাগ অনুমোদন সাপেক্ষে সুপারিশ করেছে। ক্ষুদ্র শেয়ারহোল্ডারদের ৩০ জুন ২০১৭ তারিখের বুক ভ্যালু অনুসারে নগদ অর্থ প্রদানের প্রস্তাব করেছেন। বিস্তারিত সংযুক্তি VII এ দেওয়া আছে।


## কর্পোরেট গভর্নেন্স

কর্পোরেট গভর্নেন্স হচ্ছে সুনামগরিকত্বের চর্চা যার মাধ্যমে পরিচালনা পর্ষদ কোম্পানীর পরিচালনা করেন, শেয়ার হোল্ডার/স্বার্থ সংশ্লিষ্ট ব্যক্তিবর্গ এবং সমাজের প্রতি জবাবদিহিতার দৃষ্টিভঙ্গি নিয়ে। বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর নোটিশ নং এসইসি/সিএমআরআরসিডি/ ২০০৬-১৫৮/১৩৪ /প্রশাসন/৪৪ ৭ই আগস্ট, ২০১২ এর নিরিখে একটি বিবরণ ১.৫ ধারা অনুসারে প্রতিপালন প্রতিবেদন, অডিট কমিটি প্রতিবেদন ৩.৫ ধারা অনুসারে, পরিচালক যারা পুনর্নির্বাচিত হইবে তাদের জীবন বৃত্তান্ত, ধারা ৬ অনুযায়ী সিইও এবং সিএফও থেকে বোর্ডের সার্টিফিকেট, ধারা ৭(১) অনুসারে প্রফেশনাল একাউন্টেন্ট কর্তৃক সার্টিফিকেট এবং কর্পোরেট গভর্নেন্স প্রতিপালন ৭(২) এর অবস্থা যথাক্রমে সংযুক্তি- I, II, III, IV, V ও VI এর মধ্যে বর্ণনা/প্রকাশ করা হলো।

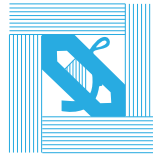
## ব্যবস্থাপনা কর্তৃপক্ষের স্বীকৃতি

পরিচালনা পর্ষদ ব্যবসায়িক কার্যক্রমে নির্বাহী ব্যবস্থাপনা, কর্মকর্তা ও শ্রমিক কর্মচারীদের অবদানকে গভীরভাবে মূল্যায়ন করেছে। সারা বিশ্বে বাণিজ্য ও উৎপাদনে বিভিন্ন বৈরী 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, ফটক 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।

  
স্যামুয়েল এস চৌধুরী  
চেয়ারম্যান

## Financial Statement 2016-2017



## Square Textiles Ltd.

Value Added Statement - 34

### **Consolidated**

Auditors' Report - 35

Statement of Financial Position - 36

Statement of Profit or Loss and other  
Comprehensive Income - 37

Statement of Change in Equity - 38

Statement of Cash Flows - 39

Notes - 40

### **Separate**

Auditors' Report - 55

Statement of Financial Position - 56

Statement of Profit or Loss and other  
Comprehensive Income - 57

Statement of Change in Equity - 58

Statement of Cash Flows - 59

Notes - 60

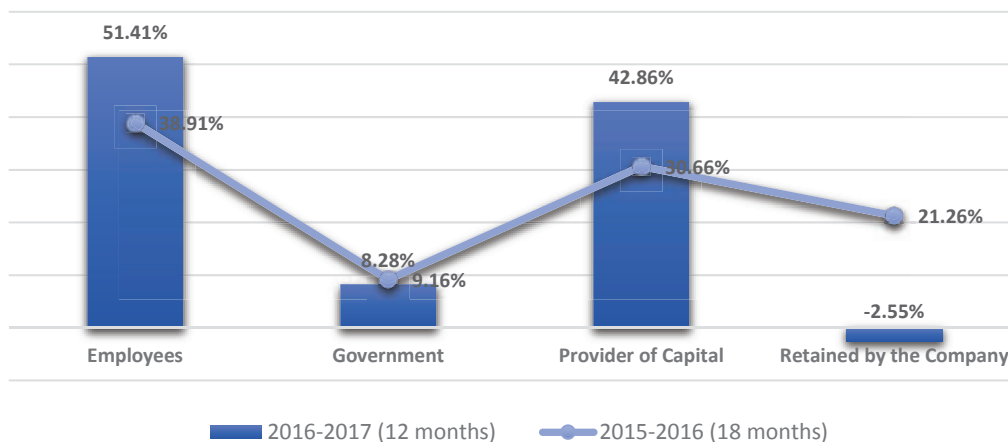


## Statement of Value Added

For the year ended 30 June, 2017

	2016-2017 (12 month)	2015-2016 (18 month)
<b>Source of Fund:</b>		
Net Turnover	5,020,425,409	7,581,715,607
Less: Bought in Materials & Services	(3,981,489,197)	(5,743,915,099)
Add: Other Income	4,598,487	18,821,970
<b>Value Added</b>	<b>1,043,534,699</b>	<b>1,856,622,478</b>
<b>Applied in the following Ways:</b>		
<b>Employees</b>	<b>536,524,182</b>	<b>722,442,767</b>
Salaries Wages Gratuity and Other benefits	521,644,569	678,535,188
Contribution to workers profit participation & welfare fund	14,879,613	43,907,579
<b>Government</b>	<b>86,375,294</b>	<b>170,103,232</b>
Corporate Tax	45,098,687	134,075,483
Other Government Dues	41,276,607	36,027,749
<b>Provider of Capital</b>	<b>447,283,448</b>	<b>569,269,845</b>
Dividend	447,283,448	569,269,845
<b>Retained by the Company</b>	<b>(26,648,225)</b>	<b>394,806,634</b>
Depreciation	168,141,655	220,000,383
Retain Earning	(194,789,880)	174,806,251
	<b>1,043,534,699</b>	<b>1,856,622,478</b>

### Graphical View



# AUDITORS' REPORT

## Independent Auditors' Report To the Shareholders of Square Textiles Limited

We have audited the accompanying financial statements of "Square Textiles Limited" which comprises the Consolidated Statement of Financial Position as at June 30, 2017 along with Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Statement of Consolidated Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), Companies Act 1994, The Securities & Exchange Rules 1987 and other applicable rules 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing, those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Square Textiles Limited as of June 30, 2017 and of its financial performance for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act 1994, The Securities & Exchange Rules 1987 and other applicable rules and regulations.

### We also report on other legal and regulatory requirements

We also report that;

- (a) 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;
- (b) In our opinion proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- (c) The company's Consolidated Statement of Financial Position, Consolidated Statement of Profit or Loss and Other Comprehensive Income and Consolidated Statement of Cash Flows dealt with by the report are in agreement with the books of accounts;
- (d) The expenditures incurred were for the purpose of the Company's business.

Place: Dhaka  
Dated: October 23, 2017

  
Ahmed Zaker & Co.  
Chartered Accountants

# SQUARE TEXTILES LIMITED

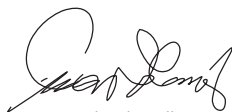
## Consolidated Statement of Financial Position

As at June 30, 2017

		30-06-2017 Taka	30-06-2016 Taka
<b>ASSETS:</b>	Notes		
<b>Non-Current Assets</b>		<b>4,841,254,822</b>	<b>4,119,628,602</b>
Property, Plant & Equipment- Carrying Value	4	4,514,651,120	3,363,855,709
Capital Work in Progress	5	270,319,942	699,489,133
Goodwill	6	56,283,760	56,283,760
<b>Current Assets</b>		<b>5,340,902,540</b>	<b>5,230,290,269</b>
Inventories	7	1,963,904,495	1,737,965,686
Accounts Receivable	8	1,931,002,020	1,644,721,245
Advances, Deposits & Prepayments	9	583,074,262	568,831,880
Cash & Cash Equivalents	10	862,921,763	1,278,771,458
<b>TOTAL ASSETS</b>		<b>10,182,157,362</b>	<b>9,349,918,871</b>
<b>SHAREHOLDERS' EQUITY &amp; LIABILITIES:</b>			
Shareholders' Equity		<b>7,345,185,658</b>	<b>7,340,419,294</b>
Share Capital	11	1,789,133,790	1,626,485,270
Retained Earnings	12	5,556,051,868	5,713,934,024
Non controlling Interest	13	<b>21,507,901</b>	<b>19,159,898</b>
<b>Non-Current Liabilities</b>			
Deferred Tax Liability	14	<b>203,277,250</b>	<b>223,826,935</b>
<b>Current Liabilities &amp; Provisions</b>		<b>2,612,186,553</b>	<b>1,766,512,744</b>
Short Term Bank Loan (Secured)	15	1,939,547,763	1,091,534,090
Creditors & Others Payable	16	117,079,071	65,241,389
Liabilities for Other Finance	17	165,235,373	237,963,511
Short Term Loan	18	21,386,290	42,781,579
Provision for Income Tax	19	368,938,056	328,992,175
<b>TOTAL SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>	Tk.	<b>10,182,157,362</b>	<b>9,349,918,871</b>
<b>Net Asset Value Per Share (Restated)</b>	Tk.	<b>41.05</b>	<b>41.03</b>

Attached notes form part of these financial statements .  
Dated, Dhaka: October 23, 2017

As per our annexed report of even date.

  
Samuel S Chowdhury  
Chairman

  
Tapan Chowdhury  
Managing Director

  
Khandaker Habibuzzaman  
Company Secretary

  
Ahmed Zaker & Co.  
Chartered Accountants

# SQUARE TEXTILES LIMITED

## Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Year Ended June 30, 2017

		July to June 2016-17	July to June 2015-16
	Notes		
Sales Revenue	20	7,758,879,164	8,250,356,337
Cost of Goods Sold	21	(6,969,942,417)	(7,076,959,524)
<b>Gross Profit</b>		<b>788,936,747</b>	<b>1,173,396,813</b>
Administrative Overhead	22	(230,499,524)	(222,739,536)
Selling & Distribution Overhead	23	(7,011,165)	(8,512,850)
<b>Profit from Operations</b>		<b>551,426,058</b>	<b>942,144,427</b>
Finance Cost	24	(46,801,822)	(20,011,036)
Non Operating Income		852,608	157,430
<b>Profit Before W.P.P.F &amp; W.F</b>		<b>505,476,844</b>	<b>922,290,821</b>
Allocation for W.P.P.F & W.F	25	(24,070,326)	(43,918,611)
<b>Profit Before Tax</b>		<b>481,406,518</b>	<b>878,372,210</b>
Provision for Tax (Current)	26	(88,220,511)	(120,893,349)
Provision for Tax (Deferred)	27	20,549,685	(12,498,680)
<b>Profit After Tax for The Year</b>		<b>413,735,692</b>	<b>744,980,181</b>
<b>Non-Controlling Interest</b>		<b>(2,348,003)</b>	<b>(4,287,682)</b>
<b>Net Profit for the Year</b>		<b>411,387,689</b>	<b>740,692,499</b>
(Transferred to the Consolidated Statement of Changes in Equity)			
Earning Per Share	28	<b>2.30</b>	<b>4.14</b>

Attached notes form part of these financial statements .  
Dated, Dhaka: October 23, 2017

As per our annexed report of even date.

  
Samuel S Chowdhury  
Chairman

  
Tapan Chowdhury  
Managing Director

  
Khandaker Habibuzzaman  
Company Secretary

  
Ahmed Zaker & Co.  
Chartered Accountants



## SQUARE TEXTILES LIMITED

### Consolidated Statement of Changes in Equity For the Year Ended June 30, 2017

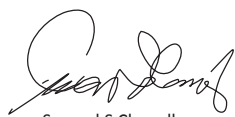
Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2016	1,626,485,270	5,713,934,024	7,340,419,294
Net Profit for the Year ended June 30, 2017	-	411,387,689	411,387,689
Cash Dividend for the Year 2015-16	-	(406,621,325)	(406,621,325)
Stock Dividend for the Year 2015-16	162,648,520	(162,648,520)	-
<b>Balance As at June 30, 2017</b> <b>Tk.</b>	<b>1,789,133,790</b>	<b>5,556,051,868</b>	<b>7,345,185,658</b>

### Consolidated Statement of Changes in Equity For the Year Ended June 30, 2016

Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2015	-	4,973,241,525	6,599,726,795
Net Profit for the Year ended June 30, 2016	1,626,485,270	740,692,499	740,692,499
Cash Dividend for the Year 2014	-	-	-
Stock Dividend for the Year 2014	-	-	-
<b>Balance As at June 30, 2016</b> <b>Tk.</b>	<b>1,626,485,270</b>	<b>5,713,934,024</b>	<b>7,340,419,294</b>

Attached notes form part of these financial statements .  
Dated, Dhaka: October 23, 2017

As per our annexed report of even date.

  
Samuel S Chowdhury  
Chairman

  
Tapan Chowdhury  
Managing Director

  
Khandaker Habibuzzaman  
Company Secretary

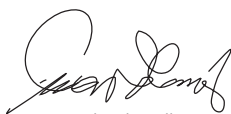
  
Ahmed Zaker & Co.  
Chartered Accountants

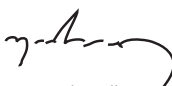
**SQUARE TEXTILES LIMITED**Consolidated Statement of Cash Flows  
For the Year Ended June 30, 2017

	July-June 2016-17	July-June 2015-16
<b>Cash Flow From Operating Activities</b>		
<b>Receipts</b>		
Receipts From Sales Revenue	7,472,598,389	8,884,145,397
Receipts From Other Income	852,608	157,430
<b>Total Receipts</b>	<b>7,473,450,997</b>	<b>8,884,302,827</b>
<b>Payments</b>		
Payments to Suppliers	(5,137,668,830)	(5,643,904,027)
Paid for Operating & Non-Operating Expenses	(1,979,449,172)	(1,800,745,823)
Interest Expenses Paid	(30,854,279)	(12,222,672)
Income Tax Paid	(94,489,855)	(108,236,970)
<b>Total Payments</b>	<b>(7,242,462,136)</b>	<b>(7,565,109,492)</b>
<b>Net Cash Generated (Used in) Operating Activities</b>	<b>230,988,861</b>	<b>1,319,193,335</b>
<b>Cash Flow From Investing Activities</b>		
Net Sales (Purchase) of Property, Plant & Equipment	(1,063,144,872)	(1,055,051,936)
<b>Net Cash Generated (Used in) from Investing Activities</b>	<b>(1,063,144,872)</b>	<b>(1,055,051,936)</b>
<b>Cash Flow From Financing Activities</b>		
Short Term Bank Loan Received (Repaid)	848,013,673	342,737,865
Short Term Loan from/ (To) Sister Company	(25,086,032)	(334,107,227)
Payment of Dividend	(406,621,325)	-
<b>Net Cash Generated (Used in) from Financing Activities</b>	<b>416,306,316</b>	<b>8,630,638</b>
Increase/ (Decrease) in Cash & Cash Equivalents	(415,849,695)	272,772,037
Opening Cash & Cash Equivalents	1,278,771,458	1,005,999,421
<b>Closing Cash &amp; Cash Equivalents</b>	<b>Tk. 862,921,763</b>	<b>1,278,771,458</b>
Net Operating Cash Flows Per Share (Restated)	<b>1.29</b>	<b>7.37</b>

Attached notes form part of these financial statements .  
Dated, Dhaka: October 23, 2017

As per our annexed report of even date.

  
Samuel S Chowdhury  
Chairman

  
Tapan Chowdhury  
Managing Director

  
Khandaker Habibuzzaman  
Company Secretary

  
Ahmed Zaker & Co.  
Chartered Accountants

# **SQUARE TEXTILES LIMITED**

## **Notes to the Consolidated Financial Statements For the Year ended June 30, 2017**

### **NOTE -1: ESTABLISHMENT AND OPERATIONS.**

#### **a) Legal Form of the Enterprises.**

Square Textiles Limited (Here in after said as the company) is a public limited company and its subsidiaries, Square yarns Limited and 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 Company is listed with Dhaka Stock Exchange (DSE) & Chittagong Stock Exchange(CSE).

#### **b) 1.2. Address of Registered office and factory of the company:**

The address of the registered office at Square Centre 48, Mohakhali C/A, Dhaka -1212, Factory at Saradagang, Kashimpur, Gazipur.

#### **c) 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 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 Bangladesh Accounting Standards.**

The following BASs and BFRSs are applicable to the financial statements for the year under review:

BAS 1	Presentation of Financial Statements
BAS 2	Inventories
BAS 7	Statement of Cash Flows
BAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
BAS 10	Events after the Reporting Period
BAS 12	Income Taxes
BAS 16	Property, Plant and Equipment
BAS 18	Revenues
BAS 19	Employee Benefits
BAS 21	The Effects of Changes in Foreign Exchange Rates
BAS 23	Borrowing Cost
BAS 24	Related Party Disclosures
BAS 27	Consolidated Financial Statements
BAS 33	Earnings per Share
BAS 34	Interim Financial Reporting
BAS 36	Impairment of Assets
BAS 37	Provisions, Contingent Liabilities and Contingent Assets
BFRS 7	Financial Instruments: Disclosure
BFRS 8	Operating Segment
BFRS 12	Disclosures of Interests in Other Entities

#### 2.4. Going Concern:

As per BAS-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 BAS-1: "Presentation of Financial Statements". A complete set of financial statements comprise.

- i) Statement of Financial Position as at June 30, 2017.
- ii) Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2017.
- iii) Statement of Changes in Equity for the year ended June 30, 2017.
- iv) Statement of Cash Flows for the year ended June 30, 2017.
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the Financial Statements for the year ended June 30, 2017

#### 2.7. Statement of Cash Flows.

The Statement of Cash Flows is prepared using the direct method as stipulated in Bangladesh Accounting Standards BAS-7, "Statement of Cash Flows"

### 3. Property, Plant and Equipment:

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 BFRS 5 and the date that the assets are derecognized.

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

	Useful Life	Depreciation Percentage
Factory Building and other Construction	20	5%
Plant & Machinery	15	6.67%
Laboratory & other Equipment	6.67	15%
Furniture & Fixture	6.67	15%
Motor Vehicles	5	20%
Electrical Installation	6.67	15%

#### 3.1. Impairment of Asset.

Revenue and Profitability of the company is Consistent and net worth of the company is growing every year, that indicates our assets are performing at their highest as per our intended procurement and the summation of the discounted future cash flow from the operation of the assets would be positive if we dispose off those assets at the date of financial reporting. But presently we have no intension to dispose off these assets; As such we did not consider to recording the impairment loss/gain.

### 3.2. Inventories.

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.

### 3.3. Employees' Separation Plan:

#### Provident Fund:

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

#### Gratuity fund:

The group has separate unfunded gratuity scheme under which an employee is entitled to the benefit depending on length of service. The cost for gratuity is accounted for cash basis.

#### 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 Labour Law 2006 chapter-15.

### 3.4. Revenue Recognition:

#### Sale of Goods:

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- i) The goods has transferred to the buyer the significant risks and rewards of ownership of the goods;
- ii) The goods retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- iii) The amount of revenue can be measured reliably;
- iv) It is probable that the economic benefits associated with the transaction will flow to the company; and
- v) The cost incurred or to be incurred in respect of the transaction can be measured reliably.

### 3.5. Other Income:

It is recognized when received.

### 3.6.Foreign Currency Transactions:

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.

### 3.7. Borrowing Costs:

Borrowing costs are recognized as expenses in the period in which they incurred and capitalized the Same that incurred before commencement of commercial operation.

### 3.8. Financial Instruments:

Financial assets and liabilities are recognized on the Statement of Financial Position when the company has become a party to a contractual provision of the instrument.

### 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.

### Due to/ Due from related parties:

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

### 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 as a compliance requirement imposed by the law of the country but also as one of its ethical business values.

### **3.9. 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.

### **3.10. 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.

### **3.11. 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.

### **3.12. Related Party Transaction:**

The company has some related party transactions in arm length transactions with its sister concern. are presented as unaudited.



**3.13. Segment Reporting:**

There are three businesses in two geographic segment but same business nature of the group. So there is no reportable business segment because the subsidiary's financials.

**3.14. Earnings Per Share:**

Basis Earning per Share (EPS) has been computed dividing the earnings attributable to the weighted average number of the ordinary shares during the period.

**3.15. 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. Previous year comparative information of the Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows are presented as unaudited.

**3.16. Financial Year:**

For this year financial year means, July 01, 2016 to June 30, 2017 (12 months).

**3.17. Events after the Reporting Period:**

As per BAS-10 "Events after the Reporting Period" are those event favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. There are no events after the end of the reporting period.

**3.18. Consolidated Financial Statements:**

Consolidated Financial Statements comprises the followings:

- i. Square Yarn Limited
- ii. Square Texcom limited

**3.19. General:**

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

**4. Property, Plant & Equipment: Tk. 4,514,651,120**

Details of Property, Plant & Equipment and Depreciation as at June 30, 2017 are shown in the annexed schedule-01. Depreciation for the year charged to Factory Overhead (Note-21.3). The break-up of the balances are depicted below:

	30 June - 17	30 June - 16
<b>Fixed Assets at Cost:</b>		
Opening Balance	7,102,182,880	6,736,109,044
Addition during the period	1,497,507,343	374,372,430
Sale/Obsolete during the period	(37,744,137)	(8,298,594)
Closing Balance (Cost)	<b>8,561,946,086</b>	<b>7,102,182,880</b>
<b>Accumulated Depreciation:</b>		
Opening Balance	3,738,327,171	3,427,278,087
Charged during the period	341,518,652	319,347,678
Adjustment for sale/Obsolete	(32,550,857)	(8,298,594)
Closing Balance	<b>4,047,294,966</b>	<b>3,738,327,171</b>
<b>Carrying Value</b>	<b>Tk. 4,514,651,120</b>	<b>3,363,855,709</b>

**5. Capital Work In Progress: Tk. 270,319,942**

Opening Balance	699,489,133	10,511,034
Addition during the period	642,167,858	688,978,099
Transfer to Property, Plant & Equipment	(1,071,337,049)	-
<b>Closing Balance(Cost)</b>	<b>Tk. 270,319,942</b>	<b>699,489,133</b>

	30 - June - 17	30 - June - 16
<b>6. Good Will: Tk. 56,283,760</b>		
Investment in Square Texcom Ltd. (For 95,000 Shares of Square Texcom Ltd.)	65,783,760	65,783,760
Less: Face Value of the Shares	9,500,000	9,500,000
<b>Tk.</b>	<b>56,283,760</b>	<b>56,283,760</b>

**7. Inventories: Tk. 1,963,904,495**

<b>Stocks of Raw Materials</b>	<b>1,735,450,446</b>	<b>1,462,113,611</b>
Raw Materials	1,230,215,359	935,258,467
Raw Materials In Transit	246,630,532	386,942,799
Packing Materials	12,055,558	13,789,619
Work - In - Process	86,734,976	56,396,398
Finished Goods	145,342,932	63,255,248
Comber Noil	14,471,089	6,471,080
<b>Stock of Spares</b>	<b>228,454,049</b>	<b>275,852,075</b>
Spares at Store	214,112,955	268,370,689
Spares in Transit	14,341,094	7,481,386
<b>Tk.</b>	<b>1,963,904,495</b>	<b>1,737,965,686</b>

The basis of valuation is stated in Note -3(2). Carrying amount of inventories pledged as security. No segmentation of stock is required because of homogenous materials and process.

**8. Accounts Receivable: Tk. 1,931,002,020**

This represents invoice value of goods delivered to customer. This is considered good and collectible.

Aging of the above balance is as follows:

Below 60 days	822,887,070	742,691,369
Within 61-120 days	810,213,335	515,950,936
Above 120 days	297,901,615	386,078,940
<b>Tk.</b>	<b>1,931,002,020</b>	<b>1,644,721,245</b>

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

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

c) Accounts Receivable is secured considered as good and falling due within one year. Classification schedule as required by schedule xi of Company Act 1994.

	30-June-17	30-June-16
<b>9. ADVANCES, DEPOSITS &amp; PREPAYMENTS: TK. 583,074,262</b>		
This is made up of the followings:		
Advances and Prepayments:	<b>514,065,776</b>	<b>516,073,314</b>
Income Tax	302,958,520	244,743,295
Salary & PF Current account	12,126,571	76,042,455
Expenses	17,037,267	15,675,422
Contractor/ Supplier	181,943,418	179,612,142
Deposits:	<b>69,008,486</b>	<b>52,758,566</b>
Margin of Bank Guarantee	5,300,046	5,817,211
Security Deposit	63,708,440	46,941,355
<b>Tk.</b>	<b>583,074,262</b>	<b>568,831,880</b>

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

(b) There was no amount was due by the associated undertaking.

(c) The advances & deposits considered good & recoverable.

#### 10. Cash & Cash Equivalents: Tk. 862,921,763

This is made up of the followings:

Cash in Hand	2,828,811	2,336,375
Cash at Bank	860,092,952	1,276,435,083
<b>Tk.</b>	<b>862,921,763</b>	<b>1,278,771,458</b>

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

#### 11. Share Capital: Tk. 1,789,133,790

This is made up of the followings:

Authorized:		
300,000,000 Ordinary Shares of Tk. 10.00 each	3,000,000,000	3,000,000,000
<b>Tk.</b>	<b>3,000,000,000</b>	<b>3,000,000,000</b>
Issued, Subscribed and Paid up:	1,789,133,790	1,626,485,270
(178,913,379 Ordinary Shares of Tk. 10.00 each fully Paid up)	1,789,133,790	1,626,485,270

Position of Shareholding is given in Annexure- II

#### 12. Retained Earnings: Tk. 5,556,051,868

Opening Balance	5,713,934,024	4,973,241,525
Less: Cash Dividend paid during the Year	(406,621,325)	-
Less: Appropriation for stock dividend	(162,648,520)	-
Add: Surplus for the Year	411,387,689	740,692,499
<b>Tk.</b>	<b>5,556,051,868</b>	<b>5,713,934,024</b>

	30-June-17	30-June-16
<b>13. Non Controlling Interest: Tk. 21,507,901</b>		
5,000 shares of Tk 100 at par of Square Yarns Limited	500,000	500,000
5,000 shares of Tk 100 at par of Square Texcom Ltd.	500,000	500,000
Shares of Accumulated Profit	20,507,901	18,159,898
<b>Tk.</b>	<b>21,507,901</b>	<b>19,159,898</b>

(a) This represents the minority share holdings in Square Yarns Limited and Square Texcom Ltd as on June 30, 2017.

(b) Voting power is not different with proportion of ownership interest. The company is using equity method of accounting in preparation of consolidated financial statements.

#### 14. Deferred Tax Liability: Tk. 203,277,250

This is made up as follows:

Opening Balance	223,826,935	211,328,255
Deferred Tax Assets	(57,719,261)	-
Deferred Tax Liability	37,169,576	12,498,680
<b>Closing Balance</b>	<b>203,277,250</b>	<b>223,826,935</b>
<b>Tk.</b>		

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

#### 15. Short Term Bank Loan: Tk. 1,939,547,763

Bank Overdraft	2,574,429	-
L/C Liabilities	1,936,973,334	1,091,534,090
<b>Tk.</b>	<b>1,939,547,763</b>	<b>1,091,534,090</b>

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

#### 16. Creditors & Others Payable: Tk. 117,079,071

Creditors & Others Payable	117,079,071	65,241,389
<b>Tk.</b>	<b>117,079,071</b>	<b>65,241,389</b>

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

#### 17. Liabilities for Other Finance: Tk. 165,235,373

This is made up of the followings:

Retention Money	3,919,030	2,498,561
Allocation for W.P.P.F & Other Fund	24,070,326	175,038,705
Others	137,246,017	60,426,245
<b>Tk.</b>	<b>165,235,373</b>	<b>237,963,511</b>

#### 18. Short Term Loan: Tk. 21,386,290

Loan to (from) Square Pharma. Ltd.	21,386,290	42,781,579
<b>Tk.</b>	<b>21,386,290</b>	<b>42,781,579</b>

## 19. Provision for Income Tax Tk. 368,938,056

	30-June-17	30-June-16
Opening Balance	328,992,175	450,692,947
Adjustment with Advance Tax	(48,274,630)	(242,594,121)
Current Year Provision	88,220,511	120,893,349
Closing Balance	<b>Tk. 368,938,056</b>	<b>328,992,175</b>

This represents non controlling interest in Square Yarns Limited and Square Texcom Limited as on June 30, 2016.

## 20. SALES TK. 7,758,879,164

Sales Comprises the following:

In Quantity(KG)

	2016-2017	2015-2016
Opening Stock	319,090	373,393
Production during the Year	28,408,821	29,383,984
Available for Sale	<b>28,727,911</b>	<b>29,757,377</b>
Closing Stock	(666,112)	(319,090)
Sales during the year	<b>Kg. 28,061,799</b>	<b>29,438,287</b>
(To be accounted for as follows)		

Sales Accounted as follows:

In Quantity(KG)

Export Sale of Yarns	28,061,799	29,438,287
	<b>Kg. 28,061,799</b>	<b>29,438,287</b>
In Taka		
Export Sale of Yarns	7,758,879,164	8,250,356,337
	<b>Tk. 7,758,879,164</b>	<b>8,250,356,337</b>

2016-2017

2015-2016

## 21. COST OF GOODS SOLD TK. 6,969,942,417

This is arrived as follows:

Raw Material Consumed (Note-21.1)	4,999,400,080	5,239,359,950
Packing Material Consumed (Note-21.2)	75,685,048	75,694,700
Factory Overhead (Note- 21.3)	2,007,283,551	1,751,890,825
Cost of Goods Manufactured	7,082,368,679	7,066,945,475
Work-In-Process (Opening)	56,396,398	56,692,846
Work-In-Process (Closing)	(86,734,976)	(56,396,398)
Cost of Production	7,052,030,101	7,067,241,923
Finished Goods (Opening)	63,255,248	72,972,849
Finished Goods (Closing)	(145,342,932)	(63,255,248)
Cost of Goods Sold	<b>Tk. 6,969,942,417</b>	<b>7,076,959,524</b>

### 21.1 RAW MATERIAL CONSUMED: TK. 4,999,400,080

This is arrived as follows:

In Quantity(KG)		
Opening Stock	6,340,384	7,790,506
Purchase during the period	31,633,081	31,030,509
Raw Material Available for Consumption	37,973,465	38,821,015
Closing Stock	(6,531,416)	(6,340,384)
Raw Material Consumed	<b>Kg. 31,442,049</b>	<b>32,480,631</b>
In Taka		
Opening Stock	941,729,547	1,251,510,910
Purchase during the period	5,302,356,981	4,929,578,587
Raw Material Available for Consumption	6,244,086,528	6,181,089,497
Closing Stock	(1,244,686,448)	(941,729,547)
Raw Material Consumed	<b>Tk. 4,999,400,080</b>	<b>5,239,359,950</b>



2016-2017

2015-2016

**21.2. PACKING MATERIAL CONSUMED: TK. 75,685,048**

This is arrived as follows:

Opening Stock	13,789,619	22,572,355
Purchase during the Year	73,950,987	66,911,964
Available for Production	87,740,606	89,484,319
Closing Stock	(12,055,558)	(13,789,619)
Packing Material Consumed	<b>Tk. 75,685,048</b>	<b>75,694,700</b>

**21.3. FACTORY OVERHEAD: TK. 2,007,283,551**

Factory Wages , Salary & Allowances	647,139,309	569,026,743
Travelling & Conveyance	164,846	198,320
Printing	165,877	197,510
Stationery	1,622,713	1,783,696
Production Workers Free Lunch	4,066,934	4,851,558
Uniform & Liveries	246,775	184,160
Fuel , Petrol , Light , Diesel etc.	158,492,274	60,560,268
Electricity , Gas & Water	518,545,365	417,120,955
Factory Consumable Expense	70,418,652	91,836,905
Medical Expenses	646,733	431,421
Repairs & Maintenance of Vehicles	16,724,530	19,416,982
Papers, Books and Periodicals	21,410	22,450
Industrial All Risk Insurance Premium	11,496,474	13,554,269
Postage, Telephone , Fax & Telex	8,114	207,778
Govt. Tax, VAT & License Fees	4,556,766	8,473,934
Security Services	18,680,600	17,176,827
Research & Development	-	490,829
Spare Parts - Machinery	211,881,849	225,897,898
Group Insurance	885,678	1,110,644
Depreciation (Schedule-01)	341,518,652	319,347,678
<b>Total</b>	<b>Tk. 2,007,283,551</b>	<b>1,751,890,825</b>

	2016-2017	2015-2016
<b>22. ADMINISTRATIVE OVERHEAD: TK. 230,499,524</b>		
Salary and Allowances	119,857,795	103,697,222
Directors Remuneration	31,038,396	26,984,196
Travelling and Conveyance	866,415	733,172
Overseas Travelling	32,141,703	44,582,182
Training Expenses	215,059	133,504
Head Office Employees' Free Lunch	1,654,984	2,910,542
Printing	344,971	460,703
Stationery	3,895,752	4,866,433
Postage,Telephone,Fax & Telex	111,569	254,094
Electricity, Gas & Water	1,641,137	1,290,720
Office Consumable Expense	3,628,340	6,856,351
Office Rent	10,691,651	9,148,748
Vehicles Running & Maintenance	11,627,256	12,353,044
Medical Expenses	53,576	12,159
Group Insurance	519,194	462,070
Bank Charges & Commission	2,126,241	2,492,079
Fees & Subscription	3,557,355	3,880,767
Security Service	417,532	389,705
Govt. Tax, Stamp Duty & Licence Fees	4,011,898	432,547
Annual General Meeting Expenses	1,546,700	511,798
Audit Fees	552,000	287,500
Total	<b>Tk. 230,499,524</b>	<b>222,739,536</b>

a) Audit Fees represent provision for the auditors' remuneration for audit of the Company's Financial Statements for the Financial Year 2016-2017.

### 23. SELLING & DISTRIBUTION OVERHEAD: TK. 7,011,165

This is arrived as follows:

Expenses for Export	4,914,041	6,732,441
Loading & Unloading	2,097,124	1,780,409
Total	<b>Tk. 7,011,165</b>	<b>8,512,850</b>

	2016-2017	2015-2016
<b>24. FINANCE COST: TK. 46,801,822</b>		
This is arrived as follows:		
Interest on Short Term Loan	46,801,822	20,011,036
<b>Tk.</b>	<b>46,801,822</b>	<b>20,011,036</b>

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

<b>25. ALLOCATION FOR W.P.P.F &amp; W.F:</b>	<b>Tk.</b>	<b>24,070,326</b>	<b>43,918,611</b>
--	------------	-------------------	-------------------

This represents 5% of Net Income before Tax after charging the allocation as per provisions of the Labour Law 2015.

<b>26. PROVISION FOR INCOME TAX:</b>	<b>Tk.</b>	<b>88,220,511</b>	<b>120,893,349</b>
--------------------------------------	------------	-------------------	--------------------

This represents estimated Income Tax on Net Profit for the period and adjustment any short/excess provision for prior years.

<b>27. PROVISION FOR DEFERRED TAX:</b>	<b>Tk.</b>	<b>(20,549,685)</b>	<b>12,498,680</b>
--	------------	---------------------	-------------------

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

#### **28. EARNING PER SHARE (EPS):**

The Computation is given below:

Surplus for the year attributable to Shareholders (Net profit after tax).	411,387,689	740,692,499
Weighted average number of shares outstanding	178,913,379	178,913,379
<b>Earning Per Share</b>	<b>Tk. 2.30</b>	<b>4.14</b>

#### **29. APPROVAL OF ACCOUNTS**

These Financial Statements have been approved by the Board on October 16, 2017.

## SQUARE TEXTILES LIMITED

### Consolidated Statement of Property, Plant and Equipment

**Property, Plant and Equipment - Tk. 4,514,651,120**

Schedule-01

PARTICULARS	At July 01, 2016	COST		At June 30, 2017	DEPRECIATION				Written Down Value as at June 30, 2017
		During the Period			At July 01, 2016	During the Period		At June 30, 2017	
		Additions	Sales/Obsoletes			Charged	Adjustments		
Freehold Land	636,554,802	22,840,250	(344,961)	659,050,091	-	-	-	-	659,050,091
Building	985,417,665	341,733,028	-	1,327,150,693	509,175,962	43,355,639	-	552,531,601	774,619,092
Temporary Shed	23,749,291	98,397	-	23,847,688	18,948,420	1,970,695	-	20,919,115	2,928,573
Plant & Machinery	4,944,438,149	1,062,231,970	(26,907,176)	5,979,762,943	2,922,488,950	243,849,261	(24,473,982)	3,141,864,229	2,837,898,714
Furniture & Fixture	13,763,377	1,788,687	-	15,552,064	13,221,389	511,729	-	13,733,118	1,818,946
Office Equipment	20,061,904	5,119,464	-	25,181,368	15,908,414	1,869,762	-	17,778,176	7,403,192
Motor Vehicles	158,332,629	43,613,779	(9,602,000)	192,344,408	77,022,939	22,655,465	(7,910,000)	91,768,404	100,576,004
Electrical Installation	234,191,283	2,183,006	(890,000)	235,484,289	141,418,035	22,224,217	(166,875)	163,475,377	72,008,912
Deep Tubewell	4,826,125	-	-	4,826,125	3,318,125	162,400	-	3,480,525	1,345,600
Boundary Wall	38,621,916	4,898,762	-	43,520,678	12,659,580	2,032,934	-	14,692,514	28,828,164
Gas Line Installation	36,145,684	13,000,000	-	49,145,684	19,699,273	2,455,197	-	22,154,470	26,991,214
Workshop Tools	2,962,145	-	-	2,962,145	2,687,145	110,000	-	2,797,145	165,000
Testing Equipment	3,117,910	-	-	3,117,910	1,778,939	321,353	-	2,100,292	1,017,618
As at June 30, 2017	7,102,182,880	1,497,507,343	(37,744,137)	8,561,946,086	3,738,327,171	341,518,652	(32,550,857)	4,047,294,966	4,514,651,120
As at June 30, 2016	6,736,109,044	374,372,430	(8,298,594)	7,102,182,880	3,427,278,087	319,347,678	(8,298,594)	3,738,327,171	3,363,855,709

# AUDITORS' REPORT

## Independent Auditors' Report

### To the Shareholders of Square Textiles Limited

We have audited the accompanying financial statements of Square Textiles Limited which comprises the Statement of Financial Position as at June 30, 2017 along with Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), Companies Act 1994, The Securities & Exchange Rules 1987 and other applicable rules 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.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing, those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Square Textiles Limited as of June 30, 2017 and of its financial performance for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act 1994, The Securities & Exchange Rules 1987 and other applicable rules and regulations.

#### We also report on other legal and regulatory requirements:

We also report that

- (a) 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;
- (b) In our opinion proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- (c) The company's Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows dealt with by the report are in agreement with the books of accounts;
- (d) The expenditure incurred was for the purpose of the company's business.

Place: Dhaka  
Dated: October 23, 2017

  
Ahmed Zaker & Co.  
Chartered Accountants

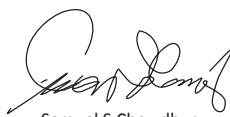
# SQUARE TEXTILES LIMITED

## Statement of Financial Position As at June 30, 2017

		June 30, 2017 Taka	June 30, 2016 Taka
<b>ASSETS:</b>	Notes		
<b>Non-Current Assets</b>		<b>3,893,030,120</b>	<b>3,147,296,521</b>
Property, Plant & Equipment- Carrying Value	04	3,058,480,897	1,869,752,426
Capital Work In Progress	05	250,215,344	693,210,216
Investment - Long Term (At Cost)	06	160,783,760	160,783,760
Share Money Deposits	07	423,550,119	423,550,119
<b>Current Assets</b>		<b>3,618,294,827</b>	<b>3,547,892,593</b>
Inventories	08	1,326,693,264	1,181,000,058
Accounts Receivable	09	1,344,598,778	1,213,702,218
Advances, Deposits & Prepayments	10	465,257,211	399,240,261
Short Term Loan	11	108,662,119	104,042,349
Cash & Cash Equivalents	12	373,083,455	649,907,707
<b>TOTAL ASSETS</b>		<b>7,511,324,947</b>	<b>6,695,189,114</b>
<b>SHAREHOLDERS' EQUITY &amp; LIABILITIES:</b>			
<b>Shareholders' Equity</b>		<b>5,452,946,362</b>	<b>5,607,074,119</b>
Share Capital	13	1,789,133,790	1,626,485,270
Retained Earnings	14	3,663,812,572	3,980,588,849
<b>Non-Current Liabilities</b>			
Deferred Tax Liability	15	109,649,529	122,571,004
<b>Current Liabilities &amp; Provisions</b>		<b>1,948,729,056</b>	<b>965,543,991</b>
Short Term Bank Loan (Secured)	16	1,530,686,959	599,135,811
Creditors & Others Payable	17	65,384,511	49,999,072
Liabilities for Other Finance	18	148,441,867	148,818,262
Short Term Loan	19	21,386,290	42,781,579
Provision for Income Tax	20	182,829,429	124,809,267
<b>TOTAL SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>		<b>7,511,324,947</b>	<b>6,695,189,114</b>

Attached notes form part of these financial statements .  
Dated, Dhaka: October 23, 2017

As per our annexed report of even date.

  
Samuel S Chowdhury  
Chairman

  
Tapan Chowdhury  
Managing Director

  
Khandaker Habibuzzaman  
Company Secretary

  
Ahmed Zaker & Co.  
Chartered Accountants



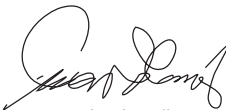
## SQUARE TEXTILES LIMITED

### Statement of Profit or Loss and other Comprehensive Income For the Year Ended June 30, 2017

		July - June 2016 - 2017	July - June 2015 - 2016
	Notes		
Sales Revenue	21	5,020,425,409	4,998,757,600
Cost of Goods Sold	22	(4,494,791,289)	(4,211,708,023)
Gross Profit		525,634,120	787,049,577
Administrative Expenses	23	(177,382,964)	(178,559,201)
Selling and Distribution Expenses	24	(3,884,180)	(4,600,562)
Profit from Operations		344,366,976	603,889,814
Finance Cost	25	(36,493,595)	(14,313,860)
Non-Operating Income	26	4,598,487	13,089,579
Profit Before W.P.P.F & W.F		312,471,868	602,665,533
Allocation for W.P.P.F & W.F	27	(14,879,613)	(28,698,359)
Profit Before Tax		297,592,255	573,967,174
Provision for Tax (Current)	28	(58,020,162)	(81,207,890)
Provision for Tax (Deferred)		12,921,475	(6,523,383)
Profit After Tax for The Year		252,493,568	486,235,901
(Transferred to the Statement of Changes Equity)			
Earning Per Share	29	1.41	2.72

Attached notes form part of these financial statements .  
Dated, Dhaka: October 23, 2017

As per our annexed report of even date.

  
Samuel S Chowdhury  
Chairman

  
Tapan Chowdhury  
Managing Director

  
Khandaker Habibuzzaman  
Company Secretary

  
Ahmed Zaker & Co.  
Chartered Accountants

## SQUARE TEXTILES LIMITED

### Statement of Changes in Equity For the Year Ended June 30, 2017


Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2016	1,626,485,270	3,980,588,849	5,607,074,119
Net Profit for the Year ended June 30, 2017	-	252,493,568	252,493,568
Cash Dividend for the Year 2015-16	-	(406,621,325)	(406,621,325)
Stock Dividend for the Year 2015-16	162,648,520	(162,648,520)	-
<b>Balance As at June 30, 2017 Tk.</b>	<b>1,789,133,790</b>	<b>3,663,812,572</b>	<b>5,452,946,362</b>

### Statement of Changes in Equity For the Year Ended June 30, 2016

Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2015	1,626,485,270	3,494,352,948	5,120,838,218
Net Profit for the Year ended June 30, 2016	-	486,235,901	486,235,901
Cash Dividend for the Year 2014	-	-	-
Stock Dividend for the Year 2014	-	-	-
<b>Balance As at June 30, 2016 Tk.</b>	<b>1,626,485,270</b>	<b>3,980,588,849</b>	<b>5,607,074,119</b>

Attached notes form part of these financial statements .  
Dated, Dhaka: October 23, 2017

As per our annexed report of even date.

  
Samuel S Chowdhury  
Chairman

  
Tapan Chowdhury  
Managing Director

  
Khandaker Habibuzzaman  
Company Secretary

  
Ahmed Zaker & Co.  
Chartered Accountants

## SQUARE TEXTILES LIMITED

### Statement of Cash Flows For the Year Ended June 30, 2017

	July - June 2016 - 2017	July - June 2015 - 2016
<b>Cash Flow From Operating Activities:</b>		
<b>RECEIPTS:</b>		
Receipts From Sales Revenue	4,889,528,849	5,322,401,680
Receipts From Other Income	852,608	157,430
<b>Total Receipts</b>	<b>4,890,381,457</b>	<b>5,322,559,110</b>
<b>PAYMENTS:</b>		
Payments to Suppliers	(3,244,628,332)	(3,363,254,264)
Paid for Operating and Non-operating Expenses	(1,415,024,456)	(1,235,717,502)
Interest Expenses	(22,552,598)	(9,033,224)
Income Tax	(70,094,969)	(62,401,355)
<b>Total Payments</b>	<b>(4,752,300,355)</b>	<b>(4,670,406,345)</b>
<b>Net Cash Generated (Used in) from Operating Activities</b>	<b>138,081,102</b>	<b>652,152,765</b>
<b>Cash Flow From Investing Activities</b>		
Sales (Purchase) of Property, Plant & Equipment	(913,875,254)	(884,273,823)
<b>Net Cash Flow Generated (Used in) Investing Activities</b>	<b>(913,875,254)</b>	<b>(884,273,823)</b>
<b>Cash Flow From Financing Activities</b>		
Short Term Bank Loan Received/ (Repaid)	931,551,148	353,827,174
Short Term Loan from/ (To) Sister Company	(25,959,923)	9,046,495
Payment of Dividend	(406,621,325)	-
<b>Net Cash Generated (Used in) from Financing Activities</b>	<b>498,969,900</b>	<b>362,873,669</b>
<b>Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(276,824,252)</b>	<b>130,752,611</b>
<b>Opening Cash &amp; Cash Equivalent</b>	<b>649,907,707</b>	<b>519,155,096</b>
<b>Closing Cash &amp; Cash Equivalents</b>	<b>373,083,455</b>	<b>649,907,707</b>

Tk.

Attached notes form part of these financial statements .  
Dated, Dhaka: October 23, 2017

As per our annexed report of even date.



Samuel S Chowdhury  
Chairman



Tapan Chowdhury  
Managing Director



Khandaker Habibuzzaman  
Company Secretary



Ahmed Zaker & Co.  
Chartered Accountants

# SQUARE TEXTILES LIMITED

## Notes to the Financial Statements For the Year Ended June 30, 2017

### NOTE -1: ESTABLISHMENT AND OPERATIONS.

**a) Legal Form of the Enterprises.** Square Textiles Limited (Here in after said as the Company) is a public limited company incorporated with The Registrar of Joint Stock Companies and Firms, Dhaka, Bangladesh under Companies Act 1913. The principal activities of the Company are described in note 1 (c).

**b) Address of Registered office and factory of the group.** The address of the registered office at Square Centre, 48 Mohakhali C/A, Dhaka 1212. Factory at Sharadaganj, Kashimpur, Gazipur.

**c) Nature of Business.** The company owns three units of spinning mills and a twisting mill. Its activities and operations are related with manufacturing and marketing of Yarns.

### NOTE-2: ADOPTION OF BAS/BFRS.

During the accounting year there is no adoption for any change in Accounting Standard under BAS.

### NOTE- 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION.

**a) 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 and other relevant rules and regulations.

**b) 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 same as set out in notes of Consolidated Financial Report.

### 4. PROPERTY PLANT & EQUIPMENT: TK. 3,058,480,897

Details of Fixed Assets and Depreciation as on June 30, 2017 are shown in the annexed schedule-02. Depreciation for the period charged to Factory Overhead (Note-22.3). The break-up of the balances are depicted below:

	30 - June - 17	30 - June - 16
<b>Fixed Assets at Cost</b>		
Opening Balance	4,484,472,833	4,282,898,190
Addition during the period	1,361,718,445	207,824,643
Sale/ Obsolete during the period	(37,399,176)	(6,250,000)
Closing Balance(Cost)	<b>5,808,792,102</b>	<b>4,484,472,833</b>
<b>Accumulated Depreciation</b>		
Opening Balance	2,614,720,407	2,472,630,761
Charged during the period	168,141,655	148,339,646
Adjustment for sale/Obsolete	(32,550,857)	(6,250,000)
<b>Closing Balance</b>	<b>2,750,311,205</b>	<b>2,614,720,407</b>
<b>Carrying Value</b>	<b>Tk. 3,058,480,897</b>	<b>1,869,752,426</b>

	30-June -17	30-June -16
<b>5. Capital Work In Progress: Tk. 250,215,344</b>		
Opening Balance	693,210,216	10,511,034
Addition during the period	612,546,201	682,699,182
Transfer to Property, Plant & Equipment	(1,055,541,073)	-
Closing Balance(Cost)	<b>Tk. 250,215,344</b>	<b>693,210,216</b>

The Capital Work-in-Progress includes new construction Building and Plant and Machinery amounting Tk. 1,055,541,073 was incurred which is Building amount Tk. 327,311,947 and Plant and Machinery amount Tk. 728,229,126. This year it has been transferred to non-current assets as the Building and Plant and Machinery is completed and ready for use as per management intention

#### 6. INVESTMENT- LONG TERM (AT COST): TK. 160,783,760

This represents investments in shares of Square Yarns Ltd & Square Texcom Ltd.

Investment in Share of Square Yarns Limited (950,000 Shares of Tk. 100 each)	95,000,000	95,000,000
Investment in Shares of Square Texcom Limited (95,000 Shares of Tk. 100 each)	65,783,760	65,783,760
<b>Tk.</b>	<b>160,783,760</b>	<b>160,783,760</b>

1) Square Yarns Limited, a Private limited company incorporated under Companies Act 1994, a subsidiary company of The company holding 99.48% share.

2) Square Texcom Limited, a Private limited company incorporated under Companies Act 1994. a subsidiary company of the company holding 95% shares.

#### 7. SHARE MONEY DEPOSIT: TK. 423,550,119

Share money deposit with Square Texcom Limited	423,550,119	423,550,119
<b>Tk.</b>	<b>423,550,119</b>	<b>423,550,119</b>

#### 8. INVENTORIES: TK. 1,326,693,264

Stocks of Raw Materials	<b>1,137,411,780</b>	<b>983,159,954</b>
Raw Materials	886,418,980	704,333,487
Raw Materials In Transit	77,885,174	192,617,328
Packing Materials	5,547,666	7,677,634
Work - in - Process	59,965,200	30,992,094
Finished Goods	95,617,508	41,068,331
Comber Noil	11,977,252	6,471,080
Stocks of Spares	<b>189,281,484</b>	<b>197,840,104</b>
Spares at Store	175,037,187	190,435,751
Spares in Transit	14,244,297	7,404,353
<b>Tk.</b>	<b>1,326,693,264</b>	<b>1,181,000,058</b>

The basis of valuation is stated in Note -3(2) of consolidated notes, carrying amount of inventories pledged as security.

30 - June -17

30 - June -16

**9. Accounts Receivable: Tk. 1,344,598,778**

This represents invoice value of goods delivered to customer. This is considered good and collectible.

Aging of the above balance is as follows:

Below 60 days	623,561,208	572,541,645
Within 61-120 days	561,770,231	391,533,108
Above 120 days	159,267,339	249,627,465
<b>Tk.</b>	<b>1,344,598,778</b>	<b>1,213,702,218</b>

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

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

c) Accounts Receivable is secured, considered as good and is falling due within one year. Classification schedule as required by Schedule XI of Companies Act 1994

**10. Advances, Deposits & Prepayments: Tk. 465,257,211**

This is made up of the followings:

<b>Advances &amp; Prepayments:</b>	<b>409,594,610</b>	<b>353,580,630</b>
Income Tax	210,911,117	140,816,148
Salary & PF Current account	8,538,833	48,867,695
Other Expenses	12,540,795	12,099,901
Suppliers & Contractor	177,603,865	151,796,886
<b>Deposits:</b>	<b>55,662,601</b>	<b>45,659,631</b>
Margin of Bank Guarantee	3,123,676	3,123,676
Security Deposit	52,538,925	42,535,955
<b>Tk.</b>	<b>465,257,211</b>	<b>399,240,261</b>

(a) There was no amount due by 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 considered good & recoverable.

**11. Short Term Loan: Tk. 108,662,119**

Loan To (from) Square Yarns Limited	8,984,717	34,849,968
Loan To (From) Square Texcom Limited	99,677,402	69,192,381
<b>Short Term Loan Given</b>	<b>108,662,119</b>	<b>104,042,349</b>

The above amount is unsecured but considered good and bears interest @1% above the commercial Bank's interest rate.

30 - June -17

30 - June -16

**12. Cash & Cash Equivalents: Tk. 373,083,455**

This is made up of the followings:

Cash in Hand	1,650,087	1,704,137
Cash at Bank	371,433,368	648,203,570
<b>Tk.</b>	<b>373,083,455</b>	<b>649,907,707</b>

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

**13. Share Capital: Tk. 1,789,133,790**

This is made up of the followings:

Authorized: 300,000,000 Ordinary Shares of Tk. 10.00 each	<b>3,000,000,000</b>	<b>3,000,000,000</b>
---	----------------------	----------------------

Issued, Subscribed and Paid up:

Opening Balance	1,626,485,270	1,626,485,270
Bonus Share Issued	162,648,520	-
(16,264,852 Ordinary Shares of Tk. 10.00 each fully Paid up)	<b>1,789,133,790</b>	<b>1,626,485,270</b>

The position of shareholders as on June 30, 2017 is as follows:

Shareholders Group	Number of Investors	Number of Shares	Percentage of Share Holding 2016-2017	Percentage of Share Holding 2015-2016
Sponsors	8	111,194,586	62.15 %	62.15 %
Foreign Investors	11	12,067,088	6.74 %	6.79 %
Local Institutions	229	33,939,465	18.97 %	17.40 %
General Public	18,626	21,712,240	12.14 %	13.66 %
<b>Total</b>	<b>18,874</b>	<b>178,913,379</b>	<b>100 %</b>	<b>100 %</b>

Distribution schedule of each class of equity security setting out the number of holders and percentage as on June 30, 2017.

Range of Holdings	As per Folio		As per BO ID		Total share Holding	In %
	No. of holders	Holdings	No. of holders	Holdings		
Less than 500 shares	3,566	314,155	10,527	1,187,633	1,501,788	0.84
500 to 5,000 shares	263	291,618	3,744	5,934,220	6,225,838	3.48
5001 to 10,000 shares	7	46,526	345	2,468,108	2,514,634	1.41
10,001 to 20,000 shares	5	66,524	204	2,891,125	2,957,649	1.65
20,001 to 30,000 shares	3	79,196	52	1,279,947	1,359,143	0.76
30,001 to 40,000 shares	2	69,383	30	1,021,964	1,091,347	0.61
40,001 to 50,000 shares	2	89,680	16	707,501	797,181	0.45
50,001 to 100,000 shares	4	308,114	33	2,302,162	2,610,276	1.46
100,001 to 1,000,000 shares	7	3,869,056	46	12,415,890	16,284,946	9.10
Over 1,000,000 shares	8	55,595,256	10	87,975,321	143,570,577	80.25
<b>Total</b>	<b>3,867</b>	<b>60,729,508</b>	<b>15,007</b>	<b>118,183,871</b>	<b>178,913,379</b>	<b>100.00</b>



	30 - June - 17	30 - June - 16
<b>14. Retained Earnings: Tk. 3,663,812,572</b>		
Opening Balance	3,980,588,849	3,494,352,948
Less: Cash Dividend paid during the Year	(406,621,325)	-
Less: Appropriation for Stock Dividend during the Year	(162,648,520)	-
Add: Net Profit during the Year	252,493,568	486,235,901
<b>Tk.</b>	<b>3,663,812,572</b>	<b>3,980,588,849</b>

**15. Deferred Tax Liability: Tk. 109,649,529**

Opening Balance	122,571,004	116,047,621
Deferred Tax Assets	(48,803,151)	-
Deferred Tax Liabilities	35,881,676	6,523,383
<b>Closing Balance</b>	<b>109,649,529</b>	<b>122,571,004</b>

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

**16. Short Term Bank Loan: Tk. 1,530,686,959**

Bank Overdraft	2,574,429	-
L/C Liabilities	1,528,112,530	599,135,811
<b>Tk.</b>	<b>1,530,686,959</b>	<b>599,135,811</b>

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

**17. Creditors & Others Payable: Tk. 65,384,511**

Creditors & Others Payable	65,384,511	49,999,072
<b>Tk.</b>	<b>65,384,511</b>	<b>49,999,072</b>

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

**18. Liabilities for Other Finance: Tk. 148,441,867**

Retention Money	3,377,497	1,855,938
W.P.P.F & Others Fund	14,879,613	91,052,668
Others	130,184,757	55,909,656
<b>Tk.</b>	<b>148,441,867</b>	<b>148,818,262</b>

**19. Short Term Loan: Tk. 21,386,290**

This is made up as follows:		
Loan From Square Pharmaceuticals Ltd.	21,386,290	42,781,579
<b>Closing Balance</b>	<b>21,386,290</b>	<b>42,781,579</b>

**20. Provision for Income Tax: Tk. 182,829,429**

Opening Balance	124,809,267	255,240,697
Add: Provision made during the Year (Current Tax)	45,098,687	81,207,890
Add: Adjustment with Deferred Tax	12,921,475	-
<b>Tk.</b>	<b>182,829,429</b>	<b>124,809,267</b>
Less: Adjustment with Advanced Tax		(211,639,320)
<b>Closing Balance</b>	<b>182,829,429</b>	<b>124,809,267</b>

**21. Sales: Tk. 5,020,425,409**

Sales Comprises the following:

In Quantity (KG)

	2016 - 2017	2015 - 2016
Opening Stock	219,961	271,132
Production during the Year	20,227,206	20,044,228
Available for Sale	<b>Kg. 20,447,167</b>	<b>20,315,360</b>
Closing Stock	(451,690)	(219,961)
Sales during the year	<b>Kg. 19,995,477</b>	<b>20,095,399</b>
(To be accounted for as follows)		

Sales Accounted as follows:

Export Sale of Yarns	<b>Kg. 19,995,477</b>	<b>20,095,399</b>
In Taka		
Export Sale of Yarns	5,020,425,409	4,998,757,600
	<b>Tk. 5,020,425,409</b>	<b>4,998,757,600</b>

**22. Cost of Goods Sold: Tk. 4,494,791,289**

This is arrived as follows:

Raw Materials Consumed (Note-22.1)	3,194,246,596	3,050,548,816
Packing Materials Consumed (Note-22.2)	53,526,822	52,769,300
Factory Overhead (Note- 22.3)	1,330,540,154	1,099,602,911
Cost of Goods Manufacturing	<b>4,578,313,572</b>	<b>4,202,921,027</b>
Work-In-Process (Opening)	30,992,094	29,059,159
Work-In-Progress (Closing)	(59,965,200)	(30,992,094)
Cost of Production	<b>4,549,340,466</b>	<b>4,200,988,092</b>
Finished Goods (Opening)	41,068,331	51,788,262
Finished Goods (Closing)	(95,617,508)	(41,068,331)
Cost of Goods Sold	<b>Tk. 4,494,791,289</b>	<b>4,211,708,023</b>

**22.1 Raw Materials Consumed: Tk. 3,194,246,596**

This is arrived as follows:

In Quantity(KG)

Opening Stock	5,349,163	6,349,119
Purchase during the year	21,603,668	20,759,792
Raw Materials Available for Consumption	<b>26,952,831</b>	<b>27,108,911</b>
Closing Stock	(4,944,183)	(5,349,163)
Raw Materials Consumed	<b>Kg. 22,008,648</b>	<b>21,759,748</b>

In Taka

Opening Stock	710,804,567	992,101,812
Purchase during the year	3,381,838,261	2,769,251,571
Raw Materials Available for Consumption	<b>4,092,642,828</b>	<b>3,761,353,383</b>
Closing Stock	(898,396,232)	(710,804,567)
Raw Materials Consumed	<b>Tk. 3,194,246,596</b>	<b>3,050,548,816</b>

**22.2. Packing Materials Consumed: Tk. 53,526,822**

This is arrived as follows:

	2016-2017	2015-2016
Opening Stock	7,677,634	12,278,014
Purchase during the Year	51,396,854	48,168,920
<b>Available for production</b>	<b>59,074,488</b>	<b>60,446,934</b>
Closing Stock	(5,547,666)	(7,677,634)
<b>Packing Materials Consumed</b>	<b>53,526,822</b>	<b>52,769,300</b>

Tk.

**22.3. Factory Overhead: Tk. 1,330,540,154**

Factory Wages, Salary & Allowances	399,724,401	349,364,798
Travelling & Conveyance	126,381	156,645
Printing	96,872	143,078
Stationery	975,708	1,010,466
Production Workers' Free Lunch	2,935,055	3,553,125
Uniform & Liveries	178,110	134,400
Fuel, Petrol, Light, Diesel etc.	139,321,335	37,250,392
Electricity, Gas & Water	407,776,651	310,434,022
Factory Consumable Expense	33,153,367	53,952,238
Medical Expenses	402,472	256,321
Repairs & Maintenance of Vehicles	13,656,067	15,559,381
Papers, Books and Periodicals	13,990	10,690
Industrial All Risk Insurance Premium	7,073,001	9,200,008
Postage, Telephone, Fax & Telex	6,108	62,690
Govt. Tax, VAT & License Fees	2,319,363	5,575,895
Security Services	8,077,180	7,114,953
Research & Development	-	490,829
Spare Parts - Machinery	145,881,447	156,223,835
Group Insurance	680,991	769,499
Depreciation (Schedule-02)	168,141,655	148,339,646
<b>Total</b>	<b>1,330,540,154</b>	<b>1,099,602,911</b>

Tk.

**23. Administrative Overhead: Tk. 177,382,964**

Salary and Allowances	90,881,772	78,546,778
Directors' Remuneration	31,038,396	26,984,196
Travelling & Conveyance	678,825	548,506
Overseas Travelling	16,614,140	33,919,823
Training Expenses	187,454	114,504
Head Office Employees' Free Lunch	1,590,924	2,828,378
Printing	239,697	323,496
Stationery	2,790,188	3,566,604
Postage, Telephone, Fax & Telex	111,134	169,708
Electricity, Gas & Water	867,229	586,160
Office Consumable Expense	2,843,790	5,124,602
Office Rent	8,116,635	6,953,672
Vehicles Running & Maintenance	10,914,956	11,763,227
Medical Expenses	52,766	11,334
Group Insurance	516,241	408,163
Bank Charges & Commission	1,573,546	1,860,866
Fees & Subscription	3,131,093	3,658,285
Security Service	241,542	248,469
Govt. Tax, Stamp Duty & Licence Fees	3,020,436	212,132
Annual General Meeting Expenses	1,546,700	511,798
Audit Fees	425,500	218,500
<b>Total</b>	<b>177,382,964</b>	<b>178,559,201</b>

Tk.

Audit Fees represent provision for the auditors' remuneration for audit of the Company's Financial Statements for the reporting period.

2016 - 2017

2015 - 2016

**24. Selling & Distribution Overhead: Tk. 3,884,180**

This is arrived as follows:

Export Sale Expenses	3,052,853	3,675,349
Loading & unloading	831,327	925,213
<b>Tk.</b>	<b>3,884,180</b>	<b>4,600,562</b>

**25. Finance Cost: Tk. 36,493,595**

Interest on Short Term Loan

	36,493,595	14,313,860
<b>Tk.</b>	<b>36,493,595</b>	<b>14,313,860</b>

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

**26. Other's Income: Tk. 4,598,487**

This is made up as follows:

Other's Income	4,598,487	13,089,579
<b>Tk.</b>	<b>4,598,487</b>	<b>13,089,579</b>

Exchange of Fluctuation Gain Tk. 653,897 includes in other income for the Year.

**27. Allocation for W.P.F & W.F : Tk. 14,879,613**

This is made up as follows:

Other's Income	14,879,613	28,698,359
<b>Tk.</b>	<b>14,879,613</b>	<b>28,698,359</b>

This represents 5% of Net Income before Tax after charging the allocation as per provisions of the Labour Law 2015.

**28. Provision for Income Tax for the Year: Tk. 58,020,162**

This is made up as follows:

Other's Income	58,020,162	81,207,890
<b>Tk.</b>	<b>58,020,162</b>	<b>81,207,890</b>

This represents estimated Income Tax on Net Income for the period and adjustment any short/excess provision for prior years.

**29. Earnings Per Share (EPS):**

The Computation is given below:

Earning attributable to Ordinary Shares including other income	252,493,568	486,235,901
Number of Ordinary shares	178,913,379	178,913,379
<b>Earnings Per Share</b>	<b>1.41</b>	<b>2.72</b>

### 30. Appropriation During the Year

**2016-2017****2015-2016**

The appropriations for the year 2015-16 (18 Months) have been reflected in the " Statement of Changes in Equity". The Board of Directors proposed both cash & stock dividend of Tk. 2.00 (Taka Two) only per share and 5 (Ten) fully paid up bonus shares for every 100 (Hundred) shares respectively for the year 2016-17. It will be recognized as liability in the accounts as and when the proposal approved by the shareholders in the Annual General Meeting (AGM). The total amount of Proposed Cash Dividend for the year 2016-17 is calculated at Tk. 357,826,758 and Bonus Share (Stock Dividend) at Tk. 89,456,690.

### 31.Number of Employees:

The Number of employees and expenses incurred for employees during the year as follows:

No. of Employees:

Below Tk. 63,600.00 p.a

Tk. 63,600.00 and Above

-	-
2,427	2,098
<b>2,427</b>	<b>2,098</b>

Amount in Taka

Below Tk. 63,600.00 p.a

Tk. 63,600.00 and Above

-	-
490,606,173	427,911,576
<b>Tk. 490,606,173</b>	<b>427,911,576</b>

There is no Salary/Wages/Remuneration below Tk.5,300/- per month with w.e.f December 2013.

### 32. Payments/Perquisites to Directors and Officers:

The Aggregate amount paid/provided during the year in respect of "Directors" and "Officers" of the Company are as follows:

Directors Remuneration

Managerial Remuneration

**Total**

**Tk.**

31,038,396	26,984,196
58,445,860	51,106,908
<b>89,484,256</b>	<b>78,091,104</b>

Managerial Benefits:

Basic and House rent

Bonus

Medical and Conveyance

Company Contribution to P.F.

**Total**

**Tk.**

44,859,265	39,146,082
5,703,856	5,107,707
4,491,225	3,728,253
3,391,514	3,124,866
<b>58,445,860</b>	<b>51,106,908</b>

### 33.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.

### 34. Claim Acknowledgement:

There was no claim against the Company not acknowledged as debt as on June 30, 2017.

### 35. Contingent Liability:

35.01 Contingent Liability of the Company was Tk. 419,051,773 as on June 30, 2017 for opening LCs by the banks in favour of foreign suppliers for raw materials and spares.

35.02 There was no facts and figures for which the company has contingent liability to any party other than to Banks as on June 30, 2017.

## 2016 - 2017

## 2015 - 2016

**36. Production Capacity and Utilization:**

## Capacity Installed:

No. of Spindles Installed	81,648	64,512
No. of Rotor Heads Installed	3,960	3,960
No. of Vortex Heads Installed	288	-
	<b>85,896</b>	<b>68,472</b>

## Capacity Utilised:

No. of Spindles Operated	81,648	64,512
No. of Rotor Heads Operated	3,960	3,960
No. of Vortex Heads Operated	288	-
	<b>85,896</b>	<b>68,472</b>

## Production Target (In Kg):

-At Equivalent 30s Count (Ring Yarn)	11,386,810	10,579,124
- At Equivalent 14s Count (O/E Yarn)	10,257,001	10,378,120
	<b>21,643,811</b>	<b>20,957,244</b>

## Actual Production (In Kg):

-At Equivalent 30s Count (Ring Yarn)	10,526,427	10,114,261
- At Equivalent 14s Count (O/E Yarn)	10,110,396	10,122,080
	<b>20,636,823</b>	<b>20,236,341</b>

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.

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

During the year under review total cash dividend amounting to Tk. 406,621,325 has been paid to the shareholders.

**38. 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.

**39. Event after the Balance sheet date:**

Events after the reporting date that provide additional information about the Company's position at the reporting date are reflected in the financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes when material.

2016-2017

2015-2016

#### 40. Related Party Transaction:

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

Transaction with Sqaure Pharma. Ltd. (SPL):

Total Received during the year	(300,056,060)	(324,799,846)
Total Paid during the year	278,669,770	282,018,267
Net Paid (Received)	<b>Tk. (21,386,290)</b>	<b>(42,781,579)</b>

Transaction with Square Yarns Ltd. (SYL):

Total Received during the year	(494,100,058)	(130,940,367)
Total Paid during the year	503,084,775	165,790,335
Net Paid (Received)	<b>Tk. 8,984,717</b>	<b>34,849,968</b>

Transaction with Square Texcom Ltd. (STCL):

Total Received during the year	(157,199,632)	(139,950,895)
Total Paid during the year	256,877,034	209,143,276
Net Paid (Received)	<b>Tk. 99,677,402</b>	<b>69,192,381</b>

Transaction with Aegis Services Ltd.(ASL):

Total Service Received during the year	(7,446,125)	6,877,945
Total Paid during the year	7,446,125	(6,877,945)
Net Paid (Received)	<b>Tk. -</b>	<b>-</b>

Transaction with Square Informatix Ltd.(SIL):

Total Service Received during the year	(6,562,468)	4,487,243
Total Paid during the year	6,562,468	(4,487,243)
Net Paid (Received)	<b>Tk. -</b>	<b>-</b>

Transaction with Square Fashions Ltd.(SFL):

Total Received during the year	(959,188,057)	788,813,129
Total Goods Delivered during the year	1,039,889,261	860,322,658
Net Paid (Received)	<b>Tk. 80,701,204</b>	<b>71,509,529</b>

Transaction with Square Denims Ltd.(SDL):

Total Received during the year	(265,053,283)	-
Total Goods Delivered during the year	405,876,266	-
Net Paid (Received)	<b>Tk. 140,822,983</b>	<b>-</b>

#### 41. APPROVAL OF ACCOUNTS

These financial statements have been approved by the board on October 16, 2017.



# SQUARE TEXTILES LIMITED

## Statement of Property, Plant and Equipment

**Property, Plant and Equipment - Tk. 3,308,696,241** **Schedule-02**

PARTICULARS	At 01st July 2016	COST		At 30th June 2017	DEPRECIATION				Written Down Value as at 30th June 2017
		During the period			At 01st July 2016	During the Period		At 30th June 2017	
		Additions	Sales/Obsoletes			Charged	Adjustments		
Freehold Land	597,081,619	18,929,150	-	616,010,769	-	-	-	616,010,769	
Building	524,027,665	327,311,947	-	851,339,612	361,926,732	19,925,612	381,852,344	469,487,268	
Temporary Shed	16,012,763	98,397	-	16,111,160	12,571,723	817,321	13,389,044	2,722,116	
Plant & Machinery	2,986,192,792	952,917,004	(26,907,176)	3,912,202,620	2,050,423,683	110,932,077	2,136,881,778	1,775,320,842	
Furniture & Fixture	8,487,518	1,144,084	-	9,631,602	8,099,378	355,787	(24,473,982)	1,176,437	
Office Equipment	17,734,258	1,771,080	-	19,505,338	13,951,741	1,211,168	15,162,909	4,342,429	
Motor Vehicles	110,227,629	40,953,779	(9,602,000)	141,579,408	55,950,439	13,808,465	61,848,904	79,730,504	
Electrical Installation	155,276,886	2,183,006	(890,000)	156,569,892	78,531,296	16,847,270	(7,910,000)	61,358,201	
Deep Tubewell	2,506,125	-	-	2,506,125	2,506,125	-	(166,875)	-	
Boundary Wall	33,893,287	3,409,998	-	37,303,285	11,907,503	1,722,064	13,629,567	23,673,718	
Gas Line Installation	29,317,459	13,000,000	-	42,317,459	16,750,926	2,090,538	18,841,464	23,475,995	
Workshop Tools	1,504,388	-	-	1,504,388	1,229,388	110,000	1,339,388	165,000	
Testing Equipment	2,210,444	-	-	2,210,444	871,473	321,353	1,192,826	1,017,618	
As at June 30, 2017	4,484,472,833	1,361,718,445	(37,399,176)	5,808,792,102	2,614,720,407	168,141,655	(32,550,857)	3,058,480,897	
As at June 30, 2016	4,282,898,190	207,824,643	(6,250,000)	4,484,472,833	2,472,630,761	148,339,646	(6,250,000)	1,869,752,426	

**Subsidiary Profile**  
**2016-2017**



**Square Yarns Limited**

Director' Report - 73

Auditors' Report - 75

Statement of Financial Position - 76

Statement of Profit or Loss and other  
Comprehensive Income - 77

Statement of Change in Equity - 78

Statement of Cash Flows - 79

## **SQUARE YARNS LIMITED**

**Directors' Report** to the Members for the year ended 30 June, 2017.

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, 2017, Statement of Profit or loss and other Comprehensive Income, Changes in Equity and Cash Flows for the year ended June 30, 2017 and the Auditors Report thereon in terms of the provisions of section 184 of the Companies Act 1994 and IAS codes:

### **SHAREHOLDING**

The Company has issued total of 9,55,000 share of Tk. 100 each. The present shareholding pattern of the company is as follows:

Name of the Shareholders	Shareholding (shares)	(%)
Mr. Samuel S Chowdhury	1,166	0.12
Mr. Tapan Chowdhury	1,166	0.12
Mr. Anjan Chowdhury	1,166	0.12
Mr. Charles C R Patra	1,000	0.10
Mrs. Anita Chowdhury	336	0.04
Mrs. Ratna Patra	166	0.02
M/s Square Textiles Ltd.	9,50,000	99.48
Total -	9,55,000	100.00

On the basis of the above shareholdings, Square Yarns 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 and Managing Director
Mr. Tapan Chowdhury	Director
Mr. Anjan Chowdhury	Director
Mr. Charles C R Patra	Director
Mr. M Sekander Ali	Director
(Nominee of Square Textiles Ltd.)	

Mr. M Sekander Ali, Independent Director of Square Textiles Limited (holding company) represents as nominee director in the Board of Directors of Square Yarns Limited in compliance with the condition No. 5 of the corporate governance guideline dated 7<sup>th</sup> August, 2012 of Bangladesh Securities and Exchange Commission

### **MARKET OPERATIONS**

Similar to the Square Textiles Limited, Square Yarns Limited has been also based on exports at 100%. This is in line with the group's policy of export production in the greater interest of the Company.

## OPERATIONAL RESULTS

The operational performance during the years 2015-2016 and 2016-2017 are as follows:

	2016-17	In million 2015-16
Turnover	2,011.06	2,470.07
Gross Profit	181.45	261.46
Net Profit (AT)	127.65	193.23
Gross Margin	9.02%	10.58%
Net Margin (AT)	6.35%	7.82%
Earning Per Shares	133.66	202.33
Par value Tk. 100		

The above reveals that the Turnover, Net Profit (AT) and EPS decreased by 18.58% and 33.94% respectively during year under review. The turnover as well as profit has decreased due to decrease in production for power crisis as well as decreased in price of yarn.

## CAPITAL EXPENDITURE

The Company made a net Capital Expenditure of Tk. 8.08 million during the year under review as follows:

	2016-17	In million 2015-16
Plant & Machinery	5.21	72.32
Other Assets	2.87	12.24
Total	8.08	84.56

The investment have been made from internal generation of fund.

## APPROPRIATION OF PROFIT

Though the Company earned a respectable level of profit Tk. 133.66 per share 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 2016-2017.

## FINANCIAL POSITION

The Statement of Financial Position as on 30 June, 2017, Statement of Profit or Loss and other Comprehensive Income, Change in Equity and Cash Flows ended at 30 June, 2017 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 2017-2018 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 and Managing Director

# AUDITORS' REPORT

## Independent Auditors' Report to the Shareholders of Square Yarns Limited

We have audited the accompanying financial statements of Square Yarns Limited, which comprises the Statement of Financial Position as at June 30, 2017 and the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the Year ended, and all related summary of significant accounting policies and other explanatory notes.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards, give a true and fair view of the state of the company's affairs as at June 30, 2017 and the results of its operations and its cash flows for the period then ended and comply with the companies Act 1994 and other applicable laws and regulations.

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 Yarns 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 and Other Comprehensive Income and its Statement of Cash Flows dealt with by the report are in agreement with the books of account and returns;
- (iv) The expenditure incurred was for the purpose of the company's business.

Place: Dhaka  
Dated: October 10, 2017

  
Chowdhury Bhattacharjee & Co.  
Chartered Accountants

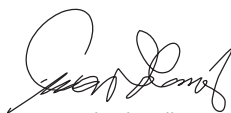
# SQUARE YARNS LIMITED

## Statement of Financial Position As at June 30, 2017

	30-06-2017 Taka	30-06-2016 Taka
<b>ASSETS:</b>		
<b>Non-Current Assets</b>	<b>752,858,040</b>	<b>858,574,398</b>
Property, Plant & Equipment- Carrying Value	752,858,040	858,574,398
<b>Current Assets</b>	<b>1,498,630,157</b>	<b>1,331,912,290</b>
Inventories	563,425,148	511,875,772
Accounts Receivable	450,087,357	282,316,851
Advances, Deposits & Prepayments	93,323,302	109,910,465
Cash & Cash Equivalents	391,794,350	427,809,202
<b>TOTAL ASSETS</b>	<b>Tk. 2,251,488,197</b>	<b>2,190,486,688</b>
<b>SHAREHOLDERS' EQUITY &amp; LIABILITIES:</b>		
<b>Shareholders' Equity</b>	<b>1,773,830,454</b>	<b>1,646,182,070</b>
Share Capital	95,500,000	95,500,000
Retained Earnings	1,678,330,454	1,550,682,070
<b>Non-Current Liabilities</b>	<b>63,205,679</b>	<b>72,121,789</b>
Deferred Tax Liability	63,205,679	72,121,789
<b>Current Liabilities &amp; Provisions</b>	<b>414,452,064</b>	<b>472,182,829</b>
Short Term Bank Loan (Secured)	171,246,379	201,552,872
Creditors & Others Payable	47,494,048	9,489,129
Liabilities for Other Finance	14,288,409	48,155,517
Short Term Loan	8,984,717	34,849,968
Provision for Income Tax	172,438,511	178,135,343
<b>TOTAL SHAREHOLDERS' EQUITY &amp; LIABILITIES:</b>	<b>Tk. 2,251,488,197</b>	<b>2,190,486,688</b>

Dated, Dhaka: October 10, 2017

As per our annexed report of even

  
Samuel S Chowdhury  
Chairman & MD

  
Charles C. R. Patra  
Director

  
Khandaker Habibuzzaman  
Company Secretary

  
Chowdhury Bhattacharjee & Co.  
Chartered Accountants


## SQUARE YARNS LIMITED

### Statement of Profit or Loss and Other Comprehensive Income For the Year ended June 30, 2017

	July to June 2016-17	July to June 2015-16
Sales Revenue	2,011,063,655	2,470,073,403
Cost of Goods Sold	(1,829,610,541)	(2,208,616,718)
<b>Gross Profit</b>	<b>181,453,114</b>	<b>261,456,685</b>
Administrative Expenses	(22,803,605)	(15,278,496)
Selling & Distribution Expenses	(1,606,519)	(2,469,674)
<b>Profit from Operation</b>	<b>157,042,990</b>	<b>243,708,515</b>
Finance Cost	(5,536,163)	(5,020,717)
<b>Profit Before W.P.P.F &amp; W.F</b>	<b>151,506,827</b>	<b>238,687,798</b>
Allocation for W.P.P.F & W.F	(7,214,611)	(11,366,086)
<b>Profit Before Tax</b>	<b>144,292,216</b>	<b>227,321,712</b>
Provision for Tax (Current)	(25,559,942)	(33,958,435)
Provision for Tax (Deferred)	8,916,110	(139,822)
<b>Profit After Tax for The Year</b>	<b>127,648,384</b>	<b>193,223,455</b>
 <b>Earnings Per Share (EPS)</b>	 <b>133.66</b>	 <b>202.33</b>

Dated, Dhaka: October 10, 2017

As per our annexed report of even

  
 Samuel S Chowdhury  
 Chairman & MD

  
 Charles C. R. Patra  
 Director

  
 Khandaker Habibuzzaman  
 Company Secretary

  
 Chowdhury Bhattacharjee & Co.  
 Chartered Accountants



## SQUARE YARNS LIMITED

### Statement of Changes in Equity For the Year ended June 30, 2017


Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2016	95,500,000	1,550,682,070	1,646,182,070
Net Profit for the Year ended June 30, 2017	-	127,648,384	127,648,384
<b>Balance As at June 30, 2017</b>	<b>95,500,000</b>	<b>1,678,330,454</b>	<b>1,773,830,454</b>

### Statement of Changes in Equity For the Year ended June 30, 2016

Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2015	95,500,000	1,357,458,615	1,452,958,615
Net Profit for the Year ended June 30, 2016	-	193,223,455	193,223,455
<b>Balance As at June 30, 2016</b>	<b>95,500,000</b>	<b>1,550,682,070</b>	<b>1,646,182,070</b>

Dated, Dhaka: October 10, 2017

As per our annexed report of even

  
Samuel S Chowdhury  
Chairman & MD

  
Charles C. R. Patra  
Director

  
Khandaker Habibuzzaman  
Company Secretary

  
Chowdhury Bhattacharjee & Co.  
Chartered Accountants


# SQUARE YARNS LIMITED

## Statement of Cash Flows For the Year Ended June 30, 2017

	July-June 2016-17	July-June 2015-16
<b>Cash Flows from Operating Activities:</b>		
Receipts from Sales Revenue	1,843,293,149	2,642,655,122
<b>Total Receipts</b>	<b>1,843,293,149</b>	<b>2,642,655,122</b>
<b>Payments to Suppliers</b>	<b>(1,459,531,466)</b>	<b>(1,892,735,925)</b>
Paid for Operating & Non-operating Expenses	(335,906,232)	(353,826,382)
Interest Expenses Paid	(804,538)	(1,887,922)
Income Tax Paid	(18,295,431)	(40,585,564)
<b>Total Payments</b>	<b>(1,814,537,667)</b>	<b>(2,289,035,793)</b>
<b>Net Cash Flow From (Used in) Operating Activities</b>	<b>28,755,482</b>	<b>353,619,329</b>
<b>Cash Flows from Investing Activities:</b>		
Purchase of Fixed Assets	(8,074,765)	(84,551,763)
<b>Net Cash Generated (Used in) from Investing Activities</b>	<b>(8,074,765)</b>	<b>(84,551,763)</b>
<b>Cash Flows from Financing Activities:</b>		
Short Term Bank Loan Received/ (Repaid)	(30,306,493)	(131,623,755)
Short Term Loan from/ (To) Sister Company	(26,389,076)	(95,485,633)
<b>Net Cash Generated (Used in) from Financing Activities</b>	<b>(56,695,569)</b>	<b>(227,109,388)</b>
<b>Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(36,014,852)</b>	<b>41,958,178</b>
Opening Cash & Cash Equivalents	427,809,202	385,851,024
<b>Closing Cash &amp; Cash Equivalents</b>	<b>391,794,350</b>	<b>427,809,202</b>

Dated, Dhaka: October 10, 2017

As per our annexed report of even date.

  
 Samuel S Chowdhury  
 Chairman & MD

  
 Charles C. R. Patra  
 Director

  
 Khandaker Habibuzzaman  
 Company Secretary

  
 Chowdhury Bhattacharjee & Co.  
 Chartered Accountants

## Subsidiary Profile 2016-2017



### **Square Texcom Limited**

Director' Report - 81

Auditors' Report - 83

Statement of Financial Position - 84

Statement of Profit or Loss and other

Comprehensive Income - 85

Statement of Change in Equity - 86

Statement of Cash Flows - 87

## ***SQUARE TEXCOM LTD.***

**Directors' Report** to the Members for the year ended 30 June, 2017.

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, 2017, Statement of Profit or loss and other Comprehensive Income, Changes in Equity and Cash Flows for the year ended June 30, 2017 and the Auditors Report thereon in terms of the provisions of section 184 of the Companies Act 1994 and IAS codes:

### **SHAREHOLDING**

The Company has issued total of 1,00,000 share of Tk. 100 each. The present shareholding pattern of the company is as follows:

Name of the Shareholders	Shareholding (shares)	(%)
Mr. Samuel S Chowdhury	1,166	1.166
Mr. Tapan Chowdhury	1,166	1.166
Mr. Anjan Chowdhury	1,166	1.166
Mrs. Ratna Patra	1,166	1.166
Mrs. Anita Chowdhury	336	0.336
M/s Square Textiles Ltd.	95,000	95.00
Total -	1,00,000	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
Mr. M Sekander Ali	Director
(Nominee of Square Textiles Ltd.)	

Mr. M Sekander Ali, Independent Director of Square Textiles Limited (holding company) represents as nominee director in the Board of Directors of Square Texcom Limited in compliance with the condition No. 5 of the corporate governance guideline dated 7<sup>th</sup> August, 2012 of Bangladesh Securities and Exchange Commission.

### **MARKET OPERATIONS**

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

## OPERATIONAL RESULTS

The operational performance during the years 2015-2016 and 2016-2017 are as follows:

	2016-17	<u>In million</u> 2015-16
Turnover	727.39	781.53
Gross Profit	81.85	124.89
Net Profit (AT)	33.59	65.52
Gross Margin	11.25%	15.98%
Net Margin (AT)	4.62%	8.38%
Earning Per Shares	335.94	655.21
Par value Tk. 100		

The above reveals that the Turnover, Gross Profit and Net Profit (AT) decreased by 6.93%, 34.46% and 48.73% respectively during year under review.

## CAPITAL EXPENDITURE

The Company made a net Capital Expenditure of Tk. 127.37 million during the year under review as follows:

	2016-17	<u>In million</u> 2015-16
Plant & Machinery	104.11	60.09
Other Assets	23.26	26.14
Total	127.37	86.23

The investment have been made from internal generation of fund.

## APPROPRIATION OF PROFIT

Though the Company earned a respectable level of profit Tk. 335.94 per share 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 2016-2017.

## FINANCIAL POSITION

The Statement of Financial Position as on 30 June, 2017, Statement of Profit or Loss and other Comprehensive Income, Change in Equity and Cash Flows ended at 30 June, 2017 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 2017-2018 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

## AUDITORS' REPORT

### Independent Auditors' Report to the Shareholders of Square Texcom Limited

We have audited the accompanying financial statements of Square Texcom Limited, which comprises the Statement of Financial Position as at June 30, 2017 and the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year ended and all related summary of significant accounting policies and other explanatory notes.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), 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.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards, give a true and fair view of the state of the company's affairs as at June 30, 2017 and the results of its operations comply with the companies Act 1994 and other applicable laws and regulations.

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 and Other Comprehensive Income dealt with by the report are in agreement with the books of account and returns;
- (iv) The expenditure incurred was for the purpose of the company's business.



Chowdhury Bhattacharjee & Co.  
Chartered Accountants

Place: Dhaka  
Dated: October 10, 2017

# SQUARE TEXCOM LIMITED

## Statement of Financial Position As at June 30, 2017

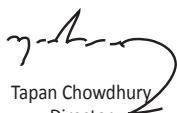
	June 30, 2017	June 30, 2016
<b>ASSETS:</b>		
Non-Current Assets	<b>723,416,781</b>	<b>641,807,802</b>
Property, Plant & Equipment- Carrying Value	703,312,183	635,528,885
Capital Work In Progress	20,104,598	6,278,917
<b>Current Assets</b>	<b>332,639,675</b>	<b>454,527,735</b>
Inventories	73,786,083	45,089,856
Accounts Receivable	136,315,885	148,702,176
Advances, Deposits & Prepayments	24,493,749	59,681,154
Cash & Cash Equivalents	98,043,958	201,054,549
<b>TOTAL ASSETS</b>	<b>Tk. 1,056,056,456</b>	<b>1,096,335,537</b>
<b>SHAREHOLDERS' EQUITY &amp; LIABILITIES:</b>		
<b>Shareholders' Equity</b>	<b>244,416,743</b>	<b>210,823,003</b>
Share Capital	10,000,000	10,000,000
Retained Earnings	234,416,743	200,823,003
<b>Non-Current Liabilities</b>	<b>453,972,161</b>	<b>452,684,261</b>
Share Money Deposit	423,550,119	423,550,119
Deferred Tax Liability	30,422,042	29,134,142
<b>Current Liabilities &amp; Provisions</b>	<b>357,667,552</b>	<b>432,828,273</b>
Short Term Bank Loan (Secured)	237,614,425	290,845,407
Creditors & Others Payable	4,200,512	5,753,188
Liabilities for Other Finance	2,505,097	40,989,732
Short Term Loan	99,677,402	69,192,381
Provision for Income Tax	13,670,116	26,047,565
<b>TOTAL SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>	<b>Tk. 1,056,056,456</b>	<b>1,096,335,537</b>

Dated, Dhaka: October 10, 2017

As per our annexed report of even



Anjan Chowdhury  
Managing Director



Tapan Chowdhury  
Director



Khandaker Habibuzzaman  
Company Secretary



Chowdhury Bhattacharjee & Co.  
Chartered Accountants



**SQUARE TEXCOM LIMITED**Statement of Profit or Loss and Other Comprehensive Income  
For the Year ended June 30, 2017

	July to June 2016 - 2017	July to June 2015 - 2016
Sales Revenue	727,390,100	781,525,334
Cost of Goods Sold	(645,540,587)	(656,634,783)
<b>Gross Profit</b>	<b>81,849,513</b>	<b>124,890,551</b>
Administrative Expenses	(30,312,955)	(28,901,839)
Selling & Distribution Expenses	(1,520,466)	(1,442,614)
<b>Profit from Operation</b>	<b>50,016,092</b>	<b>94,546,098</b>
Finance Cost	(8,517,943)	(13,608,608)
<b>Profit Before W.P.P.F &amp; W.F</b>	<b>41,498,149</b>	<b>80,937,490</b>
Allocation for W.P.P.F & W.F	(1,976,102)	(3,854,166)
<b>Profit Before Tax</b>	<b>39,522,047</b>	<b>77,083,324</b>
Provision for Tax (Current)	(4,640,407)	(5,727,024)
Provision for Tax (Deferred)	(1,287,900)	(5,835,475)
<b>Profit After Tax for The Period</b>	<b>33,593,740</b>	<b>65,520,825</b>
	<b>Tk.</b>	
<b>Earnings Per Share(EPS)</b>	<b>335.94</b>	<b>655.21</b>

Dated, Dhaka: October 10, 2017

As per our annexed report of even

  
 Anjan Chowdhury  
 Managing Director

  
 Tapan Chowdhury  
 Director

  
 Khandaker Habibuzzaman  
 Company Secretary

  
 Chowdhury Bhattacharjee & Co.  
 Chartered Accountants

## **SQUARE TEXCOM LIMITED**

### Statement of Changes in Equity For the Year Ended June 30, 2017

Particulars	Share Capital	Retained Earnings	Total Tk.
Balance as at June 30, 2016	10,000,000	200,823,003	210,823,003
Net Profit for the Year 2016-17	-	33,593,740	33,593,740
<b>Balance as at June 30, 2017</b>	<b>10,000,000</b>	<b>234,416,743</b>	<b>244,416,743</b>

### Statement of Changes in Equity For the Year Ended June 30, 2016

Particulars	Share Capital	Retained Earnings	Total Tk.
Balance as at June 30, 2015	10,000,000	135,302,178	145,302,178
Net Profit for the Year 2015-16	-	65,520,825	65,520,825
<b>Balance as at June 30, 2016</b>	<b>10,000,000</b>	<b>200,823,003</b>	<b>210,823,003</b>

Dated, Dhaka: October 10, 2017

As per our annexed report of even date.

  
Anjan Chowdhury  
Managing Director

  
Tapan Chowdhury  
Director

  
Khandaker Habibuzzaman  
Company Secretary

  
Chowdhury Bhattacharjee & Co.  
Chartered Accountants

**SQUARE TEXCOM LIMITED**Statement of Cash Flows  
For The Year Ended June 30, 2017

	July to June 2016 - 2017	July to June 2015 - 2016
<b>Cash Flows from Operating Activities:</b>		
Receipts from Sales Revenue	739,776,391	919,088,595
<b>Total Receipts</b>	<b>739,776,391</b>	<b>919,088,595</b>
<b>Payments to Suppliers</b>	(433,509,032)	(387,913,838)
Paid for Operating & Non-operating Expenses	(228,518,484)	(211,201,939)
Interest Expenses Paid	(7,497,143)	(1,301,526)
Income Tax Paid	(6,099,455)	(5,250,051)
<b>Total Payments</b>	<b>(675,624,114)</b>	<b>(605,667,354)</b>
<b>Net Cash Flow From (Used in) Operating Activities</b>	<b>64,152,277</b>	<b>313,421,241</b>
<b>Cash Flows from Investing Activities:</b>		
Purchase of Fixed Assets	(141,194,853)	(86,226,350)
<b>Net Cash Generated (Used in) from Investing Activities</b>	<b>(141,194,853)</b>	<b>(86,226,350)</b>
<b>Cash Flows from Financing Activities:</b>		
Short Term Bank Loan Received/ (Repaid)	(53,230,982)	120,534,446
Short Term Loan from/ (To) Sister Company	27,262,967	(247,668,089)
<b>Net Cash Generated (Used in) from Financing Activities</b>	<b>(25,968,015)</b>	<b>(127,133,643)</b>
<b>Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(103,010,591)</b>	<b>100,061,248</b>
Opening Cash & Cash Equivalents	201,054,549	100,993,301
<b>Closing Cash &amp; Cash Equivalents</b>	<b>98,043,958</b>	<b>201,054,549</b>

Tk.

Dated, Dhaka: October 10, 2017

As per our annexed report of even

  
 Anjan Chowdhury  
 Managing Director

  
 Tapan Chowdhury  
 Director

  
 Khandaker Habibuzzaman  
 Company Secretary

  
 Chowdhury Bhattacharjee & Co.  
 Chartered Accountants



**Memory of  
21<sup>st</sup> AGM  
2016**

# Square Textiles Limited

Square Centre, 48, Mohakhali Commercial Area  
Dhaka-1212

## PROXY FORM

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 22<sup>nd</sup> Annual General Meeting of the Company to be held on Monday the 4<sup>th</sup> December, 2017 at 11:00 a.m. at Samson H Chowdhury Centre, Dhaka Club Ltd., Ramna, Dhaka.

As witness my hand this day of \_\_\_\_\_ 2017.

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

# স্কয়ার টেক্সটাইলস্ লিমিটেড

স্কয়ার সেন্টার, ৪৮ মহাখালী বাণিজ্যিক এলাকা, ঢাকা-১২১২

## প্রক্সি ফর্ম

আমি/আমরা \_\_\_\_\_

ঠিকানা \_\_\_\_\_

স্কয়ার টেক্সটাইলস্ লিমিটেড এর সদস্য হিসেবে

জনাব/বেগম \_\_\_\_\_

ঠিকানা \_\_\_\_\_

আমরা/আমাদের প্রতিনিধি হিসেবে আগামী রোজ সোমবার, ৪ঠা ডিসেম্বর, ২০১৭ সকাল ১১:০০ ঘটিকায় স্যামসন এইচ টৌধুরী সেন্টার, ঢাকা ক্লাব লিঃ, রমনা, ঢাকা'য় অনুষ্ঠিতব্য কোম্পানীর ২২তম বার্ষিক সাধারণ সভায় এবং এর মূলতবী ঘোষিত সভায় আমার/আমাদের পক্ষে উপস্থিত থাকিবার এবং ভোট প্রদান করিবার জন্য নিযুক্ত করিলাম।

স্বাক্ষর হিসেবে অদ্য ....., ২০১৭ তারিখে আমি/আমরা এই দলিলে সজ্ঞানে স্বাক্ষর করিলাম।

প্রতিনিধির স্বাক্ষর  
তারিখ:

সদস্যের স্বাক্ষর  
তারিখ:

ফলিও/বিওআইডি নম্বর

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

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

স্বাক্ষর পরীক্ষিত

অনুমোদনকারীর স্বাক্ষর  
স্কয়ার টেক্সটাইলস্ লিমিটেড



# Corporate Compliance



## For the Financial Year 2015-2016

### **Dividend Recommended**

1 August 2016

### **Record Date for 21<sup>st</sup> AGM**

23 August 2016

### **21<sup>st</sup> Annual General Meeting**

8 September 2016

### **Dividend Issued**

1 October 2016

## For the Financial Year 2016-2017

### **Publication of 1<sup>st</sup> Qtr. Financial Report**

14 November 2016

### **Publication of 2<sup>nd</sup> Qtr. Financial Report**

30 January 2017

### **Publication of 3<sup>rd</sup> Qtr. Financial Report**

01 May 2017

### **Dividend Recommended**

16 October 2017

### **Audited Financial Report to**

**BSEC, DSE and CSE**

09 November 2017

### **Record Date for 22<sup>nd</sup> AGM**

08 November 2017

### **Notice of 22<sup>nd</sup> AGM**

12 November 2017

### **22<sup>nd</sup> Annual General Meeting**

04 December 2017

### **Dividend Payable**

By 03 January 2018



**Corporate Headquarters**

**Square Centre**

48, Mohakhali Commercial Area, Dhaka-1212, Bangladesh

Phone: +88-02-9859007, +88-02-8833047-56 (10 Lines)

Fax: +88-02-8834941, +88-02-8828768

[www.textile.squaregroup.com](http://www.textile.squaregroup.com)