

Annual Report 2017-2018

Square Textiles Limited

At a Glance

Performance 2017-2018

Square Tex

Consolidated

21.30%	↗	Sales - BDT 9,411.87 million
22.77%	↗	Gross Profit - BDT 968.59 million
11.05%	↗	Net Profit - BDT 459.47 million
10.96%	↗	Earning Per Share - BDT 2.43
5.00%	↗	Dividend Payout - BDT 469.64 million
1.35%	↗	Net Assets Value - BDT 7,444.41 million
16.70%	↘	Contribution to National Exchequer - BDT 71.95 million
5.00%	↗	Share Capital - BDT 1,878.59 million

Annual Report 2017-2018



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**Square
Textiles
Ltd.**

Vision & Mission

Vision

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

Mission

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

Square Textiles Ltd.

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.





SQUARE
Textiles Limited

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

Annual Report for the year ended June 30, 2018

Dear Sir(s)

We are pleased to enclose a copy of Annual Report containing Directors' Report, Auditors' Report alongwith the Audited Financial Statements comprising Statement of Financial Position as at June 30, 2018, Statement of Profit or Loss and other Comprehensive Income, Changes in Equity and Cash Flows for the year ended June 30, 2018 along with notes thereon and all related Consolidated and Subsidiaries Financial Statements for your information and records.

Yours sincerely

Khandaker Habibuzzaman
Company Secretary

Dated: 5th December, 2018



**Transmittal
Letter**

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.

Square Tex



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.



SQUARE
Textiles Limited

Notice is hereby given that the 23rd Annual General Meeting of the Members of Square Textiles Ltd. will be held on Thursday the 20th December, 2018 at 11:00 a.m. at the Samson H Chowdhury Centre, Dhaka Club Limited, Ramna, Dhaka to transact the following business:

- Agenda-1: To receive, consider and adopt the Audited Financial Statement for the year ended 30th June, 2018 together with the reports of the Directors' and the Auditors' thereon
- Agenda-2: To declare dividend for the year ended 30th June, 2018
- Agenda-3: To elect Directors in terms of the relevant provision of Articles of Association.
- Agenda-4: To appoint Auditors for the year 2018-2019 and to fix their remuneration.
- Agenda-5: To appoint Compliance Auditors for the year 2018-2019 and to fix their remuneration.
- Agenda-6: To approve appointment of the Independent Director

By order of the Board.

Khandaker Habibuzzaman
Company Secretary

Dated: 5th December, 2018

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 19th December 2018, 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



Notice
23rd AGM

The founder



Samson H Chowdhury
Founder Chairman
1926-2012

Corporate Profile 2017-2018



Square Tex

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Yarn Manufacturing and Marketing

Corporate Achievement

1994

Year of Establishment
(Incorporated as a Public Limited Company)

2008

Awarded Cotton made in Africa (CmiA) Certificate



1997

Year of Operation

2009

Awarded USTERIZED Certificate



2000

Awarded Oeko-Tex Standard 100 Certificate



2010

HSBC Export Excellence Award

2000

Awarded ISO-9001:2008 Certificate

2011

Authorised Capital
BDT 3,000 Million

2002

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

2012

Awarded "AA" rating in the long term and "ST-2" in short term by CRISL

2002

Awarded CottonUSA Certificate



2015

Awarded 1st prize "Corporate Governance Excellence" by ICSB

2003

Awarded SUPIMA license



2017

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

2007

Awarded Global Organic Textiles Standard (GOTS) Certificate



The Directors

Square Textiles Limited



Mr. Samuel S Chowdhury



Mr. Tapan Chowdhury



Mrs. Ratna Patra



Mr. Anjan Chowdhury



Mrs. Anita Chowdhury



Mrs. Nihad Kabir



Mr. Syed Afzal Hasan Uddin

Board of Directors

Chairman
Mr. Samuel S Chowdhury

Vice Chairman
Mrs. Ratna Patra

Managing Director
Mr. Tapan Chowdhury

Director
Mrs. Anita Chowdhury

Director
Mr. Anjan Chowdhury

Independent Director
Mr. Syed Afzal Hasan Uddin

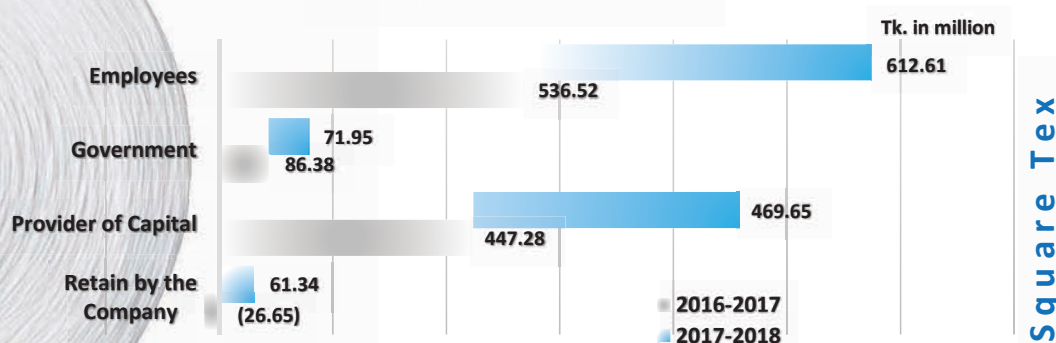
Independent Director
Mrs. Nihad Kabir

Statement of Value Added

For the year ended 30 June, 2018

	2017-2018	2016-2017
Source of Fund:		
Net Turnover	6367,124,698	5,020,425,409
Less: Bought in Materials & Services	(5158,927,682)	(3,981,489,197)
Add: Other Income	7,350,278	4,598,487
Value Added	1,215,547,114	1,043,534,699
Applied in the following Ways:		
Employees	612,613,848	536,524,182
Salaries Wages Gratuity and Other benefits	595,211,619	521,644,569
Contribution to workers profit participation & welfare fund	17,402,229	14,879,613
Government	71,950,230	86,375,294
Corporate Tax	57,130,653	45,098,687
Other Government Dues	14,819,577	41,276,607
Provider of Capital	469,647,616	447,283,448
Dividend	469,647,616	447,283,448
Retained by the Company	61,335,420	(26,648,225)
Depreciation	240,069,108	168,141,655
Retain Earning	(178,733,688)	(194,789,880)
	1,215,547,114	1,043,534,699

Graphical View



Message from the Chairman

*Dear Shareholders, Ladies
and Gentleman*

I feel extremely happy to welcome you to the 23rd Annual General Meeting of your Company and thank you for taking the trouble to attend the meeting despite your preoccupation elsewhere. The Annual Report containing Directors' Report and Financial Statements alongwith Report of the Auditors thereon has already been sent to you which, I hope, you have gone through and observed the performance of the Company under the Executive Management Team headed by the Managing Director Mr. Tapan Chowdhury. The Board of Directors in its meeting held on 21st October, 2018, while reviewing & considering recommendation for declaration of dividend, has recorded its appreciation and applauded the Management Team for the outstanding performance despite various obstacles and hindrances and rising costs of raw materials, manufacturing overheads etc.

As you are aware of, the Company since its inception, especially from the awarding of its shares to the existing shareholders of Square Pharmaceuticals Ltd. as "Specie Dividend", has been operating successfully and paying dividends as a leader of the sector.

I hope the process would continue as the Country's export of textile & garments sector continue its lead through its journey on the highway to the developed country.

With best wishes for you all.



Samuel S Chowdhury
Chairman

Earnings Per Share (EPS)

↑ **15.7%** in 2017-18

	In Taka
2017-18	1.55
2016-17	1.34

Dividend Payout

↑ **5%** in 2017-18

	Tk. In million
2017-18	470
2016-17	447
2015-16	380

Corporate Operational Results

Standalone



Figures in '000

Particulars	2017-18	2016-17	2015-16	2014	2013
Turnover (Net)	6,367,125	5,020,425	4,998,758	5,115,828	5,238,437
Gross Profit	671,530	525,634	787,050	868,716	948,720
Net Profit (Before Tax)	348,045	297,592	573,967	644,992	696,779
Net Profit (After Tax)	290,914	252,494	486,236	541,191	587,782
Shareholders' Equity	5,386,034	5,452,946	5,607,074	5,158,723	4,886,371
Total Assets	9,425,480	7,511,325	6,695,189	6,265,137	6,358,457
Total Current Assets	4,430,793	3,618,295	3,547,893	3,903,436	4,163,698
Total Current Liabilities	3,910,867	1,948,729	965,544	993,110	1,363,962
Current Ratio	1.13	1.86	3.67	3.93	3.05
Shares Outstanding	187,859,048	178,913,379	162,648,527	147,862,298	134,420,271
Face Value per Share	10.00	10.00	10.00	10.00	10.00
Dividend (Cash)	20%	20%	25%	20%	20%
Dividend (Stock)	5%	5%	10%	10%	10%
Net Asset Value Per Share (NAV)	28.67	29.03	29.85	27.46	26.01
Net Operating Cash Flow per Share	-1.55	0.74	3.47	4.43	3.68
EPS-Earning per Share (STxL)	1.55	1.34	2.59	2.88	3.13
EPS-Earning per Share(Consolidated)	2.43	2.19	3.94	4.29	4.45
EPS on Share Issued for Cash	11.55	10.02	19.30	21.48	23.33
Quoted Price per Share- DSE	50.70	67.70	70.80	91.00	90.40
Quoted Price per Share- CSE	51.20	68.40	71.70	90.90	89.80
Price Earnings Ratio-DSE (Time)	32.71	48.01	26.02	24.86	22.74
Price Earnings Ratio-CSE (Time)	33.03	48.51	26.36	24.84	22.59
Market Capitalization-DSE (in billion)	9.52	12.11	11.51	13.45	12.15
Market Capitalization-CSE (in billion)	9.62	12.23	11.66	13.44	12.07
Shareholders :	2017-18	2016-17	2015-16	2014	2013
Sponsors/Directors	7	8	8	9	9
Financial & other Institution	219	229	226	225	411
Foreign Investors	7	11	13	12	30
General Public	17,708	18,626	20,931	26,155	27,815
Total -	17,941	18,874	21,178	26,401	28,265
Employees :	2017-18	2016-17	2015-16	2014	2013
Executives	162	145	138	179	169
Non Executives	117	71	67	264	202
Workers	2,152	2,211	1,893	1,649	1,673
Total -	2,431	2,427	2,098	2,092	2,044

Report from the Managing Director

Dear Shareholders

I feel highly delighted to welcome you to the 23rd Annual General Meeting of the Company and submit the Directors' Report for the year 2017-2018 containing Audited Accounts alongwith Auditor's Report thereon for your kind consideration and approval. I hope you all have gone through with great expectation and satisfaction of investment in the Capital of the Company.

While reviewing of the performance, I am sure, you will note that the Company's Turnover, Gross Profit, Profit from operations, Net Profit (AT) etc. show remarkable growth though Profit (BT) show a lower growth rate than Gross Profit due to increase in finance cost which had increased due to increase in Short-Term Bank Loan for L/C liabilities against hypothecation of Stock and Account Receivable, as well as increase in provision for both Current and Deferred Tax Liabilities. Despite the above mentioned reasons, the Net Profit (AT) has increased by 15.22% resulting an increase of EPS (Restated) by 15.67%.

It may be mentioned that the results of the Company's Consolidated Accounts show slightly lower growth due to their diversified operations facing operational hazards and marketing competitiveness.

I hope the subsidiaries will overcome their difficulties and help grow the Group operation in near future.

With best wishes for all.


Tapan Chowdhury
Managing Director

Profit (After Tax)

↑ **15.2%** in 2017-18

Tk. in million

2017-18	290.91
2016-17	252.49

Turnover

↑ **26.8%** in 2017-18

Tk. in million

2017-18	6,367
2016-17	5,020
2015-16	4,999

Management Apparatus

Management Committee

Mr. Tapan Chowdhury Managing Director	Chairman
Mr. Anjan Chowdhury Director	Member
Mr. Md. Kabir Reza Executive Director (A&F)	Member
Mr. Md. Alamgir Hossain Executive Director (Oprs)	Member

Audit Committee

Mrs. Nihad Kabir Independent Director	Chairman
Mrs. Ratna Patra Vice Chairman	Member
Mr. Anjan Chowdhury Director	Member
Mr. Khandaker Habibuzzaman Company Secretary	Secretary

CFO, Company Secretary and HIAC

Mr. Md. Kabir Reza	FCMA
Mr. Khandaker Habibuzzaman	FCS
Mrs. Nasrin Akter	FCA

Operational Head

Mr. Md. Alamgir Hossain	Executive Director, Operations
Mr. Suresh Chandra Bala	Plant In-charge
Mr. Md. Abul Kalam Azad	Head of Quality Assurance
Mr. Md. Abdur Rahman	Head of Engineering
Mr. Shah Mohammad Faisal	Head of Marketing
Major Masum Billah (Retd)	Head of HR & Admin



Square Tex

Statutory Auditors

M/s. Ahmed Zaker & Co., Chartered Accountants
Green City Edge 10th Floor)
89 Kakrail, Dhaka

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

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
- textile.squaregroup.com



Corporate Sustainability

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

State of the art Facility

We focus on continuous efforts to introduce innovative means of production that allows for optimum utilization of materials and



energy. Our state of the art production facility is equipped with

upgraded technologies and machineries that are energy efficient as well environmental friendly. In 2018, we have introduced PCW plant (fabric crushing). We are the pioneer in introducing this technology in Bangladesh.

Ready Recycling Facility

The manufacturing facility is fitted to contain dust and waste discharge to the environment. On a daily basis, 4 (four) out of 6 (six)



tons of waste materials, on average, are recycled. Hard wastes are crushed and reused as

raw materials in production. Our PCW plant processes garment wastages into fibers. There are no chemical applications in our manufacturing process and hence there are no environmental damage as a result of any spillovers or emissions of harmful gas.

Minimizing Occupational Hazards

We follow stringent safety measures and regularly monitor and review occupational health and safety procedures. We ensure



that our factory workers always follow the safety protocols

necessary to ensure a hazard free working environment and uninterrupted operations. In regards to such health and safety issue, proper training and awareness are provided to all production employees.

Creating Product Diversity

We believe in “Product Diversity” as a means of economic sustainability. The company has about 40 percent product diversification



within our total product portfolio. This has led to

enhancement of the company’s brand image, increased profitability, and risk mitigation.

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

Corporate Governance



Corporate Governance is a discipline by which a company is controlled and directed. Governance is the path to identify and ensure the ethics, rights and responsibilities among different participants in the Company. Good Corporate Governance is key to its 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 present members of the Board of Directors are as follows:

Mr. Samuel S Chowdhury	- Chairman
Mrs. Ratna Patra	- Vice Chairman
Mr. Tapan Chowdhury	- Managing Director
Mrs. Anita Chowdhury	- Director
Mr. Anjan Chowdhury	- Director
Mr. Syed Afzal Hasan Uddin	- Independent Director
Mrs. Nihad Kabir	- Independent Director

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.

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

Independent Director

In compliance of the BSEC Regulations on Good Governance, the Board of Directors as empowered by the Regulations, appointed Syed Afzal Hasan Uddin, Barrister-at-Law, an Advocate of Supreme Court of Bangladesh and the Managing Partner of Syed Ishtiaq Ahmed & Associates, a firm of legal consultants and practitioners in Bangladesh as the non-shareholding Independent Director and Mrs. Nihad Kabir, Barrister-at-Law, an Advocate of Supreme Court of Bangladesh and the Senior Partner of Syed Ishtiaq Ahmed & Associates, a firm of legal consultants and practitioners in Bangladesh with an expectation that their expertise would help contribute to the further disclosure and protect the interest of the stakeholders, investors in general and smaller investors in particular.

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

The Company has appointed Mr. Md. Kabir Reza, FCMA as Chief Financial Officer, Mr. Khandaker Habibuzzaman, FCS as Company Secretary and Mrs. Nasrin Akter, FCA as

Head of Internal Audit and Compliance as per requirement of Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission.

Audit Committee of Board

The Board of Directors has constituted an Audit Committee of the Board consisting of three Directors.

The members of present audit committee is as follow:

Mrs. Nihad Kabir	- Chairman
Independent Director	
Mrs. Ratna Patra	- Member
Vice-Chairman	
Mr. Anjan Chowdhury	- Member
Director	
Khandaker Habibuzzaman-	Secretary
Company Secretary	

The Audit Committee carries out its responsibilities as per the provisions of law and submits its report to the Board of Directors from time to time. The Audit Committee shall also co-ordinate with the Internal and external Auditors as and when required. The Audit Committee ensures that adequate internal checks & balances supported by adequate MIS are in place for detection of errors frauds and other deficiencies. The other responsibilities include inter alia, not being limited to, the prevention of conflict of interest between the company and its Directors officials, customers, suppliers, government and any other interest groups and detect or remove any scope of insider trading in the company's stock. The Audit Committee also ensures compliance of requirements of BSEC and other agencies.

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.

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

Legal Advisers

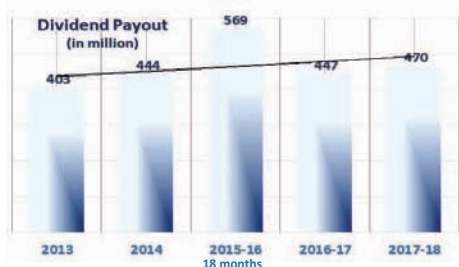
In order to avail the best legal services for Good Corporate Governance, the company has empaneled the following top ranking legal professionals:

Mr. Rokonuddin Mahmud, Bar-at-Law
Ms. Nazia Kabir, Bar-at-Law

The expertise of the above named professionals have had long term fundamental support to the company's Good Governance efforts.

Dividend Policy

The Management is committed to show a stable policy of distribution of dividend of the accretional wealth (profits) between the current and the future generation of shareholders. This would enable the company to enhance its capital wealth and sustain for perpetuity of existence, benefiting both the present cohorts and the progeny.



Communication with the Shareholders

The Shareholders as owners are required to be provided with material information on the Company's operation quarterly 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.

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.

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.



Directors' Report

to the Members for the year
ended 30 June, 2018

Square Tex

In terms of provisions of Section 184 of the Companies Act 1994, Rule 12 (and the schedule there under) of the Bangladesh Securities and Exchange Rules 1987, BSEC Notification on CGC dated 3rd June, 2018 and IAS-1 (International Accounting Standards-1) codes as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB), it is the pleasure of the Board of Directors to submit its Report to the Members of the Company for the year ended 30 June, 2018 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, contributes more than 12% in GDP, generation of about 5.00 million of the country's industrial employment where 80% are female and 83.49% 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, woollen 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).

FINANCIAL PERFORMANCE

The Company reported growth in Revenue of 26.82% during the year under review. At Standalone level, the Revenue from operations stood at BDT 6,367.12 million compared with BDT 5,020.43 million in the Previous Year. The Operating Profit stood at BDT 444.19 million as against BDT 344.37 million in the Previous Year, an increase by 28.99%. The Net Profit increase by 15.22%, stood at BDT 290.91 million against BDT 252.49 million reported in the previous year.

The Consolidated Revenue from operations for FY 2017-2018 was BDT 9,411.87 million as compared with BDT 7,758.88 million in the Previous Year, registering a growth of 21.30%. The Profit from Operation was BDT 672.26 million as against BDT 551.43 million in the Previous Year. The Net Profit for the year stood at BDT 457.06 million against BDT 411.39 million reported in the previous year. The Profit from Operation and Net Profit increased by 21.91% and 11.10% respectively during the year 2017-2018.

COMPANY'S OPERATIONS

Square Textiles has over 21 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, Neppy, Snow, Siro etc. that are more fashion trendy and higher valued export earner.

Directors' Report

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

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 2017-18 is 96.26% which is 0.95% higher than that of 2016-2017.

The total installed production capacity (at average 30s Ring and 14s O/E counts) as on June 30, 2018 was as follows:

Spindles/Rotors	(In Nos.)	
	2017-18	2016-17
Installation:		
Spindle	81,648	81,648
Rotor head	3,960	3,960
Vortex head	672	288
Operation:		
Spindle	81,648	81,648
Rotor head	3,960	3,960
Vortex head	672	288

Product Capacity Installed	(in Kg)	
	2017-18	2016-17
Equivalent		
30s Count	12,394,673	11,386,810
14s Count	10,043,927	10,257,001
Total -	22,438,600	21,643,811

Actual Production	(in Kg)	
	2017-18	2016-17
Actual Production	22,925,478	20,227,206
Equivalent to-		
30s Count (Ring Yarn)	11,789,632	10,526,427
14s Count (O/E Yarn)	9,810,863	10,110,396
Total -	21,600,495	20,636,823

Production Efficiency	(in %)	
	2017-18	2016-17
Equivalent to-		
30s Count (Ring Yarn)	95.12	92.44
14s Count (O/E Yarn)	97.68	98.57
Total (Average) -	96.26	95.35

A production capacity of 4,500 tons yarns per annum has been installed and commenced its commercial production from July 2018 as per decision of the Board of Directors on 4th December, 2017. This will generate additional turnover around BDT 100 crore into our next financial reports of 2018-19 with additional profit.

The Company has again took a decision to increase its production capacity of 3,000 tons per annum (Yarn production and Fiber Dyeing Facility) with an estimate cost of about BDT 92.00 crore. It is expected that an amount of about BDT 72.00 crore will be added in the turnover per annum and profit contribution about 10% of the turnover.

Turnover

 **26.8%** in 2017-18

	Tk. in million
2017-18	6,367
2016-17	5,020
2015-16	4,999

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)	
	2017-18	2016-17
Output of Yarn	22,925	20,227

Cost of Major Items	(in Tk. '000)	
	2017-18	2016-17
Raw Material	4,139,044	3,194,247
Packing Materials	60,165	53,527
Fuel/Power etc.	610,729	547,098
Spare Parts	150,006	145,881
Other Overhead	771,737	637,561
Total Cost -	5,731,681	4,578,314

Unit Cost/Kg.	(in Tk.)	
	2017-18	2016-17
Raw Material	180.55	157.92
Packing Materials	2.62	2.65
Fuel/Power etc.	26.64	27.05
Spare Parts	6.54	7.21
Other Overhead	33.66	31.52
Total Unit Cost-	250.01	226.35
Raw Material Cost % of Total Cost-	72.22%	69.77%

The above figure reveals that though the raw material cost per unit increased by 14.33%, packing materials cost decreased by 1.13%, fuel/power cost decreased by 1.52%, spare parts cost decreased by 9.29% and other overheads increased by 6.79%, which lead to total unit cost increase by 10.45% in 2017-2018 over 2016-2017.

During the year under review the price of raw cotton in the international market had significantly increased.

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)	
	2017-18	2016-17
Export Sales	22,755	19,995
Total -	22,755	19,995

Sales Revenue (Tk)	(Figure in '000)	
	2017-18	2016-17
Export Sales	6,367,125	5,020,524
Total -	6,367,125	5,020,524

The market exposure saying that there was no local sales revenue for the period under review. The export (overall) sales increased by 13.80% over 2016-2017.

Unit Selling Prices Attained

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

	2017-18	2016-17
Export Sales	279.81	251.08
Total -	279.81	251.08

The above figures indicate that selling price increased by 11.44% in 2017-18 over 2016-17. This is primarily ascribable to the international situation and export demand, but as against unit cost which increased by 10.45% over the previous period.

Operating Income

 **29%** in 2017-18

Tk. In million

2017-18	444.19
2016-17	344.37

INDUSTRY OUTLOOK

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

The sector offers great scope of expansion and double the foreign exchange earnings provided Government becomes alert and provide necessary fiscal and monetary support/incentives to Local /strategic investors.

RISK & CONCERN

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

CAPITAL EXPENDITURES

In order to continuously upgrade the productive facilities, the Company made an additional net capital expenditures of Tk. 1,341.73 million as follows:

	(Figure in '000)	
	2017-18	2016-17
Land/Civil Construction	78,954	310,929
Plan & Machinery	761,860	538,008
Other Fixed Assets	500,913	64,938
Total -	1,341,727	913,875

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.

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. 71.95 million during the period to the National Exchequer consisting of the following:

	(Figure in '000)	
	2017-18	2016-17
Corporate Income Tax	38,201	58,020
AIT (Deducted at source)	6,482	5,767
VAT/Taxes etc.	22,415	18,936
Govt. Taxes/License Fees etc.	4,852	3,652
Total -	71,950	86,375

FOREIGN EXCHANGE EARNED/SAVED

An amount of Tk. 1,315.48 million has earned/saved and contributed substantially to the Foreign Exchange Reserve of the Country during the 2017-2018 through its export marketing operation is as detailed below:

	(Figure in '000)	
	2017-18	2016-17
Total Export Earning	5,711,889	4,889,529
Less Import Costs :		
Raw Cotton	4,228,368	2,913,967
Spare Parts	126,773	191,954
Miscellaneous	41,265	36,285
Total -	1,315,483	1,747,323

FINANCIAL RESULTS

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

(Figure in '000)			
Particulars	2017-18	2016-17	↑↓ in %
Turnover	6,367,125	5,020,425	26.82%
Cost of Goods Sold	5,695,595	4,494,791	26.72%
Gross Profit	671,530	525,634	27.76%
Administrative Expenses	221,509	177,383	24.88%
Selling & Dist. Expenses	5,834	3,884	50.20%
Operating Income	444,187	344,367	28.99%
Finance Cost	86,090	36,494	135.90%
Other Income	7,350	4,598	59.84%
Net profit before WPPF	365,447	312,472	16.95%
Contribution WPPF	17,402	14,880	16.95%
Net profit (BT)	348,045	297,592	16.95%
Provision for Income Tax	38,201	58,020	-34.16%
Provision for Deferred Tax	18,930	-12,921	-246.50%
Net Profit (AT)	290,914	252,494	15.22%
Gross Profit Margin	10.55%	10.47%	0.76%
Net Profit Margin (AT)	4.57%	5.03%	-9.15%
EPS (Earning Per Share)	1.55	1.34	15.67%

The turnover increased by 26.82% during the year of 2017-18 in comparison to last year due to increase of production capacity and product mix.

The Cost of Goods Sold 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 per unit has inclined by 11.35% in the current year over previous year due to increase in quantity sold by about 13.80% and change in cost of raw materials consumed, packing cost and factory overheads in the reporting year than previous year. Gross profit margin increased by 0.76% and Net profit margin decreased by 9.15% due to increased operating & finance cost in the current year.

The Company however earned a 59.84% extra income (stated in Note No. 25 of

standalone accounts) during the year 2017-2018 against last year due to increase of conversion rate of foreign currency (USD) as fluctuation gain.

EXTRA-ORDINARY ACTIVITIES

The Company did not undertake or continue any extra-ordinary activities and did not suffer or gain any loss or gain from such activities.

RELATED PARTY TRANSACTION

The Company had undertaken several related party transaction detail of which are given in Note No. 39 of the standalone Accounts.

MINORITY INTERESTS

In compliance with code 1(5) (xvi) of the codes of corporate governance, the Board hereby confirms that the interests of the minority shareholders have been duly protected in the Company.

APPROPRIATION OF PROFIT

The Board of Directors recommended the appropriation of the net profit earned for the year ended June 30, 2018 in the following manner:

	(in Taka)
a) Fund available for appropriation including profit for the year 2017-18.	3,507,443,052
b) Provision for Cash Dividend @20%.	375,718,096
c) Provision for Stock Dividend (Bonus Share) @5%.	93,929,520
d) Net General Reserve & Surplus	3,037,795,436

ELECTION OF DIRECTORS

Mrs. Ratna Patra and Mr. Anjan 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 3 June, 2018 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 2018-2019.

AMALGAMATION OF SQUARE YARNS LTD. WITH SQUARE TEXTILES LTD.

The Hon'ble High Court division of the Supreme Court of Bangladesh has sanctioned the Scheme of Amalgamation of Square Yarns Ltd with Square Textiles Ltd. on 29th October, 2018.

CORPORATE GOVERNANCE

In accordance with the requirement of the Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018, a statement in pursuance to clause 1(5), Resume of the Directors who shall be reappointed, Audit Committee Report as per clause 5(7), Certificate from the CEO and CFO to the Board, Certificate on compliance of conditions of CGC and Status of Compliance 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:

- 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. 12.
- Remuneration of Directors including Independent Director have been shown in Note no. 22 in the Notes of Account.
- The number of Board Meeting and the Attendance of Directors during the year 2017-2018 were as follows:

Name of the Directors	Position	Meeting Held	Attended
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	8
Mr. Anjan Chowdhury	Director	9	9
Mr. M Sekander Ali	Independent Director	9	6*
Mr. Syed Afzal Hasan Uddin	Independent Director	9	9
Mrs. Nihad Kabir	Independent Director	9	2**

* Relieved on 29th April, 2018 ** Appointed on 29th April, 2018

- The pattern of shareholding as on 30 June 2018 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	5,887,561	3.13
Mrs. Ratna Patra	Vice Chairman	4,261,422	2.27
Mr. Tapan Chowdhury	Managing Director	6,274,445	3.34
Mr. Anita Chowdhury	Director	5,564,841	2.96
Mr. Anjan Chowdhury	Director	5,144,676	2.74
Mr. Syed Afzal Hasan Uddin	Independent Director	-	-
Mrs. Nihad Kabir	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	6,274,445	3.34
Mr. Md. Kabir Reza	Chief Financial Officer	2,757	0.0015
Mr. Khandaker Habibuzzaman	Company Secretary	1,960	0.0011
Mrs. Nasrin Akter	Head of Internal Audit & Compl.	-	-
iv. Executives:			
Mr. Md. Alamgir Hossain	Executive Director, Operations	-	-
Mr. Suresh Chadra Bala	Plant In-charge	-	-
Mr. Md. Aabul Kalam Azad	Head of Quality Assurance	-	-
Mr. Md. Abdur Rahman	Head of Engineering	-	-
Mr. Md. Mozibur Rahman	AGM (Accounts & Finance)	-	-
v. Shareholders Holding 10% or more voting interest in the company:			
Square Pharmaceuticals Ltd.	Sponsor Shareholder	87,082,552	46.36

Audit Committee Report

For the year 2017-2018

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:

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

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.


Mrs. Nihad Kabir
Chairman
Audit Committee

Date: 12th October, 2018

Directors Profile

Who are seeking re-appointment

Re-appointment of Director

Mrs. Ratna Patra only daughter of late Samson H Chowdhury, Founder Chairman of Square Textiles Limited. She graduated from Dhaka University and has an enormous knowledge in the textiles, pharmaceuticals and hospitals business.



Mrs. Patra is a sponsor director of Square Textiles Ltd. (listed company) designated as Vice Chairman. She is also Director of 19 other private limited companies namely Square Hospitals Limited, Square Toiletries Limited, Square Formulations Ltd., Square Food & Beverages Ltd., Square Securities

Management Ltd. and Maasranga Television under the Square Group.

Mr. Anjan Chowdhury is a Director of Square Pharmaceuticals Ltd. since 1991, son of late Samson H Chowdhury, Founder Chairman of the Company. He obtained Bachelor's degree in Business Administration from the University of South Florida, USA and has a rich experience of more than 23 years in the pharmaceuticals, textiles, toiletries, media & communication sector including capital market operations. He has been awarded several times as a highest individual Taxpayer in the Country.

Mr. Anjan Chowdhury has been instrumental in the execution of several projects of the Square Group namely Square Toiletries Ltd., Square Food & Beverages Ltd. including the Maasranga Television.



Beside holding directorship of 27 companies under Square Group, Mr. Anjan Chowdhury is a Director of Mutual Trust Bank Ltd., Trustee Member of the Education, Science, Technology and Cultural Development Trust of the Independent University of Bangladesh, Founder Member and current Chairman of The Society for the Promotion of Bangladeshi Art.

He is also a member of the Audit Committee of the Company and Square Pharmaceuticals Ltd.

Mr. Chowdhury participated in a good number of professional trainings and workshops held in USA, Canada, Europe, Australia and Asia.

Appointment of Independent Director

Mrs. Nihad Kabir, Barrister-at-Law is an Advocate of Supreme Court of Bangladesh and the Senior Partner of Syed Ishtiaq Ahmed & Associates, a firm of legal consultants and practitioners in Bangladesh. She is the legal advisor of several leading national, multinational and foreign organizations in various sectors in Bangladesh and is also involved in rendering services to different business, social and development organizations.



Ms. Kabir is a member of the Company Law Reform Committee formed by the Government of Bangladesh and . She also is a life member of the Bangladesh Institute of Law and International Affairs.

She is a Director of Infrastructure Development Company Ltd. (IDCOL), Palli Karma-Sahayak Foundation, bKash, Kedarpur Tea Company Ltd. and Shaistagonj CNG Company Ltd. and a co-owner of Sathgao Tea Estate. Ms. Nihad Kabir has been appointed as Independent Director by the Board of Directors of Square Textiles Ltd. on 29th April, 2018.

Square Textiles Limited

Declaration by CEO and CFO

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

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

Date: 10 October, 2018

Subject: Declaration on Financial Statements for the year ended on 30th June, 2018.

Dear Sirs,

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

1. The Financial Statements of Square Textiles Ltd. for the year ended on 30th June, 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on 30th June, 2018 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,


Tapan Chowdhury
Managing Director


Md. Kabir Reza
Chief Financial Officer

Square Textiles Limited

Certificate of Compliance

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

Report to the Shareholders of Square Textiles Limited on compliance on the Corporate Governance Code

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

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

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

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

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

Place : Dhaka
Dated : 10 October, 2018



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

Status of Compliance

Under condition No. 1(5)(xxvii) of CGC

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

Annexure VI
to the Directors' Report

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

Annexure VI
to the Directors' Report

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

Annexure VI
to the Directors' Report

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

পরিচালনা পর্ষদের প্রতিবেদন

২০১৭-২০১৮

পরিচালনা পর্ষদ আনন্দের সাথে কোম্পানী আইন ১৯৯৪ এর ১৮৪ নং পরিচ্ছেদ, সিকিউরিটিজ এন্ড এক্সচেঞ্জ রুলস্ ১৯৮৭ এর ১২নং বিধির (এবং তফসিল অনুযায়ী) শর্তানুসারে, ৩রা আগস্ট, ২০১৮ তারিখে বি.এস.ই.সি এর নোটিফিকেশন, দি ইনস্টিটিউট অব চার্টার্ড একাউন্ট্যান্টস অব বাংলাদেশ কর্তৃক গৃহীত আইএএস-১ (আন্তর্জাতিক হিসাব মানদণ্ড-১) এবং অর্থআইন ২০১৬ অনুসারে ৩০ জুন ২০১৮ 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 এবং জিডিপিতে ১২ শতাংশেরও বেশি অবদান রাখে। দেশের শিল্প কর্মসংস্থানের প্রায় ৫.০০ মিলিয়ন এই সেক্টর থেকে যেখানে ৮০ শতাংশ মহিলা এবং রপ্তানি আয় করে ৮৩.৪৯ শতাংশ। 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, হ্যাণ্ডলুম, বুনন এবং হোসিয়ারের মতো উপ-ক্ষেত্রগুলিতে ব্যবহার করা হচ্ছে।

স্পিনিং মিলস এর প্রাইভেট সেক্টর এখন আভ্যন্তরীণ প্রর্যায়ে 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)।

আর্থিক কার্যক্রম এবং অবস্থা

আলোচ্য বছরে কোম্পানির একক ভাবে মোট বিক্রয় হয়েছিল ৬,৩৬৭.১২ মিলিয়ন টাকা, বিগত বছরে ছিল ৫,০২০.৪৩ মিলিয়ন টাকা যা বিগত বছরের তুলনায় ২৬.৮২% বেশি। অপারেটিং মুনাফা ৪৪৪.১৯ মিলিয়ন টাকা দাঁড়িয়েছে, বিগত বছরে ছিল ৩৪৪.৩৭ মিলিয়ন টাকা যা বিগত বছরের তুলনায় ২৮.৯৯% বেশি। নীট মুনাফা বৃদ্ধি পেয়েছে ১৫.২২% যা ২৯০.৯১ মিলিয়ন টাকা গত বছরের ছিল ২৫২.৪৯ মিলিয়ন টাকা।

আলোচ্য বছরে কোম্পানির সমন্বিত ভাবে মোট বিক্রয় হয়েছিল ৯,৪১১.৮৭ মিলিয়ন টাকা, বিগত বছরে ছিল ৭,৭৫৮.৮৮ মিলিয়ন টাকা যা বিগত বছরের তুলনায় ২১.৩০% বেশি। অপারেটিং মুনাফা ৬৭২.২৬ মিলিয়ন টাকা দাঁড়িয়েছে, বিগত বছরে ছিল ৫৫১.৪৩ মিলিয়ন টাকা যা বিগত বছরের তুলনায় ২১.৯১% বেশি। নীট মুনাফা বৃদ্ধি পেয়েছে ১১.১০% যা ৫৪৭.০৬ মিলিয়ন টাকা গত বছরের ছিল ৪১১.৩৯ মিলিয়ন টাকা।

কোম্পানীর ব্যবসায়িক কার্যক্রম

স্কার টেক্সটাইলস্ দেশের অন্যতম বৃহত্তম নিটিং এবং উইভিং সুতা উৎপাদনকারী প্রতিষ্ঠান যা বিগত ২১ 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, লোরাক্স, মো, সাইরো ইত্যাদি উচ্চ মূল্যমানের রপ্তানিযোগ্য সুতা উৎপাদন করছে।

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

উৎপাদন ক্ষমতা/উৎপাদন

গত কয়েক বছর আমরা ভীষণ 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 মুনাফা অর্জিত হয়। সুতরাং, আমাদের উৎপাদন ক্ষমতা এবং প্রকৃত উৎপাদনের ক্ষেত্রে নতুন সমীকরণের মাধ্যমে উৎপাদন দক্ষতার তুলনা করা হলো।

২০১৭-২০১৮ সালে উৎপাদন দক্ষতা ৯৬.২৬% যা ২০১৬-২০১৭ তুলনায় ০.৯৫% বেশি।

বিক্রয়

২৬.৮% ২০১৭-২০১৮

মিলিয়ন টাকা	
২০১৭-১৮	৬,৩৬৭
২০১৬-১৭	৫,০২০
২০১৫-১৬	৪,৯৯৯

৩০ জুন ২০১৮ তারিখে মোট স্থাপিত উৎপাদন ক্ষমতা (গড়ে ৩০ সিঙ্গেল রিং এবং ১৪ সিঙ্গেল ও/ই) ছিল নিম্নরূপ:

স্পিন্ডলস্/রোটরস	২০১৭-১৮	২০১৬-১৭
স্থাপিত:		
স্থাপিত স্পিন্ডলস্	৮১,৬৪৮	৮১,৬৪৮
স্থাপিত রোটর হেডস্	৩,৯৬০	৩,৯৬০
স্থাপিত ভরটেক্স হেডস্	৬৭২	২৮৮
সক্রিয়:		
সক্রিয় স্পিন্ডলস্	৮১,৬৪৮	৮১,৬৪৮
সক্রিয় রোটর হেডস্	৩,৯৬০	৩,৯৬০
সক্রিয় ভরটেক্স হেডস্	৬৭২	২৮৮
স্থাপিত উৎপাদন ক্ষমতা		কেজি
	২০১৭-১৮	২০১৬-১৭
সমতুল্য উৎপাদন -		
৩০ সিঙ্গেল কাউন্ট (রিং ইয়ার্ণ) ১২,৩৯৪,৬৭৩	১১,৩৮৬,৮১০	
১৪ সিঙ্গেল কাউন্ট (ও/ই ইয়ার্ণ) ১০,০৪৩,৯২৭	১০,২৫৭,০০১	
মোট - ২২,৪৩৮,৬০০	২১,৬৪৩,৮১১	
প্রকৃত উৎপাদন		কেজি
	২০১৭-১৮	২০১৬-১৭
প্রকৃত উৎপাদন	২২,৯২৫,৪৭৮	২০,২২৭,২০৬
সমতুল্য উৎপাদন-		
৩০ সিঙ্গেল কাউন্ট (রিং ইয়ার্ণ) ১১,৭৮৯,৬৩২	১০,৫২৬,৪২৭	
১৪ সিঙ্গেল কাউন্ট (ও/ই ইয়ার্ণ) ৯,৮১০,৮৬৩	১০,১১০,৩৯৬	
মোট - ২১,৬০০,৪৯৫	২০,৬৩৬,৮২৩	
উৎপাদন দক্ষতা		
	২০১৭-১৮	২০১৬-১৭
সমতুল্য উৎপাদন-		
৩০ সিঙ্গেল কাউন্ট (রিং ইয়ার্ণ) ৯৫.১২%	৯২.৪৪%	
১৪ সিঙ্গেল কাউন্ট (ও/ই ইয়ার্ণ) ৯৭.৬৮%	৯৮.৫৭%	
মোট (গড়) - ৯৬.২৬%	৯৫.৩৫%	

৪ঠা ডিসেম্বর ২০১৭ তারিখের পরিচালক বোর্ডের সিদ্ধান্ত অনুযায়ী বছরে ৪,৫০০ টন ইয়ার্ন উৎপাদন ক্ষমতা প্রতিষ্ঠা করা হয়েছে এবং জুলাই ২০১৮ থেকে তার বাণিজ্যিক উৎপাদন শুরু হয়েছে। ২০১৮ সালের পরবর্তী আর্থিক বছরে এটি প্রায় ১০০ কোটি টাকা অতিরিক্ত বিক্রয় বৃদ্ধি করবে এবং অতিরিক্ত মুনাফাও যোগ হবে।

কোম্পানিটি আবাবো আনুমানিক ৯২.০০ কোটি টাকা খরচ এর মাধ্যমে বছরে ৩,০০০ টন (ইয়ার্ন উৎপাদন ও ফাইবার ডাইং সুবিধা) উৎপাদন ক্ষমতা বৃদ্ধি করার সিদ্ধান্ত নিয়েছে। আশা করা হচ্ছে যে এ থেকে বার্ষিক বিক্রয় প্রায় ৭২.০০ কোটি টাকা বৃদ্ধি হবে এবং মুনাফায় ১০% অবদান রাখবে।

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:

	২০১৭-১৮	২০১৬-১৭
সূতার উৎপাদন (কেজি)	২২,৯২৫	২০,২২৭
গুরুত্বপূর্ণ খাতগুলোর ব্যয় সমূহ		টাকা
	২০১৭-১৮	২০১৬-১৭
ব্যবহৃত কাঁচামাল	৪,১৩৯,০৪৪	৩,১৯৪,২৪৭
প্যাকিং সামগ্রী	৬০,১৬৫	৫৩,৫২৭
জ্বালানী তেল/বিদ্যুৎ ইত্যাদি	৬১০,৭২৯	৫৪৭,০৯৮
খুচরা যন্ত্রাংশ	১৫০,০০৬	১৪৫,৮৮১
অন্যান্য খরচ সমূহ	৭৭১,৭৩৭	৬৩৭,৫৬১
মোট ব্যয় -	৫,৭৩১,৬৮১	৪,৫৭৮,৩১৪

প্রতি কেজির মূল্য	২০১৭-১৮	২০১৬-১৭
ব্যবহৃত কাঁচামাল	১৮০.৫৫	১৫৭.৯২
প্যাকিং সামগ্রী	২.৬২	২.৬৫
জ্বালানী তেল/বিদ্যুৎ ইত্যাদি	২৬.৬৪	২৭.০৫
খুচরা যন্ত্রাংশ	৬.৫৪	৭.২১
অন্যান্য খরচ সমূহ	৩৩.৬৬	৩১.৫২
মোট ইউনিট ব্যয় -	২৫০.০১	২২৬.৩৫
মোট শতকরা হিসাবে কাঁচামাল -	৭২.২২%	৬৯.৭৭%

উপরোক্ত বিবরণ হতে প্রতীয়মান হয় যে, ২০১৬-২০১৭ সালের তুলনায় ২০১৭-২০১৮ সালে কাঁচামালের প্রতি ইউনিট ব্যয় বেড়েছে ১৪.৩৩%, প্যাকিং সামগ্রী ব্যয় কমেছে ১.১৩%, জ্বালানী তেল/বিদ্যুৎ ব্যয় কমেছে ১.৫২%, খুচরা যন্ত্রাংশের ব্যয় কমেছে ৯.২৯% এবং অন্যান্য খাতে ব্যয় বেড়েছে ৬.৭৯% ফলশ্রুতিতে মোট ইউনিট ব্যয় বেড়েছে ১০.৪৫%।

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

অপারেটিং ইনকাম

২৯% ২০১৭-২০১৮

	মিলিয়ন টাকা
২০১৭-১৮	৪৪৪.১৯
২০১৬-১৭	৩৪৪.৩৭

বিপণন কার্যক্রম

বাজার পরিস্থিতি

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

বিক্রয়ের পরিমাণ (কেজি)	(,০০০)	
	২০১৭-১৮	২০১৬-১৭
রপ্তানি বিক্রয়	২২,৭৫৫	১৯,৯৯৫
মোট -	২২,৭৫৫	১৯,৯৯৫
বিক্রয়লব্ধ আয়	(,০০০)	
	২০১৭-১৮	২০১৬-১৭
রপ্তানি বিক্রয়	৬,৩৬৭,১২৫	৫,০২০,৫২৫
মোট -	৬,৩৬৭,১২৫	৫,০২০,৫২৫

উপরোক্ত চিত্র থেকে বুঝা যায় যে, পর্যালোচিত ২০১৭-২০১৮ বছরে কোন স্থানীয় বিক্রয় রাজস্ব ছিল না এবং ২০১৭-২০১৮ বছরে রপ্তানি বিক্রয় সামগ্রিক ভাবে ১৩.৮০% বেড়েছে।

প্রাপ্ত একক বিক্রয় মূল্য

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

	২০১৭-১৮	২০১৬-১৭
রপ্তানি বিক্রয়	২৭৯.৮১	২৫১.০৮
মোট -	২৭৯.৮১	২৫১.০৮

উপরের তথ্যাবলী নির্দেশ করে বিক্রয়মূল্য ২০১৬-২০১৭ বছরের তুলনায় ২০১৭-২০১৮ বছরে ১১.৪৪% বেড়েছে। প্রাথমিকভাবে এই অবস্থা আরোপিত হয়েছে আন্তর্জাতিক বাজার এবং রপ্তানি চাহিদার কারণে কিন্তু গত বছরের তুলনায় একক প্রতি ব্যয় বেড়েছে ১০.৪৫%।

মূলধনী খরচ সমূহ

উৎপাদন কার্ঠামো উত্তরোত্তর উন্নীত করণের লক্ষ্যে কোম্পানী ১,৩৪১.৭৩ মিলিয়ন টাকা মূলধনী খাতে এ বছর ব্যয় করেছে যা নিম্নরূপ:

	(,০০০)	
	২০১৭-১৮	২০১৬-১৭
জমি/নির্মাণ কাজ	৭৮,৯৫৪	৩১০,৯২৯
যন্ত্রপাতি	৭৬১,৮৬০	৫০৮,০০৮
অন্যান্য স্থায়ী সম্পদ	৫০০,৯১৩	৬৪,৯৩৮
মোট -	১,৩৪১,৭২৭	৯১৩,৮৭৫

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 ২০১৭-২০১৮ সালে ৭১.৯৫ মিলিয়ন টাকা জাতীয় কোষাগারে জমা দিয়েছে। যার বিবরণ নীচে দেখানো হলো:

	(,০০০)	
	২০১৭-১৮	২০১৬-১৭
কর্পোরেট আয়কর	৩৮,২০১	৫৮,০২০
অগ্রিম আয়কর (উৎস হতে কর্তন)	৬,৪৮২	৫,৭৬৭
ভ্যাট/কর ইত্যাদি	২২,৪১৫	১৮,৯৩৬
সরকারী কর/লাইসেন্স ফি	৪,৮৫২	৩,৬৫২
মোট -	৭১,৯৫০	৮৬,৩৭৫

বৈদেশিক মুদ্রার অর্জন/সঞ্চয়

কোম্পানী উল্লেখযোগ্যভাবে রপ্তানি বাণিজ্যের মাধ্যমে দেশের বৈদেশিক মুদ্রা রিজার্ভে অবদান রেখেছে ২০১৭-১৮ সালে যার পরিমাণ ১,৩১৫.৪৮ মিলিয়ন টাকা। যার বিস্তারিত বিবরণ নিম্নে দেওয়া হল:

	(,০০০)	
	২০১৭-১৮	২০১৬-১৭
মোট রপ্তানি আয়	৫,৭১১,৮৮৯	৪,৮৮৯,৫২৯
বাদ: আমদানি খরচ সমূহ:		
কাঁচা তুলা	৪,২২৮,৩৬৮	২,৯১৩,৯৬৭
খুচরা যন্ত্রাংশ	১২৬,৭৭৩	১৯১,৯৫৪
বিবিধ	৪১,২৬৫	৩৬,২৮৫
মোট রপ্তানি আয় -	১,৩১৫,৪৮৩	১,৭৪৭,৩২৩

অসাধারণ কার্যক্রম

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

আর্থিক ফলাফল

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

বিবরণ	২০১৭-২০১৮	২০১৬-১৭	↑ ↓ শতাংশে
বিক্রয়	৬,৩৬৭,১২৫	৫,০২০,৪২৫	২৬.৮২%
বিক্রিত পণ্যের উৎপাদন মূল্য	৫,৬৯৫,৫৯৫	৪,৪৯৪,৭৯১	২৬.৭২%
মোট মুনাফা	৬৭১,৫৩০	৫২৫,৬৩৪	২৭.৭৬%
প্রশাসনিক ব্যয়	২২১,৫০৯	১৭৭,৩৮৩	২৪.৮৮%
বিক্রয় এবং বিতরণ খরচ	৫,৮৩৪	৩,৮৮৪	৫০.২০%
পরিচালন মুনাফা	৪৪৪,১৮৭	৩৪৪,৩৬৭	২৮.৯৯%
আর্থিক খরচ সমূহ	৮৬,০৯০	৩৬,৪৯৪	১৩৫.৯০%
অন্যান্য আয়	৭,৩৫০	৪,৫৯৮	৫৯.৮৪%
নীট মুনাফা (ডব্লিউপিপিএফ) পূর্ব	৩৬৫,৪৪৭	৩১২,৪৭২	১৬.৯৫%
ডব্লিউ পি পি এফ এ অনুদান	১৭,৪০২	১৪,৮৮০	১৬.৯৫%
নীট মুনাফা (কর পূর্ব)	৩৪৮,০৪৫	২৯৭,৫৯২	১৬.৯৫%
আয়কর সঞ্চিত	৩৮,২০১	৫৮,০২০	-৩৪.১৬%
বিলম্বিত আয়কর	১৮,৯৩০	-১২,৯২১	-২৪৬.৫০%
নীট মুনাফা (কর পরবর্তী)	২৯০,৯১৪	২২৫,৬৯১	১৫.২২%
মোট মার্জিন	১০.৫৫%	১০.৪৭%	০.৭৬%
নীট মার্জিন	৪.৫৭%	৫.০৩%	-৯.১৫%
শেয়ার প্রতি আয়	১.৫৫	১.৩৪	১৫.৬৭%

আলোচ্য বছরে কোম্পানীর উৎপাদন ক্ষমতা বৃদ্ধি এবং পণ্য মিশ্রণের জন্য ২০১৬-২০১৭ বছরের তুলনায় ২০১৭-২০১৮ বছরে ২৬.৮২% বিক্রয় বেড়েছে।

আলোচ্য বছরে কাঁচামাল, জ্বালানী/বিদ্যুৎ ও কারখানার ওভারহেডগুলির ব্যয় বৃদ্ধির কারণে ব্যবসা পরিচালনা নিয়ন্ত্রণের বাইরে ছিল। গত বছরের তুলনায় ১৩.৮০% বেশি বিক্রি হয়েছে এবং কাঁচা কাঁচামালের খরচ, প্যাকিং খরচ এবং কারখানার ওভারহেড গুলির দাম আগের বছরের তুলনায় বেড়েছে ফলে গত বছরের তুলনায় আলোচ্য বছরে বিক্রিত পণ্যের একক প্রতি ব্যয় বেড়েছে ১১.৩৫%। ক্রমবর্ধমান অপারেটিং ও ফাইনাল কষ্ট বৃদ্ধির কারণে গ্রস মুনাফা মার্জিন ০.৭৬% বেড়েছে এবং নীট মুনাফা মার্জিন ৯.১৫% কমেছে।

তবে কোম্পানি গত বছরের তুলনায় আলোচ্য ২০১৭-২০১৮ বছরে বৈদেশিক মুদ্রার রূপান্তর হার বৃদ্ধি হওয়ায় ৫৯.৮৪% অতিরিক্ত আয় করেছে (স্বতন্ত্র হিসাবের ২৫ নোটে উল্লেখ করা হয়েছে)।

মুনাফা বন্টন

পরিচালনা পর্ষদ নিম্নোক্ত উপায়ে ৩০ জুন ২০১৮ সমাপ্ত বছরের জন্য নীট মুনাফা বন্টনের জন্য প্রস্তাব করেন:

	টাকায়
ক) মুনাফা বন্টনের জন্য ব্যবহারযোগ্য তহবিল ২০১৭-১৮ বছরের মুনাফা সহ	৩,৫০৭,৪৪৩,০৫২
খ) নগদ লভ্যাংশ প্রস্তাব @২০%	৩৭৫,৭১৮,০৯৬
গ) স্টক লভ্যাংশ (বোনাস) প্রস্তাব @৫%	৯৩,৯২৯,৫২০
ঘ) নেট সাধারণ তহবিল ও উদ্ধৃত	৩,০৩৭,৭৯৫,৪৩৬

ঝুঁকি এবং উদ্বেগ

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

রিলেটেড পার্টি লেনদেন

কোম্পানি বিভিন্ন রিলেটেড পার্টি লেনদেন করেছে, এর বিস্তারিত একক হিসেবের নোট নং ৩৯ এ দেওয়া হয়েছে।

পরিচালক নির্বাচন

সংঘবিধির ১২৫ ও ১২৬ অনুচ্ছেদ অনুযায়ী কোম্পানীর পরিচালক জনাবা রত্না পাত্র এবং জনাব অঞ্জন চৌধুরী অবসর গ্রহণ করেছেন এবং পুনঃনির্বাচিত হওয়ার যোগ্য বিধায় পুনঃনির্বাচিত হওয়ার ইচ্ছা প্রকাশ করেছেন। 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 করেছেন এবং যোগ্য বিধায় ২০১৮-১৯ সালের জন্য নিরীক্ষক হিসেবে পুনরায় নিয়োগের ইচ্ছা প্রকাশ করেছেন।

স্কয়ার টেক্সটাইলস্ লিমিটেড সঙ্গে স্কয়ার ইয়ার্নস লিমিটেড এর একত্রীকরণ

বাংলাদেশ সূত্রীম কোর্টের মাননীয় হাইকোর্ট বিভাগ গত ২৯ অক্টোবর ২০১৮ তারিখে এ স্কয়ার টেক্সটাইলস্ লিমিটেড-এর সাথে স্কয়ার ইয়ার্নস লিমিটেড-এর একত্রীকরণ প্রকল্প অনুমোদন করেছেন।

কর্পোরেট গভর্নেন্স

কর্পোরেট গভর্নেন্স হচ্ছে সূনাগরিকত্বের 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 বিএসইসি/সিএমআরআর সিডি/২০০৬-১৫৮/২০৭/প্রশাসন/৮০ ওরা জুন, ২০১৮ এর নিরিখে একটি বিবরণ ১(৫) ধারা অনুসারে প্রতিপালন প্রতিবেদন, পরিচালক যারা পুনর্নির্বাচিত হইবে তাদের জীবন বৃত্তান্ত, অডিট কমিটি প্রতিবেদন, সিইও এবং সিএফও থেকে সার্টিফিকেট, কর্পোরেট গভর্নেন্স-এর শর্ত মেনে চলার সার্টিফিকেট এবং কর্পোরেট গভর্নেন্স প্রতিপালন 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 অনুপ্রানিত 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 2017-2018

Square Tex



Consolidated

Consolidated

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Statement of Profit or Loss and other
Comprehensive Income - 43
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Profit 11%
EPS 11%
Dividend Payout 5%

AUDITORS' REPORT

Independent Auditors' Report

To the Shareholders of Square Textiles Limited

We have audited the accompanying consolidated financial statements of "Square Textiles Limited" which comprises the Consolidated Statement of Financial Position as at June 30, 2018 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 (IFRS), 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, 2018 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 24, 2018

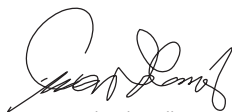

Ahmed Zaker & Co.
Chartered Accountants

SQUARE TEXTILES LIMITED
Consolidated Statement of Financial Position
As at June 30, 2018

		June 30, 2018 Taka	June 30, 2017 Taka
ASSETS:	Notes		
Non-Current Assets		5,850,815,043	4,841,254,822
Property, Plant & Equipment- Carrying Value	04	4,369,283,667	4,514,651,120
Capital Work In Progress	05	1,425,247,616	270,319,942
Goodwill	06	56,283,760	56,283,760
Current Assets		5,708,002,400	5,340,902,540
Inventories	07	2,117,499,335	1,963,904,495
Accounts Receivable	08	2,537,386,382	1,931,002,020
Advances, Deposits & Prepayments	09	457,007,961	583,074,262
Cash & Cash Equivalents	10	596,108,722	862,921,763
TOTAL ASSETS		11,558,817,443	10,182,157,362
SHAREHOLDERS' EQUITY & LIABILITIES:			
Shareholders' Equity		7,444,414,383	7,345,185,658
Share Capital	11	1,878,590,480	1,789,133,790
Retained Earnings	12	5,565,823,903	5,556,051,868
Non controlling Interest	13	23,924,714	21,507,901
Non-Current Liabilities			
Deferred Tax Liability	14	222,054,637	203,277,250
Current Liabilities & Provisions		3,868,423,709	2,612,186,553
Short Term Bank Loan (Secured)	15	3,416,687,761	1,939,547,763
Creditors & Others Payable	16	131,402,995	117,079,071
Liabilities for Other Finance	17	136,623,950	165,235,373
Short Term Loan	18	1,385,741	21,386,290
Provision for Income Tax	19	182,323,262	368,938,056
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		11,558,817,443	10,182,157,362
Net Asset Value Per Share (Restated)		39.63	39.10

Attached notes form part of these financial statements .
Dated, Dhaka: October 24, 2018

As per our annexed report of even date.


Samuel S Chowdhury
Chairman


Tapan Chowdhury
Managing Director


Khandaker Habibuzzaman
Company Secretary

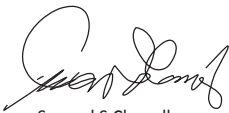

Ahmed Zaker & Co.
Chartered Accountants

SQUARE TEXTILES LIMITEDConsolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended June 30, 2018

		July - June 2017 - 2018	July - June 2016 - 2017
	Notes		
Sales Revenue	20	9,411,869,563	7,758,879,164
Cost of Goods Sold	21	(8,443,275,210)	(6,969,942,417)
Gross Profit		968,594,353	788,936,747
Administrative Overhead	22	(286,279,858)	(230,499,524)
Selling and Distribution Overhead	23	(10,055,542)	(7,011,165)
Profit from Operations		672,258,953	551,426,058
Finance Cost	24	(107,733,800)	(46,801,822)
Non-operating Income		5,181,890	852,608
Profit Before W.P.P.F & W.F		569,707,043	505,476,844
Allocation for W.P.P.F & W.F	25	(27,128,907)	(24,070,326)
Profit Before Tax		542,578,136	481,406,518
Provision for Tax (Current)	26	(64,328,453)	(88,220,511)
Provision for Tax (Deferred)	27	(18,777,387)	20,549,685
Profit After Tax for The Period		459,472,296	413,735,692
Non-Controlling Interest		(2,416,813)	(2,348,003)
Net Income for the Period		457,055,483	411,387,689
(Transferred to the Consolidated Statement of Changes in Equity)			
Earning Per Share (EPS) Restated	28	2.43	2.19

Attached notes form part of these financial statements .
Dated, Dhaka: October 24, 2018

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, 2018

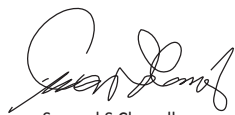
Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2017	1,789,133,790	5,556,051,868	7,345,185,658
Net Profit for the Year Ended June 30, 2018	-	457,055,483	457,055,483
Cash Dividend for 2016-17	-	(357,826,758)	(357,826,758)
Stock Dividend for 2016-17	89,456,690	(89,456,690)	-
Balance As at June 30, 2018 Tk.	1,878,590,480	5,565,823,903	7,444,414,383

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)	-
Balance As at June 30, 2017 Tk.	1,789,133,790	5,556,051,868	7,345,185,658

Attached notes form part of these financial statements .
Dated, Dhaka: October 24, 2018

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 LIMITEDConsolidated Statement of Cash Flows
For the Year Ended June 30, 2018

	July-June 2017-18	July-June 2016-17
Cash Flow From Operating Activities:		
Receipts		
Receipts from Sales Revenue	8,805,485,201	7,472,598,389
Exchange Fluctuation Gain	4,584,097	653,897
Receipts from Other Income	597,793	198,711
Total Receipts	8,810,667,091	7,473,450,997
Payments to Suppliers	(6,378,230,512)	(5,137,668,830)
Paid for Operating & Non-operating Expenses	(2,194,327,758)	(1,979,449,172)
Interest Expenses Paid	(83,330,142)	(30,854,279)
Income Tax Paid	(101,025,851)	(94,489,855)
Total Payments	(8,756,914,263)	(7,242,462,136)
Net Cash Generated (Used in) from Operating Activities	53,752,828	230,988,861
Cash Flows from Investing Activities:		
Sales (Purchase) of Property, Plant & Equipment	(1,418,810,057)	(1,063,144,872)
Net Cash Generated (Used in) from Investing Activities	(1,418,810,057)	(1,063,144,872)
Cash Flows from Financing Activities:		
Short Term Bank Loan Received/ (Repaid)	1,477,139,998	848,013,673
Short Term Loan from/ (To) Sister Company	(21,069,052)	(25,086,032)
Payment of Dividend	(357,826,758)	(406,621,325)
Net Cash Generated (Used in) from Financing Activities	1,098,244,188	416,306,316
Increase/ (Decrease) in Cash & Cash Equivalents	(266,813,041)	(415,849,695)
Opening Cash & Cash Equivalents	862,921,763	1,278,771,458
Closing Cash & Cash Equivalents	596,108,722	862,921,763
Net Operating Cash Flows Per Share (Restated)	0.29	1.23

Attached notes form part of these financial statements .
Dated, Dhaka: October 24, 2018

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, 2018

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 location given below

- ◆ Kashimpur, Gazipur.
- ◆ Olipur, Habigonj.
- ◆ Valuka, Mymensingh.

c) Nature of Business.

The company owns Six (6) 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 IASs and IFRSs are applicable to the financial statements for the year under review:

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

2.4. Going Concern:

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

2.5. Accrual Basis:

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

2.6. Structure Contents and Presentation of Financial Statements:

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

- i) Statement of Financial Position as at June 30, 2018.
- 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, 2018.
- iv) Statement of Cash Flows for the year ended June 30, 2018.
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the Financial Statements for the year ended June 30, 2018

2.7. Statement of Cash Flows.

The Statement of Cash Flows is prepared using the direct method as stipulated in Bangladesh Accounting Standards IAS-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 IFRS 5 and the date that the assets are derecognized.

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

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

3.1. 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, 2017 to June 30, 2018.

3.17. Events after the Reporting Period:

As per IAS-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. 4,369,283,667

Details of Property, Plant & Equipment and Depreciation as at June 30, 2018 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 - 18	30 June - 17
Fixed Assets at Cost:		
Opening Balance	8,561,946,086	7,102,182,880
Addition during the Year	265,969,327	1,497,507,343
Sale/ Obsolete during the Year	(14,835,571)	(37,744,137)
Closing Balance(Cost)	8,813,079,842	8,561,946,086
Accumulated Depreciation		
Opening Balance	4,047,294,966	3,738,327,171
Charged during the Year	409,249,836	341,518,652
Adjustment for sale/Obsolete	(12,748,627)	(32,550,857)
	4,443,796,175	4,047,294,966
Carrying Value	Tk. 4,369,283,667	4,514,651,120
5. Capital Work In Progress: Tk. 1,425,247,616		
Opening Balance	270,319,942	699,489,133
Addition during the Year	1,379,859,210	642,167,858
Transfer to Property, Plant & Equipment	(224,931,536)	(1,071,337,049)
Closing Balance(Cost)	Tk. 1,425,247,616	270,319,942

	30 - June - 18	30 - June - 17
6. Good Will: Tk. 56,283,760		
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
Tk.	56,283,760	56,283,760

7. Inventories: Tk. 2,117,499,335

Stocks of Raw Materials	1,851,301,619	1,735,450,446
Raw Materials	1,288,915,264	1,230,215,359
Comber Noil	28,029,753	14,471,089
Raw Materials In Transit	253,946,100	246,630,532
Packing Materials	13,842,823	12,055,558
Work - in - process	73,007,237	86,734,976
Finished Goods	193,560,442	145,342,932
Stock of Spares	266,197,716	228,454,049
Spares at Store	239,896,287	214,112,955
Spares in Transit	26,301,429	14,341,094
Tk.	2,117,499,335	1,963,904,495

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. 2,537,386,382

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	1,043,624,024	822,887,070
Within 61-120 days	1,194,206,454	810,213,335
Above 120 days	299,555,904	297,901,615
Tk.	2,537,386,382	1,931,002,020

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.

	30-June-18	30-June-17
9. ADVANCES, DEPOSITS & PREPAYMENTS: Tk. 457,007,961		
This is made up of the followings:		
Advances and Prepayments:	375,973,570	514,065,776
Income Tax	153,041,124	302,958,520
Salary & PF Current account	2,244,602	12,126,571
Other Expenses	21,702,776	17,037,267
Contractor/ Suppliers	198,985,068	181,943,418
Deposits:	81,034,391	69,008,486
Security Deposit	70,924,398	63,708,440
Margin of Bank Guarantee	10,109,993	5,300,046
Tk.	457,007,961	583,074,262

- (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. 596,108,722

This is made up of the followings:

Cash in Hand	7,535,794	2,828,811
Cash at Bank	588,572,928	860,092,952
Tk.	596,108,722	862,921,763

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

11. Share Capital: Tk. 1,878,590,480

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
Tk.	3,000,000,000	3,000,000,000
Issued, Subscribed and Paid up:	1,878,590,480	1,789,133,790
(187,859,048 Ordinary Shares of Tk. 10.00 each fully Paid up)	1,878,590,480	1,789,133,790

Position of Shareholding is given in Annexure- II

12. Retained Earnings: Tk. 5,565,823,903

Opening Balance	5,556,051,868	5,713,934,024
Less: Cash Dividend paid during the Year	(357,826,758)	(406,621,325)
Less: Appropriation for stock dividend	(89,456,690)	(162,648,520)
Add: Surplus for the Year	457,055,483	411,387,689
Tk.	5,565,823,903	5,556,051,868

	30-June-18	30-June-17
13. Non Controlling Interest: Tk. 23,924,714		
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	22,924,714	20,507,901
Tk.	23,924,714	21,507,901

(a) This represents the minority share holdings in Square Yarns Limited and Square Texcom Ltd as on June 30, 2018.

(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. 222,054,637

This is made up as follows:

Opening Balance	203,277,250	223,826,935
Deferred Tax Assets	(5,346,547)	(57,719,261)
Deferred Tax Liability	24,123,934	37,169,576
Closing Balance	222,054,637	203,277,250

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. 3,416,687,761

Bank Overdraft	5,569,544	2,574,429
L/C Liabilities	3,411,118,217	1,936,973,334
Tk.	3,416,687,761	1,939,547,763

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

16. Creditors & Others Payable: Tk. 131,402,995

Creditors & Others Payable	131,402,995	117,079,071
Tk.	131,402,995	117,079,071

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. 136,623,950

This is made up of the followings:

Retention Money	1,781,837	3,919,030
Allocation for W.P.P.F & Other Fund	27,128,907	24,070,326
Others	107,713,206	137,246,017
Tk.	136,623,950	165,235,373

18. Short Term Loan: Tk. (1,385,741)

Loan to (from) Square Pharma. Ltd.	(1,385,741)	21,386,290
Tk.	(1,385,741)	21,386,290

19. Provision for Income Tax Tk. 182,323,262

	30-June-18	30-June-17
Opening Balance	368,938,056	328,992,175
Adjustment with Advance Tax	(250,943,247)	(48,274,630)
Current Year Provision	64,328,453	88,220,511
Closing Balance	Tk. 182,323,262	368,938,056

20. SALES TK. 9,411,869,563

Sales Comprises the following:

In Quantity(KG)

	2017-2018	2016-2017
Opening Stock	666,112	319,090
Production during the Year	31,481,902	28,408,821
Available for Sale	32,148,014	28,727,911
Closing Stock	(808,992)	(666,112)
Sales during the year	Kg. 31,339,022	28,061,799
(To be accounted for as follows)		

Sales Accounted as follows:

In Quantity(KG)

Export Sale of Yarns	31,339,022	28,061,799
	Kg. 31,339,022	28,061,799

In Taka

Export Sale of Yarns	9,411,869,563	7,758,879,164
	Tk. 9,411,869,563	7,758,879,164

21. COST OF GOODS SOLD TK. 8,443,275,210

This is arrived as follows:

Raw Material Consumed (Note-21.1)	6,171,179,917	4,999,400,080
Packing Material Consumed (Note-21.2)	85,274,192	75,685,048
Factory Overhead (Note- 21.3)	2,221,310,872	2,007,283,551
Cost of Goods Manufactured	8,477,764,981	7,082,368,679
Work-In-Process (Opening)	86,734,976	56,396,398
Work-In-Process (Closing)	(73,007,237)	(86,734,976)
Cost of Production	8,491,492,720	7,052,030,101
Finished Goods (Opening)	145,342,932	63,255,248
Finished Goods (Closing)	(193,560,442)	(145,342,932)
Cost of Goods Sold	Tk. 8,443,275,210	6,969,942,417

	2017-2018	2016-2017
21.1 RAW MATERIAL CONSUMED: TK. 6,171,179,917		
This is arrived as follows:		
In Quantity(KG)		
Opening Stock	6,531,416	6,340,384
Purchase during the period	35,080,079	31,633,081
Raw Material Available for Consumption	41,611,495	37,973,465
Closing Stock	(7,070,326)	(6,531,416)
Raw Material Consumed	Kg. 34,541,169	31,442,049
In Taka		
Opening Stock	1,244,686,448	941,729,547
Purchase during the period	6,243,438,486	5,302,356,981
Raw Material Available for Consumption	7,488,124,934	6,244,086,528
Closing Stock	(1,316,945,017)	(1,244,686,448)
Raw Material Consumed	Tk. 6,171,179,917	4,999,400,080

21.2. PACKING MATERIAL CONSUMED: TK. 85,274,192

This is arrived as follows:		
Opening Stock	12,055,558	13,789,619
Purchase during the Year	87,061,457	73,950,987
Available for Production	99,117,015	87,740,606
Closing Stock	(13,842,823)	(12,055,558)
Packing Material Consumed	Tk. 85,274,192	75,685,048

21.3. FACTORY OVERHEAD: TK. 2,221,310,872

Factory Wages, Salary & Allowances	721,061,616	647,139,309
Travelling & Conveyance	168,814	164,846
Overseas Travelling	82,096	-
Recruitment & Training Expenses	60,669	-
Printing Expenses	257,551	165,877
Stationery Expenses	1,556,240	1,622,713
Software & Hardware Support Expenses	3,358,793	-
Production Workers' Free Lunch	4,370,361	4,066,934
Uniform & Liveries	256,197	246,775
Fuel, Petrol, Light, Diesel etc.	137,707,049	158,492,274
Electricity, Gas & Water	606,226,179	518,545,365
Factory Consumable Expense	63,676,776	70,418,652
Medical Expenses	815,060	646,733
Repairs & Maintenance of Vehicles	16,962,558	16,724,530
Papers, Books and Periodicals	22,790	21,410
Industrial All Risk Insurance Premium	12,565,314	11,496,474
Postage, Telephone, Fax & Telex	219,889	8,114
Govt.Tax, VAT & License Fees	3,668,859	4,556,766
Security Services	19,165,867	18,680,600
Spare Parts - Machinery	218,588,963	211,881,849
Group Insurance	1,269,395	885,678
Depreciation (Schedule-1)	409,249,836	341,518,652
Total	Tk. 2,221,310,872	2,007,283,551

	2017-2018	2016-2017
22. ADMINISTRATIVE OVERHEAD: TK. 286,279,858		
Salary and Allowances	141,801,588	119,857,795
Directors' Remuneration	35,765,796	31,038,396
Travelling & Conveyance	930,008	866,415
Overseas Travelling	51,503,344	32,141,703
Recruitment & Training Expenses	548,760	215,059
Head Office Employees' Free Lunch	1,778,361	1,654,984
Uniform & Liveries	168,681	-
Printing Expenses	379,397	344,971
Stationery Expenses	634,027	3,895,752
Software & Hardware Support Expenses	2,847,923	-
Postage, Telephone, Fax & Telex	407,523	111,569
Electricity, Gas & Water	2,951,569	1,641,137
Office Consumable Expense	3,200,268	3,628,340
Rental Expenses	11,635,064	10,691,651
Vehicles Running & Maintenance	13,418,692	11,627,256
Medical Expenses	485,121	53,576
Group Insurance	427,134	519,194
Bank Charges & Commission	1,278,364	2,126,241
Fees & Subscription	12,610,740	3,557,355
Security Service	537,654	417,532
Govt. Tax, Stamp Duty & Licence Fees	1,015,306	4,011,898
Annual General Meeting Expenses	1,536,628	1,546,700
Audit Fees	417,910	552,000
Total	Tk. 286,279,858	230,499,524

a) Audit Fees represent provision for the auditors' remuneration for audit of the Company's Financial Statements for the Financial Year 2017-2018.

23. SELLING & DISTRIBUTION OVERHEAD: TK. 10,055,542

This is arrived as follows:

Expenses for Export	8,229,821	4,914,041
Loading & Unloading	1,825,721	2,097,124
Total	Tk. 10,055,542	7,011,165

	2017-2018	2016-2017
24. FINANCE COST: TK. 107,733,800		
This is arrived as follows:		
Interest on Short Term Loan	107,733,800	46,801,822
Tk.	107,733,800	46,801,822

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.

25. ALLOCATION FOR W.P.P.F & W.F:	Tk.	27,128,907	24,070,326
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This represents 5% of Net Income before Tax after charging the allocation as per provisions of the Labour Law 2016.

26. PROVISION FOR INCOME TAX:	Tk.	64,328,453	88,220,511
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This represents estimated Income Tax on Net Profit for the period and adjustment any short/excess provision for prior years.

27. PROVISION FOR DEFERRED TAX:	Tk.	18,777,387	(20,549,685)
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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).	457,055,483	411,387,689
Weighted average number of shares outstanding	187,859,048	187,859,048
Earning Per Share	Tk. 2.43	2.19

29. APPROVAL OF ACCOUNTS

These Financial Statements have been approved by the Board on October 21, 2018.

SQUARE TEXTILES LIMITED

Consolidated Statement of Property, Plant and Equipment

Property, Plant and Equipment - Tk. 4,369,283,667

Schedule-01

PARTICULARS	At July 01, 2017	COST		At June 30, 2018	DEPRECIATION				Written Down Value as at June 30, 2018
		During the Period			At July 01, 2017	During the Period		At June 30, 2018	
		Additions	Sales/Obsoletes			Charged	Adjustments		
Land & Land Development	659,050,091	17,835,790	-	676,885,881	-	-	-	-	676,885,881
Building-Factory & Utility	946,989,738	289,074	-	947,278,812	372,139,311	39,752,681	-	411,891,992	535,386,820
Building-Others	380,160,955	94,266,370	-	474,427,325	180,392,290	16,810,476	-	197,202,766	277,224,559
Sheds	23,847,688	-	-	23,847,688	20,919,115	948,852	-	21,867,967	1,979,721
Plant & Machinery	5,979,538,268	117,963,834	(8,725,571)	6,088,776,531	3,141,744,619	299,197,757	(6,638,627)	3,434,303,749	2,654,472,782
Laboratory Equipment	3,117,910	-	-	3,117,910	2,100,292	254,643	-	2,354,935	762,975
Electrical Installation	235,484,289	20,924,357	-	256,408,646	163,475,377	17,102,577	-	180,577,954	75,830,692
Gas Line Installation	49,145,684	-	-	49,145,684	22,154,470	2,454,096	-	24,608,566	24,537,118
Motor Vehicles	192,344,408	2,358,033	(6,110,000)	188,592,441	91,768,404	27,532,664	(6,110,000)	113,191,068	75,401,373
Office Equipment	15,430,230	718,941	-	16,149,171	10,728,477	1,440,101	-	12,168,578	3,980,593
Furniture & Fixture	15,552,064	369,350	-	15,921,414	13,733,118	316,931	-	14,050,049	1,871,365
Computer	4,152,211	440,950	-	4,593,161	2,774,863	492,362	-	3,267,225	1,325,936
Boundary Wall	43,520,678	9,951,328	-	53,472,006	14,692,514	2,213,463	-	16,905,977	36,566,029
Deep Tube-Well	5,050,800	-	-	5,050,800	3,600,135	174,359	-	3,774,494	1,276,306
Safety & Security Equipment	1,316,308	-	-	1,316,308	1,106,351	142,060	-	1,248,411	67,897
Communication and Network Equipment	4,282,619	11,300	-	4,293,919	3,168,485	345,421	-	3,513,906	780,013
Other Assets	2,962,145	840,000	-	3,802,145	2,797,145	71,393	-	2,868,538	933,607
As at June 30, 2018	8,561,946,086	265,969,327	(14,835,571)	8,813,079,842	4,047,294,966	409,249,836	(12,748,627)	4,443,796,175	4,369,283,667
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

Notes: In the "SCHEDULE OF PROPERTY, PLANT & EQUIPMENT" Re-arranged and Renamed of few asset class for more classification as per below details;

Previous Schedule	Present Schedule
A. Building	01. Building-Factory & Utility 02. Building-Others
B. Office Equipment	01. Office Equipment 02. Computer 03. Safety & Security Equipment 04. Communication and Network Equipment

Financial Statement 2017-2018

Square Tex



Standalone

Standalone

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Statement of Financial Position - 62
Statement of Profit or Loss and other
Comprehensive Income - 63
Statement of Change in Equity - 64
Statement of Cash Flows - 65
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Sales 27%
Operating Profit 29%
EPS 16%

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, 2018 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 (IFRS), 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, 2018 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 24, 2018


Ahmed Zaker & Co.
Chartered Accountants

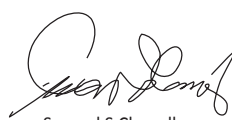
SQUARE TEXTILES LIMITED

Statement of Financial Position As at June 30, 2018

		June 30, 2018 Taka	June 30, 2017 Taka
ASSETS:	Notes		
Non-Current Assets		4,994,687,046	3,893,030,120
Property, Plant & Equipment- Carrying Value	04	3,001,819,096	3,058,480,897
Capital Work In Progress	05	1,408,534,071	250,215,344
Investment - Long Term (At Cost)	06	584,333,879	584,333,879
Current Assets		4,430,793,243	3,618,294,827
Inventories	07	1,478,552,169	1,326,693,264
Accounts Receivable	08	1,999,834,667	1,344,598,778
Advances, Deposits & Prepayments	09	391,186,509	465,257,211
Short Term Loan	10	123,843,099	108,662,119
Cash & Cash Equivalents	11	437,376,799	373,083,455
TOTAL ASSETS		9,425,480,289	7,511,324,947
SHAREHOLDERS' EQUITY & LIABILITIES:			
Shareholders' Equity		5,386,033,532	5,452,946,362
Share Capital	12	1,878,590,480	1,789,133,790
Retained Earnings	13	3,507,443,052	3,663,812,572
Non-Current Liabilities			
Deferred Tax Liability	14	128,579,505	109,649,529
Current Liabilities & Provisions		3,910,867,252	1,948,729,056
Short Term Bank Loan (Secured)	15	2,897,754,665	1,530,686,959
Creditors & Others Payable	16	79,467,584	65,384,511
Liabilities for Other Finance	17	116,974,941	148,441,867
Short Term Loan	18	724,638,161	21,386,290
Provision for Income Tax	19	92,031,901	182,829,429
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		9,425,480,289	7,511,324,947
Net Asset Value Per Share (Restated)		28.67	29.03

Attached notes form part of these financial statements .
Dated, Dhaka: October 24, 2018

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

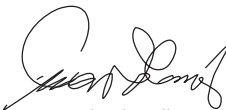
SQUARE TEXTILES LIMITED

Statement of Profit or Loss and other Comprehensive Income For the Year Ended June 30, 2018

		July - June 2017 - 2018	July - June 2016 - 2017
	Notes		
Sales Revenue	20	6,367,124,698	5,020,425,409
Cost of Goods Sold	21	(5,695,595,049)	(4,494,791,289)
Gross Profit		671,529,649	525,634,120
Administrative Expenses	22	(221,509,044)	(177,382,964)
Selling and Distribution Expenses	23	(5,834,014)	(3,884,180)
Profit from Operations		444,186,591	344,366,976
Finance Cost	24	(86,090,059)	(36,493,595)
Non-Operating Income	25	7,350,278	4,598,487
Profit Before W.P.P.F & W.F		365,446,810	312,471,868
Allocation for W.P.P.F & W.F	26	(17,402,229)	(14,879,613)
Profit Before Tax		348,044,581	297,592,255
Provision for Tax (Current)	27	(38,200,677)	(58,020,162)
Provision for Tax (Deferred)		(18,929,976)	12,921,475
Profit After Tax for The Year		290,913,928	252,493,568
(Transferred to the Statement of Changes Equity)			
Earning Per Share	28	1.55	1.34

Attached notes form part of these financial statements .
Dated, Dhaka: October 24, 2018

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, 2018


Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2017	1,789,133,790	3,663,812,572	5,452,946,362
Net Profit for the Year ended June 30, 2018	-	290,913,928	290,913,928
Cash Dividend for the Year 2016-17	-	(357,826,758)	(357,826,758)
Stock Dividend for the Year 2016-17	89,456,690	(89,456,690)	-
Balance As at June 30, 2018 Tk.	1,878,590,480	3,507,443,052	5,386,033,532

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)	-
Balance As at June 30, 2017 Tk.	1,789,133,790	3,663,812,572	5,452,946,362

Attached notes form part of these financial statements .
Dated, Dhaka: October 24, 2018

As per our annexed report of even date.


Samuel S Chowdhury
Chairman


Tapan Chowdhury
Managing Director


Khandaker Habibuzzaman
Company Secretary

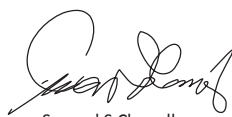

Ahmed Zaker & Co.
Chartered Accountants

SQUARE TEXTILES LIMITEDStatement of Cash Flows
For the Year Ended June 30, 2018

	July - June 2017 - 2018	July - June 2016 - 2017
Cash Flow From Operating Activities:		
RECEIPTS:		
Receipts from Sales Revenue	5,711,888,809	4,889,528,849
Exchange Fluctuation Gain	3,406,960	653,897
Receipts from Other Income	523,971	198,711
Total Receipts	5,715,819,740	4,890,381,457
PAYMENTS:		
Payments to Suppliers	(4,333,405,344)	(3,244,628,332)
Paid for Operating and Non-operating Expenses	(1,569,169,828)	(1,415,024,456)
Interest Expenses	(60,997,318)	(22,552,598)
Income Tax	(43,108,098)	(70,094,969)
Total Payments	(6,006,680,588)	(4,752,300,355)
Net Cash Generated (Used in) from Operating Activities	(290,860,848)	138,081,102
Cash Flow From Investing Activities		
Sales (Purchase) of Property, Plant & Equipment	(1,341,726,034)	(913,875,254)
Net Cash Flow Generated (Used in) Investing Activities	(1,341,726,034)	(913,875,254)
Cash Flow From Financing Activities		
Short Term Bank Loan Received/ (Repaid)	1,367,067,706	931,551,148
Short Term Loan from/ (To) Sister Company	687,639,278	(25,959,923)
Payment of Dividend	(357,826,758)	(406,621,325)
Net Cash Generated (Used in) from Financing Activities	1,696,880,226	498,969,900
Increase/ (Decrease) in Cash & Cash Equivalents	64,293,344	(276,824,252)
Opening Cash & Cash Equivalent	373,083,455	649,907,707
Closing Cash & Cash Equivalents	437,376,799	373,083,455
Net Operating Cash flows per Share (Restated)	(1.55)	0.74

Attached notes form part of these financial statements .
Dated, Dhaka: October 24, 2018

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, 2018

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 and Olipur Habiganj.

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. 3,001,819,096

Details of Property, Plant & Equipment and Depreciation as at June 30, 2018 are shown in the annexed schedule-02. Depreciation for the year charged to Factory Overhead (Note-21.3). The break-up of the balances are depicted below:

	30 - June - 18	30 - June - 17
Fixed Assets at Cost		
Opening Balance	5,808,792,102	4,484,472,833
Addition during the period	183,407,307	1,361,718,445
Sale/ Obsolete during the period	(6,310,000)	(37,399,176)
Closing Balance(Cost)	5,985,889,409	5,808,792,102
Accumulated Depreciation		
Opening Balance	2,750,311,205	2,614,720,407
Charged during the period	240,069,108	168,141,655
Adjustment for sale/Obsolete	(6,310,000)	(32,550,857)
Closing Balance	2,984,070,313	2,750,311,205
Carrying Value	Tk. 3,001,819,096	3,058,480,897

	30-June -18	30-June -17
5. Capital Work In Progress: Tk. 1,408,534,071		
Opening Balance	250,215,344	693,210,216
Addition during the period	1,339,861,443	612,546,201
Transfer to Property, Plant & Equipment	(181,542,716)	(1,055,541,073)
Closing Balance(Cost) Tk.	1,408,534,071	250,215,344

The Capital work in progress includes Land & Land Development (Tk/ 17,835,790), Civil construction (Tk/ 61,117,952), Plant and Machinery (Tk/ 79,306,584) and other Assets (Tk/ 23,282,390). This year it has been transferred to Non-current assets is completed and ready for use as per management intention.

6. INVESTMENT- LONG TERM (AT COST): TK. 584,333,879

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

a) Investment in Share of Square Yarns Limited (950,000 Shares of Tk. 100 each)	95,000,000	95,000,000
b) Investment in Shares of Square Texcom Limited (95,000 Shares of Tk. 100 each)	65,783,760	65,783,760
b) Advanvce against Share Money Deposit of Square Texcom Limited (95,000 Shares of Tk. 100 each) Tk.	423,550,119 584,333,879	423,550,119 584,333,879

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. INVENTORIES: TK. 1,478,552,169

Stocks of Raw Materials	1,267,037,971	1,137,411,780
Raw Materials	962,073,302	886,418,980
Comber Noil	25,646,261	11,977,252
Raw Materials In Transit	77,114,929	77,885,174
Packing Materials	10,534,616	5,547,666
Work - in - process	42,694,518	59,965,200
Finished Goods	148,974,345	95,617,508
Stocks of Spares	211,514,198	189,281,484
Spares at Store	194,217,841	175,037,187
Spares in Transit	17,296,357	14,244,297
Tk.	1,478,552,169	1,326,693,264

The basis of valuation is stated in Note -3(2) of page no-48,carrying amount of inventories pledged as security.

30 - June -18

30 - June -17

8. Accounts Receivable: Tk. 1,999,834,667

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	864,286,947	623,561,208
Within 61-120 days	902,795,356	561,770,231
Above 120 days	232,752,364	159,267,339
Tk.	1,999,834,667	1,344,598,778

- 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.

9. Advances, Deposits & Prepayments: Tk. 391,186,509

This is made up of the followings:

Advances:	334,833,685	409,594,610
Income Tax	125,021,010	210,911,117
Salary & PF Current account	1,995,000	8,538,833
Expenses	14,458,064	12,540,795
Suppliers & Contractor	193,359,611	177,603,865
Deposits:	56,352,824	55,662,601
Security Deposit	49,539,729	52,538,925
Margin of Bank Guarantee	6,813,095	3,123,676
Tk.	391,186,509	465,257,211

- (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. Short Term Loan: Tk. 123,843,099

Loan To (from) Square Yarns Limited	-	8,984,717
Loan To (From) Square Texcom Limited	123,843,099	99,677,402
Short Term Loan Given	123,843,099	108,662,119

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

30 - June -18

30 - June -17

11. Cash & Cash Equivalents: Tk. 437,376,799

This is made up of the followings:

Cash in Hand	5,619,110	1,650,087
Cash at Bank	431,757,689	371,433,368
Tk.	437,376,799	373,083,455

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

12. Share Capital: Tk. 1,878,590,480

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
Issued, Subscribed and Paid up:		
Opening Balance	1,789,133,790	1,626,485,270
Bonus Share Issued	89,456,690	162,648,520
(8,945,669 Ordinary Shares of Tk. 10.00 each fully Paid up)	1,878,590,480	1,789,133,790

The position of shareholders as on June 30, 2018 is as follows:

Shareholders Group	Number of Investors	Number of Shares	Percentage of Share Holding 2017-2018	Percentage of Share Holding 2016-2017
Sponsors/Directors	7	116,152,104	61.83 %	62.15 %
Foreign Investors	7	10,986,762	5.85 %	6.74 %
Institutions	219	36,377,844	19.36 %	18.97 %
General Public	17,708	24,342,338	12.96%	12.14 %
Total	17,941	187,859,048	100 %	100 %

Distribution schedule of each class of equity security setting out the number of holders and percentage as on June 30, 2018.

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	3556	310,698	9684	1,135,414	1,446,112	0.77%
500 to 5,000 shares	263	295,564	3567	6,026,545	6,322,109	3.37%
5001 to 10,000 shares	6	41,545	401	2,852,361	2,893,906	1.54%
10,001 to 20,000 shares	5	69,849	224	3,147,513	3,217,362	1.71%
20,001 to 30,000 shares	2	51,885	70	1,736,441	1,788,326	0.95%
30,001 to 40,000 shares	3	104,122	37	1,299,130	1,403,252	0.75%
40,001 to 50,000 shares	2	94,164	14	651,134	745,298	0.40%
50,001 to 100,000 shares	4	323,518	32	2,310,985	2,634,503	1.40%
100,001 to 1,000,000 shares	5	2,314,779	45	11,441,072	13,755,851	7.32%
Over 1,000,000 shares	9	60,122,741	12	93,529,588	153,652,329	81.79%
Total	3,855	63,728,865	14,086	124,130,183	187,859,048	100.00

	30 - June - 18	30 - June - 17
13. Retained Earnings: Tk. 3,507,443,052		
Opening Balance	3,663,812,572	3,980,588,849
Less: Cash Dividend paid during the Year	(357,826,758)	(406,621,325)
Less: Appropriation for Stock Dividend during the Year	(89,456,690)	(162,648,520)
Add: Net Profit during the Year	290,913,928	252,493,568
Tk.	3,507,443,052	3,663,812,572

14. Deferred Tax Liability: Tk. 128,579,505

Opening Balance	109,649,529	122,571,004
Deferred Tax Assets	-	(48,803,151)
Deferred Tax Liabilities	18,929,976	35,881,676
Closing Balance	128,579,505	109,649,529

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. 2,897,754,665

Bank Overdraft	5,569,544	2,574,429
L/C Liabilities	2,892,185,121	1,528,112,530
Tk.	2,897,754,665	1,530,686,959

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

16. Creditors & Others Payable: Tk. 79,467,584

Creditors & Others Payable	79,467,584	65,384,511
Tk.	79,467,584	65,384,511

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. 116,974,941

Retention Money	1,714,756	3,377,497
W.P.P.F & Others Fund	17,402,229	14,879,613
Others	97,857,956	130,184,757
Tk.	116,974,941	148,441,867

18. Short Term Loan: Tk. (724,638,161)

This is made up as follows:

Loan From Square Pharmaceuticals Ltd.	(1,385,741)	(21,386,290)
Loan From Square Pharmaceuticals Ltd.	(723,252,420)	-
Short Term Loan Received	(724,638,161)	(21,386,290)

19. Provision for Income Tax: Tk. 92,031,901

Opening Balance	182,829,429	124,809,267
Adjustment with Advance Tax	(128,998,205)	-
Provision made for the period	38,200,677	58,020,162
Closing Balance	92,031,901	182,829,429

20. Sales: Tk. 6,367,124,698

Sales Comprises the following:

In Quantity (KG)

	2017 - 2018	2016 - 2017
Opening Stock	451,690	219,961
Production during the Year	22,925,478	20,227,206
Available for Sale	Kg. 23,377,168	20,447,167
Closing Stock	(621,995)	(451,690)
Sales during the year	Kg. 22,755,173	19,995,477
(To be accounted for as follows)		

Sales Accounted as follows:

Export Sale of Yarns	Kg. 22,755,173	19,995,477
In Taka		
Export Sale of Yarns	6,367,124,698	5,020,425,409
	Tk. 6,367,124,698	5,020,425,409

21. Cost of Goods Sold: Tk. 5,695,595,049

This is arrived as follows:

Raw Materials Consumed (Note-21.1)	4,139,044,400	3,194,246,596
Packing Materials Consumed (Note-21.2)	60,165,053	53,526,822
Factory Overhead (Note- 21.3)	1,532,471,751	1,330,540,154
Cost of Goods Manufacturing	5,731,681,204	4,578,313,572
Work-In-Process (Opening)	59,965,200	30,992,094
Work-In-Progress (Closing)	(42,694,518)	(59,965,200)
Cost of Production	5,748,951,886	4,549,340,466
Finished Goods (Opening)	95,617,508	41,068,331
Finished Goods (Closing)	(148,974,345)	(95,617,508)
Cost of Goods Sold	Tk. 5,695,595,049	4,494,791,289

21.1 Raw Materials Consumed: Tk. 4,139,044,400

This is arrived as follows:

In Quantity(KG)

Opening Stock	4,944,183	5,349,163
Purchase during the year	25,293,343	21,603,668
Raw Materials Available for Consumption	30,237,526	26,952,831
Closing Stock	(5,489,560)	(4,944,183)
Raw Materials Consumed	Kg. 24,747,966	22,008,648

In Taka

Opening Stock	898,396,232	710,804,567
Purchase during the year	4,228,367,731	3,381,838,261
Raw Materials Available for Consumption	5,126,763,963	4,092,642,828
Closing Stock	(987,719,563)	(898,396,232)
Raw Materials Consumed	Tk. 4,139,044,400	3,194,246,596

21.2. Packing Materials Consumed: Tk. 60,165,053

This is arrived as follows:

	2017-2018	2016-2017
Opening Stock	5,547,666	7,677,634
Purchase during the Year	65,152,003	51,396,854
Available for production	70,699,669	59,074,488
Closing Stock	(10,534,616)	(5,547,666)
Packing Materials Consumed	60,165,053	53,526,822

Tk.

21.3. Factory Overhead: Tk. 1,532,471,751

Factory Wages, Salary & Allowances	450,721,594	399,724,401
Travelling & Conveyance	44,614	126,381
Overseas Travelling	74,089	-
Recruitment & Training Expenses	54,128	-
Printing Expenses	134,378	96,872
Stationery Expenses	1,053,633	975,708
Software & Hardware Support Expenses	2,706,564	-
Production Workers' Free Lunch	3,015,008	2,935,055
Uniform & Liveries	196,760	178,110
Fuel, Petrol, Light, Diesel etc.	128,243,449	139,321,335
Electricity, Gas & Water	482,485,291	407,776,651
Factory Consumable Expense	38,931,107	33,153,367
Medical Expenses	546,904	402,472
Repairs & Maintenance of Vehicles	13,433,252	13,656,067
Rental Expenses	-	-
Papers, Books and Periodicals	14,810	13,990
Industrial All Risk Insurance Premium	8,018,556	7,073,001
Postage, Telephone, Fax & Telex	172,732	6,108
Govt. Tax, VAT & License Fees	2,265,498	2,319,363
Security Services	9,480,475	8,077,180
Spare Parts - Machinery	150,006,480	145,881,447
Group Insurance	803,321	680,991
Depreciation (Schedule-2)	240,069,108	168,141,655
Total	1,532,471,751	1,330,540,154

Tk.

22. Administrative Overhead: Tk. 221,509,044

Salary and Allowances	108,724,229	90,881,772
Directors' Remuneration	35,765,796	31,038,396
Travelling & Conveyance	742,403	678,825
Overseas Travelling	29,503,189	16,614,140
Recruitment & Training Expenses	537,760	187,454
Head Office Employees' Free Lunch	1,704,421	1,590,924
Uniform & Liveries	127,474	-
Printing Expenses	373,937	239,697
Stationery Expenses	602,440	2,790,188
Software & Hardware Support Expenses	1,788,846	-
Postage, Telephone, Fax & Telex	401,380	111,134
Electricity, Gas & Water	2,080,483	867,229
Office Consumable Expense	2,733,279	2,843,790
Rental Expenses	9,080,468	8,116,635
Vehicles Running & Maintenance	12,259,975	10,914,956
Medical Expenses	364,123	52,766
Group Insurance	396,097	516,241
Bank Charges & Commission	607,384	1,573,546
Fees & Subscription	10,798,087	3,131,093
Security Service	468,840	241,542
Govt. Tax, Stamp Duty & Licence Fees	581,295	3,020,436
Annual General Meeting Expenses	1,536,628	1,546,700
Audit Fees	330,510	425,500
Total	221,509,044	177,382,964

Tk.

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

2017 - 2018

2016 - 2017

23. Selling & Distribution Overhead: Tk. 5,834,014

This is arrived as follows:

Export Sale Expenses	4,852,662	3,052,853
Loading & unloading	981,352	831,327
Tk.	5,834,014	3,884,180

24. Finance Cost: Tk. 86,090,059

Interest on Short Term Loan

	86,090,059	36,493,595
Tk.	86,090,059	36,493,595

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.

25. Non-operating Income: Tk. 7,350,278

This is made up as follows:

Interest Income	3,943,318	3,944,590
Forex Exchange Rate Fluctuation Gain/ (Loss)	3,406,960	653,897
Tk.	7,350,278	4,598,487

26. Allocation for W.P.P.F & W.F : Tk. 17,402,229

This is made up as follows:

Other's Income	17,402,229	14,879,613
Tk.	17,402,229	14,879,613

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

27. Provision for Income Tax for the Year: Tk. 38,200,677

This is made up as follows:

Other's Income	38,200,677	58,020,162
Tk.	38,200,677	58,020,162

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

28. Earnings Per Share (EPS):

The Computation is given below:

Earning attributable to Ordinary Shares including other income	290,913,928	252,493,568
Number of Ordinary shares	187,859,048	187,859,048
Earnings Per Share	1.55	1.34

29. Appropriation During the Year

2017-2018**2016-2017**

The appropriations for the year 2016-17 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 (Five) fully paid up bonus shares for every 100 (Hundred) shares respectively for the year 2017-18. 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 2017-18 is calculated at Tk. 375,718,096 and Bonus Share (Stock Dividend) at Tk. 93,929,524.

30. Number of Employees:

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

No. of Employees:

Below Tk. 71,880.00 p.a

Tk. 71,880.00 and Above

-	-
2,431	2,427
2,431	2,427

Amount in Taka

Below Tk. 71,880.00 p.a

Tk. 71,880.00 and Above

-	-
559,445,823	490,606,173
Tk. 559,445,823	490,606,173

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

31. Key Management Personnel Compensation:

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

Short Term Employee Benefits

Post Employment Benefits

Other Long Term Benefits

Termination Benefits

Share Based Payment

Total

102,961,001	89,484,256
5,544,772	425,997
-	-
-	-
-	-
Tk. -	-

32. 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.

33. Claim Acknowledgement:

There was no claim against the Company not acknowledged as debt as on June 30, 2018.

34. Contingent Liability:

34.01 Contingent Liability of the Company was Tk. 872,978,850/- as on June 30, 2018 for opening LCs by the banks in favour of foreign suppliers for raw materials and spares.

34.02 There was no facts and figures for which the company has contingent liability to any party other than to Banks as on June 30, 2018.

2017 - 2018

2016 - 2017

35. Production Capacity and Utilization:

Capacity Installed:

No. of Spindles Installed	81,648	81,648
No. of Rotor Heads Installed	3,960	3,960
No. of Vortex Heads Installed	672	288
Capacity Utilised:		
No. of Spindles Operated	81,648	81,648
No. of Rotor Heads Operated	3,960	3,960
No. of Vortex Heads Operated	672	288

Production Target (In Kg):

-At Equivalent 30s Count (Ring Yarn)	12,394,673	11,386,810
- At Equivalent 14s Count (O/E Yarn)	10,043,927	10,257,001
	22,438,600	21,643,811

Actual Production (In Kg):

-At Equivalent 30s Count (Ring Yarn)	11,789,632	10,526,427
- At Equivalent 14s Count (O/E Yarn)	9,810,863	10,110,396
	21,600,495	20,636,823

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.

36. Dividend Paid to the Shareholders:

During the year under review total cash dividend amounting to Tk. 357,826,758 has been paid to the shareholders.

37. 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.

38. 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.

2017-2018

2016-2017

39. Related Party Transaction:

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

Transaction with Sqaure Pharma. Ltd. (SPL):

Total Received during the year	(93,100,563)	(300,056,060)
Total Paid during the year	91,714,822	278,669,770
Closing Balance- Receivable/ (Payable)	Tk. (1,385,741)	(21,386,290)

Transaction with Square Yarns Ltd. (SYL):

Total Received during the year	(798,264,528)	(494,100,058)
Total Paid during the year	75,012,108	503,084,775
Closing Balance- Receivable/ (Payable)	Tk. (723,252,420)	8,984,717

Transaction with Square Texcom Ltd. (STcL):

Total Received during the year	(64,625,981)	(157,199,632)
Total Paid during the year	188,469,080	256,877,034
Closing Balance- Receivable/ (Payable)	Tk. 123,843,099	99,677,402

Transaction with Aegis Services Ltd.(ASL):

Total Service Received during the year	(9,648,537)	(7,446,125)
Total Paid during the year	9,648,537	7,446,125
Closing Balance- Receivable/ (Payable)	Tk. -	-

Transaction with Square Informatix Ltd.(SIL):

Total Service Received during the year	(9,716,257)	(6,562,468)
Total Paid during the year	9,716,257	6,562,468
Closing Balance- Receivable/ (Payable)	Tk. -	-

Transaction with Square Fashions Ltd.(SHL):

Total Received during the year	(423,274)	(511,245)
Total Goods Delivered during the year	423,274	511,245
Closing Balance- Receivable/ (Payable)	Tk. -	-

Transaction with Square Fashions Ltd.(SFL):

Total Received during the year	(975,593,483)	(959,188,057)
Total Goods Delivered during the year	1,163,792,468	1,039,889,261
Closing Balance- Receivable/ (Payable)	Tk. 188,198,985	80,701,204

Transaction with Square Denims Ltd.(SDL):

Total Received during the year	(293,316,287)	(265,053,283)
Total Goods Delivered during the year	459,213,857	405,876,266
Closing Balance- Receivable/ (Payable)	Tk. 165,897,570	140,822,983

40. APPROVAL OF ACCOUNTS

These financial statements have been approved by the board on October 21, 2018.

SQUARE TEXTILES LIMITED

Statement of Property, Plant and Equipment

Property, Plant and Equipment – Tk. 3,001,819,096

Schedule-02

PARTICULARS	At 01st July 2017	COST		At 30th June 2018	DEPRECIATION				Written Down Value as at 30th June 2018
		During the period			At 01st July 2017	During the Period		At 30th June 2018	
		Additions	Sales/Obsoletes			Charged	Adjustments		
Land & Land Development	616,010,769	17,835,790		633,846,559	-	-		-	633,846,559
Building-Factory & Utility	647,787,352	-		647,787,352	263,699,084	23,931,738		287,630,822	360,156,530
Building-Others	203,552,260	51,166,624		254,718,884	118,153,260	7,729,898		125,883,158	128,835,726
Sheds	16,111,160	-		16,111,160	13,389,044	742,395		14,131,439	1,979,721
Plant & Machinery	3,912,202,620	79,306,584	(200,000)	3,991,309,204	2,136,881,778	168,867,955	(200,000)	2,305,549,733	1,685,759,471
Laboratory Equipment	2,210,444	-		2,210,444	1,192,826	254,643		1,447,469	762,975
Electrical Installation	156,569,892	20,924,357		177,494,249	95,211,691	13,512,084		108,723,775	68,770,474
Gas Line Installation	42,317,459	-		42,317,459	18,841,464	2,087,291		20,928,755	21,388,704
Motor Vehicles	141,579,408	2,358,033	(6,110,000)	137,827,441	61,848,904	19,180,646	(6,110,000)	74,919,550	62,907,891
Office Equipment	11,918,323	380,941		12,299,264	9,469,325	887,615		10,356,940	1,942,324
Furniture & Fixture	9,631,602	369,350		10,000,952	8,455,165	216,266		8,671,431	1,329,521
Computer	3,036,412	281,500		3,317,912	2,156,751	339,853		2,496,604	821,308
Boundary Wall	37,303,285	9,951,328		47,254,613	13,629,567	1,911,739		15,541,306	31,713,307
Deep Tube-Well	2,506,125	-		2,506,125	2,506,125	-		2,506,125	-
Safety & Security Equipment	595,325	-		595,325	478,604	61,060		539,664	55,661
Communication and Network Equipment	3,955,278	11,300		3,966,578	3,058,229	275,345		3,333,574	633,004
Other Assets	1,504,388	821,500		2,325,888	1,339,388	70,580		1,409,968	915,920
As at June 30, 2018	5,808,792,102	183,407,307	(6,310,000)	5,985,889,409	2,750,311,205	240,069,108	(6,310,000)	2,984,070,313	3,001,819,096
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)	2,750,311,205	3,058,480,897

Notes: In the “SCHEDULE OF PROPERTY, PLANT & EQUIPMENT” Re-arranged and Renamed of few asset class for more classification as per below details;

Previous Schedule	Present Schedule
A. Building	01. Building-Factory & Utility 02. Building-Others
B. Office Equipment	01. Office Equipment 02. Computer 03. Safety & Security Equipment 04. Communication and Network Equipment

Subsidiary Profile 2017-2018



**Square
Yarns
Limited**

Square Yarns Limited

Director' Report - 79
Auditors' Report - 81
Statement of Financial Position - 82
Statement of Profit or Loss and other
Comprehensive Income - 83
Statement of Change in Equity - 84
Statement of Cash Flows - 85



SQUARE YARNS LIMITED

Directors' Report to the Members for the year ended 30 June, 2018.

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, 2018, Statement of Profit or loss and other Comprehensive Income, Changes in Equity and Cash Flows for the year ended June 30, 2018 and the Auditors Report thereon in terms of the provisions of section 184 of the Companies Act 1994 and IAS codes:

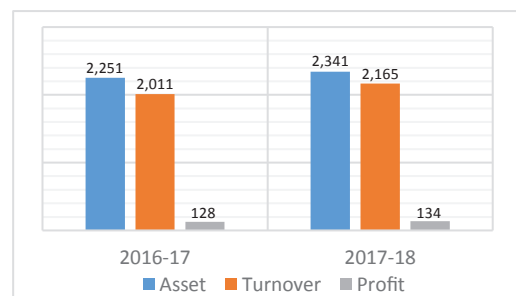
OPERATIONAL RESULTS

The operational performance during the years 2016-2017 and 2017-2018 are as follows:

Particulars	In million	
	2017-18	2016-17
Turnover	2,165.10	2,011.06
Gross Profit	200.42	181.45
Net Profit (AT)	134.28	127.65
Gross Margin	9.26%	9.02%
Net Margin (AT)	6.20%	6.35%
Earning Per Shares	140.61	133.66

Par value Tk. 100

The above reveals that the Turnover, Net Profit (AT) and EPS increased by 7.65% and 5.20% respectively during year under review.



MARKET OPERATIONS

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

SHAREHOLDING

The Company has issued total of 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. Syed Afzal Hasan Uddin	Director
(Nominee of Square Textiles Ltd.)	

CAPITAL EXPENDITURE

The Company made a net Capital Expenditure of Tk. 38.67 million during the year under review as follows:

	In million	
	2017-18	2016-17
Plant & Machinery	38.66	5.21
Other Assets	0.01	2.87
Total	38.67	8.08

The investment have been made from internal generation of fund.

APPROPRIATION OF PROFIT

Though the Company earned a respectable level of profit Tk. 140.61 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 2017-2018.

FINANCIAL POSITION

The Statement of Financial Position as on 30 June, 2018, Statement of Profit or Loss and other Comprehensive Income, Change in Equity and Cash Flows ended at 30 June, 2018 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 2018-2019 and re-fixation of their remuneration.

AMALGAMATION OF SQUARE YARNS LTD. WITH SQUARE TEXTILES LTD.

According to the consent of the shareholders of the Company, amalgamation of Square Yarns Ltd. with Square Textiles Ltd. is under active consideration of the Hon'ble High Court division of the Supreme Court of Bangladesh and expected to be awarded court sanction by November, 2018.

ACKNOWLEDGEMENT

The Board of Directors thankfully acknowledge the devotion and dedication of all the workers, employees and officers without which the Company's operation would 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

Independent Auditors' Report to the Shareholders of Square Yarns Limited

Opinion

We have audited the accompanying Financial Statements of Square Yarns Limited, which comprises the Statement of Financial Position as at 30 June, 2018 Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and Notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the Financial Statements prepared in accordance with International Financial Reporting Standards (IFRS), give a true and fair view of the state of the company's affairs as at 30 June, 2018 and of the results of its operations and its Cash Flows for the year then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

Basis for Opinion

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

Key Audit Matters

We draw attention to Note: 2 (p) to the Financial Statements which describes that the company is under process for amalgamation with Square Textile Limited under provision of Section: 228 & 229 of the Companies Act 1994. Our opinion is not qualified in respect of these matters.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). 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.

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; and
- (iii) The Company's Statement of Financial Position, Statement of Comprehensive Income and its Statement of Cash Flows dealt with by the report are in agreement with the books of account.



Chowdhury Bhattacharjee & Co.
Chartered Accountants

Place: Dhaka
Dated: October 15, 2018

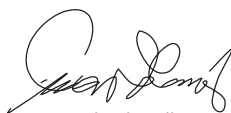
SQUARE YARNS LIMITED

Statement of Financial Position As at June 30, 2018

	Notes	June 30, 2018 Taka	June 30, 2017 Taka
ASSETS:			
Non-Current Assets			
Property, Plant & Equipment- Carrying Value	03	676,872,453	752,858,040
Capital Work In Progress Value		-	-
Current Assets			
Inventories	04	1,664,296,652	1,498,630,157
Accounts Receivable	05	472,332,420	563,425,148
Advances, Deposits & Prepayments	06	321,134,934	450,087,357
Short Term Loan	07	41,134,451	93,323,302
Cash & Cash Equivalents	08	723,252,420	-
		106,442,427	391,794,350
TOTAL ASSETS	Tk.	2,341,169,105	2,251,488,197
SHAREHOLDERS' EQUITY & LIABILITIES:			
Shareholders' Equity			
Share Capital	09	1,908,113,630	1,773,830,454
Retained Earnings	10	95,500,000	95,500,000
		1,812,613,630	1,678,330,454
Non-Current Liabilities			
Deferred Tax Liability	11	57,859,132	63,205,679
Current Liabilities & Provisions			
Short Term Bank Loan (Secured)	12	375,196,343	414,452,064
Creditors & Others Payable	13	233,187,042	171,246,379
Liabilities for Other Finance	14	43,105,219	47,494,048
Short Term Loan	15	13,038,822	14,288,409
Provision for Income Tax	16	-	8,984,717
		85,865,260	172,438,511
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES:	Tk.	2,341,169,105	2,251,488,197
Net Asset Value Per Share		1,998.02	1,857.41

Dated, Dhaka: October 15, 2018

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, 2018

	Notes	July to June 2017-18	July to June 2016-17
Sales Revenue	17	2,165,104,023	2,011,063,655
Cost of Goods Sold	18	(1,964,684,448)	(1,829,610,541)
Gross Profit		200,419,575	181,453,114
Administrative Expenses	19	(27,646,659)	(22,803,605)
Selling & Distribution Expenses	20	(2,453,997)	(1,606,519)
Profit from Operation		170,318,919	157,042,990
Finance Cost	21	(13,371,177)	(5,536,163)
Non-operating Income	22	3,658,992	-
Profit Before W.P.P.F & W.F		160,606,734	151,506,827
Allocation for W.P.P.F & W.F	23	(7,647,940)	(7,214,611)
Profit Before Tax		152,958,794	144,292,216
Provision for Tax (Current)	24	(24,022,165)	(25,559,942)
Provision for Tax (Deferred)		5,346,547	8,916,110
Profit After Tax for The Year		134,283,176	127,648,384
(Transferred to the Statement of Changes in Equity) No. of Share=9,55,000.			
Earnings Per Share (EPS)	25	140.61	133.66

Dated, Dhaka: October 15, 2018

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, 2018


Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2017	95,500,000	1,678,330,454	1,773,830,454
Net Profit for the Year ended June 30, 2018	-	134,283,176	134,283,176
Balance As at June 30, 2018	95,500,000	1,812,613,630	1,908,113,630

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
Balance As at June 30, 2017	95,500,000	1,678,330,454	1,773,830,454

Dated, Dhaka: October 15, 2018

As per our annexed report of even


Samuel S Chowdhury
Chairman & MD


Charles C. R. Patra
Director


Khandaker Habibuzzaman
Company Secretary

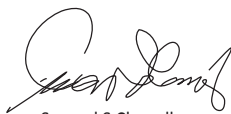

Chowdhury Bhattacharjee & Co.
Chartered Accountants

SQUARE YARNS LIMITEDStatement of Cash Flows
For the Year Ended June 30, 2018

	July-June 2017-18	July-June 2016-17
Cash Flows from Operating Activities:		
Receipts from Sales Revenue	2,294,056,446	1,843,293,149
Exchange Fluctuation Gain	850,187	-
Receipts from Other Income	26,348	-
Total Receipts	2,294,932,981	1,843,293,149
Payments to Suppliers	(1,428,054,354)	(1,459,531,466)
Paid for Operating & Non-operating Expenses	(380,773,583)	(335,906,232)
Interest Expenses Paid	(15,072,754)	(804,538)
Income Tax Paid	(52,211,040)	(18,295,431)
Total Payments	(1,876,111,731)	(1,814,537,667)
Net Cash Flow From (Used in) Operating Activities	418,821,250	28,755,482
Cash Flows from Investing Activities:		
Purchase of Fixed Assets	(36,659,156)	(8,074,765)
Net Cash Generated (Used in) from Investing Activities	(36,659,156)	(8,074,765)
Cash Flows from Financing Activities:		
Short Term Bank Loan Received/ (Repaid)	61,940,663	(30,306,493)
Short Term Loan from/ (To) Sister Company	(729,454,680)	(26,389,076)
Net Cash Generated (Used in) from Financing Activities	(667,514,017)	(56,695,569)
Increase/ (Decrease) in Cash & Cash Equivalents	(285,351,923)	(36,014,852)
Opening Cash & Cash Equivalents	391,794,350	427,809,202
Closing Cash & Cash Equivalents	106,442,427	391,794,350
Net Operating Cash Flows Per Share	438.56	30.11

Dated, Dhaka: October 15, 2018

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

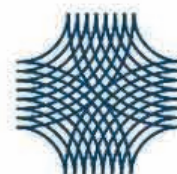
Subsidiary Profile 2017-2018



Square Texcom Limited

Square Texcom Limited

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SQUARE TEXCOM LIMITED

Directors' Report to the Members for the year ended 30 June, 2018.

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, 2018, Statement of Profit or loss and other Comprehensive Income, Changes in Equity and Cash Flows for the year ended June 30, 2018 and the Auditors Report thereon in terms of the provisions of section 184 of the Companies Act 1994 and IAS codes:

OPERATIONAL RESULTS

The operational performance during the years 2016-2017 and 2017-2018 are as follows:

In million		
Particulars	2017-18	2016-17
Turnover	879.64	727.39
Gross Profit	96.65	81.85
Net Profit (AT)	34.28	33.59
Gross Margin	10.99%	11.25%
Net Margin (AT)	3.90%	4.62%
Earning Per Shares	342.75	335.94
Par value Tk. 100		

The above reveals that the Turnover, Gross Profit and Net Profit (AT) increased by 20.93%, 18.08% and 2.05% respectively during year under review.

MARKET OPERATIONS

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

SHAREHOLDING

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

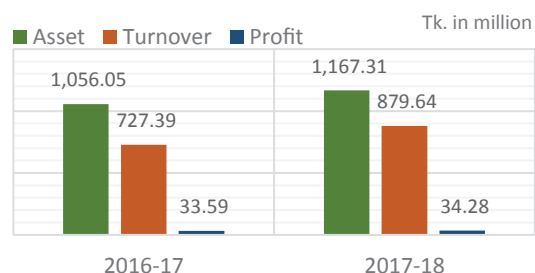
Name of the Shareholders	Shareholding (shares)	(%)
Mr. Samuel S Chowdhury	1,166	1.166
Mr. Tapan Chowdhury	1,166	1.166
Mr. Anjan Chowdhury	1,166	1.166
Mrs. Ratna Patra	1,166	1.166
Mrs. Anita Chowdhury	336	0.336
M/s Square Textiles Ltd.	95,000	95.00
Total -	1,00,000	100.00

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. Syed Afzal Hasan Uddin	Director
(Nominee of Square Textiles Ltd.)	



CAPITAL EXPENDITURE

The Company made a net Capital Expenditure of Tk. 43.82-million during the year under review as follows:

	2017-18	In million 2016-17
Plant & Machinery	-	104.11
Other Assets	43.82	23.26
Total	43.82	127.37

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, 2018, Statement of Profit or Loss and other Comprehensive Income, Change in Equity and Cash Flows ended at 30 June, 2018 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 2018-2019 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

Independent Auditors' Report to the Shareholders of Square Texcom Limited

Opinion

We have audited the accompanying Financial Statements of Square Texcom Limited, which comprises the Statement of Financial Position as at 30 June, 2018 Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and Notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the Financial Statements prepared in accordance with International Financial Reporting Standards (IFRS), give a true and fair view of the state of the company's affairs as at 30 June, 2018 and of the results of its operations and its Cash Flows for the year then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). 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.

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; and
- (iii) The Company's Statement of Financial Position, Statement of Comprehensive Income and its Statement of Cash Flows dealt with by the report are in agreement with the books of account.



Chowdhury Bhattacharjee & Co.
Chartered Accountants

Place: Dhaka
Dated: October 15, 2018

SQUARE TEXCOM LIMITED

Statement of Financial Position As at June 30, 2018

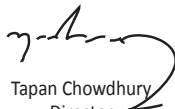
	Notes	June 30, 2018 Taka	June 30, 2017 Taka
ASSETS:			
Non-Current Assets		707,305,663	723,416,781
Property, Plant & Equipment- Carrying Value	04	690,592,118	703,312,183
Capital Work In Progress	05	16,713,545	20,104,598
Current Assets		460,008,024	332,639,675
Inventories	06	166,614,746	73,786,083
Accounts Receivable	07	216,416,781	136,315,885
Advances, Deposits & Prepayments	08	24,687,001	24,493,749
Cash & Cash Equivalents	09	52,289,496	98,043,958
TOTAL ASSETS	Tk.	1,167,313,687	1,056,056,456
SHAREHOLDERS' EQUITY & LIABILITIES:			
Shareholders' Equity		278,691,935	244,416,743
Share Capital	10	10,000,000	10,000,000
Retained Earnings	11	268,691,935	234,416,743
Non-Current Liabilities		459,166,119	453,972,161
Share Money Deposit	12	423,550,119	423,550,119
Deferred Tax Liability	13	35,616,000	30,422,042
Current Liabilities & Provisions		429,455,633	357,667,552
Short Term Bank Loan (Secured)	14	285,746,054	237,614,425
Creditors & Others Payable	15	8,830,192	4,200,512
Liabilities for Other Finance	16	6,610,187	2,505,097
Short Term Loan	17	123,843,099	99,677,402
Provision for Income Tax	18	4,426,101	13,670,116
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES	Tk.	1,167,313,687	1,056,056,456
Net Asset Value Per Share		2,786.92	2,444.17

Dated, Dhaka: October 15, 2018

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, 2018

	Notes	July to June 2017 - 2018	July to June 2016 - 2017
Sales Revenue	19	879,640,842	727,390,100
Cost of Goods Sold	20	(782,995,713)	(645,540,587)
Gross Profit		96,645,129	81,849,513
Administrative Expenses	21	(37,124,155)	(30,312,955)
Selling & Distribution Expenses	22	(1,767,531)	(1,520,466)
Profit from Operation		57,753,443	50,016,092
Finance Cost	23	(14,474,368)	(8,517,943)
Non-operating Income	24	374,424	-
Profit Before W.P.P.F & W.F		43,653,499	41,498,149
Allocation for W.P.P.F & W.F	25	(2,078,738)	(1,976,102)
Profit Before Tax		41,574,761	39,522,047
Provision for Tax (Current)	26	(2,105,611)	(4,640,407)
Provision for Tax (Deferred)		(5,193,958)	(1,287,900)
Profit After Tax for The Period	Tk.	34,275,192	33,593,740
(Transferred to the Statement of Changes in Equity)			
No. of Share=1,000,000			
Earnings Per Share(EPS)	27	342.75	335.94

Dated, Dhaka: October 15, 2018

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, 2018

Particulars	Share Capital	Retained Earnings	Total Tk.
Balance as at June 30, 2017	10,000,000	234,416,743	244,416,743
Net Profit for the Year ended June 30, 2018	-	34,275,192	34,275,192
Balance as at June 30, 2018	10,000,000	268,691,935	278,691,935

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 ended June 30, 2017	-	33,593,740	33,593,740
Balance as at June 30, 2017	10,000,000	234,416,743	244,416,743

Dated, Dhaka: October 15, 2018

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, 2018

	July to June 2017 - 2018	July to June 2016 - 2017
Cash Flows from Operating Activities:		
Receipts from Sales Revenue	799,539,946	739,776,391
Exchange Fluctuation Gain	326,950	-
Receipts from Other Income	47,474	-
Total Receipts	799,914,370	739,776,391
Payments to Suppliers	(616,770,814)	(433,509,032)
Paid for Operating & Non-operating Expenses	(244,384,347)	(228,518,484)
Interest Expenses Paid	(7,260,070)	(7,497,143)
Income Tax Paid	(5,706,713)	(6,099,455)
Total Payments	(874,121,944)	(675,624,114)
Net Cash Flow From (Used in) Operating Activities	(74,207,574)	64,152,277
Cash Flows from Investing Activities:		
Purchase of Fixed Assets	(40,424,867)	(141,194,853)
Net Cash Generated (Used in) from Investing Activities	(40,424,867)	(141,194,853)
Cash Flows from Financing Activities:		
Short Term Bank Loan Received/ (Repaid)	48,131,629	(53,230,982)
Short Term Loan from/ (To) Sister Company	20,746,350	27,262,967
Net Cash Generated (Used in) from Financing Activities	68,877,979	(25,968,015)
Increase/ (Decrease) in Cash & Cash Equivalents	(45,754,462)	(103,010,591)
Opening Cash & Cash Equivalents	98,043,958	201,054,549
Closing Cash & Cash Equivalents	52,289,496	98,043,958
	Tk.	
Net Operating Cash Flows Per Share	(742.08)	641.52

Dated, Dhaka: October 15, 2018

As per our annexed report of even


Anjan Chowdhury
Managing Director


Tapan Chowdhury
Director


Khandaker Habibuzzaman
Company Secretary


Chowdhury Bhattacharjee & Co.
Chartered Accountants



AGM 2017



Square Tex



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 23rd Annual General Meeting of the Company to be held on Thursday the 20th December, 2018 at 11:00 a.m. at Samson H Chowdhury Centre, Dhaka Club Ltd., Ramna, Dhaka.

As witness my hand this day of _____ 2018.

Affix
Revenue
Stamp

Signature of the Proxy
Dated:

Signature of the Member
Dated:

Folio/BOID

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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 বৃহস্পতিবার, ২০শে ডিসেম্বর, ২০১৮ সকাল ১১:০০ ঘটিকায় স্যামসন এইচ চৌধুরী সেন্টার, ঢাকা ক্লাব লিঃ, রমনা, ঢাকা'য় অনুষ্ঠিতব্য কোম্পানীর ২৩তম বার্ষিক সাধারণ সভায় এবং এর মূলতবী ঘোষিত সভায় আমার/আমাদের পক্ষে উপস্থিত থাকিবার এবং ভোট প্রদান করিবার জন্য নিযুক্ত করিলাম।

স্বাক্ষর হিসেবে অদ্য, ২০১৮ তারিখে আমি/আমরা এই দলিলে সজ্ঞানে স্বাক্ষর করিলাম।

প্রতিনিধির স্বাক্ষর
তারিখ:

সদস্যের স্বাক্ষর
তারিখ:

ফলিও/বিওআইডি নম্বর

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

বিঃদ্রঃ বার্ষিক সাধারণ সভায় যোগদানের অধিকারী শেয়ার হোল্ডার তার পরিবর্তে বার্ষিক সাধারণ সভায় যোগদানের জন্য একজন 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 2016-2017

Dividend Recommended

16 October 2017

Record Date for 22nd AGM

08 November 2017

22nd Annual General Meeting

4 December 2017

Dividend Issued

31 December 2017

For the Financial Year 2017-2018

Publication of 1st Qtr. Financial Report

15 November 2017

Publication of 2nd Qtr. Financial Report

31 January 2018

Publication of 3rd Qtr. Financial Report

30 April 2018

Dividend Recommended

21 October 2018

Audited Financial Report to BSEC, DSE and CSE

08 November 2018

Record Date for 23rd AGM

27 November 2017

Notice of 23rd AGM

05 December 2018

23rd Annual General Meeting

20 December 2018

Dividend Payable

By 19 January 2019



Corporate Headquarters

Square Centre

48, Mohakhali Commercial Area, Dhaka-1212, Bangladesh

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

www.textile.squaregroup.com