

# Annual Report 2010







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## **Form of Proxy**



## TRANSMITTAL LETTER

To  
All Shareholders  
Securities and Exchange Commission  
Registrar of Joint Stock Companies & Firms  
Dhaka Stock Exchange Ltd.  
Chittagong Stock Exchange Ltd.

***Sub : Annual Report for the year ended December 31, 2010***

Dear Sir (s)

We are pleased to enclose a copy of Annual Report together with the Audited Financial Statements comprising Consolidated and Separate Statement of Financial Position as at December 31, 2010 and Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended December 31, 2010 along with notes thereon of Square Textiles Limited and its Subsidiaries, Square Yarns Limited & Mithapur Textiles Limited, for your information and records.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Khandaker Habibuzzaman', written over a horizontal line.

Khandaker Habibuzzaman  
Company Secretary

Dated: Dhaka  
May 25, 2011





## 16TH ANNUAL GENERAL MEETING NOTICE

Notice is hereby given that the 16TH ANNUAL GENERAL MEETING of the shareholders of SQUARE TEXTILES LTD. will be held on **Thursday** the **16th June**, 2011 at 10.30 a.m at Factory Premises, Sardaganj, Kashimpur, Gazipur to transact the following agenda:

### Ordinary Business

- Agenda1: To receive, consider and adopt the Accounts for the year ended December 31, 2010 together with the report of the Directors and Auditors' thereon.
- Agenda 2: To declare dividend for the year ended December 31, 2010.
- Agenda 3: To elect Directors in terms of the relevant provision of the Articles of Association of the Company.
- Agenda 4: To appoint Auditors and to fix their remuneration.
- Agenda 5: To re-appoint the Managing Director of the Company.

### Special Business

- Agenda 6: To pass special resolution for increasing the Authorised Capital of the Company from Tk. 100 crore (Taka one hundred crore) to Tk. 300 crore (Taka three hundred crore) and to amend the Clause-V and Articles-4, of the Memorandum and Articles of Association of the Company respectively.

By order of the Board



Khandaker Habibuzzaman  
Company Secretary

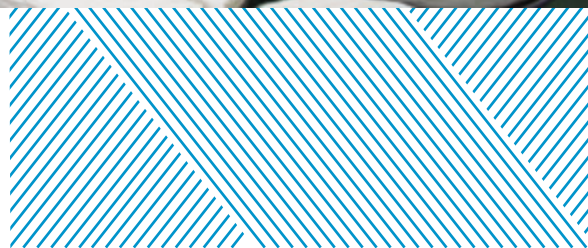
Dated: Dhaka  
May 25, 2011

### Notes:

- (i) Details of Special Business contained in the Page No.21 of the Annual Report.
- (ii) The proxy form must be affixed with requisite revenue stamp and must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.



# Corporate Highlights



## 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.

## OBJECTIVES:

- 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.

## CORPORATE GOVERNANCE:

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

### A) TOP MANAGEMENT:

#### (i) 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 6 (six) meetings to transact various agenda.

The Board of Directors is reconstituted every year by the shareholders through retirement /re-election/ election of one- third of its members and appointment of an independent director as per SEC guidelines.

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.

#### (ii) Audit Committee of Board:

An audit committee consisting of the Independent Director as chairman and two other Directors as member has been constituted in terms of the SEC guidelines for ensuring good governance practices. The audit committee of the Board held 2 (two) Meetings during the year and examined the coverage of internal and external audit.



## **B) 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 centres 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:**

### **(a) AUDIT COMMITTEES:**

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

### **(b) EMPLOYMENT RELATIONS COMMITTEES:**

- Remuneration Committee
- Work Environment Committee
- Employees Welfare & Recreation Committee

### **(c) MANAGEMENT COMMITTEES:**

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





# Corporate Highlights

## 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.

## 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 superannuations & retirement benefits and other emergency grants & gratis.
- We strive for the best co-operation of the creditors & debtors the banks & financial institutions who provide financial support when we need them, the suppliers of raw materials & supplies who offer them at the best prices at the opportune moments, the providers of utilities - power, gas & water etc. and the customers who buy our products & services by redeeming their claim in time by making prompt payment and by distributing proper product on due dates.
- We strive for fulfillment of our responsibility to the Government through payment of entire range of due taxes, duties and claims to various public agencies like municipalities etc.
- We strive as responsible citizen, for a social order devoid of malpractices, anti-environmental behaviors, unethical and immoral activities and corruptive dealings.
- We keep away from any discriminatory practices between sexes, races, religions, colors or political beliefs.
- We strive for practicing good governance in every sphere of activities covering inter alia, not being limited to, disclosure & reporting to shareholders holding AGM in time, distribution of dividends and other benefits to shareholders, reporting /dissemination of price sensitive information, acquisition of shares by insiders, recruitment & promotion of staff, procurement & supplies, sale of assets etc. All that directly and indirectly affect the interest of concerned groups- the shareholders, the creditors, suppliers, employees, government and the society in general.



# Corporate Review

# Management Apparatus

## MANAGEMENT APPARATUS

### a) Board of Directors:

Mr. Samson H. Chowdhury  
Mr. Samuel S. Chowdhury  
Mr. Tapan Chowdhury  
Mrs. Anita Chowdhury  
Dr. Kazi Harunur Rashid  
Mr. Anjan Chowdhury  
Mr. Charles C.R. Patra  
Mrs. Ratna Patra  
Mr. Kazi Iqbal Harun  
Mr. M. Sekander Ali

Chairman  
Vice- Chairman  
Managing Director  
Director  
Director  
Director  
Director  
Director  
Independent Director

### b) Audit Committee:

Mr. M. Sekander Ali  
Mr. Anjan Chowdhury  
Mr. Charles C.R. Patra

Chairman  
Member  
Member

### c) Management Committee:

Mr. Tapan Chowdhury  
Mr. Anjan Chowdhury  
Mr. Mostaque Ahmed Siddiqui  
Mr. Md. Kabir Reza, FCMA  
Mr. Md. Alamgir Hossain, FCMA, FCA

Chairman  
Member  
Member  
Member  
Member

### d) Senior Corporate Officials:

Chief Financial Officer  
Company Secretary  
Head of Internal Audit

Mr. Md. Alamgir Hossain, FCMA, FCA  
Mr. Khandaker Habibuzzaman, ACS  
Mr. Mojibur Rahman Bhuiyan, CA (I)

### e) Legal Advisers:

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

### f) Auditors:

M/s. Chowdhury Bhattacharjee & Co.  
Chartered Accountants  
47/2, Indira Road  
Dhaka-1215, Bangladesh.

### g) Factory:

Saradaganj, Kashimpur, Gazipur, Bangladesh

### h) Registered Office:

"Square Centre"  
48, Mohakhali C.A., Dhaka-1212, Bangladesh  
Phone: 880-2-8833047-56, 8859007

### i) Bankers:

1. Standard Chartered Bank  
SCB House, 67 Gulshan Avenue, Dhaka.
2. Bank Al Falah Limited  
5, Rajuk Avenue, Dhaka
3. HSBC Ltd.  
Anchor Tower  
1/1 –B Sonargaon Road  
Dhaka-1205, Bangladesh.

### j) Insurers:

1. Pioneer Insurance Co, Ltd.  
10, Dilkusha C/A, Dhaka.
2. Pragati Insurance Co. Ltd.  
20-21, Kawran Bazar, Dhaka



## GENERAL INFORMATION

### CORPORATE HISTORY:

* Year of Establishment	: 1994
(Incorporated as a Public Limited Company)	
* Year of Operation	: 1997
* Stock Exchange Listings (Dhaka & Chittagong)	: 2002
* Awarded Oeko-Tex Standard 100	: 2000
* Awarded ISO-9002 Certificate	: 2000
* Business Lines	: Manufacturing and marketing of yarn
* Authorized Capital	: Tk.1,000 million
* Paid-up Capital	: Tk.811.72 million
* Number of Employees (As on December 31, 2010)	: 1,782 Persons

### CORPORATE OPERATIONAL RESULTS:

	2010	2009	2008	2007	2006
				(Figures in thousand)	
Turnover (Net)	4,445,402	3,882,244	3,052,235	2,541,543	2,620,966
Gross Profit	886,759	533,374	463,216	582,846	579,900
Net Profit before tax	676,174	311,777	277,582	411,123	403,965
Net Profit after tax	564,769	260,634	236,530	352,447	348,833
Shareholders' Equity	3,571,239	3,119,404	2,964,646	2,020,482	1,770,905
Total Assets	6,605,934	5,508,282	5,807,897	3,659,375	3,120,686
Total Current Assets	4,301,132	3,224,730	3,437,050	2,085,816	1,417,780
Total Current Liabilities	2,923,391	2,276,602	2,722,233	1,382,789	1,269,821
Current ratio	1.47	1.42	1.26	1.51	1.12
No. of Share Outstanding	81,171,661	70,584,053	58,820,044	39,433,370	34,289,887
Face Value per Share	10	10	10	10	10
Shareholders' Equity per Share	44.00	44.19	50.04	51.23	51.65
Earning per Share	6.96	3.69	4.71	8.94	8.85
EPS on Share Issued for Cash	22.64	10.45	9.39	13.99	13.85
Quoted Price per Share (DSE)	209.80	111.54	117.30	127.40	75.60
Quoted Price per Share (CSE)	207.80	111.37	118.00	127.80	75.20
Price Earnings ratio-DSE (Time)	30.14	30.22	24.90	14.25	7.43
Dividend Declared per Share(Cash)	1.60	1.60	1.8	2.5	3.00
Dividend Declared (Stock)	5:1	100:15	5:1	5:1	100:15
Dividend Declared (%)	36	31	38	45	45
Number of Shareholders	26,152	29,789	30,179	22,657	15,877
Human Resources: (Persons)					
Executives	170	182	178	150	140
Staff	160	170	167	112	105
Workers	1452	1532	1,520	1,363	1,244

## MESSAGE FROM THE CHAIRMAN

**Dear Shareholders,**

I feel content with the growth of the company in terms of income and asset values in the hands of Shareholders over the years since its listing in 1997 when the paid up capital had stood at TK. 250 million. With the approval of the stock dividend of 20% for the current year, the paid up capital would be Tk. 974.05 million, a 3.89 fold increase over 14 years. The market capitalization now stands at over TK. 12.56 billion at current average price of TK. 129 per share. These digits give a feeling of content of performance to all of us. I believe the shareholders do appreciate and share my feelings in the same way.

Though the year under review (2010) have passed amidst the process recession in the Western economies, Bangladesh economy, despite infrastructural deficiencies in fuel, power, gas and growing unrest in the socio-politics sectors, has shown signs of resilience and attained not a far Lower rate of GDP growth than expected. The RMG sector had performed exceptionally with export growth of about 30% over the previous year. The Agro sector had also increased its contribution to GDP with bumper Boro and Amon crops due to efficient distribution and handle of inputs (especially fertilizers and insect-killing chemicals). However due to external factors the prices of crude oil and food items had gone up significantly having resultant effects of inflation on our essentials which are imported. The illness in the power sector had remained laid in sick-bed.

The investment sectors offers us a melancholy contrast - despite availability of investible funds from local entrepreneurs, public investors and FDI, the rate of growth of investment has slowed down primarily due to shortage / non-availability of power/gas. As a result job-creation process had suffered. Though remittances from wage earners still continues to increase, though at a slower rate, the heavy flow of returnees in post 2010 months seem to create dilemma in employment and public expenditures. The fallout in the stock-market and the role of Government and regulatory bodies also seem to show red-flag to many entrepreneurs and investors having advance impact on investments in future.

Despite events of failures and flaws both in the public and private sectors, the economy is expected to grow at about 6% in the current year (2010-11). Given sustainable economic policies, law and order and factor management, the country is destined to attain 8 to 10% growth rate which is necessary for poverty alleviation, a must for all of us.

With best wishes for all of us.



Samson H. Chowdhury





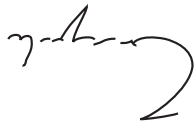


## ASSURANCE TO THE STAKEHOLDERS' FROM THE MANAGING DIRECTOR/CEO

**Dear Shareholders,**

I feel highly delighted to inform the shareholders that the management team had again performed exceeding by over the previous year with growth in turnover (14.5%), operating income (125%) and net profit (AT) (117%). These achievements had been made possible by hard work by officers and employees at all levels raising the productivity and reducing costs, exercising best wisdom in procurement of raw materials and supplies, finding out and out-sourcing best ones etc. Our results, attained by the management, employees and workers as a team, has kept us at the Top position in this sector in respect of quality of products, tranquility in operations, pricing of products, export earnings and prices of shares / market capitalization etc. We assure our shareholders, stakeholders, regulators and the government that we shall always endeavour to hold our head high as top compliant enterprise in the days ahead.

Thanking you all for cooperation at all times.



Tapan Chowdhury





# Directors Report



## Directors' Report

### SQUARE TEXTILES LIMITED DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

In terms of provisions of Section 184 of the Companies Act 1994, Rule 12 (and the schedule there under) of the Securities and Exchange Rules 1987 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 Shareholders for the year ended 31 December 2010 in the following paragraphs;

#### COMPANY'S OPERATIONS:

##### (1) CAPACITY/ PRODUCTION

The total installed production capacity (at average 30s Ring, 14s OE and 10s OE counts) as of December 31, 2010 was as follows:

	2010	2009	2008	2007	2006
<b>(1.1) Spindles/ Rotors</b>					
a) Installation :					
- No. of Spindle installed	59,472	59,472	59,472	59,472	59,472
- No. of Rotor head installed	3,960	3,960	3,960	768	768
b) Operation:					
- No. of Spindle installed	59,472	59,472	59,472	59,472	59,472
- No. of Rotor head operated installed	3,960	3,960	3,960	768	768
<b>(1.2) Production Capacity Installed (Kg):</b>					
-At Equivalent 30s Count (Ring Yarn)	11,582,899	11,582,899	11,271,574	11,271,574	11,271,574
-At Equivalent 10s Count (O/E Yarn)	2,329,234	2,329,234	2,239,230	2,239,230	2,239,230
- At Equivalent 14s Count (O/E Yarn)	10,000,454	10,000,454	1,464,610	-	-
<b>Total</b>	<b><u>23,912,587</u></b>	<b><u>23,912,587</u></b>	<b><u>14,975,414</u></b>	<b><u>13,510,804</u></b>	<b><u>13,510,804</u></b>

# Directors' Report

	2010	2009	2008	2007	2006
<b>(1.3) Actual Production (Kg):</b>					
- At Equivalent 30s Count (Ring Yarn)	10,352,180	10,593,511	10,333,745	10,669,536	11,024,743
- At Equivalent 10s Count (O/E Yarn)	1,723,291	2,079,084	2,099,388	2,216,588	2,225,227
- At Equivalent 14s Count (O/E Yarn)	8,130,259	8,737,910	1,445,570	-	-
<b>Total</b>	<b>20,205,730</b>	<b>21,410,505</b>	<b>13,878,703</b>	<b>12,886,124</b>	<b>13,249,970</b>
<b>(1.4) Production Efficiency (%):</b>					
- 30s Count (Ring Yarn)	89.37	91.46	91.68	94.66	97.81
- 10s Count (O/E Yarn)	73.99	89.26	93.75	98.99	99.37
- 14s Count (O/E Yarn)	81.30	87.38	98.70	-	-
<b>Total</b>	<b>84.50</b>	<b>89.54</b>	<b>92.68</b>	<b>95.38</b>	<b>98.07</b>

Production efficiency marginally fell by 5.04% in 2010 over 2009 due to productmix change and shortage of gas/power.

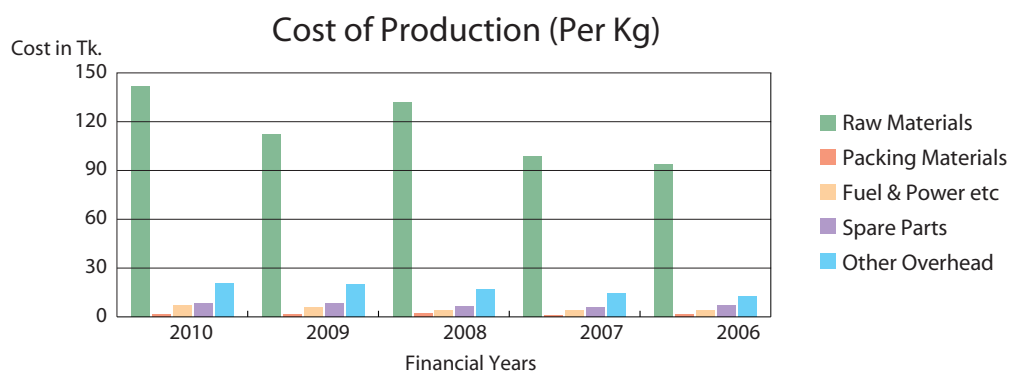
## (2) COST OF PRODUCTION:

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:

	2010	2009	2008	2007	2006
<b>(a) Output of Yarn (Kg)</b>	20,035,936	23,190,746	15,657,509	13,597,921	14,025,223
<b>(b) Cost of Major Items:</b>					
Raw Material Consumed (Tk)	2,807,161,179	2,644,967,512	2,006,550,074	1,450,439,367	1,530,074,887
Packing Materials	31,982,712	30,261,942	41,945,314	22,029,802	29,352,841
Fuel/ Power etc	134,507,081	119,836,772	79,522,329	81,178,400	83,543,899
Spare Parts	166,050,000	163,554,586	130,557,589	120,532,125	145,102,874
Other Overhead	418,425,535	399,713,131	337,331,633	286,320,181	247,218,587
<b>Total Cost</b>	<b>3,558,126,507</b>	<b>3,358,333,943</b>	<b>2,595,906,939</b>	<b>1,960,499,875</b>	<b>2,035,293,088</b>



(c) Unit cost/Kg (Tk):	2010	2009	2008	2007	2006
Raw Material Consumed(Tk)	140.11	114.05	128.15	106.66	102.46
Cost Packing Materials	1.60	1.30	2.68	1.62	1.97
Fuel/ Power etc	6.71	5.17	5.08	5.97	5.59
Spare Parts	8.29	7.05	8.34	8.86	9.72
Other Overhead	20.88	17.24	21.54	21.06	16.56
<b>Unit Cost</b>	<b><u>177.59</u></b>	<b><u>144.81</u></b>	<b><u>165.79</u></b>	<b><u>144.17</u></b>	<b><u>136.30</u></b>
Raw Materials Cost % of Total:	78.89%	78.76%	77.30%	73.98%	75.18%



The above figure reveals that the unit cost increased by 22.63% in 2010 over 2009 due to increase in raw material cost, Cost of packing materials, Fuel/Power etc, spare parts, and other overheads in 2010 over 2009 by 22.84%, 23.08%, 29.79%, 17.58% and 21.11% respectively. Unit cost of raw materials to total unit cost however increased by .13% during the year 2010 over 2009. The increase in the major items such as raw materials, packing materials, and other overhead was due to fall in international market.

### (3)MARKETING OPERATIONS:

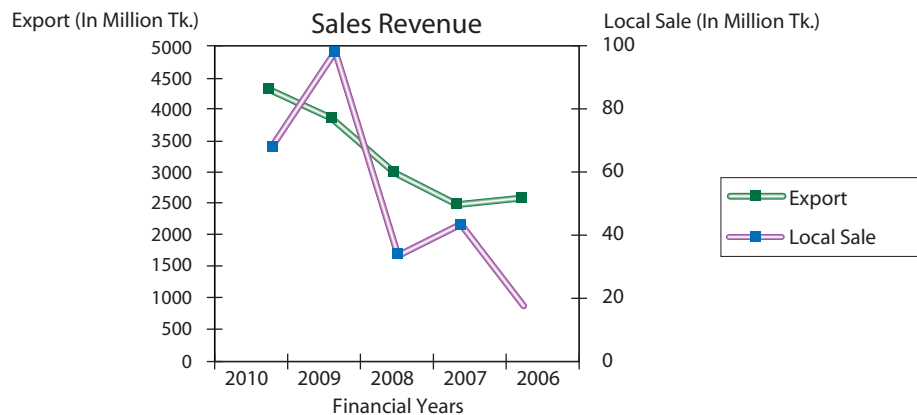
#### (i) Market Exposure:

The Company's marketing operations continued its emphasis on export sales over the years as depicted below:

	2010	2009	2008	2007	2006
<b>(a)Quantity Sold (Kg)</b>					
(i) Local Sales	416,387	561,347	165,247	221,514	112,706
(ii) Export Sales	19,628,509	22,625,699	15,491,421	13,371,187	14,001,403
<b>(iii) Total Sales</b>	<b><u>20,044,896</u></b>	<b><u>23,187,046</u></b>	<b><u>15,656,668</u></b>	<b><u>13,592,701</u></b>	<b><u>14,114,109</u></b>
<b>(b) Sales Revenue (Tk):</b>					
(i) Local Sales	69,398,155	98,729,395	34,128,293	44,373,889	18,307,968
(ii) Export Sales	4,376,003,957	3,783,514,615	3,018,107,347	2,497,168,878	2,602,657,963
<b>(iii) Total Sales</b>	<b><u>4,445,402,112</u></b>	<b><u>3,882,244,010</u></b>	<b><u>3,052,235,640</u></b>	<b><u>2,541,542,767</u></b>	<b><u>2,620,965,931</u></b>



# Directors' Report



The above figures show while the local sales revenue decreased by 29.71% in 2010 over the previous year the export revenue rose by 15.65% during the year under review over 2009. The overall turnover also increased by 14.50% during 2010 over 2009.

## (ii) Unit Selling Prices Attained:

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

	2010	2009	2008	2007	2006
Local Sales	166.67	175.88	206.53	200.32	162.44
Export Sales	222.94	167.22	194.82	186.76	185.88
<b>Total Sales (Average)</b>	<b><u>221.77</u></b>	<b><u>167.43</u></b>	<b><u>194.95</u></b>	<b><u>186.98</u></b>	<b><u>185.70</u></b>

The above indicate that while local selling price decreased by 5.24% during 2010 over 2009, export selling price increased by 33.32% over the same period. This is primarily ascribable to the international situation and export demand. The overall average price increased by 32.45% during 2010 over 2009, as against raw material price increased by about 22.84% over the previous year.

## CAPITAL EXPENDITURES:

In order to continuously upgrade the productive facilities, the Company made additional net capital expenditures of Tk. 104.77 million as follows:

	2010	2009	2008	2007	2006
(Taka in Million)					
Land/civil construction	52.72	31.18	17.96	5.54	17.37
Plant and Machinery	43.55	57.39	103.98	86.55	39.27
Other Fixed Assets	8.50	8.30	8.66	5.59	4.94
<b>Total</b>	<b><u>104.77</u></b>	<b><u>96.87</u></b>	<b><u>130.60</u></b>	<b><u>97.68</u></b>	<b><u>61.58</u></b>

The above investment have helped increase the production efficiency. The entire amount has been invested out of its internal generation of fund.



## INVESTMENT IN SUBSIDIARIES:

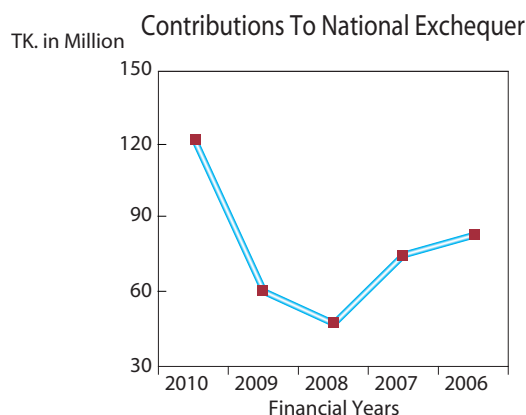
The Company has invested Tk. 95,000,000 as equity (99.50%) in the capital of Square Yarns Limited and has also deposited Tk. 800,000,000 as share money deposit. As per provision of the Company Act 1994 Square Yarns Limited is a subsidiary and as such Directors report along with, Auditors Report and Audited Accounts have been included as part of this report. The Company has also paid Tk. 65,783,760 as acquisition compensation for acquisition of 95,000 ordinary shares of Tk. 100 each (95%) of Mithapur Textiles Limited located at valuka, Mymensing. The Acquisition is completed in the year 2010. The Directors Report, Auditors Report and Auditors Financial Statement of Mithapur Textiles Limited as of June 30, 2010 are enclosed along with in this Annual Report.

## CONTRIBUTIONS:

### 1. Contribution to National Exchequer:

The Company contributed an amount of Tk. 126.97 million in 2010 to the National Exchequer consisting of the following:

	2010	2009	2008	(Taka in Million)	
				2007	2006
Corporate Income Tax	111.41	51.14	41.05	58.68	55.37
Advance Income Tax (Deducted at source)	1.44	1.43	1.43	5.50	3.49
Excise/VAT/Import Duties/Taxes etc.	6.73	11.36	9.01	16.00	29.54
Govt.Taxes/Stamp Duties/License Fees etc.	7.39	1.17	0.65	0.14	0.08
<b>Total</b>	<b><u>126.97</u></b>	<b><u>65.10</u></b>	<b><u>52.14</u></b>	<b><u>80.32</u></b>	<b><u>88.48</u></b>



### 2. Foreign Exchange Earned/Saved:

The Company contributed substantially to the Foreign Exchange Reserve of the Country during 2010 through its export marketing operation. This amounted to Tk. 1,220.83 million as detailed below:

	2010	2009	2008	2007	2006
Total Export Earnings	4,376.00	3,783.51	3,018.10	2,497.17	2,620.96
Less: import costs / expenses					
Raw Cotton	3,021.33	2,351.78	2,339.00	1,417.67	1,557.42
Spare Parts	103.34	75.00	150.18	147.95	135.81
Miscellaneous	30.50	28.99	11.95	10.90	39.21
<b>Net Export Earnings</b>	<b><u>1,220.83</u></b>	<b><u>1,327.74</u></b>	<b><u>516.97</u></b>	<b><u>920.65</u></b>	<b><u>888.52</u></b>

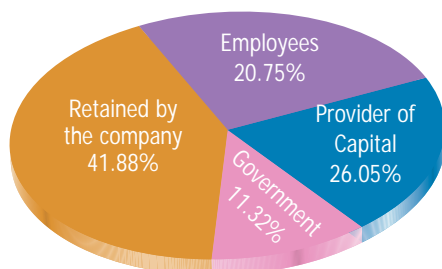


# Directors' Report

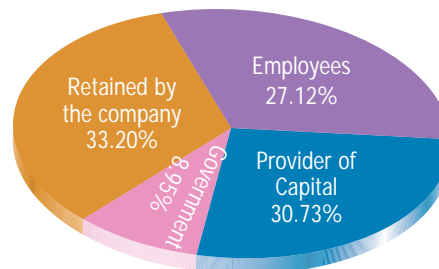
## 3) Value Added Statements:

	2010	2009
<b>Source of Funds</b>		
Net Turnover	4,445,402,112	3,882,244,010
Less: Bought in Materials and Services	(3,354,783,820)	(3,195,621,485)
Add: Other Income	31,023,629	25,554,510
<b>Value Added</b>	<b>Tk. 1,121,641,921</b>	<b>712,177,035</b>
<b>Applied in the following Ways</b>		
<b>Employees</b>	232,737,642	193,146,215
Salaries, Wages, Gratuity and Other benefits	198,928,925	177,557,371
Contribution to Workers Profit Participation & Welfare fund	33,808,717	15,588,844
<b>Government</b>	126,965,203	63,769,683
Corporate Tax	111,405,203	51,142,872
Other Government Dues	15,560,000	12,626,811
<b>Provider of Capital</b>		
Dividend	292,217,980	218,810,564
<b>Retained by the company</b>	469,721,096	236,450,573
Depreciation	197,169,933	194,627,135
Retain Earning	272,551,163	41,823,438
<b>Tk.</b>	<b>1,121,641,921</b>	<b>712,177,035</b>

Distribution of Value Addition in 2010



Distribution of Value Addition in 2009



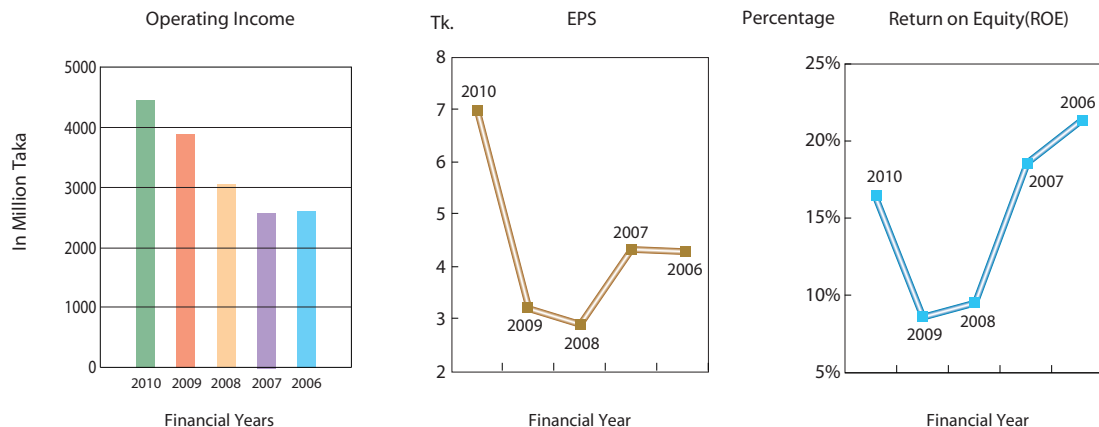


## FINANCIAL RESULTS:

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

	2010	2009	2008	2007	2006
Turnover	4,445,402,112	3,882,244,010	3,052,235,640	2,541,542,767	2,620,965,931
Cost of Goods Sold	3,558,642,850	3,348,870,289	2,589,019,736	1,958,696,404	2,041,065,393
Gross Profit	886,759,262	533,373,721	463,215,904	582,846,363	579,900,538
Operating Expenses	113,189,908	109,832,354	85,777,018	61,767,371	65,329,725
Finance Cost	94,609,920	121,730,159	109,701,045	106,026,180	77,350,086
Operating Income	678,959,434	301,811,208	267,737,841	415,052,812	437,220,727
Other Income	31,023,629	25,554,510	23,722,979	16,626,533	1,606,504
Extra Ordinary Income/Expenditure	-	-	-	-	(14,663,944)
Net profit before WPPF	709,983,063	327,365,718	291,460,820	431,679,345	424,163,287
Contribution WPPF	33,808,717	15,588,844	13,879,087	20,556,159	20,198,252
Net profit (BT)	676,174,346	311,776,874	277,581,733	411,123,186	403,965,035
Provision for Income Tax	111,405,203	51,142,872	41,051,825	58,676,050	55,131,582
Net Profit (AT)	564,769,143	260,634,002	236,529,908	352,447,136	348,833,453
Gross Margin	19.95%	13.74%	15.18%	22.93%	22.13%
Net Margin	12.70%	6.71%	7.75%	13.87%	13.31%
Earing per share (EPS)	6.96	3.21	2.91	4.34	4.30
Return on Equity(ROE)	16.88%	8.57%	9.49%	18.59%	21.24%
Outstanding Shares	81,171,661	70,584,053	58,820,044	39,433,370	34,289,887
Face value per share (Tk.)	10	10	10	10	10

The turnover increased by 14.50% during 2010 over 2009 when it rose by 27.19% over 2008. However, The gross margin increased by 66.25% during the year 2010 as against increased by 15.18% during the previous year. As the operating expenditure increased by 3.06% over previous year, the operating income increased by 125% only over the previous year. The EPS is increased by 116.82% in the previous year.



# Directors' Report

## APPROPRIATION:

The net profit of Tk. 564,769,143 earned during the year 2010. It has been recommended by the board of directors to be appropriated in the following manner:

a) Provision for proposed cash dividend for the year 2010 Tk. 1.60 per share	Tk 129,874,658
b) Provision for Bonus Share in the ratio of 5:1	Tk 162,343,322
c) Transfer to general reserve & surplus	Tk 272,551,163
	<b><u>564,769,143</u></b>

## ELECTION OF DIRECTORS:

Mr. Samson H Chowdhury, Mrs. Anita Chowdhury and Mr. Samuel S. Chowdhury retire as per article 125 & 126 of articles of association and being eligible offer themselves for reelection.

## RE-APPOINTMENT OF THE MANAGING DIRECTOR OF THE COMPANY:

The Board of Directors has proposed to re-appoint Mr. Tapan Chowdhury as Managing Director for further term of 5 years w.e.f. 25<sup>th</sup> March 2011.

## APPOINTMENT OF AUDITORS:

M/s. Chowdhury Battacharjee & Co. Chartered Accountants, Company Auditors, retire at this Annual General Meeting and being eligible offered themselves for re-appointment for the year 2011.

## SPECIAL RESOLUTION:

**To pass special resolution for increasing the Authorised Capital of the Company from Tk. 100 crore (Taka One hundred crore) to Tk. 300 crore (Taka Three hundred crore) divided into 30 crore (Thirty crore) Shares of Tk. 10/- each and to amend the Clause-V and Articles- 4 of the Memorandum and Articles of Association of the Company respectively.**

The Board of Directors in its meeting held on 19<sup>th</sup> April, 2011 has decided in principal to increase the Authorised Capital of the Company from Tk. 100 crore (Taka One hundred crore) divided into 10 crore (Ten crore) shares of Tk. 10/- each to Tk. 300 crore (Taka Three hundred crore) divided into 30 crore (Thirty crore) shares of Tk. 10/- each in view of BMRE, expansion of business and for others in future and to amend the Clause-V and Articles- 4 of the Memorandum and Articles of Association of the Company respectively.

Therefore, if think fit, the shareholders are requested to pass the following resolution as special resolution:

### "Resolved

- that the Authorised Capital of the Company be increased from Tk. 100,00,00,000/- (Taka one hundred crore) divided into 10,00,00,000 (ten crore) shares of Tk. 10/- each to Tk. 300,00,00,000/- (Taka three hundred crore) divided into 30,00,00,000 (thirty crore) shares of Tk. 10/- each.**
- that the figures and words "Taka 100,00,00,000/- (Taka one hundred crore)" and "10,00,00,000 (Ten crore)" appearing in the first and second line of Clause- V and Article- 4 of the Memorandum and Articles of Association of the Company be substituted by the figures and words "Taka 300,00,00,000/- (Taka three hundred crore)" and "30,00,00,000 (thirty crore)" respectively.**
- that a new printed copy of the Memorandum and Articles of Association of the Company incorporating the amendments made upto this date in substitution of the existing Memorandum and Articles of Association of the Company be and hereby adopted as Memorandum and Articles of Association of the Company and the same be filed with the Registrar of Joint Stock Companies and Firms, Dhaka, Bangladesh."**





### **CORPORATE GOVERNANCE:**

Corporate Governance is the practice of good citizenship, through which the company is governed by the board, keeping in view its accountability to the shareholders and to the society. The status report required to be presented by the company in pursuance to notification No. SEC/CMRRCD/2006-158/Admin/02-08 of February 20, 2006 issued by Securities & Exchange Commission is depicted in the ANNEXTURE-i.

### **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 humbly expresses its gratitude and acknowledges with keen interest the cooperation and unflinching support it has received from various agencies including Securities and Exchange Commission, Stock Exchanges, National Board of Revenue and other agencies of the public and the private sector.

Samson H Chowdhury  
Chairman

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





## Annexure



## ANNEXURE-I

The Directors also report that:

- The financial statements of the Company present true and fair view of Company's state of affairs result of its operations, cash flows and changes in equity.
- Proper books of accounts as required by 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 have been prepared in accordance with International Accounting Standard (IAS) as applicable in Bangladesh.
- The internal control system is sound in design and effectively implemented and monitored.
- There are so significant doubts upon the company's ability to continue as a going concern.
- There is no significant deviation from the operating result of the last year.
- The number of board meetings and the attendance of directors during the year 2010 were as follows:

Name of Directors	Position	Meeting Held	Attended
Mr. Samson H. Chowdhury	Chairman	6	6
Mr. Samuel S. Chowdhury	Vice- Chairman	6	6
Mr. Tapan Chowdhury	Managing Director	6	6
Mrs. Anita Chowdhury	Director	6	3
Dr. Kazi Harunur Rashid	Director	6	4
Mr. Anjan Chowdhury	Director	6	6
Mr. Charles C.R. Patra	Director	6	6
Mrs. Ratna Patra	Director	6	4
Mr. Kazi Iqbal Harun	Director	6	5
Mr. M. Sekender Ali	Independent Director	6	6

- The classification of shareholders by holding as at December 31st, 2010 is given in ANNEXURE-II
- Compliance report is enclosed herewith as ANNEXURE-II
- Status of compliance with the conditions imposed by the Securities and Exchange Commission is enclosed as ANNEXURE-III.
- Key operating and financial data of last three years have been presented in summarized form in ANNEXURE-IV.



**ANNEXURE-II**

Pattern of Shareholding as on December 31, 2010

<b>Particulars</b>	<b>Nos. Share holding</b>	<b>Percentage</b>	<b>Remark</b>
Parent Company	-	-	The company is not subsidiary of any company
Associated Companies:			
Square Pharmaceuticals Ltd.	37,202,337	45.83%	
Other Related Parties:			
Directors:			
Mr. Samson H. Chowdhury	6,435,329	7.93%	
Mrs. Anita Chowdhury	259,392	0.32%	
Mr. Samuel S. Chowdhury	1,471,392	1.81%	
Mr. Tapan Chowdhury	1,638,560	2.02%	
Mr. Anjan Chowdhury	1,150,400	1.42%	
Mrs. Ratna Patra	768,757	.95%	
Dr. Kazi Harunur Rashid	397,950	0.49%	
Mr. Kazi Iqbal Harun	392,882	0.48%	
Mr. Charles C.R. Patra	48,973	0.06%	
Mr. M Sekandar Ali	-	-	
Chief Executive Officer(CEO) and his spouse and minor children:	1,638,560	2.02%	
Chief Financial Officer(CFO) and his spouse and minor children:	-	-	
Company Secretary(CS) and his spouse and minor children:	890	.0011%	
Head of Internal Audit(HIA) and his spouse and minor children:	535	.0007%	
Executives(Top five salaried person other than CEO,CFO,CS,HIA):			
1. Mr. Mostaque Ahmed Siddiqui, COO	2,590	.0032%	
2. Mr. Abdur Rashid, GM, Factory	-	-	
3. Mr. Idris Ali, DGM, Utility	-	-	
4. Mr. Muhammad Zahangir Alam, AGM, A&F	60	0.00%	
5. Mr. Sayeed Ahmed Chowdhury, AGM, P&P	-	-	
Shareholders Holding 10% or more voting right:			
Square Pharmaceuticals Ltd.	37,202,337	45.83%	



### ANNEXURE-III

Status of compliance with the conditions imposed by the Securities and Exchange Commission's notification No.SEC/CMRRCD/2006-158/Admin/02-08 dated February 20, 2006

Condition No.	Title	Compliance Status	Explanation for non compliance with the condition
1.1	Board's Size: Board members should not be less than 5(Five) and more than 20(Twenty)	Complied	
1.2(i)	Independent Director: At least 1/10 th	Complied	
1.2(ii)	Appointment of independent Director by elected Directors	Complied	
1.3	Individual Chairman of the Board, Chief Executive, clearly defined roles and responsibilities	Complied	
1.4	The Directors report to Shareholders on:-		
1.4(a)	Fairness of financial Statements	Complied	
1.4(b)	Maintenance of Proper books of accounts	Complied	
1.4(c)	Adaptation of appropriate Accounting policies and estimates	Complied	
1.4(d)	Compliance with International Accounting Standard (IAS)	Complied	
1.4(e)	Soundness of Internal Control System	Complied	
1.4(f)	Ability to Continue as Going Concern	Complied	
1.4(g)	Significant deviation from last year	Complied	
1.4(h)	Presentation of last three years data	Complied	
1.4(i)	Declaration of Dividend	Complied	
1.4(j)	Details of Board Meeting	Complied	
1.4(k)	Shareholding Pattern	Complied	
2.1	Appointment of CFO, Head of Internal Audit and Company Secretary and defining of their respective roles, responsibilities and duties	Complied	



Condition No.	Title	Compliance Status	Explanation for non compliance with the condition
2.2	Attendance of CFO and the Company Secretary at Board of Directors meeting	Complied	
3.00	Audit Committee	Complied	
3.1(i)	Constitution of Committee	Complied	
3.1(ii)	Constitution of Committee with Board members including one Independent Director	Complied	
3.1(iii)	Filling of Casual Vacancy in committee	Complied	
3.2(i)	Chairman of the Committee	Complied	
3.2(ii)	Professional Qualification and experience of the Chairman of the committee	Complied	
3.3.1(i)	Reporting to the Board of Directors	Complied	
3.3.1(ii)(a)	Reporting of Conflict of Interest to the Board of Directors	Complied	
3.3.1(ii)(b)	Reporting of any fraud or irregularity to the Board of Directors	Complied	
3.3.1(ii)(c)	Reporting of violation of laws to the Board of Directors	Complied	
3.3.1(ii)(d)	Reporting of any other matter to the Board of Directors	Complied	
3.3.2	Reporting of Qualified point to Commission	Complied	
3.4	Reporting of activities to the Shareholders and General Investors	Complied	
4.00	External/Statutory Auditors:		
4.00(i)	Non-engagement in appraisal or valuation	Complied	
4.00(ii)	Non- engagement in designing of Financial Information System	Complied	
4.00(iii)	Non-engagement in Book-Keeping	Complied	
4.00(iv)	Non-engagement in Broker-dealer service	Complied	
4.00(v)	Non-engagement in Actuarial Services	Complied	
4.00(vi)	Non-engagement in Internal Audit	Complied	
4.00(vii)	Non-engagement in any other services	Complied	



## ANNEXURE-IV

Key operating and financial data of last three years have been presented below in summarized form;

Figure in Tk.,000.00

Particulars	2010	2009	2008
Turnover	4,445,402	3,882,244	3,052,236
Cost of Goods Sold	3,558,643	3,348,870	2,589,020
Gross Profit	886,759	533,373	463,216
Operating Expenses	113,190	109,832	85,777
Finance Cost	94,610	121,730	109,701
Operating Income	678,959	301,811	267,738
Other Income	31,023	25,554	23,723
Net profit before WPPF	709,983	327,365	291,461
Contribution WPPF	33,809	15,588	13,879
Net profit (BT)	676,174	311,776	277,582
Provision for Income Tax	111,405	51,142	41,052
Net Profit (AT)	564,769	260,634	236,530
Total Assets	6,605,934	5,508,281	5,807,897
Total Fixed Assets	2,304,802	2,283,552	2,370,847
Total Current Assets	4,301,132	3,224,729	3,437,050
Total Current Liabilities	2,923,391	2,276,601	2,722,233
Current Ratio	1.47	1.42	1.26
Shareholders' Equity	3,571,239	3,119,404	2,964,646
Earning Per Share (EPS)	6.96	3.69	4.71
Dividend Per Share Cash	Tk. 1.60	Tk. 1.60	Tk. 1.80
Dividend Per Share Bonus	5:1	Tk. 100:15	Tk. 1:5
MP (DSE) Year End	209.80	111.54	117
PER (Year End)	30.14	30.22	24

# Audit Committee Report

## AUDIT COMMITTEE REPORT Square Textiles Limited For the year 2010

The Audit Committee consists of the following members:

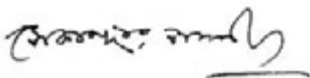
Mr. M Sekander Ali	Chairman
Mr. Anjan Chowdhury	Member
Mr Charles C R Patra	Member

### **The scope of Audit Committee was defined as under:**

- a. Review and recommend to the Board to approve the financial statements prepared for statutory purpose;
- b. Report to the Board of Directors on internal audit findings from time to time considering the significance of the issues;
- c. Carry on a supervision role to safeguard the system of governance and independence of statutory auditors; and
- d. Review and consider the internal report and statutory auditors' observations on internal control.

### **Activities carried out during the year:**

The Committee reviewed the quarterly, half yearly and annual financial statement and recommended to the Board for consideration. The Committee also reviewed, approved and monitor the procedure and tusk of the internal audit, finanacial report preparation and the external audit reports. The Committee found adequate arrangement to present a true and fair view of the activities and the financial status of the Company and didn't find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting.



M Sekander Ali  
Chairman  
Audit Committee

Dated: April 12, 2011



## পরিচালনা পর্ষদের প্রতিবেদন

### স্কয়ার টেক্সটাইলস্ লিঃ শেয়ারহোল্ডারগণের প্রতি পরিচালনা পর্ষদের প্রতিবেদন

#### সম্মানিত শেয়ারহোল্ডারবৃন্দ:

পরিচালনা পর্ষদ আনন্দের সাথে কোম্পানী আইন ১৯৯৪ এর ধারা নং ১৮৪, সিকিউরিটিজ এন্ড এক্সচেঞ্জ রুলস্ ১৯৮৭ এর ১২ নং বিধির (এবং তফসিল অনুযায়ী) শর্তানুসারে এবং ইনস্টিটিউট অব চার্টার্ড একাউন্ট্যান্টস্ অব বাংলাদেশ কর্তৃক গৃহীত আইএএস - ১ (আন্তর্জাতিক হিসাব মানদণ্ড - ১) অনুসারে ৩১ ডিসেম্বর ২০১০ তারিখে সমাপ্ত আর্থিক বছরের প্রতিবেদন সম্মানিত শেয়ারহোল্ডারবৃন্দের কাছে নিম্নোক্ত পরিচ্ছেদগুলোতে পেশ করছেন :

#### কার্যক্রম:

##### ১। উৎপাদন ক্ষমতা/উৎপাদন

□ ৩১ ডিসেম্বর ২০১০ তারিখে মোট স্থাপিত উৎপাদন ক্ষমতা (গড়ে ৩০ সিল্পেল, ১৪ স্ট্রিঙ্গেল এবং ১০ সিল্পেল) ছিল নিম্নরূপ:

□ □ ২০১০□ ২০০৯□ ২০০৮□ ২০০৭□ ২০০৬

(১.১) স্পিন্ডলস্ /রোটর হেডস্

(ক)□ স্থাপিত :

□ স্থাপিত স্পিন্ডলস্ এর সংখ্যা□ ৫৯,৪৭২□ ৫৯,৪৭২□ ৫৯,৪৭২□ ৫৯,৪৭২□ ৫৯,৪৭২

□ স্থাপিত রোটর হেডস্ এর সংখ্যা□ ৩,৯৬০□ ৩,৯৬০□ ৩,৯৬০□ ৭৬৮□ ৭৬৮

(খ)□ উৎপাদন কাজে ব্যবহৃত :

□ স্পিন্ডলস্ □ ৫৯,৪৭২□ ৫৯,৪৭২□ ৫৯,৪৭২□ ৫৯,৪৭২□ ৫৯,৪৭২

□ রোটর হেডস্□ ৩,৯৬০□ ৩,৯৬০□ ৩,৯৬০□ ৭৬৮□ ৭৬৮

(১.২) স্থাপিত উৎপাদন ক্ষমতা (কেজি) :

□ ৩০ সিল্পেল কাউন্টের সমতুল্য (রিং ইয়ার্ণ)□ ১১,৫৮২,৮৯৯□ ১১,২৭১,৫৭৪□ ১১,২৭১,৫৭৪□ ১১,২৭১,৫৭৪□ ১১,২৭১,৫৭৪

□ ১০ সিল্পেল কাউন্টের সমতুল্য (ওপেন এন্ড) □ ২,৩২৯,২৩৪□ ২,৩২৯,২৩৪□ ২,২৩৯,২৩০□ ২,২৩৯,২৩০□ ২,২৩৯,২৩০

□ ১৪ সিল্পেল কাউন্টের সমতুল্য (ওপেন এন্ড)□ ১০,০০০,৪৫৪□ ১০,০০০,৪৫৪□ ১,৪৬৪,৬১০□ -□ -

□ মোট □ ২৩,৯১২,৫৮৭□ ২৩,৯১২,৫৮৭□ ১৪,৯৭৫,৪১৪□ ১৩,৫১০,৮০৪□ ১৩,৫১০,৮০৪□

# পরিচালনা পর্ষদের প্রতিবেদন

	২০১০	২০০৯	২০০৮	২০০৭	২০০৬
(১.৩) প্রকৃত উৎপাদন (কেজি):					
৩০ সিঙ্গেল কাউন্টের সমতুল্য (রিং ইয়ার্গ)	১০,৩৫২,১৮০	১০,৫৯৩,৫১১	১০,৩৩৩,৭৪৫	১০,৬৬৯,৫৩৬	১১,০২৪,৭৪৩
১০ সিঙ্গেল কাউন্টের সমতুল্য (ওপেন এন্ড)	৮,১৩০,২৫৯	২,০৭৯,০৮৪	২,০৯৯,৩৮৮	২,২১৬,৫৮৮	২,২২৫,২২৭
১৪ সিঙ্গেল কাউন্টের সমতুল্য (ওপেন এন্ড)	১,৭২৩,২৯১	৮,৭৩৭,৯১০	১,৪৪৫,৫৭০	-	-
মোট	২০,২০৫,৭৩০	২১,৪১০,৫০৫	১৩,৮৭৮,৭০৩	১২,৮৮৬,১২৪	১৩,২৪৯,৯৭০

(১.৪) উৎপাদন দক্ষতা (%):					
৩০ সিঙ্গেল কাউন্টের সমতুল্য	৮৯.৩৭	৯১.৪৬	৯১.৬৮	৯৪.৬৬	৯৭.৮১
১০ সিঙ্গেল কাউন্টের সমতুল্য	৮১.৩০	৮৯.২৬	৯৩.৭৫	৯৮.৯৯	৯৯.৩৭
১৪ সিঙ্গেল কাউন্টের সমতুল্য	৭৩.৯৯	৮৭.৩৮	৯৮.৭০	-	-
মোট	৮৪.৫০	৮৯.৫৪	৯২.৬৮	৯৫.৩৮	৯৮.০৭

উপরোক্ত পরিসংখ্যান হতে প্রতীয়মান হয় যে, উৎপাদন গত বছরের তুলনায় ৫.০৪% হ্রাস পেয়েছে প্রধানত উৎপাদন মিশ্রণের পরিবর্তনের জন্য এবং গ্যাস এবং বিদ্যুৎ এর স্বল্পতার জন্য।

## ২। উৎপাদন ব্যয়:

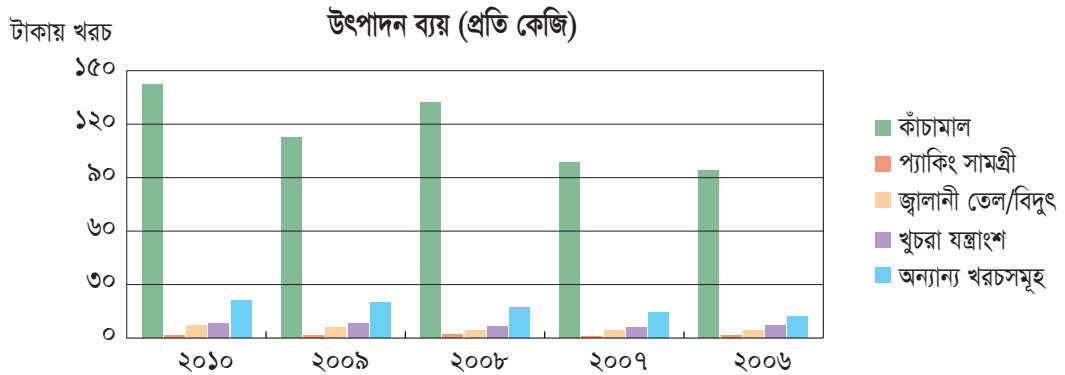
বিগত বছরগুলোতে ব্যাপক মাত্রায় কাঁচা তুলা, প্যাকিং দ্রব্যসামগ্রী, বিদ্যুৎ ও জ্বালানী তেল এবং মেশিনের খুচরা যন্ত্রাংশের ক্রয়মূল্যের হ্রাস/বৃদ্ধির ফলে উৎপাদন ব্যয় বেড়েছে যা ছিল ব্যবস্থাপনা কর্তৃপক্ষের নিয়ন্ত্রণের বাইরে। খাতওয়ারী ব্যয়ের পরিমাণ এবং তাদের আনুমানিক প্রভাব নিচে দেখানো হলো:

	২০১০	২০০৯	২০০৮	২০০৭	২০০৬
(ক) সূতার উৎপাদন (কেজি)	২০,০৩৫,৯৩৬	২৩,১৯০,৭৪৬	১৫,৬৫৭,৫০৯	১৩,৫৯৭,৯২১	১৪,০২৫,২২৩
(খ) গুরুত্বপূর্ণ খাতগুলোর ব্যয় সমূহ:					
ব্যবহৃত কাঁচামাল (টাকায়)	২,৮০৭,১৬১,১৭৯	২,৬৪৪,৯৬৭,৫১২	২,০০৬,৫৫০,০৭৪	১,৪৫০,৪৩৯,৩৬৭	১,৫৩০,০৭৪,৮৮৭
প্যাকিং সামগ্রীর মূল্য	৩১,৯৮২,৭১২	৩০,২৬১,৯৪২	৪১,৯৪৫,৩১৪	২২,০২৯,৮০২	২৯,৩৫২,৮৪১
জ্বালানী তেল/বিদ্যুৎ ইত্যাদি	১৩৪,৫০৭,০৮১	৭১১৯,৮৩৬,৭৭২	৭৯,৫২২,৩২৯	৮১,১৭৮,৪০০	৮৩,৫৪৩,৮৯৯
খুচরা যন্ত্রাংশ	১৬৬,০৫০,০০০	১৬৩,৫৫৪,৫৮৬	১৩০,৫৫৭,৫৮৯	১২০,৫৩২,১২৫	১৪৫,১০২,৮৭৪
অন্যান্য খরচ সমূহ	৪১৮,৪২৫,৫৩৫	৩৯৯,৭১৩,১৩১	৩৩৭,৩৩১,৬৩৩	২৮৬,৩২০,১৮১	২৪৭,২১৮,৫৮৭
মোট ব্যয়	৩,৫৫৮,১২৬,৫০৭	৩,৩৫৮,৩৩৩,৯৪৩	২,৫৯৫,৯০৬,৯৩৯	১,৯৬০,৪৯৯,৮৭৫	২,০৩৫,২৯৩,০৮৮





	২০১০	২০০৯	২০০৮	২০০৭	২০০৬
(গ) প্রতি কেজির মূল্য (টাকায়):					
কাঁচামাল	১৪০.১১	১১৪.০৫	১২৮.১৫	১০৬.৬৬	১০২.৪৬
প্যাকিং সামগ্রী	১.৬০	১.৩০	২.৬৮	১.৬২	১.৯৭
জ্বালানী তেল/বিদ্যুৎ	৬.৭১	৫.১৭	৫.০৮	৫.৯৭	৫.৫৯
খুচরা যন্ত্রাংশ	৮.২৯	৭.০৫	৮.৩৪	৮.৮৬	৯.৭২
অন্যান্য খরচসমূহ	২০.৮৮	১৭.২৪	২১.৫৪	২১.০৬	১৬.৫৬
প্রতি কেজি উৎপাদন খরচ	১৭৭.৫৯	১৪৪.৮১	১৬৫.৭৯	১৪৪.১৭	১৩৬.৩০
মোট শতকরা হিসাবে কাঁচামাল	৭৮.৮৯%	৭৮.৭৬%	৭৭.৩০%	৭৩.৯৮%	৭৫.১৮%



উপরোক্ত বিবরণ হতে প্রতীয়মান হয় যে, আলোচ্য বছরে ২০০৯ সালের তুলনায় প্রতি কেজির উৎপাদন ব্যয় বৃদ্ধি পেয়েছে ২২.৬৩%, একই সময়ে ২০০৯ সালের তুলনায় ২০১০ সালে কাঁচামাল ব্যয়, বৃদ্ধি পেয়েছে ২২.৮৪%। প্যাকিং সামগ্রী, জ্বালানী, খুচরা যন্ত্রাংশ এবং অন্যান্য উপরি ব্যয় যথাক্রমে ২৩.০৮%, ২৯.৭৯%, ১৭.৫৮% এবং ২১.১১% বৃদ্ধি পেয়েছে ২০০৯ সালের তুলনায় ২০১০ সালে। অন্যদিকে একই একক প্রতি কাঁচা মালের ব্যয় বৃদ্ধি পেয়েছে .১৩% ২০০৯ সালের তুলনায়। প্রধান উপাদানগুলো যেমন: কাঁচামাল, প্যাকিং সামগ্রী, এবং অন্যান্য উপরি ব্যয় বাড়ার মূল কারণ ছিল দেশীয় এবং আন্তর্জাতিকভাবে মূল্য নিয়ন্ত্রণ, যা অধিকাংশই ছিল ব্যবস্থাপনা কর্তৃপক্ষের নিয়ন্ত্রণের বাইরে।

### ৩। বিপণন কার্যক্রম:

#### (১) বাজার পরিস্থিতি:

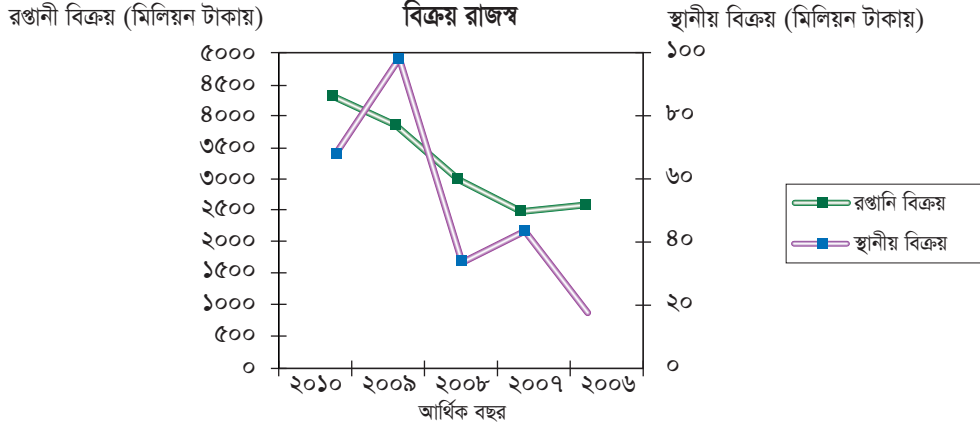
গত বছরের মত এ বছরও কোম্পানী রপ্তানি বিক্রয়ের উপর প্রাধান্য দেয়ার ধারাবাহিকতা বজায় রেখেছে, যা নিম্নরূপঃ

	২০১০	২০০৯	২০০৮	২০০৭	২০০৬
(ক) বিক্রয়ের পরিমাণ (কেজি)					
স্থানীয় বাজারে বিক্রয়	৪১৬,৩৮৭	৫৬১,৩৪৭	১৬৫,২৪৭	২২১,৫১৪	১১২,৭০৬
রপ্তানি বিক্রয়	১৯,৬২৮,৫০৯	২২,৬২৫,৬৯৯	১৫,৪৯১,৪২১	১৩,৩৭১,১৮৭	১৪,০০১,৪০৩
মোট বিক্রয়	২০,০৪৪,৮৯৬	২৩,১৮৭,০৪৬	১৫,৬৫৬,৬৬৮	১৩,৫৯২,৭০১	১৪,১১৪,১০৯

#### (খ) বিক্রয়লব্ধ আয় (টাকায়)

স্থানীয় বাজার হতে আয়	৬৯,৩৯৮,১৫৫	৯৮,৭২৯,৩৯৫	৩৪,১২৮,২৯৩	৪৪,৩৭৩,৮৮৯	১৮,৩০৭,৯৬৮
রপ্তানি আয়	৪,৩৭৬,০০৩,৯৫৭	৩,৭৮৩,৫১৪,৬১৫	৩,০১৮,১০৭,৩৪৭	২,৪৯৭,১৬৮,৮৭৮	২,৬০২,৬৫৭,৯৬৩
মোট বিক্রয়	৪,৪৪৫,৪০২,১১২	৩,৮৮২,২৪৪,০১০	৩,০৫২,২৩৫,৬৪০	২,৫৪১,৫৪২,৭৬৭	২,৬২০,৯৬৫,৯৩১

## পরিচালনা পর্ষদের প্রতিবেদন



উপরোক্ত চিত্র থেকে বুঝা যায় যে, গত বছরের তুলনায় ২০১০ সালে স্থানীয় বাজারে বিক্রয় আয় ২৯.৭১% হ্রাস পেয়েছে কিন্তু রপ্তানী আয় গত বছরের তুলনায় ১৫.৬৫% বৃদ্ধি পেয়েছে। সামগ্রিকভাবে ২০০৯ সালের তুলনায় আলাচ্য বছরে বিক্রয় আয় ১৪.৫০% বৃদ্ধি পেয়েছে।

### (২) প্রাপ্ত একক বিক্রয় মূল্য :

□ পূর্ববর্তী বছরের তুলনায় এ বছরে বিক্রয়মূল্য উল্লেখযোগ্য ভাবে তারতম্য ঘটেছে যা নীচে দেখানো হলো :

	২০১০	২০০৯	২০০৮	২০০৭	২০০৬
□ স্থানীয় বাজারে বিক্রয় □	১৬৬.৬৭	১৭৫.৮৮	২০৬.৫৩	২০০.৩২	১৬২.৮৮
□ রপ্তানী বিক্রয় □	২২২.৯৮	১৬৭.২২	১৯৮.৮২	১৮৬.৭৬	১৮৫.৮৮
□ মোট বিক্রয় (গড়) □	২২১.৭৭	১৬৭.৮৩	১৯৮.৯৫	১৮৬.৯৮	১৮৫.৭০

উপরের তথ্যাবলী নির্দেশ করে স্থানীয় বিক্রয়মূল্য ২০০৯ সালের তুলনায় ২০১০ সালে ৫.২৪% হ্রাস পেয়েছে এবং রপ্তানী মূল্য একই সময়ে ৩৩.৩২% বৃদ্ধি পেয়েছে। প্রাথমিকভাবে রপ্তানী মূল্য বৃদ্ধির অন্যতম কারণ আন্তর্জাতিক পরিবেশ এবং রপ্তানী চাহিদা। ২০০৯ সালের তুলনায় ২০১০ সালে গড় বিক্রয় মূল্য বৃদ্ধি পেয়েছে ৩২% যার বিপরীতে একই সময়ে কাঁচামালের মূল্য বৃদ্ধি পেয়েছে ২২.৮৪%।

### মূলধনী খরচ সমূহ:

উৎপাদন কার্টামো উত্তরোত্তর উন্নীত করণের লক্ষ্যে কোম্পানী ১০৪.৭৭ মিলিয়ন টাকা মূলধনী খাতে এ বছর ব্যয় করেছে যা নিম্নরূপ :

	২০১০	২০০৯	২০০৮	২০০৭	২০০৬
□ জমি/নির্মাণ কাজ □	৫২.৭২	৩১.১৮	১৭.৯৬	৫.৫৪	১৭.৩৭
□ যন্ত্রপাতি □	৪৩.৫৫	৫৭.৩৯	১০৩.৯৮	৮৬.৫৫	৩৯.২৭
□ অন্যান্য সম্পদ □	৮.৫০	৮.৩০	৮.৬৬	৫.৫৯	৮.৯৮
□ মোট বিনিয়োগ □	১০৪.৭৭	৯৬.৮৭	১৩০.৬০	৯৭.৬৮	৬১.৬৮

উপরোক্ত বিনিয়োগ উৎপাদন ক্ষমতা বৃদ্ধি করতে সহায়তা করেছে। পুরো বিনিয়োগটাই নিজস্ব উৎস থেকে করা হয়েছে।



## সাবসিডিয়ারী কোম্পানীতে বিনিয়োগ:

স্কার টেক্সটাইলস্ লিমিটেড ৯৫,০০০,০০০ টাকা (৯৯.৫০%) স্কার ইয়ার্নস লিমিটেড এ মূলধন হিসাবে বিনিয়োগ করেছে এবং ৮০০,০০০,০০০ টাকা শেয়ার মানি ডিপোজিট হিসাবে দিয়েছে। ১৯৯৪ সালের কোম্পানী আইন অনুসারে স্কার ইয়ার্নস লিমিটেড একটি সাবসিডিয়ারী কোম্পানী বিধায় পরিচালনা পর্ষদের প্রতিবেদন এবং নিরীক্ষিত হিসাব এই প্রতিবেদনের সাথে সংযুক্ত করা হয়েছে। এছাড়াও কোম্পানী মিঠাপুর টেক্সটাইলস লিমিটেড, ভালুকা ময়মনসিংহ এর প্রতিটি ১০০ টাকা হারে ৯৫,০০০ সাধারণ শেয়ার (মোট শেয়ারের ৯৫%), শেয়ার অধিগ্রহণের কাজ সম্পন্ন হয়েছে, অধিগ্রহণে বিনিয়োগ হয়েছে মোট ৬৫,৭৮৩,৭৬০ টাকা। এ অধিগ্রহণের জন্য কোম্পানীর মূনাফা বৃদ্ধি পেতে পারে। মিঠাপুর টেক্সটাইলস লিমিটেড এর ৩০ জুন, ২০১০ এর পরিচালনা পর্ষদের প্রতিবেদন, নিরীক্ষিত হিসাব বিবরণী অত্র বার্ষিক প্রতিবেদনের সাথে সন্নিবেশিত করা হলো।

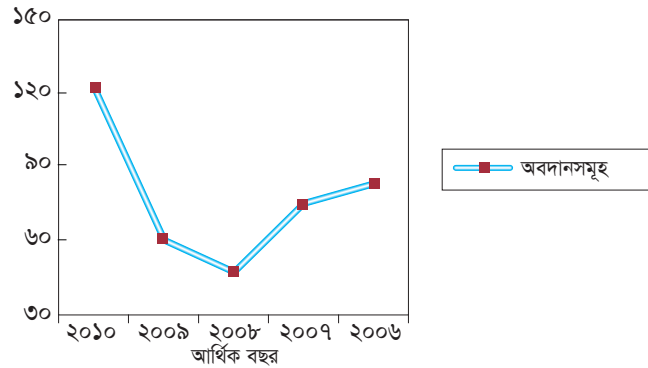
## অবদানসমূহ:

### (১) জাতীয় কোষাগারে অবদান:

কোম্পানী ২০১০ সালে ১২৬.৯৭ মিলিয়ন টাকা জাতীয় কোষাগারে জমা দিয়েছে। যার বিবরণ নীচে দেখানো হলো :

					(মিলিয়ন টাকায়)	
		২০১০	২০০৯	২০০৮	২০০৭	২০০৬
	কর্পোরেট আয়কর	১১১.৪১	৫১.১৪	৪১.০৫	৫৮.৬৮	৫৫.৩৭
	অগ্রিম আয়কর (উৎস হতে কর্তন)	১.৪৪	১.৪৩	১.৪৩	৫.৫০	৩.৪৯
	আবগারী শুল্ক/ভ্যাট/আমদানী শুল্ক/কর ইত্যাদি	৬.৭৩	১১.৩৬	৯.০১	১৬.০০	২৯.৫৪
	সরকারী কর/স্ট্যাম্প শুল্ক/লাইসেন্স ফি ইত্যাদি	৭.৩৯	১.১৭	০.৬৫	০.১৪	০.০৮
	মোট	১২৬.৯৭	৬৫.১০	৫২.১৪	৮০.৩২	৮৮.৪৮

জাতীয় কোষাগারে অবদান



### (২) বৈদেশিক মুদ্রার অর্জন/সঞ্চয়:

কোম্পানী উল্লেখযোগ্যভাবে রপ্তানি বাণিজ্যের মাধ্যমে দেশের বৈদেশিক মুদ্রা রিজার্ভে অবদান রেখেছে ২০১০ সালে যার পরিমাণ ১,২২০.৮৩ মিলিয়ন টাকা। যার বিস্তারিত বিবরণ নিচে দেওয়া হল:

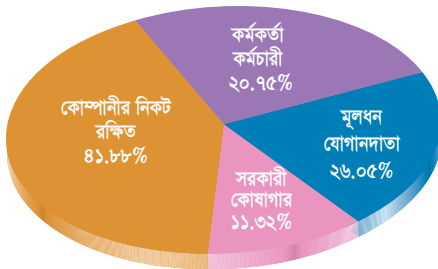
					(মিলিয়ন টাকায়)	
		২০১০	২০০৯	২০০৮	২০০৭	২০০৬
	মোট রপ্তানি আয়	৪,৩৭৬.০০	৩,৭৮৩.৫১	৩,০১৮.১০	২,৪৯৭.১৭	২,৬২০.৯৬
	বাদ: আমদানি খরচ সমূহ:					
	কাঁচা তুলা	৩,০২১.৩৩	২,৩৫১.৭৮	২,৩৩৯.০০	১,৪১৭.৬৭	১,৫৫৭.৪২
	খুচরা যন্ত্রাংশ	১০৩.৩৪	৭৫.০০	১৫০.১৮	১৪৭.৯৫	১৩৫.৮১
	বিবিধ	৩০.৫০	২৮.৯৯	১১.৯৫	১০.৯০	৩৯.২১
	নীট রপ্তানি আয়	১,২২০.৮৩	১,৩২৭.৭৪	৫১৬.৯৭	৯২০.৬৫	৮৮৮.৫২

# পরিচালনা পর্ষদের প্রতিবেদন

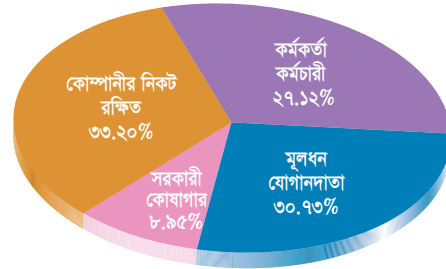
## (৩) মূল্য সংযোজন বিবরণী:

	২০১০	২০০৯
অর্থের উৎস সমূহ		
নীট বিক্রয়	৪,৪৪৫,৪০২,১১২	৩,৮৮২,২৪৪,০১০
বাদ : উপকরণ ও সেবামূল্য	(৩,৩৫৪,৭৮৩,৮২০)	(৩,১৯৫,৬২১,৪৮৫)
যোগ : অন্যান্য আয়	৩১,০২৩,৬২৯	২৫,৫৫৪,৫১০
<b>মূল্য সংযোজন</b>	<b>১,১২১,৬৪১,৯২১</b>	<b>৭১২,১৭৭,০৩৫</b>
সংযোজিত মূল্যের প্রয়োগ		
কর্মকর্তা-কর্মচারী	২৩২,৭৩৭,৬৪২	১৯৩,১৪৬,২১৫
বেতন, মজুরী, গ্র্যাচুইটি এবং অন্যান্য সুবিধাদি	১৯৮,৯২৮,৯২৫	১৭৭,৫৫৭,৩৭১
মুনাফার অংশ ও কল্যাণ তহবিল	৩৩,৮০৮,৭১৭	১৫,৫৮৮,৮৪৪
সরকারী কোষাগার	১২৬,৯৬৫,২০৩	৬৩,৭৬৯,৬৮৩
কর্পোরেট আয়কর	১১১,৪০৫,২০৩	৫১,১৪২,৮৭২
অন্যান্য সরকারী পাওনা	১৫,৫৬০,০০০	১২,৬২৬,৮১১
মূলধন যোগানদাতা		
লভ্যাংশ	২৯২,২১৭,৯৮০	২১৮,৮১০,৫৬৪
কোম্পানীর নিকট রক্ষিত		
অবচয়	৪৬৯,৭২১,০৯৬	২৩৬,৪৫০,৫৭৩
আবন্তিত মুনাফা	১৯৭,১৬৯,৯৩৩	১৯৪,৬২৭,১৩৫
	২৭২,৫৫১,১৬৩	৪১,৮২৩,৪৩৮
<b>টাকা</b>	<b>১,১২১,৬৪১,৯২১</b>	<b>৭১২,১৭৭,০৩৫</b>

মূল্য সংযোজনের বণ্টন-২০১০



মূল্য সংযোজনের বণ্টন-২০০৯



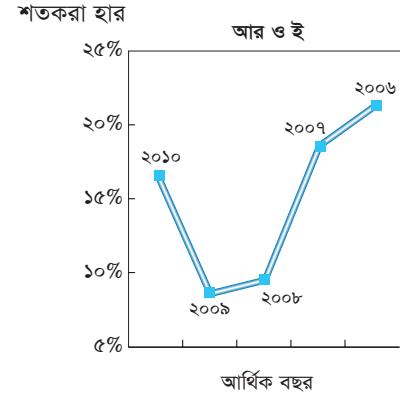
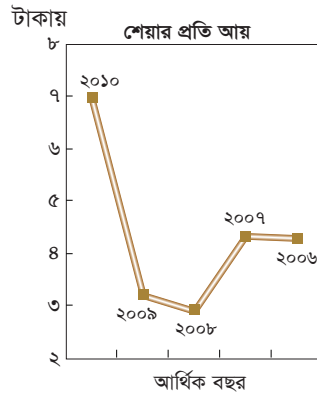
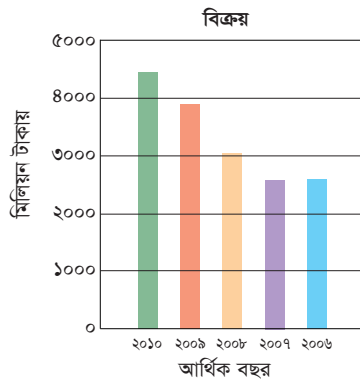


## আর্থিক ফলাফল:

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

	২০১০	২০০৯	২০০৮	২০০৭	২০০৬
বিক্রয়	৪,৪৪৫,৪০২,১১২	৩,৮৮২,২৪৪,০১০	৩,০৫২,২৩৫,৬৪০	২,৫৪১,৫৪২,৭৬৭	২,৬২০,৯৬৫,৯৩১
বিক্রিত পণ্যের উৎপাদন মূল্য	৩,৫৫৮,৬৪২,৮৫০	৩,৩৪৮,৮৭০,২৮৯	২,৫৮৯,০১৯,৭৩৬	১,৯৫৮,৬৯৬,৪০৪	২,০৪১,০৬৫,৩৯৩
মোট মুনাফা	৮৮৬,৭৫৯,২৬২	৫৩৩,৩৭৩,৭২১	৪৬৩,২১৬,৯০৪	৫৮২,৮৪৬,৩৬৩	৫৭৯,৯০০,৫৩৮
পরিচালন খরচ সমূহ	১১৩,১৮৯,৯০৮	১০৯,৮৩২,৩৫৪	৮৫,৭৭৭,০১৮	৬১,৭৬৭,৩৭১	৬৫,৩২৯,৭২৫
আর্থিক খরচ সমূহ	৯৪,৬০৯,৯২০	১২১,৭৩০,১৫৯	১০৯,৭০১,০৪৫	১০৬,০২৬,১৮০	৭৭,৩৫০,০৮৬
পরিচালন মুনাফা	৬৭৮,৯৫৯,৪৩৪	৩০১,৮১১,২০৮	২৬৭,৭৩৭,৮৪১	৪১৫,০৫২,৮১২	৪৩৭,২২০,৭২৭
অন্যান্য আয়	৩১,০২৩,৬২৯	২৫,৫৫৪,৫১০	২৩,৭২২,৯৭৯	১৬,৬২৬,৫৩৩	১,৬০৬,৫০৪
অগ্নিজনিত ক্ষতি	-	-	-	-	(১৪,৬৬৩,৯৪৪)
নীট মুনাফা (ডবিউ পি পি এফ) পূর্ব	৭০৯,৯৮৩,০৬৩	৩২৭,৩৬৫,৭১৮	২৯১,৪৬০,৮২০	৪৩১,৬৭৯,৩৪৫	৪২৪,১৬৩,২৮৭
ডবিউ পি পি এফ এ অনুদান	৩৩,৮০৮,৭১৭	১৫,৫৮৮,৮৪৪	১৩,৮৭৯,০৮৭	২০,৫৫৬,১৫৯	২০,১৯৮,২৫২
নীট মুনাফা (কর পূর্ব)	৬৭৬,১৭৪,৩৪৬	৩১১,৭৭৬,৮৭৪	২৭৭,৫৮১,৭৩৩	৪১১,১২৩,১৮৬	৪০৩,৯৬৫,০৩৫
আয়কর সঞ্চিতি	১১১,৪০৫,২০৩	৫১,১৪২,৮৭২	৪১,০৫১,৮২৫	৫৮,৬৭৬,০৫০	৫৫,১৩১,৫৮২
নীট মুনাফা (কর পরবর্তী)	৫৬৪,৭৬৯,১৪৩	২৬০,৬৩৪,০০২	২৩৬,৫২৯,৯০৮	৩৫২,৪৪৭,১৩৬	৩৪৮,৮৩৩,৪৫৩
মোট মুনাফার হার	১৯.৯৫%	১৩.৭৪%	১৫.১৮%	২২.৯৩%	২২.১৩%
নীট মুনাফার হার	১২.৭০%	৬.৭১%	৭.৭৫%	১৩.৮৭%	১৩.৩১%
শেয়ার প্রতি আয়	৬.৯৬	৩.২১	২.৯১	৪.৩৪	৪.৩০
আর ও ই	১৬.৮৮%	৮.৫৭%	৯.৪৯%	১৮.৫৯%	২১.২৪%
পরিশোধিত শেয়ার	৮১,১৭১,৬৬১	৭০,৫৮৪,০৫৩	৫৮,৮২০,০৪৪	৩৯,৪৩৩,৩৭০	৩৪,২৮৯,৮৮৭
শেয়ারের নামিক মূল্য	১০	১০	১০	১০	১০

মোট বিক্রয় ২০০৯ সালের তুলনায় ২০১০ সালে ১৪.৫০% বৃদ্ধি পেয়েছে যা ২০০৯ সালে ২৭.১৯% বৃদ্ধি পেয়েছিল। যা হোক, ২০০৯ সালের তুলনায় ২০১০ সালে মোট মুনাফার হার ১৫.১৮% হতে বৃদ্ধি পেয়ে ৬৬.২৫% হয়েছে। অন্যদিকে পরিচালন ব্যয় ৩.০৬% বৃদ্ধি পেয়েছে, এবং পরিচালন আয় বৃদ্ধি পেয়েছে ১২৫.০০%। শেয়ার প্রতি আয় ১১৬.৮২% বৃদ্ধি পেয়েছে বিগত বছরের তুলনায়।



## মুনাফা বন্টন:

২০১০ সালে কর পরবর্তী নীট আয় টাকা ৫৬৪,৭৬৯,১৪৩ পরিচালনা পর্ষদ নিম্নরূপে বন্টনের জন্য প্রস্তাব করেন:

ক) ২০১০ সালের নগদ লভ্যাংশ প্রস্তাব (১.৬০ টাকা প্রতি শেয়ার)		টাকা	১২৯,৮৭৪,৬৫৮
খ) ২০১০ সালের জন্য বোনাস শেয়ার (৫:১)		টাকা	১৬২,৩৪৩,৩২২
গ) সাধারণ সঞ্চিতিতে স্থানান্তর		টাকা	২৭২,৫৫১,১৬৩
টাকা			<u>৫৬৪,৭৬৯,১৪৩</u>



# পরিচালনা পর্ষদের প্রতিবেদন

## পরিচালক নির্বাচন:

সংঘবিধির ১২৫ ও ১২৬ অনুচ্ছেদ অনুযায়ী জনাব স্যামসন এইচ চৌধুরী, মিসেস অনিতা চৌধুরী এবং জনাব স্যামুয়েল এস চৌধুরী অবসর গ্রহণ করেছেন এবং পুনঃনির্বাচিত হওয়ার যোগ্য বিধায় পুনঃনির্বাচিত হওয়ার ইচ্ছা প্রকাশ করেছেন।

## নিরীক্ষক নিয়োগ:

কোম্পানীর নিরীক্ষক মোসার্স চৌধুরী ভট্টাচার্য এন্ড কোং, চার্টার্ড একাউন্ট্যান্টস্ অত্র সভায় অবসর গ্রহণ করেছেন এবং যোগ্য বিধায় ২০১১ সালের জন্য পুনঃনিয়োগ পাবার ইচ্ছা প্রকাশ করেছেন।

## ব্যবস্থাপনা পরিচালকের পুনঃনিয়োগ:

পরিচালনা পর্ষদ জনাব তপন চৌধুরীকে আগামী ৫ বছরের জন্য ব্যবস্থাপনা পরিচালক পদের জন্য পুনঃনিয়োগ করার জন্য প্রস্তাব করছে, যা ২৫ মার্চ ২০১১ থেকে কার্যকর হবে।

## বিশেষ সিদ্ধান্ত:

**To pass special resolution for increasing the Authorised Capital of the Company from Tk. 100 crore (Taka One hundred crore) to Tk. 300 crore (Taka Three hundred crore) divided into 30 crore (Thirty crore) Shares of Tk. 10/- each and to amend the Clause-V and Articles- 4 of the Memorandum and Articles of Association of the Company respectively.**

The Board of Directors in its meeting held on 19<sup>th</sup> April, 2011 has decided in principal to increase the Authorised Capital of the Company from Tk. 100 crore (Taka One hundred crore) divided into 10 crore (Ten crore) shares of Tk. 10/- each to Tk. 300 crore (Taka Three hundred crore) divided into 30 crore (Thirty crore) shares of Tk. 10/- each in view of BMRE, expansion of business and for others in future and to amend the Clause-V and Articles- 4 of the Memorandum and Articles of Association of the Company respectively.

Therefore, if think fit, the shareholders are requested to pass the following resolution as special resolution:

### "Resolved

- that the Authorised Capital of the Company be increased from Tk. 100,00,00,000/- (Taka one hundred crore) divided into 10,00,00,000 (ten crore) shares of Tk. 10/- each to Tk. 300,00,00,000/- (Taka three hundred crore) divided into 30,00,00,000 (thirty crore) shares of Tk. 10/- each.
- that the figures and words "Taka 100,00,00,000/- (Taka one hundred crore)" and "10,00,00,000 (Ten crore)" appearing in the first and second line of Clause- V and Article- 4 of the Memorandum and Articles of Association of the Company be substituted by the figures and words "Taka 300,00,00,000/- (Taka three hundred crore)" and "30,00,00,000 (thirty crore)" respectively.
- that a new printed copy of the Memorandum and Articles of Association of the Company incorporating the amendments made upto this date in substitution of the existing Memorandum and Articles of Association of the Company be and hereby adopted as Memorandum and Articles of Association of the Company and the same be filed with the Registrar of Joint Stock Companies and Firms, Dhaka, Bangladesh."

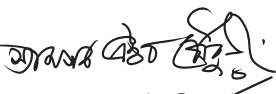
## কর্পোরেট গভর্নেন্স:

কর্পোরেট গভর্নেন্স হচ্ছে সুনামগরিষ্ঠের চর্চা যার মাধ্যমে পরিচালনা পর্ষদ কোম্পানীর পরিচালনা করেন, শেয়ার হোল্ডার/স্বার্থ সংশ্লিষ্ট ব্যক্তিবর্গ এবং সমাজের প্রতি জবাবদিহিতার দৃষ্টিভঙ্গি নিয়ে। সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর নোটিশ নং এসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/প্রশাসন/০২-০৮ ফেব্রুয়ারি ২০, ২০০৬ এর নিরিখে কোম্পানীর কর্পোরেট গভর্নেন্স এর অবস্থান চিত্রায়িত হয়েছে সংযুক্তি ১ (এক) এর মধ্যে।

## 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 উৎপাদন ক্ষমতা এবং নীট মুনাফা বৃদ্ধিতে সাহায্য করেছে। সম্মানিত শেয়ারহোল্ডারগণ যে আস্থা পরিচালনা পর্ষদের উপর রেখেছেন তা পরিচালনা পর্ষদকে অনুপ্রাণিত করে আসছে এবং ব্যবস্থাপনা কর্তৃপক্ষ, নির্বাহী কর্মকর্তা ও কর্মচারীগণ তা ধরে রাখতে সচেষ্ট হবেন। পরিচালনা পর্ষদ বিনিয়োগে ব্যাংক, সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ষ্টক 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।



স্যামসন এইচ চৌধুরী  
চেয়ারম্যান



# Financial Report

# AUDITORS' REPORT

## AUDITORS' REPORT

### Auditors' Report to the Shareholders on Consolidated Statement of Financial Position 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 31 December 2010 and the related Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows for the year ended, and all related summary of significant accounting policies and other explanatory notes.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards, give a true and fair view of the state of the company's affairs as at 31 December, 2010 and the results of its operations and its cash flows for the period then ended and comply with the companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations.

- (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 Textiles Limited so far as it appeared from our examination of those books;
- (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 and returns;
- (iv) The expenditure incurred was for the purpose of the company's business.

Dated, Dhaka  
April 26, 2011



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



# Square Textiles Limited

## Consolidated Statement of Financial Position

### As at December 31, 2010

		31-12-2010	31-12-2009
<b>NET ASSETS:</b>	<b>Notes</b>		
Fixed Assets		<b>2,431,705,707</b>	<b>2,517,420,230</b>
Assets at Cost Less Depreciation	4	2,375,421,947	2,507,420,230
Goodwill	5	56,283,760	-
Investment	5.1	-	10,000,000
<b>Current Assets:</b>		<b>5,597,368,885</b>	<b>3,785,335,229</b>
Stocks	6	2,337,729,488	1,367,504,190
Trade Debtors	7	2,793,836,999	2,188,554,329
Advances, Deposits and Prepayments	8	342,870,550	138,163,815
Cash & Bank Balances	9	122,931,848	91,112,895
<b>Less: Current Liabilities:</b>		<b>3,908,757,979</b>	<b>2,784,133,019</b>
Short Term Bank Loan	10	1,115,737,221	613,478,255
Sundry Creditors	11	1,500,362,542	1,270,464,545
Other Current Liabilities	12	216,323,182	187,919,788
Short Term Loan	13	787,887,594	552,993,073
Provision for Income Tax	14	288,447,440	159,277,358
<b>Net Current Assets</b>		<b>1,688,610,906</b>	<b>1,001,202,210</b>
Deferred Tax Liability	15	176,909,275	170,482,362
<b>Tk.</b>		<b>3,943,407,338</b>	<b>3,348,140,078</b>
<b>FINANCED BY:</b>			
<b>Share Holders Equity :</b>		<b>3,940,131,862</b>	<b>3,346,445,128</b>
Share Capital	16	811,716,610	705,840,530
General Reserve and Surplus	17	3,128,415,252	2,640,604,598
Non controlling Interest	20	3,275,476	1,694,950
<b>Tk.</b>		<b>3,943,407,338</b>	<b>3,348,140,078</b>

Attached notes form part of these financial statements .  
Dated, Dhaka: April 26, 2011

As per our annexed report of even date.

Tapan Chowdhury  
Managing Director

Samuel S. Chowdhury  
Vice Chairman

Khandaker Habibuzzaman  
Company Secretary

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

# Consolidated Statement of Comprehensive Income

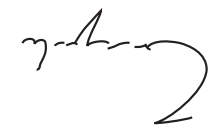
## Square Textiles Limited

### Consolidated Statement of Comprehensive Income For the year Ended December 31, 2010

		2010	2009
	Notes		
<b>Sales</b>	21	6,096,627,967	5,075,626,120
<b>Cost of Goods Sold</b>	22	(4,960,533,384)	(4,308,815,485)
<b>Gross Profit</b>		<b>1,136,094,583</b>	<b>766,810,635</b>
Operating Expenses	23	(128,465,638)	(124,704,336)
Finance Cost	24	(103,750,309)	(184,450,808)
Operating Income		903,878,636	457,655,491
Other Income		311,937	554,007
Net Income Before W.P.P & W.F		904,190,573	458,209,498
Allocation for W.P.P. & W.F	25	(43,056,694)	(21,819,500)
Net Income Before Tax		861,133,879	436,389,998
Provision for Income Tax	26	(139,149,133)	(69,834,840)
Provision for Deferred Income Tax	27	(7,398,167)	(13,097,789)
Net Profit after Tax		714,586,579	353,457,369
Non Controlling Interest	20	(1,424,765)	(485,986)
<b>Net Income for the Year</b>	<b>Tk.</b>	<b>713,161,814</b>	<b>352,971,383</b>
(Transferred to the Consolidated Statement of Changes in Equity)			
<b>Earning Per Share</b>	<b>28 Tk.</b>	<b>8.79</b>	<b>4.35</b>

Attached notes form part of these financial statements .  
Dated, Dhaka: April 26, 2011

As per our annexed report of even date.



Tapan Chowdhury  
Managing Director



Samuel S. Chowdhury  
Vice Chairman



Khandaker Habibuzzaman  
Company Secretary



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





**Square Textiles Limited**  
**Consolidated Statement of Changes in Equity**  
**For the Year Ended December 31, 2010**

Particulars	Share Capital	General Reserve and Surplus	Total
As at December 31, 2009	705,840,530	2,640,604,598	3,346,445,128
Accumulated Loss of Mithapur Tex. Ltd.	-	(6,540,595)	(6,540,595)
Net Profit for the Year 2010	-	713,161,814	713,161,814
Cash Dividend for 2009	-	(112,934,485)	(112,934,485)
Stock Dividend for 2009	105,876,080	(105,876,080)	-
<b>As at December 31, 2010</b> <b>Tk.</b>	<b>811,716,610</b>	<b>3,128,415,252</b>	<b>3,940,131,862</b>


**Square Textiles Limited**  
**Consolidated Statement of Changes in Equity**  
**For the Year Ended December 31, 2009**

Particulars	Share Capital	General Reserve and Surplus	Total
As at December 31, 2008	588,200,440	2,511,149,384	3,099,349,824
Net Profit for the Year 2009	-	352,971,383	352,971,383
Cash Dividend for 2008	-	(105,876,079)	(105,876,079)
Stock Dividend for 2008	117,640,090	(117,640,090)	-
<b>As at December 31, 2009</b> <b>Tk.</b>	<b>705,840,530</b>	<b>2,640,604,598</b>	<b>3,346,445,128</b>


Attached notes form part of these financial statements .  
Dated, Dhaka: April 26, 2011

As per our annexed report of even date.

  
Tapan Chowdhury  
Managing Director

  
Samuel S. Chowdhury  
Vice Chairman

  
Khandaker Habibuzzaman  
Company Secretary

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

# Consolidated Statement of Cash Flow


## Square Textiles Limited Consolidated Statement of Cash Flow For The Year Ended December 31, 2010

	2010	2009
<b>Cash Flow From Operating Activities:</b>		
<b>Receipts:</b>		
Cash From Sales Revenue	5,380,910,052	5,205,934,944
Cash From Other Income	311,937	259,007
Total Cash Receipts	5,381,221,989	5,206,193,951
<b>Payments:</b>		
Purchase of Raw & Packing Materials	(4,794,515,208)	(3,517,276,046)
Manufacturing and Operating Exp.	(835,755,262)	(674,537,687)
Finance Cost	(56,618,502)	(178,021,331)
Income Tax payments	(94,502,545)	(45,207,953)
Workers Profit Participation Fund and Welfare Fund	(48,028,134)	(22,447,675)
Total Payments	(5,829,419,651)	(4,437,490,692)
<b>Net Cash Flow From Operating Activities</b>	<b>(448,197,662)</b>	<b>768,703,259</b>
<b>Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets	(135,279,812)	(100,446,327)
Cash Received from Mithapur Textiles Ltd.	4,703,772	-
Disposal of Fixed Assets	-	295,000
Invest in Mithapur Textiles Ltd.	(46,283,760)	(10,000,000)
<b>Net Cash Flow From Investing Activities</b>	<b>(176,859,800)</b>	<b>(110,151,327)</b>
<b>Cash Flow From Financing Activities</b>		
Short term Bank Received	502,258,966	(433,487,797)
Dividend Payment	(112,934,485)	(105,876,079)
Short term loan	322,342,934	240,573,705
Long Term Loan	(54,791,000)	(336,762,199)
<b>Net Cash Flow From Financing Activities</b>	<b>656,876,415</b>	<b>(635,552,370)</b>
Net Cash Position	31,818,953	22,999,562
Opening Cash & Cash Equivalents	91,112,895	68,113,333
<b>Closing Cash in Hand</b>	<b>Tk. 122,931,848</b>	<b>91,112,895</b>

Attached notes form part of these financial statements .  
Dated, Dhaka: April 26, 2011

As per our annexed report of even date.

  
Tapan Chowdhury  
Managing Director

  
Samuel S. Chowdhury  
Vice Chairman

  
Khandaker Habibuzzaman  
Company Secretary

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



# Square Textiles Limited

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2010.

### 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 Mithapur Textiles Limited incorporated with Registrar, joint stock companies and firms, Dhaka, Bangladesh under Companies Act 1913 and Companies Act 1994 respectively. The principal activities of the Company and its subsidiary (the group) are described in note 1(b) and (c).

**b) Address of Registered office and factory of the group.** The address of the registered offices and factories of the group is described in page no. 9 of this annual report.

**c) Nature of Business.** The group owns Five (5) units of spinning mills, and a twisting mill. Its activities and operations are related with manufacturing and marketing of Yarns.

### NOTE-2: ADOPTION OF NEW IFRS.

During the year of reporting Management of the Company adopted revised IAS-1 (revised in 2008).

### 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 set out below.

**c) Basis of Consolidation.** The consolidated financial statements, incorporate the financial statements of the company and entities controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other member of the group.

All intra group transaction, balances, income and expenses are eliminated in full on consolidation. Non-controlling interest in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein.

These consolidated financials have been prepared in consolidation with the audited accounts of the company and the audited accounts of Square Yarns Limited for the Year ended December 31, 2010 and restated Financials of Mithapur Textiles Limited as of December 31, 2010 being there is a difference between Financial Year of Mithapur Textiles Limited and Square Textiles Limited. But in comparative figures of 2009 does not include Financial Statement of Mithapur Textiles Limited because it was acquired in 2010.

**d) Fixed Assets.** Fixed Assets i.e. property, Plant, 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 for full year has been charged on additions irrespective of date when the related assets are put into use but no depreciation charged on the assets disposed off during the year. Depreciation is computed on the straight- line basis over the estimated useful lives as follows:



# Notes to the Consolidated Financial Statements

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

**e) Stocks.** Stocks comprise 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.

**f) Employees' Separation Plan.** The group has established an approved contributory provident fund scheme. A board of trustees wholly administers the fund. No part of the fund is included in the asset of the group.

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

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

## **g) Revenue Recognition.**

**Sale of Goods.** Revenue from the sale of goods is recognized when all the following conditions are satisfied:

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

**Other Income.** It is recognized when received.

**h) 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.

**i) 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.

**j) Financial Instruments.** Financial assets and liabilities are recognized on the Statement of Financial Position when the group 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.

**k) Cash and Cash Equivalents.** Cash and cash equivalents comprise cash in hand, bank currents accounts, other bank deposits free of encumbrance and having maturity dates of three months or less from respective dates of deposit.

**l) 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. The group'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 shall be settled or the asset realized, based on tax rates (and tax laws) that have been enacted by the date of Statement of Financial Position.

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

**n) Related Party Transaction.** The group has some related party transaction in arm length transaction with its sister concern.

**o) Segment Reporting.** There are three business centres in two geographical segment but same business nature of the group. So there no reportable business segment because the subsidiary's financial statements are enclosed with these financials.

**p) Earning 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. Being there is no scope of dilution of EPS for the year; no diluted EPS has been calculated.

**q) Comparative Figure.** Certain prior year figures have been regrouped /reclassified to conform to current year's presentation.

**r) Financial Year.** Financial year means gregorian calendar year, January 01, 2010 to December 31, 2010.

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





# Notes to the Consolidated Financial Statements

## 4. FIXED ASSETS: TK. 2,375,421,947

'Details of Fixed Assets and Depreciation as of December 31, 2010 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:

	31-Dec-10	31-Dec-09
<b>Fixed Assets at Cost:</b>		
Opening Balance	4,319,728,515	4,219,726,142
Addition during the year	168,102,977	157,818,242
Aquisition all Assets of Mithapur Textiles Ltd. (MTL)	35,943,575	-
Sale/Adjustment during the year	(32,818,541)	(57,815,869)
Closing Balance (Cost)	4,490,956,526	4,319,728,515
<b>Accumulated Depreciation:</b>		
Opening Balance	1,812,308,285	1,523,412,238
Charged during the year	299,616,804	289,346,047
Accumulated Depreciation of MTL	3,609,490	-
Adjustment for sale/Transfer	-	(450,000)
	2,115,534,579	1,812,308,285

<b>Written Down Value</b>	<b>Tk. 2,375,421,947</b>	<b>2,507,420,230</b>
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## 5. GOOD WILL: TK. 56,283,760

Investment in Mithapur Textiles Ltd. (For 95,000 Shares of Mithapur Textiles Ltd.)	65,783,760	-
Less: Face Value of the Shares	9,500,000	-
	56,283,760	-

### 5.1. INVESTMENT- LONG TERM (AT COST):

Investment in Share of Mithapur Textiles Ltd.	-	10,000,000
	-	10,000,000

The Balance is nil due to adjustment & elimination during consolidation of Accounts of Square Yarns Limited, Mithapur Textiles Limited with Square Textiles Limited as on December 31, 2010.

## 6. STOCKS: TK. 2,337,729,488

<b>Stocks of Raw Materials</b>	<b>2,303,821,613</b>	<b>1,327,683,464</b>
Raw Materials	1,406,192,998	1,110,236,913
Raw Materials In Transit	794,663,058	145,882,614
Finished Goods	23,015,911	18,973,524
Packing Materials	15,282,626	13,358,350
Work - in - process	41,277,400	30,331,482
Comber Noil	23,389,620	8,900,581
<b>Stock of Spares</b>	<b>33,907,875</b>	<b>39,820,726</b>
Spares at Store	17,037,437	38,226,042
Spares in Transit	16,870,438	1,594,684
<b>Tk.</b>	<b>2,337,729,488</b>	<b>1,367,504,190</b>

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

## 7. TRADE DEBTORS: TK. 2,793,836,999

This represents invoice value of goods delivered to customer. This is considered good and collectable. Aging of the above balance is as follows:

Below 180 days	2,691,038,626	2,241,781,389
Above 180 days	102,798,373	46,772,940
<b>Tk.</b>	<b>2,793,836,999</b>	<b>2,188,554,329</b>

- There was no amount due by the Directors (Including Managing Director), Managing Agent, Manager and other Officers of the Company and any of them severally or jointly with any other person.
- The carrying amount of Trade Debtors pledged as security.



31-Dec-10

31-Dec-09

#### 8. ADVANCE, DEPOSIT & PREPAYMENTS: TK. 342,870,550

This is made up of the followings:

Advance:	<b>297,802,101</b>	<b>119,984,578</b>
Income Tax	162,849,865	79,255,044
Salary & PF Current account	13,399,840	8,781,091
Expenses	110,380,228	28,225,939
Contractor	11,172,168	3,722,504
Deposits:	<b>45,068,449</b>	<b>18,179,237</b>
Margin & Deposit	28,714,407	3,021,002
Security Deposit	16,226,437	14,966,837
Adv. Ag. Excise Duty	127,605	191,398
<b>Tk.</b>	<b>342,870,550</b>	<b>138,163,815</b>

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

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

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

#### 9. CASH AND BANK BALANCES: TK. 122,931,848

This is made up of the followings:

Cash in hand	5,975,674	2,347,777
Cash at Bank	116,956,174	88,765,118
<b>Tk.</b>	<b>122,931,848</b>	<b>91,112,895</b>

#### 10. SHORT TERM BANK LOAN: TK. 1,115,737,221

This is made up of the followings:

Bank Overdraft	249,610,430	293,478,255
Local Purchase Offer	100,000,000	100,000,000
Clean Import Loan	400,000,000	100,000,000
Revolving Loan	200,000,000	120,000,000
Export Development Fund	166,126,791	-
<b>Tk.</b>	<b>1,115,737,221</b>	<b>613,478,255</b>

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

#### 11. SUNDRY CREDITORS: TK. 1,500,362,542

1,500,362,542

1,270,464,545

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

#### 12. OTHER CURRENT LIABILITIES: TK. 216,323,182

This consists of as follows:

Retention Money	1,690,912	1,471,179
Allocation for W.P.P & W.F	103,669,244	100,390,737
Others	110,963,026	86,057,872
<b>Tk.</b>	<b>216,323,182</b>	<b>187,919,788</b>

# Notes to the Consolidated Financial Statements

	31-Dec-10	31-Dec-09
<b>13. SHORT TERM LOAN: TK. 787,887,594</b>		
Loan from Square Pharmaceuticals Limited	<b>787,887,594</b>	<b>552,993,073</b>
<b>14. PROVISION FOR INCOME TAX : TK. 288,447,440</b>		
Opening Balance	159,277,358	203,250,151
Income Tax Expenses for FY 2006-'07	(9,979,051)	(113,807,633)
Current Year Provision	139,149,133	69,834,840
	<b>288,447,440</b>	<b>159,277,358</b>
<b>15. DEFERRED TAX LIABILITY: TK. 176,909,275</b>		
Opening Balance	170,482,362	166,125,855
Adjusted for deductible temporary difference	(971,254)	(8,741,282)
Provision for this Year	7,398,167	13,097,789
	<b>176,909,275</b>	<b>170,482,362</b>

This represents tax liability payable in future due to accumulated taxable temporary differences.

## 16.SHARE CAPITAL: TK. 811,716,610

This is made up of the followings:

Authorized:	<b>Tk.</b>	<u>1,000,000,000</u>	<u>1,000,000,000</u>
100,000,000 Ordinary Shares of Tk. 10.00 each			
Issued, Subscribed and Paid up:	<b>Tk.</b>	<u>811,716,610</u>	<u>705,840,530</u>
81,171,661 Ordinary Shares of Tk. 10.00 each			
Fully Paid up in cash			

The distribution schedule showing the number of Shareholders and Corresponding holding percentage under DSE & CSE listing regulation 37 is given in notes no. 17, Page no. 66 of separate Financial Statement of Square Textiles Limited.

## 17. GENERAL RESERVE AND SURPLUS: TK. 3,128,415,252

Opening Balance	2,640,604,598	2,511,149,384
Less: Dividend paid during the year	(112,934,485)	(105,876,079)
Less: Appropriation for stock dividend at the rate of one share for every five shares held	(105,876,080)	(117,640,090)
Add: Surplus of the Year	713,161,814	352,971,383
Add: Accumulated Loss of Mithapur Textiles Ltd.	(6,540,595)	-
	<b>3,128,415,252</b>	<b>2,640,604,598</b>



31-Dec-10

31-Dec-09

## 20. NON CONTROLLING INTEREST: TK. 3,275,476

5,000 shares of Tk 100 at par of Square Yarns Ltd.  
5,000 shares of Tk 100 at par of Mithapur Textiles Ltd.  
Shares of Accumulated Profit

	500,000	500,000
	500,000	-
	2,275,476	1,194,950
<b>Tk.</b>	<b>3,275,476</b>	<b>1,694,950</b>

This represents non controlling interest in Square Yarns Limited and Mithapur Textiles Limited as on December 31, 2010.

2010

2009

## 21. SALES TK. 6,096,627,967

Sales Comprises the following:  
In Quantity(KG)

Opening Stock	67,950	98,030
Production during the Year	26,422,549	29,221,237
Available for Sale	26,490,499	23,288,776
Closing Stock	(88,177)	(67,950)
<b>Sales during the year</b>	<b>26,402,322</b>	<b>29,251,317</b>
(To be accounted for as follows)		

Sales Accounted as follows:

Local Sale of Yarns	1,222,296	626,327
Export Sale of Yarns	25,180,026	28,624,990
<b>Kg.</b>	<b>26,402,322</b>	<b>29,251,317</b>

In Taka

Local Sale of Yarns	77,119,979	108,384,075
Export Sale of Yarns	6,019,507,988	4,967,242,045
<b>Tk.</b>	<b>6,096,627,967</b>	<b>5,075,626,120</b>

# Notes to the Consolidated Financial Statements

	2010	2009
<b>22. COST OF GOODS SOLD TK. 4,960,533,384</b>		
This is arrived as follows:		
Raw Material Consumed (Note-22.1)	3,883,848,884	3,333,644,030
Packing Material Consumed (Note-22.2)	45,657,336	41,831,609
Factory Overhead (Note- 22.3)	1,046,015,469	943,893,565
Cost of Goods Manufacturing	4,975,521,689	4,319,369,204
Opening Work-In-Process (Opening)	30,331,482	22,664,058
Closing Work-In-Process (Closing)	(41,277,400)	(30,331,482)
Cost of Production	4,964,575,771	4,311,701,780
Finished Goods (Opening)	18,973,524	16,087,229
Finished Goods (Closing)	(23,015,911)	(18,973,524)
<b>Tk.</b>	<b>4,960,533,384</b>	<b>4,308,815,485</b>

## 22.1 RAW MATERIAL CONSUMED: TK. 3,883,848,884

This is arrived as follows:

In Quantity(KG)		
Opening Stock	10,847,395	10,893,014
Purchase during the year	26,691,229	31,013,422
Imported	21,767,866	29,145,577
Local	4,923,363	1,867,845
Raw Material Available for Consumption	37,538,624	41,906,436
Closing Stock	(10,653,613)	(10,847,395)
Raw Material Consumed	<b>Kg. 26,885,011</b>	<b>31,059,041</b>
In Taka		
Opening Stock	1,110,236,913	1,249,311,835
Purchase during the year	4,179,804,969	3,194,569,108
Raw Material Available for Consumption	5,290,041,882	4,443,880,943
Closing Stock	(1,406,192,998)	(1,110,236,913)
<b>Tk.</b>	<b>3,883,848,884</b>	<b>3,333,644,030</b>


**2010**
**2009**

## 22.2. PACKING MATERIALS CONSUMED: TK. 45,657,336

This is arrived as follows:

Opening Stock	13,358,350	5,024,224
Purchase	47,581,612	50,165,735
Materials available for Consumed	60,939,962	55,189,959
Closing Stock	(15,282,626)	(13,358,350)
<b>Tk.</b>	<b>45,657,336</b>	<b>41,831,609</b>

## 22.3. FACTORY OVERHEAD: TK. 1,046,015,469

Factory Wages , Salary & Allowances	213,829,536	180,423,465
Travelling & Conveyance	123,325	227,584
Printing & Stationery	2,387,401	2,333,026
Production Workers Free Lunch	5,098,496	5,841,257
Uniform & Liveries	191,578	186,841
Fuel , Petrol , Light , Diesel etc.	41,505,743	23,928,418
Electricity , Gas & Water	164,003,591	148,410,977
Repairs & Maintenance - Factory	92,704,722	72,996,252
Technical Consultant Expenses	660,943	5,182
Office Maintenance - Factory	317,924	155,108
Medical Expenses	115,324	213,145
Repairs & Maintenance of Vehicles	13,506,833	10,526,938
Papers Books and Periodicals	11,076	19,050
Fire Insurance Premium	15,338,510	14,511,596
Telephone , Fax , & Telex Charges	774,368	696,985
Security Services	8,431,219	5,916,154
Research & Development	169,719	904,326
Spare Parts - Machinery	186,900,500	186,253,196
Group Insurance	327,857	998,018
Depreciation (Schedule-1)	299,616,804	289,346,047
<b>Tk.</b>	<b>1,046,015,469</b>	<b>943,893,565</b>



# Notes to the Consolidated Financial Statements

	2010	2009
<b>23. OPERATING EXPENSES: TK. 128,465,638</b>		
This is arrived as follows:		
Administrative Overhead (Note 23.1)	112,805,770	105,678,956
Selling & Distribution Overhead (Note 23.2)	15,659,868	19,025,380
<b>Tk.</b>	<b>128,465,638</b>	<b>124,704,336</b>

## 23.1. ADMINISTRATIVE OVERHEAD: TK. 112,805,770

Salary and Allowances	43,108,048	36,467,978
Directors Remuneration	10,120,000	8,400,000
Consultant Fee	89,100	499,618
Travelling and Conveyance	389,095	392,376
Overseas Travelling	30,227,659	30,968,116
Training Expenses	279,449	165,562
Printing and Stationery	1,532,709	1,316,258
Postage, Telephone, Fax & Telex	1,114,121	965,818
Electricity, Gas & Water	930,727	934,237
Vehicles Running & Maintenance	5,325,630	5,643,682
Tiffin and Refreshment	2,213,313	1,326,471
Fees, Subscription	2,317,707	4,319,922
Repairs & Maintenance	4,308,426	3,474,903
Bank Charges & Commission	2,117,394	1,369,580
Insurance	11,506	275,835
Medical Expenses	6,320	6,206
Govt. Taxes, Stamp Duty & Licence Fee	1,125,202	1,260,656
Office Rent	3,033,284	2,819,042
Security Service	465,596	643,427
Annual General Meeting Expenses	3,970,484	4,359,269
Audit Fees	120,000	70,000
<b>Tk.</b>	<b>112,805,770</b>	<b>105,678,956</b>

a) Audit Fees represent provision for the auditors' remuneration for audit of the Company's Financial Statements for the year ended December 31, 2010.

## 23.2. SELLING & DISTRIBUTION OVERHEAD: TK. 15,659,868

This is arrived as follows:		
Sales Promotion Expenses	4,020,651	6,854,814
Expenses for Export	10,500,164	9,931,412
Excise Duty on Sales	745,473	2,017,539
Carrage Outward	393,580	221,615
<b>Tk.</b>	<b>15,659,868</b>	<b>19,025,380</b>



#### 24. FINANCE COST: TK. 103,750,309

This is arrived as follows:

Interest on Short Term Loan

	2010	2009
	103,750,309	184,450,808
<b>Tk.</b>	<b>103,750,309</b>	<b>184,450,808</b>

a)The finance cost includes no interest on any sort of borrowing from directors including managing director and managers.

#### 25. ALLOCATION FOR W.P.P & W.F.: TK. 43,056,694

This represents 5% of Net Income before charging Income Tax as per provisions of the Labour Law - 2006, Chapter - 15 and it shall be allocated among eligible workers as defined in the said act.

#### 26. PROVISION FOR INCOME TAX: TK. 139,149,133

This represents estimated Income Tax on Net Income for the period from January 1, 2010 to December 31, 2010.

#### 27. PROVISION FOR DEFERRED INCOME TAX: Tk. 7,398,167

The provision for deferred tax is risen due to taxable temporary differences for this year.

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

The Computation is given below:

Surplus for the year attributable to Shareholders (Net Profit after tax)

<b>Tk.</b>	713,161,814	352,971,383
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Weighted average number of shares outstanding for the year 2010 and restated for the year 2009.

81,171,661	81,171,661
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Earning Per Share

<b>Tk.</b>	8.79	4.35
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These Financial Statements have been approved by the Board on April 19, 2011

Tapan Chowdhury  
Managing Director

Samuel S. Chowdhury  
Vice Chairman

Khandaker Habibuzzaman  
Company Secretary

# Square Textiles Ltd.

## Schedule of Consolidated Fixed Assets

Consolidated Fixed Assets - Tk. 2,375,421,947

Schedule-01

PARTICULARS	At 1st January 2010	COST		At 31 December 2010	DEPRECIATION				Written Down Value as at 31 December 2010
		During the year			At 1st January 2010	During the year		At 31 December 2010	
		Additions	Sales/Transfer			Charged	Adjustments/ Transfer		
Freehold Land	217,331,101	54,164,897	-	271,495,998	-	-	-	-	271,495,998
Building	658,184,070	5,327,040	-	663,511,110	231,013,755	36,524,000	-	267,537,755	395,973,355
Temporary Shed	9,675,222	142,100	-	9,817,322	9,091,125	536,737	-	9,627,862	189,460
Plant & Machinery	3,236,766,807	96,503,072	-	3,333,269,879	1,439,470,765	248,626,715	-	1,688,097,480	1,645,172,399
Plant & Machinery in Trans	-	34,898,093	(32,818,541)	2,079,552	-	-	-	-	2,079,552
Furniture & Fixture	11,766,289	396,281	-	12,162,570	8,949,314	922,604	-	9,871,918	2,290,652
Office Equipment	11,760,062	1,447,169	-	13,207,231	9,822,852	938,958	-	10,761,809	2,445,422
Motor Vehicles	53,307,165	1,770,000	-	55,077,165	37,658,831	5,641,935	-	43,300,767	11,776,398
Electrical Intallation	83,529,068	3,980,868	-	87,509,936	60,050,861	6,923,109	-	66,973,970	20,535,966
Deep Tubewell	2,506,125	-	-	2,506,125	1,717,560	225,047	-	1,942,607	563,518
Boundary Wall	12,246,315	4,742,057	-	16,988,372	4,474,500	851,485	-	5,325,985	11,662,387
Gas Line Installation	20,726,031	-	-	20,726,031	8,930,243	1,665,168	-	10,595,411	10,130,620
Workshop Tools	1,417,170	444,975	-	1,862,145	860,139	252,036	-	1,112,175	749,970
Testing Equipment	513,090	230,000	-	743,090	268,340	118,500	-	386,840	356,250
<b>Total 2010</b>	<b>4,319,728,514</b>	<b>204,046,553</b>	<b>(32,818,541)</b>	<b>4,490,956,526</b>	<b>1,812,308,285</b>	<b>303,226,294</b>	<b>-</b>	<b>2,115,534,579</b>	<b>2,375,421,947</b>
Total 2009	4,219,726,142	157,818,242	(57,815,869)	4,319,728,515	1,523,412,239	289,346,047	(1,705,000)	1,812,308,285	2,507,420,230

Note: Addition of this year includes cost of Tk. 35,943,575 and charges of depreciation includes accumulated depreciation of Tk. 3,604,867 of fixed assets of Mithapur Textiles Ltd.





## AUDITORS' REPORT

### 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 31 December 2010 and Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year ended, and all related summary of significant accounting policies and other explanatory notes.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards, give a true and fair view of the state of the company's affairs as at 31 December, 2010 and the results of its operations and its cash flows for the period then ended and comply with the companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations.

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

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) In our opinion, proper books of account as required by law have been kept by Square Textiles Limited so far as it appeared from our examination of those books;
- (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 and returns;
- (iv) The expenditure incurred was for the purpose of the company's business.

Dated, Dhaka  
April 26, 2011



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



# Square Textiles Limited

## Statement of Financial Position

### As of December 31, 2010

		31-12-2010	31-12-2009
<b>NET ASSETS:</b>	<b>Notes</b>		
Fixed Assets		<b>2,304,802,482</b>	<b>2,283,552,606</b>
Assets at Cost Less Depreciation	4	1,286,399,483	1,378,552,606
Investment-Long Term (At Cost)	5	160,783,760	105,000,000
Share Money Deposit	6	857,619,239	800,000,000
<b>Current Assets:</b>		<b>4,301,132,525</b>	<b>3,224,729,710</b>
Stocks	7	1,623,278,528	942,568,134
Trade Debtors	8	1,666,731,087	1,683,329,048
Short Term Loan	9	656,447,428	431,848,649
Advance, Deposits and Prepayments	10	289,172,239	120,651,506
Cash & Bank Balances	11	65,503,243	46,332,373
<b>Less: Current Liabilities:</b>		<b>2,923,391,090</b>	<b>2,276,601,803</b>
Short Term Bank Loan	12	998,924,770	573,802,358
Short Term Loan	9	787,887,594	552,993,073
Sundry Creditors	13	733,985,411	870,756,515
Other Current Liabilities	14	192,438,380	170,321,074
Provision for income Tax	15	210,154,935	108,728,783
<b>Net Current Assets</b>		<b>1,377,741,435</b>	<b>948,127,907</b>
Less: Deferred Tax Liability	16	111,305,232	112,276,486
<b>Tk.</b>		<b>3,571,238,685</b>	<b>3,119,404,027</b>
<b>FINANCED BY:</b>			
<b>Share Holders Equity :</b>		<b>3,571,238,685</b>	<b>3,119,404,027</b>
Share Capital	17	811,716,610	705,804,530
General Reserve and Surplus	18	2,759,522,075	2,413,563,497
<b>Tk.</b>		<b>3,571,238,685</b>	<b>3,119,404,027</b>

Attached notes form part of these financial statements .  
Dated, Dhaka: April 26, 2011

As per our annexed report of even date.

  
Tapan Chowdhury  
Managing Director

  
Samuel S. Chowdhury  
Vice Chairman

  
Khandaker Habibuzzaman  
Company Secretary

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



# Statement of Comprehensive Income

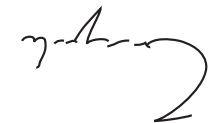
## Square Textiles Limited

### Statement of Comprehensive Income As of December 31, 2010

		2010	2009
	Notes		
<b>Sales</b>	19	4,445,402,112	3,882,244,010
<b>Cost of Goods Sold</b>	20	(3,558,642,850)	(3,348,870,289)
<b>Gross Profit</b>		<b>886,759,262</b>	<b>533,373,721</b>
Operating Expenses	21	(113,189,908)	(109,832,354)
Finance Cost	22	(94,609,920)	(121,730,159)
Operating Income		678,959,434	301,811,208
Other Income		31,023,629	25,554,510
Net Income Before W.P.P. & W.F		709,983,063	327,365,718
Allocation For W.P.P. & W.F	23	(33,808,717)	(15,588,844)
Net Income Before Tax		676,174,346	311,776,874
Provision For Income Tax	24	(111,405,203)	(51,142,872)
Net Income For The Year	<b>Tk.</b>	<b>564,769,143</b>	<b>260,634,002</b>
(Transferred to the Statement of Changes Equity)			
<b>Earning Per Share</b>	25 <b>Tk.</b>	<b>6.96</b>	<b>3.21</b>

Attached notes form part of these financial statements .  
Dated, Dhaka: April 26, 2011

As per our annexed report of even date.



Tapan Chowdhury  
Managing Director



Samuel S. Chowdhury  
Vice Chairman



Khandaker Habibuzzaman  
Company Secretary



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



**Square Textiles Limited**  
**Statement of Changes in Equity**  
**For the year Ended December 31, 2010**

Particulars	Share Capital	General Reserve and Surplus	Total Tk.
As at December 31, 2009	705,840,530	2,413,563,497	3,119,404,027
Net Profit for the Year 2010	-	564,769,143	564,769,143
Cash Dividend for 2009	-	(112,934,485)	(112,934,485)
Stock Dividend for 2009	105,876,080	(105,876,080)	-
<b>As at December 31, 2010</b> <b>Tk.</b>	<b>811,716,610</b>	<b>2,759,522,075</b>	<b>3,571,238,685</b>

**Square Textiles Limited**  
**Statement of Changes in Equity**  
**For the year Ended December 31, 2009**

Particulars	Share Capital	General Reserve and Surplus	Total Tk.
As at December 31, 2008	588,200,440	2,376,445,664	2,964,646,104
Net Profit for the Year 2009	-	260,634,002	260,634,002
Cash Dividend for 2008	-	(105,876,079)	(105,876,079)
Stock Dividend for 2008	117,640,090	(117,640,090)	-
<b>As at December 31, 2009</b> <b>Tk.</b>	<b>705,840,530</b>	<b>2,413,563,497</b>	<b>3,119,404,027</b>

Attached notes form part of these financial statements .  
Dated, Dhaka: April 26, 2011

As per our annexed report of even date.

  
Tapan Chowdhury  
Managing Director

  
Samuel S. Chowdhury  
Vice Chairman

  
Khandaker Habibuzzaman  
Company Secretary

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

# Statement of Cash Flow

## Square Textiles Limited Statement of Cash Flow For the Year Ended December 31, 2010

	2010	2009
<b>Cash Flow From Operating Activities:</b>		
<b>RECEIPTS:</b>		
Cash From Sales Revenue	4,462,000,074	3,888,585,244
Cash From Other Income	311,997	259,007
Total Cash Receipts	4,462,312,071	3,888,844,251
<b>PAYMENTS:</b>		
Purchase of Raw & Packing Materials	(3,789,869,600)	(2,840,712,628)
Manufacturing and Operating Exp.	(564,185,421)	(517,209,344)
Finance Cost	(47,991,687)	(112,410,317)
Income Tax	(87,425,774)	(41,934,432)
Workers Profit Participation Fund and Welfare Fund	(39,957,129)	(16,355,199)
Total Payments	(4,529,429,611)	(3,528,621,920)
<b>Net Cash Flow From Operating Activities</b>	<b>(67,117,540)</b>	<b>360,222,331</b>
<b>Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets	(105,016,810)	(97,332,491)
Share Money Deposit with Mithapur Textiles Ltd.	(57,619,239)	-
Investment in share of Mithapur Textiles Ltd.	(55,783,760)	(10,000,000)
Profit from disposal of Fixed Assets	-	295,000
<b>Net Cash Flow From Investing Activities</b>	<b>(218,419,809)</b>	<b>(107,037,491)</b>
<b>Cash Flow From Financing Activities</b>		
Shortterm Bank Loan	425,122,412	(203,726,227)
Short Term loan from/(to) sister Concern	(7,479,708)	58,058,364
Payment of Dividend	(112,934,485)	(105,876,079)
<b>Net Cash Flow From Financing Activities</b>	<b>304,708,219</b>	<b>(251,543,942)</b>
Net Cash Position	19,170,870	1,640,898
Opening Cash & Cash Equivalents	46,332,373	44,691,475
<b>Closing Cash &amp; Cash Equivalents</b>	<b>Tk. 65,503,243</b>	<b>46,332,373</b>

Attached notes form part of these financial statements .  
Dated, Dhaka: April 26, 2011

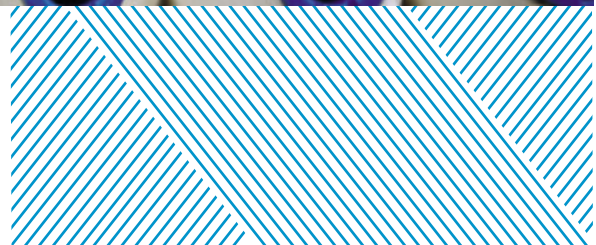
As per our annexed report of even date.

  
Tapan Chowdhury  
Managing Director

  
Samuel S. Chowdhury  
Vice Chairman

  
Khandaker Habibuzzaman  
Company Secretary

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



## Square Textiles Limited

Notes to the Financial Statements

For the year ended December 31, 2010.

### 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 Registrar, joint stock companies and firms, Dhaka, Bangladesh under Companies Act 1913. The principal activities of the Company are described in note 1(b) and (c).

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

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

### NOTE-2: ADOPTION OF NEW IAS/IFRS.

The management of the Company adopted BAS-1 (Revised-2008) in the year of reporting.

### 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 page 44.



# Notes to the Financial Statements

## 4. ASSETS AT COST LESS DEPRECIATION: TK. 1,286,399,483

Details of Fixed Assets and Depreciation as of December 31, 2010 are shown in the annexed schedule-02. (Page 74)  
Depreciation for the year charged to Factory Overhead (Note-20.3). The break-up of the balances are depicted below:

	31-Dec-10	31-Dec-09
<b>Fixed Assets at Cost:</b>		
Opening Balance	2,911,032,694	2,814,150,203
Addition during the year	137,835,351	154,698,360
Sale/ Transfer during the year	(32,818,541)	(57,815,869)
Closing Balance	3,016,049,504	2,911,032,694
<b>Accumulated Depreciation:</b>		
Opening Balance	1,532,480,088	1,338,302,953
Charged during the year	197,169,933	194,627,135
Adjustment for sale/Transfer	-	(450,000)
	1,729,650,021	1,532,480,088
<b>Written Down Value</b>	<b>Tk. 1,286,399,483</b>	<b>1,378,552,606</b>

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

This represents investments in Shares of Square Yarns Limited and Mithapur Textiles Limited.

Investment in Share of Square Yarns Limited (950,000 Shares of Tk. 100 each)	95,000,000	95,000,000
Investment in Shares of Mithapur Textiles Limited (95,000 Shares of Tk. 100 each)	65,783,760	10,000,000
<b>Tk.</b>	<b>160,783,760</b>	<b>105,000,000</b>

- 1) Square Yarns Ltd., a private limited company incorporated under Companies Act 1994, a subsidiary company of the company holding 99.48% share.
- 2) Mithapur Textiles Limited, a private limited company incorporated under Companies Act 1994, a Subsidiary company of the Company holding 95% share.

## 6. SHARE MONEY DEPOSIT: TK. 857,619,239

Share money deposit with Square Yarns Limited	800,000,000	800,000,000
Share money deposit with Mithapur Textiles Limited	57,619,239	-
<b>Tk.</b>	<b>857,619,239</b>	<b>800,000,000</b>

## 7. STOCKS: TK. 1,623,278,528

<b>Stock of Raw Materials</b>	<b>1,607,403,967</b>	<b>904,560,479</b>
Raw Materials	920,318,148	706,145,769
Raw Materials In Transit	619,381,314	141,812,866
Finished Goods	10,062,064	13,906,419
Packing Materials	9,421,252	12,237,747
Work - in - process	24,885,109	21,557,097
Comber noil	23,336,080	8,900,581
<b>Stock of Spares</b>	<b>15,874,561</b>	<b>38,007,655</b>
Spares at Store	15,196,227	37,801,672
Spares in Transit	678,334	205,983
<b>Tk.</b>	<b>1,623,278,528</b>	<b>942,568,134</b>

The basis of valuation is stated in Note -3(e) of page no.45, carrying amount of inventories pledged as security.



## 8. TRADE DEBTORS: TK. 1,666,731,087

31-Dec-10

31-Dec-09

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

Aging of the above balance is as follows:

Below 180 days	1,566,727,221	1,582,753,832
Above 180 days	100,003,866	100,575,216
<b>Tk.</b>	<b>1,666,731,087</b>	<b>1,683,329,048</b>

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

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

## 9. SHORT TERM LOAN: Tk. (131,440,166)

Loan to Sqaure Yarns Limited	637,792,888	431,848,649
Loan to Mithapur Textiles Limited	18,654,540	-
Short Term Loan Given	656,447,428	431,848,649
Loan from Square Pharmaceuticals Limited	(787,887,594)	(552,993,073)
<b>Tk.</b>	<b>(131,440,166)</b>	<b>(121,144,424)</b>

## 10. ADVANCE, DEPOSITS & PREPAYMENTS: TK. 289,172,239

This is made up of the followings:

<b>Advance:</b>	<b>270,006,558</b>	<b>102,472,269</b>
Income Tax	142,246,986	65,771,517
Salary & PF Current account	5,428,485	5,117,737
Expenses	111,158,919	27,860,511
Contractor	11,172,168	3,722,504
<b>Deposits:</b>	<b>19,165,681</b>	<b>18,179,237</b>
Margin & Deposit	4,150,414	3,021,002
Security Deposit	14,966,837	14,966,837
Adv. Ag. Excise Duty	48,430	191,398
<b>Tk.</b>	<b>289,172,239</b>	<b>120,651,506</b>

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

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

## 11. CASH AND BANK BALANCES: TK. 65,503,243

This is made up of the followings:

Cash in hand	775,926	1,499,732
Cash at Bank	64,727,317	44,832,641
<b>Tk.</b>	<b>65,503,243</b>	<b>46,332,373</b>



# Notes to the Financial Statements

31-Dec-10

31-Dec-09

## 12. SHORT TERM BANK LOAN: TK. 998,924,770

Bank Overdraft	232,797,979	53,802,358
Local Purchase Offer	100,000,000	200,000,000
Clean Import Loan	300,000,000	220,000,000
Revolving Loan	200,000,000	100,000,000
Export Development Fund	166,126,791	-
<b>Tk.</b>	<b>998,924,770</b>	<b>573,802,358</b>

These short term loans are secured againsts hypothecation of stock and Accounts Receivable.

## 13. SUNDRY CREDITORS: TK. 733,985,411

<b>Tk.</b>	<b>733,985,411</b>	<b>870,756,515</b>
------------	--------------------	--------------------

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

## 14. OTHER CURRENT LIABILITIES : TK. 192,438,380

This consists of as follows:

Retention Money	1,331,978	1,112,245
Allocation for W.P.P & W.F	92,101,454	90,415,587
Others	99,004,948	78,793,242
<b>Tk.</b>	<b>192,438,380</b>	<b>170,321,074</b>

## 15. PROVISION FOR INCOME TAX: TK. 210,154,935

Opening Balance	108,728,783	171,393,544
Adjustment of Tax for the FY 2006-'07	(9,979,051)	(113,807,633)
Current Year Provision	111,405,203	51,142,872
<b>Tk.</b>	<b>210,154,935</b>	<b>108,728,783</b>

## 16. DEFERRED TAX LIABILITY: TK. 111,305,232

Opening Balance	112,276,486	121,017,768
Adjusted for deductible temporary difference	(971,254)	(8,741,282)
<b>Tk.</b>	<b>111,305,232</b>	<b>112,276,486</b>

This represents Tax Liability Payable in Future Due to accumulated taxable temporary differences


**31-Dec-10**
**31-Dec-09**

## 17.SHARE CAPITAL: TK. 811,716,610

This is made up of the followings:

Authorized:	Tk.	<u>1,000,000,000</u>	<u>1,000,000,000</u>
100,000,000 Ordinary Shares of Tk. 10.00 each			
Issued, Subscribed and Paid up:			
Opening Balance		705,840,530	588,200,440
Bonus Share Issued		105,876,080	117,640,090
81,171,661 Ordinary Shares of Tk. 10.00 each Fully Paid up	Tk.	<b>811,716,610</b>	<b>705,840,530</b>

The position of shareholders as on December 31, 2010 is as follows:

Particulars of Investors	Number of Investors	Number of Shares	Percentage of Share Holding 2010	Percentage of Share Holding 2009
Sponsors	10	49,765,972	61.31%	61.93%
Foreign Investors	16	4,455,916	5.49%	6.72%
Local Institutions	158	13,038,718	16.06%	8.17%
General Public	25,968	13,911,055	17.14%	23.18%
Total	26,152	81,171,661	100.00%	100.00%

Distribution schedule of each class of equity security setting out the number of holders and percentage as on 31 December 2010

Range of Holdings	As per Folio		As per BO ID		Total share Holding	%
	No. of holders	Holdings	No. of holders	Holdings		
Less than 500 shares	4,317	279,661	19016	1,642,888	1,922,549	2.37
500 to 5,000 shares	162	190,176	2272	3,242,988	3,433,164	4.23
5001 to 10,000 shares	14	98,777	133	986,296	1,085,073	1.34
10,001 to 20,000 shares	13	154,952	77	1,080,758	1,235,710	1.52
20,001 to 30,000 shares	4	98,657	38	933,878	1,032,535	1.27
30,001 to 40,000 shares	1	31,107	15	513,781	544,888	0.67
40,001 to 50,000 shares	3	130,801	10	453,416	584,217	0.72
50,001 to 100,000 shares	1	80,879	18	1,190,317	1,271,196	1.57
100,001 to 1,000,000 shares	12	3,992,096	33	8,168,272	12,160,368	14.98
Over 1,000,000 shares	6	23,098,018	7	34,803,943	57,901,961	71.33
	4,533	28,155,124	21619	53,016,537	81,171,661	100.00

# Notes to the Financial Statements

	31-Dec-10	31-Dec-09
<b>18. GENERAL RESERVE AND SURPLUS: TK. 2,759,522,075</b>		
Opening Balance	2,413,563,497	2,376,445,664
Less: Dividend paid during the year	(112,934,485)	(105,876,079)
Less: Appropriation for stock dividend at the rate of 15 (fifteen) share for every 100 (hundred) shares held	(105,876,080)	(117,640,090)
Net Income for the Year 2010	564,769,143	260,634,002
<b>Tk.</b>	<b>2,759,522,075</b>	<b>2,413,563,497</b>

	2010	2009
<b>19. SALES: TK. 4,445,402,112</b>		
Sales Comprises the following:		
<b>In Quantity(KG)</b>		
Opening Stock	67,950	64,250
Production during the Year	20,035,936	23,190,746
Available for Sale	20,103,886	23,254,996
Closing Stock	(58,990)	(67,950)
<b>Sales during the year</b>	<b>20,044,896</b>	<b>23,187,046</b>

(To be accounted for as follows)

Sales Accounted as follows:

Local Sale of Yarns	416,387	561,347
Export Sale of Yarns	19,628,509	22,625,699
<b>Kg.</b>	<b>20,044,896</b>	<b>23,187,046</b>
<b>In Taka</b>		
Local Sale of Yarns	69,398,155	98,729,395
Export Sale of Yarns	4,376,003,957	3,783,514,615
<b>Tk.</b>	<b>4,445,402,112</b>	<b>3,882,244,010</b>

## 20. COST OF GOODS SOLD TK. 3,558,642,850

This is arrived as follows:	<b>Notes</b>		
Raw Material Consumed	20.1	2,807,161,179	2,644,967,512
Packing Material Consumed	20.2	31,982,712	30,261,942
Factory Overhead	20.3	718,982,616	683,104,488
Cost of Goods Manufacturing		3,558,126,507	3,358,333,942
Opening Work-In-Process (Opening)		21,557,097	15,660,971
Closing Work In Process (Closing)		(24,885,109)	(21,557,097)
Cost of Production		3,554,798,495	3,352,437,816
Finished Goods (Opening)		13,906,419	10,338,892
Finished Goods (Closing)		(10,062,064)	(13,906,419)
<b>Cost of Goods Sold</b>	<b>Tk.</b>	<b>3,558,642,850</b>	<b>3,348,870,289</b>



## 20.1 RAW MATERIAL CONSUMED: TK. 2,807,161,179

This is arrived as follows:

### In Quantity(KG)

	2010	2009
Opening Stock	7,042,899	8,650,060
Purchase during the year	20,660,195	23,158,144
Imported	15,736,832	21,290,299
Local	4,923,363	1,867,845
Raw Material Available for Consumption	27,703,094	31,808,204
Closing Stock	(7,042,240)	(7,042,899)
Raw Material Consumed	<b>20,678,854</b>	<b>24,765,305</b>

### In Taka

	2010	2009
Opening Stock	706,145,769	999,330,295
Purchase during the year	3,021,333,558	2,351,782,986
Raw Material Available for Consumption	3,727,479,327	3,351,113,281
Closing Stock	(920,318,148)	(706,145,769)
Raw Material Consumed	<b>2,807,161,179</b>	<b>2,644,967,512</b>

## 20.2. PACKING MATERIALS CONSUMED: TK. 31,982,712

This is arrived as follows:

	2010	2009
Opening Stock	12,237,747	3,690,600
Purchase	29,166,217	38,809,089
Materials available for production	41,403,964	42,499,689
Closing Stock	(9,421,252)	(12,237,747)
Packing Materials Consumed	<b>31,982,712</b>	<b>30,261,942</b>

Item wise quantity schedule with value given below:

Packing Materials	2010		2009	
	Quantity (Pcs.)	Value (Tk.)	Quantity (Pcs.)	Value (Tk.)
Paper Cone	6,009,476	15,624,637	6,549,538	17,028,798
Paper Tube	4,547,108	5,001,818	5,003,028	6,603,998
Polythene Bag (Small)	434,981	10,874,525	313,375	5,797,438
Sundries	-	481,732	-	831,708
Packing Materials Consumed	-	31,982,712	-	30,261,942

# Notes to the Financial Statements

## 20.3. FACTORY OVERHEAD: TK. 718,982,616

This is made up as follows:

	2010	2009
Factory Wages , Salary & Allowances	147,011,667	133,641,338
Travelling & Conveyance	85,512	140,783
Printing & Stationery	1,515,204	1,949,804
Production Workers Free Lunch	3,409,511	4,389,857
Uniform & Liveries	53,308	49,600
Fuel , Petrol , Light , Diesel etc.	24,121,926	16,825,437
Electricity , Gas & Water	110,385,155	101,456,749
Repairs & Maintenance - Factory	42,093,207	41,950,696
Technical Consultant Expenses	660,943	5,182
Office Maintenance - Factory	231,932	68,556
Medical Expenses	92,928	131,395
Repairs & Maintenance of Vehicles	11,321,224	9,050,570
Papers, Books and Periodicals	8,406	19,050
Fire Insurance Premium	10,262,339	10,143,323
Telephone , Fax , & Telex Charges	644,797	576,391
Security Services	3,689,113	2,906,753
Research & Development	169,719	904,326
Spare Parts - Machinery	166,050,000	163,554,586
Group Insurance	5,792	712,957
Depreciation (Schedule-1)	197,169,933	194,627,135
<b>Tk.</b>	<b>718,982,616</b>	<b>683,104,488</b>

## 21. OPERATING EXPENSES: TK. 113,189,908

This is arrived as follows: Notes

Administrative Overhead	21.1	104,761,367	99,333,729
Selling & Distribution Overhead	21.2	8,428,541	10,498,625
<b>Tk.</b>		<b>113,189,908</b>	<b>109,832,354</b>

## 21.1. ADMINISTRATIVE OVERHEAD: TK. 104,761,367

This is arrived as follows:

Salary and Allowances	41,797,258	35,516,034
Directors Remuneration	10,120,000	8,400,000
Consultant Fee	89,100	499,618
Travelling and Conveyance	313,215	322,159
Overseas Travelling	28,022,150	28,992,794
Training Expenses	275,947	165,562
Printing and Stationery	1,472,059	1,267,132
Postage, Telephone, Fax & Telex	1,075,072	912,190
Electricity, Gas & Water	689,501	645,945
Vehicles Running & Maintenance	5,325,632	5,643,592
Tiffin and Refreshment	1,707,081	1,311,221
Fees, Subscription & Donation	2,122,395	4,247,372
Repairs & Maintenance	3,087,699	1,881,842
Bank Charges & Commission	1,863,525	1,151,805
Insurance	1,444	266,734
Medical Expenses	6,320	6,206
Govt. Taxes, Stamp Duty & Licence Fee	506,352	1,168,073
Office Rent	2,150,521	1,996,460
Security Service	65,612	519,721
Annual General Meeting Expenses	3,970,484	4,359,269
Audit Fees	100,000	60,000
<b>Tk.</b>	<b>104,761,367</b>	<b>99,333,729</b>

Audit Fees represent provision for the auditors' remuneration for audit of the Company's Financial Statements for the year ended December 31, 2010.



## 21.2. SELLING & DISTRIBUTION OVERHEAD: TK. 8,428,541

This is arrived as follows:

	2010	2009
Sales Promotion Expenses	1,120,101	1,495,763
Export Sales Expenses	6,499,272	6,950,225
Excise Duty on Sale	442,968	1,861,637
Carriage Outward	366,200	191,000
<b>Tk.</b>	<b>8,428,541</b>	<b>10,498,625</b>

## 22. FINANCE COST: TK. 94,609,920

This is arrived as follows:

	2010	2009
Interest on Short Term Loan	94,609,920	121,730,159
	<b>94,609,920</b>	<b>121,730,159</b>

The finance cost includes no interest on any sort of borrowing from Directors including Managing Director and Managers.

## 23. ALLOCATION FOR W.P.P & W.F.: TK. 33,808,717

This represents 5% of Net Income before charging Income Tax as per provisions of the Labour Law-2006, Chapter-15 and it shall be allocated among the eligible workers as defined in the said act.

## 24. PROVISION FOR INCOME TAX: TK. 111,405,203

This represents estimated Income Tax on Net Income for the period from January 1, 2010 to December 31, 2010.

## 25. EARNING PER SHARE (EPS):

The Computation is given below:

Surplus for the year attributable to Shareholders (Net Profit after tax)	564,769,143	260,634,002
Weighted average number of shares outstanding for the year 2010 and restated for the year 2009.	81,171,661	81,171,661
<b>Earning Per Share</b>	<b>Tk. 6.96</b>	<b>3.21</b>

## 26. APPROPRIATION DURING THE YEAR

The appropriations for the year 2009 have been reflected in the "Statement of Changes in Equity". The Board of Directors proposed both cash and stock dividend of Tk. 1.60 (Taka one and sixty paisa) only per share and 20 (Twenty) fully paid up bonus shares for every 100 (Hundred) shares respectively for the year 2010. It will be recognised as liability in the accounts as and when the proposal approved by the shareholders in the Annual General Meeting (AGM). Total fund required for proposed cash dividend and stock dividend Tk. 129,874,658 and Tk. 162,343,322 respectively.



# Notes to the Financial Statements

2010

2009

## 27. NUMBER OF EMPLOYEES:

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

No. of Employees:

Below Tk. 36,000.00 p.a

705

885

Tk. 36,000.00 and Above

1,077

999

**1,782**

**1,884**

Amount in Taka

Below Tk. 36,000.00 p.a

66,083,124

74,429,244

Tk. 36,000.00 and Above

122,725,801

94,728,128

**188,808,925**

**169,157,372**

There is no Salary/Wages/Remuneration below 3000/- per month with w.e.f January '01 2011.

## 28. PAYMENTS/PERQUISITES TO DIRECTORS AND OFFICERS:

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

Directors Remuneration

10,120,000

8,400,000

Managerial Remuneration

11,598,809

10,356,080

Managerial Benefits:

Basic and House rent

6,959,285

6,006,526

Bonus

2,087,786

1,760,534

Medical and Conveyance

1,391,857

1,449,851

Company Contribution to P.F.

1,159,881

1,139,169

## 29. CAPITAL EXPENDITURE COMMITMENT:

Contract for capital expenditure are being executed by the Contractors and the running bill are accounted for but the unfinished contracts has not been reflected in this Financial Statements. There was no material capital expenditure authorised by the board.

## 30. CLAIM ACKNOWLEDGEMENT:

There was no claim against the Company not acknowledged as debt as on December 31, 2010.



2010

2009

### 31. CONTINGENT LIABILITIES:

31.1 Contingent Liability of the Company was Tk. 1,181,786,996 as on December 31, 2010 for opening LCs by the banks in favour of foreign suppliers for raw materials and spares.

31.2 There was no facts and figures for which the company has contingent liability to any party other than to Banks as on December 31, 2010.

### 32. PRODUCTION CAPACITY AND UTILISATION:

#### Capacity Installed:

- No of Spindles Installed	59,472	59,472
- No of Rotor Heads Installed	3,960	3,960

#### Capacity Utilised:

- No of Spindles Operated	59,472	59,472
- No of Rotor Heads Operated	3,960	3,960

#### Production Target: (In Kg)

- At Equivalent 30s Count (Ring Yarn)	11,582,899	11,582,899
- At Equivalent 10s Count (O/E Yarn)	2,329,234	2,329,234
- At Equivalent 14s Count (O/E Yarn)	10,000,454	10,000,454

<b>Total:</b>	<b>23,912,587</b>	<b>23,912,587</b>
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#### Actual Production (In Kg):

- At Equivalent 30s Count (Ring Yarn)	10,352,180	10,593,511
- At Equivalent 10s Count (O/E Yarn)	1,723,291	2,079,084
- At Equivalent 14s Count (O/E Yarn)	8,130,259	8,737,910

<b>Total:</b>	<b>20,205,730</b>	<b>21,410,505</b>
---------------	-------------------	-------------------

### 33. DIVIDEND PAID TO THE SHAREHOLDERS:

During the year under review total cash dividend amounting to Tk. 112,934,485.00 has been paid to the shareholders.

### 34. 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.

# Notes to the Financial Statements

2010

2009

## 35. EVENT AFTER BALANCE SHEET DATE:

There is no significant event that qualify for reporting between the end of financial year closing date and financial statement issue date other than normal business activities.

## 36. RELATED PARTY TRANSACTION:

The Company did not carried out any related party transactions without Square Pharmaceuticals Limited (SPL), Square Yarns Limited (SYL) and Mithapur Textiles Limited (MTL) during the Year of reporting. The summary is as follows:

Transaction with SPL:

Total Received During the Year	1,586,958,425	1,316,059,355
Total Paid During the Year	799,070,832	763,066,282
Closing Balance	<b>Tk. 787,887,593</b>	<b>552,993,073</b>

Transaction with SYL:

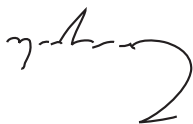
Total Received During the Year	993,565,619	1,223,599,727
Total Paid During the Year	1,631,358,507	1,655,448,374
Closing Balance	<b>Tk. 637,792,888</b>	<b>431,848,649</b>

Transaction with MTL:

Total Received During the Year	189,703,251	-
Total Paid During the Year	208,357,791	-
Closing Balance	<b>Tk. 18,654,540</b>	-

## 37. APPROVAL OF ACCOUNTS:

These financial statements have been approved by the board on April 19, 2011.



Tapan Chowdhury  
Managing Director



Samuel S. Chowdhury  
Vice Chairman



Khandaker Habibuzzaman  
Company Secretary

# Square Textiles Ltd.

## Schedule of Fixed Assets

**Fixed Assets - Tk. 1,286,399,483**

**Schedule-02**

PARTICULARS	At 1st January 2010	COST		At 31 December 2010	DEPRECIATION				Written Down Value as at 31 December 2010
		During the year			At 1st January 2010	During the year		At 31 December 2010	
		Additions	Sales/Transfer			Charged	Adjustments/ Transfer		
Freehold Land	210,668,643	52,722,397	-	263,391,040	-	-	-	-	263,391,040
Building	423,402,540	1,432,585	-	424,835,125	195,796,524	23,558,008	-	219,354,532	205,480,593
Temporary Shed	9,675,222	-	-	9,675,222	9,091,125	504,764	-	9,595,889	79,333
Plant & Machinery	2,127,109,668	43,547,746	-	2,170,657,414	1,221,752,066	165,480,241	-	1,387,232,307	783,425,107
Plant & Machinery in Trans.	-	33,069,776	(32,818,541)	251,235	-	-	-	-	251,235
Furniture & Fixture	6,993,521	176,870	-	7,170,391	6,801,569	149,457	-	6,951,026	219,365
Office Equipment	10,865,662	456,560	-	11,322,222	9,425,217	556,128	-	9,981,345	1,340,877
Motor Vehicles	46,777,165	1,770,000	-	48,547,165	33,740,831	4,335,935	-	38,076,766	10,470,399
Electrical Intallation	40,950,396	-	-	40,950,396	40,890,458	54,059	-	40,944,517	5,879
Deep Tubewell	2,506,125	-	-	2,506,125	1,717,560	225,047	-	1,942,607	563,518
Boundary Wall	12,246,315	4,659,417	-	16,905,732	4,474,500	845,287	-	5,319,787	11,585,945
Gas Line Installation	19,364,959	-	-	19,364,959	8,317,760	1,461,007	-	9,778,767	9,586,192
Workshop Tools	404,388	-	-	404,388	404,388	-	-	404,388	-
Testing Equipment	68,090	-	-	68,090	68,090	-	-	68,090	-
<b>Total-2010</b>	<b>2,911,032,694</b>	<b>137,835,351</b>	<b>(32,818,541)</b>	<b>3,016,049,504</b>	<b>1,532,480,088</b>	<b>197,169,933</b>	<b>-</b>	<b>1,729,650,021</b>	<b>1,286,399,483</b>
Total-2009	2,814,150,203	154,698,360	(57,815,869)	2,911,032,694	1,338,302,953	194,627,135	(450,000)	1,532,480,088	1,378,552,606

A close-up, high-angle shot of a large pile of white yarn spools. Each spool is wound with white yarn and features a teal-colored plastic bobbin and a silver-colored metal ring at the base. The spools are arranged in a chaotic, overlapping manner, filling the entire frame. A solid teal horizontal band is positioned across the middle of the image, containing the company name in white text.

**SQUARE YARNS LIMITED**





## SQUARE YARNS LIMITED

### DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

I have the Pleasure on behalf of the Board of Directors to submit to you its Report containing the audited accounts including the Statement of Comprehensive Income for the year ended 31 December 2010, Statement of Financial Position as at 31 December 2010, Statement of Cash Flows for the year 2010 and the Auditors' Report thereon and compliances of the other provisions/requirements of Section 184 of the companies Act 1994 as here under detailed/enclosed.

#### OPERATIONS:

The Company, which had commenced commercial production since 10 January 2007 had successfully increased the output and operating results during the year 2010 as a full year operation. Despite several adverse factors in both the local and the international market the Company's achievement is commendable as may be observed from the following comparative anylasis of results of 2010 and 2009:

	2010	2009
<b>Quantity Produced (Kg):</b>		
Actual:	5,576,312	6,089,762
At Equivalent 30/s:	5,938,317	6,232,161
<b>Quantity Sold (Kg):</b>		
Local sales	35,167	64,980
Export	5,551,517	5,999,291
<b>Total Sales</b>	<b>5,586,684</b>	<b>6,064,271</b>
<b>Sales Revenue (Tk.):</b>		
Local sales	7,721,824	9,654,590
Export	1,430,688,738	1,183,727,520
<b>Total Sales</b>	<b>1,438,410,562</b>	<b>1,193,382,110</b>
<b>Selling price attained (Tk.):</b>		
Local sales	219.58/Kg	148.58/Kg
Export	257.71/Kg	197.31/Kg
<b>Unit Cost of Production Kg (Tk.):</b>		
a) Cost of Production Per Unit (Kg)	217.81	157.81
b) Raw Materials Consumed	168.57	113.09
c) Packing Materials Consumed	2.19	1.90
d) Factory Overhead	48.07	42.82



# Directors' Report

## MARKET OPERATIONS:

Similar to the Square Textiles Limited, Square Yarns Ltd. has been also concentrated 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.

## CAPITAL EXPENDITURES:

The Company made a net Capital Expenditures of Tk. 1,840,663 during the year under review (2010) as follows :

	2010	2009
Plant & Machinery	1,816,963	3,145,635
Other Assets	23,700	-
<b>Total</b>	<b>1,840,663</b>	<b>3,145,635</b>

## FINANCIAL RESULTS:

The operating financial result during the year 2010 were as follows:

	2010	2009
	(Taka)	(Taka)
Sales Revenue	1,438,410,562	1,193,382,110
Gross Profit	223,814,916	233,436,914
Operating Income	176,535,922	130,843,780
Net Income (BT)	168,129,449	124,613,124
Net Income (AT)	135,511,864	92,823,367
Earning Per Share	141.90	97.20
Gross Margin	15.56%	19.56%
Net Margin (AT)	9.42%	7.78%

## APPROPRIATION OF PROFIT:

Though the Company has earned a respectable level of profit Tk. 141.90 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 2010.

## AUDITORS:

M/s. Chowdhury Battacharjee & Co. Chartered Accountants, Auditors, retire at this Annual General Meeting and being eligible offer themselves for re-appointment for the year 2011.

## ACKNOWLEDGEMENT:

The Board of Directors thankfully acknowledge the devotion and dedication of all the workers, employees and officers without which the Company's operations could not have attained the successes as reported above. The Board also records with appreciation the support and co-operation it received from Banks, BOI, PDB/REB and the Government in general.

Looking forward to a bright future for all of us.



Samson H Chowdhury  
Chairman



## AUDITORS' REPORT

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

We have audited the accompanying financial statements of Square Yarns Limited, which comprises the Statement of Financial Position as at 31 December 2010 and the related Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year ended, and all related summary of significant accounting policies and other explanatory notes.

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

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

#### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards, give a true and fair view of the state of the company's affairs as at 31 December, 2010 and the results of its operations and its cash flows for the period then ended and comply with the companies Act 1994 and other applicable laws and regulations.

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

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

Dated, Dhaka  
April 26, 2011



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



# Square Yarns Limited

## Statement of Financial Position

As at December 31, 2010

	31-12-2010	31-12-2009
<b>NET ASSETS:</b>		
Fixed Assets :		
At Cost Less Depreciation	<b>1,035,882,370</b>	<b>1,128,867,624</b>
	1,035,882,370	1,128,867,624
<b>Current Assets:</b>	<b>1,896,660,698</b>	<b>992,454,165</b>
Stocks	701,483,440	424,936,056
Trade Debtors	1,111,605,660	505,225,278
Advance , Deposit & Prepayments	31,206,734	17,512,309
Cash & Bank Balance	52,364,864	44,780,522
<b>Less : Current Liabilities:</b>	<b>1,607,691,112</b>	<b>939,379,864</b>
Short Term Bank Loan	116,812,451	39,675,897
Short Term Loan	637,792,888	431,848,648
Sundry Creditors	754,827,552	399,708,030
Liability for Other Finance	22,490,228	17,598,714
Provision for Income Tax	75,767,993	50,548,575
Net Current Assets	<b>288,969,586</b>	<b>53,074,301</b>
Less: Deferred Tax Liability	(65,604,043)	(58,205,876)
<b>Tk.</b>	<b><u>1,259,247,913</u></b>	<b><u>1,123,736,049</u></b>
<b>FINANCED BY:</b>		
<b>Share Holders Equity :</b>	<b>1,259,247,913</b>	<b>1,123,736,049</b>
Share Capital	95,500,000	95,500,000
General Reserve and Surplus	363,747,913	228,236,049
Share money deposit from STxL	800,000,000	800,000,000
<b>Tk.</b>	<b><u>1,259,247,913</u></b>	<b><u>1,123,736,049</u></b>

Attached notes form part of these financial statements .  
Dated, Dhaka: April 26, 2011

As per our annexed report of even date.

Samuel S. Chowdhury  
Managing Director

Charles C. R. Patra  
Director

Khandaker Habibuzzaman  
Company Secretary

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

# Statement of Comprehensive Income

## Square Yarns Limited

### Statement of Comprehensive Income For the Year Ended December 31, 2010

	2010	2009
<b>Sales</b>	1,438,410,562	1,193,382,110
<b>Cost of Goods Sold</b>	(1,214,595,646)	(959,945,196)
<b>Gross Profit</b>	<b>223,814,916</b>	<b>233,436,914</b>
Operating Expenses	(13,888,105)	(14,871,982)
Finance Cost	(33,390,889)	(87,721,152)
Operating Income	176,535,922	130,843,780
Allocation For W.P.P & W.F	(8,406,473)	(6,230,656)
Net Profit Before Tax	168,129,449	124,613,124
Income Tax Current	(25,219,418)	(18,691,968)
Income Tax-Deferred	(7,398,167)	(13,097,789)
Net Profit For The Year	<b>Tk. 135,511,864</b>	<b>92,823,367</b>
(Transferred to the Statement of Changes in Equity)		
<b>Earning Per Share</b>	<b>141.90</b>	<b>97.20</b>

Attached notes form part of these financial statements .  
Dated, Dhaka: April 26, 2011

As per our annexed report of even date.



Samuel S. Chowdhury  
Managing Director



Charles C. R. Patra  
Director



Khandaker Habibuzzaman  
Company Secretary



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



## Square Yarns Limited

### Statement of Changes in Equity For the Year ended December 31, 2010

Particulars	Share capital	General Reserve & Surplus	Total Tk.
As at 31st December 2009	95,500,000	228,236,049	323,736,049
Net Profit for the Year 2010	-	135,511,864	135,511,864
<b>As at 31st December 2010</b>	<b>95,500,000</b>	<b>363,747,913</b>	<b>459,247,913</b>

## Square Yarns Limited

### Statement of Changes in Equity For the Year ended December 31, 2009

Particulars	Share capital	General Reserve & Surplus	Total Tk.
As at 31st December 2008	95,500,000	135,412,682	230,912,682
Net Profit for the Year 2009	-	92,823,367	92,823,367
<b>As at 31st December 2009</b>	<b>95,500,000</b>	<b>228,236,049</b>	<b>323,736,049</b>

Attached notes form part of these financial statements .

Dated, Dhaka: April 26, 2011

As per our annexed report of even date.

Samuel S. Chowdhury  
Managing Director

Charles C. R. Patra  
Director

Khandaker Habibuzzaman  
Company Secretary

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



# Statement of Cash Flows

## Square Yarns Limited Statement of Cash Flows For The Year Ended December 31, 2010

	2010	2009
<b>Cash Flow From Operating Activities:</b>		
<b>Receipts:</b>		
Cash from Sales Revenue	832,030,180	1,317,349,696
Cash from Other Income	-	-
<b>Total Cash Receipts</b>	<b>832,030,180</b>	<b>1,317,349,696</b>
<b>Payments:</b>		
Purchase of Raw & Packing Materials	(879,566,555)	(676,563,417)
Manufacturing and Operating Exp.	(174,905,590)	(159,714,107)
Finance Cost	(11,752,624)	(62,485,203)
Income Tax Paid	(7,119,352)	(3,273,520)
Workers Profit Participation Fund and Welfare Fund	(8,073,606)	(6,826,477)
<b>Total Payments</b>	<b>(1,081,417,727)</b>	<b>(908,862,724)</b>
<b>Net Cash Flow From Operating Activities</b>	<b>(249,387,547)</b>	<b>408,486,972</b>
<b>Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets	(1,858,405)	(3,119,882)
<b>Net Cash Flow From Investing Activities</b>	<b>(1,858,405)</b>	<b>(3,119,882)</b>
<b>Cash Flow From Financing Activities</b>		
Short Term Loan Received	181,693,740	182,515,340
Long Term Bank Loan Payment	-	(336,762,199)
Short Term Bank Loan Received	77,136,554	(229,761,570)
<b>Net Cash Flow From Financing Activities</b>	<b>258,830,294</b>	<b>(384,008,429)</b>
Net Cash Position	7,584,342	21,358,661
Opening Cash & Cash Equivalents	44,780,522	23,421,861
<b>Closing Cash &amp; Cash Equivalents</b>	<b>Tk. 52,364,864</b>	<b>44,780,522</b>

Attached notes form part of these financial statements .  
Dated, Dhaka: April 26, 2011

As per our annexed report of even date.

Samuel S. Chowdhury  
Managing Director

Charles C. R. Patra  
Director

Khandaker Habibuzzaman  
Company Secretary

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

A close-up photograph of a textile machine, likely a spinning or weaving loom. The image shows a series of large, white, cylindrical spools of thread arranged in a row. Each spool is mounted on a green and black base. Black metal frames and wires are visible, holding the spools in place. The machine is white, and the numbers '112' and '108' are visible on its side. The background is slightly blurred, showing more of the machine and the industrial setting.

**MITHAPUR TEXTILES LIMITED**

## MITHAPUR TEXTILES LIMITED

### DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

It is my great pleasure to present audited accounts of Mithapur Textiles Limited for the year ended June 30, 2010. We have taken over it as a sick Spinning Mill of 14,000 spindles. We have restarted the sick project in full swing during second half of this Financial Year. The operational result and key activities of the Company during 2009-'10 are presented below:

#### 1. Change of Management:

We have taken over charge of the Company on January 06, 2010 and the previous Board of Directors' resigned from their office. The new Board is:

- |                           |                   |
|---------------------------|-------------------|
| 1. Mr. Samson H Chowdhury | Chairman          |
| 2. Mr. Anjan Chowdhury    | Managing Director |
| 3. Mr. Samuel S Chowdhury | Director          |
| 4. Mr. Tapan Chowdhury    | Director          |
| 5. Mrs. Ratna Patra       | Director          |

#### 2. Repayment of Long Term Loan:

After completing of handover & taken over process we have paid all long term loans with Islami Bank Bangladesh Limited, Ramna Branch.

#### 3. Business Activities:

The turnover of the Company is appreciated by 13 times in 2009-2010 than that of Financial Year 2008-2009 the main reasons behind this appreciation is the change of Management and price hike in International Market. We contributed only 2nd half of this financial year (January-June 2010).

On the other hand gross profit is also appreciated by 3 times than previous financial year. But net operating result was loss of Tk. 1,832,090 because of unutilization of first six months fixed overhead and it takes additional cost for restarting production after long stopage.

#### 4. Dividend:

Being there is no profit in the year under review and no accumulated profit on the date of Balance Sheet. So there is no scope of dividend declaration.

#### 5. Our Dream:

We hope, we shall add more value to society by increasing business activity, creating more job opportunity and retaining more Foreign Exchange in the National Exchequer.

#### 6. 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 National Board of Revenue and other agencies of the public and the private sector

Looking forward to a bright future for all of us.



Samson H Chowdhury  
Chairman





## AUDITORS' REPORT

### Auditors' Report to the Shareholders of Mithapur Textiles Limited

We have audited the accompanying financial statements of Mithapur Textiles Limited, which comprises the Statement of Financial Position as at 30th June 2010 and the related Statement of Comprehensive Income, for the year ended, and all related summary of significant accounting policies and other explanatory notes.

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

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

#### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### Opinion

In our opinion, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards, give a true and fair view of the state of the company's affairs as at 30th June, 2010 and the results of its operations comply with the companies Act 1994 and other applicable laws and regulations.

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

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

Dated, Dhaka  
November 03, 2010



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

# Mithapur Textiles Limited

## Statement of Financial Position

As of June 30, 2010

### NET ASSETS:

#### Fixed Assets :

At Cost Less Depreciation

Preoperative Expenses

30-06-2010

30-06-2009

33,117,427

32,338,708

18,149,573

17,370,854

14,967,854

14,967,854

#### Current Assets:

Stocks

Accounts Receivable

Advance , Deposit & Prepayments

Cash & Bank Balance

75,929,761

30,923,818

4,290,259

544,480

39,099,295

-

27,726,959

25,752,355

4,813,248

4,626,983

#### Less : Current Liabilities:

Short Term Loan

Liability for Exp.

Other CurrentLiabilities

47,159,608

272,095

46,006,025

-

371,928

-

781,655

272,095

Net Current Assets

28,770,153

30,651,723

Tk.

61,887,580

62,990,431

### FINANCED BY:

#### Share Holders Equity :

Share Capital

Share Money Deposit

General Reserve and Surplus

61,887,580

6,100,431

10,000,000

10,000,000

57,619,239

-

(5,731,659)

(3,899,569)

Long Term Loan

-

56,890,000

Tk.

61,887,580

62,990,431

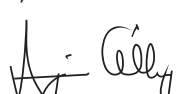
Attached notes form part of these financial statements .

Dated, Dhaka: November 03, 2010

As per our annexed report of even date.



Samuel S. Chowdhury  
Director



Anjan Chowdhury  
Managing Director



Khandaker Habibuzzaman  
Company Secretary



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



# Statement of Comprehensive Income

## Mithapur Textiles Limited

### Statement of Comprehensive Income For the Year Ended June 30, 2010

	30-06-2010	30-06-2009
<b>Sales</b>	84,341,567	12,844,880
<b>Cost of Goods Sold</b>	(80,634,232)	(14,571,676)
<b>Gross Profit</b>	<b>3,707,335</b>	<b>(1,726,796)</b>
Operating Expenses	(392,691)	(777,899)
Finance Cost	(5,146,734)	(1,258,415)
Net Profit/(Loss) Before W.P.P & W.F	(1,832,090)	(3,763,110)
Allocation for W.P.P & W.F	-	-
Net Profit/(Loss) Before Tax	(1,832,090)	(3,763,110)
Provision for Income Tax	-	-
Net Profit/(Loss) For The Year	<b>Tk. (1,832,090)</b>	<b>(3,763,110)</b>
(Transferred to the Statement of Changes in Equity)		
<b>Earning Per Share</b>	<b>(18.32)</b>	<b>(37.63)</b>

Attached notes form part of these financial statements .  
Dated, Dhaka: November 03, 2010



Samuel S. Chowdhury  
Director



Anjan Chowdhury  
Managing Director



Khandaker Habibuzzaman  
Company Secretary

As per our annexed report of even date.



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



# Square Textiles Limited

Registered Office : 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 16th Annual General Meeting of the Company to be held on Thursday the 16th June, 2011 at 10:30 a.m. at Factory Premises, Sardaganj, Kashimpur, Gazipur.

As witness my hand this day of ....., 2011.

Affix  
Revenue  
Stamp

.....  
(Signature of the Proxy)

Dated .....

.....  
(Signature of the Shareholder)

Dated .....

Folio / BO ID

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

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 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

রেজিস্টার্ড অফিসঃ স্কয়ার সেন্টার, ৪৮ মহাখালী বাণিজ্যিক এলাকা, ঢাকা-১২১২

## প্রস্তুতি ফরম

আমি/আমরা .....

ঠিকানা .....

স্কয়ার টেক্সটাইলস্ লিমিটেড এর সদস্য হিসেবে

জনাব/বেগম .....

ঠিকানা .....

আমরা/আমাদের প্রতিনিধি হিসেবে আগামী বৃহস্পতিবার, ১৬ জুন ২০১১ সকাল ১০:৩০ ঘটিকায় কারখানা প্রাঙ্গণ, সারদাগঞ্জ, কাশিমপুর, গাজীপুর-এ অনুষ্ঠিতব্য কোম্পানীর ষষ্ঠদশ বার্ষিক সাধারণ সভায় এবং এর মূলতবী ঘোষিত সভায় আমার/আমাদের পক্ষে উপস্থিত থাকিবার এবং ভোট প্রদান করিবার জন্য নিযুক্ত করিলাম।

স্বাক্ষর হিসেবে অদ্য ....., ২০১১ তারিখে আমি/আমরা এই দলিলে সজ্ঞানে স্বাক্ষর করিলাম।

রেজিউ স্ট্যাম্প  
সংযুক্ত করুন

প্রতিনিধির স্বাক্ষর

সদস্যের স্বাক্ষর

তারিখ .....

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







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