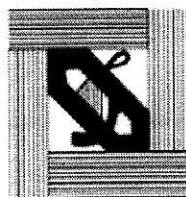


# Third Quarter Financial Statements

for the period  
ended  
September 30, 2013



***SQUARE TEXTILES LIMITED***

# Square Textiles Limited

## Consolidated Statement of Financial Position (Unaudited) As at September 30, 2013

	September 30, 2013	December 31, 2012
<b>ASSETS:</b>		
<b>Fixed Asset :</b>	<b>2,912,612,114</b>	<b>2,631,811,191</b>
At Cost Less Depreciation	2,856,328,354	2,575,527,431
Goodwill	56,283,760	56,283,760
<b>Current Assets :</b>	<b>5,589,131,941</b>	<b>5,450,698,872</b>
Stocks	1,794,504,055	1,651,754,805
Trade Debtors	2,536,576,081	2,656,903,857
Short Term Loan	381,911,391	253,320,756
Advance , Deposit & Prepayments	504,373,760	415,642,990
Cash & Bank Balance	371,766,654	473,076,464
<b>Current Liabilities :</b>	<b>2,564,952,725</b>	<b>2,584,353,232</b>
Short Term Bank Loan	91,742,965	121,326,193
Sundry Creditors	1,766,414,189	1,797,488,294
Other Current Liabilities	333,067,970	286,416,355
Provision for Income Tax	373,727,601	379,122,390
<b>Net Current Assets</b>	<b>3,024,179,216</b>	<b>2,866,345,640</b>
Deferred Tax Liability	186,006,250	183,459,186
TK.	<b>5,750,785,080</b>	<b>5,314,697,645</b>
<b>FINANCED BY :</b>		
<b>Share Holders Equity :</b>	<b>5,742,710,202</b>	<b>5,308,232,046</b>
Share Capital	1,344,202,710	1,168,871,920
General Reserve and Surplus	4,398,507,492	4,139,360,126
<b>Non controlling Interest</b>	<b>8,074,878</b>	<b>6,465,599</b>
TK.	<b>5,750,785,080</b>	<b>5,314,697,645</b>
<b>Net Asset Per Share</b>	<b>42.72</b>	<b>39.49</b>

Sd/-  
Tapan Chowdhury  
Managing Director

Sd/-  
Md. Alamgir Hossain  
Chief Financial Officer

# Square Textiles Limited

## Consolidated Statement of Comprehensive Income (Unaudited)

For the 3rd Quarter Ended September 30, 2013

	Nine Month Ended		3rd Quarter	
	Sept 30, 2013	Sept 30, 2012	July to Sept , 2013	July to Sept , 2012
Sales	5,904,983,592	6,506,602,379	1,912,612,468	1,958,287,800
Cost of Goods Sold	4,883,918,286	5,494,222,599	1,613,516,262	1,667,905,154
<b>Gross Profit</b>	<b>1,021,065,306</b>	<b>1,012,379,780</b>	<b>299,096,206</b>	<b>290,382,646</b>
Operating Expenses	181,053,108	173,493,122	60,996,006	64,291,671
Finance Cost	37,480,875	76,168,308	4,493,688	24,825,475
<b>Operating Income</b>	<b>802,531,323</b>	<b>762,718,350</b>	<b>233,606,512</b>	<b>201,265,500</b>
Other Income	9,787,166	1,282,006	1,611,942	2,006
<b>Net Income before W.P.P &amp; W.F</b>	<b>812,318,489</b>	<b>764,000,356</b>	<b>235,218,454</b>	<b>201,267,506</b>
Allocation for W.P.P & W.F	38,681,833	36,380,970	11,200,879	9,584,168
<b>Net Income before Tax</b>	<b>773,636,656</b>	<b>727,619,386</b>	<b>224,017,575</b>	<b>191,683,338</b>
Income Tax Expenses (Current)	118,124,865	109,142,908	35,682,003	28,752,501
Income Tax Expenses (Deferred)	9,027,410	2,345,624	1,043,367	781,875
<b>Net Profit after Tax</b>	<b>646,484,381</b>	<b>616,130,854</b>	<b>187,292,205</b>	<b>162,148,962</b>
<b>Non-Controlling Interest</b>	<b>1,609,279</b>	<b>1,081,331</b>	<b>721,066</b>	<b>65,397</b>
<b>Net Income for the Year</b>	<b>644,875,102</b>	<b>615,049,523</b>	<b>186,571,139</b>	<b>162,083,565</b>
(Transferred to the Statement of Changes in Equity)				
<b>Earning Per Share (EPS)</b>	<b>4.80</b>	<b>4.58</b>	<b>1.39</b>	<b>1.21</b>

Sd/-

Tapan Chowdhury  
Managing Director

Sd/-

Md. Alamgir Hossain  
Chief Financial Officer

## Square Textiles Limited

### Consolidated Statement of Changes in Equity (Unaudited) For the 3rd Quarter ended on September 30, 2013

Particulars	Share Capital	Reserve & Surplus	Total
As at December 31,2012	1,168,871,920	4,139,360,126	5,308,232,046
Net Profit for 3rd Quarter Ended ,2013	-	644,875,102	644,875,102
Cash Dividend for year 2012	-	(210,396,946)	(210,396,946)
Stock Dividend for year 2012	175,330,790	(175,330,790)	-
<b>Balance as at September 30,2013</b>	<b>1,344,202,710</b>	<b>4,398,507,492</b>	<b>5,742,710,202</b>

## Square Textiles Limited

### Consolidated Statement of Changes in Equity (Unaudited) For the 3rd Quarter ended on September 30, 2012

Particulars	Share Capital	Reserve & Surplus	Total
As at December 31,2011	974,059,930	3,661,027,948	4,635,087,878
Net Profit for 3rd Quarter Ended ,2012	-	615,049,523	615,049,523
Cash Dividend for year 2011	-	(155,849,589)	(155,849,589)
Stock Dividend for year 2011	194,811,990	(194,811,990)	-
<b>Balance as at September 30,2012</b>	<b>1,168,871,920</b>	<b>3,925,415,892</b>	<b>5,094,287,812</b>

Sd/-

Tapan Chowdhury  
Managing Director

Sd/-

Md. Alamgir Hossain  
Chief Financial Officer

# Square Textiles Limited

## Statement of Consolidated Cash flows For the 3rd quarter ended September 30, 2013

	3rd Quarter Ended	
	Sept 30, 2013	Sept 30, 2012
<b>Cash Flow From Operating Activities:</b>		
<b>Total Receipts</b>	<b>6,025,374,350</b>	<b>6,896,438,837</b>
Cash from Sales Revenue	6,025,311,368	6,895,156,831
Cash from Other Income	62,982	1,282,006
<b>Total Payments</b>	<b>(5,271,686,947)</b>	<b>(5,196,064,856)</b>
Paid to Suppliers	(3,929,010,647)	(4,269,609,023)
Manufacturing & Operating Expenses	(1,127,964,850)	(688,691,834)
Interest Expenses	(36,142,017)	(81,217,203)
Income Tax	(123,253,614)	(119,343,000)
Workers Profit Participation Fund	(55,315,819)	(37,203,796)
<b>Net Cash Flows From (Used In) Operating Activities</b>	<b>753,687,403</b>	<b>1,700,373,981</b>
<b>Cash Flow From Investing Activities:</b>		
Purchase of Fixed Assets	(446,553,630)	(473,430,795)
<b>Net Cash Flows From (Used In) Investing Activities</b>	<b>(446,553,630)</b>	<b>(473,430,795)</b>
<b>Cash Flow From Financing Activity:</b>		
Shor Term Bank Loan recived(Repaid)	(29,583,228)	(368,554,490)
Short Term Loan From (To) Inter Co.	(168,463,409)	(606,494,012)
Dividend Payment	(210,396,946)	(155,849,589)
<b>Net Cash Flows From (Used In) Financing Activities</b>	<b>(408,443,583)</b>	<b>(1,130,898,091)</b>
<b>Net Cash Increased (Decreased)</b>	<b>(101,309,810)</b>	<b>96,045,095</b>
<b>Opening Cash and Cash Equivalent</b>	<b>473,076,464</b>	<b>480,986,146</b>
<b>Closing Cash and Cash Equivalent</b>	<b>371,766,654</b>	<b>577,031,241</b>

Sd/-

Tapan Chowdhury  
Managing Director

Sd/-

Md. Alamgir Hossain  
Chief Financial Officer

# Square Textiles Limited

## Statement of Financial Position (Unaudited)

As at September 30, 2013

	September 30, 2013	December 31, 2012
<b>ASSETS:</b>		
<b>Fixed Asset :</b>	<b>1,754,452,165</b>	<b>1,763,530,746</b>
At Cost Less Depreciation	1,536,049,166	1,545,127,747
Investment-Long Term (At Cost)	160,783,760	160,783,760
Share Money Deposit	57,619,239	57,619,239
<b>Current Assets :</b>	<b>4,556,516,129</b>	<b>4,389,591,043</b>
Stocks	1,174,935,843	1,156,434,388
Trade Debtors	1,901,433,302	2,033,491,148
Short Term Loan	942,849,509	606,599,198
Advance , Deposit & Prepayments	347,846,125	293,416,412
Cash & Bank Balance	189,451,350	299,649,897
<b>Current Liabilities :</b>	<b>1,482,387,479</b>	<b>1,554,243,774</b>
Short Term Bank Loan	74,228,535	86,339,827
Sundry Creditors	961,166,966	1,001,945,184
Other Current Liabilities	272,841,784	246,571,137
Provision for Income Tax	174,150,194	219,387,626
<b>Net Current Assets</b>	<b>3,074,128,650</b>	<b>2,835,347,269</b>
Deferred Tax Liability	<b>108,193,605</b>	<b>112,147,459</b>
TK.	<b>4,720,387,210</b>	<b>4,486,730,556</b>
 <b>FINANCED BY :</b>		
<b>Share Holders Equity :</b>	<b>4,720,387,210</b>	<b>4,486,730,556</b>
Share Capital	1,344,202,710	1,168,871,920
General Reserve and Surplus	3,376,184,500	3,317,858,636
TK.	<b>4,720,387,210</b>	<b>4,486,730,556</b>
<b>Net Asset Value Per Share</b>	<b>35.12</b>	<b>33.38</b>

Sd/-

Tapan Chowdhury  
Managing Director

Sd/-

Md. Alamgir Hossain  
Chief Financial Officer

## Square Textiles Limited

### Statement of Comprehensive Income (Unaudited) For the 3rd Quarter Ended September 30, 2013

	Nine Month Ended		3rd Quarter	
	Sept 30, 2013	Sept 30, 2012	July to Sept , 2013	July to Sept , 2012
Sales	3,932,395,103	4,073,670,390	1,279,161,605	1,071,976,411
Cost of Goods Sold	3,224,172,757	3,350,186,871	1,061,988,384	855,558,621
<b>Gross Profit</b>	<b>708,222,346</b>	<b>723,483,519</b>	<b>217,173,221</b>	<b>216,417,790</b>
Operating Expenses	156,122,481	146,395,358	50,823,814	52,934,448
Finance Cost	17,629,374	46,143,206	5,407,999	9,021,725
<b>Operating Income</b>	<b>534,470,491</b>	<b>530,944,955</b>	<b>160,941,408</b>	<b>154,461,617</b>
Other Income	16,634,939	1,282,006	6,455,277	2,006
<b>Net Income before W.P.P &amp; W.F</b>	<b>551,105,430</b>	<b>532,226,961</b>	<b>167,396,685</b>	<b>154,463,623</b>
Allocation for W.P.P & W.F	26,243,116	25,344,141	7,971,271	7,355,411
<b>Net Income before Tax</b>	<b>524,862,314</b>	<b>506,882,820</b>	<b>159,425,414</b>	<b>147,108,212</b>
Income Tax Expenses (Current)	80,808,714	76,032,423	25,993,179	22,066,232
<b>Net Income for the Year</b>	<b>444,053,600</b>	<b>430,850,397</b>	<b>133,432,235</b>	<b>125,041,980</b>

(Transferred to the Statement of Changes in Equity)

<b>Earning Per Share (EPS)</b>	<b>3.30</b>	<b>3.21</b>	<b>0.99</b>	<b>0.93</b>
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Sd/-

Tapan Chowdhury  
Managing Director

Sd/-

Md. Alamgir Hossain  
Chief Financial Officer

## Square Textiles Limited

### Statement of Changes in Equity (Unaudited) For the 3rd Quarter ended on September 30, 2013

Particulars	Share Capital	Reserve & Surplus	Total
As at December 31,2012	1,168,871,920	3,317,858,636	4,486,730,556
Net Profit for 3rd Quarter Ended ,2013	-	444,053,600	444,053,600
Cash Dividend for year 2012	-	(210,396,946)	(210,396,946)
Stock Dividend for year 2012	175,330,790	(175,330,790)	-
<b>Balance as at September 30,2013</b>	<b>1,344,202,710</b>	<b>3,376,184,500</b>	<b>4,720,387,210</b>

## Square Textiles Limited

### Statement of Changes in Equity (Unaudited) For the 3rd Quarter ended on September 30, 2012

Particulars	Share Capital	Reserve & Surplus	Total
As at December 31,2011	974,059,930	3,087,481,951	4,061,541,881
Net Profit for First Quarter 2012	-	430,850,397	430,850,397
Cash Dividend for 2011	-	(155,849,589)	(155,849,589)
Stock Dividend for 2011	194,811,990	(194,811,990)	-
<b>Balance as at September 30,2012</b>	<b>1,168,871,920</b>	<b>3,167,670,769</b>	<b>4,336,542,689</b>

Sd/-

Tapan Chowdhury  
Managing Director

Sd/-

Md. Alamgir Hossain  
Chief Financial Officer

# Square Textiles Limited

## Statement of Cash flows For the 3rd quarter ended September 30, 2013

Particulars	3rd Quarter Ended	
	Sept 30, 2013	Sept 30, 2012
<b><u>Cash Flow From Operating Activities:</u></b>		
Total Receipts	<b>4,064,515,931</b>	<b>4,096,598,886</b>
Cash From Sales Revenue	4,064,452,949	4,095,316,880
Cash from Other Income	62,982	1,282,006
<b>Total Payments</b>	<b>(3,516,683,627)</b>	<b>(3,198,031,582)</b>
Paid to Suppliers	(2,497,561,362)	(2,549,804,073)
Manufacturing & Operating Expenses	(848,431,351)	(463,832,664)
Interest Expenses	(16,340,003)	(54,885,621)
Income Tax	(105,196,126)	(95,295,697)
Workers Profit Participation Fund	(49,154,785)	(34,213,527)
<b>Net Cash Flows From (Used In) Operating Activities</b>	<b>547,832,304</b>	<b>898,567,304</b>
<b><u>Cash Flow From Investing Activities:</u></b>		
Purchase of Fixed Assets	(88,366,011)	(363,973,553)
<b>Net Cash Flows From (Used In) Investing Activities</b>	<b>(88,366,011)</b>	<b>(363,973,553)</b>
<b><u>Cash Flow From Financing Activity:</u></b>		
Shor Term Bank Loan	(12,111,292)	(528,382,816)
Short Term Loan From (To) Inter Co.	(347,156,602)	256,837,730
Payment of Dividend	(210,396,946)	(155,849,589)
<b>Net Cash Flows From (Used In) Financing Activities</b>	<b>(569,664,840)</b>	<b>(427,394,675)</b>
<b>Net Cash Increased (Decreased)</b>	<b>(110,198,547)</b>	<b>107,199,075</b>
<b>Opening Cash and Cash Equivalent</b>	<b>299,649,897</b>	<b>321,816,224</b>
<b>Closing Cash and Cash Equivalent</b>	<b>189,451,350</b>	<b>429,015,299</b>

Sd/-

Tapan Chowdhury  
Managing Director

Sd/-

Md. Alamgir Hossain  
Chief Financial Officer

## **SQUARE TEXTILES LIMITED AND ITS SUBSIDIARIES**

### **Notes to the Interim Financial Statements for the period ended September 30, 2013**

Basis of preparation of the Interim Financial Statements:

These Financial Statements (They) are the unaudited interim financial statements (hereafter 'the Interim Financial Statements') of Square Textiles Limited, Square Yarns limited & Square Texcom Limited, Companies incorporated in Bangladesh under Companies Act 1994, for the 3<sup>rd</sup> quarter ended September 30, 2013 (hereafter 'the interim period'). They are prepared in accordance with the International Accounting Standard (IAS 34) 'Interim Financial reporting'. These financial statements should read in conjunction with the Annual Financial Statements as of December 31, 2012, as they provide an update of previously reported information.

The accounting policies and presentation used are consistent with those used in the Annual Financial Statements, except where noted below. Where necessary, the comparatives have been reclassified or extended from the previously reported Interim Financial Statements to take into account any presentational changes made in the Annual Financial Statements or in these Interim Financial Statements.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and disclosure of contingent liabilities at the date of the Interim Financial Statements. If in the future such estimates and assumptions, which are based on management's best judgment at the date of the interim financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

The company operates in industries where significant seasonal or cyclical variations in total sales are not experienced during the reporting period.

Income tax expense is recognized based upon the best estimate of the weighted average income tax rate expected for the reporting period.

Dividend payment for the year ended December 31, 2012 is in process @ 18% cash of par value of share and 15 (Fifteen) stock dividend for holding 100 (One Hundred) shares that approved by the shareholders in AGM held on June 13, 2013.

The Company has no reportable operating segments as per requirement of IFRS 8, operating segment.

There is no significant event to the end of the interim period that has to be reflected in the financial statements for the interim period.

The Company did not carry out any related party transaction other than Square Pharmaceuticals Limited, Square Yarns Limited & Square Texcom Limited. During the reporting period total received & total payment was Tk. 35.18 crore and Tk. 73.37 crore from / to Square Pharmaceuticals Ltd., Tk. 64.69 crore & Tk. 66.84 crore from / to Square Yarns Ltd. and Tk. 4.39 crore & Tk. 58.34 crore paid from / to Square Texcom Limited.

Figures have been rounded off to the nearest Tk.'000.

The contingent liabilities of the company as on September 30, 2013 is as follows;

For Sight and Deferred LCs for the group Tk. 78.24 crore only. Out of which Tk. 52.52 crore for Square Textiles Limited, Tk. 21.37 crore only for Square Yarns Limited and Tk. 4.35 crore only for Square Texcom Limited.

Provision for deferred tax is adjusted for Tk 0.64 crore for the adjustable temporary difference up to September 30, 2013 and newly created by TK 0.90 crore.