

**Third Quarter**  
**Financial Statement 2019-2020**  
**(Unaudited)**



***SQUARE TEXTILES LIMITED***  
(Consolidated and Standalone)

# SQUARE Textiles Limited & It's Subsidiary

## Consolidated Statement of Financial Position (Unaudited)

As at March 31, 2020

Particulars	Notes	31-Mar-20 Taka	30-Jun-19 Taka
<b>ASSETS:</b>			
<b>Non-Current Assets</b>		<b>7,294,226,198</b>	<b>6,794,125,077</b>
Property, Plant & Equipment- Carrying Value	02	5,723,692,730	6,013,100,252
Capital Work In Progress	02.01	1,514,249,708	724,741,065
Goodwill		56,283,760	56,283,760
<b>Current Assets</b>		<b>7,147,387,495</b>	<b>6,834,205,533</b>
Inventories	03	3,066,850,048	3,108,769,448
Accounts Receivable	04	3,470,614,449	3,254,869,758
Advances, Deposits & Prepayments	05	358,007,494	289,933,615
Cash & Cash Equivalents	06	251,915,504	180,632,712
<b>TOTAL ASSETS</b>		<b>14,441,613,693</b>	<b>13,628,330,610</b>
<b>SHAREHOLDERS' EQUITY &amp; LIABILITIES:</b>			
<b>Shareholders' Equity</b>		<b>7,338,490,371</b>	<b>7,498,757,447</b>
Share Capital		1,972,520,000	1,972,520,000
Retained Earnings		5,365,970,371	5,526,237,447
<b>Non controlling Interest</b>	07	<b>15,485,942</b>	<b>14,938,707</b>
<b>Non-Current Liabilities</b>			
Deferred Tax Liability	08	290,954,456	279,327,185
<b>Current Liabilities &amp; Provisions</b>		<b>6,796,682,924</b>	<b>5,835,307,271</b>
Short Term Bank Loan (Secured)	09	3,433,135,722	3,370,859,633
Creditors & Other Payables	10	103,680,237	71,576,651
Liabilities for Others Finance	11	158,612,268	145,174,138
Short Term Loan	12	2,977,384,144	2,168,788,505
Provision for Income Tax	13	123,870,553	78,908,344
<b>TOTAL SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>		<b>14,441,613,693</b>	<b>13,628,330,610</b>
<b>Net Asset Value Per Share</b>	19.01	<b>37.20</b>	<b>38.02</b>

Attached notes form parts of these Financial Statements.

Tapan Chowdhury  
Chairman

Ratna Patra  
Vice Chairman

Samuel S Chowdhury  
Managing Director

M. Habibur Rahman  
Chief Financial Officer

Sanjib Baran Roy  
Company Secretary

# SQUARE Textiles Limited & It's Subsidiary

## Consolidated Statement of Profit or Loss and Other Comprehensive Income (Unaudited)

For the 3rd Quarter Ended March 31, 2020

Particulars	Notes	Nine Months Results (Tk)		Third Quarter Results (Tk)	
		July to Mar 2019-20	July to Mar 2018-19	Jan to Mar 2019-20	Jan to Mar 2018-19
Sales Revenue	14	7,814,932,136	7,194,618,151	2,468,084,566	2,441,651,126
Cost of Goods Sold	15	7,013,818,685	6,381,519,794	2,218,264,145	2,150,809,231
<b>Gross Profit</b>		<b>801,113,451</b>	<b>813,098,357</b>	<b>249,820,421</b>	<b>290,841,895</b>
Administrative Overhead	16	194,524,382	188,493,875	58,900,256	64,211,826
Selling and Distribution Overhead	17	15,169,005	10,354,108	6,098,461	3,174,283
<b>Profit from Operations</b>		<b>591,420,064</b>	<b>614,250,374</b>	<b>184,821,704</b>	<b>223,455,786</b>
Finance Cost	18	295,198,361	176,075,785	108,008,518	70,719,079
Non-Operating Income		9,720,618	3,869,702	4,495,661	919,148
<b>Profit Before W.P.P.F &amp; W.F</b>		<b>305,942,321</b>	<b>442,044,291</b>	<b>81,308,847</b>	<b>153,655,855</b>
Allocation for W.P.P.F & W.F		14,568,682	21,049,727	3,871,850	7,316,945
<b>Profit Before Tax</b>		<b>291,373,639</b>	<b>420,994,564</b>	<b>77,436,997</b>	<b>146,338,910</b>
Provision for Tax (Current)		44,962,209	37,598,806	4,043,798	18,512,690
Provision for Tax (Deferred)		11,627,271	26,324,701	4,020,156	3,509,724
<b>Profit After Tax for The Period</b>		<b>234,784,159</b>	<b>357,071,057</b>	<b>69,373,043</b>	<b>124,316,496</b>
<b>Non-Controlling Interest</b>		<b>547,235</b>	<b>1,379,528</b>	<b>148,820</b>	<b>301,490</b>
<b>Net Income for the Period</b>		<b>234,236,924</b>	<b>355,691,529</b>	<b>69,224,223</b>	<b>124,015,006</b>

(Transferred to the Statement of Changes in Equity)

<b>Earnings Per Share (EPS)</b>	<b>19</b>	<b>1.19</b>	<b>1.80</b>	<b>0.35</b>	<b>0.63</b>
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Attached notes form parts of these Financial Statements.

Tapan Chowdhury  
Chairman

Ratna Patra  
Vice Chairman

Samuel S Chowdhury  
Managing Director

M. Habibur Rahman  
Chief Financial Officer

Sanjib Baran Roy  
Company Secretary

# SQUARE Textiles Limited & It's Subsidiary

## Consolidated Statement of Changes in Equity (Unaudited) For the 3rd Quarter Ended March 31, 2020

Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2019	1,972,520,000	5,526,237,447	7,498,757,447
Net Profit For the 3rd Quarter Ended March 31, 2020	-	234,236,924	234,236,924
Cash Dividend for 2018-19	-	(394,504,000)	(394,504,000)
Stock Dividend for 2018-19	-	-	-
<b>Balance As at March 31, 2020</b>	<b>1,972,520,000</b>	<b>5,365,970,371</b>	<b>7,338,490,371</b>

## Consolidated Statement of Changes in Equity (Unaudited) For the 3rd Quarter Ended March 31, 2019

Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2018	1,878,590,480	5,565,823,903	7,444,414,383
Net Profit For the 3rd Quarter Ended March 31, 2019	-	355,691,529	355,691,529
Cash Dividend for 2017-18	-	(375,718,096)	(375,718,096)
Stock Dividend for 2017-18	93,929,520	(93,929,520)	-
<b>Balance As at March 31, 2019</b>	<b>1,972,520,000</b>	<b>5,451,867,816</b>	<b>7,424,387,816</b>

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# SQUARE Textiles Limited & It's Subsidiary

## Consolidated Statement of Cash flows (Unaudited) For the 3rd Quarter Ended March 31, 2020

Particulars	Amount (Tk)	
	July to March 2019-20	July to March 2018-19
<b>Cash Flows from Operating Activities:</b>		
Receipts from Sales Revenue	7,599,187,445	7,087,469,302
Exchange Fluctuation Gain (Realization from Transection)	6,869,185	2,281,299
Receipts from Other Income	281,988	215,603
<b>Total Receipts</b>	<b>7,606,338,618</b>	<b>7,089,966,204</b>
Payments to Suppliers	(5,071,805,406)	(5,839,286,340)
Paid for Operating & Non-operating Expenses	(1,656,134,348)	(1,456,698,237)
Interest Expenses Paid	(168,969,073)	(144,392,027)
Income Tax Paid	(75,244,909)	(42,480,935)
<b>Total Payments</b>	<b>(6,972,153,736)</b>	<b>(7,482,857,539)</b>
<b>Net Cash Generated (Used in) from Operating Activities</b>	<b>634,184,882</b>	<b>(392,891,335)</b>
<b>Cash Flows from Investing Activities:</b>		
Sales (Purchase) of Property, Plant & Equipment	(928,515,773)	(1,075,890,976)
Paid for Non controlling Interest for Merger of SYL	-	(9,287,050)
<b>Net Cash Generated (Used in) from Investing Activities</b>	<b>(928,515,773)</b>	<b>(1,085,178,026)</b>
<b>Cash Flows from Financing Activities:</b>		
Short Term Bank Loan Received/ (Repaid)	62,276,089	505,862,814
Short Term Loan from/ (To) Sister Company	695,272,148	1,009,483,568
Payment of Dividend	(394,504,000)	(375,718,096)
<b>Net Cash Generated (Used in) from Financing Activities</b>	<b>363,044,237</b>	<b>1,139,628,286</b>
<b>Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>68,713,346</b>	<b>(338,441,075)</b>
<b>Net effect of foreign currency translation</b>	<b>2,569,446</b>	<b>1,372,800</b>
<b>Opening Cash &amp; Cash Equivalents</b>	<b>180,632,712</b>	<b>596,108,722</b>
<b>Closing Cash &amp; Cash Equivalents</b>	<b>251,915,504</b>	<b>259,040,447</b>
<b>Net Operating Cash Flows Per Share</b>	<b>3.22</b>	<b>(1.99)</b>

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# SQUARE Textiles Limited & It's Subsidiary

Notes to the Consolidated Interim Financial Statements (Unaudited)

For The 3rd Quarter Ended March 31, 2020

## 01. Basis of preparation of the Consolidated Interim Financial Statements:

These Financial Statements (They) are the unaudited consolidated interim financial statements (hereafter "The Consolidated Interim Financial Statements") of Square Textiles Limited and Square Texcom Limited, Companies incorporated in Bangladesh under Companies Act 1913 & 1994, for the 3rd quarter ended March 31, 2020 (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 on June 30, 2019, 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.

We understand that our business is growing every year that means our assets are performing according to intention of procurement and in sum up the discounted future cash flow from the operation of the assets would be positive if we dispose those assets at the date of financial reporting. But presently we have on intension to dispose these assets, so it is not required to record the impairment gain as provisions of IAS-36.

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

The Company has no reportable operating segments as per requirement of IFRS-8, "Operating Segments".

There is no significant even after the end of the interim period that has to be reflected in the Consolidated Financial Statements for the interim period except.

Figures have been rounded off to the nearest Taka.

	31-Mar-20	30-Jun-19
<b>02. Consolidated Property, Plant &amp; Equipment: Tk.</b>	<b>5,723,692,730</b>	
Details of Property, Plant & Equipment and Depreciation as at March 31, 2020 are as below:		
<b>Fixed Assets at Cost</b>		
Opening Balance	10,742,926,989	6,988,106,707
Addition of SYL before Merger	-	1,825,727,192
Addition during the Year	149,977,588	2,159,615,521
Sale/ Obsolete during the Year	(22,772,097)	(230,522,431)
<b>Closing Balance(Cost)</b>	<b>10,870,132,480</b>	<b>10,742,926,989</b>
<b>Accumulated Depreciation</b>		
Opening Balance	4,729,826,737	3,295,695,493
Charged of SYL before Merger	-	1,205,388,269
Charged during the Year	428,414,652	443,966,003
Adjustment for sale/Obsolete	(11,801,639)	(215,223,028)
	<b>5,146,439,750</b>	<b>4,729,826,737</b>
<b>Carrying Value</b>	<b>Tk. 5,723,692,730</b>	<b>6,013,100,252</b>

		<u>31-Mar-20</u>	<u>30-Jun-19</u>
<b>02.01. Capital Work In Progress: Tk.</b>	<b>1,514,249,708</b>		
Capital Work In Progress		<u>1,514,249,708</u>	<u>724,741,065</u>
	<b>Tk.</b>	<b><u>1,514,249,708</u></b>	<b><u>724,741,065</u></b>

The amount of Capital Work In Progress includes cost of Fyber Dyeing project at Habiganj, R&D Project and some BMRE activities.

<b>03. Consolidated Inventories: Tk.</b>	<b>3,066,850,048</b>		
<b>Stocks of Raw Materials</b>		<b>2,811,048,757</b>	<b>2,860,338,753</b>
Raw Materials		<u>2,277,867,832</u>	<u>2,345,843,023</u>
Raw Materials In Transit		<u>93,759,923</u>	<u>125,670,959</u>
Packing Materials		<u>22,440,480</u>	<u>19,545,342</u>
Work - in - process		<u>110,301,581</u>	<u>158,585,990</u>
Finished Goods		<u>306,678,941</u>	<u>210,693,439</u>
<b>Stocks of Spares</b>		<b>255,801,291</b>	<b>248,430,695</b>
Spares at Store		<u>252,232,143</u>	<u>241,210,310</u>
Spares in Transit		<u>3,569,148</u>	<u>7,220,385</u>
	<b>Tk.</b>	<b><u>3,066,850,048</u></b>	<b><u>3,108,769,448</u></b>

<b>04. Consolidated Accounts Receivable: Tk.</b>	<b>3,470,614,449</b>		
Aging of the above balance is as follows:			
Below 60 days		<u>1,679,428,947</u>	<u>1,510,695,509</u>
Within 61-120 days		<u>1,249,143,757</u>	<u>1,269,408,592</u>
Above 120 days		<u>542,041,745</u>	<u>474,765,657</u>
	<b>Tk.</b>	<b><u>3,470,614,449</u></b>	<b><u>3,254,869,758</u></b>

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

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

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

<b>05. Consolidated Advances, Deposits &amp; Prepayments: Tk.</b>	<b>358,007,494</b>		
This is made up of the followings:			
<b>Advance</b>		<b>239,538,335</b>	<b>207,243,631</b>
Income Tax		<u>123,816,804</u>	<u>48,571,895</u>
Salary & PF Current account		<u>1,358,413</u>	<u>1,184,000</u>
Other Expenses		<u>17,075,996</u>	<u>22,817,327</u>
Suppliers & Contractor		<u>97,287,122</u>	<u>134,670,409</u>
<b>Deposits</b>		<b>118,469,159</b>	<b>82,689,984</b>
Security Deposit		<u>106,523,162</u>	<u>73,803,648</u>
Margin on Bank Guarantee		<u>11,945,997</u>	<u>8,886,336</u>
	<b>Tk.</b>	<b><u>358,007,494</u></b>	<b><u>289,933,615</u></b>

<b>06. Consolidated Cash &amp; Cash Equivalents: Tk.</b>	<b>251,915,504</b>		
This is made up of the followings:			
Cash in hand		<u>8,664,555</u>	<u>5,885,341</u>
Cash at Bank		<u>243,250,949</u>	<u>174,747,371</u>
	<b>Tk.</b>	<b><u>251,915,504</u></b>	<b><u>180,632,712</u></b>

<b>07. Non Controlling Interest: Tk.</b>	<b>15,485,942</b>		
5,000 shares of Tk 100 at par of Square Texcom Ltd.		<u>500,000</u>	<u>500,000</u>
Shares of Accumulated Profit		<u>14,985,942</u>	<u>14,438,707</u>
		<b><u>15,485,942</u></b>	<b><u>14,938,707</u></b>

		31-Mar-20	30-Jun-19
<b>08. Consolidated Deferred Tax Liability: Tk.</b>	<b>290,954,456</b>		
Opening Balance		279,327,185	222,054,637
Deferred tax Liabilities		11,627,271	57,272,548
<b>Closing Balance</b>	<b>Tk.</b>	<b>290,954,456</b>	<b>279,327,185</b>

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

**a) Deferred Tax Liability is arrived at as follows:**

Carrying Value of Depreciable Fixed Assets	5,007,769,049	5,332,662,371
Less: Tax Base Carrying Value	(3,068,072,672)	(3,470,481,142)
<b>Taxable Temporary Difference</b>	<b>1,939,696,377</b>	<b>1,862,181,229</b>
Tax Rate	15.00%	15.00%
<b>Closing Deferred Tax Liability</b>	<b>290,954,456</b>	<b>279,327,185</b>
Less: Opening Deferred Tax Liability	(279,327,185)	(222,054,637)
<b>Deferred Tax (Income) / Expense</b>	<b>11,627,271</b>	<b>57,272,548</b>

We don't have any other assets or liabilities except fixed assets for provision of Deferred Tax liabilities to present in details form for unused tax losses and unused tax credits.

<b>09. Consolidated Short Term Bank Loan (Secured): Tk.</b>	<b>3,433,135,722</b>		
Bank Overdraft	14,479,404	72,936	
Revolving Loan	800,000,000	800,000,000	
Loan ag. Export Bill Discount	265,906,601	616,960,527	
Deferred LC Loan	2,352,749,717	1,953,826,170	
	<b>Tk.</b>	<b>3,433,135,722</b>	<b>3,370,859,633</b>

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

<b>10. Consolidated Creditors &amp; Others Payable: Tk.</b>	<b>103,680,237</b>		
Creditors & Others Payable	103,680,237	71,576,651	
	<b>103,680,237</b>	<b>71,576,651</b>	

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

<b>11. Consolidated Liabilities for Other Finance: Tk.</b>	<b>158,612,268</b>		
Retention Money	305,299	305,299	
WPPF & Other Fund	14,568,682	23,608,002	
Provision for Gratuity	34,989,040	34,989,040	
Others	108,749,247	86,271,797	
	<b>Tk.</b>	<b>158,612,268</b>	<b>145,174,138</b>

<b>12. Consolidated Short Term Loan: Tk.</b>	<b>(2,977,384,144)</b>		
Loan To (From) Sqaure Pharma. Ltd.	(2,977,384,144)	(2,168,788,505)	
<b>Short Term Loan Received</b>	<b>Tk.</b>	<b>(2,977,384,144)</b>	<b>(2,168,788,505)</b>

<b>13. Consolidated Provision for Income Tax: Tk.</b>	<b>123,870,553</b>		
Opening Balance	78,908,344	182,323,262	
Adjustment with Advance Tax	-	(163,311,686)	
Current Year Provision	44,962,209	59,896,768	
<b>Closing Balance</b>	<b>Tk.</b>	<b>123,870,553</b>	<b>78,908,344</b>

Source Tax Deducted under some clauses of section 53 of Income Tax Ordinance 1984 for Tk. 44,962,209 that is higher than the usual computed tax of Tk. 33,617,017 (i.e. regular tax effect on profit margin). Under Income Tax Ordinance 1984 as this Advance Source Tax is not eligible for tax rebate or refund under section 82(C) and which should be treated as final discharge of tax expense.



		July to March 2019-2020	July to March 2018-2019
<b>14. Consolidated Sales Revenue: Tk.</b>	<b>7,814,932,136</b>		
Export Sale of Yarns		7,814,932,136	7,194,618,151
	<b>Tk.</b>	<b>7,814,932,136</b>	<b>7,194,618,151</b>

During the period sales increased by BDT 62.03 (8.62%) crore due to incremental production in Vortex project at Habiganj.

<b>15. Consolidated Cost of Goods Sold: Tk.</b>	<b>7,013,818,685</b>		
Raw Materials Consumed		5,162,770,640	4,656,600,407
Factory Overhead (Note: 15.01)		1,851,048,045	1,724,919,387
<b>Cost of Goods Sold</b>	<b>Tk.</b>	<b>7,013,818,685</b>	<b>6,381,519,794</b>

During the period Raw Material cost increased by BDT 50.62 (10.87%) crore due to incremental production as well as increase of cotton price in international market.

<b>15.01. Factory Overhead: Tk.</b>	<b>1,851,048,045</b>		
Factory Wages, Salary & Allowances		634,268,348	599,511,995
Production Workers' Free Lunch		3,473,708	2,552,741
Fuel, Petrol, Light, Diesel etc.		33,222,172	46,801,209
Electricity, Gas & Water		501,562,119	468,780,098
Factory Consumable Expense		32,497,020	38,445,262
Repairs & Maintenance of Vehicles		13,166,439	11,252,387
Industrial All Risk Insurance Premium		14,156,725	13,402,221
Govt.Tax, VAT & License Fees		915,866	2,787,981
Security Services		21,553,337	19,110,836
Spare Parts - Machinery		158,233,191	149,618,642
Depreciation		428,414,652	365,997,464
Other Overhead		9,584,468	6,658,551
<b>Total</b>	<b>Tk.</b>	<b>1,851,048,045</b>	<b>1,724,919,387</b>

<b>16. Consolidated Administrative Overhead: Tk.</b>	<b>194,524,382</b>		
Salary and Allowances		89,069,778	91,713,568
Directors' Remuneration		32,336,217	29,963,067
Overseas Travelling		35,637,784	25,800,660
Vehicles Running & Maintenance		6,864,981	7,671,219
Fees & Subscription		4,376,534	10,168,524
Rental Expenses		9,777,736	9,758,709
Office Consumable Expense		1,212,820	2,081,993
Electricity, Gas & Water		2,066,363	2,786,162
Software & Hardware Support Expenses		1,808,920	1,822,028
Head Office Employees' Free Lunch		1,810,881	982,523
Annual General Meeting Expenses		1,331,643	356,970
Other Expenses		8,230,725	5,388,452
<b>Total</b>	<b>Tk.</b>	<b>194,524,382</b>	<b>188,493,875</b>

<b>17. Consolidated Selling &amp; Distribution Overhead: Tk.</b>	<b>15,169,005</b>		
Export Sale Expenses		11,888,548	6,755,894
Loading & unloading		3,280,457	3,598,214
<b>Total</b>	<b>Tk.</b>	<b>15,169,005</b>	<b>10,354,108</b>

<b>18. Finance Cost: Tk.</b>	<b>295,198,361</b>		
Interest on Short Term Loan		295,198,361	176,075,785
	<b>Tk.</b>	<b>295,198,361</b>	<b>176,075,785</b>

During the period Finance cost increased by BDT 11.91 (67.65%) crore due to Investment for new VORTEX Yarn project at Habiganj by around BDT 190 crore and Investment for R&D with Fiber Dyeing unit by around BDT 50 crore .

	July to March 2019-2020	July to March 2018-2019
<b>19. Earnings Per Share (EPS):</b>		
The Computation is given below:		
Earning attributable to Ordinary Shares including other income	234,236,924	355,691,529
Number of Ordinary shares	197,252,000	197,252,000
<b>Earnings Per Share</b>	<b>Tk. 1.19</b>	<b>1.80</b>

During the period EPS decreased by BDT 0.61 (33.89%) due to increase of Finance Cost as well as increase of Cotton price in international market.

#### 19.01. Net Asset Value (NAV) Per Share:

The Computation is given below:

Equity Attributable to the Owners of the Company	Tk. 7,338,490,371	7,498,757,447
Number of Ordinary shares	197,252,000	197,252,000
<b>Net Asset Value (NAV) Per Share</b>	<b>Tk. 37.20</b>	<b>38.02</b>

#### 19.02. Net Operating Cash flows per Share (NOCFPS):

The Computation is given below:

Net Cash Generated (Used in) from Operating Activities	Tk. 634,184,882	(392,891,335)
Number of Ordinary shares	197,252,000	197,252,000
<b>Net Operating Cash flows per Share (NOCFPS)</b>	<b>Tk. 3.22</b>	<b>(1.99)</b>

#### 19.03. Reconciliation of Net Profit with Cash Flows from Operating Activities:

The Computation is given below:

<b>Profit After Tax</b>	<b>234,784,159</b>	<b>357,071,057</b>
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**Adjustment to reconcile net profit to net cash provided by operating activities :**

<b>Non-cash Expenses:</b>	<b>440,041,923</b>	<b>392,322,165</b>
Depreciation	428,414,652	365,997,464
Deferred Tax	11,627,271	26,324,701

#### Non-Operating Items:

	<b>110,754,045</b>	<b>7,097,013</b>
Interest Expenses/ (Income) on Sister Company Loan	113,323,491	8,469,813
Net effect of foreign currency translation	(2,569,446)	(1,372,800)

#### Changes in working Capital:

	<b>(151,395,245)</b>	<b>(1,149,381,570)</b>
(Increase)/Decrease in Inventories	41,919,400	(1,150,405,341)
(Increase)/Decrease in Accounts Receivable	(215,744,691)	(107,148,849)
(Increase)/Decrease in Advances, Deposits & Prepayments	(68,073,879)	98,078,524
Increase/(Decrease) in Creditors & Other Payables	32,103,586	(39,886,599)
Increase/(Decrease) in Liabilities for Others Finance	13,438,130	12,381,888
Increase/(Decrease) in Income Tax Payable	44,962,209	37,598,807

<b>Net Cash Generated (Used in) from Operating Activities</b>	<b>634,184,882</b>	<b>(392,891,335)</b>
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**20. Regarding Consolidated Net Operating Cash Flows per Share:**

The business (100% export oriented spinning industry) operation is volatile and realization from debtors (100% confirmed back to back LC) also very positively co-related with this, but all import payments should be made as per provision of UCPDC-600, resultant, the per share operating cash flows fluctuates from quarter to quarter, which is very common for the spinning business trend.

**21. 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.

The business operation has stopped on 29th March 2020 in accordance with the Government Circular 05.00.0000.173.08.014.07-72 dated 24th March 2020. This (lock down due to COVID-19) interruption in operation may have negative impact in business performance but it is yet to measure for this financials. It is a force majeure situation due to COVID-19.

# SQUARE Textiles Limited

## Statement of Financial Position (Unaudited)

As at March 31, 2020

Particulars	Notes	31-Mar-20 Taka	30-Jun-19 Taka
<b>ASSETS:</b>			
<b>Non-Current Assets</b>		<b>7,053,165,381</b>	<b>6,557,711,203</b>
Property, Plant & Equipment- Carrying Value	02	5,057,615,913	5,374,733,212
Capital Work In Progress	02.01	1,506,215,589	693,644,112
Investment - Long Term (At Cost)		489,333,879	489,333,879
<b>Current Assets</b>		<b>6,732,724,212</b>	<b>6,396,837,207</b>
Inventories	03	2,809,890,495	2,821,819,716
Accounts Receivable	04	3,187,273,914	2,993,583,494
Advances, Deposits & Prepayments	05	333,282,938	264,470,342
Short Term Loan	06	187,142,455	161,617,019
Cash & Cash Equivalents	07	215,134,410	155,346,636
<b>TOTAL ASSETS</b>		<b>13,785,889,593</b>	<b>12,954,548,410</b>
<b>SHAREHOLDERS' EQUITY &amp; LIABILITIES:</b>			
<b>Shareholders' Equity</b>		<b>7,053,757,490</b>	<b>7,224,422,027</b>
Share Capital		1,972,520,000	1,972,520,000
Retained Earnings		5,081,237,490	5,251,902,027
<b>Non-Current Liabilities</b>			
Deferred Tax Liability	08	245,963,151	235,701,174
<b>Current Liabilities &amp; Provisions</b>		<b>6,486,168,952</b>	<b>5,494,425,209</b>
Short Term Bank Loan (Secured)	09	3,151,967,012	3,055,112,511
Creditors & Other Payables	10	96,783,758	64,229,574
Liabilities for Others Finance	11	148,280,580	135,543,502
Short Term Loan	12	2,977,384,144	2,168,788,505
Provision for Income Tax	13	111,753,458	70,751,117
<b>TOTAL SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>		<b>13,785,889,593</b>	<b>12,954,548,410</b>
<b>Net Asset Value Per Share</b>	<b>24.01</b>	<b>35.76</b>	<b>36.63</b>

Attached notes form parts of these Financial Statements.

Tapan Chowdhury  
Chairman

Ratna Patra  
Vice Chairman

Samuel S Chowdhury  
Managing Director

M. Habibur Rahman  
Chief Financial Officer

Sanjib Baran Roy  
Company Secretary

# SQUARE Textiles Limited

## Statement of Profit or Loss and Other Comprehensive Income (Unaudited) For the 3rd Quarter Ended March 31, 2020

Particulars	Notes	Nine Months Results (Tk)		Third Quarter Results (Tk)	
		July to Mar 2019-20	July to Mar 2018-19	Jan to Mar 2019-20	Jan to Mar 2018-19
Sales Revenue	14	7,198,945,614	5,787,217,216	2,293,612,186	2,197,669,153
Cost of Goods Sold	15	6,453,901,171	5,133,023,540	2,059,451,313	1,927,846,192
<b>Gross Profit</b>		<b>745,044,443</b>	<b>654,193,676</b>	<b>234,160,873</b>	<b>269,822,961</b>
Administrative Overhead	16	174,467,097	159,612,058	53,235,910	58,658,251
Selling and Distribution Overhead	17	12,795,701	7,998,862	5,299,479	2,776,671
<b>Profit from Operations</b>		<b>557,781,645</b>	<b>486,582,756</b>	<b>175,625,484</b>	<b>208,388,039</b>
Finance Cost	18	282,722,728	156,906,644	104,378,523	65,960,876
Non-Operating Income	19	13,800,053	6,239,575	5,892,690	2,750,178
<b>Profit Before W.P.P.F &amp; W.F</b>		<b>288,858,970</b>	<b>335,915,687</b>	<b>77,139,651</b>	<b>145,177,341</b>
Allocation for W.P.P.F & W.F		13,755,189	15,995,985	3,673,317	6,913,207
<b>Profit Before Tax</b>		<b>275,103,781</b>	<b>319,919,702</b>	<b>73,466,334</b>	<b>138,264,134</b>
Provision for Tax (Current)		41,002,341	19,744,315	3,800,732	17,763,099
Provision for Tax (Deferred)		10,261,977	28,867,598	3,268,949	3,251,539
<b>Profit After Tax for The Period</b>		<b>223,839,463</b>	<b>271,307,789</b>	<b>66,396,653</b>	<b>117,249,496</b>

(Transferred to the Statement of Changes in Equity)

<b>Earnings Per Share (EPS)</b>	<b>24</b>	<b>1.13</b>	<b>1.38</b>	<b>0.34</b>	<b>0.59</b>
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Attached notes form parts of these Financial Statements.

Tapan Chowdhury  
Chairman

Ratna Patra  
Vice Chairman

Samuel S Chowdhury  
Managing Director

M. Habibur Rahman  
Chief Financial Officer

Sanjib Baran Roy  
Company Secretary

# SQUARE Textiles Limited

## Statement of Changes in Equity (Unaudited) For the 3rd Quarter Ended March 31, 2020

Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2019	1,972,520,000	5,251,902,027	7,224,422,027
Net Profit For the 3rd Quarter Ended March 31, 2020	-	223,839,463	223,839,463
Cash Dividend for 2018-19	-	(394,504,000)	(394,504,000)
Stock Dividend for 2018-19	-	-	-
<b>Balance As at March 31, 2020</b>	<b>1,972,520,000</b>	<b>5,081,237,490</b>	<b>7,053,757,490</b>

## Statement of Changes in Equity (Unaudited) For the 3rd Quarter Ended March 31, 2019

Particulars	Share Capital	Retained Earnings	Total
Balance as at June 30, 2018	1,878,590,480	3,507,443,052	5,386,033,532
Net Profit For the 3rd Quarter Ended March 31, 2019	-	271,307,789	271,307,789
Cash Dividend for 2017-18	-	(375,718,096)	(375,718,096)
Stock Dividend for 2017-18	93,929,520	(93,929,520)	-
Balance from Amalgamation of SQUARE Yarns Ltd.	-	1,867,644,611	1,867,644,611
<b>Balance As at March 31, 2019</b>	<b>1,972,520,000</b>	<b>5,176,747,836</b>	<b>7,149,267,836</b>

Tapan Chowdhury  
Chairman

Ratna Patra  
Vice Chairman

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Managing Director

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Chief Financial Officer

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Company Secretary

# SQUARE Textiles Limited

## Statement of Cash flows (Unaudited) For the 3rd Quarter Ended March 31, 2020

Particulars	Amount (Tk)	
	July to March 2019-20	July to March 2018-19
<b>Cash Flows from Operating Activities:</b>		
Receipts from Sales Revenue	7,005,255,194	5,668,730,674
Exchange Fluctuation Gain (Realization from Transection)	6,219,311	1,607,643
Receipts from Other Income	238,681	201,661
<b>Total Receipts</b>	<b>7,011,713,186</b>	<b>5,670,539,978</b>
Payments to Suppliers	(4,728,694,286)	(4,832,948,488)
Paid for Operating & Non-operating Expenses	(1,494,221,763)	(1,131,478,661)
Interest Expenses Paid	(158,193,470)	(125,643,515)
Income Tax Paid	(70,673,285)	(34,637,923)
<b>Total Payments</b>	<b>(6,451,782,804)</b>	<b>(6,124,708,587)</b>
<b>Net Cash Generated (Used in) from Operating Activities</b>	<b>559,930,382</b>	<b>(454,168,609)</b>
<b>Cash Flows from Investing Activities:</b>		
Sales (Purchase) of Property, Plant & Equipment	(879,581,883)	(1,081,324,204)
Paid for Non controlling Interest for Merger of SYL	-	(9,287,050)
<b>Net Cash Generated (Used in) from Investing Activities</b>	<b>(879,581,883)</b>	<b>(1,090,611,254)</b>
<b>Cash Flows from Financing Activities:</b>		
Short Term Bank Loan Received/ (Repaid)	96,854,501	560,478,246
Short Term Loan from/ (To) Sister Company	674,617,332	1,085,488,407
Payment of Dividend	(394,504,000)	(375,718,096)
<b>Net Cash Generated (Used in) from Financing Activities</b>	<b>376,967,833</b>	<b>1,270,248,557</b>
<b>Increase/ (Decrease) in Cash &amp; Cash Equivalents</b>	<b>57,316,332</b>	<b>(274,531,306)</b>
<b>Net effect of foreign currency translation</b>	<b>2,471,442</b>	<b>1,132,638</b>
<b>Opening Cash &amp; Cash Equivalents</b>	<b>155,346,636</b>	<b>437,376,799</b>
<b>Cash Balance of SYL from Merger</b>	<b>-</b>	<b>63,710,180</b>
<b>Closing Cash &amp; Cash Equivalents</b>	<b>215,134,410</b>	<b>227,688,311</b>
<b>Net Operating Cash flows per Share</b>	<b>2.84</b>	<b>(2.30)</b>

Tapan Chowdhury  
Chairman

Ratna Patra  
Vice Chairman

Samuel S Chowdhury  
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Chief Financial Officer

Sanjib Baran Roy  
Company Secretary

# SQUARE Textiles Limited

## Notes to the Interim Financial Statements (Unaudited) For The 3rd Quarter Ended March 31, 2020

### 01. Basis of preparation of the Interim Financial Statements:

These Financial Statements (They) are the unaudited interim Financial statement (here after 'the Interim Financial Statements') of Square Textiles Ltd. , for the 3rd Quarter Ended on March 31, 2020 (here after the interim period). They are prepared in accordance with the Bangladesh Accounting Standard (IAS-34) 'Interim Financial Reporting'. These financial statement should read in conjunction with the Annual Financial Statements as of June 30, 2019, as they provide an update of previous 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.

We understand that our business is growing every year that means our assets are performing according to intention of procurement and in sum up the discounted future cash flow from the operation of the assets would be positive if we dispose those assets at the date of financial reporting. But presently we have on intension to dispose these assets, so it is not required to record the impairment gain as provisions of IAS-36.

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

The Company has no reportable operating segments as per requirement of IFRS-8, "Operating Segments".

Figures have been rounded off to the nearest Taka.

	31-Mar-20	30-Jun-19
<b>02. Property, Plant &amp; Equipment: Tk.</b>	<b>5,057,615,913</b>	
'Details of Property, Plant & Equipment and Depreciation as at March 31, 2020 are as below:		
<b>Fixed Assets at Cost</b>		
Opening Balance	9,744,255,806	5,985,889,409
Balance of SYL after Merger	-	1,825,727,192
Addition during the Year	72,318,607	2,142,853,713
Sale/ Obsolete during the Year	(12,100,000)	(210,214,508)
<b>Closing Balance(Cost)</b>	<b>9,804,474,413</b>	<b>9,744,255,806</b>
<b>Accumulated Depreciation</b>		
Opening Balance	4,369,522,594	2,984,070,313
Balance of SYL after Merger	-	1,205,388,269
Charged during the Year	384,127,705	385,899,069
Adjustment for sale/Obsolete	(6,791,799)	(205,835,057)
	<b>4,746,858,500</b>	<b>4,369,522,594</b>
<b>Carrying Value</b>	<b>Tk. 5,057,615,913</b>	<b>5,374,733,212</b>



		<u>31-Mar-20</u>	<u>30-Jun-19</u>
<b>02.01. Capital Work In Progress: Tk.</b>	<b>1,506,215,589</b>		
Capital Work In Progress		1,506,215,589	693,644,112
<b>Tk.</b>		<b>1,506,215,589</b>	<b>693,644,112</b>

The amount of Capital Work In Progress includes cost of Fiber Dyeing project at Habiganj, R&D Project and some BMRE activities.

<b>03. Inventories: Tk.</b>	<b>2,809,890,495</b>		
<b>Stocks of Raw Materials</b>		<b>2,570,900,230</b>	<b>2,587,607,181</b>
Raw Materials		2,104,826,469	2,157,356,247
Raw Materials In Transit		66,704,157	95,897,741
Packing Materials		20,122,940	17,022,366
Work - in - process		100,839,718	118,430,636
Finished Goods		278,406,946	198,900,191
<b>Stocks of Spares</b>		<b>238,990,265</b>	<b>234,212,535</b>
Spares at Store		236,788,203	227,623,673
Spares in Transit		2,202,062	6,588,862
<b>Tk.</b>		<b>2,809,890,495</b>	<b>2,821,819,716</b>

<b>04. Accounts Receivable: Tk.</b>	<b>3,187,273,914</b>		
Aging of the above balance is as follows:			
Below 60 days		1,546,923,246	1,384,809,142
Within 61-120 days		1,160,139,240	1,181,647,848
Above 120 days		480,211,428	427,126,504
<b>Tk.</b>		<b>3,187,273,914</b>	<b>2,993,583,494</b>

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

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

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

<b>05. Advances, Deposits &amp; Prepayments: Tk.</b>	<b>333,282,938</b>		
<b>This is made up of the followings:</b>			
<b>Advance</b>		<b>226,675,032</b>	<b>193,246,899</b>
Income Tax		114,310,776	43,637,491
Salary & PF Current account		1,349,021	1,181,000
Other Expenses		15,383,452	17,173,605
Suppliers & Contractor		95,631,783	131,254,803
<b>Deposits</b>		<b>106,607,906</b>	<b>71,223,443</b>
Security Deposit		95,491,362	63,127,583
Margin on Bank Guarantee		11,116,544	8,095,860
<b>Tk.</b>		<b>333,282,938</b>	<b>264,470,342</b>

<b>06. Short Term Loan (Unsecured): Tk.</b>	<b>187,142,455</b>		
Loan To (From) Square Texcom Ltd.		187,142,455	161,617,019
<b>Short Term Loan Given</b>	<b>Tk.</b>	<b>187,142,455</b>	<b>161,617,019</b>

		31-Mar-20	30-Jun-19
<b>07. Cash &amp; Cash Equivalents: Tk.</b>	<b>215,134,410</b>		
This is made up of the followings:			
Cash in hand		7,647,502	4,717,640
Cash at Bank		207,486,908	150,628,996
	<b>Tk.</b>	<b>215,134,410</b>	<b>155,346,636</b>
<b>08. Deferred Tax Liability: Tk.</b>	<b>245,963,151</b>		
Opening Balance		235,701,174	128,579,505
Deferred tax Liabilities of SYL after Merger		-	53,533,688
Deferred tax Liabilities		10,261,977	53,587,981
<b>Closing Balance</b>	<b>Tk.</b>	<b>245,963,151</b>	<b>235,701,174</b>

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

**a) Deferred Tax Liability is arrived at as follows:**

Carrying Value of Depreciable Fixed Assets	4,381,621,096	4,734,224,195
Less: Tax Base Carrying Value	(2,741,866,754)	(3,162,883,038)
<b>Taxable Temporary Difference</b>	<b>1,639,754,342</b>	<b>1,571,341,157</b>
Tax Rate	15.00%	15.00%
<b>Closing Deferred Tax Liability</b>	<b>245,963,151</b>	<b>235,701,174</b>
Less: Opening Deferred Tax Liability	(235,701,174)	(128,579,505)
Less: Deferred tax Liabilities of SYL after Merger	-	(53,533,688)
<b>Deferred Tax (Income) / Expense</b>	<b>10,261,977</b>	<b>53,587,981</b>

We don't have any other assets or liabilities except fixed assets for provision of Deferred Tax liabilities to present in details form for unused tax losses and unused tax credits.

<b>09. Short Term Bank Loan (Secured): Tk.</b>	<b>3,151,967,012</b>		
Bank Overdraft		14,479,404	15,264
Revolving Loan		800,000,000	800,000,000
Loan ag. Export Bill Discount		265,906,601	616,960,527
Deferred LC Loan		2,071,581,007	1,638,136,720
	<b>Tk.</b>	<b>3,151,967,012</b>	<b>3,055,112,511</b>

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

<b>10. Creditors &amp; Others Payable: Tk.</b>	<b>96,783,758</b>		
Creditors & Others Payable		96,783,758	64,229,574
		<b>96,783,758</b>	<b>64,229,574</b>

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

<b>11. Liabilities for Other Finance: Tk.</b>	<b>148,280,580</b>		
Retention Money		238,218	238,218
WPPF & Other Fund		13,755,189	21,795,531
Provision for Gratuity		30,026,145	30,026,145
Others		104,261,028	83,483,608
	<b>Tk.</b>	<b>148,280,580</b>	<b>135,543,502</b>

<b>12. Short Term Loan: Tk.</b>	<b>(2,977,384,144)</b>		
Loan To (From) Sqaure Pharma. Ltd.		(2,977,384,144)	(2,168,788,505)
<b>Short Term Loan Received</b>	<b>Tk.</b>	<b>(2,977,384,144)</b>	<b>(2,168,788,505)</b>

	31-Mar-20	30-Jun-19
<b>13. Provision for Income Tax: Tk.</b>	<b>111,753,458</b>	
Opening Balance	70,751,117	92,031,901
Provision for tax Liabilities of SYL after Merger	-	101,744,149
Adjustment with Advance Tax	-	(158,885,586)
Current Year Provision	41,002,341	35,860,653
<b>Closing Balance</b>	<b>Tk. 111,753,458</b>	<b>70,751,117</b>

Source Tax Deducted under some clauses of section 53 of Income Tax Ordinance 1984 for Tk. 41,002,341 that is higher than the usual computed tax of Tk. 32,383,595 (i.e. regular tax effect on profit margin). Under Income Tax Ordinance 1984 as this Advance Source Tax is not eligible for tax rebate or refund under section 82(C) and which should be treated as final discharge of tax expense.

	July to March 2019-2020	July to March 2018-2019
<b>14. Sales Revenue: Tk.</b>	<b>7,198,945,614</b>	
Export Sale of Yarns	7,198,945,614	5,787,217,216
<b>Tk.</b>	<b>7,198,945,614</b>	<b>5,787,217,216</b>

During the period sales increased by BDT 141.17 (24.39%) crore due to incremental production in Vortex project at Habiganj and inclusion operational result of Square Yarns Limited after merger.

<b>15. Cost of Goods Sold: Tk.</b>	<b>6,453,901,171</b>	
This is arrived as follows:		
Raw Materials Consumed	4,787,527,073	3,809,208,428
Factory Overhead (Note: 15.01)	1,666,374,098	1,323,815,112
<b>Cost of Goods Sold</b>	<b>Tk. 6,453,901,171</b>	<b>5,133,023,540</b>

During the period Raw Material cost increased by BDT 97.83 (25.68%) crore due to incremental production as well as increase of cotton price in international market.

<b>15.01. Factory Overhead: Tk.</b>	<b>1,666,374,098</b>	
Factory Wages, Salary & Allowances	559,254,943	435,630,653
Production Workers' Free Lunch	3,045,548	2,149,281
Fuel, Petrol, Light, Diesel etc.	30,572,428	40,061,577
Electricity, Gas & Water	461,936,133	395,369,785
Factory Consumable Expense	29,315,394	27,011,300
Repairs & Maintenance of Vehicles	11,714,277	9,253,326
Industrial All Risk Insurance Premium	10,756,228	8,765,237
Govt. Tax, VAT & License Fees	430,549	2,318,469
Security Services	18,552,117	13,649,217
Spare Parts - Machinery	148,062,219	119,438,489
Depreciation	384,127,705	264,928,895
Other Overhead	8,606,557	5,238,883
<b>Total</b>	<b>Tk. 1,666,374,098</b>	<b>1,323,815,112</b>

		July to March 2019-2020	July to March 2018-2019
<b>16. Administrative Overhead: Tk.</b>	<b>174,467,097</b>		
Salary and Allowances		75,927,580	73,141,900
Directors' Remuneration		32,336,217	29,963,067
Overseas Travelling		30,620,498	18,750,910
Vehicles Running & Maintenance		6,464,860	7,024,801
Fees & Subscription		3,967,012	9,691,731
Rental Expenses		9,777,736	9,656,709
Office Consumable Expense		1,124,572	1,842,186
Electricity, Gas & Water		2,066,363	2,363,842
Software & Hardware Support Expenses		1,585,724	1,441,570
Head Office Employees' Free Lunch		1,755,366	937,723
Annual General Meeting Expenses		1,331,643	356,970
Other Expenses		7,509,526	4,440,649
<b>Total</b>	<b>Tk.</b>	<b>174,467,097</b>	<b>159,612,058</b>

<b>17. Selling &amp; Distribution Overhead: Tk.</b>	<b>12,795,701</b>		
This is arrived as follows:			
Export Sale Expenses		10,325,676	4,973,390
Loading & unloading		2,470,025	3,025,472
<b>Total</b>	<b>Tk.</b>	<b>12,795,701</b>	<b>7,998,862</b>

<b>18. Finance Cost: Tk.</b>	<b>282,722,728</b>		
Interest on Short Term Loan		282,722,728	156,906,644
	<b>Tk.</b>	<b>282,722,728</b>	<b>156,906,644</b>

During the period Finance cost increased by BDT 12.58 (80.19%) crore due to Investment for new VORTEX Yarn project at Habiganj by around BDT 190 crore and Investment for R&D with Fiber Dyeing unit by around BDT 50 crore .

<b>19. Non-Operating Income: Tk.</b>	<b>13,800,053</b>		
Interest Income		5,109,301	3,499,294
Forex Exchange Rate Fluctuation Gain/ (Loss)		8,690,752	2,740,281
	<b>Tk.</b>	<b>13,800,053</b>	<b>6,239,575</b>

## **20. Key Management Personnel Compensation:**

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

Short Term Employee Benefits	93,820,031	85,865,817
Post Employment Benefits	10,612,989	14,431,845
Other Long Term Benefits	-	-
Termination Benefits	-	-
Share Based Payment	-	-

	31-Mar-20	30-Jun-19
<b>21. Related Party Transaction:</b>		
During the year, the Company carried out a number of transactions with related parties in the normal course of business and on an arms' length basis. The name of related parties, nature of relationship and their total value have been set out in accordance with the provisions of IAS 24: Related Party Disclosure.		
<b>01. Transaction with Sqaure Pharma. Ltd. (SPL):</b>		
Opening Balance	(2,168,788,505)	(1,385,741)
Total Received	(2,514,969,589)	(3,060,221,075)
Total Paid	1,706,373,950	892,818,311
<b>Closing Balance- Receivable/ (Payable)</b>	<b>Tk. (2,977,384,144)</b>	<b>(2,168,788,505)</b>
<b>02. Transaction with Square Texcom Ltd. (STCL):</b>		
Opening Balance	161,617,019	123,843,099
Total Paid	98,694,367	167,830,393
Total Received	(73,168,931)	(130,056,473)
<b>Closing Balance- Receivable/ (Payable)</b>	<b>Tk. 187,142,455</b>	<b>161,617,019</b>
<b>03. Transaction with Aegis Services Ltd. (ASL):</b>		
Opening Balance	-	-
Total Service Received	16,577,428	(14,459,802)
Total Paid	(17,617,012)	14,459,802
<b>Closing Balance- Receivable/ (Payable)</b>	<b>Tk. (1,039,584)</b>	<b>-</b>
<b>04. Transaction with Square Informatix Ltd. (SIL):</b>		
Opening Balance	-	-
Total Service Received	(3,677,822)	(4,634,990)
Total Paid	3,638,340	4,634,990
<b>Closing Balance- Receivable/ (Payable)</b>	<b>Tk. (39,482)</b>	<b>-</b>
<b>05. Transaction with Square Hospitals Ltd. (SHL):</b>		
Opening Balance	-	-
Total Service Received	(532,008)	(1,443,070)
Total Paid	532,008	1,443,070
<b>Closing Balance- Receivable/ (Payable)</b>	<b>Tk. -</b>	<b>-</b>
<b>06. Transaction with Square Fashions Ltd. (SFL):</b>		
Opening Balance	319,233,143	188,198,985
Total Goods Delivered	625,932,481	772,068,618
Total Received	(577,039,040)	(641,034,460)
<b>Closing Balance- Receivable/ (Payable)</b>	<b>Tk. 368,126,584</b>	<b>319,233,143</b>
<b>07. Transaction with Square Denims Ltd. (SDL):</b>		
Opening Balance	175,953,745	165,897,570
Total Goods Delivered	312,596,348	361,481,737
Total Received	(329,224,052)	(351,425,562)
<b>Closing Balance- Receivable/ (Payable)</b>	<b>Tk. 159,326,041</b>	<b>175,953,745</b>
<b>08. Transaction with Square Apparels Ltd. (SAPL):</b>		
Opening Balance	105,560,271	133,407,637
Total Goods Delivered	298,631,067	96,308,921
Total Received	(275,228,129)	(124,156,287)
<b>Closing Balance- Receivable/ (Payable)</b>	<b>Tk. 128,963,209</b>	<b>105,560,271</b>

## 22. Contingent Liability:

Contingent Liability of the Company was Tk. 82.67 Crore as on March 31, 2020 for opening LCs by the banks in favour of foreign suppliers for raw materials and spares.

## 23. 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.

The business operation has stopped on 29th March 2020 in accordance with the Government Circular 05.00.0000. 173.08.014.07-72 dated 24th March 2020. This (lock down due to COVID-19) interruption in operation may have negative impact in business performance but it is yet to measure for this financials. It is a force majeure situation due to COVID-19.

	July to March 2019-2020	July to March 2018-2019
<b>24. Earnings Per Share (EPS):</b>		
The Computation is given below:		
Earning attributable to Ordinary Shares		
including other income	Tk. 223,839,463	271,307,789
Number of Ordinary shares	197,252,000	197,252,000
<b>Earnings Per Share</b>	<b>Tk. 1.13</b>	<b>1.38</b>

During the period EPS decreased by BDT 0.25 (18.12%) due to increased of production cost and finance cost.

#### 24.01. Net Asset Value (NAV) Per Share:

The Computation is given below:

Equity Attributable to the Owners of the Company	Tk. 7,053,757,490	7,224,422,027
Number of Ordinary shares	197,252,000	197,252,000
<b>Net Asset Value (NAV) Per Share</b>	<b>Tk. 35.76</b>	<b>36.63</b>

#### 24.02. Net Operating Cash flows per Share (NOCFPS):

The Computation is given below:

Net Cash Generated (Used in) from Operating Activities	Tk. 559,930,382	(454,168,609)
Number of Ordinary shares	197,252,000	197,252,000
<b>Net Operating Cash flows per Share (NOCFPS)</b>	<b>Tk. 2.84</b>	<b>(2.30)</b>

#### 24.03. Reconciliation of Net Profit with Cash Flows from Operating Activities:

The Computation is given below:

<b>Profit After Tax</b>	<b>223,839,463</b>	<b>271,307,789</b>
<b>Adjustment to reconcile net profit to net cash provided by operating activities :</b>		
<b>Non-cash Expenses:</b>	<b>394,389,682</b>	<b>293,796,493</b>
Depreciation	384,127,705	264,928,895
Deferred Tax	10,261,977	28,867,598
<b>Non-Operating Items:</b>	<b>105,981,429</b>	<b>7,208,415</b>
Interest Expenses/ (Income) on Sister Company Loan	108,452,871	8,341,053
Net effect of foreign currency translation	(2,471,442)	(1,132,638)
<b>Changes in working Capital:</b>	<b>(164,280,192)</b>	<b>(1,026,481,306)</b>
(Increase)/Decrease in Inventories	11,929,221	(1,027,900,185)
(Increase)/Decrease in Accounts Receivable	(193,690,420)	(118,486,542)
(Increase)/Decrease in Advances, Deposits & Prepayments	(68,812,596)	109,872,724
Increase/(Decrease) in Creditors & Other Payables	32,554,184	(23,029,305)
Increase/(Decrease) in Liabilities for Others Finance	12,737,078	13,317,686
Increase/(Decrease) in Income Tax Payable	41,002,341	19,744,316
<b>Net Cash Generated (Used in) from Operating Activities</b>	<b>559,930,382</b>	<b>(454,168,609)</b>

#### 25. Regarding Net Operating Cash Flows per Share:

The business (100% export oriented spinning industry) operation is volatile and realization from debtors (100% confirmed back to back LC) also very positively co-related with this, but all import payments should be made as per provision of UCPDC-600, resultant, the per share operating cash flows fluctuates from quarter to quarter, which is very