ARGON

ARGON DENIMS LIMITED



Competence
and Reliability
is our motto

ANNUAL REPORT 2016-2017



ANNUAL REPORT 2016-2017

ARGON

ARGON DENIMS LIMITED

Lotus Kamal Tower ONE (Level-6), 57 Joar Sahara C/A, Nikunja 2, New Airport Road, Dhaka-1229
Phone: +88 02-8900781-3, +88 02-8900870-4, Fax:+88 02-8900784, Email: info@argondenims.com. www.argondenims.com

MISSION

To be the most admired company in the textile industry of Bangladesh by producing and supplying quality products to customers at competitive prices while following ethical business processes so that the stakeholders and society at large are benefited.

VISION

- To gain market leadership in the denim fabric manufacturing industry.
- Use innovation and speed as the driving factor for progress.
- To produce various type of premium denim fabrics for global retailers and brands.
- To be a good corporate citizen.
- Ensure environment friendly and ethical process flow.

OBJECTIVES

- To grow continuously and ensure a fair return to the shareholders.
- To ensure that the return on investment is above the industry norm.
- To ensure development of skills and human resources.
- To contribute significantly to the national economy.

STRENGTHS

- Sound Infrastructure
- State of Art Machinery
- Quality Product
- Increase in production capacity
- Experienced Management team
- Committed work force
  - Design and Development base
  - Consistent growth

OPPORTUNITIES

- Meet the increase in demand
- Increase the Production facilities.
- Explore new markets
- Create new designs



AMAR STOCK

ANNUAL REPORT 2016-2017

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AMSTOCK

LETTER OF TRANSMITTAL

All Shareholders
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies and Firms
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited

SUB: ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE, 2017

Dear Sirs,

We are pleased to enclose a copy of the Annual Report together with the Audited Financial Statements comprising Financial Position as at June 30, 2017 and Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June, 2017 along with notes thereon of Argon Denims Limited for your reference and record.

Yours truly,

Md. Moniruzzaman Bhuiyan
Company Secretary

AMAI STOCK

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 11th Annual General Meeting of Argon Denims Limited will be held on Monday, 30 October 2017 at 10:30 a.m. at International Convention City Bashundhara (ICCB) Hall-1 (Gulnaksha), Kuril Bishwa Road (Beside 300 Ft. Road) Purbachal Express Highway, Dhaka-1229 to transact the following business:

AGENDA

1. **Reports and Financial Statements**
   To receive, consider and adopt the Financial Statements and the Reports of the Directors and Auditors of the Company for the year ended 30 June 2017
2. **Dividends**
   To declare dividends for the year ended 30 June 2017 as recommended by the Board of Directors
3. **Election of Directors**
   To appoint Auditors and to fix their remuneration
4. **Appointment of Auditors**
   To appoint Auditors and to fix their remuneration

Md. Moniruzzaman Bhuiyan
Company Secretary
Dhaka. 10 October, 2017

NOTES:

1. The Record Date is 12 October 2017. Shareholders whose names will appear in the Register of Members or in the Depository Register on the Record Date will be eligible to attend the AGM and qualify for Dividend.
2. A member eligible to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. The Proxy form duly stamped with a revenue stamp of Tk. 20/- must be deposited at the Operational Office of the Company (Lotus Kamal Tower- ONE, Level-6, 57 Joar Sahara, C/A, Nikunja-2, New Airport Road, Dhaka-1229) not less than 48 hours before the time fixed for the AGM.
3. Admission to the meeting will be only on production of the attendance slip attached with the Annual Report.
4. The Annual report, Proxy Forms and Attendance Slip are also available in the website at www.argondenims.com
5. **No gift or benefit in cash or kind shall be paid to the holders of equity securities in terms of Clause (c) of the Notification No. SEC/SRMI/2000-953/1950 dated 24 October 2000 for attending the AGM of the Company.**
6. The concerned brokerage houses & merchant bankers are requested to provide us with a statement with the details (shareholders name, BO ID number, e-TIN number, gross dividend receivable, applicable tax rate, and net dividend receivable) of their margin loan holders who hold shares of the Company as on the Record Date, along with the name of the contact person in this connection. The brokerage houses & merchant bankers are also requested to provide us with their Bank Account Name, number, routing number etc. on or before October 19, 2017.
7. The concerned trusty board of approved superannuation fund or pension fund or gratuity fund or recognize provided fund or workers participation fund are requested to provide us update tax rebate certificate on or before October 19, 2017.

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CORPORATE DIRECTORY

Board of Directors

Chairperson
Mrs. Shabnam Shehnaz Chowdhury

Managing Director
Anwar-ul Alam Chowdhury

Directors
Abu Kawser Majumder
A.K. Gouhor Rabbani
Md. Akhter Shahid
Shah Adeeb Chowdhury
Shah Rayeed Chowdhury
Faizul Hakim Khan (Independent Director)
Prof. Dr. Md. Hasibur Rashid (Independent Director)

Company Secretary
Md. Moniruzzaman Bhuiyan

Audit Committee
Faizul Hakim Khan (Chairman)
Mrs. Shabnam Shehnaz Chowdhury (Member)
A.K. Gouhor Rabbani (Member)
Md. Akhter Shahid (Member)

Chief Financial Officer
Md. Mustafa Kamal

Head of Internal Audit
A.K. M. Selim Reza

Auditors
M/s Pinaki & Co.
Chartered Accountants

Legal Advisor
Dr. M. Zahir & Associates

Bankers
ONE Bank Ltd.
Mercantile Bank Ltd.
Prime Bank Ltd.
BRAC Bank Ltd.

Insurer
Bangladesh General Insurance Co. Ltd

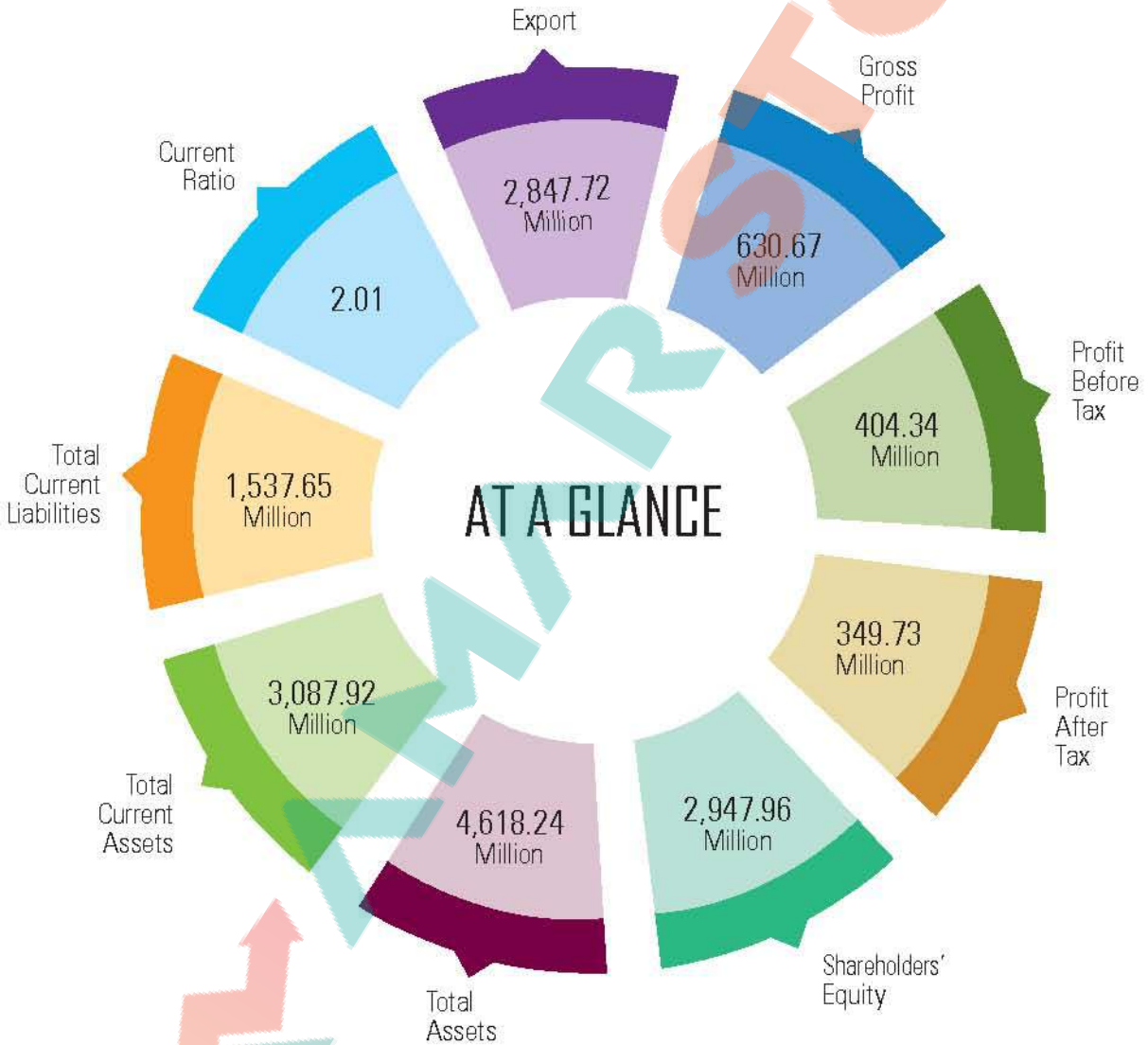
Registered Office
Plot-33, Section-7, Mirpur, Dhaka-1216

Operations Office
Lotus Kamal Tower ONE (Level-6)
57, Joar Shahara, Nikunja-2- C/A,
New Airport Road
Dhaka-1229

Factory
Vill/Mouza: Beraiderchala
P.O. Gilaberaid, P.S. Sreepur
Dist: Gazipur.

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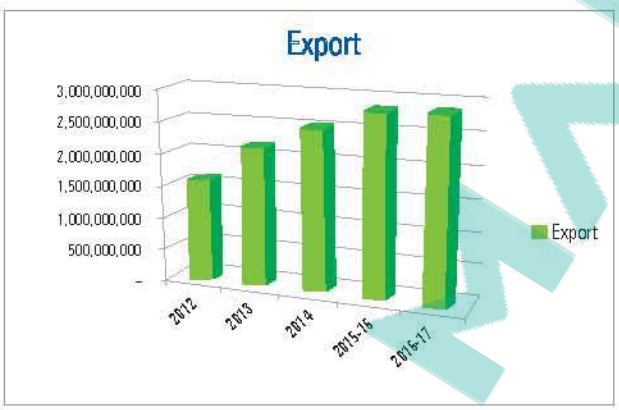
FINANCIAL HIGHLIGHTS



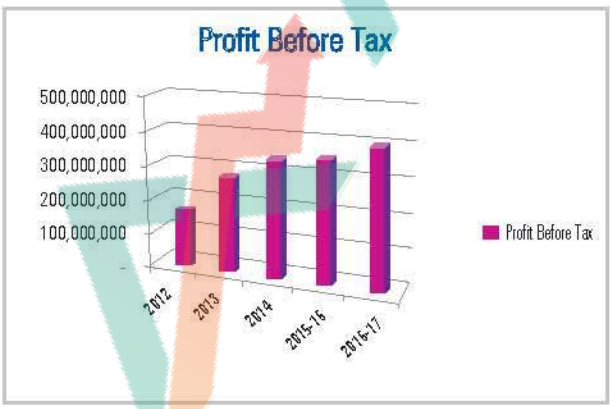
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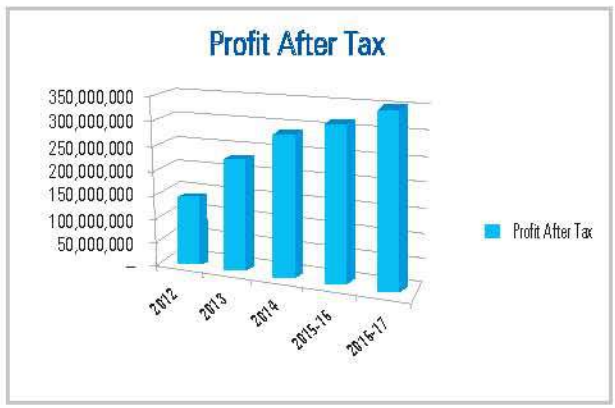
FINANCIAL HIGHLIGHTS

	2012	2013	2014	2015-2016	2016-2017
Export	1,588,441,173	2,171,292,501	2,521,265,296	2,819,612,516	2,847,715,899
Gross Profit	325,052,580	461,002,125	577,208,829	637,955,439	630,666,424
Profit Before Tax	171,264,348	285,421,916	353,457,192	368,126,728	404,336,137
Profit After Tax	135,923,070	226,839,435	287,461,724	313,473,458	349,729,413
Shareholders' Equity	1,757,250,229	1,991,577,984	2,235,533,534	2,692,473,596	2,947,957,747
Total Assets	5,000,936,073	3,832,899,539	4,065,681,263	4,521,407,941	4,618,239,664
Total Current Assets	3,266,756,549	2,048,762,103	2,394,742,650	2,922,055,294	3,087,924,753
Total Current Liabilities	3,026,795,513	1,714,881,619	1,716,320,277	1,714,064,476	1,537,646,995
Current Ratio	1.08	1.19	1.40	1.70	2.01







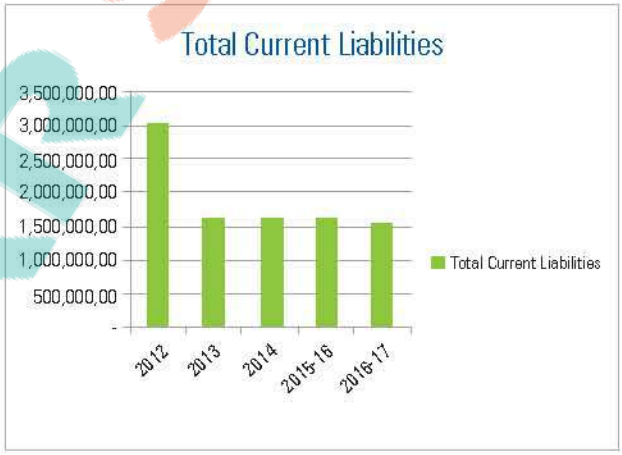


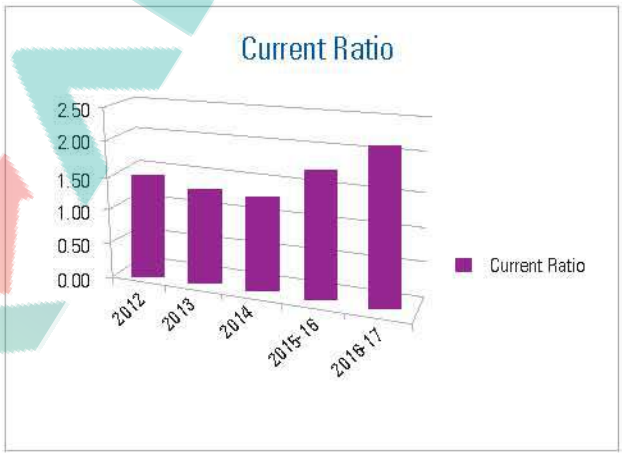
FINANCIAL HIGHLIGHTS











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THE COMPANY

Argon Denims Limited was incorporated as a Private Limited Company on 13 July, 2006 under the Companies Act 1994 with a paid up capital of Tk. 0.40 million which was subsequently increased to Tk. 100 million in 2010. In 2011 the total paid up capital increased to Tk. 300 million. It was converted into a Public Limited Company on 31 May, 2011. The IPO process was completed on 30 December, 2012 after holding the lottery and the total paid up capital increased to Tk. 600 million at the end of 2012. After issuance of stock dividend total paid up capital increase to Tk. 1,142.64 million at the year ended June 30, 2017.

The factory is situated at Sreepur in Gazipur district of Bangladesh. The commercial operations of the company started in March 2008 at a total project cost of Tk. 51.35 crore. The factory was set up with 36 looms along with separate Warping, Sizing and Dyeing Units, Finishing unit, own Power Generator and other necessary facilities. Subsequently 12 more air jet looms and separate Mercerizing units were added in 2010, 54 more looms were added in 2012 and March 2015 more 9 looms were added. At present there are 111 looms. Also there are 1 set Warping, 1set Dyeing and 1set Finishing Machine, along with the required utility facilities already installed.

Fabrics in 100% Cotton, Cotton Stretch, Cotton Polyester and Cotton Polyester Stretch are made in optics like Slub, Crosshatch, Mixed counts and Regular with various weaves like Plain, Twill, Broken Twill and Herringbone offered in different finishes like pre shrunk, flat, overdyed and coated. Our dyeing line is equipped for Light and Dark Indigo, Sulphur Black, SBIT, IBST with casts and colors.

The Company mainly produces medium and premium range denim fabrics in various weights ranging from 4.5 oz to 13 oz. The present monthly production capacity in for the year ended 30 June, 2017 was 1.75 million yards.

The fabrics produced at the factory are sold to different export oriented RMG factories through the nomination of foreign buyers of garments.

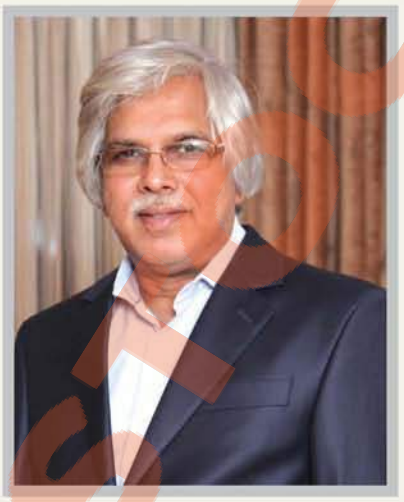
Advanced production equipment, strict quality control systems, robust sample development capability and well established design and marketing network contribute to our growing reputation in this industry. More and more branded enterprises appear in our customer's list.

THE BOARD OF DIRECTORS



Shabnam Shehnaz Chowdhury
Chairperson

Mrs. Shabnam Shehnaz Chowdhury, Chairperson of Argon Denims Limited, obtained Master's Degree from University of Dhaka. She has wide experience in Management, Procurement, HR and Internal Audit in the Garments and Textile sector. She holds shares of several organizations. She is associated with various cultural and philanthropic organizations.



Anwar-ul Alam Chowdhury
Managing Director

Mr. Anwar-ul Alam Chowdhury, Managing Director of Argon Denims Limited, is a dynamic professional businessman with more than 32 years of experience. He established his first venture "Evince Garments Limited" in 1983, and since then he, by dint of his leadership, has achieved a massive expansion in his business ventures - both vertically and horizontally. A number of companies have been set up during the process and all of those are running successfully.

He obtained his MBA from USA in 1983. He has been associated with the activities of Bangladesh Garments Manufacturers and Exporters Association (BGMEA) for over eleven years. He was the President of BGMEA during 2007-2008 and brought about significant improvements in the garments sector during his tenure as the President. He was also a Director of FBCCI.

Currently, he is a member of Dutch Bangla Chamber, Malaysia Bangladesh Chamber and Diabetic Association. Mr. Chowdhury is also associated with a number of social and philantrophic organizations.

In recognition of his services he has received "Desher Kagoj 2006 Award" and prestigious "Atish Dipankar 2008 Award".

THE BOARD OF DIRECTORS



Abu Kawser Majumder
Director

Mr. Abu Kawser Majumder obtained MBA from IBA, Dhaka University. He started his career in marketing discipline and worked in a large conglomerate of international repute. He is a good entrepreneur and a bonafide businessman. He joined Argon Denims Limited in 2006 and has an excellent track record of managing business units. His leadership qualities have been instrumental in the growth of Argon Denims Limited.



A.K. Gouhor Rabbani
Director

Mr. A.K. Gouhor Rabbani completed MBA from the Islamic University, Chittagong. He has gathered experience working with different internationally reputed Textile and Garments organization in the marketing and export arena. He is one of the experienced professional of Argon Denims Ltd and possesses more than 27 years working knowledge in Apparel and Textile fields. He has brilliant and mentionable contribution to the Industry and the company. Being a bonafide businessman he possesses shareholding in several industrial undertakings.

THE BOARD OF DIRECTORS



Md. Akhter Shahid
Director

Mr. Akther Shahid completed his Bachelor's Degree in 1983. He has worked in the marketing function all along and has a vast experience in this area. He joined Argon Denims Limited in 2006. He is responsible for the Merchandising function of the company and therefore plays a vital role in the negotiations with the buyers. He possesses share holdings in several industrial undertakings.



Shah Adeeb Chowdhury
Director

Mr. Shah Adeeb Chowdhury graduated from EIILM, Business School, Delhi, India. He joined the company immediately after his graduation and did his internship in different departments of the company. He is currently engaged in different sectors, including "Information Technology", in his attempt to both contribute to the growth and development of the company as well as increase his own knowledge and understanding of the product and the industry as a whole.



Shah Rayeed Chowdhury
Director

Mr. Shah Rayeed Chowdhury obtained BBA Cum laude Honors Degree in Business Management from Pace University, New York. Upon completion higher studies, he joined the company in 2013. In order to gain more practical experience in the field of finance, he has worked in a financial institution prior to joining the company. As youngest member of the board, Mr. Chowdhury' s constant research and development of modern means of taking the company forward, acts as a driving force for the company.

THE BOARD OF DIRECTORS



Faizul Hakim Khan
Independent Director

Mr. Faizul Hakim Khan obtained Batchelor's Degree from University of Dhaka in 1970. He has vast experience in Financial and Corporate Management. He has a total working experience of forty two years of which twenty seven years were in the public/private banking sector and fifteen years in the private sector in Textile Industry as the Finance Head. During his career he spent more than twenty years in very senior positions.



Prof. Dr. Md. Hasibur Rashid
Independent Director

Dr. Md. Hasibur Rashid obtained MBA from USA, M.Phil. from UK and subsequently Ph.D. degree from Bangladesh. He started his career as a Lecturer of Management in 1979 in the University of Dhaka and continued in this profession. Presently he is the Professor of Management Information Systems (MIS) at the University of Dhaka.

He held many important positions and membership in Government and Non-Government, social, professional, research and policy-making organizations and bodies. He made remarkable contribution to business and management discipline through research, teaching and financial administration. He is the elected Vice-President of Dhaka University Teachers Association (DUTA) - 2015, Member, Finance Committee & Elected Member of Senate (2013-2017) of Dhaka University and Director of Rupali Bank Limited, appointed by the Government of

KEY SENIOR PERSONNEL



Hasan Ahmed Chowdhury
Executive Director

Mr. Hasan Ahmed Chowdhury joined Argon Denims Limited as Executive Director in 2007. He is a Business Professional and accomplished his MBA from IBA, Dhaka University in 1996. He has a vast track record in Apparel, Spinning, Woven Textiles, and Denim Fabric both in Marketing and Production for the last 21 years. Prior to joining Argon Denims Limited he was involved in Top Management in many reputed companies and has made a significant contribution to Argon Denims Limited as well to bring the company to its present position."



Md. Mustafa Kamal
Chief Financial Officer

Mr. Md. Mustafa Kamal passed CA Intermediate from The Institute of Chartered Accountants of Bangladesh (ICAB) in the year 1990. He has attended many training and workshops including Basic Textile Technology ISO-9000 and Internal Audit. He has more than 29 years practical experience in the country's large manufacturing industries and NGO in the area of Internal Audit, Inventory Control, Finance & Accounts, Commercial, Procurement, Supply Chain, Taxation, VAT and Custom Bond. He joined Argon Denims Limited in 2008

KEY SENIOR PERSONNEL



Md. Moniruzzaman Bhuiyan
Company Secretary

Mr. Md. Moniruzzaman Bhuiyan has completed Chartered Accountancy Course on 30th June 2002 from M/s M. J. Abedin & Co, Chartered Accountants and a country leading Chartered Accountants firm associated with Moore Stephens International Limited. He has started his professional career from 2003 with the BEXIMCO Textiles Division as Executive, Accounts & Finance Department. He has more than 13 years practical experience in the country's large manufacturing industries in the area of Company's Secretarial affairs, Internal Audit, Inventory Control, Finance & Accounts, Commercial, Procurement, Taxation, VAT and Custom Bond. He obtained a wide range experience in different fields of the textile sector. He obtained training on Financial Management and Effective Supervisory Management. He joined Argon Denims Limited in 2007.



Tazib Uddin Khan
General Manager (Marketing)

Mr.Tazib Uddin Khan has joined Argon Denims Ltd. In 2009. He is leading the Argon Marketing team as General Manager. He completed his Bachelors & Masters in Social Science from Dhaka University in 1995 & 1997 respectively. Back in 1998, he started his career in Woven/Denim Marketing with Beximco Textiles Ltd., where he was handling some key European/American customers like Levi's, Mexx, Carrefour, and ZARA. . As a team leader of Argon Marketing, Mr. Khan maintains regular contacts with all key buyers, such as Pull & Bear, Bershka, ALDI, C&A, and H&M etc. While conducting the marketing & order execution, Mr. Khan regularly visits the Dhaka offices of these key customers & also frequently visits abroad to maintain the great business flow. Mr. Khan believes in a great team effort with prompt actions but at the same time he patronizes to a great friendly & lively work environment which happens to be appreciated by the business partners & his own team.



M. Delwar Hossain
DGM (Commercial)

Mr. M. Delwar Hossain obtained Bachelor's Degree in 1974 under Dhaka University. He joined an international reputed export house of Bangladesh in 1980 in the commercial arena. After serving for 27 years in that organization he went abroad and after returning he joined Argon Denims Limited in 2007. He is looking after import and export activities including banking and other related works of the company. He has an excellent track record in the commercial arena.



10th Annual General Meeting

FACTORY PICTURE













CHAIRPERSON'S STATEMENT



Dear Shareholders

As Salamu Alaikum.

It is my pleasure and privilege to welcome you all to the 11th Annual General Meeting (AGM) of the Company. The Annual Report is being placed before you along with the Financial Statements of the Company and the Auditors Report for the year ended 30 June 2017.

BUSINESS CONDITION

Despite various adverse business conditions such as high inflation rate, scarcity of power and gas, fluctuations in the raw material price, high utility costs, etc. the company achieved an impressive growth in production, export and profit. The annual production capacity has increased from 8.4 million yards in year 2011 to 200.00 million yards up to June 30, 2017(Annually) and we have achieved 95.42% capacity utilization, which is even better than the Industry norm.

PERFORMANCE

Export Turnover during the period from July-2015 to June 2016 was TK 2,819.61 million and during the period July-2016 to June 2017 is Tk. 2,847.72 million i.e. increased by 1% as compared with the last year.

- Net profit increased from Tk. 313.47 million to Tk. 349.73 million i.e. increased by 11.57% as compared with the last year.
- Net Asset per share decreased from Tk. 27.10 to Tk. 25.80 i.e. decreased by 4.80% as compared with the last year due to increase number of shares by 15%.

EQUITY AND SHARES

- Shareholders' Equity is Tk. 2,947.96 million as on June 30, 2017 which was Tk. 2,692.47 million as on 30 June 2016. i.e. increased by 9.49% as compared with the last year.

FUTURE PROSPECTS

Due to a high demand for denim fabrics in the International Market, we are optimistic about growth in our export and increase in profitability in the future, In Shaa Allah.

CONCLUSION

I would like to thank all our employees for their dedication and commitment to the Company over the past few years. I also want to recognize the contribution and invaluable guidance of the Board of Directors. Finally I would like to convey my appreciation to our Shareholders, Customers, Suppliers, Bankers, Insurance Company, Legal Advisor, Auditors, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Ltd, Chittagong Stock Exchange Ltd, Government and other Regulatory Authorities for their guidance, support and continued confidence in the Company.



Shabnam Shehnaz Chowdhury
Chairperson

EMERGING STOCK

REVIEW OF OPERATIONS BY MANAGING DIRECTOR



Argon Denims Limited is completing its 10th year of incorporation on 13th July, 2006 and completed 09 years of business operation in June, 2017. By this time Argon Denims Limited has been able to establish as one of the country's foremost manufacturers of medium and premium range denim fabrics. This distinction comes from its dedication to providing its customers with finest product and services, at the highest quality and on timely delivery. Argon Denims Limited asserts its commitment to its customers, producing high quality denims by embracing contemporary quality principles and practices. These principles have produced an environment that stimulates to be a product innovator, a creator of consistent and reliable high quality comprehensive product.

During this journey, despite several barriers, difficulties and complexities we were focused to our organizational goal and the interest of the Shareholders as well. It's not possible to be successful to achieve the goals without the special gift of creativity, without the courage and determination needed to deal with obstacles and difficulties, and confidence in being able to overcome.

As the Director's Report for the period ended 30 June 2017 would reveal the operating result had upward trend over the previous year (2016) though the year under review have had a deep injury of socio disturbances, global economic recessions and adverse pressure on price.

By the grace of the Almighty, management integrity and professionalism, relentless effort of our team, sustainable implementation of our policies, continuous monitoring, we were able to keep the wheel moving towards a normative leverage.

We are obliged and thankful to our shareholders for their support, confidence and trust on us.

We would however, appeal to all concern for a peaceful economic journey that would help all of us to attain faster growth, prosperity and satisfaction.

Anwar-ul Alam Chowdhury
Managing Director



Factory Operational Building

DIRECTORS' REPORT

The Directors have the pleasure in presenting their report to the shareholders together with the Audited Financial Statements of the company for the year ended 30 June 2017. The Directors confirm that they are satisfied with all the compliance issues and there are no doubts about the Company's ability to continue as a going concern.

PRINCIPAL ACTIVITIES

During the year the principal activity of the company continued to be production of quality ***Denim Fabrics*** (as a single product) for export.

CAPACITY/ PRODUCTION

Particulars	Unit	Period	
		2016-2017	2015-2016
Loom	Number	111	111
Production Capacity(Weaving)	Yards	20,000,000	18,200,000
Production Capacity(RFD)	Yards	17,500,000	15,800,000
Actual Production(RFD)	Yards	16,698,500	14,502,829
Capacity Utilization(RFD)	%	95.42%	91.79%

INVESTMENT

During the year under review the company invested Tk. 13.09 million for enhancement of production / business. The amount was spent on:

Particulars	TK.
Buildings and other Civil Construction	12.19
Machineries and others	0.90

The Management feels that this investment will be recovered within a short period of time through higher production and export.

MARKETING ACTIVITES

Fashion industry is getting very much competitive and lead time is playing a major role where Argon Denims Ltd is offering super speed delivery service to the final customers and getting very good business support from the buyer. This has basically been achieved by the Marketing Department by a close negotiation, regular market monitoring and with the passion of making Argon Denims to a top Denim mill in Bangladesh. The sales team is having one to one meeting with the buying team where they are travelling almost every month to Europe. Marketing team is also participating in different business fairs (Exposition) internationally as well as locally to showcase their new collection to attract the foreign buyer and they are getting very good response from the expositions. Argon Denims Ltd is currently satisfying a good number of fashion brand in Europe with their quality product and because of their dynamic Sales and Design Team.

INDUSTRIES OUTLOOK:

The current demand of Denim fabrics is about 720 million yards per annum. Due to the big demand-supply gap it is expected that there will be new entrants in the market. Argon Denims does not feel threatened by the possible entry of new entrepreneurs as we have an established marketing platform and a proven track record. Due to considerable amount of project loans have already been paid of the financial load of ADL is much less than other competitors. Being one of the high quality denim fabric producers in the country, ADL is capable of making full use of the opportunities. The company is in the comfort zone for its good quality machineries as well as sound product demand.

DIRECTORS' REPORT

FINANCIAL RESULTS AND APPROPRIATIONS

The Directors are pleased to present the financial results for the year ended June 30, 2017 and recommend the following appropriations:

Financial Results and Appropriations (Taka)		Amount in Taka
Particulars	2016-2017	2015-2016
Profit before Tax	410,036,136	368,915,655
Less : Provision for Tax	60,872,581	55,325,740
Profit after Tax	349,163,555	313,589,915
Add : Unappropriated Profit b/f	718,583,085	395,412,995
Add : Tax Holiday Reserve b/f	115,879,072	115,879,072
Profit available for Appropriations	1,183,625,712	824,881,982
Less : Appropriations		
Dividend	99,360,000	-
Stock Dividend	149,040,000	165,600,000
Total Appropriations	248,400,000	165,600,000
Balance Carried Forward	935,225,712	659,281,982

RELATED PARTY TRANSACTION:

The Company carried out a transaction with related party in the normal course of business transactions. The name of the related party and nature of transactions and it's value have been set in accordance with the provision of BAS 24: Related party disclosures:

Company Name	Transection (BDT)	Outstanding (EDF Liability)
Argon Spinning Ltd.	891,639,822	462,066,478

COMPARISON OF QUARTERLY FINANCIAL PERFORMANCE WITH ANNUAL FINANCIAL PERFORMANCE:

The company observes consistency in financial performance throughout the year and there is no significant variation between quarterly and annual performance.

CONTRIBUTION TO NATIONAL EXCHEQUER

During the year the Company has contributed Tk. 44.72 million to the National Exchequer as Customs Duty, Supplementary Duty, Income Tax and Value Added Tax.

RISKS AND CONCERNS

The Company is aware of its following various risks and concerns and is prepared to meet those by systematic control: The basic operation of the company is technology based and the quality of the products is directly related to the sophistication of the machinery. In case the technology of the machinery becomes obsolete, the company's cost

ARGON

Interest Rate Risk

As the Company prefers working capital loan with variable interest rate, it is highly exposed to interest rate risk. To minimize this exposure, the Company is emphasizing on equity based financing to reduce dependency on borrowed fund.

Foreign Exchange Risk

Also, as the company imports raw materials and exports Denim Fabric, it is exposed to exchange rate risks. As far as raw material import is concerned, every player in the industry imports raw material so any exchange rate fluctuation will equally affect all the players in the industry. Therefore, any exchange loss can be absorbed by an increase in product price. As payment for Raw Materials is set-off by realization from export proceeds in the same foreign currency. Foreign Exchange rate fluctuation risk is very minimal which is adjusted through natural hedge.

Technology Related Risks

The basic operation of the company is technology based and the quality of the products is directly related to the sophistication of the machinery. In case the technology of the machinery becomes obsolete, the company's cost advantage and competitive edge may be affected adversely. The Company was setup with all brand new imported machineries which has been installed. As the machinery of the company is very sophisticated and state-of-the art, it is expected that there is very low probability of sudden obsolescence of technology in the near future. However, management is very much aware about such technology related risks and continuously keeping the company technologically updated.

Export Risk

The company has a rapid expansion of production capacity, the Company has stared huge promotional activity to mitigate Export Risk. Evidently, our export growth is aligned with production growth. Further, it should also be noted that the Company has a good reputation of going concern.

International Market Risk

Bangladesh has to compete with other established manufacturers in countries like China, India, Pakistan, Cambodia and Vietnam. India and Pakistan are the two leading denim exporters that have become very lucrative to international buyers as the countries local currency devaluated against the dollar exchange rate. Also the countries have cost advantage being they producing cotton. Besides, Pakistan is enjoying a GSP facilities in the EU market. Due to the rising cost in China, Buyers are already planning to move to other cost efficient destinations like Bangladesh. Moreover, Bangladesh Denim Textile Industry has a competitive advantage as we have a very developed garments infrastructure and continuously upgrading skills of human resources enabling us to bring out quality and cost competitive products.

Demand Risk

The demand for denim products is not growing at the expected level, as the younger generation now is more fascinating with electronic gadgets rather than buying fashionable denims wears. Climate changes have a seasonal demand variation and it could have a significant impact in some years.

Raw Material Price Risk

Yarn price in the world market is volatile, since yarn price is directly correlated with cotton production. As the company is operating in intermediary process such price fluctuation can be adjusted within a short lead period.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

In accordance with the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 Dated 7 August, 2012 the Directors are pleased to confirm the following:

DIRECTORS' REPORT

The financial statements together with notes thereon have been drawn up in conformity with the Companies Act 1994 and Securities and Exchange Rules 1987. These statements present fairly the company's state of affairs, the results of its operations, cash flow and changes in equity.

i. Proper books and accounts of the company have been maintained.

ii. Appropriate accounting policies have been applied consistently in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.

iii. The International Financial Reporting Standards, as applicable in Bangladesh, have been followed in the preparation of the financial statements.

iv. The systems of internal control are sound and have been implemented and monitored effectively.

v. The key operating and financial data for the last five years are shown on page 8.

vi. The pattern of shareholding is provided in Annexure II of the Periodic Report of the year ended 30 June, 2017

REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:

i. The company has also complied with the requirements of Corporate Governance Guidelines as required by the Bangladesh Securities and Exchange Commission. Compliance is shown in Annexure I.

ii. The company obtained a certificate from a practicing Chartered Secretary regarding compliance of conditions of corporate governance Guidelines of the Commission, which is enclosed in the Annual report as Annexure V.

CORPORATE GOVERNANCE AND FINANCIAL REPORTING FRAMEWORK

It may be mentioned that the followings steps have also been taken by the Management as part of good Corporate Governance to ensure that there are proper control mechanisms in place.

- Board Size & Meetings

There are nine Directors on the Board. The Board of Directors holds fairly regular meetings to ensure good communication and discuss matters of importance.

- Independent Directors

Two Independent Directors have been appointed and are included in the list of Board members.

- Chairperson & CEO

The role of Chairperson and CEO have been separated and two separate persons are performing these functions, as per the guidelines of BSEC.

- Audit Committee

An Audit Committee has been constituted with 4 Directors. An Independent Director is the Chairman of the Committee. The Company Secretary is the Secretary to the Committee. A report of audit committee is annexed herewith in page no. 39-40.

- Company Secretary, Chief Financial Officer, Head of Internal Audit

In line with the guidelines of BSEC, the company has allocated the responsibilities as follows:

Company Secretary	:	Mr. Md. Moniruzzaman Bhuiyan
Chief Financial Officer	:	Mr. Md. Mustafa Kamal
Head of Internal Audit	:	Mr. A.K.M Selim Reza

- Certification by CFO & CEO

As required by BSEC's Corporate Governance Guidelines (condition # 6), the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) have jointly certified that-

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

EXTERNAL/STATUTORY AUDITORS:

The Company did not engage its external/statutory auditors to perform the following services of the Company:

a. Appraisal or valuation services or fairness opinions.
b. Financial information systems design and implementation.
c. Book-keeping or other services related to the accounting records or financial statements.
d. Broker-dealer services
e. Actuarial services.
f. Internal audit services.
g. Audit/Certification Services on Compliance of Corporate Governance as required under clause (i) of condition No. 7
h. Any other service that the Audit Committee determines.

No partner or employees of the external audit firm possess any share of the company.

DIRECTORS' APPOINTMENT & RE-APPOINTMENT:

With regard to the appointment, retirement and re-appointment of directors, the company is governed by its Articles of Association, the Companies Act 1994 and other related legislations. Accordingly, the following Directors of the Board will retire in the 11th Annual General Meeting.

1. Mrs. Shabnam Shehnaz Chowdhury
2. Mr. Md. Akhter Shahid

Mrs. Shabnam Shehnaz Chowdhury, Chairperson and Mr. Md. Akhter Shahid Director of the Company retired by rotation and, being eligible, offered themselves for reappointment in accordance with article 101& 103 of the Articles of Association of the Company in the forthcoming AGM. The Board of Directors considered in the 96th Board Meeting which was held on 20th September 2017. Mrs. Shabnam Shehnaz Chowdhury, Chairperson and Mr. Md. Akhter Shahid

AMARSTOCK

DIRECTORS' REPORT

Director who will be retired from the Board in accordance with article 101 & 103 of the Articles of Association of the Company be and will be hereby reappointed in the 11th AGM."

They are however eligible for re-appointment: As required by BSEC's Corporate Governance Guidelines [condition 1.5 (xxii), details of them are disclosed at page no. 30.

CORPORATE SOCIAL RESPONSIBILITY

As part of CSR the company made donations to various Religious, Social and Educational Organizations.

Effluent Treatment Plant (ETP)

We conduct our operations in a manner which keeps nature least affected. We take full responsibility for keeping it clean for the future generation. It has therefore set up a state of the art biological ETP at the factory to handle waste water. All the chemicals used in production are non-toxic, of stringently eco-friendly standards and are Oeko-Tex certified. Our fabrics are APEO free.

Caustic Recovery Plant:

The Company has been setup Caustic Recovery Plant, which will help to reduce cost as well as it is eco-friendly.

Employee Benefits

Apart from the salaries and wages paid to the employees, the company offers other benefits as well. These include medical care, transport facilities, insurance coverage, etc. The Company also introduced a Workers' Profit Participation Fund and disbursed the amount for the year ended December 31, 2011 and 2012 among the entitled employee. The company also introduced Contributory Provident Fund from January, 2014 for the employee.

APPOINTMENT OF AUDITORS

The Auditors of the Company M/s Pinaki & Co., Chartered Accountants, will retire at the conclusion of the 11th AGM and are eligible for re-appointment.

M/s Pinaki & Co., Chartered Accountants, has expressed their interest to have appointment as Auditors of the Company for the next Term/Year ending 30 June 2018 at a remuneration of TK.150,000/- plus VAT.

The Audit Committee has reviewed the performance of M/s Pinaki & Co. Chartered Accountants, and proposed them for re-appointment at the remuneration of TK 150,000/- (One Lac and Fifty Thousand) only excluding VAT & TAX .

After discussion, based on the proposal of the Audit Committee, it was unanimously resolved that M/s Pinaki & Co., Chartered Accountants, be recommended for re-appointment as auditors of the Company for the financial year 2017 to 2018 and to hold office until conclusion of the 12th AGM at the remuneration of TK.150,000/- excluding vat & tax as recommended in the 96th Board Meeting which was held on 20th September 2017.

It was also recommended that, the shareholders in the 11th AGM to consider the appointment of M/s Pinaki & Co.,Chartered Accountants as Auditors of the Company for the financial year 2017 to 2018 and to hold office until conclusion of the 12th AGM.

INDEPENDENT DIRECTORS

Prof. Dr. Md. Hasibur Rashid was appointed as Independent Director of the Company on 30.04.2015 and Mr. Faizul Hakim Khan was re-appointed as Independent Director of the Company on 24.11.2016 for three years from the date of their appointment.

FINANCE STOCK

DIRECTORS' REPORT

SHAREHOLDING OF DIRECTORS

The shareholding of Directors for the year ended 30 June 2017 is shown as Annexure II of this report.

Director's involvement in other companies is shown as Annexure IV

BOARD MEETINGS AND ATTENDANCE

In the year ended 30 June 2017 a total of 06 meetings were held. Annexure III shows the attendance of the Directors.

DIRECTOR'S REMUNERATION

Director's remuneration is shown in the notes to the Accounts on 30.

DIVIDEND

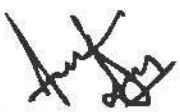
12.50% Cash Dividend and 05%.Stock Dividend (i.e 1 bonus Share for every 20 Shares held) have been recommended by the Board of Directors in the 96th Board Meeting which was held on 20th September 2017.

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 factor of the production and marketing throughout the country and the world. It is expected the employees and the management will continue to improve the results for the interest of shareholders whose unswerving trust in management has always been an inspiration to the Board of Directors.

The Director humble express its gratitude and acknowledge with keen interest the cooperation and unflinching support it has received from various agencies including Bangladesh Securities and Exchange Commission, Stock Exchanges, National Board of Revenue and other agencies.

We have achieved a lot by the grace of Almighty Allah and the support from our employees and stakeholders. With everyone's support we expect even better results in the future.



Abu Kawser Majumder
Director

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ANNEXURE-I

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969-

(Report under Condition No. 7.00)

Condition No.	Title	Compliance Status ("√" in appropriate col.)		Remarks (If any)
		Complied	Not Complied	
1	**BOARD OF DIRECTORS:**			
1.1	Board's Size [number of Board members : 5 – 20]	√		
1.2	**Independent Directors**			
1.2 (i)	Number of Independent Directors [at least 1/5]	√		
1.2 (ii)	**Independent Director (ID) means a director:**			
1.2 (ii) (a)	Holding no share or holding less than 1% shares	√		
1.2 (ii) (b)	Not being a sponsor and connected with any sponsor or director or shareholder holding 1% or more shares	√		
1.2 (ii) (c)	Not having any pecuniary or otherwise relationship with the company or its subsidiary/associated companies	√		
1.2 (ii) (d)	Not being member/director/officer of any stock exchange	√		
1.2 (ii) (e)	Not being shareholder/director/officer of any member of stock exchange or intermediary of capital market	√		
1.2 (ii) (f)	Not being partner/executive at present or during the preceding 3 years of the company's statutory audit firm	√		
1.2 (ii) (g)	Not being an ID in more than 3 listed companies	√		
1.2 (ii) (h)	Not having been convicted as defaulter in payment of any loan to a bank or a NBFI	√		
1.2 (ii) (i)	Not having been convicted for a criminal offence	√		
1.2 (iii)	To be appointed by BOD and approved in the AGM	√		
1.2 (iv)	The post cannot remain vacant for more than 90 days			N/A
1.2 (v)	Laying down of code of conduct of Board members and recording of annual compliance of the code	√		
1.2 (vi)	The tenure of an ID : maximum 3 years, which may be extended for one term only	√		
1.3	**Qualification of Independent Director**			
1.3 (i)	Being knowledgeable, with integrity and able to ensure compliance with financial, regulatory and corporate laws and able to make meaningful contribution to business	√		
1.3 (ii)	Being a Business Leader/ Corporate leader/ Bureaucrat/ University Teacher with Economics or Business Studies or Law background/ CA / CMA / CS and having at least 12 years of corporate management/professional experiences	√		
1.3 (iii)	Prior approval of the Commission in special cases			N/A
1.4	Different individuals as Chairman and CEO, Election of Chairman from directors, their roles and responsibilities	√		
1.5	**The Director's Report to Shareholders shall include**			
1.5 (i)	Industry outlook and possible future developments	√		
1.5 (ii)	Segment-wise or product-wise performance	√		
1.5 (iii)	Risks and concerns	√		
1.5 (iv)	Discussion on COGS, Gross Profit and Net Profit Margins	√		

ANNEXURE-I

Condition No.	Title	Compliance Status ("√" in appropriate col.)		Remarks (If any)
		Complied	Not Complied	
1.5 (v)	Discussion on continuity of Extra-Ordinary gain or loss	√		
1.5 (vi)	Basis for and a statement of related party transactions	√		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments			N/A
1.5 (viii)	Explanation, if the financial results deteriorate after going for IPO, RPO, Right Offer, Direct Listing, etc			N/A
1.5 (ix)	Explanation about significant variance between Quarterly Financial performance and Annual Financial Statements			N/A
1.5 (x)	Remuneration to directors including IDs	√		
1.5 (xi)	Fair presentation, of state of affairs, result of operations, cash flows and changes in equity, in financial statements	√		
1.5 (xii)	Proper books of account having been maintained	√		
1.5 (xiii)	Consistent application of appropriate accounting policies, and accounting estimates being reasonable and prudent	√		
1.5 (xiv)	Following applicable IAS/BAS/IFRS/BFRS, and adequate disclosure for any departure there-from, if any	√		
1.5 (xv)	Soundness and monitoring of internal control system	√		
1.5 (xvi)	Statement regarding ability to continue as going concern	√		
1.5 (xvii)	Significant deviations from last year's operating results			N/A
1.5 (xviii)	Summary of key operating/financial data of last 5 years	√		
1.5 (xix)	Reason for non declaration of Dividend			N/A
1.5 (xx)	Number of Board meetings and attendance of directors	√		
1.5 (xxi)	**Pattern of shareholding (along with name wise details) by-**			
1.5 (xxi) (a)	Parent/Subsidiary/Associate Companies & related parties	√		
1.5 (xxi) (b)	Directors, CEO, CS, CFO, Head of Internal Audit and their spouses and minor children	√		
1.5 (xxi) (c)	Executives (Top 5 salaried employees other than above)	√		
1.5 (xxi) (d)	Shareholders holding 10% or more voting interest	√		
1.5 (xxii)	**In case of the appointment/re-appointment of a director,**			
1.5 (xxii) (a)	A brief resume of the director	√		
1.5 (xxii) (b)	Nature of his/her expertise in specific functional areas	√		
1.5 (xxii) (c)	Names of companies in which he/she holds directorship and the membership of committees of the board	√		
2	**CFO, HEAD OF INTERNAL AUDIT AND CS:**			
2.1	Appointment of a CFO, a Head of Internal Audit and a CS and defining their roles, responsibilities & duties	√		
2.2	Attendance of CFO and CS in the meetings of the Board	√		
3	**AUDIT COMMITTEE:**			
3 (i)	Having Audit Committee as a sub-committee of the BOD	√		
3 (ii)	Audit Committee to assist the BOD in ensuring fairness of financial statements and a good monitoring system	√		
3 (iii)	Audit Committee being responsible to the BOD; duties of Audit Committee to be clearly set forth in writing	√		
3.1	**Constitution of the Audit Committee**			
3.1 (i)	Audit Committee to be composed of at least 3 members	√		
3.1 (ii)	Audit Committee members to be appointed by BOD and at least one Independent Director to be included	√		

ANNEXURE-1

Condition No.	Title	Compliance Status ("√" in appropriate col.)		Remarks (If any)
		Complied	Not Complied	
3.1 (iii)	Audit Committee members to be "financially literate" and at least one to have accounting/financial experience	√		
3.1 (iv)	Vacancy in Audit Committee making the number lower than 3 to be filled up immediately and within 1 month			N/A
3.1 (v)	The CS to act as the secretary of the Audit Committee	√		
3.1 (vi)	No quorum in Audit Committee meeting without one ID	√		
3.2	**Chairman of the Audit Committee**			
3.2 (i)	Chairman to be an ID, selected by the BOD	√		
3.2 (ii)	Chairman of audit committee to remain present in AGM	√		
3.3	**Role of Audit Committee**			
3.3 (i)	Oversee the financial reporting process	√		
3.3 (ii)	Monitor choice of accounting policies and principles	√		
3.3 (iii)	Monitor Internal Control Risk management process	√		
3.3 (iv)	Oversee hiring and performance of external auditors	√		
3.3 (v)	Review the annual financial statements before submission to the board for approval	√		
3.3 (vi)	Review the quarterly and half yearly financial statements	√		
3.3 (vii)	Review the adequacy of internal audit function	√		
3.3 (viii)	Review statement of significant related party transactions	√		
3.3 (ix)	Review Letters issued by statutory auditors	√		
3.3 (x)	Review disclosures/statements/declarations about uses/ applications of funds raised by IPO/RPO/Rights Issue	√		
3.4	**Reporting of the Audit Committee**			
3.4.1	**Reporting to the Board of Directors**			
3.4.1 (i)	Reporting on the activities of Audit Committee	√		
3.4.1 (ii) (a)	Reporting on conflicts of interests			N/A
3.4.1 (ii) (b)	Reporting on suspected/presumed fraud or irregularity or material defect in the internal control system			N/A
3.4.1 (ii) (c)	Reporting on suspected infringement of laws			N/A
3.4.1 (ii) (d)	Reporting on any other matter to disclose immediately			N/A
3.4.2	Reporting to BSEC			N/A
3.5	Reporting to the Shareholders and General Investors	√		
4.00	**EXTERNAL / STATUTORY AUDITORS**			
4.00 (i)	Non-engagement in appraisal/valuation/fairness opinions	√		
4.00 (ii)	Non-engagement in designing & implementation of FIS	√		
4.00 (iii)	Non-engagement in Book Keeping or accounting	√		
4.00 (iv)	Non-engagement in Broker-Dealer services	√		
4.00 (v)	Non-engagement in Actuarial services	√		
4.00 (vi)	Non-engagement in Internal Audit services	√		
4.00 (vii)	Non-engagement in services determined by Audit Com.	√		
4.00 (viii)	Possessing no share by any partner or employee of the external audit firm during the tenure of assignment	√		
4.00 (viii)	Possessing no share by any partner or employee of the external audit firm during the tenure of assignment	√		

ANNEXURE-I

Condition No.	Title	Compliance Status ("√" in appropriate col.)		Remarks (If any)
		Complied	Not Complied	
4.00 (ix)	Non-engagement in Audit/Certification Services on Compliance of Corporate Governance as required under clause (i) of condition No. 7	√		
5	**SUBSIDIARY COMPANY**			
5 (i)	Composition of BOD to be similar to holding company			N/A
5 (ii)	At least one) ID on the BOD of the holding company to be a director on the BOD of the subsidiary company			N/A
5 (iii)	Minutes of Board meetings of subsidiary company to be placed			N/A
	at following Board meeting of holding company			
5 (iv)	Minutes of respective Board meeting of holding company to state that affairs of subsidiary company be reviewed			N/A
5 (v)	Audit Committee of holding company to review financial statements / investments of subsidiary company			N/A
6	**DUTIES OF CEO AND CFO:**			
6 (i) (a)	To certify that they've reviewed FSs which contain no untrue or misleading statement or omit no material fact	√		
6 (i) (b)	To certify that the statements present a true and fair view of affairs and are in compliance with accounting standards and applicable laws	√		
6 (ii)	To certify that no transaction is fraudulent, illegal or violation of company's code of conduct	√		
7	**REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:**			
7 (i)	Obtaining certificate regarding compliance and sending it to shareholders along with the Annual Report	√		
7 (ii)	To state, in accordance with annexure, in directors' report whether the conditions has been complied with	√		

ANNEXURE-II

Shareholding as at 30 June, 2017

SL	Name of Shareholder	Description	Number of Shares	Amount (Taka)	%
Parent /Subsidiary/Associated Companies and Other related parties (name wise details)			Nil	Nil	Nil
Directors and their spouses and minor children (name wise details)					
1	Shabnam Shehnaz Chowdhury	Chairperson	7,141,500	71,415,000	6.25
2	Anwar -ul Alam Chowdhury	Managing Director	7,253,930	72,539,300	6.35
3	Shah Adeeb Chowdhury	Director	4,713,200	47,132,000	4.12
4	Shah Rayeed Chowdhury	Director	3,808,800	38,088,000	3.33
5	Sanjana Shehnaz Chowdhury	Daughter of Anwar- ul Alam Chowdury & Sabnam Shehnaz Chowdhury	209,484	2,094,840	0.18
6	Md. Akhter Shahid	Director	5,804,390	58,043,900	5.08
7	Suraya Akhter	Wife of Akhter Shahid	148,543	1,485,430	0.13
8	Adiba Akhter	Daughter of Akhter Shahid	148,543	1,485,430	0.13
9	Samir Akhter	Son of Akhter Shahid	148,543	1,485,430	0.13
10	A.K.Gouhor Rabbani	Director	8,019,180	80,191,800	7.02
11	Farhana Haque	Wife of A.K. Gouhor Rabbani	128,782	1,287,820	0.11
12	Elma Zuairia Rabbani	Daughter of A.K. Gouhor Rabbani	211,388	2,113,880	0.19
13	Elham Farhan Rabbani	Son of A.K. Gouhor Rabbani	211,388	2,113,880	0.19
14	Ibram Farhan Rabbani	Son of A.K. Gouhor Rabbani	211,388	2,113,880	0.19
15	Abu Kawser Majumder	Director	7,775,383	77,753,830	6.80
16	Farhan Majumder	Son of Abu Kawser Majumder	211,388	2,113,880	0.19
17	Farhaz Kawser	Son of Abu Kawser Majumder	211,388	2,113,880	0.19
	Sub-Total		46,357,218	463,572,180	40.58
Institution & General Public			67,906,782	679,067,820	59.42
	Total		114,264,000	1,142,640,000	100.00
Independent Directors, CFO, Company Secretary & Head of Internal Audit and their spouses and minor children (name wise details)					
19	Faizul hakim Khan	Independent Director	Nil	Nil	Nil
20	Prof. Dr. Md. Hasibur Rashid	Independent Director	Nil	Nil	Nil
21	Md. Moniruzzaman Bhuiyan	Company Secretary	Nil	Nil	Nil
22	Md. Mustafa kamal	Chief Financial Officer	800	8,000	0.0007
23	A. K. M Selim Reza	Head of Internal Audit	Nil	Nil	Nil
Executives (Top 5 salaried employees)					
24	Hasan Ahmed Chowdhury	Executive Director	Nil	Nil	Nil
25	Tazib Uddin Khan	General Manager	Nil	Nil	Nil
26	M. Dewar Hossain	DGM	Nil	Nil	Nil
27	Md. Imdadul Haque	DGM	Nil	Nil	Nil
28	Sikder Md. Sulaimanur Rahman	Manager	Nil	Nil	Nil
Shareholders holding ten percent (10%) or more voting interest in the company			Nil	Nil	Nil

ANNEXURE-III

BOARD MEETING ATTENDANCE

For the year ended June 30, 2017

Name of Directors	Position	No. of Meetings	
		Meetings Held	Attendance
Mrs. Shabnam Shehnaz Chowdhury	Chairperson	6	4
Mr. Anwar-ul Alam Chowdhury	Managing Director	6	6
Mr. Abu Kawser Majumder	Director	6	6
Mr. A.K. Gouhor Rabbani	Director	6	6
Mr. Md. Akhter Shahid	Director	6	5
Mr. Shah Adeeb Chowdhury	Director	6	2
Mr. Shah Rayeed Chowdhury	Director	6	4
Mr. Faizul Hakim Khan	Independent Director	6	5
Prof. Dr. Md. Hasibur Rashid	Independent Director	6	5

Note: Directors who could not attend the meetings were granted leave of absence by the Board.

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ANNEXURE-IV

Directors' Involvement in Other Organizations

Name	Designation in ADL	Directorship/Ownership with other companies	Position
Anwar-ul Alam Chowdhury	Managing Director	Evince Garments Limited Evince Paper Converting and Packaging Industries Limited Argon Jeans Ltd Evince Limited Evince Accessories Limited Evince Computerized Labels Ltd Evince Suisse Limited Evince Labels Limited Evince Button Industries Limited Evince Dress Shirts Limited Evitex Fashions Limited Evitex Apparels Ltd Evitex Polycot Limited Argon Spinning Limited Evince Textiles Limited	Managing Director Chairman
Shabnam Shehnaz Chowdhury	Chairperson	Evince Paper Converting and Packaging Industries Limited Evince Limited Evince Accessories Limited Evince Suisse Limited Evince Labels Limited Argon Spinning Limited Evince Button Industries Limited Evince Dress Shirts Limited Evitex Fashions Limited Evitex Apparels Ltd Evitex Polycot Limited Argon Jeans Ltd Evince Textiles Limited	Director Vice Chairman
Abu Kawser Majumder	Director	Evince Textiles Limited Evince Design & Fashions Limited Argon Jeans Ltd Argon Spinning Limited	Managing Director Director
A.K. Gouhor Rabbani	Director	Evince Design & Fashions Limited Evince Textiles Limited Argon Jeans Ltd Argon Spinning Limited	Director
Md.Akhter Shahid	Director	Evince Design & Fashions Limited Evince Textiles Limited Argon Jeans Ltd Argon Spinning Limited	Director
Shah Adeeb Chowdhury	Director	Evitex Apparels Ltd Evince Textiles Limited Evitex Polycot Limited	Director
Shah Rayeed Chowdhury	Director	Evince Textiles Limited	Director
Faizul Hakim Khan	Independent Director	Nil	Independent Director
Prof. Dr. Md. Hasibur Rashid	Independent Director	Nil	Independent Director

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ANNEXURE-V

COMPLIANCE CERTIFICATE

S. Abdur Rashid FCS
BCom (Hons), MBS (Finance & Banking), MBA (Finance), PGDHRM, LLB, AIPM
Chartered Secretary In Practice
Private Practice Certificate No.: 003
Phone # +880 2 9558796, +88 01726533655
E-mail : sarashid12000@yahoo.com

SARashid & Associates
(Chartered Secretaries)
Noakhali Tower (12th Floor, 13-D)
55/B Purana Paltan, Dhaka-1000, Bangladesh
E-mail : sarashidnasso@gmail.com

Certificate on Compliance of Corporate Governance Guidelines

[Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012]

I have reviewed the Compliance of Conditions of the Corporate Governance Guidelines by **Argon Denims Limited** ("the Company") for the period of year ended 30 June 2017. Such compliance is the responsibility of the Company as stipulated in the above mentioned notification issued by Bangladesh Securities and Exchange Commission (BSEC).

I have conducted my review in a manner that has provided me a reasonable basis for evaluating the compliances and expressing my opinion thereon. This review has been limited to the measures adopted by the Company in ensuring such compliances and this has not been for expression of opinion on the financial statements or future viability of the Company.

According to the information and explanations provided to me by the Company, I hereby certify that all the conditions of the Corporate Governance Guidelines have been complied with by the Company.

S. Abdur Rashid FCS

Dhaka, 03 October 2017

ANNEXURE-VI

ARGON DENIMS LIMITED

To
The Board of Directors
Argon Denims Limited
Lotus Kamal Tower ONE (Level-6)
57 Joar Sahara C/A, Nikunja-2, Dhaka-1229

Certification by CEO & CFO regarding Financial Statements

Pursuant to Condition # 6 of the Corporate Governance Guidelines of BSEC,

We, the undersigned, do hereby certify that-

☐ (i) We have reviewed the financial statements of the company for the year ended 30 June 2017 and to the best of our knowledge and belief:

☐ (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

☐ (b) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.

☐ (ii) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.

Md. Mustafa Kamal
Chief Financial Officer
Argon Denims Limited

Anwar-ul Alam Chowdhury
Chief Executive Officer
Argon Denims Limited

Registered Office:
Plot #33, Section#7, Mirpur
Dhaka-1216, Bangladesh.
Tel : +88 02 9020491-2
Fax: +88 02 8900897

Corporate Office :
Lotus Kamal Tower-ONE (Level-6), 57, Joar Sahara C/A
Nikunja-2, New Airport Road, Dhaka-1229, Bangladesh.
Phone : +88 02 8900870-4, 8900781-3, Fax: +88 02 8900784
E-mail : info@argondenims.com, Web : www.argondenims.com

Factory:
Vill: Beraiderchala, P.O.:Gilaberad
P.S.:Sreepur, Dist.:Gazipur, Bangladesh.

ANNEXURE-VII

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2017/162

BAPLC

Date of issue : 27th March 2017

Renewed Certificate

This is to certify that

ARGON DENIMS LIMITED

is an Ordinary Member of Bangladesh Association of Publicly Listed Companies *and is entitled to all the rights and privileges appertaining thereto.*

This certificate remains current until 31st December 2017.

Bangladesh Association of Publicly Listed Companies ★ BAPLC

Secretary-General
(Acting)

FAMAR STOCK

AUDIT COMMITTEE REPORT

Composition of the Audit Committee

- The Board constituted an Audit Committee as a sub-committee of the Board on Sunday 30 December, 2012.
- Composition of the Audit Committee is as follows :

  Mr. Faizul Hakim Khan (Independent Director) Chairman
  Mrs. Shabnam Shehnaz Chowdhury (Director) Member
  Mr. A. K. Gouhor Rabbani (Director) Member
  Mr. Md. Akhter Shahid (Director) Member

The Company Secretary acts as the Secretary of the Audit Committee.

Terms of Reference (TOR) of the Audit Committee

- The Board defined Terms of Reference (TOR) for the Audit Committee. Activities of the Committee are performed as per the said TOR.
- The Committee submits its report directly to the Board of Directors.

Meetings of the Audit Committee

The Committee had its five (05) meetings during the year. Attendance of the Members was as follows :

Name of the Member	No. of Meetings held	No. of Meetings Attended
Mr. Faizul Hakim Khan	5	4
Mrs. Shabnam Shehnaz Chowdhury	5	4
Mr. A. K. Gouhor Rabbani	5	5
Mr. Md. Akhter Shahid	5	5

- Minutes of the Committee are properly recorded.

Activities

In order to discharge the duties and responsibilities of the Audit Committee, the Committee-

- reviewed the financial statements of the first quarter, half year, third quarter and the year ended 30 June, 2017 and subsequently recommended to the Board for consideration and approval.
- reviewed the work of the Internal Audit Department and made suggestions for improvement.
- recognized the observations of the Internal Audit Department regarding internal control and suggestions made to improve operational systems and procedures and their implementation.
- reviewed the integrity of the financial statements of the Company to ensure that these reflect a true and fair view of the Company's state of affairs for the year ended 30 June, 2017.
- Ensured, while reviewing the financial statements, that proper disclosure required under International Accounting Standards as adopted in Bangladesh have been made and also complied with the Companies Act and various other rules and regulations applicable to textile industries.

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AUDIT COMMITTEE REPORT

- discussed with the statutory auditors about the nature and scope of audit as well as had post-audit discussions to address areas of concern;
- approved the internal audit plan and gave direction to the Internal Auditor where appropriate for carrying out in depth audit to ensure that the Company or its assets are not exposed to undue risk;
- reviewed the management report submitted by the statutory auditors and suggested corrective measures and fixed time frame for their implementation; and
- reviewed the performance of External Auditors during the last term and recommended them for re-appointment.
- reviewed the Internal Control System and Financial Statements

Reporting

- Pursuant to Condition # 3.4.1 of the Corporate Governance Guidelines issued by BSEC, the Committee reports that it did not find any conflict of interest or any fraud, irregularity, material defect in the Internal Control System. There are no infringement of laws, rules and regulations also.
- The Committee is of the view that risk management associated with the business of the Company is adequately controlled.

On behalf of the Audit Committee



Faizul Hakim Khan
Chairman of the Audit Committee
September 19, 2017

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AUDITORS' REPORT TO THE SHAREHOLDERS OF ARGON DENIMS LIMITED

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

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Bangladesh Securities and Exchange 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 misstatements, 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 relevant 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 auditors' 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, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the Company's affairs as at 30 June 2017 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987 and other applicable laws and regulations. However, documentation & reconciliation process need be strengthened further.

We also report that:

a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of these books;

c. The Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of account and returns; and

d. The expenditures incurred were for the purposes of the Company's business.

Pinaki & Co

Dhaka
Dated: 08.10.2017

Pinaki & Company
Chartered Accountants

AMARSTOCK

Statement of Financial Position
as at 30 June 2017

PROPERTY & ASSETS	Note #	TAKA 30.06.2017	TAKA 30.06.2016
Non Current Assets		**1,530,314,910**	**1,599,352,647**
Property, Plant and Equipments	6	1,525,191,922	1,594,229,659
Intangible Assets	7	5,122,988	5,122,988
Current Assets		**3,087,924,753**	**2,922,055,294**
Advance, Deposits and Pre-payments	8	142,091,945	109,583,954
Bills Receivable	9	1,805,868,733	1,726,962,540
Inventories	10	930,673,421	891,390,575
Materials In Transit	11	38,685,578	24,844,686
Investment in Shares	12	591,043	493,634
Cash and Cash Equivalents	13	170,014,033	168,779,905
Total Property & Assets		**4,618,239,664**	**4,521,407,941**
EQUITY & LIABILITIES			
Shareholders Equity		**2,947,957,747**	**2,692,473,596**
Share Capital	14	1,142,640,000	993,600,000
Share Premium	15	730,815,534	730,815,534
Tax Holiday Reserve		115,879,072	115,879,072
Revaluation Reserve	16	138,094,930	133,595,904
Retained Earnings	17	820,528,211	718,583,085
Non-Current Liabilities		**132,634,923**	**114,869,870**
Long Term Loan	18	7,058,790	10,688,816
Lease Finance	19	17,771,095	-
Deferred Tax Liability	20	107,805,038	104,181,054
Current Liabilities		**1,537,646,995**	**1,714,064,476**
Short Term Loan	21	1,240,904,236	1,426,953,390
Current Portion of Long Term Loan	22	9,899,423	4,222,279
Liability for Expenses	23	41,975,408	32,696,378
Worker Profit Participation & Welfare Fund	24	68,361,775	58,694,188
Provision for Tax	25	157,527,214	143,427,869
Share Money Refundable		1,013,856	1,013,652
Dividend Payable		3,704,427	1,182,887
Bills Payable	26	14,260,656	45,873,833
Total Liabilities & Shareholder's Equity		**4,618,239,664**	**4,521,407,941**
Net Asset Value per share	34	**25.80**	**27.10**

Managing Director | Director | Company Secretary

PINAKI & COMPANY
Chartered Accountants

AMAR STOCK

ARGON DENIMS LIMITED

Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June, 2017

Particulars	Note #	TAKA	
		2016-2017	2015-2016
Export Revenue	27	**2,847,715,899**	**2,819,612,516**
Less: Cost of Goods Sold	28	2,217,049,475	2,181,657,077
Gross Profit/(Loss)		**630,666,424**	**637,955,439**
Add: Export Incentive	29	45,090,477	38,352,328
		675,756,901	**676,307,767**
Less : Administrative Expenses	30	102,833,343	104,217,454
		572,923,558	**572,090,313**
Less : Selling & Distribution Expenses	31	37,614,342	35,441,396
Operating Profit		**535,309,216**	**536,648,917**
Less: Financial Expenses	32	109,811,962	149,120,195
Add : Other Income/Loss	12.2	119,733	33,922
Net Profit/(Loss) before WPPF		**425,616,987**	**387,494,800**
Less: Contribution to WPPF	24.1	21,280,849	19,368,072
Net Profit/(Loss) after WPPF		**404,336,137**	**368,126,728**
Less: Income Tax			
Current Tax	25.1	50,982,740	48,567,441
Deferred Tax		3,623,984	6,085,829
Net Profit /Loss after Tax		**349,729,413**	**313,473,458**
Other Comprehensive Income		-	-
Total Comprehensive Income		**349,729,413**	**313,473,458**
Earnings Per Share (Fully Diluted)	33	**3.06**	**2.74**

Managing Director | Director | Company Secretary

PINAKI & COMPANY
Chartered Accountants

AMAR STOCK

ARGON DENIMS LIMITED

Statement of Changes in Equity

for the year ended 30 June, 2017

Amount in Taka

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Revaluation Surplus	Retained Earnings	Total
Balance as on 01.07.2016	993,600,000	730,815,534	115,879,072	133,595,904	718,583,085	2,692,473,596
Net profit for the period	-	-	-	-	349,729,413	349,729,413
Issue Bonus Shares	149,040,000	-	-	-	(149,040,000)	-
Cash Dividend paid	-	-	-		(99,360,000)	(99,360,000)
Excess provision for-2014	-	-	-	-	9,704,156	9,704,156
Adjustment for Revaluation Surplus	-	-	-	(3,699,654)	3,699,654	-
Prior year adjustment-Revaluation Reserve				8,198,680	(8,198,680)	-
VAT payment for previous year					(4,589,418)	(4,589,418)
Balance as on 30.06.2017	1,142,640,000	730,815,534	115,879,072	138,094,930	820,528,211	2,947,957,747

Statement of Changes in Equity

for the year ended 30 June, 2016

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Revaluation Surplus	Retained Earnings	Total
Balance as on 01.07.2015	993,600,000	730,815,534	115,879,072	135,493,163	403,212,369	2,379,000,138
Net profit for the period	-	-	-	-	313,473,458	313,473,458
Issue Bonus Shares		-	-	-		-
Cash Dividend paid	-	-	-		-	-
Excess provision for-2014	-	-	-	-	-	-
Adjustment for Revaluation Surplus	-	-	-	(1,897,259)	1,897,259	-
VAT payment for previous year					-	-
Balance as on 30.06.2016	993,600,000	730,815,534	115,879,072	133,595,904	718,583,085	2,692,473,596

Managing Director | Director | Company Secretary

PINAKI & COMPANY
Chartered Accountants

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ARGON DENIMS LIMITED

Statement of Cash Flows

for the year ended 30 June, 2017

Particulars	TAKA	
	30.06.2017	30.06.2016
Cash flows from operating activities		
Cash received from customers	2,813,997,619	2,624,062,004
Cash payments to suppliers & others	(2,335,397,704)	(2,209,927,897)
WPPF Paid	(11,613,262)	-
Income Tax Paid	(11,000,000)	(26,022,337)
Net Cash flow from operating activities	**455,986,653**	**388,111,771**
Cash flows from investing activities		
Acquisition of fixed assets	(43,686,231)	(95,672,245)
Investment in Shares	-	(20,753)
Net Cash used in investing activities	**(43,686,231)**	**(95,692,998)**
Cash flows from financing activities		
Advance, Deposit & Prepayment	(32,507,991)	-
Financial Expense	(109,811,962)	(162,899,363)
Long Term Loan	(3,630,026)	(26,737,194)
Lease Finance	17,771,095	(2,479,489)
Share Money Refund	204	(7,000)
Dividend Payable	2,521,540	76,736
Dividend Paid	(99,360,000)	-
Short Term Loan	(186,049,154)	(7,515,205)
Net Cash flows from financing activities	**(411,068,294)**	**(199,561,514)**
Net increase/(decrease) in cash and cash equivalents	**1,234,128**	**92,857,259**
Opening cash and cash equivalents	**168,779,905**	**75,922,646**
Closing cash and cash equivalents	**170,014,033**	**168,779,905**
Net Operating Cash flows per share	**3.99**	**3.91**

Managing Director | **Director** | **Company Secretary**

PINAKI & COMPANY
Chartered Accountants

AMARSTOCK

No.	Particulars	Note No.	Taka	
			30.06.2017	30.06.2016
6.	**Property, Plant and Equipment**		**1,525,191,922**	**1,594,229,659**
	Land & Land Development		117,323,754	117,323,754
	Building & Civil Constructions		573,746,885	591,188,090
	Mechanical Fabrication		18,284,409	20,316,010
	ETP & WTP		27,819,907	30,289,008
	Capital Machinery		664,412,575	737,252,861
	Furniture & Fixture		6,984,918	7,424,836
	Motor Vehicles		54,959,833	33,682,998
	Office Equipments		15,940,000	13,898,940
	Gas Line Installations		7,806,815	8,674,238
	Motor & Pump		5,943,857	6,146,686
	Electrical Installation		9,189,382	10,210,424
	Office Decoration		15,607,679	13,150,805
	Air Condition(AC)		7,171,906	4,671,007
6.01	**Movement of PPE**			
	Opening Balance		**1,594,229,659**	**1,584,238,564**
	Add: Addition during the year		53,390,245	71,955,798
	Closing Balance		**1,647,619,904**	**1,656,194,362**
	Less: Depreciation charged during the year		122,427,982	61,964,702
	Written Down Value (WDV)		**1,525,191,922**	**1,594,229,659**
	For Details please refer to Annexure [A & B] (PPE Annexure)			
7.	**Intangible Assets**		**5,122,988**	**5,122,988**
	For Details please refer to Annexure-C (Intangible Assets Annexure)			
8.	**Advance, Deposit & Pre- Payments**		**142,091,945**	**109,583,954**
	Aamra Network		-	6,000
	Advance Income Tax	8.1	46,768,294	39,936,726
	Bangla Trac Ltd		2,775,936	2,418,176
	Ben Tech Chemical Co Ltd.		-	1,957,098
	BSEC Consent Fee		405,000	405,000
	Consumer Testing Laboratories Ltd		-	16,905
	Celuron Research		311,980	-
	Chemi Colors		81,650	-
	D Autos		-	500,000
	Delcot Ltd		-	180,000
	Dolfus & Muller		-	280,473
	Efa Enterprise		-	700
	Employee & Others		2,355,037	5,064,148
	Feroz Automobiles Ltd		-	127,000
	ICCB		64,800	-
	Intertek		3,668	-
	Joy Enterprise		30,000	30,000
	Land Purchase		13,325,000	13,325,000
	Latex		105,542	174,206
	Meghna Enterprise		59,624	61,624

No.	Particulars	Note No.	Taka	
			30.06.2017	30.06.2016
	M/S Abid Air Travels & Tours		360,000	-
	M/S Razzak Eng. Works		151,720	-
	MJL Bangladesh Ltd		328,366	396,926
	New Gen Technologies		350,000	-
	Nayeem Transport		-	600,872
	Overseas marketing Corporation Pvt Ltd		-	2,250
	Oxford Technologies			-
	Prudential Consultant		200,000	-
	Picanol		-	210,651
	Protection One ltd		-	377,488
	Proteknik Tekstil Dis Ticaret Ltd.		-	54,635
	Sapphire Textile Mills Ltd.		-	7,099,430
	SBT Enterprise		1,000,000	-
	Star Tech Engineering Ltd		362,000	-
	Shapla Enterprise		30,083,412	17,062,328
	Sigma Pump			-
	Steelmark		40,762,915	16,762,315
	SLK Engineering Ltd.		896,400	848,800
	Titas Gas Transmission & Distribution Co. Ltd.		1,285,600	1,285,600
	Trelleborg		-	153,265
	Vardhaman Textiles Ltd.		-	31,220
	Security Money for house Rent		25,000	-
	VIC-Stellar Int'l Co. Ltd		-	215,117
8.1	**Advance Income Tax**		**46,768,294**	**39,936,726**
	Opening Balance		39,936,726	22,385,158
	Add: Paid during the year	8.1.1	23,010,807	17,551,568
			62,947,533	39,936,726
	Less : Adjustment made during the year		16,179,239	-
8.1.1	**Head wise payment**		**23,010,807**	**17,551,568**
	Export Proceed		20,931,043	16,080,312
	Cash Incentive		789,510	1,459,326
	Import		1,037,391	-
	Motor Vehicle		245,000	-
	Interest on Bank Deposit		7,863	11,931
9.	**Bills Receivable**		**1,805,868,733**	**1,726,962,540**
	Trade debtors occurred in the ordinary course of business are unsecured but considered good. The summary of Accounts receivable are given below:			
	(i) Export bill receivable		1,593,737,903	1,533,605,173
	(ii) Export incentive		212,130,830	193,357,367

No.	Particulars	Note No.	Taka	
			30.06.2017	30.06.2016
10.	**Inventories**		**930,673,421**	**891,390,575**
	This consist of as follows:			
	Raw Materials & Consumables	10.1	416,852,313	511,598,384
	WIP & Finished Goods	10.2	513,821,108	379,792,191
10.1	**Closing Stock of Raw Materials & Consumables**		**416,852,313**	**511,598,384**
	Yarn		272,261,811	401,289,119
	Dyes & Chemicals		144,590,502	110,309,265
10.2	**WIP & Finished Goods**		**513,821,108**	**379,792,191**
	Work In Process (WIP)		94,099,937	117,987,445
	Finished Goods (RFD)		419,721,171	261,804,746
11.	**Materials In Transit**		**38,685,578**	**24,844,686**
	During the year		38,685,578	24,844,686

12. Investment in Shares

	30.06.2017		30.06.2016	
	568,746	**591,043**	**570,523**	**493,634**
BRAC EPL LTD				
Company Name	**Cost Price**	**Market Price**	**Cost Price**	**Market Price**
BATBC	-	-	113,613	124,200
Grameen Phone	83,901	125,017	83,901	92,456
Keya Cosmetics	-	-	22	10
Square Pharmaceuticals	226,474	257,899	114,615	121,425
	310,375	**382,916**	**312,151**	**338,091**
SHAHIQ SECURITIES LTD				
AL-HAJTEX	45,411	41,092	45,411	27,984
APEXTANARY	33,577	30,400	33,577	27,820
BANGAS	30,039	11,369	30,039	14,009
Bxsynth	-	1,056	-	693
CENTRALPHL	3,153	3,242	3,153	1,676
EBL	7,649	6,300	7,649	5,022
FAMILYTEX	32,311	10,280	32,311	9,570
NTLTUBES	49,583	53,940	49,583	31,680
PADMA OIL	3,242	2,559	3,242	1,858
RDFOOD	-	1,969	-	1,418
SALAMCRST	34,371	35,000	34,371	25,600
SAPORTL	3,187	1,603	3,187	1,622
SONARGAON	10,653	6,300	10,653	3,750
Uttara Bank	225	98	225	81
ZAHINTEX	4,970	2,920	4,970	2,760
	258,371	**208,127**	**258,372**	**155,543**

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No.	Particulars	Note No.	Taka	
			30.06.2017	30.06.2016
12.1	Investment in Shares (Gain/Loss,Dividend)		22,297	76,889

	Cost Price	Market Price	Gain/Loss		Total	Total
			Unrealised	Realised		
BRAC EPL LTD	310,375	382,916	72,541	5,112,454	(5,039,913)	(25,940)
SHAHID SECURITIES LTD	258,371	208,127	(50,244)	247,989	(298,233)	102,829
Total	568,746	591,043	22,297	5,360,443	(5,338,146)	76,889

12.2	Other Income		119,733	(33,922)
	Dividend Income		10,940	-
	Interest		86,495	42,967
	Gain / (Loss) on Investment in Share		22,297	(76,889)
13.	Cash and Cash Equivalent		170,014,033	168,779,905
	Cash in Hand		17,377,767	18,922,288
	Cash at Bank	13.1	152,636,266	149,857,617
13.1	Cash At Bank		152,636,266	149,857,617
	Prime Bank - CD A/C		1,407,339	239,148
	One Bank Ltd - LBP Margin A/C		10,982,561	1,515,061
	One Bank Ltd - ERQ A/C		39,389,838	27,896,544
	One Bank ltd - Back to Back A/C		40,428,871	13,491,866
	One Bank Ltd - CD A/C		67,125	15,075,775
	Mercantile Bank Ltd - FC US$ A/C		44,362,530	71,139,740
	Mercantile Bank Ltd - CD A/C		10,483,490	17,272,692
	Bank Alfalah Ltd		241,595	-
	BRAC Bank AC No - 1505202148986001 (IPO)		1,461,583	1,426,039
	BRAC Bank AC No - 1505202148986002 (IPO)		8,209	8,209
	BRAC Bank AC No - 1501202148986001 (Salary)		98,698	609,657
	BRAC Bank AC No - 1510202148986001 (Dividend)		1,212,816	1,182,886
	BRAC Bank AC No - 1501202148986002 (Dividend)		2,491,611	-
14.	Share Capital			
	Authorized Share Capital		1,500,000,000	1,500,000,000
	150,000,000 Ordinary Shares of Tk. 10.00 each			
	Issued, Subscribed and Paid-Up :			
	60,000,000 Ordinary Share of Tk. 10.00 Each		600,000,000	600,000,000
	Issued Bonus Share			
	1,200,000 Ordinary Share of Tk. 10.00 Each		120,000,000	120,000,000
	Issued Bonus Share			
	10,800,000 Ordinary Share of Tk. 10.00 Each		108,000,000	108,000,000
	Issued Bonus Share			
	16,560,000 Ordinary Share of Tk. 10.00 Each		165,600,000	165,600,000
	Issued Bonus Share			
	14,904,000 Ordinary Share of Tk. 10.00 Each		149,040,000	-
			1,142,640,000	993,600,000

No.	Particulars	Note No.	Taka	
			30.06.2017	30.06.2016
14.1	**Shareholdings (Number of Shares):**		114,264,000	99,360,000
	Sponsor Shareholders		44,516,383	47,318,448
	Local Shareholders		69,747,617	52,041,552

14.2	**Percentage and Value of Shareholders:**	30.06.2017		30.06.2016	
		Percentage	Value in Taka	Percentage	Value in Taka
	Sponsor Shareholders	38.96	445,163,830	47.62	473,184,480
	Local Shareholders	61.04	697,476,170	52.38	520,415,520
		100	1,142,640,000	100	993,600,000

14.3	**Classification of Shareholders By Holding:**	30.06.2017		30.06.2016	
		Number of Shares	Total Holding (%)	Number of Shares	Total Holding (%)
	Less than 500 shares	1,872,534	1.64	2,108,972	2.12
	500 to 5,000 shares	7,531,636	6.59	5,454,633	5.49
	5,001 to 10,000 shares	5,787,489	5.07	4,021,063	4.05
	10,001 to 20,000 shares	6,664,888	5.83	3,778,421	3.80
	20,001 to 30,000 shares	4,223,600	3.70	1,884,203	1.90
	30,001 to 40,000 shares	3,123,992	2.73	1,189,878	1.20
	40,001 to 50,000 shares	2,734,863	2.39	871,057	0.88
	50,001 to 100,000 shares	7,500,529	6.56	3,583,047	3.61
	100,001 to 1,000,000 shares	14,486,514	12.68	11,134,200	11.21
	Over 1,000,000 shares	60,337,955	52.81	65,334,526	65.76
		114,264,000	100	99,360,000	100

AMARSTOCK

No.	Particulars	Note No.	Taka	
			30.06.2017	30.06.2016
15.	**Share Premium**		**730,815,534**	**730,815,534**
	Opening Balance at the beginning of the period		730,815,534	730,815,534
	Add: Other Income related to IPO		-	-
			730,815,534	730,815,534
	Less: IPO Expense		-	-
16.	**Revaluation Reserve**		**138,094,990**	**139,595,904**
	Particulars		**Revaluation Surplus as on 30.06.2017**	**Revaluation Surplus as on 30.06.2016**
	Opening Balance Restated		**141,794,584**	**135,493,163**
	Land & Land Development		67,801,500	67,801,500
	Building & Civil Constructions		65,794,404	67,691,663
			133,595,904	**135,493,163**
	Add: Prior year adjustment-Building & Civil Constructions		8,198,680	-
	Adjustment for Depreciation		**3,899,854**	**1,897,259**
	(July-16 to June -17)		3,699,654	1,897,259
17.	**Retained Earnings**		**620,528,211**	**718,583,085**
	Opening Balance at the beginning of the period		718,583,085	403,212,369
	Add: During the year		349,729,413	313,473,458
			1,068,312,498	**716,685,827**
	Add: Excess Provision of Income Tax For the year 2014		9,704,156	-
	Add: Adjustment of Revaluation Reserve		3,699,654	1,897,259
	Less: Prior year adjustment-Building & Civil Constructions		8,198,680	-
			1,073,517,629	**718,583,085**
	Less: Issue of Bonus Shares		149,040,000	-
	Less: Cash Dividend		99,360,000	-
	Less: VAT payment for previous year		4,589,418	-
18.	**Long Term Loan**		**7,058,790**	**10,688,816**
	Mercantile Bank Ltd.			
	Term Loan (Hire Purchase - Car)		10,538,791	12,749,754
	Total Long Term Loan		**10,538,791**	**12,749,754**
	Less : Current portion of long term loan		3,480,000	2,060,938
19.	**Lease Finance**		**17,771,085**	**-**
	Lanka Bangla (0466)		-	1,515,241
	Lanka Bangla (557)		10,889,241	-
	Lanka Bangla (826)		12,977,977	-

No.	Particulars	Note No.	Taka	
			30.06.2017	30.06.2016
	Nitol Motors		323,300	646,100
	Total Lease Finance		**24,190,518**	**2,161,341**
	Less : Current Portion of Long Term Loan		6,419,423	2,161,341
20.	**Deferred Tax**		**107,805,038**	**104,181,054**
	Opening Balance at the beginning of the period		104,181,054	98,095,226
	Add: Charged During the year		3,623,984	6,085,829
21.	**Short Term Loan**		**1,240,904,298**	**1,426,959,390**
	One Bank Limited			
	Bank Overdraft		29,872,543	27,922,382
	LTR Loan (For Raw Materials)		20,129,763	113,430,806
	Loan Against Bill Purchases		193,135,765	311,800,937
	Force Loan (For Raw Materials)		-	149,889,122
	Acceptance Liabilities (Raw Materials)		38,381,196	185,382,897
	EDF Liability		428,232,638	214,966,793
	Time Loan		75,505,556	57,755,820
	Mercantile Bank Ltd.			
	LTR (For Raw Materials)		126,459,903	97,506,183
	Loan Against Bill Purchases		61,177,625	116,576,869
	Acceptance Liabilities (Raw Materials)		5,844,187	12,276,446
	EDF Liability		127,403,158	94,307,603
	Bank Overdraft		72,024,004	20,137,551
	Time Loan		62,737,899	25,000,000
22.	**Current Portion of Long Term Loan**		**9,899,423**	**4,222,279**
	Long Term Loan		3,480,000	2,060,938
	Lease Finance		6,419,423	2,161,341
23	**Liability for Expenses**		**41,975,408**	**32,698,378**
	Board Meeting Fee		-	312,500
	Director Remuneration		2,950,000	-
	Electricity Bill		87,013	204,025
	Employee Contribution to PF		719,869	371,988
	Employer Contribution to PF		341,117	422,374
	Garage Rent		-	1,500
	Audit Fee		172,500	-
	Gas bill		14,693,868	13,770,361
	Mobile bill		33,796	66,898
	Night Allowance		130,042	140,715
	Office Rent		898,962	501,191
	Overtime		157,061	203,784
	Production & Attendance Allowance		226,910	230,000
	Salary & Wages (FAC)		11,048,206	7,986,513
	Sevenhill Resturant		-	309,772
	Staff Salary (HO)		4,001,343	641,602

No.	Particulars	Note No.	Taka	
			30.06.2017	30.06.2016
	TDS payable		4,172,514	4,238,181
	Un Paid Salary		1,542,207	605,788
	VAT Payable		1,000,000	2,689,187
24.	**Workers' Profit Participation Fund & Welfare Fund**		**68,381,775**	**58,894,188**
	Opening Balance at the beginning of the period		58,694,188	43,317,600
	Add: Contribution during the year	24.1	21,280,849	19,368,072
			79,975,037	62,685,672
	Less: WPPF Paid		11,613,262	3,991,484
24.1	**Contribution to Workers' Profit Participation Fund & Welfare Fund**		**21,280,849**	**19,368,072**
	Worker's Profit Participation Fund (80%)		17,024,679	15,494,458
	Worker's Welfare Fund (20%)		4,256,170	3,873,614
25.	**Provision for Tax**		**157,627,214**	**143,427,869**
	Opening Balance at the beginning of the period		143,427,869	104,539,550
	Add: Provision During the year	25.1	50,982,740	48,567,441
			194,410,609	153,106,991
	Less : Adjustment during the period		36,883,395	9,679,122
25.1.	**Provision During the year**		**50,982,740**	**48,567,441**
	Net Profit/(Loss) after WPPF		404,336,137	368,126,728
	Less: Cash Incentive		45,090,477	38,352,328
	Less: Other income considered separately		119,733	(33,922)
			358,125,928	329,808,322
	Add: Depreciation as per Accounting Base		122,427,982	127,281,771
	Less: Depreciation as per Tax base		150,769,051	171,659,483
	Taxable Income for calculation of Tax		**330,784,859**	**285,430,610**
	Current Tax on core business	15%	49,614,729	42,814,592
	Cash Incentive	3%	1,352,714	5,752,849
	Dividend Income	20%	2,188	-
	Interest	10%	8,650	-
	Gain on Investment in Share	20%	4,459	-
26.	**Bills Payable**		**14,280,656**	**45,873,633**
	Alpine Fresh Water System ltd		-	2,013
	Archroma Singapore Pte Ltd.		-	714,816
	Asia Plastic Container Ltd.		-	850,000
	Audit Fees		-	172,500
	Automation Eng & Control Ltd		-	350,080
	BGIC		4,004,888	2,658,248
	Black Force Security Service		-	70,844
	Bureau Veritas Consumer		178,274	-
	BTO Singapore PTE Ltd		-	1,531,243

No.	Particulars	Note No.	Taka	
			30.06.2017	30.06.2016
	Corona Associates		2,272,013	2,139,034
	Corona Trade & Transport		2,122,062	7,305
	Cyber Relation		-	13,400
	Dextarous Engineering		-	7,500
	Devine IT		80,000	-
	Dhaka Stock Exchange		-	1,849,415
	Enviro Engineering		242,039	385,184
	Feroz Automobile Ltd		127,000	-
	Falcate Paper Tube Compant		-	487,500
	Globe Multitrade		-	390,000
	Green Lab Environment Consultants Ltd		-	179,000
	Hong Kong Denim (Pvt) Ltd		-	12,113,624
	Intertek		-	292,029
	Itema		-	3,735,075
	Kashfi Kamal & Nafisa Kamal		-	25,310
	Lanka Bangla Finance		-	2,729,500
	M/S Engineering Works		-	225,097
	M/S Shinpower		-	227,743
	M/S Ta-Seen Electrical House		111,786	131,895
	Macron Services		-	3,400
	Millenium Center Ltd		-	97,008
	MR Global Resources Ltd		-	27,412
	N & S Trade International		-	59,920
	Naeem Transport		679,128	-
	Nafisa Enterprise		-	1,123,200
	New Sonali Fire Fighting		40,000	-
	NRG Hometex Ltd.		-	4,311,563
	Pinaki & Associates		117,800	125,300
	Pritom Trading		-	120,000
	Prisma		9,200	-
	Protection One Pvt. Ltd		277,231	-
	Qaswa Trading		-	400,000
	Rahmania Auto Workshop		-	19,995
	RJM Corporation		-	2,175,059
	Sapphire Fibres Ltd.		-	3,588,004
	Saif Powertec LTD		71,000	-
	Sarabour Trading Co		1,624,320	1,250,266
	Securex		24,908	-
	Seven Hill Aviation Ltd		110,036	110,036
	Shahara Offset Press		69,035	97,341
	Shaoxing Transally Weaving Accessories Co Ltd.		-	244,587
	Shapla Enterprise ltd		-	467,741
	Sharif Printers		-	11,880
	Shinpower		-	-
	Synergies World Design		2,080,018	349,016
	System Engineering Ltd		-	-
	Uttor bongo Fire Fighting		18,390	-
	Telewave		1,750	
	Trade Linkers		-	3,750

No.	Particulars	Note #	Taka	
			2016-2017	2015-2016
27.	**Export**		2,847,715,899	2,819,612,516
	100% Export Denims		2,847,715,899	2,819,612,516
28.	**Cost of Goods Sold**		2,217,049,475	2,181,857,077
	Raw Material Consumed	28.1	1,902,991,841	1,694,511,654
	Factory Overhead	28.2	448,086,551	415,008,920
			2,351,078,392	2,109,520,574
	Add: Opening Work-in-Process		117,987,445	119,462,044
			2,469,065,837	2,228,982,618
	Less: Closing Work-in-Process	10.2	94,099,937	117,987,445
			2,374,965,900	2,110,995,173
	Add: Opening Stock of Finished Goods		261,804,746	332,466,650
			2,636,770,646	2,443,461,823
	Less: Closing Stock of Finished Goods	10.2	419,721,171	261,804,746
28.1.	**Raw Material Consumed**		1,902,991,841	1,694,511,654
	Opening Stock of Raw Materials	28.1.1	511,598,384	423,684,325
	Add : Purchase of Raw Material	28.1.2	1,808,245,770	1,782,425,713
			2,319,844,154	2,206,110,038
	Less: Closing stock of Raw Materials	10.1	416,852,313	511,598,384
28.1.1	**Opening Stock of Raw Materials**		511,598,384	423,684,325
	Yarn		401,289,119	310,312,785
	Dyes & Chemicals		110,309,265	113,371,540
28.1.2	**Purchase of Raw Material & Consumables**		1,808,245,770	1,782,425,713
	Yarn		1,460,872,014	1,463,650,701
	Dyes & Chemicals		255,396,116	250,327,805
	C & F Charge		20,361,662	32,834,214
	Packing Materials		14,466,157	5,054,499
			2016-2017	2015-2016
	Store & Spare Parts		57,149,821	30,558,494

No.	Particulars	Note #	Taka	
28.2	**Factory Overhead**		**448,088,551**	**415,008,920**
	Annual Leave encashment		2,954,665	4,718,351
	Carrying Expense		870,505	455,518
	Computer Accessorise		208,015	251,654
	Conveyance		238,490	164,949
	Depreciation		116,308,583	120,911,014
	Donation & Subscription Under CSR		904,708	-
	Electricity Bill		218,319	192,860
	Employer Contribution to PF		4,764,851	3,858,682
	Fabric Testing Expense		1,068,829	4,275,482
	Fees & Form		720,432	906,223
	Fooding Allowance		2,188,708	2,625,858
	Fuel & Lubricants		47,477,879	33,654,542
	Gas		64,381,644	68,234,220
	Insurance Premium		4,233,515	9,217,605
	Internet		110,400	110,400
	Labour Charges		833,926	622,813
	Medical Expenses		660,610	438,001
	Miscellaneous Expenses		98,590	42,240
	Mobile Bill		568,200	831,750
	Night Allowance		1,295,520	1,027,215
	Office Expense		674,688	494,319
	Officers & Worker Mess		298,016	129,286
	Overtime		2,282,836	1,911,003
	Printing		635,993	1,016,786
	Production & Attendance Allowance		2,538,000	2,498,563
	R/M (M. Vehicles)		477,900	531,395
	R/M (Machinery)		7,986,398	2,626,574
	Revenue & Stamp		85,000	80,000
	Safety Materials		245,745	176,244
	Salaries & Wages		178,199,815	147,836,262
	Security Services		3,076,132	2,843,740
	Stationary		818,229	826,991
	Training		88,605	258,080
	Uniform		147,850	163,490
	Utility		99,728	105,696
	Washing and Cleaning		237,970	237,114
	Wastage Handling Charges		89,258	734,000
29.	**Export Incentive**		**45,090,477**	**38,352,328**
	Export Incentive		45,090,477	38,352,328

No.	Particulars	Note #	Taka	
			2016-2017	2015-2016
30.	**Administrative Expenses**		102,833,343	104,217,454
	Advertisement		361,392	210,949
	Amortization of Intangible Asset		-	52,000
	Annual General Meeting		1,580,284	1,546,102
	Annual Picnic		-	300,000
	Audit Fee		172,500	345,000
	Board Meeting Fee		339,900	304,000
	Books & Periodical		3,005	1,100
	Buyer Entertainment		1,065,064	300,502
	Computer Accessories		54,290	22,300
	Conveyance		839,230	761,341
	Depreciation		6,121,399	6,370,757
	Director Remuneration		26,400,000	26,400,000
	Donation & Subscription under CSR		1,528,000	2,163,475
	Electricity Bill		831,337	1,356,408
	Employer Contribution to PF		1,576,408	1,406,362
	Entertainment		1,010,248	582,411
	Fooding Allowance-Lunch		1,633,551	1,924,745
	Fees & Forms		4,322,128	4,630,701
	Fuel & Lubricants		739,900	2,294,358
	Garage Rent		18,000	16,500
	Insurance		-	387,739
	House Rent		-	110,760
	Incidental Expenses		1,052,765	1,084,692
	Legal & Professional Fees		17,000	794,180
	Maternity Allowance		144,368	-
	Miscellaneous Expense		39,469	71,773
	News Paper Bill		5,836	17,576
	Office Expenses		914,300	1,042,934
	Office Rent		10,153,356	10,301,969
	Postage & Stamps		106,462	175,271
	Printing		27,960	83,741
	Repair & Maintenance		770,833	595,585
	Salaries & Allowances		37,484,122	32,420,976
	Software Development		244,000	311,000
	Stationery		449,776	357,123
	Telephone, Mobile, E-mail etc.		457,399	539,857
	Traveling Expense		2,143,623	4,388,146
	Uniform		48,990	203,220
	Utility		176,648	341,901

AMAR STOCK

No.	Particulars	Note #	Taka	
31.	**Selling and Distribution Expenses**		37,614,342	35,441,396
	Carriage Outward		8,177,894	7,034,183
	Sample & Compensation		987,758	1,075,054
	Buyer Commission		25,819,983	25,251,592
	Business Development		2,628,707	2,080,567
32.	**Financial Expenses**		109,811,962	149,120,195
	Interest on Time Loan		8,936,616	29,951,538
	Interest on Force Loan		8,032,429	30,702,851
	Interest on LTR		9,546,444	9,518,870
	Interest on Bill Discount		45,556,366	45,605,085
	Interest on Overdraft		7,594,959	3,773,716
	Bank charges & Commission		30,145,148	29,568,135
			12 Months	12 Months
33	**Earning Per Share (Diluted)**		3.06	2.74
	Net Profit from Core Business		349,729,413	313,473,458
	Total Number of Shares Outstanding as on 30.06.2017		114,264,000	114,264,000
34.	**Net Assets Value (NAV) Per Share**		25.80	27.10
	Total Shareholders Equity		2,947,957,747	2,692,473,596
	Total Number of Shares Outstanding as on 30.06.2017		114,264,000	99,360,000

35 Related party transactions

The Company carried out a transaction with related party in the normal course of business transactions. The name of the related party and nature of transactions and it's value have been set in accordance with the provision of BAS 24 : Related party disclosures

Company Name	Transaction (BDT)	Outstanding (BDT)
Argon Spinning Ltd	891,639,822	462,066,478

AMARSTOCK

ARGON DENIMS LIMITED
Notes to the Financial Statements
as at 30 June 2017
Existing Unit
Annexure - A
Amount in Taka

Schedule of Property, Plant and Equipment

Particulars	Cost				Rate of %	Depreciation			WDV as on 30.06.2017
	Balance as at 01.07.2016	Addition	Disposal	Balance as at 30.06.2017		Balance as at 01.07.2016	Charged during the period	Balance as at 30.06.2017	
Land & Land Development	32,886,000	-	-	32,886,000	-	-	-	-	32,886,000
Building & Civil Constructions	279,304,830	82,910	-	279,387,740	5	81,793,774	9,875,553	91,669,327	187,718,413
Mechanical Fabrication	18,597,325	-	-	18,597,325	10	9,208,113	938,921	10,147,034	8,450,291
ETP & WTP	44,500,000	-	-	44,500,000	10	24,785,499	1,971,450	26,756,949	17,743,051
Capital Machinery	469,432,423	575,000	-	470,007,423	10	253,419,889	21,601,253	275,021,142	194,986,281
Furniture & Fixture	6,758,098	161,166	-	6,919,264	10	2,690,945	406,715	3,097,660	3,821,604
Motor Vehicles	72,012,036	28,013,435	-	100,025,471	20	38,329,038	6,736,600	45,065,638	54,959,833
Office Equipments	12,806,515	1,640,754	-	14,447,269	15	5,994,622	1,021,784	7,016,406	7,430,863
Gas Line Installations	5,070,431	-	-	5,070,431	10	2,824,116	224,632	3,048,747	2,021,684
Motor & Pump	3,241,490	-	-	3,241,490	10	1,804,885	143,660	1,948,546	1,292,944
Electrical Installation	9,199,066	-	-	9,199,066	10	5,039,290	415,978	5,455,267	3,743,799
Office Decoration	16,794,513	3,771,954	-	20,566,467	10	5,401,069	1,139,344	6,540,413	14,026,054
Air Condition(AC)	1,327,096	2,657,430	-	3,984,526	15	850,999	71,415	922,413	3,062,113
Total	**971,929,823**	**36,902,849**	**-**	**1,008,832,472**		**432,142,237**	**44,547,305**	**476,689,543**	**532,142,930**

Schedule of Revaluation

Particulars	Cost				Rate of %	Depreciation			WDV as on 30.06.2017
	Balance as at 01.07.2016	Total Addition	Disposal	Balance as at 30.06.2017		01.07.2016	Charged during the period	Balance as at 30.06.2017	
Land & Land Development	67,801,500	-	-	67,801,500	-	-	-	-	67,801,500
Building & Civil Constructions	92,497,925	-	-	92,497,925	5	18,504,840	3,699,654	22,204,495	70,293,430
Total	**160,299,425**	**-**	**-**	**160,299,425**		**18,504,840**	**3,699,654**	**22,204,495**	**138,094,930**
Grand Total	**1,132,229,248**	**36,902,849**	**-**	**1,169,131,897**	**-**	**450,647,078**	**48,246,959**	**498,894,038**	**670,237,860**

Schedule of Property, Plant and Equipment

Particulars	Cost				Rate of %	Depreciation			WDV as on
	Balance as at 01.07.2016	Addition	Disposal	Balance as at 30.06.2017		Balance as at 01.07.2016	Charged during the period	Balance as at 30.06.2017	30.06.2017
Land & Land Development	16,636,254	-	-	16,636,254	-	-	-	-	16,636,254
Building & Civil Constructions	374,652,490	12,035,289	-	386,687,779	5	54,968,540	15,984,198	70,952,738	315,735,042
Mechanical Fabrication	16,055,209	-	-	16,055,209	10	5,128,411	1,092,680	6,221,090	9,834,119
ETP & WTP	15,660,455	559,800	-	16,220,255	10	5,085,948	1,057,451	6,143,399	10,076,856
Capital Machinery	730,958,361	310,000	-	731,268,361	10	209,718,034	52,124,033	261,842,067	469,426,294
Furniture & Fixture	4,296,284	141,400	-	4,437,684	10	938,602	335,768	1,274,370	3,163,314
Office Equipments	11,002,647	2,485,147	-	13,487,794	15	3,915,600	1,063,057	4,978,657	8,509,137
Gas Line Installations	8,230,000	-	-	8,230,000	10	1,802,077	642,792	2,444,869	5,785,131
Motor & Pump	6,800,923	411,840	-	7,212,763	10	2,090,842	471,008	2,561,850	4,650,913
Electrical Installation	8,809,187	-	-	8,809,187	10	2,758,539	605,065	3,363,604	5,445,583
Office Decoration	2,514,580	-	-	2,514,580	10	757,219	175,736	932,955	1,581,625
Air Condition(AC)	6,525,865	544,120	-	7,069,985	15	2,330,956	629,236	2,960,192	4,109,793
Total	1,202,142,255	16,487,596	-	1,218,629,851		289,494,766	74,181,024	363,675,790	854,954,062

Allocationof Depreciation	Existing Unit			Expansion Unit	Total	Intangible Asset	Grand Total
	With out revaluation	On Revaluation	Total				
Factory Overhead	42,319,940	3,514,672	45,834,611	70,471,973	116,306,584	-	116,306,583
Administrative Expensess	2,227,365	184,983	2,412,348	3,709,051	6,121,399	-	6,121,399
Total	44,547,305	3,699,654	48,246,959	74,181,024	122,427,983	-	122,427,982

TAMARSTOCK

ARGON DENIMS LIMITED
Notes to the Financial Statements
as at 30 June 2017
Expansion Unit
Annexure - C
Amount in Taka

5. Schedule of Intangible Assets

Particulars	WDV			Rate of %	Depreciation			WDV as on 30.06.2017
	Balance as at 01.07.2016	Addition	Total as on 30.06.2017		Balance as at 01.07.2016	Charged during the period	Balance as at 30.06.2017	
ERP Software	5,122,988	-	5,122,988	-	-		-	5,122,988
Total	**5,122,988**	**-**	**5,122,988**		**-**	**-**	**-**	**5,122,988**

Note : ERP Software Installation has completed and ready for use in the month of January - 2014 but it is still implementation process due to some unavoidable circumstances, that's why we did not amortize the intangible assets.

AMAR STOCK

Argon Denims Limited

Operational Office: Level-6
57 Gulshan Avenue, Plot-2, Zia Airport Road, Dhaka-1229

PROXY FORM

Affix Tk. 20 Revenue Stamp

I/We .

of Address.

being a Shareholder of Argon Denims Limited hereby appoint

Mr./Mrs.

of Address

As my/our proxy to attend and vote for me/us on behalf at 11th Annual General Meeting of the Company to be held on Monday 30 October , 2017 at 10:00 am at International Convention City Bashundhara Hall-1 (Ground Floor), Plot-2, Zia Airport Road, Dhaka-1229

As witness my/our hand this ---------- day of ---------- 2017.

.....
(Signature of the proxy)

Date:.....

.....
(Signature of the Shareholder)

Date:.....

Register Folio no.// BO ID of Member ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

Note: A member entitled to attend and vote at the Annual General Meeting may appoint proxy to attend vote in his/her stead. The proxy form should reach the Operational Office of the Company not less than 48 hours before the time for the meeting.

.....
Signature of Witness

.....
Authorized Signatory
Argon Denims Limited

Attendance Slip

Name of the Member/Proxy (In block letter)

Register Folio no.// BO ID of Member ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

As my/our proxy to attend and vote for me/us on behalf at 11th Annual General Meeting of the Company to be held on Monday 30 October , 2017 at 10:00 am at International Convention City Bashundhara Hall-1 (Ground Floor), Plot-2, Zia Airport Road, Dhaka-1229

No. of Shares held.....

.....
(Signature of the Shareholder)

.....
(Signature of the proxy)

Note: Please present this attendance Slip at the registration counter on the AGM date

ARGON STOCK

আরগন ডেনিমস লিমিটেড

২০ টাকার রেভিনিউ স্ট্যাম্প সংযুক্ত করুন

প্রক্সি ফরম

আমি/আমরা .....

ঠিকানা .....

আরগন ডেনিমস লিমিটেড এর সদস্য হিসেবে

জনাব/ বেগম .....

ঠিকানা .....

আমরা/ আমাদের প্রতিনিধি আগামী ৩০শে অক্টোবর ২০১৭ রোজ সোমবার সকাল ১০.৩০ ঘটিকায় ইন্টারন্যাশনাল কনভেনশন সিটি বসুন্ধরা, (আইসিসিবি) **হল-১ (গুলনকশা),** কুড়িল বিশ্বরোড, (পূর্বাচল ৩০০ ফুট রোডের পাশে), ঢাকায় অনুষ্ঠিতব্য ১১ম বার্ষিক সাধারন সভায় আমরা/আমাদের পক্ষে উপস্থিত থাকিবার এবং ভোট প্রদান করিবার জন্য নিযুক্ত করিলাম।

....

(প্রতিনিধির স্বাক্ষর) **(সদস্যের স্বাক্ষর)**

তারিখ: ..... **তারিখ:** .....

ফলিও/বিওআইডি নম্বর ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

বি:দ্র: বার্ষিক সাধারন সভায় যোগদানের অধিকারী শেয়ার হোল্ডার তার পরিবর্তে বার্ষিক সাধারন সভায় যোগদানের জন্য একজন প্রক্সি নিয়োগ করিতে পারেন। প্রক্সি ফরম যথাযথ পুরণের পর সভা অনুষ্ঠানের ৪৮ ঘন্টা পূর্বে কোম্পানীর অপারেশনাল অফিসে জমা দিতে হইবে।

....

সাক্ষীর স্বাক্ষর

অনুমোদিত স্বাক্ষরকারী
আরগন ডেনিমস লিমিটেড

AMAR STOCK



10th Annual General Meeting



ARGON DENIMS LIMITED

Lotus Kamal Tower One (Level-6), 57 Joar Sahara C/A, Nikunja 2, New Airport Road, Dhaka-1229
Phone: +88 02-8900781-3, +88 02-8900870-4, Fax:+88 02-8900784, Email: info@argondenims.com. www.argondenims.com