ARGON

ARGON DENIMS LIMITED

Competence and Reliability is our motto







ANNUAL REPORT 2017-2018





ANNUAL REPORT 2017-2018

ARGON

ARGON DENIMS LIMITED

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

AMAR STOCK

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 stake-holders 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

MAIN STOCK

ANNUAL REPORT 2017-2018

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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, 2018

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, 2018 and Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June, 2018 along with notes thereon of Argon Denims Limited for your reference and record.

Yours truly,

Md. Moniruzzaman Bhuiyan
Company Secretary

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 12th Annual General Meeting of Argon Denims Limited will be held on Tuesday, 30 October 2018 at 10:30 a.m. at International Convention City Bashundhara (ICCB) Hall-02 (Pushpoguscho), Kuril Bishwa Road (Next to 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 2018

2. **Dividends**

   To declare dividends for the year ended 30 June 2018 as recommended by the Board of Directors

3. **Election of Directors**

   To elect / re-elect Directors

4. **Appointment of Auditors**

   To appoint Statutory Auditors and Corporate Governance Auditors and to fix their remuneration for the financial year 2018-2019

By Order of the Board

Md. Moniruzzaman Bhuiyan
Company Secretary
Dhaka. 10 October, 2018

NOTES:

1. The Record Date is **11th October 2018.** 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 Notifi cation 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 25, 2018.
7. The concerned trusty board of approved superannuation fund or pension fund or gratuity fund or recognized provident fund or workers participation fund are requested to provide us update tax rebate certificate on or before October 25, 2018

CORPORATE DIRECTORY

Board of Directors

Chairperson
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)
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

Statutory Auditor
M/s Pinaki & Co.
Chartered Accountants

Corporate Governance Auditor
SA Rashid & Associates
Chartered Secretaries

Legal Advisor
Dr. M. Zahir & Associates

Bankers
ONE Bank Ltd.
Mercantile Bank Ltd.
Bank Alfalah Ltd.
Prime Bank Ltd.
BRAC Bank Ltd.
Mutual Trust Bank Ltd.

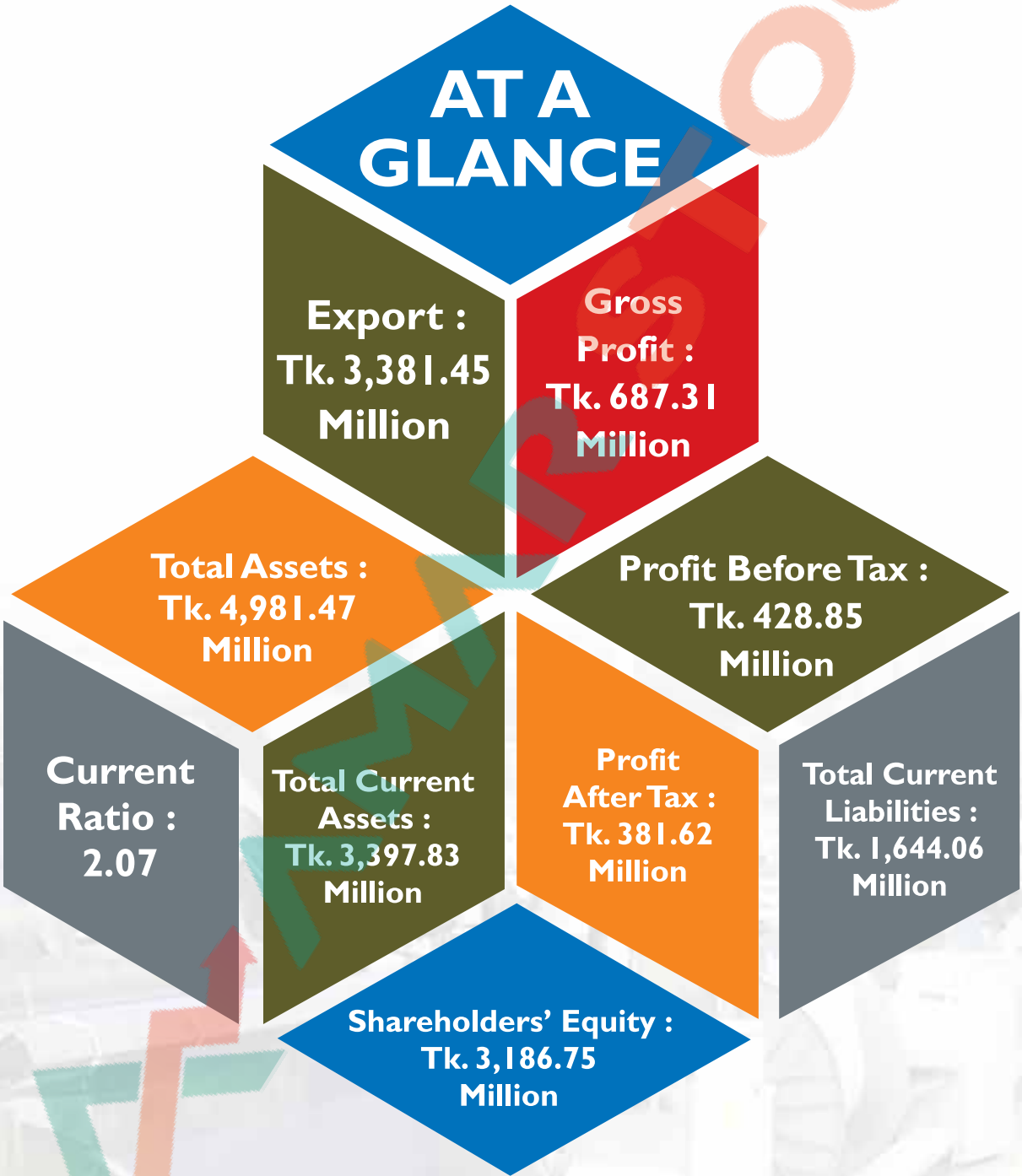
Insurer
Bangladesh General Insurance Co. Ltd

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

Operational 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. Bangladesh.

FINANCIAL HIGHLIGHTS



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. 1,199.77 million at the year ended June 30, 2018.

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 , Finishing unit. Company installed its own Power Generator and other necessary facilities. Subsequently 12 more air jet looms and separate Mercerizing units were added in 2010. In addition 54 sets and 9 sets new high speed Weaving Looms were added in 2012 and March 2015 respectively. At present the factory is equipped with 111 looms, Warping, Dyeing and Finishing Machine, along with all necessary utility facilities.

The factory produces high quality Fabrics in 100% Cotton, Cotton Stretch, Cotton Polyester and Cotton Polyester Stretch which are made in optics like Slub, Crosshatch, Mixed counts and Regular with various weaves like Plain, Twill, Broken Twill and Herringbone. These are offered in different finishes like pre shrunk, flat, over-dyed 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 production capacity (RFD) is 18.38 million yards.
The fabrics produced at the factory are sold to different export oriented RMG factories through the nomination of ultimate foreign buyers of finished 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.

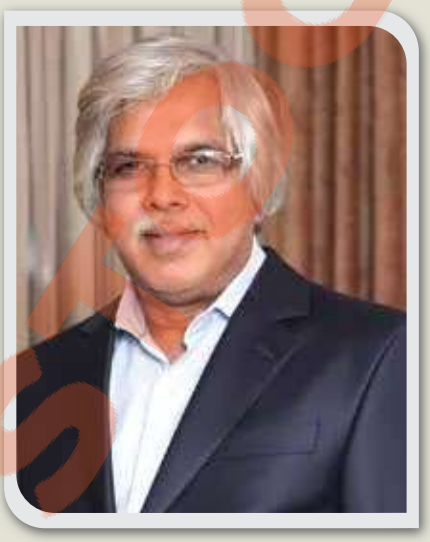
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THE BOARD OF DIRECTORS



Shabnam Shehnaz Chowdhury
Chairperson

Mrs. Shabnam Shehnaz Chowdhury, Chairperson of Argon Denims Limited, obtained her Master's Degree from University of Dhaka. She has got wide working experience in Management, Procurement, HR & Internal Audit of RMG & Textile Industries. She has got substantial shareholding in several Public & Private organizations. She is actively 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 33 years of experience in the RMG & Textile sector. He established his first venture "Evince Garments Limited" in 1983. And since then, by dint of his entrepreneurship & leadership, has established a well reputed Industrial group, which is both vertically and horizontally set up. 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 1982. 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 period 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 philanthropic 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 his MBA from the Islamic University, Chittagong. He has gathered vast working experience with different internationally reputed Textile and Garments organization. His main expertise is in the marketing and export arena. He is one of the experienced professional of Argon Denims Ltd and possesses more than 28 years working knowledge in Apparel and Textile fields. He has giver invaluable 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 mainly worked in the marketing arena and has gathered vast experience in this in this field. He joined Argon Denims Limited in 2006. He mainly looks after the Merchandising department 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". While he sub contribute to the growth and development of the company he also try's to increase his own knowledge and understanding of the product and the industry as a whole.



Shah Rayeed Chowdhury
Director

Mr. Shah Rayeed Chowhury 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 effort is towards adaptation of modern means is 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 three years of which twenty eight years were in the public / private banking sector and sixteen years in the private sector in Textile Industry as the Head of Finance departments. During his career he spent more than twelve years as Executive Director of leading Industrial concern.



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 Bangladesh (2013).

AMIR STOCK

KEY SENIOR PERSONNEL



Hasan Ahmed Chowdhury
Chief Operating Officer.

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 22 years. Prior to joining Argon Denims Limited he was involved in Top Management in reputed companies like Beximco, Hamid Fabrics, etc. He has a significant contribution to Argon Denims Limited to bring the company to its present position. Currently he is working as the Chief Operating Officer for Argon Denims Ltd.



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 30 years practical experience in the country's large manufacturing industries and NGO in the area of Internal Audit, Inven tory Control, Finance & Accounts, Commercial, Procure ment, 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 14 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.



Mohammad Robayed Siddique
DGM (Marketing)

Mr. Mohammad Robayed Siddique has joined Argon Denims Ltd. In 2012. He is working the Argon Marketing team as Deputy General Manager. He completed his B.Sc (Hons) in Physics. Back in 2000, he started his career in Marketing with Beximco Textiles Ltd. where he was handling some key customers like J. C. Penney, Basewear, Meta Apparels, Miles and Walmart. In 2008 he Joined Hamid Fabrics Ltd and handled some of the major customer like L C Waikiki, Defacto, Colins, Charles Voegele and PVH. As a member of the Argon, marketing team Mr. Robayed maintains regular contacts with the customer such as Kiabi, C&A, Inside, Aldi, Perry Ellis, Cotton & Silk, Tiffosi, Essamoda etc. While conducting marketing and order execution he frequently visits buyer offices of these key customers to maintain the great business flow. Mr. Robayed believes in a great team effort with prompt actions but at the same time patronizes to a great friendly and lively work environment, which happens to appreciate by the business partners and his own team.

11th Annual General Meeting



FACTORY PICTURE













STOCK

CHAIRPERSON'S STATEMENT



Dear Shareholders
Assalamu Alaikum.

It is my sincere pleasure and privilege to welcome you all to the 12th Annual General Meeting 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 2018.

BUSINESS CONDITION

Despite various adverse business conditions such as high Bank Interest rate, utility (gas & fuel) cost, higher cost of raw material , the company achieved an impressive growth in production, export and profitability. Our annual production capacity is (weaving) is 20.00 million yards whereas the deliverable RFD production capacity is 18.38 million yards against this we have achieved 96.76% (RFD) capacity utilization, which considered as much superior than the normal achievement rate of Textile Industry.

PERFORMANCE

- Export Turnover during the financial year 2017 -2018 is Tk. 3,381.45 million compared to Tk. 2,847.72 million during the financial year 2016-2017 i.e. increased by 18.74%
- Net profit increased from Tk. 349.73 million to Tk. 381.62 million i.e. increased by 9.12% as compared with the Previous year. The profit would have been even higher had we not been confronted with the higher rate of Interest rate, utility cost as well as cost of raw materials.
- Net Asset per share increased from Tk. 25.80 to Tk. 26.56 i.e. increased by 2.95% as compared with the Previous year.

EQUITY AND SHARES

- Shareholders' Equity is Tk. 3,186.75 million as on June 30, 2018 which was Tk. 2,947.96 million as on 30 June 2017. i.e. increased by 8.10% as compared with the Previous year.

FUTURE PROSPECTS

Due to a high demand for denim fabrics in the International Market, we are optimistic about continuous 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 hard work, 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

REVIEW OF OPERATIONS BY MANAGING DIRECTOR



Argon Denims Limited is completing its 12th year of incorporation on 13th July, 2006 and completed 10th years of business operation in June, 2018. By this time Argon Denims Limited has been able to establish as one of the country's foremost manufacturers of 100 % export oriented International quality 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, by producing high quality denims through embracing contemporary quality principles and practices. These principles has induced an environment that stimulates one as 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.

The Director's Report for the year ended 30 June 2018 would reveal the operating result had upward trend over the previous year though the year under review have had a deep injury of socio disturbances 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 bestowed upon us.

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

Anwar-ul Alam Chowdhury
Managing Director

DIRECTORS' REPORT

(i) 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 June 30, 2018. The Directors confirm that they are satisfied with all the compliance issues and there is no doubt about the Company's ability to continue as a going concern.

From the commencement of journey in 2006, Argon Denims Ltd. has been striding forward specially during the time of beginning commercial operations in 2008 and gradually moving forward, now has positioned itself as one of the leading 100% export based denims producers in Bangladesh.

The Company produces fabrics in 100% Cotton, Cotton Stretch, Cotton Polyester and Cotton Polyester Stretch. These 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.

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 are appearing in our customer's list.

(ii) The segment-wise or product-wise performance;

Particulars	Unit	Year	
		2017-2018	2016-2017
Loom	Number	111	111
Production Capacity (Weaving)	Yards	20,000,000	20,000,000
Production Capacity (RFD)	Yards	18,375,000	17,500,000
Actual Production (RFD)	Yards	17,779,766	16,698,500
Capacity Utilization (RFD)	%	96.76%	95.42%

(iii) Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment is stated below;

As the Company prefers availing 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.

Also, as the company imports yarn and exports woven fabrics, it is exposed to **exchange rate risks.** As

DIRECTORS' REPORT

far as raw material import is concerned, every player in the industry imports raw material so any exchange rate adverse fluctuation will equally affect all the players in the industry. Therefore, any exchange loss can be absorbed by an increase in product price.

(iv) A discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin is as follows;

Particulars	July 17 to June 18	July 16 to June 17	Variance Increase (+) / Decrease (-)
Cost of Goods Sold	2,694,133,694	2,217,049,475	47,7084,219
Gross Profit Margin	20.33	22.15	(1.82)
Net Profit Margin	11.29	12.28	(0.99)

Cost of Goods sold increased due to increase of price of raw materials and increase of utility cost like Gas & fuel and for this, Gross Profit Margin decreased. During the year interest rate increased than the previous year as a result interest expenses increased.

(v) There were no extraordinary activities during the year.

(vi) Following statement showing the related party transactions along with amount, nature of related party, nature of transactions and basis of transactions;

Name of the Party	Relationship	Nature of Transaction	Transacted Amount	
			July 17 to June 18	July 16 to June 17
Mrs. Shabnam Shehnaz Chowdhury	Chairperson	Remuneration	4,800,000	4,800,000
Mr. Anwar-ul Alam Chowdhury	Managing Director	Remuneration	4,800,000	4,800,000
Mr. Abu Kawser Majumder	Director-Finance	Remuneration	4,800,000	4,800,000
Mr. A.K. Gouhor Rabbani	Director-Merchandising	Remuneration	4,800,000	4,800,000
Mr. Md. Akhter Shahid	Director-Marketing	Remuneration	4,800,000	4,800,000
Mr. Shah Adeeb Chowdhury	Director-Support Service	Remuneration	1,200,000	1,200,000
Mr. Shah Rayeed Chowdhury	Director-Production	Remuneration	1,200,000	1,200,000
Argon Spinning Ltd.	Under Common Directorship	Yarn Purchase	1,258,695,998	891,639,822
Total			**1,285,095,998**	**918,039,822**

DIRECTORS' REPORT

(vii) A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments are: **Not applicable for Argon Denims Ltd.**

(viii) An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.; **Not applicable for Argon Denims Ltd.**

(ix) No significant variance occurs between Quarterly Financial performances and Annual Financial Statements;

(x) A statement of remuneration paid to the directors including independent directors is stated below;

Name of Directors	Designation	Transacted Amount	
		July 17 to June 18	July 16 to June 17
Mrs. Shabnam Shehnaz Chowdhury	Chairperson	4,800,000	4,800,000
Mr. Anwar-ul Alam Chowdhury	Managing Director	4,800,000	4,800,000
Mr. Abu Kawser Majumder	Director- Finance	4,800,000	4,800,000
Mr. A.K. Gouhor Rabbani	Director-Merchandising	4,800,000	4,800,000
Mr. Md. Akhter Shahid	Director-Marketing	4,800,000	4,800,000
Mr. Shah Adeeb Chowdhury	Director-Support Service	1,200,000	1,200,000
Mr. Shah Rayeed Chowdhury	Director-Production	1,200,000	1,200,000
Mr. Faizul Hakim Khan	Independent Director	-	-
Mr. Prof. Dr. Md. Hasibur Rashid	Independent Director	-	-
Total		**26,400,000**	**26,400,000**

(xi) The management confirms that the financial statements i.e. the result of its operations, statement of cash flows and changes in equity of Argon Denims Limited is prepared and presented fairly.

(xii) The management of Argon Denims Limited states that proper books of accounts have been maintained.

(xiii) The management of Argon Denims Limited confirms that the appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.

(xiv) The management of Argon Denims Limited confirms that the International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.

DIRECTORS' REPORT

(xv) The management confirms that internal control of Argon Denims Limited is sound in design and has been effectively implemented and monitored.

(xvi) A statement that minority shareholders have been protected from abusive actions by, or in the inter est of, controlling shareholders acting either directly or indirectly and have effective means of redress; **Not applicable for Argon Denims Ltd.**

(xvii) The management confirms that there is no significant doubt upon the issuer company's ability to continue as a going concern.

(xviii) No significant deviations occurs from the last year operational result.

(xix) A statement of key operating and financial data of preceding 5 (five) years is given bellow;

Particulars	2013	2014	2015-2016 (18 Months)	2016-2017	2017-2018
Export	2,171,292,501	2,521,265,296	4,077,118,834	2,847,715,899	3,381,447,214
Gross Profit	461,002,125	577,208,829	919,312,249	630,666,424	687,313,520
Profit Before Tax	285,421,916	353,457,192	524,102,446	404,336,137	428,847,766
Profit After Tax	226,839,435	287,461,724	436,081,785	349,729,413	381,619,320
Shareholders' Equity	1,991,577,984	2,235,533,534	2,692,473,595	2,947,957,746	3,186,747,067
Total Assets	3,832,899,539	4,065,681,263	4,521,407,940	4,618,239,663	4,981,468,760
Total Current Assets	2,048,762,103	2,394,742,650	2,922,055,293	3,087,924,753	3,397,830,993
Total Current Liabilities	1,714,881,619	1,716,320,277	1,714,064,475	1,537,646,995	1,644,057,341
Current Ratio	1.19	1.40	1.70	2.01	2.07

(xx) The management is actively considering declaration of dividend for the current year.

(xxi) The company has not declared any stock dividend or bonus share as interim dividend.

DIRECTORS' REPORT

(xxii) The total number of Board meetings held during the year and attendance by each director;

Name of Directors	Position	Meeting Held	Attendance
Shabnam Shehnaz Chowdhury	Chairperson	4	3
Anwar-ul Alam Chowdhury	Managing Director	4	4
Abu Kawser Majumder	Director	4	4
A.K. Gouhor Rabbani	Director	4	3
Md. Akhter Shahid	Director	4	3
Shah Adeeb Chowdhury	Director	4	4
Shah Rayeed Chowdhury	Director	4	3
Faizul Hakim Khan	Independent Director	4	3
Prof. Dr. Md. Hasibur Rashid	Independent Director	4	3

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

(xxiii) A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by is given below:-

SL	Name of Shareholder	Description	Number of Shares	Amount (Taka)	%
(a)Parent /Subsidiary/Associated Companies and Other related parties (name wise details)			Nil	Nil	Nil
(b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details)					
1	Shabnam Shehnaz Chowdhury	Chairperson	7,498,575	74,985,750	6.25%
2	Anwar -ul Alam Chowdhury	Managing Director	7,616,626	76,166,260	6.35%
3	Shah Adeeb Chowdhury	Director	4,248,860	42,488,600	3.54%
4	Shah Rayeed Chowdhury	Director	3,999,240	39,992,400	3.33%
5	Sanjana Shehnaz Chowdhury	Daughter of Anwar- ul Alam Chowdury & Sabnam Shehnaz Chowdhury	219,958	2,199,580	0.18%
6	Md. Akhter Shahid	Director	6,094,609	60,946,090	5.08%
7	Suraya Akhter	Wife of Akhter Shahid	155,970	1,559,700	0.13%
8	Adiba Akhter	Daughter of Akhter Shahid	133,725	1,337,250	0.11%
9	Samir Akhter	Son of Akhter Shahid	155,970	1,559,700	0.13%

DIRECTORS' REPORT

10	A.K.Gouhor Rabbani	Director	6,920,139	69,201,390	5.77%
11	Farhana Haque	Wife of A.K. Gouhor Rabbani	135,220	1,352,200	0.11%
12	Elma Zuairia Rabbani	Daughter of A.K. Gouhor Rabbani	221,958	2,219,580	0.19%
13	Elham Farhan Rabbani	Son of A.K. Gouhor Rabbani	221,958	2,219,580	0.19%
14	Ibram Farhan Rabbani	Son of A.K. Gouhor Rabbani	221,958	2,219,580	0.19%
15	Abu Kawser Majumder	Director	8,164,152	81,641,520	6.80%
16	Farhan Majumder	Son of Abu Kawser Majumder	221,958	2,219,580	0.19%
17	Farhaz Kawser	Son of Abu Kawser Majumder	221,958	2,219,580	0.19%
	Sub-Total		**46,452,834**	**464,528,340**	**38.72%**
	Institution & General Public		**73,524,366**	**735,243,660**	**61.28%**
	Total		**119,977,200**	**1,199,772,000**	**100.00**
18	Faizul Hakim Khan	Independent Director	Nil	Nil	Nil
19	Dr. Md. Hasibur Rashid	Independent Director	Nil	Nil	Nil
20	Md. Moniruzzaman Bhuiyan	Company Secretary	Nil	Nil	Nil
21	Md. Mustafa Kamal	Chief Financial Officer	Nil	Nil	Nil
22	A.K.M Selim Reza	Head Of Internal Audit	Nil	Nil	Nil
Executive (Top 5 salaried employees)					
23	Hasan Ahmed Chowdhury	Chief Operating Officer	Nil	Nil	Nil
24	Mohammad Robayed Siddique	DGM	Nil	Nil	Nil
25	Major (Retd) Enamur Rahman Talukder	DGM	Nil	Nil	Nil
26	M. Delwar Hossain	DGM	Nil	Nil	Nil
27	Md. Imdadul Haque	DGM	Nil	Nil	Nil
(d) Shareholders holding ten percent (10%) or more voting interest in the company					
	ICB	Institution	12,925,737	129,257,370	10.77%

DIRECTORS' REPORT

(xxiv) 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. Accord ingly, the following Directors of the Board will retire at the Annual General Meeting.

Mr. 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. . He is also director of Evince Textile Limited, Evitex Polycot Limited and Evince Apparels Limited. He is also eligible for re-appointment.

Mr. Shah Rayeed Chowdhury, Director

Mr. Shah Rayeed Chowhury 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. He is also director of Evince Textile Limited and eligible for re-appointment.

(xxv) The Management Discussion and Analysis signed by CEO/MD presenting details analysis of the company's position and operation is attached in an Annexure-01.

(xxvi) Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3 (3) shall be disclosed as per Annexure-A; and

(xxvii) The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.



Abu Kawser Majumder
Director

Annexure-01

Management's Discussion and Analysis of the company's position and operations along with a brief discussion of changes in the financial statements as per condition no 5(XXV) of Corporate Governance Code dated June 03, 2018.

The company has prepared and presented its financial statement as per BAS as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). The following BASs are applicable for the financial statements for the period under review:

IAS-01 Presentation of Financial Statements
IAS-02 Inventories
IAS-07 Statements of Cash flows
IAS-08 Accounting Policies, Changes in Accounting Estimates & Errors.
IAS-10 Events after the reporting period
IAS-12 Income Taxes
IAS-16 Property, Plant and Equipment
IAS-17 Leases
IFRS-15 Revenue from contracts with customers
IAS-19 Employee Benefits
IAS-23 Borrowing Cost
IAS-24 Related Party Disclosures
IAS-32 Financial Instruments: Presentation
IAS-33 Earnings Per Share
IAS-36 Impairment of Assets
IAS-37 Provisions, Contingent Liabilities and Contingent Assets
IAS-38 Intangible Assets

There is no changes in accounting policies and estimation during the preparation of financial statement for the year ended June 30, 2018,
comparative analysis of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons are as follows;

(In million)

Particulars	July-17 to June-18	July-16 to June-17	July-15 to June-16	Jan to Dec-2014	Jan to Dec-2013
Turnover	3,381.45	2,847.72	4,077.12	2,521.27	2,171.29
Gross Profit	687.31	630.67	919.31	577.21	461.00
Net profit before Tax	428.85	404.34	524.10	353.46	285.42
Net Profit after Tax	381.62	349.73	436.08	287.46	226.84
Shareholder's Equity	3,186.75	2,947.96	2,692.47	2,235.53	1,991.58
Total Assets	4,981.47	4,618.24	4,521.41	4,065.68	3,832.90
Total Current Assets	3,397.83	3,087.92	2,922.06	2,394.74	2,048.76
Total Current Liability	1,644.06	1,537.65	1,714.06	1,716.32	1,714.88
Current Ratio	2.07	2.01	1.70	1.40	1.19
Net Assets Value	26.56	25.80	27.10	27.00	27.66
EPS	3.18	2.91	4.39	3.47	3.15
NOCFPS	4.21	3.99	5.69	2.02	(1.31)

AMARSTOCK

Annexure-01

(d) Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;

In million

Particulars	Argon Denims Ltd. June 30, 2018	Rahim Textile Mills Ltd. June 30, 2017	Shasha Denims Ltd. June 30, 2017	Square Textiles Ltd. June 30, 2017
Revenue(Turnover)	**3,381.45**	**717.46**	**4,333.17**	**7,758.88**
Gross Profit	687.31	118.45	833.63	788.94
Operating Expenses:	150.69	41.71	152.60	237.51
Financial Expenses	130.05	17.14	190.25	46.80
Net profit before tax:	428.85	59.68	525.61	481.41
Net Profit After Tax	**381.62**	**44.96**	**459.37**	**411.39**
Net Profit in %	**11.29%**	**6.27%**	**10.60%**	**5.30%**
Earning per Share (EPS)	**3.18**	**6.61**	**4.07**	**2.30**

(e) Bangladesh's economy has grown by approximately 6 percent annually for two decades despite prolonged political instability, poor infrastructure, insufficient power supplies, and slow implementation of economic reforms. Despite some streamlining of business regulations, entrepreneurial activity is also hampered by an uncertain regulatory environment and the absence of effective institutional support for private-sector development. The top income tax rate is 25 percent, and the top corporate tax rate is 45 percent. Other taxes include a value-added tax. The overall tax burden equals 8.8 percent of total domestic income. Over the past three years, government spending has amounted to 13.9 percent of total output (GDP), and budget deficits have averaged 3.4 percent of GDP. Public debt is equivalent to 33.1 percent of GDP.

(f) Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment is stated below;

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.

The Company was setup with all brand new imported machineries. However, management is very much aware about such technology related risks and continuously keeping the company technologically updated. The machineries of the company are in very good working condition.

The manufacturing operation depends on gas from "Titas Gas Transmission & Distribution Company Ltd." However, the management is very much aware about the risk of scarcity of Gas for keeping production smoothly. For this, the management also set up duel fuel firing capabilities. This enables the company to continue production in case of emergency and non-committal supply lapses.

(g) There is a plan to replace old looms in future to increase the volume of production. We are also planning to produce variety of quality denims fabrics as per customer demand. 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.

Anwar-ul Alam Chowdhury
Managing Director

Annexure-A

ARGON ARGON DENIMS LIMITED

Annexure-A
[As per condition No. 1(5)(xxvi)]

ARGON DENIMS LIMITED
Declaration by CEO and CFO

September 19, 2018

The Board of Directors
Argon Denims Limited
Lotus Kamal Tower One (Level-06)
57 Joar Shahara C/A,
Nikunja-2, New Airport Road,
Dhaka-1229.

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

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

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

In this regard, we also certify that: -

I. We have reviewed the financial statements for the year ended on June 30, 2018 and that to the best of our knowledge and belief:
   a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b. these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

ii. There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Anwar-ul Alam Chowdhury
Chief Executive Officer

Md. Mustafa Kamal
Chief Financial Officer

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 8900794
E-mail : info@argondenims.com, Web : www.argondenims.com

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

Annexure-B

SARashid & Associates
(Chartered Secretaries)
Noakhali Tower (12th Floor, 13-D)
55/B Purana Paltan, Dhaka-1000, Bangladesh
Phone : +88-02-9558796, 01726-533655
E-mail : sarashid12000@yahoo.com, sarashidnasso@gmail.com

S. Abdur Rashid FCS
MBS, MBA (Finance), PGDHRM, LLB, **AIPM**
Chartered Secretary in Practice
Private Practice Certificate No.: 003

Report to the Shareholders of Argon Denims Limited on Compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Argon Denims Limited for the year ended on 30 June 2018. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

(a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission except as stated in the remarks column of the Statement on Status of Compliance prepared by the Directors of the Company;

(b) The Management of the Company has given assurance that the Company shall be complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by the Corporate Governance Code within 31 December 2018;

(c) The Management of the Company has given assurance that the Company shall ensure keeping proper books and records as required under the Companies Act 1994, the securities laws and other relevant laws within 31 December 2018; and

(d) The Governance of the Company is satisfactory.

For
SARashid & Associates

Place : Dhaka
Dated : 08 October 2018

S. Abdur Rashid FCS
Chartered Secretary in Practice

Annexure-C

[As per condition No. 1(5)(xxvii)]

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRC-D/2006-158/207/Admin/80 dated: 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969):

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1	**Board of Directors.-**			
1(1)	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	√		
1(2)	**Independent Directors**			
1(2) (a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	√		
1(2)(b)(i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		
1(2)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company:	√		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		

Annexure-C

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies;	√		
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	√		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	√		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	√		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only:	√		
1(3)	**Qualification of Independent Director:-**			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	√		

Annexure-C

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or			N/A
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or	√		
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or			N/A
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			N/A
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			N/A
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		

Annexure-C

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			N/A
1(4)	**Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:-**			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;		√	Noted for compliance
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.		√	Noted for compliance
1(5)	**The Directors' Report to Shareholders**			
1(5)(i)	An industry outlook and possible future developments in the industry;	√		
1(5)(ii)	The segment-wise or product-wise performance;	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		

Annexure-C

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);			N/A
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			N/A
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			N/A
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;			N/A
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	√		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		

Annexure-C

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;			N/A
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			N/A
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√		

Annexure-C

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	√		
1(5)(xxiii)(c)	Executives; and	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	√		
1(5)(xxiv)(a)	a brief resume of the director;	√		
1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas; and	√		
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	√		
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;			N/A
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		

Annexure-C

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per **Annexure-A**; and	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per **Annexure-B** and **Annexure-C**.	√		
1(6)	**Meetings of the Board of Directors** The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
1(7)	**Code of Conduct for the Chairperson, other Board members and Chief Executive Officer:-**			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;		√	Noted for compliance

Annexure-C

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.		√	Noted for compliance
2	**Governance of Board of Directors of Subsidiary Company:-**			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			N/A
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			N/A
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;			N/A
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			N/A
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			N/A
3	**Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):-**			
3(1)	**Appointment**			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		

Annexure-C

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;		√	Noted for compliance
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;		√	Noted for compliance
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		
3(2)	**Requirement to attend Board of Directors' Meetings** The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	√		
3(3)	**Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)**			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3(3)(a)(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;	√		

Annexure-C

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4	**Board of Directors' Committee:-**			
4(i)	Audit Committee; and	√		
4(ii)	Nomination and Remuneration Committee.		√	Noted for compliance
5	**Audit Committee:-**			
5(1)	**Responsibility to the Board of Directors.**			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	√		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
5(2)	**Constitution of the Audit Committee**			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be nonexecutive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;		√	Noted for compliance

Annexure-C

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		
5(2)(e)	The company secretary shall act as the secretary of the Committee;	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
5(3)	**Chairperson of the Audit Committee**			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	√		

Annexure-C

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(4)	**Meeting of the Audit Committee**			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year:	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5(5)	**Role of Audit Committee** The Audit Committee shall:-			
5(5)(a)	Oversee the financial reporting process;	√		
5(5)(b)	monitor choice of accounting policies and principles;	√		
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5(5)(d)	oversee hiring and performance of external auditors;	√		
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval;	√		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		
5(5)(h)	review the adequacy of internal audit function;	√		
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		

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Annexure-C

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(5)(j)	review statement of all related party transactions submitted by the management;	√		
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		
5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	√		
5(6)	**Reporting of the Audit Committee**			
5(6)(a)	**Reporting to the Board of Directors**			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5(6)(a)(ii)(a)	report on conflicts of interests;	√		
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	√		
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	√		
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	√		
5(6)(b)	Reporting to the Authorities	√		

Annexure-C

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(7)	Reporting to the Shareholders and General Investors	√		
6	**Nomination and Remuneration Committee (NRC):-**			
6(1)	**Responsibility to the Board of Directors**			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;		√	Noted for compliance
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;		√	Noted for compliance
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).		√	Noted for compliance
6(2)	**Constitution of the NRC**			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;		√	Noted for compliance
6(2)(b)	All members of the Committee shall be non-executive directors;		√	Noted for compliance
6(2)(c)	Members of the Committee shall be nominated and		√	Noted for compliance
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;		√	Noted for compliance
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;		√	Noted for compliance
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;		√	Noted for compliance

Annexure-C

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6(2)(g)	The company secretary shall act as the secretary of the Committee;		√	Noted for compliance
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;		√	Noted for compliance
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.		√	Noted for compliance
6(3)	**Chairperson of the NRC**			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;		√	Noted for compliance
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;		√	Noted for compliance
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:		√	Noted for compliance
6(4)	**Meeting of the NRC**			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;		√	Noted for compliance
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;		√	Noted for compliance
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);		√	Noted for compliance
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.		√	Noted for compliance

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Annexure-C

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6(5)	**Role of the NRC**			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;		√	Noted for compliance
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;		√	Noted for compliance
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and		√	Noted for compliance
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;		√	Noted for compliance
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;		√	Noted for compliance
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;		√	Noted for compliance
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;		√	Noted for compliance
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and		√	Noted for compliance
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;		√	Noted for compliance
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.		√	Noted for compliance

Annexure-C

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
7	**External or Statutory Auditors:-**			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7(1)(i)	appraisal or valuation services or fairness opinions;	√		
7(1)(ii)	financial information systems design and implementation;	√		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	broker-dealer services;	√		
7(1)(v)	actuarial services;	√		
7(1)(vi)	internal audit services or special audit services;	√		
7(1)(vii)	any service that the Audit Committee determines;	√		
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7(1)(ix)	any other service that creates conflict of interest.	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		

Annexure-C

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
8	**Maintaining a website by the Company:-**			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	**Reporting and Compliance of Corporate Governance:-**			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with the **Annexure-C** attached, in the directors' report whether the company has complied with these conditions or not.	√		

Abu Kawser Majumder
Director

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2018/107

BAPLC

Date of issue : March 8, 2018

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 **2018.**

Bangladesh Association of Publicly Listed Companies ★ BAPLC

Secretary-General
(Acting)

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 four (04) 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	4	3
Mrs. Shabnam Shehnaz Chowdhury	4	4
Mr. A. K. Gouhor Rabbani	4	4
Mr. Md. Akhter Shahid	4	4

• 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, second quarter, third quarter and the year ended 30 June, 2018 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, 2018.
- 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.

- 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, 2018

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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 2018, 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 and 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 International Financial Reporting Standards (IFRS), the Companies Act 1994, the Bangladesh Securi ties 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 presenta tion 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 reason able in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conduct-ed our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assur-ance 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 Finan cial 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 presenta tion of the Financial Statements in order to design audit procedures that are appropriate in the circum stances, 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 reason ableness 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 International Financial Reporting Standards (IFRS), give a true and fair view of the state of the Company's affairs as at 30 June 2018 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987 and other applicable laws and regulations.

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.

Dhaka
Dated : 04.10.2018

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Pinaki & Company
Chartered Accountants

ARGON DENIMS LIMITED

Statement of Financial Position

as at 30 June 2018

PROPERTY & ASSETS	Note No.	TAKA 30.06.2018	TAKA 30.06.2017
Non Current Assets		**1,583,637,767**	**1,530,314,910**
Property, Plant and Equipment	06	1,578,514,779	1,525,191,922
Intangible Assets	07	5,122,988	5,122,988
Current Assets		**3,397,830,993**	**3,087,924,753**
Advance, Deposits and Pre-payments	08	196,977,634	142,091,945
Bills Receivable	09	1,778,704,247	1,805,868,733
Inventories	10	982,321,086	930,673,421
Materials In Transit	11	56,565,351	38,685,578
Capital Work In Progress	12	76,465,685	-
Investment in Shares	13	624,414	591,043
Cash and Cash Equivalent	14	306,172,576	170,014,033
Total Property & Assets		**4,981,468,760**	**4,618,239,663**
EQUITY & LIABILITIES			
Shareholders' s Equity		**3,186,747,067**	**2,947,957,746**
Share Capital	15	1,199,772,000	1,142,640,000
Share Premium	16	730,815,534	730,815,534
Tax Holiday Reserve		115,879,072	115,879,072
Revaluation Reserve	17	134,580,258	138,094,930
Retained Earnings	18	1,005,700,203	820,528,211
Non-Current Liabilities		**150,664,352**	**132,634,923**
Long Term Loan	19	4,669,484	7,058,790
Lease Finance	20	35,059,843	17,771,095
Deferred Tax Liability	21	110,935,025	107,805,038
Current Liabilities		**1,644,057,341**	**1,537,646,995**
Short Term Loan	22	1,350,952,505	1,240,904,236
Current Portion of Long Term Loan	23	16,381,572	9,899,423
Liability for Expenses	24	36,380,832	41,975,408
Worker Profit Participation & Welfare Fund	25	67,575,839	68,361,775
Provision for Tax	26	144,876,049	157,527,214
Share Money Refundable		1,014,079	1,013,856
Dividend Payable		3,760,816	3,704,427
Bills Payable	27	23,115,649	14,260,656
Total Liabilities & Shareholder's Equity		**4,981,468,760**	**4,618,239,663**
Net Asset Value (NAV) per share	36	**26.56**	**25.80**

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

Pinaki & Company
Chartered Accountants

ARGON DENIMS LIMITED

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2018

Particulars	Note No.	TAKA 2017-2018	TAKA 2016-2017
Export Revenue	28	**3,381,447,214**	**2,847,715,899**
Less: Cost of Goods Sold	29	2,694,133,694	2,217,049,475
Gross Profit/(Loss)		**687,313,520**	**630,666,424**
Add: Export Incentive	30	44,594,599	45,090,477
		731,908,119	**675,756,901**
Less : Administrative Expenses	31	113,620,271	102,833,343
		618,287,848	**572,923,558**
Less : Selling & Distribution Expenses	32	37,068,357	37,614,342
Operating Profit		**581,219,491**	**535,309,216**
Less: Financial Expenses	33	130,052,265	109,811,962
Add : Other Income/Loss	34	251,475	119,733
Net Profit/(Loss) before WPPF		**451,418,701**	**425,616,987**
Less: Contribution to WPPF	25.1	22,570,935	21,280,849
Net Profit/(Loss) after WPPF		**428,847,766**	**404,336,137**
Less: Income Tax			
Current Tax	26.1	44,098,459	50,982,740
Deferred Tax	21.1	3,129,987	3,623,984
Net Profit /Loss after Tax		**381,619,320**	**349,729,413**
Other Comprehensive Income		-	-
Total Comprehensive Income		**381,619,320**	**349,729,413**
Earnings Per Share (EPS)	35	**3.18**	**2.91**

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

Pinaki & Company
Chartered Accountants

ARGON DENIMS LIMITED

Statement of Changes in Equity

for the year ended 30 June 2018

Amount in Taka

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Revaluation Surplus	Retained Earnings	Total
Balance as on 01.07.2017	1,142,640,000	730,815,534	115,879,072	138,094,930	820,528,211	2,947,957,746
Net profit for the period	-	-	-	-	381,619,320	381,619,320
Issue Bonus Shares	57,132,000	-	-	-	(57,132,000)	-
Cash Dividend for the year ended - 30.06.2017	-	-	-		(142,830,000)	(142,830,000)
Adjustment for Revaluation Surplus	-	-	-	(3,514,672)	3,514,672	-
Balance as on 30.06.2018	**1,199,772,000**	**730,815,534**	**115,879,072**	**134,580,258**	**1,005,700,203**	**3,186,747,067**

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	2,692,473,595
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 of Income Tax	-	-	-	-	9,704,156	9,704,156
Adjustment for Revaluation Surplus	-	-	-	(3,699,654)	3,699,654	-
Prior year adjustment - Revaluation Surplus	-	-	-	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**	**2,947,957,746**

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

ARGON DENIMS LIMITED

Statement of Cash Flows

for the year ended 30 June 2018

Particulars	TAKA	
	30.06.2018	30.06.2017
Cash flows from operating activities		
Cash received from customers	3,453,457,774	2,813,997,619
Cash payments to suppliers & others	(2,868,803,976)	(2,335,397,704)
Income Tax Paid	(56,749,624)	(11,000,000)
WPPF Paid	(23,356,871)	(11,613,262)
Net Cash flow from operating activities	**504,547,303**	**455,986,653**
Cash flows from investing activities		
Acquisition of fixed assets	(172,073,908)	(43,686,231)
Investment in Shares	(33,371)	-
		-
Net Cash used in investing activities	**(172,107,279)**	**(43,686,231)**
Cash flows from financing activities		
Advance, Deposit & Prepayment	(54,885,689)	(32,507,992)
Financial Expense	(130,052,265)	(109,811,962)
Long Term Loan	(2,389,306)	(3,630,026)
Lease Finance	17,288,748	17,771,095
Share Money Refund	224	204
Dividend Payable	56,389	2,521,540
Dividend Paid	(142,830,000)	(99,360,000)
Current Portion of Long Term Loan	6,482,149	-
Short Term Loan	110,048,269	(186,049,154)
Net Cash flow from financing activities	**(196,281,481)**	**(411,066,295)**
Net increase/(decrease) in cash and cash equivalents	**136,158,543**	**1,234,127**
Opening cash and cash equivalent	**170,014,033**	**168,779,905**
Closing cash and cash equivalent	**306,172,576**	**170,014,033**
Net Operating Cash flows per share (NOCFPS)	**4.21**	**3.99**

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

1.00 Corporate History of the Reporting Entity:

ARGON DENIMS LIMITED was incorporated in Bangladesh on July13,2006 under the companies Act, 1994 vide registration no. C – 62713(204)/2006 as a private companylimited by shares, it commenced commercial operation in 2008. Subsequently the company was converted into public limited company on 31.05.2011.

The registered office of the company is located at Plot -33, Section-7, Mirpur, Dhaka-1216.The industrial Unit and the principal place of the business of the company is located atVill. / Mouza- Beraiderchala, P.O.- Gilaberaid, P.S- Sreepur, District- Gazipur, Bangladesh and the operational office is located at Lotus Kamal Tower-one (Level -6), 57 Joar Sahara C/A, Nikunja-2, New Airport Road, Dhaka-1229.

2.00 Nature of Corporate Business :

The main activities of the company are concentrated in Manufacturing, Dyeing & Finishing of Denim Fabrics and exporting the same. To carry on the business of weaving, spinning, bleaching, dyeing, mercerizing printing, finishing and selling of denim fabrics, yarn, cloth, linen ,hosiery and other goods and fabrics whether textiles knitted or looped and for those purposes to import plant and machinery's raw materials.

3.00 Corporate Financial Statements and Reporting:

This comprises Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flow and Explanatory notes covering accounting policies.

This is prepared under the historical cost convention and in accordance with the requirements of the Companies Act 1994, the International Accounting Standards (IASs) as International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

The Board of Directors is responsible for preparing and presenting the financial statements including adequate disclosures, which approved and authorized for issue of the financial statements.

4.00 Basis of preparation

4.01 Statement of Compliance

The financial statements of the company have been prepared in accordance with International Accounting Standards (IASs)/International Financial Reporting Standards (IFRSs), The Companies Act 1994 and other applicable laws and regulations.

IAS-01	Presentation of Financial Statements
IAS-02	Inventories
IAS-07	Statements of Cash flows
IAS-08	Accounting Policies, Changes in Accounting Estimates & Errors.
IAS-10	Events after the reporting period
IAS-12	Income Taxes
IAS-16	Property, Plant and Equipment
IAS-17	Leases
IAS-19	Employee Benefits
IAS-23	Borrowing Cost
IAS-24	Related Party Disclosures

IAS-32	Financial Instruments: Presentation
IAS-33	Earnings Per Share
IAS-36	Impairment of Assets
IAS-37	Provisions, Contingent Liabilities and Contingent Assets
IAS-38	Intangible Assets.
IFRS-15	Revenue from contracts with customers

4.02 Other regulatory compliances

The Companycomply with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations:

The Income Tax Ordinance 1984
The Income Tax Rules 1984
The Value added Tax Act 1991
The Value added Tax Rules 1991
The Securities & Exchange Commission Ordinance 1989
The Securities & Exchange Commission Rules 1987

4.03 Basis of measurement

The financial statements have been prepared on going concern basis under historical cost conventions of generally accepted accounting principles.

4.04 Functional and presentational currency

These financial statements are presented in Bangladeshi Taka (TK.) currency, which is the company's functional currency. The figures of financial statements have been rounded off to the nearest integer.

4.05 Accrual Basis of Accounting

These financial statements have been prepared under the accrual basis of accounting.

4.06 Use of estimates & judgment

The preparation of these financial statements is in conformity with IASs/IFRSs which require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and used for accounting of certain terms such as provision for expenses, depreciation and amortization and tax reserve. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected thereby.

4.07 Reporting Period

The financial period of the Company covers one year from 01 July 2017 to 30 June 2018.

4.08 Components of the financial statements

i) Statement of Financial Position
ii) Statement of Profit or Loss and Other Comprehensive Income
iii) Statement of Changes in Equity
iv) Statement of Cash flows
v) Accounting policies and explanatory notes.

5.00 Significant accounting policies

The accounting policies set out below have been applied consistently (otherwise as stated) to all year presented in these financial statements.

5.01 Property, plant and equipment

5.01.01 Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of asset.

5.01.02 Subsequent cost

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the Statement of Comprehensive Income.

5.01.03 Depreciation

All items of property, plant and equipment have been depreciated on reducing balance method. No depreciation is charged on land & land development. Depreciation has been charged on the opening amount of fixed assets for twelve months and depreciation on current period's addition is charged on day basis as and when the assets are available for use and charged at the rates varying from 5% to 20% depending on the estimated useful lives of assets.
No depreciation is charged in the period of disposal at all.

Rates of depreciation on various classes of fixed assets are as under :

Land and land development	-
Building & civil constructions	5%
Mechanical Fabrication	10%
ETP & WTP	10%
Capital Machinery	10%
Furniture & Fixture	10%
Motor Vehicles	20%
Office Equipment	15%
Gas line installations	10%
Motor & Pump	10%
Electrical installation	10%
Office Decoration	10%
Air Condition	15%

5.02 Inventories

Inventories comprise of raw materials yarn, rawmaterials dyes chemical, work in progress and finished goods Inventories. Inventories are valued at cost or net realizable value whichever is lower. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operation capacity.

5.03 Trade and other receivables (Accounts receivables)

Trade and other receivables are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition these are carried at cost less impairment losses due to un collect ability of any amount so recognized.

5.04 Advances, deposits and prepayment

Advances are initially measured at cost. After initial recognition advances are carried at cost less deduction, adjustment or charges to other account heads such as property, plant and equipment, inventory or expenses.

Deposits are measured at payment value.

Prepayments are initially measure at cost. After initial recognition prepayments are carried at cost less charges to profit and loss account.

5.05 Cash & Cash Equivalents

Cash & Cash Equivalents includes cash in hand, cash at banks which are held and available for use by the company without any restriction.

5.06 Provision

A provision is recognized in the balance sheet when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

5.07 Foreign currency transaction

Foreign currency transactions are translated at rates ruling on the dates advices were received. Monetary assets and liabilities denominated in foreign currencies at reporting date are reconverted at rates ruling at the balance sheet date. All exchange differences are charged / credited to profit and loss account by being absorbed in the respective head of income or expenditure.

5.08 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of comprehensive income (profit and loss statement).
Current Tax:

The company had been enjoying tax holiday which has ended on February 2012. Income tax provision is made after expiry of tax holiday period as per rate prevailing during that period. Provision for current tax is made on the basis of the profit for the year as adjusted for taxation purpose in accordance with the provision of Income Tax Ordinance, 1984 and amendments made thereto from time to time. The Company is a publicly traded company as per the Income Tax Laws. Therefore, Provision for taxation has been made at the rate of 15% (Textile Company)

Deferred Tax:

The Company accounts for deferred tax as per International Accounting Standard (IAS) -12 "Income Taxes". Deferred tax is recognized using the balance sheet method for all temporary timing differences arising between the tax base of assets and liabilities and their carrying value for financial reporting purposes. Tax rate prevailing at the balance sheet date is used to determine deferred tax.

5.09 Employee benefit obligation:

The company has Workers' Profit Participation and welfare fund (WPPWF)as employee benefit and contributing 5% of net profit before TAX.

5.10 Revenue recognition

Goods sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when the significant risks and reward of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is continued management involved with the goods, and the amount of revenue can be measured reliably.

5.11 Borrowing cost

Finance expenses comprise interest expense on bank loan, and other borrowings. All borrowing costs are recognized in the profit and loss account using effective interest method.

5.12 Statement of Cash flows

Cash flows from operating activities have been presented under direct method. It also prepared in accordance with The Securities & Exchange Rules 1987.

5.13 Earnings per share

The company presents its basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by number of ordinary shares outstanding during the year.

5.14 Comparative information:

Comparative information have been disclosed in respect of the year ended 30 June 2017 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding for the current period financial statements.

5.15 General

5.15.1 Previous year figures have been rearranged wherever considered necessary for the purpose of current period presentation.

5.15.2 Figures in these notes and annexed financial statement have been rounded off to the nearest taka.

ARGON DENIMS LIMITED

Notes to the Financial Statements

as at 30 June 2018

No.	Particulars	Note No.	Taka	
			30.06.2018	30.06.2017
06.	**Property, Plant and Equipment**		**1,578,514,779**	**1,525,191,922**
	Land & Land Development		117,323,754	117,323,754
	Building & Civil Constructions		578,118,443	573,746,885
	Mechanical Fabrication		16,554,848	18,284,409
	ETP & WTP		43,225,930	27,819,907
	Capital Machinery		654,913,992	664,412,575
	Furniture & Fixture		7,149,627	6,984,918
	Motor Vehicles		75,350,082	54,959,833
	Office Equipments		15,420,995	15,940,000
	Gas Line Installations		17,767,133	7,806,815
	Motor & Pump		5,584,592	5,943,857
	Electrical Installation		9,414,331	9,189,382
	Office Decoration		30,117,947	15,607,679
	Air Condition(AC)		7,573,105	7,171,906
06.01	**Movement of PPE**			
	Opening Balance		**1,525,191,922**	**1,594,229,659**
	Add: Addition during the year		172,073,908	53,390,245
	Closing Balance		**1,697,265,830**	**1,647,619,904**
	Less: Depreciation charged during the year		118,751,051	122,427,982
	Written Down Value (WDV)		**1,578,514,779**	**1,525,191,922**
	For Details please refer to Annexure -A & B (PPE Schedule)			
07.	**Intangible Assets:**		**5,122,988**	**5,122,988**
	For Details please refer to Annexure -C (Intangible Assets Schedule)			
08.	**Advance, Deposit & Pre- Payments**		**196,977,634**	**142,091,945**
	Advance Income Tax	**08.1**	47,623,595	46,768,294
	Bangla Trac Ltd		3,223,136	2,775,936
	BSEC Consent Fee		405,000	405,000
	Celuron Research		-	311,980
	Chemi Colors		81,650	81,650
	Crown Cement Concrete & Building Products Ltd		544,055	-
	Customs Excise & VAT Commissionerate		9,247,600	-
	Delcot Ltd		216,352	-
	Employee & Others		2,073,547	2,355,037
	ICCB		-	64,800

ARGON DENIMS LIMITED

Notes to the Financial Statements

as at 30 June 2018

No.	Particulars	Note No.	Taka	
			30.06.2018	30.06.2017
	Impress Aviation Ltd		430,000	-
	Intertek		127,379	3,668
	Joy Enterprise		30,000	30,000
	Land Purchase		13,525,000	13,325,000
	Latex		175,280	105,542
	M/S Adeb Air Travel & Tours		62,000	360,000
	M/S Monwar Aviation		638,000	-
	M/S Razzak Eng. Works		75,730	151,720
	Meghna Enterprise		61,624	59,624
	MJL Bangladesh Ltd		422,646	328,366
	New Gen Technologies		350,000	350,000
	One Denim Ltd.		48,169,875	-
	Pinaki & Associates		2,984,700	-
	Prudential Consultant		200,000	200,000
	SBT Enterprise		6,830,125	1,000,000
	Security Money for house Rent		50,000	25,000
	Shapla Enterprise		2,581,675	30,083,412
	SLK Engineering Ltd.		896,400	896,400
	Star Tech Engineering Ltd		-	362,000
	Steelmark		4,429,415	40,762,915
	Suez Water Tech & Solution Ind.		5,350,000	-
	Telewave		5,250	-
	Titas Gas Transmission & Distribution Co. Ltd.		45,967,600	1,285,600
	Unique Engineers		200,000	-
08.1	**Advance Income Tax**		**47,623,595**	**46,768,294**
	Opening Balance		46,768,294	39,936,726
	Add: Paid during the period	**08.1.1**	25,469,731	23,010,807
			72,238,025	**62,947,533**
	Less : Adjustment made during the period		24,614,430	16,179,239
08.1.1	**Head wise payment**		**25,469,731**	**23,010,807**
	Export Proceed		22,648,186	20,931,043
	Cash Incentive		1,240,783	789,510
	Import		1,010,212	1,037,391
	Motor Vehicle		550,000	245,000
	Interest on Bank Deposit		20,550	7,863
09.	**Bills Receivable**		**1,778,704,247**	**1,805,868,733**
	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		1,569,629,027	1,593,737,903
	(ii) Export incentive		209,075,220	212,130,830
10.	**Inventories**		**982,321,086**	**930,673,421**
	This consist of as follows:			
	Raw Materials & Consumables	**10.1**	532,154,838	416,852,313
	WIP & Finished Goods	**10.2**	450,166,248	513,821,108

AMAR STOCK

ARGON DENIMS LIMITED

Notes to the Financial Statements

as at 30 June 2018

No.	Particulars	Note No.		Taka	
				30.06.2018	30.06.2017
10.1	**Closing Stock of Raw Materials & Consumables**			**532,154,838**	**416,852,313**
	Yarn			393,968,316	272,261,811
	Dyes & Chemicals			138,186,522	144,590,502
10.2	**WIP & Finished Goods**			**450,166,248**	**513,821,108**
	Work In Process (WIP)			87,841,813	94,099,937
	Finished Goods (RFD)			362,324,435	419,721,171
11.	**Materials In Transit**			**56,565,351**	**38,685,578**
	Materials In Transit - 30.06.2018			56,565,351	38,685,578
12.	**Capital Work In Progress**			**76,465,685**	**-**
	Building & Civil Constructions			19,765,685	-
	Capital Machinery			56,700,000	-
13.	**Investment in Shares**	**568,586**	**624,414**	**568,746**	**591,043**

	30.06.2018		30.06.2017	
BRAC EPL LTD				
Company Name	**Cost Price**	**Market Price**	**Cost Price**	**Market Price**
Grameen Phone	83,901	141,171	83,901	125,017
Square Pharmaceuticals	226,314	279,911	226,474	257,899
	310,215	**421,081**	**310,375**	**382,916**
SHAHIQ SECURITIES LTD				
AL-HAJTEX	45,411	31,242	45,411	41,092
APEXTANARY	33,577	29,440	33,577	30,400
BANGAS	30,039	22,661	30,039	11,369
Bxsynth	-	946	-	1,056
CENTRALPHL	3,153	1,778	3,153	3,242
EBL	7,649	6,084	7,649	6,300
FAMILYTEX	32,311	7,030	32,311	10,280
NTLTUBES	49,583	56,739	49,583	53,940
PADMA OIL	3,242	2,296	3,242	2,559
RDFOOD	-	1,936	-	1,969
SALAMCRST	34,371	31,300	34,371	35,000
SAPORTL	3,187	1,065	3,187	1,603
SONARGAON	10,653	8,550	10,653	6,300
Uttara Bank	225	99	225	98
ZAHINTEX	4,970	2,168	4,970	2,920
	258,371	**203,333**	**258,371**	**208,127**

ARGON DENIMS LIMITED

Notes to the Financial Statements

as at 30 June 2018

No.	Particulars	Note No.	Taka	
			30.06.2018	30.06.2017
13.1	**Investment in Shares**		55,827	22,297

	Cost Price	Market Price	Gain/Loss		Total	Total
			Unrealised	Realised		
BRAC EPL LTD	310,215	421,081	110,866	(5,112,454)	(5,001,588)	72,541
SHAHIQ SECURITIES LTD	258,371	203,333	(55,039)	(247,989)	(303,028)	(50,244)
Total	**568,586**	**624,414**	**55,827**	**(5,360,443)**	**(5,304,615)**	**22,297**

14.	**Cash and Cash Equivalent**		306,172,576	170,014,033
	Cash in Hand		15,175,513	17,377,767
	Cash at Bank	14.1	290,997,063	152,636,266
14.1	**Cash At Bank**		290,997,063	152,636,266
	Prime Bank - CD A/C		7,103,506	1,407,339
	One Bank Ltd - LBP Margin A/C		4,606,114	10,982,561
	One Bank Ltd - ERQ A/C (USD)		73,294,559	39,389,838
	One Bank ltd - Back to Back A/C (USD)		80,390,889	40,428,871
	One Bank Ltd - CD A/C		65,975	67,125
	One Bank Ltd - SND A/C		7,164,202	-
	Mercantile Bank Ltd - FC US$ A/C (USD)		99,309,304	44,362,530
	Mercantile Bank Ltd - CD A/C		9,255,015	10,483,490
	Bank Alfalah Ltd - CD A/C		2,850,608	241,595
	Bank Alfalah Ltd - Margin A/C		1,471,742	-
	BRAC Bank AC No - 15012021489986001 (Salary)		228,911	98,698
	BRAC Bank AC No - 1505202148986001 (IPO)		1,484,701	1,461,583
	BRAC Bank AC No - 1505202148986002 (IPO-USD)		8,734	8,209
	BRAC Bank AC No - 1510202148986001 (Dividend)		1,243,571	1,212,816
	BRAC Bank AC No - 1501202148986002 (Dividend)		1,193,680	2,491,611
	Mutual Trust Bank Ltd (Dividend)		1,325,552	-
15.	**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 :			
	114,264,000 Ordinary Share of Tk. 10.00 Each		1,142,640,000	1,142,640,000
	Issued Bonus Share			
	5,713,200 Ordinary Share of Tk. 10.00 Each		57,132,000	-
			1,199,772,000	1,142,640,000

ARGON DENIMS LIMITED

Notes to the Financial Statements

as at 30 June 2018

No.	Particulars	Note No.	Taka	
			30.06.2018	30.06.2017
15.1	**Shareholdings (Number of Shares):**		**119,977,200**	**114,264,000**
	Sponsor Directors		44,542,201	44,516,383
	Local Shareholders		75,434,999	69,747,617

15.2	**Percentage and Value of Shareholders:**	30.06.2018		30.06.2017	
		Percentage	**Value in Taka**	**Percentage**	**Value in Taka**
	Sponsor Directors	37.13	445,422,010	38.96	445,163,830
	Local Shareholders	62.87	754,349,990	61.04	697,476,170
		100	**1,199,772,000**	**100**	**1,142,640,000**

15.3	**Classification of Shareholders By Holding:**	30.06.2018		30.06.2017	
		Number of Shares	**Total Holding (%)**	**Number of Shares**	**Total Holding (%)**
	Less than 500 shares	1,695,750	1.41	1,872,534	1.64
	500 to 5,000 shares	5,918,052	4.94	7,531,636	6.59
	5,001 to 10,000 shares	4,864,682	4.06	5,787,489	5.07
	10,001 to 20,000 shares	5,705,509	4.76	6,664,888	5.83
	20,001 to 30,000 shares	3,757,610	3.13	4,223,600	3.70
	30,001 to 40,000 shares	2,314,702	1.93	3,123,992	2.73
	40,001 to 50,000 shares	1,461,321	1.22	2,734,863	2.39
	50,001 to 100,000 shares	6,545,457	5.38	7,500,529	6.56
	100,001 to 1,000,000 shares	17,747,791	14.80	14,486,514	12.68
	Over 1,000,000 shares	69,966,326	58.36	60,337,955	52.81
		119,977,200	**100**	**114,264,000**	**100**

ARGON DENIMS LIMITED

Notes to the Financial Statements

as at 30 June 2018

No.	Particulars	Note No.	Taka	
			30.06.2018	30.06.2017
16.	**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		-	-
17.	**Revaluation Reserve**		**134,580,258**	**138,094,930**
	Opening Balance		**138,094,930**	**141,794,584**
	Land & Land Development		67,801,500	67,801,500
	Building & Civil Constructions		70,293,430	65,794,404
			138,094,930	**133,595,904**
	Add: Revaluation Reserve		-	8,198,680
	Adjustment for Depreciation		**3,514,672**	**3,699,654**
	(July-17 to June -18)		3,514,672	3,699,654
18.	**Retained Earnings**		**1,005,700,203**	**820,528,211**
	Opening Balance at the beginning of the period		820,528,211	718,583,085
	Add: During the year		381,619,320	349,729,413
			1,202,147,531	**1,068,312,499**
	Add: Excess Provision of Income Tax For the year 2014		-	9,704,156
	Add: Adjustment of Revelation Reserve		3,514,672	3,699,654
	Less: Prior year adjustment-Building & Civil Constructions		-	8,198,680
			1,205,662,203	**1,073,517,629**
	Less: Issue of Bonus Shares		57,132,000	149,040,000
	Less: Cash Dividend for the year ended - 30.06.2017		142,830,000	99,360,000
	Less: VAT payment for previous year		-	4,589,418
19.	**Long Term Loan**		**4,669,484**	**7,058,790**
	Mercantile Bank Ltd.			
	Term Loan (Hire Purchase - Car)		8,149,484	10,538,791
	Total Long Term Loan		**8,149,484**	**10,538,791**
	Less : Current portion of long term loan		3,480,000	3,480,000

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ARGON DENIMS LIMITED

Notes to the Financial Statements

as at 30 June 2018

No.	Particulars	Note No.	Taka	
			30.06.2018	30.06.2017
20.	**Lease Finance**		**35,059,843**	**17,771,095**
	Lanka Bangla (0557)		9,186,575	10,889,241
	Lanka Bangla (826)		11,429,703	12,977,977
	Lanka Bangla (899)		22,828,911	-
	Lanka Bangla (1035)		4,516,226	-
	Nitol Motors		-	323,300
	Total Lease Finance		**47,961,415**	**24,190,518**
	Less : Current Portion of Long Term Loan		12,901,572	6,419,423
21.	**Deferred Tax**		**110,935,025**	**107,805,038**
	Opening Balance at the beginning of the period		107,805,038	104,181,054
	Add: Charged During the year	21.1	3,129,987	3,623,984
21.1	**Charged During the year**		**3,129,987**	**3,623,984**
	Accounting Base Carrying amount		1,369,026,334	1,329,673,909
	Tax Base Carrying amount		629,459,500	610,973,644
	Temporary Difference		739,566,835	718,700,265
	Deferred Tax Liability - 15%		110,935,025	107,805,038
	Opening Deferred Tax Liability		107,805,038	104,181,054
22.	**Short Term Loan**		**1,350,952,505**	**1,240,904,236**
	One Bank Limited			
	Bank Overdraft		30,167,681	29,872,543
	LTR Loan (For Raw Materials)		58,817,521	20,129,763
	Loan Against Bill Purchases (LDBP)		48,412,428	193,135,765
	Acceptance Liabilities (Raw Materials)		26,187,626	38,381,196
	EDF Liability		656,057,985	428,232,638
	Time Loan		99,449,772	75,505,556
			919,093,013	**785,257,460**
	Mercantile Bank Ltd.			
	LTR (For Raw Materials)		31,512,161	126,459,903
	Loan Against Bill Purchases (IDBP)		17,984,870	61,177,625
	Acceptance Liabilities (Raw Materials)		-	5,844,187
	EDF Liability		166,680,577	127,403,158
	Bank Overdraft		68,286,686	72,024,004
	Time Loan		17,581,530	62,737,899
			302,045,825	**455,646,776**
	Bank Alfalah Ltd			
	MLPO		15,587,500	-
	MTR		56,627,618	-
	Loan Against Bill Purchases (LBP)		50,780,870	-
	EDF		6,817,679	-
			129,813,667	**-**
23.	**Current Portion of Long Term Loan**		**16,381,572**	**9,899,423**
	Long Term Loan		3,480,000	3,480,000
	Lease Finance		12,901,572	6,419,423

ARGON DENIMS LIMITED

Notes to the Financial Statements

as at 30 June 2018

No.	Particulars	Note No.	Taka	
			30.06.2018	30.06.2017
24	**Liability for Expenses**		**36,380,832**	**41,975,408**
	Audit Fee		575,000	172,500
	Director Remuneration		2,650,000	2,950,000
	Electricity Bill		384,035	87,013
	Employee Contribution to PF		816,838	719,869
	Employer Contribution to PF		741,048	341,117
	Gas bill		8,120,927	14,693,868
	Mobile bill		43,531	33,796
	Night Allowance		137,322	130,042
	Office Rent		2,705,792	698,962
	Overtime		180,734	157,061
	Production & Attendance Allowance		218,410	226,910
	Salary & Wages (FAC)		12,481,603	11,048,206
	Staff Salary (HO)		3,090,472	4,001,343
	TDS payable		2,045,712	4,172,514
	Un Paid Salary		1,745,579	1,542,207
	WASA		110,943	-
	VAT Payable		332,887	1,000,000
25.	**Worker Profit Participation Fund & Welfare Fund**		**67,575,839**	**68,361,775**
	Opening Balance at the beginning of the period		68,361,775	58,694,188
	Add: Contribution during the year	**25.1**	22,570,935	21,280,849
			90,932,710	**79,975,037**
	Less: WPPF Paid		23,356,871	11,613,262
25.1	**Contribution to Worker Profit Participation Fund & Welfare Fund**		**22,570,935**	**21,280,849**
	Worker's Profit Participation Fund (80%)		18,056,748	17,024,679
	Worker's Welfare Fund (20%)		4,514,187	4,256,170
26.	**Income Tax**		**144,876,049**	**157,527,214**
	Opening Balance at the beginning of the period		157,527,214	143,427,869
	Add: Provision During the year	**26.1**	44,098,459	50,982,740
			201,625,673	**194,410,609**
	Less : Adjustment during the period		56,749,624	36,883,395
26.1.	**Provision During the year (Current Tax)**		**44,098,459**	**50,982,740**
	Total Provision During the year	**26.2**	53,759,089	50,982,740
	Add: Shortage of Provision Income Tax for the year- 2016 (30.06.2017)		6,584	-
	Less: Excess of Provision Income Tax for the year- 2015		9,667,214	-

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ARGON DENIMS LIMITED

Notes to the Financial Statements

as at 30 June 2018

No.	Particulars	Note No.	Taka	
			30.06.2018	30.06.2017
26.2.	**Provision During the year (Current Tax)**		**53,759,089**	**50,982,740**
	Net Profit/(Loss) after WPPF		428,847,766	404,336,137
	Less: Cash Incentive		44,594,599	45,090,477
	Less: Other income considered separately		251,475	119,733
			384,001,692	**359,125,927**
	Add: Depreciation as per Accounting Base		118,751,051	122,427,982
	Less: Depreciation as per Tax base		153,489,172	150,789,051
	Taxable Income for calculation of Tax		**349,263,571**	**330,764,859**
	Current Tax on core business	**15%**	52,389,536	49,614,729
	Cash Incentive	**3%**	1,337,838	1,352,714
	Dividend Income	**20%**	2,111	2,188
	Interest	**10%**	18,439	8,650
	Gain on Investment in Share	**20%**	11,165	4,459

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ARGON DENIMS LIMITED

Notes to the Financial Statements

as at 30 June 2018

		TAKA	
27.	**Bills Payable**	**23,115,649**	**14,260,656**
	BGIC	8,612,499	4,004,666
	Bureau Veritas Consumer	11,283	178,274
	Celuron Research	8,020	-
	Corona Associates	1,859,005	2,272,013
	Corona Trade & Transport	3,918,962	2,122,062
	Cyber Relation	1,300	-
	Dexterous Engineering	71,143	-
	Divine IT	-	80,000
	Eden Garden Center	3,750	-
	Enviro Engineering	345,889	242,039
	Feroz Automobile Ltd	-	127,000
	Khan's Kitchen	5,957	-
	Master & Brothers Engineering	110,200	-
	M/S Bhai Bahi Swing Center	81,600	-
	M/S Ta-Seen Electrical House	95,440	111,786
	Nayeem Transport	122,128	679,128
	New Sonali Fire Fighting	40,000	40,000
	Pinaki & Associates	-	117,800
	Prisma Digital Network	9,200	9,200
	Qaswa Trading	896,306	-
	Protection One Pvt. Ltd	12,320	277,231
	Saif Powertec LTD	-	71,000
	Salsa	44,606	-
	Sarabour Trading Co	1,263,692	1,624,320
	Securex	-	24,908
	Seven Hill Aviation Ltd	-	110,036
	Shahara Offset Press	189,661	69,035
	Shitalakha Floating Pump	5,088,348	-
	Sigma Pump Ltd	235,120	-
	Synergies Sourcing Bangladesh Ltd	-	2,080,018
	System Engineering Ltd	68,450	-
	Telewave	-	1,750
	Uttor bongo Fire Fighting	20,770	18,390

Note: No related party transactions' are included in bills payable.

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ARGON DENIMS LIMITED

Notes to the Financial Statements

for the year ended 30 June 2018

No.	Particulars	Note No.	Taka	
			2017-2018	2016-2017
29.2	**Factory Overhead**		**470,316,533**	**448,086,551**
	Annual Leave encashment		3,079,677	2,954,665
	Carrying Expense		943,140	870,505
	Computer Accessories		216,280	208,015
	Conveyance		245,037	238,490
	Depreciation		112,813,498	116,306,583
	Donation & Subscription Under CSR		1,098,780	904,708
	Electricity Bill		112,361	218,319
	Employer Contribution to PF		4,899,319	4,764,851
	Fabric Testing Expense		995,025	1,068,829
	Fees & Form		693,118	720,432
	Fooding Allowance		2,274,623	2,188,708
	Fuel & Lubricants		74,908,502	47,477,879
	Gas		71,961,656	64,381,644
	Insurance Premium		7,063,917	4,233,515
	Internet		110,400	110,400
	Labor Charges		767,732	833,926
	Maternity Allowance		163,006	-
	Medical Expenses		678,947	660,610
	Miscellaneous Expenses		137,498	98,590
	Mobile Bill		576,817	568,200
	Night Allowance		1,262,650	1,295,520
	Office Expense		2,089,051	674,688
	Officers & Worker Mess		311,646	298,016
	Overtime		2,456,678	2,282,836
	Printing		535,385	635,993
	Production & Attendance Allowance		2,268,500	2,538,000
	R/M (Machinery)		7,492,337	7,986,398
	R/M (M. Vehicles)		473,498	477,900
	Revenue & Stamp		132,720	85,000
	Safety Materials		353,943	245,745
	Salaries & Wages		164,344,479	178,199,815
	Security Services		3,286,049	3,076,132
	Stationary		841,033	818,229
	Training		68,258	88,605
	Uniform		164,236	147,850
	Utility		111,776	99,728
	Washing and Cleaning		284,455	237,970
	Wastage Handling Charges		100,506	89,258
30.	**Export Incentive**		**44,594,599**	**45,090,477**
	Export Incentive		44,594,599	45,090,477

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ARGON DENIMS LIMITED

Notes to the Financial Statements

for the year ended 30 June 2018

No.	Particulars	Note No.	Taka	
			2017-2018	2016-2017
31.	**Administrative Expenses**		**113,620,271**	**102,833,343**
	Advertisement		390,584	361,392
	Annual General Meeting		2,117,992	1,580,284
	Annual Picnic		348,089	-
	Audit Fee		575,000	172,500
	Board Meeting Fee		333,000	339,900
	Books & Periodical		10,460	3,005
	Buyer Entertainment		1,304,308	1,065,064
	Computer Accessories		59,785	54,290
	Conveyance		859,335	839,230
	Depreciation		5,937,553	6,121,399
	Director Remuneration		26,400,000	26,400,000
	Donation & Subscription under CSR		2,690,622	1,528,000
	Electricity Bill		716,034	831,337
	Employer Contribution to PF		1,782,754	1,576,408
	Entertainment		792,757	1,010,248
	Fees & Forms		4,661,447	4,322,128
	Fooding Allowance-Lunch		1,747,291	1,633,551
	Fuel & Lubricants		1,081,871	739,900
	Garage Rent		18,000	18,000
	Incidental Expenses		1,517,830	1,052,765
	Insurance		423,324	-
	Legal & Professional Fees		82,250	17,000
	Maternity Allowance		-	144,368
	Miscellaneous Expense		144,341	39,469
	News Paper Bill		6,805	5,836
	Office Expenses		1,065,519	914,300
	Office Rent		10,153,356	10,153,356
	Postage & Stamps		113,645	106,462
	Printing		81,839	27,960
	Repair & Maintenance		712,810	770,633
	Salaries & Allowances		41,983,813	37,484,122
	Software Development		265,806	244,000
	Stationery		600,721	449,776
	Telephone, Mobile, E-mail etc.		505,716	457,399
	Traveling Expense		3,872,614	2,143,623
	Uniform		78,944	48,990
	Utility		184,056	176,648
32.	**Selling and Distribution Expenses**		**37,068,357**	**37,614,342**
	Business Development		4,943,491	2,628,707
	Buyer Commission		21,592,985	25,819,983
	Carriage Outward		8,607,648	8,177,894
	Sample & Compensation		1,924,233	987,758

ARGON DENIMS LIMITED

Notes to the Financial Statements

for the year ended 30 June 2018

No.	Particulars	Note No.	Taka	
			2017-2018	2016-2017
33.	**Financial Expenses**		**130,052,265**	**109,811,962**
	Bank charges & Commission		21,641,851	30,145,148
	Interest on Bill Discount		36,472,720	45,556,366
	Interest on EDF		34,263,827	-
	Interest on LTR		18,166,050	9,546,444
	Interest on Overdraft		10,595,499	7,594,959
	Interest on Force Loan		-	8,032,429
	Interest on Time Loan		8,912,318	8,936,616
34.	**Other Income**		**251,475**	**119,733**
	Dividend Income		11,253	10,940
	Interest		184,395	86,495
	Gain / (Loss) on Investment in Share		55,827	22,297
35	**Earnings Per Share**		**3.18**	**2.91**
	Net Profit		381,619,320	349,729,413
	Total Number of Shares Outstanding as on 30.06.2018		119,977,200	119,977,200
36.	**Net Assets Value (NAV) Per Share**		**26.56**	**25.80**
	Total Shareholders' Equity		3,186,747,067	2,947,957,746
	Total Number of Shares Outstanding as on 30.06.2018		119,977,200	114,264,000

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

Company Name	2017-2018		2016-2017	
	Transaction	Outstanding	Transaction	Outstanding
Argon Spinning Ltd	1,258,695,998	619,498,206	891,639,822	462,066,478

MAR STOCK

Schedule of Property, Plant and Equipment

Existing Unit
Annexure - A

Amount in Taka

Particulars	Cost				Rate of %	Depreciation			W D V as on
	Balance as at 01.07.2017	Addition during the year	Disposal during the year	Balance as at 30.06.2018		Balance as at 01.07.2017	Charged during the year	Balance as at 30.06.2018	30.06.2018
Land & Land Development	32,886,000	-	-	32,886,000	-	-	-	-	32,886,000
Building & Civil Constructions	279,387,740	17,426,008	-	296,813,748	5	91,669,327	9,385,921	101,055,248	195,758,500
Mechanical Fabrication	18,597,325	98,880	-	18,696,205	10	10,147,034	845,029	10,992,063	7,704,142
ETP & WTP	44,500,000	12,930,500	-	57,430,500	10	26,756,949	1,774,305	28,531,254	28,899,246
Capital Machinery	470,007,423	43,339,335	-	513,346,758	10	275,021,142	19,498,628	294,519,770	218,826,988
Furniture & Fixture	6,919,264	504,400	-	7,423,664	10	3,097,660	382,160	3,479,821	3,943,844
Motor Vehicles	100,025,471	31,382,215	-	131,407,686	20	45,065,638	10,991,967	56,057,605	75,350,082
Office Equipments	14,447,269	1,275,567	-	15,722,836	15	7,016,406	1,114,629	8,131,035	7,591,801
Gas Line Installations	5,070,431	6,382,000	-	11,452,431	10	3,048,747	202,168	3,250,916	8,201,515
Motor & Pump	3,241,490	235,120	-	3,476,610	10	1,948,546	129,294	2,077,840	1,398,770
Electrical Installation	9,199,066	876,540	-	10,075,606	10	5,455,267	374,380	5,829,647	4,245,960
Office Decoration	20,566,467	15,134,796	-	35,701,263	10	6,540,413	1,402,605	7,943,019	27,758,244
Air Condition(AC)	3,984,526	165,000	-	4,149,526	15	922,413	459,317	1,381,730	2,767,796
Total	**1,008,832,472**	**129,750,361**	**-**	**1,138,582,833**		**476,689,543**	**46,560,404**	**523,249,948**	**615,332,888**

Schedule of Revaluation

Particulars	Cost				Rate of %	Depreciation			W D V as on
	Balance as at 01.07.2017	Addition during the year	Disposal during the year	Balance as at 30.06.2018		01.07.2017	Charged during the year	Balance as at 30.06.2018	30.06.2018
Land & Land Development	67,801,500	-	-	67,801,500	-	-	-	-	67,801,500
Building & Civil Constructions	92,497,925	-	-	92,497,925	5	22,204,495	3,514,672	25,719,167	66,778,758
Total	**160,299,425**	**-**	**-**	**160,299,425**		**22,204,495**	**3,514,672**	**25,719,167**	**134,580,258**
Grand Total	**1,169,131,897**	**129,750,361**	**-**	**1,298,882,258**	**-**	**498,894,038**	**50,075,076**	**548,969,114**	**749,913,146**

Expansion Unit
Annexure - B

Schedule of Property, Plant and Equipment

Amount in Taka

Particulars	Cost				Rate of %	Depreciation			W D V as on
	Balance as at 01.07.2017	Addition during the year	Disposal during the year	Balance as at 30.06.2018		Balance as at 01.07.2017	Charged during the year	Balance as at 30.06.2018	30.06.2018
Land & Land Development	16,636,254	-	-	16,636,254	-	-	-	-	16,636,254
Building & Civil Constructions	386,687,779	15,632,895	-	402,320,674	5	70,952,738	15,786,752	86,739,490	315,581,184
Mechanical Fabrication	16,055,209	-	-	16,055,209	10	6,221,090	983,412	7,204,502	8,850,707
ETP & WTP	16,220,255	5,257,514	-	21,477,769	10	6,143,399	1,007,686	7,151,084	14,326,685
Capital Machinery	731,268,361	13,603,339	-	744,871,700	10	261,842,067	46,942,629	308,784,696	436,087,004
Furniture & Fixture	4,437,684	358,800	-	4,796,484	10	1,274,370	316,331	1,590,702	3,205,782
Office Equipments	13,487,794	596,428	-	14,084,222	15	4,978,657	1,276,371	6,255,028	7,829,194
Gas Line Installations	8,230,000	4,359,000	-	12,589,000	10	2,444,869	578,513	3,023,382	9,565,618
Motor & Pump	7,212,763	-	-	7,212,763	10	2,561,850	465,091	3,026,941	4,185,822
Electrical Installation	8,809,187	267,346	-	9,076,533	10	3,363,604	544,558	3,908,162	5,168,371
Office Decoration	2,514,580	936,240	-	3,450,820	10	932,955	158,163	1,091,117	2,359,703
Air Condition(AC)	7,069,985	1,311,985	-	8,381,970	15	2,960,192	616,469	3,576,661	4,805,309
Total	**1,218,629,851**	**42,323,547**	**-**	**1,260,953,398**		**363,675,790**	**68,675,975**	**432,351,765**	**828,601,633**

Allocation of Depreciation	Existing Unit			Expansion Unit	Total	Intangible Asset	Grand Total
	With out Revaluation	On Revaluation	Total				
Factory Overhead	44,232,384	3,338,938	47,571,322	65,242,176	112,813,498	-	112,813,498
Administrative Expenses	2,328,020	175,734	2,503,754	3,433,799	5,937,553	-	5,937,553
Total	**46,560,404**	**3,514,672**	**50,075,076**	**68,675,975**	**118,751,051**	**-**	**118,751,051**

5. Schedule of Intangible Assets

Expansion Unit
Annexure - C

Amount in Taka

Particulars	WDV			Rate of %	Depreciation			W D V as on 30.06.2018
	Balance as at 01.07.2017	Addition during the year	Balance as at 30.06.2018		Balance as at 01.07.2017	Charged during the year	Balance as at 30.06.2018	
ERP Software	5,122,988	-	5,122,988	-	-	-	-	5,122,988
	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.

SHAREHOLDERS NOTE

AMAR STOCK

ARGON DENIMS LIMITED

Operational Office: Lotus Kamal Tower-ONE (Level-6)
57 Joar Sahara C/A, Nikunja-2, New Airport Road, Dhaka-1229.

Affix Revenue Stamp of Tk. 20

PROXY FORM

I/WE.....

of (Adress).....

Shareholder of Argon Denims Limited, do hereby appoint

Mr/Ms/Mrs. .....

of (Address).....

As my/our proxy to attend and vote for me/us behalf at **12th Annual General Meeting Meeting of Argon Denims Limited / will** be held on Tuesday 30 October, 2018 at 10:30 a.m at International Convention City Basundhara (ICCB) **Hall-02,** (Pushpoguscho), Kuril Bishwa Road (North side of 300 feet Road) Purbachal Express Highway, Dhaka-1229

As witness my hand this day of ..... 2018.

....

(Signature of the proxy) (Signature of the Shareholder)

Dated:..... Dated: .....

Folio/ Bo ID | | | | | | | | | | | | | | | |

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 Register Office of the Company not less than 48 hours before the time for the meeting.

Signature of Verified

Authorized Signatory
Argon Denims Limited

Attendance Slip

Name of the Member/Proxy (in lock letter)

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

I/We do bereby record my/our attendance at the **12th Annual General Meeting Meeting of Argon Denims Limited / will** be held on Tuesday 30 October, 2018 at 10:30 a.m at International Convention City Basundhara (ICCB) **Hall-02,** (Pushpoguscho), Kuril Bishwa Road (North side of 300 feet Road) Purbachal Express Highway, Dhaka-1229

No. of Shares held .....

....

(Signature of the Proxy) (Signature of the Shareholder)

Note: Plese Present this attendance Slip at the registration counter on the AGM date.

AMARSTOCK

আরগন ডেনিমস লিমিটেড

প্রক্সি ফরম

২০ টাকার রেভিনিউ স্ট্যাম্প সংযুক্ত করুন

আমি/আমরা .....

ঠিকানা .....

আরগন ডেনিমস লিমিটেড এর সদস্য হিসেবে

জনাব/ বেগম .....

ঠিকানা .....

আমার/ আমাদের প্রতিনিধি আগামী ৩০শে অক্টোবর ২০১৮ রোজ মঙ্গলবার সকাল ১০.৩০ ঘটিকায় ইন্টারন্যাশনাল কনভেনশন সিটি, বসুন্ধরা (আইসিসিবি) হল-০২, (পুষ্পগুচ্ছ), কুড়িল বিশ্বরোড (৩০০ ফুট রোডের উত্তরে) পূর্বাচল এক্সপ্রেস হাইওয়ে ঢাকা- ১২২৯ অনুষ্ঠিতব্য ১২তম বার্ষিক সাধারন সভায় আমার/আমাদের পক্ষে উপস্থিত থাকিবার এবং ভোট প্রদান করিবার জন্য নিযুক্ত করিলাম। স্বাক্ষ্য হিসেবে অদ্য ....., ২০১৮ তারিখে আমি/ আমরা এই দলিলে সজ্ঞানে স্বাক্ষর করিলাম।

.....
(প্রতিনিধির স্বাক্ষর)
তারিখ .....

.....
(সদস্যের স্বাক্ষর)
তারিখ .....

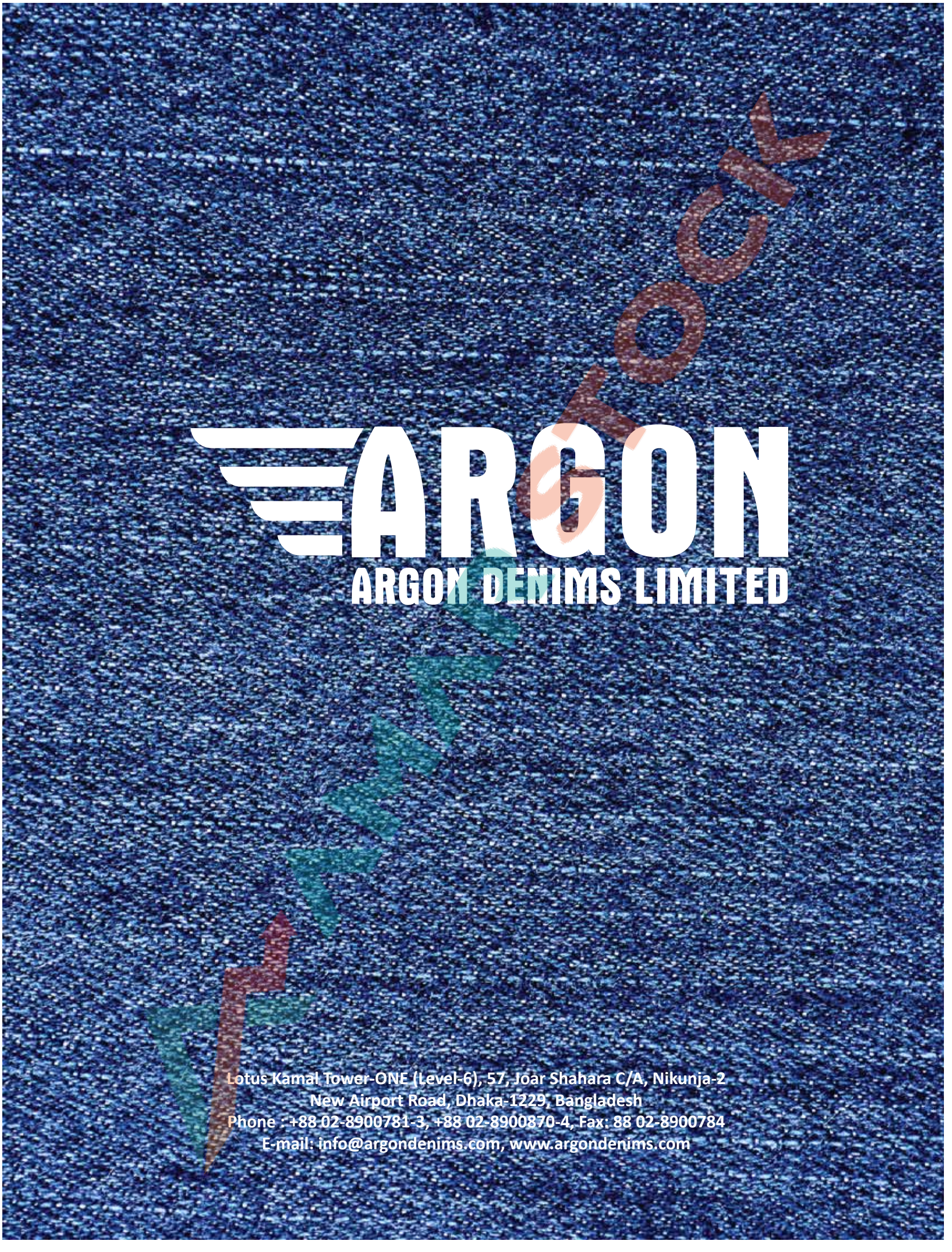
ফলিও/বিওআইডি নম্বর

বিঃদ্র ঃ 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 ডেনিমস্ লিমিটেড

AMAR STOCK



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