

Annual Report

2016-2017



SONARGAON TEXTILES LTD.

a member of khansons group

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Photo Gallery of 30th AGM



Letter of Transmittal

To
The Members
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

Subject: Annual Report for the period ended 30 June 2017.

Dear Sir(s)

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

Yours sincerely

Sd/-
Md. Monir Hossain
Company Secretary

Management Apparatus

Board of Directors

Mr. A K M Azizur Rahman	Chairman
Mr. Md. Bazlur Rahman	Managing Director
Mrs. Rosy Rahman	Director
Mr. Md. Aminul Quader Khan	Director (Nominated by ICB)
Mr. Mohammad A. Hafiz	Independent Director

Audit Committee

Mr. Mohammad A. Hafiz	Chairman
Mr. Bazlur Rahman	Member
Mr. Md. Aminul Quader Khan	Member

Management Committee

Mr. A K M Azizur Rahman	Chairman
Mr. Md. Bazlur Rahman	Member
Mr. Anwar Hossain	Member
Mr. Md. Monir Hossain	Member
Mr. Mostafa	Member
Mr. Arjun Chandra Paul	Member

Company Secretary

Mr. Md. Monir Hossain

Management Team

Mr. Anwar Hossain	Executive Director
Mr. Salahuddin Chowdhury	Project Director
Mr. Md. Monir Hossain	Company Secretary & Admin
Mr. Md. Mostafa	Chief Financial Officer
Mr. Arjun Chandra Paul	AGM (Marketing & Fund)
Mr. Soumen Kundu	AGM (Production & Quality)
Mr. Obaidul Gani	Manager (Maintenance)

Legal Advisor

Mr. Zainal Abedin
Advocate, Supreme court of Bangladesh
Dhaka, Bangladesh

Key Information

Statutory Auditor

M/s. G. Kibria & Co.
Chartered Accountants
Sadaran Bima Sadan(5th Floor)
24-25, Dilkuska Commercial Area
Dhaka-1000, Bangladesh

Bankers

Bangladesh Development Bank Ltd.
Rupali Bank Ltd.
Mutual Trust Bank Ltd.

Insurance

Central Insurance Limited
Golden Life Insurance Limited

Nature of Product

100% Cotton Yarn

Registered Office

Rupatali, Barisal

Factory Location

Rupatali, Barisal

Corporate Office

Khansons Centre (8th & 9th Floor)
37, Kawran Bazar Commercial Area
Dhaka-1215, Bangladesh

Telephone (Factory)

+0431 71296
+ 0431 71219(Fax)

Telephone (Head Office)

+880-2-55013501, 55013597(PABX)
+880-2-55013498(Fax)

e-mail

info@khansongroupbd.com

Website

www.khansongroupbd.com

Subsidiary Company

Not Applicable

Legal Status

A Public Limited Company incorporated in Bangladesh under the Companies Act, 1913(now the Companies Act 1994).

Listing

Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited

Book Value as on 30.06.2017

Taka. 28.94

Authorized Capital

Tk. 500,000,000.00

Paid up Capital

Tk. 264,670,560.00

Face Value per Share

Tk. 10.00

Number of Share

24,647,560

Installed Machinery Capacity

Spindles 71,136
Rotor 672

Production Capacity

5,935 MTs

Corporate Achievements**1985**

Year of Incorporation
Year of Commencement

1993

Year of Commercial Production

1995

Year of Incorporated as a Public Limited Company
Listing with Dhaka Stock Exchange Limited
Listing with Chittagong Stock Exchange Limited

Dividend History

Cash Dividend				
1995	1996	1997	1998	1999
12.50%	12.50%	8.00%	-----	5.00%
2000	2001	2002	2003	2004
7.00%	7.00%	7.00%	7.00%	10.00%
2005	2006	2007	2008	
10.00%	10.00%	10.00%	5.00%	

Stock Dividend			
2009	2010	2011	2012
10.00%	10.00%	10.00%	5.00%

No Dividend			
2013	2014	2015-2016	2016-2017
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Notice of the 31st Annual General Meeting

Notice is hereby given that the **31st Annual General Meeting** of the Shareholders of Sonargaon Textiles Ltd. will be held on Wednesday, 27 December 2017 at Barisal Club, Barisal at 11:00am to transact the following business:

A g e n d a

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2017 together with Reports of the Auditors and Directors.
2. To elect/re-elect Directors.
3. To appoint Auditors for the year 2017-2018 and fix their remuneration.
4. To transact any other business with permission of the Chair

Dated: Dhaka,
October 28, 2017

By order of the Board

Sd/-
Md. Monir Hossain
Company Secretary

Notes:

- i. The 'Record Date' of the Company shall be on Monday 20 November, 2017. The Shareholders, whose name will appear in the Share Register of the Company as on the 'Record Date' on Monday, 20 November, 2017 shall be entitled to attend the AGM.
- ii. The Board recommended no dividend for the year ended 30 June, 2017.
- iii. The shareholders entitled to attend and vote at AGM may appoint proxy on his/her behalf. The proxy form duly stamped valuing Tk. 20/- must be deposited at the registered office of the Company not later than 48 (Forty eight) hours before the time fixed for the meeting.
- iv. Entry at the meeting venue will be subject to production of attendance slip
- v. No gift/gift coupon/Food Box etc. will be provided at the 31st AGM in compliance with the Bangladesh Securities and Exchange Commission's circular no. SEC/CM RRCD/2009-193/154 dated 24 October 2013.
- vi. The Annual Report 2016-2017 will also be available at the Company's Website: www.khansongroupbd.com.

Corporate Operational Results (Comparative statistics)

Five year's statistics

Particulars	2016-17	2015-16	2014	2013	2012
Turn Over	820,596,598	650,096,155	788,024,557	866,886,535	821,574,671
Gross Profit	115,703,149	87,584,148	88,687,902	102,177,824	107,055,642
Net Profit before tax	(22,839,525)	(26,420,450)	(54,794,835)	(17,082,283)	9,658,754
Net Profit after tax	(28,257,505)	(28,774,301)	(57,385,643)	(21,435,555)	7,111,921
Shareholders' Equity	766,007,117	805,611,599	834,385,900	891,771,543	913,207,098
Total Assets	1,658,745,316	1,596,292,245	1,770,962,817	1,820,136,589	1,432,675,325
Total current Assets	869,678,018	748,042,027	875,274,022	907,057,349	907,057,348
Total current liabilities	576,649,736	263,458,391	480,721,456	369,938,096	469,014,594
Paid up Capital	264,670,560	264,670,560	264,670,560	264,670,560	252,067,200
Number of Share	26,467,056	26,467,056	26,467,056	26,467,056	25,206,720
Face value per Share	10.00	10.00	10.00	10.00	10
Earnings per Share (EPS)	(1.07)	(1.09)	(2.17)	(0.81)	0.28
Net Asset value per Share	28.94	30.44	31.52	33.69	36.22
Dividend declared (%)	No dividend	No dividend	No dividend	No dividend	5%(stock)
Number of Shareholders	5,694	5,694	5,694	5,241	4,155
Sponsors/Promoters	7	7	7	7	7
Financial & other Institutions	133	133	133	139	137
Foreign Investors	-	-	-	3	3
General Public	5,554	5,554	5,554	5,092	4,008
Human Resources	1,889	1,787	1,793	1,759	1,759
Executive	53	47	45	44	45
Non-Executive	190	183	186	190	148
workers	1,646	1,557	1,562	1,525	1,566



30th Annual General Meeting

Board of Directors



A.K.M. Azizur Rahman
Chairman



Md. Bazlur Rahman
Managing Director



Mrs. Rosy Rahman
Director



Mohammad A. Hafiz
Independent Director



Md. Shahinul Bari Chowdhury
Director Nominated by (BDBL)



Md. Aminul Quader Khan
Director Nominated by (ICB)

Key Personnel



Md. Salahuddin Ahmed
Project Director



Md. Anwar Hossain
Executive Director
(Commercial & Procurement)



Md. Monir Hossain
Company Secretary



Md. Mostafa
Head of Finance & Accounts

চেয়ারম্যানের প্রতিবেদন



এ.কে.এম. আজিজুর রহমান
চেয়ারম্যান

“বিস্মিল্লাহির রাহমানির রাহিম”

প্রিয় শেয়ারহোল্ডারবৃন্দ,
আসসালামু আলাইকুম,

কোম্পানীর ৩১তম বার্ষিক সাধারণ সভায় আপনাদেরকে আমার আন্তরিক উষ্ণ অভিনন্দন। আপনাদের কোম্পানী সোনারগাঁও টেক্সটাইলস লিমিটেড এর ২০১৬-২০১৭ অর্থ বছরের বার্ষিক প্রতিবেদন আপনাদের সম্মুখে উপস্থাপন করার সুযোগ প্রদান করায় আমি গর্ববোধ করছি।

কার্যক্রম

কোম্পানীর আর্থিক প্রতিবেদন পর্যালোচনায় দেখা যায় ২০১৬-২০১৭ সমাপ্ত অর্থবছরে আমাদের কোম্পানী বিভিন্ন কাউন্টের ৪,৯৬০ মেট্রিক টন ১০০% কটন সুতা উৎপাদন করেছে। গত বছরের চেয়ে টার্নওভার ২০.৭০% বৃদ্ধি পেয়েছে। আলোচ্য বছরে আমরা ১১৫,৭০৩,১৪৯ টাকা মোট লাভ করতে সক্ষম হয়েছি, যা গত বছরের তুলনায় ২২.২০ বৃদ্ধি পেয়েছে এবং অপারেটিং লাভ হয়েছে টাকা ৫,৯১৯,০৪০ টাকা, যা গত বছরের তুলনায় ৭০.৫৩% কমেছে।

আপনারা অবগত আছেন, বরিশালে গ্যাস না থাকায় আমাদের কারখানা বিদ্যুৎ চালিত। তাই, আমাদের আন্তরিক প্রচেষ্টা সত্ত্বেও আমরা চূড়ান্ত লাভ (Net Profit) করতে পারিনি, কারণ সমপরিমাণ Spindles এর গ্যাস চালিত কারখানার চেয়ে আমাদের কারখানা বিদ্যুৎ চালিত হওয়ায় দুই গুনের বেশি বিল পরিশোধ করিতে হয়। একই সংগে তুলার বাজার মূল্য উর্দ্ধমুখী এবং সুতার বাজার নিম্নমুখী হওয়াও এই লোকসানের আরেকটি কারণ। উপরন্তু, আর্থিক ব্যয়ের জন্য আমরা

বিপুল পরিমাণ টাকা আমাদের হিসাবে চার্জ করেছি এবং হিসাবে পূর্ব থেকে চলা ক্ষতিগ্রস্ত তুলার (damage cotton) মূল্য অবলোপন করা হয়েছে।

ভবিষ্যৎ লক্ষ্য

ভবিষ্যতে আমরা কোম্পানীর সাথে ব্যাংকের চলমান ঋণ হিসাবগুলো চূড়ান্তভাবে মেটানোর জন্য কার্যকর পদক্ষেপ গ্রহণ করবো। পাশাপাশি কোম্পানীতে নতুন করে চলতি মূলধনের যোগান দেওয়াসহ উচ্চ মূল্যের নতুন পণ্য উৎপাদন ও বাজারজাত করণের লক্ষ্যেও কার্যকর পদক্ষেপ গ্রহণ করবো। বর্ণিত পদক্ষেপগুলো গ্রহণে আমাদের একমাত্র উদ্দেশ্য হলো কোম্পানীকে লাভের ধারায় ফিরিয়ে এনে কোম্পানীতে আপনাদের বিনিয়োগের বিপরীতে লভ্যাংশ প্রদান করা। আমরা আশাকরি মহান আল্লাহপাক আমাদের সহায় থাকলে আমাদের এই উদ্যোগ সফলতা পাবে, “ইনশাআল্লাহ”।

বিশ্ব অর্থনীতি এবং বাংলাদেশের অর্থনীতি

আপনারা অবগত আছেন যে, ২০০৮-০৯ থেকে বিশ্ব অর্থনীতিতে চলা মন্দাভাব এবং তার নেতিবাচক প্রভাবগুলো এখনও অব্যাহত আছে। সত্যিকথা বলতে বিশ্ব অর্থনীতির ধারা বা প্রবণতা আলোচ্য বছরে আমাদের পক্ষে ছিল না। তা স্বত্ত্বেও আশার কথা হচ্ছে আমাদের জিডিপি (GDP) প্রবৃদ্ধি ৭.০০% অতিক্রম করেছে। আমাদের মূল রপ্তানী আয়ের উৎস পোশাক রপ্তানীখাত অর্থাৎ RMG সেক্টরে আমেরিকা কোটা বাতিলসহ ইউরোপিয় ইউনিয়ন এবং আমেরিকা সতর্ক নজরদারীতে রেখেছে। আমরা আপনাদের নিশ্চিত করিতে চাই যে, আমরা আমাদের কমপ্লাইন্স এর মানদণ্ড উন্নতি করে প্রতিযোগিতা মূলক বাজারে প্রবেশের চেষ্টা পূর্বের ন্যয় অবশ্যই অব্যাহত রাখবো।

মানব সম্পদ

সোনারগাঁও টেক্সটাইলস লিমিটেড তার কর্মীবৃন্দকে মানব সম্পদ হিসেবে মূল্যায়ন করে। কোম্পানী তার কর্মীবৃন্দের পেশা এবং ব্যক্তি উন্নতি সাধনকল্পে বিভিন্ন সুযোগ প্রদান করে। কর্মকর্তাদের বিশ্বস্ততা পারস্পরিক সহযোগিতা এবং সমন্বয় সাধনের উপর গুরুত্ব আরোপ করে। কোম্পানীর লক্ষ্য বজায় রাখার জন্য এখানে কর্মীবৃন্দের উৎসাহ বৃদ্ধির ক্ষেত্রে সার্বিক সহযোগিতা করা হয়। ৩০ জুন, ২০১৭ইং তারিখে কোম্পানীর মানব সম্পদ দাঁড়ায় ১,৮৮৯ জন।

কর্পোরেট গভর্নেন্স

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর নির্দেশনা অনুযায়ী কর্পোরেট গভর্নেন্স পরিপালনে আমরা বাধ্য। কোম্পানীর পরিচালনা পর্ষদ আপনাদেরকে নিশ্চয়তা দিচ্ছে যে, কোম্পানী পরিচালনায় সুশাসন প্রদানের লক্ষে প্রতিটি ক্ষেত্রে সর্বোত্তম অনুশীলন করা হবে। আমাদের জন্য সুশাসনের বিষয়টি দায়িত্ব সম্পর্কে সচেতন, সততা, জবাবদিহীতা এবং ন্যায্যপরায়নতা তৈরীসহ বিধিবদ্ধ নিয়মকানুন মেনে চলার ক্ষেত্রে সহায়ক হবে।

কৃতজ্ঞতা স্বীকার

আমি আমাদের সম্মানিত শেয়ারহোল্ডার, সরকারী সংস্থাসমূহ, নিয়ন্ত্রক সংস্থাসমূহ, গ্রাহক, ব্যাংকার, সরবরাহকারী এবং কর্মকর্তা-কর্মচারীসহ যারা আমাদের ব্যবসা পরিচালনার সাথে জড়িত তাদের সকলকে আন্তরিক ধন্যবাদ জ্ঞাপন করছি। আমরা কোম্পানীর শেয়ার হোল্ডারদের প্রতি কৃতজ্ঞ। যাদের সার্বক্ষণিক মূল্যবান সহযোগিতা এবং সমর্থন কোম্পানীকে আজকে এই অবস্থানে এনেছে। আমরা যে সাফল্য অর্জন করেছি, তা সকলের সম্মিলিত প্রচেষ্টারই ফসল।

আমি আবারো আমাদের সকল শেয়ারহোল্ডার এবং শুভাকাঙ্ক্ষীগণকে আন্তরিক ধন্যবাদ জানাই এবং ভবিষ্যতে তাঁদের অব্যাহত সমর্থন ও সহযোগিতা কামনা করি।



এ.কে.এম. আজিজুর রহমান

চেয়ারম্যান

২৮ অক্টোবর ২০১৭ইং

ঢাকা।



30th Annual General Meeting

Chairman's Statement



A.K.M. Azizur Rahman
Chairman

“Bismillahir Rahmanir Rahim”

Dear Shareholders,
Assalamu Alaikum,

I have the pleasure to warmly welcome you to the 31st Annual General Meeting of the Company. It is my proud privilege to place before you the Annual Report of Sonargaon Textiles Limited for the year 2016-2017.

Operations

During the period from 01 July 2016 to 30 June 2017 the Company has produced 4,960 MTs of 100% cotton yarn in various counts. Turnover has increased 20.70%, compared to last year. This year we achieved gross profit of Taka 115,703,149.00 which is a increase of 22.20 % and operating profit of Taka 5,919,040.00 which is a decrease of 70.53 % compared to last year.

As you know due to lack of gas in Barisal, our factory is powered by electricity. Therefore, despite our sincere efforts we could not earn net profit because we have to pay more than two times the amount of electricity bills compared to the same nature and ranges of factories which is powered by gas. At the same time cotton prices are high and yarn prices are falling.

Also, we are charging a huge amount for financial expenses and writing off damage of raw cotton in our accounts.

Future Goal

In the future, we will take necessary steps to settle the Company's loan account with the Bank. Besides supply of new working capital in the Company's operation. We will also take effective steps to produce value added products and its marketing. Our only effort is to bring the company back to profit and to give regular dividends to you. We hope our initiative will be successful, “INSHALLAH”.

Global Economy & Bangladesh Economy

As you are aware, though the recession which began in 2008-09 has gradually weakened over the years, the negative impact however still remains. In fact, the world economic trend was never in our favor during this period. In spite of this our GDP growth rate had exceeded 7.00 percent. The vital export market for Ready Made Garments (RMG) products from Bangladesh is under watchful scrutiny of USA and EU. We are striving to ensure that our compliance standards improve and we remain competitive and continue to have further access to the markets abroad.

Human Resources

STL considers its human resources as the most important asset. STL offers opportunities for both professional & personal development to its employees. It practices a work environment of trust, co-operation & collaboration. We do so to develop the skills & enthusiasm of our employees to make the Company achieve on a sustainable basis. STL's Human Resources strength at the end of 30 June 2017 stood at 1,889.

Corporate Governance

Bangladesh Securities and Exchange Commission has introduced mandatory Guidelines on Corporate Governance. The Board of Directors of the Company is committed to deliver good governance and exercise best practices in all respects. For us, good governance is about managing the business effectively and responsibly and in a way which is honest, transparent, showing accountability and abiding by the laws of the land.

Acknowledgement

I take this opportunity to express my sincere thanks to our valued shareholders, government agencies, regulatory bodies, customers, suppliers, bankers, workers & employees and everyone with whom the Company interacted in conducting its business. We are grateful to you, the shareholders for extending at all times your valuable support and co-operation to bring the Company to the level it has reached today. The success we have achieved so far was only possible because of the collective efforts of all concerned.

Once again, I convey my heartiest thanks to all our shareholders and look forward to their continued support and co-operation in future.



A.K.M. Azizur Rahman

Chairman

28 November 2017

Dhaka



30th Annual General Meeting

DIRECTORS' REPORT

Directors' Report to the Shareholders
For the period July 01, 2016 to June 30, 2017

“ Bismillahir Rahmanir Rahim”

Dear Shareholders,

Assalamu Alaikum,

On behalf of the Board of Directors and Management of Sonargaon Textiles Ltd., I welcome you to the 31st Annual General Meeting of the Company. I have the pleasure to enclose herewith the Directors' Report together with the Audited Financial Statements of the Company for the year ended June 30, 2017 along with the Auditors' Report thereon. These were approved by the Board of Directors on October 28, 2017 which has been prepared in compliance with section 184 of the Companies Act 1994 and Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August, 2012 and other applicable laws.

WORKING RESULTS

The Directors are pleased to report that the working results of the Company from July 01, 2016 to June 30, 2017 are as follows:

Particulars	For the year ended June 30, 2017	For the year ended June 30, 2016	Increase/ (Decrease) %
Revenue	820,596,598	679,865,642	20.70
Cost of Goods Sold	704,893,449	585,178,537	20.46
Gross Profit	115,703,149	94,687,105	22.20
Administrative Selling & General expenses	38,995,598	42,713,219	(8.70)
Net Profit before Tax	(22,839,525)	(7,204,107)	(217.03)
Net Profit after Tax	(28,257,505)	(9,990,107)	(182.85)
Earnings per Share	(1.07)	(0.37)	(189.19)

PROFITABILITY/LOSS

As you know due to lack of gas in Barisal, our factory is powered by electricity. Therefore, despite our sincere efforts we could not earn net profit because we have to pay more than two times the amount of electricity bills compared to the same nature and ranges of factories which is powered by gas. At the same time cotton prices are high and yarn prices are falling. Also, we are charging a huge amount for financial expenses and writing off damage of raw cotton in our accounts.

EPS AND NAV PER SHARE

EPS comes to Tk. (1.07) per share for the period ended on June 30, 2017. NAV decreased to Tk. 28.94 per share as on June 30, 2017 from Tk. 30.01 per share as on June 30, 2016 due to negative EPS.

DIVIDEND

The Directors recommended no dividend for the period as the Company incurred loss and there are no available retained earnings for declaring dividend.

PRINCIPAL ACTIVITY

The Company owns and operates a textile spinning mill comprising 3 units, viz, of unit-1, unit-2 and unit-3 and its principal activities and operations are manufacturing of 100% cotton yarn of different counts and sales thereof.

Analysis of Operating Performance

Business Outlook- a general overview

The share of textiles industry in the economy along with its contribution to exports, employment, foreign exchange earnings, investment and value added makes in the single largest manufacturing sector in Bangladesh. RMG sector is the highest revenue generating sector in Bangladesh. Spinning sector is the playing a vital part RMG value chain, for stabilizing supply chain and control major costs. The products of spinning are cotton yarn, polyester, synthetic yarn, woolen yarn and blended yarn mixed of cotton with polyester of different counts. Total demand of yarns of Bangladesh around 1.41 million tons where the local production meet up around 1.12 million tons. In addition, almost 85% demanded of cotton yarns and 50% demanded of synthetic and blended yarn of export-oriented fabrics producing mills are being met by the private sector spinning mills(source: Bangladesh Textiles Mills Association).

The ongoing global economic crisis is having an impact on export dependent economics. Even high performing countries like China & India have recorded slowdowns. Other high performing economics like Thailand, Philippines and Indonesia are also suffering badly because of the ongoing crisis. In contrast, export of the textiles products from Bangladesh surprisingly remains quite buoyant. RMG exports have increased by significant percent, during the year over the corresponding period of last year.

You know that your Company produces various count cotton yarns and has thirty four years experience of yarn spinning. The Company is one of the medium level yarn producers in the textiles sector of Bangladesh. It has been producing 4,960 MTs of various count cotton yarn per day as on 30 June 2017. STL always focus on more sustainable and eco-friendly products. The Company has recognized by its valued customers through quality products with committed services.

Production and Sales

During the period from 01 July 2016 to 30 June 2017, the Company has produced 4,960 MTs of 100% cotton yarn in various counts. Gross turnover was Tk. 820,596,598.

DIRECTORS

Retirement and Re-election

Mr. A.K.M. Azizur Rahman, Director of the Company retires by rotation as per Articles 118 and 119 of the Articles of Association of the Company and being eligible offers himself for re-election.

Re-appointment of Independent Director

As per the Corporate Governance Guidelines issued by the Bangladesh Securities and Exchange Commission dated 07 August 2012, Mr. Mohammad A. Hafiz was appointed as an Independent Director of the Company for a period of three years. After completion of the last three years, the Board has re-appointed him as an Independent Director of the Company for a further period of next three years, subject to the approval by the Shareholders in the Annual General Meeting.

Brief Resume of the Directors

Mr. A.K.M. Azizur Rahman

Mr. A.K.M Azizur Rahman is a renowned and dynamic personality in the Textiles Sector of Bangladesh. He obtained the Master Degree with Honors from Dhaka University, Department of Sociology. He is the founder sponsor Director as well as Chairman of Sonargaon Textiles Limited. He has more than thirty four years experience in the Textiles Sector. He is also Managing Director of Khansons Textiles Ltd. and Khansons Holdings Limited. Mr. Azizur Rahman is the Chairman of the Continental Insurance Ltd. and Golden Life Insurance Ltd. He has been actively involved in the organizational activities of Bangladesh Textiles Mills Association(BTMA) and was Vice President for the year 2010 to 2011. At present he is the Member of Executive Committee of the Association of Bangladesh Insurance Association (BIA).

He received awarded with the honor of CIP from the Govt. of Bangladesh in 1989 for remarkable achievement in Exports. Awarded with the GOLD MEDEL in 1993-94 for extensive Industrialization Program/Establishment in south Bengal. Awarded with the C R DAS GOLD MEDEL in 1995-96 as a notable Industrialist of the Country.

He is the founder of AL-haj B.N. Khan Degree College, Uzirpur, Barisal & Anowara Begum Girls High School, Uzirpur, Barisal.

Mr. Mohammad A. Hafiz

Mr. Mohammad A. Hafiz, Chairman of FAS Finance & Investment Limited, is a prominent business personality as well as a Capital Market Professional in Bangladesh. He obtained MBA in 6th Batch from the Institution of Business Administration, University of Dhaka and having more than forty years of extensive professional experiences in different Industrial Organizations in top level management. Mr. Hafiz carries immense experience in investment Banking and widely recognized in the Merchant Banking arena of the country. He is former President of Bangladesh Merchant Bankers' Association (BMBA) of Bangladesh. Accordingly, he has been associated with his expertise in developing the efficient, vibrant and transparent capital market in Bangladesh. Mr. Hafiz is well efficient and having maneuvering knack in managing and counseling the investment portfolio and corporate advisory in primary and secondary market of country's capital Market.

Beside, Mr. Hafiz is the Chairman of AAA Finance & Investment Ltd. and Director of the Board of the Stock & Bond Limited, a member of DSE. Furthermore, Mr. Hafiz is a former President of Rotary Club of Banani Dhaka and Life Member of Banani Society & Banani Club Limited respectively.

Mr. Mohammad A. Hafiz has been re-appointed as Independent Director of the Company for a further period of 3 (three) years by the Board of Directors of Sonargaon Textiles Ltd.

BOARD AUDIT COMMITTEE

The Company had an Audit Committee, which constituted in terms of the provisions of Corporate Governance Guidelines dated 07.08.2012 issued by Bangladesh Securities and Exchange Commission which is as follows:

Mr. Mohammad A. Hafiz	Chairman
Mr. Bazlur Rahman	Member
Mr. Md. Aminul Quader Khan	Member

The details of the activities of the audit committee have been provided in "Audit Committee Report."

BOARD MEETINGS AND ATTENDANCE

During the year 4(four) Board Meetings were held. The attendance record of the Directors is as follows:

Name of Directors	Position	Meetings attended
Mr. A.K.M. Azizur Rahman	Chairman	4
Mr. Bazlur Rahman	Managing Director	4
Mrs. Rosy Rahman	Director	4
Mr. Md. Aminul Quader Khan	Director(ICB Nominated)	4
Mr. Shahinul bari Chowdhury	Director(BDBL Nominated)	3
Mr. Mohammad A. Hafiz	Director(Independent)	4

CORPORATE AND FINANCIAL REPORTS

The Directors are pleased to confirm that:

- (a) The financial statements together with the notes thereon have been in conformity with the Companies Act 1994 and Bangladesh Securities and Exchange Commission's Rules 1987. These statements present fairly the Company's statement of affairs, the result of its operation, cash flow and statement of changes in equity.
- (b) Proper books of accounts of the Company have been maintained.
- (c) Appropriate Accounting Policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and judgment.
- (d) The international Accounting standards, as applicable in Bangladesh have been followed in preparation of the financial statements.
- (e) Internal Control System is sound in design and has been effectively implemented and mentioned.
- (f) There are no significant doubts about the ability of the Company to continue as a going concern.
- (g) There are no significant deviations in operating result compared to last year/period.
- (h) The summarized key operating financial data of last five preceding years are annexed as "Comparative Statistics" in the Annual Report.
- (i) The related party transaction has been disclosed in preparation of the financial statement
- (j) the Pattern of shareholding is as follows:

The Pattern of Shareholding

Name wise details	Shares held
(i) Parent/Subsidiary/associate Companies and other related parties	Nil
(ii) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouse and minor children	
Mr. A.K.M. Azizur Rahman, Chairman	5,200,851
Mr. Bazlur Rahman	2,211,859
Mrs. Rosy Rahman	3,282,468
Chief Executive Officer : Spouse and minor Children	Nil
Company Secretary : Spouse and minor Children	Nil
Chief Financial Officer : Spouse and minor Children	Nil
Head of Internal Audit : Spouse and minor Children	Nil
(iii) Executive :	Nil
(iv) Shareholders holding ten percent (10%) or more voting interest in the Company	
Mr. A.K.M. Azizur Rahman, Chairman	5,200,851
Mrs. Rosy Rahman	3,282,468

SUBSIDIARY COMPANY

Sonargaon Textiles Ltd. dose not have any subsidiary Company.

EXTRA – ORDINARY GAIN/LOSS

There is no extra ordinary gain or loss during the financial year.

KEY OPERATING AND FINANCIAL DATA

Particulars	2016-2017	2015-2016	2014	2013	2012
Paid Up capital	264,670,560	264,670,560	264,670,560	264,670,560	252,067,200
Revenue	820,596,598	650,096,155	788,024,557	866,886,535	821,574,671
Gross Profit	115,703,149	87,584,148	88,687,902	102,177,824	107,055,642
Profit/(Loss) Before Income Tax	(22,839,525)	(26,420,450)	(54,794,835)	(17,082,283)	9,658,754
Net Profit/(Loss) after Income Tax	(28,257,505)	(28,774,301)	(57,385,643)	(21,435,555)	7,111,921
Total Assets	1,658,745,316	1,596,292,245	1,770,962,817	1,820,136,589	1,432,675,325
Total current Assets	869,678,018	748,042,027	875,274,022	907,057,349	907,057,348
Dividend	no dividend	no dividend	no dividend	no dividend	5%(stock)
Shareholders' Equity	766,007,117	805,611,599	834,385,900	891,771,543	913,207,098
Earnings Per share(Taka)	(1.07)	(1.09)	(2.17)	(0.81)	0.28
Net Asset Value Per Share(taka)	28.94	30.44	31.52	33.69	36.22

AUDITORS

The existing auditors M/S G. Kibria & Co, Chartered Accountants, Sadaran Bima Sadan(5th floor), 24-25, Dilkusha Commercial Area, Dhaka-1000, Bangladesh who were appointed as auditors of the Company in the 30th Annual General Meeting, carried out the audit for the year ended 30th June 2016-2017 satisfactorily. They have carried out the audit of the Company for three consecutive years. They are not eligible for re-appointment as per the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2009-193/104/Admin dated July 27, 2011. The Company received proposal from M/S Ahmad & Akhtar, Chartered Accountants BCIC Bhaban(3rd floor), 30-31, Dilkusha C/A, Dhaka-1000, which was placed in the Board Meeting.

The Board of Directors recommended M/S Ahmad & Akhtar, Chartered Accountants, BCIC Bhaban(3rd floor), 30-31, Dilkusha C/A, Dhaka-1000, for appointment as auditors of the Company for the year 2017-2018 at an agreed fee of Taka 115,000.00(Taka one lac fifteen thousand only)(including VAT) . The matter is placed for the approval of the honorable shareholders in the AGM.

CORPORATE GOVERNANCE COMPLIANCE STATUS

In accordance with the requirement of the Bangladesh Securities and Exchange Commission, Corporate Governance Compliance Status Report" is annexed

ACKNOWLEDGEMENT

The Board of Directors have taken this opportunity to express our sincere thanks to the valued shareholders for their support and to the employees of the Company for their efforts. We are also grateful to our customers, banker, suppliers, government agencies, regulatory bodies, workers & employees and everyone for their continued support.

On behalf of the Board of Directors



A.K.M. Azizur Rahman

Chairman

28 October 2017, Dhaka.

Report of Chairman Audit Committee

Sonargaon Textiles Limited established an Audit Committee as a sub committee of the Board of Directors and they assists the Board of Directors in fulfilling its oversight responsibilities and ensuring that the Financial Statement reflect true and fair view.

Members of the Audit Committee

There are in total 3(three) members in the Audit Committee including 1(one) Independent Director. The present Audit Committee was re-constituted by the Board in its 103rd meeting held on 3rd September, 2012.

Followings are the members of the Audit Committee

Sl.No.	Name	Status
1.	Mr. Mohammad A. Hafiz	Chairman
2.	Mr. Bazlur Rahman	Member
3.	Mr. Md. Aminul Quacler Khan	Member

During the year ended 30 June 2017, the Audit Committee of the Board of Directors Conducted 2 (Two) meetings in which the Committee reviewed issues relating to Business Operation, Administrative Control. Finance & Accounts, among other things. Head of International Audit and Company Secretary are permanent invitee in the meetings. Relevant departmental heads and other members of the management also attend the meetings as required. The proceeding of the Committee meetings are regularly reported to the Board of Directors.

Activities for the year ended 30 June 2017

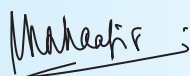
Guided the financial process of the year end closing.

Reviewed the Financial and Management Audit Reports Factory and Head Office and other statutory report and recommendation of approval. Pirate measure to the management arises out of the findings from such report.

Examined the financial reporting system.

Approved the Audit plan for the year ended 30 June 2017. The Committee considered the recommendations made by external and internal auditors of the company in their reports. Reviewed the appointment of external auditors. Reviewed the quarterly and half yearly financial statement.

The Audit Committee expresses thanks to the stake holders of Sonargaon Textiles Limited for their relentless support for doing thanks in a complaint way towards its journey to success.



Mohammad A. Hafiz

Chairman

Audit Committee

28 October, 2017

28 October, 2017

Annexure-B

The Board of Directors
Sonargaon Textiles Ltd.
Khansons Centre (8th & 9th Floor)
37, Kawran Bazar
Dhaka-1215

Sub: CEO and CFO's declaration to the Board.

Dear Sir,

In terms of notification of Bangladesh Securities and Exchange Commission No. SEC/CMRRCD/2006-158/134/Admin/44 of 7 August 2012 issued under 2cc of the securities and Exchange Ordinance 1969 we do hereby certify to the Board that:

- i) We have reviewed financial statements for the year ended 30 June 2017 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 together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii) There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.



Bazlur Rahman
Managing Director



Md. Mostafa
Head of finance & Accounts

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES



Date of Issue : 5th February 2017

Ref. No: CM-2017/011

Renewed Certificate

This is to certify that

SONARGAON TEXTILES LIMITED

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

This certificate remains current until 31st December 2017.




Secretary-General



আহমদ এন্ড আখতার
AHMAD & AKHTAR
Chartered Accountants



A Correspondent Member Firm of
Russell Bedford International, UK
www.russellbedford.com

Certificate on Compliance with the Conditions of Corporate Governance Guidelines

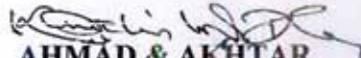
[As required under the Bangladesh Securities and Exchange Commission (BSEC)]

TO MEMBERS OF SONARGAON TEXTILES LIMITED TO WHOM IT MAY CONCERN

This is to certify that sonargaon Textiles Ltd. has complied with the conditions of Corporate Governance Guidelines Imposed by the Bangladesh Securities and Exchange Commission vide their Notification N. SEC/CMRRCD/2006-158//134/Admin/44 dated 7th August, 2012

Place- Dhaka

Date: October 28, 2017


AHMAD & AKHTAR
Chartered Accountants.



National Office:

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30-31 Dilkusha C/A
Dhaka-1000, Bangladesh.
Ph: 88-02-9661289, 9670299
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Dhaka Branch Office:

39, Dilkusha C/A, (4th Floor)
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Ph: 88-02-7174880, 9668706

web: www.sacabd.org

Chittagong Branch Office:

Isabella Tower, Level-4 IBBL
Halishahar, Boropool,
Chittagong-4000
(M): 01715429860

Statement of Compliance of Corporate Governance Guidelines

Status of compliance with the conditions of Corporate Governance Guidelines as set by Bangladesh Securities & Exchange Commission (BSEC) by the notification # SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 and subsequently amended through their notification # SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under condition # 7)

Condition No	Title	Compliance Status (Put (Ö) in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors:	Ö		
1.1	Board Size	Ö		
1.2	Independent Directors	Ö		
1.2(i)	At least one fifth (1/5) of the total number of Director in the Company's Board shall be Independent Director	Ö		
1.2(ii) (a)	"Independent Director" means a director - 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'	Ö		
1.2(ii) (b)	Who is not a sponsor of the Company and is not connected with the Company's any sponsor or Director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the Company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company	Ö		
1.2(ii) (c)	Who does not have any other relationship, whether pecuniary or otherwise, with the Company or its subsidiary/associated Companies	Ö		
1.2 (ii) (d)	Who is not a member, Director, or officer of any stock exchange	Ö		
1.2 (ii) (e)	Who is not a shareholders, Director or officer of any member of stock exchange or any intermediary of the capital market	Ö		
1.2 (ii) (f)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3(three) years or the concerned Company's statutory audit firm	Ö		
1.2 (ii) (g)	Who shall not be an Independent Director in more that 3(three) listed Companies	Ö		
1.2 (ii) (h)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any load to a bank or a Non-Bank financial institution (NBF)	Ö		
1.2 (ii) (i)	Who has not been convicted for a Criminal Offence involving moral turpitude	Ö		
1.2 (iii)	The Independent Director(s) shall be appointed by the Board of Directors and approved by the shareholders in the Annual General Meeting (AGM)	Ö		

Condition No	Title	Compliance Status (Put (Ö) in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.2 (iv)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days	Ö		
1.2 (v)	The Board shall lay down a code of conduct of all Board Members and Annual compliance of the code to be recorded	Ö		
1.2 (vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	Ö		
1.3	Qualification of Independent Director	Ö		
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	Ö		
1.3 (ii)	The person should be a Business leader / corporate leader / Bureaucrat/university teacher with economics or Business studies or law background / professional like Chartered Accountants, cost & management Accounts, Chartered Secretaries. The independent Director must have at least 12 (twelve) years of corporate management/ professional experiences.	N/A		No Application
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission	Ö		
1.4	The positions of the Chairman of the Board and Chief Executive officer of the Company shall be filled by different individuals The Chairman of the Company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive officer	Ö		
1.5	The Director's Report to Shareholders	Ö		
1.5 (i)	Industry outlook and possible future developments in the industry	Ö		
1.5 (ii)	Segment-wise or product-wise performance	Ö		
1.5 (iii)	Risks and concerns	Ö		
1.5 (iv)	A discussion on cost of goods sold, Gross Profit Margin and Net Profit Margin	Ö		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	Ö		
1.5 (vi)	Basis for related party transaction- a statement of all related party transactions should be disclosed in the annual report	Ö		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments	Ö		
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for initial Public Offering (IPO), Repeat Public Offering (RPO), rights Offer, Direct Listing etc	Ö		
1.5 (ix)	If significant variance occurs between Quarterly financial management shall explain about the variance on their Annual Report	Ö		

Condition No	Title	Compliance Status (Put (Ö) in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.5 (x)	Remuneration to directors including independent directors	Ö		
1.5 (xi)	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	Ö		
1.5 (xii)	Proper books of account of the issuer company have been maintained	Ö		
1.5 (xiii)	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.	Ö		
1.5 (xiv)	International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	Ö		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	Ö		
1.5 (xvi)	There are no significant doubts 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 thereof should be disclosed.	Ö		
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	Ö		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	Ö		
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	Ö		
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	Ö		
1.5 (xxi) (a)	Share held by Parent/Subsidiary/Associated Companies and other related parties (name wise details):	Ö		
1.5 (xxi) (b)	Share held by Directors, Chief Executive Officer, company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details)	Ö		
1.5 (xxi) (c)	Share held by Executives; (Top 5 salaried)	Ö		
1.5 (xxi) (d)	Share held by shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	Ö		
1.5 (xxii) (a)	A brief resume of the director	Ö		
1.5 (xxii) (b)	Nature of his/her expertise in specific functional areas	Ö		
1.5 (xxii) (c)	Names of companies in which the person also holds the directorship and the Membership of committees of the board.	Ö		

Condition No	Title	Compliance Status (Put (Ö) in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
2	Chief financial Officer (CFO), Head of Internal Audit and Company Secretary (CS)	Ö		
2.1	The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS	Ö		
2.2	The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and / or the Company Secretary shall not attend such part of a meeting of the Board of directors which involves consideration of an agenda item relating to their personal matters	Ö		
3	Audit Committee	Ö		
3 (i)	The company shall have a Audit Committee as a sub-committee of the Board of Directors	Ö		
3 (ii)	The Audit Committee shall assist the Board of Directors 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	Ö		
3 (iii)	The Audit committee shall be responsible to the Board of Director. The duties of the Audit Committee shall be clearly set forth in writing.	Ö		
3.1	Constitution of the Audit Committee	Ö		
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members	Ö		
3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director	Ö		
3.1 (iii)	All members of the audit committee should be financially literate and at least 1(one) member shall have accounting or related financial management experience.	Ö		
3.1 (iv)	When the term service of the committee members expires or there is any circumstance causing any committee member to be unable to hold office Until expiration to the term of service, thus making the number of the committee members to be lower that the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member's to fill up the vacancy (ies) immediately or not later than 1 (one) month from the date of vacancy (ies) in the Committee to ensure continuity of the performance of work of the Audit Committee (AC)	Ö		
3.1 (v)	The company secretary shall act as the secretary of the Committee	Ö		
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	Ö		
3.2	Chairman of the Audit Committee	Ö		

Condition No	Title	Compliance Status (Put (Ö) in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director	Ö		
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM)	Ö		
3.3	Role of Audit Committee	Ö		
3.3 (i)	Oversee the financial reporting Process.	Ö		
3.3 (ii)	Monitor choice of accounting policies and principles.	Ö		
3.3 (iii)	Monitor Internal Control Risk management process	Ö		
3.3 (iv)	Oversee hiring and performance of external auditors	Ö		
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	Ö		
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.	Ö		
3.3 (vii)	Review the adequacy of internal audit function.	Ö		
3.3 (viii)	Review statement of significant related party transactions submitted by the management	Ö		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors	Ö		
3.3 (x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/ Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, of an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus	Ö		
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	Ö		
3.4.1 (ii) (a)	Report on conflicts of interests			Not Applicable
3.4.1 (ii) (b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;			Not Applicable
3.4.1 (ii) (c)	Suspected infringement of laws, including securities related laws, rules and regulations;			Not Applicable
3.4.1 (ii) (d)	Any other matters which shall be disclosed to the Board of Directors immediately	Ö		

Condition No	Title	Compliance Status (Put (Ö) in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3.4.2	Reporting to the Authorities if the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the ignored, the Audit Committee shall report such finding to the commission, upon reporting of such matter to the Board of Directors for three times of completion of a period of 6 (six) months from the date of first reporting to the Board of Directors whichever is earlier			Not Applicable
3.5	Reporting to the Shareholders and general investors: Report on activities carried out by the Audit Committee including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	Ö		
4	EXTERNAL/STATUTORY AUDITORS:	Ö		
4 (i)	Appraisal or valuation services or fairness opinions.	Ö		
4 (ii)	Financial information systems design and implementation	Ö		
4 (iii)	Book-keeping or other services related to the accounting records or financial statements	Ö		
4 (iv)	Broker-dealer services	Ö		
4 (v)	Actuarial services	Ö		
4 (vi)	Internal audit services	Ö		
4 (vii)	Any other service that the Audit Committee determines	Ö		
4 (viii)	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 the company	Ö		
4 (ix)	Audit/certification service on compliance of corporate Governance	Ö		
	SUBSIDIARY COMPANY:	Ö		
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company			Not Applicable

Condition No	Title	Compliance Status (Put (Ö) in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company			Not Applicable
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company			Not Applicable
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also			Not Applicable
5 (v)	The Audit committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company			Not Applicable
6	DUTIES OF CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) (The 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			
6 (i) (a)	These statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	Ö		
6 (i) (b)	These statement together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	Ö		
6 (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 violation of the company's code of conduct.	Ö		
7	Reporting and Compliance of Corporate Governance:			
7 (i)	The company shall obtain a certificate from a Professional Accountant/Secretary (Chartered Accountant/Cost & Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis	Ö		Certificate Available in Annual Report
7 (ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions	Ö		Available in Annual Report

Independent Auditors' Report To The Shareholders of Sonargaon Textiles Limited.

We have audited the accompanying Financial Statements of Sonargaon Textiles Limited which comprises the Statement of Financial Position as at 30 June 2017 and the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BASs), Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

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

Opinion

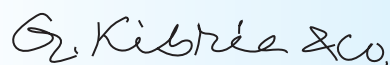
In our opinion, the financial statements present fairly, in all material respects, the financial position of Sonargaon Textiles Limited as at 30 June 2017 and its financial performance and its cash flows for the period then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs) and complies with other applicable laws, rules and regulations.

Emphasis of Matter

- i. As disclosed in the note 5.00 of the financial statements regarding inventories, the management should present the inventories in accordance with Bangladesh Accounting Standard (BAS-2) Inventories and make proper consideration including recording in register, bin card etc and ascertain actual status and value of inventories, also make provision to observe counting of physical inventories by the auditor at the closing of the period. Steps also to be taken to assess the actual quantity of damaged stock to make sure whether the provision for loss is enough or not.
- ii. As disclosed in the notes 10, 11 and 14 of the financial statements regarding short and long term loans. Due to unavailability of bank statements the loan balances are subject to confirmation. For the smooth operations of the company the management should make proper arrangement to pay the banks obligations and make the loans regular.
- iii. As disclosed in the note 27.00 of the Financial Statements regarding provision for income tax for the fair presentation of the financial statements, the management should assess the actual tax liability of the company immediately.

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 purpose 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 those books;
- c) The Company's Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income dealt with notes by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred was for the purposes of the company's business.



Place- Dhaka
Date: 28 October 2017

G. KIBRIA & CO.
Chartered Accountants.
Place: Dhaka

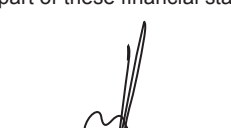
SONARGAON TEXTILES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

Assets	Notes	30 June, 2017 Taka	30 June, 2016 Taka
Non-Current Assets :		789,067,298	832,391,594
Property, Plant and Equipment	4.00	789,067,298	832,391,594
Current Assets :		869,678,018	836,566,593
Inventories	5.00	576,645,079	678,925,084
Trade & Other Receivables	6.00	263,705,475	134,980,200
Advances, Deposits and Prepayments	7.00	28,949,733	21,399,085
Cash and cash equivalent	8.00	377,731	1,262,224
Total Assets		1,658,745,316	1,668,958,187
Equity and Liabilities :			
Shareholders' Equity		766,007,117	794,264,623
Share Capital	9.00	264,670,560	264,670,560
Capital Reserve		5,373,570	5,373,570
Share Premium		54,560,000	54,560,000
Revaluation Reserve	13.00	472,017,011	492,379,250
Retained Earnings		(30,614,024)	(22,718,757)
Non-Current Liabilities		316,088,464	420,147,246
Long Term Loan	14.00	245,283,675	349,546,549
Director's and Other Loans and Advances	15.00	17,320,197	17,320,197
Deferred Tax Liability	16.00	53,484,592	53,280,500
Current Liabilities and Provisions		576,649,736	454,546,318
Short Term Loans	10.00	141,787,210	140,333,214
Current Portion of Long Term Loan	11.00	335,106,306	161,552,840
Trade & Other Payables	12.00	92,754,098	151,072,031
Workers Profit Participation and Welfare Fund		200,000	-
Provision for Income Tax	27.00	6,802,122	1,588,233
Total Equity & Liabilities		1,658,745,316	1,668,958,187
Net Assets Value Per Share (NAVPS)	29.00	28.94	30.01

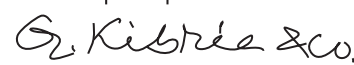
The accounting policies and other notes form an integral part of these financial statements.


A.K.M. Azizur Rahman
Chairman


Bazlur Rahman
Managing Director


MD. Monir Hossain
Company Secretary

As per report Annexed.


G. KIBRIA & CO.
Chartered Accountant

Place- Dhaka
Date: 28 October 2017

SONARGAON TEXTILES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE, 2017

	Notes	AMOUNT IN TAKA			30 June, 2017	30 June, 2016
		UNIT - 1	UNIT - 2	UNIT - 3	Taka	Taka
Turnover	17.00	114,883,524	295,414,775	410,298,299	820,596,598	679,865,642
Cost of Goods sold	18.00	(100,513,586)	(256,980,198)	(347,399,665)	(704,893,449)	(585,178,537)
Gross Profit		14,369,938	38,434,577	62,898,634	115,703,149	94,687,105
Operating Expenses :						
Administrative Expenses	21.00	(5,137,400)	(13,210,456)	(18,347,856)	(36,695,712)	(40,750,385)
Selling & Distribution Expenses	23.00	(321,984)	(827,959)	(1,149,943)	(2,299,886)	(1,962,834)
Financial Expenses	24.00	(9,910,392)	(25,483,864)	(35,394,256)	(70,788,511)	(31,888,000)
Total Expenses		(15,369,775)	(39,522,279)	(54,892,054)	(109,784,109)	(74,601,219)
Operating Profit/(Loss)		(999,837)	(1,087,702)	8,006,580	5,919,040	20,085,886
Write off on damage Raw cotton	19.00	(4,200,000)	(10,800,000)	(15,000,000)	(30,000,000)	(30,000,000)
Non Operating Income	26.00	201,801	518,917	720,718	1,441,435	2,910,007
		-	-	-	-	-
Net Profit/(Loss)		(4,998,037)	(11,368,785)	(6,272,703)	(22,639,525)	(7,004,107)
Provision for WPPF		-	-	-	-	-
Provision for WWF		-	-	-	(200,000)	(200,000)
		-	-	-	(200,000)	(200,000)
Net Profit/(Loss) before tax (G-H)		(4,998,037)	(11,368,785)	(6,272,703)	(22,839,525)	(7,204,107)
Provision for Taxation						(2,786,000)
Current Tax		-	-	-	(5,213,889)	-
Deferred Tax		-	-	-	(204,092)	-
Net Profit/Loss after tax		(4,998,037)	(11,368,785)	(6,272,703)	(28,257,505)	(9,990,107)
Other comprehensive income					-	-
Total comprehensive income		(4,998,037)	(11,368,785)	(6,272,703)	(28,257,505)	(9,990,107)
Earning Per Share (EPS)	28.00				(1.07)	(0.38)

The accounting policies and other notes form an integral part of these financial statements.


A.K.M. Azizur Rahman
 Chairman


Bazlur Rahman
 Managing Director


MD. Monir Hossain
 Company Secretary

As per report Annexed.


G. KIBRIA & CO.
 Chartered Accountants.

Place- Dhaka
 Date: 28 October 2017

SONARGAON TEXTILES LTD.
STATEMENT OF CHANGES IN EQUITY
For the year ended 30th June, 2017

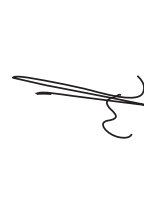
Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Capital Reserve	Revaluation Reserve	Retained Earnings	Total Taka
As at 1 July, 2016	264,670,560	54,560,000	-	5,373,570	492,379,251	(22,718,758)	794,264,623
Share Capital Increase(Bonus)							
Adjustment in Revaluation Reserve					(20,362,239)	20,362,239	
Net profit/Loss- 2017						(28,257,505)	(28,257,505)
Dividend 2016							
As at 30th June, 2017	264,670,560	54,560,000	-	5,373,570	472,017,011	(30,614,024)	766,007,117

STATEMENT OF CHANGES IN EQUITY
For the Half year ended 30th June , 2016

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Capital Reserve	Revaluation Reserve	Retained Earnings	Total Taka
As at 1 January, 2016	264,670,560	54,560,000	-	5,373,570	502,878,765	(21,871,296)	805,611,599
Share Capital Increase(Bonus)							
Adjustment in Revaluation Reserve					(10,499,514)	10,499,514	
Net profit/Loss- 2016						(11,346,976)	(11,346,976)
Dividend 2015							
As at 30th June, 2016	264,670,560	54,560,000	-	5,373,570	492,379,251	(22,718,758)	794,264,623


A. K. M. Azizur Rahman
Chairman


Bazlur Rahman
Managing Director


MD. Monir Hossain
Company Secretary

Place- Dhaka
Date: 28 October 2017

SONARGAON TEXTILES LIMITED**STATEMENT OF CASH FLOWS****For the year ended 30th June, 2017**

	Note	30 June, 2017 Taka	30 June, 2016 Taka
A. Cash Flows from Operating Activities :			
Collection from Turnover & Others		693,312,758	575,219,827
Payment to Suppliers and Employees		(684,781,523)	(647,039,703)
Cash Generated from Operation		8,531,235	(71,819,876)
Collection from Non-operation Income		1,441,435	2,910,961
Interest Paid		(3,253,698)	(16,917,982)
Income Tax paid		(7,623,137)	(7,449,403)
Net Cash Flows from Operating Activities		(904,165)	(93,276,300)
B. Cash Flows from Investing Activities :			
Acquisition of property Plant & Equipment		-	(230,830)
Acquisition of Long Term Assets		(880)	(6,456,265)
Sale Proceeds of Long Term Assets		-	-
Net Cash Flows from Investing Activities		(880)	(6,687,095)
C. Cash Flows from Financing Activities :			
Long Term Loan received		-	(1,910,732)
Other Loans and Advances Received /(Paid)		-	(13,356,248)
Short Term Loan Paid		20,552	116,171,599
Net cash flow from Financing Activities		20,552	100,904,619
Increase/(decrease) in Cash and Cash Equivalent (A+B+C)		(884,493)	941,224
Cash and Cash Equivalent at Opening		1,262,224	321,000
Cash and Cash Equivalent at Closing		377,731	1,262,224
Net Operating Cash Flow Per Share (NOCFPS)	30.00	(0.03)	(3.52)

The accounting policies and other notes form an integral part of these Financial statements.



A. K. M. Azizur Rahman
Chairman



Bazlur Rahman
Managing Director



Md. Monir Hossain
Company Secretary

Place- Dhaka
Date: 28 October 2017

Sonargaon Textiles Limited Rupatoli, Barisal

Notes to the Financial Statements For the year ended June 30, 2017

1.00 Legal status and nature of the company-Disclosure under BAS 1 "Presentation of Financial Statements".

1.1 Domicile, Legal Form and Country of Incorporation

Sonargaon Textiles Limited was incorporated in Bangladesh as a Public Limited Company under the Companies Act 1913 currently 1994 in the year 1984. The shares of the Company are listed with the Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE).

1.2 Nature of Business Activities:

The Company owns and operates a textile spinning mill comprising 3 Units, viz, of Unit-I, Unit-2 and Unit-3 and its principal activities and operations are manufacturing of cotton yarn of different counts and sales thereof.

1.3 Address of Registered Office and Mills:

The principal place of business is situated at Khansons Centre, 37, Kawran Bazar, Dhaka-1215. Bangladesh and the Factory Mills is located at Rupatali, Barisal.

1.4 Number of Employees:

The number of employees at the end of the year was 1889 as against 1798 in the year 30.06.16.

2.00 Specific Accounting Policies - Disclosure under BAS 1 "Presentation of Financial Statements"

As per the requirements of BAS 1: "Presentation of Financial Statements" financial statements comprise a statement of financial position at the end of the year, a statement of comprehensive income for the year, a statement of changes in equity for the year, a statement of cash flows for the year, and relevant notes the financial statements and disclosures.

Financial statements are made as of December 31, 2014 with the comparative amounts as at December 31, 2013 and are prepared under the historical cost convention on generally accepted accounting principles on going concern basis. Financial statements have been prepared in accordance with the measurements and recognition requirements of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB).

Adopted International Accounting Standards (IAS), International Financial Reporting Standards (IFRS), the Companies Act 1994 have been used as a model for the presentation and disclosure framework to provide additional information and analysis of the key items in the financial statements except as the company considers disclosures inappropriate.

Specific accounting policies selected and applied for significant transactions and events are depicted below:

2.1 Basis of Measurement used in preparing the Financial Statements:

The elements of financial statements have been measured on "Historical Cost" convention in a going concern concept and on accrual basis in accordance with Generally Accepted Accounting Principle and practice in Bangladesh in compliance with the Companies Act, 1994, the Securities and Exchange Rules 1987, listing regulations of DSE & CSE and International Accounting

Standards (IAS) as adopted by the ICAB, as Bangladesh Accounting Standards (BAS).

2.2 Recognition of Properties Plant and Equipment and Depreciation-BAS-16.

Property, Plant and Equipment are stated at their cost less accumulated depreciation in accordance with BAS 16 "Property, Plant & Equipment". Cost represents cost of acquisition or construction and capitalization of pre-production expenditure including interest during construction year, capitalized in compliance with the requirements of Companies Act, 1994. Expenditure for repairs and maintenance are recognized as expenses major replacements renewals and betterment's are capitalized.

2.3 Cash flow statement

Cash flow statement is prepared in accordance with BAS 7: "Cash Flow Statement", as recommended by the Securities and Exchange Rules 1987. The cash flow statement shows the structure of and changes in cash and cash equivalents during the financial year. Cash and cash equivalents include notes and coins on hand, unrestricted balance held with the commercial banks. It is broken down into operating activities, investing activities and financing activities. The direct method is used to show the operating activities.

According to BAS 7: "Cash Flow Statements", cash comprises cash in hand and demand deposits and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Considering the provisions of BAS 7 and BAS 1, cash in hand, fixed deposits and bank balances have been considered as cash and cash equivalents.

2.4 Going Concern:

This financial statement has been prepared on the assumption that the entity is a going concern and will continue its business for the foreseeable future. Hence it is assumed that despite of consecutive two years losses and changes of key management the entity has neither the intention nor the need to liquidate or curtail materially the scale of its operation. With a bid to augment its revenue followed by its financial position the company has resorted to some measures which envisages company's ability to continue as a going concern.

2.5 Property, Plant and Equipment:

Depreciation:

No depreciation has been charged on Land and Land development. Full year's depreciation has been charged on additions irrespective of date when the related assets are put into use. Depreciation on Property, Plant and Equipment is computed using diminishing balance method which has been considered sufficient to write off depreciable assets over their estimated useful economic lives.

The rates at which assets are depreciated per annum, depending on the nature and estimated useful life of assets are given below:

Building & Construction	5 %
Plant & Machinery	7 %
Furniture & Fixture	15 %
Motor Vehicles	20 %
Sundry Assets	20 %

Depreciation has been charged to cost of goods sold and administrative overheads proportionately on a consistent basis.

Impairment:

In accordance with the provisions of BAS 36, the carrying amount of non-financial assets other than inventories of the company involved in the manufacturing of the products. If any such indication exists, then the asset's recoverable amount is estimated and impairment losses are recognized in profit and loss account. No such indication of impairment has been observed till the end of the year.

2.6

Inventories- BAS-2

Inventories comprise of Raw Materials, Work in Process, Finished Goods, Packing Materials, Stores and Spares and Goods in Transit. Cost of inventory other than finished goods held is generally calculated and stated on the weighted average method on a consistent basis. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition. Finished goods are valued at lower of cost or net realizable value and include allocation of production overheads based on normal level of activity while work in process are valued at material cost plus proportionate allocation of production overheads based on estimated completion basis. Net realizable value is based on estimated selling price less any further costs anticipated to be incurred for completion and disposal.

2.7 Financial Instruments:

Derivative:

According to BFRS 7: "Financial Instruments: Disclosures", the company was not a party to any derivative contract (financial instruments) at reporting date, such as forward exchange contracts, currency swap agreement or contract to hedge currency exposure related to import of capital machinery to be leased to lessees in future.

Non-Derivative:

A non-derivative financial instrument comprises of accounts and other receivable, borrowings and other payables and is shown at transaction cost as per BAS 39 "Financial Instruments: Recognition and Measurement".

2.8 Trade Debtors

These are carried at original invoice amount. This is considered good and collectible, and therefore, no amount was written off as bad debt and no debt was considered doubtful of recovery.

2.9 Creditors and Accrued Expenses

Liabilities are recognized for amounts to be paid in the future for goods and services received, whether or not billed by the supplier.

2.10 Assets Revaluation Reserve:

When assets carrying amount is increased as a result of a revaluation, the increase amount should be credited directly to equity under the heading of revaluation surplus/reserve as per Bangladesh Accounting Standards BAS-16: Property, Plant and Equipment. The tax effects on revaluation gain are measured and recognized in the financial statements as per Bangladesh Accounting Standards BAS-12; 'Income Taxes'

2.11 Taxation:

BAS 12: "Income Taxes" and Income Tax ordinance 1984 have been used for the calculation of deferred tax and current tax expense respectively. Provision for income tax represents the sum of the current tax expenses and deferred tax expenses.

Current Tax expenses

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit

as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in succeeding years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using Turnover Tax rates that have been enacted or substantively enacted on the reporting date.

Deferred Tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using reporting liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which such differences can be utilized.

2.12 Borrowing Cost:

Borrowing costs are charged as expenses as shown under the head Financial Expenses (BAS-23).

2.13 Revenue Recognition:

The revenue during the year represents revenue arising out of the sale of yarn (domestic sales and deemed export) net off excise duty and commission, which are recognized when invoices are made, satisfying all the conditions for revenue recognition as provided in BAS-18 "Revenue Recognition".

2.14 Earning Per Share (EPS):

Earning per Share (EPS) is calculated in accordance with the Bangladesh Accounting Standard (BAS-33) "Earning per Share".

"Earning per Share" has been calculated by dividing the earnings/ (Loss) incurred attributable to the shares (ordinary) held by the members during the year. No diluted EPS was required to be calculated for the year under review as there was no change in the paid up shares.

2.15 Foreign Currency Transactions:

Transactions denominated in foreign currencies are translated into Bangladesh Taka and recorded at rates of exchange ruling on the date of transaction in accordance with BAS-21.

In respect of loss or gain on fluctuation of foreign currency the company adjusts the loss or gain in fluctuation of the foreign currency directly with the sales accounts, through credited the sales amount as and when the sales executed whenever the sales proceeds are realized. This policy consistently followed by the company.

2.16 Leases:

Measurement of Lease payment:

Interest on lease payment is recognized as financial expense in the Income Statement.

2.17 VAT:

The company's trading income is subject to VAT and these VAT liabilities are accounted for as per VAT Act 1991 having been maintaining a VAT Current Account.

2.18 Events after the Reporting date:

As per BAS-10 "Event after reporting Date" are those event favorable and unfavorable, that occur between the end of the reporting year and the date when the financial statements are authorized for issue. Two types of event can be identified:

those that provide evidence of conditions that existed at the end of the reporting year (adjusting events after balance sheet date); and those that are indicative of conditions that arose after the reporting year (Non-adjusting events after balance sheet date).

3.00 Additional Information on Financial Statements

3.1 Responsibility for preparation and Presentation of Financial Statements

The Board of Directors is responsible for the preparation and presentation of Financial Statements under Section 183 of the Companies Act, 1994 and as per the provisions of "The Framework for the Preparation of Financial Statements" issued by the Bangladesh Accounting Standards (BAS).

3.2 Authorization date for issuing financial statements:

The financial statements were authorized by directors on 28th October, 2017 for issue after completion of review.

3.3 Components of the Financial Statements

According to the Bangladesh Accounting Standard BAS 1 "Presentation of Financial Statement", the complete set of Financial Statements includes the following components:

- (i) Statement of Financial Position as at June 30, 2017.
- (ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended June 30, 2017.
- (iii) Statement of Changes in equity for the year ended June 30, 2017.
- (iv) Statement of Cash Flows for the year ended June 30, 2017.
- (v) Accounting Policies and Explanatory notes to the Financial Statements.

3.4 Risk and Uncertainties for use of estimates in preparation of the Financial Statements.

The preparation of Financial Statements in conformity with the Bangladesh Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenses during the year reported. Actual results could differ from those estimates. Estimates are use for accounting of certain items such as long term contracts, provision for doubtful accounts, depreciation and amortization, employees, benefit plans, taxes, reserve and contingencies.

3.5 Compliance with Local Laws

The Financial Statements have been prepared in compliance with requirements of the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other relevant local laws and rules.

3.6 Compliance with Bangladesh Accounting Standards (BAS)

The Financial Statements have been prepared in compliance with requirements of BAS adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) exceptions are disclosed in respective items.

3.7 Reporting Year

Financial Statements of the Company cover one year from July 01, 2016 to June 30, 2017.

3.8 Reporting Currency and Level of Precision

The figures in the Financial Statements represent Bangladesh currency (Taka), which have been rounded off to the nearest Taka except where indicates otherwise.

3.9 Comparative Information

Figures of the year 2016 have been rearranged whenever considered necessary to ensure comparability with the current year.

3.10 Credit Facility Not Availed

There was no credit facility available to the company under any contract, but not availed as on 30th June 2017 other than trade credit available in the ordinary course of business.

3.11 Segment Reporting

As there is single business and geographic segment within the company operates as such no segment reporting is felt necessary.

3.12 Attendance Status of Board Meeting of Directors

During the year from 01.07.2016 to 30.06.2017 there were 4 (Four) Board Meetings were held. The attendance status of all the meetings is as follows:

Name of Directors	Position	Meeting Held	Attended
Mr. A.K.M Azizur Rahman	Chairman	4	4
Mr. Bazlur Rahman	Managing Director	4	4
Mrs. Rosy Rahaman	Director	4	4
Mr. Md.Aminul Quader Khan	Director (Nominated by ICB)	4	4
Mr. Shahinul Bari Chowdhury	Director (Nominated by BDBL)	4	3
Mr. Mohammed A. Hafiz	Director (Independent)	4	4

For Board Meeting, attendance fees were not paid to the Directors of the Company.

3.13 Disclosure as per requirement of Schedule XI, Part II of the Company Act. 1994

A. Disclosure as per requirement of Schedule XI, Part II, Note 5 of Para 3

Employee Position for Sonargaon Textiles Limited (As at 30th June 2017)

Salary Office (Monthly)	Office & Staff		Worker	Total Employee
	Factory	Head Office		
Below Tk 3,000/-		36	1462	1,498
Above Tk 3,000/-	276	115		391
Total	276	151	1462	1,889

B. Disclosure as per requirement of Schedule XI, Part II, Para 4

Name of Directors	Designation	Remuneration	Festival Bonus	Total Payment
Mr. A.K.M Azizur Rahman	Chairman	600,000	67,500	667,500
Mr. Bazlur Rahman	Managing Director	360,000	29,008	389,008
Mrs. Rosy Rahaman	Director	82,000	-	82,000
Mr. Md.Aminul Quader Khan	Director (Nominated by ICB)	-	-	-
Mr. Md.Enmul Hakim	Director (Nominated by RBL)	-	-	-
Mr. Shahinul Bari Chowdhury	Director (Nominated by BDBL)	-	-	-
Mr. Mohammed A. Hafiz	Director (Independent)	-	-	-
Total		1,042,000	96,508	1,138,508

Period of payment to Directors is from 1st July 2016 to 30th June 2017.

The above Directors of the company did not take any benefit from the company other than the remuneration and

- Expense reimbursed to the managing agent – Nil
 - Commission or other remuneration payable separately to a managing agent or his associate – Nil
 - Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into such concerns with the company - Nil
 - The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year.
 - Any other perquisites or benefit in cash or in kind stating – Nil
 - Other allowances and commission including guarantee commission - Nil.
- Pensions, etc.-
- 1) Pensions - Nil
 - 2) Gratuities – Nil
 - 3) Payment from Provident Fund – Nil
 - 4) Compensation for loss of office – Nil
 - 5) Consideration in connection with retirement from office - Nil.

C. Disclosure as per requirement of Schedule XI, Part II, Para 7

Details of production capacity utilization

Particulars	License Capacity	Installed Capacity	Actual Production from 1st July 2016 to 30th June 2017	Capacity utilization from 1st July 2016 to 30th June 2017
Annual Production Capacity of Yarn in Lbs.	Not mentioned	9,935 in MTs	4,960	83.32%

D. Disclosure as per requirement of Schedule XI, Part II, Para 8

Raw Materials, Spare Parts, Packing Materials and Capital Machinery

Items	Purchase (BDT)			Consumption (BDT)	% of Consumption of Total Purchase
	Import	Local	Total		
Raw Materials	-	399,620,464	399,620,464	311,704,284	78.00%
Spare Parts	-	8,201,870	8,201,870	4,771,989	58.18%
Packing Materials	-	6,528,178	6,528,178	5,421,873	83.05%
Capital Machinery	-	-	-	-	-
Total	-	414,350,512	414,350,512	321,898,146	-

Value of Export

Particulars	In Foreign Currency (US\$)	In BDT
Export	10,512,575	819,980,860

- The value of imported raw materials is calculated on CIF basis.
- The Company has not incurred any expenditure in foreign currency for the period from 1st July 2016 to 30th June 2017 on account of royalty, know-how, professional fee, consultancy fees and interest.
- Foreign exchange earning USD 10,512,575.00 equivalent of BDT 819,980,860.00 In respect of export has been calculated on FOB basis.
- The Company has not earned any foreign exchanges for royalty, know-how, professional fees and consultancy fees
- The value of export from the period from 1st July 2016 to 30th June 2017.

E. Disclosure as per requirement of Schedule XI, Part II, Para 3

Requirements under condition No.	Compliance status of Disclosure Schedule XI, Part II, Para 3
3(i)(a) The turnover	Complied
3(i)(b) Commission paid to selling agents	Not Applicable
3(i)(c) Brokerage and discount of sales, other than the usual trade discount	Not Applicable
3(i)(d)(i) The value of the raw materials consumed, giving item-wise as possible	Complied
3(i)(d)(ii) The opening and closing stocks of goods produced	Complied
3(i)(e) In the case of trading companies, the purchase made and the opening and closing stocks	Not Applicable
3(i)(f) In the case of Companies rendering or supplying services, the gross income derived from services rendered or supplied	Not Applicable
3(i)(g) Opening and closing stocks, purchases, sales and consumption of raw materials with value and quantity breakup for the Company, which falls under one or more categories i.e. manufacturing and/or trading	Complied
3(i)(h) In the case of other companies, the gross income derived under different heads	Not Applicable
3(i)(i) Work-in-progress, which have been completed at the commencement and at the end of the accounting period	Complied
3(i)(j) Provision for depreciation, renewals or diminution in value of fixed assets	Complied
3(i)(k) Interest on the debenture paid or payable to the Managing Director, Managing Agent and the Manager	Not Applicable
3(i)(l) Charge for income tax and other taxation on profits	Complied
3(i)(m) Reserved for repayment of share capital and repayment of loans	Not Applicable
3(i)(n)(i) Amount set aside or proposed to be set aside, to reserves, but not including provisions made to meet any specific liability, contingency or commitment, know to exist at the date as at which the balance sheet is made up.	Not Applicable
3(i)(n)(ii) Amount withdrawn from above mentioned reserve	Not Applicable
3(i)(o)(i) Amount set aside to provisions made for meeting specific liabilities, contingencies of commitments.	Not Applicable
3(i)(o)(ii) Amount withdrawn from above mentioned provisions, as no longer required.	Not Applicable
3(i)(p) Expenditure incurred on each of the following items, separately for each item: (i) Consumption of stores and spare parts (ii) Power and Fuel (iii) Rent (iv) Repairs of Buildings (v) Repairs of Machinery (vi) (1) Salaries, wages and bonus (2) Contribution to provident and other funds (3) Workmen and staff welfare expenses to the ext	Complied

F Disclosure of Advance, Deposit and Prepayment of Schedule XI of Companies Act. 1994

The details breakup of Advance, Deposit and Prepayments as per requirement of Schedule XI of the Companies Act. 1994 stated below:

	30.06.2017	31.12.2016
Advance, Deposit and Prepayments exceeding 6 months	Nil	27,989
Advance, Deposit and Prepayments not exceeding 6 months	28,917,233	21,294,096
Other Advance, Deposits & Prepayments less provision	Nil	Nil
Advance, Deposits and Prepayments considered Good and Secured	Nil	Nil
Advance, Deposits and Prepayments considered Good without Security	Nil	Nil
Advance, Deposits and Prepayments considered Doubtful or Bad	Nil	Nil
Advance, Deposits and Prepayments due by Directors'	Nil	Nil
Advance, Deposits and Prepayments due by Other Officers (against Salary)	32,500	77,000
Advance, Deposits and Prepayments due from Companies under same management	Nil	Nil
Maximum Advance, Deposits & Prepayments due by Directors	Nil	Nil
Maximum Advance, Deposits & Prepayments due by Officers at any time	Nil	Nil

3.14 Subsequent Disclosure of Events after the Balance Sheet Date - Under IAS 10

There is no non-adjusting post balance sheet event of such importance, non disclosure of which would affect the ability to the users of the financial statements to proper evaluation and decision.

3.15 Disclosure on Related Party Transaction as per IAS-24 "Related Party Disclosure"

Related parties	Relationship	Nature of Transaction	Total Transaction in 2017	Balance as on 30.06.17	Balance as on 30.06.2017
Mr. A.K.M Azizur Rahman	Chairman	Short term Loan	11,300,000	11,300,000	11,300,000
Mr. Bazlur Rahman	Managing Director	Short term Loan	1,245,197	1,245,197	1,245,197
Mrs. Rosy Rahaman	Director	Short term Loan	4,775,000	4,775,000	4,775,000
			17,320,197	17,320,197	17,320,197

3.16 Details of Lease Agreement

Product Name	Lease From	Finance Amount	Lease Term	Monthly Rental	Rental Paid	Future Payment
Capital Machinery	-	-	-	-	-	-

3.17 Disclosure as per requirement of schedule XI, Part - I (A. Horizontal Form) of Companies Act. 1994 Accounts Receivable

F. In regard to sundry debtors the following particulars' shall be given separately:-

I. Debt considered good in respect of which the company is fully secured :

The debtors occurred in the ordinary course of business are considered good and secured against confirmed L/C. The details of Accounts Receivable are given below:

Customer Name	Amount (BDT)
K.C Apparels Ltd	92,700,180
KC Print Ltd.	25,758,000
Knit Concern	100,914,120
Trasco Apparels Ltd	44,333,175
Cosmo knitwear(Pvt) Ltd	-
Total	263,705,475

II. Debt considered good for which the company hold no security other than the debtors personal security
There is no such debt in this respect as on 30th June, 2017.

III. Debt considered doubtful or bad

The company does not make any provision for doubtful debts as on 30th June, 2017, because of the fact that sales/export are being made on 100% confirmed L/C basis with fixed maturity dates.

IV. Debt due by directors or other officers of the company

There is no such debt in this respect as on 30th June, 2017.

V. Debt due by Common Management

There are no amount due from sister company under common management as on 30th June, 2017.

VI. The maximum amount due by directors or other officers of the company

There are no such debt in this respect as on 30th June, 2017.

3.18 Approval of the financial statements

These financial statements were authorized for issue in accordance with a resolution of the company's Board of Directors on 28 October 2017.

3.19 Presentation currency

The annexed financial statements are presented in Bangladeshi currency (Taka), which have been rounded off to the nearest Taka.

3.20 Events after the Balance Sheet date:

There are no events after the Balance Sheet date.

3.21 Internal Control

The following steps have been taken for implementation of an effective internal control procedure of the Company:

- a. A strong internal control and compliance division has been formed with a view to establish a well designated system of internal control.
- b. Regular review of internal audit reports with view to implement the suggestion of internal auditors in respect of internal control technique.
- c. To establish an effective management system that includes planning, organizing and supervising culture in the factory as well as at Head Office.

3.22 Contingent Liability

There is no contingent liabilities of the Company for the year ended on 30th June, 2017

3.23 General Comments and Observations

- a. Previous period's figure have been regrouped/reclassified wherever considered necessary to confirmed to current period's presentation. Figures have been rounded off to the nearest taka, as the currency represented in this financial statement.
- b. All shares have been fully called and paid up.
- c. Auditor's are paid only statutory audit fees.
- d. No foreign exchange remitted to the relevant shareholders during the period under audit.
- e. No amount of money was expended by the company for compensating any members of the Board for special service rendered.
- f. There was no bank guarantee issued by the company on behalf of Directors.

3.24 Capital Expenditure Commitment

There was no contingent liabilities as on 30.06.2017 except L/C liabilities .

There was no credit facility available to the company under any contract, other than trade credit available in the ordinary courses of business and not availed of as on 30.06.17.

3.25 Payment of Foreign Currency

Import of Machinery & Spare parts of the Machinery ,Import of Raw Materials .

No other expense included consultancy fee ,royalty ,technical expert and professional advisory fee, interest etc. was incurred or paid in foreign currencies except as started above .

3.26 Foreign Exchange Earned

Exported In USD .

No other expense included consultancy fee ,royalty ,technical expert and professional advisory fee, interest etc.was incurred or paid in foreign currencies except as started above .

3.27 Commission, Brokerage or Discount against sales

No commission was incurred or paid to distributors, agents or any brokerage or discount was incurred or paid against sales .

3.28 Financial Risk Management:

"The management of company has overall responsibility for the establishment and oversight of the company's risk management framework. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company has exposure to the following risks for its use of financial instruments."

* **Credit risk**

* **Liquidity risk**

* **Market risk**

3.28.01 Credit risk:

"Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. As at 30th June, 2017 substantial part of the receivables are those from its related company and subject to insignificant credit risk. Risk exposures from other financial assets. i.e. Cash at bank and other external receivables are nominal."

3.28.02 Liquidity risk:

"Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalent to meet expected operational expenses including financial obligations through preparation of the cash flow forecast with due consideration of time line of payment of the financial obligation and accordingly arrange for sufficient liquidity / fund to make the expected payment within due date. In extreme stressed conditions the company may get support from the related company in the form of short term financing."

3.28.03 Market risk:

"Market risk is the risk that any change in market prices such as foreign exchange rates and interest will affect the company's income or the value of its holdings financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters."

(a) Currency risk:

"The company is exposed to currency risk on certain revenues and purchases such as revenue from foreign customers and import of raw materials, machineries and equipment. Majority of the company's foreign currency transactions are denominated in USD and relate to procurement of raw materials, machineries and equipment from abroad. The company has received foreign currency against export of finished goods. The effect of gain or losses regarding currency risk will be minimal of the gain or loss will be offsetting through the foreign currency receivable & payable. Moreover, Bangladesh is a country where the flections of spot rate of BDT against USD is minimal also. "

□ **(b) Interest rate risk:**

"Interest rate risk is the risk that arises due to changes in interest rates on borrowing. The company's exposure to the risk of changes market interest rate relates primarily to the company's short term finance and term loan. The company's policy is to keep its short term running finance at lowest level by effectively keeping the positive bank balances. The company made fixed interest rate borrowing from the financial institution under finance lease. "

30 June, 2017
Taka

30 June, 2016
Taka

4.00 Property, Plant and Equipment (Unit 1,2 & 3) : TK. 789,067,298

This is made up as follows :

Cost / Fair value as on 01.07.2016

Add: Addition during the year

Less: Disposal during the year

Less: Accumulated Depreciation as on 01.07.16

Less: Depreciation during the period.

Balance as at 30.06.17

Details are shown in the Schedule-1, 2, 3 & 4

1,262,402,371	1,255,946,106
880	6,456,265
1,262,403,251	1,262,402,371
-	-
1,262,403,251	1,262,402,371
430,010,778	407,597,338
832,392,473	854,805,033
43,325,174	22,413,439
789,067,298	832,391,594

5.00 Inventories: TK. 576,645,079

This is made up as follows :

Raw Cotton (19.00)

Finished Goods

Work in Process

Spare Parts

Packing Materials

Waste Cotton

489,400,081	431,483,901
41,508,715	217,088,776
8,187,650	15,250,730
12,032,500	8,602,619
3,733,520	2,190,857
21,782,613	4,308,201
576,645,079	678,925,084

5.01 During the year to accumulate the loss increased against slow moving raw materials the company has written off Tk.3.00 crore as loss of value in the accounts for the year ended 30th June,2017. It was decided in the Board Meeting held on 15.12.2014 that total loss of Tk. 15.00 crore will provide in the accounts within five years from 2014 to 2018.

6.00 Trade & Other Receivables : TK. 263,705,475

The above balances are made up as follows :

Opening Balance

Add: Sales during the year

Balance after addition

Less Realization during the year

Closing Balance

Receivable Aging:

Above 180 days

Below 180 days

134,980,200	30,334,000
820,596,598	679,865,000
955,576,798	710,199,000
691,871,323	575,218,800
263,705,475	134,980,200
187,520,963	95,997,918
76,184,512	38,982,282
263,705,475	134,980,200

Details are Shown in the following schedule:

Name

Address

K.C Apparels Ltd

Godnail, Narayangonj

KC Print Ltd.

Godnail, Narayangonj

Trasco Apparels Ltd

B.B Road , Narayangonj

Knit concern Ltd.

Godnail, Narayangonj

92,700,180	-
25,758,000	-
44,333,175	27,900,000
100,914,120	107,080,200
263,705,475	134,980,200

7.00 Advance, Loan, Deposits & Prepayments: TK. 28,949,733

This is made up as follows :

Advance Income Tax (7.01)

Security Deposit (Note: 7.02)

Advance against Salary

VAT/Excise duty paid in advance

25,484,243	17,861,106
3,432,990	3,432,990
32,500	77,000
-	27,989
28,949,733	21,399,085

		30 June, 2017 Taka	30 June, 2016 Taka
7.01 Advance Income Tax	TK. 25,484,243		
Opening Balance		17,861,106	17,336,108
Less : Previous year provision for Taxation		-	2,242,866
		17,861,106	15,093,242
Add: Current year Tax deducted at sources :			
Income Tax paid as advance.	2,500,000		
On Export proceeds	4,835,578		
On Bank Interest	1,968		
On Dividend	285,591		
		7,623,137	2,767,864
		25,484,243	17,861,106
7.02 Security Deposit	TK. 3,432,990		
Security Deposit to Bangladesh Oxyzen Ltd.		4,000	4,000
Security Deposit to PDB(U-1)		409,800	409,800
Security Deposit to PDB(U-2)		240,000	240,000
Security Deposit to PDB(U-3)		985,200	985,200
Central Depository BD Ltd.(CDBL)		1,569,450	1,569,450
Security Deposit to Telephone(BTTB)		125,500	125,500
BTME (Special fund)		99,040	99,040
		3,432,990	3,432,990
8.00 Cash and Cash Equivalent:	TK. 377,731		
This is made up as follows :			
Cash in hand		68,033	92,119
Cash at Bank (Note-8.01)		309,698	1,170,105
		377,731	1,262,224
8.01 Name of the Bank	Branch	A/C No	
Dutch Bangla Bank Ltd.	Kawran Bazar Branch	107-120-2912	132,807
National Bank Ltd.	Tanbazar Branch	0010-33009916	4,813
Trust Bank Ltd.	SKB Br., Motijheel	3300-3143	3,093
Basic Bank Ltd.	Main Branch	216010000398	14,498
Rupali Bank Ltd.	Local Office	18024000171	31,157
Dutch Bangla Bank Ltd.	Motijheel Foreign Exc	1051201231	115,660
Rupali Bank Ltd.	Barisal Branch	200050219	119
Dutch Bangla Bank Ltd.	Barisal Branch	127110855	7,551
		309,698	1,170,105
9.00 Share Capital:	TK. 264,670,560		
The break up is as follows			
	Holders	Shares	
a) 11,790,404 ordinary shares of Tk.10/- each paid by sponsors	7	11,790,404	117,904,040
b) Group summary of other shareholders			
Description of the group			
Financial Institutions (ICB & others)	125	5,128,398	51,283,980
General Public	5,554	5,625,971	56,259,710
ICB unit Fund	1	3,614,591	36,145,910
Investment Corporation of Bangladesh	1	89,038	890,380
Investment Account, ICB, Sylhet	1	6,006	60,060
Investment Account, ICB, Barisal	1	2,067	20,670
6th ICB Mutual Fund	1	45,082	450,820
7th ICB Mutual Fund	1	57,458	574,580
ICB Capital Management Ltd	1	75,984	759,840
ICB ACML Unit Fund	1	32,057	320,570
Sub Total	5,687	14,676,652	146,766,520
Grand Total	5,694	26,467,056	264,670,560

30 June, 2017 Taka	30 June, 2016 Taka
-----------------------	-----------------------

10.00 Short Term Loan From Bank (Secured): TK. 141,787,210

This is made up as follows :

Loan Account and type	Nature of securities	Rate of Interest		
Rupali Bank, CC Hypo, A/C # 52-9-0	Hypothecation of General stores.	13.00%	11,986,112	10,532,116
Rupali Bank, CC Pledge, A/C # 51-1-2	Pledge of Raw Materials and Finished Goods.	16.00%	129,801,098	129,801,098
			141,787,210	140,333,214

During the year the company did not charged any interest on the cash credit facilities (CC Pledge) availed from the Rupali Bank Ltd.

11.00 Current Portion of Long Term Loan (Secured): Tk. 335,106,306

This is made up as follows :

Long Term Loan with BDBL	234,216,306	105,502,840
Long Term Loan with RBL	100,890,000	56,050,000
	335,106,306	161,552,840

The loan facilities availed from Bangladesh Development Bank Ltd. (Former Bangladesh Shilpa Bank) for Unit No. 1, 2 & 3 and another loan availed from Rupali Bank Limited for Unit-3 against mortgage of Company's Fixed Assets and personal guarantee of all sponsor Directors. The company has charged Interest on the loan facilities @ 13% of CC Hypo & 15% of Term Loan.

12.00 Trade & Other Payables : TK. 92,754,098

This is made up as follows :

Outstanding Expenses (Note 12.01)	18,468,744	25,467,832
Outstanding Audit fees	143,750	115,000
Trade Payables (Note 12.02)	67,441,129	118,788,724
Outstanding claim for Raw cotton(Olam International)	6,700,475	6,700,475
	92,754,098	151,072,031

12.01 Outstanding Expenses TK. 18,468,744

This is made up as follows :

Electricity bill (Factory) June,17	7,823,247	13,562,078
Salary & Wages (Factory) for June,17	3,951,461	3,741,990
Salary & Allowance employees	1,192,946	511,392
Nitol Motors	87,065	2,254,294
Office Rent	5,184,525	5,017,140
Barisal City Corporation Tax	229,500	380,938
	18,468,744	25,467,832

12.02 Schedule of Trade Payables
Tk. 67,441,129
**30 June, 2017
Taka**
**30 June, 2016
Taka**

Name	Address		
P.N Enterprise (Raw cotton)	2, S.M Maleh Road, Tanbazar ,N.gonj	35,975,068	68,128,800
Ratan Enterprise (Raw cotton)	103 S.M Maleh Road, Tanbazar ,N.gonj	20,546,301	32,824,267
Master Yarn Trading (Raw cotton)		1,567,900	-
Rashid Enterprise (Raw Cotton)		2,383,777	-
Salma Traders (Raw Cotton)		6,245	-
Adiba Trading (Raw cotton)		-	13,723,163
Hoq Yarn Ltd. (Raw cotton (		178,701	178,701
Shohan Store (Raw cotton)		-	115,654
Tex trade (Raw cotton)		156,414	156,414
The Cotbiz Trading (Raw cotton)		91,584	91,584
Adib Enterprise (Spare parts)	Plot # 16,Block# D,Mill Gate,Tongi,Dhaka	85,384	116,042
A.I.S Enterprise	Shop # 35,125, Iqble Road,M.pur , Dhaka	35,795	35,795
Amir Electronic	131/2, B.C Road Nababpur,Dhaka.	-	-
Axis Textiles engineering	H # 2, L # 13,B # A,Sec-10,Mirpur,Dhaka.	27,700	27,700
Azad Store	69, B.B. Road, Ukil para,Dhaka	124,983	-
Bengal Roots		98,200	-
Bikrampur Builders		100,000	-
Cargo Control (BD) Pet Ltd	69 Dilkusha C/A , Dhaka.	143,084	193,083
C.H Graphics	75,Arambagh, Motijheel,Dhaka-1208	189,074	112,168
Chittagong Fiber Board	125,Andor Killa,Chittagong	196,740	196,740
Euro Trade	Road#7Block#plot#52,Eastern Banasree,Dhaka	180,313	-
Friends Electric House		23,498	
Gazi Tank		32,950	
Gold Paper Cone Industry		-	548,075
IC System & Service		23,000	23,000
IHS Inspection Serices(BD) Ltd.	66, Dilkusha C/A Dhaka	6,562	-
Lipika (Spare Importer)		137,217	
Lipika	365, Jatrabad, Mohammadpur,Dhaka-1207	-	60,217
Mahin Enterprise	130, B.C Road,Nawabpur Road,Dhaka	55,545	48,055
Musum Enterprise	Shop # 6,107, Nawabpur Road, Dhaka	25,745	25,745
Micro Electronic Ltd.		98,000	-
New Diamount Plastic	Shop # 9,218, Nawabpur Road, Dhaka	321,885	321,885
NSR Enterprise		1,312,193	838,575
NSR Enterprise (HDPE Bags)		-	281,286
Nuhan Engineering	128,Bonogram Road,Dhaka	2,400	2,400
Pacific Trading		97,837	-
PN International		19,836	-
Popular Spring&Engineering	4,Juriatuli, Nababpur,Dhaka	-	130
Popular Trades(Narayangonk)	46/1 Old Jimkhana, Narayangonj	306,341	406,341
Quality Traders		234,020	-
Riyad Light House		33,390	-
Rumman Spring&Machineries	128,Bonogram, Nawabpur Road,Dhaka	871,400	-
Sail International		537,800	-
Satata Enterprise		464,765	107,015
SD Tax Promoters Ltd.		12,710	-
Sinobangla Industries Ltd.		39,071	39,071
Spinning world		248,253	-
Simul Traders	63/A,Railway Commercial Plot,Shajahanpur,Dha	163,161	162,468
Square Informatix Ltd.		5,000	-
Standard Sprung Industries	78,Nawabpur Road, Dhaka	24,350	24,350
Trust Trade		29,598	-
Yusuf Trader		3,290	-
ZSZ Engineering		218,100	-
Others Party (Factory)		5,949	-
		67,441,129	118,788,724

13.00 Revaluation Reserve:

TK. 472,017,011

This is made up as follows :

Opening balance

492,379,250

502,878,764

Less : Adjustment for depreciation for this year

20,362,239

10,499,514

Closing balance

472,017,011

492,379,250

This amount represents as per last years accounts

14.00 Long Term Loan (Notdue secured) ;

Tk. 245,283,675

This is made up as follows

BDBL Term Loan # 59/237/00105

-

105,502,841

MTBL-Term loan-1

57,797,483

49,399,558

MTBL-Term loan-2

38,846,966

32,921,158

MTBL-Term loan-3

120,393,392

106,542,825

Rupali Bank Loan account (Principal)

28,245,834

55,180,167

Grand Total (Unit 1+2+3)

245,283,675

349,546,549

Note :

In respect of the loan facilities availed from Bangladesh Development Bank Ltd. (Former Bangladesh Shilpa Bank) for Unit No. 1,2 & 3. The financial position representing amounting to Tk. 234,216,306 but the bank made a suit through Artha Rin Adalat vide suit no. 7 of 2017 with suit value 346,291,000. So the loan balance is subject to confirmation.

And another loan availed from Rupali Bank Limited for unit-3 against mortgage of Company's Fixed Assets and personal guarantee of all sponsor Directors. During the year company charged interest on the loan but the balance is subject to confirmation.

Also the Long Term Loan included a classified loan availed from Mutual Trust Bank (MTB) and the loan balance representing taka 217,037,841 but the bank made a suit through Artha Rin Adalat vide suit no. 878 of 2015 against the company for recovery of money with suit value taka 219,501,331 and the litigation is pending. So the balance is subject to confirmation.

15.00 Director's and Other Loans and Advances:

TK. 17,320,197

This is made up as follows

(Ref no:3.15)

Opening balance

17,320,197

17,820,197

Add: Received during the year

-

-

Less: Paid during the year

-

(500,000)

Closing balance

17,320,197

17,320,197

These represent loan from directors which do not carry any interest.

16.00 Deferred Tax Liabilities:

TK. 53,484,592

This is made up as follows

Opening balance

53,280,500

53,232,720

Add: Addition during the year

204,092

47,780

53,484,592

53,280,500

Less: Adjustment during the year

-

-

Closing balance

53,484,592

53,280,500

17.00 Turnover/Sales:

TK. 820,596,598

This is made up as follows :

Particulars	30 June, 2017		30 June, 2016	
	Qty. In Lb.	Taka	Quantity Lbs	Taka
Local Sales of Yarn/Waste cotton	302,881	708,099	402,093	921,180
Less : Vat on Sales of Waste cotton	-	92,361		123,493
	302,881	615,738	402,093	797,687
Add : Export of Yarn	6,270,544	819,980,860	4,409,532	679,067,955
Total turnover (Net)	6,573,425	820,596,598	4,811,625	679,865,642

18.00 Cost of Goods Sold :
TK. 704,893,449

This is made up as follows :

Particulars	Quantity	AMOUNT IN TAKA			30 June, 2017	30 June, 2016
	Lbs	Unit-1	Unit - 2	Unit - 3	Taka	Taka
WIP as on 01.07.2016	160,534	2,135,102	5,490,263	7,625,365	15,250,730	14,846,370
Add: Raw cotton input (Note- 19)	5,374,711	43,638,600	62,340,857	205,724,827	311,704,284	523,126,403
	5,535,245	45,773,702	67,831,120	213,350,192	326,955,014	537,972,773
Less :WIP as on 30.06.2017	231,608	1,146,271	2,947,554	4,093,825	8,187,650	7,816,630
Wastage recovery	1,653,041	3,049,566	7,841,741	10,891,307	21,782,613	13,632,512
	1,884,649	4,195,837	10,789,295	14,985,132	29,970,263	21,449,142
Raw Material Consumed	3,650,596	41,577,865	57,041,825	198,365,061	296,984,751	516,523,631
Add: Factory Overhead (Note -25)		34,513,259	88,748,380	123,261,639	232,328,637	229,496,805
Cost of Production	3,650,596	76,091,124	145,790,205	321,626,700	529,313,388	746,020,436
Add : Stock of Yarn as on 01.07.16	1,596,241	30,392,429	78,151,959	108,544,388	217,088,776	56,246,880
	5,246,837	106,483,553	223,942,164	430,171,088	746,402,164	802,267,316
Less: Stock of Yarn as on 30.06.2017 (Note-20)	286,267	(5,811,220)	(14,943,137)	(20,754,358)	(41,508,715)	(217,088,779)
Cost of Goods Sold	4,960,570	112,294,773	238,885,302	450,925,445	704,893,449	585,178,537

19.00 Raw Cotton Input :
TK. 311,704,284

This amount comprises as follows :

Particulars	30 June , 2017		30 June, 2016	
	Quantity (lbs)	Value	Quantity (lbs)	Value
Stock of Raw cotton as on 01.07.2016	4,823,744	431,483,901	6,552,927	586,486,967
Add : Raw cotton purchased during the year	5,499,456	399,620,464	3,923,610	398,123,337
	10,323,200	831,104,365	10,476,537	984,610,304
Less : Stock of raw cotton	(4,948,489)	(519,400,081)	(4,999,183)	(461,483,901)
Stock of slow moving raw materials written off	(350,877)	(30,000,000)	(175,439)	(30,000,000)
Stock of raw cotton as on 30.06.2017	(4,597,612)	(489,400,081)	(4,823,744)	(431,483,901)
Input of Raw cotton during the year	5,374,711	311,704,284	5,477,354	523,126,403

20.00 Stock :
2,86,267 Lbs.

This is made up as follows :

Particulars	30 June, 2017		30 June, 2016	
	Quantity in Lbs	Quantity in Lbs	Quantity in Lbs	Quantity in Lbs
Opening balance		1,596,241		470,704
Add: Production during the year		4,960,570		5,925,802
		6,556,811		6,396,506
Less: Sales during the year :				
Local	-	-	-	-
Export	6,270,544	6,270,544	4,800,265	4,800,265
Closing balance		286,267		1,596,241

21.00 Administrative Expenses: TK. 36,695,712

This is made up as follows :

Particulars	AMOUNT IN TAKA			30 June, 2017	30 June, 2016
	Unit-1	Unit - 2	Unit - 3	Taka	Taka
Directors' Remuneration	159,391	409,863	569,254	1,138,508	1,138,508
Salary & allowances (Note -22)	1,901,714	4,890,121	6,791,835	13,583,669	13,167,122
Overtime	352,476	906,368	1,258,844	2,517,688	827,319
Bonus (Note - 22)	474,163	1,219,275	1,693,438	3,386,875	2,595,416
Traveling & conveyance	96,100	247,114	343,214	686,428	778,510
Printing & Stationery	18,610	47,855	66,465	132,930	248,047
Car Maintenance	26,822	68,972	95,795	191,589	280,344
Cleaning expenses	31,154	80,111	111,265	222,530	233,720
Subscription (BTMA & others)	102,650	263,957	366,608	733,215	723,810
Subscription (BCI & BAPLC)	4,200	10,800	15,000	30,000	30,000
Newspaper & periodicals	540	1,390	1,930	3,860	16,043
Uniform	7,183	18,472	25,655	51,310	286,190
Postage	2,518	6,476	8,994	17,988	19,974
Entertainment	20,706	53,243	73,949	147,897	256,803
Insurance (vehicle)	1,053	2,707	3,760	7,520	6,375
Telephone & Mobile Bill	23,388	60,140	83,528	167,056	368,769
License & renewals	16,463	42,333	58,796	117,591	46,417
Work Permit Fee	-	-	-	-	32,000
Rent, Rate & Taxes	-	-	-	-	18,000
City Corporation Tax	90,147	231,806	321,953	643,906	643,906
Advertisement	18,814	48,378	67,192	134,383	46,675
WASA Bill/Water Bill	32,739	84,186	116,925	233,849	190,500
Internet connection (WiFi)	13,720	35,280	49,000	98,000	-
Photocopy expenses	5,647	14,520	20,167	40,334	35,698
Ceremonial expenses	31,679	81,459	113,138	226,275	334,500
Fax charges	-	-	-	-	30,933
Miscellaneous Expenses	371,997	956,563	1,328,560	2,657,120	2,549,647
Office Rent	491,700	1,264,372	1,756,073	3,512,145	3,512,145
Donation & others	101,248	260,352	361,600	723,200	5,690,994
Repairs & maintenance (Vehicles)	9,394	24,155	33,549	67,097	63,062
Repairs & maintenance (Building)	11,218	28,845	40,063	80,125	536,600
Repairs & maintenance (Others)	24,846	63,889	88,735	177,469	91,195
Directors meeting expenses	16,800	43,200	60,000	120,000	166,544
AGM Expenses	39,469	101,491	140,960	281,920	244,272
Audit fees with 15% Vat	20,125	51,750	71,875	143,750	158,125
Leave benefits	16,143	41,511	57,654	115,307	55,490
Business Development expenses	11,583	29,785	41,368	82,735	510,250
Subscription for DSE,CSE& Others	68,117	175,158	243,275	486,550	764,408
E-mail expenses/IT	18,636	47,921	66,557	133,113	120,150
Medical expenses	8,651	22,244	30,895	61,790	110,783
Training expenses	7,183	18,472	25,655	51,310	64,375
Welfare	3,173	8,160	11,333	22,666	60,857
Depreciation (Schedule-4/A)	485,242	1,247,765	1,733,007	3,466,014	3,695,909
Total	5,137,400	13,210,456	18,347,856	36,695,712	40,750,385

22.00 Salaries ,Allowances & Bonus: TK. 16,970,544

This amount comprises as follows :

Particulars	30 June, 2017		30 June, 2016	
	Employees	Amount in Taka	Employees	Amount in Taka
a) Up to Tk. 3,000 Per Month	36	1,883,132	27	1,762,141
b) Above Tk. 3,000 Per Month	115	15,087,412	102	14,000,397
	151	16,970,544	129	15,762,538

23.00 Selling & Distribution Expenses: TK. 2,299,886

Particulars	AMOUNT IN TAKA			30 June , 2017	30 June , 2016
	Unit-1	Unit - 2	Unit - 3	Taka	Taka
Carriage outward & Discount	321,984	827,959	1,149,943	2,299,886	1,962,834
Total	321,984	827,959	1,149,943	2,299,886	1,962,834

24.00 Financial Expenses: TK. 70,788,511

This amount comprises as follows :

Particulars	AMOUNT IN TAKA			30 June , 2017	30 June, 2016
	Unit-1	Unit - 2	Unit - 3	Taka	Taka
Interest on BDBL Term Loan	3,249,488	8,355,825	11,605,313	23,210,625	-
Interest on MTBL Term Loan	3,944,402	10,142,748	14,087,151	28,174,301	4,901,412
Interest on RBL Term Loan	2,506,793	6,446,040	8,952,834	17,905,667	5,396,551
Interest on Lease Loan ICB (2nd)	-	-	-	-	1,492,351
Interest on CC Loan	203,559	523,439	726,998	1,453,996	19,879,871
Bank charges & commission	6,149	15,812	21,961	43,922	217,817
Total	9,910,392	25,483,864	35,394,256	70,788,511	31,888,000

25.00 Factory Overhead: TK.232,328,637

This amount comprises as follows :

Particulars	AMOUNT IN TAKA			30 June, 2017	30 June, 2016
	Unit-1	Unit - 2	Unit - 3	Taka	Taka
Salary & allowance and wages (Note : 25.01)	8,519,562	21,907,444	30,427,006	60,854,011	60,118,816
Bonus	940,174	2,417,590	3,357,765	6,715,529	5,862,685
Carriage Inward	11,562	29,731	41,294	82,587	55,547
Electricity	15,283,839	39,301,299	54,585,138	109,170,276	110,800,505
Stores & Spares	668,078	1,717,916	2,385,995	4,771,989	3,295,791
Packing Materials	759,062	1,951,874	2,710,937	5,421,873	4,318,155
Insurance (Fire policy of Machinery, Building, Raw cotton Godown)	525,258	1,350,664	1,875,923	3,751,845	1,220,180
Oil & lubricant	161,296	414,760	576,056	1,152,111	1,006,632
Overtime expenses	17,035	43,804	60,840	121,679	102,877
Repair & Maintenance	43,718	112,417	156,135	312,270	153,724
Leave benefits & gratuity	16,143	41,511	57,654	115,307	58,934
Depreciation (Schedule-4/A)	5,580,282	14,349,298	19,929,580	39,859,160	42,502,959
Total	32,526,009	83,638,309	116,164,319	232,328,637	229,496,805

25.01 Salary , Allowances and Wages : Tk. 60,854,011

This amount comprises as follows :

Particulars	30 June , 2017		30 June , 2016	
	Employees	Amount in TAKA	Employees	Amount in TAKA
a) Up to Tk. 3,000 Per Month	1,462	42,048,389	1,415	41,914,701
b) Above Tk. 3,000 Per Month	276	18,805,622	254	18,204,115
	1,738	60,854,011	1,669	60,118,816

26.00 Non-Operating Income TK. 1,441,435

This amount comprises as follows :

Dividend Received from CDBL	1,427,955	2,864,972
Interest Income	13,480	45,035
	1,441,435	2,910,007

27.00 Provision for Income Tax TK. 6,802,122

Particulars	30 June, 2017	30 June, 2016
	Taka	Taka
Opening Balance	1,588,233	-
Add: during the year	5,213,889	1,588,233
Balance after addition	6,802,122	1,588,233
Less : Adjustment during the year	-	-
Closing Balance	6,802,122	1,588,233

28.00 Earning Per Share (EPS):

Particulars	30 June, 2017	30 June, 2016
	Taka	Taka
The computation of EPS is given below:		
(a) Earning attributable to the ordinary shareholders (Net Profit after income tax)	(28,257,505)	(9,990,107)
(b) Weighted average number of ordinary shares outstanding during the year	26,467,056	26,467,056
(c) Basic Earning Per Share	(1.07)	(0.38)
(d) Basic Earning Per Share (Comparative restated)	(1.07)	(0.38)

29.00 Net Assets Value Per Share (NAVPS)

Particulars	30 June, 2017	30 June, 2016
	Taka	Taka
a) Net assets value	766,007,117	794,264,623
b) Number of ordinary shares outstanding during the year	26,467,056	26,467,056
Net Assets Value Per Share (NAVPS) -Restated	28.94	30.01

30.00 Net Operating Cash Flow Per Share (NOCFPS)

Particulars	30 June, 2017	30 June, 2016
	Taka	Taka
A. Net Operating Cash Flow (Numerator)	(904,165)	(93,276,300)
B. No. of Shares Outstanding	26,467,056	26,467,056
Net Operating Cash Flow Per Shares (A/B)	(0.03)	(3.52)

SONARGAON TEXTILES LTD.
SCHEDULE OF PROPERTY PLANT AND EQUIPMENT
As at 30th June' 2017.

UNIT - 1

Schedule - 1

SL. NO.	PARTICULARS	COST			RATE OF DEPR.	DEPRECIATION				Written Down Value	
		As on 01-07-2016	Additions during the year	Disposal/ Adjustment during the year		As on 30-06-2017	Charged During the year	Disposal/ Adjustment during the year	As on 30-06-2017	As on 30-06-2017	As on 30-06-2016
1	Land & Land Development	103,803,963	-	-	-	103,803,963	-	-	-	103,803,963	103,803,963
2	Building & Construction	64,478,714	-	-	5%	64,478,714	2,424,861	-	18,406,358	46,072,356	48,497,217
3	Plant & Machinery	240,978,096	-	-	7%	240,978,096	10,146,514	-	106,174,411	134,803,685	144,950,199
4	Furniture & Fixture	1,152,613	-	-	15%	1,152,613	7,817	-	1,108,318	44,295	52,112
5	Motor Vehicles	5,019,620	-	-	20%	5,019,620	339,472	-	3,661,733	1,357,887	1,697,359
6	Sundry Assets	6,218,436	-	-	20%	6,218,436	63,600	-	5,964,034	254,402	318,002
	Total	421,651,442	-	-		421,651,442	12,982,264	-	135,314,854	286,336,588	299,318,852

SONARGAON TEXTILES LTD.
SCHEDULE OF PROPERTY PLANT AND EQUIPMENT
As at 30th June' 2017.

Unit- 2

Schedule - 2

SL. NO.	PARTICULARS	COST			RATE OF DEPR.	DEPRECIATION				Written Down Value	
		As on 01-07-2016	Additions during the year	Disposal/ Adjustment during the year		As on 30-06-2017	Charged During the year	Disposal/ Adjustment during the year	As on 30-06-2017	As on 30-06-2017	As on 30-06-2016
1	Land & Land Development	29,806,774	-	-	0	29,806,774	-	-	-	29,806,774	29,806,774
2	Building & Construction	43,972,124	-	-	5%	43,972,124	1,642,128	-	12,771,691	31,200,433	32,842,561
3	Plant & Machinery	215,104,404	-	-	7%	215,104,404	8,754,485	-	98,794,814	116,309,590	125,064,075
4	Furniture & Fixture	5,377,188	-	-	15%	5,377,188	61,902	-	5,026,409	350,779	412,681
5	Motor Vehicles	12,813,366	-	-	20%	12,813,366	1,046,070	-	8,629,084	4,184,282	5,230,352
6	Sundry Assets	7,025,344	-	-	20%	7,025,344	73,128	-	6,732,834	292,510	365,638
	Total	314,099,200	-	-		314,099,200	11,577,713	-	131,954,832	182,144,368	193,722,082

SONARGAON TEXTILES LTD.
SCHEDULE OF PROPERTY PLANT AND EQUIPMENT
As at 30th June' 2017.

UNIT- 3

Schedule - 3

SL. No.	PARTICULARS	COST			RATE OF DEPR.	DEPRECIATION				Written Down Value	
		As on 01-07-2016	Additions during the year	Disposal/ Adjustment during the year		As on 30-06-2017	Charged During the year	Disposal/ Adjustment during the year	As on 30-06-2017	As on 30-06-2017	As on 30-06-2017
1	Land & Land Development	56,436,763	-	-	-	56,436,763	-	-	-	56,436,763	56,436,763
2	Building & Construction	77,717,462	-	-	5%	77,717,462	2,949,831	-	21,570,668	56,046,794	58,986,625
3	Plant & Machinery	384,562,189	-	-	7%	384,562,189	15,594,078	-	177,383,730	207,178,459	222,772,536
4	Furniture & Fixture	817,966	-	-	15%	817,966	23,504	-	684,779	133,187	156,691
5	Sundry Assets	7,117,349	880	-	20%	7,118,229	197,785	-	6,327,091	791,138	988,043
	Total	526,651,729	880	-		526,652,609	18,765,197	-	206,066,267	320,586,342	339,350,659

SONARGAON TEXTILES LTD.

CONSOLIDATED SCHEDULE OF PROPERTY PLANT AND EQUIPMENT
As at 30th June' 2017.

Schedule - 4

SL. NO.	PARTICULARS	COST				DEPRECIATION				Written Down Value	
		As on 01-07-2016	Additions during the year	Disposal/ Adjustment during the year	As on 30-06-2017	As on 01-07-2016	Charged During the year	Disposal/ Adjustment during the year	As on 30-06-2017	As on 30-06-2017	As on 30-06-2017
1	Unit 1 (Sch-1)	421,651,442	-	-	421,651,442	122,332,590	12,982,264	-	135,314,854	286,336,588	299,318,652
2	Unit 2 (Sch-2)	314,099,200	-	-	314,099,200	120,377,119	11,577,713	-	131,954,832	182,144,368	193,722,082
3	Unit 3 (Sch-3)	526,651,729	880	-	526,652,609	187,301,070	18,765,197	-	206,066,267	320,586,342	339,350,659
	Grand Total	1,262,402,371	880	-	1,262,403,251	430,010,778	43,325,174	-	473,335,953	789,067,298	832,391,594

Apportionment of Depreciation :

Schedule-4/A

Sl. No.	Unit/Division	30 June, 2017				30 June, 2016
		Factory	Factory	Head Office	Total	Taka
1	Unit -1	11,943,683	12,722,619	1,038,581	12,982,264	6,709,821
2	Unit -2	10,651,496	11,346,159	926,217	11,577,713	6,016,123
3	Unit -3	17,263,981	18,389,893	1,501,216	18,765,197	9,687,495
		39,859,160	42,458,671	3,466,014	43,325,174	22,413,439

Schedule of Revaluation Reserve :

SL. NO.	PARTICULARS	Revaluation Reserve				RATE OF DEPR.	Adjustment				Caring Value as on 30.06.2017	Caring Value as on 30.06.2016
		Balance as of 01-07-2016	Revaluation surplus during the year	Deletion during the year	Balance as of 30.06.2017		Balance as of 01-07-2016	During the year	Adjustment/Transfer	Balance as of 30.06.2017		
1	Land & Land Development	178,869,655	-	-	178,869,655	-	-	-	-	-	178,869,655	178,869,655
2	Building & Construction	100,525,034	-	-	100,525,034	5%	21,353,422	3,958,581	-	25,312,003	75,213,031	79,171,612
3	Plant & Machinery	328,425,585	-	-	328,425,585	7%	94,087,603	16,403,659	-	110,491,262	217,934,323	234,337,982
	Total	607,820,274	-	-	607,820,274		104,941,511	20,362,239	-	135,803,265	472,017,009	492,379,249

Composition of share holdings

The distributions schedule showing the number of shareholders and their shareholding in percentage are as follow:

Shareholding Range in Number of Shares	Number of Holders		% of Total shares		Number of Shares		% of Total shares	
	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016
1 to 5,000	5,287	5,638	92.85	99.02	3,223,817	8,960,400	12.18	33.85
5,001 to 50,000	371	36	6.52	0.63	5,681,746	728,694	21.47	2.76
50,001 to 100,000	20	8	0.35	0.14	1,449,363	480,585	5.47	1.82
100,001 to 200,000	9	3	0.16	0.05	1,266,742	433,822	4.79	1.64
200,001 to 400,000	3	4	0.05	0.07	747,636	1,145,488	2.82	4.33
400,001 to 500,000	-	-	-	-	-	-	-	-
500,001 to 1,000,000	-	1	-	0.02	-	620,315	-	2.33
Over 1,000,000	4	4	0.07	0.07	14,097,752	14,097,752	53.27	53.27
Total	5,694	5,694	100	100	26,467,056	26,467,056	100	100

Related party discloser

Related party is the party who has significant power on the company's management affairs and cast a significant on the company's management

Following are the parties who have made transactions with the company and have a significant power to influence the company's affairs:

SL. No.	Name of the party	Designation	Nature of transaction	Amount in Taka
1	Md. A. K. M. Azizur Rahman	Chairman	Loan paid to company	11,300,000
2	Mr. Bazlur Rahman	Managing Directo	Loan paid to company	1,224,197
3	Mrs. Rozy Rahman	Director	Loan paid to company	4,775,000

Annexure-III

Compliance of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS)

Name of the BAS	BAS no	Status
Presentation of Financial Statements	1	Applied
Inventories	2	Applied
Cash Flow Statements	7	Applied
Accounting Policies, changes in Accounting Estimates and Errors	8	Applied
Events after Reporting Period	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Not Applied
Property, Plant and Equipment	16	Applied
Leases	17	N/A
Revenue	18	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	Applied
Consolidated and Separate Financial Statements	27	Applied
Investment in Associates	28	N/A
Interests in Joint Ventures	31	N/A
Financial Instruments: Presentation	32	Applied
Earnings per Shares	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	N/A
Financial Instruments: Recognition and Measurement	39	Applied
Investment Property	40	N/A
Agriculture	41	N/A
Name of the BFRS	BFRS No	Status
First Time Adaption of BFRS	1	N/A
Share Based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contracts	4	N/A
Non-current Assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosure	7	N/A
Operating Segments	8	N/A

Sonargaon Textiles Ltd.

Khansons Centre (8th & 9th floor), 37, Kawran Bazar, Dhaka-1215.
31st Annual General Meeting

PROXY FORM

I/We _____
of _____

being a Member of Sonargaon Textiles Ltd. do hereby appoint

Mr./Ms: _____
of _____

as my/our proxy, to attend and vote on me/us on my/our behalf at the 31st Annual General Meeting of the company to be held on Wednesday, December 27, 2017 and at any adjournment thereof.

As witness I put my hand this _____ day of _____ 2017

(Signature of proxy)

(Signature of Shareholder)

BO ID NO.																			
Folio NO.																			

No. of shares _____

**Revenue
Stamp
Tk. 10.00**

Important:

- (1) This proxy form, duly stamped, must be deposited at the Registered Office of the company at least 48 (Forty Eight) hours before the time fixed for holding the meeting and in default, the instrument appointing the proxy shall not be treated as valid.
- (2) Signature of the shareholder the proxy must conform to specimen signature recorded with the company.

Signature Verified

Authorized Signature

Sonargaon Textiles Ltd.

Khansons Centre (8th & 9th floor), 37, Kawran Bazar, Dhaka-1215.
31st Annual General Meeting

ATTENDANCE SLIP

I do hereby confirm my attendance at the 31st Annual General Meeting of the company.

Name of the shareholder/proxy _____

BO ID NO.																			
Folio NO.																			

Date:

Signature:

Note: Shareholder attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.



Corporate Office



SONARGAON TEXTILES LTD.

a member of khansons group

Khansons Centre (8th & 9th Floor), 37 Kawran bazar, Dhaka-1215

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