

Annual Report 2012



SONARGAON TEXTILES LTD.

a member of khansons group

CONTENTS

Corporate Information	02
Notice of the 27th Annual General Meeting	03
Key Information	04
Board of Directors	05
Key Personnel	06
Financial Highlights	07
Reporting Period at a Glance	07
Graphic Presentation	08
পরিচালনা পর্ষদের প্রতিবেদন	09
Report of the Board of Directors	14
Auditors' Report to the Shareholders	20
Financial Statements	21
Annexures	41
Proxy Form	45

Corporate Information

Name

Sonargaon Textiles Limited

Date of Incorporation

December 21, 1985

Legal Status

A public limited company incorporated in Bangladesh under the Companies Act, 1913 (Now the Companies Act 1994). Listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited

Auditor

M/s. Ahmed Zaker & Co.
Chartered Accountants
45, Shaheed Syed Nazrul Islam Sarani
Saiham Tower (2nd Floor), Bijoy Nagar
Kakrail, Dhaka-1000.

Legal Advisor

Zainal Abedin
Advocate, Supreme Court of Bangladesh
Dhaka, Bangladesh

Bankers

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

Registered Office

Sena Kalyan Bhaban (19th Floor)
195, Motijheel C/A, Dhaka, Bangladesh.
Telephone (+880 2)9552337, 9551100
Fax : (+880 2) 9564883

Corporate Website & Email

E-mail: info@khansonsgroup.com
Website : www.khansonsgroup.com

Factory Office

Rupatoli, Barisal, Bangladesh
Telephone : (+0431) 71296
Fax : (+0431) 71219

Notice of the 27th Annual General Meeting

Notice is hereby given that the 27th Annual General Meeting will be held at Barisal Club, Barisal on Saturday, June 22, 2013 at 12.00 noon to transact the following business:

Agenda

1. To receive, consider and adopt the Audited Financial Statements of the company for the year ended 31st December, 2012 together with Reports of the Auditors and Directors.
2. To declare dividend for the year ended 31st December, 2012 as recommended by the Board of Directors.
3. To elect / re-elect Directors.
4. To appoint Auditors for the year 2013 and fix up their remuneration.

Dated: Monday, May 13, 2013
Dhaka

By order of the Board



Md. Anwar Hossain
Company Secretary

Notes:

- i. The 'Record Date' shall be on Sunday, May 26, 2013.
- ii. The shareholders whose name will appear in the Share Register of the company as on the 'Record Date' on Sunday, May 26, 2013 shall be entitled to receive dividend.
- iii. The shareholders entitled to attend and vote at AGM may appoint proxy on his/her behalf. The proxy form duly stamped valuing Tk. 10/- 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.

Key Information

1. Name of the Project	: Sonargaon Textiles Ltd.
2. Chairman	: A. K. M. Azizur Rahman
3. Location	: Rupatoli, Barisal
4. Product	: Cotton Yarn
5. Land	: 10.25 Acres
6. Date of Incorporation	: 21.12.1985
7. Date of Commencement	: 21.12.1985
8. Authorized Capital	: Tk. 50.00 Crore
9. Paid Up Capital	: Tk. 25.2067 Crore
10. Installed Capacity (with unit-I,II,III)	: 71,136 spindles & 672 Rotors
11. Face Value (per share)	: Tk. 10/-
12. Term Loan Financier	: Bangladesh Development Bank Ltd. & Rupali Bank Ltd.
13. Commercial Production Sartetd	: 14.03.1993
14. Listing with DSE	: 18.04.1995
15. Start of Demat settlement Trade with DSE & CSE	: 30.11.2008
16. Dividend History	: a) 12.5% Dividend for the year 1995
	: b) 12.5% Dividend for the year 1996
	: c) 8% Dividend for the year 1997
	: d) 5% Dividend for the year 1999
	: e) 7% Dividend for the year 2000
	: f) 7% Dividend for the year 2001
	: g) 7% Dividend for the year 2002
	: h) 7% Dividend for the year 2003
	: i) 10% Dividend for the year 2004
	: j) 10% Dividend for the year 2005
	: k) 10% Dividend for the year 2006
	: l) 10% Dividend for the year 2007
	: m) 5% Dividend for the year 2008
	: n) 10% Stock Dividend for the year 2009
	: o) 10% Stock Dividend for the year 2010
	: p) 10% Stock Dividend for the year 2011
	: q) 5% Stock Dividend for the year 2012
17. Book Value	: Tk. 36.22
18. Net Worth as on 31.12.2012	: Tk. 913,207,098
19. Manpower Strength	: a) Workers 1566 nos.
	: b) Staff 151 nos.
	: c) Others 42 nos.

Board of Directors



A.K.M. Azizur Rahman
Chairman



Md. Bazlur Rahman
Managing Director



Mrs. Rosy Rahman
Director



Mohammad A. Hafiz
Independent Director



Md. Khalilur Rahman Chowdhury
Director (Nominated by BDBL)



Md. Aminul Quader Khan
Director (Nominated by ICB)



Md. Habibur Rahman
Director (Nominated by Rupali Bank Ltd.)

Key Personnel



Md. Salauddin Ahmed
Project Director



Ashim Chatterjee
Director (Technical)



Md. Anwar Hossain
Company Secretary



Md. Rafiqul Islam
Head of Finance & Accounts



Soumen Kundu
AGM (P & Q)

Financial Highlights

Five Year's Statistics

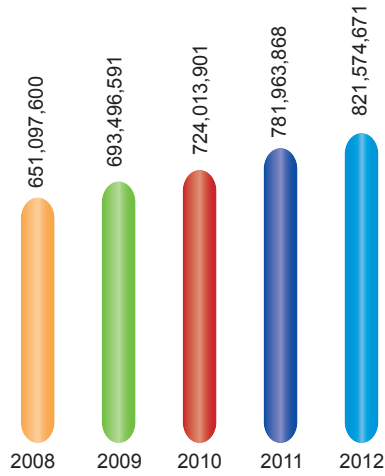
Particulars	2008	2009	2010	2011	2012
Paid Up Capital	99,200,000	99,200,000	109,120,000	229,152,000	252,067,200
Reserve & Surplus	52,548,731	57,963,844	671,300,999	676,912,456	606,579,898
Shareholders Equity	151,748,731	157,163,844	780,420,999	960,624,456	913,207,098
Fixed Assets	515,143,773	480,478,403	1,059,223,650	1,052,438,559	994,632,571
Turnover	651,097,600	693,496,591	724,013,901	781,963,868	821,574,671
Gross Profit	78,158,387	97,155,515	109,742,447	120,665,610	107,005,642
Net Profit	(7,189,270)	13,196,836	19,537,380	21,546,596	9,858,754
Number of Shares	992,000	992,000	1,091,200	22,915,200	25,260,720
Earning Per Share	(7.45)	10.45	14.15	0.79	0.28
Net Asset Value Per Share	153	158	715.20	46	36.22
Dividend(%)	5	10% (Stock)	10% (Stock)	10% (Stock)	5% (Stock)
Officers	83	88	44	48	42
Staff	172	133	121	162	151
Workers	1571	1586	1565	1420	1,566
Installed Spindle Nos.	71,136	71,136	71,136	71,136	71,136
Installed Rotor Spindle	672	672	672	672	672

Reporting Period at a Glance

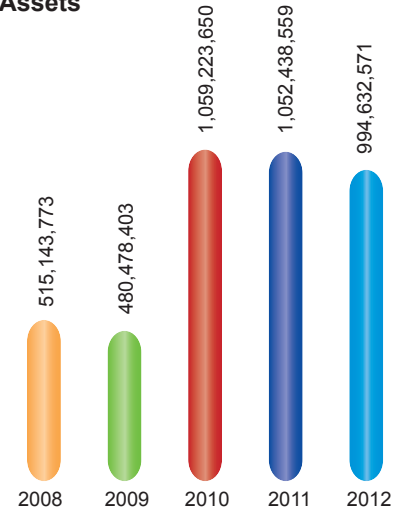
For the period	Taka '000'
Net sales	821,575
Gross profit	107,006
Operating profit	(3,902)
Net profit	9,859
Dividend	5% (stock)
At period end	
Shareholders equity	913,207
Paid up share capital	252,067
Per share data	
Book value	36.22
Net income	0.28
Dividend	5% (Stock)
Distribution of Turnover	
Cost of goods sold	86.98
Administrative Expense	2.53
Selling & Distribution Exp.	0.55
Financial Expenses	10.42

Graphical Presentation

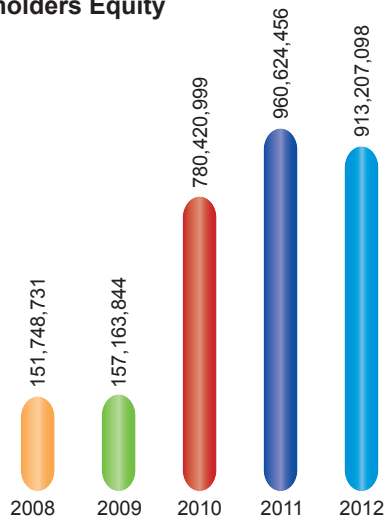
Turnover



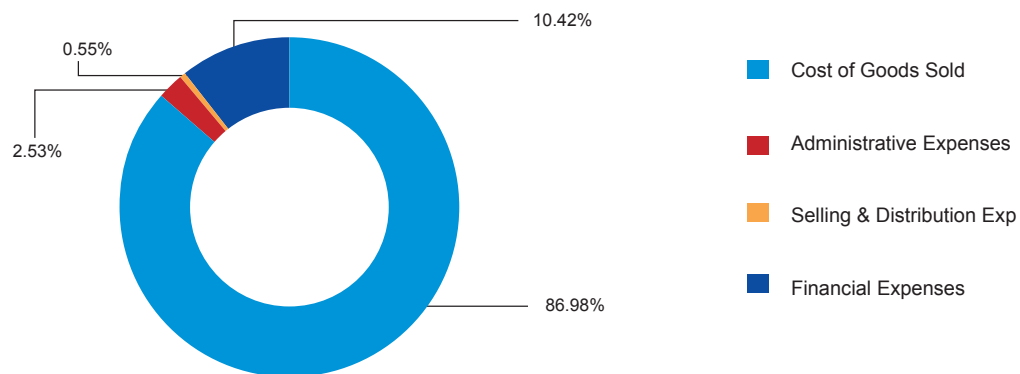
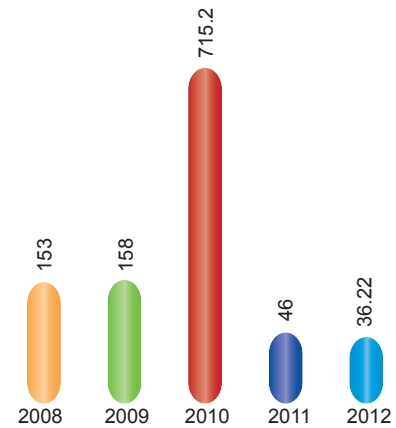
Fixed Assets



Shareholders Equity



Net Asset Value per share



পরিচালনা পর্ষদের প্রতিবেদন

বিস্মিল্লাহির রাহমানির রাহিম

সম্মানিত শেয়ারহোল্ডারবৃন্দ

আসসালামু আলাইকুম,

সোনারগাঁও টেক্সটাইলস লি: এর পরিচালকমন্ডলীর পক্ষ থেকে কোম্পানীর ২৭তম বার্ষিক সাধারণ সভায় আপনাদের সাদর আমন্ত্রণ জানাতে পেরে আমি আনন্দিত। কোম্পানী আইন ১৯৯৪ এর ১৮৪ ধারা মোতাবেক ৩১শে ডিসেম্বর ২০১২ ইং তারিখে সমাপ্ত বছরের বার্ষিক আর্থিক প্রতিবেদন ও নিরীক্ষিত আর্থিক বিবরণী এবং পরিচালনা পর্ষদের প্রতিবেদন আপনাদের পর্যালোচনা ও অনুমোদনের জন্য উপস্থাপন করতে পেরে আমি গর্বিত।

সামষ্টিক অর্থনৈতিক পরিবেশ ও বিশ্ব মন্দা

জাতীয় জীবনে অস্থিরতা, রাজনৈতিক অস্থিতিশীলতা, হরতাল ও ধর্মঘটের কারণে সৃষ্ট পরিবহণ সংকট সামষ্টিক অর্থনীতির স্বাভাবিক গতিকে ২০১২ সালে মারাত্মকভাবে ব্যাহত করেছে। জাতীয় অর্থনীতির কিছু খাতে অগ্রগতি থাকলেও শিল্পখাতে এ সময়ে মারাত্মকভাবে ক্ষতিগ্রস্ত হয়েছে। বাংলাদেশের বস্ত্রশিল্প যখন কোটামুক্ত বানিজ্য ব্যবস্থায় নিজের অবস্থান সুসংহত করার প্রচেষ্টায় লিপ্ত, সেই সময় প্রতিকূল রাজনৈতিক পরিবেশ আত্মহননের অনুরূপ বিপর্যয় ডেকে আনে। জাতীয় অর্থনীতির এই বিপর্যয়ের প্রভাব থেকে আমাদের কোম্পানীও রক্ষা পায়নি।

তীব্র প্রতিযোগিতামূলক বাজারের পাশাপাশি প্রতিবেশী দেশসমূহ থেকেও প্রচুর সুতা আমদানী হওয়ায় দেশীয় বস্ত্রশিল্প আজ হুমকির সম্মুখীন। অন্যদিকে, মুক্ত অর্থনীতির ফলে সৃষ্ট সুযোগের কারণে প্রতিবেশী দেশসমূহ থেকে প্রচুর পরিমাণ সুতা স্থানীয় বাজারে অবাধে প্রবেশের দরুন দেশীয় মিলগুলোর মজুদ অত্যধিক বৃদ্ধি পাওয়ায় বর্তমান সংকট তীব্র থেকে তীব্রতর হচ্ছে। তাই, নানাবিধ প্রতিকূলতা ও ব্যবসায়িক মন্দার কারণে ২০১২ বছরটিতে বস্ত্রখাতের কাংখিত লক্ষ্যমাত্রা অর্জিত হয়নি।

বাংলাদেশে অর্থনৈতিক পরিবেশ

জাতীয় জীবনে অর্থনৈতিক কারণে ২০১২ বছরটি ছিল বৈচিত্রময় ও ঘটনা বহুল। বিশ্বব্যাপী জ্বালানী তেল ও খাদ্য সামগ্রীর মূল্য বৃদ্ধির প্রেক্ষিতে জাতীয় অর্থনীতিতে ভারসাম্যহীনতার সৃষ্টি হয়। জ্বালানী তেল, ভোজ্য তেল ও খাদ্য দ্রব্যের মূল্য বৃদ্ধির ফলে উৎপাদন ব্যয় বৃদ্ধি পায়। অপরদিকে বিগত বছরের তুলনায় জিডিপি প্রবৃদ্ধি কম হওয়ায় জাতীয় অর্থনীতিতে মন্দাভাব বিরাজমান ছিল। শিল্পের অন্যান্য খাতের ন্যায় বস্ত্র উৎপাদন খাতও প্রতিকূলতার মধ্যে তার কার্যক্রম পরিচালনা করে।



কোম্পানীর কার্যক্রম

বিগত ২০১১ সালে তিনটি ইউনিটে স্থাপিত মোট ৭১,১৩৬ স্পিন্ডেল ও ৬৭২ রোটর সম্পন্ন স্পিনিং ইউনিট উৎপাদনে নিয়োজিত ছিল। এ বছরে উৎপাদন হয় ৪৪,০৮,০৩২ পাউন্ড বিভিন্ন কাউন্টের সুতা, যা বিগত বছর ছিল ৫৩,২৯,৪৪৪ পাউন্ড। অপরদিকে আলোচ্য বছরে কোম্পানীর মোট বিক্রয় হয় ৮২,১৫,৭৪,৬৭১ টাকা, যা বিগত বছরে ছিল ৭৮,১৯,৬৩,৮৬৮ টাকা। উন্নয়নের পথে কোম্পানীর যে কয়েকটি প্রতিবন্ধকতা রয়েছে তার মধ্যে অন্যতম হলো বিদ্যুৎ সরবরাহের অপ্রতুলতা ও অনিশ্চয়তা। প্রাকৃতিক গ্যাস না থাকার কারণে সম্পূর্ণভাবে পিডিবি নির্ভর বিদ্যুৎ দিয়ে কারখানার সার্বিক উৎপাদন কার্যক্রম পরিচালিত হয়। সে কারণে একদিকে যেমন আমাদের কোম্পানীর উৎপাদন খরচ গ্যাসে উৎপাদিত মিলগুলোর তুলনায় বেশী অপরদিকে নিরবিচ্ছিন্ন বিদ্যুৎ সরবরাহ না থাকার কারণে উৎপাদনের লক্ষ্যমাত্রা ব্যাহত হচ্ছে। ফলে ২০১২ সালে কোম্পানীর মুনাফা কমে যাওয়ার পিছনে এটি একটি অন্যতম কারণ।

আর্থিক ফলাফল ও তার সার সংক্ষেপ

পরিচালকমন্ডলী তাদের আদেশক্রমে ২০১২ সালের আর্থিক ফলাফলের যথাযথ বিচারের ক্ষেত্রে বিগত তিন বছরের সাথে একটি তুলনামূলক চিত্র নিচে তুলে ধরা হলো :

টাকায়

বিবরণ	২০১২	২০১১	২০১০	২০০৯
১। বিক্রয়	৮২১,৫৭৪,৬৭১	৭৮১,৯৬৩,৮৬৮	৭২৪,০১৩,৯০১	৬৯৩,৪৯৬,৫৯১
২। বাদ: বিক্রিত পণ্যের ব্যয়	৭১৪,৫৬৯,০২৯	৬৬১,২৯৮,২৫৮	৬১৪,২৭১,৪৫৩	৫৯৬,৩৪১,০৭৬
৩। মোট লাভ (১-২)	১০৭,০০৫,৬৪২	১২০,৬৬৫,৬১০	১০৯,৭৪২,৪৪৮	৯৭,১৫৫,৫১৫
৪। বাদ: পরিচালন খরচ ও আর্থিক খরচ	১১০,৯০৭,৪৬৯	১০৩,৬০৬,৮৮৯	৯০,৪৫৬,৪৯২	৮৪,৫৪০,৩৯১
৫। পরিচালন (ক্ষতি)/লাভ (৩-৪)	(৩,৯০১,৮২৬)	১৭,০৫৮,৭২১	১৯,২৮৫,৯৫৬	১২,৬১৫,১২৪
৬। যোগ: অপরিচালন আয়	১৩,৭৬০,৫৮০	৪,৪৮৭,৮৭৫	২৫১,৪২৫	৫৮১,৭১২
৭। নেট লাভ (৫+৬)	৯,৮৫৮,৭৫৪	২১,৫৪৬,৫৯৬	১৯,৫৩৭,৩৮০	১৩,১৯৬,৮৩৬
৮। বাদ: শ্রমিকদের মুনাফা তহবিল	২০০,০০০	১,০৯০,৮৮০	১,১৭৪,৪২২	৮৬২,৯৩১
৯। আয়কর পূর্ব লাভ (৭-৮)	৯,৬৫৮,৭৫৪	২০,৪৫৫,৭১৬	১৮,৩৬২,৯৫৮	১২,৩৩৩,৯০৫
১০। বাদ: আয়কর সঞ্চিতি	২,৫৪৬,৮৩২	৩,৯৩২,২৫৯	২,৯২৬,০৭৮	১,৯৫৮,৭৯২
১১। নীট লাভ (৯-১০)	৭,১১১,৯২১	১৬,৫২৩,৪৫৭	১৫,৪৩৬,৮৮১	১০,৩৭৫,১১৩
১২। যোগ: পূর্ববর্তী বৎসরের সঞ্চিতি	৪২,৮৪০,৬৭৮	২৬,৩১৭,২২১	১০,৮৮০,৩৪০	৫০৫,২২৭
১৩। পুঞ্জীভূত লাভ স্থিতিপত্রে স্থানান্তর (১১+১২)	৪৯,৯৫২,৫৯৯	৪২,৮৪০,৬৭৮	২৬,৩১৭,২২১	১০,৮৮০,৩৪০

তুলা সরবরাহকারী মেসার্স ওলাম ইন্টারন্যাশনাল লি: এর অভিযোগ নিষ্পত্তি

বিগত ২০১১ইং সালে হঠাৎ করে তুলার উচ্চ মূল্যের দরুন এবং ঐ সময় ভবিষ্যতে আরো দাম বাড়ার প্রবনতা থাকায় কোম্পানী প্রায় ১৯০০ বেল তুলার আগাম বুকিং করেছিল বিদেশী সরবরাহকারী মেসার্স ওলাম ইন্টারন্যাশনাল লিঃ এর নিকট হতে। কিন্তু হঠাৎ করে আন্তর্জাতিক বাজারে তুলার মূল্য পুনরায় কমেতে থাকে। তার ফলে অগ্রীম বুকিং দেওয়া তুলার অবশিষ্ট প্রায় ১৩০০ বেল তুলার ঋণপত্র আর স্থাপন করা হয়নি। কিন্তু আন্তর্জাতিক রীতি অনুযায়ী তুলা বিক্রয় চুক্তি সম্পাদন হওয়ার পর দাম বাড়ুক বা কমুক তাতে চুক্তির কোন হেরফের হয় না দরুন উক্ত সরবরাহকারী আমাদের কোম্পানীর বিরুদ্ধে আন্তর্জাতিক চেম্বার অব কমার্স (আইসিসি) আদালতে অভিযোগ দাখিল করে।

এর পালাটা ব্যবস্থা হিসাবে কোম্পানীকেও স্থানীয় আদালতে উক্ত সরবরাহকারী ও তাদের স্থানীয় এজেন্ট এর বিরুদ্ধে একটি টাইটেল মামলা রঞ্জু করা হয়। এর ফলশ্রুতিতে বিগত ২২শে আগষ্ট, ২০১২ইং তারিখ উক্ত সরবরাহকারী ও কোম্পানীর মধ্যে এক সমঝোতা হয়। তাতে তুলা ক্রয়ে কোম্পানীর প্রায় ২৬,৪৪৩,৭৩৮/= (দুই কোটি চৌষট্টি লক্ষ তেতালিশ হাজার সাতশত আটত্রিশ টাকা) মাত্র ক্ষতি হয়েছে। ফলে কোম্পানীর মুনাফা কমে যায়।

রাইট শেয়ারের টাকার ব্যবহার

আপনারা অবগত আছেন যে, আপনাদের কোম্পানীর ব্যবস্থাপনা কর্তৃপক্ষ বি.এম.আর.ই এর মাধ্যমে ১০০% রপ্তানীমুখী এই স্পিনিং মিলটির উৎপাদন বৃদ্ধি তথা গুণগত ও লাভজনক ভাবে বিক্রয় বাড়ানোর উদ্দেশ্যে ২০১১ সালে রাইট শেয়ারের মাধ্যমে তহবিল সংগ্রহ করে। বি.এম.আর.ই কার্যকর করার নিমিত্তে আশ্রয় চেষ্টা করেও কিছু অলংঘনীয় কারণে উক্ত কার্যক্রম সমাপ্ত করা সম্ভব হয়নি। আংশিক প্রায় ৩৩% কার্যক্রম সম্পন্ন করে সংগৃহীত বাকী তহবিল ব্যাংকে জমা রাখা হয়। পরবর্তীতে বাংলাদেশ সিকিউরিটিজ এন্ড একচেঞ্জ কমিশনের সম্মতিক্রমে ২য় বিশেষ সাধারণ সভার মাধ্যমে সম্মানিত শেয়ারহোল্ডারদের অনুমোদনক্রমে তহবিলের বাকী টাকা কোম্পানীর ব্যাংক/আর্থিক প্রতিষ্ঠানের ঋণ পরিশোধের ব্যাপারে সিদ্ধান্ত গৃহীত হয়। সম্মানিত শেয়ারহোল্ডারবৃন্দ তাদের ২য় বিশেষ সাধারণ সভার মাধ্যমে আমাদের উপর যে গুরুদায়িত্ব অর্পন করেছে, তা আমরা সম্পূর্ণভাবে পরিপালন করেছি এবং চলতি বছরে নিম্নোক্তভাবে তহবিলের টাকা ব্যবহার করা হয়েছে।

ক্রমিক নং	বর্ণনা	টাকার পরিমাণ
১.	মেশিনারীজ ক্রয়	৫,৩৫,১৩,০০০/=
২.	প্রিমিয়ামের উপর ৩% কর	১৬,৩৬,৮০০/=
৩.	লংকা বাংলা ফাইন্যান্স লি: এর ঋণ পরিশোধ	২,৩৫,০০,০০০/=
৪.	বাংলাদেশ শিল্প ব্যাংক লি: এর আংশিক ঋণ পরিশোধ	২,৪৮,৬০,০০০/=
৫.	মিউচুয়াল ট্রাস্ট ব্যাংক লি: এর আংশিক ঋণ পরিশোধ	৫,০৬,৫২,০০০/=
৬.	রূপালী ব্যাংক লি: এর আংশিক ঋণ পরিশোধ	৯০,০০,০০০/=
৭.	আইসিবি এর আংশিক ঋণ পরিশোধ	৭,০২,৭২৪/=
	সর্বমোট =	১৬,৩৮,৬৪,৫২৪/=

ভবিষ্যৎ পরিকল্পনা

ভবিষ্যৎ পরিকল্পনা প্রনয়নে কোম্পানীর উন্নয়নে একটি গুরুত্বপূর্ণ ভূমিকা পালন করে। তাই, পর্ষদ ভবিষ্যতের জন্য নিম্নলিখিত পরিকল্পনা প্রনয়ন করেছে:

- ভবিষ্যতের জন্য আধুনিক বিক্রয় পদ্ধতি সংযোজনকরণ;
- সুদ বিহীন চলতি মূলধনের ব্যবস্থাকরণ;
- বিলম্বে পরিশোধ শর্তে আরো কাঁচামাল সংগ্রহের প্রচেষ্টাকরণ;
- বিদ্যুৎ সমস্যা সমাধান কল্পে গ্যাস ব্যবহার বা প্রাইভেট সেক্টর থেকে বিদ্যুৎ এর ব্যবস্থাকরণ;
- কৃচ্ছতার মাধ্যমে প্রশাসনিক ও সাধারণ খরচাদি কমানো।

যথাসময়ে উপরোক্ত পরিকল্পনা বাস্তবায়ন সম্ভব হলে আপনাদের কোম্পানী উৎপাদন, বিক্রয় ও লভ্যাংশ বৃদ্ধিতে সক্ষম হবে এবং শেয়ারহোল্ডারবৃন্দের সর্বোচ্চ স্বার্থ সংরক্ষিত হবে। এক্ষেত্রে কোম্পানী ও তার ব্যবস্থাপনা কর্তৃপক্ষ পরিবর্তনের ধারা বজায় রাখার বাধা সমূহ দূর করতে সক্ষম হলে পরবর্তী বছর গুলোতেও এ সাফল্য বজায় থাকবে।

২০১৩ সালের প্রত্যাশা

২০১৩ সাল নূতন আশার বলয় নিয়ে শুরু হয়েছে। রাজনৈতিক সরকারের চার বছর পর, আমরা আশা করছি যে, সরকার তার অর্থনৈতিক উন্নয়ন পরিকল্পনা শুরু করবে। ফলে, দেশের অর্থনৈতিক কার্যক্রম ও গতিশীলতা পাবে বলে আশা করা যায়। এ সমস্ত পদক্ষেপ অবশ্যই বঙ্গ শিল্পের পক্ষে কার্যকর হবে।

উপরোক্ত অবস্থায়, আমরা দৃঢ়ভাবে বিশ্বাস করি যে, আমরা আমাদের গ্রাহকবৃন্দ, শেয়ারহোল্ডার ও দক্ষ কর্মচারীবৃন্দের সাহায্য ও সহযোগিতায় আগামী ২০১৩ সালে উল্লেখযোগ্য উন্নতি লাভে সমর্থ হব।

লভ্যাংশ

বিভিন্ন প্রতিকূলতা ও আর্থিক মন্দা অবস্থা বিরাজ করায় কোম্পানী চলতি বছরে সর্বাঙ্গিক প্রচেষ্টা চালিয়ে কাঞ্চিত ব্যবসায়িক সাফল্য অর্জন করতে পারিনি। বিশেষ করে বিশ্ব বাজারে মন্দা অবস্থা বিরাজ করায় এবং উচ্চ মূল্যে কাঁচা তুলা আমদানীর কারণে চলতি বছর কোম্পানীর শেয়ার প্রতি আয় হ্রাস পায়। কোম্পানীর সম্মানিত শেয়ারহোল্ডারদের স্বার্থ বিবেচনায় এনে চলতি বছরের লভ্যাংশ থেকে পরিচালকমন্ডলী ৩১শে ডিসেম্বর, ২০১২ সালে সমাপ্ত বছরের জন্য ৫% হারে স্টক ডিভিডেন্ট প্রদানের প্রস্তাব আপনাদের অনুমোদনের জন্য পেশ করছেন।

পরিচালক পর্ষদের অবসর ও পুনঃনির্বাচন:

আলোচ্য বছরে নিম্নলিখিত ব্যক্তিবর্গ কোম্পানীর পরিচালক এর দায়িত্বে ছিলেন:

ক্রমিক নং	নাম	পদবী	মন্তব্য
১	মিসেস রোজি রহমান	চেয়ার পারসন	উদ্যোক্তা পরিচালক
২	একেএম আজিজুর রহমান	ব্যবস্থাপনা পরিচালক	ঐ
৩	মো: বজলুর রহমান	উপ ব্যবস্থাপনা পরিচালক	ঐ
৪	মিসেস রিতা রহমান	পরিচালক	ঐ
৫	মো: খলিলুর রহমান চৌধুরী	পরিচালক	বি.ডি.বি.এল কর্তৃক মনোনীত
৬	মো: হাবিবুর রহমান	পরিচালক	রূপালী ব্যাংক কর্তৃক মনোনীত
৭	মো: আমিনুল কাদের খান	পরিচালক	আই.সি.বি. কর্তৃক মনোনীত
৮	মোহাম্মদ এ. হাফিজ	নিরপেক্ষ পরিচালক	বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের বিধান অনুযায়ী নিয়োগকৃত

জনাব বজলুর রহমান পরিচালক/ উদ্যোক্তা পরিচালক কোম্পানীর সংঘ বিধির ১১৮ এবং ১১৯ নং ধারা অনুযায়ী পদ থেকে অবসর নিচ্ছেন এবং উক্ত বিধির ১২০ নং ধারা অনুযায়ী পুনঃনির্বাচনের যোগ্য বিধায় পুনঃনির্বাচনে অংশ নেওয়ার ইচ্ছা প্রকাশ করেছেন।

এখানে উল্লেখ্য যে, যেহেতু অন্য তিন জন পরিচালক (ক্রমিক নং ৫, ৬ ও ৭) আর্থিক প্রতিষ্ঠান কর্তৃক মনোনীত, সেহেতু তারা কোম্পানীর ১১৮ ও ১১৯ নং ধারার আওতার বহির্ভূত হিসাবে গণ্য করা হয়েছে, যা প্রচলিত রীতি অনুযায়ী উক্ত প্রতিষ্ঠানদ্বয় দ্বারা মনোনয়ন পরিবর্তন না করা পর্যন্ত পরিচালক হিসাবে গণ্য থাকবেন এবং জনাব মোহাম্মদ এ. হাফিজ বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের বিধান অনুযায়ী নিয়োগকৃত।

পরিচালনা পর্ষদে পরিবর্তন

মিসেস রোজী রহমান কোম্পানীর সভাপতির পদ থেকে অবসর গ্রহণের জন্য পর্ষদের ১০৫তম সভায় পরিচালনা পর্ষদে পদত্যাগপত্র জমা দিয়েছেন। পরিচালনা পর্ষদ পদত্যাগপত্র গ্রহণ করে। ফলে সভাপতির পদ শূন্য হয়। এ প্রেক্ষিতে পর্ষদ ব্যবস্থাপনা পরিচালক জনাব এ.কে.এম. আজিজুর রহমানকে সভাপতি এবং পরিচালক জনাব বজলুর রহমানকে ব্যবস্থাপনা পরিচালক হিসেবে দায়িত্ব পালনের জন্য নির্বাচিত করেন এবং বার্ষিক সাধারণ সভায় আপনাদের অবগতির জন্য পেশ করছেন।

মানব সম্পদ ব্যবস্থাপনা

বাংলাদেশের বর্তমান প্রেক্ষাপটে কর্মসংস্থান আমাদের জাতীয় অর্থনীতির অন্যতম লক্ষ্য ও উদ্দেশ্য। আমরা গর্বের সাথে জানাতে চাই যে, বরিশালের মত শিল্পে অনুন্নত এলাকায় প্রকল্প স্থাপনের মাধ্যমে আমাদের কোম্পানী ব্যবসায়িক মুনাফাই শুধু অর্জন করেনি, এর পাশাপাশি প্রকল্প অঞ্চলে কর্মসংস্থানের মতো একটি গুরুত্বপূর্ণ সামাজিক দায়িত্ব পালন করে আসছে। আমরা বিশ্বাস করি, প্রশিক্ষিত জনবলের স্বতঃস্ফূর্ত অংশ গ্রহণের মাধ্যমে যে কোন উদ্যোগকে সফল করা সম্ভব। বরিশাল একটি শিল্পে অনুন্নত এলাকা বিধায় শুরুর দিকে দক্ষ জনবলের অভাবে প্রকল্প পরিচালনায় আমাদেরকে অনেক সমস্যার সন্মুখীন হতে হয়েছে। পরবর্তীতে প্রশিক্ষণ ও উদ্ভুদ্ধকরণের মাধ্যমে আমরা সর্বস্তরের কর্মীদের দক্ষতা অর্জনের প্রচেষ্টায় সফলকাম হয়েছি। এছাড়া ফ্যাক্টরীতে শ্রমিকদের নির্বিঘ্নে কাজ করার জন্য ফায়ার সার্ভিস, প্রার্থনালয়, ডে-কেয়ার সেন্টার সহ প্রয়োজনীয় সুযোগ সুবিধা নিশ্চিত করা হয়েছে। বর্তমানে কোম্পানীতে ১ম, ২য় ও ৩য় ইউনিটে সর্বমোট ৪২ জন কর্মকর্তা, ১৫১ জন কর্মচারী ও ১,৫৬৬ জন শ্রমিক নিয়োজিত আছেন। উৎপাদনের পাশাপাশি কোম্পানীতে কর্মরত কর্মকর্তা, কর্মচারী ও শ্রমিকদের মধ্যে সহনশীলতা ও সুসম্পর্ক গড়ে তোলার লক্ষ্যে সাংস্কৃতিক অনুষ্ঠান ও বিভিন্ন প্রকার ক্রীড়া প্রতিযোগিতার আয়োজন করা হয়ে থাকে। এসব অনুষ্ঠানে সর্বস্তরের কর্মীদের স্বতঃস্ফূর্ত অংশ গ্রহণ আমাদের কর্মশক্তিকে গতিশীল ও সুসংহত করতে ইতিবাচক ভূমিকা পালন করছে।

করপোরেট গভর্নেন্স

সাম্প্রতিক কালে করপোরেট গভর্নেন্স বিশ্বব্যাপী একটি বহুল আলোচিত বিষয়। কোম্পানীর নিজস্ব লক্ষ্য ও উদ্দেশ্য সমূহের সাথে সামাজিক ও রাষ্ট্রীয় দায়-দায়িত্ব সমূহের সমন্বয়ের মাধ্যমে স্বচ্ছতা ও জবাব দিহিতা নিশ্চিত করা এই করপোরেট গভর্নেন্সের মূল উদ্দেশ্য। সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন কর্তৃক প্রজ্ঞাপিত নোটিফিকেশন নং SEC/CMRRCD/2006-158/Admin/02-08 dated February 20, 2006 এর মাধ্যমে বাংলাদেশের লিস্টেড কোম্পানীগুলোতে করপোরেট গভর্নেন্স নিশ্চিত করার জন্য উদ্যোগ নেয়া হয়েছে। সোনারগাঁও টেক্সটাইলস লি: এর পরিচালকমন্ডলী সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন এর উক্ত নোটিফিকেশন এর দিক নির্দেশনা অনুযায়ী করপোরেট গভর্নেন্স নিশ্চিত করার বিষয়টি আন্তরিকতার সাথে বাস্তবায়ন করেছেন।

নিরীক্ষক

কোম্পানীর বর্তমান নিরীক্ষক মেসার্স আহমেদ জাকের এন্ড কো:, চার্টার্ড একাউন্ট্যান্টস এর নিয়োগ মেয়াদ ২৭তম বার্ষিক সাধারণ সভায় শেষ হয়ে যাবে। উক্ত নিরীক্ষক পরপর তিন (০৩) বছর আপনাদের কোম্পানীর নিরীক্ষকের দায়িত্ব পালন করেছেন। বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের বিধান অনুযায়ী একটানা তিন (০৩) বছরের বেশী কোন নিরীক্ষক তালিকাভুক্ত কোন কোম্পানীর নিরীক্ষকের দায়িত্ব পালন করতে পারবে না বিধায় ২৭তম বার্ষিক সভায় নতুন নিরীক্ষক নিয়োগ করতে হবে।

নিরপেক্ষ পরিচালক

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের বিধান অনুযায়ী পরিচালনা পর্ষদ জনাব মোহাম্মদ এ. হাফিজকে নিরপেক্ষ পরিচালক হিসেবে নিয়োগ প্রদান করেন এবং বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারদের অবগতির জন্য পেশ করেছেন। পুঁজিবাজার সম্পর্কিত তার অভিজ্ঞতা কোম্পানীকে উত্তরোত্তর সমৃদ্ধির পথে এগিয়ে নিয়ে যাবে বলে প্রত্যাশা করা হচ্ছে।

নিরীক্ষা কমিটি

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের বিধান অনুসারে তিন জন পরিচালক নিয়ে অত্র কোম্পানীর নিরীক্ষা কমিটি গঠিত। নিরপেক্ষ পরিচালক জনাব মোহাম্মদ এ. হাফিজ হলেন উক্ত কমিটির সভাপতি। জনাব বজলুর রহমান, উদ্যোক্তা পরিচালক এবং আই. সি. বি কর্তৃক মনোনীত পরিচালক জনাব মো: আমিনুল কাদের খান হলেন উক্ত নিরীক্ষা কমিটির সদস্য। কমিটির উদ্দেশ্য ছিল কোম্পানীর আভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা সুনির্দিষ্ট ও সুচারুরূপে পরিচালনা নিশ্চিত করা এবং পরিচালনা পর্ষদকে তথ্য প্রদান করে সহযোগিতা করা। তাছাড়া কমিটি গঠিত হওয়ার পর থেকে আর্থিক বিবরণী পর্যালোচনান্তে কমিটি তা পরিচালনা পর্ষদে উপস্থাপন করেছেন।

কৃতজ্ঞতা স্বীকার

আমি পরিচালনা পর্ষদের পক্ষ থেকে সম্মানিত শেয়ারহোল্ডার, সংশ্লিষ্ট সরকারী প্রতিষ্ঠানসমূহ, কোম্পানীর সর্বস্তরের কর্মকর্তা, কর্মচারী ও শ্রমিকবৃন্দ, ব্যাংক ও অন্যান্য আর্থিক প্রতিষ্ঠান, সরবরাহকারী ও সম্মানিত ক্রেতাগণকে তাদের সর্বাত্মক সহযোগিতার জন্য জানাই আন্তরিক ধন্যবাদ। কোম্পানীর অগ্রযাত্রায় সার্বিক সহযোগিতার জন্য আমি বিশেষভাবে ধন্যবাদ জানাই বিডিবিএল, রূপালী ব্যাংক লি:, মিউচুয়াল ট্রাস্ট ব্যাংক লি:, আইসিবি, এসইসি, ডিএসই, সিএসই এবং বাংলাদেশ টেক্সটাইল মিলস এসোসিয়েশনকে। আমি নিশ্চিত যে, আপনাদের সকলের স্বতঃস্ফূর্ত সহযোগিতা ও সহমর্মিতার ফলে কোম্পানীর অগ্রযাত্রা ভবিষ্যতেও অব্যাহত থাকবে।

আলাহ পাক আমাদের সর্বাত্মক সহায় হউন।

ধন্যবাদ

পরিচালনা পর্ষদের পক্ষে

Roy Rahman

মিসেস রোজী রহমান

চেয়ারপারসন

তারিখ, ঢাকা

Report of the Board of Directors

For the year ended 31st December, 2012

Bismillahir Rahmanir Rahim

Dear Shareholders

Assalamu Alaikum,

On behalf of the Board of Directors, I am delighted to welcome you all on occasion of the 27th Annual General Meeting of Sonargaon Textiles Ltd. I am honoured to present before you the Auditors Report including the Audited Financial Statements and Director's Report for the year ended 31st December, 2012 in terms of section 184 of the companies Act, 1994.

Macro Economic Environment & The World Recession

The year 2012 had been eventful & much talked about because of the present global economic recession & a composition of Multinational incidents. In the year 2012, the economy of developed & under developed countries fell disastrous & faced a serious Jeopardy since their economy has been engulfed by the world recession. In addition, because of repeated 'Hartals' & political restlessness the whole year has badly been affected and as such the textile sector suffered enormously.

Further to this, for lack of updated infrastructural facilities on one hand & on the other, for certain opportunities as the out come of globalization, there has been an easy access / entry of huge quantity of yarn into Bangladesh from the neighboring countries. And that has left a negative impact on normal production in local spinning mills. With diversified impediments & shy transactions, the year 2012 could not help achieve the targeted business particularly in textile sector.

Economic Environment of Bangladesh

The economic changes in our national life made the year 2012 eventful and a composition of multi dimensional incidents. The country experienced economic dilemma created by soaring prices of oil, food and other commodities. Cost of production of the local industries increased significantly due to increase in wages resulted from adjustment of cost of living due to price hike of food and allied products. The country witnessed economic crisis on the last half of the year since the GDP growth rate went down in compare to that of previous year.

The textile sub sector had to continue its operation through adversity alike other sectors of the country.



Operation

During the year 2012, inclusive all 71,136 spindles & 672 Rotors of unit 1, 2 & 3 of the project were in operation. In this year, the production volume tuned to 4,408,032 Lbs yarn of different counts where as the production of the year before was 5,329,444 Lbs. Simultaneously the total sale was recorded at Tk.8,21,574,671 where as in the year before, it was Tk. 781,963,868. But for the price hike of raw cotton, the spare parts & other cost of production / administration caused the sales price of finished goods per unit lower & finally resulted us to face about in break event point.

Financial Result

The company's operating financial results and the recommendation of Directors for appropriation of the earning for the year 2012 as compared to the previous 4 years are summarized here under:

Figure in Tk.

Particulars	2012	2011	2010	2009
1. Turn Over	821,574,671	781,963,868	724,013,901	693,496,591
2. Less cost of goods sales	714,569,029	661,298,258	614,271,453	596,341,076
3. Gross Profit (1-2)	107,005,642	120,665,610	109,742,448	97,155,515
4. Less Operating Expenses & Less Financial expenses	110,907,469	103,606,889	90,456,492	84,540,391
5. Operating Profit (3-4)	(3,901,469)	17,058,721	19,285,956	12,615,124
6. Non Operating Income	13,760,580	4,487,875	251,425	581,712
7. Net Profit (5+6)	9,858,754	21,546,196	19,537,380	13,196,836
8. Less Contribution to WPPF & WWF	200,000	1,090,880	1,174,422	862,931
9. Net Profit before Tax (7-8)	9,658,754	20,455,716	18,362,958	12,333,905
10. Less Provision for Tax	2,546,832	3,932,259	2,926,078	1,958,792
11. Net Profit after Tax (9-10)	7,111,921	16,523,457	15,436,881	10,375,113
12. Add Profit as per last year	42,840,678	26,317,221	10,880,340	505,227
13. Balance Transfer to B/S (11+12)	49,952,599	42,840,678	26,317,221	10,880,340

Settlement of Claim from M/S Olam International Ltd. Regarding Supply of Raw Cotton

During the year 2011, because of increasing trend of cotton price, the company made an advance booking of 1900 bales of raw cotton with the international supplier M/S Olam International Ltd. But suddenly the price of raw cotton started descending in international market. As such, the L/C of 1300 bales of raw cotton of said advance booking was not effected finally. Since the contract can not be affected in any manner after being implemented for any kind of rise/fall of cotton price as per international practice, the aforesaid supplier lodged a complaint/claim to the International Chamber of Commerce (ICC) against our company for such default.

In turn, the company itself also filed a title suit against the local agent of that supplier. As a result, on last 22 August 2012, their has been a sort of understanding between the company and that supplier. To this effect, the company had to undergo a financial loss of tk. 26,443,738 (two core sixty four lac forty three thousand seven hundred thirty eight taka) only for payment to the supplier. Resultantly, the company's earning per share (EPS) has been less.

Utilization of Right Share

As you know your company issued Right share in the year 2011 for expansion with a view to, increase production capacity and turnover with assurance of quality as well as profitability by way of BMRE of this 100% export oriented spinning mill. Accordingly, we have tried heart and soul to implement BMRE programme in time. But due to some unavoidable circumstances we could not able to implement 100% of the BMRE programme. However, since we have already planned for the BMRE of your project and since BMRE work

have been implemented partially at about 33%. Later, with the consent of BSEC and due approval from the honourable shareholders in the 2nd EGM, it was decided to use / spend the remaining fund out of issuance of 'Right Share' for repayment of loan of the Bank/the Financial Institution. The table projected below will show a statement of expenditures of said fund & the same been granted unanimously by the shareholders.

Sl. no.	Description	Amount (in taka)
1.	Purchase of machinery	53,503,000/=
2.	3% Tax on premium	1,636,800/=
3.	Full repayment of loan of Lanka Bangla Finance Ltd.	23,500,000/=
4.	Partial repayment of loan of BDBL	24,860,000/=
5.	Partial repayment of loan of MTBL	50,652,000/=
6.	Partial repayment of loan of Rupali Bank Ltd.	9,000,000/=
7.	Partial repayment of loan of ICB	702,724/=
	Total =	163,864,524/=

Steps for Future

Future planning plays a vital role for the future improvement of the company. The Board of Directors chalked out the following plans for future:

- a) To introduce a modern system for selling / distribution of the finished goods for future year;
- b) To manage working capital without interest burden;
- c) To purchase more raw materials through deferred payment system;
- d) To solve power problem by using gas or to arrange power from private sector;
- e) To curtail administrative and general expenses by more austerity.

If the above plans are implemented in time, your company will be able to increased production, sales, profitability and to secure the best interest of the shareholders as well as it's management in order to ensure unhindered growth of the company in the years ahead.

Expectation for the year 2013

The year 2013 has started with a new horizon of hope. Because, after passing three years of a political government, we are expecting a development planning for the economic growth of the country. As a result, economic activities of the country are expected to gain momentum. This vibrant economic condition would certainly go in favour of textile industry. Under this circumstances, we do strongly believe that with the patronization and co-operation of our valued customers and shareholders, our efficient and energetic work force would be able to achieve significant growth in 2013.

Dividend

The company could not attain the targeted success in business because of unsurpassable obstacles in terms of power crisis, discriminatory rate of power, high price of raw cotton, devaluation of Taka, spare parts. Causing high cost of production on one hand and on the other hand, due to the world recession the sales price of finished goods fall down. As a result EPS come down at minimum position. Even under this situation, looking at the benefit of the shareholders, during the year 2012, the Board of Directors of the company have recommended 5% stock dividend from the current year earning and the same is being placed before your for approval.

Retirement of Directors and Re-election

The following persons acted as Directors of the company during the year under report:

Sl. No.	Name	Designation	Remarks
1.	Mrs. Rosy Rahman	Chairperson	Sponsor Director
2.	A.K.M Azizur Rahman	Managing Director	Sponsor Director
3.	Md. Bazlur Rahman	Dy. Managing Director	Sponsor Director
4.	Md. Khalilur Rahman Chowdhury	Director	Nominated by BDBL
5.	Md. Habibur Rahman	Director	Nominated by Rupali Bank Ltd.
6.	Md. Aminul Quader Khan	Director	Nominated by ICB
7.	Mohammad A. Hafiz	Independent Director	Appointed as per rules of BSEC.

Mr. Bazlur Rahman, Sponsor Director of the company is due to retire by rotation as per Articles no. 118 & 119 of Articles of Association of the company and being eligible for re-appointment offer herself for re-election as Director as per Article no. 120 of the Article of Association of the company.

It is to be noted that other three Directors (sl. no. 5, 6 & 7 of the above) nominated by the financial institutes who are not subject to retirement under purview of Articles no. 118 & 119 of Articles of Association of the company.

As such they would continue as Director till their institutions keeps its nomination in force and the Board of Directors appointed Mr. Mohammad A. Hafiz as per rules of BSEC.

Change in Board of Directors

Mrs. Rosy Rahman, Chairman/Sponsor Director of the company has tendered her resignation to the Board in the 105th meeting of the Board of Directors for retirement and accordingly her resignation has been accepted. Thus, the position of the Chairman is fallen vacant. In this context, the Board has elected Mr. A.K.M. Azizur Rahman, the present Managing Director for the position of Chairman and Mr. Bazlur Rahman, present Dy. Managing Director for the position of Managing Director of the company. This is being presented to the honourable shareholders for their information.

Human Resource Management

In respect of our national economy, it should be our principal goal to generate more and more employment. Under these circumstances, our company, in spite of being located at a less developed area like Barisal, a non-gas zone, has not only earned profit out of production but also has been able to ensure ample employment opportunity. We believe active participation of skilled manpower can make any endeavor successful. As Barisal is a backward area, at the beginning we had to face much difficulty in managing the project for lack of skilled manpower. But later we were successful in our endeavor to convert the manpower to a skilled one by various training and encouragements. Essential facilities like Fire Service, Day Care Center, Prayer Room is ensured in the factory to let the workers work unhindered. At present, in Unit 1, 2 & 3 there are total about 42 officers, 151 staff & 1,566 workers. We believe, you will be happy to know that the company is arranging regularly the cultural functions along with games and sports where participation of all working people is spontaneous, which has established a healthy working atmosphere in the company.

Corporate Governance

In recent time, corporate governance is widely discussed and taken into consideration all over the world. The main objective of corporate governance is to ensure publicizing the transparency and accountability through a mix of national and social responsibilities with the company's individual outcome. Referring the Notification No. SEC/CMRRCD/2006-158/Admin/02-08 dt. 20.02.2006 from Securities And Exchange Commission (SEC), it is to highlight here that the listed companies of Bangladesh have taken steps to culture such corporate governance. Accordingly, the Board of Directors of Sonargaon Textiels Ltd. has taken this notification into their consideration and in trail to that you look at your company's present status.

Appointment of Auditor

The tenure of the present Auditor M/S Ahmed Zaker & Co. Chartered Accountant of the company will expire during the 27th AGM. The said Auditor performed their responsibilities for 3 times at a stretch. As per rules of BSEC no Auditor can perform the designated responsibilities for more than 3 times at a stretch. Resultantly, the appointment for the new Auditor is to be effected during the 27th Annual General Meeting of the company. As such, appointment as statutory Auditors of the company for the year 2013 will have to be appointment with their remuneration.

Independent Director

The Board of Directors have appointed Mr. Mohammad A. Hafiz as the Independent Director of the company in compliance with the rules of BSEC. He has potentially in experience of capital market and it is expected that he will help the company soar in the way of its development.

Appreciation

I, on the behalf of the Board of Directors, extended my heartfelt thanks to all the buyers, suppliers, vendors, govt. Agencies, all the officers, staff & workers of the company. Banks & Financial institutions. I also express my warm felicitation to Bangladesh Development Bank Ltd. (BDBL), Rupali Bank Ltd., MTBL, ICB, SEC, DSE, CSE, BTMA and hon'ble shareholders of the company whose sincere co-operation has helped company's progress to a noticeable milestone.

Once again, I think all of you and cherish your continuous co-operation at all times.

May Allah help us in all respects.

Thank You.

On the behalf of the Board of Directors



Mrs. Rosy Rahman

Chairperson

CONTENTS OF AUDIT REPORT

Auditors' Report
Statement of Financial Position
Statement of Comprehensive Income
Statement of Changes in Equity
Cash Flow Statement
Notes to the Financial Statement
Schedule of Fixed Assets
Annexure



Auditors' Report

To the shareholder of Sonargaon Textiles Limited

We have audited the accompanying financial statements of Sonargaon Textiles Limited, which comprise the Statement of Financial Position as at December 31, 2012 along with Statement of Comprehensive Income, Statement of Changes in equity and Cash Flow Statements for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing, those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, based on our audit, the financial statements give a true and fair view of the financial position of Sonargaon Textiles Limited as of December 31, 2012 and of its financial performance for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act 1994, Securities and Exchange Rules 1987 and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

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 Comprehensive Income and Statement Cash Flows dealt with by the report are in agreement with the books of accounts;
- d) the financial position of the Company as at December 31, 2012 and the profit for the year then ended have been properly reflected in the Financial Statements, and the Financial Statements have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applicable in Bangladesh.
- e) the expenditures and payments made thereof incurred during the year were for the purposes of the business of the Company;

Emphasis of Matter

The company was compelled to cancel the purchase order equivalent to Tk. 26,443,738 worth of raw cotton from a supplier namely Olam International Ltd. due to sudden fall of cotton price globally. A litigation proceeding for settlement of the claim and counter claim before the Hon'ble Supreme Court was vacated awaiting court order due to amicable settlement made under an agreement dated 22.08.2012. An amount of Tk. 26,443,738 has been treated as provision for loss of raw material purchase in the financial statement of the company (Note-25).

Place: Dhaka
Date: May 13, 2013


Ahmed Zaker & Co.
Chartered Accountants

STATEMENT OF FINANCIAL POSITION

As at December 31, 2012

PARTICULARS	NOTE	Amount In Taka	
		Dec 31, 2012	Dec 31, 2011
Assets			
Non-Current Assets :		994,632,571	1,052,438,559
Property, Plant and Equipment	4.00	1,249,673,191	1,249,673,191
Less: Depreciation		255,040,620	197,234,632
		-	-
Total Non Current Assets		994,632,571	1,052,438,559
Current Assets :		907,057,348	907,313,385
Inventories	5.00	807,615,858	759,871,855
Trade Debtors	6.00	30,523,807	26,161,824
Advances, Deposits and Prepayments	7.00	11,898,344	8,149,876
Investment in FDR	8.00	56,500,000	110,000,000
Cash and cash equivalent	9.00	519,340	3,129,830
Current Liabilities and Provisions		469,014,594	654,799,985
Short Term Loans	10.00	233,496,256	300,346,689
Current Portion of Long Term Loan	11.00	18,528,137	61,399,164
Creditors and Provisions	12.00	212,613,525	288,030,993
Workers Profit Participation and Welfare Fund		200,000	1,090,880
Provision for Income Tax		4,176,676	3,932,259
Net Current Assets		438,042,754	252,513,400
Net Assets		1,432,675,325	1,304,951,960
Equity and Long term liabilities :			
Shareholders' Equity		913,207,098	906,095,177
Share Capital	13.00	252,067,200	229,152,000
Tax Holiday Reserve	14.00	-	-
Capital Reserve		5,373,570	5,373,570
Share Premium		54,560,000	54,560,000
Revaluation Reserve	15.00	575,444,991	603,150,934
Retained Earnings		25,761,337	13,858,673
Non-Current Liabilities		519,468,227	398,856,783
Long Term Loan	16.00	395,133,413	250,726,756
Liabilities for IDCP	17.00	-	14,987,878
Other Loans and Advances	18.00	71,435,379	78,612,870
Deferred Tax Liability	19.00	52,899,435	54,529,279
		1,432,675,325	1,304,951,960

The accounting policies and other notes from 1 to 26 form an integral part of these Financial Statements.

Approved by the board on May 13, 2013 and signed on its behalf by:



A. K. M. Azizur Rahman
Managing Director



Bazlur Rahman
Director



Md. Anwar Hossain
Company Secretary

Signed in terms of our separate report on the same date.

Dated: Dhaka
May 13, 2013



AHMED ZAKER & CO.
Chartered Accountants

STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2012

PARTICULARS	NOTE	Amount In Taka				
		AMOUNT IN TAKA			Dec 31, 2012	Dec 31, 2011
		UNIT - 1	UNIT - 2	UNIT - 3	TOTAL	TOTAL
A. Turnover	20.00	122,094,212	288,701,339	410,779,120	821,574,671	781,963,868
B. Cost of Goods sold	21.00	(109,075,000)	(251,521,085)	(353,972,944)	(714,569,029)	(661,298,258)
C Gross Profit (A-B)		13,019,212	37,180,255	56,806,176	107,005,642	120,665,610
D. Operating Expenses :						
Administrative Expenses	22.00	(3,092,241)	(7,360,508)	(10,317,583)	(20,770,332)	(21,212,105)
Selling & Distribution Expenses	23.00	(633,616)	(1,629,299)	(2,262,916)	(4,525,831)	(4,045,812)
Financial Expenses	24.00	(11,985,583)	(30,820,070)	(42,805,653)	(85,611,306)	(78,348,972)
Total Expenses		(15,711,440)	(39,809,877)	(55,386,151)	(110,907,469)	(103,606,889)
E. Operating Profit/(Loss) (C-D)		(2,692,228)	(2,629,623)	1,420,024	(3,901,826)	17,058,721
F. Non Operating Income	26.00	1,788,875	4,953,809	7,017,896	13,760,580	4,487,875
G. Net Profit/(Loss) (E+F)		(903,353)	2,324,186	8,437,920	9,858,754	21,546,596
H. Provision for WPPF		-	-	-	-	(890,880)
Provision for WWF		-	-	(200,000)	(200,000)	(200,000)
		-	-	(200,000)	(200,000)	(1,090,880)
I. Net Profit/(Loss) before tax (G-H)		(903,353)	2,324,186	8,237,920	9,658,754	20,455,716
Provision for Taxation						
Current Tax		(619,415)	(1,468,276)	(2,088,985)	(4,176,676)	(3,932,259)
Deferred Tax					1,629,844	-
J. Net Profit after tax		(1,522,768)	855,911	6,148,935	7,111,921	16,523,457
K. Profit as per last year					42,840,678	26,317,220
L. Balance Transferred to Balance Sheet (J+K)					49,952,599	42,840,678
Earning per share					0.28	0.72

The accounting policies and other notes from 1 to 26 form an integral part of these Financial Statements.

Approved by the board on May 13, 2013 and signed on its behalf by:



A. K. M. Azizur Rahman
Managing Director



Bazlur Rahman
Director



Md. Anwar Hossain
Company Secretary

Signed in terms of our separate report on the same date.

Dated: Dhaka
May 13, 2013



AHMED ZAKER & CO.
Chartered Accountants

STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2012

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Capital Reserve	Revaluation Reserve	Retained Earnings	Total Taka
As at 1 January, 2012	229,152,000	54,560,000	-	5,373,570	603,150,934	13,858,673	906,095,177
Share Capital Increase(Bonus)	22,915,200	-	-	-	-	-	22,915,200
Adjustment in Revaluation Reserve	-	-	-	-	(27,705,943)	27,705,943	-
Net profit 2012	-	-	-	-	-	7,111,921	7,111,921
Dividend 2011	-	-	-	-	-	(22,915,200)	(22,915,200)
As at 31 December 2012	252,067,200	54,560,000	-	5,373,570	575,444,991	25,761,337	913,207,098

STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2011

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Capital Reserve	Revaluation Reserve	Retained Earnings	Total Taka
As at 1 January, 2011	109,120,000	-	41,709,934	5,373,570	603,150,934	21,066,561	780,420,999
Share Capital Increase(Bonus)	10,912,000	-	-	-	-	-	10,912,000
Share Capital Incr (Right Issue)	109,120,000	-	-	-	-	-	109,120,000
Share premium Account	-	54,560,000	-	-	-	-	54,560,000
Tax Holiday Reserve transferred to Retained Earnings	-	-	(41,709,934)	-	-	41,709,934	-
Adjustment made in the year (Defred Tax)	-	-	-	-	-	(54,529,279)	(54,529,279)
Net profit 2011	-	-	-	-	-	16,523,457	16,523,457
Dividend 2010	-	-	-	-	-	(10,912,000)	(10,912,000)
As at 31 December 2011	229,152,000	54,560,000	-	5,373,570	603,150,934	13,858,673	960,624,456

The accounting policies and other notes from 1 to 26 form an integral part of these Financial Statements.
Approved by the board on May 13, 2013 and signed on its behalf by:


A. K. M. Azizur Rahman
Managing Director


Bazlur Rahman
Director

Signed in terms of our separate report on the same date.


Md. Anwar Hossain
Company Secretary


AHMED ZAKER & CO.
Chartered Accountants

Dated: Dhaka
May 13, 2013

STATEMENT OF CASH FLOWS

For the year ended December 31, 2012

PARTICULARS	Amount In Taka	
	Dec 31, 2012	Dec 31, 2011
A. Cash Flows from Operating Activities :	(68,630,318)	44,380,250
Collection from Turnover & Others	817,212,688	807,047,499
Payment to Suppliers and Employees	(809,441,360)	(686,858,390)
Cash Generated from Operation	7,771,329	120,189,109
Collection from other income	13,760,580	4,487,875
Interest Paid	(85,611,306)	(78,348,972)
Income Tax Paid	(4,550,921)	(1,947,762)
B. Cash Flows from Investing Activities :	53,500,000	(165,408,500)
Acquisition of property Plant & Equipment	-	(55,408,500)
Encashment of FDR	53,500,000	(110,000,000)
C. Cash Flows from Financing Activities :	12,519,828	123,525,503
Issue of Share Capital through Right Issue	-	109,120,000
Collection from Share Premium	-	54,560,000
Long Term Loan received (paid)	86,547,752	(43,377,048)
Long Term Loan (IDCP) Paid	-	(2,704,102)
Other Loans and Advances Received (Paid)	(7,177,491)	5,926,653
Short Term Loan Paid	(66,850,433)	-
Increase/(decrease) in Cash and Cash Equivalent (A+B+C)	(2,610,490)	2,497,253
Cash and Cash Equivalent at Opening	3,129,830	632,577
Cash and Cash Equivalent at Closing	519,340	3,129,830

The accounting policies and other notes from 1 to 26 form an integral part of these Financial Statements.

Approved by the board on May 13, 2013 and signed on its behalf by:



A. K. M. Azizur Rahman
Managing Director



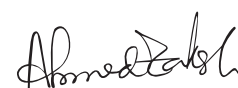
Bazlur Rahman
Director



Md. Anwar Hossain
Company Secretary

Signed in terms of our separate report on the same date.

Dated: Dhaka
May 13, 2013



AHMED ZAKER & CO.
Chartered Accountants

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2012

1.00 Legal status and nature of the company-Disclosure under BAS 1 “Presentation of Financial Statement”.

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-1, 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 Sena Kalyan Bhaban (19th Floor), 195, Motijheel C/A, Dhaka, 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 1,822 as against 1,757 in the year 2011.

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, 2012 with the comparative amounts as at December 31, 2011 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 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 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.

The company has made calculation of the deferred tax assets and liabilities during the year. No provision of deferred tax made in the previous year. However, provision related to previous year deferred tax has been accounted for during the year by way of adjustment with the retained earnings.

2.11 Borrowing Cost

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

2.12 Revenue Recognition:

The revenue during the year represents revenue arising out of the sale of yarn (domestic sales and deemed export) net of 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".

2.13 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.

2.14 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.

2.15 Leases**Measurement of Lease payment**

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

2.16 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.

2.17 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).

The Board of Directors has declared 5% stock dividend (Bonus Share) out of the share premium account, which was recommended by the Board of Directors in their meeting held at the company head office on May 13, 2013 in the next 27th Annual General Meeting (AGM) for confirmation by the shareholders.

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 May 13, 2013 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 December 31, 2012.
- (ii) Statement of Comprehensive Income for the year ended December 31, 2012.
- (iii) Statement of Changes in equity for the year ended December 31, 2012.
- (iv) Statement of Cash Flows for the year ended December 31, 2012.
- (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 calendar year from January 01, 2012 to December 31, 2012.

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 2011 have been rearranged whenever considered necessary to ensure comparability with the current year.

		Amount In Taka	
		Dec 31, 2012	Dec 31, 2011
4.00	Property, Plant and Equipment (Unit 1,2 & 3): TK. 994,632,571		
	This is made up as follows :		
	Cost as on 01.01.2012	1,249,673,191	1,194,264,691
	Add:Addition during the year	-	55,408,500
		1,249,673,191	1,249,673,191
	Less: Disposal during the year	-	-
		1,249,673,191	1,249,673,191
	Less: Accumulated Depreciation as on 01.01.12	197,234,632	135,041,041
		1,052,438,559	1,114,632,150
	Less: Depreciation during the year	57,805,988	62,193,591
	Balance as at 31.12.2012	994,632,571	1,052,438,559
	Details are shown in the Schedule-1, 2, 3 & 4		
5.00	Inventories: TK. 807,615,858		
	This is made up as follows :		
	Goods in transit-Raw Materials	4,762,431	4,521,547
	Goods in transit-Spare Parts	2,421,525	2,542,142
	Raw Cotton	578,122,043	509,963,057
	Finished Goods	198,676,530	229,076,220
	Work in Process	14,351,013	5,375,440
	Spare Parts	5,124,236	4,582,144
	Packing Materials	2,625,436	2,556,432
	Waste Cotton	1,532,644	1,254,873
		807,615,858	759,871,855
6.00	Trade Debtors: TK. 30,523,807		
	This is made up as follows :		
	Above 180 days	22,977,479	18,615,496
	Below 180 days	7,546,328	7,546,328
		30,523,807	26,161,824
	Details are Shown in the following schedule:		
	Name	Address	
	Trass Impex	2 S.M Maleh Road,Tanbazar,N.Gonj	11,412,229
	Utpal Traders	Madhabdi Bazar, Narshingdi	9,524,156
	Haque Traders	Madhabdi Bazar, Narshingdi	2,352,415
	Max Enterprise	53 S.M Maleh Road,Tanbazar,N.Gonj	2,495,470
	S.H.Trading	16 S.M Maleh Road,Tanbazar,N.Gonj	4,008,923
	S. M. Trading	32 S.M Maleh Road,Tanbazar,N.Gonj	730,614
			30,523,807
			26,161,824
7.00	Advance, Deposits & Prepayments: TK. 11,898,344		
	This is made up as follows :		
	Advance Income Tax	6,653,499	2,102,578
	Security Deposit (Note: 7.01)	5,109,574	5,908,027
	Advance against Salary & Wages	125,426	116,528
	VAT/Excise duty paid in advance	9,845	22,743
		11,898,344	8,149,876

			Amount In Taka	
			Dec 31, 2012	Dec 31, 2011
7.01 Security Deposit: TK. 5,109,574				
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)			125,000	125,000
Security Deposit to Sena Kalyan Bhaban (Against Rent)			1,434,816	1,434,816
Security Deposit To ICB(1st Installment)			341,308	341,308
Security Deposit to Lanka Bangla Finance Ltd. (1st Installment)			-	798,453
			5,109,574	5,908,027
8.00 Investment in FDR: TK. 56,500,000				
Fixed Deposit Receipt (FDR)			56,500,000	110,000,000
			56,500,000	110,000,000
<u>Name of Bank</u>	<u>FDR No</u>			
Dutch Bangla Bank Ltd, Nababpur Branch	104-502-6910		30,000,000	-
Trust Bank Ltd, SKB Branch	30330028533		13,900,000	-
Trust Bank Ltd, SKB Branch	30330028542		12,600,000	-
Trust Bank Ltd, SKB Branch	10126		-	13,900,000
Trust Bank Ltd, SKB Branch	104125		-	23,500,000
Trust Bank Ltd, SKB Branch	104127		-	12,600,000
Trust Bank Ltd, SKB Branch	104124		-	30,000,000
Dutch Bangla Bank Ltd, Nababpur Branch	0208926		-	30,000,000
			56,500,000	110,000,000
9.00 Cash and Cash Equivalent: TK. 519,340				
This is made up as follows :				
Cash in hand			60,807	268,950
Cash at Bank (Note-9.01)			458,533	2,860,880
			519,340	3,129,830
9.01 <u>Name of the Bank</u>	<u>Branch</u>	<u>A/C No</u>		
Dutch Bangla Bank Ltd.	Motijheel Foreign Exc	1051201231	159,047	74,644
Dutch Bangla Bank Ltd.	Motijheel Foreign Exc	1051101893	3,401	20,901
National Bank Ltd.	Tanbazar Branch	0010-33009916	354	1,464,022
Mutual Trust Bank Ltd.	Principal Branch	20320000653	2,241	33,115
One Bank Ltd.	Principal Branch	5011472011	-	804
Basic Bank Ltd.	Main Branch	216010000398	272,495	261,516
Rupali Bank Ltd.	Local Office	240001719	17,239	923,572
Rupali Bank Ltd.	Barisal Branch	C/D-1050217	1,586	48,091
Rupali Bank Ltd.	Barisal Branch	C/D-5193	118	118
National Bank Ltd.	Barisal Branch	C/D-2278	-	32,162
Dutch Bangla Bank Ltd.	Barisal Branch	127110855	2,052	1,935
			458,533	2,860,880

			Amount In Taka	
			Dec 31, 2012	Dec 31, 2011
10.00	Short Term Loan From Bank (Secured): TK. 233,496,256			
	This is made up as follows :			
		Rate of Interest		
	Loan Account and type	Nature of securities		
	Rupali Bank, CC Hypo, A/C # 52-9-0	Hypothecation of General stores.	16.00%	
			13,787,087	10,692,296
	Rupali Bank, CC Hypo (special), A/C # 52559	Special Loan		7,517,853
	Rupali Bank, CC Pledge, A/C # 51-1-2	Pledge of Raw Materials and Finished Goods.	13.00%	
			108,911,375	105,386,882
	Trust Bank Limited SOD	FDR	15.50%	
	LTR (Mutual Trust Bank Ltd.)	Personal Guarantees of Directors	13.50%	
			4,950,150	
			105,847,644	176,749,658
			233,496,256	300,346,689
11.00	Current Portion of Long Term Loan (Secured): Tk18,528,137			
	This is made up as follows :			
	Long Term Loan with BDBL Unit-1		-	3,404,802
	Long Term Loan with BDBL Unit-2		-	967,402
	Long Term Loan with BDBL & RBL Unit-3		15,430,627	50,883,712
	Lease loan with Lanka Bangla Finance		-	2,395,359
	IDCP loan with RB Unit-3		-	3,406,581
	Lease loan with ICB		3,097,510	341,308
			18,528,137	61,399,164
	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. Interest rate against those loans is 17.00% p.a.			
12.00	Creditors & Provision: TK. 212,613,525			
	This is made up as follows :			
	Outstanding Expenses (Note 12.01)		34,966,903	36,483,770
	Outstanding Audit fees		75,000	75,000
	Sundry Creditors		155,663,312	250,346,788
	Outstanding claim for Raw cotton(Olam International)		21,282,879	
	Other Creditors-Unpaid Dividend		625,431	1,125,435
			212,613,525	288,030,993
12.01	Outstanding Expenses: TK. 34,966,903			
	This is made up as follows :			
	Electricity bill (Factory)		10,178,930	5,176,299
	Salary & Wages (Factory)		5,061,758	6,524,825
	Salary & Allowance employees		1,245,236	1,245,236
	Overtime (Factory)		220,541	425,463
	Labour Bill		2,351,421	3,524,852
	Carring Bill		2,524,154	3,515,248
	Other Miscellaneous Items		2,242,351	3,524,582
	Expenses for Local Purchases(Spare Parts, Packing Mat.& Others)		11,142,512	12,547,265
			34,966,903	36,483,770

		Amount In Taka	
		Dec 31, 2012	Dec 31, 2011
12.02 Schedule of Sundry Creditors: TK. 155,663,312			
Name	Address		
P.N Enterprise	2, S.M Maleh Road, Tanbazar ,N.gonj	39,622,576	68,286,979
Ringku international	56,S.M Maleh Road, Tanbazar ,N.gonj	42,205,005	78,030,938
Ratan Enterprise	103 S.M Maleh Road, Tanbazar ,N.gonj	37,168,351	67,652,400
Adib Enterprise	Plot # 16,Block# D,Mill Gate,Tongi,Dhaka	1,625,436	1,725,482
A.I.S Enterprise	Shop # 35,125, Iqble Road,M.pur , Dhaka	425,135	352,456
Amir Electronic	131/2, B.C Road Nababpur,Dhaka.	3,652,425	3,525,463
Axis Textiles engineering	H # 2, L # 13,B # A,Sec-10,Mirpur,Dhaka.	1,125,436	1,254,639
Cargo Control (BD) Pet Ltd.	69 Dilkusha C/A , Dhaka.	2,953,621	3,625,426
C.H Graphics	75,Arambagh, Motijheel,Dhaka-1208	1,242,532	525,463
Chittagong Fiber Board	125,Andor Killa,Chittagong	254,693	254,693
Dawood Sultan Co	113/B,Tejgaon Ind.Area, Dhaka-1208	2,543,925	2,854,639
Delcot Enterorise	House #125,Road#13,Block#E,Banani,Dhaka	254,631	254,631
Euro Trade	Road#7Block#plot#52,Eastern Banasree,Dhaka	1,325,246	1,082,456
HIS Inspection Serices(BD) ltd.	66, Dilkusha C/A Dhaka	14,258	14,258
Lipika	365, Jatrabad, Mohammadpur,Dhaka-1207	125,463	125,463
Mahin Enterprise	130, B.C Road,Nawabpur Road,Dhaka	725,473	824,563
Musum Enterprise	Shop # 6,107, Nawabpur Road, Dhaka	635,287	725,364
New Diamount Plastic	Shop # 9,218, Nawabpur Road, Dhaka	1,935,248	1,823,684
Nuhan Engineering	128,Bonogram Road,Dhaka	2,395,154	2,356,148
Popular Spring&Engineering	4,Juriatuli, Nababpur,Dhaka	725,415	637,258
Popular Trades(Narayangonk)	46/1 Old Jimkhana, Narayangonk	3,125,469	3,226,358
Riyad Light House	131,B BCC Road,Dhaka	526,426	526,426
Royal inspection Int.	58/A-B Purana Paltan,Dhaka-1000	325,312	225,461
Rumman Spring&Machineries	128,Bonogram, Nawabpur Road,Dhaka	3,507,281	3,524,621
S.B Courier	127,Motijhee,Dhaka	12,546	12,546
Sifat Bearing & Machineries	Shop # 8,107, Nawabpur Road, Dhaka	325,346	325,346
Simul Traders	63/A,Railway Commercial Plot,Shajahanpur,Dhaka	632,534	425,369
Sincos Engineers ltd.	156,Lake Circus, Kalabagan,Dhaka	325,143	321,546
Square Informatix Ltd.	House #25,Road#12,m Dhanmondi,Dhaka	-	-
Standard Sprung Industries	78,Nawabpur Road, Dhaka	3,252,458	3,524,152
The Golden Engineering Works	1/A Jorpur Lane,Dhaka	725,341	523,621
Paragon International	Amir Villa,Benpole Jessore	1,625,485	1,526,358
Preision Inpection& Service	294,DIT Road.Rampura,Dhaka	214,236	142,156
Shiny Shipping	125, Agrabad,Chittagong	-	-
Trim Trade	Hakim Mini Super market, 180 Stand Road,CTG.	110,425	110,425
		155,663,312	250,346,788
13.00 Share Capital: TK. 252,067,200			
The break up is as follows			
	 Holders	 Shares	
a) 11,228,960 ordinary shares of 10 each paid by sponsors	7	11,228,960	112,289,600
b) Group summary of other shareholders			
Description of the group			
Foreign Investors	3	7,855	78,550
Financial Institutions (ICB & others)	99	5,089,992	50,899,920
Group Employee	-	-	-

	<u> Holders </u>	<u> Shares </u>	<u> Amount In Taka </u>	
			<u> Dec 31, 2012 </u>	<u> Dec 31, 2011 </u>
General Public	4,008	8,553,315	85,533,150	81,473,500
Investment Accounts, ICB, Dhaka	26	178,368	1,783,680	1,309,500
Investment Accounts, ICB, Ctg	1	12,727	127,270	136,700
Investment Accounts, ICB, Rajshahi	1	12,211	122,110	120,100
Investment Accounts, ICB, Khulna	1	4,136	41,360	37,600
Investment Account, ICB, Sylhet	1	1,265	12,650	11,500
Investment Account, ICB, Barisal	2	2,357	23,570	35,100
Investment Account, ICB, Local	-	-	-	-
ICML Accounts, ICB, Dhaka	1	77,264	772,640	214,400
ICML Accounts, ICB, Barisal	-	-	-	143,000
ICML Accounts, ICB, Ctg	-	-	-	-
ICML Accounts, ICB, Bog	1	15,155	151,550	120,500
ICML Accounts, ICB, Khulna	1	100	1,000	10,000
ICML Accounts, ICB, Rajshai	2	23,015	230,150	161,500
ICML Accounts, ICB, Dhaka	1	-	-	702,400
Sub Total	4,148	13,977,760	139,777,600	123,616,000
Grand Total	4,155	25,206,720	252,067,200	229,152,000
14.00 Tax Holiday Reserve: TK 0				
This is made up as follows				
Opening Balance			-	41,709,934
Less: Transfer to Retained Earnings			-	41,709,934
			-	-
15.00 Revaluation Reserve: TK 575,444,991				
This is made up as follows :				
Opening balance			603,150,934	603,150,934
Add: Revaluation surplus during the year			-	-
			603,150,934	603,150,934
Less: Adjustment upto this year			27,705,943	
Closing balance			575,444,991	603,150,934
This amount represents as per last years accounts				
16.00 Long Term Loan (Not due secured): TK 395,133,413				
This is made up as follows				
UNIT-1				
BDBL loan account # 59/237/0080			-	-
BDBL Term Loan # 59/237/0091			-	18,879,000
			-	18,879,000
UNIT-2				
BDBL loan account # 59/237/0081			-	5,322,089
			-	5,322,089
UNIT-3				
BDBL Term Loan # 59/237/0095			-	32,082,000
BDBL Term Loan # 59/237/0096 (R)			-	59,938,289

	Amount In Taka	
	Dec 31, 2012	Dec 31, 2011
BDBL Term Loan # 59/237/00105	201,335,591	35,504,457
MTBL-Term loan-1	53,157,878	-
MTBL-Term loan-2	33,372,821	-
Rupali Bank Loan account (Principal)	102,926,344	67,375,957
Lanka Bangla Finance Ltd.-Lease Loan	-	21,914,096
Lease Loan ICB	4,340,779	9,710,868
	395,133,413	226,525,667
Grand Total (Unit 1+2+3)	395,133,413	250,726,756

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. Interest rate against those loans is 17.00% p.a.

17.00 Liabilities for IDCP(Secured): TK. 0

This is made up as follows

Payable to Rupali Bank Limited, Rupatoli Branch, Barisal
for IDCP loan of Unit-3

Total

	-	14,987,878
Total	-	14,987,878

The loan facilities availed from Rupali Bank Limited for Unit-3 against mortgage of Company's Fixed Assets and personal guarantees of all sponsor Directors. These face interest @17% p.a.

18.00 Other Loans and Advances:TK. 71,435,379

This is made up as follows

Opening balance

Add: Received during the year

Less: Paid during the year

Closing balance

	78,612,870	72,686,217
	71,435,379	78,612,870
	(78,612,870)	(72,686,217)
Closing balance	71,435,379	78,612,870

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

19.00 Deferred Tax Liabilities: TK. 52,899,435

This is made up as follows

Opening balance

Add: Addition during the year

Less: Adjustment during the year

Closing balance

	54,529,279	-
	-	54,529,279
	54,529,279	54,529,279
	1,629,844	-
Closing balance	52,899,435	54,529,279

20.00 Turnover/Sales: TK. 821,574,671

This is made up as follows :

Particulars	Dec 31, 2011		Dec 31, 2011	
	Quantity Lbs	Taka	Quantity Lbs	Taka
Local sales of yarn	92,593	5,292,000	570,991	66,045,000
Less: VAT		82,198		388,500
		5,209,802		65,656,500
Add : Export of Yarn	5,476,827	816,364,869	4,002,054	716,307,368
Total turnover (Net)		821,574,671		781,963,868

21.00 Cost of Goods Sold: TK. 714,569,029

This is made up as follows :

Particulars	Quantity	Amount In Taka			Amount In Taka		
		Lbs	Unit-1	Unit - 2	Unit - 3	Dec 31, 2012	Dec 31, 2011
						TOTAL	TOTAL
WIP as on 01.01.2012	76,792	752,562	1,935,158	2,687,720	5,375,440	8,095,440	
Add: Raw cotton input (Note-21.01)	4,829,633	64,413,849	165,635,612	230,049,461	460,098,922	570,122,693	
	4,906,425	65,166,411	167,570,770	232,737,181	465,474,362	578,218,133	
Less :WIP as on 31.12.2012	177,173	2,009,142	5,166,365	7,175,507	14,351,013	5,375,440	
Wastage recovery	321,214	498,069	1,280,750	1,778,819	3,557,638	2,349,160	
	498,387	2,507,211	6,447,114	8,954,325	17,908,651	7,724,600	
Raw Material Consumed	4,408,038	62,659,200	161,123,656	223,782,856	447,565,711	570,493,533	
Add: Factory Overhead (Note-25)		42,159,843	79,453,540	114,990,244	236,603,627	235,431,200	
Cost of Production	4,408,038	104,819,043	240,577,197	338,773,099	684,169,339	805,924,733	
Add : Stock of Yarn as on 01.01.12	2,633,060	32,070,671	82,467,439	114,538,110	229,076,220	84,449,745	
	7,041,098	136,889,714	323,044,636	453,311,209	913,245,559	890,374,478	
Less: Stock of Yarn as on 31.12.12 (Note-21.02)	1,471,678	27,814,714	71,523,551	99,338,265	198,676,530	229,076,220	
Cost of Goods Sold	5,569,420	109,075,000	251,521,085	353,972,944	714,569,029	661,298,258	

21.01 Raw Cotton Input: TK. 460,098,922

This amount comprises as follows :

Particulars	Dec 31, 2012		Dec 31, 2011	
	Quantity (lbs)	Value	Quantity (lbs)	Value
Stock of Raw cotton as on 01.01.2012	8,520,686	509,963,057	8,290,887	373,089,915
Add : Raw cotton purchased during the year	4,873,718	528,257,908	5,607,891	706,995,835
	13,394,404	1,038,220,965	13,898,778	1,080,085,750
Less : Stock of raw cotton as on 31.12.2012	(8,564,771)	(578,122,043)	(8,520,686)	(509,963,057)
Input of Raw cotton during the year	4,829,633	460,098,922	5,378,092	570,122,693

21.02 Stock: 1,471,678 lbs

This is made up as follows :

Particulars	Dec 31, 2012		Dec 31, 2011	
	Quantity in Lbs	Quantity in Lbs	Quantity in Lbs	Quantity in Lbs
Opening balance		2,633,060		1,876,661
Add: Production during the year		4,408,038		5,329,444
		7,041,098		7,206,105
Less: Sales during the year :				
Local	92,593		570,991	
Export	5,476,827	5,569,420	4,002,054	4,573,045
Closing balance		1,471,678		2,633,060

22.00 Administrative Expenses: TK. 20,770,332

This is made up as follows :

Particulars	AMOUNT IN TAKA			Amount In Taka	
	Unit-1	Unit - 2	Unit - 3	Dec 31, 2012	Dec 31, 2011
				Total	Total
Directors' Remuneration	159,391	409,863	569,254	1,138,508	1,138,508
Salary & allowances (Note-22.01)	1,207,560	3,105,153	4,312,713	8,625,425	8,554,258
Overtime	22,181	57,037	79,218	158,436	145,281
Bonus (Note-22.01)	115,565	297,166	412,731	825,461	814,523

Particulars	Amount In Taka			Amount In Taka	
	Amount In Taka			Dec 31, 2012	Dec 31, 2011
	Unit-1	Unit - 2	Unit - 3	Total	Total
Traveling & conveyance	107,121	275,453	382,574	765,147	523,458
Printing & Stationery	35,754	91,939	127,693	255,386	273,867
Car Maintenance	29,535	75,948	105,484	210,967	184,572
Subscription (BTMA)	13,229	34,019	47,248	94,496	81,680
Subscription (BCI & BAPLC)	4,200	10,800	15,000	30,000	42,000
Newspaper & periodicals	3,773	9,702	13,475	26,950	25,135
Uniform	4,099	10,541	14,640	29,280	603,390
Postage	5,142	13,224	18,366	36,732	62,543
Entertainment	38,845	99,887	138,732	277,463	355,872
Insurance (vehicle)	6,458	16,607	23,065	46,130	32,728
Telephone & Mobile Bill	71,508	183,876	255,384	510,768	530,390
License & renewals	19,361	49,785	69,147	138,293	69,505
Work Permit Fee	2,800	7,200	10,000	20,000	12,000
Rent, Rate & Taxes	4,988	12,825	17,813	35,625	22,550
Advertisement	18,732	48,168	66,901	133,801	295,650
WASA Bill/Water Bill	6,100	15,685	21,785	43,569	37,190
Photocopy expenses	13,521	34,770	48,291	96,582	95,824
Fax charges	10,156	26,115	36,271	72,542	85,458
Miscellaneous Expenses	56,084	144,216	200,300	400,600	325,436
Office Rent	278,487	716,109	994,597	1,989,193	1,760,005
Donation & others	23,308	59,935	83,243	166,485	215,425
Repairs & maintenance (Vehicles)	24,323	62,545	86,868	173,735	131,988
Directors meeting expenses	24,705	63,526	88,231	176,462	311,822
AGM Expenses	122,625	315,321	437,946	875,892	681,768
Documentation expenses	15,743	40,482	56,225	112,450	124,731
Audit fees	10,500	27,000	37,500	75,000	75,000
Legal expenses	4,305	11,070	15,375	30,750	114,325
Leave benefits	24,639	63,359	87,998	175,996	45,821
Right Issue Expenses	132,138	339,783	471,921	943,841	1,546,234
Business Development expenses	43,600	112,113	155,713	311,425	315,242
Subscription for DSE & CSE	27,291	70,178	97,469	194,938	90,000
E-mail expenses/IT	19,348	49,752	69,100	138,200	45,832
Medical expenses	18,403	47,321	65,724	131,447	125,425
Training expenses	4,376	11,252	15,628	31,256	60,216
Welfare	16,097	41,393	57,491	114,981	12,581
Depreciation (Schedule-4/A)	346,251	299,392	510,477	1,156,120	1,243,872
Total	3,092,241	7,360,508	10,317,583	20,770,332	21,212,105

22.01 Salaries & Allowances and Bonus: TK. 9,450,886

This amount comprises as follows :

Particulars	Decem 31, 2012		Decem 31, 2011	
	Employees	Amount in Taka	Employees	Amount in Taka
a) Up to Tk. 3,000 Per Month	10	1,205,762	10	1,123,657
b) Above Tk. 3,000 Per Month	71	8,245,124	71	8,245,124
	81	9,450,886	81	9,368,781

22.00 Selling and Distribution Expenses: TK. 4,525,831

Particulars	Amount In Taka			Amount In Taka	
	Amount In Taka			Dec 31, 2012	Dec 31, 2011
	Unit-1	Unit - 2	Unit - 3	Total	Total
Carriage outward	633,616	1,629,299	2,262,916	4,525,831	4,045,812
Total	633,616	1,629,299	2,262,916	4,525,831	4,045,812

24.00 Financial Expenses: TK. 85,611,306

This amount comprises as follows :

Particulars	Amount In Taka			Dec 31, 2012	Dec 31, 2011
	10,500	Unit - 2	Unit - 3	Total	Total
Interest on Term Loan	4,627,130	11,898,336	16,525,466	33,050,932	31,154,714
Interest on Lease Loan	921,103	2,368,551	3,289,654	6,579,308	5,668,444
Interest on CC Loan	6,402,394	16,463,300	22,865,695	45,731,389	41,139,112
Bank charges & commission	34,955	89,884	124,839	249,677	386,702
Total	11,985,583	30,820,070	42,805,653	85,611,306	78,348,972

25.00 Factory Overhead:TK. 236,603,627

This amount comprises as follows :

Particulars	Amount In Taka			Dec 31, 2012	Dec 31, 2011
	Unit-1	Unit - 2	Unit - 3	Total	Total
Salary & allowance and wages (Note:25.01)	7,171,773	18,441,703	25,613,476	51,226,952	54,796,344
Bonus	478,928	1,231,528	1,710,456	3,420,912	3,272,565
Carriage Inward	175,611	451,571	627,183	1,254,365	1,124,523
Electricity	11,272,415	28,986,210	40,258,625	80,517,250	71,060,406
Stores & Spares	581,135	1,494,348	2,075,484	4,150,967	8,871,879
Packing Materials	1,235,425	3,176,807	4,412,232	8,824,463	11,960,819
Insurance	242,504	623,582	866,086	1,732,172	1,167,219
Oil & Lubricant	195,581	502,922	698,503	1,397,005	1,440,117
Overtime expenses	36,435	93,690	130,126	260,251	466,831
Repair & Maintenance	87,463	224,905	312,368	624,736	664,224
Leave benefits & gratuity	14,133	36,341	50,474	100,948	140,603
Loss on Fire insurance claim	-	-	-	-	19,515,951
Loss on purchase of raw cotton	3,702,123	9,519,746	13,221,869	26,443,738	-
Depreciation (Schedule-4/A)	16,966,317	14,670,187	25,013,364	56,649,868	60,949,719
Total	42,159,843	79,453,540	114,990,244	236,603,627	235,431,200

25.01 Salary & Allowances and Wages: TK. 51,226,952

This amount comprises as follows :

Particulars	Dec 31, 2012		Dec 31, 2011	
	Employees	Amount in Taka	Employees	Amount in Taka
a) Up to Tk. 3,000 Per Month	1,420	38,774,421	1,420	42,343,813
b) Above Tk. 3,000 Per Month	258	12,452,531	258	12,452,531
	1,678	51,226,952	1,678	54,796,344

26.00 Non-Operating Income TK.13,760,580

	Dec 31, 2012	Dec 31, 2011
This amount comprises as follows :	Total	Total
Dividend Received from CDBL	456,945	200,000
Interest income	115,510	1,062,875
Interest on FDR	13,188,125	3,225,000
	13,760,580	4,487,875

SCHEDULE OF FIXED ASSETS

(Property, Plant & Equipment)

As at 31 December' 2012

Schedule-1

UNIT-1

SL. NO.	PARTICULARS	COST		RATE OF DEPR.	DEPRECIATION				Written Down Value as of 31-12-2012
		Balance as of 01-01-2012	Addition during the year		Balance as of 31-12-2012	During the year	Adjustment/ Transfer	Balance as of 31-12-2012	
1	Land & Land Development	103,803,963	-	-	-	-	-	-	103,803,963
2	Building & Construction	64,478,714	-	5%	3,414,429	3,053,214	-	6,467,643	58,011,071
3	Plant & Machinery	240,978,096	-	7%	40,199,896	14,054,474	-	54,254,370	186,723,726
4	Furniture & Fixture	1,152,613	-	15%	1,044,713	16,185	-	1,060,898	91,715
5	Motor Vehicles	2,125,620	-	20%	2,044,516	16,221	-	2,060,737	64,883
6	Sundry Assets	6,218,436	-	20%	5,356,064	172,474	-	5,528,538	689,898
	Total	418,757,442	-		52,059,618	17,312,568	-	69,372,186	349,385,256

SCHEDULE OF FIXED ASSETS

(Property, Plant & Equipment)

As at 31 December' 2012.

UNIT-2

Schedule-2

SL. NO.	PARTICULARS	COST		RATE OF DEPR.	DEPRECIATION				Written Down Value as of 31-12-2012
		Balance as of 01-01-2012	Addition during the year		Balance as of 31-12-2012	During the year	Adjustment/ Transfer	Balance as of 31-12-2012	
1	Land & Land Development	29,806,774	-	0	-	-	-	-	29,806,774
2	Building & Construction	43,972,124	-	5%	2,619,081	2,067,652	-	4,686,733	39,285,391
3	Plant & Machinery	187,460,340	-	7%	28,320,023	11,139,822	-	39,459,845	148,000,495
4	Machinery-Leased	27,644,064	-	7%	13,551,506	986,479	-	14,537,985	13,106,079
5	Furniture & Fixture	5,377,188	-	15%	4,522,709	128,172	-	4,650,881	726,307
6	Motor Vehicles	6,913,366	-	20%	4,598,098	463,054	-	5,061,152	1,852,214
7	Sundry Assets	6,994,554	-	20%	6,072,554	184,400	-	6,256,954	737,600
	Total	308,168,410	-		59,683,971	14,969,579	-	74,653,550	233,514,860

SCHEDULE OF FIXED ASSETS

(Property, Plant & Equipment)

As at 31 December' 2012

UNIT-3

SL. NO.	PARTICULARS	COST			RATE OF DEPR.	DEPRECIATION			Written Down Value as of 31-12-2012
		Balance as of 01-01-2012	Addition during the year	Balance as of 31.12.2012		Balance as of 01-01-2012	During the year	Adjustment/ Transfer	
1	Land & Land Development	56,436,763	-	56,436,763	-	-	-	-	56,436,763
2	Building & Construction	74,320,462	-	74,320,462	5%	3,505,689	-	7,712,374	66,608,088
3	Plant & Machinery	340,627,208	-	340,627,208	7%	20,146,451	-	72,967,217	267,659,991
4	Machinery-Leased	43,934,981	-	43,934,981	7%	1,453,732	-	24,621,114	19,313,867
5	Furniture & Fixture	716,916	-	716,916	15%	25,122	-	574,560	142,356
6	Sundry Assets	6,711,009	-	6,711,009	20%	392,848	-	5,139,619	1,571,390
	Total	522,747,339	-	522,747,339		25,523,841	-	111,014,884	411,732,455

CONSOLIDATED SCHEDULE OF FIXED ASSETS

(Property, Plant & Equipment)

As at 31 December' 2012

SL. NO.	PARTICULARS	COST			DEPRECIATION			Written Down Value as of 31-12-2012	
		Balance as of 01-01-2012	Addition during the year	Balance as of 31.12.2012	Balance as of 01-01-2012	During the year	Adjustment/ transfer		Balance as of 31.12.2012
1	Unit 1 (Sch-1)	418,757,442	-	418,757,442	52,059,618	17,312,568	-	69,372,186	349,385,256
2	Unit 2 (Sch-2)	308,168,410	-	308,168,410	59,683,971	14,969,579	-	74,653,550	233,514,860
3	Unit 3 (Sch-3)	522,747,339	-	522,747,339	85,491,043	25,523,841	-	111,014,884	411,732,455
	Grand Total	1,249,673,191	-	1,249,673,191	197,234,632	57,805,988	-	255,040,620	994,632,571

APPORTIONMENT OF DEPRECIATION:

SL. No.	Unit/Division	Amount in Taka	
		Factory	Head Office
1	Unit -1	16,966,317	346,251
2	Unit -2	14,670,187	299,392
3	Unit -3	25,013,364	510,477
		56,649,868	1,156,120
			57,805,988

Status of compliance with the conditions imposed by the Securities and Exchange Commission notification no. SEC/CMRRCD/2006-158/Admin/02-08 dated February 20, 2006

Condition No	Title	Compliance Status	Explanation for non compliance with the condition
1.1	Board's Size: Board Members should not be less than 5 (five) and more than 20(twenty)	Complied	
1.20(i)	Independent Director: At least 1/10 th	Complied	
1.2(ii)	Appointment of Independent Director by elected Directors	Complied	
1.3	Individual Chairman of the Board, Chief Executive, clearly defined roles and responsibilities	Complied	
1.4(a)	Fairness of Financial Statements	Complied	
1.4(b)	Maintenance of proper Books of Accounts	Complied	
1.4(c)	Adaptation of appropriate Accounting Policies and Estimates	Complied	
1.4(d)	Compliance of International Accounting Standard	Complied	
1.4(e)	Soundness of Internal Control System	Complied	
1.4(f)	Ability to continue as going concern	Complied	
1.4(g)	Significant deviation from last period	Complied	
1.4(h)	Presentation of last three periods data	Complied	
1.4(i)	Declaration of Dividend	Complied	
1.4(j)	Details of Board Meeting	Complied	
1.4(k)	Shareholding pattern	Complied	
21.1	Appointment of CFO, Head of Internal Audit and company secretary and defining of their respective roles, responsibilities and duties	Complied	
2.2	Attendance of CFO and the Company Secretary at Board of Directors Meeting	Complied	
3.00	Audit Committee:	Complied	
3.1(i)	Constitution of Committee	Complied	
3.1(ii)	Constitution of committee with Board members including one independent Director	Complied	
3.1(iii)	Filing of casual vacancy in committee	Complied	
3.2(i)	Chairman of the committee		
3.2(ii)	Professional qualification and experience of the Chairman of the committee	Complied	
3.3.1(i)	Reporting to the Board of Directors	Complied	
3.3.1(ii)(a)	Reporting of conflict of interest of the Board of Directors	Complied	
3.3.1(ii)(b)	Reporting of any fraud or irregularity to the Board of Directors	No such matter to report	
3.3.1(ii)(c)	Reporting of violation of laws to the Board of Directors	No such matter to report	
3.3.1(ii)(d)	Reporting of any other matter to the Board of Directors	No such matter to report	
3.3.2	Reporting of qualified point to commission	No such matter to report	
3.4	Reporting of activities of the Shareholders and General Investors	There is no such event	
4.00	External/statutory/auditors:	Complied	
4.00(i)	Non engagement in appraisal or valuation	Complied	
4.00(ii)	Non engagement designing of financial information system	Complied	
4.00(iii)	Non engagement in Book keeping	Complied	
4.00(iv)	Non engagement in broker dealer service	Complied	
4.00(v)	Non engagement in actuarial service	Not applicable	
4.00(vi)	Non engagement in internal audit	Complied	
4.00(vii)	Non engagement in any other services	Complied	

Composition of Shareholdings

Annexure-I

The distribution schedule showing the number of shareholders and their shareholding in percentage are as follows:

Shareholding Range in number of shares	Number of Holders		% of Total Holders		Number of Shares		% of Share capital	
	2012	2011	2012	2011	2012	2011	2012	2011
1 to 5000	3736	3082	89.96	89.67	4,244,422	3,440,680	16.84	15.01
5000 to 50000	393	330	9.46	9.71	4,565,976	3,964,530	18.12	17.30
50001 to 100000	14	15	0.34	0.38	933,842	1,063,190	3.70	4.64
100001 to 200000	3	3	0.07	0.03	497,473	450,430	1.97	1.97
200001 to 400000	1	1	0.02	0.03	286,088	260,080	1.14	1.14
400001 to 500000	1	1	0.02	0.03	459,789	417,990.00	1.82	1.82
500001 to 1000000	1	1	0.03	0.03	590,777	537,070	2.34	2.34
Over 1000000	4	4	0.10	0.12	13,628,353	12,781,230	54.07	55.78
	4,153	3,437	100.00	100.00	25,206,720	22,915,200	100	100.00

Annexure-II

Related Party Disclosure

Related party is the party who has significant power on the company's management affairs and cast a significant influence 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	Mrs. Rozy Rahman	Chairman	Loan paid to company	14,545,821
2	Md. A. K. M. Azizur Rahman	Managing Director	Loan paid to company	32,437,023
3	Mr. Bazlur Rahman	Director	Loan paid to company	24,452,535

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	Applied
Property, Plant and Equipment	16	Applied
Leases	17	N/A
Revenue	18	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of 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	N/A
Investment in Associates	28	Applied
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	Applied
Operating Segments	8	N/A

Annexure-IV

The Director also report that

- ▶ The financial statement of the company present true and fair view of the Company state of affairs, result of its operations, cash flows and changes in equity.
- ▶ Proper books of accounts as required by law have been maintained.
- ▶ Appropriate accounting policies have been followed in formulating the financial statements and accounting estimates were reasonable and prudent.
- ▶ The financial statement was prepared in accordance with International Accounting Standard (IAS) as applicable in Bangladesh.
- ▶ The internal control system is sound in design and effectively implemented and monitored.
- ▶ There are no significant doubts upon the Company's ability to continue as a going monitored.
- ▶ There is no significant deviation from the operating result of the last period.
- ▶ The number of board meetings and the attendance of directors during the year ended December 31, 2012 were as follows:

Name of Directors	Position	No. of Meeting Held	Attended
Mrs. Rosy Rahman	Chairperson	05	05
Mr. A.K.M Azizur Rahman	Managing Director	05	05
Mr. Bazlur Rahman	Director	05	05
Mrs. Rita Rahman	Director	05	02
Mr. Md. Habibur Rahman	Director (Nominated by Rupali Bank Ltd.)	05	03
Mr. Md. Khalilur Rahman Chowdhury	Director (Nominated by BDBL)	05	04
Mr. Md. Aminul Quader Khan	Director (Nominated by ICB.)	05	03
Mr. Mohammad A. Hafiz	Director (Independent)	05	01

- ▶ During the year Mrs Rita Rahman Director of the Company has resigned from post of director as per SEC Ref no SEC/SRMIC/94-231/503
- ▶ The Pattern of shareholding (along with the name wise detail) of parent / subsidiary / associated companies and other related parties, Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouse and minor children, Executives, Shareholders 10% or more voting interest in the company as at December 31,2012 were as stated in Annexure-V.

Annexure-V

Shareholding pattern as on December 31, 2012

Particulars	No. of Share Held	Percentage	Remark
Parent Company			The Company is no subsidiary of any company
Directors:			
Mr. A.K.M Azizur Rahman	4,953,192	19.65%	
Mr. Bazlur Rahman	2,106,533	8.36%	
Mrs. Rosy Rahman	3,126,160	12.40%	
Chief Financial Officer (CFO) and his spouse and minor children.	-	-	
Chief Executive Officer (CEO) and his spouse and minor children.	-	-	
Head of Internal Audit and his spouse and Minor Children:	-	-	
Executive (Top salaried persons other than CEO, CFO, CS, HIA):	-	-	
Shareholders Holding 10% or more voting right:	-	-	
ICB Unit Fund	3,442,468	13.66%	

Key information and financial data of last three years in summarized form

Particulars	Dece 31, 2012	Dece 31, 2011	Dece 31 2010
Turnover	821,574,671	781,963,868	724,013,901
Cost of goods sold	714,569,029	661,298,258	614,271,453
Gross Profit	107,005,642	120,665,610	109,742,448
Operating expenses	25,296,163	252,579,917	90,456,492
Finance cost	85,611,306	78,348,972	66,439,636
Operating income	(3,901,826)	17,058,721	19,285,956
Other income	13,760,580	4,487,875	251,425
Net profit before WPPF	9,858,754	21,546,596	19,537,380
Contribution-WPPF	200,000	890,880	974,422
Net profit before tax	9,658,754	20,455,716	18,362,958
Provision for income tax	2,546,832	3,932,259	2,926,078
Net profit after tax	7,111,921	16,523,457	15,436,881
Total Assets	1,901,689,919	1,959,751,944	1,625,967,136
Total fixed assets	994,632,571	1,052,438,559	1,059,223,650
Total current assets	907,057,348	907,313,385	566,743,486
Total current liabilities	469,014,594	654,799,985	461,064,136
Total long term liabilities	466,568,792	344,327,504	311,795,784
Current ratio	1.93	1.39	1.23
Shareholders equity	913,207,098	960,624,456	780,420,999
Earning per share (Restated)	0.28	0.79%	0.84%
Dividend per share (DPS)	5%	10%	10%
Market Price (DSE)	20.00	35.10	1,220
Price Earning Ratio (Restated)	71.43	44.30	145.00



Khansons Centre

37, Kawran Bazar, Dhaka



SONARGAON TEXTILES LTD.

a member of khansons group

Sena Kalyan Bhaban (19th Floor), 195, Motijheel C/A, Dhaka-1000, Bangladesh
Tel : 9551100, 9569239, Fax : 88-02-9564883, E-mail : info@khansongroup.com
website : www.khansongroup.com