ARGON

ARGON DENIMS LIMITED

Competence and Reliability is our motto









ANNUAL REPORT 2024-25



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LETTER OF TRANSMITTAL

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

SUB: ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE, 2025

Dear Sirs,

We are pleased to enclose a copy of the Annual Report together with the Audited Financial Statements comprising Financial Position as at June 30, 2025 and Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June, 2025 along with notes thereon of Argon Denims Limited for your reference and record.

Yours truly,

Md. Moniruzzaman Bhuiyan
Company Secretary



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VISION

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

MISSION

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

STRENGTHS

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

OBJECTIVES

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

OPPORTUNITIES

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

NOTICE FOR THE 19TH ANNUAL GENERAL MEETING



Notice is hereby given that the **19th Annual General Meeting** of Argon Denims Limited will be held on Thursday 18 December 2025 at 10:30 A.M. by using digital platform (https://argondenim.bdvirtualagm.com) to transact the following business:

AGENDA

1. **Adoption of Audited Financial Statements and Reports of Directors and Auditors**
   To receive, consider and adopt the Audited Financial Statements together with the Auditors' Report thereon and the Directors' Report for the year ended 30 June 2025
2. **Declaration of Dividend**
   To consider and declare Cash Dividend @ 10% for the year ended 30 June 2025 as recommended by the Board of Directors
3. **Election / Re-election/ Appointment/ Re-appointment of Directors**
   To elect/re-elect/appoint/re-appoint Directors in places of those who shall retire in accordance with the provisions of the Companies Act 1994 and the Articles of Association of the Company.
4. **Approval of Remuneration of Directors**
   To consider and approve monthly remuneration of two newly appointed directors and increased monthly remuneration of two existing directors
5. **Appointment of Independent Director(s)**
   To consider and approve the appointment of Independent Director(s) of the Company
6. **Appointment of Statutory Auditors**
   To consider appointment of Statutory Auditors of the Company for the year 2025-26 and to continue until conclusion of the 20th AGM and to fix their remuneration.
7. **Appointment / Re-appointment of Corporate Governance Auditors**
   To consider appointment/re-appointment Corporate Governance Auditors of the Company for the year 2025-26 and to continue until conclusion of the 20th AGM and to fix their remuneration.
8. **Approval of Related Party Transactions**
   To consider approval for purchase of Yarn as Raw Materials from Argon Spinning Ltd., a sister concern of Argon Denims Limited under common directorships, for the year 2024-25 and similar transactions during the year 2025-26.

By Order of the Board

Md. Moniruzzaman Bhuiyan
Company Secretary
Dhaka, 19 November 2025





NOTES:

1. **The Record Date is 23 November 2025**. Shareholders whose names will appear in the Register of Members or in the Depository Register on the Record Date will be eligible to attend the AGM and qualify for Dividend.

2. Shareholders entitled to participate and vote at this virtual AGM may appoint a proxy to participate and vote. Scanned copy of the 'Proxy Form', duly filled, signed and stamped for BDT 100 must be sent through email to monir@argondenims.com not later than 72 hours before commencement of the AGM.

3. Softcopy or the link for downloading soft copy of the Annual Report 2024-25 will be sent to the Member's respective email addresses as available with us. The Annual Report 2024-25 and Proxy Forms are also will be available in the website at www.argondenims.com .

4. The Shareholders are requested to join The Virtual Annual General Meeting using their Laptop, PC, Mobile or Tab proving their respective Name, 16-Digit BO ID and No. of Shares. The detailed Procedures and link of Digital Platform will be available in the Company's website www.argondenims.com.

5. The concerned brokerage houses & merchant bankers are requested to provide us with a statement with the details (shareholders name, BO ID number, e-TIN number, gross dividend receivable, applicable tax rate, and net dividend receivable) of their margin loan holders who hold shares of the Company as on the Record Date, along with the name of the contact person in this connection. The brokerage houses & merchant bankers are also requested to provide us with their Bank Account Title, Account number, routing number etc. on or before 14th December 2025.

6. The concerned trustee board of approved superannuation fund or pension fund or gratuity fund or recognize provided fund or workers participation fund are requested to provide us update tax rebate certificate on or before 14th December 2025.

7. **No gift or benefit in cash or kind shall be paid to the holders of equity securities in terms of Clause (c) of the Notification No. SEC/SRMI/2000-953/1950 dated 24 October 2000 for attending the AGM of the Company.**

CORPORATE DIRECTORY



Board of Directors

Chairperson
Shabnam Shehnaz Chowdhury (Non-Executive Director)

Managing Director
Anwar-ul Alam Chowdhury (Chief Executive Officer)

Directors

Abu Kawser Majumder	Director Finance
A.K. Gouhor Rabbani	Director Marketing
Md. Akhter Shahid	Non-Executive Director
Shah Adeeb Chowdhury	Director Support Service
Shah Rayeed Chowdhury	Director Production
Sanjana Shehnaz Chowdhury	Director Financial Analysis
Farhan Majumder	Director Digital Marketing
Md. Giash Uddin FCA	Independent Director
Dr. Ardhendu Shekhar Roy	Independent Director

Board Committies

Audit Committee

Md. Giash Uddin FCA	Chairman
Dr. Ardhendu Shekhar Roy	Member
Md. Akhter Shahid	Member

Nomination and Remuneration Committee

Md. Giash Uddin FCA	Chairman
Dr. Ardhendu Shekhar Roy	Member
Md. Akhter Shahid	Member

Key Managerial Personnel

Company Secretary
Md. Moniruzzaman Bhuiyan

Chief Financial Officer (CC)
Md. Nasir Uddin Khan

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





Statutory Auditors
M/s Pinaki & Co.
Chartered Accountants

Corporate Governance Auditors
M/s SARashid & Associates
Chartered Secretaries

Legal Advisor
Shah Muhammad Ezaz Rahman
Advocate, Bangladesh Supreme Court

Bankers
ONE Bank PLC.
Mercantile Bank PLC.
Bank Alfalah
Prime Bank PLC.
BRAC Bank PLC.
Mutual Trust Bank PLC.
Midland Bank PLC.

Insurers
Agrani Insurance Company Ltd.
Global Insurance Ltd.

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

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

Factory Address
Vill/Mouza: Beraiderchala
PO: Gilaberaid, PS: Sreepur
Dist: Gazipur, Bangladesh

Financial Highlights
AT A GLANCE

1
EXPORT
5,621.62
Million

2
GROSS PROFIT
512.74
Million

3
PROFIT BEFORE TAX
295.65
Million

4
PROFIT AFTER TAX
232.74
Million

5
SHAREHOLDERS' EQUITY
3,412.45
Million

6
TOTAL ASSETS
6,727.47
Million

7
TOTAL CURRENT ASSETS
5,213.88
Million

8
TOTAL CURRENT LIABILITIES
3,062.33
Million

9
CURRENT RATIO
1.70





THE COMPANY

Argon Denims Limited (ADL) was incorporated as a Private Limited Company on 13 July 2006 under the Companies Act 1994. The Company was converted into a Public Limited Company on 31 May 2011 and was subsequently listed with both the Dhaka Stock Exchange PLC and the Chittagong Stock Exchange PLC in 2013. The Registered Office of the Company is located at Plot-33, Section-7, Mirpur, Dhaka-1216, while the Corporate Office operates from Lotus Kamal Tower- ONE (Level-6), 57 Joar Sahara, Nikunja-2, New Airport Road, Dhaka-1229. The Company's manufacturing facility is situated in Sreepur, in the Gazipur district of Bangladesh.

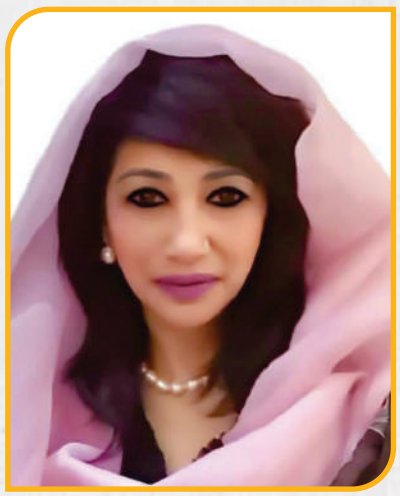
ADL commenced its commercial operations in March 2008.The factory was set up with 36 looms along with separate Warping, Sizing and Dyeing, Finishing unit. Company installed its own Power Generator and other necessary facilities. Subsequently 12 more air jet looms and separate Mercerizing units were added in 2010. In addition 54 sets and 9 sets new high speed Weaving Looms were added in 2012 and March 2015 respectively. At present the factory is equipped with 111 looms, 1 set Warping, 1set Dyeing and 1set Finishing Machine, along with all necessary utility facilities.

The factory produces high quality Fabrics in 100% Cotton, Cotton Stretch, Cotton Polyester and Cotton Polyester Stretch which are made in optics like Slub, Crosshatch, Mixed counts and Regular with various weaves like Plain, Twill, Broken Twill and Herringbone. These are offered in different finishes like pre shrunk, flat, over-dyed and coated. Our dyeing line is equipped for Light and Dark Indigo, Sulphur Black, SBIT, IBST with casts and colors. The Company mainly produces medium and premium range denim fabrics in various weights ranging from 4.5 oz to 13 oz. The present production capacity (RFD) is 18.38 million yards. The fabrics produced at the factory are sold to different export oriented RMG factories through the nomination of ultimate foreign buyers of finished garments. Advanced production equipment, strict quality control systems, robust sample development capability and well established design and marketing network contribute to our growing reputation in this industry. More and more branded enterprises appear in our customer's list.

Share Capital Structure:

Particulars	June 30, 2025	June 30, 2024
Authorized Capital: 200,000,000 ordinary shares of Tk. 10 each	2,000,000,000	2,000,000,000
Issued, Subscribed and fully paid up: 138,888,606 ordinary shares of Tk. 10 each	1,388,886,060	1,388,886,060

DIRECTORS' PROFILES



Shabnam Shehnaz Chowdhury
Chairperson

Ms. Shabnam Shehnaz Chowdhury is the daughter of prominent Professor Dr. Muhammad Sirajul Islam & Ms. Sakina Siraj & wife of Mr. Anwar-ul Alam Chowdhury. She has obtained her Master's Degree from University of Dhaka on department of Islamic History & Culture.

She has got wide working experience in Management, actively involved on HR & Internal Audit Departments of RMG & Textile Industries. She is also the Chairperson of Argon Denims Ltd., Vice Chairman of Evince Textiles Ltd. and Argon Spinning PLC, Managing Director of Miniso BD Ltd. & Evince Retail Ltd.

Presently Ms. Shabnam Shehnaz Chowdhury is the General Secretary of Alumni of department of Islamic History & Culture of Dhaka University, Member of Inner Wheel Club of Gulshan, and Executive Committee Member of Gulshan Ladies Community Club. She is actively associated with various cultural and philanthropic organizations.



Anwar-ul Alam Chowdhury
Managing Director

Mr. Anwar-ul Alam Chowdhury, a prominent and a visionary businessman of Bangladesh is the Managing Director of Evince Group, President of Bangladesh Chamber of Industries (BCI), Ex-President of Dhaka University Alumni Association (DUA), Director of FBCCI, Executive Board Member of International Chamber of Commerce (ICC) & Bangladesh Foreign Trade Institute (BFTI).

He was born in Dhaka on 23rd November, 1959 in a respectable Muslim family. He completed his S.S.C. education from Dhaka Government Laboratory High School, H.S.C. education from Dhaka College and Bachelors of Management from Dhaka University. Furthermore, to pursue Master of Business Administration, he went to the USA.

In the year 1983, he returned to his home soil with an inspiration to establish a business house. Being a visionary, he was able to recognize the future prospects of the Ready Made Garments (RMG) Industry for Bangladesh. From a small venture "Evince Garments Ltd." beginning in 1983, he has successfully diversified the operations, both vertically and horizontally, through his vision and tenacity. The group now has a total of 11 industries. Out of which, the Garments, Textile, Design and Fashion and Retail Business & employing more than 10,000 employees.

Mr. Anwar-ul Alam Chowdhury has been associated with the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) for the last 40 years and was the President of BGMEA for the term 2007-2009. During his tenure as the President of BGMEA, his achievements were significant. He was also the Director of FBCCI during the year 2006-2007.

As a part of his Corporate Social Responsibility, he is involved and regularly contributes to the various welfare activity programs. He is a member of Gulshan Shooting Club, Gulshan Youth Club and Kurmitola Golf Club. As a social person he is a member of Uttara Club, Banani Club and life member of Bangladesh Diabetic Association. He contributed in stagey and policy building for social and economic development of Bangladesh.







Abu Kawser Majumder
Director

Mr. Abu Kawser Majumder is recognized as a skilled businessman, successfully running the conglomerates of Argon Denims Ltd., Evince Textiles Ltd., and Argon Spinning Ltd. with visionary, dynamic leadership, strong principle and self- motivation. Having MBA from IBA, Dhaka University, he commenced his business odyssey starting with Evince Group back in 2005. Mr. Majumder's proactive skills drove him towards his successful tenure as the Director of Argon Denims Ltd in June 2006. His passion confined to business sector and philanthropy. He is a positive and hardworking individual who is always striving to achieve the highest standard possible. Also dedicated and proactive businessperson, he is prompt at thinking outside–the-box and coming up with innovative ideas and innovated solutions.

Mr. A. K. Gouhor Rabbani completed his MBA from Islamic University, Chittagong. He has gathered vast working experiences with different internationally reputed textiles and garments organizations since 1994-97 through practical working knowledge in RMG production and from 1997 to till date in Sales and Marketing wing in textiles sector. He is an expertise in Marketing and export arena. He is one of the experienced professional of Argon Denims Ltd. holding more than 35 years working knowledge in Apparel and Textiles fields. He is giving invaluable contribution to the industry as well as the company. Being a bonafide businessman he possesses in shareholdings several industrial undertakings. He is also the Managing Director of Argon Spinning PLC.



A.K. Gouhor Rabbani
Director



Md. Akhter Shahid
Director

Mr. Md. Akhter Shahid completed his Bachelor's Degree in 1983. He has mainly worked in the marketing arena and has gathered vast experience in this in this field. He joined Argon Denims Limited in 2006. He mainly looks after the Merchandising department of the company and therefore plays a vital role in the negotiations with the buyers. He possesses share holdings in several industrial undertakings.

Mr. Shah Adeeb Chowdhury earned a diploma from MDIS institute of Singapore and shortly after having completed a course in NIFT Textile design, Finished his graduation on Business Management from EIILM, Business School. He immediately joined Evince Group and currently oversees production, Quality and IT in the Garments' Division and serves as esteemed Director on board of Miniso Bangladesh Ltd., NOIR (Evince Retail Ltd.), Evince Textiles Ltd, Argon Denims Ltd. and Argon Spinning PLC Being an integral part of Evince Group, Mr. Adeeb is constantly forecasting new avenues of strengthening the pillars of development and success.



Shah Adeeb Chowdhury
Director







Shah Rayeed Chowdhury
Director

Mr. Shah Rayeed Chowdhury is a young, hardworking, humble, and visionary business entrepreneur who stands at the forefront of Bangladesh's rapidly advancing economic growth, representing the new wave of youth leadership. Mr. Rayeed firmly believes that the time has come for Bangladesh's young business leaders to take bold, strategic steps to accelerate the country's progress and excellence.

Born on October 3, 1990, Shah Rayeed Chowdhury hails from a distinguished and highly respected business family in Bangladesh. His father, Mr. Anwar-ul-Alam Chowdhury Parvez, is the Chairman of Evince Group, a prominent figure in the media, former President of BGMEA, current President of the Bangladesh Chamber of Industries (BCI), former President of the Dhaka University Alumni Association, former Director of FBCCI, and an Executive Board Member of both the International Chamber of Commerce (ICC) and Bangladesh Foreign Trade Institute (BFTI). His mother, Mrs. Shabnam Shehnaz Chowdhury is the DMD - Evince Group. President of Alumni Association of Islamic History and Culture Dept. of DU, Secretary of Gulshan Ladies Community Club, President of Inner Wheel Club of Gulshan Inner Wheel District 328, President of Amra Nari and EC Member of BD History Parishad, DU. Mr. Rayeed has inherited his parents' strong ethical business values.

After completing his A-Levels from Scholastica in 2009, Mr. Rayeed pursued higher education in the United States, graduating with top honors (Cum Laude) in Business Management from the Lubin School of Business at Pace University in 2013, earning the Dean's List distinction every academic year. He further enhanced his entrepreneurial acumen through the Inspiring Entrepreneurial Strategy program at Harvard Business School and, in 2024, completed the Entrepreneurs Organization Growth Forum certificate at London Business School.

Upon completing his distinguished education, Mr. Rayeed returned to Bangladesh in 2013 with the dream of becoming an entrepreneur. His passion for entrepreneurship had been alive within him from an early age, and he chose to start from the ground up, joining Lanka Bangla Finance Limited. There, he successfully led several business ventures, significantly contributing to the company's rapid growth. Fueled by the confidence he gained, he joined the family business, Evince Group, in 2014 as Director, overseeing the group's garments division.

At Evince Group, Mr. Rayeed quickly showcased his visionary and dynamic leadership, providing influential and inspirational direction to the group's key enterprises — Evince Garments,



Evince Limited, Evitex Apparels, and Evitex Dress Shirt Limited. After securing success across these ventures, he expanded his role to include Evince Textiles Limited, Argon Denims Limited, and Argon Spinning Limited, where he continues to serve as a proud and highly effective director. Notably, Evince Textiles Limited and Argon Denims Limited are both well-known public limited companies listed on the DSE and CSE.

With hands-on experience in the textile and apparel sectors, Mr. Rayeed swiftly recognized the immense business potential in Bangladesh's fashion industry. Seizing this opportunity, he formally launched Evince Group's own apparel brand, Noir, in July 2014. The brand quickly captured the market's attention, earning a reputation for delivering premium-quality and stylish apparel across Bangladesh. Today, Noir remains a favorite among consumers and is frequently worn by some of the country's most prominent celebrities. His success in spinning and branded apparel helped him weave all of Evince Group's ventures into a cohesive and thriving enterprise.

As a bold risk-taker, Mr. Rayeed also foresaw the potential for retail expansion in Bangladesh's lifestyle sector. Having observed the global rise of MINISO since 2013, he seized the opportunity to introduce this highly popular brand to the Bangladeshi market. In April 2018, he secured the master franchise for MINISO Bangladesh, where the brand was enthusiastically welcomed by consumers across all segments. Today, MINISO operates numerous outlets in prime locations in Dhaka and beyond, and under Mr. Rayeeed's leadership, it has become one of Bangladesh's leading lifestyle brands. At MINISO's annual global event in China, MINISO Bangladesh was honored as one of the Top 100 stores among 7,500 across 110 countries. Additionally, under his stewardship, MINISO Bangladesh has earned the Best Performance Award, Best Culture Award, and Best Marketing Award.

Adding another major achievement to his success story, Mr. Rayeed, together with his elder brother Mr. Shah Adeeb Chowdhury (a fellow director at Evince Group), established Evitex Dress Shirt Limited in 2020. Today, it stands as one of Bangladesh's largest and most environmentally friendly garment factories. The factory has been awarded the globally acclaimed "LEED Platinum" Version 4.1 certification for excellence and works with some of the world's top apparel buyers. Additionally, Evitex Dress Shirt Limited received the Green Factory 2023 Award from the Labour and Employment Ministry of Bangladesh. Bangladesh is now recognized as the country with the highest number of eco-friendly garment factories globally, and Evitex Dress Shirt Limited is proudly among its leading examples. As of June 2025, Evitex Apparels Limited has achieved Gold Certification under the LEED v4.1 Operations and Maintenance. This certification stands as an example of excellence in sustainability in the rapidly growing RMG industry of Bangladesh. This bold venture by the two brothers has become yet another remarkable success in their growing portfolio.

Mr. Rayeed has been elected as BGMEA Director for the year 2025-27 and with unwavering dedication, he has been driving business success and strengthening the market position of BGMEA.

Mr. Rayeed firmly believes that Bangladesh is on the threshold of unprecedented business opportunities. Guided by the values of integrity, principles, and innovation he inherited from his esteemed parents, he envisions a future where young entrepreneurs will drive Bangladesh's economic growth at an even faster pace and elevate the nation to global prominence. As a charismatic speaker, inspiring entrepreneur, and tireless worker, Mr. Rayeed continues to devote himself to implementing and expanding his current and future ventures, making him one of Bangladesh's most dynamic young business leaders.

With a vision to combine the wisdom and experience of the older generation with the energy and courage of the youth, Mr. Rayeed's ultimate goal is to make Bangladesh's garment industry even more dynamic, forward-looking, and technologically advanced, ready to meet the challenges of the future.







Sanjana Shehnaz Chowdhury
Director

Ms. Sanjana Shehnaz Chowdhury holds a Master of Science in Business Analytics from Loyola Marymount University, Los Angeles, and a Bachelor of Business Administration in Finance with minors in Economics and Chinese. Her academic background equips her with strong expertise in data analytics, financial planning, and international business.

She currently serves as a Director at Evince Group, where she is actively involved in financial strategy, ERP system development, and leveraging data-driven insights for operational efficiency. Her prior role as a Junior Investment Analyst at BD Venture Ltd. included due diligence, valuation analysis, and investment planning.

Ms. Chowdhury brings to the Board of Argon Denims Ltd. a dynamic blend of analytical skills, strategic thinking, and exposure to both local and international corporate practices. Her areas of focus include digital transformation, system optimization, risk management, and strategic financial oversight. She is expected to contribute significantly to the company's long-term growth, innovation, and value creation for shareholders.

Mr. Farhan Majumder holds a Bachelor's degree in Communication and Media Studies from Texas Tech University, with specialization in strategic communication, digital media, and consumer behavior. He brings robust experience in digital marketing, outbound sales, and business development across both B2B and B2C sectors.

Mr. Majumder's expertise lies in data-driven marketing strategies, CRM-based customer engagement, and international market development. His experience in Western markets positions him as a strategic asset in supporting Argon Denims' global expansion, particularly in North America and Latin America. He is expected to contribute significantly to digital marketing, branding, stakeholder engagement, and global marketing transformation efforts.



Farhan Majumder
Director



Md. Giash Uddin FCA
Independent Director

Mr. Md. Giash Uddin FCA, Born in Noakhali in 1959, Mr. Giash earned his Hon's and Master's degrees in Accounting from Dhaka University-- achieving first class in both, and was awarded ICAB Silver Medal for securing the top position in the CA Intermediate exam in his first attempt. He also secured positions in the merit list in both SSC and HSC examinations under the Comilla Board. A fellow Chartered Accountant Mr. Giash began his career with largest sector corporation BCIC and subsequently moved to private sector-- Federal Insurance PLC, Essential Drugs Company Ltd., Novartis Bangladesh, PRAN Group, Social Marketing Company (SMC) and STS Group. After a continuous service in responsible progressive top management positions for about 37 years in renowned private group companies, Govt. owned including multinational company, Mr. Giash finally took retirement on 28 February, 2023 from the position of CFO STS Group (owner of Apollo hospitals Dhaka-currently Evercare Hospital, ISD, DPS and Glenrich International School) and Mr. Giash started professional Chartered accountancy practice from 16 March, 2023. Mr. Giash has had experience in all facets of financial management and accounting, planning & control, budgeting, corporate legal matters and governance, company secretarial functions, corporate financing and reporting, internal audit, cost & budget, project preparation and approval, corporate taxation etc. A widely travelled professional Mr. Giash participated in various local and international training, seminar, workshops, meeting and conferences mostly on professional development, leadership and strategic business areas. With his deep knowledge, proven integrity, and broad experience across sectors, Mr. Md. Giash Uddin brings valuable insight and expertise to the Board of Argon Denims Ltd as an Independent Director. He is currently an Independent Director of Federal Insurance PLC as well.

Dr. Ardhendu Shekhar Roy is one of the Independent Directors of Argon Denims Limited. He completed his Master's in Management from University of Dhaka then he obtained MBA in Health Care Management from IBAIS University, Dhaka in 2007. Mr. Roy is the former Bangladesh Civil Service Cadre Officer in the post of Assistant Commissioner in 1988. Since then he worked in the field administration in different districts up to October, 2003 and thereafter he worked in different ministries up to May, 2016. On 22nd May, 2016 he joined the Ministry of Disaster Management & Relief as Joint Secretary and worked there for 18 months. Since 1988 he worked in different areas of administrative services for long 15 years such as magistracy, land acquisition, local govt. administration and district and upazila administration. From 2003 up to his retirement he worked in different ministries. As Independent Director Since early 10 November 2019.



Dr. Ardhendu Shekhar Roy
Independent Director





KEY SENIOR PERSONNEL



Hasan Ahmed Chowdhury
Chief Operating Officer

Mr. Hasan Ahmed Chowdhury joined Argon Denims Limited in 2007. He is a Business Professional and accomplished his MBA from IBA, Dhaka University in 1996. He has a vast track record in Apparel, Spinning, Woven Textiles, and Denim Fabric both in Marketing and Production for the last 28 years. Prior to joining Argon Denims Limited he was involved in Top Management in reputed companies like Beximco, Hamid Fabrics, etc. He has a significant contribution to Argon Denims Limited to bring the company to its present position. Currently he is working as the Chief Operating Officer for Argon Denims Ltd.

Mr. Md. Atiqul Aktar joined Argon Denims Ltd. Since 2008. He is leading the Evince Marketing team as Executive Director (Marketing) He completed his BBA from International Islamic University Malaysia (IIUM). Back in 2001, he started his career in Textiles Marketing with Beximco Textiles Ltd., where he was handling some key European customers like ZARA, H&M, C&A, Marks and Spencer / Mexx, Mango, Carrefour. As a team leader of Evince Marketing, Mr. Aktar maintains regular contacts with all key buyers, such as ZARA, H&M, C&A, Tesco, Next, M&S, Target, Springfield, Jack & Jones, and Esprit etc. While conducting the marketing & order execution, regularly visits the Dhaka offices of these key customers & also frequently visits abroad to maintain the great business flow. Mr. Aktar believes in a great team effort with prompt actions but at the same time he patronizes to a great friendly & lively work environment which happens to be appreciated by the business partners & his own team.



Md. Atiqul Aktar
Executive Director
(Marketing)



Md. Moniruzzaman Bhuiyan
Company Secretary

Mr. Md. Moniruzzaman Bhuiyan has completed Chartered Accountancy Course on 30th June 2002 from M/s M. J. Abedin & Co, Chartered Accountants and a country leading Chartered Accountants firm associated with Moore Stephens International Limited. He has started his professional career from 2003 with the BEXIMCO Textiles Division as Executive, Accounts & Finance Department. He has more than 20 years practical experience in the country's large manufacturing industries in the area of Company's Secretarial affairs, Internal Audit, Inventory Control, Finance & Accounts, Commercial, Procurement, Taxation, VAT and Custom Bond. He obtained a wide range experience in different fields of the textile sector. He obtained training on Financial Management and Effective Supervisory Management. He joined Argon Denims Limited in 2007.

Mr. Md. Nasir Uddin Khan holds a BBA in Finance and Accounting from East West University and completed the Knowledge Level (CA Intermediate) from ICAB in 2013. He began his career in the same year with Argon Denims Ltd. as an Executive in the Accounts and Finance Department. With over 12 years of comprehensive experience in Finance and Accounts, Internal Audit, Taxation, VAT and Customs Bond Management, Inventory Control, Commercial Operations, and Procurement, Mr. Khan has built a strong foundation in both financial management and operational oversight. He has also enhanced his professional capabilities through multiple training programs on corporate governance compliance and regulatory frameworks related to Customs and VAT. His broad expertise, commitment, and leadership play a vital role in strengthening the company's financial integrity and driving operational excellence.



Md. Nasir Uddin Khan
Chief Financial Officer (CC)





Mr. A.K.M Selim Reza Joined Argon Denims Limited in 2014. He is leading Audit team (IACD) as General Manager of this Company. He completed his B.Com (honors) and M.Com in Accounting under University of Dhaka. Back in 1982 he started his career with UAE, ILO project and self-employment trust under Ministry of Industries. He has more than 34 years practical experience in Accounts and Finance, NGO Administration, Internal audit, Inventory, Procurement, Taxation & Compliance. He has vast knowledge in assessing internal controls, identifying risks and providing actionable recommendations to enhance operational efficiency. He has proven track records of leading audit teams and executing comprehensive audit plans across various sector in the business operations. He attended different training courses, seminar and workshops which sponsored by ICAB, Ministry of Women and Children Affairs, ICECD, India, USAD Commonwealth, APO Malayasia, APD & IMED Ministry of planning (GOB), UNDP & ILO, InM and MRA.



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



ARGON FAMILY







FACTORY PICTURES










DIRECTORS' REPORT



It is pleasure of the Board of Directors to submit its Report to the Shareholders for the year ended 30 June 2025. This Report has been prepared in accordance with the provisions of Section 184 of the Companies Act 1994, other applicable laws and the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC).

The Business

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

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

The Company mainly produces medium and premium range denim fabrics in various weights ranging from 4.5 oz to 13 oz. Company is also certified producer of product like organic, WPC, PCW & BCI fabric. The higher portion of our capacity is occupied by these environment friendly products.

Advanced production equipment, strict quality control systems, prudent R&D and design team robust sample development capability and well-established sales and marketing network contribute to our growing reputation in this industry. More and more branded enterprises are appearing in our customers' list.

Industry Outlook and Possible Future Development

Argon Denims Ltd. (ADL) is taking initiatives for reducing of Carbon emissions up to 59% by Installation of Energy efficient equipments. ADL is also taking initiatives to increase efficiency by upgradation and installation of newly designed weaving machines further Energy saving performance, Reduction of process loss, Re-use of resource like; Hot Water, Heat, Caustic Soda. It is also mentionable that a solar power plant has been installed for using green energy. We are using new generation dyes and chemicals, which will reduce the water and steam consumption.

Segment-wise or Product-wise Performance

Particulars	Unit	Production of the Year	
		2024-2025	2023-2024
Loom	Number	111	111
Production Capacity (Weaving)	Yards	20,000,000	20,000,000
Production Capacity (RFD)	Yards	18,375,000	18,375,000
Actual Production (RFD)	Yards	16,455,816	17,430,512
Capacity Utilization (RFD)	%	89.56	94.86

Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment

The Board of Directors of Argon Denims Limited holds overall responsibility for establishing and overseeing the company's risk management framework. The Board ensures that management effectively monitors compliance with risk policies and procedures and regularly reviews the adequacy of the framework to address the various risks faced by the company. The Audit Committee supports the Board in this oversight role, while the Internal Audit function, reporting to the Audit Committee, conducts regular and ad-hoc assessments of the risk management controls and procedures.





Argon Denims is exposed to several financial and operational risks. Due to reliance on working capital loans with variable interest rates, the company is significantly exposed to interest rate risk. To mitigate this, we are shifting focus toward equity-based financing, reducing dependency on borrowed funds. Additionally, as we import yarn and export woven fabrics, we are exposed to foreign exchange rate fluctuations. However, this exposure is largely auto-hedged through our business model. The company also maintains adequate raw material inventory to meet production lead times, balancing operational efficiency with supply chain risk.

Further exposures include Counterparty Risk, Credit Risk, Liquidity Risk, Financial Risk, and Market Risk—all of which are managed through robust internal controls and strategic financial planning.

We affirm that there is no current threat to the sustainability of our operations. On the contrary, we are committed to sustainability and recognize the growing importance of environmental responsibility in our industry. While challenges remain, we view them as opportunities to drive innovation and long-term value.

To minimize our environmental footprint, we have installed an Effluent Treatment Plant (ETP) and are integrating sustainable materials across our production processes. These initiatives not only mitigate environmental impact but also enhance our standing in a market that increasingly values ethical and eco-friendly practices.

Argon Denims remains committed to managing risks effectively while advancing sustainability goals and strengthening stakeholder trust.

Cost of Goods Sold, Gross Profit Margin and Net Profit Margin

The Directors are pleased to present the comparative operational and financial results for the year ended 30 June 2025 based on the year ended 30 June 2024

Amount in Taka

Particulars	2024-25	%	2023-24	%	Variance (Increase+& Decrease-)
Revenue	5,621,620,520	-	5,674,592,985	-	(52,972,465)
Cost of Goods Sold	5,108,885,388	90.88	5,277,230,383	93.00	(168,344,995)
Gross Profit Margin	512,735,132	9.12	397,362,602	7.00	115,372,529
Net Profit Margin	232,737,158	4.14	104,698,273	1.85	128,038,885

During the year ended 30 June 2025, the company experienced a decrease in production volume and increase in sales quantity. However, despite this operational growth, total revenue showed a slight decline compared to the previous year, mainly due to a decrease in the average selling price per unit of fabric .The cost of raw materials per kilogram also decreased during the period, contributing to a lower overall Cost of Goods Sold (COGS) in absolute terms. Additionally, the COGS as a percentage of revenue decreased from 93.00% to 90.88%, indicating improved cost efficiency in production. As a result, the Gross Profit Margin improved significantly from 7.00% to 9.12%, reflecting better management of production costs despite lower unit prices. Furthermore, operational efficiency and cost controls led to a notable increase in Net Profit Margin—from 1.85% to 4.14%—more than doubling the net profitability over year.



Comparison of Quarterly and Annual Financial Performances

Amount in Taka

Particulars	Quarterly Performance				Annual
	Q1	Q2	Q3	Q4	Performance
Revenue	1,430,239,432	1,480,538,043	1,322,354,911	1,388,488,134	5,621,620,520
Cost of Goods Sold	1,307,231,033	1,345,699,046	1,177,498,154	1,278,457,155	5,108,885,388
Gross Profit Margin	123,008,399	134,838,998	144,856,756	110,030,979	512,735,132
Net Profit Margin	62,729,316	78,939,045	55,273,375	35,795,422	232,737,158

The Company's financial performance remained consistent across all quarters of FY 2024–25. Revenue and COGS showed slight fluctuations, with Q2 achieving the highest revenue and net profit. Q3 reported the highest gross profit, reflecting efficient cost control. Q4 saw a dip in profitability due to increased input costs. Overall, the annual results align with the cumulative quarterly figures, with no significant variances observed. The consistent quarterly contributions demonstrate the Company's operational stability and effective financial management throughout the year.

Continuity of any Extraordinary Activities

As per "IAS 1: Presentation of Financial Statements", no item of income or expenses is to be presented as extra ordinary gain or loss in the Financial Statements. Accordingly, no extra-ordinary gain or loss has been recognized in the Financial Statements.

Related Party Transactions

Related party transactions of the company during the year ended 30 June 2025 comprised the remuneration paid to the directors and transaction with sister concerns under common directorship as stated below:

Name of the Party	Relationship	Nature of Transaction	Transacted Amount	
			2024-25	2023-24
Argon Spinning Ltd.	Under Common Directorship	Yarn Purchase	2,473,570,661	2,625,480,946
Evince Design & Fashions Ltd.	Under Common Directorship	Selling Expenses	41,562,458	44,706,779
Directors	Members of the Board of Directors	Directors' Remuneration	16,800,000	16,800,000
Directors	Members of the Board of Directors	Directors' Meeting Attendance Fee	12,40,000	850,000
		Total	**2,533,173,119**	**2,687,837,725**

Details about the related party transactions are given separately.

Purchase of Raw Materials and Assets

During the financial year 2024–25, the Company purchased yarn worth BDT 2,473,570,661 from Argon Spinning Ltd. through letters of credit (L/C). This transaction exceeds 10% of the total revenue and, as such, falls under the purview of related party transactions requiring prior approval by shareholders, in accordance with BSEC Notification No. BSEC/CMRRC0/2009-193/2/Admin/103 dated 05 February 2020. As the Company anticipates continuing such transactions with Argon Spinning Ltd. in the future under similar terms, the matter is being placed before the shareholders for approval at the upcoming Annual General Meeting (AGM).





Remuneration to Directors

Remuneration and other related perquisites/benefits of Directors are reviewed by the Nomination and Remuneration committee. Remuneration to Directors includes monthly remuneration and fee/honorarium (@ Tk. 20,000/- for attending each board and committee meetings).

Monthly Remuneration to Directors

A statement of monthly remuneration paid to the directors including independent directors is stated below:

Name of Director	Designation	Transacted Amount (Taka)	
		2024-25	2023-24
Mrs. Shabnam Shehnaz Chowdhury	Chairperson Non-Executive Director	-	-
Mr. Anwar-ul Alam Chowdhury	Managing Director	4,800,000	4,800,000
Mr. Abu Kawser Majumder	Director-Finance	4,800,000	4,800,000
Mr. A.K. Gouhor Rabbani	Director-Marketing	4,800,000	4,800,000
Mr. Md. Akhter Shahid	Non-Executive Director	-	-
Mr. Shah Adeeb Chowdhury	Director-Support Service	1,200,000	1,200,000
Mr. Shah Rayeed Chowdhury	Director-Production	1,200,000	1,200,000
Mr. M Shahjahan Bhuiyan	Independent Director	-	-
Mr. Md. Giash Uddin FCA	Independent Director	-	-
Dr. Ardhendu Shekhar Roy	Independent Director	-	-
	Total	16,800,000	16,800,000

Directors' Meetings, Attendance & Attendance Fees

The Directors meet regularly for smooth operation and management of the company and cause to record the minutes as per the BSS issued by ICSB. A statement on Number of Directors' Meetings, Attendance & Attendance Fees paid during the year ended 30 June 2025 is given below:

Sl.	Name & Description	Number of Meetings						Total Attendance Fee Paid (Taka)
		Board		Audit Committee		NRC		
		Held	Attended	Held	Attended	Held	Attended	
1	Shabnam Shehnaz Chowdhury Non -Executive Chairperson	5	5	-	-	-	-	1,00,000
2	Anwar -ul Alam Chowdhury Managing Director	5	5	-	-	-	-	1,00,000
3	Abu Kawser Majumder Director	5	5	-	-	-	-	1,00,000
4	A.K. Gouhor Rabbani Director	5	5	-	-	-	-	1,00,000
5	Md. Akhter Shahid Non -Executive Director	5	5	4	4	2	2	2,20,000
6	Shah Adeeb Chowdhury Director	5	5	-	-	-	-	1,00,000
7	Shah Rayeed Chowdhury Director	5	4	-	-	-	-	80,000



Sl.	Name & Description	Number of Meetings						Total Attendance Fee Paid (Taka)
		Board		Audit Committee		NRC		
		Held	Attended	Held	Attended	Held	Attended	
8	M Shahjahan Bhuiyan Independent Director	5	3	4	2	2	1	1,20,000
9	Md. Giash Uddin, FCA Independent Director	5	2	4	2	2	1	1,00,000
10	Dr. Ardhendu Shekhar Roy Independent Director	5	5	4	4	2	2	2,20,000

Notes:

(1) Each Director has been paid Attendance Fee @ Tk. 20,000/

(2) Leave of Absence is granted to the Directors who cannot attend any meeting

Holding Meetings of Shareholders (AGMs and EGMs)

Argon Denims Ltd. has been regular in holding Annual General Meetings (AGMs) since its incorporation and 18 (Eighteenth) AGMs were held till the last year. In addition to the AGMs, total 4 (Four) Extra-ordinary General Meetings (EGMs) of the Company were held.

Report on unutilized portion of proceeds raised through public Issues, rights Issues and/or any other Instruments and explanation If the financial results deteriorate after IPO, etc.

The Directors report that there is no unutilized portion of proceeds raised through public issues, rights issues and/or any other instruments.

It is also to report that the financial results of the company did not deteriorate after its IPO.

Disclosures regarding Preparation and Presentation of Financial Statements

The members of the Board in accordance with the Bangladesh Securities and Exchange Commission's Notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, are pleased to Confirm that:-

(i) The financial statements prepared by the management of the company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

(ii) Proper books of accounts have been maintained.

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

(iv) International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), as applicable in Bangladesh, the Companies Act 1994 and applicable Securities Laws have been followed in preparation of the financial statements.

(v) The internal control system of Argon Denims Ltd. is sound in design and has been effectively implemented and monitored.





Key Operating and Financial Data for the Last Year and Preceding 5 (Five) Years

Directors are pleased to present the Key Operating and Financial Data for the last year as well as previous 5 (five) years in the table below:

Amount in Taka

Particulars	July-24 to June-25	July-23 to June-24	July-22 to June-23	July-21 to June-22	July-20 to June-21	July-19 to June-20
Export	5,621,620,520	5,674,592,985	4,555,303,346	4,695,952,090	3,032,528,196	3,115,437,247
Gross Profit	512,735,132	397,362,602	404,301,123	322,750,492	378,571,618	582,080,228
Profit Before Tax	295,645,071	205,475,602	145,501,566	78,699,347	98,383,676	230,364,452
Profit After Tax	232,737,158	104,698,273	94,550,543	71,623,933	93,973,198	192,476,391
Shareholders' Equity	3,412,450,908	3,318,234,191	3,352,022,072	3,394,971,199	3,459,545,137	3,428,051,780
Total Assets	6,727,474,290	6,747,003,994	6,314,331,449	6,443,202,004	6,098,117,257	5,504,170,061
Total Current Assets	5,213,882,645	5,155,549,137	4,640,968,788	4,724,939,322	4,309,040,824	3,621,503,895
Total Current Liabilities	3,062,330,661	3,173,111,381	2,766,431,074	2,826,971,566	2,344,716,951	1,785,434,510
Current Ratio	1.70	1.62	1.68	1.67	1.84	2.03

Declaration of Dividend

The Board has recommended 10% (Ten percent) cash dividend [i.e., Taka 1.00 (One) for holding 1 (One) Share of Taka 10.00 (Ten) each] for the year ended 30 June 2025 for all shareholders including the Sponsors/Directors. The shareholders whose names will be appearing in the Shareholders' Register / Depository, as on Record Date i.e., 23.11.2025, shall be entitled to receive dividends subject to approval by the shareholders in the Annual General Meeting (AGM).The Directors state that no bonus share or stock dividend has been declared during the year, or shall be declared in future, as interim dividend.

Pattern of Shareholding

A report on the pattern of shareholding, as required under Condition No. 1(5((xxiii) of the Corporate Governance Code, is given below:

30 June 2025

SL	Name of Shareholder	Description	Number of Shares	Amount (Taka)	%
(a) Parent /Subsidiary/Associated Companies and Other related parties (name wise details)			Nil	Nil	Nil
1	Investment Corporation of Bangladesh (ICB)	Institutional Shareholder	16,198,362	1,619,836,200	11.66%
(b) Directors, Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and their spouses and minor children (name-wise details)					
2	Shabnam Shehnaz Chowdhury	Chairperson	7,168,945	71,689,450	6.25%
3	Anwar -ul Alam Chowdhury	Managing Director & CEO	7,168,945	71,689,450	5.89%
4	Shah Adeeb Chowdhury	Director	4,918,586	49,185,860	3.54%
5	Shah Rayeed Chowdhury	Director	4,629,620	46,296,200	3.33%
6	Sanjana Shehnaz Chowdhury	Daughter of Anwar-ul Alam Chowdhury & Shabnam Shehnaz Chowdhury	2,777,774	27,777,740	0.18%
7	Md. Akhter Shahid	Non-Executive Director	7,055,270	70,552,700	5.08%
8	Suraya Akhter	Wife of Akhter Shahid	180,553	1,805,530	0.13%
9	Adiba Akhter	Daughter of Akhter Shahid	154,802	1,548,020	0.11%
10	Samir Akhter	Son of Akhter Shahid	180,553	1,805,530	0.13%



SL	Name of Shareholder	Description	Number of Shares	Amount (Taka)	%
11	A. K. Gouhor Rabbani	Director	7,200,587	72,005,870	5.18%
12	Farhana Haque	Wife of A. K. Gouhor Rabbani	156,534	1,565,340	0.11%
13	Ilma Zuairia Rabbani	Daughter of A. K. Gouhor Rabbani	256,941	2,569,410	0.19%
14	Ilham Farhan Rabbani	Son of A. K. Gouhor Rabbani	256,941	2,569,410	0.19%
15	Ibram Farhan Rabbani	Son of A. K. Gouhor Rabbani	256,941	2,569,410	0.19%
16	Abu Kawser Majumder	Director	6,120,024	61,200,240	6.38%
17	Farhan Majumder	Son of Abu Kawser Majumder	2,777,943	27,779,430	0.03%
18	Farhaz Kawser	Son of Abu Kawser Majumder	256,941	2,569,410	0.19%
19	M Shahjahan Bhuiyan	Independent Director	Nil	Nil	Nil
20	Md. Giash Uddin, FCA	Independent Director	Nil	Nil	Nil
21	Dr. Ardhendu Shekhar Roy	Independent Director	Nil	Nil	Nil
22	Md. Moniruzzaman Bhuiyan	Company Secretary (CS)	Nil	Nil	Nil
23	Md. Mustafa Kamal	Chief Financial Officer (CFO)	Nil	Nil	Nil
24	A.K.M Selim Reza	Head of Internal Audit & Compliance (HIAC)	Nil	Nil	Nil
(c) Top 5 Salaried Employees other than CEO, CFO, CS & HIAC					
25	Hasan Ahmed Chowdhury	Chief Operating Officer	Nil	Nil	Nil
26	Md. Atiqul Aktar	Executive Director (Marketing)	Nil	Nil	Nil
27	Major (Retd) Enamur Rahman Talukder	General Manager, Administration, HR & Compliance	Nil	Nil	Nil
28	Md. Zaidul Kabir	General Manager, Procurement	Nil	Nil	Nil
28	M. Delwar Hossain	Deputy General Manager, Commercial	Nil	Nil	Nil
(d) Shareholders holding ten percent (10%) or more voting interest in the company					
29	Investment Corporation of Bangladesh (ICB)	Institutional Shareholder	16,198,362	1,619,836,200	11.66%

Unclaimed Dividend

In compliance with Condition 3 (vii) of the BSEC Directive, vide Ref. No. BSEC/CMRRCD/2021-386/03 dated 14 January 2021, the Summary of Unclaimed Dividend, which has been deposited to CMSF up to the year June 2025 is given below:

SL No.	Dividend year	Nos. of Shareholders	Amount (Tk.)
01	2013	687	1,324,229.00
02	2015-16	1261	1,160,755.00
03	2016-17	1139	1,377,591.00
04	2017-18	972	1,416,544.00
05	2018-19	1220	962,264.00
06	2019-20	1369	844,603.00
07	2020-21	1206	1,170,541.32

The details are also available on company's website.

Appointment, Retirement and Re-Appointment of Directors

With regard to appointment, retirement and re-appointment of Directors the Company is governed by its Articles 101, 102 and 103 of the Articles of Association of the company and the Companies Act. 1994 and other related legislations. Accordingly, the following Directors of the Board shall retire by rotation at the 19th Annual General Meeting:

(1) Mr. Abu Kawser Majumder (2) Mr. A. K. Gouhor Rabbani





The Board of Directors appointed the following Directors, and they will retire at the 19th Annual General Meeting:

(1) Ms. Sanjana Shehnaz Chowdhury (2) Mr. Farhan Majumder

They being eligible for re-appointment as per provisions of Article 103 of tile Articles of Association of the Company offered themselves for re-appointment as Directors. Their brief resumes, nature of their expertise in specific functional areas and names of companies in which they also hold the Directorship and the Membership of Committees of the Board have been stated separately.

Management's Discussion and Analysis

As per Corporate Governance Code issued by BSEC, a Management's Discussion and Analysis (MDA) presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements signed by Managing Director has been annexed as **Annexure–1**. The MDA has been reviewed by the Audit committee.

Certification by the CEO and the CFO

Declaration or Certification by the CEO and the CFO to the Board, as required under Condition No. 3(3) of the Corporate Governance Code, has been disclosed as per Annexure-A of the said Code and is attached as **Annexure-2**.

Corporate Governance

Corporate Governance is the system through which a company is directed, guided and controlled by the Board, while keeping in view its accountability to the shareholders. Argon Denim strives to ensure full compliance with the laws and regulations that govern its business and to uphold the highest standards.

Status of Compliance regarding Corporate Governance Code

The status of Compliance of the Corporate Governance Code, as required under Condition No. 9(3) of the Code, is shown at **Annexure-3**.

Report on Compliance on the Corporate Governance Code

The Report/Certificate regarding Compliance of Conditions of the Corporate Governance Code as required under Condition No. 9(1) shall be disclosed as **Annexure-4**.

Disclosure regarding Nomination and Remuneration Policy and Evaluation Criteria

The Board, based on the Nomination and Remuneration Committee, has framed Nomination, Remuneration and Evaluation Policy and Evaluation Criteria, and as required under Condition No. 6(5)(c) of the Corporate Governance Code, a disclosure has been made at **Annexure-5**.

Dividend Distribution Policy

The Board has framed a Dividend Distribution Policy which has been briefed at **Annexure-6**.

Committees of the Board

The Board of Directors of Argon Denims Limited has formed an Audit Committee and a Nomination & Remuneration Committee (NRC) as sub-committees of the Board pursuant to Conditions 4, 5 & 6 of the Corporate Governance Code.

Audit Committee

Audit Committee is a sub-committee of the Board. The Audit Committee consists of three Non-executive Directors and the present Chairman of the committee is Mr. Md. Giash Uddin, FCA who an Independent Director. Dr. Ardhendu Shekhar Roy and Mr. Md. Akhter Shahid are also the



members of the committee. Mr. Moniruzzaman Bhuiyan, Company Secretary, acts as the Secretary of the committee. The Audit Committee was set up with clear terms of reference. The Committee is responsible to assists the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business. The Committee had its 4 (four) meetings during the year 2024-25. A Report of the Audit Committee is attached with this Report.

Nomination and Remuneration Committee

Nomination and Remuneration Committee (NRC) is a sub-committee of the Board. The NRC consists of three Non-executive Directors and the Chairman of the committee is an Independent Director. Mr. Md. Giash Uddin, FCA is the Chairman of the Committee and Dr. Ardhendu Shekhar Roy and Mr. Md. Akhter Shahid are members of the committee. Mr. Moniruzzaman Bhuiyan, Company Secretary, is the Secretary of the committee. The NRC was set up with clear terms of reference. The NRC is responsible to assists the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executives as well as policy for formal process of considering remuneration of Directors and top-level executives. The NRC met twice during the year 2024-25. A Report of the NRC is attached with this Report.

Appointment of Statutory Auditors

M/s Pinaki & Company, Chartered Accountants, having their office at Pinaki & Co. The External Auditor, Ideal Trade Center (9th Floor), 102 Shaheed Tajuddin Ahmed Sarani, Tejgaon, Dhaka-1208, Bangladesh, has completed a consecutive term of three years as the Statutory Auditor of the Company. In accordance with Condition No. 2(2) & (3) of the BSEC Notification dated June 20, 2018, they are no longer eligible for reappointment. In line with regulatory requirements and to ensure continued transparency and accountability, the Audit Committee reviewed the profiles of the following audit firms: Messrs. AHMED ZAKER & Co., Chartered Accountants, M/s Ali Zahir Ashraf & Co., Chartered Accountants, M/s G. KIBRIA & Co., Chartered Accountants. After careful evaluation, the Audit Committee recommended the appointment of Messrs. AHMED ZAKER & Co., Chartered Accountants as the Statutory Auditors of the Company for the financial year 2025–26.

Accordingly, the Board of Directors endorses this recommendation and proposes the appointment of Messrs. AHMED ZAKER & Co., Chartered Accountants having their office at 89 Kakrail, Green City Edge (10th Floor), Dhaka-1000,as the Auditor of the Company at an audit fee of BDT 400,000 (Four Lac) only, plus applicable VAT, to hold office until the conclusion of the 20th Annual General Meeting.

This matter is placed before the honorable shareholders for their kind consideration and approval.

Appointment of Corporate Governance Auditors

M/s SARashid & Associates, having office at Noakhali Tower (12th Floor, 13-D), 55/B Purana Paltan, Dhaka-1000, Bangladesh, was appointed as the Corporate Governance auditors by the company in its 18th AGM to provide the certificate on compliance of the Corporate Governance Code. M/s SARashid & Associates have completed assignment of certification and will retire at the 19th AGM and being eligible expressed their willingness to be re-appointed for the next term. The Audit Committee and the Board have recommended for their re-appointment. The matter is placed for due approval by the shareholders.

Appointment of Chief Financial Officer (CFO)

On August 31, 2025, Mr. Md. Mustafa Kamal, Chief Financial Officer (CFO) of the Company, retired. Based on the recommendation of the Nomination and Remuneration Committee (NRC), the Board





had earlier proposed the appointment of Mr. Khairul Islam Khan, FCA, the existing CFO of Evince Textiles Limited (ETL) as common CFO of both ADL & ETL, subject to approval from the Bangladesh Securities and Exchange Commission (BSEC). As the BSEC did not consent to the dual appointment, the Board, in its meeting held on October 22, 2025, appointed Mr. Md. Nasir Uddin Khan as CFO (Current Charge) with immediate effect. The process for appointing a full-time CFO, in compliance with BSEC guidelines, is in progress.

Internal Control

The Company has established a comprehensive internal control system operating at the Board, Management, and individual levels. This system is designed to provide reasonable assurance regarding the achievement of corporate objectives, particularly in the areas of operational efficiency, reliability of financial reporting, effective risk management, and compliance with applicable laws, regulations, and internal policies. A dedicated Internal Audit Department plays a key role in monitoring and evaluating the effectiveness of internal controls across all functions. The Audit Committee actively supports and oversees the Internal Audit function, offering guidance and recommendations to enhance its performance and ensure continuous improvement in control processes.

Minority Shareholders Protection

During the year, the interests of minority shareholders were duly safeguarded against any abusive actions by, or in favor of, controlling shareholders—whether directly or indirectly. This was achieved through the Company's commitment to good governance and the efficient and transparent management of operations, ensuring fair and equitable treatment for all shareholders.

Environment Protection, Health and Safety

Environmental protection, health, and safety remain top priorities across all operational and functional areas of the Company. Comprehensive safety measures are implemented at the plant to prevent accidents and ensure a secure working environment. All necessary processes related to pollution control and environmental compliance are strictly followed, reflecting our commitment to sustainable and responsible operations

Going Concern

While approving the financial statements, the Board of Directors has made appropriate inquiries and reviewed key financial, operational, and other relevant indicators to assess the Company's ability to continue its operations in the foreseeable future. Based on this assessment, the Board is satisfied that the Company has adequate resources to sustain its operations and meet its obligations. Accordingly, the financial statements have been prepared on a going concern basis. The Directors further confirm that all compliance requirements have been met and there is no material uncertainty regarding the Company's ability to continue as a going concern.

Corporate Social Responsibility

Argon Denims Limited remains committed to its social responsibilities and actively contributes to the well-being of the community. The Company recognizes the importance of supporting social, cultural, and humanitarian causes and extends assistance whenever necessary. CSR initiatives are consistently encouraged and endorsed by the Board of Directors. During the financial year 2024–25, the Company contributed a total of BDT 2,954,180 towards community welfare, including donations to mosques, madrasas, and schools. These efforts reflect our ongoing commitment to promoting inclusive growth and supporting the underprivileged segments of society.



Acknowledgement

The Board of Directors extends its sincere appreciation to all shareholders, government agencies, regulatory authorities, bankers, business partners, suppliers, auditors, consultants, and other stakeholders for their continued support and cooperation throughout the year. The Board also expresses its heartfelt gratitude to the employees at all levels for their dedication, hard work, and commitment to the Company's success. Their contributions have been instrumental in achieving our goals, and we look forward to their continued support in the future.

Thank you all,

For and on behalf of the Board of Directors

Anwar-ul Alam Chowdhury
Managing Director

Abu Kawser Majumder
Director

Md. Moniruzzaman Bhuiyan
Company Secretary





ANNEXURE-1

MANAGEMENT'S DISCUSSION AND ANALYSIS

[As per Condition No. 1(5(xxv) of the Corporate Governance Code]

"Management's Discussion and Analysis (MDA)" is an integral part of the Annual Report of a listed company as per Condition No. 1(5(xxv) of the Corporate Governance Code issued by BSEC. As per the said condition, the Board of Directors of the Company shall have to include in the Directors' Report an MDA (signed by CEO or MD) presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:

(a) accounting policies and estimation for preparation of financial statements;

(b) changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;

(c) comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;

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

(e) briefly explain the financial and economic scenario of the country and the globe;

(f) risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and

(g) future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position.

In order to comply with the requirement of the Corporate Governance Code, this statement has been prepared.

(a) Accounting Policies and Estimation for Preparation of Financial Statements

Argon Denims Ltd. follows International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) along with prevailing local rules and regulations applicable for preparation of financial statements. Detail description of accounting policies and estimation used for preparation of the financial statements of the Company are disclosed in the Notes 4 and 5 to the standalone financial statements.

(b) Changes in Accounting Policies and Estimation

Argon Denims Ltd. has been following consistent policies and estimation and there is no such changes in accounting policies or estimation, which has material impact on financial statements.

(c) Comparative Analysis of Financial Performance or Results and Financial Position as well as Cash Flows for Current Financial Year with Immediate Preceding Five Years explaining reasons thereof



A statement of major areas of financial performance, financial position as well as cash flows comparing with immediate preceding five years are depicted herein below:

Amount in Taka

Particulars	July-24 to June-25	July-23 to June-24	July-22 to June-23	July-21 to June-22	July-20 to June-21	July-19 to June-20
Export	5,621,620,520	5,674,592,985	4,555,303,346	4,695,952,090	3,032,528,196	3,115,437,247
Gross Profit	512,735,132	397,362,602	404,301,123	322,750,492	378,571,618	582,080,228
Profit Before Tax	295,645,071	205,475,602	145,501,566	78,699,347	98,383,676	230,364,452
Profit After Tax	232,737,158	104,698,273	94,550,543	71,623,933	93,973,198	192,476,391
Shareholders' Equity	3,412,450,908	3,318,234,191	3,352,022,072	3,394,971,199	3,459,545,137	3,428,051,780
Total Assets	6,727,474,290	6,747,003,994	6,314,331,449	6,443,202,004	6,098,117,257	5,504,170,061
Total Current Assets	5,213,882,645	5,155,549,137	4,640,968,788	4,724,939,322	4,309,040,824	3,621,503,895
Total Current Liabilities	3,062,330,661	3,173,111,381	2,766,431,074	2,826,971,566	2,344,716,951	1,785,434,510
Current Ratio	1.70	1.62	1.68	1.67	1.84	2.03

Explanation of Key Changes

Export revenue remained stable in FY 2024–25 at Tk. 5,621.62 million, slightly lower than the previous year's Tk. 5,674.59 million, yet significantly higher than earlier years.

Gross Profit rose by 29% from Tk. 397.36 million in FY 2023–24 to Tk. 512.73 million in FY 2024–25. Profit Before Tax increased by 43.88%, and Profit After Tax more than doubled to Tk. 232.74 million, the highest in the last five years. The increase was driven by improved operational efficiency, export incentive earnings, and cost control despite flat turnover.

Shareholders' Equity increased to Tk. 3,412.45 million, reflecting earnings retention and financial stability. Total Assets slightly decreased by 0.29%, indicating effective asset optimization. Total Current Assets rose to Tk. 5,213.88 million, up from Tk. 5,155.55 million last year. Total Current Liabilities decreased to Tk. 3,062.33 million, improving the Current Ratio to 1.70, indicating healthier short-term solvency.

(d) Comparing Financial Performance or Results and Financial Position as well as Cash Flows with the Peer Industry Scenario

Amount in Taka

Particulars	Argon Denims Ltd.		Envoy Textiles Ltd	Shasha Denims Ltd. (Solo)	Square Textiles Ltd. (Consolidated)	Square Textiles Ltd. (Solo)
	30-Jun-25	30-Jun-24	30-Jun-24	30-Jun-24	30-Jun-24	
Revenue (Turnover)	5,621,620,520	5,674,592,985	14,261,381,187	10,423,284,023	20,905,825,094	18,926,870,794
Gross Profit	512,735,132	397,362,602	2,309,972,929	963,288,027	2,506,775,840	2,332,756,514
Operating Expenses	246,748,439	232,485,893	373,624,896	198,452,837	335,490,390	310,026,905
Financial Expenses	108,110,769	89,686,469	1,232,510,548	557,217,617	758,124,465	706,270,357
Net Profit/(Loss) before Tax	295,645,071	205,475,602	716,183,293	219,457,265	1,366,405,358	1,271,354,504
Net Profit/(Loss) after Tax	232,737,158	104,698,273	600,392,938	179,214,246	1,161,852,741	1,081,935,648
Net Profit/(Loss) in %	4.14	1.85	4.20	1.72	5.56	5.72
Earnings per Share (EPS)	1.68	0.75	3.58	1.27	5.89	5.49

Source: Annual Reports of the respective companies





Observation

While Argon Denims Ltd. shows modest growth in net profit and EPS, it still lags behind larger peers in terms of revenue and net margins. However, the Company's performance is competitive given its scale, and the improvement in profitability highlights operational progress and effective cost control measures.

(e) Financial and Economic Scenario of the Country and the Globe

In FY 2024–25, the global and domestic denim industry continued to evolve amidst a challenging economic landscape. Bangladesh has firmly positioned itself as the leading denim exporter to both the EU and USA, capturing nearly 25% of the global denim market. Supported by investments of approximately BDT 250 billion and 42 modern production facilities, the country now produces over 900 million meters of denim fabric annually, surpassing historical leaders like China.

The global denim market, projected to reach USD 76.1 billion by 2026 with a 4.8% annual growth rate, offers significant opportunities. Bangladesh has expanded its footprint into emerging markets such as India, Japan, Latin America, and the Middle East, further diversifying export reliance.

However, the industry faces considerable challenges. High inflation in Western economies, increased energy costs, and lingering impacts from the Russia-Ukraine conflict have contributed to supply chain disruptions and demand volatility. Additionally, while product prices have remained relatively stable, manufacturers are under increasing pressure due to rising production costs, particularly from investments in LEED-certified, eco-friendly operations aligned with global sustainability trends.

These dynamics have narrowed profit margins across the industry. There is a growing need to reassess pricing strategies to reflect the higher cost of compliance and sustainability.

Domestically, rising utility expenses, currency fluctuations, and tight monetary conditions have added to operational constraints. Despite these hurdles, Argon Denims Ltd. remains resilient, benefiting from increased capacity utilization and focused operational efficiencies.

Going forward, sustaining competitiveness will require a strategic balance between cost management, pricing adjustments, and continued investment in sustainability and technological upgrades to meet evolving buyer expectations and ensure long-term growth.

(f) Risks and Concerns including Internal and External Risk Factors, Threat to Sustainability and Negative Impact on Environment

Argon Denims Ltd. operates in a dynamic environment that presents various internal and external risks which could affect its sustainability and performance. The Company's reliance on working capital loans with variable interest rates exposes it to interest rate volatility. To mitigate this, the Company is gradually shifting its focus towards equity-based financing to reduce dependence on borrowed funds and enhance financial resilience. Technological obsolescence is another concern. Although the Company was initially established with brand-new, imported machinery, management remains proactive in addressing technology-related risks by continuously upgrading systems and ensuring that all machinery remains in optimal working condition.

The Company's production heavily depends on gas supplied by Titas Gas Transmission & Distribution Company Ltd., posing a risk in case of supply disruptions. To mitigate this, dual-fuel firing capabilities have been installed, enabling uninterrupted operations even during emergencies.



Argon Denims is also exposed to counterparty, financial, credit, liquidity, and market risks, all of which are actively monitored and managed through robust internal control systems and risk mitigation strategies.

Environmental sustainability remains a priority. While current operations have minimal direct negative environmental impact, the Company remains committed to compliance with all environmental regulations and is continuously exploring eco-friendly technologies to further reduce its environmental footprint.

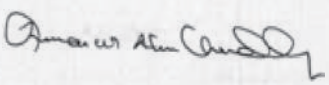
(g) Future Plan for Company's Operation, Performance and Financial Position, with justification thereof

Argon Denims Ltd. sees strong growth potential as global buyers diversify sourcing away from China due to rising costs and domestic demand there. This presents a key opportunity for Bangladesh's textile industry. However, challenges such as inconsistent power supply, increased utility costs, and higher interest rates continue to impact operations. To address these, the company is focusing on cost reduction, process optimization, product diversification, and efficiency improvement to enhance overall productivity. The company's financial performance has stabilized, and capacity utilization has improved, resulting in better export sales. The Spinning Division is also showing gradual improvement. While the global denim fabric market has been under pressure, market indicators suggest a potential rebound in the coming period. Argon Denims remains committed to navigating these challenges and leveraging its capabilities to drive sustainable growth in performance and strengthen its financial position.

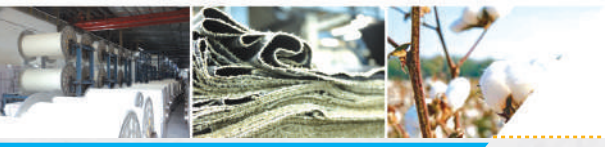
Cautionary Statement

This report contains forward-looking statements regarding the future operations, performance, and financial position of Argon Denims Ltd. These statements are based on current expectations, assumptions, and projections about future events, which are inherently subject to risks and uncertainties. Key factors that may impact actual results include fluctuations in demand and supply, raw material costs and availability, changes in fabric prices, volatility in exchange rates, alterations in government policies, tax regulations, and broader economic conditions in Bangladesh and overseas markets.

These uncertainties may cause actual outcomes to differ materially from those anticipated in forward-looking statements. The Company does not undertake any obligation to update such statements to reflect future events or developments. Management remains committed to executing sustainable and achievable strategies, focusing on long-term value creation, and ensuring continued operations and financial stability for the foreseeable future.



Anwar-ul Alam Chowdhury
Managing Director



ARGON ARGON DENIMS LIMITED

[As per condition No. 1(5) (xxvi) & Annexure-A of CG Code]

ARGON DENIMS LIMITED
Declaration by CEO and CFO

22 October 2025

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

Subject: Declaration on Financial Statements for the year ended on June 30, 2025.

Dear Sirs,

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

1) The Financial Statements of Argon Denims Limited for the year ended on June 30, 2025 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

I. We have reviewed the financial statements for the year ended on June 30, 2025 and that to the best of our knowledge and belief:
   a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b. these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

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

Sincerely yours,

Anwar-ul Alam Chowdhury
Chief Executive Officer

Md. Nasir Uddin Khan
Chief Financial Officer (CC)



ANNEXURE-3

Statement on Compliance with Corporate Governance Code

[Prepared as per Annexure-C as well as Condition No. 1(5)(xxvii) and Condition No. 9 of the Corporate Governance Code]

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

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1	**Board of Directors :-**			
1(1)	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	√		
1(2)	**Independent Directors**			
1(2) (a)	At least 2 (two) directors or one-fifth (1/5) of the total number of directors in the company's Board, whichever is higher, shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s); At least 1 (one) independent director shall be female.	√		Appointment of 1 (one) female independent director shall be made by 31 December 2025.
1(2)(b)(i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		
1(2)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company:	√		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		





Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies;	√		
1(2)(b)(ix)	who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for non-payment of any loan or any advance to a bank or a financial institution; and	√		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	√		
1(2)(c)	Subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company, the independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	√		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only:	√		
1(3)	**Qualification of Independent Director:-**			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	√		
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or registered business association; or			N/A
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or			N/A



Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(3)(b)(iii)	Former official or existing official (upon clearance from the his/her organization) of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or	√		Mr. Ardhendu Shekhar Roy is former Joint Secretary of the govt.
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			N/A
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			Mr. Md. Giash Uddin, FCA is a Chartered Accountant
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			N/A
1(4)	**Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:-**			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			N/A
1(5)	**The Directors' Report to Shareholders**			
1(5)(i)	An industry outlook and possible future developments in the industry;	√		



Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(ii)	The segment-wise or product-wise performance;	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);			N/A
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			N/A
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			N/A
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	√		
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	√		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		



Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			N/A
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
1(5)(xxiii)	**A report on pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-**			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	√		
1(5)(xxiii)(c)	Executives; and	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	√		
1(5)(xxiv)	**In case of the appointment or re-appointment of a Director a disclosure on following information to the shareholders**			
1(5)(xxiv)(a)	a brief resume of the director;	√		
1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas; and	√		
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	√		
1(5)(xxv)	**A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others. Focusing on:**			





Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;			N/A
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per **Annexure-A**; and	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per **Annexure-B** and **Annexure-C**.	√		
1(5)(xxviii)	The report does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.			Special care shall be taken in this regard
1(6)	**Meetings of the Board of Directors** The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
1(7)	**Code of Conduct for the Chairperson, other Board members and Chief Executive Officer:-**			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√		



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





Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	perquisites of the said CFO or CS shall be shared by appointing companies proportionately;			
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).			N/A
3(2)	**Requirement to attend Board of Directors' Meetings** The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	√		
3(3)	**Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)**			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4	**Board of Directors' Committee:-**			
4(i)	Audit Committee; and	√		
4(ii)	Nomination and Remuneration Committee.	√		
5	**Audit Committee:-**			
5(1)	**Responsibility to the Board of Directors.**			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	√		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		



Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
5(2)	**Constitution of the Audit Committee**			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be nonexecutive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		
5(2)(e)	The company secretary shall act as the secretary of the Committee;	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
5(3)	**Chairperson of the Audit Committee**			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			N/A
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	√		
5(4)	**Meeting of the Audit Committee**			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year:	√		





Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5(5)	**Role of Audit Committee** The Audit Committee shall:-			
5(5)(a)	Oversee the financial reporting process;	√		
5(5)(b)	monitor choice of accounting policies and principles;	√		
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5(5)(d)	oversee hiring and performance of external auditors;	√		
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval;	√		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		
5(5)(h)	review the adequacy of internal audit function;	√		
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	review statement of all related party transactions submitted by the management;	√		
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;			N/A
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		
5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:			N/A
5(6)	**Reporting of the Audit Committee**			
5(6)(a)	**Reporting to the Board of Directors**			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		



Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(6)(a)(ii)(a)	report on conflicts of interests;			N/A
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			N/A
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			N/A
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			N/A
5(6)(b)	Reporting to the Authorities			N/A
5(7)	Reporting to the Shareholders and General Investors	√		
6	**Nomination and Remuneration Committee (NRC):-**			
6(1)	**Responsibility to the Board of Directors**			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	√		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	√		
6(2)	**Constitution of the NRC**			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	√		
6(2)(b)	At least 02 (two) members of the Committee shall be non-executive directors;	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	√		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	√		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			N/A





Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6(2)(g)	The company secretary shall act as the secretary of the Committee;	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	√		
6(3)	**Chairperson of the NRC**			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			N/A
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:	√		
6(4)	**Meeting of the NRC**			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			N/A
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	√		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√		
6(5)	**Role of the NRC**			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		ToR of NRC includes these roles



Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	√		ToR of NRC includes these roles
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		ToR of NRC includes these roles
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		ToR of NRC includes these roles
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		ToR of NRC includes these roles
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	√		ToR of NRC includes these roles
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	√		ToR of NRC includes these roles
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	√		ToR of NRC includes these roles
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		
7	**External or Statutory Auditors:-**			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7(1)(i)	appraisal or valuation services or fairness opinions;	√		
7(1)(ii)	financial information systems design and implementation;	√		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	broker-dealer services;	√		
7(1)(v)	actuarial services;	√		
7(1)(vi)	internal audit services or special audit services;	√		
7(1)(vii)	any service that the Audit Committee determines;	√		
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7(1)(ix)	any other service that creates conflict of interest.	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit	√		





Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:			
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8	**Maintaining a website by the Company:-**			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	**Reporting and Compliance of Corporate Governance:-**			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with the **Annexure-C** attached, in the directors' report whether the company has complied with these conditions or not.	√		

Anwar-ul Alam Chowdhury
Managing Director

Abu Kawser Majumder
Director

Md. Moniruzzaman Bhuiyan
Company Secretary

ANNEXURE-4



SARashid & Associates
(Chartered Secretaries)
Noakhali Tower (12th Floor, 13-D)
55/B Purana Paltan, Dhaka-1000, Bangladesh
Phone : +88 02 22 33 83 847, +88 01 755 944 966
E-mail : sarashid12000@yahoo.com, sarashidnasso@gmail.com

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

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

We have examined the compliance status to the Corporate Governance Code by Argon Denims Limited for the year ended on 30 June 2025. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

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

(b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

(c) Proper books and records have been kept by the company as required under the Companies Act 1994, the securities laws and other relevant laws;

and

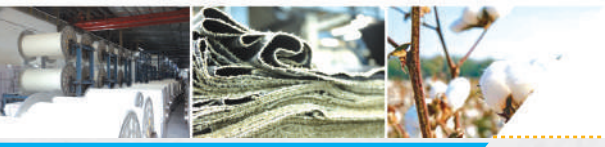
(d) The Governance of the Company is satisfactory.

For
SARashid & Associates

S. Abdur Rashid FCS
Chartered Secretary in Practice

Place : Dhaka
Dated : 20 November 2025

SARashid & Associates * Chartered Secretaries *



ANNEXURE-5

Nomination, Remuneration & Evaluation Policy and Evaluation Criteria (the Basics)

[As per Condition 6(5)(c) of Corporate Governance Code]

1. Introduction

According to Condition 6(5)(c) of the Corporate Governance Code, every company listed with any stock exchange in Bangladesh shall have nomination and remuneration policy and evaluation criteria and the same shall have to be disclosed in its annual report.

In view of the above, the Board of Directors of Argon Denims Limited, based on the recommendation of its Nomination and Remuneration Committee (NRC), formulated Nomination, Remuneration and Evaluation Policy of the Company in its Meeting held on 29 June 2022 and the said policy was reviewed and a revised version of Nomination, Remuneration and Evaluation Policy was adopted, based on the recommendation of NRC, in the Board Meeting held on 18 October 2023.

This Policy contains Policy on Nomination, Policy on Remuneration and Policy on Evaluation. The same is made available on the Company's Website and may be availed by using the Link: www.argondenims.com

2. Basics of Policy on Nomination

2.1. The NRC to assist the Board and make recommendations and report to the Board in formulating and/or determining criteria related to nomination and appointment to and removal from the positions of directors and top level executives.

2.2. There shall be diversity in the Board taking into consideration age, gender, experience, ethnicity, educational background and nationality.

2.3. When there arises a requirement to select or nominate for election/re-election or appointment/re-appointment of Director(s) on the Board or placement or replacement of Member(s) in any Board Committee or removal of Director(s) from the Board or any Board Committee, and also in any event related to selection or nomination of any person for appointment to any of the top executive positions or removal therefrom, the NRC shall, as it considers appropriate, conduct the selection or nomination process on case-by-case basis and make recommendation and report to the Board.

2.4. The Chairperson of the Board shall be elected from among the Non-Executive Directors of the Company. Nomination for the Position of Chairperson shall only be made to a person who shall be shall be capable to perform the roles and responsibilities of the Chairperson as defined by the Board.

2.5. The NRC shall identify persons who are qualified to be appointed in the Board as Non-Executive Director or Independent Director in accordance with the criteria laid down, and recommend their appointment to the Board; and similarly the NRC shall review relevant factors and recommend regarding removal or discontinuation or re-appointment of any Non-Executive Director or Independent Director.

Based on the recommendation of the NRC, the Board shall formulate criteria for determining qualifications, positive attributes and independence of a person to be appointed as Director on the Board.

2.6. The NRC shall identify persons who are qualified to be appointed in the Board as Executive or Whole-time Directors (including Managing Director) in accordance with the criteria laid down, and recommend their appointment and removal the Board; and similarly the NRC



shall review relevant factors and recommend regarding removal or discontinuation of any Executive or Whole-time Director from the Board.

2.7. The NRC shall identify persons who are qualified to be appointed as a member of Key Managerial Personnel or C-Suite or in any of the top level executive positions in accordance with the criteria laid down, and recommend their appointment and removal.

2.8. Based on the recommendation of the NRC, the Board shall formulate criteria for determining qualifications, positive attributes and performance benchmarks for appointment of a person as Managing Director or as Executive or Whole-time Director on the Board and also for appointment of a person as a member of Key Managerial Personnel or C-Suite or in any of the top level executive positions.

3. Basics of Policy on Remuneration

3.1. The NRC to assist the Board and make recommendations and report to the Board in formulating and/or determining criteria related to remuneration/compensation of directors and top level executives.

3.2. Remuneration/Compensation of Directors shall be approved in a General Meeting based upon a proposal of the Board (as recommended by NRC) made within the framework of Directors' Remuneration Policy; A portion of the Remuneration of Directors may be variable and dependent on performance in order to ensure that remuneration package is aligned with the interests of Members; Remuneration/ Compensation to Directors shall be in compliance with applicable laws and corporate governance requirements.

3.3. The Director concerned shall not participate in the decision-making process regarding the determination of his remuneration/ compensation.

3.4. Remuneration/Compensation paid to Directors during a year shall be disclosed in the Company's Annual Report.

3.5. Based on the recommendation of the NRC, the Board shall determine Remuneration/Compensation structure or packages for every member of Key Managerial Personnel or C-Suite or for the top level executive positions; Remuneration/Compensation structure or packages shall be competitive in line with market standards of comparable sectors and companies and shall be set in a manner to attract, retain and motivate experienced and highly qualified executives and industry professionals.

4. Basics of Policy on Evaluation

4.1. The NRC to assist the Board and make recommendations and report to the Board in formulating criteria for evaluation of performance of independent directors and of the Board.

4.2. As one of the most important functions of the Board is to oversee the functioning of company's top management, this policy aims at establishing a procedure for conducting periodical evaluation of performance of the Board, Board Committees and Directors as well as performance of the members of Key Managerial Personnel or C-Suite and top level executives and other employees of the Company.

4.3. It shall be the duty of the Chairperson, who shall be supported by the Company Secretary, to organise the evaluation process and conclude the steps required to be taken, while the evaluation process shall be used constructively as a system to improve the effectiveness of



the Board, the Directors and the Board Committees, to maximise their strength and to tackle their shortcomings (if any).

4.4. Evaluation shall be undertaken annually in accordance with financial year.

4.5. Evaluation shall be conducted Internally (by the Directors) and/or Externally (by External Agency) for -

(i) Evaluation of the Board

(ii) Evaluation of Board Committees

(iii) Evaluation of Individual Directors
(i.e. Evaluation of Independent Directors, Non-Executive Directors, Managing Director and Executive/Whole-time Directors)

(iv) Evaluation of the Chairperson

4.6. Evaluation of Key Managerial Personnel or Top-Level Executives shall be conducted Internally (by MD / CEO / ED / Whole-time Director concerned) and/or Externally (by External Agency).

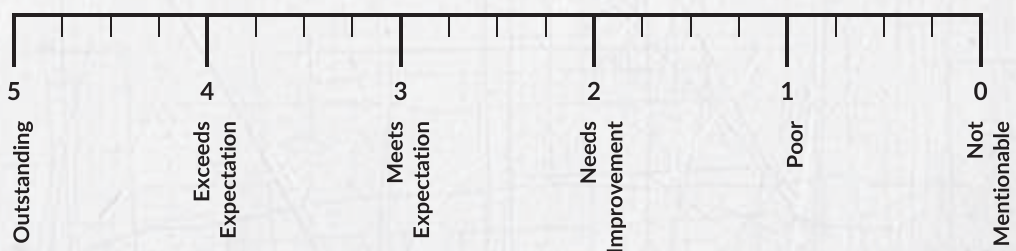
5. Basics of Evaluation Criteria

5.1. The NRC shall develop appropriate Evaluation Forms as Evaluation Tools, and review them from time to time, and recommend to the Board for their approval. Evaluation Forms shall become applicable upon approval, and from the effective date(s) as to be declared, by the Board.

5.2. As recommended by the NRC and approved by the Board, each Evaluation Form as Evaluation Tool(s) contains -

(1) Indication regarding 'by whom evaluation to be done'
(2) Evaluation Factors
(3) Column for Rating against Evaluation Factors as per Rating Scale
(4) Column for making comment(s) against Evaluation Factor(s) and/or Rating(s)
(5) Space for Counting Tick Marks under Rating Column
(6) Space for Overall Rating
(7) Space for making overall comment(s)
(8) Space for giving Suggestions for Improvement of Performance
(9) Signature & Name of the person who has done the evaluation
(10) Date of Evaluation / Signing

5.3. For Evaluation, Rating against each Evaluation Factor shall be assigned, based on performance, appropriateness or adequacy, as per the Rating Scale stated below :



ANNEXURE-6



ARGON ARGON DENIMS LIMITED

DIVIDEND DISTRIBUTION POLICY

1. Background and Purpose

The main objective of a company is to make or earn profits. Profits earned by a Company can either be retained in the business or distributed among its members/ shareholders as dividend in the form of cash dividend or stock dividend (through issuance of Bonus Shares). A company generally declares and distributes dividend annually in an Annual General Meeting (AGM) of members/ shareholders, however, interim dividend may be declared and distributed between two AGMs. As a part of good corporate governance, every company should have an ideal dividend distribution policy.

Dividend Distribution Policy of a company establishes the principles to ascertain amounts that can be distributed as dividend as well as to enable the company to maintain balance between paying out of and retaining from its earnings considering all factors affecting a decision related to dividend declaration and distribution. Such a policy is framed or approved by the Board of Directors of a company.

Bangladesh Securities and Exchange Commission (BSEC) has issued a Directive with regard to dividend [vide No. BSEC/CMRRCD/2021-386/03- dated 14 January 2021] in the interest of investors and of the capital market. According to the said Directive of BSEC, every company listed with any stock exchange in Bangladesh shall have to formulate a dividend distribution policy which shall be disclosed in its annual report and official website.

In view of the above, the Board of Directors of Argon Denims Limited has formulated Dividend Distribution Policy of the Company in its Meeting held on 29 June 2022.

2. Introduction to the Policy

2.1. This Policy shall be called "Dividend Distribution Policy of Argon Denims Limited" [hereinafter referred to as "the Policy" or "this Policy"].

2.2. This Policy has been formulated on behalf of Argon Denims Limited ["the Company"] by its Board of Directors ["the Board"] in order to comply with related provisions of BSEC's Directive regarding dividend vide No. BSEC/CMRRCD/2021-386/03- dated 14 January 2021.

2.3. This Policy shall serve as a guideline for the Board as well as the Members/ Stakeholders of the Company and provide principles with regard to determination, recommendation, declaration, paying off and disbursement of dividend and required compliances related thereto. This Policy is expected to make the Members/ Stakeholders of the Company and potential investors aware of the dividend distribution framework adopted and being maintained by the Company.

2.4. This Policy has been formulated in such a way that it can ensure compliance with the provisions of the Companies Act 1994, related notifications, directives, rules, regulations etc. issued by BSEC and other applicable legal provisions with regard to recommendation, declaration, paying off and disbursement of dividend as well as the Bangladesh Secretarial Standard on Dividend.

2.5. The Board shall have the power to, and from time to time at its discretion may, review the Policy and make changes or amendments thereto, and such changes or amendments shall be communicated to the shareholders in a timely manner.

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2.6. The Policy, as updated from time to time, shall remain publicly available on the Company's Website and also be disclosed in the Company's Annual Report.

3. Basic Policy on Dividend

3.1. Declaration of Dividend shall be consistent and capable enough to balance the appropriately rewarding shareholders through dividends as well as the retaining out of earnings to support the future growth of the Company.

3.2. Dividend Payout shall be determined based on annual standalone profit after tax, available financial resources and investment requirements of the Company and taking into account optimal shareholders' returns (i.e. all factors affecting optimal shareholders' returns shall also be carefully taken into consideration).

3.3. The Company currently has Ordinary Shares only, therefore, Dividend declared shall be distributed amongst all shareholders, based on their shareholding on the record date. If there remain Preference Shares, Dividend shall be paid off to the Preference Shareholders prior to paying off to the Ordinary Shareholders.

3.4. Declaration of 'No' Dividend or lower payout may be considered or recommended for any financial year in any special circumstances or for any situation demand. In the event of not declaring dividend or declaring at a lower payout in any year, the rationale thereof shall have to be disclosed in the Company's Annual Report.

4. Policy on Recommendation and Declaration of Annual or Final Dividend

4.1. Annual or Final Dividend shall be declared by the Members/ Shareholders at an Annual General Meeting on the basis of recommendation of the Board. Unless Dividend has been recommended by the Board, the Members/ Shareholders in General Meeting cannot on their own declare any Dividend.

4.2. Members/ Shareholders may declare a lower rate of Dividend than what is recommended by the Board. The amount or rate of Dividend cannot be increased by the Members than what is recommended by the Board.

4.3. Dividend shall relate to a financial year, and no Dividend should be declared on equity shares for previous year(s) in respect of which annual financial statements have already been adopted at the respective Annual General Meeting(s).

4.4. Dividend may only be declared out of the profits for the financial year or out of profit(s) for the previous financial year(s), but shall not be declared out of Share Premium Account or Capital Reserve Account or Revaluation Reserve Account or out of any profit earned prior to the Incorporation of the Company.

4.5. In any year in which the profits are inadequate, Dividend may be declared out of Free Reserves, on the other hand, where applicable, no Dividend shall be declared unless prescribed percentage of profit is transferred to reserve(s).

4.6. Dividend shall be recommended by the Board after consideration and approval of the annual financial statements. The Audit Committee shall review the financial statements and make recommendation before submission to the Board.

4.7. All requisite approvals and clearances, where necessary as applicable, shall be obtained before the declaration of Dividend.

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ARGON ARGON DENIMS LIMITED

5. Policy on Recommendation and Declaration of Interim Dividend

5.1. Interim Dividend may be declared by the Board of Directors. Declaration of Interim Dividend shall be a part of the Final Dividend.

5.2. Interim Dividend may be declared out of profit after considering the audited periodic financial statements. The Audit Committee shall review the periodic financial statements and make recommendation before submission to the Board.

5.3. Interim Dividend shall not be declared out of reserves.

5.4. No Stock Dividend shall be declared or no Bonus Share shall be issued as Interim Dividend.

6. Factors affecting Recommendation and/or Declaration of Dividend

6.1. The Board may consider expedient to recommend standard dividend out of current profit or out of past profits (i.e. out of retained earnings), or to keep higher portion of current profits as retained earnings resulting recommendation of lower dividend payout, or to recommend no dividend or lower dividend out of retained earnings in order to increase the value of the stakeholders in the long run by making better use of available funds.

6.2. While deciding on declaring or recommending dividend or determining dividend payout ratio, all factors whether internal or external or both shall be considered.

6.3. The Internal Factors that shall be taken into consideration at the time of deciding on declaring or recommending dividend or determining dividend payout ratio are-

(i) Dividend Payout History / Trend of the Company
(ii) Profits earned during the financial year under consideration
(iii) Retained Earnings or cumulative losses of the previous years
(iv) Current and Projected Cash Flow Position of the Company
(v) Current and Projected Cash Balance of the Company
(vi) Current and Projected Working Capital requirements of the Company
(vii) Capital Expenditure Requirements of the Company
(viii) Plan for Expansion or BMRE, if any, of the Company
(ix) Projections of Performance of the Company
(x) Cost of Alternate Sources of Financing

6.4. The External Factors that shall be taken into consideration at the time of deciding on declaring or recommending dividend or determining dividend payout ratio are-

(i) Cost of External Financing
(ii) Applicable Taxes including Tax on Dividend Income
(iii) Expectations of Shareholders and Potential Investors
(iv) Government Policies and Legal Environment
(v) Business Cycles within Economic Cycle
(vi) Overall Economic Environment, Inflation Rate, etc.
(vii) Industry Outlook for the coming years
(viii) Market Conditions and Market Outlook for the Company
(ix) Practice of Competitors and other entities
(x) Regulatory Requirements

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6.5. Each of the factors should be considered of equal materiality and no single factor or group of factors should supersede any other factor or group of factors.

7. Policy on Entitlement and Paying Off/ Distribution of Dividend

7.1. The Members/ Shareholders holding shares in electronic form whose names would appear as Beneficial Owners (BO) in the statement(s) furnished by the Depository as on the Record Date, and the Members/ Shareholders holding shares in physical form whose names would appear on the Company's Register of Members after giving effect to all valid share transfers in physical form lodged with the company before the Record Date, shall be entitled to receive Dividend.

7.2. Dividend, once declared, shall become a debt of the Company and shall not be revoked in any way.

7.3. The Annual or Final Dividend shall be paid off to the entitled shareholders within 30 (thirty) days of approval. Similarly, the Interim Dividend shall be paid off to the entitled shareholders within 30 (thirty) days of the Record Date.

7.4. Cash Dividend shall be distributed in the manner and procedures stated below :

(i) Within 10 (ten) days of declaration of cash dividend by the Board, an amount equivalent to the declared cash dividend payable for the year concerned shall be kept in a separate bank dedicated for this purpose;

(ii) Cash Dividend shall be paid off directly to the bank account of an entitled shareholder as available in the BO account maintained with the depository participant (DP), or the bank account as provided by a holder shares in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN) or through bank transfer or any other electronic payment system as recognized by Bangladesh Bank, if not possible to pay off through BEFTN.

(iii) Upon receiving of claim on cash dividend from a stock broker or a merchant banker or a portfolio manager for margin client(s) or for customer(s) having debit balance or margin loan, or as per intention of the client of a stock broker or a merchant banker or a portfolio manager, shall paid off such cash dividend to the Consolidated Customers' Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN.

In such a case, the stock broker or the merchant banker or the portfolio manager concerned shall be responsible-

(a) first to provide detailed information like BO account number(s), code number(s), bank account number, intention, etc. of the client(s) or customer(s) including CCBA of stock broker or separate bank account of merchant banker or portfolio manager to the Company for such claim;

(b) then to account for such dividend in individual client's portfolio account immediately after receiving money against the claim on cash dividend.

(iv) If, due to non-availability of bank account information or any other reason, distribution of cash dividend cannot be possible through BEFTN or any other electronic payment system, cash dividend warrant shall be issued and sent by post to the shareholder concerned.

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(v) Cash Dividend shall be paid off to any non-resident shareholder or foreign portfolio investor (FPI) through the security custodian in compliance with the applicable rules or regulations in this regard.

(vi) Immediately after disbursement of cash dividend and issuance of certificate of tax deducted at source, if applicable, shall be intimated to the shareholder concerned through an SMS to the mobile number or through email address as provided in the BO Account or by the shareholder.

(vii) BO account number-wise or name-wise or folio number-wise detailed information of unpaid or unclaimed dividend and rationale thereof shall be maintained; summary of such information shall be disclosed in the Company's Annual Report, and shall also be reported in the annual and quarterly statements of financial position as a separate item 'Unclaimed Dividend Account'; and year-wise summary of unpaid or unclaimed dividend shall be published in the Company's Website.

(viii) Any unpaid or unclaimed cash dividend including accrued interest (after adjustment of bank charge, if any) thereon, if remains, shall be transferred to a separate bank account to be maintained for this purpose, within 1 (one) year from the date of declaration or approval or record date, as the case may be.

7.5. Stock Dividend shall be credited directly to the BO account of the entitled shareholder or bonus share certificate shall be issued, as applicable, within 30 (thirty) days of declaration or approval or record date, as the case may be, subject to clearance of the exchange(s) and of the Depository.

8. Policy on Issuance of Bonus Shares or Declaration of Stock Dividend

8.1. For the purpose of issuance of bonus shares, the conditions imposed by BSEC through its Notification bearing No. BSEC/CMRRCD/2009-193/23/Admin/123, dated 30 June 2021 shall be complied with.

8.2. The Company may issue bonus shares or declare stock dividend only for any or all of the purposes mentioned below :

(a) Company's BMRE (Balancing, Modernization, Rehabilitation and Expansion) or any of BMRE components; or

(b) Regulatory Requirements to Raise Capital; or

(c) Profitable Investment or Reinvestment in the Company.

8.3. Immediately after declaration of stock dividend or bonus shares, the following information shall be disclosed, among others, as price sensitive information (PSI):-

(i) the reasons for declaration of stock dividend or bonus shares and purposes or utilization of such retained amount as capital;

(ii) a statement that the company has declared such stock dividend or bonus shares out of the accumulated profit or retained earnings; and

(iii) a statement that the company has not declared such stock dividend or bonus shares from capital reserve or revaluation reserve or any unrealized gain or out of profit earned prior to incorporation of the company or through reducing paid up capital or through doing anything so that the post-dividend retained earnings become negative or a debit balance.

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8.4. As provided in Clause (5) of the BSEC Directive dated 14 January 2021, the provisions of Regulation 46 of the ডিপজিটরি (ব্যবহারিক) প্রবিধানমালা, ২০০৩ shall be followed for issuance of bonus shares. Accordingly,

(a) the Shareholders whose BO Account Numbers are not available shall be requested to submit their BO Account Numbers in writing within a specified time, and if the same is not provided within the stipulated time, bonus shares of those shareholders shall be retained in a Suspense Account.

(b) if, at the time of issuance of bonus shares, there remains fraction of a share (i.e. less than 1 like 0.75 or 0.25, etc.), all such fractional shares shall be taken together in full number and credited to the BO Account opened or to be opened in the name of Company Secretary of the Company, and the sale proceeds thereof shall be distributed proportionately among the shareholders concerned within the time limit for payment of dividends.

9. Policy related to Undistributed or Unclaimed Dividend

9.1. A Suspense BO Account for undistributed or unclaimed stock dividend or bonus shares shall be maintained and the under-mentioned procedures shall also be followed for ensuring the rightful ownership:

9.1.1. At least 3 (three) reminders shall be sent to each of such shareholders;

9.1.2. The Suspense BO Account shall be held under Block Module and such undistributed or unclaimed stock dividend or bonus shares shall not be transferred in any manner except for the purpose of allotting the bonus shares as and when the allottee approaches to the Company.

9.1.3. Any corporate benefit in terms of shares accrued on such undistributed or unclaimed stock dividend or bonus shares shall be credited to the Suspense BO Account.

9.1.4. Upon receiving application from the allottee and after proper verification of identity and his/her entitlement, the bonus shares lying with the Suspense BO Account shall be credited to the BO Account of the allottee, or issue bonus shares to the allottee, as applicable, within 15 (fifteen) days of receiving application with an intimation to BSEC and stock exchange(s);

9.1.5. Any voting rights on such undistributed or unclaimed stock dividend or bonus shares shall remain suspended till the rightful ownership claim of the shareholder is established.

9.2. Any unclaimed cash dividend or stock dividend shall not be forfeited till the claim becomes barred by the law of land in force.

9.3. If any cash dividend remains unpaid or unclaimed or unsettled including accrued interest (after adjustment of bank charge, if any) thereon for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred to the Fund as directed or prescribed by BSEC. Detailed information shall be provided to the manager of the said Fund during transfer of cash dividend as directed or prescribed by BSEC.

If any shareholder claims his cash dividend after transfer of such dividend to the Fund, within 15 (fifteen) days of receiving such claim, after proper verification of the claim, recommendation shall be made to the manager of the said Fund to pay off such dividend from the Fund, the manager of the Fund shall be responsible to pay off such cash dividend to the claimant in accordance with the provisions and procedures as directed or prescribed by BSEC.

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9.4. If any stock dividend or bonus shares remains unclaimed or unsettled including corporate benefit in terms of bonus shares thereon for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred in dematerialized form to the BO Account of the Fund as mentioned at Clause 9.3 above. Detailed information shall be provided to the manager of the said Fund during transfer of stock dividend or bonus shares as directed or prescribed by BSEC.

If any shareholder claims his stock dividend or bonus shares after transfer of such dividend or bonus shares to the BO Account of the said Fund, within 15 (fifteen) days of receiving such claim, after proper verification of the claim, recommendation shall be made to the manager of the said Fund to pay off or transfer such stock dividend or bonus shares from the BO Account of the said Fund and the manager of the Fund shall be responsible to pay off or transfer such stock dividend or bonus shares to the claimant's BO Account in accordance with the provisions and procedures as directed or prescribed by BSEC.

9.5. The Company, by itself or by appointing an agent, shall maintain detailed information of BO Account, bank account, mobile phone number, email and address of each shareholder for the purpose of proper distribution of cash dividend or stock dividend, however, the Company or its agent or CDBL or its DP shall keep confidentiality of such information.

9.6. As provided in Clause (11) of the said Directive issued by BSEC, responsibility to update the information of BO account, bank account, mobile number, email address and contact address of each shareholder at least once in a year shall remain upon CDBL or its DP. The Company shall obtain such information from CDBL for the purpose of proper distribution of cash dividend or stock dividend and other compliances. However, in case of holding of paper share, the Company shall update the information as mentioned above.

9.7. In the event of any confusion or difference of opinion on any matter with regard to the said Directive issued by BSEC whatsoever, the Decision of BSEC shall be final and binding on all concerned.

10. Compliance Report on Dividend Distribution

10.1. A Compliance Report in respect of the provisions of Clause (2), (3), (4) and (5) of the said Directive issued by BSEC shall have to be submitted to BSEC and stock exchange(s) in the format specified as Annexure-A of the said Directive within 7 (seven) working days of completion of dividend distribution.

10.2. The Compliance Report on Dividend Distribution shall be published in the Company's Website.

11. Miscellaneous

This Policy shall come into effect immediately.

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REPORT OF THE AUDIT COMMITTEE

(for the year ended 30 June 2025 and up to 20 October 2025)

Constitution and Composition of the Audit Committee

The Board of Directors of Argon Denims Ltd. ["the Board"] constituted an Audit Committee as a sub-committee of the Board on 30 December 2012, re-constituted it on 23 June 2020 and re-constituted it on 12 January 2025.

The members of the Committee are/were as stated below:

1. Mr. M. Shahjahan Bhuiyan, Independent Director — Chairman (Till 30 Dec 2024)
2. Mr. Md. Giash Uddin, FCA, Independent Director — Chairman (Since 31 Dec 2024)
3. Dr. Ardhendu Shekhar Roy, Independent Director — Member
4. Mr. Md. Akhter Shahid, Non-Executive Director — Member

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

Terms of Reference (TOR) of the Audit Committee

The Board defined Terms of Reference (ToR) for the Audit Committee ["the Committee"] and the same are in line with the Corporate Governance Code ["the Code"]. Activities of the Committee are performed as per the said ToR. The Committee reports directly to the Board.

Meetings of the Committee

The Committee had its 4 (four) meetings during the year ended 30 June 2025. Attendance of the Members was as follows:

Name of the Member	No. of Meetings	
	Held	Attended
Mr. M. Shahjahan Bhuiyan	4	2
Mr. Md. Giash Uddin, FCA	4	2
Dr. Ardhendu Shekhar Roy	4	4
Mr. Md. Akhter Shahid	4	4

Minutes of the Committee are properly recorded in writing.

Activities of the Committee

In order to discharge the duties and responsibilities the Committee had -

- Overseen the financial reporting process.
- Monitored choice of accounting policies and principles.
- Monitored Internal Audit and Compliance Process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and reviewing of the Internal Audit and Compliance Report.
- Ensured attendance of representative of the external or statutory auditors in the meeting of the committee to review the annual financial statements before submission to the Board for approval or adoption.



- Ensured attendance of representative of the management in the meeting of the committee to review the annual financial statements before submission to the Board for approval.
- Ensured attendance of representative of the management in the meeting of the committee to review the quarterly and half yearly financial statements before submission to the Board for approval.
- Ensured, while reviewing the financial statements, that proper disclosures required under International Accounting Standards as adopted in Bangladesh have been made and also the Companies Act 1994 and other rules and regulations applicable for this company have been complied with.
- Reviewed the adequacy of Internal Audit Function and they consider accepted adequately done.
- Reviewed the Management's Discussion and Analysis before disclosing in the Annual Report.
- Reviewed statement of all related party transactions submitted by the management.
- Reviewed the performance of the Statutory Auditors, Messrs. Pinaki & Company, Chartered Accountants.
- Considered and made recommendation to the Board on the appointment and remuneration of statutory auditors, M/s AHMED ZAKER & Co., Chartered Accountants, for the year ending June 30, 2026.
- Overseen the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and performance / expected performance of external auditors.
- Reviewed the matters as per requirement from the Bangladesh Securities and Exchange Commission (BSEC) including Corporate Governance Code.

Reporting of the Committee

- The Audit Committee is primarily responsible to report for its roles and activities to the Board.
- Based on the reviews conducted during the period as mentioned above, the Audit Committee reasonably believes and reports that the internal control and compliance procedures are adequate to present a true and fair view of the activities and financial status of the company.
- Pursuant to Condition No. 6(a) of the Corporate Governance Code dated 03 June 2018 issued by BSEC, the Committee reports that it did not find any conflict of interest or any fraud, irregularity, material defect in the Internal Control System. There are no infringement of laws, rules and regulations also.
- The Committee is of the view that risk management associated with the business of the Company is adequately controlled.

On behalf of the Audit Committee

Md. Giash Uddin, FCA
Chairman of the Audit Committee
20 October 2025





REPORT OF THE NOMINATION & REMUNERATION COMMITTEE (NRC)

(for the year ended 30 June 2025 and up to 20 October 2025)

Formation of the Committee

The Board of Directors of Argon Denims Limited in its Meeting held on 23 June 2020 formed Nomination & Remuneration Committee (NRC) and re-formed on 12 January 2025 as a sub-committee of the Board pursuant to Condition Nos. 4 & 6 of the Corporate Governance Code issued by Bangladesh Securities and Exchange Commission (BSEC). The NRC consists of three members, of whom two are Independent Directors and one is Non-Executive Director. The members of the Committee are/were as stated below:

1. Mr. M. Shahjahan Bhuiyan, Independent Director Chairman (Till 30 Dec 2024)
2. Mr. Md. Giash Uddin, FCA, Independent Director Chairman (Since 31 Dec 2024)
3. Dr. Ardhendu Shekhar Roy, Independent Director Member
4. Mr. Md. Akhter Shahid, Non-Executive Director Member

The Company Secretary acts as the Secretary of the Committee.

Role of the Committee

Terms of Reference (ToR specifying the roles and responsibilities of the Committee have been laid down by the Board and the same are in line with the Corporate Governance Code. ToR of the Committee has been published on the Company's website.

Meetings of the Committee

The Committee had its 2 (two) meetings during the year ended 30 June 2025. Attendance of members was as follows:

Name of the Member	No. of Meetings	
	Held	Attended
Mr. M. Shahjahan Bhuiyan	02	01
Mr. Md. Giash Uddin, FCA	02	01
Dr. Ardhendu Shekhar Roy	02	02
Mr. Md. Akhter Shahid	02	02

Proceedings of each meeting of the NRC are duly recorded in the minutes and such minutes are confirmed in the next meeting of the NRC.



Activities of the NRC during the year and up to 20 October 2025 at a glance

In order to discharge the duties and responsibilities the Committee had -

(a) Reviewed the status of existing policies and processes with regard to the eligibility and qualification of Directors.

(b) Reviewed the policies and basis of remuneration to Directors and top level executives.

(c) Reviewed the profiles of two new directors and recommended for appointment.

(d) Recommended for monthly remuneration for newly appointed directors and their attendance fee for Board and Committee meetings.

(e) Recommended for an increase of remuneration of two existing directors.

(f) Recommended for acceptance of retirement notice of CFO of the company.

(g) Reviewed profile of an Independent Director and recommended for appointment.

(h) Made recommendation regarding filling up the position of CFO.

(i) Determined and proposed the names of Directors for retirement & re-appointment.

(j) Had overseen other issues within the Code of Conduct of the NRC.

Reporting by the NRC to the Board

The NRC reports on its on its activities to the Board. The NRC expressing its view to the Board that the nomination, retirement, re-election & remuneration of directors & top level executives are adequate for presetting true and fair view of the Administration & HR department and also expressed that the internal control of the company is quite well.

For and on behalf of the Nomination and Remuneration Committee of Argon Denims Limited.

Md. Giash Uddin, FCA
Chairman of the Committee
20 October 2025





AUDITOR'S REPORT TO THE SHAREHOLDERS

Independent Auditor's Report

To The Shareholders of ARGON DENIMS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of "**Argon Denims Limited"** (the Company) which comprise the statement of financial position as at 30 June 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 30 June 2025, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987, and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters are discussed below together with an explanation of how the risk and our audit response were tailored to address these specific areas.



Annexure-1

Key audit matter description	How the scope of our audit responded to the key audit matter.
Property, plant and Equipment	
The carrying value of the PPE amounted to Tk **1,513,591,642** as at 30 June, 2025. There is a risk of: • determining which costs meet the criteria for capitalization; • determining the date on which the assets is recognized to property, plant and equipment and depreciation commences; • the estimation of economic useful lives and residual values assigned to Fixed asset. We identified the carrying value of property, plant and equipment as a key audit matter because of the high level of management judgment involved and because of its significance to the financial statements. See note no. 6 for details.	Our audit procedures to assess the carrying value of property, plant and equipment included the following: • We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent. • We obtained a listing of capital expenditures incurred during the year and, on a sample basis, checked whether the items were procured based on internal purchase order that had been properly approved by the responsible individuals. • We inspected a sample of invoices and L/C documents to determine whether the classification between capital and operating expenditure was appropriate. • We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice. • We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from capital in progress to make it ready for use, with the date of the completion of the work.
Revenue Recognition	
The Company has reported sales revenue of Tk **5,621,620,520** for the year ended 30 June 2025. All of the Company's sales are made under sales invoice, delivery challan. It's products primarily comprise sale of Denim Fabric. Revenue is recognized at the point of generating invoice.	We have tested the design and operating effectiveness of key controls focusing on the following: • We assessed the appropriateness of revenue recognition accounting policy in line with IFRS 15 "Revenue from contracts with customers" • Tested the internal control over financial reporting. We also assessed the existence and accuracy of the sales recorded; • We performed analytical test to understand how the revenue has trended over the year





We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations. As all sales are translated from USD currency to BDT, there is a risk that foreign exchange gain/loss might not be correctly recognized in the Financial Statements. See note no. 29 for details.	among other parameters, we performed a detailed substantive testing on transactions around the year end to ensure revenues were recognized in the correct accounting period. We also tested journal entries focusing on sales transactions; • Verified VAT return with General Ledger. • We obtained supporting documents for sales, transactions recorded during the year; and • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.
Valuation of Receivables	
The Company has Accounts receivable of **Tk.1,564,935,030** as at 30 June 2025. Accounts receivable of the company comprise mainly receivables regarding the sale of Denim Fabric which is secured by Letter of Credit (L/C). See note no. 10 for details.	Our substantive procedures in relation to the assessing valuation of receivable comprises the following: • Obtained a list of outstanding receivables; • Reconciliation of receivables ageing to general ledger; • Conducting cut-off testing at the year-end; • Reviewing subsequent receipt of receivables balance.
Valuation of Inventories	
The amount of inventory is **TK. 2,304,979,164** as at 30 June, 2025 which amounted to 44.21% of the total current assets. As per IAS 2, inventories are required to be valued at the lower to cost and net realizable value. Cost of inventories includes purchase cost and cost incurred in bringing inventories to its present location and condition. IAS 2 specifically prohibits certain costs from being excluded from the cost of inventories. Inventories are valued at cost or net realizable value whichever is lower. Due to the complex nature of accounting for inventories, there is an increased risk of misstatement in valuation of inventory items. See note no. 11 for details.	We obtained assurance over relevance and appropriateness of management's assumptions applied in calculating the value of the inventories by: • We observed ADL's year-end inventory count, performed test counts and reconciled count sheet records to inventory valuation report in order to verify the existence of inventories reported in the accounts; • We tested the purchase costs of a sample of inventory items by inspecting invoices; • We assessed the components of the costs included within inventory items to ensure that they are in conformity with the requirements of IAS 2; • We assessed the movement of inventories and analyzed whether closing inventories were valued using the weighted average method; • Testing, on a sample basis the stock expiry dates and the market price used in assessing



	the net realizable values of inventories of the related supporting documents.
	• Comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories.
Measurement of deferred tax liability	
The net deferred tax liability is Tk. **118,648,800** as at 30 June, 2025. Significant judgment is required in relation to deferred tax liabilities as it is dependent on forecasts of future profitability over a number of years. See note no. 21 for details.	We carried out the following substantive testing for this item
	• We checked deferred tax expenses and liabilities in the financial statements and calculation and records;
	• We obtained an understanding, evaluated the design and tested the operational effectiveness of the controls over the recognition and measurement of deferred tax liabilities and the assumptions used in estimating the Company's future taxable income.
	• We involved tax specialists to assess key assumptions, controls, recognition and measurement of deferred tax liabilities.
	• We also assessed the appropriateness of presentation of disclosures against IAS-12 income tax.

Bank Loan	
The company reported short term & long term loan **TK. 2,759,571,753 & 120,066,643** respectively in the statement of financial position at the reporting date. The above borrowing were considered as key audit matter because this external form of credit facilities availed by the company required fulfillment of several terms and conditions as mentioned in sanction letter issued by lending bank. Any non-compliance with those stipulated terms and conditions might result in subsequent withdrawal and pose a threat to ongoing operation of the company. Besides, risk of material misstatement also lies due to non-disclosure of all those terms and conditions in the financial statements. See note no. 22 & 19 for details.	Our substantive audit procedures adopted during the audit includes the following test or details.
	• Inspecting relevant board minutes in support of bank loan reported in the financial statements.
	• Tracing existence and completeness of reported borrowings with supporting evidence such as sanction letters, loan certificates and statements.
	• Sending out and obtaining confirmation from the lenders.
	• Recalculating and testing accuracy and completeness of finance costs charged by the company during the year with corresponding loan statements provided by bank.





Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any observation to that effect.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for



our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest/benefits of such communication.





Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules, 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report the following:

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 accounts as required by law have been kept by the Company and so far as it appeared from our examination of these books;

c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and

d) the expenditure incurred was for the purposes of the Company's business.

Pinaki Das

Pinaki Das FCA
Senior Partner
ICAB Enrollment No.0151
FRC Enlistment No.CA-001-133
Pinaki & Company
Chartered Accountants
FRC Firm Enlistment No.CAF-001-113

Place: Dhaka, Bangladesh
Date: 26 October 2025
DVC: 2510260151AS789664

STATEMENT OF FINANCIAL POSITION



ARGON DENIMS LIMITED
Statement of Financial Position
As at 30 June 2025

Particulars	Notes No.	Amount in Taka	
		30 June 2025	30 June 2024
PROPERTY & ASSETS			
Non-Current Assets			
Property, Plant and Equipment	06	1,513,591,642	1,546,241,219
Capital Work-In-Progress	07	-	43,436,748
Right to Use of Assets	08	-	1,776,890
		1,513,591,642	**1,591,454,857**
Current Assets			
Advance, Deposits and Prepayments	09	428,781,754	572,789,675
Accounts Receivables	10	1,564,935,030	1,774,112,998
Inventories	11	2,304,979,164	1,747,772,644
Goods In Transit	12	10,618,881	37,953,648
Investment in Shares	13	245,827	251,659
Cash and Cash Equivalents	14	904,321,990	1,022,668,514
		5,213,882,645	**5,155,549,137**
Total Assets		**6,727,474,290**	**6,747,003,994**
EQUITY & LIABILITIES			
Shareholder's Equity			
Share Capital	15	1,388,886,060	1,388,886,060
Share Premium	16	730,815,534	730,815,534
Tax Holiday Reserve		115,879,072	115,879,072
Revaluation Surplus	17	105,406,438	107,492,700
Retained Earnings	18	1,071,463,804	975,160,826
		3,412,450,908	**3,318,234,191**
Non-Current Liabilities			
Long Term Loan	19	120,066,643	104,587,844
Lease Finance	20	13,977,277	24,950,314
Deferred Tax Liability	21	118,648,800	126,120,263
		252,692,720	**255,658,421**
Current Liabilities			
Short Term Loan	22	2,759,571,753	2,820,288,139
Current Maturity of Long Term Loan & Lease Finance	23	52,688,662	70,313,589
Liability for Expenses	24	96,168,058	87,071,682
Provision for WPPF & WF	25	48,481,142	42,735,812
Provision for Income Tax	26	75,930,986	130,761,282
Unclaimed Dividend	27	4,363,772	3,924,168
Accounts Payable	28	25,126,288	18,016,709
		3,062,330,661	**3,173,111,381**
Total Shareholder's Equity & Liabilities		**6,727,474,290**	**6,747,003,994**
Net Asset Value (NAV) per share	37	**24.57**	**23.89**

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

Pinaki Das FCA
Senior Partner
ICAB Enrollment No.0151
FRC Enlistment No.CA-001-133
Pinaki & Company
Chartered Accountants
FRC Firm Enlistment No.CA-001-113

Place: Dhaka, Bangladesh
Date: 26 October 2025
DVC: 2510260151AS789664



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

ARGON DENIMS LIMITED

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2025

Particulars	Notes No.	Amount in Taka	
		01 July 2024 To 30 June 2025	01 July 2023 To 30 June 2024
Turnover	29	**5,621,620,520**	**5,674,592,985**
Less: Cost of Goods Sold	30	5,108,885,388	5,277,230,383
Gross Profit/(Loss)		**512,735,132**	**397,362,602**
Add: Export Incentive	31	112,172,002	118,342,299
		624,907,134	**515,704,901**
Less : Administrative Expenses	32	166,371,380	158,879,824
		458,535,754	**356,825,077**
Less : Selling & Distribution Expenses	33	80,377,059	73,606,069
Operating Profit /(Loss)		**378,158,695**	**283,219,008**
Less: Financial Expenses	34	108,110,769	89,686,469
Net Profit/ (Loss) after Financial Expense		**270,047,926**	**193,532,539**
Add : Other Income/(Loss)	35	40,379,398	22,757,568
Net Profit/(Loss) before WPPF & WF		**310,427,324**	**216,290,107**
Less: Contribution to WPPF & WF		14,782,254	10,814,505
Net Profit/(Loss) before Tax		**295,645,071**	**205,475,602**
Less: Provision Income Tax			
Current Tax	26.1	70,010,905	109,511,752
Deferred Tax/ (Income)	21.1	(7,102,992)	(8,734,423)
Net Profit /(Loss) after Tax		**232,737,158**	**104,698,273**
Other Comprehensive Income/(Loss)	13.3	**(2,763)**	**(45,506)**
Total Comprehensive Income/(Loss)		**232,734,395**	**104,652,766**
Earnings Per Share (EPS)	36	**1.68**	**0.75**

Managing Director | **Director** | **Company Sacretary**

Pinaki Das FCA
Senior Partner
ICAB Enrollment No.0151
FRC Enlistment No.CA-001-133
Pinaki & Company
Chartered Accountants
FRC Firm Enlistment No.CA-001-113

Place: Dhaka, Bangladesh
Date: 26 October 2025
DVC: 2510260151AS789664

ARGON DENIMS LIMITED

Statement of Changes in Equity

for the year ended 30 June 2025

Amount in Taka

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Revaluation Surplus	Retained Earnings	Total
Balance as at 01.07.2024	1,388,886,060	730,815,534	115,879,072	107,492,700	975,160,826	3,318,234,191
Net profit/(Loss) for the period	-	-	-	-	232,737,158	232,737,158
Cash Dividend @ 10% December 18,2024	-	-	-	-	(138,888,606)	(138,888,606)
Adjustment for Revaluation reserve after related Tax	-	-	-	(2,086,262)	2,454,426	368,164
Balance as at 30.06.2025	**1,388,886,060**	**730,815,534**	**115,879,072**	**105,406,438**	**1,071,463,804**	**3,412,450,908**

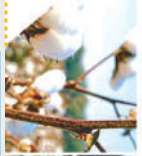
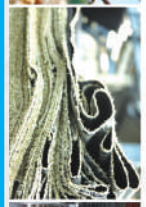
Statement of Changes in Equity

for the year ended 30 June 2024

Amount in Taka

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Revaluation Surplus	Retained Earnings	Total
Balance as at 01.07.2023	1,388,886,060	730,815,534	115,879,072	109,688,765	1,006,767,553	3,352,036,982
Net profit/(Loss) for the period	-	-	-	-	104,698,273	104,698,273
Cash Dividend @ 10% December 10, 2023	-	-	-	-	(138,888,606)	(138,888,606)
Adjustment for Revaluation reserve after related Tax	-	-	-	(2,196,066)	2,583,607	387,542
Balance as at 30.06.2024	**1,388,886,060**	**730,815,534**	**115,879,072**	**107,492,700**	**975,160,826**	**3,318,234,191**

Managing Director | **Director** | **Company Sacretary**






STATEMENT OF CASH FLOWS

ARGON DENIMS LIMITED
Statement of Cash Flows
for the year ended 30 June 2025

Particulars	Notes No.	Amount in Taka	
		01 July 2024 To 30 June 2025	01 July 2023 To 30 June 2024
Cash flow from Operating Activities			
Cash received from customers & Others	38	5,868,693,819	6,117,533,512
Cash payments to suppliers & others	39	(5,659,270,214)	(5,526,588,684)
Other Income		2,738,134	2,124,045
Income Tax Paid		(72,341,808)	(72,021,754)
WPPF Paid		(9,036,923)	(8,433,398)
Net Cash flow from Operating Activities		**130,783,008**	**512,613,721**
Cash flow from Investing Activities			
Acquisition of Property, Plant and Equipment		(85,912,505)	(8,730,010)
Capital Work In Progress		43,436,748	(43,436,749)
Net Cash used in Investing Activities		**(42,475,757)**	**(52,166,759)**
Cash flow from Financing Activities			
Financial Expense		(108,110,769)	(89,686,469)
Long Term Loan		15,478,799	80,806,855
Lease Finance		(10,973,037)	(3,124,467)
Dividend Paid		(138,888,606)	(138,888,606)
Unclaimed Dividend		439,603	930,310
Current Maturity of Long Term Loan & Lease Finance		(17,624,926)	10,257,949
Short Term Loan		(60,716,386)	206,159,645
Net Cash flow from Financing Activities		**(320,395,322)**	**66,455,217**
Net increase/(decrease) in Cash and Cash Equivalents		**(232,088,071)**	**526,902,179**
Opening Cash and Cash Equivalents		**1,022,668,514**	**402,650,713**
Effect of Movement in Exchange Rates		**113,741,547**	**93,115,622**
Closing Cash and Cash Equivalents		**904,321,990**	**1,022,668,514**
Net Operating Cash flow Per Share (NOCFPS)	**40**	**0.94**	**3.69**

Managing Director | **Director** | **Company Sacretary**



ARGON DENIMS LIMITED
Notes to the Financial Statements
As at & for the year ended 30 June 2025

1.0 Corporate History of the Reporting Entity:

ARGON DENIMS LIMITED was incorporated in Bangladesh on July 13,2006 under the companies Act, 1994 vide registration no. C – 62713(204)/2006 as a private company limited by shares, it commenced commercial operation in 2008. Subsequently the company was converted into Public Limited Company on 31.05.2011.

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

2.0 Nature of Corporate Business:

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

3.0 Corporate Financial Statements and Reporting:

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

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

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

4.0 Basis of preparation

4.1 Statement of Compliance

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

IAS-01	Presentation of Financial Statements
IAS-02	Inventories
IAS-07	Statements of Cash flows
IAS-08	Accounting Policies, Changes in Accounting Estimates & Errors.
IAS-10	Events after the reporting period
IAS-12	Income Taxes
IAS-16	Property, Plant and Equipment

IAS-19	Employee Benefits
IAS-23	Borrowing Cost
IAS-24	Related Party Disclosures
IAS-32	Financial Instruments: Presentation
IAS-33	Earnings Per Share
IAS-36	Impairment of Assets
IAS-37	Provisions, Contingent Liabilities and Contingent Assets
IAS-38	Intangible Assets.
IFRS-13	Fair Value Measurement
IFRS-15	Revenue from contracts with customers
IFRS-16	Leases

4.2 Other regulatory compliance

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

The Income Tax Act 2023
The Value added Tax Act 2012
The Value added Tax Rules 2016
The Securities & Exchange Commission Ordinance 1989
The Securities & Exchange Commission Rules 1987

4.3 Basis of measurement

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

4.4 Functional and presentational currency

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

4.5 Accrual Basis of Accounting

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

4.6 Use of Estimates & Judgment

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

4.7 Reporting Period

The financial period of the Company covers one year from 01 July 2024 to 30 June 2025.



4.8 Date of Authorization

The Board of Directors of Argon Denims Ltd approved this Financial Statement on dated **October 22, 2025**

4.9 Components of the financial statements

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

5.0 Significant accounting policies

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

5.1 Property, plant and equipment

5.1.1 Recognition and measurement

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

5.1.2 Subsequent cost

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

5.1.3 Depreciation

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

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

Land and land development	-
Building & civil constructions	5%
Capital Machinery	10%
Furniture & Fixture	10%
Motor Vehicles	20%
Office Equipment	15%
Electrical, Gas & Water Line Installations	10%
Office Decoration	10%





5.2 Inventories

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

5.3 Investment in Share

Investment in shares of listed company has been valued at fair value being year-end stock exchange quoted price in compliance with the requirements of IAS-39 "Financial Instruments: Recognition and Measurement". The said investment has been considered as available for sale and presented as financial assets, and accordingly, the gain on revaluation has been shown under "Other Comprehensive Income" in compliance with the said IAS-39.

5.4 Trade and other receivables (Accounts receivables)

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

5.5 Advances, deposits and prepayment

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

Deposits are measured at payment value.

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

5.6 Cash & Cash Equivalents

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

5.7 Provision

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

5.8 Foreign currency transaction

Foreign currency transactions are translated at rates ruling on the dates advices were received. Monetary assets and liabilities denominated in foreign currencies at reporting date are reconverted at rates ruling at the balance sheet date. All exchange differences are charged /

credited to profit and loss account by being absorbed in the respective head of income or expenditure.

5.9 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of comprehensive income (Profit and Loss Statement).

Current Tax:

The company had been enjoying tax holiday which has ended on February 2012. Income tax provision is made after expiry of tax holiday period as per rate prevailing during that period. Provision for current tax is made on the basis of the profit for the year as adjusted for taxation purpose in accordance with the provision of Income Tax Ordinance, 1984 and amendments made thereto from time to time. The Company is a publicly traded company as per the Income Tax Laws. Therefore, Provision for taxation has been made computation of Income Tax at the rate of 15% (Textile Company) or Minimum Tax at the rate of 0.6% on total receipt or Advance Income Tax (AIT) whichever is higher

Deferred Tax:

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

5.10 Employee benefit obligation:

Employee benefits are Contribution Provident Fund, WPPF, Group Insurance, Medical facilities.

5.11 Revenue recognition

Goods sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable as per contract with customers as per IFRS-15, net of returns, trade discounts and volume rebates. Revenue is recognized when the significant risks and reward of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is continued management involved with the goods, and the amount of revenue can be measured reliably and performance obligation satisfied.

5.12 Borrowing cost

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

5.13 Statement of Cash flows

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

5.14 Earnings per share

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

5.15 Comparative information:

Comparative information has been disclosed in respect of the year ended 30 June 2024 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding for the current period financial statements.

5.16 Events After the Reporting Period:

As per IAS-10 "Event after the Reporting Period" are those events favorable and unfavorable that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified:

Those are provided evidence of conditions that existed at the end of the reporting period (adjusting events after Reporting Period); and those are indicative of conditions that arose after the reporting period (non-adjusting events after Reporting Period).

Going Concern:

The company has adequate resources to continue operation for the foreseeable future. For these reasons the directors continue to adopt going concern basis in preparing the accounts. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business operation.

Proposed Dividend:

The Board of Directors, in its 134th meeting, held on 22 October 2025 has declared 10% cash dividend for the year ended 30 June 2025. The above is subject to approval of the shareholders in the 19th Annual General Meeting, scheduled to be held on 18 December 2025.

5.17 Accounting for investment in leases

IFRS 16 requires as lessees to adopt a uniform approach to the presentation of leases. Correspondingly, assets must be recognized for the right of use received and liabilities must be recognized for payment obligations entered into for all leases. The Company currently expects to transition to IFRS 16 in accordance with the modified retrospective approach. For leases that have to date been classified as operating leases in accordance with IAS 17, the lease liability will be carried at the present value of the remaining lease payments, discounted using the lessees incremental borrowing rate at the time the standard is first applied. The right-of-use asset will generally be measured at the amount of the lease liability.

5.18 Impairment of assets

In each year the management assess whether there is any indication that the assets may be impaired in accordance with IAS 36: "Impairment of Assets" considering the current economic situations. Management concludes that there is no such indication exists.

5.19 Financial Instruments

Derivative:

According to IFRS 7: "Financial Instruments Disclosures", the company was not a party to any derivative contract (financial instruments) at the financial statement 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.

5.20 Non- Derivative:

Non-derivative financial instruments comprise of accounts and other receivable, borrowings and other payables and are shown at transaction cost as per IAS 39 "Financial Instruments: Recognition and Measurement".

5.21 General

5.21.1 Unclaimed Dividend and Share Money Refund to CMSF

As per BSEC directive no. BSEC/CMRRCD/2021-386/03 dated 14th January 2021 and the Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) Rules, 2021 we have transferred Unclaimed Dividend & Share Money to Capital Market Stabilization Fund (CMSF) Account No. SND A/C-0010311521301.

5.21.2 Re-arranged the Financial Statement

Previous year figures have been rearranged wherever considered necessary for the purpose of current period presentation. Previous year's figures have been rearranged due to compliance with IAS 1 " Presentation of Financial Statement" and applied rearrangement for the year ended June 30, 2024

5.21.2.1 Re-arranged the Financial Statement

Previous year's figures have been rearranged due to compliance with IAS 7 " Cash & Cash Equivalents" and applied retrospective restatement for the year ended June 30, 2024 cash Flows Statements to ensure comparability with the current year's presentation. As a result, Net operating cash Flows per share has decreased from Tk. 4.21 to Tk. 3.69 per share for the year ended June 30, 2025.





ARGON DENIMS LIMITED

Notes to the Financial Statements

As at 30 June 2025

No.	Particulars	Note No.	Amount in Taka	
			30 June 2025	30 June 2024
06.	**Property, Plant and Equipment**			
	Land & Land Development		117,323,754	117,323,754
	Building & Civil Constructions		682,131,027	666,651,268
	Capital Machinery		606,911,324	641,854,344
	Furniture & Fixture		5,753,481	4,405,346
	Motor Vehicles		39,765,637	49,707,046
	Office Equipments		16,484,744	16,053,155
	Electrical ,Gas & Water Line Installations		21,702,569	24,113,966
	Office Decoration		23,519,106	26,132,340
			1,513,591,642	**1,546,241,219**
06.1	**Movement of PPE**			
	Opening Balance		**1,546,241,219**	**1,664,478,209**
	Add: Addition during the year	**Annexure - A**	85,912,505	8,730,010
	Less: Disposal		-	-
	Closing Balance		**1,632,153,724**	**1,673,208,219**
	Less: Depreciation charged during the year		118,562,082	126,967,000
	Written Down Value (WDV)	**Annexure - A**	**1,513,591,642**	**1,546,241,219**
07.	**Capital Work In Progress**			
	Opening Balance		43,436,748	-
	Addition: During the year		4,051,758	43,436,748
			47,488,506	**43,436,748**
	Less: Amortize during the year		47,488,506	-
			-	**43,436,748**
08.	**Right of Use Assets**			
	Opening Balance		1,776,890	8,884,451
	Less: Amortize during the year		1,776,890	7,107,560
			-	**1,776,890**
09.	**Advance, Deposit & Pre-Payments**			
	Advance	**09.1**	363,582,864	464,994,104
	Deposit	**09.2**	50,961,340	51,804,643
	Pre- Payments	**09.3**	14,237,550	55,990,928
			428,781,754	**572,789,675**
09.1.	**Advance**			
	Advance Income Tax	**09.1.1**	73,746,520	126,245,913
	ARAC Polywarp		-	1,675,000
	Bangla Tech Build		-	315,072
	Bangla Trac Ltd		2,941,294	3,419,614
	Bengal Refrigeration Co. Ltd.		-	668
	Berger Paints BD Ltd		-	31,099
	Bit to Byte		-	110,191
	BSRM Steels Ltd		46,012	46,012
	Concept Concrete Ltd		73,498	73,498
	Corona Trade & Transport		5,126,838	1,357,526
	Delcot Ltd		765,943	372,823
	Dexterous Engineering		-	2,171
	Envoy Textile Ltd		-	1,664,825
	Evince Design & Fashions Ltd		2,006,456	245,885
	Farbo Engineering		-	4,500,000
	Employee & Others		915,925	50,769,725
	Hazi Mofiz Uddin Filling Station		1,040,000	3,224,500
	Icon Glazing Solutions		600,000	600,000



ARGON DENIMS LIMITED
Notes to the Financial Statements
As at 30 June 2025

No.	Particulars	Note No.	Amount in Taka	
			30 June 2025	30 June 2024
	Lafarjeholcim Bangladesh Limited		13,088	300,000
	Land Purchase		13,525,000	13,525,000
	Lanka Bangla Investment		-	1,000,000
	Latex Ltd		-	48,397
	M/S Razzak Eng. Works		82,516	144,026
	MJL Bangladesh Ltd		425,773	358,053
	Matreek		-	400,000
	Md. Jahangir Alam Khan (Advocate)		-	15,000
	Nafa Tex		-	7,500
	OTSL Point		574,000	454,000
	Qaswa Trading		-	317,438
	Partex Furniture		-	705,114
	Commercial Space Purchase for Office	42.4	257,500,000	250,000,000
	SBT Enterprise		-	160,000
	Saleh Afrooz Architech		-	700,000
	Sazzad Enterprise		-	570,479
	Sohel Enterprise		2,500,000	-
	Travel Corporation BD		-	334,575
	Wyedelta Engineering		1,700,000	1,300,000
			363,582,864	**464,994,104**
09.1.1	**Advance Income Tax**			
	Opening Balance		126,245,913	84,122,690
	Add: Paid during the period	09.1.1.1	73,746,520	72,021,754
			199,992,433	**156,144,444**
	Less : Adjustment made during the period		126,245,913	29,898,531
	Closing Balance		**73,746,520**	**126,245,913**
09.1.1.1	**Head wise payment**			
	Export Proceed		58,216,669	60,860,698
	Cash Incentive		11,794,236	7,904,683
	Import		2,024,838	1,637,156
	Motor Vehicle		1,370,000	1,370,000
	Interest on Bank Deposit & Others		340,777	249,217
			73,746,520	**72,021,754**
09.2.	**Deposit**			
	Bank Guarantee Margin		2,102,840	2,946,143
	BSEC Consent Fee		405,000	405,000
	Security Deposit - Store Rent		95,000	95,000
	Security Deposit - Titas Gas Transmission & Distribution Co. Ltd.		48,358,500	48,358,500
			50,961,340	**51,804,643**
09.3.	**Pre-Payments**			
	Export Bill Reserve Margin		-	40,461,378
	LC Margin		14,237,550	15,529,550
			14,237,550	**55,990,928**
09.4.	**Disclosure as per Schedule-XI, Part -I, of The Companies Act, 1994**			
	Advance exceeding 6 months		65,198,890	64,283,500
	Advance not exceeding 6 months		363,582,864	508,506,175
	Advance, deposits & prepayments considered good & secured		-	-
	Advance, deposit & prepayments considered Good without security		-	-
	Advance, deposit & prepayments considered doubtful & bad		-	-
	Advance, deposit & prepayments due by directors or other officers & staffs		-	-
	Advance, deposit & prepayments due from companies under same management		-	-
	Maximum advance due by directors or officers & staffs at any time		-	-
			428,781,754	**572,789,675**





ARGON DENIMS LIMITED

Notes to the Financial Statements

As at 30 June 2025

No.	Particulars	Note No.	Amount in Taka	
			30 June 2025	30 June 2024
10.	**Accounts Receivables**			
	Trade debtors occurred in the ordinary course of business are unsecured but considered good. The summary of Accounts receivable are given below:			
	(i) Export	**10.1**	1,402,805,356	1,596,599,714
	(ii) Export Incentive	**10.2**	157,713,752	163,500,805
	(iii) Un-realize gain on Export	**10.3**	3,859,162	13,763,790
	(iv) Interest on FDR	**10.4**	556,759	248,688
			1,564,935,030	**1,774,112,998**
10.1	**Export Receivable**			
	Opening Balance		**1,596,599,714**	**2,021,787,486**
	Add: Export during the year		5,541,661,076	5,588,347,096
	Available for Received		7,138,260,791	7,610,134,581
	Less: Realized during the year		(5,735,455,434)	(6,013,534,867)
	Closing Balance		**1,402,805,356**	**1,596,599,714**
10.2	**Export Incentive Receivable**			
	Opening Balance		**163,500,805**	**124,205,336**
	Add: Addition during the year		112,172,002	118,342,299
	Available for Received		275,672,807	242,547,635
	Less: Realized during the year		(117,959,055)	(79,046,830)
	Closing Balance		**157,713,752**	**163,500,805**
10.3	**Un-realize gain on Export bill Receivable**			
	Opening Balance		**13,763,790**	**23,898,197**
	Add: Addition during the year		3,859,162	13,763,790
	Available for Received		17,622,952	37,661,987
	Less: Realized during the year		(13,763,790)	(23,898,197)
	Closing Balance		**3,859,162**	**13,763,790**
10.4	**Interest Receivable on FDR**			
	Opening Balance		**248,688**	**195,070**
	Add: Addition during the year		1,823,611	1,053,618
	Available for Received		2,072,299	1,248,688
	Less: Realized during the year		(1,515,540)	(1,000,000)
	Closing Balance		**556,759**	**248,688**
10.5	**Disclosure as per Schedule-XI, Part -I, of The Companies Act, 1994**			
	Maturity less than 6 months		1,564,935,030	1,774,112,998
	Maturity more than 6 months		-	-
	Debts considered Good & Secured		1,564,935,030	1,774,112,998
	Debts considered Good without security		-	-
	Debts considered doubtful & bad		-	-
	Debts due by directors or other officers & staffs		-	-
	Debts due from companies under same management		-	-
	Maximum debt due by directors or officers & staffs at any time		-	-
			1,564,935,030	**1,774,112,998**
11.	**Inventories**			
	Raw Materials & Consumables	**11.1**	1,393,488,672	831,218,502
	WIP & Finished Goods	**11.2**	855,950,802	862,439,247
	Store & Consumables	**11.3**	55,539,690	54,114,895
			2,304,979,164	**1,747,772,644**



ARGON DENIMS LIMITED

Notes to the Financial Statements

As at 30 June 2025

No.	Particulars	Note No.	Amount in Taka	
			30 June 2025	30 June 2024
11.1	**Closing Stock of Raw Materials & Consumables**			
	Yarn		1,094,484,849	593,700,928
	Dyes & Chemicals		299,003,823	237,517,574
			1,393,488,672	**831,218,502**
11.2	**WIP & Finished Goods**			
	Work In Process (WIP)		273,772,483	224,070,024
	Finished Goods (RFD)		582,178,319	638,369,223
			855,950,802	**862,439,247**
11.3	**Closing Stock of Store & Consumables**			
	Store & Spare parts and Others Consumable		48,932,398	46,673,096
	Packing Materials		6,607,292	7,441,799
			55,539,690	**54,114,895**
12.	**Goods In Transit**			
	Goods In Transit		10,618,881	37,953,648
			10,618,881	**37,953,648**
13.	**Investment in Shares**			
	Investment in Shares (Market Value)	**13.1**	188,172	191,241
	Unrealized gain/(loss) on securities available for sale	**13.4**	57,348	60,418
	Adjusted Related Tax	**21.3**	307	-
			245,827	**251,659**

13.1 Shares Details

	30.06.2025		30.06.2024	
SHANTA SECURITIES LTD	**Cost Value**	**Market Value**	**Cost Value**	**Market Value**
AL-HAJTEX	45,411	56,108	45,411	65,569
APEXTANARY	33,577	12,480	33,577	18,020
BANGAS	30,039	10,088	30,039	11,730
Bxsynth	-	924	-	924
CENTRALPHL	3,153	1,269	3,153	2,208
EBL	7,649	8,839	7,649	8,521
FAMILYTEX	32,311	2,926	32,311	4,198
NTLTUBES	49,583	50,949	49,583	39,005
PADMA OIL	3,242	1,829	3,242	1,874
RDFOOD	-	3,114	-	4,156
SALAMCRST	34,371	19,700	34,371	20,000
SAPORTL	3,187	860	3,187	1,028
SONARGAON	10,653	18,350	10,653	12,950
Uttara Bank	225	85	225	80
ZAHINTEX	4,970	652	4,970	978
	258,372	**188,172**	**258,372**	**191,241**

13.2 Gain/(Loss) on Investment in Shares

	Cost Price	Marker Price	2024-2025	2023-2024
			Gain/(Loss) Unrealized	
SHANTA SECURITIES LTD	258,372	188,172	(70,200)	(67,130)
Total	**258,372**	**188,172**	**(70,200)**	**(67,130)**





ARGON DENIMS LIMITED

Notes to the Financial Statements

As at 30 June 2025

No.	Particulars	Note No.	Amount in Taka	
			30 June 2025	30 June 2024
13.3	**Other Comprehensive Income/(Loss)**			
	Unrealized gain/(loss) on securities available for sale	**13.4**	(3,070)	(50,562)
	Adjusted related tax	**21.3**	307	5,056
			(2,763)	**(45,506)**
13.4	**Unrealized gain/(loss) on securities available for sale**			
	Opening Balance at the beginning of the year		(67,130)	(16,568)
	Addition during the year		(70,200)	(67,130)
			(3,070)	**(50,562)**
14.	**Cash and Cash Equivalents**			
	Cash in Hand		6,903,805	10,623,376
	FDR	**14.1**	25,587,432	13,288,000
	Cash at Banks	**14.2**	871,830,596	998,756,531
	BO Account Balance (Shanta Securities)		157	607
			904,321,990	**1,022,668,514**
14.1	**FDR**			
	IPDC Finance PLC		21,666,784	10,654,000
	LankaBangla Finance PLC		2,820,648	2,634,000
	ONE Bank PLC		1,100,000	-
			25,587,432	**13,288,000**

14.1.1 FDR Schedule

Particulars	FDR Number	Issue Date	Maturity Date	Amount (TK)	Amount (TK)
IPDC Finance PLC	1001251000039882	29-May-24	29-May-26	5,833,392	5,327,000
IPDC Finance PLC	1001251000039880	29-May-24	29-May-26	5,833,392	5,327,000
IPDC Finance PLC	1001251000060765	04-Jun-25	04-Jun-26	700,000	-
IPDC Finance PLC	1001251000060764	04-Jun-25	04-Jun-26	9,300,000	-
LankaBangla Finance PLC	0004 29100000024	28-Sep-22	28-Sep-25	2,820,648	2,634,000
ONE Bank PLC	0124140008914	01-Dec-24	01-Dec-25	1,100,000	-
Total				**25,587,432**	**13,288,000**

14.2 Cash at Banks

Prime Bank PLC - CD A/C	5,048,039	10,136,555
One Bank PLC - LBP Margin A/C	1,718,860	14,005,749
One Bank PLC - ERQ A/C (USD)	18,357,089	17,080,846
One Bank PLC - Back to Back A/C (USD)	47,442,437	139,393,458
One Bank PLC - SND A/C	1,495,876	1,923,659
One Bank PLC - DSR A/C	49,501,009	53,107,299
One Bank PLC - Stimulus A/C	317	1,843,421
One Bank PLC - CD	8,965	-
One Bank PLC - A/C- 1623 (Dividend)	835,085	-
Mercantile Bank PLC - FC US$ A/C (USD)	716,307,781	735,846,027
Mercantile Bank PLC - CD A/C	10,921,384	1,775,028
Mercantile Bank PLC - Reserve Margin A/C	4,004,012	-
Mercantile Bank PLC - Settlement A/C	-	343,767
Bank Alfalah - CD A/C	8,940,331	15,306,946
Bank Alfalah - Margin A/C (USD)	-	345,722
Midland Bank PLC - CD A/C	3,564,006	3,349,707
Midland Bank PLC - Margin A/C (USD)	122	117
Midland Bank PLC - SND A/C - 1391 (Dividend)	899	2,549
Midland Bank PLC - SND A/C - 1971 (Dividend)	1,173,952	1,157,783
Midland Bank PLC - SND A/C - 0493 (Dividend)	918,061	1,117,790
Midland Bank PLC - SND A/C - 608 (Dividend)	1,447,430	1,877,685
BRAC Bank PLC A/C - 15012021489986001 (Salary)	132,095	130,022
BRAC Bank PLC A/C - 1505202148986002 (IPO-USD)	12,847	12,372
Mutual Trust Bank PLC-913 (Dividend)	-	28
	871,830,596	**998,756,531**



ARGON DENIMS LIMITED

Notes to the Financial Statements

As at 30 June 2025

No.	Particulars	Note No.	Amount in Taka	
			30 June 2025	30 June 2024
15.	**Share Capital**			
	Authorized Share Capital		2,000,000,000	2,000,000,000
	200,000,000 Ordinary Shares of Tk. 10.00 each			
	Issued, Subscribed and Paid-Up :			
	138,888,606 Ordinary Share of Tk. 10.00 each		1,388,886,060	1,388,886,060
			1,388,886,060	**1,388,886,060**
15.1	**Shareholdings (Number of Shares):**			
	Sponsor Directors	15.2	49,817,694	49,516,124
	Local Shareholders		89,070,912	89,372,482
			138,888,606	**138,888,606**

15.2 Percentage and Value of Shareholders:	30.06.2025		30.06.2024	
	Percentage	Value in Taka	Percentage	Value in Taka
Sponsor Directors	35.87	498,176,940	35.65	495,161,240
Local Shareholders	64.13	890,709,120	64.35	893,724,820
	100	**1,388,886,060**	**100**	**1,388,886,060**

15.3 Classification of Shareholders By Holding:	30.06.2025		30.06.2024	
	Number of Shares	Total Holding (%)	Number of Shares	Total Holding (%)
Less than 500 shares	1,148,204	0.83	1,202,215	0.87
500 to 5,000 shares	5,195,879	3.74	5,345,824	3.85
5,001 to 10,000 shares	4,383,607	3.16	4,387,471	3.16
10,001 to 20,000 shares	5,704,842	4.11	5,737,603	4.13
20,001 to 30,000 shares	3,824,690	2.75	3,832,197	2.76
30,001 to 40,000 shares	2,541,607	1.83	2,842,137	2.05
40,001 to 50,000 shares	2,839,410	2.04	1,773,061	1.28
50,001 to 100,000 shares	6,169,798	4.44	6,737,774	4.85
100,001 to 1,000,000 shares	18,720,427	13.48	20,165,087	14.52
Over 1,000,000 shares	88,360,142	63.62	86,865,237	62.54
	138,888,606	**100**	**138,888,606**	**100**





ARGON DENIMS LIMITED
Notes to the Financial Statements
As at 30 June 2025

No.	Particulars	Note	Amount in Taka	
			30 June 2025	30 June 2024
16.	**Share Premium**			
	Balance brought forward		730,815,534	730,815,534
			730,815,534	**730,815,534**
17.	**Revaluation Surplus**			
	Opening Balance		**116,890,024**	**119,473,630**
	Land & Land Development		67,801,500	67,801,500
	Building & Civil Constructions		49,088,524	51,672,130
	Less : Depreciation on revaluated Asset		2,454,426	2,583,607
	Less : Deferred Tax according to IAS 12 (Income Taxes)		9,029,160	9,397,324
			105,406,438	**107,492,700**
18.	**Retained Earnings**			
	Opening Balance at the beginning of the year		975,160,826	1,006,767,553
	Add: Current year Net Profit after Tax		232,737,158	104,698,273
			1,207,897,984	**1,111,465,825**
	Add: Adjustment of Revulation Reserve		2,454,426	2,583,607
			1,210,352,410	**1,114,049,432**
	Less: Cash Dividend paid @ 10% for 18th AGM		138,888,606	-
	Less: Cash Dividend paid @ 10% for 17th AGM		-	138,888,606
			138,888,606	**138,888,606**
			1,071,463,804	**975,160,826**
19.	**Long Term Loan**			
	Opening Balance		**161,652,402**	**147,393,996**
	Add: Loan Received during the year		45,037,983	127,500,000
	Add: Interest charged during the year		23,341,065	10,869,550
	Add: Excise duty charged during the year		-	80,500
			230,031,451	**285,844,046**
	Less: Paid during the year		(70,525,175)	(124,191,643)
	Principal		(47,279,105)	(114,629,868)
	Interest		(23,246,070)	(9,561,775)
	Balance before Current Portion of Long Term Loan		**159,506,275**	**161,652,402**
	Less: Current Portion of Long Term Loan	**23**	(39,439,632)	(57,064,558)
	Balance after Current Portion of Long Term Loan		**120,066,643**	**104,587,844**
20.	**Lease Finance**			
	Lease Finance	**20.1**	13,977,277	22,616,523
	Lease Liability (Right Use of Assets)	**20.2**	-	2,333,791
			13,977,277	**24,950,314**
20.1	**Lease Finance**			
	Opening Balance		**35,865,553**	**41,649,414**
	Add: Loan Received during the year		-	3,700,000
	Add: Interest charged during the year		4,583,785	4,633,682
	Add: Excise duty charged during the year		26,000	27,000
			40,475,339	**50,010,096**
	Less: Paid during the year		(13,249,032)	(14,144,543)
	Principal		(8,665,247)	(9,510,861)
	Interest		(4,583,785)	(4,633,682)
	Balance before Current Portion of Lease		**27,226,307**	**35,865,553**
	Less: Current Portion of Lease	**23**	(13,249,030)	(13,249,030)
	Balance after Current Portion of Lease		**13,977,277**	**22,616,523**



ARGON DENIMS LIMITED
Notes to the Financial Statements
As at 30 June 2025

No.	Particulars	Note	Amount in Taka	
			30 June 2025	30 June 2024
20.2	**Lease Liability (Right Use of Assets)**			
	Opening Balance		2,333,791	11,109,039
	Add: Interest Charged during the year		715,936	715,936
			3,049,726	**11,824,974**
	Less: Paid during the year		3,049,726	9,491,184
			-	**2,333,791**
21.	**Deferred Tax**			
	Opening Balance at the beginning of the year		126,120,263	135,247,283
	Add: Charged During the year on Asset	21.1	(7,102,992)	(8,734,423)
	Less: Charged During the year on Revaluated Asset	21.2	(368,164)	(387,541)
	Less: Unrealized gain/(loss) on securities available for sale	21.3	(307)	(5,056)
			118,648,800	**126,120,263**
21.1	**Charged During the year (Deferred Tax Expenses)**			
	Accounting Base Carrying amount		1,349,633,793	1,379,828,943
	Tax Base Carrying amount		618,789,385	601,631,256
	Temporary Difference		**730,844,408**	**778,197,687**
	Deferred Tax Liability @ 15%		109,626,661	116,729,653
	Opening Deferred Tax liability		116,729,653	125,464,076
			(7,102,992)	**(8,734,423)**
21.2	**Charged During the year on Revaluated Asset**			
	Opening Balance	21.2.1	7,363,279	7,750,820
	Closing Balance		6,995,115	7,363,279
			(368,164)	**(387,541)**

21.2.1 Charged During the year on Revaluated Asset	Amount	Tax Rate		
Tax Charge on Revaluation Surplus on Land	67,801,500	3%	2,034,045	2,034,045
Tax Charge on Revaluation Surplus on Building & Civil Construction	46,634,098	15%	6,995,115	7,363,279
			9,029,160	**9,397,324**

21.3	**Deferred Tax on Unrealized gain/(loss) on securities available for sale**		
	Unrealized gain/(loss) on securities available for sale	(307)	(5,056)
		(307)	**(5,056)**
22.	**Short Term Loan**		
	One Bank PLC		
	Acceptance Liabilities (Raw Materials)	23,848,208	7,277,945
	Bank Overdraft - 2005	33,030,616	16,501,096
	EDF Liability	1,205,661,046	1,095,324,658
	Loan Against Bill Purchases (LDBP)	82,446,878	54,427,567
	LTR Loan (For Raw Materials)	10,527,996	9,655,540
	Time Loan (Operational)	204,074,267	277,318,305
		1,559,589,010	**1,460,505,111**
	Mercantile Bank PLC		
	Bank Overdraft	72,548,838	72,082,133
	EDF Liability	911,885,940	992,711,105
	Loan Against Bill Purchases (IDBP)	10,594,342	33,104,530
	LTR (For Raw Materials)	7,012,709	-
	Time Loan (Operational)	73,243,101	52,858,882
	Acceptance Liabilities (Raw Materials)	791,330	-
		1,076,076,258	**1,150,756,650**





ARGON DENIMS LIMITED
Notes to the Financial Statements
As at 30 June 2025

No.	Particulars	Note	Amount in Taka	
			30 June 2025	30 June 2024
	Bank Alfalah PLC			
	MLPO		-	15,478,125
	Loan Against Bill Purchases (LDBP)		-	8,489,169
			-	**23,967,294**
	LC Liability			
	2B Tex Corporation		-	960,070
	Asia Plastic Container Ind.		1,354,200	-
	A.T & T Spinning Mills Ltd.		-	281,961
	Argon Spinning Limited		51,112,073	16,719,567
	Badsha Textiles		65,106,279	47,166,847
	Kamal Yarn Ltd		-	6,499,238
	Matam Multi Fibre Mills Ltd		-	7,147,237
	MR Trading		1,835,191	-
	NS Corporation BD		-	13,016,550
	NRG Hometex Ltd.		845,281	-
	Samuda Chemical Complex Ltd.		3,370,675	1,854,306
	Square Textiles Ltd.		-	91,109,668
	SRS Imexs		282,785	280,000
	Xuzhou Texhong Yinfeng Textile Co. Ltd.		-	23,641
			123,906,485	**185,059,084**
			2,759,571,753	**2,820,288,139**
23.	**Current Maturity of Long Term Loan & Lease**			
	Long Term Loan		39,439,632	57,064,558
	Lease Finance		13,249,030	13,249,030
			52,688,662	**70,313,589**
24.	**Liability for Expenses**			
	Audit Fee		460,000	460,000
	Bank Charge Payable -WPPF		50,225	50,225
	Bank Charge Payable -PF		60,349	60,349
	Board Meeting Fees		-	126,000
	Common Service Charge		172,500	61,250
	Director Remuneration	24.1	1,050,000	1,050,000
	Electricity Bill		211,428	1,005,057
	Employer & Employee Contribution to PF		12,715,183	2,619,788
	Gas bill		38,925,636	45,826,754
	Mobile bill		46,742	44,358
	Night Allowance		159,430	152,070
	Office Rent		3,595,154	567,579
	Overtime		56,976	122,405
	Production & Attendance Allowance		226,500	203,000
	Wages & Salary (Factory)		21,955,193	20,348,257
	Salary & Allowance (HO)		4,941,395	4,768,920
	TDS payable		10,303,054	8,926,616
	VDS Payable		1,238,293	679,054
			96,168,058	**87,071,682**
24.1	**Directors' Remuneration**			
	Opening Balance		**1,050,000**	**1,050,000**
	Add: Addition during the year		12,600,000	12,600,000
	Less: Paid during the year		(12,600,000)	(12,600,000)
	Closing Balance		**1,050,000**	**1,050,000**



ARGON DENIMS LIMITED
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No.	Particulars	Note	Amount in Taka	
			30 June 2025	30 June 2024
25.	**Worker Profit Participation Fund & Welfare Fund**			
	Opening Balance at the beginning of the year		42,735,812	40,354,705
	Add: Contribution during the year	25.1	14,782,254	10,814,505
			57,518,065	**51,169,210**
	Less: WPPF Paid		9,036,923	8,433,398
			48,481,142	**42,735,812**
25.1	**Contribution to Worker Profit Participation Fund & Welfare Fund**			
	Worker's Profit Participation Fund (80%)		11,825,803	8,651,604
	Worker's Welfare Fund (20%)		2,956,451	2,162,901
			14,782,254	**10,814,505**
26.	**Provision for Income Tax**			
	Opening Balance at the beginning of the year		130,761,282	51,148,061
	Add: Provision During the year	26.1	70,010,905	109,511,752
			200,772,187	**160,659,813**
	Less : Adjustment during the period		124,841,201	29,898,531
			75,930,986	**130,761,282**
26.1.	**Provision of Current Tax**			
	Computation of Income Tax	26.2	42,058,717	109,511,752
	Minimum Tax @ 0.6% on Total Receipt		23,159,514	23,408,426
	Advance Income Tax (AIT)		70,010,905	68,765,381
	(Higher one of Tk. 42,058,717 or Tk. 23,159,514 or Tk. 70,010,905)		**70,010,905**	**109,511,752**
26.2.	**Provision of Current Tax During the period**			
	Computation of Current Tax During the year	26.2.1	41,766,615	26,611,043
	Add: Under Provision		292,102	82,900,709
			42,058,717	**109,511,752**
26.2.1	**Computation of Current Tax**			
	Net Profit/(Loss) after WPPF & WF		295,645,071	205,475,602
	Less: Cash Incentive		112,172,002	118,342,299
	Less: Other income considered separately		40,379,398	22,757,568
			143,093,670	**64,375,735**

Amount (TK)	Tax Rate		
Tax on Core Business	143,093,670	**15%**	21,464,051	9,656,360
Tax on Cash Incentive	112,172,002	**10%**	11,217,200	11,834,230
Tax on Others Income	40,379,398	**22.50%**	9,085,365	5,120,453
			41,766,615	**26,611,043**

27	**Unclaimed Dividend**		
	Opening Balance	**3,924,168**	**2,993,858**
	Add: Addition during the year	138,888,606	138,888,606
		142,812,774	**141,882,464**
	Less: Paid during the year	**(138,449,003)**	**(137,958,296)**
	Closing Balance	**4,363,772**	**3,924,168**

As per BSEC directive no. BSEC/CMRRCD/2021-386/03 dated 14th January 2021 and the Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) Rules, 2021 we will transferr Unclaimed dividend & bonus share for the year 2020-2021 to Capital Market Stabilization Fund (CMSF) Account on dated October 07, 2025.

27.1	**Year Wise Breakdown of Unclaimed Dividend:**		
	For the Year (2020-2021)	1,170,541	1,154,372
	For the Year (2021-2022)	915,716	897,111
	For the Year (2022-2023)	1,442,430	1,872,685
	For the Year (2023-2024)	835,085	-
		4,363,772	**3,924,168**





ARGON DENIMS LIMITED
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As at 30 June 2025

No.	Particulars	Note	Amount in Taka	
			30 June 2025	30 June 2024
28.	**Accounts Payable**			
	ACNABIN Chartered Accountants		20,000	-
	Agrani Insurance Company Ltd		4,121,817	1,862,970
	Al-Helal Transport Agency		2,326,500	-
	Ali Fabrics Care		210,313	23,200
	Alim Fabric Care		231,710	-
	Alpine Fresh Water System		-	10,115
	Al-Zayeed Enterprise		382,350	-
	Aqua Care Trading		89,750	211,050
	Auto Solve		64,250	-
	Ayub Tyre and Battery		-	5,100
	BGIC		3,699,760	3,699,860
	Bengal Refrigeration Co Ltd		261,480	-
	Bhai Bhai Shading Contactor		55,128	11,926
	Bismillah Textile Machineries		40,440	214,558
	BRB Cable Industries Ltd		32,120	32,072
	Board Band Telecom Services Ltd		7,350	14,350
	Celuron Research		367,560	379,510
	Crystal Office Equipment		120,850	50,600
	Cyber Relation		138,850	58,600
	Dream Eneegy		-	116,800
	Dream Power BD		41,560	2,253,424
	Ekattor Repair Center		782,425	18,966
	Envoy Textiles Ltd		123,830	-
	Espenula		1,208,400	-
	Fancy Fabric Care		-	9,348
	Farbo Engineering		159,000	-
	Fourth Partner Energy Bangladesh Ltd		284,594	-
	Formic Engineering		-	32,000
	GB Chem Bridge International		408,000	-
	Genesis Technologies Ltd		948,000	-
	Global Insurance Ltd.		-	150,779
	GSCS International Ltd.		48,403	68,620
	Hawlader Agency		18,132	-
	Heshel Bangla Restora		40,200	-
	HL Motors Limited		62,400	-
	ITS Labtest Bangladesh Ltd. (Intertek)		55,848	34,749
	Latex Ltd		93,431	-
	M/S Chandpur Steel House		-	9,005
	M/S Junayad Enterprise		145,000	145,000
	M/S Sharmin Reed Shop		-	9,500
	M/S Ta-Seen Electrical House		150,104	129,777
	M/S Dammam Transport & Trading Agency		4,106,150	-
	MSI Ecotech Limited		578,000	-
	Ma General Store		25,754	-
	Multi Solution		-	1,950
	Manikgonj Printing Press		91,350	97,550
	Master & Brothers Engineering		69,547	57,616
	MR Trade Link		-	5,280,000
	Navana Toyota Service Center Ltd.		43,918	129,803
	Nayeem Transport		641,528	774,828
	NS Fire International		-	70,001
	Papertech Industries Ltd		77,025	77,025
	Protection One (Pvt) Ltd		42,860	51,110
	Sazzad Enterprise		27,747	-
	Sarabor Trading Co. Ltd		748,213	1,665,700
	SBT Enterprise		40,000	-
	Securex		23,582	-
	Shaheli Mechatronics Ltd		301,740	131,964
	Shahjalal Engineering Works		22,024	17,340
	Shinpower		1,076,542	-
	System Engineering		446,453	91,937
	Unity Stationary & Library		24,300	18,007
			25,126,288	**18,016,709**



ARGON DENIMS LIMITED
Notes to the Financial Statements
for the year ended 30 June 2025

No.	Particulars	Note No.	Amount in Taka	
			01 July 2024 To 30 June 2025	01 July 2023 To 30 June 2024
29.	**Turnover**		**5,621,620,520**	**5,674,592,985**
29.1	**Sales Quantity**		**YDS**	**YDS**
	Export		**16,666,792**	**16,498,987**
30.	**Cost of Goods Sold**			
	Raw Material Consumed	**30.1**	4,233,008,490	4,169,875,833
	Factory Overhead	**30.2**	869,388,454	862,357,919
			5,102,396,943	5,032,233,752
	Add: Opening Work-in-Process		224,070,024	148,425,932
			5,326,466,967	5,180,659,684
	Less: Closing Work-in-Process	**11.2**	273,772,483	224,070,024
			5,052,694,484	4,956,589,660
	Add: Opening Stock of Finished Goods		638,369,223	959,009,947
			5,691,063,707	5,915,599,607
	Less: Closing Stock of Finished Goods	**11.2**	582,178,319	638,369,223
			5,108,885,388	**5,277,230,383**
30.1.	**Raw Material Consumed**			
	Opening Stock of Raw Materials	**30.1.1**	831,218,502	656,534,310
	Add : Purchase of Raw Material	**30.1.2**	4,795,278,660	4,344,560,025
			5,626,497,162	5,001,094,335
	Less: Closing stock of Raw Materials	**30.1.3**	1,393,488,672	831,218,502
			4,233,008,490	**4,169,875,833**
30.1.1	**Opening Stock of Raw Materials**			
	Yarn		593,700,928	424,262,132
	Dyes & Chemicals		237,517,574	232,272,178
			831,218,502	**656,534,310**
30.1.2	**Purchase of Raw Material & Consumables**			
	Yarn		4,099,236,476	3,772,806,066
	Dyes & Chemicals		457,964,888	408,856,557
	C & F Charge & Others		238,077,296	162,897,402
			4,795,278,660	**4,344,560,025**
30.1.3	**Closing Stock of Raw Materials**			
	Yarn	**11.1**	1,094,484,849	593,700,928
	Dyes & Chemicals	**11.1**	299,003,823	237,517,574
			1,393,488,672	**831,218,502**





ARGON DENIMS LIMITED
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for the year ended 30 June 2025

No.	Particulars	Note No.	Amount in Taka	
			01 July 2024 To 30 June 2025	01 July 2023 To 30 June 2024
30.2	**Factory Overhead**			
	Annual Leave encashment		5,245,110	3,754,220
	Carrying Expense		705,890	1,386,089
	Computer Accessories		848,490	1,573,271
	Conveyance		198,915	2,206,980
	Depreciation		112,633,978	120,618,650
	Donation & Subscription Under CSR		383,750	393,000
	Electricity Bill		1,836,426	174,631
	Employer Contribution to PF		11,729,467	10,444,453
	Entertainment & Fooding Allowance		2,384,940	2,599,106
	Fabric Testing & Processing Expense		4,372,096	2,958,384
	Fees & Form		2,890,816	3,211,477
	Fuel & Lubricants		38,542,108	23,560,381
	Gas Bill		241,414,938	278,080,662
	Insurance Premium		4,190,571	4,557,548
	Internet		148,750	213,700
	Laboratory Expense		684,398	1,671,587
	Labour Charge		706,649	1,817,168
	Medical Expenses		679,323	1,471,253
	Mending Allowance & Charge		6,730,817	6,653,720
	Miscellaneous Expenses		24,735	8,550
	Mobile Bill		570,715	580,550
	Night Allowance		2,149,840	4,800,430
	Office Expense		1,619,193	2,781,404
	Officers and Worker Mess & Rent		417,545	389,275
	Overtime		682,646	5,848,806
	Printing		685,427	699,067
	Production & Attendance Allowance		2,327,000	3,977,000
	R/M (M. Vehicles)		415,017	132,641
	R/M (Machinery)		12,807,893	5,768,357
	R/M (Building & Others)		931,129	295,456
	Rent		3,269,600	4,971,207
	Revenue & Stamp		85,200	84,000
	Safety Materials		669,719	277,381
	Salaries & Wages		312,672,383	272,319,845
	Security Services		3,465,990	2,928,033
	Service Benefit		107,434	416,144
	Sludge Carrying		1,036,143	1,191,958
	Stationary		853,041	971,065
	Store & Spare parts Consumed	**30.2.1**	67,776,979	70,300,118
	Packing Materials Consumed	**30.2.2**	16,220,704	12,288,023
	Travelling Expense		1,157,247	1,659,086
	Uniform		61,390	73,762
	ETP Chemical		2,438,893	1,640,855
	Washing and Cleaning & Wastage Handling		615,159	608,626
			869,388,454	**862,357,919**



ARGON DENIMS LIMITED
Notes to the Financial Statements
for the year ended 30 June 2025

No.	Particulars	Note No.	Amount in Taka	
			01 July 2024 To 30 June 2025	01 July 2023 To 30 June 2024
30.2.1	**Store & Spare parts and Others Consumable Consumed**			
	Opening Stock		46,673,096	51,529,600
	Add : Purchase	11.3	70,036,281	65,443,614
			116,709,377	116,973,214
	Less: Closing Stock	11.3	48,932,398	46,673,096
			67,776,979	**70,300,118**
30.2.2	**Packing Materials Consumed**			
	Opening Stock		7,441,799	4,889,121
	Add : Purchase		15,386,197	14,840,701
			22,827,996	19,729,822
	Less: Closing Stock	11.3	6,607,292	7,441,799
			16,220,704	**12,288,023**
31.	**Export Incentive**			
	Export Incentive		112,172,002	118,342,299
			112,172,002	**118,342,299**
32.	**Administrative Expenses**			
	Advertisement		785,696	1,237,503
	Annual General Meeting		472,500	462,000
	Audit Fee		460,000	460,000
	Board Meeting Fee		1,377,000	1,170,000
	Computer Accessories		115,250	238,422
	Conveyance		1,258,309	2,324,174
	Courier Service		1,906,371	862,835
	Depreciation		5,928,104	6,348,350
	Director Remuneration		16,800,000	16,800,000
	Donation & Subscription under CSR		2,570,430	4,875,400
	Electricity Bill		1,811,111	1,741,108
	Employer Contribution to PF		2,702,457	2,451,407
	Entertainment		3,042,486	3,052,537
	License & Certification Fees		3,362,365	3,271,051
	Fees & Forms		1,382,891	472,284
	Fuel & Lubricants		1,781,054	1,351,299
	Incidental Expenses		3,747,100	3,517,021
	Insurance		1,048,742	962,560
	Internet		110,400	55,200
	Legal & Professional Fees		1,431,761	883,750
	Medical Expense		1,346	456
	Miscellaneous Expense		100,198	52,995
	Office Expenses		1,294,390	1,212,683
	Amortization of Right use of Asset		1,776,890	10,078,988
	Office Rent		9,799,337	288,565
	Postage & Stamps		38,584	44,747



ARGON DENIMS LIMITED
Notes to the Financial Statements
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No.	Particulars	Note No.	Amount in Taka	
			01 July 2024 To 30 June 2025	01 July 2023 To 30 June 2024
	Printing		2,347,134	2,222,464
	Repair & Maintenance		4,557,775	2,751,087
	Salaries & Allowances		89,380,921	82,124,634
	Stationery		842,149	718,762
	Security & Safety		267,117	218,098
	Mobile & Telephone Bill		593,353	601,466
	Traveling Expense		366,109	1,771,495
	Uniform		39,400	36,000
	VAT Expense		1,007,443	1,081,250
	Tax Expense		1,377,573	3,003,381
	Utility		487,633	135,852
			166,371,380	**158,879,824**
33.	**Selling and Distribution Expenses**			
	Carriage Outward		12,533,100	12,640,200
	Delivery Allowance		852,000	902,500
	Business Development		17,142,163	14,202,255
	Sample Development		5,114,279	203,781
	Selling Expense		44,735,518	45,657,333
			80,377,059	**73,606,069**
34.	**Financial Expenses**			
	Bank Charges & Commission		16,494,324	16,422,743
	Interest on Lease Finance		4,583,785	4,633,682
	Interest on Overdraft		12,404,522	14,442,216
	Interest on Bill Discount		13,926,181	17,413,318
	Interest on Time Loan		37,360,892	25,904,960
	Interest on Term Loan		23,341,065	10,869,550
			108,110,769	**89,686,469**
35.	**Other Income/(Loss)**			
	Translation gain/ (loss) on Cash & Cash equivalent (IAS-21)		34,018,103	6,884,992
	Dividend Income		-	1,117
	Interest on FDR		1,075,724	1,858,549
	Interest on SND		188,347	249,119
	Scrap Sale		756,000	-
	PF Forfeited		482,062	-
	Translation gain/ (loss) on Accounts Receivable (IAS-21)		3,859,162	13,763,791
			40,379,398	**22,757,568**
36.	**Earning Per Share**			
	Net Profit from Core Business		232,737,158	104,698,273
	Total Number of Shares Outstanding as on 30.06.2025		138,888,606	138,888,606
			1.68	**0.75**



ARGON DENIMS LIMITED
Notes to the Financial Statements
for the year ended 30 June 2025

No.	Particulars	Note No.	Amount in Taka	
			01 July 2024 To 30 June 2025	01 July 2023 To 30 June 2024
37.	**Net Assets Value (NAV) Per Share**			
	Total Shareholders Equity		3,412,450,908	3,318,234,191
	Total Number of Shares Outstanding as on 30.06.2025		138,888,606	138,888,606
			24.57	**23.89**
38.	**Cash Received from Customers**			
	Export	**10.1**	5,735,455,434	6,013,534,867
	Export Incentive	**10.2**	117,959,055	79,046,830
	Un-realize gain on Export bill Receivable	**10.3**	13,763,790	23,898,197
	Interest Receivable on FDR	**10.4**	1,515,540	1,053,618
			5,868,693,819	**6,117,533,512**
39.	**Cash Payments to Suppliers & Others**			
	Cost of Goods Sold		(5,108,885,388)	(5,277,230,383)
	Administrative Expenses		(166,371,380)	(158,879,824)
	Depreciation		118,562,082	126,967,000
	Selling and Distribution Expenses		(80,377,059)	(73,606,069)
	Liability for Expenses		9,096,376	25,447,395
	Bills Payable		7,109,579	81,890,681
	Materials In Transit		27,334,767	(29,836,475)
	Advance, Deposits and Pre-payments		91,508,528	(291,182,351)
	Lease Expenses		(41,198)	(2,774,923)
	Inventory Increase/Decrease		(557,206,520)	72,616,265
			(5,659,270,214)	**(5,526,588,684)**
40.	**Net Operating Cash flow per share (NOCFPS)**			
	Net Cash flow from operating activities		130,783,008	512,613,721
	Total Number of Shares Outstanding as on 30.06.2025		138,888,606	138,888,606
			0.94	**3.69**
41.	**Reconciliation of the Statement of Cash Flows (Operating Activities)**			
	Cash flow from Operating Activities			
	Net Profit before Tax		295,645,071	205,475,602
	Adjustment of reconcile to net profit before tax:			
	Add: Financial Expenses		108,110,769	89,686,469
	Add: Depreciation expenses		118,562,082	126,967,000
	Add: Adjustment of Non Cash values		1,782,413	(1,472,618)
	Add : Unrealized (gain)/loss on Accounts Receivable and Cash & Cash equivalent		(113,741,547)	(93,115,622)
	Less: Income Tax paid		(72,341,808)	(72,021,754)
			42,371,909	**50,043,475**
	(Increase)/Decrease of Current Assets:			
	Inventories		(557,206,520)	72,616,265
	Accounts Receivable		209,177,968	395,778,022
	Advance, Deposits and Pre-payments		91,508,528	(291,182,351)
	Material Transit		27,334,767	(29,836,475)
			(229,185,257)	**147,375,461**
	Increase/(Decrease) of Current Liabilities:			
	Accounts Payable		7,109,579	81,890,681
	Liabilities for Expenses		9,096,376	25,447,395
	Provision for Contribution to WPPF & WF		5,745,331	2,381,107
			21,951,286	**109,719,183**
	Net Cash Provided by Operating Activities		**130,783,008**	**512,613,721**



No.	Particulars	Amount in Taka	
		01 July 2024 To 30 June 2025	01 July 2023 To 30 June 2024

42. Related Party Disclosure

42.1 The name of the related party and nature of transaction and it's value have been set in accordance with the provision of IAS-24: Related party disclosures

Company Name	Relationship	Nature of Transaction	2024-2025		2023-2024	
			Transaction Amount	Balance (BDT)	Transaction Amount	Balance (BDT)
Argon Spinning Ltd	Under Common Directorship	Import of Yarn	2,473,570,661	51,112,073	2,625,480,946	16,719,567
Evince Design & Fashions Ltd		Selling Expense	41,562,458	(2,006,456)	44,706,779	(245,885)

The Company carried out a transaction with related party in the normal course of business transaction with Argon Spinning Ltd. and total outstanding with ASL is Tk. 51,112,073. All liabilities of ASL shown in the Financial Statement in the form of the Short Term bank loan.

42.2 Disclosure of Director Remuneration

Name of the Party	Relationship	Nature of Transaction	2024-2025	Balance (BDT)	2023-2024	Balance (BDT)
Shabnam Shehnaz Chowdhury	Chairperson & Non Executive Director	Remuneration	-	-	-	-
Mr. Anwar-ul Alam Chowdhury	Managing Director	Remuneration	4,800,000	300,000	4,800,000	300,000
Mr. Abu Kawser Majumder	Director - Finance	Remuneration	4,800,000	300,000	4,800,000	300,000
Mr. AK Gouhor Rabbani	Director - Marketing	Remuneration	4,800,000	300,000	4,800,000	300,000
Mr. Akter Shahid	Non Executive Director	Remuneration	-	-	-	-
Mr. Shah Adeeb Chowdhury	Director - Support Service	Remuneration	1,200,000	75,000	1,200,000	75,000
Mr. Shah Rayeed Chowdhury	Director - Production	Remuneration	1,200,000	75,000	1,200,000	75,000
Total			**16,800,000**	**1,050,000**	**16,800,000**	**1,050,000**

42.3 Disclosure of Managerial Remuneration

The total amount of remuneration paid to the top 5 (five) salaried officers of the company in the financial year is as follows

Name of the Party	Designation	2024-2025	2023-2024
Mr. Hasan Ahmed Chowdhury	Chief Operating Officer	6,000,000	6,000,000
Mr. Anwar-ul Alam Chowdhury	Managing Director	4,800,000	4,800,000
Mr. Abu Kawser Majumder	Director - Finance	4,800,000	4,800,000
Mr. AK Gouhor Rabbani	Director - Marketing	4,800,000	4,800,000
Mr. Md. Mustafa Kamal	CFO	2,440,000	2,440,000
Total		**22,840,000**	**22,840,000**

42.4 Disclosure of Commercial Space

Argon Denims Ltd purchased a Commercial Space admeasuring 7,291 Sft at Level-14 of the 32-storied iconic Commercial Building named 'Hena Suvastu Skyline Avenue' situated at 84 Gulshan Avenue [Plot - 55, Block-CES (A)], Gulshan, Dhaka-1212, at a total value of Tk. 25,51,85,000 (Taka Twenty-Five Crore Fifty-One Lac Eighty-Five Thousand only) [@ Tk.35,000 (Taka Thirty-Five Thousand) per Sft, as recommended by the Board of Directors, be and is hereby considered and approved by the shareholder in the 4th Extra-ordinary General Meeting (EGM) of Argon Denims Limited was held on Thursday, 25 January 2024, at 11:00 AM. It is noted here that the commercial space was purchased from Mr. Rafez Alam Chowdhury, who is the brother of Mr. Anwar-ul Alam Chowdhury, Managing Director's of Argon Denims Ltd. In addition to that Tk. 4,500,000 charged for 2 nos carparking and utility cost.

43. Income Tax Assessment

Income tax for the assessment year 2024-2025 has been completed

44. Contingent Liability & Capital Commitments

There is no claim against the company not acknowledged debt and no un-availed credited facilities, except Bank Guarantee issued by Mercantile Bank PLC. & ONE Bank PLC. Principal branch against Titas Gas T & DCL Tk. 4,83,58,500 & Fourth Partern Energy Bangladesh Ltd. Tk. 8,83,000.

45. Event after Reporting period

Subsequent to the statement of Financial Position date, the Board of Directors in their meeting held on 22 October 2025 and recommended 10% Cash dividend to the general public shareholder including Sponsor /Directors shareholders for the year ended June 30, 2025. The dividend will be approved by the shareholders at the Annul General Meeting on 18 December 2025 will be paid accordingly

Schedule of Property, Plant and Equipment

Amount in Taka

Particulars	Cost				Rate of %	Depreciation						WDV 30.06.2025
	Balance as at 01.07.2024	Total Addition	Disposal	Balance as at 30.06.2025		Balance as at 01.07.2024	On Opening	On Addition	Charged during the period	Disposal	Balance as at 30.06.2025	
Land & Land Development	49,522,254	-	-	49,522,254	-	-	-	-	-	-	-	49,522,254
Building & Civil Constructions	982,580,222	48,821,621	-	1,031,401,843	5	365,017,478	30,878,137	9,299	30,887,436	-	395,904,915	635,496,929
Capital Machinery	1,789,911,711	32,093,810	-	1,822,005,521	10	1,148,057,368	64,185,434	2,851,395	67,036,830	-	1,215,094,198	606,911,324
Furniture & Fixture	13,020,520	1,920,363	-	14,940,883	10	8,615,174	440,535	131,693	572,228	-	9,187,402	5,753,481
Motor Vehicles	160,812,421	-	-	160,812,421	20	111,105,375	9,941,409	-	9,941,409	-	121,046,784	39,765,637
Office Equipments	54,610,053	3,076,711	-	57,686,764	15	38,556,898	2,407,973	237,148	2,645,122	-	41,202,020	16,484,744
Electrical ,Gas & Water Line Installations	63,343,783	-	-	63,343,783	10	39,229,817	2,411,397	-	2,411,397	-	41,641,214	21,702,569
Office Decoration	52,753,149	-	-	52,753,149	10	26,620,809	2,613,234	-	2,613,234	-	29,234,043	23,519,106
Total	**3,166,554,114**	**85,912,505**	**-**	**3,252,466,619**		**1,737,202,918**	**112,878,119**	**3,229,536**	**116,107,655**	**-**	**1,853,310,574**	**1,399,156,045**

Schedule of Revaluation

Particulars	Cost				Rate of %	Depreciation						WDV 30.06.2025
	Balance as at 01.07.2024	Total Addition	Disposal	Balance as at 30.06.2025		Balance as at 01.07.2024	On opening	On Addition	Charged during the period		Balance as at 30.06.2025	
Land & Land Development	67,801,500	-	-	67,801,500	-	-	-	-	-		-	67,801,500
Building & Civil Constructions	92,497,925	-	-	92,497,925	5	43,409,401	2,454,426	-	2,454,426		45,863,827	46,634,098
Total	**160,299,425**	**-**	**-**	**160,299,425**		**43,409,401**	**2,454,426**	**-**	**2,454,426**		**45,863,827**	**114,435,598**
Grand Total	**3,326,853,539**	**85,912,505**	**-**	**3,412,766,044**	**-**	**1,780,612,320**	**115,332,545**	**3,229,536**	**118,562,082**		**1,899,174,401**	**1,513,591,642**

Allocationof Depreciation	Without Revaluation	On Revaluation	Total
Factory Overhead	110,302,273	2,331,705	112,633,978
Administrative Expenses	5,805,383	122,721	5,928,104
Total	**116,107,655**	**2,454,426**	**118,562,082**









DIRECTORS' INVOLVEMENT IN OTHER ORGANIZATIONS

Name	Designation in ADL	Directorship/Ownership with other Companies	Position
Anwar -ul Alam Chowdhury	Managing Director	Evince Textiles Limited	Chairman
		Argon Spinning PLC	
		Evince Garments Limited	Managing Director
		Evitex Dress Shirts Limited	
		Evitex Fashions Limited	
		Evince Design & Fashions Limited	
		Evitex Apparels Limited	
Shabnam Shehnaz Chowdhury	Chairperson	Evince Garments Limited	Director
		Evitex Apparels Limited	
		Evitex Dress Shirts Limited	
		Evitex Fashions Limited	
		Evince Design & Fashions Limited	
		Argon Spinning PLC	Vice Chairman
		Evince Textiles Limited	
Abu Kawser Majumder	Director	Argon Spinning PLC	Director
		Evince Design & Fashions Limited	
		Evince Textiles Limited	Managing Director
A. K. Gouhor Rabbani	Director	Argon Spinning PLC	Managing Director
		Evince Design & Fashions Limited	Director
		Evince Textiles Limited	
Md. Akhter Shahid	Director	Argon Spinning PLC	Director
		Evince Design & Fashions Limited	
		Evince Textiles Limited	
Shah Adeeb Chowdhury	Director	Argon Spinning PLC	Director
		Evince Textiles Limited	
Shah Rayeed Chowdhury	Director	Argon Spinning PLC	Director
		Evince Textiles Limited	
Md. Giash Uddin FCA	Independent Director	-	-
Dr. Ardhendu Shekhar Roy	Independent Director	-	-

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Renewed Certificate

This is to certify that

ARGON DENIMS LIMITED

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

This certificate remains current until 31st December, 2025.

Ref. No: CM-2025/104

Date of issue : February 13, 2025

BAPLC

Secretary General











SHAREHOLDER'S NOTE



Argon Denims Limited

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

Affix
Tk. 100
Stamp

PROXY FORM

I/We.....

of (Address) .....

.....Shareholder of Argon Denims Limited, do hereby appoint

Mr/Ms/Mrs.....

of (Address).....

as my/our proxy to attend and vote for me/us at the 19th Annual General Meeting of Argon Denims Limited to be held on Thursday 18 December 2025 at 10:30 A.M. or any adjournment thereof.

As witness my hand this .....day of.....2025.

.....
(Signature of the proxy)
Date:.....

.....
(Signature of the Shareholder)
Date:.....

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

Note: The proxy form should reach the Corporate Office of the Company not less than 48 hours before the time for the meeting.

.....
Signature of Witness

.....
Authorized Signatory
Argon Denims Limited