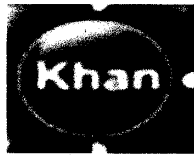


Third Quarter

Financial Statement (Un-Audited)

January 01, 2021 to March 31, 2021



Sonargaon Textiles Limited.

a member of Khansons Group

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

SONARGAON TEXTILES LIMITED

Khansons Centre (8th & 9th Floor)
37, Kawran Bazar, Dhaka-1215
Tel : 55013501, 55013597, 55013500, Fax: 880-2-55013498

3rd Quarter (Q3) Financial Statements

In compliance with listing regulation 2015 of Dhaka & Chittagong Stock Exchange as well as BSEC notification no. -SEC/CMRRCD/2008-183/Admin/03-34 dated : 27th Sept, 2009, we are pleased to provide you below the un-audited financial statements of the Company for the 3rd Quarter (Q3) ended March 31, 2021 as considered by the Board of Directors meeting held on 24.05.2021 at 3.00 pm at 37, Kawran Bazar, Dhaka-1215.

Md. Monir Hossain
Company Secretary

Statement of Financial Position (Un-Audited) As at March 31, 2021


	Amount in Taka	
	31 March, 2021	30 June, 2020
Assets		
Non-Current Assets :		
Property, Plant and Equipment	865,705,148	676,865,177
IFRS 16 - Right of Use Asset	632,824	1,012,518
	866,337,972	677,877,695
Current Assets :		
Inventories	565,039,263	608,332,340
Trade & Other Receivables	207,372,718	358,537,069
Advances, Deposits and Prepayments	2,575,845	1,939,405
Investment in Shares Central Depository BD. Ltd. (CDBL)	1,569,450	1,569,450
Cash and cash equivalent	636,956	9,849,989
	777,194,232	980,228,253
Total Assets	1,643,532,204	1,658,105,948
Equity and Liabilities :		
Shareholders' Equity		
Share Capital	264,670,560	264,670,560
Capital Reserve	5,373,570	5,373,570
Share Premium	54,560,000	54,560,000
Revaluation Reserve	367,431,787	377,318,921
Retained Earnings	(79,582,875)	(55,453,156)
	612,453,042	646,469,895
Non-Current Liabilities		
Long Term Loan	910,604,111	888,740,740
IFRS 16 - Lease Obligation Liabilities	677,766	1,055,467
Director's and Other Loans and Advances	27,720,197	27,720,197
Deferred Tax Liability	72,276,831	75,517,774
	1,011,278,905	993,034,178
Current Liabilities		
Short Term Loans	-	-
Current Portion of Long Term Loan	-	-
Trade & Other Payables	16,835,984	16,252,531
Workers Profit Participation and Welfare Fund	1,980,815	1,980,815
Provision for Income Tax	983,458	368,529
	19,800,257	18,601,875
Total Equity & Liabilities	1,643,532,204	1,658,105,948
Net Assets Value Per Share (NAVPS)	23.14	24.43

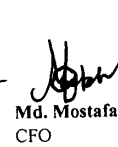
The accounting policies and other notes form an integral part of these financial statements.

As per report Annexed.


A. K. M. Azizur Rahman
 Chairman


Bazlur Rahman
 Managing Director


Rosy Rahman
 Director


Md. Mostafa
 CFO


Md. Monir Hossain
 Company Secretary

SONARGAON TEXTILES LIMITED

Statement of Profit or Loss and Other Comprehensive Income (Un-Audited)
For the 3rd Quarter (Q3) ended March 31, 2021

	Nine Months Results (Tk.)		3 rd Quarter Results (Tk.)	
	July to March 2020-2021	July to March 2019-2020	Jan. to Mar. 2020-2021	Jan. to Mar. 2019-2020
Turnover	102,487,973	503,616,880	19,679,752	148,756,240
Cost of Goods sold	(101,843,568)	(441,908,488)	(19,293,985)	(134,986,784)
Gross Profit	644,405	61,708,392	385,767	13,769,456
Operating Expenses :				
Administrative Expenses	(11,622,977)	(15,866,552)	(3,568,750)	(5,905,651)
Selling & Distribution Expenses	(807,303)	(3,060,900)	(195,765)	(1,010,325)
Financial Expenses	(25,717,947)	(31,196,812)	(9,390,287)	(6,902,999)
Total Expenses	(38,148,227)	(50,124,264)	(13,154,802)	(13,818,975)
Operating Profit/(Loss)	(37,503,822)	11,584,128	(12,769,035)	(49,519)
Non Operating Income	860,954	1,433,682	856,773	1,427,955
Net Profit/(Loss)	(36,642,868)	13,017,810	(11,912,262)	1,378,436
Provision for WPPF	-	(497,800)	-	(68,922)
Provision for WWF	-	-	-	-
	-	(497,800)	-	(68,922)
Net Profit/(Loss) before tax (G-H)	(36,642,868)	12,520,010	(11,912,262)	1,309,514
Provision for Taxation				
Current Tax	(614,929)	(2,468,940)	(118,079)	(196,427)
Deferred Tax	3,240,943	(131,510)	1,064,543	(43,255)
Net Profit/Loss after tax	(34,016,853)	9,919,560	(10,965,797)	-
Other comprehensive income	-	-	-	-
Total comprehensive income	(34,016,853)	9,919,560	(10,965,797)	1,069,832
Earning Per Share (EPS)	(1.29)	0.37	(0.41)	0.04

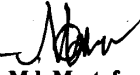
The accounting policies and other notes form an integral part of these financial statements.

As per report Annexed.


A. K. M. Azizur Rahman
Chairman


Bozluur Rahman
Managing Director


Rosy Rahman
Director


Md. Mostafa
CFO


Md. Mostaf Hossain
Company Secretary

Dated: Dhaka
24 May 2021

SONARGAON TEXTILES LTD.

Statement of Changes in equity (Un-Audited)
For the 3rd Quarter (Q3) ended March 31, 2021

Particulars	Share Capital	Share Premium	Capital Reserve	Revaluation Reserve	Retained Earnings	Total Taka
As at 1 July, 2020	264,670,560	54,560,000	5,373,570	377,318,921	(55,453,156)	646,469,895
Adjustment in Revaluation Reserve	-	-	-	(9,887,134)	9,887,134	-
Net profit/Loss (July,20 to March,21)	-	-	-	-	(34,016,853)	(34,016,853)
As at March 31, 2021	264,670,560	54,560,000	5,373,570	367,431,787	(79,582,875)	612,453,042

Statement of Changes in equity (Un-Audited)
For the 3rd Quarter (Q3) ended March 31, 2020

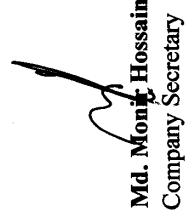
Particulars	Share Capital	Share Premium	Capital Reserve	Revaluation Reserve	Retained Earnings	Total Taka
As at 1 July, 2019	264,670,560	54,560,000	5,373,570	437,904,833	16,684,773	779,193,736
Adjustment in Revaluation Reserve	-	-	-	(10,584,754)	10,584,754	-
Net profit/Loss (1 July, 19 to March, 20)	-	-	-	-	9,919,560	9,919,560
Dividend 2019	-	-	-	-	(7,940,117)	(7,940,117)
As at 31 st March, 2020	264,670,560	54,560,000	5,373,570	427,320,079	29,248,969	781,173,179


A. K. M. Azizur Rahman
Chairman


Bazir Rahman
Managing Director


Rosy Rahman
Director



Md. Mostafa
CFO


Md. Monir Hossain
Company Secretary

Dated: Dhaka
24 May 2021


SONARGAON TEXTILES LIMITED
Statement of Cash flows (Un-Audited)
For the 3rd Quarter(Q3)ended March 31, 2021.

	Amount in Taka	
	July to March 2020-2021	July to March 2019-2020
A. Cash Flows from Operating Activities :		
Collection from Turnover & Others	253,652,325	481,386,443
Payment to Suppliers and Employees	(50,124,943)	(499,997,413)
Cash Generated from Operation	203,527,381	(18,610,970)
Collection from Non-operation Income	860,954	1,433,682
Interest Paid	-	-
Income Tax paid	(1,330,617)	(2,908,794)
Net Cash Flows from Operating Activities	203,057,718	(20,086,083)
B. Cash Flows from Investing Activities :		
Acquisition of property Plant & Equipment	-	-
Acquisition/Addition of Long Term Assets	(213,071,827)	-
Sale Proceeds of Long Term Assets	-	-
Net Cash Flows from Investing Activities	(213,071,827)	-
C. Cash Flows from Financing Activities :		
Long Term Loan received	-	-
Other Loans and Advances Received /(Paid)	-	-
Short Term Loan Paid	-	-
Net cash flow from Financing Activities	-	-
Increase/(decrease) in Cash and Cash Equivalent (A+B+C)	(10,014,109)	(20,086,083)
Cash and Cash Equivalent at Opening	9,849,989	20,723,598
Unrealized gain or (loss) on foreign exchange fluctuation	801,076	-
Cash and Cash Equivalent at Closing	636,956	637,515
Net Operating Cash Flow Per Share (NOCFPS)	7.67	(0.76)


A. K. M. Azizur Rahman
Chairman


Bazlur Rahman
Managing Director


Rosy Rahman
Director


Md. Mostafa
CFO


Md. Menir Hossain
Company Secretary

Dated: Dhaka
24 May 2021

Sonargaon Textiles Ltd.

Notes to the Interim Un-Audited Financial Statements
for the 3rd Quarter ended March 31, 2021.

Basis of Preparation of the Interim Un-Audited Financial Statements:

These Financial Statements are the un audited interim financial statement (here after 'the un audited Interim Financial Statements') of **Sonargaon Textiles Limited**, Companies incorporated in Bangladesh under companies act, for the 3rd Quarter ended March 31, 2021. (here after 'the interim period'). They are prepared in accordance with the International Accounting Standards (IAS-34) 'Interim Financial Reporting'. These financial statements should read in conjunction with the Third Quarter ended Financial Statements as of 31st March, 2021, as they provide an update of previously reported information.

The accounting policies and presentation used are consistent with those used in the Annual Financials, except where noted below. Where necessary, the comparative figures have been reclassified or extended from the previously reported Interim Financial Statements to take into account any presentational changes made in the 3rd Quarter ended March 31, 2021 Financial Statements or in these Interim Financial statements.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and disclosure of contingent liabilities at the date of the Interim Financial Statement. If in the future such estimates and assumptions, which are based on management's best judgment at the date of the Interim Financial Statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.


Income Tax expense is recognized based upon as applicable reduced tax rate for the reporting period.

Long Term Loan includes a classified loan availed from **Mutual Trust Bank (MTB)** with a loan balance representing taka 29,20,80,230 as on 30.06.2019. However, the bank made a suit through "Artha Rin Adalat" vide suit no. 878 of 2015 against the company for recovery of money with suit value taka 219,501,331 the company is currently contesting this claim in the courts. The loan balance presented in the statement of financial position represent the original principle amount due plus accrued interest calculated as per the original interest and not the interest rate claimed by the bank. Due the on going litigation with the courts. The loan balance is subject to confirmation. The company's provisional outstanding balance on the balance sheet is over from litigation amount claim by the bank. Therefore the management have decided not make further interest expenses provision during this since the company have already provisioned a higher amount of those this then the bank is claiming on the case. the management have also consulted with the company's lawyer and believe the case to be in company's favour.

In respect of the loan facilities availed from **Bangladesh Development Bank Ltd. (BDBL)** (Former Bangladesh Shilpa Bank) for Unit No. 1,2 & 3, the loan amount presented in the statement of financial position equals Tk. 274,184,272. The bank performed a reschedule for the loan in the current year. However, the bank has made a suit through "Artha Rin Adalat" vide suit no. 7 of 2017 with suit value 346,291,000. The company is currently contesting this claim in the courts. The loan balance presented in the statement of financial position represent the original principle amount due plus accrued interest calculated as per the original interest and not the interest rate claimed by the bank. Due the on going litigation with the courts. The loan balance is confirmed by a reschedule Tk.274,184,272 with one year grace period for interest expenses and 1st installment over due 01.01.2021.


The Company availed loan from **Rupali Bank Limited (RBL)** for Unit 3 through mortgage of Company's Fixed Assets and personal guarantee of all sponsor Directors. The bank performed a reschedule for the loan in the previous year. The bank charges interest on the loan facilities @ 9% of the Term Loan.


The management have decided overhaul the no. of 77 machineries of Unit-03 due to defect & drawback. approx. Total budgeted amount of Tk.21.00 crore as per decision approved by board meeting no.139 date.12.11.2020. But during the period no Depreciation charge on machineries overhaul amounting taka 213,071,827. The management of the company informed the meeting that, as per the decision taken at the 139th Board Meeting, the company has already completed all the overhauling works including 77 ring frames installed in the 3rd Unit of the factory. According to the decision, a total amount in Tk. 213,071,827 crore was spent to complete the overhauling works. As a result, the factory is now ready to return to production.


A. K. M. Azizur Rahman
Chairman


Bazlur Rahman
Managing Director


Rosy Rahman
Director


Md. Mostafa
CFO


Md. Monir Hossain
Company Secretary

Sonargaon Textiles Limited

Selected explanatory notes on the Un-Audited Financial Statements
For the 3rd Quarter (Q3) ended March 31, 2021

1) Accounting Policies & Methods used for preparation & presentation of Financial Statements:

We have followed the similar accounting policies and methods for preparation and presentation of financial statements for the period from January 01, 2021 to March 31, 2021 compared to the most recent annual financial statements for the period ended June 30, 2020.

2) Seasonality/Cyclicity of Interim Operation:

There was no significant seasonality/cyclicity effect. However, turnover for the period from January 01, 2021 to March 31, 2021 decreased by 86.77 % compared to same period of last year. Turnover falls due to fall in production volume for adverse effect of COVID19 resulting full closure of Mill in the 3rd quarter.

3) Changes in Non-Current Assets:

Total non-current assets during the period from July 01, 2020 to March 31, 2021 increased by Tk. 188,460,277 mainly due to net impact of depreciation charged & during the period no Depreciation charge on machineries overhaul amounting taka 213,071,827.

4) Changes in Current Assets:

Total current assets during the period from July 01, 2020 to March 31, 2021 decreased by Tk (203,034,021) covering the following:

Particulars	Amount in taka
Inventories	(43,293,077)
Trade & Other Receivables	(151,164,352)
Advances, Deposits and Prepayments	636,440
Investment in Shares Central Depository BD. Ltd. (CDBL)	-
Cash and cash equivalent	(9,213,033)
Total	(203,034,021)

5) Changes in Shareholders' equity:

Shareholders' equity changed due to the addition of after tax Loss & Adjustment in Revaluation Reserve for the period July 01, 2020 to March 31, 2021.

6) Changes in Non-Current Liabilities:

Total non-current liabilities Increased by Tk. 18,244,727 mainly due to provision of Bank loan Liability.

7) Changes in Current Liabilities: Total current liabilities increased by Tk. 1,198,382 covering the following:

Particulars	Amount in Taka
Short Term Loans	-
Current Portion of Long Term Loan	-
Trade & Other Payables	583,453
Workers Profit Participation and Welfare Fund	-
Provision for Income Tax	614,929
Total	1,198,382

8) Changes in Operating Income:

Sales Revenue decreased by 86.77 % compared to same period of last year. Revenue falls due to fall in production volume for adverse effect of COVID19 resulting full closure of Mill in the 3rd quarter .

9) Decrease of Cost of Goods Sold:

Cost of goods sold decreased by 85.71.10 % compared to same period of last year is mainly due to fall in production volume for adverse effect of COVID19 resulting full closure of Mill in the 3rd quarter .

10) Changes in Gross Profit/(loss):

GP 97.20 % decreased mainly due to fall in production volume for adverse effect of COVID19 resulting full closure of Mill in the 3rd quarter.

11) Changes in Net Profit/(loss):

Net Loss increased mainly due to to fall in production volume for adverse effect of COVID19 resulting full closure of Mill in the 3rd quarter & we did not make bank (MTBL & DBBL) loan interest provision in the Third Quarter 31st March, 2021 because of the additional provision up to the financial year ended 30 June 2019 compared to the loan amount mentioned in the bank made a suit against the company.

12) Significant deviation in EPS:

Earnings per Share was decreased by 448.65 % mainly due to lower to fall in production volume for adverse effect of COVID19 resulting full closure of Mill in the 3rd quarter & we did not make bank loan (MTBL) interest provision in the half year ended 31st December, 2020 because of the additional provision up to the financial year ended 30 June 2019 compared to the loan amount mentioned in the bank made a suit against the company.

13) Deviation In Net Operating Cash Flows:

Net operating cash flows per share positive Tk. 7.67 compared to the same period of last year Tk. 0.76 is mainly because of increased in collection from customers.

14) Significant Deviation In Net Assets Value per Share (NAVPS):

Net Assets Value per share has decreased Tk. (1.29) is mainly due to net loss after tax because of fall in production volume for adverse effect of COVID19 resulting full closure of Mill in the 3rd quarter and decrease in the company's retained earnings and assets .

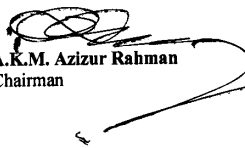
15) Disclosure of key management personnel compensation:


As per the paragraph 17 of IAS-24: Related Party Disclosure, there was no payment of benefits during this period on account of:

- a) Short-term employee benefits
- b) Post-employment benefits
- c) Other long-term benefits
- d) Termination benefits
- e) Share-based payment


16) Disclosure of Tax Calculation :

As per IAS 12, Paragraph 81, a numerical reconciliation between tax expense (income) and the product of accounting profit multiplied by the applicable tax rate(s) is provided below:		
Net Income:	(11,912,262)	
Tax: 15% of Net Income [A]	-	
Minimum Tax as per Section 82/C: 0.6% of Revenue [B]:	118,079	
Tax: Deducted at Source [C] Tax Provision: Greater of [A], [B] and [C]	3,07,529	
Tax Provision : Greater of [A],[B] and [C]	118,079	


A.K.M. Azizur Rahman
Chairman


Bazlur Rahman
Managing Director


Roy Rahman
Director


Md. Mostafa
CFO


Md. Monir Hossain
Company Secretary