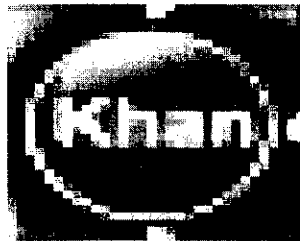


Half yearly
Financial Statement (July 2019 to December 2019)
(Un-Audited)



Sonargaon Textiles Limited.

SONARGAON TEXTILES LIMITED

Khansons Centre (8th & 9th Floor)

37, Kawran Bazar, Dhaka-1215

Tel : 55013501, 55013597, 55013500, Fax: 880-2-55013498

Half Yearly Financial Statements

In compliance with listing regulation 2015 of Dhaka & Chittagong Stock Exchange as well as BSEC notification no. -SEC/CMRRC/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 half year ended December 31, 2019 as considered by the Board of Directors meeting held on 29.01.2020 at 3.30 pm at 37, Kawran Bazar, Dhaka-1215.

Md. Monir Hossain
Company Secretary

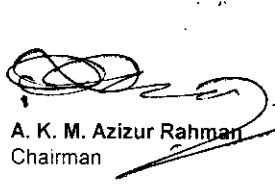
STATEMENT OF FINANCIAL POSITION (UN-AUDITED)


As at 31st December, 2019

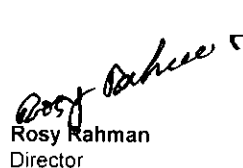
	31 December, 2019 Taka	30 June, 2019 Taka
Assets		
Non-Current Assets :		
Property, Plant and Equipment	694,077,139	711,574,383
	694,077,139	711,574,383
Current Assets :		
Inventories	733,489,247	704,702,926
Trade & Other Receivables	330,908,335	329,633,233
Advances, Deposits and Prepayments	21,932,855	24,414,673
Investment in Shares Central Depository BD. Ltd. (CDBL)	1,569,450	1,569,450
Cash and cash equivalent	21,029,237	20,723,598
	1,108,929,124	1,081,043,880
Total Assets	1,803,006,263	1,792,618,263
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	430,796,823	437,904,833
Retained Earnings	24,702,393	16,684,773
	780,103,346	779,193,736
Non-Current Liabilities		
Long Term Loan	593,855,116	523,858,156
Director's and Other Loans and Advances	17,320,197	17,320,197
Deferred Tax Liability	53,942,895	53,854,640
	665,118,208	595,032,993
Current Liabilities		
Short Term Loans	-	10,956,479
Current Portion of Long Term Loan	308,308,008	348,821,599
Trade & Other Payables	40,286,590	51,695,858
Workers Profit Participation and Welfare Fund	1,780,815	1,780,815
Provision for Income Tax	7,409,296	5,136,783
	357,784,709	418,391,534
Total Equity & Liabilities	1,803,006,263	1,792,618,263
Net Assets Value Per Share (NAVPS)	29.47	29.44

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

Dated: Dhaka
29 January 2020

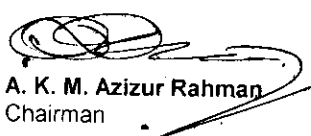


SONARGAON TEXTILES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2019

	Half Yearly (Amount in Tk.)		2 nd Quarter (Amount in Tk.)	
	July to Dec. 2019-2020	July to Dec. 2018-2019	Oct. to Dec. 2019-2020	Oct. to Dec. 2018-2019
Turnover	354,860,640	388,468,550	179,825,720	220,935,990
Cost of Goods sold	(306,921,704)	(319,614,364)	(153,986,784)	(172,059,364)
Gross Profit	47,938,936	68,854,186	25,838,936	48,876,626
Operating Expenses :				
Administrative Expenses	(9,960,901)	(9,614,384)	(5,905,651)	(5,344,384)
Selling & Distribution Expenses	(2,050,575)	(2,348,722)	(1,000,325)	(1,152,722)
Financial Expenses	(24,293,813)	(45,160,554)	(10,361,120)	(23,013,459)
Total Expenses	(36,305,289)	(57,123,660)	(17,267,096)	(29,510,565)
Operating Profit/(Loss)	11,633,647	11,730,526	8,571,840	19,366,061
Non Operating Income	5,727	-	5,727	-
Net Profit/(Loss)	11,639,374	11,730,526	8,577,567	19,366,061
Provision for WPPF	(428,878)	-	(428,878)	-
Provision for WWF	-	-	-	-
	(428,878)	-	(428,878)	-
Net Profit/(Loss) before tax (G-H)	11,210,495	11,730,526	8,148,688	19,366,061
Provision for Taxation				
Current Tax	(2,272,513)	(4,077,909)	(1,222,303)	(2,904,909)
Deferred Tax	(88,255)	(93,242)	(43,255)	(46,242)
Net Profit/Loss after tax	8,849,727	7,559,375	6,883,130	16,414,910
Other comprehensive income	-	-	-	-
Total comprehensive income	8,849,727	7,559,375	6,883,130	16,414,910
Earning Per Share (EPS)	0.33	0.29	0.26	0.62

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

Dated: Dhaka
29 January 2020



SONARGAON TEXTILES LTD.
STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the Period Ended December 31, 2019


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	-	-	-	(7,108,010)	7,108,010	-
Net profit/Loss (July, 19 to Dec, 19)	-	-	-	-	8,849,727	8,849,727
Dividend 2019	-	-	-	-	(7,940,117)	(7,940,117)
As at December 31, 2019	264,670,560	54,560,000	5,373,570	430,796,823	24,702,393	780,103,346

STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the Period Ended December 31, 2018

Particulars	Share Capital	Share Premium	Capital Reserve	Revaluation Reserve	Retained Earnings	Total Taka
As at 1 July, 2018	264,670,560	54,560,000	5,373,570	453,000,955	(22,931,269)	754,673,816
Adjustment in Revaluation Reserve	-	-	-	(8,953,059)	8,953,059	-
Net profit/Loss (July, 18 to Dec, 18)	-	-	-	-	7,559,375	7,559,375
As at December 31, 2018	264,670,560	54,560,000	5,373,570	444,047,896	(6,418,835)	762,233,191

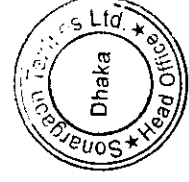

A. K. M. Azizur Rahman
Chairman


Bazlur Rahman
Managing Director


Rosy Rahman
Director


Md. Mostafa
CFO


Md. Monir Hossain
Company Secretary





Dated: Dhaka
29 January 2020

SONARGAON TEXTILES LIMITED

STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE PERIOD ENDED DECEMBER 31, 2019

	July to Dec. 2019-2020	July to Dec. 2018-2019
A. Cash Flows from Operating Activities :		
Collection from Turnover & Others	387,193,448	464,815,713
Payment to Suppliers and Employees	(384,248,071)	(456,788,265)
Cash Generated from Operation	2,945,377	8,027,448
Collection from Non-operation Income	5,727	-
Interest Paid	-	(3,709,000)
Income Tax paid	(2,645,465)	(1,334,177)
Net Cash Flows from Operating Activities	305,639	2,984,271
B. Cash Flows from Investing Activities :		
Acquisition of property Plant & Equipment	-	-
Acquisition/Addition of Long Term Assets	-	-
Sale Proceeds of Long Term Assets	-	-
Net Cash Flows from Investing Activities	-	-
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)	305,639	2,984,271
Cash and Cash Equivalent at Opening	20,723,598	632,447
Cash and Cash Equivalent at Closing	21,029,237	3,616,718
Net Operating Cash Flow Per Share (NOCFPS)	0.01	0.11


A. K. M. Azizur Rahman
 Chairman


Razlur Rahman
 Managing Director


Rosy Rahman
 Director


Md. Mostafa
 CFO


Md. Monir Hossain
 Company Secretary

Dated: Dhaka
29 January 2020



Sonargaon Textiles Ltd.

Notes to the Interim Un-Audited Financial Statements
for the half year ended 31st December, 2019.

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 half year ended 31st December, 2019 (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 half year ended Financial Statements as of 31st December, 2019, 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 half year ended 31st December, 2019 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 to the on going litigation with the courts. As a result, we did not make provision in the half year ended 31st December, 2019 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 .


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. 308,308,008. However, the bank has made a suit through "Artha Rin Adalat" vide suit no. 7 of 2017 with suit value 34,62,91,000. 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 to the on going litigation with the courts, the loan balance is subject to confirmation.


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 current year. The bank charges interest on the loan facilities @ 9% of the Term Loan. In the current year, the bank performed a reschedule for the loan due and the difference between the old and updated loan balance was accrued by the Company as interest expense to ensure the carrying value of the loan matches the amount confirmed by the bank..


A.K.M. Azizur Rahman
Chairman


Bazir 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 period from July 01, 2019 to December 31, 2019

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 July 01, 2019 to December 31, 2019 compared to the most recent annual financial statements for the period ended June 30, 2019.

2) Seasonality/Cyclicity of Interim Operation:

There was no significant seasonality/cyclicity effect. However, turnover for the period from July 01, 2019 to December 31, 2019 decreased by 8.65 % compared to same period of last year. Turnover falls due to lower sales price in current period.

3) Changes in Non-Current Assets:

Total non-current assets during the period from July 01, 2019 to December 31, 2019 decreased by Tk.17,497,244 mainly due to net impact of depreciation charged during the period.

4) Changes in Current Assets:

Total current assets during the period from July 01, 2019 to December 31, 2019 Increased by Tk. 27,885,243 covering the following:

Particulars	Amount in taka
Inventories	28,786,321
Trade & Other Receivables	1,275,102
Advances, Deposits and Prepayments	(2,481,818)
Investment in Shares Central Depository BD. Ltd. (CDBL)	-
Cash and cash equivalent	305,639
Total	27,885,243

5) Changes in Shareholders' equity:

Shareholders' equity changed due to the addition of after tax profit & Adjustment in Revaluation Reserve for the period July 01, 2019 to December 31, 2019 and dividend paid for the year 2018-2019.

6) Changes in Non-Current Liabilities:

Total non-current liabilities Increased by Tk. 70,085,215 mainly due to provision of Bank loan & Deferred Tax Liability.

7) Changes in Current Liabilities: Total current liabilities decreased by Tk. 60,606,825 covering the following:

Particulars	Amount in Taka
Short Term Loans	10,956,479
Current Portion of Long Term Loan	40,513,591
Trade & Other Payables	11,409,268
Workers Profit Participation and Welfare Fund	-
Provision for Income Tax	(2,272,513)
Total	60,606,825



8) Changes in Operating Income:

Sales Revenue decreased by 3.28% compared to same period of last year. Revenue falls due to lower sales price in the current period.

9) Decrease of Cost of Goods Sold:

Cost of goods sold decreased by 3.97% compared to same period of last year is mainly due to the lower cost of materials and utility cost.

10) Changes in Gross Profit/(loss):

GP 4.22 % decreased mainly due to lower sales price.

11) Changes in Net Profit/(loss):

Net Profit increased mainly due to lower cost of materials & we did not make bank loan interest provision in the half year ended 31st December, 2019 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 increased by 13.79 % mainly due to lower lower cost of materials & we did not make bank loan (MTBL) interest provision in the half year ended 31st December, 2019 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.

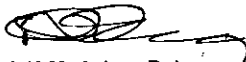
13) Deviation In Net Operating Cash Flows:

Net operating cash flows per share decreased Tk. .10 compared to the same period of last year Tk. 0.11 is mainly because of decreased in collection from customers.

14) 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.


A.K.M. Azizur Rahman
Chairman


Bazlur Rahman
Managing Director


Rosy Rahman
Director


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Company Secretary

