"If you have any query about this document, you may consult issuer, issue manager and underwriters"

PROSPECTUS

For

PUBLIC OFFERING OF 30,000,000 ORDINARY SHARES OF TK. 10.00 EACH AT AN ISSUE PRICE OF TK. 35.00 EACH INCLUDING A PREMIUM OF TK. 25.00 PER SHARE TOTALING TO TK. 1,050,000,000.00

Of

ARGON DENIMS LIMITED

OPENING DATE FOR SUBSCRIPTION: NOVEMBER 26, 2012 CLOSING DATE FOR SUBSCRIPTION: DECEMBER 02, 2012

FOR NON-RESIDENT BANGLADESHI (NRB) QUOTA:

OPENING DATE FOR SUBSCRIPTION: NOVEMBER 26, 2012 CLOSING DATE FOR SUBSCRIPTION: DECEMBER 11, 2012

MANAGER TO THE ISSUE

LANKABANGLA INVESTMENTS LIMITED

Eunoos Trade Centre, Level # 21, 52-53, Dilkusha C/A, Dhaka-1000

UNDERWRITERS

Meghna Life Insurance Company Limited Bima Bhaban (2nd Floor), 100 Motijheel C/A, Dhaka-1000	**Rupali Life Insurance Company Limited** Rupali Bima Bhaban (9th Floor), 7 Rajuk Avenue, Motijheel C/A, Dhaka-1000
City Bank Capital Resources Limited Jibon Bima Tower (1st Floor), 10 Dilkusha C/A, Dhaka	**One Bank Limited** Corporate HQ, HRC Bhaban, 46, Kawran Bazar C/A, Dhaka-1215
BMSL Investment Limited Sadharan Bima Tower (7th floor), 37/A Dilkusha C/A, Dhaka – 1000	**MTB Capital Limited** 68 Dilkusha C/A (6th Floor), Dhaka-1000
LankaBangla Investments Limited Eunoos Trade Centre, Level # 21, 52-53, Dilkusha C/A, Dhaka-1000	

CREDIT RATING STATUS

	Long Term	Short Term
Entity Rating	A-	ST-3
Date of Rating	June 28, 2011	April 15, 2012
Validity of Rating	June 27, 2012	June 27, 2012
Rated by	**Credit Rating Information and Services Limited (CRISL)**	

Date of Publication of the Prospectus: November 01, 2012

The Issue shall be placed in "N" Category

ARGON DENIMS LIMITED

Plot # 33, Section # 7, Mirpur, Dhaka-1216, Bangladesh

Phone: +880-2-801 1227, 801 6196, Fax: 880-2-801 3504

Web: www.argondenims.com

E-mail: info@argondenims.com

"CONSENT OF THE SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969 AND THE SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2006. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER, ISSUE MANAGER, UNDERWRITER AND/OR AUDITOR."

AVAILABILITY OF PROSPECTUS

Prospectus of Argon Denims Limited may be obtained from the Issuer Company, the Manager to the Issue, the Underwriters and the Stock Exchanges as follows:

Issuer	Contact Person	Contact
ARGON DENIMS LIMITED Plot # 33, Section # 7, Mirpur, Dhaka-1216	**Itrat Husain, FCMA, FCS** Company Secretary & CFO	Tel: 8961552-4, Fax: 8961941 E-mail: itrat@argondenims.com

Manager to the Issue	Contact Person	Contact
LankaBangla Investments Limited Eunoos Trade Centre, Level # 21, 52-53, Dilkusha C/A, Dhaka-1000	**M Shakil Islam Bhuiyan** Chief Executive Officer	Tel: 7113585, Fax: 7115756 E-mail: shakil.bhuiyan@lankabangla-investments.com

Underwriters	Contact Person	Contact
LankaBangla Investments Limited Eunoos Trade Centre, Level # 21, 52-53, Dilkusha C/A, Dhaka-1000	**M Shakil Islam Bhuiyan** Chief Executive Officer	Tel: 7113585, Fax: 7115756 E-mail: shakil.bhuiyan@lankabangla-investments.com
MTB Capital Limited 68 Dilkusha C/A (6th Floor), Dhaka-1000	**Khairul Bashar Abu Taher Mohammed** SVP & Chief Executive Officer	Tel: 7170138-9, Fax: 9555654 E-mail: khairul.bashar@ mutualtrustbank.com
Meghna Life Insurance Company Ltd. Bima Bhaban (2nd Floor), 100 Motijheel C/A, Dhaka-1000	**S. M. Shahadat Hossain** Company Secretary	Tel: 9559144, Fax: (8802) 7171942 E-mail: info@meghnalife.com
One Bank Limited Corporate HQ, HRC Bhaban, 46, Kawran Bazar C/A, Dhaka-1215	**John Sarkar** SEVP & Company Secretary	Tel: 9118161, Fax: 9134794 E-mail: John.hrd.chq@onebankbd.com
Rupali Life Insurance Company Ltd. Rupali Bima Bhaban (9th Floor), 7 Rajuk Avenue, Motijheel C/A, Dhaka-1000	**Biswajit Kumar Mondal** Dy. Managing Director	Tel: 7120081, Fax: 9570560 E-mail: rupali_life@yahoo.com
BMSL Investment Limited Sadharan Bima Tower (7th floor), 37/A Dilkusha C/A, Dhaka – 1000	**Md. Goalm Sarwar Bhuiyan** Managing Director	Tel: 9567002, 9670624, Fax: 7123820 E-mail: gsbhuiyan@gmail.com
City Bank Capital Resources Limited Jibon Bima Tower (1st Floor), 10 Dilkusha C/A, Dhaka	**Khondoker Ehetesham Haider** Manager	Tel: 9565911, Fax: 9565911 E-mail: ehetesham@@thecitybank.com

Stock Exchanges	Available At	Contact
Dhaka Stock Exchange Limited 9/F Motijheel C/A, Dhaka-1000	**DSE Library**	Tel: 02 7175705-9
Chaittagong Stock Exchange Limited CSE Building, 1080, Sheikh Mujib Road, Chittagong-4100	**CSE Library**	Tel: 031-714632-3 Tel: 031-720871-3

Prospectus is also available on the websites of Argon Denims Limited(www.argondenims.com), LankaBangla Investments Limited (www.lankabangla-investments.com), SEC (www.secbd.org), DSE (www.dsebd.org), CSE (www.csebd.com) and Public Reference room of the Securities and Exchange Commission (SEC) for reading and study.

Name and Address of the Auditor	Address	Contact
Pinaki & Company Chartered Accountants	2/4, Nawab Habibullah Road (1st Floor), Shahbag, Dhaka-1000	Phone: +880-2-9660944, 9665095 Fax: +880-2-967 2726 E-mail: pinaki_co@yahoo.com.

TABLE OF CONTENTS

DEFINITION AND ELABORATION OF THE ABBREVIATED WORDS AND TECHNICAL TERMS USED IN THE PROSPECTUS

ADL	:	Argon Denims Limited
AGM	:	Annual General Meeting
Allotment	:	Letter of Allotment of Shares
BAS	:	Bangladesh Accounting Standards
BDT	:	Bangladeshi Taka
BGMEA	:	Bangladesh Garments Manufacturers and Exporters Association
BO Account	:	Beneficial Owners Account
BTMA	:	Bangladesh Textile Mills Association
CDBL	:	Central Depository Bangladesh Limited
CIB	:	Credit Information Bureau
CEO	:	Chief Executive Officer
Commission	:	Securities and Exchange Commission
Company / Issuer	:	Argon Denims Limited
Companies Act	:	Companies Act, 1994 (Act. No. XVIII of 1994)
Corporate Office	:	Head office of the Company
CRISL	:	Credit Rating Information and Services limited
CSE	:	Chittagong Stock Exchange
DSE	:	Dhaka Stock Exchange
EPS	:	Earnings Per Share
FC Account	:	Foreign Currency Account
GBP	:	Great Britain Pound
IPO	:	Initial Public Offering
LC	:	Letter of Credit
NAV	:	Net Asset Value
NRB	:	Non-Resident Bangladeshi
PER	:	Price-Earnings Ratio
RJSC	:	Registrar of Joint Stock Companies and Firms
RMG	:	Ready Made Garments
Rules	:	Securities and Exchange Commission (Public Issue) Rules, 2006
SEC	:	Securities and Exchange Commission
Securities	:	Shares of Argon Denims Limited
SND Account	:	Short Notice Deposit Account
Subscription	:	Application Money
Tk.	:	Taka
USD	:	United States Dollar

STATUTORY CONDITIONS

Disclosure in Respect of Issuance of Security in DEMAT Form

As per provision of the Depository Act, 1999 and regulation made there under, shares of the company will be issued in dematerialized form only and for this purpose Argon Denims Limited has signed an agreement with the Central Depository Bangladesh Limited (CDBL). Therefore, all transfer/transmission, splitting or conversion will take place in the CDBL system and any further issuance of shares (including rights/bonus) will also be issued in dematerialized form only.

Conditions under 2CC of the Securities and Exchange Ordinance, 1969

PART–A

1. The company shall go for Initial Public Offer (IPO) for 30,000,000 Ordinary Shares of Tk. 10.00 each at an issue price of Tk. 35.00 per share including a premium of Tk. 25.00 each worth Tk. 1,050,000,000.00 only (Taka One Hundred Five crore) following the Securities and Exchange Commission (Public Issue) Rules, 2006, the Depository Act, 1999 and regulations made there under.

2. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in 4 (Four) national daily newspapers (two in Bangla and two in English), within 5 (Five) working days of issuance of the consent letter. The issuer shall post the full prospectus, vetted by the Securities and Exchange Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the issue manager, within 3 (Three) working days from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The issuer shall submit to SEC, the stock exchanges and the issue manager a diskette containing the text of the vetted prospectus in "MS - Word" format.

3. Sufficient copies of prospectus shall be made available by the issuer so that any person requesting a copy may receive one. A notice shall be placed on the front of the application form distributed in connection with the offering, informing that interested persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the issue manager. The subscription application shall indicate in bold type that no sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus has been published.

4. The company shall submit 40 (Forty) copies of the printed prospectus to the Securities and Exchange Commission for official record within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.

5. The issuer company and the issue manager shall ensure transmission of the prospectus, abridged version of the prospectus and relevant application forms for NRBs through email, simultaneously with publication of the abridged version of the prospectus, to the Bangladesh Embassies and Missions abroad and shall also ensure sending of the printed copies of abridged version of the prospectus and application forms to the said Embassies and Missions within 5 (Five) working days of the publication date by Express Mail Service (EMS) of the postal department. A compliance report shall be submitted in this respect to the SEC jointly by the issuer and the issue manager within 2 (Two) working days from the date of said dispatch of the prospectus and the forms.

6. The paper clipping of the published abridged version of the prospectus, as mentioned at **condition no. 2 above**, shall be submitted to the Commission within 24 hours of the publication thereof.

7. The company shall maintain separate bank account(s) for collecting proceeds of the Initial Public Offering and shall also open Foreign Currency (FC) account(s) to deposit the application money of the Non Resident Bangladeshis (NRBs) for IPO purpose, and shall incorporate full particulars of said FC account(s) in the prospectus. The company shall open the above-mentioned accounts for IPO purpose; and close these accounts after refund of over-subscription money. Non-Resident Bangladeshi (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy to the effect that no visa is required for traveling to Bangladesh.

8. The issuer company shall apply to all the stock exchanges in Bangladesh for listing within 7 (Seven) working days from the date of issuance of this letter and shall simultaneously submit the vetted prospectus with all exhibits, as submitted to SEC, to the stock exchanges.

9. The following declaration shall be made by the company in the prospectus, namely: -

"**Declaration about Listing of Shares with the stock exchange (s):**

None of the stock exchange(s), if for any reason, grants listing within 75 (Seventy Five) days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within 15 (Fifteen) days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (Seventy Five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid 15 (Fifteen) days, the Directors of the company, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (Two Percent) per month above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within 7 (Seven) days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money."

10. The subscription list shall be opened and the sale of securities commenced after **25 (Twenty Five) days** of the publication of the abridged version of the prospectus and shall remain open for **5 (Five) consecutive banking days**.

11. A non-resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking "Account Payee only". The NRB applicants shall send applications to the issuer company within the closing date of the subscription so as to reach the same to the company by the closing date plus 9 (Nine) days. Applications received by the company after the above time period will not be considered for allotment purpose.

12. The company shall apply the spot buying rate (TT clean) in US Dollar, UK Pound Sterling and Euro of Sonali Bank Ltd, which shall be mentioned in the Prospectus, as prevailed on the date of opening of the subscription for the purpose of application of the NRBs and other non-Bangladeshi persons, wherever applicable.

13. The Company and the issue manager shall ensure prompt collection/clearance of the foreign remittances of NRBs and other non-Bangladeshi(s), if applicable, for allotment of shares.

14. Upon completion of the period of subscription for securities, the issuer and the issue manager shall jointly provide the Commission and the stock exchanges with the preliminary status of the subscription within 5 (Five) working days, in respect of the following matters, namely: -

    a. Total number of securities for which subscription has been received;
    b. Amount received from the subscription; and
    c. Amount of commission paid to the bankers to the issue.

15. The issuer and the issue manager shall jointly provide the Commission and the stock exchanges with the list of valid and invalid applicants (i.e. final status of subscription) in electronic form in 2 (Two) CDs and final status of subscription to the Commission within **3 (Three) weeks** after the closure of the subscription along with bank statement (original), branch-wise subscription statement. The list of valid and invalid applicants shall be finalized after examination with the CDBL in respect of BO accounts and particulars thereof.

16. The IPO shall stand cancelled and the application money shall be refunded immediately (but not later than 5 (Five) weeks from the date of the subscription closure), if any of the following events occur:

    (a) Upon closing of the subscription list it is found that the total number of valid applications (in case of under subscription including the number of the underwriter) is less than the minimum requirement as specified in the listing regulations of the stock exchange(s) concerned; or

(b) At least 50% of the IPO is not subscribed.

17. 20 % of total public offering shall be reserved for Affected Small Investores in the manner/procedure as directed by the the Commisssion, 10% of total public offering shall be reserved for non-resident Bangladeshi (NRB) and 10% for mutual funds and collective investment schemes registered with the Commission, and the remaining 60% shall be open for subscription by the general public. In case of under-subscription under any of the 10% categories mentioned above, the unsubscribed portion shall be added to the general public category and, if after such addition, there is over subscription in the general public category, the issuer and the manager to the issue shall jointly conduct an open lottery of all the applicants added together.

18. All the applicants shall first be treated as applied for one minimum market lot of **200 shares worth Taka 7000/- (Seven Thousand only).** If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. In case of over-subscription under any of the categories mentioned hereinabove, the issuer and the issue manager shall jointly conduct an open lottery of all the applications received under each category separately in presence of representatives from the issuer, the stock exchanges and the applicants, if there be any.

19. **An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**

20. **The applicant shall provide with the same bank account number in the application form as it is in the BO account of the application.**

21. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money too.**

22. Lottery (if applicable) shall be held within **4 (Four) weeks** from closure of the subscription date.

23. The company shall issue share allotment letters to all successful applicants within **5 (Five) weeks** from the date of the subscription closing. Within the same time, refund to the unsuccessful applicants shall be made in the currency in which the value of securities was paid for by the applicants without any interest, through direct deposit to the applicant's bank account as far as possible/ Account Payee Cheque/ refund warrants with bank account number, bank's name and branch as indicated in the securities application forms payable at Dhaka/ Chittagong/ Khulna/ Rajshahi/ Barisal/ Sylhet/ Bogra, as the case may be subject to condition no. 21 above.

    Refund money of the unsuccessful applicants shall be credited directly to their respective bank accounts, who have chosen the option in the IPO application forms, as maintained with the bankers to the issue or any other banks mentioned in the application.

    A compliance report in this regard shall be submitted to the Commission within 7 (Seven) weeks from the date of closure of subscription.

24. The company shall furnish the List of Allotees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within **24 (Twenty Four) hours** of allotment.

25. In the event of under-subscription of the public offering, the unsubscribed portion of securities shall be taken up by the underwriter(s) (subject to Para -16 above). The issuer must notify the underwriters to take up the underwritten shares within 10 (Ten) days of the closing of subscription on full payment of the share money within 15 (Fifteen) days of the issuer's notice. The underwriter shall not share any underwriting fee with the issue manager, other underwriters, issuer or the sponsor group.

26. All issued shares of the issuer at the time of according this consent shall be subject to a **lock-in period of 3 (Three) years** from the date of issuance of prospectus or commercial operation, whichever comes later.

    Provided that the persons (other than Directors and those who hold 5% or more shares in the company), who have subscribed to the shares of the company within immediately preceding two years of according consent shall be subject to a **lock-in period of 1 (One) year** from the date of issuance of prospectus or commercial operation, whichever comes later.

27. In respect of shares of Sponsors/Directors/Promoters (if in paper format) shall be handed over to security custodian bank registered with SEC and shall remain till completion of lock in and the name and branch of the bank shall be furnished to the Commission jointly by the issuer and issue manager, along with a confirmation thereof from the custodian bank, within one week of listing of the shares with the stock exchange(s). Or they (shares of Sponsors/ Directors/ Promoters) can be demated and will remain in lock-in under CDBL system and issuer will submit a dematerialization confirmation report generated by CDBL and attested by Managing Director of the company along with lock-in confirmation with SEC within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters the issuer will ensure their lock-in of those shares and submit a statement to this effect to SEC.

28. The company shall apply to the stock exchanges for listing within 7 (Seven) working days of issuance of this letter and shall simultaneously submit to the Commission attested copies of the application filed with the stock exchanges.

29. **The company shall deposit 3% tax to the Government Treasury on the share premium of the IPO and submit authenticated copy of 'Treasury Chalan' to the Commission, among others, to obtain consent for holding of lottery in line with the NBR"s Order No. জারাবো/আয়কর বাজেট/২০১০/৯৭ dated 30.06.2010 and জারাবো/কর-৪/অধিক্ষেত্র/১১(৪)/২০০৩(অংশ)-১)/২২৫ dated 06.07.2010.**

30. **The company shall not declare any benefit/dividend based on the financial statements for the year ended on December 31, 2011 before listing of its capital with stock exchange (s).**

PART–B

1. The issuer and the Issue Manager shall ensure that the abridged version of the prospectus and the full prospectus is published correctly and in strict conformity with the conditions of this letter without any error/omission, as vetted by the Securities and Exchange Commission.

2. The issue manager shall carefully examine and compare the published abridged version of the prospectus on the date of publication with the copy vetted by SEC. If any discrepancy/ inconsistency is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to SEC and the stock exchange(s) concerned, correcting the discrepancy/inconsistency as required under 'Due Diligence Certificates' provided with SEC.

3. Both the issuer company and the issue manager shall, immediately after publication of the prospectus and its abridged version, jointly inform the Commission in writing that the published prospectus and its abridged version are verbatim copies of the same as vetted by the Commission.

4. The fund collected through Public Offering shall not be utilized prior to listing with stock exchanges and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.

5. The company shall furnish report to the Commission and to the stock exchanges on utilization of Public Offering proceeds within 15 (Fifteen) days of the closing of each month until such fund is fully utilized, as mentioned in the schedule contained in the prospectus, and in the event of any irregularity or inconsistency, the Commission may employ or engage any person, at issuer's cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.

6. All transactions, excluding petty cash expenses, shall be effected through the company's bank account(s).

7. Proceeds of the Public Offering shall not be used for any purpose other than those specified in the prospectus. Any deviation in this respect must have prior approval of the shareholders in the shareholders Meeting under intimation to SEC and stock exchanges.

8. Directors on the Company's Board will be in accordance with applicable laws, rules and regulations.

9. The financial statements should be prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as required by the Securities and Exchange Rules, 1987.

10. Loan against Bills Purchase shall not be repaid from IPO proceeds/company's own sources as particularly, such loan will be adjusted/realized by the banks from export proceeds/bills.

PART-C

1. All the above conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969 shall be incorporated in the prospectus immediately after the page of the table of contents, with a reference in the table of contents, prior to its publication.

2. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

PART-D

1. As per provision of the Depository Act, 1999 & regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (Including rights/bonus) will be made in dematerialized form only.

   An applicant (including NRB) shall not be able to apply for allotment of shares without Beneficial Owners (BO) account.

2. The company and the issue manager shall ensure due compliance of all the above conditions and the Securities and Exchange Commission (Public Issue) Rules, 2006.

General Information

LankaBangla Investments Limited, the Issue Manager has prepared this prospectus based on the information provided by **Argon Denims Limited (the Issuer)** and also several discussions with Chairperson, Managing Director, Directors and concerned executives of the Company all of which are publicly available. The Board of Directors of Argon Denims Limited hereby confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material respects and that there are no other material facts, the omission of which, would make any statement herein misleading.

No person is authorized to give any information or to make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorized by the Company or the Issue Manager.

The issue, as contemplated in this document is made in Bangladesh and is subject to the exclusive jurisdiction of the Courts of Bangladesh. Forwarding this Prospectus to any person resident outside Bangladesh in no way implies that the issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country.

A copy of this prospectus may be obtained from the Head Office of Argon Denims Limited, LankaBangla Investments Limited, the Underwriters and the Stock Exchanges where the securities will be listed.

DECLARATIONS AND DUE DILIGENCE CERTIFICATES

Declaration about the responsibility of the Director(s), including the CEO of the Issuer Company in respect of the Prospectus

This prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity and accuracy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative action against any or all of us as it may deem fit.

We also confirm that full and fair disclosure has been made in this prospectus to enable the investors to make a well informed decision for investment.

Sd/-
Shabnam Shehnaz Chowdhury
Chairperson

Sd/- **Abu Kawser Majumder** Director	Sd/- **Anwar-ul Alam Chowdhury** Managing Director	Sd/- **Md. Akhter Shahid** Director
Sd/- **A.K. Gouhor Rabbani** Director	Sd/- **Shah Adeeb Chowdhury** Director	Sd/- **Shah Rayeed Chowdhury** Director

Consent of Director (s) To Serve As Director(s)

We hereby confirm that we have been serving as Director(s) of Argon Denims Limited and continue to act as Director(s) of the Company.

Sd/-
Shabnam Shehnaz Chowdhury
Chairperson

Sd/- **Abu Kawser Majumder** Director	Sd/- **Anwar-ul Alam Chowdhury** Managing Director	Sd/- **Md. Akhter Shahid** Director
Sd/- **A.K. Gouhor Rabbani** Director	Sd/- **Shah Adeeb Chowdhury** Director	Sd/- **Shah Rayeed Chowdhury** Director

Declaration about filing of prospectus with the Registrar of Joint Stock Companies and Firms

A dated and signed copy of the Prospectus has been filed for registration with the Registrar of Joint Stock Companies and Firms, Bangladesh, as required under section 138(1) of the companies Act, 1994.

Declaration by the Issuer about the Approval from SEC for any Material Changes

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statement made in the prospectus subsequent to the preparation of the prospectus and prior to its publication shall be incorporated in the prospectus and the said prospectus should be published with the approval of the Commission.

For Argon Denims Limited

Sd/-
Anwar-ul Alam Chowdhury
Managing Director
Argon Denims Limited

Declaration by the Issue Manager about the Approval from SEC for any Material Changes

In case of any material change(s) in any agreement, contract, instrument, facts and figures operational circumstances and statements made in the Prospectus subsequent to the preparation of the Prospectus and prior to its publication, shall be incorporated in the Prospectus and the said Prospectus should be published with the approval of the Commission.

For Manager to the Issue

Sd/-
M. Shakil Islam Bhuiyan
Chief Executive Officer
LankaBangla Investments Limited

Due Diligence Certificate of the Manager to the Issue

Subject: Public offering of 30,000,000 ordinary shares of tk. 10.00 each at an issue price of tk. 35.00 each including a premium of tk. 25.00 per share totaling to tk. 1,050,000,000

We, the under-noted Manager to the Issue to the above-mentioned forthcoming issue, state as follows:
1. We, while finalizing the draft prospectus pertaining to the said issue, have examined various documents and other materials as relevant for adequate disclosures to the investors; and
2. On the basis of such examination and the discussions with the issuer company, it's directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:
a) the draft prospectus forwarded to the Commission is in conformity with the documents, materials and papers relevant to the issue;
b) all the legal requirements connected with the said issue have been duly complied with; and
c) the disclosures made in the draft prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue.

For Manager to the Issue
Sd/-
M. Shakil Islam Bhuiyan
Chief Executive Officer
LankaBangla Investments Limited

Due Diligence Certificate of the Underwriter(s)

Subject: Public offering of 30,000,000 ordinary shares of tk. 10.00 each at an issue price of tk. 35.00 each including a premium of tk. 25.00 per share totaling to tk. 1,050,000,000

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:
1. We, while underwriting the abovementioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination and the discussions with the issuer company, it's directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:
a) All information as are relevant to our underwriting decisions have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
b) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
c) This underwriting commitment is unequivocal and irrevocable.

For Underwriters
Sd/-
Managing Director/CEO
LankaBangla Investments Limited
One Bank Limited
City Bank Capital Resources Limited
BMSL Investment Limited
Rupali Life Insurance Company Limited
MTB Capital Limited
Meghna Life Insurance Company Limited

RISK FACTORS AND MANAGEMENT PERCEPTION

Investment in equity shares involves various levels of risk. Consequently, the return of the investment is dependent on the functioning of the risk factors. Argon Denims Limited operates in an industry which is exposed to a number of internal and external risk factors over which the company has little or no control. The occurrence of the risk factors as delineated hereunder, and if the management fails to avoid or mitigate those, can have significant bearing on the operational and financial performance of the company, which, in turn, may negatively impact on the value of share of the company. Therefore, it is imperative to thoroughly understand the risk profile of the company along with management's perception of the risks for taking an informed investment decision.

a) Interest Rate Risk

The company has working capital and long-term loans from different banks. Hence, it is exposed to the risk of interest rate variability. Interest rate may rise due to a number of macroeconomic and market factors like inflation, restrictive monitory policy, demand of loan etc. Rise of interest rate may adversely affect the cash flow and profitability of the company due to increase in cost of fund.

Management perception

The interest rate risk of the company will greatly be reduced as substantial portion of the IPO proceed shall be utilized to repay the loan of the company. BDT 164,000,000/- of Total loan (both long-term and short-term) is expected to be repaid out of IPO proceeds. Therefore, the company will be able to significantly reduce its leverage and interest burden. The rest BDT 848,000,000/- of IPO proceeds will be used for business expansion.

Additionally, from the growth of the industry and the positive sales trend, it can be reasonably expected that the turnover of the company will also increase in coming years. This will further reduce the working capital loan requirement of the company.

b) Exchange Rate Risk

Exchange rate risk may affect the business of the company. The company's major raw materials are yarn and dyes chemical that are procured from both local and foreign sources. The company pays for the raw materials in foreign currency. On the other hand, it exports the entire merchandize for which it receives payment in foreign currency as well. It conducts most of its foreign currency transactions in US Dollars. Hence, any significant volatility in the exchange rate of Taka against US Dollar will increase the volatility of the company's cash flow and profitability.

Management perception

The company receives the entire export proceeds in foreign currency and makes majority of the import payments in foreign currency as well. For a given depreciation of Taka against a particular foreign currency like US Dollar, the import payment and export proceeds will both be higher in terms of Taka. In case of an appreciation of Taka against the same currency, the opposite will occur. Hence, the company has a natural hedge against exchange rate risk.

The value of Taka against US Dollar has experienced some declines in recent times. However, it is expected that value of Taka may remain stable in the near future considering sufficient Bangladesh Bank reserve, manageable current account deficit, growing export and remittance, and favorable sovereign credit rating of Bangladesh.

The Government of Bangladesh is also determined to maintain a stable exchange rate against US Dollar as stated in its national budget for the 2011-12 fiscal year. To note, value of Taka against US Dollar has depreciated by only 1.24% over the last two fiscal years i.e. 2008-10.

c) Industry Risk

i.) Volatility of Yarn Prices in Local and International Market

The company's major raw material is yarn. Currently, it completely depends on external vendors for procurement of yarn. As price of yarn largely depends on production of cotton which in turn is dependent upon environmental conditions, company's cash flows and profitability might adversely be affected at any point of time.

Management Perception

Price volatility of cotton and yarn in international market is a common phenomenon, which affects, more or less, all operators belonging to this particular industry segment. So, the nature of relative competency is expected to remain the same. However, Argon management is always watchful about timely yarn procurement from both domestic and foreign markets. The history of efficient yarn procurement establishes the superior sourcing ability of the management.

ii.) Labor Unrest

Inherently Bangladesh Textile and Garments sector has been affected by labor unrest that might go up to threaten the long-run sustenance of the industry. Any incident of labor unrest would adversely affect the company's operation as well. Most damage might be done in the part of reputation in terms of timely delivery of quality product to foreign buyers. This may affect the long-run profitability of the company as well.

Management Perception

The company practices advanced HR policies, and maintains motivating and agile working environment. Regular orientation programs are conducted through on-the-job trainings with supervision of top officials. The organization always pays all wages, salaries and festival bonuses regularly and on time. Besides, the workers are provided with regular attendance of a doctor at the factory premises. All the above factors certainly create labor-friendly environment that translate into incremental productivity and uninterrupted working atmosphere. Nevertheless, existing HR policies are being periodically reviewed for continuous improvements.

iii.) Scarcity of Gas

The company needs uninterrupted supply of natural gas to smoothly run day-to-day operation in the factory. The company needs 11,000 cubic feet of gas per day. In the present scenario, where suppliers cannot ensure uninterrupted supply of gas in industrial sector, the operational and financial performance of the company may be adversely affected.

Management Perception

The manufacturing operation depends on gas from Titas Gas Transmission & Distribution Company Ltd. However, the manufacturing set up of ADL has flexibility of duel fuel firing capabilities. This enables the company to continue production in case of emergency and non-committal supply lapses.

iv.) Scarcity of Power

The company machinery runs on electricity that requires 1,100 KVA of electricity per day. For any severe disruption in power supply, operation of the factory will be hampered that will certainly cut the production volume and thereby lower the profitability.

Management Perception

Argon Denims Limited has a connected load of 1145 KW. The average consumption is 860 KW per day, at rated load factor of 70%. The required power is available from own captive power generators. Some provision for future expansion in the captive power has also been considered in this regard. In due course, a 500 KVA line from REB will be connected for emergency and holiday uses.

d) Market Risk

i.) Demand oriented risks

Almost entire revenue of the company is earned through export of denim fabrics. Therefore, fall of price and/or demand in international market may adversely affect the profitability of the company, and thereby the value of shares. Additionally, loss of competitive advantage may negatively impact the earning ability of the company. Diversifying the export markets and building strong brand equity will enable the company to grow and withstanding the market risk.

Management's Perception

Although currently almost 95% of its total exports go to Europe and residual 5% to USA, the company is focusing on other overseas markets with a view to a more diversified client base. Management is constantly putting emphasis on building brand equity in international markets, which will provide the company with greater flexibility in terms of demand and price elasticity.

Besides government incentives, the company enjoys competitive advantages over its foreign competitors in terms of labor cost. With the introduction of GSP facilities, the company has further cost advantage as now it can easily procure yarn from abroad at lower cost.

ii.) Risk from change in competitive dynamics

The company may face competition from some renowned and strong competitors like Hamim Denims, Partex Denims, Envoy Denims etc. in domestic arena. In addition to that entrance of any other strong entity might put price pressure and cause a shrink in market share in future.

Management's Perception

There is a large demand-supply gap for the product of denim fabrics both in local and international markets. Being one of the high quality denim fabric producers in the country, ADL is capable of making full use of the opportunities. The company is comfortably operating for its well-thought-out arrangement of good quality machineries, as well as sound product demand from its customers.

e) Technological Risk

The basic operation of the company is technology based and the quality of the products is directly related to the sophistication of the machinery. In case the technology of the machinery becomes obsolete, the company's cost advantage and competitive edge may be affected adversely.

Management Perception

As the machinery of the company is very sophisticated and state-of-the art, it is expected that there is very low probability of sudden obsolescence of technology in the near future. Majority of its machinery is imported from globally famed manufacturers from Taiwan, Germany, India, Sweden, USA and Italy. Some of the well-known machines are Panon for warping, yarn dying, sizing, Somet MYTHOS for weaving, and Dhall for finishing. Furthermore, the company will be constantly adding new machinery in its factory for maintaining its production quality and volume.

f) Regulatory Risks

VAT, Tax and Duty Structure

The overall operational dynamics, cash flows and profitability of the company might be affected with the respective changes in regulations regarding VAT, import duty, and tax on raw materials and capital machineries.

Management perception

RMG export is a vital sector for the growth of the economy of Bangladesh. Government incentives and subsidies are crucial to maintain the sustainability and growth of this sector. The Government is aware of this fact. Hence, it is rationally expected that any undue tax or duty will not be imposed that may adversely affect the sector's sustainability. Rather, the Government is keen to support the industry. Finally, any changes in VAT, tax, or duty *structure will affect all the operators in the industry, but ADL has the greater resistance ability due to its cost-efficient operation process.*

g) Potential changes in the global or national policies

As per industry norms, the company has to follow several international and buyer specific regulations. While exporting to EU countries, exporters receive GSP (Generalized System Preference) facilities. This provides certain price advantage to Bangladeshi producers in comparison to others. Besides, the company has to strictly comply with several buyer specific requirements regarding its operation, internal process and policies. In case of any prospective change in related rules, regulations and policies, the organization's business and profitability may be affected adversely.

Management perception

As a least developed country, Bangladesh enjoys GSP facilities from EU countries. Withdrawal of this facility in the near future is least likely. The organization's management is always conscious about full compliance of the buyer specific requirements on a continuous basis. The company is striving to diversify its international client base through greater marketing initiatives. This will provide the company with greater sustainability against changes in buyer specific policy changes.

h) History of non operation

For any instance of non-operation, production of the company will be hampered. This will also increase the cost and affect its profitability. Most importantly, the firm would fail to deliver its product timely as per commitment and deadlines set by the buyers.

Management Perception

There has never been a case of shut-down or non-operation of the company since it went into commercial operation in 2008. The management is extremely vigilant, and ready to take all diligent efforts to maintain continued operation of the company.

i) Operational risk

The operation can be hampered by human error, sudden break-down of machinery or incidences of natural calamities.

Management Perception

The company trains its workers adequately and periodically. The overall production process is monitored by expert control officers with year-long experiences. Besides, regular maintenance and timely repairing keeps the machinery in good working condition. The factory building is well constructed, spacious, and equipped with fire fighting instruments.

j) Management risk

Turnover of key managerial personnel, executives and officers may have adverse impact on business, operating results, and future growth.

Management perception

ADL is maintaining a cordial and congenial working environment for its employees. Employees' job satisfaction is reflected in low turnover compared to the industry. Apart from offering competitive package to its employees, the company continually invests in developing its human capital by way of providing training, and ensuring knowledge flow across the company. Employees are given opportunity to cope with the growing challenges of the changing work environment, increase in customer expectations, and growing sophistication of technology and processes. Additionally, all the functional areas of the company are equipped with adequate human resources, and usual personnel turnover will not adversely affect the regular function of the company. Moreover, building alternative leaders is a prime HR strategy of the company. Therefore, the management of ADL feels that the company is well prepared to handle the situation in the foreseeable future.

ISSUE SIZE & PURPOSE OF IPO

Capital Structure

Details	Amount (BDT)
Authorized Capital	1,000,000,000
Paid-up Capital (as per Audited Accounts of December 31, 2011)	300,000,000
Paid-up Capital before IPO	**300,000,000**
Paid up Capital to be raised vide IPO	300,000,000
Paid-up Capital after IPO	**600,000,000**

Use of Proceeds from IPO

Utilization of Fund		Amount (BDT)
Loan Repayment		164,000,000
Expansion of the Project:		848,000,000
Civil Works	216,395,140	
Machineries	631,604,860	
Estimated IPO Expenses		38,000,000
Total		**1,050,000,000**

Schedule of Implementation

Loan Repayment Schedule

Type of Loan	Lending Institutes	Loan Amount	Amount to be Repaid	Tentative Repayment Timeline
Short Term Loan	ONE Bank Limited	653,707,749	115,000,000	DO
	Mercantile Bank Ltd	156,600,911	49,000,000	DO
Total		**1,197,514,223**	**164,000,000**	

Note: Loan against Bills Purchase of Tk. 280,856,725 included in the short term loans will not be repaid from IPO proceeds or company's own sources.

Expansion of the Project and Tentative Time Schedule

To increase the production capacity up to 18 lac yds/month, the company has purchased New Warping Machine 1 set, Dyeing Machine 1 set, Looms 63 nos, Finishing Machine 1 set, Inspection Machine 4 nos, Generator 2 nos and Chiller 1 nos by bridge finance from One Bank Limited. A new factory building is also being constructed by the same source of fund.

Particulars	Approximate date for completion of Project	Projected date of Commercial Operation
Machinery at site	February – 2012	October - 2012
Civil Works	August – 2012	
Erection and Installation	September – 2012	
Trial Run	September - 2012	

Note: As ADL was determined to complete the new project within September 2012, they started the project works by bridge finance because waiting for IPO fund would have delayed the project expansion. Therefore, ADL has availed a bridge finance from One Bank Limited to temporarily finance the cost of project expansion i.e. Civil works Tk. 160,000,000/- & Machineries Tk. 450,000,000/- which will be immediately adjusted from IPO proceeds other than the above mentioned loan repayment.

.Sd/-
Anwar-ul Alam Chowdhury
Managing Director
Argon Denims Limited

Sd/-
Itrat Husain
Company Secretary &CFO
Argon Denims Limited

Note: As of today, the company has not made any contract with anyone in regards to utilization of this IPO fund.

INFORMATION ABOUT THE COMPANY

Company Profile

Argon Denims Limited was incorporated as a Private Limited Company on July 13, 2006 under the Companies act 1994. It was converted into a Public Limited Company on May 31, 2011. The share of the company has been denominated from Tk. 100/- to Tk. 10/- per share as on 26/12/2010. Registered office of the company is at Plot No-33, Section-7, Mirpur, Dhaka-1216 while Factory is situated at Vill./Mouza: Beraiderchala, P.O.: Gilaberaid. P.S.: Sreepur. Dist: Gazipur. The principal activity of the company is to manufacture 100% Cotton Denim Fabrics.

The company was established in 2006 to produce Textile Denim Fabrics for use in the garment industries, with an Authorized Capital of Tk. 100,000,000 and Paid up Capital of Tk. 400,000. The Authorized capital and Paid up capital of the company was subsequently raised to Tk. 1,000,000,000.00 and Tk. 300,000,000.00 respectively.

The commercial operations of the company started in March, 2008 with a total project cost of Tk.51.35 crore. The factory was set up with 36 Looms along with separate Warping, Sizing and Dyeing Units, Finishing Unit, own Power Generator and other necessary facilities. At present there are 48 air jet looms and separate Mercerizing Units. The present monthly production capacity is 7,00,000 yards, i.e. 84,00,000 yards annually. The fabrics produced at the factory are sold to different export oriented RMG factories through the nomination of foreign buyers of garments.

Nature of Business

100% Export oriented manufacturing, dyeing & finishing units of denims fabrics.

Principal Products and Services

The company has been set up to produce 100% Cotton Denim fabrics for export.

Products/Services that accounts for more than 10% of the company’s total revenue

There are two products of the company, which contribute more than 10% of the company’s total revenue in the last accounting year. The following table illustrates the total turnover and respective percentage of all brands of Argon Denims Limited.

SL NO	Name of Products	For the Year ended on Dec 31, 2011	
		Turnover (Tk.)	Value contribution (%)
1	Cotton Denim	589,343,357	50 %
2	Cotton Stretch Denim	530,409,022	45 %

Associates, subsidiary/related holding company and their core areas of Business

ADL does not have any associate, subsidiary or holding company.

Distribution of Products/Services

Product (Denims Fabric) is delivered to different garments industries under the control of ADL by rented vehicle.

Competitive Condition of Business

There is a huge demand –supply gap for the product of the company in the denim fabric market local and international market. Being one of the high quality denim fabric producers in the country, ADL is capable of making full use of the opportunities. The company is in the comfort zone for its good quality machineries as well as sound product demand.

a) Market Size and Growth Rate

In 2010-2011 fiscal year, the market size was 720 million yards with an annual growth rate of 25%.

b) Major Competitors of ADL

The following companies can be considered as competitors of the company:

- Mahmud Denims Ltd
- Sha Sha Denims Limited
- Partex Denims Ltd

c) Current Demand and Supply vs. Projected Market Scenario

Current Demand: 720 million

Local mills can cover only 20% of current demand, rest 80% is sourced from overseas. Potential market size for local mills is approximately 75% of the total demand. Current market is Europe. Projected market is USA, Japan, Australia & Canada.

d) Projected Market for Argon Denims Limited

Current market is basically centered to Europe. Projected markets are USA, Japan, Australia & Canada.

e) Potential New Entrants and Possible Effects on ADL

There is a big demand and supply gap. Due to the supply gap it is possible that there will be new entrants. Because of an established marketing platform and a proven track record of performance Argon does not feel threatened by new entrants.

Sources and availability of raw materials and principal suppliers

The major raw materials of Argon Denims Limited are procured locally and imported from the following sources:

SL.	Name of Principal Suppliers	Countries
1	Square Textiles Ltd.	Bangladesh
2	Jamuna Spinning	Bangladesh
3	Salek Spinning	Bangladesh
4	Mahmud Spinning	Bangladesh
5	Sinha Spinning	Bangladesh
6	Pratibha Industries	India
7	Alps Industries	India
8	Lucky Spinning Co. Limited	Thailand
9	Saphire Fibres	Pakistan
10	Shijiazhuang	China
11	Arabian Alkali	Saudi Arabia
12	BASF	Germany, Singapore & Indonesia.
13	Clarinet	Germany

Sources of and requirement for power, gas and water or any other utilities

Power: Argon Denims Limited has a connected load of 1145 KW. The average consumption would be 860 KW, at rated load factor of 70%. The required power available from own captive power generators. Some provision for future expansion in the captive power has also been considered in this regard. In due course a 500 KW line from REB will be connected for emergency and holiday uses.

Water: The project will require approximately 30 M3 water per day which will be available from the deep tube-well to be sunk at the project site.

Gas: ADL's manufacturing operation depends on Gas supply from Titas Gas Transmission & Distribution Company Ltd. The company has set up a diesel generator having flexibility of duel fuel firing capabilities in case of emergency or non committal supply lapses.

Customers providing 10% or more revenues

The names & addresses of such companies are shown below:

Sl No.	Name of Customers	Address
01.	Shagor Garments Ltd.	Amir Complex (8^{th} -9^{th} Floor), Plot No. 43, Sector-3, Uttara-C/A, Dhaka
02.	Sharmin Fashions Ltd.	East Narashinghapur, Zirabo, Ashulia, Savar, Dhaka
03.	Shinest Appeals Ltd.	Azim Tower, Plot# 217/1, Beribadh, Mohammadpur, Dhaka

Description of contract (s) with principal suppliers/customers

Argon Denims Limited does not have any material contract with any of its principal suppliers/customers.

Description of any material patents, trademarks, licenses or royalty agreements

Argon Denims Limited does not have any material patents, trademarks, licenses or royalty agreements.

Number of Employees

Particular	Officers & Staffs in Head office & Factory	Workers	Total Employees
No. of Employees	37	337	374

Note: All the employees of the company are full time employed.

Production/Service Rendering Capacity and Current Utilization

Capacity of manufacturing & actual achieved capacity from January to December 2011:

Stage	Capacity			
	Unit	Installed	Utilized	Percentage
Warping	Mtr	11,500,000	6,718,273	58.42%
Dyeing Sizing	Mtr	11,500,000	6,664,366	57.95%
Weaving	Yds	9,700,000	6,552,565	67.55%
Finishing	Yds	9,500,000	5,969,970	62.84%
Inspection	Yds	8,400,000	5,817,793	69.26%

DESCRIPTION OF PROPERTY

Location and Description of Property

The company has set up its factory at Beraiderchala, Sreepur, Gazipur, to run the operations and the corporate office is situated at Plot-33, Section-7, Mirpur, Dhaka-1216, Bangladesh. The company possesses the following fixed assets as on December 31, 2011:

SL #	Name of the Assets	Written Down Value (BDT)
1	Land & Land Development	100,687,500.00
2	Building & Civil Constructions	238,267,954.27
3	Mechanical Fabrication	15,063,833.25
4	ETP & WTP	31,629,487.50
5	Capital Machinery	344,211,684.60
6	Furniture & Fixture	1,233,283.56
7	Motor Vehicles	44,624,610.50
8	Office Equipments	1,712,326.66
9	Gas Line Installations	3,603,935.43
10	Motor & Pump	2,304,855.97
11	Electrical Installation	6,403,157.65
12	Air Condition (AC)	654,245.79
Total:		**790,396,875.18**

- Entire above mentioned properties are situated at Company's factory premises and are in good operational condition.
- The properties of the company have been owned by the company and all the machineries were purchased in brand new condition.
- Argon Denims Limited owns factory land measuring 402.75 decimal. The detail status of the land is as follows:

SL.#	DEED #	DATE	KHATIAN NO.	PLOT NO.	AREA
1	4574	27.06.2006	C.S-393, S.A-336, 600, 1241	S.A-1246, 1247, 1248	70.00 decimal
			R.S- 329, 330, 331	R.S-10474, 10475, 10468, 10473	
2	8245	16.11.2006	C.S-393, S.A-336, 1241	S.A-1246, 1247	52.50 decimal
			R.S- 329, 330	R.S- 10476, 10477, 10480	
3	9725	28.12.2006	C.S-1/334, S.A-334, R.S-966	C.S-1247, R.S- 10482	69.00 decimal
4	7788	19.10.2006	C.S-393, S.A-336, 1241, 600	S.A-1246, 1247, 1248	35.00 decimal
			R.S- 329, 330, 331	R.S- 10474, 10475, 10473, 10468	
5	8548	27.11.2006	S.A-334, 1241, R.S-966, 330	S.A-1246, 1247,	49.00 decimal
				R.S-10481, 10482, 10483, 10484, 10489, 10490	
6	4364	22.06.2006	C.S-393, S.A-336, 1241	S.A-1246, 1247,	105.00 decimal
			R.S- 329, 330	R.S-10473, 10474, 10475, 10476, 10478, 10479	
7	3679	09.05.2007	SA-334, SA-1247	R S-966 , RS-10842	10.00 decimal
8	5004	21.06.2007	SA-336, SA-1247	RS-329, RS-10475	12.25 decimal
Total					**402.75 decimal**

Assets under Mortgage

402.75 decimal of Land of the Company are registered mortgaged to the lending banks namely ONE Bank, Karwan Bazar Branch & Mercantile Bank, Banani Branch.

Under Mortgage	Deed	Date	Khatian no.	Plot no.	Area
ONE Bank Limited, Karwan Bazar Branch	4574	27.06.2006	C.S-393, S.A-336, 600, 1241	S.A-1246, 1247, 1248	70.00 decimal
			R.S- 329, 330, 331	R.S-10474, 10475, 10468, 10473	
	8245	16.11.2006	C.S-393, S.A-336, 1241	S.A-1246, 1247	52.50 decimal
			R.S- 329, 330	R.S- 10476, 10477, 10480	
	9725	28.12.2006	C.S-1/334, S.A-334, R.S-966	C.S-1247, R.S- 10482	69.00 decimal
	7788	19.10.2006	C.S-393, S.A-336, 1241, 600	S.A-1246, 1247, 1248	35.00 decimal
			R.S- 329, 330, 331	R.S- 10474, 10475, 10473, 10468	
	8548	27.11.2006	S.A-334, 1241, R.S-966, 330	S.A-1246, 1247,	49.00 decimal
				R.S-10481, 10482, 10483, 10484, 10489, 10490	
	4364	22.06.2006	C.S-393, S.A-336, 1241	S.A-1246, 1247,	105.00 decimal
			R.S- 329, 330	R.S-10473, 10474, 10475, 10476, 10478, 10479	
Mercantile Bank Limited, Banani Branch	3679	09.05.2007	SA-334, SA-1247	R S-966 , RS-10842	10.00 decimal
	5004	21.06.2007	SA-336, SA-1247	RS-329, RS-10475	12.25 decimal
Total Area					**402.75 decimal**

Assets under Lease

The Land & Building is owned by the company. The leasehold assets are shown in the table below:

Name of Lessor	Purposes	Type of Lease	Period of Lease	Monthly Rent/ Amortization	Effective date of Lease	Expiration of Lease
Bangladesh Industrial Finance Company Ltd. (BIFC)	Purchase of Loom	Operating	5 Years	13,66,844	30/09/2009	30/12/2013
Do	Purchase of Car	Operating	5 Years	1,21,724	19/04/2010	19/03/2015
Do	Purchase of Car	Operating	5 Years	76,823	15/07/2010	15/06/2015
LankaBangla Finance Ltd.	Purchase of Car	Operating	5 Years	35,901	20/12/2008	20/12/2012
LankaBangla Finance Ltd.	Car Purchase	Financial	4 Years	865,651	25/08/2011	20/08/2015

PLAN OF OPERATION & FINANCIAL CONDITION

Internal & External Sources of Cash

(Amount in Tk.)

Particulars	As of Dec 31, 2011	As of Dec 31, 2010	As of Dec 31, 2009	As of Dec 31, 2008
Internal Sources of Cash				
Paid up Capital	300,000,000	100,000,000	5,400,000	5,400,000
Tax Holiday Reserve	107,789,507	82,255,900	17,370,400	4,014,400
Retained Earnings	61,683,095	123,382,684	26,054,435	6,021,591
Share Money Deposit	-	27,329,000	67,029,000	27,329,000
Sub-Total	**469,472,602**	**332,967,584**	**115,853,835**	**42,764,991**
External Sources of Cash				
Long Term Loan	252,125,852	310,252,581	425,343,722	289,575,773
Short Term Loan	810,308,660	692,457,053	456,113,805	496,450,418
Sub-Total	**1,062,434,512**	**1,002,709,634**	**881,457,527**	**786,026,191**
Grand Total	**1,531,907,114**	**1,335,677,218**	**997,311,362**	**828,791,182**

Causes for Material Changes from Period to Period

The trend of the Company's net profit after Tax, EPS and other business indicators are increasing due to the management effort and strategic action taken to face competition in the industry. The following table shows the year to year financial performance of the company which is increasing due to the company long terms vision in this sector, Experiences top tier management, favorable economic and government rules and regulation, the commendable repayment culture is contributing to the growth of the company:

Particulars	01-01-2011 to 31-12-2011	01-01-2010 to 31-12-2010	01-01-2009 to 31-12-2009	01-01-2008 to 31-12-2008
Export	1,178,686,714	1,012,885,352	634,988,517	351,510,082
Less: Cost of Goods Sold	906,762,689	799,672,985	501,800,288	302,538,684
Gross Profit/(Loss)	**271,924,025**	**213,212,367**	**133,188,229**	**48,971,398**
Other Income	53,823,658	78,493,226	-	-
	325,747,683	291,705,593	133,188,229	48,971,398
Less: Administrative Expenses	19,588,168	17,565,847	10,084,604	11,582,505
	306,159,515	274,139,746	123,103,625	37,388,893
Less : Selling & Distribution Expenses	3,456,938	3,751,469	3,394,148	-
Add: Gain / Loss on Investment in Shares	(3,887,314)	-	-	-
Add: Dividend Income	99,099	-	-	-
Profit/(Loss) before Financial Expenses	**298,914,362**	**270,388,277**	**119,709,477**	**37,388,893**
Less: Financial Expenses	126,457,501	108,174,528	86,320,633	27,352,901
Net Profit/(Loss) before WPPF	**172,456,861**	**162,213,749**	**33,388,844**	**10,035,992**
Less: Provision for WPPF	8,622,843	-	-	-
Net Profit/(Loss) after WPPF	**163,834,018**	**162,213,749**	**33,388,844**	**10,035,992**
Tax Holiday Reserve	65,533,607	64,885,500	13,356,000	4,014,400
Net Profit/(Loss) transferred to Retained Earnings	98,300,411	97,328,249	20,032,844	6,021,592

Material Commitments for Capital Expenditure

The company has no material commitments for capital expenditure and expected sources of fund for such expenditure.

Seasonal Aspects of the Company's Business

In general, demand for Denims Fabric is prevailed throughout the year but demand goes high from August to February.

Known Trends, Events, Uncertainties

The known events that may affect the business operations of the Company are:

- Decrease in demand of the readymade garments products in the local and international market,
- Increased production cost
- Scarcity of raw materials,
- Scarcity of gas,
- Technological change,
- Increased competition
- Govt. Policy change towards the industry,
- Political unrest & Hartal,
- Flood and natural calamities.

Change in the Assets of the Company Used to Pay-off Liabilities

No assets of the company have been used to pay off any liabilities of the company.

Loan Taken from or Given to Holding/Parent Company or Subsidiary Company

No such loan has been taken from or given to holding/parent or subsidiary Company as the Company has no Holding/Parent Company or Subsidiary Company.

Future Contractual Liabilities

Argon Denims Limited, neither have any future contractual liabilities nor have any plan to enter into any contractual liabilities other than normal course of business that would impact the financial fundamentals of the Company.

Future Capital Expenditures

As on date, Argon Denims Limited does not have any material commitments for capital expenditure.

VAT, Income Tax, Customs Duty or Other Tax Liability

a) VAT:

Argon Denims Limited is 100% export oriented. Government of Bangladesh has declared that there is no VAT on 100% export oriented project except local sale. The company does not have any outstanding VAT as on 31st December-2011.

b) Income Tax:

Income Year	Assessment Year	Status	Remarks
2008	2009-2010	Assessment completed	Enjoying Tax Holiday
2009	2010-2011	Assessment completed	Enjoying Tax Holiday
2010	2011-2012	Assessment under process	Enjoying Tax Holiday
2011	2012-2013	Return will be submitted on due course	Enjoying Tax Holiday

NB: The company was enjoying tax holiday from March 01,2008 to February 29,2012 as per approval granted by National Board of Revenue vide their order no 11(53)anu-1/2008/1124(2) dated September 25, 2008 under section 46A(3) of Income Tax Ordinance 1984. Therefore, no tax liability has been assessed for the year 2011-2012 & 2012-2013.

c) Customs Duty and other Liabilities:

The company does not have any outstanding custom duty or similar liabilities as on December 31, 2011.

Operating Lease Agreements during the Last Five Years

Lessor	Purpose of Lease	Period of Lease	Monthly Rent (BDT)	Effective date	Expiration date
Bangladesh Industrial Finance Company Ltd. (BIFC)	Loom Purchase	5 Years	13,66,844	30/09/2009	30/12/2013
Do	Car Purchase	5 Years	1,21,724	19/04/2010	19/03/2015
Do	Car Purchase	5 Years	76,823	15/07/2010	15/06/2015
LankaBangla Finance Ltd.	Car Purchase	5 Years	35,901	20/12/2008	20/12/2012

Financial Lease Commitments during the Last Five Years

Lessor	Purpose of Lease	Period of Lease	Monthly Amortization (BDT)	Effective date	Expiration date
LankaBangla Finance Ltd.	Car Purchase	4 Years	865,651	25/08/2011	20/08/2015

Personnel Related Schemes

Argons Denims Limited offers a number of benefits which include Short term employee benefits like Salaries, Wages, Annual Sick Leave, Profit Sharing, Bonuses and Non Monetary Benefits like Medical Care & Transport Facilities.

The company believes in supporting & motivating its employees by offering incentives for its continued profitability and prosperity. With a view to supporting these objectives, the company operates a Workers' Profit Participation Fund (WPPF).

Estimated Expenses Related to IPO

Breakdown of Estimated Expenses for IPO of Argon Denims Limited			
Sl.	**Particulars**	**Nature of Expenditure**	**Amount in Tk. (approx.)**
Issue Management Fees			
1	Manager to the Issue Fee	@ 1% of the total amount raised or Tk. 2 million Whichever is lower	2,000,000
2	VAT against Issue Management Fees	@ 15 % of Issue Management Fees	300,000
Listing Related Expenses			
3	Application Fee for DSE	Fixed	5,000
4	Listing Fees for Stock Exchange(s) (DSE & CSE)	@ 0.25% on Tk. 100 million and 0.15% on the rest amount of paid up capital; maximum Tk. 2 million for each exchanges	2,000,000
5	Annual Fee for DSE & CSE	Fixed	150,000
SEC Fees			
6	Application Fee	Fixed	10,000
7	SEC Consent Fee	Fee @ 0.15% on the public offering amount	1,575,000
IPO Commission			
8	Underwriting Commission	Commission @ 0.20% on Underwritten Amount	1,050,000
9	Bankers to the Issue Commission	Commission @ 0.10% of Amount Collected	3,150,000
Other Related Fees			
10	Credit Rating Fees	---	300,000
11	Auditor Certification Fees	---	100,000
CDBL Fees and Expenses			
12	Security Deposit	---	500,000
13	Documentation Fee	---	2,500
14	Annual Fee	---	100,000
15	Connection Fee	---	6,000
16	IPO Fees	@ .025% of total issue size	262,500
Printing and Post IPO Expenses			
17	Publication of Prospectus	Estimated (to be paid at actual)	400,000
18	Abridged version of Prospectus and Notice in 4 daily newspaper	Estimated (to be paid at actual)	350,000
19	Notice for Prospectus, Lottery, Refund etc. in 4 daily news paper	Estimated (to be paid at actual)	200,000
20	Printing of Forms	Estimated (to be paid at actual)	300,000
21	Lottery Conducting Expenses & BUET Fee	Estimated (to be paid at actual)	400,000
22	Data Processing, Distribution	Estimated (to be paid at actual)	1,800,000
23	Courier Expenses	Estimated (to be paid at actual)	300,000
24	Allotment and Refund	Estimated (to be paid at actual)	100,000
25	Stationeries and Other Expenses	Estimated (to be paid at actual)	139,000
Grand Total			**15,500,000**
3% Income Tax at source on Premium			**22,500,000**
N.B.: Actual costs will vary if above mentioned estimates differ and will be adjusted accordingly.			

Revaluation of Company's Assets

Argon Denims Limited, a private company, decided to re-value its Fixed Assets as of 31 March, 2011 in order to reflect fair value thereof in its financial statements for the period ended 31 March, 2011. With this end in view, we the M.M. Rahman & Co. Chartered Accountants (the Valuers), were appointed to carry out such valuation.

Name of the Valuer **:** M.M. Rahman & Co.

Qualification of the Valuer : Chartered Accountants

Important valuation works conducted by M.M. Rahman & Co:

Sl. No	Name of the Company
01	CAREW & CO. (only Sugar & .....) 1967
02	National Cotton Mills Ctg-1982
03	Uttara Bank Ltd.-2005

Reasons for valuation:

Revaluation was made to arrive at a fair value of the fixed assets of Argon Denims Limited so as to incorporate such fair value in its financial statements for the period ended March 31, 2011.

Summary of Revaluation:

Revaluation of land & Land Development and Building & Civil Constructions as of 31 March, 2011:

Group of Fixed Assets	Depreciated Historical cost	Depreciated Current cost	Revaluation Surplus
Land & Land Development	32,886,000	100,687,500	67,801,500
Building & Civil Constructions	141,085,155	225,174,178	84,089,023
Total	**173,971,155**	**325,861,678**	**151,890,523**

Sd/-
M.M. RAHMAN & CO.
Chartered Accountants

Note: The Company has revaluated its Fixed Assets as on 31 March, 2011 for the first time and incorporated the revaluated amounts in the financial statements for the period ended on 31 March, 2011.

Transaction between Holding / Subsidiary Company and the Issuer

The Company has no subsidiary / holding company or associate company. Therefore, no transaction has taken place.

Auditor's Certificate regarding any allotment of shares to the directors and the subscriber to the Memorandum of Association and Article of Association for any consideration otherwise than for cash

After due verification, we certify that the paid-up capital of Argon Denims Ltd as of June 17, 2011 was Taka 300,000,000 divided into 30,000,000 Ordinary shares of Taka 10/- each, made up as follows :

Particulars of allotment	Date of Allotment	Number of shares issued		Amount of share capital (Taka)
		Consideration in Cash	Consideration other than Cash	
First (subscription to the Memorandum & Articles of Association at the time of incorporation)	13.07.2006	40,000	NA	400,000
Second Allotment	07.04.2008	500,000	NA	5,000,000
Third Allotment	17.06.2010	9,460,000	NA	94,600,000
Fourth Allotment (Bonus share)	05.05.2011	-	20,000,000	200,000,000
Total		**10,000,000**	**20,000,000**	**300,000,000**

This is also certified that the amounts shown against paid-up capital as cash consideration was deposited in the company's bank account.

The Company , however has sub -divided the face value of its ordinary share from Taka 100/- to Taka 10/- by passing a special resolution in its extraordinary general meeting held on 20-12-2010 and necessary amendments in the capital clause of the Memorandum and Articles of Association were made accordingly. Hence, the paid up capital of the Company comes to Taka 300,000,000 divided into 30,000,000 ordinary shares of Taka 10/- each.

The Company applied and obtained approval from Securities and Exchange Commission (SEC) vide its letter no. SEC/CI/CPLC(PVT)-295/2010-324 dated: 26/04/2011 for issuance of 20,000,000 ordinary shares of Taka 10/- each, at an issue price of Taka 10/- each.

Dhaka,
Date: 04.03.2012

Sd/-
PINAKI & CO.
Chartered Accountants

Declaration regarding Suppression of Material Information

This is to declare that, to the best of our knowledge and belief, no material information has been suppressed which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public.

Sd/-
Anwar-ul Alam Chowdhury
Managing Director
Argon Denims Limited

DIRECTORS & OFFICERS

Directors of the Company

Name	Designation	Qualification	Age (Years)	Experience (Years)
Shabnam Shehnaz Chowdhury	Chairperson	Masters	45	22
Anwar-ul Alam Chowdhury	Managing Director	MBA	52	31
Abu Kawser Majumder	Director	MBA	39	11
A.K. Gouhor Rabbani	Director	MBA	42	14
Md.Akhter Shahid	Director	B.A.	54	26
Shah Adeeb Chowdhury	Director	Honors	25	6
Shah Rayeed Chowdhury	Director	Honors	21	2

Information regarding Directors and Directorship

Name	Designation	Date of becoming Director for the first time	Date of Expiration of Current Term
Shabnam Shehnaz Chowdhury	Chairperson	18-07-2010	15-06-2012
Anwar-ul Alam Chowdhury	Managing Director	18-07-2010	15-06-2012
Abu Kawser Majumder	Director	18-07-2010	15-06-2013
A.K. Gouhor Rabbani	Director	18-07-2010	15-06-2013
Md. Akhter Shahid	Director	18-07-2010	15-06-2013
Shah Adeeb Chowdhury	Director	18-07-2010	15-06-2012
Shah Rayeed Chowdhury	Director	19-05-2011	15-06-2013

NB: The directors of the company are subject to be retired by rotation according to Section 91 (2) of the Companies Act 1994.

Family Relationship among Directors and top five Officers

Name	Designation	Relationships
Shabnam Shehnaz Chowdhury	Chairperson	Wife of Anwar-ul Alam Chowdhury and Mother of Shah Adeeb Chowdhury and Shah Rayeed Chowdhury
Anwar-ul Alam Chowdhury	Managing Director	Husband of Shabnam Shehnaz Chowdhury and Father of Shah Adeeb Chowdhury and Shah Rayeed Chowdhury
Abu Kawser Majumder	Director	No Relationship with other directors
A.K. Gouhor Rabbani	Director	No Relationship with other directors
Md.Akhter Shahid	Director	No Relationship with other directors
Shah Adeeb Chowdhury	Director	Son of Anwar-ul Alam Chowdhury and Shabnam Shehnaz Chowdhury
Shah Rayeed Chowdhury	Director	Son of Anwar-ul Alam Chowdhury and Shabnam Shehnaz Chowdhury

Directors' Involvement in Other Organizations

Name	Designation in ADL	Directorship/Ownership with other companies	Position
Mr. Anwar-ul Alam Chowdhury	Managing Director	Evince Garments Limited	Managing Director
		Evince Paper Converting and Packaging Industries Limited	
		Etafil (Bangladesh) Limited	
		Evince Limited	
		Evince Accessories Limited	
		Evince Computerized Labels Ltd	
		Evince Suisse Limited	
		Evince Labels Limited	
		Evince Textiles Limited	
		Evince Button Industries Limited	
		Evince Dress Shirts Limited	
		Evitex Fashions Limited	
		Evitex Apparels Ltd	
		Evitex Polycot Limited	
		Argon Spinning Limited	
Shabnam Shehnaz Chowdhury	Chairperson	Evince Paper Converting and Packaging Industries Limited	Director
		Evince Limited	
		Evince Accessories Limited	
		Evince Suisse Limited	
		Evince Labels Limited	
		Evince Textiles Limited	
		Evince Button Industries Limited	
		Evince Dress Shirts Limited	
		Evitex Fashions Limited	
		Evitex Apparels Ltd	
		Evitex Polycot Limited	
		Argon Spinning Limited	
Abu Kawser Majumder	Director	Evince Design & Fashions Limited	Director
		Argon Spinning Limited	
A.K. Gouhor Rabbani	Director	Evince Design & Fashions Limited	Director
		Argon Spinning Limited	
Md.Akhter Shahid	Director	Evince Design & Fashions Limited	Director
		Argon Spinning Limited	
Shah Adeeb Chowdhury	Director	Evitex Apparels Ltd	Director
		Evitex Apparels Ltd	
		Evitex Polycot Limited	
Shah Rayeed Chowdhury	Director	N/A	N/A

Short Bio-data of Directors

Mrs. Shabnam Shehnaz Chowdhury, *Chairperson*

Mrs. Shabnam Shehnaz Chowdhury, Chairperson of Argon Denims Limited, Completed her Master's Degree from University of Dhaka. She has wide experience in Management, Procurement, HR and Internal Audit in the Garments and Textile sector. She holds shares of several organizations. She is associated with various cultural and humanitarian organizations.

Mr. Anwar-ul Alam Chowdhury, *Managing Director*

Mr. Anwar-ul Alam Chowdhury, Managing Director of Argon Denims Limited, is a dynamic professional businessman with more than 28 years of experience. He established his first venture "Evince Garments Limited" in 1983, and since then he, by dint of his leadership, has achieved a massive expansion in his business ventures – both vertically and horizontally. A number of companies have been set up during the process, and all of those are successfully running.

He obtained his MBA degree from USA in 1983. He has been associated with the activities of Bangladesh Garments Manufacturers and Exporters Association (BGMEA) for over ten years. He has been the President of BGMEA during 2007-2008. He brought about significant improvements in the garments sector during his tenure as the President. He was also a Director of FBCCI.

Currently, he is a member of Dutch Bangla Chamber, Malaysia Bangladesh Chamber and Diabetic Association. Mr. Chowdhury is also associated with a number of social and humanitarian organizations.

In recognition of his services has received "Desher Kagoj 2006 Award" and prestigious "Atish Dipankar 2008 Award".

Mr. Abu Kawser Majumder, *Director*

Mr. Abu Kawser Mojumder obtained MBA from IBA, Dhaka University. He started his career in Marketing Department in Beximco Group. He is a good entrepreneur and a bona fide Businessman.

Mr. A.K. Gouhor Rabbani, *Director*

Mr. A.K.Gouhor Rabbani is an MBA. He started his career in Marketing Department in Beximco Group. He is a bona fide Businessman. He possesses share holding in several industrial undertakings.

Mr. Md. Akhter Shahid, *Director*

Mr. Akther Shahid is a director of the company. He completed his Bachelor Degree in 1983. He has worked in marketing function all along and joined ADL in 2006. He is responsible for the Merchandising function 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, *Director*

Mr. Shah Adeeb Chowdhury is also a director of the company. He is pursuing a bachelor degree in Textile Designing from NIFT India. He possesses share-holdings in several industrial undertakings.

Mr. Shah Rayeed Chowdhury, *Director*

Mr. Shah Rayeed Chowdhury is a director of the company. He is an undergraduate student at PACE University New York, USA and is expected to complete his studies by 2012. Before his departure for USA and during his vacations when he visited Bangladesh he has worked at Argon Denims Limited to gain some experience.

Credit Information Bureau (CIB) Report

Neither the Company nor any of its directors or shareholders who hold 5% or more shares in the paid-up capital of the issuer is loan defaulter in terms of the CIB Report of the Bangladesh Bank.

Description of Top Executives and Heads of Departments

SL	Name	Position	Educational Qualification	Date of Joining	Last Five Years Experience
1	Anwar –ul Alam Chowdhury	Managing Director	MBA	13/07/2006	Argon Denims Limited & Other Industrial Undertakings
2	Itrat Husain	Company Secretary & CFO	FCMA, FCS	14/12/2009	Argon Denims Ltd & Singer Bangladesh Ltd
3	Hasan Ahamed Chowdhury	Executive Director	MBA	21/10/2007	Beximco Textile Division
4	Anirban Ray	General Manager, Production	Masters	1/12/2009	Jamuna Denims Limited
5	Md. Mustafa Kamal	General Manager (F & A)	M.Com. CA (Inter)	1/6/2008	Beximco Textile Division
6	Major A.M. Sarwar Firoz (Rtd.)	DGM (Admin)	MBA	4/5/2011	Meghna Knit Composite Limited
7	M. Delwar Hossain	SR. Manager, Commercial	BA	1/10/2007	Beximco Textile Division

Involvement of Directors and Officers in Certain Legal Proceedings

No director or officer of Argon Denims Limited was involved in any of the following types of legal proceedings in the last 10 (Ten) years:

a) Any bankruptcy petition filed by or against any company of which any officer or director of the issuer company filing the prospectus was a director, officer or partner at the time of the bankruptcy.

b) Any conviction of director, officer in a criminal proceeding or any criminal proceeding pending against him.

c) Any order, judgment or decree of any court of competent jurisdiction against any director, officer permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.

d) Any order of the Securities and Exchange Commission, or other regulatory authority or foreign financial regulatory authority, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.

Certain Relationships and Related Transactions

In the period under review the company has transacted with related party in the normal course of business. The auditor has certified that following related party transactions was made in accordance with **BAS-24 in audit report (Note 3.16) which is as follows:**

Sl.	Related Parties	Nature of Relationship	Nature of Transaction	For the year ended December 31, 2011 (BDT)	For the Year ended December 31, 2010 (BDT)
01	Evitex Fashions Limited	Common Director	Share Money Deposit	-	2,73,29,000
02	Shabnam Shehnaz Chowdhury	Chairperson	Remuneration	1,620,000	12,00,000
03	Anwar-ul Alam Chowdhury	Managing Director	Remuneration	1,620,000	12,00,000
04	Abu Kawser Majumder	Director	Remuneration	1,860,000	-
05	A K Gouhor Rabbani	Director	Remuneration	1,800,000	-

Except the above the Company neither entered into any transaction nor proposed any transaction during the last 02 (two) years between the issuer and any of the following persons:

a. Any Director or Executive officer of the issuer.

b. Any director or officer.

c. Any person owning 5% or more of the outstanding share of the issuer.

d. Any member of the immediate family (including spouse, parents, brothers, sisters, children, and in-laws) of any of the above persons.

e. Any transaction or arrangement entered into by the issuer or its subsidiary for a person who is currently a Director or in any way connected with a Director of either the issuer company or any of its subsidiaries/holding company or associate concerns, or who was a Director or connected in any way with a Director at any time during the last three years prior to the issuance of the prospectus.

f. The company did not take or give any loan from or to any Director or any person connected with any Director nor did any Director or any person connected with any Director.

g. Any director holding any position, apart from being a director in the issuer company, in any company, society, trust, organization, or proprietorship or partnership firm is already disclosed in involvement of directors with other organizations

h. There were no facilities whether pecuniary or non-pecuniary enjoyed by the Directors except remuneration as mentioned in executive compensation part of the prospectus.

Executive Compensation

a) Total amount of remuneration paid to the top five salaried officers in the last accounting year (Note-3.21-a)

SL	Name	Designation	Remuneration Paid (BDT) from Jan, 2011 – Dec, 2011
1	Shabnam Shehnaz Chowdhury	Executive Chairperson	1,620,000
2	Anwar-ul Alam Chowdhury	Managing Director & Director	1,620,000
3	Abu Kawser Majumder	Director	1,860,000
4	A K Gouhor Rabbani	Director	1,800,000
5	Hasan Ahmed Chowdhury	Executive Director	1,680,000
Total			**8,580,000**

b) Aggregate amount of remuneration paid to all Directors and Officers during last accounting year (Note-3.21-b)

SL	Particular	Nature of Payments	Amount Paid (BDT) from Jan, 2011 to Dec, 2011
1.	Directors	Board Meeting Fees	-
2.	Directors	Remuneration	6,900,000
3.	Officers	Salary and Other Allowances	5,129,365

c) Remuneration paid to any Director who was not an Officer during the last accounting year

The Company did not pay any remuneration to any director who was not an officer during the last accounting year.

d) Future Compensation to Directors or Officers

There is no contract with any Director or Officer for providing payments of any future compensation.

e) Intention to Increase Pay

Except for normal annual increment and allowances, there is no plan for substantial pay increase to its Officers and Directors in the current year.

Options Granted to Directors, Officers and Employees

The company has not granted any stock option to directors, officers or employees.

Transaction with the Directors and Subscribers to the Memorandum

a) Benefit from the Company:

The Directors and Subscribers to the Memorandum have not received any benefit except remuneration received **(Note-3.21-b)** by the directors, directly or indirectly during the last five years as mentioned in executive compensation part of the prospectus. The issuer has not received any assets, services or other consideration from its Directors and Subscribers to the Memorandum except fund against allotment of shares.

b) Subscribers' assets of the Company

The Directors and Subscribers to the Memorandum of the Company have not transferred any asset to the Company but deposited share money from time to time.

TANGIBLE ASSETS PER SHARE

AUDITOR'S CERTIFICATE REGARDING NET ASSETS VALUE PER SHARE BASED ON TOTAL TANGIBLE ASSETS

The financial calculations presented below are from the audited accounts of 31/12/2011; however bonus share issued on 26/04/2011 is considered.

Particulars	Amount (BDT)
Ordinary Equity Share Capital	300,000,000
Share Premium	-
Retained Earnings	61,683,095
Tax Holiday Reserve	107,789,507
Reserve for Revaluation of Fixed Asset	151,890,523
Total Shareholder's Equity 31-12-2011	**621,363,125**
No. of Paid –up Ordinary Shares as on 31-12-2011	30,000,000
Net Tangible Assets per Ordinary Share (Considering Re-valuation Reserve)	**20.71**
Net Tangible Assets per Ordinary Share (without Re-valuation Reserve)	**15.65**
Face Value of Share	10.00

We have examined the above calculation of Net Tangible Asset (with and Without Considering revaluation reserve of fixed asset) per share of Argon Denims Ltd as on 31/12/2011 and the Calculation of Net Tangible Asset per Share has been found Correct.

Dhaka
Dated : 04.03.2012

Sd/-
PINAKI & COMPANY
Chartered Accountants

OWNERSHIP OF THE COMPANY'S SECURITIES

SL	Name of Shareholder	Address	Number of Shares	Amount (tk.)	(%)
1	Shabnam Shehnaz Chowdhury	House No -31, Road No-42-43, Gulshan-2, Dhaka-1212.	4,500,000	45,000,000	15
2	Anwar -ul Alam Chowdhury	House No -31, Road No-42-43, Gulshan-2, Dhaka-1212.	5,390,000	53,900,000	17.97
3	Shah Adeeb Chowdhury	House No -31, Road No-42-43, Gulshan-2, Dhaka-1212.	3,000,000	30,000,000	10
4	Shah Rayeed Chowdhury	House No -31, Road No-42-43, Gulshan-2, Dhaka-1212.	2,000,000	20,000,000	6.67
5	Sanjana Shehnaz Chowdhury	House No -31, Road No-42-43, Gulshan-2, Dhaka-1212.	110,000	1,100,000	0.37
6	Md. Akhter Shahid	Flat # 302, House No 46, Road No -07, Block-F Banani, Dhaka-1213.	3,666,000	36,660,000	12.22
7	Suraya Akhter	Flat # 302, House No 46, Road No -07, Block-F Banani, Dhaka-1213.	78,000	780,000	0.26
8	Adiba Akhter	Flat # 302, House No 46, Road No -07, Block-F Banani, Dhaka-1213.	78,000	780,000	0.26
9	Samir Akhter	Flat # 302, House No 46, Road No -07, Block-F Banani, Dhaka-1213	78,000	780,000	0.26
10	A.K.Gouhor Rabbani	House-78, Road No.06, Sheakerteck, Mohammadpur, Adabor, Dhaka-1207	5,106,000	51,060,000	17.02
11	Farhana Haque	House-78, Road No.06, Sheakerteck, Mohammadpur, Adabor, Dhaka-1207	111,000	1,110,000	0.37
12	Elma Zuairia Rabbani	House-78, Road No.06, Sheakerteck, Mohammadpur, Adabor, Dhaka-1207	111,000	1,110,000	0.37
13	Elham Farhan Rabbani	House-78, Road No.06, Sheakerteck, Mohammadpur, Adabor, Dhaka-1207	111,000	1,110,000	0.37
14	Ibram Farhan Rabbani	House-78, Road No.06, Sheakerteck, Mohammadpur, Adabor, Dhaka-1207	111,000	1,110,000	0.37
15	Abu Kawser Majumder	House-39, Flat-G4, Road No.01, Dhanmondi, Dhaka-1205	5,217,000	52,170,000	17.39
16	Areefa Akhter	House-39, Flat-G4, Road No.01, Dhanmondi, Dhaka-1205	111,000	1,110,000	0.37
17	Farhan Majumder	House-39, Flat-G4, Road No.01, Dhanmondi, Dhaka-1205	111,000	1,110,000	0.37
18	Farhaz Kawser	House-39, Flat-G4, Road No.01, Dhanmondi, Dhaka-1205	111,000	1,110,000	0.37
Total			**30,000,000**	**300,000,000**	**100**

a) Shareholding of 5% or more of the Company's Securities

Sl	Name of Share Holder	Address	Number of Shares	Amount (Tk.)	(%)
1	Shabnam Shehnaz Chowdhury	House No -31, Road No-42-43, Gulshan-2, Dhaka-1212.	4,500,000	45,000,000	15
2	Anwar -ul Alam Chowdhury	House No -31, Road No-42-43, Gulshan-2, Dhaka-1212.	5,390,000	53,900,000	17.97
3	Shah Adeeb Chowdhury	House No -31, Road No-42-43, Gulshan-2, Dhaka-1212.	3,000,000	30,000,000	10
4	Shah Rayeed Chowdhury	House No -31, Road No-42-43, Gulshan-2, Dhaka-1212.	2,000,000	20,000,000	6.67
5	Md. Akhter Shahid	Flat # 362, House No 46, Road No -07, Block-F Banani, Dhaka-1213.	3,666,000	36,660,000	12.22
6	A.K.Gouhor Rabbani	House-78, Road No.06, Sheakerteck, Mohammadpur, Adabor, Dhaka-1207	5,106,000	51,060,000	17.02
7	Abu Kawser Majumder	House-39, Flat-G4, Road No.01, Dhanmondi, Dhaka-1205	5,217,000	52,170,000	17.39

b) Securities of the Company owned by the Directors and top ten salaried Officers

i) Securities Owned by Directors:

SI.	Name of the Shareholders	Status	No. of Shares	Total Amount (In Tk.)	%
Directors:					
1	Shabnam Shehnaz Chowdhury	Chairperson	4,500,000	45,000,000	15.00
2	Anwar-ul Alam Chowdhury	Managing Director	5,390,000	53,900,000	17.97
3	Abu Kawser Majumder	Director	5,217,000	52,170,000	17.39
4	A.K.Gouhor Rabbani	Director	5,106,000	51,060,000	17.02
5	Md. Akhter Shahid	Director	3,666,000	36,660,000	12.22
6	Shah Adeeb Chowdhury	Director	3,000,000	30,000,000	10.00
7	Shah Rayeed Chowdhury	Director	2,000,000	20,000,000	6.67

ii) Securities Owned by Top Ten Salaried Officers:

SI.	Name of the Shareholders	Status	No. of Shares	Total Amount (In Tk.)	%
Officers:					
1	Shabnam Shehnaz Chowdhury	Chairperson	4,500,000	45,000,000	15.00
2	Anwar-ul Alam Chowdhury	Managing Director	5,390,000	53,900,000	17.97
3	Abu Kawser Majumder	Director	5,217,000	52,170,000	17.39
4	A.K.Gouhor Rabbani	Director	5,106,000	51,060,000	17.02

DETERMINATION OF OFFERING PRICE

No.	Method	Offer Price (BDT)
1	(a) Net Asset Value Per Share considering Revaluation Reserve	**20.71**
	(b) Net Asset Value Per Share without considering Revaluation Reserve	**15.65**
2	Historical Earnings based value per share	**70.06**
3	(a) Valuation With Reference To The P/E Ratio Of Similar Stocks	**107.78**
	(b) Valuation With Reference To The P/NAV Ratio Of Similar Stocks	**56.12**

METHOD-1: NET ASSETS VALUE (NAV) PER SHARE

The company's Net Assets Value (NAV) per share (as on December 31, 2011) is stated on following valuation:

Particulars	Amount (BDT) With Revaluation	Amount (BDT) Without Revaluation
Ordinary Equity Share Capital	300,000,000	300,000,000
Share Premium	-	-
Retained Earnings	61,683,095	61,683,095
Tax Holiday Reserve	107,789,507	107,789,507
Reserve for Revaluation Of Fixed Asset	151,890,523	-
Total Shareholder's Equity 31-12-2011	**621,363,125**	**469,472,602**
No. of Ordinary Shares Outstanding as on 31-12-2011	30,000,000	30,000,000
Net Tangible Assets per Ordinary Share	**20.71**	**15.65**

METHOD-2: HISTORICAL EARNING BASED VALUE PER SHARE

Earnings based valuation method of Argon Denims Limited is stated below:

Year	Number of Share	Weight	Net Profit Before Tax Holiday Reserve	Weighted Net Profit
2008	540,000	0.01315	10,035,992	131,923.95
2009	540,000	0.01315	33,388,844	438,899.12
2010	10,000,000	0.24343	162,213,749	39,487,280.67
2011	30,000,000	0.73028	163,834,018	119,645,095.91
Total	**41,080,000**	**1.00**	**-**	**159,703,199.65**
Number of Share before IPO				30,000,000
Weighted Average EPS				**5.32**
DSE overall P/E on April, 2012				**13.16**
Earnings Based Value Per Share				**70.06**

Note: As per Notes-27 of the Audited Financial Statements and related Auditors Certificate, Net Profit before Tax Holiday Reserve/Net profit after WPPF has been considered for calculating weighed net profit as the company was enjoying tax holiday till February, 2012.

VALUATION BASED ON AVERAGE MARKET PRICE PER SHARE OF SIMILAR STOCKS

The share price under this method has been derived considering the P/E ratio and P/NAV ratio of similar stocks. For the price data, last one year average prices i.e., May 2011 - April 2012 of similar stocks have been considered. Earnings per Share (EPS) and Net Asset Value (NAV) per Share have been taken from the latest audited financial statements of the peer companies. The details of these two methods are given below:

Closing Price as	Closing Price* (Tk.) of Last One Year				
	Saiham Textile Ltd.	Square Textile Ltd.	H.R. Textile Ltd.	Prime Textile Ltd.	CMC Kamal Ltd.
May, 2011	64.5	130.7	43.45	52.55	63.1
June, 2011	64.1	139.3	49.38	53.45	55.6
July, 2011	85.5	152.9	53.85	60.2	66
August, 2011	83.6	151	53.2	57.08	58.8
September, 2011	67	140.3	49.1	51.98	51
October, 2011	47.1	112.1	31.33	34.6	36
November, 2011	53	117.1	37.18	36.65	40.8
December, 2011	60.2	113.7	42.4	35.5	40.1
January, 2012	30.8	94.2	40.8	26.8	31.9
February, 2012	32.2	115.4	34.9	28.7	34
March, 2012	31.9	125.6	34	28.9	37.9
April, 2012	28.4	127.8	29.8	24.3	33.3
Average Closing Price*	**54.03**	**126.68**	**41.61**	**40.89**	**45.71**

Source: DSE Monthly Review, May 2011 - April 2012

Rationale behind selecting the peer companies:

1. All the above mentioned companies belong to the same industry
2. The five peer companies have the same product line as Argon Denims Limited
3. Peer companies with P/E more than 30 have not been considered whereas average P/E of Textile Sector is 22.05.

METHOD 3(A): VALUATION WITH REFERENCE TO THE P/E RATIO OF SIMILAR STOCKS

Name of the Peer Company	Average Closing Price (Tk.) of Last One Year	EPS (Tk.) as on April, 2012	P/E Ratio
	(i)	**(ii)**	**(i)/(ii)**
Saiham Textile Ltd.	54.03	3.31	16.32
Square Textile Ltd.	126.68	7.32	17.31
H.R. Textile Ltd.	41.61	2.27	18.33
Prime Textile Ltd.	40.89	1.81	22.59
CMC Kamal Ltd.	45.71	1.71	26.73
Average P/E Ratio			**20.26**
Diluted EPS based on Weighted Average of Net Profit After Tax (Tk.) of Argon Denims Limited			**5.32**
Price per Share (Tk.) based on P/E ratio of Similar Stocks			**107.78**

METHOD 3(B): VALUATION WITH REFERENCE TO THE P/NAV RATIO OF SIMILAR STOCKS

Name of the Peer Company	Average Closing Price (Tk.) of Last One Year	NAV (Tk.) as on April, 2012	P/NAV Ratio
	(i)	**(ii)**	**(i)/(ii)**
Saiham Textile Ltd.	54.03	13.74	3.93
Square Textile Ltd.	126.68	40.45	3.13
H.R. Textile Ltd.	41.61	12.9	3.23
Prime Textile Ltd.	40.89	60.41	0.68
CMC Kamal Ltd.	45.71	17.57	2.6
Average P/NAV Ratio			**2.71**
Net Asset Value per Share (Tk.) of Argon Denims Limited			**20.71**
Price per Share (Tk.) based on P/NAV ratio of Similar Stocks			**56.12**

Market for the Securities Being Offered

The issuer shall apply to all the stock exchanges in Bangladesh with 7 (Seven) working days from the date of consent accorded by the Commission to issue prospectus.

The issuer will apply at:

Dhaka Stock Exchange Limited.
9/E, Motijheel Commercial Area, Dhaka- 1000

&

Chittagong Stock Exchange Limited
CSE Building, 1080, Sheikh Mujib Road, Chittagong- 4100

Declaration about listing of shares with Stock Exchange(s)

None of the stock exchange(s), if for any reason, grants listing within seventy five (75) days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said seventy five (75) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen (15) days, the company's directors, in addition to the issuer company, shall be collectively and separately liable for refund of the subscription money, with interest at the rate of 2% (Two Percent) per month above the bank rate, to the subscribers concerned.

The Issue Manager, in addition to the Issuer Company, shall ensure due compliance of the above mentioned conditions and submit compliance report, thereon, to the Commission within seven (7) days of expiry of the aforesaid fifteen (15) days time period allowed for refund of the subscription money.

Trading and settlement

Trading and settlement regulation of the stock exchanges shall apply in respect of trading and settlement of the shares of the Company.

The Issue shall be placed in "N" category with DSE & CSE.

Description of Securities Outstanding or Being Offered

a) Dividend, Voting, Preemption Rights

The share capital of the company is divided into ordinary shares and is eligible to receive dividend in terms of the relevant provisions of the Companies Act, 1994 and the Articles of Association of the company. All Shareholders shall have the usual voting right in person or by proxy or power of attorney in connection with, among others, selection of Directors and Auditors and other usual General Meeting whether ordinary or extraordinary. On a show of hands every shareholder present and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for every share held by him/her.

In case of any additional issue of shares for raising further capital, the existing shareholders shall be entitled to Issue of Rights Share in terms of the guidelines issued by SEC time to time.

b) Conversion and Liquidation Rights

If the Company at any time issues convertible preferences shares or debentures with the consent of SEC or/and other regulatory authority, such holders of securities shall be entitled to convert such securities into ordinary shares if it is so determined by the Company.

In terms of the provisions of the Companies Act, 1994, Articles of Association of the Company and other relevant rules in force, the shares, if any, of the company are freely transferable. The company shall not charge any fee for registering transfer of bonds. No transfer shall be made to firms, minors or persons of unsound mind.

c) Dividend Policy

1. The profit of the company, subject to any special right relating thereto created or authorized to be created by the Memorandum of Association and subject to the provision of the Articles of Association, shall be divisible among the members in proportion to the capital paid up on the shares held by them respectively.
2. The Company in General Meeting may declare dividend to be paid to the members according to their rights and interests in the profits and may fix the time of payment. But no larger dividend shall be declared than is recommended by the Directors, but the Company at its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of net profit of the company shall be conclusive.
3. No dividend shall be payable except out of profits of the company or any other undistributed profits. Dividend shall not carry interest as against the Company.
4. The Directors may, from time to time, pay the members, such interim dividend, as in their judgment, the financial position of the Company may justify.
5. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
6. There is no limitation on payment of dividends to common stockholders of the Company.

d) Other Rights of the Common of Preferred Stockholders

In terms of provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. No transfer shall be made to a minor or person of unsound mind.

The shareholders shall have the right to receive all periodical reports and statements, audited as well as un-audited, published by the company from time to time. The Directors shall present the financial statements as required under the law and Bangladesh Accounting Standards (BAS). Financial Statements will be prepared in accordance with the Bangladesh Accounting Standards, consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and Bangladesh Accounting Standards to the shareholders regarding the financial and operational position of the Company.

In case of any declaration of stock dividend by issue of bonus shares, all shareholders shall be entitled to it, in proportion to their shareholdings, on the date of book closure for the purpose. The shareholders shall have the right to receive all periodical statement and reports, audited as well as unaudited, published by the company from time to time.

The shareholder holding not less than 10% of the issued/fully paid up capital of the company shall have the right to requisition Extra-Ordinary General Meeting of the company as provided under Section 84 of the Companies Act, 1994.

Debt Securities

The Company has not issued any debt securities and has no future plan as such within six months.

ALLOTMENT, SUBSCRIPTION & MARKET

Lock-in Provision

All issued shares of the issuer at the time of according consent to public offering shall be subject to a lock-in period of 3 (Three) years from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided that the persons, other than directors and those who hold 5% or more, who have subscribed to the shares of the Company within immediately preceding 2 (Two) years of according consent, shall be subject to a lock-in period of 1 (One) year from the date of issuance of prospectus or commercial operation, whichever comes later.

SL	NAME OF SHARE HOLDER	STATUS	NUMBER OF SHARES HELD	AMOUNT IN TAKA	PERCENTAGE OF OWNERSHIP (%)	LAST ATTOTMENT DATE	PERIOD OF LOCK IN FROM THE DATE OF ISSUANCE OF PROSPECTUS
Shareholding Above 5%							
1	Anwar -ul Alam Chowdhury	Managing Director	5,390,000	53,900,000	17.97	5/5/2011	03 Years
2	Shabnam Shehnaz Chowdhury	Chairperson	4,500,000	45,000,000	15	5/5/2011	03 Years
3	Abu Kawser Majumder	Director	5,217,000	52,170,000	17.39	5/5/2011	03 Years
4	A.K.Gouhor Rabbani	Director	5,106,000	51,060,000	17.02	5/5/2011	03 Years
5	Md. Akhter Shahid	Director	3,666,000	36,660,000	12.22	5/5/2011	03 Years
6	Shah Adeeb Chowdhury	Director	3,000,000	30,000,000	10	5/5/2011	03 Years
7	Shah Rayeed Chowdhury	Director	2,000,000	20,000,000	6.67	26-05-11	03 Years
	Sub Total		**28,879,000**	**288,790,000**	**96.27**	-	-
Shareholding Below 5%							
1	Sanjana Shehnaz Chowdhury	Shareholder	110,000	1,100,000	0.37	26-05-11	03 Years
2	Suraya Akhter	Shareholder	78,000	780,000	0.26	26-05-11	03 Years
3	Adiba Akhter	Shareholder	78,000	780,000	0.26	26-05-11	03 Years
4	Samir Akhter	Shareholder	78,000	780,000	0.26	26-05-11	03 Years
5	Farhana Haque	Shareholder	111,000	1,110,000	0.37	26-05-11	03 Years
6	Elma Zuairia	Shareholder	111,000	1,110,000	0.37	26-05-11	03 Years
7	Elham Farhan Rabbani	Shareholder	111,000	1,110,000	0.37	26-05-11	03 Years
8	Ibram Farhan Rabbani	Shareholder	111,000	1,110,000	0.37	26-05-11	03 Years
9	Areefa Akhter	Shareholder	111,000	1,110,000	0.37	26-05-11	03 Years
10	Farhan Majumder	Shareholder	111,000	1,110,000	0.37	26-05-11	03 Years
11	Farhaz Kawser	Shareholder	111,000	1,110,000	0.37	26-05-11	03 Years
	Sub Total		**1,121,000**	**11,210,000**	**3.73**	-	-
	Grand Total		**30,000,000**	**300,000,000**	**100.00**	-	-

NB: As per condition 2cc of the consent letter, Lock-in-period of the above shares will start from November 01, 2012.

Refund of subscription money

As per SEC Notification Dated February 9, 2010, the issuer shall refund application money to the unsuccessful applicant of the public offer by any of the following manner based on the option given by the applicant in the application form;-

a. Through banking channel for onward deposit of the refund money into the applicant's bank account as provided in the respective application form for subscription;
   or
b. Through issuance of refund warrant in the name and address of the applicant as provided in the respective application form for subscription:

Provided that, in case of deposit into the applicant's bank account, the applicant will bear the applicable service charge, if any, of the applicant's banker, and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.

Subscription by and refund to non-resident Bangladeshi (NRB)

1. A Non-Resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking "Account Payee only".

2. The value of securities applied for by such person may be paid in Taka or US dollar or UK pound sterling or EURO at the rate of exchange mentioned in the securities application form.

3. Refund against oversubscription shall be made in the currency in which the value of securities was paid for by the applicant through Account Payee bank cheque payable at Dhaka with bank account number, Bank's name and Branch as indicated in the securities application form. If the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue and other banks as mentioned below, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms.

Availability of securities

1. Securities:

SL	Securities	Number of Shares	Total Amount (BDT)
A	20% of IPO of Ordinary Shares shall be reserved for Affected Small Investors (ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী)	6,000,000	210,000,000
B	10% of IPO of Ordinary Shares shall be reserved for Non Resident Bangladeshis	3,000,000	105,000,000
C	10% of IPO of Ordinary Shares shall be reserved for Mutual funds and Collective Investment schemes registered with the Commission	3,000,000	105,000,000
D	60% of IPO of Ordinary Shares shall be opened for subscription by the General Public	24,000,000	630,000,000
TOTAL (A+B+C+D)		**30,000,000**	**1,050,000,000**

2. All as stated in 1 (A), 1(B), 1(C) and 1(D) shall be offered for subscription and subsequent allotment by the Issuer, subject to any restriction, which may be imposed, from time to time, by the Securities and Exchange Commission.

3. In case of over-subscription under any of the categories mentioned in the clause 1(A), 1(B), 1(C) and 1(D) the Issue Manger shall conduct an open lottery of all the applications received under each category separately in accordance with the letter of consent issued by the Securities and Exchange Commission.
4. In case of under-subscription under any of the 20% and 10% category as mentioned in clause 1(A) and 1(B) and 1(C) the unsubscribed portion shall be added to the general public category, and, if after such addition there is over-subscription in the general public category the issuer and the issue manager shall jointly conduct an open lottery of all the applicants added together.
5. In case of under-subscription of the public offering, the unsubscribed portion of shares shall be taken up by the underwriter(s).
6. The lottery as stated in clause (2) and (3) should be conducted in the presence of the representatives of Issuer, Stock Exchange(s) and the applicants, if there be any.

Application for subscription

1. Application for shares may be made for a minimum lot of **200** units of shares to the value of Tk. 8800 (Taka Eight Thousand Eight Hundred Only) and should be made on the company's Printed Application Forms. Application Forms and Prospectus may be obtained from the Registered Office of the Company, members of Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, or from the Bankers to the issue. In case, adequate Forms are not available, applicants may use photocopied/ cyclostyled/ handwritten/typed copies of the Forms. Applications must not be for less than **200** units of share. Any application not meeting this criterion will not be considered for allotment purpose.

2. Joint application form for more than two persons will not be accepted. In the case of joint application each party must sign the application form.

3. Application must be in full name of individuals or limited companies or trusts or societies and not in the name of firms, minors or persons of unsound mind. Applications from insurance, financial and market intermediary companies and limited companies must be accompanied by Memorandum and Articles of Association.

4. **An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money shall be forfeited by the Commission and the balance amount will be refunded to the applicant.**

5. **The applicant shall provide with the same bank account number in the application form as it is in the BO account of the application.**

6. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money too.**

7. An IPO applicant shall ensure his/her BO account remains operational till the process of IPO (including securities allotment or refund of IPO application) is completed. If any BO account mentioned in the IPO application is found closed, the allotted security may be forfeited by SEC.

8. Bangladeshi Nationals (including non-resident Bangladeshi Nationals working abroad) and Foreign Nationals shall be entitled to apply for shares.

9. Payment for subscription by investors other than Non-Resident Bangladeshi may be made to the said branches/office of the banks mentioned below in Cash/Cheque/Pay Order/Bank Draft. The Cheque/Pay Order/ Bank Draft shall be made payable to the bank to which it is sent and be marked **"Argon Denims Limited"** and shall bear the crossing **"Account Payee Only"** and must be drawn on a bank in the same town of the bank to which application form is deposited.

10. A Non-Resident Bangladeshi (NRB) shall apply against the IPO either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee (including a Bank or a Company) by paying out of foreign currency deposit account maintained in Bangladesh, for the value of securities applied for.

    The value of securities applied for may be paid in Taka, US Dollar or UK Pound Sterling or EURO at the spot Buying (TT Clean) rate of exchange prevailing on the date of opening of subscription. Refund against over subscription of shares shall be made in the currency in which the value of shares applied for was paid by the applicant. Share application form against the quota for NRB shall be sent by the applicant directly along with a draft or cheque to the Company at its registered office. Copies of application form and prospectus shall be available with the Bangladesh Embassy/High Commission in USA, UK, Saudi Arabia, UAE, Qatar, Kuwait, Oman, Bahrain, Malaysia and South Korea and web site of the issuer, issue manager, DSE, CSE and the SEC.

11. All completed application forms together with remittances for the full amount payable on application shall be lodged by investors other than Non-Resident Bangladeshis with any of the branches of the Bankers to the Issue.

12. The IPO subscription money collected from investors (other than Non-Resident Bangladeshis in US Dollar or UK Pound Sterling or EURO) by the bankers to the issue will be remitted to the Company's **"Special Notice Deposit (SND)" A/C Name Argon Denims Limited A/C No. 1505202148986001** of BRAC Bank Limited for this purpose

13. The subscription money collected from Non-Resident Bangladeshis in US Dollar or UK Pound Sterling or EURO shall be deposited to three FC accounts opened by the Company for IPO purpose are as follows:

Sl.	Name of the FC Accounts	Currency	Account No.	Bank
1	Argon Denims Limited	USD	1505202148986002	BRAC Bank Limited
2	Argon Denims Limited	GBP	1505202148986003	BRAC Bank Limited
3	Argon Denims Limited	EURO	1505202148986004	BRAC Bank Limited

14. In the case of over-subscription of securities to the NRB applicants, refund shall be made by Argon Denims Limited out of the "FC Account for IPO NRB Subscription". Argon Denims Limited has already opened the aforesaid FC Accounts and shall close these FC accounts after refund of over-subscription, if any.

APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS AND THE INSTRUCTIONS PRINTED ON THE APPLICANT FORM ARE LIABLE TO BE REJECTED.

PLAN OF DISTRIBUTION

Underwriting of Shares

Name of Underwriters	Number of Shares Underwritten	Underwritten Amount (BDT)
LankaBangla Investments Limited	50,00,000	175,000,000
MTB Capital Limited	1,250,000	43,750,000
Meghna Life Insurance Company Limited	625,000	21,875,000
One Bank Limited	2,500,000	87,500,000
Rupali Life Insurance Company Limited	3,125,000	109,375,000
BMSL Investment Limited	625,000	21,875,000
City Bank Capital Resources Limited	1,875,000	65,625,000
Total	**15,000,000**	**525,000,000**

Principal terms and conditions of underwriting agreement

1. If and to the extent that the shares offered to the public by a Prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within 10 (Ten) days of the closure of subscription call upon the underwriter in writing with a copy of said writing to the Securities and Exchange Commission, to subscribe for the shares not subscribed by the closing date and to pay for in cash in full for such unsubscribed shares full within 15(Fifteen) days of the date of said notice and the said amount shall have to be credited into shares subscription account within the said period.
2. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his underwriting commitment under the Agreement, until such time as the Cheque/Bank Draft has been en-cashed and the Company's account credited.
3. In any case within 7 (Seven) days after the expiry of the aforesaid 15(Fifteen) days, the Company shall send proof of subscription and payment by the underwriter to the Commission.
4. In the case of failure by the underwriter to pay for the shares under the terms mentioned above, the said Underwriter will not be eligible to underwrite any issue, until such time as he fulfils his underwriting commitment under the Agreement and also other penalties as may be determined by the Commission may be imposed on him.
5. In case of failure by any underwriter to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under the Agreement.
6. In case of failure by the Company to call upon the underwriter for the aforementioned purpose within the stipulated time, the Company and its Directors shall individually and collectively be held responsible for the consequence and/or penalties as determined by the Securities and Exchange Commission under the law may be imposed on them.

Commission for the underwriters

The company shall pay to the underwriter an underwriting commission at the rate of 0.20% of 50% of the IPO amount of the issue value of shares underwritten by them out of the Public Issue.

Relationship of Officers or Directors of the Underwriter(s) with the Member of Board of the Company

No Officer or Director of the Underwriter(s) is presently engaged as the Director of the company.

Allotment

The company reserves the right of accepting any application, either in whole, or in part, successful applicants will be notified by the dispatch on an allotment letter by registered post/courier. Letter of allotment and refund warrants will be issued within 5(five) weeks from the closing of the subscription. After allotment the company will have to transfer the shares to the allotees' Beneficiary Owners (BO) account, which has been mentioned in the application form.

The company shall issue share allotment letter to all successful applicants, within 5(five) weeks, from the date of the subscription closing date. At the same time, the unsuccessful application shall be refunded with the application money within 5 (five) weeks from the closing of the subscription date, by Account Payee Cheque, without interest payable at Dhaka/Chittagong/Khulna/Rajshahi/Barisal/Sylhet as the case may be.

Where allotment is made, in whole or in part in respect of joint application, the allotment letter will be dispatched to the person whose name appears first in the application form notwithstanding that the shares have been allotted to the joint applicants. Where joint applicant is accepted in part, the balance of any amount paid on application will be refunded without interest to the person named first in the application form.

Material Contracts

a) Underwriting Agreements between the Company and the Underwriters.
b) Issue Management Agreement between the Company and Issue Manager.

The copies of the aforementioned contracts and documents and a copy of Memorandum of Association and Articles of Association of the Company and the Consent Letter from SEC may be inspected, on any working day, during office hours, at the Registered Office of the Company and the Issue Manager.

Manager to the Issue

LankaBangla Investments Limited, Eunoos Trade Centre, Level # 21, 52-53, Dilkusha C/A, Dhaka-1000 is acting as the Issue Manager. The Issue Management Fee for Manager to the Issue is 1% of the Issue size or Tk. 2,000,000 whichever is lower.

Commission to the Bankers to the Issue

Commission at the rate of 0.10% of the amount collected will be paid to the Bankers to the Issue for the services to be rendered by them.

Corporate Directory

Auditor	**Pinaki & Company** **Chartered Accountants** 2/4, Nawab Habibullah Road (1st Floor), Shahbag, Dhaka-1000 Phone: 880-2-9660944, Fax: 880-2-9672726
Legal Advisor	**Dr. Kamal Hossain & Associates** Chamber Building, 122-124 Motijheel C/A, Dhaka-1000
Tax Consultant	**Md. Amirul Islam** 2/4, Nawab Habibullah Road (3rd Floor), Shahbag, Dhaka-1000
Manager to the Issue	**LankaBangla Investments Limited** Eunoos Trade Centre, Level # 21, 52-53, Dilkusha C/A, Dhaka-1000 Phone: 7113585, Fax: 7115756
Company Secretary & CFO	**Itrat Husain, FCMA, FCS**
Compliance Officer	**Md. Mustafa Kamal, M.Com. CA (Inter)**

All investors are hereby informed by the Company that it has appointed a Compliance Officer who may be contacted in case of any Pre-Issue / Post Issue related problems such as, non-receipt of letters of allotment /Share Certificates/Refund warrants/Cancelled Stock Investors etc.

BANKERS TO THE ISSUE

One Bank Limited	**The City Bank Limited**		**National Bank Limited**	**United Commercial Bank Limited**
		S.S. Cantt. Branch, Tangail		
Principal Branch, Dhaka	B B Avenue Branch, Dhaka	Kadamtali Branch, Chittagong	Agrabad Br. Chittagong	Principal Branch, Dhaka
Motijheel Branch, Dhaka	Dhaka Chamber Br. Dhaka	Comilla Cantt. Branch, Comilla	Anderkillah Br. Chittagong	Nayabazar Branch, Dhaka
Gulshan Branch, Dhaka	Dhanmondi Branch, Dhaka	Ashugonj Branch, Brahmanbaria	Asadgate Branch, Dhaka	Dhanmondi Branch, Dhaka
Uttara Branch, Dhaka	Imamgonj Branch, Dhaka	Khulna Branch, Khulna	Babubazar Branch, Dhaka	Mirpur Branch, Dhaka
Kakrail Branch, Dhaka	Johnson Road Br. Dhaka	Jalalabad Cantt. Br. Sylhet	Banani Branch, Dhaka	Uttara Branch, Dhaka
Elephant Road Branch, Dhaka	Kawran Bazar Br. Dhaka	Rangpur Cantt. Branch, Rangpur	Bangshal Road Branch, Dhaka	Gulshan Branch, Dhaka
Jatrabari Branch, Dhaka	New Market Br. Dhaka	Bogra Cantt. Branch, Bogra	Barisal Branch, Barisal	Mohakhali Branch, Dhaka
Nawabgonj Branch, Dhaka	VIP Road Branch, Dhaka	K. Y. Ali Medical College Branch, Sirajgonj	Beani Bazar Br, Sylhet	Banani Branch, Dhaka
Ganakbari (EPZ) Branch, Dhaka	Islampur Branch, Dhaka	Jessore Cantt. Branch, Jessore	Bogra Branch Bogra	Tejgaon Branch, Dhaka
Agrabad Branch, Chittagong	Nawabgong Branch, Dhaka	Shahjalal Uposhohor Branch, Sylhet	CDA Aavenue Br.Chittagong	Bojoynagar Branch, Dhaka
Khatunganj Branch, Chittagong	Nawabpur Branch, Dhaka	Joypara Branch, Dohar, Dhaka	Chaktai Br, Chittagonj	Narayangonj Branch, Narayangonj
Nanupur Bazar Branch, Chittagong	Pragati Sarani Branch, Dhaka		Chandpur Natun Bazar Br, Chandpur	Comilla Branch, Comilla
Cox's Bazar Branch, Cox's Bazar	Narayangonj Branch, Dhaka		Chawk Bazar Br. Chittagong	Agrabad Branch, Chittagong
Jubilee Road Branch, Chittagonj	Zinzira Branch, Dhaka	**Mercantile Bank Ltd.**	Chowmuhani Branch, Noakhali	Khatungonj Branch, Chittagong
Chandragonj Branch, Lakshmipur	Tongi Branch, Gazipur		Comilla Branch Comilla	Jubilee Road Branch, Chittagong
Raipur Branch, Laxmipur	Agrabad Branch, Chittagong	Principal Branch, Dhaka	Dhanmondi Branch, Dhaka	Cox's Bazar Branch, Cox's Bazar
DagonBhuiyan Branch, Feni	Khatungonj Branch, Chittagong	Motijheel Branch, Dhaka	Dilkusha Br. Dhaka	Sylhet Branch, Sylhet
Sylhet Branch, Sylhet	Andarkilla Branch, Chittagong	Dhanmondi Branch, Dhaka	Elephant Road Branch, Dhaka.	Maijdee Court Branch, Noakhali
Sherpur Branch, Moulvi Bazar	Chawkbazar Branch, Chittagong	Kawran Bazar Branch, DhakaA	Faridpur Branch, Faridpur	Pabna Branch, Pabna
Islampur Branch, Sylhet	Comilla Branch, Comilla	Mohakhali Branch, Dhaka	Feni Bracnh, Feni	Rangpur Branch, Rangpur
Jessore Branch, Jessore	Bandar Bazar Branch, sylhet	Gulshan Branch, Dhaka	Foreign Ex. Branch, Dhaka	Mymensingh Branch, Mymensingh
Laksham Branch, Comilla	Moulvi Bazar Branch, Sylhet	Elephant Road Branch, Dhaka	Gazipur Br.Gazipur	Dinajpur Branch, Dinajpur
Ramganj Branch, Laxmipur	Rajshahi Branch, Rajshshi	Progati Sarani Branch, Dhaka	Godagari Br, Rajshahi	Bogra Branch, Bogra
Maijdee Court Branch, Noakhali	Bogra Branch, Bogra	Nayabazar Branch, Dhaka	Gulshan Branch, Dhaka	Rajshahi Branch, Rajshahi
Banasree Branch, Dhaka	Rangpur Branch, Rangpur	Mirpur Branch, Dhaka	Halishahar Br. Chittagong	Khulna Branch, Khulna
Shahjadpur Branch, Sirajgonj	Sirajgonj Branch, Sirajgonj	Uttara Branch, Dhaka	Imamganj Branch, Dhaka	Jessore Branch, Jessore
Jagannathpur Branch, Dhaka	Khulna Branch, Khulna	Ashulia Branch, Dhaka	Islampur Branch, Dhaka	Kushtia Branch, Kushtia
Basabo Branch, Dhaka	Jessore Branch, Jessore	Satmasjid Road Branch, Dhaka	Jatrabari Branch, Dhaka	Barisal Branch, Barisal
Satkhira Branch, Satkhira	Barisal Branch, Barisal	Moghbazar Branch, Dhaka	Jessore Branch, Jessore	Faridpur Branch, Faridpur
Madhabdi Branch		Ring Road Branch, Dhaka	Jubille Road Br Chittagonj	
Rangamati Branch	**First Security Islami Bank Limited**	Narayangonj Branch, Narayangonj	Kadomtoli Br, Sylhet	**Brac Bank Limited**
Sitakunda Branch, Chittagong		Board Bazar Branch, Gazipur	Kawran Bazar Branch, Dhaka	
Moghbazar Branch, Dhaka	Dilkusha Branch, Dhaka	Feni Branch, Feni	KDA Br, Khulna	Asad Gate Branch, Dhaka
	Mohakhali Branch, Dhaka	Comilla Branch, Comilla	Khatungong Br. Chittagong	Banani Branch, Dhaka
Southeast Bank Limited	Bangshal Branch, Bangshal, Dhaka	Agrabad Branch, Chittagong	Khulna Br. Khulna	Bashundhara Branch, Dhaka
	Dhanmondi Branch, Dhaka	Khatunganj Branch, Chittagong	Lake Circus Br.Dhaka	Donia Branch, Dhaka
Principal Branch, Dhaka	Mirpur Branch, Dhaka	Jubilee Road Branch, Chittagong	Madhupur Br, Tangail	Eskaton Branch, Dhaka
Corporate Branch, Dhaka	Topkhana Road Branch, Dhaka	O.R. Nizam Road Branch, Chittagong	Malibagh Branch, Dhaka	Graphics Building Branch, Dhaka
Imamganj Branch, Dhaka	Maiddah Bashabo Br, Dhaka	Madam Bibir Hat Branch, Chittagong	Mirarssari Br, Chittagong	Gulshan Branch, Dhaka
Dhanmondi Branch, Dhaka	Donia Branch, Dhaka	Sheikh Mujib Road Branch, Chittagong	Mirpur Branch, Dhaka	Manda Branch, Dhaka
New Elephant Road Branch, Dhaka	Azampur Branch, Dhaka	Sylhet Branch, Sylhet	Mohakhali Branch, Dhaka	Mirpur Branch, Dhaka
Rokeya Sarani Branch, Dhaka	Senanibash Branch, Dhaka	Moulvibazar Branch, Sylhet	Mohammadpur Branch, Dhaka	Narayanganj Branch, Dhaka
Kakrail Branch, Dhaka	Motijheel Branch, Dhaka	Beani Bazar Branch, Sylhet	Motijheel Branch, Dhaka	Nawabpur Branch, Dhaka
Karwan Bazar Branch, Dhaka	Ring Road Branch, Dhaka	Mymensingh Branch, Mymensingh	Moulvibazar Br. Moulvibazar	Rampura Branch, Dhaka
Sat Mashjid Road Branch, Dhaka	Collage Gate Branch, Gazipur	Jessore Branch, Jessore	Muradpur Br.Chittagong	Shyamoli Branch, Dhaka
Aganagar Branch, Dhaka	Probortak Mor Branch, Chittagong	Rangpur Branch, Rangpur	Mymensingh Br. Mymensingh	Uttara Branch, Dhaka
Pragati Sarani Branch, Dhaka	Bohaddarhat Branch, Chittagong	Dinajpur Branch, Dinajpur	Narayangonj Branch, N'Gonj	Agrabad Branch, Chittagong
Madhabdi Branch (Rural), Narshingdi	Hat Hazari Branch, Chittagong		Narsingdi Branch, Narsingdi	CDA Avenue Branch, Chittagong
Narayanganj Branch, Narayanganj	Chokoria Branch, Cox's Bazar		Netaigonj Branch, N'Gonj	Halisohor Branch, Chittagong
Savar Branch, Dhaka	Bogra Branch, Bogra		New Eskaton Branch, Dhaka	Kazirdeuri Branch, Chittagong
Mouchak Branch, Dhaka	Rajshahi Branch, Rajshahi	**Mutual Trust Bank Limited**	North Brook Hall Branch, Dhaka	Momin Road Branch, Chittagong
Konabari Branch (Rural), Gazipur	Sylhet Branch, Sylhet		Pabna Br, Pabna	Bogra Branch, Bogra
Tongi Branch, Gazipur	Taltola Branch, Sylhet	Babu Bazar Branch, Dhaka	Pagla bazar Branch	Rajshahi Branch, Rajshahi
Mohammadpur Branch, Dhaka	Ambarkhana Branch, Sylhet	Banani Branch, Dhaka	Pahartali Branch, Chittagong	Jessore Branch, Khulna
Moulvi Bazar Branch, Moulvibazar	Khulna Branch, Khulna	Dhanmondi Branch, Dhaka	Patiya Br, Chittagong	Khulna Branch, Khulna
Pahartali Branch, Chittagong	Jessore Branch, Jessore	Dilkusha Branch, Dhaka	Pragati Sarani Branch, Dhaka	Barisal Branch, Barisal
Chouhatta Branch, Sylhet	Satkhira Branch, Satkhira	Fulbaria Branch, Dhaka	Rajshahi Branch, Rajshahi	Zindabazar Branch, Sylhet
Laldighirpaar Branch, sylhet	Patuakhali Branch, Patuakhali	Mohammadpur Branch, Dhaka	Rifles Square Br. Dhaka	
Pathantula Branch, Sylhet	Mymensingh Branch, Mymensingh	MTB Corp. Centre Br. Dhaka	Rokeya Sarani Branch, Dhaka	**NCC Bank Limited**
Halishahar Branch, Chittagong	Barisal Branch, Barisal	Pallabi Branch, Dhaka	S.k. Mojib Road Branch, Ctg	
Chowmuhani Branch, Noakhali	Faridpur Branch, Faridpur	Principal Branch, Dhaka	Savar Bazar Branch, Savar, Dhaka	Motijheel Branch, Dhaka
CDA Avenue Branch, Chittagong	Chawkbazar Branch, Chittagong	Progati Sarani Branch, Dhaka	Sunamgonj Br., Sunamgonj	Malibagh Branch, Dhaka
Cox's Bazar Branch, Cox's Bazar	Gobindagonj Branch, Sunamgonj	Savar Branch, Dhaka	Sylhet Br. Sylhet	Gulshan Branch, Dhaka
Chhagalnaiya Branch, Feni		Shanir Akhra Branch, Dhaka	Tangail Branch, Tangail	Dilkusha Branch, Dhaka
Bogra Branch, Bogra	**Standard Chartered Bank**	Tongi Branch, Dhaka	Tongi Br., Gazipur	Shymoli Branch, Dhaka
Rajshahi Branch, Rajshahi		Uttara Model Town Branch, Dhaka	Uttara Branch, Dhaka	Moghbazar Branch, Dhaka
Khulna Branch, Khulna	Motijheel (OPCC), Dhaka	Narayangonj Branch, Narayangonj	Z. H. Sikder M.C. Br. Dhaka	Mirpur Branch, Dhaka
Jessore Branch, Jessore	Nasirabad Branch, Chittagong	Sonargaon Branch, Narayangonj	Zindabazar Br. Sylhet	Bijoynagar Branch, Dhaka
Kushtia Branch, Khushtia	Agrabad Branch, Chittagong	Alankar Mour Branch, Chittagong		Bangshal Branch, Dhaka
Rajshahi Branch, Rajshahi	Bogra Branch, Bogra	C D A Avenue Branch, Chittagong	**Commercial Bank of Ceylon PLC**	Mitford Branch, Dhaka
Naogaon Branch, Naogaon	Sylhet Branch, Sylhet	Jubilee Road Branch, Chittagong		Elephant Road Branch, Dhaka
Barishal Branch, Barishal		Khatungonj Branch, Chittagong	Motijheel Branch, Dhaka	Joydevpur Branch, Gazipur
Bogra Branch, Bogra	**Trust Bank Limited**	Feni Branch, Feni	Dhanmondi Branch, Dhaka	Kamal Bazar Branch, Chittagong
Khulna Branch, Khulna		Rajshahi Branch, Rajshahi	Mirpur Branch, Dhaka	Jatrabari Branch, Dhaka
	Principal Branch, Dhaka	Rangpur Branch, Rangpur	Uttara Branch, Dhaka	Madaripur Branch, Madaripur
Investment Corporation of Bangladesh	Kafrul Branch, Dhaka	Bogra Branch, Bogra	Gulshan Branch, Dhaka	Tangail Branch, Tangail
	RWGH Branch, Dhaka	Pabna Branch, Pabna	Sonargaon Branch, Dhaka	Chowhatta Branch, Sylhet
Head Office, Dhaka	Mirpur Branch, Dhaka	Kushtia Branch, Kushtia	Old Dhaka Branch, Dhaka	Majhirghat Branhc, Chittagong
Chittagong Br., Chittagong	Karwan Bazar Branch, Dhaka	Sylhet Branch, Sylhet	Progati Sharani Branch, Dhaka	Rangpur Branch, Rangpur
Rajshahi Br., Rajshahi	Uttara Corp. Branch, Dhaka	Moulvi bazaar Branch, Sylhet	Shantinagar Branch, Dhaka	O.R. Nizam Road, Chittagong
Khulna Br., Khulna	Narayangonj Branch, Narayangonj	Gournadi Branch, Barisal	Tongi Branch, Tongi	Laxmipur Branch, Laxmipur
Barishal Br., Barishal	Narsingdi Branch, Narsingdi	Jessore Branch, Jessore	Agrabad Branch, Chittagong	Bogra Branch, Bogra
Sylhet Br., Sylhet	Joydebpur Branch, Gazipur	Habigonj Branch, Habigonj	Jubilee Road Branch, Chittagong	Naogaon Branch, Naogaon
Bogra Br., Bogra	Ashulia Branch, Dhaka		CDA Avenue Branch, Chittagong	CEPZ Branch, Chittagong
Local Office, Dhaka	Momenshahi Cantonment Br. Mymensingh		Sylhet Branch, Sylhet	Laldighirpar Branch, Sylhet
	Savar Cantonment Branch, Dhaka		Narayanganj Branch, Narayanganj	Madunaghat Branch, Chittagong

AUDITOR'S REPORT & RELATED CERTIFICATES

AUDITORS' REPORT TO THE SHAREHOLDERS OF ARGON DENIMS LIMITED

We have audited the accompanying financial statements of **ARGON DENIMS LIMITED** which comprise the Statement of Financial Position as at December 31, 2011 and the related Statement of Comprehensive Income, Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of **ARGON DENIMS LIMITED** as at December 31, 2011, and (of) its financial performance and its cash flows for the period then ended in accordance with Bangladesh Financial Reporting Standards.

We also report that:

(i) 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;

(ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;

(iii) The Company's Statement of Financial Position and Statement of Comprehensive Income dealt with by the report are in agreement with the books of account and returns;

(iv) The expenditure incurred and payments made were for the purpose of company's business.

Sd/-
Pinaki & Company
Chartered Accountants

Dhaka

Dated: 12.04.2012

পিনাকী এন্ড কোম্পানী
Pinaki & Company

Continuation Sheet ....

ARGON DENIMS LIMITED

Statement of Financial Position

As at December 31, 2011

		31.12.2011	31.12.2010
PROPERTY AND ASSETS:			
NON CURRENT ASSETS			
Property, Plant & Equipment	Note-4	790,396,875	636,230,488
Capital Work In Process	Note-5	79,812,150	25,634,195
Preliminary expenses	Note-6	-	521,599
CURRENT ASSETS			
Advance, Deposits and Pre-payments	Note-7	7,672,592	12,817,408
Bills Receivable	Note-8	579,837,797	441,072,554
Inventories	Note-9	419,961,303	337,588,156
Investment in Shares	Note-10	3,663,917	10,000,000
Cash and Cash Equivalent	Note-11	28,199,621	55,936,938
TOTAL		**1,909,544,256**	**1,519,801,338**
CAPITAL & LIABILITIES			
CAPITAL & RESERVE			
AUTHORIZED SHARE CAPITAL			
100,000,000 Ordinary Shares of Tk. 10.00 each		1,000,000,000	1,000,000,000
ISSUED, SUBSCRIBED & PAID UP CAPITAL			
30,000,000 Ordinary Share of Tk. 10.00 each		300,000,000	100,000,000
Retained Earnings		61,683,095	123,382,684
Tax Holiday Reserve		107,789,507	82,255,900
Share Money Deposit	Note-12	-	27,329,000
Revaluation Reserve	Note-13	151,890,523	-
NON CURRENT LIABILITIES			
Long Term Loan	Note-14	252,125,852	310,252,581
Lease Finance	Note-15	40,336,754	55,399,190
CURRENT LIABILITIES			
Short Term Loan	Note-16	810,308,660	692,457,054
Current Portion of Long Term Loan	Note-17	165,041,507	118,200,000
Accrued Expenses	Note-18	9,641,796	7,234,250
Provision for WPPF	Note-19	8,622,843	-
Provision for Audit Fees	Note-20	75,000	45,000
Bills Payable	Note-21	2,028,718	3,245,680
TOTAL		**1,909,544,256**	**1,519,801,338**

Signed in terms of our separate report of even date

NAV with Revaluation Reserve	Note-28.1	**20.72**	**10.19**
NAV without Revaluation Reserve	Note-28.2	**15.65**	**10.19**

Sd/-	Sd/-	Sd/-	Sd/-
Managing Director	**Director**	**Company Secretary**	**PINAKI & COMPANY** Chartered Accountants

পিনাকী এন্ড কোম্পানী
Pinaki & Company

Continuation Sheet ....

ARGON DENIMS LIMITED

Statement of Comprehensive Income

for the year ended December 31, 2011

Particulars		**31.12.2011**	**31.12.2010**
Export	Note-3.24	1,178,686,714	1,012,885,352
Less: Cost of Goods Sold	Note-22	906,762,689	799,672,985
Gross Profit/(Loss)		271,924,025	213,212,367
Export Incentive	Note-23	53,823,658	78,493,226
		325,747,683	291,705,593
Less: Administrative Expenses	Note-24	19,588,168	17,565,847
		306,159,515	274,139,746
Less : Selling & Distribution Expenses	Note-25	3,456,938	3,751,469
		302,702,577	270,388,277
Add. Gain/Loss on Investment in Share	Note-10.1	(3,887,314)	-
		298,815,263	-
Add.Dividend Income	Note-10.2	99,099	-
Profit/(Loss) before Financial Expenses		298,914,362	270,388,277
Less: Financial Expenses	Note-26	126,457,501	108,174,528
Net Profit/(Loss) before WPPF		172,456,861	162,213,749
Less: Provision for WPPF	Note-19	8,622,843	-
Net Profit/(Loss) after WPPF		163,834,018	162,213,749
Appropriation:			
Tax Holiday Reserve		65,533,607	64,885,500
Net Profit/(Loss) transferred to Retained Earnings		**98,300,411**	**97,328,249**
Basic Earning Per Share	Note-27.1	**5.46**	**5.41**
Diluted Earning Per Share	Note-27.2	**5.46**	**5.41**

Examined and found correct

Sd/-	Sd/-	Sd/-	Sd/-
Managing Director	**Director**	**Company Secretary**	**PINAKI & COMPANY** Chartered Accountants

পিনাকী এন্ড কোম্পানী
Pinaki & Company

Continuation Sheet..........

ARGON DENIMS LIMITED

Statement of Changes in Shareholders Equity
for the year ended December 31, 2011

Amount in Taka

Particulars	Share Capital	Share Money Deposit	Tax Holiday Reserve	Retained Earnings	Revaluation Surplus	Total
Balance as on 01.01.2011	100,000,000	27,329,000	82,255,900	123,382,684	-	332,967,584
Add/Less: during the period	-	(27,329,000)	65,533,607	-	151,890,523	190,095,130
Net profit for the period	-	-	-	98,300,411	-	98,300,411
Add/Less: Issue of Bonus Shares	200,000,000	-	(40,000,000)	(160,000,000)		
Balance as on 31.12.2011	**300,000,000**	**-**	**107,789,507**	**61,683,095**	**151,890,523**	**621,363,125**

Amount in Taka

Particulars	Share Capital	Share Money Deposit	Tax Holiday Reserve	Retained Earnings	Revaluation Surplus	Total
Balance as on 01.01.2010	5,400,000	67,029,000	17,370,400	26,054,435	-	115,853,835
Add/Less: during the period	94,600,000	(39,700,000)	-	-	-	54,900,000
Net profit for the period	-	-	-	-	-	-
Add/Less: Issue of Bonus Shares	-	-	64,885,500	97,328,249	-	162,213,749
Balance as on 31.12.2010	**100,000,000**	**27,329,000**	**82,255,900**	**123,382,684**	**-**	**332,967,584**

Sd/-	Sd/-	Sd/-	Sd/-
Managing Director	**Director**	**Company Secretary**	**PINAKI & COMPANY**
			Chartered Accountants

পিনাকী এন্ড কোম্পানী
Pinaki & Company

Continuation Sheet ....

ARGON DENIMS LIMITED

Statement of Cash Flows

for the year ended December 31, 2011

Particulars		TAKA 31.12.2011	TAKA 31.12.2010
Cash flow from operating activities			
Cash received from customers	Note-29	1,089,956,914	831,111,415
Cash payments to suppliers and employees		(948,600,608)	(858,861,166)
Financial expenses		(126,457,501)	(108,174,528)
Net Cash used to operating activities		**14,898,805**	**(135,924,279)**
Cash flow from investing activities			
Acquisition of fixed assets		(64,114,015)	(120,834,066)
Capital WIP		(54,177,955)	3,473,330
Investment in shares	Note-30	6,336,083	(500,000)
Net Cash provided by investing activities		**(111,955,887)**	**(117,860,736)**
Cash flow from financing activities			
Share capital		-	94,600,000
Advance, deposit & prepayments		5,144,816	(11,531,808)
Share money deposit		(27,329,000)	(39,700,000)
Long term loan		(11,285,222)	3,108,859
Lease finance		(15,062,436)	1,268,195
Short term loan		117,851,606	236,343,248
Net Cash provided by financing activities		**69,319,764**	**284,088,494**
Net increase/(decrease) in cash and bank balances		**(27,737,318)**	**30,303,479**
Opening cash and bank balances		**55,936,938**	**25,633,460**
Closing cash and bank balances		**28,199,621**	**55,936,938**

Sd/-	Sd/-	Sd/-	Sd/-
Managing Director	**Director**	**Company Secretary**	**PINAKI & COMPANY**
			Chartered Accountants

পিনাকী এন্ড কোম্পানী
Pinaki & Company

Continuation Sheet ....

ARGON DENIMS LIMITED

Notes to the Financial Statements
as at December 31, 2011

1.1 Reporting Entity:

Argon Denims Limited was originally incorporated as a Private Limited Company on 13th July 2006 under the Companies Act 1994. It has been converted into Public Ltd. Company on 31st day of May 2011. Registered Office of the Company is at Plot No. 33, Section - 7, Mirpur, Dhaka-1216 while Factory is situated at Vill./Mouza : Beraiderchala, P.O. : Gilaberaid, P.S. : Sreepur, Dist. : Gazipur. The principal activity of the company is to manufacture 100% Cotton Denim Fabrics (Deemed Exporters).

1.2 Nature of Business:

The main activities of the company were concentrated in Manufacturing, Dyeing & Finishing of Denim Fabric and exporting the same.

1.3 Share Capital :

Authorized Share Capital	December 31, 2011	December 31, 2010
100,000,000 Ordinary Shares of Tk 10 each	1000,000,000	1000,000,000
Issued, Subscribed and Fully Paid Up:		
10,000,000 Ordinary Shares of Tk 10 each	-	100,000,000
30,000,000 Ordinary Shares of Tk 10 each	**300,000,000**	**-**

1.4 Retained Earnings/(Loss) of Argons Denims Ltd. from years 2007 to 2011 are as follows:

Year	Retained Earnings/(Loss)
2011	61,683,095
2010	123,382,684
2009	26,054,436
2008	6,021,592
2007	Nil

1.5 Tax Holiday Reserve:

Argons Denims Ltd has been availing Tax Holiday from March 01, 2008 to February 2012 as per sec 46 A (2) of Income Tax Ordinance 1984. For income tax purpose Argon Denims Limited created a Tax Holiday Reserve. The details of Tax Holiday Reserve are as follows:

SL. No	Year	Reserve
1.	2008	4,014,400
2.	2009	13,356,000
3.	2010	64,885,500
4.	2011	65,533,607

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Notes to the Financial Statements
as at December 31, 2011

2.0 Basis of Preparation:

2.1 Statement of Compliance:

The financial statements of the company under reporting have been prepared under historical cost convention on a going concern concept and on accrual basis in accordance with generally accepted accounting principles and practice in Bangladesh in compliance with the Companies Act 1994, The Securities and Exchange Rules 1987, The Listing Regulations of Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE), International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Accounting Standard (BAS) and other applicable laws and regulations.

2.2 Date of Authorization:

The Board of Directors of Argon Denims Ltd. has approved this Financial Statements on 29-02-2012.

2.3 Reporting Period:

Financial statements of the company cover period from 01-01-2011 to 31-12-2011.

2.4 Reporting Currency and Level of Precision:

The figure in the financial statements represents Bangladesh Currency (Taka), which have been rounded off to the nearest Taka except where indicated otherwise.

2.5 Comparative Information:

Comparative information has been provided in accordance with BAS-34: Comparative Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flow and Statement of Financial Position are those of year ended 31-12-2010.

3. Significant Accounts Polices:

3.1 Principal Accounting Policies:

Specific accounting policies were selected and applied by the company’s management for significant transactions and events that have a material effect within the framework of BAS-1 “Preparation of Financial Statement” in preparation and presentation financial statements. The previous period’s figures were presented according to the same accounting principles.

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Notes to the Financial Statements
as at December 31, 2011

3.2 Application of Bangladesh Accounting Standards (BASs):

The financial statements have been prepared in compliance with requirement of BAS as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh. The following BASs are applicable for the financial statements for the period under review:

BAS – 1	Presentation of Financial Statement
BAS – 2	Inventories
BAS – 7	Statement of Cash Flows
BAS – 8	Accounting Policies, Changes in Accounting Estimates and Errors
BAS – 10	Events after the Reporting Period
BAS – 12	Income Taxes
BAS – 14	Segment Reporting
BAS – 16	Property, Plant & Equipment
BAS – 17	Leases
BAS – 18	Revenue
BAS – 21	The effects of changes in Foreign Exchange Rate
BAS – 23	Borrowing Costs
BAS – 24	Related Party Disclosures
BAS – 27	Consolidated and Separate Financial Statements
BAS – 33	Earnings per share
BAS – 34	Interim Financial Reporting
BAS – 36	Impairment of Assets
BAS – 37	Provision, Contingent Liabilities and Contingent Assets

3.3 Recognition of Property, Plant & Equipment and Depreciation:

Property, Plant & Equipment is stated at cost less accumulated depreciation in accordance with BAS-16 “Property, Plant and Equipment”. Cost represents cost of acquisition or construction and include purchase price and other directly attributable cost of bringing the assets to working conditions for its intended use, but do not include any capitalized borrowing cost. During Financial year 2011 the Company Revalued the Assets. No depreciation is charged on land and land development. Depreciation on all other fixed assets is computed using the reducing balance method in amount sufficient to write-off depreciable assets over their estimated useful life. Expenditure for maintenance and repairs are expenses; major replacements, renewals and betterment are capitalized. The cost and accumulated depreciation of depreciable assets retired or otherwise disposed off are eliminated from the assets and accumulated depreciation and any gain or loss on such disposal is reflected in operations for period.

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Notes to the Financial Statements
as at December 31, 2011

The depreciation rate in this period has been restructured as under:

Sl.	Category of Fixed Assets Rate	Rate
1.	Land & Land Development	-
2.	Building & Civil Constructions	5%
3.	Mechanical Fabrication	10%
4.	ETP & WTP	10%
5.	Capital Machinery	10%
6.	Furniture & Fixture	10%
7.	Motor Vehicles	20%
8.	Office Equipments	15%
9.	Gas Line Installations	10%
10.	Motor & Pump	10%
11.	Electrical Installation	10%
12.	Air Condition (AC)	15%

3.3.1 Allocation of Depreciation

Total depreciation of Argon Denims Ltd for the period ended 31 December, 2011 is Tk. 61,838,151 on which an amount of Tk.58,746,243 has been allocated to Factory Overhead which actually cover 95% of total depreciation and remaining 5% i.e. an amount of Tk.3,091,908 has been allocated to Administrative Expenses. Depreciation on asset has been charged on reducing balance method.

3.4 Revaluation of Fixed Assets:

The company revalued its fixed assets for the 1st time in the year 2011. Reserve is created by the sum of revaluation surplus and depreciation is charged on the revalued assets except Land and Land Development as per the respective rate of depreciation and transferred the equal amount of depreciation to the equity as per the provision of BAS-16.

3.5 Inventories:

Inventories comprise of Raw Materials, Work-in Process, Finished Goods and Stores and Spares. They are stated at the lower of cost or net realizable value in accordance with the Para of 21 & 25 of BAS-2 “Inventories” after making due allowance for any obsolete or slow moving item. The cost of inventories is assigned by using weighted average cost.

Quantity wise Schedule of inventory as per requirement of Companies Act 1994 is detailed in Annexure – B.

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Notes to the Financial Statements
as at December 31, 2011

3.6 Advance Deposit and Prepayment:

Details of advance, deposit and prepayments are shown in note 7.

SL NO	Particulars	31-12-2011	Status
1.	Deposit with SHAHIQ Securities Ltd	214,017	Good
2.	Advance to Employees & Others	1,261,375	Good
3.	Advance against Office Rent	3,531,600	Good
4.	RANGS Ltd.	1,130,000	Good
5.	Paradigm Designer Den	50,000	Good
6.	Next Capital Parner	200,000	Good
7.	Titas Gas Transmission & Distribution Co. Ltd.	1,285,600	Good

3.7 Bill Receivable:

The detailed information regarding Bill Receivable as per requirement of Companies Act, 1994 is attached with this Financial Statement in Annexure – A.

3.8 Statement of Cash Flows:

Statement of Cash Flows is prepared principally in accordance with BAS-7 Cash Flow Statement and the cash flows from operating activities have been presented under direct method as required by the Securities and Exchange Rules-1987 and considering the provisions that Enterprises are encouraged to Report Cash Flow from Operating Activities Using the Direct Method".

3.9 Cash and Cash Equivalent:

According to BAS-7 'Statement of Cash Flows' cash comprises of cash-in-hand and demand deposits. BAS-1 'Presentation of Financial Statements' provides that cash and cash equivalents are not restricted in use. Considering the provisions of BAS-7 and BAS-1, Cash in hand and Bank Balances have been considered as cash and cash equivalents.

3.10 Creditors and Accruals:

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

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3.11 Income Tax:

The company is enjoying tax holiday which will end in February 2012. Income tax provision will be made after expiry of tax holiday period as per rate prevailing during that period.

Deferred Tax has not been considered because of the fact that the company has been enjoying Tax Holiday benefit during year under audit which would ultimately be started on the expiry of tax holiday period along with normal tax provision.

3.12 Compliance with Local Laws:

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

3.13 Revenue from Goods Sold:

Revenue from the sales is measured at the fair value of the consideration received or receivable. The company recognizes revenue when risk and rewards associated with ownership has been transferred to buyer, which satisfied all the condition for the revenue recognition as provided in BAS-18 'Revenue Recognition'.

3.14 Accounts Receivable:

Bills Receivable is carried at original invoice amount without making any provision for doubtful debts, because of the fact that sales / export are being based on 100% confirmed letter of credit basis with fixed maturity dates. (Note-8)

3.15 Worker's Profit Participation Fund:

The company had created a fund for workers as "Worker's Profit Participation Fund" by 5% of the profit before charging such expenses and the fund transfer process is under consideration and pending for board approval.

3.16 Transaction with Related Parties:

In the period under review the company has transacted with related party in the normal course of business. They are as follows:

Business Transactions:

Sl.	Related Parties	Nature of Relationship	Nature of Transaction	For the Year ended December 31 2011	For the Year ended December 31 2010
01.	Evitex Fashions Limited	Common Director	Share Money Deposit	-	2,73,29,000
02.	Shabnam Shehnaz Chowdhury	Chairperson	Remuneration	1,620,000	12,00,000
03.	Anwar-ul Alam Chowdhury	Managing Director	Remuneration	1,620,000	12,00,000
04.	Abu Kawser Majumder	Director	Remuneration	1,860,000	-
05.	A K Gouhor Rabbani	Director	Remuneration	1,800,000	-

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Notes to the Financial Statements
as at December 31, 2011

3.17 Components of the Financial Statements:

According to the Bangladesh Accounting Standard BAS-1 'Presentation of Financial Statements' the complete set of Financial Statements includes the following components:

i. Statement of Financial Position as at December 31, 2011.
ii. Statement of Comprehensive Income for the period from January 01, 2011 to December 31, 2011.
iii. Cash flow Statement for the period from January 01, 2011 to December 31, 2011.
iv. Statement of Changes in Shareholders Equity from January 01, 2011 to December 31, 2011.
v. Accounting Policies and Explanatory Notes.

3.18 Earnings Per Share:

Earnings Per Share (EPS) is calculated in accordance with the Bangladesh Accounting Standard BAS-33 and weighted average number of share has been used as the denominator and net profit after WPPF as numerator.

3.19 Responsibility for Preparation and Presentation of Financial Statements:

The Board of Directors is responsible for the preparation and presentation of Financial Statements under Section 183 of the Companies Act 1994 and as per the provision of 'The Framework for the Preparation and Presentation of Financial Statements' issued by the International Accounting Standards Board (IASB).

3.20 Capacity of Manufacturing:

The Capacity of Manufacturing and Actual Manufacturing data are provided in note no. 32.

3.21 Disclosure of Managerial Remuneration:

a) Total amount of remuneration paid to the top five salaried officers of the issuer in the last accounting year:

Name	Designation	2011 Taka	2010 Taka
Shabnam Shehnaz Chowdhury	Executive Chairperson	1,620,000	1,200,000
Anwar-ul Alam Chowdhury	Managing Director & Director	1,620,000	1,200,000
Abu Kawser Majumder	Director	1,860,000	-
A K Gouhor Rabbani	Director	1,800,000	-
Hasan Ahmed Chowdhury	Executive Director	1,680,000	1,680,000
Total		**8,580,000**	**4,080,000**

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b) Aggregate amount of remuneration paid to all Directors and Officers during last accounting period.

Sl. No.	Particular	Nature of Payments	Amount Paid (In Tk.) Jan. 2011 to Dec. 2011	Amount Paid (In Tk.) Jan. 2010 to Dec. 2010
1.	Directors	Board Meeting Fees	-	-
2.	Directors	Remuneration	69,00,000	12,00,000
3.	Officers	Salary and Other Allowances	51,29,365	55,18,751

3.22 Refund of Share Money Deposit:

The Management of Argon Denims Ltd. has refunded the said deposit money on June 30, 2011.

3.23 Going Concern:

The financial statements are normally prepared on the assumption that an enterprise is a going concern and will continue in operation for the foreseeable future.

3.24 Export:

Quantity wise Schedule of Export as per requirement of Companies Act 1994 is detailed in below (Details are shown in Annexure –E):

SL NO	Name of Products	Unit	Quantity	Rate	BDT
1	100% Cotton Denim	YDS	3,014,544	196	589,343,357
2	Cotton Stretch Denim	YDS	2,306,126	230	530,409,022
3	Cotton Polyester Stretch Denim	YDS	112,256	210	23,573,735
4	Light weight Shirting Denim	YDS	141,442	250	35,360,600

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3.25 Employees Benefits:

Argons Denims Ltd. offers a number of benefits which include Short term employee benefits like Salaries, Wages, Annual Sick Leave, Profit Sharing and Bonuses. Non Monetary Benefits like Medical care, Car Facilities.

3.26 Bank Loan:

The details information regarding Bank Loan as per requirement of Companies Act, 1994 is attached with this Financial Statement in Annexure - C.

3.27 Bonus Share:

Argon Denims Limited had been enjoying Tax Holiday Reserve up to February, 2012. Tax Holiday Reserve is a part of Retained Earnings by the company enjoying tax exemption benefit as per provision of the section 46A sub-section-2, clause-C of Income Tax Ordinance 1984.

Since Tax Holiday Reserve is a part of Retain Earning, Bonus Share has been issued out of Accumulated Retained Earnings and Tax Holiday Reserve with prior approval from Securities and Exchange Commission. Details are shown in note 31.

3.28 Capitalization of Borrowing Cost:

Interest during construction period (Borrowing Cost) has been capitalized during the year 31st December, 2008 & 2011 as per BAS 23 pera-11. Details are shown in Annexure - D.

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Notes to the Account
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04. Fixed Assets

Amount in Taka

Particulars	Balance as at 01-01-11	Addition Revaluation Surplus	Addition during the period	Total as on 31-12-2011	Rate of %	Depreciation charged during the year	W.D.V. as on 31-12-2011
Land & Land Development	32,886,000	67,801,500	-	100,687,500	-	-	100,687,500
Building & Civil Constructions	141,085,155	84,089,023	25,634,195	250,808,373	5	12,540,419	238,267,954
Mechanical Fabrication	16,737,593	-	-	16,737,593	10	1,673,759	15,063,833
ETP & WTP	35,143,875	-	-	35,143,875	10	3,514,388	31,629,488
Capital Machinery	382,457,427	-	-	382,457,427	10	38,245,743	344,211,685
Furniture & Fixture	1,370,315	-	-	1,370,315	10	137,032	1,233,284
Motor Vehicles	10,085,977	-		10,085,977	20	2,017,195	8,068,782
Motor Vehicles			38,479,820	38,479,820	20	1,923,991	36,555,829
Office Equipments	2,014,502	-	-	2,014,502	15	302,175	1,712,327
Gas Line Installations	4,004,373	-	-	4,004,373	10	400,437	3,603,935
Motor & Pump	2,560,951	-	-	2,560,951	10	256,095	2,304,856
Electrical Installation	7,114,620	-	-	7,114,620	10	711,462	6,403,158
Air Condition(AC)	769,701	-	-	769,701	15	115,455	654,246
Total	**636,230,488**	**151,890,523**	**64,114,015**	**852,235,026**		**61,838,151**	**790,396,875**

Allocationof Depreciation

Factory Overhead	58,746,243
Administrative Expensess	3,091,908
	61,838,151

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No.	Particulars	Taka 31-12-2011	Taka 31-12-2010
5.	**Capital WIP**	**79,812,150**	**25,634,195**
	Building	73,893,128	-
	Machinery in Transit	2,738,470	-
	Interest on Time Loan	3,180,552	-
6.	**Preliminary Expenses**	**-**	**521,599**
	As per last a/c	521,599	-
	Less : Adjusted during the year	(521,599)	-
	(The expences made at the time of incorporation of the company are shown in the above head)		

7. Advance, Deposit & Pre- Payments

	31-12-2011			31-12-2010
	Amount	**Ageing**	**Status**	
Deposit with SHAHIQ Securities Ltd	214,017	17/9/11	Good	-
Advance against Construction	-			11,531,808
Advance to Employee & Others	1,261,375	20/4/11	Good	-
Advance against Office Rent	3,531,600	17/9/11	Good	-
RANGS Ltd for Car	1,130,000	12/11/11	Good	-
Paradigm Designer Den	50,000	24/3/11	Good	-
Next Capital Partner	200,000	3/2/11	Good	-
Titas Gas Transmission & Distribution Co. Ltd.	1,285,600	21/6/07	Good	1,285,600
Total	**7,672,592**			**12,817,408**

No.	Particulars	31-12-2011	31-12-2010
8.	**Bills Receivable**	**579,837,797**	**441,072,554**
	Trade debtors occurred in the ordinary course of business are	-	-
	unsecured but considered good. The summary of Accounts	-	-
	receiable are given below:	-	-
	(i) Export bill receivable (Details in Annexure-A)	481,423,925	362,579,328
	(ii) Case incentive	98,413,872	78,493,226
	(The export bills receivable are secured against confirmed L/C)		-

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No.	Particulars			Taka 31-12-2011	Taka 31-12-2010
9.	**Inventories (Annexure - B)**			**419,961,303**	**337,588,156**
	This consist of as follows:				
9.1	**Raw Materials & Consumables**			**204,071,815**	**175,127,180**
	Yarn			169,868,669	144,201,437
	Dyes & Chemicals			34,203,146	22,274,109
	Goods in Transit			-	8,651,634
9.2	**Store & Spares**			**9,165,429**	**3,165,429**
9.3	**WIP & Finished Goods**			**206,724,059**	**159,295,547**
	Work In Process (WIP)			45,564,749	39,096,235
	Finished Goods (RFD)			161,159,310	120,199,312

No.	Particulars	Cost Price	Market Price
10.	**Investment in Shares**	**5,265,427**	**3,663,917**
	BRAC EPL LTD		
	Company Name	**Cost Price**	**Market Price**
	ACI Formulations Limited	574,023	368,590
	Beximco Limited	1,741,053	934,819
	Fu- Wang Food	684,728	609,600
	National Bank Limited	33,246	30,960
	Navana CNG Limited	152,086	102,720
	Prime Insurance	519,984	399,000
	Square Pharmaceuticals Ltd	5,276	4,778
	United Airways (BD) Limited	1,269,056	960,000
		4,979,452	**3,410,467**
	SHAHIQ SECURITIES LTD		
	Aftab Auto	97,195	70,950
	EBL	68,840	65,800
	Uttara Bank	119,940	116,700
		285,975	**253,450**

10.1 Investment in Shares
(Gain/Loss & Cash Balance)

	Cost Price	Marker Price	Loss Unrealised	Loss Realised	Total	Cash Balance
BRAC EPL LTD	4,979,452	3,410,467	(1,628,236)	(2,226,553)	(3,854,789)	-
SHAHIQ SECURITIES LTD	285,975	253,450	(32,525)	-	(32,525)	214,017.00
Total	**5,265,427**	**3,663,917**	**(1,660,761)**	**(2,226,553)**	**(3,887,314)**	**214,017**

		Taka
10.2	**Dividend Income**	**99,099**
	BRAC EPL LTD	99,099

No.	Particulars		31-12-2011	31-12-2010
11.	**Cash and Cash Equivalent**		**28,199,621**	**55,936,938**
	Cash in hand		2,541,467	6,177,165
	Cash at bank	Note-11.1	25,658,154	49,759,773

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No.	Particulars	Taka 31-12-2011	Taka 31-12-2010
11.1	**Cash At Bank**	**25,658,154**	**49,759,773**
	Prime Bank CD A/C- 12511040000853	8,479,178	-
	Prime Bank CD A/C- 11019631	-	15,261,598
	SCB CD # 01-5172608-01	258,570	31,146
	LDBP Margin A/C	89,108	11,396,992
	FC US$ A/C-MBL	6,537,285	3,681,624
	FC Retention A/C-OBL	10,239,196	18,384,713
	Mercantile Bank Ltd CD A/C- 111-9812	54,817	1,003,701
12.	**Share Money Deposit**	-	**27,329,000**
	As per last A/C	27,329,000	
	Less-Adjusted during the year	(27,329,000)	

The Management of Argon Denims Ltd. has refunded the said deposit money on June 30, 2011

13. Revaluation Reserve

The revaluation of Argon Denims Ltd. was made by renowned pannel audit firm M. M. Rahman & Co. for necessary accounting treatment into the Financial Statement. BAS 16 has been complied with in regard to revaluation of company's particular class of Asset. Such observation has been taken from the panel Auditor M.M. Rahman & Co. Chartered Accountants.

Particulars	Book Value as on 01-01-2011	Revaluation Surplus as on 31-12-2011	Revalued Book value as on 31-12-2011
Land & Land Development	32,886,000	67,801,500	100,687,500
Building & Civil Constructions	141,085,155	84,089,023	225,174,178
Mechanical Fabrication	16,737,593	-	16,737,593
ETP & WTP	35,143,875	-	35,143,875
Capital Machinery	382,457,427	-	382,457,427
Furniture & Fixture	1,370,315	-	1,370,315
Motor Vehicles	3,150,091	-	3,150,091
Motor Vehicles	6,935,886	-	6,935,886
Office Equipments	2,014,502	-	2,014,502
Gas Line Installations	4,004,373	-	4,004,373
Motor & Pump	2,560,951	-	2,560,951
Electrical Installation	7,114,620	-	7,114,620
Air Condition(AC)	769,701	-	769,701
	636,230,488	**151,890,523**	**788,121,011**

Note : Detail of Adjustment of Reserve for Re-valuation of Fixed Assets is given in the Annexure-1 of the audited financial statements as on 31st December 2011

Summary of valuation Report

No.	Particulars of Assets	Assets Value (Amount Taka) Before Revaluation	Assets Value (Amount Taka) After Revaluation
01	Land & Land Development	32,886,000	100,687,500
02	Building & Civil Constructions	141,085,155	225,174,178

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Notes to the Accounts
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No.	Particulars	Taka 31-12-2011	Taka 31-12-2010
14.	**Long Term Loan (Details in Annexure -C)**	**252,125,852**	**310,252,581**
	One Bank Limited		
	Term Loan-1(For Capital Machinery)	231,974,363	260,587,913
	SBL:	-	-
	Long Term Loan(For Car)	333,742	498,024
	Mercantile Bank Ltd.	-	-
	Term Loan (For Capital Machinery)	93,645,408	106,880,058
	Term Loan (For House Building)	23,986,387	25,646,752
	Term Loan (Lease Finance For Capital Machinery)	37,599,404	34,839,833
	Total	**387,539,305**	**428,452,581**
	Less : Current portion of long term loan	135,413,453	118,200,000
15.	**Lease Finance**	**40,336,754**	**55,399,190**
	Lanka Bangla (Car)	28,529,297	947,082
	BIFC (For Machinery)	35,372,483	47,198,182
	BIFC (For Car)	6,063,028	7,253,926
		69,964,808	55,399,190
	Less : Current Portion of Long Term Loan	29,628,054	-
16.	**Short Term Loan**	**810,308,660**	**692,457,054**
	One Bank Limited		
	Bank Overdraft (A/c # 81832005)	14,811,824	12,416,125
	LTR Loan (For Raw Materials)	4,510,183	8,572,913
	Loan Against Bill Purchases	170,077,288	223,342,895
	Force Loan (For Raw Materials)	47,326,330	27,522,325
	Acceptance Liabilities (Raw Materials)	199,269,802	143,099,091
	EDF Liability	145,482,992	127,533,922
	Bridge Loan (For Expension)	72,229,330	-
	Mercantile Bank Ltd.		
	LTR (For Raw Materials)	40,740,631	16,404,379
	Loan Against Bill Purchases	110,779,437	98,118,023
	Acceptance Liabilities (Raw Materials)	-	30,594,003
	Bank Overdraft	5,080,842	4,853,376
17.	**Current Portion of Long Term Loan**	**165,041,507**	**118,200,000**
	Long Term Loan	135,413,453	118,200,000
	Lease Finance	29,628,054	-
18.	**Accrued Expenses**	**9,641,796**	**7,234,250**
	Gas bill	3,014,041	3,293,441
	Electricity bill	7,863	7,613
	Mobile bill	20,953	15,045
	Salary	6,130,802	3,207,019
	Overtime	108,154	150,329
	Garage Rent	4,000	2,500
	Security Bill	115,368	-
	Tax Deducted at Source	209,695	523,102
	VAT on Carriage Inward & Outward	30,920	35,201
19.	**Provision for WPPF**	**8,622,843**	-
	The company had created a fund for workers as "Worker's Profit Participation Fund" by 5% of the profit before charging such expenses and the fund transfer process is under consideration and pending for Board approval	8,622,843	
20.	**Provition for Audit Fees**	**75,000**	**45,000**
	Audit fees	75,000	45,000

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ARGON DENIMS LIMITED

Notes to the Accounts
as at December 31, 2011

No.	Particulars		Taka 31-12-2011	Taka 31-12-2010
21.	**Bills Payable**		**2,028,718**	**3,245,680**
	Everway Enginering		-	2,377,653
	Automotion Eng.		-	-
	BASF		-	79,000
	Janoni Sewing		36,000	55,000
	Masum Engineering			-
	Nazmul Traders		77,010	-
	Razzak Engineering		-	-
	Shin Power		337,230	-
	Sarker Cosmetic		14,065	-
	Security		-	90,306
	Shahara Printers		54,825	-
	Transport Bill (Fabric)/MN Transport		301,708	310,200
	Vehicle Rent/Kadrina Rent A Car		210,000	78,500
	Mahmud Denims Limited		-	255,021
	Ta-Seen Electrical House		2,055	-
	Barubin		55,000	-
	Wavelet Ltd		135,000	-
	Pfro Trading Service		58,275	-
	Eno Chemical Ltd		45,000	-
	EFA Enterprise Ltd		2,302	-
	Waso Engineers & Consultant		182,000	-
	Bhai Bhai Enterprise		66,000	-
	Shaha Jalal Trading Corp		53,900	-
	KM Corporation		121,750	-
	INTES Bangladesh		26,236	-
	Vision Travel Consultant		146,362	-
	Feedback Control & Automation		104,000	-

Note: No Related party transaction are included in bills payable.

No.	Particulars	Note	31-12-2011	31-12-2010
22.	**Cost of Goods Sold**		**906,762,689**	**799,672,985**
	Raw material Consumed	Note-22.1	785,238,516	663,357,880
	Factory overhead	Note-22.2	168,952,685	156,429,064
			954,191,201	819,786,944
	Add: Opening Work-in-Process		39,096,235	22,133,716
			993,287,436	841,920,660
	Less: Closing Work-in-Process		45,564,749	39,096,235
			947,722,687	802,824,425
	Add: Opening Stock of Finished Goods		120,199,312	117,047,872
			1,067,921,999	919,872,297
	Less: Closing Stock of Finished Goods		161,159,310	120,199,312
22.1	**Raw Material Consumed**		**785,238,516**	**663,357,880**
	Opening Stock of Raw Materials	Note-22.1.1	175,127,180	141,591,419
	Add : Purchase of Raw Material	Note-22.1.2	814,183,151	700,059,070
			989,310,331	841,650,489
	Less: Closing Stock of Raw Materials		204,071,815	178,292,609
22.1.1	**Opening Stock of Raw Materials**		**175,127,180**	**141,591,419**
	Yarn		144,201,437	120,435,023
	Dyes & Chemicals		22,274,109	21,156,396
	Goods in Transit		8,651,634	-

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ARGON DENIMS LIMITED

Notes to the Accounts
as at December 31, 2011

No.	Particulars	Taka 31-12-2011	Taka 31-12-2010
22.1.2	**Purchase of Raw Material**	**814,183,151**	**689,464,065**
	Yarn	721,491,136	614,438,885
	Dyes & Chemicals	92,692,015	66,373,546
	Goods in Transit	-	8,651,634
22.2	**Factory Overhead**	**168,952,685**	**156,429,064**
	Salaries & Wages	49,471,194	47,369,728
	Salary and Allowance	3,240,000	3,240,000
	Overtime	2,016,496	2,100,039
	Fooding Allowance	466,219	322,129
	Production & Attendance Allowance	21,300	31,570
	Night Allowance	295,770	310,957
	Officers Mess	161,204	232,866
	Washing and Cleaning	165,315	238,205
	Security Services	1,308,877	1,107,797
	Fabric Processing Charges	-	200,866
	Lease Rent	16,402,128	15,875,796
	Garage Rent	33,800	46,133
	Gas Bill	21,808,855	20,880,014
	Electricity	161,435	91,391
	Fuel & Lubricants	971,632	1,470,202
	Mending Charge	-	53,646
	Labour Charges	153,838	403,413
	Testing Expenses	317,328	319,018
	Carriage Inward	23,905	127,560
	Wastage Handling Charges	652,530	1,713,186
	Safety Materials	21,785	25,020
	Insurance Premium	2,059,626	2,265,833
	Loading & Unloading	-	13,146
	Packing Materials (Transporting)	728,841	314,492
	Gardening	21,685	20,453
	Salt purchases	19,110	11,053
	R/M (M. Vehicles)	959,626	867,266
	R/M (Machinery)	8,303,048	7,429,576
	Yarning Dyenng Charges	-	104,380
	Dreing Finishing Charges	-	41,301
	Medical Expenses	196,803	131,420
	Miscellaneous Expenses	224,092	161,271
	Depreciation	58,746,243	48,909,337

The number of employees/workers each who received salary and wages upto and above Tk. 36,000.00 per annum:

- Upto Tk. 36,000.00 = Nil
- Above Tk. 36,000.00 = 337 Nos.

23.	**Export Incentive**	**53,823,658**	**78,493,226**
	Export Incentive	53,823,658	78,493,226

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ARGON DENIMS LIMITED

Notes to the Accounts
as at December 31, 2011

No.	Particulars	Taka 31-12-2011	Taka 31-12-2010
24.	**Administrative Expenses**	**19,588,168**	**17,565,847**
	Salaries, Allowances	8,789,365	5,518,751
	Postage & Stamps	71,877	61,020
	Traveling Expense	878,060	880,027
	Conveyance	481,341	542,009
	Entertainment	357,878	340,730
	Fuel & Lubricants	507,264	1,055,200
	Vehicles Maintenance	329,376	1,008,008
	Lease Rent	2,142,160	2,523,406
	Fees & Forms	387,966	382,646
	Printing & Stationery	486,330	9,701
	Stationery	-	429,186
	Telephone, Mobile, E-mail etc.	616,294	799,906
	Toll & Tax	10	1,686
	Business Development Expensess	-	29,313
	Office Expenses	156,042	105,105
	House Rent	288,503	240,000
	Incidental Expenses	86,549	83,126
	Garage Rent	4,500	36,000
	Lisence Renewal Fees	-	521,803
	Annual Picnic	89,842	17,921
	Advetisement	-	85,893
	Legal & Professional Fees	96,113	86,666
	Software Develop	21,900	73,042
	Seminar & Symposium	-	9,000
	Donation & Subscription	75,300	75,533
	Miscellaneous Expenses	3,650	30,993
	Audit Fee	75,000	45,000
	Preliminary Expenses	521,599	-
	Computer Accessories	7,870	-
	Utility Bill	21,471	-
	Depreciation	3,091,908	2,574,176

The number of employees each who received salary and wages upto and above Tk. 36,000.00 per annum:

- Upto Tk. 36,000.00 = Nil
- Above Tk. 36,000.00 =37 Nos.

No.	Particulars	31-12-2011	31-12-2010
25.	**Selling and Distribution Expenses**	**3,456,938**	**3,751,469**
	Carriage Outward	1,516,750	1,463,073
	Sample & Complensation	1,940,188	2,288,396

No.	Particulars	OBL	MBL	Total	Total
26.	**Financial Expenses**	**87,185,460**	**39,272,041**	**126,457,501**	**108,174,528**
	Interest on Term Loan	32,217,500	23,488,106	55,705,606	52,016,163
	Interest on Force Loan	3,908,483		3,908,483	7,394,598
	Interest on Time Loan /LTR	7,745,769	6,323,533	14,069,302	16,675,674
	Interest on Overdraft	1,727,582	596,105	2,323,687	2,554,046
	Bank charges & Commission	5,720,683	980,086	6,700,769	4,216,374
	Interest on Bill Discount	35,865,443	7,884,211	43,749,654	25,317,673

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ARGON DENIMS LIMITED

Notes to the Financial Statement
for the year ended December 31, 2011

27. Earnings Per Share (EPS)

Since Tax Holiday Reserve is a part of shareholders equity, the amount of profit before Tax Holiday Reserve deserves to be considered in calculation of EPS. Tax Holiday Reserve is a part of Retained Earnings by the company enjoying tax exemption benefit as per provision of the section 46A sub-section-2, clause-C of Income Tax Ordinance 1984. Naturally Tax Holiday Reserve represents part of shareholders equity.

	Year ending 31-12-2011	Year ending 31-12-2010
27.1 Basic Earnings Per Share	**5.46**	**5.41**
Net Profit from Core Business	167,432,823	162,213,749
Number of shares outstanding as on 31-12-2011	30,000,000	30,000,000
Basic EPS on Core Business	**5.58**	**5.41**
Extra ordinary income (Other income)	(3,788,215)	-
Number of shares outstanding as on 31-12-2011	30,000,000	30,000,000
Basic EPS on Extra ordinary income (Other income)	**(0.12)**	**-**
27.2 Diluted Earnings Per Share	**5.46**	**5.41**
Net Profit/(Loss) after WPPF	163,834,018	162,213,749
Total existing number of shares as on 31-12-2011	30,000,000	30,000,000

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ARGON DENIMS LIMITED

Notes to the Financial Statement
for the year ended December 31, 2011

28. Net Assets Value (NAV) Per Share

28.1 NAV with Revaluation Reserve	**20.71**	**10.19**
Total Shareholders Equity with Revaluation Reserve	621,363,125	305,638,584
Total Number of Shares Outstanding as on 31-12-2011	30,000,000	30,000,000
28.2 NAV without Revaluation Reserve	**15.65**	**10.19**
Total Shareholders Equity without Revaluation Reserve	469,472,602	305,638,584
Total Number of Shares Outstanding as on 31-12-2011	30,000,000	30,000,000

29. Cash received from customers	**1,089,956,914**	**831,111,415**
Export income	1,178,686,714	1,012,885,352
Add : Last year receivable	441,072,554	180,805,391
	1,619,759,268	**1,193,690,743**
Less : Current year receivable	579,837,797	441,072,554
	1,039,921,471	**752,618,189**
Add : Other income	53,823,658	78,493,226
	1,093,745,129	**831,111,415**
Add : Gain/Loss on investment in share	(3,887,314)	-
	1,089,857,815	**831,111,415**
Add : Dividend income	99,099	-

30. Investment in shares	**6,336,083**	**(500,000)**
Balance as on 31-12-2010	10,000,000	9,500,000
Less: Balance as on 31-12-2011	3,663,917	10,000,000

31. Issuance of Bonus Share	**Retained Earnings**	**Tax Holiday Reserve**	**Total**
Balance as on 31-12-2010	123,382,684	82,255,900	205,638,584
(As per Changes in Equity Statement)			
Add: during the year	98,300,411	65,533,607	163,834,018
Total	**221,683,095**	**147,789,507**	**369,472,602**
Less: Issuence of Bonus Share-durign the year	160,000,000	40,000,000	200,000,000
Balance as on 31-12-2011	**61,683,095**	**107,789,507**	**169,472,602**
(As per Changes in Equity Statement)			

32. Capacity of Manufacturing & Actual

Stage	Capacity		
	Unit	Maximum	Achived
Warping	Mtr	11,500,000	6,718,273
Dyeing Sizing	Mtr	11,500,000	6,664,366
Weaving	Yds	9,700,000	6,552,565
Finishing	Yds	9,500,000	5,969,970
Inspection	Yds	8,400,000	5,817,793

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ARGON DENIMS LIMITED

as on 31-12-2011

Annexure - A

BILLS RECEIVABLE STATEMENT

Name of Buyer	Export L/c No. & Date		Invoice no & Date		Goods Qty. (Yds)	Amount (USD)	Bank Ref. No.& Dt.
Givensee Garments	089811040137	13-Mar-11	ADL/0106/11	8-Jun-11	27,000	104,760.00	07-348-11
AJ Fashions Ltd	086411040858	20-Apr-11	ADL/0108/11	11-Jun-11	7,800	24,570.00	LDBC/0203/11
East West Dress Pant Ltd	033611040633	26-May-11	ADL/0113/11	22-Jun-11	13,000	32,500.00	LDBC/0189/11
East West Dress Pant Ltd	033611040706	12-Jun-11	ADL/0123/11	17-Jul-11	26,700	66,750.00	LDBC/0223/11
Adams Apparels Ltd	021511040477	21-Jun-11	ADL/0128/11	27-Jul-11	2,792	9,911.60	LDBC/0242/11
Kaynat Ltd	033011042299	26-Jul-11	ADL/0130/11	31-Jul-11	15,900	44,520.00	LDBC-0237-11
Givensee Garments	089811040137	13-Mar-11	ADL/0133/11	6-Aug-11	10,400	43,472.00	07-435-11
Apparel Concept	194711040825	26-Jun-11	ADL/0136/11	14-Aug-11	13,566	40,698.00	07-460-11
Ananta Sportswear Ltd	155011040568	5-Apr-11	ADL/0138/11	14-Aug-11	7,000	19,950.00	07-459-11
Savar Shirts Ltd	265511030001	25-Jul-11	ADL/0137/11	14-Aug-11	59,946	179,684.98	LDBC/0248/11
Shinest Apparels	297311040075	24-Jul-11	ADL/0139/11	20-Aug-11	75,844	229,106.80	LDBC-0259-11
Primordial Ltd	195711040276	11-Aug-11	ADL/0141/11	20-Aug-11	20,005	54,013.50	LDBC-0251-11
Adams Apparels Ltd	021511040477	21-Jun-11	ADL/0143/11	20-Aug-11	1,637	4,501.75	LDBC/0261/11
Optimum Ltd.	ILC0796110410241	6-Jul-11	ADL/0142/11	20-Aug-11	114,000	302,400.00	LDBC/0247/2011
Safwan Garments	000411040549	11-Aug-11	ADL/0140/11	20-Aug-11	18,829	50,838.30	07-445-11
Pioneer Apparels Ltd	174111043309	31-Jul-11	ADL/0144/11	27-Aug-11	16,490	46,996.50	LDBC-0276-11
Cloth & Fashion	194911043475	11-Aug-11	ADL/0146/11	6-Sep-11	4,200	10,080.00	LDBC/0278/11
Knit Horizon Ltd	304511040689	29-08-11	ADL/0147/11	8-Sep-11	30,000	118,500.00	LDBC/0280/11
Adams Apparels Ltd	021511040646	21-Aug-11	ADL/0148/11	10-Sep-11	1,435	3,515.75	LDBC/0271/11
Gemtex Ltd.	093011041548	14-Aug-11	ADL/0149/11	10-Sep-11	20,595	49,812.25	07-457-11
Gemtex Ltd.	093011041548	14-Aug-11	ADL/0149/11	10-Sep-11	20,595	49,812.25	IDBP/07/457/11
Apparel Concept	194711040825	26-Jun-11	ADL/0151/11	14-Sep-11	50,000	170,000.00	07-0464-11
ZM Apparels	001511040052	24-Aug-11	ADL/0152/11	17-Sep-11	8,240	20,503.00	LDBC-282-11
KG Garments	100311041845	14-Sep-11	ADL/0153/11	18-Sep-11	8,500	21,250.00	LDBC/0277/11
So Nice Garments	0686110414966	12-Sep-11	ADL/0154/11	18-Sep-11	5,250	15,750.00	07-500-11
Crest Garments	086211044365	14-Aug-11	ADL/0155/11	18-Sep-11	8,520	24,282.00	07-491-11
Shinest Apparels	297311040075	24-Jul-11	ADL/0156/11	20-Sep-11	57,640	173,994.40	LDBC/0274/11
Savar Shirts Ltd	265511030004	7-Sep-11	ADL/0157/11	20-Sep-11	33,451	100,236.53	LDBC/281/11
Primordial Ltd	195711040276	11-Aug-11	ADL/0158/11	21-Sep-11	15,004	40,510.80	LDBC-0286-11
Safwan Garments	000411040549	11-Aug-11	ADL/0159/11	21-Sep-11	21,963	59,300.10	07-468-11
Optimum Ltd.	ILC0796110413832	13-Sep-11	ADL/0160/11	24-Sep-11	187,268	500,000.00	07-463-11
Lusaka Fashion	175211040896	25-Aug-11	ADL/0161/11	25-Sep-11	3,400	9,690.00	LDBC-0296-11
Aman Knitting	107911040424	2-Aug-11	ADL/0162/11	2-Oct-11	3,000	7,050.00	LDBC-0301-11
Monowara Apparels	135911040321	20-Sep-11	ADL/0163/11	3-Oct-11	6,710	16,775.00	LDBC-0290-11
A & A Trousers	033111040217	25-Sep-11	ADL/0164/11	4-Oct-11	14,275	37,336.25	LDBC-0300-11
United Apparels	0686110414483	25-Aug-11	ADL/0165/11	9-Oct-11	6,902	14,526.90	LDBC-0314-11
Ananta Sportswear Ltd	155011041546	3-Oct-11	ADL/0166/11	10-Oct-11	8,755	24,514.00	IDBP-528-11
Primordial Ltd	195711040276	11-Oct-11	ADL/0167/11	10-Oct-11	14,802	39,965.40	LDBC-0312-11
AJ Fashions Ltd	086411041716	21-Aug-11	ADL/0168/11	11-Oct-11	7,000	23,646.00	LDBC-0302-11
Optimum Ltd.	ILC0796110410241	6-Jul-11	ADL/0169/11	12-Oct-11	86,450	253,665.21	LDBC/0295/11
Optimum Ltd.	ILC0796110413832	13-Sep-11	ADL/0170/11	12-Oct-11	13,182	32,955.00	07-490-11
Savar Shirts Ltd	265511030005	13-Sep-11	ADL/0171/11	13-Oct-11	29,919	87,964.71	LDBC-0303-11
Rowsan Apparels	088511040727	29-Sep-11	ADL/0172/11	15-Oct-11	39,555	98,887.50	07-544-11
Sharmin Fashion	019511040569	7-Aug-11	ADL/0173/11	17-Oct-11	37,853	113,167.92	LDBC-0340-11
Sharmin Fashion	019511040569	7-Aug-11	ADL/0173-i/11	17-Oct-11	24,027	77,030.56	

Hall-Mark	175511040248	5-Oct-11	ADL/0174/11	17-Oct-11	21,690	62,901.00	07-522-11
Shinest Apparels	297311040075	24-Jul-11	ADL/0175/11	18-Oct-11	62,500	190,625.00	LDBC-0311-11
Tammam Design	175211040994	2-Oct-11	ADL/0177/11	18-Oct-11	4,000	11,400.00	LDBC-0327-11
Lusaka Fashion	175211040896	25-Aug-11	ADL/0176/11	19-Oct-11	2,400	6,840.00	LDBC-0360-11
Tammam Design	175211040970	26-Sep-11	ADL/0179/11	23-Oct-11	12,500	33,750.00	07-531-11
Optimum Ltd.	ILC0796110413832	13-Sep-11	ADL/0178/11	23-Oct-11	2,700	6,750.00	07-502-11
Tammam Design	175211040970	26-Sep-11	ADL/0179/11	23-Oct-11	12,500	33,750.00	
Optimum Ltd.	ILC0796110413745	12-Sep-11	ADL/0180/11	23-Oct-11	52,000	163,800.00	07-501-11
Section Seven	ILC0801110414463	25-Sep-11	ADL/0181/11	25-Oct-11	1,300	3,900.00	LDBC-0344-11
Safwan Garments	000411040549	11-Aug-11	ADL/0184/11	1-Nov-11	10,654	28,765.80	07-537-11
Anupam Fashionwear	107711040086	31-Oct-11	ADL/0185/11	14-Nov-11	2,600	6,760.00	LDBC-0351-11
Alliance Garments Ltd.	020111040836	14-Sep-11	ADL/0182/11	15-Nov-11	50,350	130,910.00	LDBC-0331-11
Babylon Garments	086211045275	5-Oct-11	ADL/0186/11	15-Nov-11	29,922	80,779.40	LDBC-0332-11
Savar Shirts Ltd	265511030005	13-Sep-11	ADL/0187/11	15-Nov-11	51,407	150,622.51	LDBC-0335-11
Corona Fashion	086211045695	23-Oct-11	ADL/0188/11	17-Nov-11	3,900	9,956.00	07-566-11
TM Fashions Ltd.	108011040766	26-10-11	ADL/0189/11	17-Nov-11	4,120	11,330.00	LDBC-0347-11
Proshiu Bastra Ltd.	160611040235	3-Nov-11	ADL/0190/11	19-Nov-11	5,000	8,500.00	LDBC-0339-11
Adams Apparels Ltd	021511040759	4-Oct-11	ADL/0191/11	21-Nov-11	1,630	4,564.00	LDBC-0343-11
Primordial Ltd	195711040276	11-Aug-11	ADL/0192/11	22-Nov-11	19,689	53,160.30	LDBC-0349-11
Alliance Garments Ltd.	020111040836	14-Sep-11	ADL/0193/11	23-Nov-11	49,050	127,530.00	LDBC-0354-11
Shagore Garments	ILC0796110415903	17-Oct-11	ADL/0194/11	23-Nov-11	55,250	143,650.00	07-538-11
Rowsan Apparels	088511040727	29-Sep-11	ADL/0198/11	29-11-11	36,664	91,660.00	07-544-11
Babylon Garments	086211045275	5-Oct-11	ADL/0199/11	29-11-11	12,098	31,125.60	LDBC-0356-11
Hall-Mark	175511040275	25-Oct-11	ADL/0200/11	30-11-11	3,990	11,571.00	
Jeans Mfg. Co. Ltd.	0664110419570	24-Nov-11	ADL/0201/11	1-Dec-11	11,888	32,097.60	LDBC-0346-11
Apparel Concept	194711041285	2-Nov-11	ADL/0202/11	4-Dec-11	1,500	4,125.00	LDBC-0358-11
Interfab Shirt Mfg. Ltd	0686110419784	28-Nov-11	ADL/0203/11	4-Dec-11	600	1,680.00	LDBC-0359-11
Knit Horizon Ltd	304511040824	26-Oct-11	ADL/0204/11	4-Dec-11	10,936	31,167.60	LDBC-0352-11
Anika Garments	000711040213	30-Nov-11	ADL/0205/11	7-Dec-11	5,208	13,540.80	
Rowsan Apparels	088511040727	29-Sep-11	ADL/0206/11	10-Dec-11	31,981	79,952.50	
Uranus App. Ltd.	0664110419432	22-Nov-11	ADL/0207/11	12-Dec-11	5,060	13,662.00	
Apparel Concept	194711041285	2-Nov-11	ADL/0208/11	12-Dec-11	37,764	98,941.68	LDBC-0357-11
Apparel Concept	194711041285	2-Nov-11	ADL/0208/11(i)	12-Dec-11	29,920	79,311.40	
Supershine Apparels	194511043764B	30-Nov-11	ADL/0209/11	13-Dec-11	2,600	7,410.00	
Orchid Style Ltd.	089911040153	24-Nov-11	ADL/0210/11	14-Dec-11	4,900	9,310.00	
Doreen Garments	009311045625	2-Oct-11	ADL/0211/11	18-Dec-11	33,000	84,100.00	
Sienkee Apparels Ltd	153911043473	18-Dec-11	ADL/0212/11	20-Dec-11	34,000	85,000.00	LDBC-0362-11
Sienkee Apparels Ltd	153911043475	18-Dec-11	ADL/0213/11	20-Dec-11	20,000	50,000.00	LDBC-0361-11
SF Denims Ltd.	154611040914	2-Nov-11	ADL/0214/11	21-Dec-11	21,480	57,888.60	LDBC
Rowsan Apparels	088511040727	29-Sep-11	ADL/0215/11	24-Dec-11	47,385	108,985.50	
Rowsan Apparels	088511040893	28-Nov-11	ADL/0216/11	24-Dec-11	2,350	5,405.00	
Optimum Ltd.	ILC0796110417925	24-Nov-11	ADL/0218/11	24-Dec-11	15,100	39,260.00	LDBC-0368-11
Cloth & Fashion	194911045009	16-Nov-11	ADL/0219/11	24-Dec-11	13,253	23,855.40	
EH Fabrics	108611040419	20-Nov-11	ADL/0220/11	24-Dec-11	8,946	23,259.60	
Galpex Ltd.	086411042371	1-Dec-11	ADL/0221/11	25-Dec-11	6,380	20,416.00	
Basic Apparels Ltd	168111040199	13-Oct-11	ADL/0222/11	27-Dec-11	41,062	110,046.16	
Babylon Garments	086211046492	30-Nov-11	ADL/0223/11	27-Dec-11	9,075	24,270.00	
ABM Apparels Ltd	086211047026	26-Dec-11	ADL/0224/11	29-Dec-11	5,130	11,542.50	
Sienkee Apparels Ltd	153911043119	4-Dec-11	ADL/0225/11	29-Dec-11	6,900	19,320.00	
Civic Apparels Ltd	194911045066	20-Nov-11	ADL/0226/11	31-Dec-11	6,733	17,505.80	
Well Dresses Ltd.	156411040236	13-Oct-11	ADL/0195/11	11/272011	12,425	33,547.50	LDBC-0363-11
Interfab Shirt Mfg. Ltd	0686110419784	20-Nov-11	ADL/0217/11	12/42/2011	1,100	3,080.00	
					2,133,990	**5,942,676**	
						481,423,925.25	

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Pinaki & Company

Continuation Sheet..........

ARGON DENIMS LIMITED
as at 31-12-2011

A) Opening Inventory

Annexure - B

i) Opening Raw Materials

SL NO	Name of Items	Unit	Quantity	Amount in Taka
1	Yarn	KG	144,201,437	144,201,437
2	Dyes & Chemicals	KG	313,720	22,274,109
3	Goods in Transit (Yarn)	KG	46,766	8,651,634
	Total			**175,127,180**

ii) Opening Work in Process :

SL NO	Name of Items	Unit	Quantity	Amount in Taka
1	Warping -Yarn	KG	7,170	1,814,024
2	Sizing & Dyeing-Yarn	KG	27,373	5,556,725
3	Sizing & Dyeing-Dyes & Chemical	KG	5,480	669,725
4	Weaving -Yarn	KG	57,850	18,280,586
5	Weaving -Fabric	YDS	36,206	4,779,133
6	Fabric on Finishing	YDS	53,167	7,709,352
7	Fabric on Finishing-Dyes & Chemical	KG	5,210	286,690
	Total			**39,096,235**

iii) Opening Finished Goods

Sl. No	Name of Products	Unit	Quantity	Amount in Taka
1	100% Cotton Denims	YDS	320,631	60,099,656
2	Cotton Stretch Denim	YDS	267,110	54,089,690
3	Cotton Polyester Stretch Denim	YDS	13,355	2,403,987
4	Light weight shirting denim	YDS	17,171	3,605,979
			618,267	**120,199,312**

iv) Opening Spare Parts

SL NO	Name of Products	Unit	Quantity	Amount in Taka
1	Mechanical- Spare Parts	N/A	N/A	1,107,895
2	Electrical- Spare Parts	N/A	N/A	1,614,369
3	Lubricants- Spare Parts	N/A	N/A	443,165
				3,165,429

v) Purchases of Raw Materials

SL NO	Name of Items	Unit	Quantity	Amount in Taka
1	Yarn	KG	2,578,504	721,491,136
2	Dyes & Chemicals	KG	1,269,580	92,692,015
	Total			**814,183,151**

vi) Import of Raw material & Spares

Sl. No	Name of Products	Unit	Quantity	Amount in US$
1	Raw Materials (Yarn, Dyes & Chemicals	KG		9,800,550
2	Stores & Spares Parts	NA		23,603
				9,824,153

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Pinaki & Company

Continuation Sheet.........

ARGON DENIMS LIMITED
as at 31-12-2011

Annexure - B

i) Closing Raw Materials

SL NO	Name of Items	Unit	Quantity	Amount in Taka
1	Yarn	KG	572,045	169,868,669
2	Dyes & Chemicals	KG	301,801	34,203,146
	Total			**204,071,815**

ii) Closing Work in Process :

SL NO	Name of Items	Unit	Quantity	Amount in Taka
1	Warping -Yarn	KG	7,840	2,300,671
2	Sizing & Dyeing-Yarn	KG	9,589	3,757,320
3	Sizing & Dyeing-Dyes & Chemical	KG	8,711	1,104,257
4	Weaving -Yarn	KG	39,920	17,533,999
5	Weaving -Fabric	YDS	50,364	7,231,724
6	Fabric on Finishing	YDS	87,287	13,636,778
	Total			**45,564,749**

iii) Closing Stock of Finished Fabric

SL NO	Name of Products	Unit	Quantity	Amount in Taka
1	100% Cotton Denim	YDS	446,803	80,775,472
2	Cotton Stretch Denim	YDS	372,336	72,006,218
3	Cotton Polyester Stretch Denim	YDS	18,617	3,351,060
4	Light weight Shirting Denim	YDS	23,936	5,026,560
			861,692	**161,159,310**

iv) Closing Spare Parts

SL NO	Name of Products	Unit	Quantity	Amount in Taka
1	Mechanical- Spare Parts	N/A	N/A	3,161,124
2	Electrical- Spare Parts	N/A	N/A	4,670,656
3	Lubricants- Spare Parts	N/A	N/A	1,333,649
				9,165,429

v) Raw Materials Consumed

SL NO	Name of Items	Unit	Quantity	Amount in Taka
1	Yarn	KG	2,753,617	695,823,904
2	Dyes & Chemicals	KG	1,281,499	80,762,978
3	Goods in Transit	KG	46,766	8,651,634
	Total			**785,238,516**

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Continuation Sheet ....

ARGON DENIMS LIMITED

Credit Facility for Different Banks and Financial Institutions as on 31/12/2011

Annexure-C

Name of Bank	Branch	Nature Of Loan	Collateral		Rate of Interest	Limit	Date Of Expiry
ONE Bank Ltd	Kawranbazar Branch	Term Loan	380.50 Decimal Land	Mortgage	13.00	255,400,000	11/30/2014
		Time Loan (Expension Proj)	Building & Machinery	First Charges	14.00	100,000,000	6/30/2012
		Overdraft	Inventory	First Charges	14.00	15,000,000	5/31/2012
		Working Capital (LC/Accpt/LTR)	Inventory	First Charges	14.00	350,000,000	5/31/2012
		Loan against Bill Purchases	Confirm Export LC with Maturity Letter		14.00	250,000,000	5/31/2012
Mercantile Bank Ltd	Banani Branch	Term Loan (Machinery)	22.25 Decimal Land Mortgage		14.50	125,000,000	3/18/2014
		Term Loan (House Building)	Building & Machinery	First Charges	14.50	25,000,000	3/25/2015
		Term Loan (Machinery)	Building & Machinery	First Charges	14.50	34,000,000	3/25/2015
		Overdraft	Inventory	First Charges	16.00	5,000,000	3/18/2014
		Loan against Bill Purchases	Confirm Export LC with Maturity Letter		16.00	200,000,000	12/31/2012
		Working Capital (LC/Accpt/LTR)	Inventory	First Charges	16.00	150,000,000	12/31/2012
Bangladesh Industrial Finance Corporation (BIFC)	Motijheel	Lease Finance (For Machinery)	Machinery	First Charges	16.00	50,000,000	9/23/2015
		Lease Finance (Car)	Vehical	First Charges	14.25	9,800,000	6/15/2015
LankaBangla Finance Ltd	Banani Branch	Car loan	Vehicle	First Charges	17.00	32,380,000	8/20/2015
Standard Bank Ltd	Dhanmondi Br.	Car loan	Vehicle	First Charges	16.00	800,000	8/18/2013

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Continuation Sheet ....

ARGON DENIMS LIMITED
for the year ended December 31, 2011

Year wise Break up on Interest Charged: Annexure - D

Particulars	2007	2008	2009			2010			2011			Total
		OBL	OBL	MBL	Total	OBL	MBL	Total	OBL	MBL	Total	
Interest On Term Loan	10,827,857	38,688,555	35,125,492	13,728,608	48,854,100	32,632,377	19,383,786	52,016,163	32,217,500	23,488,106	55,705,606	195,264,424
Interest on Force Loan		4,909,729	7,249,960	-	7,249,960	7,394,598	-	7,394,598	3,908,483	-	3,908,483	23,462,770
Interest on Time Loan/LTR	92,825		10,851,585	757,947	11,609,532	12,257,072	4,418,602	16,675,674	7,745,769	6,323,533	14,069,302	42,354,508
Interest on Overdraft			2,105,256	262,757	2,368,013	2,083,317	470,729	2,554,046	1,727,582	596,105	2,323,687	7,245,746
Interest On Bill Discount		4,336,690	12,972,859	489,753	13,462,612	21,717,186	3,600,488	25,317,674	5,720,683	980,086	6,700,769	49,817,745
Bank Charg & Commission		5,030,286	1,678,250	1,098,166	2,776,416	2,842,559	1,373,814	4,216,373	35,865,443	7,884,211	43,749,654	55,772,729
Interest on Bridge Loan (Expansion)	-	-	-	-	-	-	-	-	3,180,552	-	3,180,552	3,180,552
Total	10,920,682	52,965,260	69,983,402	16,337,231	86,320,633	78,927,109	29,247,419	108,174,528	90,366,012	39,272,041	129,638,053	377,098,474
Less: Charged as Financial Expenses	-	27,352,901	69,983,402	16,337,231	86,320,633	78,927,109	29,247,419	108,174,528	87,185,460	39,272,041	126,457,501	348,305,563
Capitalized	**10,920,682**	**25,612,359**	**-**	**-**	**-**	**-**	**-**	**-**	**3,180,552**	**-**	**3,180,552**	**28,792,911**

IDCP Capitalised during the year	**2008**
IDCP-2007	10,920,682
IDCP-2008	25,612,359
	36,533,041

Allocation

Building	9,201,997
Machinary	27,331,044
Total	**36,533,041**

IDCP Capitalised during the year 2011
(Capital WIP)

IDCP-2011	**3,180,552**

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Pinaki & Company

Continuation Sheet ....

ARGON DENIMS LIMITED

As at 31-12-2011

SALES FOR THE YEAR 2011

Annexure - E

Name of Buyer	Export L/c No. & Date		Invoice no & Date		PI No. & Date		Goods Qty. (Yds)	Amount (USD)	Amount in Taka
Liberty Fashion	296710042360	22-Dec-10	ADL/01/11	1-Jan-11	10379	22-Dec-10	8,400	26,880	1,938,935.04
Cloth & Fashion	194910045378	8-Nov-10	ADL/02/11	1-Jan-11	10352,11003 &1034	20/27-10-10	21,453	57,663	4,159,390.75
Mahmud Jeans	088810040835	5-Dec-10	ADL/03/11	1-Jan-11	10376	24-Nov-10	4,838	14,514	1,046,938.36
Shirtmakers Ltd	ILC0801100414418	8-Nov-10	ADL/04/11	1-Jan-11	10311	2-Oct-10	4,970	19,056	1,374,566.45
Mahmud Jeans	088810040834	5-Dec-10	ADL/05/11	2-Jan-11	014,15,16 &10373,3	22-Nov-10	39,699	106,584	7,688,256.13
Standard Group	154610041022	14-Nov-10	ADL/06/11	4-Jan-11	10353	2-Nov-10	11,899	32,717	2,359,957.33
Experience Clothing	431310040155	14-09-10	ADL/007/10	8-Jan-11	10380	7-Dec-10	12,000	36,000	2,596,788.00
Hallmark Design Wear Ltd	037010042177	21-12-11	ADL/008/10	10-Jan-11	11021	12-Dec-11	15,500	48,825	3,521,893.73
Friends Stylewear Ltd	195710040857	5-Dec-10	ADL/009/10	10-Jan-11	11009 & 10366	30-Nov-10	36,761	101,093	7,292,123.34
Rowsan Apparels	088510040780	12-Oct-10	ADL/010/10	11-Jan-11	10323	4-Oct-10	34,998	69,996	5,049,021.47
Mahmud Jeans	088810040834	15-Dec-10	ADL/011/11	15-Jan-11	014,15,16 &10373,3	22-Nov-10	54,000	148,500	10,711,750.50
Crest Garments Ltd.	086210046491	27-Oct-10	ADL/012/11	18-Jan-11	10347	13-Aug-10	9,246	23,115	1,667,354.30
Pioneer Apparels	174110045314	21-Oct-10	ADL/013/11	18-Jan-11	10332,36&37	14-Oct-10	12,237	29,369	2,118,459.65
Fashion Forum	013810042491	12-Dec-10	ADL/014/11	24-Jan-11	11024	1-Dec-10	12,359	30,280	2,184,154.78
Babylon Casualwear	086210046632	1-Nov-11	ADL/015/11	24-Jan-11	11022	24-Nov-10	4,100	11,070	798,512.31
Friends Stylewear Ltd	195710040857	5-Dec-10	ADL/016/11	27-Jan-11	11009&10366	30-Nov-10	51,726	142,378	10,270,130.63
Tammam Design Ltd	175210041196	12-Dec-10	ADL/017/11	27-Jan-11	11017	23-11-10	9,318	35,903	2,589,791.10
Pioneer Apparels ltd	174110045640	2-Nov-10	ADL/018/11	29-Jan-11	10346	24-Nov-10	3,050	7,625	550,014.13
A Plus Ind.	086210047328	30-Nov-10	ADL/019/11	31-Jan-11	11013®	24-Nov-11	10,800	25,920	1,869,687.36
Friends Stylewear Ltd	195710040857	5-Dec-10	ADL/020/11	2-Feb-11	11009&10366	30-Nov-10	37,806	103,032	7,431,971.19
E H Fabrics Ltd.	188310040589	24-10-10	ADL/021/11	2-Feb-11	10340 & 11004	14&27-10-10	62,760	172,590	12,449,434.47
Babylon Casualwear	086211040581	27-Jan-11	ADL/022/11	2-Feb-11	11032®	26-Jan-11	32,650	114,275	8,242,998.58
Unitrade Fashions	ILC0807110401176	24-Jan-11	ADL/023/11	2-Feb-11	10354&10355	30-Oct-10	10,025	20,853	1,504,153.38
Wintex Garments	000110042144	22-Sep-10	ADL/024/11	6-Feb-11	10247	22-09-10	52,461	110,168	7,946,755.56
Century Design	208111040013	30-Jan-11	ADL/025/11	6-Feb-11	11054	25-Jan-11	1,000	2,600	187,545.80
AJ Super Garments Ltd	021610040896	9-Dec-10	ADL/026/11	9-Feb-11	11023	29-Nov-10	33,269	99,807	7,199,378.33
Mahmud Jeans Ltd	088810040568	30-Aug-10	ADL/027/11	10-Feb-11	11060	1-Feb-11	6,000	16,800	1,211,834.40
Dawn Garments	086210047171	14-Nov-10	ADL/028/11	10-Feb-11	11010	13-Nov-10	7,340	23,488	1,694,259.90
Rowsan Garments	088510040934	30-Nov-10	ADL/029/11	10-Feb-11	11002	11-Nov-10	30,750	70,725	5,101,606.43
Smart Jeans Ltd	222011040003	9-Feb-11	ADL/030/11	14-Feb-11	11030	22-Dec-10	8,500	21,250	1,532,826.25
Ananta Sportswear Ltd.	155011040052	9-Jan-11	ADL/031/11	14-Feb-11	18200	22-Dec-10	18,200	45,500	3,282,051.50
Givensee Garments	089811040071	9-Feb-11	ADL/032/11	19-Feb-11	11027&11028	18-Dec-10	25,225	85,765	6,186,486.75
Ananta Sportswear Ltd.	155011040052	9-Jan-11	ADL/033/11	20-Feb-11	29,11034,11035&11	22-Dec-10	7,350	18,375	1,325,443.88
Vision App.	020110040597	29-Jul-10	ADL/034/11	20-Feb-11	11049	20-Jan-11	1,977	5,931	427,820.82
KG Garments	100311040332	6-Feb-11	ADL/035/11	22-Feb-11	11056	29-Jan-11	8,000	24,000	1,731,192.00
Shagore garments	ILC0796110401607	1-Feb-11	ADL/036/11	24-Feb-11	11025&11026	25/26-Jan-11	37,000	111,000	8,006,763.00
Optimum Ltd.	ILC0796100414781	11-Nov-11	ADL/037/11	24-Feb-11	11007&11008	8-Nov-11	100,000	300,000	21,639,900.00
Natural App	174111040384	24-Jan-11	ADL/038/11	24-Feb-11	11033	30-Dec-10	26,800	97,177	7,009,654.11
Arva Textile Ltd	215411040038	27-Jan-11	ADL/039/11	24-Feb-11	11041	23-Dec-10	15,764	47,292	3,411,313.84
Fashion Forum	013810042491	12-Dec-10	ADL/040/11	24-Feb-11	11024	1-Dec-10	11,891	29,727	2,144,297.69
Friend Stylewear	195710040857	5-Dec-10	ADL/041/11	24-Feb-11	11009&10366	30-Nov-10	16,071	43,392	3,129,973.50
AJ Super Garments Ltd	021611040062	23-Jan-11	ADL/042/11	24-Feb-11	11037 ®	9-Jan-11	23,313	82,761	5,969,810.03
Wintex Garments	000110042144	22-Sep-10	ADL/043/11	26-Feb-11	10247	5-Aug-10	10,500	22,050	1,590,532.65
Arva Textile Ltd	215411040038	27-Jan-11	ADL/044/11	1-Mar-11	11041	23-Dec-10	7,711	23,133	1,668,652.69
Apparel Concept	194711040091	20-Jan-11	ADL/045/11	1-Mar-11	11005&11006	2-Dec-10	14,000	44,800	3,231,558.40
A.M.Design Ltd.	133511040132	27-Jan-11	ADL/046/11	5-Mar-11	110461	15-Jan-11	2,145	7,293	526,065.97
Mahmud Jeans Ltd	088810040834	5-Dec-10	ADL/047/11	5-Mar-11	11061(Revised)	27-Feb-11	2,200	6,050	436,404.65
Vision Garments	020110040597	29-Jul-10	ADL/048/11	6-Mar-11	11050	20-01-11	4,250	13,387	965,644.47
Intramax Apparels Ltd	134911040097	9-Feb-11	ADL/049/11	6-Mar-11	11059	31-01-11	6,500	20,800	1,500,366.40
Fashion Forum	013810042491	12-Dec-10	ADL/050/11	7-Mar-11	11069	24-02-11	976	2,391	172,484.43
Apparel Concept	194711040091	20-Jan-11	ADL/051/11	7-Mar-11	11005&11006	2-Dec-10	6,315	19,082	1,376,441.91
EH Fabrics	188310040589	24-10-10	ADL/052/11	8-Mar-11	10340&11004	27-10-10	1,682	4,625	333,615.13
Adams Apparels	021511040065	23-Jan-11	ADL/053/11	8-Mar-11	11048	20-Jan-11	6,800	24,820	1,790,341.06
Cloth & Fashion	194911040426	30-Jan-11	ADL/054/11	11-Mar-11	11043,44,52&53	24,27/12/10&24/01/11	15,250	48,250	3,480,417.25
AJ Super Garments Ltd	021611040062	23-Jan-11	ADL/055/11	12-Mar-11	11037®	9-Jan-11	26,514	94,125	6,789,496.99
Wintex Garments	000110042144	22-Sep-10	ADL/056/11	12-Mar-11	10247	5-Aug-10	33,597	70,554	5,089,250.04
Dawn Garments	086210047801	20-Dec-10	ADL/057/11	15-Mar-11	11012-B,11012-B	18-12-10	20,000	58,000	4,183,714.00
EH fabrics Ltd	108611040015	15-Feb-11	ADL/058/11	16-Mar-11	11051	5-Feb-11	11,400	37,620	2,713,643.46
Givensee Garments	089811040071	109-02-11	ADL/059/11	16-Mar-11	11027&11028	18-02-11	6,575	22,355	1,612,533.22
EH fabrics	108611040007	3-Feb-11	ADL/060/11	20-Mar-11	11038	4-Dec-10	11,560	30,634	2,209,722.32
Aman Knitting Ltd	107911040160	13-Mar-11	ADL/061/11	21-Mar-11	11080	5-Mar-11	2,000	5,000	360,665.00
AJ Fashions Ltd	086411040293	6-Feb-11	ADL/062/11	22-Mar-11	11047& 11057	1-Feb-11	36,100	92,055	6,640,203.32
Dawn Garments	086210047801	20-Dec-10	ADL/063/11	22-Mar-11	11012-B,11012-B	18-12-10	40,000	116,000	8,367,428.00
Optimum Ltd.	ILC0796100414781	11-Nov-10	ADL/064/11	24-Mar-11	11008 & 11007	8-Nov-11	166,700	500,265	36,085,615.25
Islam Garments	ILC0796110402470	20-Feb-11	ADL/065/11	27-Mar-11	11063	6-Feb-11	8,050	22,878	1,650,265.99
AJ Fashions Ltd	086411040293	6-Feb-11	ADL/066/11	29-Mar-11	11047& 11057	1-Feb-11	16,600	53,950	3,891,575.35
AJ Super Garments Ltd	021611040062	23-Jan-11	ADL/067/11	30-Mar-11	11037®	9-Jan-11	21,173	75,164	5,421,815.63
Sharmin Fashion	019511040211	3-Apr-11	ADL/068/11	30-Mar-11	11011	16-Mar-11	106,171	360,981	26,038,671.33
Dawn Garments	086210047801	20-Dec-10	ADL/069/11	30-Mar-11	11012-B,11012-A	18-12-10	89,650	259,985	18,753,498.01

Optimum Ltd.	ILC0796100414781	11-Nov-10	ADL/070/11	31-Mar-11	11008 & 11007	8-Nov-11	158,300	475,985	34,334,226.01
Norp Knit Ind.	BBCDAK101392	24-Jan-11	ADL/068/11	4-Apr-11	11020	29-Dec-10	7,750	25,963	1,890,836
Hallmark Design Wear Ltd	037011040110	13-Feb-11	ADL/069/11	4-Apr-11	11062	2-Feb-11	8,926	28,117	2,047,740
AJ Super Garments Ltd	021310040896	9-Dec-10	ADL/070/11	6-Apr-11	11023	29-Nov-10	1,731	5,193	378,204
Sharmin Fashion	019511040211	3-Apr-11	ADL/071/11	10-Apr-11	11011	16-Mar-11	106,171	360,981	26,290,095
Sadma Fashionwear Ltd	175911040216	4-Apr-11	ADL/072/11	11-Apr-11	11066	13-Mar-11	6,195	17,656	1,285,859
A & A Trousers Ltd.	215011040202	27-Mar-11	ADL/073/11	13-Apr-11	11067,70.71,72&73	23-Feb-11	20,441	72,777	5,300,331
Jeans Mfg. Co. Ltd	0664110403979	7-Mar-11	ADL/074/11	16-Apr-11		13-Feb-11	7,100	18,460	1,344,433
A & A Trousers Ltd.	215011040326	13-Apr-11	ADL/075/11	18-Apr-11	11105&11106	4-Feb-11	3,870	11,296	822,675
Dawn Garments	086210047801	20-Dec-10	ADL/076/11	19-Apr-11	11012-B,11012-B	18-12-10	43,986	127,559	9,290,087
Sharmin Fashion	019511040211	3-Apr-11	ADL/077/11	21-Apr-11	11011	16-Mar-11	90,141	306,479	22,320,741
Lusaka Fashion	175211040333	6-Apr-11	ADL/078/11	21-Apr-11	11019	16-Mar-11	3,900	12,285	894,710
Tammam Design Ltd	175211040340	6-Apr-11	ADL/079/11	21-Apr-11	11077	16-Mar-11	4,450	14,018	1,020,888
Babylon Garments	086211041272	2-Mar-11	ADL/080/11	21-Apr-11	11068	26-Feb-11	10,800	28,080	2,045,052
Optimum Ltd.	ILC0796100414781	11-Nov-10	ADL/081/11	24-Apr-11	11008&11007	11-Aug-10	158,300	475,985	34,665,750
Gemtex Ltd	093011040733	10-Apr-11	ADL/082/11	24-Apr-11	11099	4-Apr-11	29,000	103,530	7,540,038
A & A Trousers Ltd.	215011040202	7-Apr-11	ADL/083/11	26-Apr-11	11067,70,71,72&73	23-02-11 &14-04-11	588	1,940	141,289
Cloth & Fashion Ltd.	194911041711	12-Apr-11	ADL/084/11	26-Apr-11	11078,11079&11085	01,15,19/03/11	9,884	38,319	2,790,746
Voyager Apparels Ltd	108211040474	5-Apr-11	ADL/085/11	8-May-11	11098	3-Apr-11	4,290	12,012	881,999
Tammam Design Ltd	175211040449	28-Apr-11	ADL/086/11	9-May-11	11123	20-Apr-11	3,570	11,245	825,681
Sienkee Apparels Ltd	153911041230	5-May-11	ADL/087/11	9-May-11	11092	28-Apr-11	29,963	80,000	5,874,120
Sienkee Apparels Ltd	153911041016	12-Apr-11	ADL/088/11	12-May-11	11100	5-Apr-11	3,150	10,710	786,398
Pioneer App. Ltd	174111041503	30-Mar-11	ADL/089/11	12-May-11	11086&11087	19-Mar-11	14,760	50,184	3,684,835
Tammam Design Ltd	175211040461	3-May-11	ADL/090/11	15-May-11	11114&11117	16&18-04-11	18,910	80,601	5,918,249
Dawn Garments	086210047801	20-Dec-10	ADL/091/11	18-May-11	11012-B&11012-A	18-Dec-10	44,851	130,068	9,550,431
Ananta Sportswear Ltd.	155011040568	5-Apr-11	ADL/092/11	18-May-11	11104	31-Mar-11	4,190	11,313	830,674
All Weather Fashion	215311040037	10-Apr-11	ADL/093/11	18-May-11	11088	31-Mar-11	7,062	19,067	1,400,052
Rowsan Apparels	088511040278	10-Apr-11	ADL/094/11	21-May-11	11101&11103	4-Jun-11	25,062	81,452	5,980,699
All Weather Fashion	215311040037	10-Apr-11	ADL/0111/11	21-May-11	11093&11137	5/11/2011& 5/21/2011	7,776	22,550	1,655,797
Shinest Apparels	297311040042	24-Apr-11	ADL/095/11	22-May-11	11118,19,20,21,22	20-Apr-11	56,172	203,662	14,954,203
Ananta Sportswear Ltd.	155011040568	5-Apr-11	ADL/096/11	26-May-11	11130	11-May-11	2,150	6,235	457,814
Optimum Ltd.	ILC0796110405758	25-Apr-11	ADL/097/11	29-May-11	11094	30-Mar-10	16,100	55,384	4,066,653
Aman Tex Ltd.	093011041043	25-May-11	ADL/098/11	29-May-11	11134	14-May-11	5,783	10,120	743,095
Gemtex Ltd	093011040733	10-Apr-11	ADL/099/11	30-May-11	11099&11091	24-Apr-11	14,000	49,980	3,669,856
Hallmark Design Wear Ltd	175511040122	18-May-11	ADL/0100/11	30-May-11	11090	5-May-11	6,545	23,235	1,706,046
Excell Apparel	208411040281	25-May-11	ADL/0102/11	31-May-11	11111	9-Apr-11	1,560	5,460	400,909
Rowsan Apparels	088511040278	10-Apr-11	ADL/0103/11	31-May-11	11101&11103	4-Jun-11	26,214	85,196	6,255,607
Shinest Apparels	297311040042	24-Apr-11	ADL/0104/11	31-May-11	11118,19,20,21,22	20-Apr-11	47,528	165,888	12,180,561
Givensee Garments	089811040137	13-Mar-11	ADL/0106/11	8-Jun-11	11082&11083	10-Mar-11	27,000	104,760	7,739,072
Doreen Garments	009311041913	5-Apr-11	ADL/0107/11	11-Jun-11	11075&11076	4-Apr-11	46,874	182,273	13,465,290
AJ Fashions Ltd	086411040858	20-Apr-11	ADL/0108/11	11-Jun-11	11110	9-Apr-11	7,800	24,570	1,815,092
Rowsan Apparels	088511040278	10-Apr-11	ADL/0109/11	18-Jun-11	11101,11102&11103	4-Jun-11	75,148	244,231	18,042,394
Sharmin Fashion	019511040310	5-May-11	ADL/0110/11	18-Jun-11	11115,1116&11124	02-May&05/May/11	104,286	292,001	21,571,355
EH Fabrics	108611040114	29-May-11	ADL/0101/11	19-Jun-11	11113	15-May-11	64,350	193,050	14,261,434
Sharmin Fashion	019511040310	5-May-11	ADL/0112/11	22-Jun-11	11115,1116&11124	02-May&05/May/11	52,816	147,885	10,924,886
East West Dress Pant Ltd	033611040633	26-May-11	ADL/0113/11	22-Jun-11	11132	26-May-11	13,000	32,500	2,400,915
Multi Safh Ltd.	187811040576	29-May-11	ADL/0114/11	23-Jun-11	11135	18-May-11	4,003	12,009	887,156
Corona Fashion	086211043307	14-Jun-11	ADL/0115/11	29-Jun-11	11142	28-May-11	5,600	16,800	1,241,088
Apparel Concept	194711040825	26-Jun-11	ADL/0116/11	2-Jul-11	11128&11129	9-May-11	39,361	133,827	9,886,405
EH Fabrics	108611040114	29-May-11	ADL/0117/11	9-Jul-11	11133	15-May-11	41,500	124,500	9,197,350
Babylon Garments	086211043116	30-May-11	ADL/0118/11	9-Jul-11	11126	7-May-11	12,400	31,620	2,335,905
Sharmin Fashion	019511040310	5-May-11	ADL/0119/11	11-Jul-11	11115,1116&11124	02-May&05/May/11	11,587	39,396	2,910,337
Shinest Apparels	297311040042	24-Apr-11	ADL/0120/11	12-Jul-11	11118,19,20,21&22	18,22/05 &06/06/11	22,400	83,655	6,179,955
A&A Trousers Ltd	215011040565	11-Jul-11	ADL/0121/11	16-Jul-11	11136	7-Jul-11	6,025	12,440	918,996
Cloth & Fashion	194911043037	12-Jul-11	ADL/0122/11	16-Jul-11	11125&11147	19-Jun-11	17,000	48,500	3,582,904
East West Dress Pant Ltd	033611040706	12-Jun-11	ADL/0123/11	17-Jul-11	11140 Rev	8-Jun-11	26,700	66,750	4,931,110
Ananta Sportswear Ltd	155011040568	5-Apr-11	ADL/0124/11	17-Jul-11	11146	4-Jul-11	4,620	13,398	989,768
Liberty Fashion	147811041811	22-Jun-11	ADL/0125/11	21-Jul-11	11143	8-Jun-11	4,475	12,978	958,704
KG Garments	100311041494	19-Jul-11	ADL/0126/11	21-Jul-11	11156	2-Jul-11	8,400	24,360	1,799,578
Pioneer Apparels Ltd	174111043179	21-Jul-11	ADL/0127/11	25-Jul-11	11165	16-Jul-11	20,884	59,519	4,396,954
Adams Apparels Ltd	021511040477	21-Jun-11	ADL/0128/11	27-Jul-11	11141	25-May-11	2,792	9,912	732,213
Apparel Concept	194711040825	26-Jun-11	ADL/0129/11	31-Jul-11	11128,11129&11138	9-May-11	60,639	206,173	15,230,857
Kaynat Ltd	033011042299	26-Jul-11	ADL/0130/11	31-Jul-11	11158	5-Jul-11	15,900	44,520	3,288,884
Apparel Concept	194711040838	29-Jun-11	ADL/0131/11	1-Aug-11	11145	15-Jun-11	27,000	72,900	5,342,710
Savar Shirts Ltd	265511030443	20-Jul-11	ADL/0132/11	3-Aug-11	11157	3-Jul-11	45,829	136,888	10,032,291
Givensee Garments	089811040137	13-Mar-11	ADL/0133/11	6-Aug-11	11083	24-Apr-11	10,400	43,472	3,185,985
Liberty Fashion	174811042127	20-Jul-11	ADL/0134/11	7-Aug-11	11159	11-Jul-11	7,850	22,765	1,668,406
Aman Knitting	107911040424	2-Aug-11	ADL/0135/11	11-Aug-11	11164	14-Jul-11	6,285	14,770	1,082,448
Apparel Concept	194711040825	26-Jun-11	ADL/0136/11	14-Aug-11	11128,11129,11138&11144	1-Aug-11	13,566	40,698	2,982,683
Savar Shirts Ltd	265511030001	25-Jul-11	ADL/0137/11	14-Aug-11	11157	24-Jul-11	59,946	179,685	13,168,789
Ananta Sportswear Ltd	155011040568	5-Apr-11	ADL/0138/11	14-Aug-11	11176	26-Jul-11	7,000	19,950	1,462,100
Shinest Apparels	297311040075	24-Jul-11	ADL/0139/11	20-Aug-11	11161,11162&11163	11-Jul-11	75,844	229,107	16,790,825
Safwan Garments	000411040549	11-Aug-11	ADL/0140/11	20-Aug-11	11149	7-Aug-11	18,829	50,838	3,725,847
Primordial Ltd	195711040276	11-Aug-11	ADL/0141/11	20-Aug-11	11150A	9-Aug-11	20,005	54,014	3,958,552
Optimum Ltd.	ILC0796110410241	6-Jul-11	ADL/0142/11	20-Aug-11	11153&11155	2-Jul-11	114,000	302,400	22,162,352
Adams Apparels Ltd	021511040477	21-Jun-11	ADL/0143/11	20-Aug-11	11141	25-May-11	1,637	4,502	329,925
Pioneer Apparels Ltd	174111043309	31-Jul-11	ADL/0144/11	27-Aug-11	11169 & 11172	23 & 24-07-11	16,490	46,997	3,444,289
Pioneer Apparels Ltd	174111043460	7-Aug-11	ADL/0145/11	27-Aug-11	11171	28-07-11	3,900	11,115	814,598
Cloth & Fashion	194911043475	11-Aug-11	ADL/0146/11	6-Sep-11	11170	22-Jul-11	4,200	10,080	754,066
Knit Horizon Ltd	304511040689	29-08-11	ADL/0147/11	8-Sep-11	11107&11108	22-Aug-11	30,000	118,500	8,864,760

Adams Apparels Ltd	021511040646	21-Aug-11	ADL/0148/11	10-Sep-11	11176	4-Aug-11	1,435	3,516	263,007
Gemtex Ltd.	093011041548	14-Aug-11	ADL/0149/11	10-Sep-11	11186	10-Aug-11	20,595	49,812	3,726,360
Savar Shirts Ltd	265511030001	25-Jul-11	ADL/0150/11	13-Sep-11	11116	26-Jul-11	2,500	7,325	547,969
Apparel Concept	194711040825	26-Jun-11	ADL/0151/11	14-Sep-11	11138	26-Jun-11	50,000	170,000	12,717,377
ZM Apparels	001511040052	24-Aug-11	ADL/0152/11	17-Sep-11	11182&11183	14-Aug-11	8,240	20,503	1,533,790
KG Garments	100311041845	14-Sep-11	ADL/0153/11	18-Sep-11	11197	27-Aug-11	8,500	21,250	1,589,672
So Nice Garments	0686110414966	12-Sep-11	ADL/0154/11	18-Sep-11	11181	11-Aug-11	5,250	15,750	1,178,228
Crest Garments	086211044365	14-Aug-11	ADL/0155/11	18-Sep-11	11177&11178	04- & 08/Aug-11	8,520	24,282	1,816,490
Shinest Apparels	297311040075	24-Jul-11	ADL/0156/11	20-Sep-11	11161,11162&11163	11-Jul-11	57,640	173,994	13,016,190
Savar Shirts Ltd	265511030004	7-Sep-11	ADL/0157/11	20-Sep-11	11190	23-Aug-11	33,451	100,237	7,498,504
Primordial Ltd	195711040276	11-Aug-11	ADL/0158/11	21-Sep-11	11150A	9-Aug-11	15,004	40,511	3,030,536
Safwan Garments	000411040549	11-Aug-11	ADL/0159/11	21-Sep-11	11149	7-Aug-11	21,963	59,300	4,436,128
Optimum Ltd.	ILC0796110413832	13-Sep-11	ADL/0160/11	24-Sep-11	11152&11153	6-Aug-11	272,636	324,479	28,341,712
Lusaka Fashion	175211040896	25-Aug-11	ADL/0161/11	25-Sep-11	11184	10-Aug-11	3,400	9,690	724,890
Aman Knitting	107911040424	2-Aug-11	ADL/0162/11	2-Oct-11	11187	24-Aug-11	3,000	7,050	530,196
Monowara Apparels	195611040321	20-Sep-11	ADL/0163/11	3-Oct-11	11180	27-Aug-11	6,710	16,775	1,261,566
A & A Trousers	033111040217	25-Sep-11	ADL/0164/11	4-Oct-11	11204&11214	15-Sep & 25-Sep-11	14,275	37,336	2,807,876
United Apparels	0686110414483	25-Aug-11	ADL/0165/11	9-Oct-11	11188 & 11189	18-Aug-11	6,902	14,527	1,092,497
Ananta Sportswear Ltd	155011041546	3-Oct-11	ADL/0166/11	10-Oct-11	11219	3-Oct-11	8,755	24,514	1,843,578
Primordial Ltd	195711040276	11-Oct-11	ADL/0167/11	10-Oct-11	11150A&11150B	9-Aug-11	14,802	39,965	3,005,602
AJ Fashions Ltd	086411041716	21-Aug-11	ADL/0168/11	11-Oct-11	11179	17-Aug-11	7,000	23,646	1,778,300
Optimum Ltd.	ILC0796110410241	6-Jul-11	ADL/0169/11	12-Oct-11	11153&11155	2-Jul-11	86,450	180,555	13,578,657
Optimum Ltd.	ILC0796110413832	13-Sep-11	ADL/0170/11	12-Oct-11	11152&11153	6-Aug-11	13,182	32,955	2,478,384
Savar Shirts Ltd	265511030005	13-Sep-11	ADL/0171/11	13-Oct-11	11195	27-Aug-11	56,422	165,316	12,432,641
Rowsan Apparels	088511040727	29-Sep-11	ADL/0172/11	15-Oct-11	11206&11208	19-09&13-10-11	39,555	98,888	7,436,844
Sharmin Fashion	019511040569	7-Aug-11	ADL/0173/11	17-Oct-11	11148	31-Jul-11	37,853	113,168	8,510,805
Sharmin Fashion	019511040569	7-Aug-11	ADL/0173-i/11	17-Oct-11	11148	31-Jul-11	24,027	77,031	5,793,091
Hall-Mark	175511040248	5-Oct-11	ADL/0174/11	17-Oct-11	11202&11203	15/27-09-11	21,690	62,901	4,730,476
Shinest Apparels	297311040075	24-Jul-11	ADL/0175/11	18-Oct-11	11196	27-08-11	62,500	190,625	14,335,972
Tammam Design	175211040994	2-Oct-11	ADL/0177/11	18-Oct-11	11211	25-Sep-11	4,000	11,400	857,338
Lusaka Fashion	175211040896	25-Aug-11	ADL/0176/11	19-Oct-11	11199	12-Sep-11	2,400	6,840	514,403
Optimum Ltd.	ILC0796110413832	13-Sep-11	ADL/0178/11	23-Oct-11	11225	9-Oct-11	2,700	6,750	507,634
Tammam Design	175211040970	26-Sep-11	ADL/0179/11	23-Oct-11	11191	23-Aug-11	12,500	33,750	2,538,172
Optimum Ltd.	ILC0796110413745	12-Sep-11	ADL/0180/11	23-Oct-11	11198	6-Sep-11	52,000	163,800	12,318,595
Section Seven	ILC0801110414463	25-Sep-11	ADL/0181/11	25-Oct-11	11185	14-Aug-11	1,300	3,900	293,300
Synergy Design Fashion	208111040228	25-Oct-11	ADL/0183/11	1-Nov-11	11238	12-Oct-11	590	1,682	130,296
Safwan Garments	000411040549	11-Aug-11	ADL/0184/11	1-Nov-11	11149	7-Aug-11	10,654	28,766	2,229,001
Anupam Fashionwear	107711040086	31-Oct-11	ADL/0185/11	14-Nov-11	11284	25-Oct-11	2,600	6,760	523,818
Alliance Garments Ltd.	020111040836	14-Sep-11	ADL/0182/11	15-Nov-11	11200&11210	12 & 21-09-11	50,350	130,910	10,143,941
Babylon Garments	086211045275	5-Oct-11	ADL/0186/11	15-Nov-11	11217&11218	29-Sep-11	29,922	80,789	6,260,201
Savar Shirts Ltd	265511030005	13-Sep-11	ADL/0187/11	15-Nov-11	11195	27-Aug-11	51,407	150,623	11,671,422
Corona Fashion	086211045695	23-Oct-11	ADL/0188/11	17-Nov-11	11241	17-10-11	3,900	9,956	771,470
TM Fashions Ltd.	108011040766	26-10-11	ADL/0189/11	17-Nov-11	11207	26-10-11	4,120	11,330	877,938
Proshiu Bastra Ltd.	160611040235	3-Nov-11	ADL/0190/11	19-Nov-11	11255	1-Nov-11	5,000	8,500	658,647
Adams Apparels Ltd	021511040759	4-Oct-11	ADL/0191/11	21-Nov-11	11221	2-Oct-11	1,630	5,464	423,394
Primordial Ltd	195711040276	11-Aug-11	ADL/0192/11	22-Nov-11	11150&1150B	9-Aug-11	19,689	53,160	4,119,280
Alliance Garments Ltd.	020111040836	14-Sep-11	ADL/0193/11	23-Nov-11	11200&11210	12 & 21-09-11	49,050	127,530	9,882,032
Shagore Garments	ILC0796110415903	17-Oct-11	ADL/0194/11	23-Nov-11	11122	9-Oct-11	55,250	143,650	11,131,137
Jeans Mfg. Co. Ltd.	0664110419570	24-Nov-11	ADL/0201/11	1-Dec-11	11244	25-Oct-11	11,888	32,098	2,600,268
Apparel Concept	194711041285	2-Nov-11	ADL/0202/11	4-Dec-11	227,28,29,30,31,32&	13&22-10-11	1,500	4,125	334,172
Interfab Shirt Mfg. Ltd	0686110419784	28-Nov-11	ADL/0203/11	4-Dec-11	11252	29-Oct-11	600	1,680	136,099
Knit Horizon Ltd	304511040824	26-Oct-11	ADL/0204/11	4-Dec-11	11247	24-Oct-11	10,936	31,168	2,524,928
Anika Garments	000711040213	30-Nov-11	ADL/0205/11	7-Dec-11	11216	12-Oct-11	5,208	13,541	1,096,958
Rowsan Apparels	088511040727	29-Sep-11	ADL/0206/11	10-Dec-11	11208&11206	13-10 & 19-09-11	31,981	79,953	6,477,056
Uranus App. Ltd.	0664110419432	22-Nov-11	ADL/0207/11	12-Dec-11	11265	20-Nov-11	5,060	13,662	1,106,776
Apparel Concept	194711041285	2-Nov-11	ADL/0208/11	12-Dec-11	227,28,29,30,31,32&	13&22-10-11	37,764	98,942	8,015,394
Apparel Concept	194711041285	2-Nov-11	ADL/0208/11(	12-Dec-11	227,28,29,30,31,32&	13&22-10-11	29,920	79,311	6,425,120
Supershine Apparels	194511043764B	30-Nov-11	ADL/0209/11	13-Dec-11	11250	6-Jun-11	2,600	7,410	600,294
Orchid Style Ltd.	089911040153	24-Nov-11	ADL/0210/11	14-Dec-11	11243	20-Oct-11	4,900	9,310	754,215
Doreen Garments	009311045625	2-Oct-11	ADL/0211/11	18-Dec-11	11205	17-Sep-11	33,000	84,100	6,813,050
Sienkee Apparels Ltd	153911043473	18-Dec-11	ADL/0212/11	20-Dec-11	11281	14-Dec-11	34,000	85,000	6,885,961
Sienkee Apparels Ltd	153911043475	18-Dec-11	ADL/0213/11	20-Dec-11	11282	14-Dec-11	20,000	50,000	4,050,565
SF Denims Ltd.	154611040914	2-Nov-11	ADL/0214/11	21-Dec-11	11240	17-Oct-11	21,480	57,889	4,689,631
Rowsan Apparels	088511040727	29-Sep-11	ADL/0215/11	24-Dec-11	11206& 11208	19-Sep & 13-Oct-11	47,385	108,986	8,829,057
Rowsan Apparels	088511040893	28-Nov-11	ADL/0216/11	24-Dec-11	11264	20-Nov-11	2,350	5,405	437,866
Optimum Ltd.	ILC0796110417925	24-Nov-11	ADL/0218/11	24-Dec-11	11262	17-Nov-11	15,100	39,260	3,180,504
Cloth & Fashion	194911045009	16-Nov-11	ADL/0219/11	24-Dec-11	11246	23-Oct-11	13,253	23,855	1,932,557
EH Fabrics	108611040419	20-Nov-11	ADL/0220/11	24-Dec-11	11213	14-Nov-11	8,946	23,260	1,884,290
Galpex Ltd.	086411042371	1-Dec-11	ADL/0221/11	25-Dec-11	11259	14-Nov-11	6,380	20,416	1,653,927
Basic Apparels Ltd	168111040199	13-Oct-11	ADL/0222/11	27-Dec-11	41062	22-Oct-11	77,650	158,102	16,808,049
Babylon Garments	086211046492	30-Nov-11	ADL/0223/11	27-Dec-11	11260 & 11267	16-11-11 & 22-11-11	4,425	11,948	967,883
ABM Apparels Ltd	086211047026	26-Dec-11	ADL/0224/11	29-Dec-11	11269	29-Nov-11	5,130	11,543	935,073
Sienkee Apparels Ltd	153911043119	4-Dec-11	ADL/0225/11	29-Dec-11	11268	24-Nov-11	6,900	19,320	1,565,138
Civic Apparels Ltd	194911045066	20-Nov-11	ADL/0226/11	31-Dec-11	11212	20-Oct-11	6,733	17,506	1,418,168
Well Dresses Ltd.	156411040236	13-Oct-11	ADL/0195/11	11/272011	11223&11236	05&12-10-11	12,425	33,548	2,717,727
Interfab Shirt Mfg. Ltd	0686110419784	20-Nov-11	ADL/0217/11	12/42/2011	11270	3-Dec-11	1,100	3,080	249,515
Savar Shirts Ltd	265511040005	13-Sep-11	ADL/0196/11	28-11-11	11195	27-Aug-11	12,098	35,447	2,871,619
Trend Merchadiser	195511041686	10-Sep-11	ADL/0197/11	28-11-11	11249	27-Oct-11	4,990	10,230	828,705
Rowsan Apparels	088511040727	29-Sep-11	ADL/0198/11	29-11-11	11206&11208	19-09 &13/10-2011	36,664	91,660	7,425,496
Babylon Garments	086211045275	5-Oct-11	ADL/0199/11	29-11-11	11217&11218	29-Sep-11	11,258	31,126	2,521,490
Hall-Mark	175511040275	25-Oct-11	ADL/0200/11	30-11-11	11244	22-Oct-11	3,990	11,571	937,382
						TOTAL:	**5,574,368**	**15,805,439**	**1,178,686,714**

AUDITORS REPORT IN PURSUANCE OF SECTION 135(1) UNDER PARA 24(1) OF PART II OF THE THIRD SCHEDULE OF THE COMPANIES ACT, 1994

পিনাকী এন্ড কোম্পানী
Pinaki & Company

Continuation Sheet..........

Argon Denims Limited

Balance Sheet

as at December 31, 2011, 2010, 2009, 2008 and 2007 respectively

Auditors Report in persuance of Section 135(1) under para 24(1) of part II of the Third schedule of the companies Act,1994. We have examined the Financial Statements of Argon Denims Limited for the year ended December 31, 2011, 2010, 2009, 2008 and 2007 in pursuance of section 135(1) under para 24(1) of part II of the Third schedule of the Companies Act 1994, We report that;

Particulars	31-12-2011	31-12-2010	31-12-2009	31-12-2008	31-12-2007
PROPERTY AND ASSETS:	**TAKA**	**TAKA**	**TAKA**	**TAKA**	**TAKA**
NON-CURRENT ASSETS	**870,209,025**	**662,386,282**	**596,509,058**	**619,152,594**	**187,026,432**
Fixed Assets	790,396,875	636,230,488	566,879,934	618,630,995	29,275,417
Capital WIP/Machinaries	79,812,150	25,634,195	29,107,525	-	140,208,624
Preliminary expenses	-	521,599	521,599	521,599	391,125
Pre-Production Expenses	-	-	-	-	6,230,584
IDCP(Interest During Construction Period)	-	-	-	-	10,920,682
CURRENT ASSETS	**1,039,335,230**	**857,415,056**	**497,997,458**	**364,983,084**	**70,580,710**
Advance, Deposits and Pre-payments	7,672,592	12,817,408	1,285,600	5,516,600	65,483,600
Bills receivable	579,837,797	441,072,554	180,805,391	187,647,525	-
Inventories	419,961,303	337,588,156	280,773,007	168,569,306	-
Investment in Shares	3,663,917	10,000,000	9,500,000	-	-
Cash and cash equivalent	28,199,621	55,936,938	25,633,460	3,249,653	5,097,110
TOTAL ASSETS	**1,909,544,256**	**1,519,801,338**	**1,094,506,516**	**984,135,678**	**257,607,142**
FINANCE BY					
SHAREHOLDERS EQUITY :	**621,363,125**	**332,967,584**	**115,853,835**	**42,764,992**	**8,200,000**
Share Capital	300,000,000	100,000,000	5,400,000	5,400,000	400,000
Retained Earnings	61,683,095	123,382,684	26,054,435	6,021,592	-
Tax Holiday Reserve	107,789,507	82,255,900	17,370,400	4014400	-
Share Money Deposit	-	27,329,000	67,029,000	27,329,000	7,800,000
Revaluation Surplus	151,890,523	-	-	-	-
NON CURRENT LIABILITIES	**292,462,606**	**365,651,771**	**479,474,717**	**391,715,089**	**1,160,000**
Long Term Loan	252,125,852	310,252,581	425,343,722	289,575,773	-
Lease Finance	40,336,754	55,399,190	54,130,995	102,139,316	1,160,000
CURRENT LIABILITIES	**995,718,524**	**821,181,983**	**499,177,964**	**549,655,597**	**248,247,142**
Short Term Loan	810,308,660	692,457,053	456,113,805	496,450,418	248,178,433
Current portion of long term loan	165,041,507	118,200,000	-	-	-
Liabilities for other finance	-	-	-	135,602	68,709
Accrued Expenses	9,641,796	7,234,250	10,819,561	5,428,557	-
Provision for WPPF	8,622,843	-	-	-	-
Provision for Audit Fees	75,000	45,000	45,000	20,000	-
Bills Payable	2,028,718	3,245,680	32,199,598	47,621,020	-
TOTL EQUITY AND LIABILITIES	**1,909,544,256**	**1,519,801,338**	**1,094,506,516**	**984,135,678**	**257,607,142**

Signed in terms of our separate report of even date

Sd/-

Dhaka,
Date : 04.03.2012

PINAKI & COMPANY
Chartered Accountants

পিনাকী এন্ড কোম্পানী
Pinaki & Company

Continuation Sheet ....

ARGON DENIMS LIMITED

Income Statement
for the year ended December 31, 2011, 2010, 2009 and 2008 respectively

Particulars	01-01-2011 to 31-12-2011	01-01-2010 to 31-12-2010	01-01-2009 to 31-12-2009	01-01-2008 to 31-12-2008
Export	1,178,686,714	1,012,885,352	634,988,517	351,510,082
Less: Cost of Goods Sold	906,762,689	799,672,985	501,800,288	302,538,684
Gross Profit/(Loss)	**271,924,025**	**213,212,367**	**133,188,229**	**48,971,398**
Other Income	53,823,658	78,493,226	-	-
	325,747,683	**291,705,593**	**133,188,229**	**48,971,398**
Less: Administrative Expenses	19,588,168	17,565,847	10,084,604	11,582,505
	306,159,515	**274,139,746**	**123,103,625**	**37,388,893**
Less : Selling & Distribution Expenses	3,456,938	3,751,469	3,394,148	-
	302,702,577			
Add: Gain / Loss on Investment in Shars	(3,887,314)	-	-	-
	298,815,263			
Add: Divident Income	99,099	-	-	-
Profit/(Loss) before Financial Expenses	**298,914,362**	**270,388,277**	**119,709,477**	**37,388,893**
Less: Financial Expenses	126,457,501	108,174,528	86,320,633	27,352,901
Net Profit/(Loss) before WPPF	**172,456,861**	**162,213,749**	**33,388,844**	**10,035,992**
Less: Provision for WPPF	8,622,843	-	-	-
Net Profit/(Loss) after WPPF	**163,834,018**	**162,213,749**	**33,388,844**	**10,035,992**
Tax Holiday Reserve	65,533,607	64,885,500	13,356,000	4,014,400
Net Profit/(Loss) after provision	**98,300,411**	**97,328,249**	**20,032,844**	**6,021,592**

Examined and found correct

Sd/-
PINAKI & COMPANY
Chartered Accountants

Dhaka,
Date : 04.03.2012

পিনাকী এন্ড কোম্পানী
Pinaki & Company

Continuation Sheet ....

ARGON DENIMS LIMITED

Statement of Cash Flows

for the year ended December 31, 2011, 2010, 2009 and 2008 respectively

	TAKA			
Particulars	**31.12.2011**	**31.12.2010**	**31.12.2009**	**31.12.2008**
Cash flow from operating activities				
Cash received from customers	1,089,956,914	831,111,415	634,988,517	351,510,082
Cash payments to suppliers and employees	(948,600,608)	(858,861,166)	(663,803,586)	(630,950,602)
Financial expenses	(126,457,501)	(108,174,528)	-	-
Net Cash used to operating activities	**14,898,805**	**(135,924,279)**	**(28,815,069)**	**(279,440,520)**
Cash flow from investing activities				
Acquisition of fixed assets	(64,114,015)	(120,834,066)	(1,547,614)	(602,959,427)
Capital WIP	(54,177,955)	3,473,330	(29,107,525)	140,208,624
Investment in shares	6,336,083	(500,000)	(9,500,000)	-
Priliminary Expenses	-	-	-	(130,474)
Pre-production Expenses	-	-	-	6,230,584
Capital Expenses	-	-	-	61,463,500
Net Cash provided by investing activities	**(111,955,887)**	**(117,860,736)**	**(40,155,139)**	**(395,187,193)**
Cash flow from financing activities				
Share capital	-	94,600,000	-	5,000,000
Advance, deposit & prepayments	5,144,816	(11,531,808)	4,231,000	(1,496,500)
Share money deposit	(27,329,000)	(39,700,000)	39,700,000	19,529,000
Long term loan	(11,285,222)	3,108,859	135,767,949	41,397,340
Lease finance	(15,062,436)	1,268,195	(48,008,321)	100,979,316
Short term loan	117,851,606	236,343,248	(40,336,613)	496,450,418
Interest expenses (*)	-	-	-	10,920,682
Net Cash provided by financing activities	**69,319,764**	**284,088,494**	**91,354,015**	**672,780,256**
Net increase/(decrease) in cash and bank balances	**(27,737,318)**	**30,303,479**	**22,383,807**	**(1,847,457)**
Opening cash and bank balances	**55,936,938**	**25,633,460**	**3,249,653**	**5,097,110**
Closing cash and bank balances	**28,199,621**	**55,936,938**	**25,633,460**	**3,249,653**

* In order to show due effect in the year under audit relevant adjusting entries made there to.

Sd/-
PINAKI & COMPANY
Chartered Accountants

Dhaka,
Date : 04.03.2012

Points to be noted:

A. The Company was incorporated on July 13, 2006 and converted to public limited company on May 31, 2011.

B. Dividend Declared (Additional disclosure as per requirement from the Securities & Exchanges Commission):

Year	Cash Dividend	Stock Dividend	Total Dividend
2011	-	200%	**200%**
2010	-	-	-
2009	-	-	-
2008	-	-	-
2007	-	-	-

C. The Statement of Assets and Liabilities (Statement of Financial Position) as at December 2011, 2010, 2009, 2008, 2007 of the Company has been duly certified by us.

D. The Statement of Operating Results (Statement of Comprehensive Income) for the year ended 31 December, 2011, 2010, 2009, 2008 & 2007 of the Company has been duly certified by us.

E. The Statement of Cash Flows for the year ended 31 December, 2011, 2010, 2009, 2008 & 2007 of the Company are enclosed and certified by us.

F. The Company has no subsidiaries.

G. Figures related to previous years have been rearranged wherever considered necessary.

Dhaka,
Date : 04.03.2012

Sd/-
Pinaki & Company
Chartered Accountants

পিনাকী এন্ড কোম্পানী
Pinaki & Company

Continuation Sheet..........

ARGON DENIMS LIMITED

Statement of Ratio Analysis

for the year ended December 31, 2011, 2010, 2009 and 2008 respectively

Particulars	2011	2010	2009	2008
	Ratio	Ratio	Ratio	Ratio
Liquidity Ratio				
1. Current Ratio	**1.04**	**1.04**	**1.00**	**0.66**
2. Quick Ratio	**0.62**	**0.63**	**0.44**	**0.36**
3. Time Interest Earned Ratio	**10.75**	**11.09**	**8.36**	**13.85**
4. Debt Equity Ratio	**2.74**	**3.56**	**8.45**	**22.01**
Operating Ratio				
1. A/C Receivable Turnover Ratio	**2.03**	**2.30**	**3.51**	**1.87**
2. Inventory Turnover Ratio	**2.16**	**2.37**	**1.79**	**1.79**
3. Assets Turnover Ratio	**0.62**	**0.67**	**0.58**	**0.36**
Profitability Ratio				
1. Gross Margin Ratio	**23.07**	**21.05**	**20.97**	**13.93**
2. Operating Income Ratio	**26.43**	**26.73**	**20.97**	**13.93**
3. Net Income Ratio	**13.29**	**14.86**	**5.26**	**2.86**
4. Return on Assets Ratio	**8.58**	**10.67**	**3.05**	**1.02**
5. Return on Equity Ratio	**26.4**	**48.7**	**28.8**	**23.47**
6. Earning per Share Ratio	**5.46**	**16.22**	**618.31**	**185.85**

Sd/-
PINAKI & COMPANY
Chartered Accountants

CREDIT RATING REPORT

CREDIT RATING REPORT ON ARGON DENIMS LTD.

REPORT: RR/818/11

This is a credit rating report as per the provisions of the Credit Rating Companies Rules 1996. CRISL's entity rating is valid one year for long-term rating and 6 months for short term rating. After the above periods, these ratings will not carry any validity unless the entity goes for surveillance.
CRISL followed Corporate Rating Methodology published in CRISL website www.crislbd.com

Address:
CRISL
Nakshi Homes
(4th & 5th Floor)
6/1A, Segunbagicha,
Dhaka-1000
Tel: 7173700-1
Fax: 88-02-9565783
Email:
crisldhk@crislbd.com

Analysts:
Tanzirul Islam
tanzir@crislbd.com

Abdur Raahim Hasan Chowdhoury
raahim@crislbd.com

Entity Rating
Long Term: A-
Short Term: ST-3

Outlook: Positive

Rating Based on financials up-to March 30,2011

ARGON DENIMS LTD.

ACTIVITY
Denim Fabrics Manufacturer

INCORPORATED ON
July 13th 2006

MANAGING DIRECTOR
Mr. Anwar-ul Alam Chowdhury

EQUITY
Tk.550.57 million

TOTAL ASSETS
Tk.1821.44 million

	Long Term	Short Term
Entity Rating	A-	ST - 3
Outlook	Positive	
Date of declaration	June 28,2011	

1.0 RATIONALE

CRISL has assigned 'A-' (pronounced as single A minus) rating for Long Term and 'ST-3' rating for Short Term to Argon Denims Ltd. (hereinafter called 'ADL') based on its audited financials up-to March 30,2011 and other relevant qualitative and quantitative information up-to the date of rating. The above ratings have been done after due consideration of its fundamentals which includes good profitability, sound infrastructure, regular loan payment history, experienced management team etc. The above factors are, however, moderated to some extent, by debt based capital structure, moderate operating efficiency, average liquidity as well as other industry specific and macroeconomic factors. CRISL also duly takes into account the company's recent move to IPO which will likely to contribute positively towards its operation. CRISL also believes that the company will be able to keep the momentum of business growth in foreseeable future.

The long term rating implies that entities rated in this category are adjudged to offer adequate safety for timely repayment of financial obligations. This level of rating indicates a corporate entity with an adequate credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories. The short term rating indicates entities rated in this category have good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.

CRISL also views the company with "Positive Outlook" considering positive business growth ensuring IPO flotation.

2.0 CORPORATE PROFILE

2.1 Background

Argon Denims Ltd., a Public Limited Company, was originally incorporated on June 13, 2006 as a Private Ltd. Company with the objective of setting up a Denims textile factory. The company went into commercial operation in March 2008 and since then it had been engaging in manufacturing denims fabric for local export oriented RMG units which is considered as the deemed export. The denim fabric has significant demand in the market and a significant number of RMGs dealing with denim garments does not have its own fabric unit thus creating demand for the denim fabric. The plant has been set up on about 403 decimals land at Beraider Chala, Gazipur. The company has been operating with 48 air jet looms of Italian Somet MYTHOS brand, can produce 8.4 million yards of fabrics annually under 100% capacity utilization against which the company is currently operating at around 83% capacity. Starting with a paid-up capital of Tk.0.40 million, the company has increased its paid up capital up to Tk.100.00 million up-to FY2010. The company has issued bonus share worth of Tk.200 million in FY2011 and the current paid-up capital of the company stands at TK.300 million. ADL has planned to increase the paid-up capital by another Tk.300.00 million by issuing shares through IPO depending on the approval of regulatory permission. The management of the company is led by Mr. Anwar-ul Alam Chowdhury as its Managing Director. The company is operating from its head office located at Plot No-33, Section-7, Mirpur, Dhaka-1216.

CREDIT RATING REPORT
ON
ARGON DENIMS LTD.

2.2 Ownership and Control

Being a recently converted Public Limited Company, its shares are owned by the main sponsor Mr. Anwarul Alam Chowdhury, his family members and some other business personalities associated with the main sponsor. The ownership will be diluted after IPO floatation. At present the company's paid up capital consists of 10.00 million no of shares of Tk.10 each. The company has the plan to issue 30.00 million shares under public offering which will raise the capital to Tk.2400.00 million including premium of Tk.2100.00 million. With the above, the ownership structure will be changed and the sponsors' equity will be diluted to 50%. The company will be required to be monitored and controlled as per the requirement of the SEC rules and a listed company.

2.3 Corporate Management

Experienced Management Team

The corporate management of the company is headed by the main sponsor cum Managing Director Mr. Anwar-ul Alam Chowdhury who has long history of managing diversified businesses since 1983. He is aided by five sponsor Directors and one Executive Director. The total operations are divided into five departments namely Production, Accounts & Finance, Administration, Marketing and Commercial. Each departmental head has a long experience in managing the functions of their respective departments. The production activities of the company are being supervised by the Executive Director Mr. Hasan Ahmed Chowdhury since the inception of the company. He has 15 years of working experience at different textiles and backward linkage industry. Mr. Chowdhury is directly assisted by other Departmental Heads. The top management of the company is formed as follows:

NAME	Designation	Experience (Years)	
		With the company	Total
Mr.Hasan Ahmed Chowdhury	Executive Director	04	15
Mr.Anirban Ray	General Manager (Production)	02	10
Mr.Md. Mustafa Kamal	General Manager (Finance & Accounts)	03	18
Major A.M Sarwar Firoz(Rtd)	Deputy General Manager (Administration)	04	15
Mr.Atiqul Akter	Deputy General Manager (Marketing)	04	12
Mr.Tazib Uddin Khan	Deputy General Manager (Marketing)	02	10
Mr.M. Delwar Hossain	Senior Manager (Commercial)	04	25

CRISL believes that the experienced management team has the capability to run the company smoothly. However, in order to retain the senior professionals, the company has service rule which is under formulation. The existing service rules provide for compensation package vis a vis a number of policies formulated for the welfare of employees in the form of accommodation, medical allowance etc. Total Human Resource Base of the company stood at 340 and 300 of them are factory workers who are mostly skilled labors working on permanent basis. Company is providing technical training to the unskilled workers. The average wage of the workers at factory level stood at TK.6000 per month.

2.4 MIS and Internal Control Mechanism

Moderately Developed IT Infrastructure

Being a textile weaving unit, the IT system of ADL is moderately satisfactory. The company uses Microsoft Excel for accounting and Microsoft Access for data management. IT sector of the company is operated by three experienced personnel. Inventory and other departments are managed manually by MS package software. To enhance operational efficiency, management reporting systems are also being developed. The company has 6 members in central internal audit department headed by Mr. Masum Biswas having 7 years experience. The company has structured internal control procedures to safeguard the assets, promote operating efficiency and ensuring compliance with applicable policies and regulations. The requisition, furnished by Production Department along with Planning Department, contains specification, brand, origin and approximate price of raw materials; the requisition is then passed to commercial department if raw materials need to be imported and to the administration department if the purchase of raw materials is local. After execution of all relevant formalities, the materials enter through the gate which are recorded and forwarded to store and administration department for quality assurance and recording followed by

CREDIT RATING REPORT ON ARGON DENIMS LTD.

issuance of Material Receiving Report (MRR). Accounts department only settle the payment after checking bills forwarded by the suppliers. Based on business risk assessment, the audit team performs various types of tests and concludes on the adequacy of the control system. At the conclusion, the audit team discusses the audit findings and reports to Deputy Managing Director with recommendations regarding respective departments.

3.0 INDUSTRY ANALYSIS

Textile sector of Bangladesh is playing a very important role in the economic development of the country by earning significant foreign exchange which is next to wage earners remittance. Besides creation of employment opportunities and supporting government policy of poverty alleviation, textile sector has become the accelerator of economic growth. Over more than a decade, the sector experienced significant development and export earnings of textile & clothing increased from only $0.12 billion in 1994 to $1.50 billion in 2008 registering around 2% of the global market share. Keeping the momentum, Bangladesh has already become one of the major suppliers of clothing in EU market. The sector also has remarkable contribution to GDP (around 10%) as around 77% of the export earnings come from this sector. At this moment 100% demand for raw materials for knit RMG are being met by local sources side by side it fulfills the requirements for domestic fabric and yarn.

Largest Industry in Bangladesh

After liberation, the number of spinning mills gradually increased over the years which stood at 324 in 2008. Spindle capacity increased to 7.2 million having yarn production capacity of 1600 million kg. Loom capacity also increased to 5000 million having fabric production capacity of 1600 million meters. Considerable size of backward linkage industry has been established for which knit sub sector also achieved phenomenal growth. The achievement so far made was possible due to permitting textile machinery at zero duty/tax and other incentives. However, due to significant involvement of capital machineries, the sector, on an average, is highly leveraged having 70% borrowing in the capital structure.

Bangladesh also emerged as a significant supplier of Denims cloths & Home textile products to the European market. This has become possible due to availability of local raw materials, particularly cotton yarn which are being produced mainly from waste cotton. In spite of that Denims fabric manufacturers are experiencing problems due to no specific rate of wastage for Denims fabric, high duty/tax of spare parts of Denims machines, delay in obtaining Utilization Permission (UP), delay in realizing money from exported fabrics etc.

The demand for clothing continues to be increasing due to relaxation of trade rules and shifting of orders from China. Previously, the majority of denim apparels were menswear and for winter season, but with the changing scenario, denim items are now made for men, women and children, and for all seasons. The relaxed rules of origin (RoO) by the European Union (EU) under its Generalized System of Preferences (GSP) also opened up new opportunities for the denim sector. Under the new GSP rules, effective from January 1,2011 exporters will get zero-duty facility even if the products are made from imported fabrics. Previously, the exporters used to get this benefit only if local fabrics were used. However, the production of yarn and cloths are not being increased in line with demand resulting in considerable demand-supply gap. However, due to irregular gas supply, textile production started reducing which resulted to maximum 50% production loss. The problem started since March 2009 and now-a-days has aggravated the situation in Dhaka, Chittagong, Gazipur, Savar and Narayangonj zones. At the time of recovering from the impact of global recession, the gas crisis has been a big menace for the sector which can even cause the loss of the international market. Despite the fact, Bangladesh has ample scope to consolidate the sector to explore maximum benefit out of it for which fair deal by the government in terms of infrastructure, utilities, policies, financial support and necessary market protection from illegal entry of textile raw materials and finished goods are required.

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4.0 BUSINESS ANALYSIS

4.1 Production Process

ADL is a 100% export oriented denim fabrics manufacturer. On receipt of confirmed export orders from local RMGs, the company goes for procurement of yarn, dyes chemical and other required materials through back to back L/C. The company maintains relationship with a good number of suppliers/importers. The major raw materials of ADL are yarn ranging from 6 to 16 and 30 counts and also dyes and chemicals for dyeing and finishing. The company purchases most of the raw materials (around 60%) from foreign sources like Pakistan, India and Thailand and the remaining from local sources. It procures most of the dyes and chemicals for dyeing and finishing from Germany, Spain and China. The production of the company runs under a standard flow system starting from procurement of Yarn. The procurement committee, headed by Director, looks after the total procurement including sourcing, negotiating prices and placing orders, where Head of Purchase Department implements the decision. The purchase process is executed through Letter of Credit. ADL has its own 35,000 sft warehouse in its factory premises which may need to be increased. The company usually keeps average 700 metric tons yarn and 250 metric tons chemical as inventory for their uninterrupted production.

Dependent on Imported Raw Materials

4.2 Product and Marketing Strategy

The company has been maintaining product quality which is the basic requirement to have good relationship with the buyers. Normally buyers provide the product design and specification. However, the company also develops new design according to market fashion and trend. Currently it has a monthly production capacity of 0.68 million yards on an average. This production capacity is calculated on the basis of 12 months and 354 working days a year with daily three shifts of 8 hours each. Overtime of maximum 2 hours is worked only in exceptional circumstances. The company produces 6.64 million yards fabrics during FY2009-10. Currently the company gets orders from Shagor (15.55%), Wintex (11.01%), Mahmud Jeans (8.52%), Jeans Mfg (7.07%) and some other buyers. Due to nature of the business no promotional policies are carried out. Merchandising department is always in search of new items to be developed as per new fashion.

High Quality Product

4.3 Costing Management

Under the present competitive environment, the cost based pricing is essential to procure orders. The company maintains job order batch costing system. The pricing strategy of ADL is based on FOB (Free on Board) basis where the company charges prices on the basis of cost and margin. In order to quote a competitive price to any buyer, the Merchandizing Department calculates fabric requirement, yarn price, dyes chemical price. With the above production cost, commercial charges and a mark up is added to reach the FOB price to be more competitive to the buyers.

FOB Based pricing Strategy

5.0 TECHNICAL ANALYSIS

The plant is located at Beraider Chala in Gazipur on 402.75 decimal land area. The company acquired sufficient additional area for further expansion of the project. The company has enough source of utilities support like electricity and water. ADL has two own Caterpillar gas generator having capacity of 1.145 MW each, which were installed at the time of installation of other machineries. Additionally, the company also maintains REB electricity line with capacity of 500 KVA and has Shinpower Scangen Disel Generator. The company also has fire fighting equipments and ETP system. ADL, starting commercial operation from March 2008, has been using 48 air jet looms of renowned brand for production. The company installed new machineries of Panon for warping, yarn dying, sizing, Somet MYTHOS for weaving and Dhall Machines for finishing. Most of their machines are imported from Taiwan, Germany, India, Sweden, USA and Italy etc. ADL uses modern technology to assure quality of the products starting from raw materials to finished goods. The color, length, cleanness, strength of the Yarn is measured by the testing equipments. At the same time, the quality control (QC) machines are linked with each stages of production. In case of any interruption in production

Sound Production Facilities

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process, the QC devices indicate it to take corrective action on machine operations without human intervention. As the machineries of the company are new and are world renowned, there will be no major overhauling cost of the machines in next few years. ADL's production process is divided into five stages. To outline the scope of technical expansion, CRISL has analyzed the status of balancing of machineries of ADL. The findings are listed below according to different stages of production for the year ended December 31,2010:

Figures in million

Stage	Unit	Max. Capacity	Actual Input	Wastage (%)	Wastage (Amount)	Actual Output	Utilization (%)
Warping	Mtr	11.50	8.53	2	0.17	8.36	74
Dyeing /Sizing	Mtr	11.50	8.16	1	0.08	8.08	71
Weaving	Yds	9.70	7.85	2	0.16	7.69	81
Finishing	Yds	9.50	7.61	.69	1.12	6.49	80
Inspection	Yds	8.40	6.99	5	0.35	6.64	83

100% Insurance Coverage of the Plant

Looking at the table, it is observed that ADL is currently using 83% of its production capacity and there is not much scope available for the company to increase production significantly. Keeping this in mind, ADL has decided to expand its production facility to tap the growing demand for denim fabrics. The company has planned to install another 63 air jet looms with a portion of the expected IPO proceeds. This projected expansion will increase the capacity of ADL to 21.6 million yards/year from its current 8.40 million yards/year. The company has fire risk insured insurance coverage of Tk.740.00 million with different co-insurers led by Bangladesh General Insurance Company Limited for machineries and building where premium was Tk.1.4 million valid up to 07-11-2011 from 07-11-2010.

6.0 BUSINESS PERFORMANCE ANALYSIS

Particulars	FY 2010	FY 2009	FY 2008
Capacity (Yard in million)	8.40	8.40	6.30
Production (Yard in million)	6.99	5.51	3.81
Capacity Utilization (%)	83	65.61	60.52
Sales in Quantity (Yard in million)	6.01	4.79	2.87
Average Selling Price (Tk. per yard)	168.52	132.56	122.48
Total Sales (Tk. in million)	1012.89	634.99	351.51
COGS (Tk. in million)	799.67	501.80	303.50
Average Cost Price	120.43	91.07	79.66
Cost to Revenue (%)	74.12	71.05	82.66
Growth in Quantity Sold (%)	25.70	66.90	N/A
Growth in Revenue (%)	59.51	80.65	N/A
COGS Growth (%)	59.36	65.34	N/A

Good Business Performance

Business performance of the company was found good both in terms of production and sales during FY2010. ADL utilized around 83% of its total capacity and percentage of capacity utilization for the company has been found in an increasing trend for the past three successive years. Sales volume increased by 25.70% in FY2010 and 66.89% in FY2009. Moreover, average sales price increased by 27.133% in FY2010 and 8.23% in FY2009. In analyzing the turnover growth, it also depicts that continuous increase of fabrics price augmented the turnover much in addition to its growth in sales volume. However, the recent increase of raw cotton price enhanced the COGS to a great extent which eventually offset by the revenue growth in FY2010. The business performance of the company is likely to improve on procurement and installation of new machinery through utilization of IPO proceeds.

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7.0 FINANCIAL ANALYSIS

7.1 Financial Performance

Profitability Indicators	FY 2010	FY 2009	FY 2008
Return on average assets (ROAA) (%)	7.45	1.93	0.97
Return on average equity (ROAE) (%)	43.37	25.26	23.63
Return on average capital employed (ROACE) (%)	16.50	4.70	2.07
Operating Profit Margin (%)	18.95	18.85	10.64
Gross Profit Margin (%)	21.05	20.97	13.66
Net Profit Margin (%)	9.61	3.15	1.71

Improving Profitability Indicators

The profitability indicators of the company improved during FY2010 compared to the last couple of years mainly due to increase in sales revenue and cash incentive offered by the Government to the exporters. The financial performance of ADL has been found average compared to other market players in the industry. The company has reported net profit after tax of Tk.97.33 million and Tk.20.03 million in FY2010 and FY2009 respectively. Net profit margin of the company improved to 9.61% in FY2010 from 3.15% in FY2009. The gross profit margin of the company improved to 21.05% in FY2010 from 20.97% in FY2009.This is mainly due to decrease of cost of goods sold than its respective sales which indicate that the company has the capacity to absorb the cost escalation effect of raw materials, labor and factory overhead. On the basis of this performance, ROAA, ROAE, ROACE increased mainly due to significant growth in net profit, equity (mainly retained earnings and paid up capital) and capital employed. CRISL is in the opinion that enhanced production capacity and sales volume is likely to have positive impact on overall profitability of the company. The financial performance of the company is likely to improve significantly in near future after the successful implementation of IPO proceeds.

While analyzing the performance of the company up to 31st March, 2011, it has been observed that the company fetched revenue of TK.369.77 million against which the Cost of goods sold stood at TK.273.35 million for the 1st quarter of the accounting period. The above performance is in line with the previous performance since all the indicators remained almost same. The company has revalued its land and building which increased total asset and total equity base by Tk.151.89 million. This revaluation has increased its net asset value and solvency indicators.

7.2 Operating Efficiency

Efficiency Ratio	FY2010	FY2009	FY2008
Cost to Revenue Ratio (%)	74.12	71.05	82.66
Administrative & Selling Exp to Revenue Ratio (%)	1.73	1.59	3.01
Selling & Distribution Cost to Revenue Ratio (%)	0.37	0.53	0.02
Finance Cost to Revenue Ratio (%)	10.68	13.59	7.78

Decreasing Finance Cost

Overall operating efficiency of ADL for the FY2010 has been found moderate compared to the industry. The cost efficiency ratio of the company (cost of goods sold to sales revenue) remained around the industry average even though the ratio increased in 2010 but the ratio has been volatile if we look at the last three years of operation of the company. The administrative expenses to revenue ratio rose to 1.73% in FY2010 from 1.59% in FY2009 due to the increased rate in administrative expenses. Selling & distribution cost to revenue ratio decreased to 0.37% in FY2010 from 0.53% in FY2009 due to decrease in selling & distribution expense. Finance cost to revenue ratio also decreased to 10.68% in FY2010 from 13.59% in 2009 due to the rate at which sales increased is greater than that of finance cost albeit fixed financial burden increased in FY2010. CRISL is of the opinion that installation of more looms will increase production capacity that will enhance the cost efficiency and reduce the fixed financial burden.

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8.0 FINANCIAL STRENGTH AND SOLVENCY

Particulars	FY2011*	2010	2009	2008
Current Assets	1020.86	856.13	496.71	363.70
Less: Current Liabilities:				
Short Term Bank borrowing	781.05	692.46	456.11	496.45
Other Current Liabilities	171.17	126.90	159.44	114.28
Net current assets	68.63	36.77	(118.84)	(247.03)
Non Current Assets:	800.58	663.67	597.79	620.44
Net Capital Employed	869.22	700.44	478.95	373.41
Financed by:				
Non-current liability - Bank Loan & other non-current liabilities	317.25	367.47	363.10	330.64
Shareholders Equity:				
Share Capital	100.00	100.00	5.40	5.40
Retained Earnings	162.83	123.38	26.05	6.02
Reserve	289.14	109.58	84.40	31.34

***1st quarter data**

Debt Based Capital Structure

ADL is operating with a debt- based capital structure. The capital structure at the end of the 1st quarter of FY2011 revealed that the company has 70% debt and 30% equity. Again 64% of the net capital employed of Tk.869.22 million was financed by equity i.e. Tk.551.97 million which has been heavily increased due to the inclusion of revaluation reserve. Shareholders' equity increased also in FY2010 when sponsors injected more fund into the capital structure and increased the paid up capital to Tk.100 million from Tk.5.40 million. Total debt is comprised of 25% long term loan and 75% short term loan. The internal capital generation of ADL has increased to 30.08% at FY2011 from 29.23% in FY2010 due to higher rate of net profit increase.

Profitability Indicators	FY 2010	FY 2009	FY 2008
Leverage Ratio (X)	3.56	8.45	22.01
Interest Coverage Ratio (X)	2.50	1.39	1.37
Debt Service Coverage Ratio (X)	1.43	1.17	0.67

As a consequence of debt based capital structure, the leverage ratio of ADL stood at 3.56 times (consisting 1.10 as long term gearing and 2.46 as short term gearing) although the ratio has been decreasing for the past three years. Leverage ratio decreased due to injection of fresh fund by the sponsors which increased the paid-up capital to Tk.100 million from Tk.5.40 million. Both bank borrowing to equity ratio and equity multiplier has been improving for the past few years which substantiate the fact that ADL is trying to tone down the risk emanating from capital structure by increasing the equity base. Working capital and long term liabilities will be reduced after proper utilization of IPO proceeds (subject to regulatory approval) which is likely to improve the leverage ratio. Debt service coverage ratio of the company increased to 1.43 times in FY2010 against 1.17 times in FY2008. Interest coverage ratio also slightly increased in FY2010 compared to previous year.

9.0 LIQUIDITY POSITION

Profitability Indicators	FY 2010	FY 2009	FY 2008
Current Ratio (X)	1.04	1.00	0.60
Quick Ratio (X)	0.63	0.43	0.32
Operating cash flow (Tk. in million)	(212.84)	(47.44)	N/A
Cash conversion cycle (days)	254	255	173

Average Liquidity

The company is currently operating with an average liquidity position. ADL has working capital requirement of Tk.800 million in FY2010. The working capital requirement is mainly financed by Tk.100 million from internal source and Tk.700 million from bank financing. While analyzing the cash flow from operation it reveals that the company are not getting sufficient fund from its operation during FY2010 to ultimately discharge the working capital liability. On the other side, the long inventory holding period (150 days) and long receivables outstanding

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period (112 days) lingered the cash conversion cycle to 254 days. Receivables, especially, marked a sharp increase in FY2010. Being a debt based company, ADL enjoys limited funding flexibility. However, ADL's access to credit is not in jeopardy since the banks have been repaid through the export proceeds earned by ADL. The scenario is expected to improve significantly after the IPO issue in 2011 as indicated in business plan.

10.0 FINANCIAL INSTITUTION LIABILITIES

10.1 Liability Position

ADL has been availing various credit facilities from six financial institutions. The company has been enjoying these facilities as term loan, working capital loan and various other modes. Bank and Non Bank Financial Institutions Liability position of ADL is as follows:

Good Repayment History

Tk. in million

Sanction/ Rescheduled Amount		Purpose	Outstanding 29-04-2011	Status	Notes
Mode	**Amt.**				
A)One Bank Term Loan(specific)	271.80	Consolidated combined liability against import of capital machinery, construction, of Factory Building/ETP etc. and import of looms	255.39		
Bank Guarantee (specific)	3.90	For connecting gas line , taking delivery of containers and other purposes	3.93		
Usance/Sight L/C(Revolving)/Acceptance (Revolving)/ L/C(EDF)/ LTR (Revolving)/ Time Loan (Revolving)/ Time Loan (Forced)/ Overdraft (Revolving)/ LDBP (Revolving)	615.00	Procure raw materials, refinance importing of raw materials, retire shipping documents of SLCs and to honor Accepted Bills in case of out of fund situation, pay overdue acceptance, meet overhead expenses, discount local export bills against acceptance of LC issuing bank	478.17	Regular	10.2.1
Sanction/Rescheduled Amount		**Purpose**	**Outstanding 30-04-2011**	**Status**	**Notes**
Mode	Amount				
B) Standard Bank Car Loan	0.80	Purchase of car	0.44	Regular	10.2.2
C) BIFC Lease Finance	57.90	Acquisition of car, import of machineries	48.43	Regular	10.2.3
D) Lanka Bangla Finance Lease Finance	2.38	Purchase of vehicle	0.59	Regular	10.2.4
E) Mercantile Bank House building Loan (Commercial)	25.00	Construct pre-fabricated factory building where the mercerizing machine will be installed	25.61		
Lease Finance	32.80	To import L/C (Sight) liability to import mercerizing machinery	35.94		
Term loan	125.00	To take over one-third of Project Loan of the customer from One Bank Ltd.	97.79		
Working Capital	155.00	Import of raw materials, retire L/C opened for procurement of raw materials and meeting up working capital requirement and maintenance of stock.	126.39	Regular	10.2.5
L/C	0.06	Meet working capital requirements	90.06		
Bill Purchase	/A	Discount local export bills	93.23		
TOTAL	**379.68**		**1255.97**		

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10.2 Security Package

ADL has offered both primary security and collateral to receive the credit facilities from various financial institutions. The company has hypothecated land, building and other fixed assets as collateral to secure all the facilities and raw materials to secure it's the credit

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facilities used to meet its working capital requirement. The mode of the security offered under each facility is summarized below:

Security Package
A) One Bank **Collateral:** I)1st charge ranking paripassu (shared with Mercantile Bank) with RJSC along with NIGPA on all the fixed asset & Floating assets (present & future) of the borrower company for TK. 640.7 million. II) 402.75 Decimal project land and building at Beraider Chala, Gazipur, Dhaka **Others:** I) Demand Promissory Note and Letter of Continuity for Tk. 640.7 million. II) An undated cheque covering total facility amount along with Memorandum of Deposit of Cheque. III) Personal Guarantee from the directors
B) Standard Bank **Primary Security:** i) Hypothecation of the vehicle. **Others:** i) 60 post dated cheques provided by the company. ii) Comprehensive insurance policy against the vehicle. iii) Personal guarantee signed by the directors of the company.
C) Bangladesh Industrial Finance Corporation (BIFC) **Security:** i) 54 post dated cheques ii) 60 post dated cheques of Tk.0.11 million each ii) 60 post dated cheques of Tk. 0.07 million each
D) Lanka Bangla Finance **Security:** i) Comprehensive Insurance and Registration of the Vehicle favoring LBFL. **Others:** i) 48 nos. Post dated cheques of Tk. 0.03 million each (Current cheque) covering 48 monthly rental. ii) Comprehensive Insurance and Registration of the Vehicle favoring LBFL
E) Mercantile Bank **Primary Security:** ii) Shipping documents ii)) Hypothecation of raw materials ii) Hypothecation of stock in trade iv) L/C margin and shipping documents v) 01 cheque covering the total lease amount and 60 cheques covering the monthly installments vi) 01 cheque covering the total HBL (Comm.) amount and 60 cheques covering the monthly installments **Collateral:** i) 1st charge on raw materials, work-in-progress, finished goods, machinery, furniture and fixtures of the company ii) 1st charge on 402.75 decimal land along with factory building there on measuring 85000 sft. at Becher Chala, P.O.- Gilaberaid , P.S. - Sreepur, Gazipur iii) Registered Mortgage of 22.25 decimals land at Beraiter Chala, Kewa, Sreepur, Gazipur **Others:** i) Personal guarantee of all the directors ii) Continuation of existing First charge of all present and future fixed and floating assets of the company with the Register of Joint Stock Companies and Firms iii) Personal guarantee of all the directors

Sufficient Collateral

CRISL views that the company has offered both primary security and other securities against all loans. However, the un-dated cheques, personal guarantee of the Directors and corporate guarantee are considered as a comfort against the loans. The personal Guarantee of Directors and corporate guarantee provided to each bank equivalent to the loan amount. Moreover, the outstanding bank loan of the company is secured by all fixed and floating asset (present and future).

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11.0 BUSINESS PLAN

The Company is planning to raise capital through IPO (Initial Public Offering) by issuing 30 million ordinary shares at Tk.80 each, including premium of Tk.70 after getting approval from the regulatory authority. The above move will enhance the capital base of the company to a great extent. The IPO proceeds, considering the proposed offer price, have been estimated at Tk.2400 million. With the IPO proceeds, the company has planed to utilize Tk.1250 million for repayment of bank loan including short-term liabilities, Tk.950 million for expansion of the production facility (New Warping Machine 1 set, Dyeing Machine 1 set, Looms 63 nos, Finishing Machine 1 set, Inspection Machine 4 nos, Generator 2 nos and Chiller 1 nos) will be purchased and installed. A new factory building will also be constructed and Tk.200 million shall be utilized as working capital. According to the business plan, the expansion project will be undertaken to increase production capacity of the company. Currently, the company is operating with 48 air-jet looms which have the capacity to produce 8.60 million yards of fabrics a year. After completion of the project, another 63 air-jet looms will be added to the production facility and the capacity of the company will be increased to 21.60 million yards a year. Installation of the additional looms as well as other machineries and construction cost will be completed by November, 2012 which ultimately will positively impact on the production and financials of the company in the year 2013.

12.0 RISK ANALYSIS

12.1 Debt Servicing Risk

The debt servicing capacity of the company currently is at moderate level. In the year 2010, the debt service coverage ratio of the company was 1.43 times and interest coverage ratio was 2.50 times. The company is yet to generate positive cash flow from its operation.

12.2 Price Escalation risk

The textile industry of our country needs to import almost entire cotton requirement which is more than 5.00 million bales a year. Both the dollar price and the cotton price are volatile in the international market. During the last year the price of major raw materials (yarn and Chemical) increased significantly in the market. The rise in prices caused due to stockpiling by China, the largest consumer of cotton, poor harvest in cotton growing countries such as Uzbekistan, last year's devastating flood in Pakistan, the fourth largest cotton supplier of the world, and restriction on cotton export by India, the second largest cotton growing country etc. The risk is however mitigated some extent by increase in product price.

12.3 Operating and Maintenance Risk

ADL has 48 air jet looms and some other high quality machines of some European brands and brands of India, China etc. Operation of the plant has been managed by experienced professionals. In view of the presence of high quality machineries and competent production team, CRISL dose not foresee that ADL is vulnerable to operation and maintenance risk.

12.4 Raw materials Supply Risk

The main raw material of the company is yarn and chemical where yarn is produced in our country on the basis of imported cotton. At present about 60% of the total raw materials of the company is fulfilled through foreign sources and the remaining 40% is through local sources. CRISL does not foresee significant raw materials supply risk of the company.

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13.0 OBSERVATION SUMMARIES:

Comforts:	**Concerns:**
• Good profitability • Sound infrastructure • Increase in capacity utilization • Regular loan payment history • Sufficient collateral • Experienced management team	• Debt -based capital structure • Moderate operating efficiency • Average liquidity position • Exposed to price fluctuation risk • Limited use of IT in MIS
Prospects: • Increased Demand of Denims Product • Flourishing Sector • Cheap Labor • Expansion of Backward linkage	**Challenges:** • Political Instability • Increased Global Competition • Maintenance Appropriate compliance Standard

14.0 PROSPECTS

Textile and garments are the major focus of government export policy. The spinning sector is now providing full support to the garments as deemed export industry. However, the world economy is passing a crucial time due to economic recession as such our Textile Sector as a whole is gradually being affected by the global financial crisis. This has further been magnified by the actions in currency depreciation of our competing countries like Pakistan and India. The same has created an opportunity for Indian business houses to export cotton yarn to Bangladesh at a lower price. The present economic slowdown has affected our market mechanism as well as our factories. To meet the challenges of the global economic crisis our competing countries have adopted strategies to sustain and strengthen their market position. In line with that India and Pakistan, our competitors in global Textile and clothing Trade have experienced depreciation in their currencies by 25% and 30% respectively. At the same time they have also lowered their interest rate. Textile sector of Bangladesh now is an import substitute sector. As such the Management of BTMA requested the Govt. to initiate an action plan in the form of financial reform program wherein they suggested for rationalization of the currency exchange rate, reduction in interest rate, subsidy in the utility services and enhancement of existing rate of cash assistance in lieu of duty draw back or bonded warehouses for increasing our competitiveness to that level of our competitors.

Despite the inherent limitations of the company, being one of the high quality Denims fabric producers of the country, ADL is capable of making full use of the opportunities. The company is in the comfort zone for its good quality machineries as well as sound product demand. Despite the current financial constraint, the company has the potentials to overcome all the difficulties if the problems are judiciously addressed.

END OF THE REPORT

[We have examined, prepared, finalized and issued this report without compromising with the matters of any conflict of interest. We have also complied with all the requirements, policy procedures of the SEC rules as prescribed by the Securities and Exchange Commission.]

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15.Corporate Information

Date of incorporation : June13th, 2006
Start of Commercial operation: March, 2008

Board of Directors:

Sl.No.	Name	Designation (Group)
01	Mr. Anwar-ul Alam Chowdhury (51)	Managing Director
02	Ms. Shabnam Shehnaz Chowdhury (43)	Director
03	Mr. Shah Adeeb Chowdhury (24)	Director
04	Shah Rayeed Chowdhury (21)	Director
05	Mr. Akhter Shahid (52)	Director
06	Mr. A.K. Gouhor Rabbani (40)	Director
07	Mr. Abu Kawser Majumder (37)	Director

**Statutory Auditor: Pinaki & Company,
Chartered Accountants**

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16.0 FINANCIALS

A) Balance Sheet as on December 31st

Tk. in Million

Particulars	* 2011	2010	2009	2008
Non-Current Assets:				
Property, Plant & Equipments	798.77	636.23	566.88	618.63
Capital work in progress	N/A	25.63	29.11	N/A
Preliminary expenses	0.52	0.52	0.52	0.52
Other Non-Current Assets	1.29	1.29	1.29	1.29
Total Non-Current Assets	**800.58**	**663.67**	**597.79**	**620.44**
Current Assets:				
Inventories	374.64	337.59	280.77	168.57
Trade Debtors	579.56	441.07	180.81	187.65
Advance, Deposits & Prepayments	6.34	11.53	N/A	4.23
Short Term Investment	11.26	10.00	9.50	N/A
Total Current Assets Other than Cash	**971.80**	**800.19**	**471.08**	**360.45**
Cash & Bank Balances	49.06	55.94	25.63	3.25
Total Current Assets	**1020.86**	**856.13**	**496.71**	**363.70**
Current Liabilities:				
Short Term Loan	781.05	692.46	456.11	496.45
Long Term Loan - Current Portion	154.62	116.38	116.38	61.07
Trade creditors	3.19	3.25	32.20	47.62
Accrued Expenses	11.23	7.23	10.82	5.43
Other current liabilities	3.53	0.05	0.05	0.16
Total Current Liabilities	**953.62**	**819.36**	**615.56**	**610.73**
Net Current Assets	**67.24**	**36.77**	**(118.84)**	**(247.03)**
Net Assets(Capital Employed)	**867.82**	**700.44**	**478.95**	**373.41**
Non-Current Liabilities:				
Long Term Loan	267.27	312.08	308.97	228.50
Lease finance	49.97	55.40	54.13	102.14
Total Non-Current Liabilities	**317.25**	**367.47**	**363.10**	**330.64**
Shareholders' Equity:				
Share Capital	100.00	100.00	5.40	5.40
Share money deposit	27.33	27.33	67.03	27.33
Tax Holiday reserve	108.54	82.26	17.37	4.01
Other Reserve	151.89	N/A	N/A	N/A
Retained Earnings	162.81	123.38	26.05	6.02
Total Shareholder's Equity	**550.57**	**332.97**	**115.85**	**42.76**
Total Equity and LT Liabilities	**867.82**	**700.44**	**478.95**	**373.41**
Total Assets	**1,821.44**	**1,519.80**	**1,094.51**	**984.14**

*as on 31st March

B) Income Statement for the year ended at Dec.31st

Tk. In Million

Particulars	* 2011	2010	2009	2008
Sales Revenue	369.77	1012.89	634.99	351.51
Cost of Goods Sold	259.12	750.76	451.17	290.57
Depreciation-Manufacturing	14.23	48.91	50.63	12.92
Cost of Goods Sold	273.35	799.67	501.80	303.50
Gross Profit	**96.42**	**213.21**	**133.19**	**48.01**
Salary & Allowances	3.32	**5.52**	3.66	3.04
Depreciation-Administration	0.75	2.57	2.66	0.68
Other Administration Expenses	5.05	9.47	3.76	6.84
Total Administration	**9.12**	**17.57**	**10.08**	**10.56**
Selling & Distribution Expenses	1.78	3.75	3.39	0.06
Other Operating Income	11.12	N/A	N/A	N/A
Profit from Operation	**96.64**	**191.90**	**119.71**	**37.39**
Financial Cost	27.47	108.17	86.32	27.35
Non Operating Income	N/A	78.49	N/A	N/A
Profit Before Provision	**69.17**	**162.21**	**33.39**	**10.04**
Provision for WPPF	3.46	64.89	13.36	4.01
Tax holiday reserve	26.28	N/A	N/A	N/A
Profit After Provision	**39.43**	**97.33**	**20.03**	**6.02**

*Up to 31st March

CREDIT RATING REPORT
ON
ARGON DENIMS LTD.

CRISL RATING SCALES AND DEFINITIONS
LONG-TERM RATINGS OF CORPORATE

RATING	DEFINATION
AAA Triple A (Highest Safety)	**Investment Grade** Entities rated in this category are adjudged to be of best quality, offer highest safety and have highest credit quality. Risk factors are negligible and risk free, nearest to risk free Government bonds and securities. Changing economic circumstances are unlikely to have any serious impact on this category of companies.
AA+, AA, AA- (Double A) (High Safety)	Entities rated in this category are adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a corporate entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions.
A+, A, A- Single A (Adequate Safety)	Entities rated in this category are adjudged to offer adequate safety for timely repayment of financial obligations. This level of rating indicates a corporate entity with an adequate credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories.
BBB+, BBB, BBB- Triple B (Moderate Safety)	Entities rated in this category are adjudged to offer moderate degree of safety for timely repayment of financial obligations. This level of rating indicates that a company is under-performing in some areas. Risk factors are more variable in periods of economic stress than those rated in the higher categories. These entities are however considered to have the capability to overcome the above-mentioned limitations.
BB+, BB, BB- Double B (Inadequate Safety)	**Speculative Grade** Entities rated in this category are adjudged to lack key protection factors, which results in an inadequate safety. This level of rating indicates a company as below investment grade but deemed likely to meet obligations when due. Overall quality may move up or down frequently within this category.
B+, B, B- Single B (Risky)	Entities rated in this category are adjudged to be with high risk. Timely repayment of financial obligations is impaired by serious problems which the entity is faced with. Whilst an entity rated in this category might be currently meeting obligations in time through creating external liabilities.
CCC+, CCC, CCC- Triple C (Vulnerable)	Entities rated in this category are adjudged to be vulnerable and might fail to meet its repayments frequently or it may currently meeting obligations in time through creating external liabilities. Continuance of this would depend upon favorable economic conditions or on some degree of external support.
CC+, CC, CC- Double C (High Vulnerable)	Entities rated in this category are adjudged to be very highly vulnerable. Entities might not have required financial flexibility to continue meeting obligations; however, continuance of timely repayment is subject to external support.
C+, C, C- (Extremely Speculative)	Entities rated in this category are adjudged to be with extremely speculative in timely repayment of financial obligations. This level of rating indicates entities with very serious problems and unless external support is provided, they would be unable to meet financial obligations.
D (Default)	**Default Grade** Entities rated in this category are adjudged to be either already in default or expected to be in default.

Note: For long-term ratings, CRISL assigns + (Positive) sign to indicate that the issue is ranked at the upper-end of its generic rating category and - (Minus) sign to indicate that the issue is ranked at the bottom end of its generic rating category. Long-term ratings without any sign denote mid-levels of each group

SHORT-TERM CORPORATE RATING

ST-1	**Highest Grade** Highest certainty of timely payment. Short-term liquidity including internal fund generation is very strong and access to alternative sources of funds is outstanding. Safety is almost like risk free Government short-term obligations.
ST-2	**High Grade** High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.
ST-3	**Good Grade** Good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.
ST-4	**Moderate Grade** Moderate liquidity and other protection factors qualify an entity to be in investment grade. Risk factors are larger and subject to more variation.
ST-5	**Speculative Grade** Speculative investment characteristics. Liquidity is not sufficient to ensure discharging debt obligations. Operating factors and market access may be subject to a high degree of variation.
ST-6	**Default** Entity is in default or is likely to default in discharging its short-term obligations. Market access for liquidity and external support is uncertain.

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CRISL/Rating/682/12

April 15, 2012

Managing Director
Argon Denims Limited
Plot No-33, Section-7,
Mirpur, Dhaka-1216.

Sub: Short Term Rating of Argon Denims Ltd.

Dear Sir,

It is to inform you that as part of our continuous surveillance, CRISL has reviewed the Short Term rating of your company and based on the prevailing fundamentals, Rating Committee has decided to reaffirm the Short Term rating to 'ST-3' and extended its validity period up-to June 27, 2012. The Long Term rating of 'A-' with stable outlook will remain valid till June 27, 2012.

Thanking you.

With best personal regards,

Yours Sincerely,

Sd/-
Muzaffar Ahmed, FCMA, FCS
President and CEO
Credit Rating Information and Services Limited

APPLICATION FORM

শেয়ারবাজারে বিনিয়োগ ঝুঁকিপূর্ণ, জেনে ও বুঝে বিনিয়োগ করুন।

'Interested Persons are entitled to a prospectus if they so desire. Copies of prospectus may be obtained from the Issuer and the Issue Manager.'

Argon Denims Limited

APPLICATION FORM

APPLICATION FOR SHARES BY INVESTORS OTHER THAN NON-RESIDENT BANGLADESHI(S)

WARNING: Please read the instructions at the back of this form. Incorrectly filled applications or applications failing to comply with any of the instructions therein may be rejected.

The Managing Director
Argon Denims Limited.
Plot # 33, Section # 7, Mirpur,
Dhaka-1216, Bangladesh

Banker's Sl. No.

Dear Sir,

I/we apply for and request you to allot me/us .... numbers of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's Prospectus approved by the Securities and Exchange Commission and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Member(s) of the Company and deposit the said ordinary shares in my/our Beneficiary Owner ("BO") account; I/we further authorize you to send a crossed (Account Payee only) cheque in respect of any Application money refundable to me/us by post/courier at my/our risk to the first applicant's address stated below:

1. No. of Ordinary Shares .... of Tk. 35/- each including a premium of Tk. 25/- per share.
2. Total subscription money of the amount of Tk. (in figures) .... Taka (in words) .... only deposited vide Cash/Cheque/Draft/Pay Order No. .... Date... on .... Bank .... Branch.
3. **Beneficiary Owner (BO) A/C No.**

(If you do not mention your valid BO A/C No., your application will be treated as invalid)

4. **I/we agree to fully abide by the instruction given herein.**
5. **Particulars of Applicant(s):**

a) Sole/First Applicant:

Name:	
Father's/Husband's Name:	
Mother's Name:	
Postal Address:	
Phone Number (if any):	
Occupation:	Nationality:
For Refund: Please write the correct and full name of bank and branch (Application will not be treated as valid if anyone uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank).	
For refund purpose: I/we want refund through ☐ Bank Account ☐ Hand Delivery/Courier (Please put tick mark in which refund will be made). **The applicant shall provide with the same Bank Account number in the application form as it is in the BO account of the applicant.**	
In case of deposit into the applicant's bank account, the applicant will bear the applicable charge, if any, of the applicant's banker and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.	
Applicant's Bank A/C No.:	
Name of the Bank:	Branch:

b) Second Applicant:

Name:	
Father's/Husband's Name:	
Mother's Name:	
Postal Address:	
Occupation:	Nationality:

6. I/we hereby declare that I/we have read the Prospectus of **Argon Denims Limited** and have willingly subscribed for .... No. of Ordinary Shares of Tk. 35/- each including a premium of Tk. 25/- per share.
7. **Specimen Signature(s):**

(i) Name (in Block Letters)		Signature:
(ii) Name (in Block Letters)		Signature:

BANKER'S ACKNOWLEDGEMENT

Certified that this Bank has received Tk. (in figures) .... (in word ....) only from Mr./Mrs./Ms. .... being the Application money for .... Ordinary Shares of **Argon Denims Limited.**

INSTRUCTIONS

1. As per provision of Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your Beneficiary Owner (BO) Account number in the Application form. If you do not mention your valid BO account number your application will be treated as invalid.
2. All information must be typed or written in full (in Block Letters) in English or in Bengali and must not be abbreviated.
3. Application must be made on the Company's printed form/photocopy or on typed copy/hand written form thereof.
4. Application must not be for less than **200** Ordinary Shares and must be for a multiple of **200** Ordinary Shares. Any application not meeting these criterions will not be considered for allotment purpose.
5. Remittance for the full amount of the Shares must accompany each Application and must be forwarded to any of the Bankers to the Issue. Remittance should be in the form of Cash/Cheque/Bank Draft/Pay Order payable to one of the Bankers to the favoring A/C "**Argon Denims Limited**" and crossed "**A/C Payee only**" and must be drawn on a Bank in the same town as the Bank to which the Application Form has been sent.
6. In the case of a Joint Application Form, the Allotment Letter will be dispatched to the person whose name appears first on this Application Form and where any amount is refundable in whole or in part the same will be refunded by Account Payee Cheque by post/courier service to the person named first on this Application Form in the manner prescribed in the Prospectus.
7. Joint Application Form for more than two persons will not be accepted. In case of Joint Application, each party must sign the Application Form.
8. Application must be in full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Applications from financial and market intermediary companies must be accompanied by Memorandum and Articles of Association and Certificate of Incorporation.
9. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money shall be forfeited by the Commission and the balance amount will be refunded to the applicant.**
10. No receipt will be issued for the payment made with Application, but the bankers will issue a provisional acknowledgement to the Issue for Application lodged with them.
11. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank "Account Payee" cheque(s) with bank account number and name of bank branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
12. Allotment shall be made solely in accordance with the instructions of the Securities and Exchange Commission (SEC).
13. Making of any false statement in the Application or supplying of incorrect information therein or suppressing any relevant information shall make the Application liable to rejection and subject to forfeiture of application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account specified by the Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by the law.
14. Applications, which do not meet the above requirements, or Applications, which are incomplete, shall not be considered for allotment purposes.
15. The Banker's to the Issue Banks shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription.
16. **No sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus has been published.**
17. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money too.**

Bankers to the Issue

One Bank Limited	**The City Bank Limited**		**National Bank Limited**	**United Commercial Bank Limited**
		S.S. Cantt. Branch, Tangail		
Principal Branch, Dhaka	B B Avenue Branch, Dhaka	Kadamtali Branch, Chittagong	Agrabad Br. Chittagong	Principal Branch, Dhaka
Motijheel Branch, Dhaka	Dhaka Chamber Br. Dhaka	Comilla Cantt. Branch, Comilla	Anderkillah Br. Chittagong	Nayabazar Branch, Dhaka
Gulshan Branch, Dhaka	Dhanmondi Branch, Dhaka	Ashugonj Branch, Brahmanbaria	Asadgate Branch, Dhaka	Dhanmondi Branch, Dhaka
Uttara Branch, Dhaka	Imamgonj Branch, Dhaka	Khulna Branch, Khulna	Babubazar Branch, Dhaka	Mirpur Branch, Dhaka
Kakrail Branch, Dhaka	Johnson Road Br. Dhaka	Jalalabad Cantt. Br. Sylhet	Banani Branch, Dhaka	Uttara Branch, Dhaka
Elephant Road Branch, Dhaka	Kawran Bazar Br. Dhaka	Rangpur Cantt. Branch, Rangpur	Bangshal Road Branch, Dhaka	Gulshan Branch, Dhaka
Jatrabari Branch, Dhaka	New Market Br. Dhaka	Bogra Cantt. Branch, Bogra	Barisal Branch, Barisal	Mohakhali Branch, Dhaka
Nawabgonj Branch, Dhaka	VIP Road Branch, Dhaka	K. Y. Ali Medical College Branch, Sirajgonj	Beani Bazar Br, Sylhet	Banani Branch, Dhaka
Ganakbari (EPZ) Branch, Dhaka	Islampur Branch, Dhaka	Jessore Cantt. Branch, Jessore	Bogra Branch Bogra	Tejgaon Branch, Dhaka
Agrabad Branch, Chittagong	Nawabgong Branch, Dhaka	Shahjalal Uposhohor Branch, Sylhet	CDA Aavenue Br.Chittagong	Bojoynagar Branch, Dhaka
Khatunganj Branch, Chittagong	Nawabpur Branch, Dhaka	Joypara Branch, Dohar, Dhaka	Chaktai Br, Chittagonj	Narayangonj Branch, Narayangonj
Nanupur Bazar Branch, Chittagong	Pragati Sarani Branch, Dhaka		Chandpur Natun Bazar Br, Chandpur	Comilla Branch, Comilla
Cox's Bazar Branch, Cox's Bazar	Narayangonj Branch, Dhaka		Chawk Bazar Br. Chittagong	Agrabad Branch, Chittagong
Jubilee Road Branch, Chittagonj	Zinzira Branch, Dhaka	**Mercantile Bank Ltd.**	Chowmuhani Branch, Noakhali	Khatungonj Branch, Chittagong
Chandragonj Branch, Lakshmipur	Tongi Branch, Gazipur		Comilla Branch Comilla	Jubilee Road Branch, Chittagong
Raipur Branch, Laxmipur	Agrabad Branch, Chittagong	Principal Branch, Dhaka	Dhanmondi Branch, Dhaka	Cox's Bazar Branch, Cox's Bazar
DagonBhuiyan Branch, Feni	Khatungonj Branch, Chittagong	Motijheel Branch, Dhaka	Dilkusha Br. Dhaka	Sylhet Branch, Sylhet
Sylhet Branch, Sylhet	Andarkilla Branch, Chittagong	Dhanmondi Branch, Dhaka	Elephant Road Branch, Dhaka.	Maijdee Court Branch, Noakhali
Sherpur Branch, Moulvi Bazar	Chawkbazar Branch, Chittagong	Kawran Bazar Branch, DhakaA	Faridpur Branch, Faridpur	Pabna Branch, Pabna
Islampur Branch, Sylhet	Comilla Branch, Comilla	Mohakhali Branch, Dhaka	Feni Bracnh, Feni	Rangpur Branch, Rangpur
Jessore Branch, Jessore	Bandar Bazar Branch, sylhet	Gulshan Branch, Dhaka	Foreign Ex. Branch, Dhaka	Mymensingh Branch, Mymensingh
Laksham Branch, Comilla	Moulvi Bazar Branch, Sylhet	Elephant Road Branch, Dhaka	Gazipur Br.Gazipur	Dinajpur Branch, Dinajpur
Ramganj Branch, Laxmipur	Rajshahi Branch, Rajshshi	Progati Sarani Branch, Dhaka	Godagari Br, Rajshahi	Bogra Branch, Bogra
Maijdee Court Branch, Noakhali	Bogra Branch, Bogra	Nayabazar Branch, Dhaka	Gulshan Branch, Dhaka	Rajshahi Branch, Rajshahi
Banasree Branch, Dhaka	Rangpur Branch, Rangpur	Mirpur Branch, Dhaka	Halishahar Br. Chittagong	Khulna Branch, Khulna
Shahjadpur Branch, Sirajgonj	Sirajgonj Branch, Sirajgonj	Uttara Branch, Dhaka	Imamganj Branch, Dhaka	Jessore Branch, Jessore
Jagannathpur Branch, Dhaka	Khulna Branch, Khulna	Ashulia Branch, Dhaka	Islampur Branch, Dhaka	Kushtia Branch, Kushtia
Basabo Branch, Dhaka	Jessore Branch, Jessore	Satmasjid Road Branch, Dhaka	Jatrabari Branch, Dhaka	Barisal Branch, Barisal
Satkhira Branch, Satkhira	Barisal Branch, Barisal	Moghbazar Branch, Dhaka	Jessore Branch, Jessore	Faridpur Branch, Faridpur
Madhabdi Branch		Ring Road Branch, Dhaka	Jubille Road Br Chittagonj	
Rangamati Branch	**First Security Islami Bank Limited**	Narayangonj Branch, Narayangonj	Kadomtoli Br, Sylhet	**Brac Bank Limited**
Sitakunda Branch, Chittagong		Board Bazar Branch, Gazipur	Kawran Bazar Branch, Dhaka	
Moghbazar Branch, Dhaka	Dilkusha Branch, Dhaka	Feni Branch, Feni	KDA Br, Khulna	Asad Gate Branch, Dhaka
	Mohakhali Branch, Dhaka	Comilla Branch, Comilla	Khatungong Br. Chittagong	Banani Branch, Dhaka
Southeast Bank Limited	Bangshal Branch, Bangshal, Dhaka	Agrabad Branch, Chittagong	Khulna Br. Khulna	Bashundhara Branch, Dhaka
	Dhanmondi Branch, Dhaka	Khatunganj Branch, Chittagong	Lake Circus Br.Dhaka	Donia Branch, Dhaka
Principal Branch, Dhaka	Mirpur Branch, Dhaka	Jubilee Road Branch, Chittagong	Madhupur Br, Tangail	Eskaton Branch, Dhaka
Corporate Branch, Dhaka	Topkhana Road Branch, Dhaka	O.R. Nizam Road Branch, Chittagong	Malibagh Branch, Dhaka	Graphics Building Branch, Dhaka
Imamganj Branch, Dhaka	Maiddah Bashabo Br, Dhaka	Madam Bibir Hat Branch, Chittagong	Mirarssari Br, Chittagong	Gulshan Branch, Dhaka
Dhanmondi Branch, Dhaka	Donia Branch, Dhaka	Sheikh Mujib Road Branch, Chittagong	Mirpur Branch, Dhaka	Manda Branch, Dhaka
New Elephant Road Branch, Dhaka	Azampur Branch, Dhaka	Sylhet Branch, Sylhet	Mohakhali Branch, Dhaka	Mirpur Branch, Dhaka
Rokeya Sarani Branch, Dhaka	Senanibash Branch, Dhaka	Moulvibazar Branch, Sylhet	Mohammadpur Branch, Dhaka	Narayanganj Branch, Dhaka
Kakrail Branch, Dhaka	Motijheel Branch, Dhaka	Beani Bazar Branch, Sylhet	Motijheel Branch, Dhaka	Nawabpur Branch, Dhaka
Karwan Bazar Branch, Dhaka	Ring Road Branch, Dhaka	Mymensingh Branch, Mymensingh	Moulvibazar Br. Moulvibazar	Rampura Branch, Dhaka
Sat Mashjid Road Branch, Dhaka	Collage Gate Branch, Gazipur	Jessore Branch, Jessore	Muradpur Br.Chittagong	Shyamoli Branch, Dhaka
Aganagar Branch, Dhaka	Probortak Mor Branch, Chittagong	Rangpur Branch, Rangpur	Mymensingh Br. Mymensingh	Uttara Branch, Dhaka
Pragati Sarani Branch, Dhaka	Bohaddarhat Branch, Chittagong	Dinajpur Branch, Dinajpur	Narayangonj Branch, N'Gonj	Agrabad Branch, Chittagong
Madhabdi Branch (Rural), Narshingdi	Hat Hazari Branch, Chittagong		Narsingdi Branch, Narsingdi	CDA Avenue Branch, Chittagong
Narayanganj Branch, Narayanganj	Chokoria Branch, Cox's Bazar		Netaigonj Branch, N'Gonj	Halisohor Branch, Chittagong
Savar Branch, Dhaka	Bogra Branch, Bogra		New Eskaton Branch, Dhaka	Kazirdeuri Branch, Chittagong
Mouchak Branch, Dhaka	Rajshahi Branch, Rajshahi	**Mutual Trust Bank Limited**	North Brook Hall Branch, Dhaka	Momin Road Branch, Chittagong
Konabari Branch (Rural), Gazipur	Sylhet Branch, Sylhet		Pabna Br, Pabna	Bogra Branch, Bogra
Tongi Branch, Gazipur	Taltola Branch, Sylhet	Babu Bazar Branch, Dhaka	Pagla bazar Branch	Rajshahi Branch, Rajshahi
Mohammadpur Branch, Dhaka	Ambarkhana Branch, Sylhet	Banani Branch, Dhaka	Pahartali Branch, Chittagong	Jessore Branch, Khulna
Moulvi Bazar Branch, Moulvibazar	Khulna Branch, Khulna	Dhanmondi Branch, Dhaka	Patiya Br, Chittagong	Khulna Branch, Khulna
Pahartali Branch, Chittagong	Jessore Branch, Jessore	Dilkusha Branch, Dhaka	Pragati Sarani Branch, Dhaka	Barisal Branch, Barisal
Chouhatta Branch, Sylhet	Satkhira Branch, Satkhira	Fulbaria Branch, Dhaka	Rajshahi Branch, Rajshahi	Zindabazar Branch, Sylhet
Laldighirpaar Branch, sylhet	Patuakhali Branch, Patuakhali	Mohammadpur Branch, Dhaka	Rifles Square Br. Dhaka	
Pathantula Branch, Sylhet	Mymensingh Branch, Mymensingh	MTB Corp. Centre Br. Dhaka	Rokeya Sarani Branch, Dhaka	**NCC Bank Limited**
Halishahar Branch, Chittagong	Barisal Branch, Barisal	Pallabi Branch, Dhaka	S.k. Mojib Road Branch, Ctg	
Chowmuhani Branch, Noakhali	Faridpur Branch, Faridpur	Principal Branch, Dhaka	Savar Bazar Branch, Savar, Dhaka	Motijheel Branch, Dhaka
CDA Avenue Branch, Chittagong	Chawkbazar Branch, Chittagong	Progati Sarani Branch, Dhaka	Sunamgonj Br., Sunamgonj	Malibagh Branch, Dhaka
Cox's Bazar Branch, Cox's Bazar	Gobindagonj Branch, Sunamgonj	Savar Branch, Dhaka	Sylhet Br. Sylhet	Gulshan Branch, Dhaka
Chhagalnaiya Branch, Feni		Shanir Akhra Branch, Dhaka	Tangail Branch, Tangail	Dilkusha Branch, Dhaka
Bogra Branch, Bogra	**Standard Chartered Bank**	Tongi Branch, Dhaka	Tongi Br., Gazipur	Shymoli Branch, Dhaka
Rajshahi Branch, Rajshahi		Uttara Model Town Branch, Dhaka	Uttara Branch, Dhaka	Moghbazar Branch, Dhaka
Khulna Branch, Khulna	Motijheel (OPCC), Dhaka	Narayangonj Branch, Narayangonj	Z. H. Sikder M.C. Br. Dhaka	Mirpur Branch, Dhaka
Jessore Branch, Jessore	Nasirabad Branch, Chittagong	Sonargaon Branch, Narayangonj	Zindabazar Br. Sylhet	Bijoynagar Branch, Dhaka
Kushtia Branch, Khushtia	Agrabad Branch, Chittagong	Alankar Mour Branch, Chittagong		Bangshal Branch, Dhaka
Rajshahi Branch, Rajshahi	Bogra Branch, Bogra	C D A Avenue Branch, Chittagong	**Commercial Bank of Ceylon PLC**	Mitford Branch, Dhaka
Naogaon Branch, Naogaon	Sylhet Branch, Sylhet	Jubilee Road Branch, Chittagong		Elephant Road Branch, Dhaka
Barishal Branch, Barishal		Khatungonj Branch, Chittagong	Motijheel Branch, Dhaka	Joydevpur Branch, Gazipur
Bogra Branch, Bogra	**Trust Bank Limited**	Feni Branch, Feni	Dhanmondi Branch, Dhaka	Kamal Bazar Branch, Chittagong
Khulna Branch, Khulna		Rajshahi Branch, Rajshahi	Mirpur Branch, Dhaka	Jatrabari Branch, Dhaka
	Principal Branch, Dhaka	Rangpur Branch, Rangpur	Uttara Branch, Dhaka	Madaripur Branch, Madaripur
Investment Corporation of Bangladesh	Kafrul Branch, Dhaka	Bogra Branch, Bogra	Gulshan Branch, Dhaka	Tangail Branch, Tangail
	RWGH Branch, Dhaka	Pabna Branch, Pabna	Sonargaon Branch, Dhaka	Chowhatta Branch, Sylhet
Head Office, Dhaka	Mirpur Branch, Dhaka	Kushtia Branch, Kushtia	Old Dhaka Branch, Dhaka	Majhirghat Branhc, Chittagong
Chittagong Br., Chittagong	Karwan Bazar Branch, Dhaka	Sylhet Branch, Sylhet	Progati Sharani Branch, Dhaka	Rangpur Branch, Rangpur
Rajshahi Br., Rajshahi	Uttara Corp. Branch, Dhaka	Moulvi bazaar Branch, Sylhet	Shantinagar Branch, Dhaka	O.R. Nizam Road, Chittagong
Khulna Br., Khulna	Narayangonj Branch, Narayangonj	Gournadi Branch, Barisal	Tongi Branch, Tongi	Laxmipur Branch, Laxmipur
Barishal Br., Barishal	Narsingdi Branch, Narsingdi	Jessore Branch, Jessore	Agrabad Branch, Chittagong	Bogra Branch, Bogra
Sylhet Br., Sylhet	Joydebpur Branch, Gazipur	Habigonj Branch, Habigonj	Jubilee Road Branch, Chittagong	Naogaon Branch, Naogaon
Bogra Br., Bogra	Ashulia Branch, Dhaka		CDA Avenue Branch, Chittagong	CEPZ Branch, Chittagong
Local Office, Dhaka	Momenshahi Cantonment Br. Mymensingh		Sylhet Branch, Sylhet	Laldighirpar Branch, Sylhet
	Savar Cantonment Branch, Dhaka		Narayanganj Branch, Narayanganj	Madunaghat Branch, Chittagong

শেয়ারবাজারে বিনিয়োগ ঝুঁকিপূর্ণ, জেনে ও বুঝে বিনিয়োগ করুন।

'Interested Persons are entitled to a prospectus if they so desire. Copies of prospectus may be obtained from the Issuer and the Issue Manager.'

Argon Denims Limited

APPLICATION FORM

APPLICATION FOR SHARES BY NON-RESIDENT BANGLADESHI(S)

(To be sent directly to the Company's Corporate Office)

WARNING: Please read the instructions at the back of this form. Incorrectly filled applications or applications failing to comply with any of the instructions therein may be rejected.

The Managing Director
Argon Denims Limited.
Plot # 33, Section # 7, Mirpur,
Dhaka-1216, Bangladesh

Dear Sir,

I/we apply for and request you to allot me/us .... numbers of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's Prospectus approved by the Securities and Exchange Commission and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Member(s) of the Company and deposit the said ordinary shares in my/our Beneficiary Owner ("BO") account; I/we further authorize you to send a crossed (Account Payee only) cheque in respect of any Application money refundable to me/us by post/courier at my/our risk to the first applicant's address stated below:

1. No. of Ordinary Shares .... of Tk. 35/- each including a premium of Tk. 25/- per share.
2. Total subscription money of the amount of Tk. (in figures)................................., Taka (in words) .... only convertible into USD at the rate of US Dollar 1.00 = Tk. ..../ UK Pound Sterling 1.00 = Tk. .... / EURO 1.00 = Tk. ....
3. Payment by Draft/Cheque No.. Date... for US Dollar/UK Pound Sterling/Euro/TK. ....drawn on .... Bank .... Branch...
4. **Beneficiary Owner (BO) A/C No.**

(If you do not mention your valid BO A/C No., your application will be treated as invalid)

5. **I/we agree to fully abide by the instruction given herein.**
6. **Particulars of Applicant(s):**

a) Sole/First Applicant:

Name:	
Father's/Husband's Name:	
Mother's Name:	
Mailing Address:	
Occupation:	Nationality:
Passport No.:	Valid up to:
Date of Birth:	
For Refund: Please write the correct and full name of bank and branch (Application will not be treated as valid if anyone uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank).	
Applicant's Bank A/C No.:	
Name of the Bank:	Branch:

The applicant shall provide the same Bank Account number in the application form as it is in the BO account of the applicant.

b) Second Applicant:

Name:	
Father's/Husband's Name:	
Mother's Name:	
Mailing address:	
Occupation:	Nationality:
Passport No.:	Valid up to:
Date of Birth:	

Nominee's Name:
Mailing Address:

7. I/we hereby declare that I/we have read the Prospectus of **Argon Denims Limited** and have willingly subscribed for .... Ordinary Shares of Tk. 35/- each including a premium of Tk. 25/- per share.
8. **Specimen Signature(s):**

Name in Block Letters	Signature
Sole/First Applicant:	
Second Applicant:	
Nominee:	

***Please see the instructions in paragraphs 14 & 15 for the evidence required to establish Non-Resident Bangladeshis Status.**

INSTRUCTIONS

1. As per provision of Depository Act, 1999 and regulations made thereafter shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) account number in the Application Form. If you do not mention your valid BO account number, your application will be treated as invalid.
2. All information must be written or typed in Block Letters in English and must not be abbreviated.
3. An application must not be for less than **200** Ordinary Shares and must be for a multiple of **200** Ordinary Shares. Any application not meeting these criterions will not be considered for allotment purpose.
4. Application must be accompanied by a foreign demand draft drawn on a bank payable at Dhaka or cheque drawn out of foreign currency deposit account maintained in Bangladesh for the full value of shares favoring **"Argon Denims Limited"** and crossed **"Account Payee only".**
5. Application shall be sent by the applicant directly to the Company within **02/12/2012** so as to reach the Company within **11/12/2012** Applications sent after **02/12/2012** or received by the Company after **11/12/2012** will not be considered for allotment purpose.
6. Refund against over-subscription shall be made in the currency in which the value of Shares was paid for by the applicant through A/C Payee Cheque payable at Dhaka with bank account number, Bank's name and Branch.
7. In case of over-subscription, allotment shall be made by lottery solely in accordance with the instructions of the Securities and Exchange Commission.
8. Money receipt on clearance of draft or cheque, as the case may be, shall be sent by post to the applicant by the Company.
9. Joint Application by two persons will be acceptable. In such a case, allotment of refund shall be made by post to the first applicant. Note that a non-resident Bangladeshi ("NRB") applicant cannot submit more than two applications, one in his/her own name and another jointly with another person by one cheque/DD/PO by US $/UK Pound Sterling/ EURO/Taka (supported by a foreign currency encashment certificate). More than two applications by one cheque/DD/PO by US $/UK Pound Sterling/ EURO/Taka (supported by a foreign currency encashment certificate) will not be allowed.
10. Application must be made by an individual, a Company or Societies, a trust or a society and not by a firm, minor or persons of unsound mind.
11. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of application money and/or forfeiture of the share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account specified by Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by law.
12. The intending NRB applicants shall deposit the share subscription money by US $/UK Pound Sterling/EURO demand draft drawn on any Bank and payable in Dhaka, Bangladesh, or through a nominee by paying out of a non-resident foreign currency deposit account maintained in Bangladesh or in Taka, supported by a foreign currency encashment certificate issued by the bank concerned, for the price of the ordinary shares applied for, through crossed bank cheque marked "Account Payee only", such that the issuer's collecting bank can clear the proceeds and deposit the same into the issuer's account in time.
13. The spot buying rate (TT Clean) in US $ / UK Pound Sterling / EURO of Sonali Bank as prevalent on the date of opening of subscription opening will be applicable for the Non-Resident Bangladeshi (NRB) applicants.
14. **The applicant shall furnish photocopies of relevant pages of valid passport(s) in support of his/her being a NRB, dual citizenship or of the foreign passport bearing an endorsement from the concerned Bangladeshi Embassy to the effect that no visa is required for him/her to travel to Bangladesh.**
15. In case of Joint Application, the Joint Applicant shall also submit supporting papers / documents in support of their being a NRB as mentioned in para - 14 (above).
16. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
17. **No issue of ordinary shares shall be made nor shall any money be taken from any person, in connection with such issue and subscription, until 25 (twenty five) days after the Prospectus has been published.**
18. In the case of non-allotment of the ordinary shares, if the applicants' bank accounts as mentioned in their application forms are maintained with any of the bankers to the issue, the amount refunded to those applicants will be directly credited into their ordinary respective bank accounts as mentioned in their application forms. Otherwise, refunds will be made only through "Account Payee" cheque(s) with bank account number and name of the bank branch as mentioned in the application form, payable at Dhaka, Chittagong, Khulna, Barisal, Rajshahi or Sylhet, as the case may be.
19. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money too.**

THE NRB APPLICATION ALONG WITH THE FOREIGN CURRENCY DRAFT, AS ABOVE, IS TO BE SUBMITTED TO THE COMPANY'S CORPORATE OFFICE DIRECTLY WITHIN THE STIPULATED TIME MENTIONED IN PARA 5.

শেয়ারবাজারে বিনিয়োগ ঝুঁকিপূর্ণ, জেনে ও বুঝে বিনিয়োগ করুন।

'Interested Persons are entitled to a prospectus if they so desire. Copies of prospectus may be obtained from the Issuer and the Issue Manager.'

Argon Denims Limited

APPLICATION FORM

APPLICATION FOR SHARES BY AFFECTED SMALL INVESTORS (ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী)

WARNING: Please read the instructions at the back of this form. Incorrectly filled applications or applications failing to comply with any of the instructions therein may be rejected.

The Managing Director
Argon Denims Limited.
Plot # 33, Section # 7, Mirpur,
Dhaka-1216, Bangladesh

Dear Sir,

I/we apply for and request you to allot me/us …………………… numbers of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's Prospectus approved by the Securities and Exchange Commission and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Member(s) of the Company and deposit the said ordinary shares in my/our Beneficiary Owner ("BO") account; I/we further authorize you to send a crossed (Account Payee only) cheque in respect of any Application money refundable to me/us by post/courier at my/our risk to the first applicant's address stated below:

3. No. of Ordinary Shares …………………… of Tk. 35/- each including a premium of Tk. 25/- per share.
4. Total subscription money of the amount of Tk. (in figures) ………………………………….…… Taka (in words) ……………………………………………………………………………… only deposited vide Cash/Cheque/Draft/Pay Order No. …………………………… Date………………………………………… on …………………………………………… Bank …………………………………………………… Branch.
3. **Beneficiary Owner (BO) A/C No.**

(If you do not mention your valid BO A/C No., your application will be treated as invalid)

4. **I/we agree to fully abide by the instruction given herein.**
5. **Particulars of Applicant(s):**

a) Sole/First Applicant:

Name:	
Father's/Husband's Name:	
Mother's Name:	
Postal Address:	
Phone Number (if any):	
Occupation:	Nationality:
For Refund: Please write the correct and full name of bank and branch (Application will not be treated as valid if anyone uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank).	
For refund purpose: I/we want refund through Bank Account Hand Delivery/Courier (Please put tick mark in which refund will be made). **The applicant shall provide with the same Bank Account number in the application form as it is in the BO account of the applicant.**	
In case of deposit into the applicant's bank account, the applicant will bear the applicable charge, if any, of the applicant's banker and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.	
Applicant's Bank A/C No.:	
Name of the Bank:	Branch:

b) Second Applicant:

Name:	
Father's/Husband's Name:	
Mother's Name:	
Postal Address:	
Occupation:	Nationality:

6. I/we hereby declare that I/we have read the Prospectus of **Argon Denims Limited** and have willingly subscribed for …………………………… No. of Ordinary Shares of Tk. 35/- each including a premium of Tk. 25/- per share.
7. **Specimen Signature(s):**

(iii)	Name (in Block Letters)		Signature:
(iv)	Name (in Block Letters)		Signature:

BANKER'S ACKNOWLEDGEMENT

Certified that this Bank has received Tk. (in figures) …………………………………………… (in word ……………………………………………………………………………………………………) only from Mr./Mrs./Ms. ……………………………………………………………………… being the Application money for ………………………………… Ordinary Shares of **Argon Denims Limited.**

Banker's Sl. No. **Seal and Date** **Authorized Signature (Name & Designation)**

INSTRUCTIONS

1. তালিকাভুক্ত ক্ষতিগ্রস্ত বিনিয়োগকারীগণ সকল পাবলিক ইস্যু **(IPO)-**তে তাদের জন্য সংরক্ষিত ২০% কোটায় শুধুমাত্র নিজ নামে একটি আবেদন করতে পারবেন। তিনি ইচ্ছা করলে সংরক্ষিত কোটায় আবেদন না করে সাধারণ বিনিয়োগকারীদের জন্য নির্ধারিত কোটায় নিজ নামে আবেদন করতে পারবেন। এছাড়া বিদ্যমান আইন অনুযায়ী সাধারণ বিনিয়োগকারীদের জন্য নির্ধারিত কোটায় যৌথ নামে আরেকটি আবেদন করতে পারবেন।
2. As per provision of Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your Beneficiary Owner (BO) Account number in the Application form. If you do not mention your valid BO account number your application will be treated as invalid.
3. All information must be typed or written in full (in Block Letters) in English or in Bengali and must not be abbreviated.
4. Application must be made on the Company's printed form/photocopy or on typed copy/hand written form thereof.
5. Application must not be for less than **200** Ordinary Shares and must be for a multiple of **200** Ordinary Shares. Any application not meeting these criterions will not be considered for allotment purpose.
6. Remittance for the full amount of the Shares must accompany each Application and must be forwarded to any of the Bankers to the Issue. Remittance should be in the form of Cash/Cheque/Bank Draft/Pay Order payable to one of the Bankers to the favoring A/C "**Argon Denims Limited**" and crossed "**A/C Payee only**" and must be drawn on a Bank in the same town as the Bank to which the Application Form has been sent.
7. Application must be in full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Applications from financial and market intermediary companies must be accompanied by Memorandum and Articles of Association and Certificate of Incorporation.
8. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money shall be forfeited by the Commission and the balance amount will be refunded to the applicant.**
9. No receipt will be issued for the payment made with Application, but the bankers will issue a provisional acknowledgement to the Issue for Application lodged with them.
10. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank "Account Payee" cheque(s) with bank account number and name of bank branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
11. Allotment shall be made solely in accordance with the instructions of the Securities and Exchange Commission (SEC).
12. Making of any false statement in the Application or supplying of incorrect information therein or suppressing any relevant information shall make the Application liable to rejection and subject to forfeiture of application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account specified by the Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by the law.
13. Applications, which do not meet the above requirements, or Applications, which are incomplete, shall not be considered for allotment purposes.
14. The Banker's to the Issue Banks shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription.
15. **No sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus has been published.**
16. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money too.**