

**Independent Auditor's Report and Audited  
Financial Statements**

**Of**

**Sonali Aansh Industries Limited**

**Shamsur Rahman Bhaban (Old Lal Bhaban), 1<sup>st</sup> Floor,  
18 Rajuk Avenue Motijheel C/A, Dhaka-1000.**

**For the Year Ended 30 June 2024**

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**Independent Auditors' Report  
To the Shareholders of  
Sonali Aansh Industries Limited  
Report on the Audit of the Financial Statements**

**Qualified Opinion**

We have audited the Financial Statements of “**Sonali Aansh Industries Limited**” which comprise the Statement of Financial Position as at June 30, 2024 and Statement of Profit or Loss & Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matters described in the basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at June 30, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

**Basis for Qualified Opinion**

- In Note # 2.16 (Foreign currency transaction) to the financial statements, it is stated that transactions have been reported in compliance with IAS 21 'Effects of Changes in Foreign Exchange Rates'. The foreign currency monetary items which include receivables in foreign currency at the year-end have not been reported using the closing rate and also no provision for exchange fluctuation against advance received against Sales (Foreign) for reference; Note-16.
- In reference to the accounting policy as mentioned in Note # 2.19, revenue is to be recognized when goods are delivered and risk of ownership is transferred to the customer. However, in practice, the accumulated sales revenue is recognized at each month end for all the invoices raised within the particular month, the mentioned practice is inconsistent with the policy adopted by the company and also inconsistent with IFRS 15, “Revenue from Contracts customers”. Hence, it indicates that the company has overstated sales revenue in this manner.
- In Note # 2.21 to the financial statements the Company stated its operation of a recognized provident fund for eligible workers and its administration by a duly constituted independent Trust and equal contributions @ 8.33% of basic wages and salary by both employees and the employer. However, no such recognition, trustee board, deeds and rules were found in reality. Also, the Company has not made provision for all its 1496 permanent employees @ 8.33% of basic salary.
- In Note # 5 to the financial statements, the Company reports addition to intangibles of Taka 55,975,624 since 2000-01. The intangible addition comprises of tax benefit and export cash subsidy claim, which is currently under lawsuit of the Honorable High Court. The above concept of intangible addition does not comply with the recognition requirement of such as per IAS 38 Intangible Assets. Also, this results in a deviation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets as per which provisions; contingent assets are to be duly report of the prevailing circumstances.

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- In Note # 13 to the financial statements, the Company reports revaluation of property, plant and equipment's which include land, building, plant and machinery etc. of Taka 504,310,971. The revaluation was carried out in the financial year 2006-07. However, the Company has not charged any depreciation on the additional value resulting from revaluation of property, plant and equipment's as required by IAS 16: Property, Plant & Equipment (Paragraph 31). As a consequence, the net assets value of the Company remained overstated to the extent of chargeable depreciation; the net profit after tax also remained overstated by the same figure over the years. Hence, the Earnings Per Share (EPS), and the Net Assets Value (NAV) per share are also overstated to the same extent. Moreover, no revaluation has been undertaken since 2006-07 i.e. 17 years.
- In Note # 14 to the financial statements, the Company Report's Bank Loan as non-current liability without segregating current portion of the said loan and this results in overstatement of non-current liabilities and understatement of current liabilities, It is noncompliance Paragraph 69 of IAS 1.
- In Note # 15 to the financial Statements, the company reports Deferred Tax Liability of Taka 7,735,681. While calculating the deferred tax liability, the revaluation surplus of Property, Plant and Equipment's (non-depreciable part), which amount to Taka 32,215,394 has not been accounted for, a non-compliance of IAS 12 Income Taxes (paragraph-51B), as per which, deferred taxes arise from revalues non-depreciable assets as a reflection of the tax consequences of selling assets. As a result, the deferred tax liability is understated.
- In Note # 21.3 to the financial statements, provision for WPPF of Taka 6,014,377 has been kept by the company under the head "Workers Profit Participation Fund and Welfare Fund" as current liabilities in the financial statements as on 30 June 2024. However, the amount has not been distributed yet as per the mentioned proportion of 80:10:10 to the Participatory Fund, Welfare Fund and Workers Welfare Foundation Fund respectively as per Sections 234 (1) and 242 (1) of the Labor Act 2006 as amended in 2013. Moreover, the company has no separate Trustee Board, Deeds or Rules for operation of WPPF. Also, the fund amount has been used by the company in its operation as a source of financing without providing any interest for such usage as per section 240 (3) of the said Act.
- IFRS 16 leases not been applied while recording transactions which fulfill the set criteria for leases in the aforesaid accounting standards. The company has rental agreement which fall under the new IFRS. Also, the company has not disclosed the reason for departure of IFRS.
- The assessments of the financial year 1995-96 was finalized but no accounting treatment has been given in the books of account for creation of additional tax provision of Taka 866,750 and adjustment of advance taxes thereof.
- In Note # 19 "Unclaimed dividend" as the company's management couldn't provide us detailed list/ breakup for the same as such we couldn't check the same and the company has not yet paid the dividends declared for 2022-2023 to the shareholders its noncompliance of BSEC (Dividend Distribution Policy) Rule 2021.



- In Note # 07 to the financial statements, the Company Report's Inventories Taka 282,687,898 as on 30 June 2024. The amount has remained unverified due lack of Inventory Register and Inventory Report (Item wise).
- In Note # 2.21 to the financial statements the Company stated its operation of a Gratuity fund for each employee who has completed five years of service is eligible to one month gratuity for each completed year. However, no such recognition, trustee board, deeds and rules were found in reality. Also, the Company has not made provision for all eligible employees in the year.
- The Company conducted cash transactions for the purchase of raw materials and another expenses, which is in noncompliance with Section 55 of the Income Tax Act, 2023.
- As disclosed to the financial statements, the Company report LC Margin of Taka nil but previous year Taka 7,614,403 but this adjusted amount remains unverified by us due to lack of supporting documents.
- In Note # 16 to the financial statements, the Company reports Accounts and Other Payables of Taka 74,614,915 but this amount remains unverified by us due to lack of supporting documents.

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

#### **Key Audit Matters**

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





Risk	Our response to the risk
<p><b>Revenue Recognition</b></p> <p>At year-end, the reported total Turnover stands at Tk. 789,606,595/-. There is also a risk that revenue may be increased/ decreased due to the timing differences.</p> <p>Revenue is measured net of discounts, commission and rebates earned by customers on the sales. Within a number of the markets, the estimation and rebates recognized based on sales made during this year is material and considered to be complex and judgmental. Therefore, there is a risk of revenue being misstated as a result of faulty estimates over discounts, incentives and rebates.</p> <p>We identified revenue recognition as key audit matter as it is one of the key performance Indicators of the Company, which give rise to an inherent risk of the existence and the accuracy of the revenue.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>➤ Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting standards</li> <li>➤ Segregation of duties in invoice creation and modification and timing of revenue recognition.</li> <li>➤ Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards.</li> <li>➤ Obtain supporting documentation for sale transaction recorded either side of year-end to determine whether revenue was recognized in the current period.</li> <li>➤ Comparing a sample of revenue transactions recognized during the year with the sale invoices and other relevant underlying documentation.</li> <li>➤ Critically assessing manual journals posted to revenue to identify unusual or irregular items, and finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.</li> </ul>
<p><b>Please see to the Statement of profit or loss &amp; other Comprehensive Income.</b></p>	





### Valuation of Inventory

Member firm of Nexia International, UK

As at June 30, 2024, the reported amount of inventory is Tk. 282,687,898/- held in plants warehouses.

On the reporting date, inventories are carried at the lower of cost and net realizable value. As such, the company applied judgment in determining the appropriate values of inventory in accordance with International Accounting Standards.

Considering the risk as stated above the valuation of Inventory is a key audit matter to the Financial Statements.

We verified the appropriateness of, management's assumptions applied in calculating the value of the inventory as per International Accounting Standard (IAS) by:

- Evaluating the design and implementation of key inventory controls operating across the factory, warehouse;
- Inventory counts and reconciling the results have been done by the management.
- We have collected inventory count data sheet and relevant certification of inventories which indicates inventory items were maintained in good condition and maintaining all compliances;
- Obtaining a detailed review with the subsequent sales to compare with the net realizable value.

*Please see note no. 7 to the Financial Statements*

### Valuation of Tangible Fixed Assets

The carrying value of the tangible fixed assets is Tk. 669,141,598/- as at June 30, 2024. The valuation of tangible fixed assets was identified as a key audit matter due to significance of this balance to the Financial Statements.

The expenditures are classified as an asset, if it is probable that the future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

The useful lives of tangible fixed assets items are based on management's estimates regarding the period over which an asset is expected to be available for use. The estimates of the useful life of the assets is a matter of judgments based on the experience of the entity with similar assets and also take into consideration the physical condition of the assets.

Our audit included the following procedures:

- We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent;
- We obtained a listing of capital expenditures incurred during the year and, on a sample basis, checked whether the items were procured during the year;
- We verified the invoices and L/C documents on sample basis to segregate the capital and operating expenditure and found that the transactions are appropriately classified;
- We evaluated whether the useful lives determined and applied by the management were in line with the nature of assets, the physical condition of the assets and its uses;
- We checked whether the depreciation of tangible fixed assets items was commenced from the date of ready to use and found the depreciation had been started accordingly.

*Please see note no. 4 to the Financial Statements*





**Long Term Loan & Short Term Loan**

As at June 30, 2024 the reported amount of total long-term loan is Tk. 475,355,307/- and Short-term loans is Tk. 27,694,334/- respectively. The company borrowed fund from a Bank.

The company may face difficulties due to unfavorable charge in interest rate & monetary policy that may result in short-term and cash flow crisis.

We have tested the design and operating effectiveness of key controls focusing on the following:

- Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure the proper use of loan;
- We verified sanction letter, loan schedule bank statements to confirm the loan outstanding and found that the balance had been reported in the Financial Statements accurately;
- We checked the financial expenses and classification of loan and repayment schedule on a test basis as well;
- We checked the recording date of transactions and found the recording date is in line with the loan disbursement date.

*Please see note no. 14 & 18 to the Financial Statements*

**Recoverability Assessment of Trade & Other Receivables**

The total amount of Trade and other Receivables is Tk. 477,146,107/- at June 30, 2024. Customers in different business segments and jurisdictions are subject to their independent business risk.

The increasing challenges over the economy and operating environment in the manufacturing industry during the year have increased the risks of default on receivables from the customers. In particular, in the event of insolvency of customers, the company is exposed to potential risk of financial loss when the customers fail to meet their contractual obligations in accordance with the requirements of the agreements.

Accordingly, we identified the recoverability of Receivables as a key audit matter because of the significance of Receivables to Company's Financial Position and because of the significant degree of management judgment involved in evaluating the adequacy of the allowance for doubtful debts.

Our audit procedures of assess the recoverability of trade receivables including the following:

- Tested the accuracy of aging of Receivables at year end on a sample basis;
- Evaluating the Company's policy for making allowance for doubtful debts with reference to the requirements of the prevailing accounting standards;
- Assessing the classification of trade receivables in the debtors ageing report by comparison with sales invoice and other underlying documentation on a taste basis;
- Assessed the recoverability of the debtors on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers, historical payment pattern of customers; and
- Inspecting subsequent bank receipts from customers and other relevant underlying documentation relating to trade receivable balances at June 30, 2024.

*Please see note no. 8 to the Financial Statements*

**Other Information**

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the Financial Statements and our auditor's report thereon. The directors are responsible for the other information.





Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion there on.

In connection with our audit of the Financial Statements our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls***

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with IFRSs, The Companies Act 1994, The Securities and Exchange Rules 2020 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. The Companies Act, 1994 require the management to ensure effective internal audit, internal control and risk management functions of the company.

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit

evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and event in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the Financial Statements we are responsible for the direction, supervision and performance of the company audit. We are solely responsible for our audit opinion.

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

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

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


#### ***Report on other Legal and Regulatory Requirements***

In accordance with the Companies Act 1994, and The Securities and Exchange Rules 2020 and relevant notifications issues by Bangladesh Securities and Exchange Commission, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books as required bylaws have been kept by the company so far as it appeared from our examinations of those books;
- c) The Statement of Financial Position, Statement of Profit or Loss & Other Comprehensive Income and Statement of Changes in Equity and Statement of Cash Flows of the Company dealt with by the report are in agreement with the books of accounts and returns; and
- d) The expenditure incurred was for the purpose of the Company's business.

Signed for & on behalf of  
**MABS & J Partners**  
Chartered Accountants

Place: Dhaka, Bangladesh  
Dated: 18 November 2024

  
**S H Talukder, FCA**  
Partner  
ICAB Enrollment No: 1244  
DVC: 2411181244AS144215

# Sonali Aansh Industries Limited

## Statement of Financial Position

As at June 30, 2024

Particulars	Notes	Amount in Taka	
		30 June 2024	30 June 2023
<b>ASSETS</b>			
<b>Non-Current Assets</b>		<b>730,204,913</b>	<b>745,215,419</b>
Property, Plant and Equipment (At Cost & Revaluation)	4	669,141,598	684,152,104
Intangible Addition (Equivalent Cash)	5	55,975,624	55,975,624
Security Deposits	6	5,087,691	5,087,691
<b>Current Assets</b>		<b>933,502,511</b>	<b>1,016,679,961</b>
Inventories	7	282,687,898	232,774,956
Trade and Other Receivables	8	477,146,107	571,044,868
Inter-Company Receivable	9	42,531,503	48,426,853
Advance Income Tax	10	125,439,860	134,404,767
LC Margin		-	7,614,403
Cash and Cash Equivalents	11	5,697,144	22,414,113
<b>Total Assets</b>		<b>1,663,707,424</b>	<b>1,761,895,380</b>
<b>EQUITY AND LIABILITIES:</b>			
<b>Capital and Reserves</b>		<b>670,445,493</b>	<b>640,818,450</b>
Share Capital	12	108,480,000	54,240,000
Revaluation Reserve	13	504,310,971	504,310,971
Retained Earnings		57,654,522	82,267,479
<b>Non-Current Liabilities</b>		<b>483,090,988</b>	<b>444,921,857</b>
Bank Loan	14	475,355,307	443,033,347
Deferred Tax Liability	15	7,735,681	1,888,510
<b>Current Liabilities</b>		<b>510,170,941</b>	<b>676,155,072</b>
Accounts and Other Payables	16	74,614,915	83,805,840
Bank Overdraft	17	348,541,967	391,711,996
Short Term Loan	18	27,694,334	115,334,496
Unpaid Dividend	19	10,711,183	5,287,183
Liabilities for Expenses	20	7,167,644	13,365,157
Provision for Employees Benefit	21	18,630,472	31,506,628
Provision for Income Tax	22	22,810,425	35,143,772
<b>Total Current and Non-Current Liabilities</b>		<b>993,261,929</b>	<b>1,121,076,929</b>
<b>Total Equity and Liabilities</b>		<b>1,663,707,424</b>	<b>1,761,895,380</b>
<b>Net Asset Value (NAV) per Share</b>	31	<b>61.80</b>	<b>118.14</b>
<b>Adjusted NET Asset Value (NAV) per Share</b>		<b>61.80</b>	<b>59.07</b>

Annexed notes form an integral part of these financial statements

  
Managing Director

  
Company Secretary

  
Director

Signed as per the annexed report of the same date.

Signed for and on behalf of  
**MABS & J Partners**  
Chartered Accountants

Place: Dhaka, Bangladesh  
Dated: 18 NOV 2024

  
**S H Talukder, FCA**  
Partner  
ICAB Enrollment No: 1244  
DVC: 2411181244AS144215

**Sonali Aansh Industries Limited**  
**Statement of Profit or Loss & Other Comprehensive Income**  
For the year ended June 30, 2024

Particulars	Notes	Amount in Taka	
		2023-2024	2022-2023
Sales	23	789,606,595	463,281,795
Less: Cost of Goods Sold	24	(672,254,938)	(428,741,425)
<b>Gross Profit</b>		<b>117,351,658</b>	<b>34,540,370</b>
<b>Less: Operating Expenses:</b>			
Administrative Expenses	25	(16,618,885)	(14,061,196)
Marketing and Selling Expenses	26	(10,761,886)	(12,654,405)
<b>Operating Profit</b>		<b>89,970,887</b>	<b>7,824,769</b>
Other Income- Non operating	27	30,462,364	81,610,103
Financial Expenses	28	(66,390,669)	(56,722,041)
<b>Profit before Contribution to WPP &amp; WF</b>		<b>54,042,583</b>	<b>32,712,832</b>
Contribution to WPP & WF		(2,573,456)	(1,557,754)
<b>Net Profit before Tax</b>		<b>51,469,126</b>	<b>31,155,078</b>
<b>Income Tax Expenses/(Income)</b>	29	<b>16,418,084</b>	<b>10,236,916</b>
Current Tax		10,570,913	10,500,769
Deferred Tax		5,847,171	(263,853)
<b>Net Profit after Tax</b>		<b>35,051,043</b>	<b>20,918,162</b>
<b>Total Comprehensive Income</b>		<b>35,051,043</b>	<b>20,918,162</b>
<b>Earnings Per Share (EPS)</b>	30	<b>3.23</b>	<b>3.86</b>
<b>Diluted Earnings Per Share (Diluted EPS)</b>		<b>3.23</b>	<b>1.93</b>

Annexed notes form an integral part of these financial statements

  
Managing Director

  
Company Secretary

  
Director

Signed as per the annexed report of the same date.

Signed for and on behalf of  
**MABS & J Partners**  
Chartered Accountants

Place: Dhaka, Bangladesh  
Dated: 18 NOV 2024

  
**S H Talukder, FCA**  
Partner  
ICAB Enrollment No: 1244  
DVC: 2411181244AS144215

**Sonali Aansh Industries Limited**  
**Statement of Changes in Equity**  
For the year ended June 30, 2024

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total
Balance as on 01 July 2023	54,240,000	504,310,971	82,267,479	640,818,450
Issue of Bonus Share	54,240,000	-	(54,240,000)	-
Cash Dividend for the year 2022-2023	-	-	(5,424,000)	(5,424,000)
Net Profit for the year	-	-	35,051,043	35,051,043
<b>Balance as on 30 June 2024</b>	<b>108,480,000</b>	<b>504,310,971</b>	<b>57,654,522</b>	<b>670,445,493</b>

For the year ended 30 June 2023

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total
Balance as on 01 July 2022	27,120,000	504,310,971	88,469,317	619,900,288
Issue of Bonus Share	27,120,000	-	(27,120,000)	-
Net Profit for the year	-	-	20,918,162	20,918,162
<b>Balance as on 30 June 2023</b>	<b>54,240,000</b>	<b>504,310,971</b>	<b>82,267,479</b>	<b>640,818,450</b>

Annexed notes form an integral part of these financial statements



Managing Director



Company Secretary



Director

Place: Dhaka, Bangladesh

Dated: 18 NOV 2024



## Sonali Aansh Industries Limited

### Statement of Cash Flows For the year ended 30 June 2024

Particulars	Notes	Amount in Taka	
		2023-2024	2022-2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash Receipts from Customers and Other Income		913,967,721	358,678,331
Cash Payment for Costs, Payables and Expenses		(746,195,446)	(211,197,545)
Interest Paid		(66,390,669)	(56,722,041)
Income Tax Paid		(17,757,348)	1,090,992
<b>Net Cash from/(used in) Operating Activities</b>		<b>83,624,261</b>	<b>91,849,737</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of Fixed Assets		(1,853,000)	(88,358,215)
<b>Net Cash Outflows from Investing Activities</b>		<b>(1,853,000)</b>	<b>(88,358,215)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Bank Loan		32,321,961	9,806,115
Bank Overdraft		(43,170,029)	151,622,195
Short Term Loan		(87,640,162)	(149,808,389)
Dividend Paid		-	(313,401)
<b>Net Cash from/(used in) Financing Activities</b>		<b>(98,488,230)</b>	<b>11,306,520</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>(16,716,969)</b>	<b>14,798,042</b>
Opening Cash and Cash Equivalents		22,414,113	7,616,071
<b>Closing Cash and Cash Equivalents as at 30 June 2024</b>		<b>5,697,144</b>	<b>22,414,113</b>
Net Operating Cash Flow per Share-NOCFPS	32	7.71	16.93
Adjusted Net Operating Cash Flow per Share-NOCFPS		7.71	8.47

Annexed notes form an integral part of these financial statements



Managing Director



Company Secretary



Director

Place: Dhaka, Bangladesh

Dated: 18 NOV 2024



## Sonali Aansh Industries Limited

### Notes to the Financial Statements

For the year ended June 30, 2024

#### 1.00 Legal status and nature of the company

##### 1.01 Domicile, Legal form and country of incorporation

Sonali Aansh Industries Limited is a public company limited by shares. It has been incorporated in Bangladesh on 29.07.1981 under the Companies Acts 1913 and its shares are listed with Dhaka Stock Exchange Ltd.

##### 1.02 Registered office and principal place of business

The registered office and principal place of business is situated at 18, RAJUK Avenue, Shamsur Rahman Bhaban (1st floor) Dhaka-1000, Bangladesh. The factory is located at Shahidnagar, Daudkandi, Cumilla.

##### 1.03 Principal activities and nature of operations

The company owns a jute industry for manufacturing various types of jute yarn, shoe sole and diversified products like linen type jute cloth and complete shoes. Unit-1 & Unit-2 are engaged in producing various types of jute yarn and linen type jute cloth and Unit-3 in turning out various diversified products like shoe sole braid, complete shoes etc. The total installed production capacity per annum is 10,500 metric tons (M.T.) in three (3) shifts in 3 industrial units while during the year achieved 8,452.84 metric tons of production. The short fall in capacity utilization is due to production of lightweight yarn fabrics to meet market demand. The products are mainly exported through letter of credit and some products like hessian & sacking quality yarn/loom production. The industry is treated as 100% export oriented industry.

#### 2.00 Significant accounting policies and disclosures

##### 2.01 Compliance with International Accounting Standards (IAS)

The financial statements have been prepared in compliance with requirements of IAS and IFRS as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

##### 2.02 Compliance with local laws

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

##### 2.03 Measurement bases used in preparing the financial statements

The elements of financial statements have been measured on "Historical Cost" basis, which is one of the most commonly adopted base as provided in "the frame-work for the preparation and presentation of financial statements" Issued by the International Accounting Standards Committee (IASC).

##### 2.04 Reporting period

Financial Statements of the company cover one financial year from 01 July 2023 to 30 June 2024.

##### 2.05 Components of the financial statements

According to the International Accounting Standard IAS 1 "Presentation of Financial Statements", the complete set of Financial Statements include the following components.

- (i) Statement of Financial Position;
- (ii) Statement of Profit or Loss and Other Comprehensive Income;
- (iii) Statements of Changes in Equity;
- (iv) Statement of Cash Flows;
- (v) Notes comprising of summary of significant accounting policies and other explanatory notes.



## 2.06 Use of estimates in preparation of financial statements

Preparation of financial statements in conformity with International Accounting Standards (IASs) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities if any at the date of the financial statements, and revenues and expenses during the year reported. Actual result could differ from those estimates. Estimates are used in accounting for certain items such as depreciation, outstanding claims, taxes, reserves etc.

## 2.07 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" as per International Financial Reporting Standards (IFRSs).

### Basis of preparation and presentation of financial statements

#### Recognition of Property, Plant and Equipment:

Property, Plant and Equipment are stated at their cost less accumulated depreciation in accordance with IAS 16 "Property, Plant and Equipment". Cost represents cost of acquisition or construction and capitalization of pre-production expenditure including interest during construction periods.

## 2.08 Depreciation:

No depreciation is charged on land and land development and current year's additions to fixed assets as per previous practice. Depreciation on all other fixed assets is computed using the reducing balance method (from the date of the ready to use) in amounts sufficient to write off depreciable assets over their estimated useful economic life and continues to be charged until the written down value is reduced to taka 1 (One). Expenditure of maintenance and repairs are expenses; major replacements, renewals and betterments are capitalized.

The depreciation rates applicable to the principal categories of tangible fixed assets are :

Factory Building and Other Construction	10%
Plant and Machinery	10%
Office Equipment	15%
Furniture and Fixtures	10%
Transport and Vehicles	20%
Other Assets	10 to 25%

## 2.09 Inventories

Inventories comprise of raw material, work in process, stores spares and finished goods. They are stated at the lower of cost and net realizable value on consistent basis in accordance with IAS 2 "Inventories". Net realizable value is based on estimated selling price less any further costs that may be incurred for completion and disposal of inventories. Inventories are valued at following methods:

- Raw Jute valued at average method;
- Work-in-progress valued at cost price;
- Finished goods valued at cost price;
- Stock of stores valued at average method.

#### Trade and other receivables

Trade and other receivables have been considered good and collectible, and therefore, no amount was considered doubtful to provide for.

## 2.11 Cash and cash equivalents

According to IAS 7 "Statement of Cash Flows" cash comprises of cash in hand and demand deposit and cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. IAS 1 "Presentation of Financial Statements" also provides that cash and cash equivalents are those which have no restriction in use considering the provision of IAS 7 and IAS 1. Cash in hand and bank balances have been considered as cash and cash equivalents.





#### 2.12 Statement of cash flows

Statement of Cash Flows is prepared principally in accordance with IAS 7 "Statement of Cash Flows" and the cash flow from the operating activities have been presented under direct method as prescribed by the Securities and Exchange Rules, 1987 and considering the provision of paragraph 19 of IAS 7 which provides that "enterprises are encouraged to report cash flow from operating activities using the direct method".

#### 2.13 Trade and other payables

Liabilities are recognized for amounts to be paid in the future for goods and services received from the supplier/services rendered.

#### 2.14 Provision

Provision which is of uncertain amount and timing, is recognized in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets." Provision is accounted for as a liability which connotes a present obligation as a result of past event and is probable that future economic resources will flow from the entity and reliable estimate of the cost can be measured reliably.

#### 2.15 Taxation

##### Current Tax:

The company has made provision for income tax @ 10% on profit as per Income Tax Act, 2023 as well as other relevant SRO.

Transactions relating to Income Tax have been disclosed in conventional manner following previous practice on consistent basis.

##### Deferred Tax:

The company has recognized deferred tax as per IAS 12: Income Tax. Accordingly, deferred tax liabilities/asset is accounted for all temporary differences arising between the tax base of the assets and liabilities and their carrying value for financial reporting purpose. Deferred tax is computed at the applicable tax rate on the Company.

#### 2.16 Foreign currency transaction

Transactions denominated in foreign currencies are converted into Bangladesh Taka at the exchange rate prevailing on the date of transaction in accordance with IAS 21 "The Effects of Changes in Foreign Currency Rates".

#### 2.17 Earning per share (EPS)

The company calculates Earnings Per Share (EPS) in accordance with IAS 33 "Earnings Per Share" which has been shown on the face of Income Statement and the computation of EPS is stated in Note -30.

##### Basic Earnings

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit for the year has been considered as fully attributable to the ordinary shareholders.

##### Basic earnings per share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

##### Diluted earnings per share

Diluted EPS is required to be calculated for the preceding year as there was stock dividend declared during the year under review.

#### 2.18 Revenue

Revenue comprises of sales i.e. export in foreign countries including cash subsidy received from the Government.

#### 2.19 Revenue Recognition

The revenue during the year represents revenue arising from the sale of various types and sizes of jute items which are recognized when deliveries are made and risk of ownership has been transferred to the buyer, against the sales order received from the respective customer and which satisfied all the conditions for revenue recognition as provided in IFRS 15 "Revenue from Contracts with Customers".

## 2.20 Subsidy

A cash subsidy receivable from Government is recognized as other income in profit or loss of the period in which it becomes receivable as per IAS 20 "Accounting for Government Grants and Disclosure of the Government Assistance".

## 2.21 Employees' benefit

### Defined contribution of plan (Provident Fund)

The company operates a recognized provident fund for eligible workers and is administrated by a duly constituted independent Trust and equal contributions @8.33% of basic wages & salary is made by both the employees and the employer (the Company).

### Defined benefit plan (Gratuity)

The Company operates an unfunded gratuity scheme. Each employee who has completed five years of service is eligible to one month gratuity for each completed year. The Company has provided gratuity liability during the year.

The Company also operates a Workers' Profit Participation and Welfare Fund scheme for its employees.

## 2.22 Transaction with related parties

The Company has carried on transaction with related parties in the normal course of business.

## 2.23 Comparative information

Comparative information have been disclosed in respect of the previous year for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding the current period's financial statements. Previous year's figures have been rearranged / reclassified / regrouped, where necessary, to confirm to current year's financial presentation.

## 3.00 General:

### 3.01 Reporting currency:

The figure in the financial statements present Bangladesh currency (Taka), which have been rounded off to the nearest integer except where it indicates otherwise.

### 3.02 Going concern

The company has adequate resources to continue in operation for the foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statements.

### 3.03 Financial Risk Management

The Company management has overall responsibility for the establishment and oversight of the Company's risk management framework. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market condition and the Company's activities. The Company has exposure to the following risks from its use of financial instruments.

- Credit Risk;
- Liquidity Risk;
- Market Risk and
- Operational Risk.

#### Credit Risk:

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, institutional and export customers etc. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Risk exposures from other financial assets i.e. cash at bank and other external receivables are nominal.



**Liquidity Risk:**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. In extreme stressed conditions, the Company may get support from the sister concern Company in the form of short terms financing.

**Market Risk:**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

**(a) Currency Risk:**

The Company is exposed to currency risk on revenues such as revenue from foreign customers. Majority of the Company's foreign currency transactions are denominated in USD and relate to export.

**(B) Interest Rate Risk:**

Interest rate risk is the risk arises due to changes in interest rates on borrowing. There was no foreign currency loan which is subject to floating rates of interest. Local loans are, however, not significantly affected by fluctuations in interest rates. The Company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

**Operational Risk:**

A form of risk that summarizes the risks a company or firm undertakes when it attempts to operate within a given field or industry. Operational risk is the risk that is not inherent in financial, systematic, or market-wide risk. It is the risk remaining after determining financing and systematic risk, and includes risks resulting from breakdowns in internal procedures, people and systems. The operation risk management process of the Company involves a continual cyclic process which includes risk assessment, risk decision making, and implementation of risk controls, which results in acceptance, mitigation, or avoidance of risks.



4. Property, Plant and Equipment (at Cost & Revaluation): Tk. 669,141,598

4.1 Yarn & Loom (at cost)

Particulars	Cost			Rate	Depreciation			Written Down Value as at 30 June 2024
	Balance as at 01 July 2023	Addition during the year	Balance as at 30 June 2024		Balance as at 01 July 2023	Charged during the year	Balance as at 30 June 2024	
1	2	3	4=2+3	5	6	7=(4-6)*5	8=6+7	9=4-8
Land and Land Development	12,671,335	-	12,671,335	0%	-	-	-	12,671,335
Plant and Machinery	118,257,990	-	118,257,990	10%	107,927,506	1,033,048	108,960,554	9,297,436
Air Conditioner	1,177,900	-	1,177,900	15%	900,066	41,675	941,741	236,159
Assorting Shed	876,205	-	876,205	20%	711,030	33,035	744,065	132,140
Building (Gas Generator)	265,169	-	265,169	10%	220,947	4,422	225,369	39,800
Boundary Wall	4,356,972	-	4,356,972	10%	3,147,410	120,956	3,268,366	1,088,606
Drain, Septic tank, Road & Pond	2,605,935	-	2,605,935	15%	2,527,931	11,701	2,539,632	66,303
Dyeing Shed	229,454	-	229,454	15%	228,189	190	228,379	1,075
Electric Installation	4,115,375	-	4,115,375	15%	3,096,199	152,876	3,249,075	866,300
Electric Sub-Station	1,019,887	-	1,019,887	10%	969,245	5,064	974,309	45,578
Factory Building	29,230,943	-	29,230,943	10%	25,354,335	387,661	25,741,996	3,488,947
Face Build, Canteen & Medi. etc.	6,027,594	-	6,027,594	10%	5,150,553	87,704	5,238,257	789,337
Furniture and Fixtures	8,143,168	-	8,143,168	10%	4,308,985	383,418	4,692,404	3,450,764
Gas Generator	17,500,950	-	17,500,950	20%	16,822,892	135,612	16,958,504	542,446
Gas Line Installation	1,873,916	-	1,873,916	20%	1,855,732	3,637	1,859,369	14,547
Junior Officer Quarter	362,672	-	362,672	10%	352,584	1,009	353,593	9,079
Jute Assorting Shed	324,815	-	324,815	15%	311,919	1,934	313,853	10,962
Jute Godown	7,932,730	-	7,932,730	10%	7,581,462	35,127	7,616,589	316,141
Finishing Godown (Unit 1 & 2)	692,200	-	692,200	10%	394,230	29,797	424,027	268,173
Labour Quarter	4,309,932	-	4,309,932	10%	3,650,190	65,974	3,716,164	593,768
Other Construction	998,844	-	998,844	10%	771,550	22,729	794,279	204,565
Office Building (2)	1,676,789	-	1,676,789	10%	1,443,578	23,321	1,466,899	209,890
Office Equipment	1,253,245	-	1,253,245	15%	971,216	42,304	1,013,520	239,725
Officer Quarter	1,669,553	-	1,669,553	10%	1,609,564	5,999	1,615,563	53,990
Senior Officer Quarter	1,708,689	-	1,708,689	10%	1,638,681	7,001	1,645,682	63,007
Staff Quarter	450,740	-	450,740	10%	437,695	1,305	438,999	11,741
Sundry Assets	990,827	-	990,827	25%	967,732	5,774	973,505	17,322
Tubewell and Pump	808,838	-	808,838	10%	645,805	16,303	662,108	146,730
Vehicles	9,351,000	-	9,351,000	20%	9,142,938	41,612	9,184,550	166,450
Weighments Scale (Unit - 1 & 2)	1,311,056	63,300	1,374,356	10%	703,815	67,054	770,869	603,487
Workshop, Stores & Bldg.	1,629,834	-	1,629,834	10%	1,572,867	5,697	1,578,563	51,271
C.C. Camera Installation (Unit-1&2)	405,650	-	405,650	10%	217,348	18,830	236,178	169,472
<b>Sub-Total</b>	<b>244,230,207</b>	<b>63,300</b>	<b>244,293,507</b>		<b>205,634,190</b>	<b>2,792,771</b>	<b>208,426,961</b>	<b>35,866,546</b>



4.2 Yarn & Loom (at Revaluation)

Particulars	Cost			Rate	Depreciation			Written down value as at 30 June 2024
	Balance as at 01 July 2023	Addition during the year	Balance as at 30 June 2024		Balance as at 01 July 2023	Charged during the year	Balance as at 30 June 2024	
1	2	3	4=2+3	5	6	7=(4-6)*5	8=6+7	9=4-8
Land and Land Development	30,735,030	-	30,735,030	0%	-	-	-	30,735,030
Assorting Shed	5,574,458	-	5,574,458	20%	-	-	-	5,574,458
Building (Gas Generator)	1,415,081	-	1,415,081	10%	-	-	-	1,415,081
Electric Installation	38,260,425	-	38,260,425	15%	-	-	-	38,260,425
Electric Sub-Station	1,385,784	-	1,385,784	10%	-	-	-	1,385,784
Factory Building	45,258,918	-	45,258,918	10%	-	-	-	45,258,918
Fac Build, Canteen & Medi. etc.	7,129,801	-	7,129,801	10%	-	-	-	7,129,801
Junior Officer Quarter	2,020,267	-	2,020,267	10%	-	-	-	2,020,267
Jute Godown	21,765,372	-	21,765,372	10%	-	-	-	21,765,372
Labour Quarter	10,872,274	-	10,872,274	10%	-	-	-	10,872,274
Other Construction	2,544,157	-	2,544,157	10%	-	-	-	2,544,157
Office Building (2)	7,927,473	-	7,927,473	10%	-	-	-	7,927,473
Officer Quarter	3,971,543	-	3,971,543	10%	-	-	-	3,971,543
Plant and Machinery	248,575,620	-	248,575,620	10%	-	-	-	248,575,620
Senior Officer Quarter	6,887,540	-	6,887,540	10%	-	-	-	6,887,540
Staff Quarter	3,802,886	-	3,802,886	10%	-	-	-	3,802,886
Sundry Assets	998,931	-	998,931	25%	-	-	-	998,931
Tubewell and Pump	5,575,129	-	5,575,129	10%	-	-	-	5,575,129
Workshop, Stores & Bldg.	2,545,903	-	2,545,903	10%	-	-	-	2,545,903
<b>Sub-Total</b>	<b>447,246,592</b>	<b>-</b>	<b>447,246,592</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>447,246,592</b>



4.3 Diversified Product (at cost)

Particulars	COST			Rate	Depreciation			Written down value as at 30 June 2024
	Balance as at 01 July 2023	Addition during the year	Balance as at 30 June 2024		Balance as at 01 July 2023	Charged during the year	Balance as at 30 June 2024	
1	2	3	4=2+3	5	6	7=(4-6)*5	8=6+7	9=4-8
Land and Land Development	1,965,912	-	1,965,912	0%	-	-	-	1,965,912
Plant and Machinery	152,285,075	1,510,000	153,795,075	10%	45,101,958	10,718,312	55,820,270	97,974,805
Air Compressor	1,045,000	-	1,045,000	10%	816,611	22,839	839,450	205,550
Air Conditioner	460,940	-	460,940	15%	345,005	17,390	362,395	98,545
Arms	78,125	-	78,125	10%	73,078	505	73,583	4,542
Building and Other Construction	27,891,981	-	27,891,981	10%	18,370,605	952,138	19,322,742	8,569,239
Computer Machine	1,804,750	-	1,804,750	15%	1,370,292	82,508	1,452,800	351,950
Electric Installation (Generator)	3,086,391	279,700	3,366,091	15%	2,445,840	96,083	2,541,923	824,168
Furniture and Fixtures	10,088,830	-	10,088,830	10%	2,749,051	733,978	3,483,029	6,605,801
Labour Quarter	2,001,238	-	2,001,238	10%	1,885,017	11,622	1,896,639	104,599
Office Equipment	785,257	-	785,257	15%	360,425	63,725	424,150	361,107
Shoe Sole Building	24,196,253	-	24,196,253	10%	12,342,349	1,185,390	13,527,739	10,668,514
Sole Workshop	3,101,079	-	3,101,079	10%	2,906,212	19,487	2,925,699	175,380
Telephone Installation	266,600	-	266,600	15%	208,066	8,780	216,846	49,754
Vehicles	3,281,565	-	3,281,565	20%	2,863,960	83,521	2,947,481	334,084
Internet Tower	40,333	-	40,333	10%	21,042	1,929	22,971	17,362
Trolley (Unit-3)	971,500	-	971,500	10%	432,207	53,929	486,136	485,364
Dyeing Tank	350,000	-	350,000	10%	163,996	18,600	182,596	167,404
<b>Sub-Total</b>	<b>233,700,829</b>	<b>1,789,700</b>	<b>235,490,529</b>		<b>92,455,713</b>	<b>14,070,735</b>	<b>106,526,448</b>	<b>128,964,081</b>



#### 4.4 Diversified Product (at Revaluation)

Particulars	COST			Rate	Depreciation			Written down value as at 30 June 2024
	Balance as at 01 July 2023	Addition during the year	Balance as at 30 June 2024		Balance as at 01 July 2023	Charged during the year	Balance as at 30 June 2024	
1	2	3	4=2+3	5	6	7=(4-6)*5	8=6+7	9=4-8
Land and Land Development	1,480,364		1,480,364	0%	-	-	-	1,480,364
Electric Installation (Generator)	15,411,178	-	15,411,178	15%	-	-	-	15,411,178
Labour Quarter	1,041,212	-	1,041,212	10%	-	-	-	1,041,212
Shoe Sole Building	36,533,247	-	36,533,247	10%	-	-	-	36,533,247
Sole Workshop	2,598,378	-	2,598,378	10%	-	-	-	2,598,378
<b>Sub-Total</b>	<b>57,064,379</b>	<b>-</b>	<b>57,064,379</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>57,064,379</b>
<b>Grand Total (4.1+4.2+4.3+4.4)</b>	<b>982,242,007</b>	<b>1,853,000</b>	<b>984,095,007</b>		<b>298,089,904</b>	<b>16,863,506</b>	<b>314,953,409</b>	<b>669,141,598</b>
<b>Grand Total as at 30 June 2023</b>	<b>893,883,792</b>	<b>88,358,215</b>	<b>982,242,007</b>		<b>289,100,760</b>	<b>8,989,140</b>	<b>298,089,900</b>	<b>684,152,107</b>

Allocation of Depreciation:	Total Depreciation	Factory Overhead	Administrative Expenses
Yarn & Loom	2,792,771	2,513,494	279,277
Diversified Product	14,070,735	12,663,662	1,407,074
<b>Total</b>	<b>16,863,506</b>	<b>15,177,155</b>	<b>1,686,351</b>

The physical verification of Property, Plant and Equipment has been taken by the management on 30 June 2024



Amount in Taka	
June 30, 2024	June 30, 2023

**5.00 Intangible Addition (Equivalent Cash): TK 55,975,624**

The break-up is as below:

**a) Intangible addition :**

Assessment Year 2000-2001	2,844,447		
Assessment Year 2001-2002	<u>5,103,251</u>	7,947,698	7,947,698

**b) Export cash subsidy of Income Year 2006-2007 & Assessment Year 2007-2008 claimed and assessed U/S 23,497,746 82'(C) of Income Tax Ordinance, 1984**

Less: Tax deducted at source	<u>1,087,561</u>	22,410,185	22,410,185
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**c) Export cash subsidy of Income Year 2007-2008 & Assessment Year 2008-2009 claimed and to be assessed 26,966,042 U/S 82'(C) of Income Tax Ordinance, 1984**

Less: Tax deducted at source	<u>1,348,301</u>	25,617,741	25,617,741
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<b>Total</b>		<u><u>55,975,624</u></u>	<u><u>55,975,624</u></u>
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**Further the company has offered the following replies as a matter of clarification.**

This represents the amount of additions made by the Deputy Commissioner of Taxes over and above the amount disclosed by the assessee in the audited statement of accounts of the respective year while making tax assessments. Thus an aggregate of amount of Tk. 55,975,624 has been added back to account in the form of Intangible additions claiming as a tax benefit allowable as per provision of income tax law.

The figures and disclosures in note - 05 clearly show as to how the figures have been arisen and considered as intangible addition (equivalent cash) Tk. 55,975,624 under three sub-heads viz, (a) intangible addition for the assessment year 2000-2001 & 2001-2002, (b) export cash subsidy of income year 2006-2007 & assessment year 2007-2008 received and assessed u/s 82(C) of IT Ordinance 1984 less tax deducted at source, and (c) export cash subsidy of income year 2007-2008 & assessment year 2008-2009 claimed and to be assessed u/s 82(C) of IT Ordinance 1984 less tax deducted at source leading the company with the recourse to adding back to account in the form of intangible additions claiming as a tax benefit allowable as per provision of income tax law. Taking into consideration of the action taken by the DCT, the amount of Tk. 55,975,624 only has been treated as profit in the company's accounts.

These facts are fully supported in conformation with the practice of the decision of the Hon'ble High Court (Reference Application No. 125 of 2002) to the effect that these types of said amount cannot be treated as income from other sources because for earnings the said amount the assessee already paid tax in previous years and he is not bound to pay further tax for the said amount and the department (Income Tax) cannot claim further tax for that amount again as per provisions of law providing in section. 17 and 19(1) of the I. T. Ordinance 1984.

On consideration of the spirit and intention and the rationale of the aforesaid judgment of the Hon'ble High Court, the Company has adopted the measures adding back to account in the form of intangible additions claiming as a tax benefit allowable as per provision of income tax law that, although in the eyes of the auditors, deviates the principles of accounting practice and results in journal entries for intangible assets and corresponding unearned income inflating the accumulated profit, but from the point of view of the Company's and particularly shareholders' interests, we are led to take the measures as disclosed in the audited financial statements.





Amount in Taka	
June 30,2024	June 30,2023

6. Security Deposits:TK. 5,087,691

The break-up is as below:

Bakharabad Gas Systems Ltd. for Gas Line	3,646,238	3,646,238
Bangladesh Tele Communication Co. Ltd.	10,000	10,000
Bangladesh Tele Communication Co. Ltd. for Fax Line	15,000	15,000
Bangladesh Tele Communication Co. Ltd. for ISD Telephone	18,000	18,000
Bangladesh Tele Communication Co. Ltd. for Telex Line	20,000	20,000
Central Depository Bangladesh Ltd.	100,000	100,000
Comilla Polly Biddyut Samity	844,600	844,600
Customs and Excise Department	1,000	1,000
Shamsur Rahman, Proprietor, Shamsur Rahman Bhaban	300,000	300,000
Security for Gas Line	122,653	122,653
Modina Enterprise for Gas Cylinder	10,200	10,200
<b>Total</b>	<b>5,087,691</b>	<b>5,087,691</b>

7. Inventories: TK. 282,687,898

The break-up is as below

	Yarn & Loom	Diversified Product		
Stock of Raw Jute (Note-7.1)	85,934,308	9,548,256	95,482,564	21,008,802
Stock of Work-in- Process (Note-7.2)	30,609,490	3,401,054	34,010,544	28,265,407
Stock of Stores and Spares	13,889,230	1,543,248	15,432,478	18,286,298
Stock of Finished Goods (Note-7.3)	123,986,081	13,776,231	137,762,312	165,214,449
<b>Total</b>	<b>254,419,108</b>	<b>28,268,790</b>	<b>282,687,898</b>	<b>232,774,956</b>

The physical verification of inventories have been carried out and valued by the management.

7.1 Stock of Raw Jute (Quantity-wise)

Jute Grading	Quantity (M.T.)	Average Price	Amount	Amount
Tossa	416.51	75,650	31,509,246	972,188
BTC	379.49	70,450	26,735,118	9,092,950
BWD	234.63	73,250	17,186,862	8,056,335
BTD	164.27	69,750	11,457,908	1,786,084
BWC	31.69	60,254	1,909,651	-
White	149.61	44,675	6,683,779	1,101,246
	<b>1,376.21</b>		<b>95,482,564</b>	<b>21,008,802</b>

7.2 Stock of Work-In-Process

	Yarn & Loom	Diversified Product		
WIP	20,406,326	13,604,218	34,010,544	28,265,407
<b>Total</b>	<b>20,406,326</b>	<b>13,604,218</b>	<b>34,010,544</b>	<b>28,265,407</b>

7.3. Stock of finished goods (Quantity-wise):

Count	Quantity (M.T.)	Average price	Amount	Amount
CRT Yarn	31.77	158,890	5,048,394	320,948
Hessian Yarn	282.65	71,443	20,193,576	23,553,370
CB Yarn	141.81	97,900	13,883,084	3,092,060
Seaking Yarn	308.31	77,777	23,979,872	16,179,644
Diversified Products	186.90	399,458	74,657,387	122,068,427
	<b>951.45</b>	<b>805,468</b>	<b>137,762,312</b>	<b>165,214,449</b>

		Amount in Taka	
		June 30,2024	June 30,2023
<b>Trade and Other Receivables: TK. 477,146,106</b>			
The break-up is as below:			
8.	Trade Receivables	247,918,266	276,492,244
	Trade Receivables	2,436,221	5,606,289
	Other Receivables	226,791,619	288,946,335
	<b>Total</b>	<b>477,146,106</b>	<b>571,044,868</b>
<b>Ageing of trade and other receivables:</b>			
	Not more than 30 days	343,545,196	371,179,164
	31 days to 60 days	57,257,533	-
	61 days to 90 days	52,486,072	-
	Over 90 days	23,857,305	199,865,704
	<b>Total</b>	<b>477,146,106</b>	<b>571,044,868</b>
9.	<b>Intercompany Receivable: TK. 42,531,503</b>		
	Alijan Jute Mills Ltd.	39,317,649	41,387,999
	Sonali Aansh Trading (Pvt) Ltd.	2,409,854	5,434,854
	The Bag & Bag Company Ltd.	804,000	1,604,000
	<b>Total</b>	<b>42,531,503</b>	<b>48,426,853</b>
10.	<b>Advance Income Tax and VAT: TK. 125,439,860</b>		
	Opening balance	134,404,767	113,666,529
	Add: Income tax deducted at source during the year	13,939,353	20,738,238
	Less: Previous year settled tax adjustment	(22,904,260)	-
	<b>Closing balance</b>	<b>125,439,860</b>	<b>134,404,767</b>
11.	<b>Cash and Cash Equivalents: TK. 5,697,144</b>		
	Cash in Hand (Note-11.1)	109,319	16,935,227
	Cash at Bank (Note-11.2)	5,587,825	5,478,886
	<b>Total</b>	<b>5,697,144</b>	<b>22,414,113</b>
11.1	<b>Cash in Hand:</b>		
	Head Office	98,447	16,424,735
	Factory Office	10,872	510,492
	<b>Total</b>	<b>109,319</b>	<b>16,935,227</b>
	Cash in hand balance on 30 June 2024 was certified by the management.		
11.2	<b>Cash at Banks:</b>		
	Sonali Bank Ltd., Foreign Exchange Branch, A/C # 160836000082 (STD-8)	13,952	14,804
	Sonali Bank Ltd., Foreign Exchange Branch, A/C # M.E. Export	17,725	17,725
	Pubali Bank Ltd., Stadium Branch A/C # CA-2122-3	7,918	101,408
	Pubali Bank Ltd., Stadium Branch A/C # CA-4023-6	114,559	118,479
	Premier Bank Ltd. Gouripur A/c. No. 13100000001	4,885	6,673
	NCC Bank Ltd., Gauripur Branch A/C # 210008580	284,396	4,758
	Sonali Bank Ltd., Daudkandi Branch A/C # 001018641	27,126	87,341
	Sonali Bank Ltd., Foreign Exchange Branch, A/C # FCRQ-7	1,902,267	3,597,367
	Sonali Bank Ltd., Foreign Exchange Branch, A/C # 160833007064 (S-78)	3,844	1,254,998
	Sonali Bank Ltd. Foreign Exchange Branch Accounts No. 1608902003531(Sundry Deposit)	6,653	274,458
	Community Bank Ltd.28/1/2 Toyenbee Circular Roar , Dhaka . A/C No. 0040334982101	1,568	-
	Mutual Trust Bank Ltd. Principal Brance Motijheel C/A Dhaka A/C No. 1301000262711	3,202,919	-
	Uttara Bank Ltd. Motijheel Local Office C/A Dhaka , A/c No. 127112202118175	13	876
	<b>Total</b>	<b>5,587,825</b>	<b>5,478,886</b>

Amount in Taka	
30-Jun-24	30-Jun-23

12. Share Capital: Tk. 108,480,000

(a) Authorized Capital

5,00,00,000 Ordinary Shares of Taka 10 each

500,000,000 100,000,000

Issued, Subscribed, Called-up and Paid-up Capital

1,08,48,000 Ordinary Shares of Taka 10 each

108,480,000 54,240,000

12.1 Composition of the Shareholders:

Shareholdings	2023-2024		2022-2023	
	Shares	Percentage	Shares	Percentage
Directors & Sponsor Shareholders	3,365,360	31.02	2,754,680	50.79
Institute	318,470	2.94	201,700	3.72
Public Shareholders	7,163,900	66.04	2,467,620	45.49
<b>Total</b>	<b>10,847,730</b>	<b>100.00</b>	<b>5,424,000</b>	<b>100.00</b>

Paid-up Capital :

As on 30th June 2010

No of Shares

226,000

Nos of Ordinary Shares of Tk 100/-

Amount

22,600,000

20% Stock Bonus declared in the AGM 2010 @100 each

45,200

Shares

4,520,000

**271,200**

**27,120,000**

As per BSEC rules an EGM held Nov. 2011 shares face value converted to

@10/= per share.(2,71,200x10)

2,712,000

Nos of Ordinary Shares of Tk 10/=

27,120,000

Add: 100% Stock dividend declare for 2021-2022

2,712,000

Value of stock dividend 2021-2022

27,120,000

Total outstanding share as on 30.06.2023

5,424,000

Total value of share as on 30.06.2023

54,240,000

Add: 100% Stock dividend declare for 2022-2023

5,424,000

Value of stock dividend 2022-2023

54,240,000

Total outstanding share as on 30.06.2024

**10,848,000**

Total value of share as on 30.06.2024

**108,480,000**

12.2 The Percentage of Shareholdings by different Categories of Shareholders are as follows:

Range of Share Holding	2023-2024		2022-2023	
	No. of Holders	Total Holdings %	No. of Holders	Total Holdings %
Less than 500 Shares	3,604	77.76	3,515	79.72
500 to 5,000 Shares	911	19.65	823	18.67
5001 to 10,000 Shares	62	1.34	37	0.84
10,001 to 20,000 Shares	22	0.47	15	0.34
20,001 to 30,000 Shares	13	0.28	9	0.20
30,001 to 40,000 Shares	11	0.24	1	0.02
40,000 to 50,000 Shares	1	0.02	1	0.02
50,001 to 100,000 Shares	3	0.06	1	0.02
100,001 to 1,000,000 Shares	8	0.17	7	0.16
<b>Total</b>	<b>4,635</b>	<b>100</b>	<b>4,409</b>	<b>100</b>

12.3 Shareholding of Directors, Sponsors & Institution: (Including Declared stock dividend)

Name	Status	No. of Shares Held	Holding %
Mrs. Shamsun Naher	Chairman, Sponsor	684,224	6.31%
Mr. Mohammed Mahbubur Rahman Patwari	Managing Director	384,512	3.54%
Mrs. Mohsina Patwari	Director	680,256	6.27%
Mr. Jafar Ahmed Patwari	Director	765,712	7.06%
Mrs. Nabiha Patwari	Director	740,256	6.82%
Mr. Mohammad Shamsul Huda Patwari	Sponsor Shareholder	-	0.00%
Mr. Mohammad Faizullah	Sponsor Shareholder	12,000	0.11%
Mr. Mohammad Abul Basher Patwari	Sponsor Shareholder	98,400	0.91%
Sonali Aansh Trading (Pvt.) Ltd.	Placement Shareholder	312,010	2.88%
<b>Sub-total</b>		<b>3,677,370</b>	<b>33.90%</b>
<b>General Public</b>		<b>7,170,630</b>	<b>66.10%</b>
<b>Grand Total</b>		<b>10,848,000</b>	<b>100.00%</b>



13. Revaluation Reserve:TK. 504,310,971

It represents revaluation surplus of Land, Building, Plant & Machinery etc. of the company as per revaluation report of Eastland Surveyors vide. letter no. ES/VAL- 101/2007 dated 06 March 2007. The details are as under:

Particulars	Value of Assets after Revaluation	Value of Assets before Revaluation	Revaluation Surplus as at 30 June 2024	Revaluation Surplus as at 30 June 2023
Land and Land Development	40,350,000	8,134,606	32,215,394	32,215,394
Assorting Shed	5,587,200	12,742	5,574,458	5,574,458
Building (Gas Generator)	1,680,250	265,169	1,415,081	1,415,081
Electric Sub-Station/ Cable Equipment	38,489,100	228,675	38,260,425	38,260,425
Electric Sub-Station	1,599,000	213,216	1,385,784	1,385,784
Factory Building & Finished Goods Godown	50,311,800	5,052,882	45,258,918	45,258,918
Factory Building & Canteen Medical etc.	8,325,300	1,195,499	7,129,801	7,129,801
Junior Officer Quarter	2,080,750	60,483	2,020,267	2,020,267
Jute Godown	23,205,000	1,439,628	21,765,372	21,765,372
Labour Quarter	11,503,100	630,826	10,872,274	10,872,274
Other Construction	2,901,200	357,043	2,544,157	2,544,157
Office Building (2)/ Security Office	8,285,550	358,077	7,927,473	7,927,473
Office Quarter	4,331,250	359,707	3,971,543	3,971,543
Plant & Machinery/ Workshop Equipment	276,994,752	28,419,132	248,575,620	248,575,620
Senior Officer Quarter	7,030,800	143,260	6,887,540	6,887,540
Staff Quarter	3,930,187	127,301	3,802,886	3,802,886
Tubewell & Pump	5,626,025	50,896	5,575,129	5,575,129
Workshop, Stores & Bldg.	2,887,500	341,597	2,545,903	2,545,903
Electric Installation (Generator)	16,066,662	655,484	15,411,178	15,411,178
Quarter/ Kitchen Room	1,738,100	696,888	1,041,212	1,041,212
Shoe Sole Building (Factory)	37,308,100	774,853	36,533,247	36,533,247
Sole Workshop/ Guest Pump House/ Packing Room	3,766,850	1,168,472	2,598,378	2,598,378
Sundry Assets/ Diesel/ JBO Tank/ Fork Lift	1,337,875	338,944	998,931	998,931
<b>Total</b>	<b>555,336,351</b>	<b>51,025,380</b>	<b>504,310,971</b>	<b>504,310,971</b>



	Amount in Taka	
	30-Jun-24	30-Jun-23
14. Bank loan: TK. 475,355,307		
Sonali Bank Ltd. Foreign Exchange Corporate Dhaka Block Loan (HY) 1608960000011(New)	475,355,307	443,033,347
Opening balance	443,033,347	433,227,232
Add: Interest and bank charges during the year	34,501,257	33,142,504
Less: Instalment paid during the year	(2,179,296)	(23,336,389)
<b>Total</b>	<b>475,355,307</b>	<b>443,033,347</b>

Pursuant to BRPD Circular 21 and 25 dated: 30.09.2019 and 03.12.2018 respectively, Sonali Bank PLC converted CC(Hypo) loans into Block Loan Account amounts to Tk. 40.37 crores vide its sanction letter Ref. No: SBL/FECB/APFD/Sonali Aaansh/848 dated. 08.07.2020. The tenure of block loan was 10 years including moratorium years as per BRPD circulars disseminated from time to time. The present rate of interest is 9.5% and its repayment started from 01.07.2022 and EMI is Tk. 19,597,000.

**Security:** Covered by mortgage of land and building, plant and machinery, equipment's of the Company as registered mortgage in favour of Sonali Bank Limited, Foreign Exchange Corporate Branch, Motijheel, Dhaka. The present value of the mortgages approximately 3 times compared to present outstanding loan.

15. <b>Deferred Tax Liability : TK. 7,735,681</b>		
Opening balance	1,888,510	2,152,363
Add: Deferred Tax Expense/(Income) for the year	5,847,171	(263,853)
<b>Closing balance</b>	<b>7,735,681</b>	<b>1,888,510</b>

**Calculation of Deferred Tax :**

**A. Temporary Difference:**

Written down value as per accounting base	164,830,627	179,841,133
Written down value as per tax base	87,473,817	145,852,928
<b>Taxable temporary difference</b>	<b>77,356,811</b>	<b>33,988,205</b>
<b>Deductible temporary difference(Gratuity)</b>	<b>-</b>	<b>(15,103,110)</b>
<b>Net Taxable temporary difference</b>	<b>77,356,811</b>	<b>18,885,095</b>
Income Tax Rate	10%	10%
<b>Deferred Tax Liabilities at the end of the year</b>	<b>7,735,681</b>	<b>1,888,510</b>

16. <b>Trade and Other Payables: TK. 74,614,915</b>		
Accounts Payable	913,030	12,487,978
Accounts Payable-Goods Suppliers	23,326,130	16,968,199
Advance Received against Sales	47,747,260	44,905,952
Accounts Payable-Local	1,474,376	6,461,291
Other Payable	1,154,120	2,982,420
<b>Total</b>	<b>74,614,915</b>	<b>83,805,840</b>

17. <b>Bank Overdraft: TK. 348,541,967</b>		
Sonali Bank Ltd. Foreign Exchange Corporate Dhaka Cash Credit A/C 10 (HYP) - 1492	184,053,630	184,087,012
Sonali Bank Ltd. Foreign Exchange Corporate Dhaka, Preshipment Credit A/C # 146	14,951,277	28,599,138
Sonali Bank Ltd. Foreign Exchange Corporate Dhaka(R&L-Loan)-1608960000004	30,534,330	30,464,089
Accepted Liability Sonali Bank Ltd. Foreign Exchange Corporate Dhaka, IFD&C Account(Local LC)	-	10,001,317
Sonali Bank Ltd, Foreign Exchange Corporate Dhaka , Forced Loan(PAD) A/c. 1608994000056	1,512,630	1,405,832
Sonali Bank Ltd., Foreign Exchange Corporate Dhaka, Stimulus A/C No. 1608960000007	62,404,125	72,105,401
Sonali Bank Ltd. Foreign Exchange Corporate Dhaka , A/C. FBNC5	55,085,975	54,054,000
	-	10,995,207
<b>Total</b>	<b>348,541,967</b>	<b>391,711,996</b>

**Security:** Covered by mortgage of land and building, plant and machinery, equipment's as registered mortgage in favour of Sonali Bank Limited, Foreign Exchange Corporate Branch, Motijheel, Dhaka.

**Rate of Interest: 11% per Annum.**



		Amount in Taka	
		30-Jun-24	30-Jun-23
<b>18</b>	<b>Short Term Loan: TK. 27,694,334</b>		
	NIP International	20,544,332	100,544,332
	Mr. Nurul Islam Patwari	1,032,451	5,532,451
	NIP Chemical & Pharmaceuticals Ltd.	5,663,073	4,745,235
	Veloxo Trading Ltd.	454,478	4,512,478
	<b>Total</b>	<b>27,694,334</b>	<b>115,334,496</b>
<b>19</b>	<b>Unpaid Dividend: TK. 10,711,183</b>		
	Opening balance	5,287,183	5,600,584
	Add: Dividend for the year 2022-23	5,424,000	-
		10,711,183	5,600,584
	Less: Paid during the year	-	313,401
	<b>Closing balance</b>	<b>10,711,183</b>	<b>5,287,183</b>
<b>19.1</b>	<b>Unpaid Dividend:</b>		
	Unpaid Dividend Payable to Sponsor Shareholders	1,972,199	1,972,199
	Unpaid Dividend Payable to General Shareholders	8,738,984	3,314,984
	<b>Total</b>	<b>10,711,183</b>	<b>5,287,183</b>
<b>20.</b>	<b>Liabilities for Expenses: TK. 7,167,644</b>		
	Salary and Wages	3,908,705	7,291,921
	Director Remuneration	233,000	2,158,070
	Electric Bill	654,276	280,632
	Gas Bill	2,042,876	1,760,511
	Audit Fees	200,000	200,000
	Ramisa Auto Mobiles	8,500	8,500
	Income Tax Payable (Dividend)	120,287	120,287
	Others	-	1,545,236
	<b>Total</b>	<b>7,167,644</b>	<b>13,365,157</b>
<b>21</b>	<b>Provision for Employees Benefit: TK. 18,630,472</b>		
	Provident Fund (Note-21.1)	4,136,455	8,668,770
	Gratuity Fund (Note-21.2)	8,479,640	14,182,110
	Worker's Profit Participation & Welfare Fund (Note-21.3)	6,014,377	8,655,748
	<b>Total</b>	<b>18,630,472</b>	<b>31,506,628</b>
<b>21.1</b>	<b>Provident Fund: TK. 4,136,455</b>		
	Opening balance	8,668,770	8,662,853
	Add: Members & Company's contributions during the year	-	5,917
	Less: Final Payment to Workers	4,532,315	-
	<b>Closing balance</b>	<b>4,136,455</b>	<b>8,668,770</b>



		Amount in Taka	
		30-Jun-24	30-Jun-23
<b>21.2</b>	<b>Gratuity Fund: TK. 8,479,640</b>		
	Opening balance	14,182,110	14,017,821
	Add : Provision made for the year	-	380,000
		<b>14,182,110</b>	<b>14,397,821</b>
	Less : Amount paid during the year	5,702,470	215,711
	<b>Closing balance</b>	<b>8,479,640</b>	<b>14,182,110</b>
<b>21.3</b>	<b>Worker's Profit Participation &amp; Welfare Fund: TK. 6,014,377</b>		
	Opening balance	8,655,748	7,097,994
	Add: Provision for during the year	2,573,456	1,557,754
		<b>11,229,204</b>	<b>8,655,748</b>
	Less: Paid during the year	(5,214,827)	-
	<b>Closing Balance</b>	<b>6,014,377</b>	<b>8,655,748</b>
<b>22.</b>	<b>Provision for Income Tax: TK. 22,810,425</b>		
	Opening balance	35,143,772	24,643,003
	Add: Provision for during the year	10,570,913	10,500,769
		<b>45,714,685</b>	<b>35,143,772</b>
	Less: Adjustment made during the year	(22,904,260)	-
	<b>Closing Balance</b>	<b>22,810,425</b>	<b>35,143,772</b>



		Amount in Taka	
		30-Jun-24	30-Jun-23
23.	Sales: TK. 789,606,595		
	Sales (Foreign) (Note-23.1)	789,606,595	463,281,795
	<b>Total</b>	<b>789,606,595</b>	<b>463,281,795</b>

23.1 Sales (Foreign):

	Avg. Rate/M. Ton	M.Ton	Amount	Amount
Yarn & Loom	83,053	8,164.27	678,070,125	126,310,858
Diversified Product	387,279	288.00	111,536,470	336,970,937
<b>Total</b>		<b>8,452.27</b>	<b>789,606,595</b>	<b>463,281,795</b>

23.2 Sales quantity:

Particulars	M. Ton	Yarn & Loom	Diversified	Total	Amount
Room Sandal	-	-	-	-	67,486,359
Jute Bags	2.60	-	1,533,000	1,533,000	34,345,904
Espadrille Shoe	38.67	-	19,515,418	19,515,418	110,255,514
Jute Tote Bag	-	-	-	-	23,247,412
Hessian Jute Fabric	-	-	-	-	26,243,974
Sandal Soles	246.73	-	75,512,052	75,512,052	75,391,773
Hessian(11Lbs/1ply)	18.00	1,436,190	-	1,436,190	11,054,965
Hessian(12Lbs/2/3ply)	120.00	9,338,841	-	9,338,841	10,448,288
Hessian(14Lbs/2ply)	346.00	29,011,034	-	29,011,034	8,883,000
Hessian(6Lbs/2ply)	45.00	3,214,920	-	3,214,920	5,421,900
Hessian(28Lbs/3ply)	15.00	1,087,171	-	1,087,171	4,601,025
Hessian(16Lbs/2ply)	40.00	2,730,090	-	2,730,090	15,297,985
Hessian(9Lbs/1/2ply)	100.00	7,835,400	-	7,835,400	-
Hessian(10Lbs/1/2/3ply)	2,705.00	199,050,429	-	199,050,429	-
Sacking (20Lbs/2ply)	868.00	67,510,794	-	67,510,794	5,417,775
Sacking (18Lbs/2ply)	30.00	3,162,240	-	3,162,240	19,399,233
Sacking (24Lbs/2ply)	50.00	4,062,600	-	4,062,600	7,884,380
Sacking (18Lbs/2/3/1ply)	45.00	4,777,265	-	4,777,265	-
Sacking (28Lbs/1/2/3/5ply)	2,337.00	168,890,267	-	168,890,267	-
CB (20bs/2ply)	25.00	1,902,963	-	1,902,963	8,385,300
CB (14Lbs/2ply)	30.00	3,163,994	-	3,163,994	16,152,543
CB (9.6Lbs/2ply)	15.00	1,729,957	-	1,729,957	13,364,463
CB (10Lbs/2/3ply)	180.00	20,602,466	-	20,602,466	-
CB (30Lbs/1ply)	15.00	1,468,500	-	1,468,500	-
CB (8Lbs/1ply)	448.00	56,472,487	-	56,472,487	-
CRT (8Lbs/2ply)	176.00	27,964,553	-	27,964,553	-
CRT (12Lbs/3ply)	12.00	1,871,942	-	1,871,942	-
CRT 24Lbs/1ply)	180.00	27,917,490	-	27,917,490	-
CRT (16Lbs/1/2/ply)	230.00	32,868,530	-	32,868,530	-
BWA/BWCA (45LBS/2ply)	29.27	-	4,053,154	4,053,154	-
Hessian /Gold (10Lbs/1/2/3)	105.00	-	10,922,846	10,922,846	-
<b>Sales during the year</b>		<b>678,070,125</b>	<b>111,536,470</b>	<b>789,606,595</b>	<b>463,281,795</b>

23.3 Sales in Foreign Currency:

	2023-2024		2022-2023	
	USD(\$)	Euro	USD(\$)	Euro
Yarn	6,510,245	-	1,270,683	-
Diversified Product	652,501	-	3,307,764	-
<b>Total</b>	<b>7,162,746</b>	<b>-</b>	<b>4,578,446</b>	<b>-</b>





		Amount in Taka	
		30-Jun-24	30-Jun-23
24.	<b>Cost of Goods Sold: TK. 672,254,938</b>		
		<b>Yarn &amp; Loom</b>	<b>Diversified product</b>
		<b>30/Jun/24</b>	<b>30/Jun/23</b>
	Raw Materials Consumed (Note-24.1)	474,911,336	36,589,928
	Direct Wages	78,606,172	3,178,464
	Gratuity(Worker)	-	-
	Power & Fuel (Note-24.2)	21,350,213	1,012,658
	Other Factory Overhead (Note-24.3)	18,344,109	1,377,903
	Depreciation	2,513,494	12,663,662
		<b>595,725,323</b>	<b>54,822,615</b>
	Opening Stock of Work-in-Process	7,631,660	20,633,747
		<b>603,356,983</b>	<b>75,456,362</b>
	Closing Stock of Work-in-Process	(20,406,326)	(13,604,218)
		<b>582,950,656</b>	<b>61,852,145</b>
	Opening Stock of Finished Goods	44,607,901	120,606,548
		<b>627,558,557</b>	<b>182,458,693</b>
	Closing Stock of Finished Goods	(55,104,925)	(82,657,387)
	<b>Total</b>	<b>572,453,633</b>	<b>99,801,305</b>
		<b>672,254,938</b>	<b>428,741,425</b>

24.1.1	<b>Raw Materials Consumed:</b>	<b>Yarn &amp; Loom</b>	<b>Diversified Product</b>		
	Opening stock of raw jute/yarn	5,672,377	15,336,425	21,008,802	43,722,632
	Purchased during the year	552,634,241	21,689,101	574,323,342	81,680,476
	<b>Raw jute/yarn available for use</b>	<b>558,306,618</b>	<b>37,025,526</b>	<b>595,332,144</b>	<b>125,403,108</b>
	Closing stock of raw jute/yarn	(86,889,133)	(8,593,431)	(95,482,564)	(21,008,802)
	<b>Raw jute/yarn consumed</b>	<b>471,417,485</b>	<b>28,432,095</b>	<b>499,849,580</b>	<b>104,394,306</b>
	Other direct materials (Note- 24.1.1)	3,493,852	8,157,833	11,651,685	16,648,225
	<b>Total</b>	<b>474,911,336</b>	<b>36,589,928</b>	<b>511,501,265</b>	<b>121,042,531</b>

**Item-wise quantity and value of raw jute/diversified stock:**

Particulars	Unit	Quantity	
Closing stock as on 30 June 2022	M. Ton	-	1,150.27
Closing stock as on 30 June 2024	M. Ton	1,075.27	
<b>Raw Jute Consumption</b>	<b>M. Ton</b>	<b>1,075.27</b>	<b>1,150.27</b>

**24.1.1 Other Direct Materials: TK. 11,651,685**

	Yarn & Loom	Diversified Product		
J.B.O.	3,204,680	-	3,204,680	1,452,420
Verdure Oil	29,183	-	29,183	9,600
Leather Goods	-	1,045,782	1,045,782	3,109,785
Polythene	-	538,687	538,687	1,020,280
Fabric	-	3,489,453	3,489,453	-
Rubber	-	360,266	360,266	6,740,814
Wooden Conical Spool	259,989	-	259,989	402,020
Chemicals	-	12,950	12,950	2,329,280
Others Direct Materials	-	2,710,695	2,710,695	1,584,026
<b>Total</b>	<b>3,493,852</b>	<b>8,157,833</b>	<b>11,651,685</b>	<b>16,648,225</b>

**24.2 Power & Fuel: TK. 22,362,871**

	Yarn & Loom	Diversified Product	30-Jun-24	30-Jun-23
Power Electricity	11,162,610	1,103,994	12,266,604	3,547,466
Gas	8,550,352	845,639	9,395,991	8,377,590
Fuel & Gas (Vehicles)	637,251	63,025	700,276	1,722,630
<b>Total</b>	<b>20,350,213</b>	<b>2,012,658</b>	<b>22,362,871</b>	<b>13,647,686</b>



		Amount in Taka	
		30-Jun-24	30-Jun-23
<b>24.3</b>	<b>Other Factory Overhead: TK. 19,722,012</b>		
		<b>Yarn &amp; Loom</b>	<b>Diversified product</b>
Salary & Allowances	16,084,580	1,154,433	17,239,013
Repairs & Maintenance	618,116	61,132	679,249
Insurance Premium (Fire & Group)	234,550	23,197	257,747
Stationery	17,272	1,708	18,980
Welfare Expenses	273,000	27,000	300,000
Travelling & Conveyance	304,484	30,114	334,598
Postage & Telephone	6,652	658	7,310
Entertainment Expenses	316,651	31,317	347,968
Miscellaneous Expenses	488,804	48,343	537,147
<b>Total</b>	<b>18,344,109</b>	<b>1,377,903</b>	<b>19,722,012</b>
<b>25</b>	<b>Administrative Expenses: TK. 16,618,885</b>		
		<b>Yarn &amp; Loom</b>	<b>Diversified product</b>
Salary & Allowances	5,299,445	524,121	5,823,566
Directors Remuneration	4,853,332	480,000	5,333,332
Repairs & Maintenance (General)	179,356	17,739	197,095
Stationery	143,387	14,181	157,568
Depreciation	279,277	1,407,074	1,686,351
Insurance Premium	78,635	7,777	86,412
Fuel of Vehicles	270,663	26,769	297,432
Electricity Head Office & General	200,546	19,834	220,380
Rent(Office), Rates & Taxes	838,623	82,941	921,564
Travelling & Conveyance	169,822	16,796	186,618
Postage, Telegram and Telephone	128,461	12,705	141,166
Entertainment	440,506	43,566	484,072
Subscription	193,748	19,162	212,910
Audit Fees	182,000	18,000	200,000
Fees & Professional Charges	560,577	55,442	616,019
Advertisement & Publicity	49,504	4,896	54,400
<b>Total</b>	<b>13,867,883</b>	<b>2,751,002</b>	<b>16,618,885</b>
<b>26</b>	<b>Marketing and Selling Expenses: TK. 10,761,886</b>		
		<b>Yarn &amp; Loom</b>	<b>Diversified product</b>
Salary & Allowances	2,052,529	202,997	2,255,526
Stationery	80,277	7,940	88,217
Insurance (Marine)	233,256	23,069	256,325
Air Freight	521,963	51,623	573,586
Finished Goods Testing Fee/Survey Fee	26,253	2,596	28,850
Handling, Carrying, C & F Charges	1,234,415	122,085	1,356,500
Travelling & Conveyance	98,555	9,747	108,302
Postage & Telephone	143,185	14,161	157,346
Entertainment	277,951	27,490	305,441
Foreign Tour	798,338	78,956	877,294
Export Promotion Expenses	675,003	66,758	741,761
Bank Charges and Commission	3,651,592	361,146	4,012,738
<b>Total</b>	<b>9,793,316</b>	<b>968,570</b>	<b>10,761,886</b>



		Amount in Taka	
		30-Jun-24	30-Jun-23
27	<b>Other Income : TK. 30,462,364</b>		
	Yarn & Loom (Subsidy)	13,365,180	-
	Diversified Product (Subsidy)	-	1,485,020
	Other Income	9,803,970	1,089,330
	Fluctuation Gain	4,246,978	471,886
	<b>Total</b>	<b>27,416,128</b>	<b>3,046,236</b>

28. **Financial Expenses: TK. 66,390,669**

	Yarn & Loom	Diversified product		
Sonali Bank, FEB, Corp. Br. Ref. Loan A/c.	1,959,301	193,777	2,153,078	2,139,464
Sonali Bank, FEB, Corp. Br. WCABI-10 (HYPO)	15,147,552	1,498,109	16,645,661	16,566,748
Interest TOD cash Subsidy.	639,230	63,221	702,451	-
Sonali Bank, Stimulus	4,526,656	447,691	4,974,347	54,000
Sonali Bank, Force Loan(PAD)	6,208,525	614,030	6,822,555	1,782,969
Sonali Bank, FEB, CA- 082	-	-	-	(297)
Sonali Bank, New Block Loan (Hypo)	31,396,144	3,105,113	34,501,257	33,142,504
Premier Bank, Guoripur, Daudkandi	-	-	-	(431)
<b>Total Interest :</b>	<b>59,877,407</b>	<b>5,921,941</b>	<b>65,799,349</b>	<b>53,684,957</b>
Bank Charges	538,101	53,219	591,320	3,037,084
<b>Total</b>	<b>60,415,508</b>	<b>5,975,160</b>	<b>66,390,669</b>	<b>56,722,041</b>

29 **Income Tax (Expenses)/Income: TK. 16,418,084**

Current Tax	5,146,913	7,788,769
Current Tax for Stock Dividend	5,424,000	2,712,000
Deferred Tax	5,847,171	(263,853)
	<b>16,418,084</b>	<b>10,236,916</b>

29.1 **Current Tax: TK. 5,146,913**

<b>Corporate Tax</b>		
Profit/(Loss) before Tax	51,469,126	31,155,078
Tax Charge @ 10% (A)	5,146,913	7,788,769
<b>Gross Receipts</b>		
Revenue	Note-23	789,606,595
Other Income	Note-27	30,462,364
		<b>820,068,959</b>
Tax Charge (minimum) @ 0.60% (B)		4,920,414
Whichever is higher (A/B) (So applicable is "B")		<b>5,146,913</b>



		Amount in Taka	
		30-Jun-24	30-Jun-23
30	<b>Earnings Per Share (EPS):</b>		
	(a) Earnings attributable to the ordinary shareholders	35,051,043	20,918,162
	(b) Number of ordinary shares outstanding during the year	10,848,000	5,424,000
	(c) <b>Basic EPS (a/b)</b>	3.23	3.86
	(d) <b>Dilluted EPS</b>	3.23	1.93
31.	<b>Net Asset Value (NAV) per Share:</b>		
	Total Assets	1,663,707,424	1,761,895,380
	Less: Non-Current Liabilities	(483,090,988)	(444,921,856)
	Less: Current Liabilities	(510,170,941)	(676,155,072)
	<b>Total net asset of the Company</b>	<b>670,445,495</b>	<b>640,818,451</b>
	Number of ordinary shares outstanding during the year	10,848,000	5,424,000
	<b>Net asset value (NAV) per share (a/b)</b>	<b>61.80</b>	<b>118.14</b>
	<b>Adjusted Net Assets Value per Share</b>	<b>61.80</b>	<b>59.07</b>
32.	<b>Net Operating Cash Flow per Share-NOCFPS:</b>		
	Net Cash from Operating Activities	83,624,261	91,849,737
	Number of ordinary shares outstanding during the year	10,848,000	5,424,000
	<b>Net Operating Cash Flow per Share-NOCFPS</b>	<b>7.71</b>	<b>16.93</b>
	<b>Net Operating Cash Flow per Share-NOCFPS</b>	<b>7.71</b>	<b>8.47</b>
33.	<b>Cash Flows from Operating Activities under Indirect Method (Reconciliation):</b>		
	Net Profit before Tax	35,051,043	31,155,078
	Depreciation	16,863,506	8,989,140
	Increase of Inventories	(49,912,942)	298,659,741
	(Increase)/Decrease of Trade and other Receivable	93,898,762	(180,638,505)
	(Increase)/Decrease of Account Receivables	5,895,350	(5,575,062)
	Increase/(Decrease) in Advane Income Tax	8,964,908	(300,000)
	Increase/(Decrease) of LC Margin & Deferred Taxes	13,461,574	67,674,375
	Increase/(Decrease) of Trade and Other Payables	(9,190,925)	(70,020,901)
	Increase of Liabilities for Expenses and Others	(773,513)	(39,083,854)
	Increase of Provision for Employees Benefit	(12,876,156)	1,727,960
	<b>Net Cash from/(used in) Operation</b>	<b>101,381,608</b>	<b>112,587,975</b>
	Income Tax Paid	(17,757,348)	(20,738,238)
	<b>Net Cash from/(used in) Operating Activities</b>	<b>83,624,261</b>	<b>91,849,737</b>



## 34 Tax Assessment Status:

Accounting year	Provision for income tax	Tax demanded by income tax authority	Tax deduction at source	Tax paid	Total Tax as per the Company	Remarks
2018-2019	281,986	-	4,314,175	-	4,314,175	Tribunal
2019-2020		-	3,480,405	-	3,480,405	2nd Appeal
2020-2021	301,363	-	8,698,448	-	8,698,448	Assess. Pending
2021-2022	1,090,992	-	6,853,027	-	6,853,027	Assess. Pending
2022-2023	10,500,769	-	20,738,238	-	-	Assess. Pending
2023-2024	10,570,913	-	13,939,353	-	-	Yet to submit
<b>Total Taka</b>	<b>22,746,023</b>	<b>-</b>	<b>58,023,646</b>	<b>-</b>	<b>23,346,055</b>	

## 35 Directors' Remuneration:

Name	Designation	Taka	Remarks
Mr. Mohammed Mahbubur Rahman Patwari	Managing Director	2,666,666	Remuneration & Bonus
Mr. Jafar Ahmed Patwari	Director	2,666,666	Remuneration & Bonus
Mr. Mohammed Mohidul Islam Mahmud	Independent Director	-	Remuneration
		<b>5,333,332</b>	

## 36 Related party transactions:

During the year, the Company carried out a number of transactions with related parties in the normal course of business. Name of those related parties, nature of transactions and their closing balances have been shown as under:

Name of the party & Relationship	Nature of Transaction	Opening balance	Debit	Credit	Closing balance
Alijan Jute Mills Ltd., Common Director	Loan paid	41,387,999	4,679,650	6,750,000	39,317,649
Sonali Aansh Trading (Pvt.) Ltd. - Grameen, Common Director	Loan paid	5,434,854	-	3,025,000	2,409,854
Sonali Aansh Trading (Pvt.) Ltd., Common Director	Business nature	(8,810,361)	915,000	-	(7,895,361)
NIP Chemical & Pharmaceuticals Ltd., Common Director	Loan received	(4,745,235)	-	917,838	(5,663,073)
NIP International, Director Concern	Loan received	(100,544,332)	80,000,000	-	(20,544,332)
Mr. Nurul Islam Patwari, Director (deceased)	Loan received	(5,532,451)	4,500,000	-	(1,032,451)
Blue Marine Resorts (Pvt.) Ltd., Common Director	Business nature	101,670	500,000	-	601,670
A J World Inc., USA, Son of Director	Business nature	1,142,499	-	750,251	392,248
The Bag and Bag Compant Limited	Business nature	1,604,000	-	800,000	804,000
Veloxo Trading Ltd., Common Director	Loan received	(4,512,478)	4,058,000	-	(454,478)



37 Capacity Utilization:

Major Products	Unit of Measure	Rated Capacity	Actual Production	Capacity Utilization (%)
Yarn & Loom	10,500	M.Tons	8,164.93	77.76%
Diversified Product	1,500	M.Tons	287.91	19.19%

Available production capacity could not be utilized due to shortage of skilled workers and also want of expected orders.

38 Number of Employees:

On the payroll of the Company, there were 109 officers, 1,387 staff & workers /technicians apart from many casual/ contract technicians /workers.

			Amount(Tk.)
i)	1496	Staff/Officers, Employees drew yearly salary & allowances of Tk. 36,000 or more	107,102,740
ii)	-	Staff/ Officers/Technicians and many other casual workers drew yearly salary/wages & allowances less than Tk. 36,000	-
			107,102,740

39 Contingent Liabilities:

39.1 There was an aggregate amount of tax demanded by Income Tax Authority for the years 2013-2014 to 2021-2022 of Taka 52874688 against the aggregate provision for tax of Taka 8864968.00 (Note-34). The assessments of those years are under appeal with the Income Tax Authority. The demaded tax liability will be reduced and mabe silghty increased if any unfavourable judgement of any assessment year.

40 No. of Board Meeting:

The Board of Directors of the Company held 12(twelve) meetings during the year.

Events after Reporting Period:

a) The Board of Directors of the Company in it's meeting held on 18-11-2024 approved the financial statements of the Company for the year ended 30 June 2024 and authorized the same for issue. The Board of Directors also recommended 10% Cash dividend for all shareholders only for the year ended 30 June 2024 subject to approval in the next Annual General Meeting.

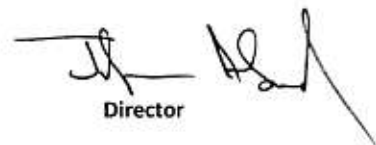
b) There is no other significant event that has occurred between the Financial Statement date and the date when the financial statements were authorized for issue by the Board of Director.



Managing Director



Company Secretary



Director

