

Private & Confidential

Auditors' Report and Financial Statements

of

Eastern Jute Mills Ltd.

Atra Industrial Area, Khulna.

For the year ended 30th June, 2025.

MASUD ALTAF & CO.

Chartered Accountants

Dom-Inno Apartment, B-1, 23/16, Khilji Road
Block-B, Shyamoli, Mohammadpur, Dhaka-1207.

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Independent Auditors' Report of Eastern Jute Mills Ltd.

Qualified Opinion

We have audited the Financial Statements of **Eastern Jute Mills Ltd.** which comprise the Statement of Financial Position as on 30th June, 2025 and related the Statement of Manufacturing, Trading and Profit (Loss) and Other Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the basis for qualified opinion paragraph of our report, the accompanying financial statements of the Entity are give a true and fair view of the financial position as on 30th June, 2025 and of its Statement of Manufacturing, Trading and Profit (Loss) and Other Comprehensive Income, Changes in Equity and Cash Flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note B and other applicable laws and regulations.

Basis for Qualified Opinion

1. Property, Plant and Equipment (PPE) amounting to **Tk. 3,975,897,548.00** presented in The Statements of Financial Position. The Company does not maintain a fixed asset register, and no physical identification tags are attached to the assets. Many of the assets have remained idle for years and are not usable. These have not been presented at fair value in the financial statements. Accordingly, we were unable to verify the accuracy, existence, and valuation of PPE.
2. Sundry Debtors amounting to **Tk. 9,838,439.00** which have been outstanding for several years without any realization/adjustments. No provision for doubtful debts has been recognized, although recovery is uncertain.
3. Advance against Purchases amounting to **Tk. 1,109,764, 00** from 53 (fifty-three) parties coming from last year without any noticeable adjustment. Supporting documentation was not available for verification. Advance against Expenses amounting to **Tk. 977,903.00** from 24 (twenty-four) parties coming from last year without any noticeable adjustment
4. Long term loan amounting **Tk. 4,795,518,639.00** coming from last year without any adjustment and any supporting documents were not provided during the audit period except Ledger. Therefore, we are recommending to take observable move on this amount.
5. Liabilities for Others Finance (including PF) amounting to **Tk. 15,215,355.00** (in which VAT deducted at source by amounting **Tk. 9,944,051.00** & Tax deducted at source by amounting **Tk. 2,891,924.00**). VAT & TAX duly deducted by the company from various suppliers but has not been to deposited to government treasury within stipulated time which is a non-compliance of VAT & SD Act, 2012 & Income Tax Act 2023

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants, Code of Ethics for Professional



Accountants (IESBA Code), We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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 of the Entity and also separate financial statement of the Entity in accordance with IFRSs as explained in note 2 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.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 International Standards on Auditing (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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationship and other matters that may reasonably be thought to 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, the rules and regulations issued by regulatory authorities, we also report the following:

- a) We have obtained all the information and explanation 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 account as required by law have been kept by the Entity so far as it appeared from our examination of those books.
- c) The Statement of Financial Position, Manufacturing, Trading and Profit (Loss) and Other Comprehensive Income, Changes in Equity & Cash Flow for the year then ended dealt with by the report are in agreement with the books of account and returns, and
- d) The expenditures incurred were for the purpose of the Entity's business for the year.

Dated, Dhaka.

09 DEC 2025




(Md. Altaf Hossain Masud, FCA)

Principal, Enrolment No. 0684

MASUD ALTAF & CO.

Chartered Accountants

DVC: 2512090684AS177830

Eastern Jute Mills Ltd.

Atra Industrial Area, Khulna.

Statement of Financial Position as on 30th June, 2025.

Sl. #	Particulars	Notes/Sch.	Amount (Tk.)	
			30.06.2025	30.06.2024
	Property & Assets :			
A.	Non Current Assets :			
	At Cost/Revaluation less Accumulated Depreciation	1.00	3,975,897,548	3,991,607,192
	Investment	2.00	-	-
	Total Non Current Assets		3,975,897,548	3,991,607,192
B.	Current Assets :			
	Stock, Store & Spares	3.00	-	28,408,524
	Debtors	4.00	9,838,439	9,838,439
	Due from BJMC Mills	5.00	7,540,151	7,540,151
	Advance, Deposit & Pre-Payment	6.00	21,432,225	21,515,811
	Interim Revenue support receivable	7.00	7,208,521	7,208,521
	BJMC Current Account	8.00	-	-
	Cash & Bank Balance	9.00	11,820,719	17,708,003
	Total Current Assets		57,840,056	92,219,450
	Total Property & Assets (A+B)		4,033,737,605	4,083,826,642
	Capital & Liabilities :			
	Authorized Capital	11.00	50,000,000	50,000,000
C.	Shareholders Equity & Loans :			
	Issued, Subscribed & Paid-up Capital	12.00	8,000,000	8,000,000
	Govt. Equity Contribution	13.00	38,886,133	38,886,133
	Reserves	14.00	3,906,330,655	3,921,680,052
	Profit & Loss Account Balance (Retained Earning)	10.00	(5,296,772,176)	(4,727,317,374)
	Total Shareholders Equity		(1,343,555,389)	(758,751,189)
D.	Non-Current Liabilities :			
	BJMC Current Account	15.00	370,447,256	337,158,952
	Long term Loan	16.00	4,795,518,639	4,320,719,424
	Gratuity Liabilities (Provision)	17.00	58,633,580	47,979,540
	Total Non-Current Liabilities		5,224,599,474	4,705,857,915
E.	Current Liabilities :			
	Bank Overdraft	18.00	-	-
	Liabilities for Goods	19.00	4,702,873	4,702,873
	Liabilities for Expenses	20.00	33,911,798	27,656,197
	Liabilities for other Finance	21.00	15,215,355	16,817,115
	Due to BJMC Mills	22.00	43,853,226	43,853,226
	Gratuity Payable Account (Current)	23.00	55,010,267	43,690,505
	Total Current Liabilities		152,693,519	136,719,916
	Total Capital & Liabilities : (C+D+E)		4,033,737,605	4,083,826,642

Deputy Manager (Accounts & Finance)

পতিত কুমার সাহা
উপ-ব্যবস্থাপক (হিসাব) ও
হিসাব ও অর্থ নিয়ন্ত্রণ প্রধান
ইস্টার্ন জুট মিলস্ লিমিটেড
আটরা, খুলনা।

Dated, Dhaka.

9th December, 2025.

Manager

বিমল কুমার চক্রবর্তী
ব্যবস্থাপক (উৎপাদন) ও
প্রকল্প প্রধান
ইস্টার্ন জুট মিলস্ লিমিটেড
আটরা, খুলনা।
মোবাইল : ১৭১৩৬৬৮০৫৬৬



(Md. Altaf Hossain Masud, FCA)

Principal, Enrolment No. 0684

MASUD ALTAF & CO.

Chartered Accountants

DVC: 2512090684AS177830

Eastern Jute Mills Ltd.
Atra Industrial Area, Khulna.

Statement of Manufacturing, Trading and Other Comprehensive Income for the year ended 30th June, 2025.

Sl. #	Particulars	Notes /Sch.	Amount (Tk.)				Last year 2023-2024
			Hessian	Sacking	C.B.C	Total 2024-2025	
Income :							
1	Foreign sales.	25.00	-	-	-	-	-
2	Others sales.	26.00	-	-	-	-	10,060,640
3	Total Sales : (1+2)		-	-	-	-	10,060,640
4	Subsidy	26.01	-	-	-	-	-
5	Total Income : (3+4)		-	-	-	-	10,060,640
Material Cost :							
6	Opening work-in-process		-	-	-	-	-
7	Raw Jute Consumed		-	-	-	-	-
8	Change on Raw Jute		-	-	-	-	-
9	Other Direct Materials Consumed		-	-	-	-	-
10	Sub Total : (6 to 9)		-	-	-	-	-
11	Closing Work in Process		-	-	-	-	-
12	Total Material Cost : (10 +11)		-	-	-	-	-
Conversion Cost :							
13	Opening work-in-process		-	-	-	-	-
14	Wages.		-	-	-	-	-
15	Salaries	27.00	-	-	-	44,138,698	45,560,562
16	Power/ Electricity.	28.00	-	-	-	341,607	1,001,196
17	Fuel	29.00	-	-	-	-	-
18	Repairs & Maintenance	30.00	-	-	-	21,837	662,489
19	Depreciation.	31.00	-	-	-	360,247	360,247
20	Insurance.	32.00	-	-	-	31,825	37,042
21	Other Factory Overhead.	33.00	-	-	-	-	-
22	Sub Total : (13 to 21)		-	-	-	44,894,214	47,621,536
23	Closing Work-in-process.		-	-	-	-	-
24	Total Conversion Cost : (22-23)		-	-	-	44,894,214	47,621,536
25	Cost of Production : (12+24)		-	-	-	44,894,214	47,621,536
26	Opening Stock of Finished Good.		-	-	-	-	-
27	Cost of Goods Available for Sales : (25+26)		-	-	-	44,894,214	47,621,536
28	Closing Stock of Finished Goods.		-	-	-	-	-
29	Total Cost of Sales : (27-28)		-	-	-	44,894,214	47,621,536
30	Administrative expenses	34.00	-	-	-	9,595,706	9,784,074
31	Selling expenses	35.00	-	-	-	-	-
32	Loss on Sale of Stock, Store & Spares		-	-	-	23,798,524	-
33	Operating Profit/(Loss) : (5-32)		-	-	-	(78,288,444)	(47,344,970)
Financial Expenses :							
34	Interest (Cash Credit)		-	-	-	-	-
35	Interest on C.C L.T Loan	36.00	-	-	-	-	-
36	Total Interest : (34+35)		-	-	-	-	-
37	Total Profit/(Loss) : (33-36)		-	-	-	(78,288,444)	(47,344,970)
38	Non-Operating Income	26.02	-	-	-	1,673,288	1,947,700
39	Net Profit/(Loss) : (37+38)		-	-	-	(76,615,156)	(45,397,270)

Deputy Manager (Accounts & Finance)

পতিত কুমার সাহা
উপ-ব্যবস্থাপক (হিসাব) ও
হিসাব : ও মার্গে নিম্নলিখিত পদ্ধতি
ইস্টার্ন জুট মিলস্ লিমিটেড
আটরা, খুলনা।

This is the Statement of Manufacturing Trading and Profit (Loss) Accounts referred to in our separate report of even date.

Manager

বিমল কুমার চক্রবর্তী
ব্যবস্থাপক (উৎপাদন) ও
ইস্টার্ন জুট মিলস্ লিঃ
আটরা, খুলনা।
মোবাইল : ০১৭৬৬৬-৬৮০৫৬৬

Dated, Dhaka.

9th December, 2025.



(Md. Altaf Hossain Masud, FCA)
Principal, Enrolment No. 0684
MASUD ALTAF & CO.
Chartered Accountants
DVC: 2512090684AS177830

Eastern Jute Mills Ltd.

Atra Industrial Area, Khulna.

Statement of Changes in Equity 30th June, 2025.

Particulars	2024-2025				
	Issued, Subscribed & Paid-up Capital	Govt. Equity Contribution	Reserves & Surplus	Profit & Loss Account Balance (Retained Earning)	Total
Opening Balance	8,000,000	38,886,133	3,937,029,450	(5,204,443,456)	(1,220,527,872)
Less: Depreciation on Revaluation of Fixed Assets			(15,349,398)		(15,349,398)
Less: Profit & Loss for the year				(76,615,156)	(76,615,156)
Add: Prior year Adjustment for the year				(492,839,646)	(492,839,646)
Balance as on 30th June, 2025	8,000,000	38,886,133	3,921,680,052	(5,773,898,258)	(1,805,332,072)

Particulars	2023-2024				
	Issued, Subscribed & Paid-up Capital	Govt. Equity Contribution	Reserves & Surplus	Profit & Loss Account Balance (Retained Earning)	Total
Opening Balance	8,000,000	38,886,133	3,952,378,848	(5,179,850,256)	(1,180,585,275)
Less: Depreciation on Revaluation of Fixed Assets	-	-	(15,349,398)	-	(15,349,398)
Less: Profit & Loss for the year	-	-	-	(45,397,270)	(45,397,270)
Add: Prior year Adjustment for the year	-	-	-	20,804,070	20,804,070
Balance as on 30th June, 2024	8,000,000	38,886,133	3,937,029,450	(5,204,443,456)	(1,220,527,872)

Deputy Manager (Accounts & Finance)

পতিত কুমার সাহা
উপ-ব্যবস্থাপক (হিসাব) ও
হিসাব ও অর্থ বিভাগীয় প্রধান
ইস্টার্ন জুট মিলস লিমিটেড
আটরা, খুলনা।

Dated, Dhaka.
9th December, 2025.

Manager

বিশ্ব কুমার চক্রবর্তী
ব্যবস্থাপক (উৎপাদন) ও
উপ-ব্যবস্থাপক
ইস্টার্ন জুট মিলস লিমিটেড
আটরা, খুলনা।
মোবাইল: ১১৭৬৬-৬৮০৫৬৮



(Md. Altaf Hossain Masud, FCA)
Principal, Enrolment No. 0684
MASUD ALTAF & CO.
Chartered Accountants
DVC: 2512090684AS177830

Eastern Jute Mills Ltd.

Atra Industrial Area, Khulna.

Statement of Cash Flows for the year ended 30th June, 2025.

Sl #	Particulars	Amount (Tk.)	
		2024-2025	2023-2024
A.	Cash Flow from Operating Activities :		
	Net Profit/(Loss) for the year	(76,615,156)	(45,397,270)
	Prior year Adjustment	(492,839,646)	20,804,070
	Total	(569,454,802)	(24,593,200)
	Increase/Decrease in Current Assets :		
	Stock & Stores	-	-
	Debtors	-	-
	Advance Deposit & Pre-payments	83,586	25,480
	Depreciation	360,247	360,247
	Total	443,833	385,727
	Increase/Decrease in Current Liabilities :		
	Liabilities for Goods	-	(124,622)
	Liabilities for Expenses	6,255,601	2,753,660
	BJMC Current Account	33,288,304	(13,469,098)
	Gratuity Payable Account (Current)	11,319,762	4,862,968
	Total	50,863,667	(5,977,092)
	Total Net Cash used by Operating Activities:	(518,147,302)	(30,184,565)
B.	Cash Flow from Investing Activities :		
	Addition of Non Current Assets	-	-
	Disposal of Stock & Stores	28,408,523	-
	Revaluation of Non Current Assets	-	-
	Assets in Pakistan	-	-
	Total Net Cash used by Investing Activities :	28,408,523	-
C.	Cash Flow from Financing Activities :		
	Bank Overdraft	-	-
	Liabilities for Other Finance	(1,601,759)	1,907,893
	Long Term Loan	474,799,215	-
	Gratuity Liability (Provision)	10,654,040	(1,495,693)
	Reserves	-	-
	Total Net Cash provided by Financing Activities :	483,851,496	412,200
	Net Cash Inflow/Outflow (A+B+C)	(5,887,284)	(29,772,364)
	Cash and Bank Balance at the beginning of the year	17,708,003	47,480,370
	Cash and Bank Balance at the ending of the year	11,820,719	17,708,003

Deputy Manager (Accounts & Finance)

পতিত কুমার সাহা
উপ-ব্যবস্থাপক (হিসাব) ও
হিসাব ও অর্থ বিভাগীয় প্রধান
ইস্টার্ন জুট মিলস্ লিমিটেড
আট্টরা, খুলনা।

This is the Statement of Cash Flow referred to in our separate report of even date.

Manager

বিমল কুমার চক্রবর্তী
ব্যবস্থাপক (উৎপাদন) ও
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ইস্টার্ন জুট মিলস্ লিমিটেড
আট্টরা, খুলনা।
মোবাইল: ০১৭১১৫৩৬১৯৫৬৯

Dated, Dhaka.
9th December, 2025.



(Md. Altaf Hossain Masud, FCA)
Principal, Enrolment No. 0684
MASUD ALTAF & CO.
Chartered Accountants

Eastern Jute Mills Ltd.

Atra Industrial Area, Khulna.

Notes to the Financial Statements for the year ended 30th June, 2025.

A. Legal form of the Enterprise :

Eastern Jute mills is a public limited company and was incorporated in the then East Pakistan under the Company Act 1913 subsequently by the Company Act 1994. The mill was placed under the control and management of Bangladesh Jute Mills Corporation (BJMC) under P.O.27 of 1972. Subsequently Industrial Nationalization Act No. 25 of 2018.

B. Nature of Business :

The principal activities of the company is manufacturing of hessian & sacking jute cloth for local and export sales.

C. Significant Accounting Policies :

The mill follows an integrated accounting system. These accounts have been prepared on a going concern basis under historical cost convention based on the generally accepted accounting principles consistently applied.

D. Basis of Presentation :

Financial Statement presentation follows the formats recommended in the International Financial Reporting Standards.

E. Fixed Assets :

The Fixed Assets are shown at cost & Revaluation less accumulated depreciation. First Revaluation was made in the year 1992-1993, Again Revaluation was made in the year 2016-17 and increased value transferred to Capital Reserve Account as per BJMC Guide Line.

F. Depreciation :

Fixed Assets were depreciated at straight line method @ 2.5% to 25% according to the type of assets.

G. Foreign Currency Transaction:

Revenue transactions of foreign currency are converted in Bangladeshi taka at the exchange rate prevailing on the date of transaction.

H. Service Benefits(PF) :

(a) The factory is maintaining a contributory Provident Fund for its every permanent employee. The factory is providing contribution to the Fund 8.33% of basic wages/salary and the employee contribution is 10% of each permanent employee.

(b) The factory also provides Gratuity benefit to its every permanent employee equivalent to two months last basic wages/salary for each completed year of service.

I. Taxation :

The Company was incurring loss since long but in this time the company is incurring to earn loss. So, provision for company income tax has not been made in the accounts during these financial year.

J. Liabilities for Expenses :

Provision for certain expenses and known liabilities were made in the accounts during the year under audit. These type of liabilities must be paid/adjusted after having actual bill/expenses. In our opinion, these should not be carried forward years after year.

K. Reporting period :

The financial statements of the company cover the period from 1st July, 2024 to 30th June, 2025 consistently.

L. The Mill's production was closed on 30th June, 2020.

