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**Auditors' Report Financial Statements**

of

**Hafiz Jute Mills Ltd.**

Bara-Aulia, Shitakundha, Chattogram.

For the year ended 30<sup>th</sup> June, 2024.

**MASUD ALTAF & CO.**

Chartered Accountants

Dom-Inno Apartment, B-1

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## **Independent Auditors' Report of Hafiz Jute Mills Ltd.**

### **Opinion**

We have audited the Financial Statements of **Hafiz Jute Mills Ltd.** which comprise the Statement of Financial Position as on 30<sup>th</sup> June, 2024 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, the accompanying financial statements of the Company gives a true and fair view of the financial position as on 30<sup>th</sup> June, 2024 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. 3 (three) Parties of Trade Debtors (Foreign) amounting to **Tk. 23,290,544.00** is being carried forward from previous years without any realization/adjustments. (See Accounts Notes 4.01)
2. 2 (two) Parties of Sundry Debtors amounting to **Tk. 5,520,397.00** is being carried forward from previous years without any realization/adjustments. (See Accounts Notes 4.02).
3. Due from BJMC Mills amounting to **Tk. 15,237,389.00** from 10 (ten) party out of which **Tk. 14,636,227.00** from 07 (seven) party coming from last year without any adjustment. (See Accounts Notes 5.00).
4. Advance against Salary amounting to **Tk. 174,774.00** from 06 (six) no. of employees out of which **Tk. 172,774.00** from 04 (four) employee coming from last year without any adjustment. (See Accounts Notes 6.01.(a).
5. Advance against Audit Claim amounting to **Tk. 4,029,312.00** from 05 (five) Employees coming from last year without any adjustment. (See Accounts Notes 6.01(b).
6. Advance against Store Purchases amounting to **Tk. 551,746.00** from 13 (thirteen) parties coming from last year without any adjustment. (See Accounts Notes 6.01(d).
7. Advance against Expenses amounting to **Tk. 376,912.00** from 10 (ten) parties out of which **Tk. 64,871.00** from 05 (five) parties coming from last year without any adjustment. (See Accounts Notes 6.01(e).
8. Advance against Other Parties amounting to **Tk. 3,889,903.00** from 12 (twelve) parties out of which **Tk. 1,609,400.00** from 07 (Seven) parties coming from last year without any adjustment. (See Accounts Notes 6.01(f).

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 Company in

## **MASUD ALTAF & CO.**

Chartered Accountants

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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 Company and also separate financial statement of the Company 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 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 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 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 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 Company 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 company's business for the year.

Dated, Dhaka.  
12<sup>th</sup> February, 2025.



  
(Md. Altaf Hossain Masud, FCA)

Principal, Enrolment No. 0684  
**MASUD ALTAF & CO.**  
Chartered Accountants  
DVC: 2502120684AS715312

**Hafiz Jute Mills Ltd.**  
Bara-Aulia, Shitakundha, Chattogram.

**Statement of Financial Position as on 30th June, 2024.**

Sl. #	Particulars	Notes / Sch.	Amount (Tk.)	
			30.06.2024	30.06.2023
<b>Property &amp; Assets</b>				
<b>A. Non Current Assets :</b>				
	Fixed Assets (At Cost/Revaluation Less Accumulated Depreciation)	1.00	4,594,159,732	4,665,749,197
	Investment	2.00	-	-
	<b>Total Non Current Assets</b>		<b>4,594,159,732</b>	<b>4,665,749,197</b>
<b>Current Assets</b>				
	Stock of Stores & Spares	3.00	23,841,990	23,841,990
	Debtors (Less: Provision)	4.00	28,810,941	28,810,941
	Due from BJMC Mills	5.00	15,237,389	16,033,634
	Advances, Deposits & Prepayments	6.00	10,241,647	10,879,085
	Interim Revenue Support Receivable	7.00	13,538,116	13,538,116
	BJMC Current Account	8.00	873,252,660	879,877,966
	Cash & Bank Balances	9.00	28,427,920	34,458,268
	<b>Total Current Assets</b>		<b>993,350,663</b>	<b>1,007,440,000</b>
	<b>Total Assets</b>		<b>5,587,510,395</b>	<b>5,673,189,197</b>
<b>B. Capital &amp; Liabilities :</b>				
	Authorised 5,000,000 Ordinary Shares of Tk.10/= each	10.00	50,000,000	50,000,000
	Issued, Subscribed & paid up Capital	11.00	20,000,000	20,000,000
	Government Equity Contribution	12.00	30,668,655	30,668,655
	Reserve	13.00	4,487,069,929	4,551,259,681
	Retained Earnings (Accumulated Profit/Loss)	14.00	(6,831,549,180)	(6,760,216,777)
	Long Term Loan	15.00	7,615,420,194	7,615,420,194
	Gratuity Liabilities (Provision)	16.00	81,355,620	77,132,792
	<b>Total Capital &amp; Liabilities</b>		<b>5,402,965,218</b>	<b>5,534,264,545</b>
<b>Current Liabilities :</b>				
	Liabilities for Goods	17.00	-	1,052,421
	Liabilities for Expenses	18.00	35,548,555	10,995,966
	Liabilities for Other Finance	19.00	53,404,439	47,043,376
	Due to BJMC Mills	20.00	51,512,929	48,209,867
	Gratuity Payable Account (Current)	21.00	44,079,254	31,623,022
	<b>Total Current Liabilities</b>		<b>184,545,177</b>	<b>138,924,652</b>
	<b>Total Liabilities</b>		<b>5,587,510,395</b>	<b>5,673,189,197</b>


  
Accounts Head

  
Project Head

This is the Statement of Financial Position referred to in our separate report of even date.

Dated, Dhaka.  
12th February, 2025.



  
(Md. Altaf Hossain Masud, FCA)  
Principal, Enrolment No. : 0684  
MASUD ALTAF & CO.  
Chartered Accountants  
DVC: 2502120684AS715312

## Hafiz Jute Mills Ltd.

Bara-Aulia, Shitakundha, Chattogram.

### Statement of Manufacturing, Trading and Profit (Loss) and other Comprehensive Income for the year ended 30th June, 2024.

Particulars	Notes	Product wise Break up		Amount (Tk.)	
		Hessian	Sacking	2023-2024	2022-2023
<b>Income :</b>					
Local Sales		-	-	-	-
Foreign Sales		-	-	-	-
<b>Total Sales</b>		-	-	-	-
Subsidy		-	-	-	-
<b>Total Income</b>		-	-	-	-
<b>A. Material Cost :</b>					
Opening Work-in-Process		-	-	-	-
Raw Jute Consumed		-	-	-	-
Jute Yarn		-	-	-	-
Charge on Raw Jute		-	-	-	-
Other Direct Materials Consumed		-	-	-	-
<b>Sub Total</b>		-	-	-	-
Closing Work-in-Process		-	-	-	-
<b>Total Material Cost : (A)</b>		-	-	-	-
<b>B. Conversion Cost :</b>					
Opening Work-in-Process		-	-	-	-
Wages		-	-	-	-
Salaries	22.00	39,024,725	39,024,724	78,049,449	66,048,537
Power / Electricity	23.00	960,539	960,539	1,921,078	1,657,823
Fuel	24.00	50,112	50,112	100,224	100,454
Repairs & Maintenance	25.00	223,017	223,016	446,033	736,092
Depreciation	26.00	2,749,041	2,749,040	5,498,081	5,402,630
Insurance	27.00	600,000	600,000	1,200,000	1,200,000
Other Factory Overhead	28.00	195,054	195,054	390,108	268,261
<b>Sub Total</b>		<b>43,802,488</b>	<b>43,802,485</b>	<b>87,604,973</b>	<b>75,413,797</b>
Closing Work-in-Process		-	-	-	-
<b>Total Conversion Cost : (B)</b>		<b>43,802,488</b>	<b>43,802,485</b>	<b>87,604,973</b>	<b>75,413,797</b>
<b>Cost of Production : (A + B)</b>		<b>43,802,488</b>	<b>43,802,485</b>	<b>87,604,973</b>	<b>75,413,797</b>
Opening Stock of Finish Goods		-	-	-	-
<b>Sub Total</b>		<b>43,802,488</b>	<b>43,802,485</b>	<b>87,604,973</b>	<b>75,413,797</b>
Closing Stock of Finish Goods		-	-	-	-
<b>Cost of Goods Sold</b>		<b>43,802,488</b>	<b>43,802,485</b>	<b>87,604,973</b>	<b>75,413,797</b>
Administrative Expenses	29.00	2,307,299	2,307,300	4,614,599	17,297,373
Selling Expenses	30.00	-	-	-	48,418
<b>Total Operating Expenses</b>		<b>46,109,787</b>	<b>46,109,785</b>	<b>92,219,572</b>	<b>92,759,588</b>
<b>Operating Profit/(Loss)</b>		<b>(46,109,787)</b>	<b>(46,109,785)</b>	<b>(92,219,572)</b>	<b>(92,759,588)</b>
<b>Financial Expenses :</b>					
Interest on Long Term Loan		-	-	-	-
Interest on Cash Credit		-	-	-	-
<b>Total Interest</b>		-	-	-	-
<b>Operating Profit/Loss</b>		<b>(46,109,787)</b>	<b>(46,109,785)</b>	<b>(92,219,572)</b>	<b>(92,759,588)</b>
Non - Operating Income	31.00	8,424,108	8,424,107	16,848,215	3,548,304
<b>Net Profit/Loss before Tax</b>		<b>(37,685,679)</b>	<b>(37,685,678)</b>	<b>(75,371,357)</b>	<b>(89,211,284)</b>
Rent, Rates & Taxes/AIT	32.00	40,221	40,221	80,441	918,632
<b>Net Profit/Loss after Tax</b>		<b>(37,725,900)</b>	<b>(37,725,899)</b>	<b>(75,451,798)</b>	<b>(90,129,916)</b>
Add : Previous year adjustment	33.00	-	-	4,119,395	(40,658,221)
Add : Balance from last year		-	-	(6,760,216,777)	(6,629,428,640)
<b>Balance transfer to B. S.</b>		<b>(37,725,900)</b>	<b>(37,725,899)</b>	<b>(6,831,549,180)</b>	<b>(6,760,216,777)</b>

  
Accounts Head

  
Project Head

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

Dated, Dhaka.  
12th February, 2025.



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

**Hafiz Jute Mills Ltd.**  
Bara-Aulia, Shitakundha, Chattogram.

**Statement of Cash Flows for the year ended 30th June, 2024.**

Sl. #	Particulars	Amount (Tk.)	
		2023-2024	2022-2023
<b>A.</b>	<b>Cash Flow From Operating Activities :</b>		
	Net profit/Loss before tax during the year	(75,371,357)	(89,211,284)
	Add: Previous year adjustment	4,119,395	(40,658,221)
	Depreciations (Less Adjustment on Sundry Assets)	7,432,270	5,402,630
	<b>Total</b>	<b>(63,819,692)</b>	<b>(124,466,875)</b>
	Stock of Stores & Spares	-	189,011
	Debtors (Less: Provision)	-	2,453,579
	Due from BJMC Mills	796,245	-
	Advances, Deposits & Prepayments	637,438	570,037
	Interim Revenue Support Receivable	-	-
	BJMC Current Account	6,625,306	(66,207,553)
	Bank Overdraft	-	(27,532,868)
	Liabilities for Goods	(1,052,421)	(192,037)
	Liabilities for Expenses	24,552,589	(12,695,603)
	Liabilities for Other Finance	6,361,063	(27,995,327)
	Due to BJMC Mills	3,303,062	(4,892,087)
	Gratuity Payable Account (Current)	12,456,232	(80,472,379)
	Tax paid	(80,441)	(918,632)
	<b>Net Cash Provided by Operating activities : (A)</b>	<b>(10,220,619)</b>	<b>(342,160,734)</b>
<b>B.</b>	<b>Cash Flow from Investing Activities :</b>		
	Acquisition of Fixed Assets	(32,557)	(86,867)
	Disposal of fixed assets (vehicle)	-	-
	<b>Total Investing Activities : (B)</b>	<b>(32,557)</b>	<b>(86,867)</b>
<b>C.</b>	<b>Cash Flow from Financing Activities :</b>		
	FDR Investment	-	-
	Reserve	-	-
	Long Term Loan	-	254,824,340
	Gratuity Liabilities (Provision)	4,222,828	(2,869,212)
	<b>Net cash provided by financing activities (C)</b>	<b>4,222,828</b>	<b>251,955,128</b>
	<b>Increase/(Decrease) in Cash and Bank Balance : (A+B+C)</b>	<b>(6,030,348)</b>	<b>(90,292,473)</b>
	<b>Opening Cash and Cash Equivalent</b>	<b>34,458,268</b>	<b>124,750,741</b>
	<b>Closing Cash and Cash Equivalent</b>	<b>28,427,920</b>	<b>34,458,268</b>

Accounts Head

Project Head

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

Dated, Dhaka  
12th February, 2025.



(Md. Altaf Hossain Masud, FCA)  
Principal, Enrolment No. : 0684  
**MASUD ALTAF & CO.**  
Chartered Accountants  
DVC: 2502120684AS715312

## Hafiz Jute Mills Ltd.

Barua/Aulia, Shitakundha, Chattogram.

### Schedule of Fixed Assets as on 30th June, 2024.

I. #	Particulars	Cost			Revaluation	Total Cost as on 30.06.2024	Depreciation on Original Cost			Total Dep. on Original Cost as on 30.06.2024	
		Opening Balance as on 01.07.2023	Addition During the Year	Adjustment during the year			Balance as on 30.06.2024	Charged during the year	Adjustment during the year		Opening Balance as on 01.07.2023
1	Land	2	3	4	5=2+3-4	6	7=5+6	8	9	10	11=8+9-10
1	Land	1,663,000	-	-	1,663,000	4,046,643,250	4,048,306,250	-	-	-	-
2	Land Development	1,960,208	-	-	1,960,208	11,425,827	13,386,035	-	-	-	-
3	Building & Other Const.	29,560,032	-	-	29,560,032	253,889,914	283,449,946	1,946,435	5,478,755	-	7,425,190
4	Plant & Machinery	102,803,613	-	-	102,803,613	260,696,534	363,500,147	21,825,457	3,637,576	-	25,463,033
5	Furniture & Fixture	1,530,212	32,557	-	1,562,769	623,522	2,186,291	31,451	5,242	-	36,693
6	Vehicles	9,256,561	-	-	9,256,561	-	9,256,561	8,582,352	789,508	2,483,825	6,888,035
7	Sundry Assets	1,756,670	-	-	1,756,670	2,754,836	4,511,506	30,085	5,014	-	35,099
8	Biological Assets (Trees)	-	-	-	-	8,146,050	8,146,050	-	-	-	-
	<b>Grand Total</b>	<b>148,530,296</b>	<b>32,557</b>	<b>-</b>	<b>148,562,853</b>	<b>4,584,179,933</b>	<b>4,732,742,786</b>	<b>32,415,780</b>	<b>9,916,095</b>	<b>2,483,825</b>	<b>39,848,050</b>

I. #	Particulars	Depreciation on Revaluation			Total Depreciation		Written Down Value		Total Assets as on 30.06.2024	
		Opening Balance as on 01.07.2023	Charged during the year	Adjustment during the year	For the year	Cumulative	Original Cost on 30.06.2023	Revaluation at 30.06.2024		
11		12	13	14	15=12+13-14	16=9+13	17=11+15	18=5-11	19=6-15	20=18+19
1	Land	-	-	-	-	-	-	1,663,000	4,046,643,250	4,048,306,250
2	Land Development	-	-	-	-	-	-	1,960,208	11,425,827	13,386,035
3	Building & Other Const.	16,147,398	61,123,443	-	77,270,841	-	84,696,031	22,134,842	176,619,073	198,753,915
4	Plant & Machinery	18,144,480	3,024,080	-	21,168,560	6,661,656	46,631,593	77,340,580	239,527,974	316,868,554
5	Furniture & Fixture	46,764	7,794	-	54,558	13,036	91,251	1,526,076	568,964	2,095,040
6	Vehicles	-	-	-	-	789,508	6,888,035	2,368,526	-	2,368,526
7	Sundry Assets	206,610	34,435	-	241,045	39,449	276,144	1,721,571	2,513,791	4,235,362
8	Biological Assets (Trees)	-	-	-	-	-	-	-	8,146,050	8,146,050
	<b>Grand Total</b>	<b>34,545,252</b>	<b>64,189,752</b>	<b>-</b>	<b>98,735,004</b>	<b>7,503,649</b>	<b>138,583,054</b>	<b>108,714,803</b>	<b>4,485,444,929</b>	<b>4,594,159,732</b>

B: The above Assets includes Assets received from closed Adamjee Jute Mills details of which are given below:-

Sl. #	Particulars	Assets			Depreciation			Written Down Value as on 30.06.2024
		Balance as on 01.07.2023	Addition during the year	Adjustment during the year	Balance as on 01.07.2023	Charged during the year	Balance as on 30.06.2024	
1	Plant & Machinery	34,035,000	-	-	27,468,570	1,204,285	28,672,855	5,362,145
2	Furniture & Fixture	74,600	-	-	1,280	250	1,530	73,070
	<b>Grand Total</b>	<b>34,109,600</b>	<b>-</b>	<b>-</b>	<b>27,469,850</b>	<b>1,204,535</b>	<b>28,674,385</b>	<b>5,435,215</b>

