

Final ✓

AUDITORS' REPORT
&
THE FINANCIAL STATEMENTS
OF
Khalishpur Jute Mills Ltd.
For the Year Ended 30th June 2024

AUDITORS':

AKHTER ABBAS KHAN & Co.
Chartered Accountants

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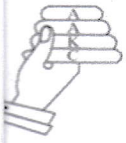
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Independent Auditor's Report

To the Board of Directors' of

Khalishpur Jute Mills Ltd.

Report on the Audit of the Financial Statements

Opinion:

We have audited the financial statements of **Khalishpur Jute Mills Ltd.** which comprise the statement of financial position as at 30 June 2024 and the statement of profit or loss and 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.

In our opinion, the financial statements, give a true and fair view if the state of the financial statement of **Khalishpur Jute Mills Ltd.** as on June 30, 2024, and in all material respects, the financial position of the Jute Mill as of 30 June 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with the Companies Act 1994 and other applicable laws and regulations.

Emphasis the Matter:

We draw attention to:

1. The company incurred a series of net losses in the consecutive three years. Details are given in the tabulated form:

| Financial Year | Net Profit/(Loss)after tax (BDT) | Profit & Loss Account Balance (Retained Earnings) (BDT) |
|----------------|----------------------------------|---|
| 2021-2022 | (146,185,878) | (6,873,430,228) |
| 2022-2023 | (119,190,805) | (7,139,992,016) |
| 2023-2024 | (46,682,713) | (7,184,157,356) |

We draw attention to the production difficulties, Inability to pay creditors on due dates, the Inability of key management, closing of Company operation and negative operating cash flows indicated by the financial statements of the company. As per **ISA-570 Para 19 & 22**, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and that the financial statements do not adequately disclose this matter. However, as per P.O.-27 of 1972 Khalishpur Jute Mills Ltd. is a nationalized company and always backed and financially assisted by the Government. **Company Operation is closed through government circular Ref: 24.00.0000.118.18.057.20.104 dated-30 June 2020.** Our opinion is not modified in this issue.





2. Attention is drawn to Note no. 3.00 in the financial statements related to Inventories (Stock, Stores & Spares) balance accounted of BDT 32,286,119 as at 30 June 2024. The balance is confirmed by the management through financial statements and statement of inventory and the company did not calculate net realizable value. We could not physically verify the existence of the Inventory as at 30 June, 2024 of the company, since audit was post-dated. Our opinion is not modified in this issue.

Basis for Opinion:

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 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) and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye-Laws. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter:

According to Section 36 of the Companies Act, 1994, every company has to submit an Annual Return to RJSC. The company did not submit the annual return to the RJSC till now. It may indicate non-compliance with the Companies Act, 1994.

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 Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements:

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, the Companies Act 1994, 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.

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 concerned 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 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.





Report on Other Legal and Regulatory Requirements:

In accordance with the Companies Act 1994, 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; and
- c) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.
- d) The expenditure was incurred for the purpose of the Company's business.

Place: Dhaka

Date: 05 MAR 2025

Signed for and on behalf of
Akhter Abbas Khan & Co.
Chartered Accountants

Biplob Saha FCA

Partner

Enrollment Number-ICAB: 1992

DVC: 2503051992 AS 840097





Khalishpur Jute Mills Ltd.

Statement of Financial Position
As at 30th June, 2024

| Particulars | Notes | Amount (Tk.) | |
|---|-------|-----------------------|-----------------------|
| | | 30.06.2024 | 30.06.2023 |
| Assets : | | | |
| Non-Current Assets: | | | |
| Property, Plant & Equipment | 1.00 | 11,951,194,566 | 14,163,777,196 |
| Investment | 2.00 | 1,223,025 | 1,223,025 |
| Total Non Current Assets : (A) | | 11,952,417,591 | 14,165,000,221 |
| Current Assets : | | | |
| Inventories (Stock, Stores & Spares) | 3.00 | 32,286,119 | 32,440,878 |
| Debtors | 4.00 | 31,401,907 | 31,401,907 |
| Due from BJMC Mills | 5.00 | 103,912,902 | 103,912,902 |
| Advance, Deposit & Pre-Payment | 6.00 | 7,050,430 | 7,933,950 |
| Interim Revenue Support Receivable | 7.00 | 23,164,884 | 23,164,884 |
| BJMC Current Account | 8.00 | 478,857,177 | 466,018,127 |
| Cash & Cash Equivalents | 9.00 | 22,625,548 | 34,331,425 |
| Total Current Assets : (B) | | 699,298,967 | 699,204,073 |
| Total Assets (A+B) | | 12,651,716,558 | 14,864,204,294 |
| Equity & Liabilities : | | | |
| Authorized Capital | 10.00 | 50,000,000 | 50,000,000 |
| Shareholders Equity: | | | |
| Issued, Subscribed & Paid-up Capital | 11.00 | 23,540,000 | 23,540,000 |
| Govt. Equity Contribution | 12.00 | 733,847,149 | 733,847,149 |
| Reserve and Surplus | 13.00 | 11,697,431,922 | 13,905,270,092 |
| Accumulated profit & Loss (Retained Earnings) | 14.00 | (7,184,157,356) | (7,139,992,016) |
| Total Shareholders Equity: (C) | | 5,270,661,715 | 7,522,665,226 |
| Non-Current Liabilities: | | | |
| Long term Loan | 15.00 | 7,154,881,674 | 7,110,925,674 |
| Gratuity Liabilities (Long-Term Portion) | 16.00 | 60,476,017 | 82,919,599 |
| Total Non-Current Liabilities : (D) | | 7,215,357,691 | 7,193,845,273 |
| Current Liabilities : | | | |
| Bank Overdraft | 17.00 | 76,875,604 | 76,825,604 |
| Liabilities for Goods | 18.00 | 3,336,830 | 3,242,212 |
| Liabilities for Expenses | 19.00 | 25,725,389 | 18,144,436 |
| Liabilities for other Finance | 20.00 | 14,045,310 | 13,453,108 |
| Due to BJMC Mills | 21.00 | 8,536,604 | 8,536,604 |
| Gratuity Liabilities (Current Portion) | 22.00 | 37,177,415 | 27,491,831 |
| Total Current Liabilities : (E) | | 165,697,152 | 147,693,795 |
| Total Equity & Liabilities : (C+D+E) | | 12,651,716,558 | 14,864,204,294 |

The annexed notes form an integral parts of these financial statements.

Manager (Accounts & Finance)

As per our annexed report of same date

Place: Dhaka
Date: 05 MAR 2025

05 MAR 2025

Deputy General Manager

মোঃ খালিকুর রহমান
উপ-মহাব্যবস্থাপক (উৎপাদন)
ও প্রকল্প প্রধান

Signed for and on behalf of
Akhter Abbas Khan & Co.
Chartered Accountants

Biplob Saha FCA

Partner

Enrollment Number-ICAB: 1992

DVC: 2503051992 AS 840097





Khalishpur Jute Mills Ltd.
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30th June, 2024

| Sl # | Particulars | Notes | Hessian | Sacking | Amount (Tk.) | |
|-----------------------------|---|-------|---------|---------|---------------------|----------------------|
| | | | | | 2023-2024 | 2022-2023 |
| Income : | | | | | | |
| 1 | Foreign sales. | | - | - | - | - |
| 2 | Local sales. | 23.00 | - | - | - | - |
| 3 | Other Income | 24.00 | - | - | 56,410,811 | - |
| 4 | Total Sales : (1+2) | | - | - | 56,410,811 | - |
| 5 | Subsidy | | - | - | - | - |
| 6 | Total Income (3+4) | | - | - | 56,410,811 | - |
| Material Cost : | | | | | | |
| 7 | Opening work-in-process | | - | - | - | - |
| 8 | Raw Jute Consumed | | - | - | - | - |
| 9 | Changes on Raw Jute | | - | - | - | - |
| 10 | Other Direct Materials Consumed | | - | - | - | - |
| 11 | Sub Total (6 to 9) | | - | - | - | - |
| 12 | Closing Work in Process | | - | - | - | - |
| 13 | Total Material Cost (10 -11) : | | - | - | - | - |
| Conversion Cost : | | | | | | |
| 14 | Opening work-in-process | | - | - | - | - |
| 15 | Wages. | | - | - | - | - |
| 16 | Salaries. | 25.00 | - | - | 79,205,395 | 85,541,520 |
| 17 | Power / Electricity. | 26.00 | - | - | 3,372,976 | 3,285,938 |
| 18 | Fuel | | - | - | - | - |
| 19 | Repairs & Maintainance | 27.00 | - | - | 922,033 | 206,518 |
| 20 | Depreciation. | 28.00 | - | - | 4,744,460 | 4,744,460 |
| 21 | Insurance. | 29.00 | - | - | 97,029 | 97,029 |
| 22 | Other Factory Overhead. | 30.00 | - | - | 1,482,406 | 2,064,060 |
| 23 | Sub Total (13 to 21): | | - | - | 89,824,299 | 95,939,525 |
| 24 | Closing Work-in-process. | | - | - | - | - |
| 25 | Total Conversion Cost (22-23) : | | - | - | 89,824,299 | 95,939,525 |
| 26 | Cost of Production (12+24): | | - | - | 89,824,299 | 95,939,525 |
| 27 | Opening Stock of Finished Goods | | - | - | - | - |
| 28 | Cost of Goods Available for Sales(25+26) | | - | - | 89,824,299 | 95,939,525 |
| 29 | Closing Stock of Finished Goods. | | - | - | - | - |
| 30 | Total Cost of Sales (27-28): | | - | - | 89,824,299 | 95,939,525 |
| 31 | Gross Profit / (Loss) (5-29) | | - | - | (33,413,488) | (95,939,525) |
| 32 | Administrative expenses | 31.00 | - | - | 13,840,296 | 13,390,927 |
| 33 | Selling expenses | 32.00 | - | - | 101,654 | 238,531 |
| 34 | Tax Paid at Source | 33.00 | - | - | 95,872 | - |
| 35 | Total Operating expences (32 to 34) | | - | - | 14,037,822 | 13,629,458 |
| 36 | Operating Profit / (Loss) (31-35): | | - | - | (47,451,310) | (109,568,983) |
| Financial Expenses : | | | | | | |
| 38 | Excise Duty on Cash Credit Hypo | 34.00 | - | - | 50,000 | 6,820,142 |
| 39 | Excise Duty on L.T Loan | 35.00 | - | - | 15,000 | 2,801,680 |
| 40 | Total Interest (38+39) | | - | - | 65,000 | 9,621,822 |
| 41 | Total Profit / (Loss) (36-40) | | - | - | (47,516,310) | (119,190,805) |
| 42 | Add: Non-Operating Income | 36.00 | - | - | 833,597 | - |
| 43 | Total Profit / (Loss) Before Tax (41+42) | | - | - | (46,682,713) | (119,190,805) |
| 44 | Income Tax | | - | - | - | - |
| 45 | Net Profit / (Loss) After Tax (43-44) : | | - | - | (46,682,713) | (119,190,805) |

The annexed notes form an integral parts of these financial statements.

Manager (Accounts & Finance)
 As per our annexed report of same date
 শহীদুল ইসলাম
 হিসাব রক্ষক (হিসাব ও অর্থ) ও
 উৎপাদন ও অর্থ বিভাগীয় প্রধান
 Place: Dhaka
 Date: খালিশপুর জুট মিলস্ লিঃ
 শহর খালিশপুর, খুলনা।

05 MAR 2025

Deputy General Manager
 মোঃ খালিলুর রহমান
 উপ-মহাব্যবস্থাপক (উৎপাদন)
 Signed for and on behalf of
 Akhter Abbas Khan & Co.
 Chartered Accountants
 শহর খালিশপুর, খুলনা।

Biplob Saha FCA
 Partner
 Enrollment Number-ICAB: 1992
 DVC: 2503051992 AS 840097





Khalishpur Jute Mills Ltd.

Statement of Cash Flows

For the year ended 30th June, 2024

| Sl. # | Particulars | Amount (Tk.) | |
|---|--|---------------------|----------------------|
| | | 2023-2024 | 2022-2023 |
| A. Cash Flow From Operating Activities : | | | |
| | Net Profit/ (Loss) | (46,682,713) | (119,190,805) |
| | Depreciation | 4,744,460 | 4,744,460 |
| | Add : Prior year Adjustment | 2,517,373 | (147,370,983) |
| | Total | (39,420,880) | (261,817,328) |
| (Increase)/(Decrease) in Current Assets | | | |
| | Inventories (Stock,Stores & Spares) | 154,759 | 55,400 |
| | Debtors | - | - |
| | Advance, Deposit & Pre-Payments | 883,520 | 6,763,506 |
| | BJMC Current Account | (12,839,050) | 75,334,052 |
| | Total | (11,800,771) | 82,152,958 |
| (Increase)/(Decrease) in Current Liabilities | | | |
| | Due to BJMC Mills | - | (11,550,035) |
| | Liabilities for Goods | 94,618 | (286,089) |
| | Liabilities for Expenses | 7,580,953 | (22,494,882) |
| | Gratuity Liabilities (Long-Term Portion) | (22,443,582) | (19,730,528) |
| | Gratuity Liabilities (Current Portion) | 9,685,584 | 9,113,085 |
| | Total | (5,082,427) | (44,948,449) |
| | Total Net Cash Used in Operating Activities | (56,304,078) | (224,612,819) |
| B. Cash Flow from Investing Activities : | | | |
| | | - | - |
| C. Cash Flow from Financing Activities : | | | |
| | Liabilities for other Finance | 592,202 | 694,439 |
| | Bank Overdraft | 50,000 | (217,528,413) |
| | Long Term Loan | 43,956,000 | 401,462,886 |
| | Total Net Cash Generated from Financing Activities | 44,598,202 | 184,628,912 |
| | Net Cash Inflow / (Outflow) (A+B+C) | (11,705,877) | (39,983,907) |
| | Opening Cash & Cash Equivalents | 34,331,425 | 74,315,332 |
| | Cash & Cash Equivalents | 22,625,548 | 34,331,425 |

The annexed notes form an integral parts of these financial statements.

Manager (Accounts & Finance)

শহীদুল ইসলাম

As per our annexed report of same date

উপ-ব্যবস্থাপক (হিসাব ও অর্থ) ও
হিসাব ও অর্থ বিভাগীয় প্রধান
খালিশপুর জুট মিলস লিঃ
শহর খালিশপুর, খুলনা।

Place: Dhaka

Date: 05 MAR 2025

Deputy General Manager

মোঃ খালিকুর রহমান

উপ-মহাব্যবস্থাপক (উৎপাদন)

ও প্রকল্প প্রধান

খালিশপুর জুট মিলস লিঃ

শহর খালিশপুর, খুলনা।

Schedule-A

Khalishpur Jute Mills Ltd.

Schedule of Property, Plant & Equipment
As at 30th June, 2024

| 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/ Sales during the year 2023-2024 | Total as on 30.06.2024 | | | Opening as on 01.07.2023 | Charged during the year: 2023-2024 | |
| Land | 1 | 2 | 3 | 4 | 3+4=5 | 6 | 7 | 6+7=8 |
| Land Development | 648,597 | - | 648,597 | 10,953,274,453 | 10,953,274,050 | - | - | - |
| Building & Other Construction | 9,891,665 | - | 9,891,665 | 7,333,990 | 17,225,655 | 927,125 | 148,375 | 1,075,500 |
| Plant, Machinery & Equipment | 44,498,985 | - | 44,498,985 | 286,827,973 | 331,326,958 | 3,635,680 | 667,485 | 4,303,165 |
| Furniture & Fixture | 245,263,284 | - | 245,263,284 | 1,160,349,349 | 1,405,612,633 | 21,223,675 | 3,678,949 | 24,902,624 |
| Vehicles | 3,746,750 | - | 3,746,750 | - | 3,746,750 | 283,105 | 56,201 | 339,306 |
| Sundry Assets | 3,869,000 | - | 3,869,000 | 92,439,997 | 3,869,000 | 1,119,250 | 193,450 | 1,312,700 |
| Biological Asset (Tree) | 225,003 | - | 225,003 | 10,578,200 | 92,665,000 | - | - | - |
| Total: | 308,143,284 | - | 308,143,284 | 12,510,803,962 | 12,818,947,246 | 27,188,835 | 4,744,460 | 31,933,295 |
| Particulars | Depreciation on Revaluation | | | Total Dep. On Revaluation Cost 30.06.2024 | Cumulative | Written Down Value | | Total Assets as on 30.06.2024 |
| | Operating as on 01.07.2023 | Charged during the year | 9+10=11 | | | For the year | Original Cost | |
| Land | 9 | 10 | 9+10=11 | 7+10=12 | 8+11=13 | 3-8=14 | 4-11=15 | 14+15=16 |
| Land Development | 1,100,100 | 183,350 | 1,283,450 | 331,725 | 2,358,950 | 648,597 | 10,953,274,453 | 10,953,923,050 |
| Building & Other Construction | 43,024,194 | 7,170,699 | 50,194,893 | 7,838,184 | 54,498,058 | 8,816,165 | 6,050,540 | 14,866,705 |
| Plant, Machinery & Equipment | 648,811,223 | 113,541,964 | 762,353,187 | 117,220,913 | 787,255,811 | 220,360,660 | 397,996,162 | 276,828,900 |
| Furniture & Fixture | - | - | - | 56,201 | 339,306 | 3,407,444 | - | 618,356,822 |
| Vehicles | - | - | - | 193,450 | 1,312,700 | 2,556,300 | - | 3,407,444 |
| Sundry Assets | 18,752,455 | 3,235,400 | 21,987,855 | 3,235,400 | 21,987,855 | 225,003 | 70,452,142 | 2,556,300 |
| Biological Asset (Tree) | - | - | - | - | - | - | 10,578,200 | 70,677,145 |
| Total: | 711,687,972 | 124,131,413 | 835,819,385 | 128,875,873 | 867,752,680 | 276,209,989 | 11,674,984,577 | 11,951,194,566 |

N.B. : N.B: The above Assets includes Assets Received from Closed Adamjee Jute Mills, details of which are given below:-

| Sl. # | Particulars | Cost | | Cumulative Depreciation | Net value as on 30.06.2024 |
|---------------|------------------------------|----------------------------------|--------------------------|-------------------------|----------------------------|
| | | Opening Balance as on 01.07.2023 | Addition during the year | | |
| 1 | Plant, Machinery & Equipment | 94,226,043 | - | 94,226,043 | 91,661,081 |
| Total: | | 94,226,043 | - | 94,226,043 | 91,661,081 |

