

**AUDITORS' REPORT**

&

**THE FINANCIAL STATEMENTS**

OF

**The Crescent Jute Mills Co. Ltd.**

**For the Year Ended 30th June 2023**

**AUDITORS':**

**AKHTER ABBAS KHAN & Co.**

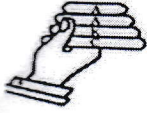
**Chartered Accountants**

Nirman Samad Trade Centre (5th Floor)  
63/1 Pioneer Road, Kakrail, Dhaka-1000

Hotel Ornate (5th Floor)  
30 Bijoy Nagar, Dhaka-1000

Contact Number: 01972448363

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**Independent Auditor's Report**  
**To the Board of Directors**  
**of**  
**The Crescent Jute Mills Co. Ltd.**  
**Report on the Audit of the Financial Statements**

**Report on the Audit of the Financial Statements:**

**Opinion:**

We have audited the financial statements of **The Crescent Jute Mills Co. Ltd.** which comprise the statement of financial position as of 30 June 2023, and Statement of Manufacturing, Trading and Profit or Loss and Other Comprehensive Income, a statement of changes in equity, a 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 of the state of the financial statement of **The Crescent Jute Mills Co. Ltd.** as at June 30, 2023 and of the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 1994 and other applicable laws and regulations.

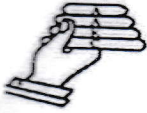
**Emphasis the Matter**

We draw attention to:

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

Financial Year	Net profit/(Loss) after tax (BDT.)	Accumulated Profit and loss accounts (Retained Earnings) (BDT.)
2019-2020	(10,96,303,560)	(18,139,088,405)
2020-2021	(715,344,035)	(18,561,572,011)
2021-2022	(590,876,616)	(19,155,424,970)
2022-2023	(271,404,354)	(19,372,372,581)

As of 30 June 2023, the Company's current liabilities stood at Tk. 2,985,507,758 and non-current liabilities stood Tk. 17,251,699,250 which exceeded companies' total assets of Tk. 11,926,103,592 by Tk. 8,311,103,416. We also draw attention to the production difficulties, inability to pay creditors on due dates, the inefficiency of key management, closing of Company operation and negative operating cash flows indicated by the financial statements of the company.



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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 The Crescent Jute Mills Co. Ltd. is a nationalized company and always backed and financially assisted by Government & subsequently Industrial Nationalization Act No. 25 of 2018. **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. There are no any fixed assets register and physical verification was not carried from inception with tagging of the same. Therefore, we cannot comment on any damage, obsolete items, scrap, over/under statement and its impact in annual financial statements. Our opinion is not modified in this issue.
3. IAS 12 requires an entity to recognize a deferred tax liability or (subject to specified conditions) a deferred tax asset for all temporary differences, with some exceptions. Temporary differences are differences between the tax base of an asset or liability and it carrying amount in the statement of financial position. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes, but the Company did not reflect any differed tax which is non-compliance of IAS 12. Our opinion is not modified in this issue.
4. Attention is drawn to Note no. 3.00 in the financial statements related to Inventories (Stock & Stores & Spares) balance accounted of BDT 63,057,765 as at 30 June 2023. The balance is confirmed by the management through financial statements and statement of inventory. But we could not physically verify the existence of the Inventory as at 30 June 2023 of the company, since audit was post-dated. Our opinion is not modified in this issue.

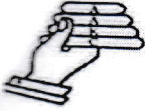
**Basis for Opinion:**

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:**

1. According to Section 190 of The Companies Act 1994, every company has to submit an Annual Return to RJSC within 30 days of AGM or where the AGM of a company for any year has not been held, there shall be filed with the register within thirty days from the last day on which that meeting should have been held in accordance with provisions of this act if a company makes default in complying with the requirement of this section, it shall be liable to a fine not exceeding one hundred taka for every day during which the default continues, and every office of the company who knowingly and willfully authorizes or permits the defaults shall be liable to the like penalty. However, the company did not submit Annual Returns to the RJSC from Incorporation to till date. It may indicate non-compliance with The Companies Act, 1994.





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**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:**

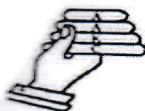
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.





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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.

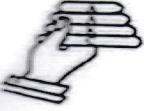
**Report on Other Legal and Regulatory Requirements:**

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) we did not get Schedule -X and Form-XII from the company;
- c) 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
- d) 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.
- e) The expenditure incurred was for the purpose of the Company's business.

*Bahar*





**AKHTER ABBAS KHAN & CO.**  
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E-mail ID: aakc.dhaka@gmail.com

Place: Dhaka, Bangladesh  
Date: 23 APR 2024

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

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**Biplob Saha ACA**  
Partner  
**Enrollment Number-ICAB: 1992**  
**DVC: 2404231992 AS241144**





**The Crescent Jute Mills Co. Ltd.**  
**Statement of Financial Position**  
**As on 30th June, 2023.**


Sl.#	Particulars	Notes	Amount (Tk.)	
			30.06.2023	30.06.2022
<b>Property &amp; Assets :</b>				
<b>A. Fixed Assets:</b>				
	At Cost/Revaluation less accumulated depreciation	1.00	10,971,350,861	11,147,375,050
	Investment	2.00	411,780	411,780
	<b>Total Fixed Assets : (A)</b>		<b>10,971,762,641</b>	<b>11,147,786,830</b>
<b>B. Current Assets:</b>				
	Stock & Stores & Spares Less Provision	3.00	63,057,765	65,360,654
	Debtors Less Provision	4.00	152,417,306	150,717,965
	Advance, Pre-Payments & Deposit	5.00	16,049,282	14,194,645
	Due from BJMC Mills Account	6.00	60,183,295	60,642,993
	BJMC Current Account	7.00	550,306,330	591,870,742
	Interim Revenue support receivable	8.00	27,741,354	27,741,354
	Cash and Bank Balance	9.00	84,585,620	397,561,866
	<b>Total Current Asset : (B)</b>		<b>954,340,951</b>	<b>1,308,090,218</b>
	<b>Total Property &amp; Assets : (A+B)</b>		<b>11,926,103,592</b>	<b>12,455,877,048</b>
<b>Equity &amp; Liabilities :</b>				
	<b>Authorised Capital</b>	10.00	<b>50,000,000</b>	<b>50,000,000</b>
<b>C. Capital &amp; Retained Earnings</b>				
	Issued, Subscribed & Paid-up Capital	11.00	24,750,000	24,750,000
	Equity Contribution of Govt. Of Bangladesh	12.00	106,471,289	106,471,289
	Reserves & Surplus	13.00	10,930,047,877	11,104,070,940
	Accumulated Profit & Loss (Retained Earnings)	14.00	(19,372,372,581)	(19,155,424,970)
			<b>(8,311,103,416)</b>	<b>(7,920,132,741)</b>
<b>D. Non-Current Liabilities:</b>				
	Long Term Govt. Loan (BB RF)	15.00	17,037,189,380	14,857,065,353
	Gratuity Liabilities (Long Term Portion)	16.00	214,509,870	223,701,147
			<b>17,251,699,250</b>	<b>15,080,766,500</b>
<b>E. Current Liabilities :</b>				
	Due to BJMC Mills Accounts	17.00	17,627,450	55,144,093
	BJMC Current Account	18.00	-	-
	Bank Overdraft	19.00	2,567,351,531	3,945,592,553
	Liabilities for goods	20.00	252,644	3,014,017
	Liabilities for expenses	21.00	41,547,753	47,243,293
	Liabilities for other Finance (Including PF)	22.00	72,562,855	123,672,110
	Gratuity Liabilities (Current position)	23.00	286,165,525	1,120,577,223
			<b>2,985,507,758</b>	<b>5,295,243,289</b>
	<b>Total Capital &amp; Liabilities : (C+D+E)</b>		<b>11,926,103,592</b>	<b>12,455,877,048</b>

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

  
Manager (Accounts & Finance)

Md. Hazrat Ali  
Manager (A & F)  
The Crescent Jute Mills Co. Ltd.  
Place: Dhaka, Khulna.

Date: 23 APR 2024

  
Deputy General Manager  
(Khan Md. Kamrul Islam)  
Dy. General Manager (Project Head)  
The Crescent Jute Mills Co. Ltd.  
Town, Khulna, Khulna.

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



Biplob Saha ACA  
Partner  
Enrollment Number-ICAB: 1992  
DVC: 240423, 1992 AS241144



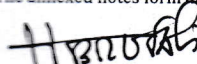



**The Crescent Jute Mills Co. Ltd.**


**Statement of Manufacturing, Trading and Profit & Loss and Other Comprehensive Income  
For the year ended 30th June, 2023.**

Sl. #	Particulars	Notes	Amount (Tk.)					Amount (Tk.)	
			Hessian	Sacking	CBC	P.L.P	S. Twine	2022-2023	2021-2022
<b>Income:</b>									
1	Foreign sales	25.A	-	-	-	-	-	-	
2	Odd / Local sales	25.B	984,205	40,343	-	-	-	1,024,548	
3	Closing work-in-process Sales	25.C	-	-	-	-	-	8,947,051	
4	<b>Total sales (1+2+3) :</b>		<b>984,205</b>	<b>40,343</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,024,548</b>	
5	Subsidy	25.D	-	-	-	-	-	-	
6	<b>Total Income (4+5) :</b>		<b>984,205</b>	<b>40,343</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,024,548</b>	
<b>Material cost:</b>									
7	Opening work-in-process	26.A	-	-	-	-	-	5,050,575	
8	Raw Jute consumption		-	-	-	-	-	-	
9	Other direct materials consumed	27.00	-	-	-	-	-	-	
10	<b>Sub-Total (7:9)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,050,575</b>	
11	Closing work-in-process	26.A	-	-	-	-	-	-	
12	<b>Total Material cost (10-11) :</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,050,575</b>	
<b>Conversion cost:</b>									
13	Opening work-in-process	26.A	-	-	-	-	-	3,896,476	
14	Wages	28.00	-	-	-	-	-	-	
15	Salaries	29.00	63,248,122	42,814,113	9,730,381	-	-	115,792,617	
16	Power/Electricity		2,262,895	1,531,806	348,138	-	-	4,142,839	
17	Fuel		-	-	-	-	-	-	
18	Repairs & maintainance	30.00	415,145	281,019	63,869	-	-	760,033	
19	Depreciation		1,101,851	745,868	169,516	-	-	2,017,235	
20	Insurance		97,320	65,878	14,972	-	-	178,170	
21	Other Factory overhead	31.00	1,508,218	1,020,946	232,331	-	-	2,761,495	
22	<b>Sub-Total (13 : 21)</b>		<b>68,633,551</b>	<b>46,459,630</b>	<b>10,559,208</b>	<b>-</b>	<b>-</b>	<b>125,652,389</b>	
23	Closing work-in-process	26.B	-	-	-	-	-	-	
24	<b>Total Conversion cost(22-23)</b>		<b>68,633,551</b>	<b>46,459,630</b>	<b>10,559,208</b>	<b>-</b>	<b>-</b>	<b>125,652,389</b>	
25	<b>Cost of production (12+24) :</b>		<b>68,633,551</b>	<b>46,459,630</b>	<b>10,559,208</b>	<b>-</b>	<b>-</b>	<b>125,652,389</b>	
26	Open.stock of Finished goods		2,033,000	40,000	-	-	-	2,073,000	
27	Less: Transfer to Swing section (25+26-27)		-	-	-	-	-	-	
28	<b>Cost of goods available for sale</b>		<b>70,666,551</b>	<b>46,499,630</b>	<b>10,559,208</b>	<b>-</b>	<b>-</b>	<b>127,725,389</b>	
29	Closing stock of Finish. goods		-	-	-	-	-	2,073,000	
30	<b>Total cost of sales (28- 29)</b>		<b>70,666,551</b>	<b>46,499,630</b>	<b>10,559,208</b>	<b>-</b>	<b>-</b>	<b>127,725,389</b>	
31	Administrative expenses	32.00	18,621,836	12,605,552	2,864,901	-	-	34,092,289	
32	Selling expenses	33.00	38,588	26,121	5,939	-	-	70,648	
33	<b>Total operating expenses(30:32)</b>		<b>89,326,975</b>	<b>59,131,303</b>	<b>13,430,047</b>	<b>-</b>	<b>-</b>	<b>161,888,325</b>	
34	<b>Operating Profit/Loss (6 -33)</b>		<b>(88,342,769)</b>	<b>(59,090,960)</b>	<b>(13,430,047)</b>	<b>-</b>	<b>-</b>	<b>(160,863,777)</b>	
<b>Financial expenses:</b>									
35	Interest on Cash Credit Loan		87,203,760	3,544,868	-	-	-	90,748,628	
36	Interest on Long term Loan		19,018,826	773,123	-	-	-	19,791,949	
37	Interest on Subsidy Loan		-	-	-	-	-	-	
38	<b>Total Interest (35+36+37) :</b>		<b>106,222,586</b>	<b>4,317,991</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>110,540,577</b>	
39	Non-Operating Income		-	-	-	-	-	-	
40	<b>Total Profit/(Loss) (34-38+39) :</b>		<b>(194,565,355)</b>	<b>(63,408,951)</b>	<b>(13,430,047)</b>	<b>-</b>	<b>-</b>	<b>(271,404,354)</b>	
41	Non-Operating Expenses		-	-	-	-	-	-	
42	<b>Total Profit/(Loss) (40-41) :</b>		<b>(194,565,355)</b>	<b>(63,408,951)</b>	<b>(13,430,047)</b>	<b>-</b>	<b>-</b>	<b>(271,404,354)</b>	
24.00	<b>Add: Previous Year Adjustment</b>							<b>54,456,742</b>	
	<b>Add: Previous year loss brought forward</b>							<b>(19,155,424,970)</b>	
	<b>Accumulated Loss Carried to Balance Sheet</b>							<b>(19,372,372,581)</b>	

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

  
**Manager (Accounts & Finance)**  
**Md. Hazrot Ali**  
**Manager (A & F)**  
 I have annexed report of same date  
 Place: Dhaka  
 Date: **23 APR 2024**

  
**Deputy General Manager**  
**(Khan Md. Kamrul Islam)**  
**Dy.General Manager (Project Head)**  
**The Crescent Jute Mills Co. Ltd.**  
 Place: Khulna  
 Signed for and on behalf of  
**Akhter Abbas Khan & Co.**  
 Chartered Accountants

  
**Biplob Saha ACA**  
 Partner  
 Enrollment Number-ICAB: 1992  
 DVC: 2404231992AS241144





## The Crescent Jute Mills Co. Ltd.

Statement of Cash Flows  
For the year ended 30th June, 2023.

Sl. #	Particulars	Amount (Tk.)	
		2022-2023	2021-2022
A.	Net Profit/(Loss)	(271,404,354)	(590,876,616)
B.	Adjustment for items not involving in movement of cash:	56,473,977	(959,108)
	Depreciation	2,017,235	2,017,235
	Prior year Adjustment	54,456,742	(2,976,343)
C.	Cash Generated from Operation : (A+B)	(214,930,377)	(591,835,724)
D.	Changes in Working Capital Components:	(848,803,509)	(1,720,565,211)
	Advance, Deposit & Prepayments	(1,854,637)	1,590,533
	Debtors Less Provision	(1,699,341)	67,550,340
	Stock & Stores	2,302,889	6,107,710
	Due from BJMC Mills Account	459,698	(9,193,875)
	BJMC Current Account	41,564,412	197,709,286
	Liabilities for goods	(2,761,373)	(152,112,210)
	Liabilities for expenses	(5,695,540)	(438,242,411)
	Due to BJMC Mills Account	(37,516,643)	(15,000)
	Gratuity Fund (Current)	(834,411,698)	(1,389,433,769)
	Gratuity Liability (Provision)	(9,191,277)	(4,525,816)
E.	Cash Flow from Operating Activities : (C+D)	(1,063,733,886)	(2,312,400,935)
F.	Investing Activities:		
	Fixed Assets Purchase	(16,110)	-
	Sale of Fixed Assets	-	-
	Revenue Reserve	-	-
	Cash Flow from Investing Activities	(16,110)	-
G.	Financing Activities:		
	Bank Overdraft	(1,378,241,022)	299,877,910
	Liabilities for Other Finance	(51,109,255)	(40,525,518)
	Long Term Govt. Loan	2,180,124,027	2,160,355,571
	Cash Flow from Financing Activities	750,773,750	2,419,707,963
H.	Net Cash in flows/ (Out flow) : (E+F+G)	(312,976,246)	107,307,028
I.	Cash & Bank balance at the beginning of the year	397,561,866	290,254,838
J.	Cash & Bank balance at the end of the year : (H+I)	84,585,620	397,561,866

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

Manager (Accounts & Finance)

As per the annexed report of same date

Deputy General Manager  
(Khan Md. Kamrul Islam)  
Dy General Manager (Project Head)  
The Crescent Jute Mills Co. Ltd.  
Town Khalishpur, Khulna.

Place: Dhaka

Date: 23 APR 2024

