



Karim Jute Mills Ltd.
Demra, Dhaka.


Auditors' Report to the Financial Statements
Of
Karim Jute Mills Ltd.
For the financial year 30th June, 2024


M A Fazal & Co.

Chartered Accountants

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Independent Auditors' Report
Of
Karim Jute Mills Limited
Demra, Dhaka
Report on the audit of the financial statements

Opinion

We have audited the financial statements of **Karim Jute Mills Limited**, 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 accompanying financial statements present fairly, in all material respects, the financial position of the company as at **30 June, 2024** and of its financial performance for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the Companies Act 1994, and other applicable laws and regulations.

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 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 these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters:

1. During our audit, we noted that the entity has not conducted any revaluation of its property, plant, and equipment or performed an impairment review since **FY 2016-17**. This is a non-compliance with **IAS 16 (para 31)**, which requires assets to be revalued with sufficient regularity to reflect fair value, and **IAS 36 (para 9)**, which requires annual assessment of impairment. The absence of these procedures increases the risk of material misstatement, as asset values may be overstated or understated, affecting the true and fair view of the financial statements.
2. During the audit, we observed that depreciation on revalued assets was charged directly to the revaluation reserve instead of being recognized in profit or loss, which is non-compliant with **IAS 16**. While **IAS 16** allows a portion of the revaluation surplus to be transferred to retained earnings, it does not permit depreciation expense to bypass profit or loss. This treatment leads to overstated profit and misstatement of the financial statements. Management should adjust the accounting treatment to ensure compliance with **IAS 16**.
3. During our audit, we noted that the BJMC Current Account ledger maintained by Karim Jute Mills does not reconcile with the opening balance reported in the financial statements. Last year's closing balance does not match this year's opening balance, and this issue has persisted for several years. This is non-compliant with **IAS 1 – Presentation of Financial Statements**, which requires consistency and accuracy in opening balances and proper reconciliation to ensure reliable financial reporting.
4. The entity has not recognised income tax expenses and liabilities which is a non-compliance with the requirements of **IAS 12** Income Tax. Additionally, **Source Tax of Tk. 13,47,421/-** was expensed in the statement of profit or loss and other comprehensive income instead of being recognised as current tax assets to the extent they are recoverable against future tax liabilities, as per **IAS 12** Income Tax



5. We noted that the prior year adjustment of **Tk. 61,997,362** /- (Note 44.00) includes both changes in accounting estimates and prior period errors. As per IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, changes in estimates (e.g., gratuity provisions) should be applied prospectively, while prior period errors (e.g., misstated debtors) must be corrected retrospectively through restatement. The recurrence of such errors across multiple years undermines the credibility and reliability of the financial statements.

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

Managements are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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.

Auditors 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 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 disclosure 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof.
- b) In our opinion, proper books of account as required by law except for the matter emphasis have been kept by the company so far as it appeared from our examination of those books.
- c) The company's statement of financial position dealt with by the report is in agreement with the books of accounts and returns.
- d) The expenditure incurred were for the purpose of the companies for the year.

Dated, Dhaka.

Date: 13 OCT 2025

DVC: 2510130840AS349119

Md. Abul Basher, FCA # 0840

Managing Partner

M A Fazal & Co.

Chartered Accountants



Karim Jute Mills Limited
Demra, Dhaka
Statement of Financial Position
As at 30 June, 2024


Particulars	Notes	Amount in Taka	
		FY 2023-2024	FY 2022-2023
A. Property & Assets			
Non-Current Assets		11,851,808,659	11,895,677,455
Property, Plant & Equipment	1.00	11,851,808,659	11,895,677,455
Current Assets		597,216,875	638,144,594
Stock of Stores & Spares	2.00	168,690,619	169,401,574
Debtors (Less: Provision)	3.00	308,716,548	320,606,278
Due from BJMC Mills	4.00	75,849,383	75,611,892
Advances, Deposits & Prepayments	5.00	10,621,110	11,155,630
Interim Revenue Support Receivable	6.00	11,005,640	11,005,640
Cash & Bank Balances	7.00	22,333,575	50,363,580
Total Property & Assets		12,449,025,534	12,533,822,049
B. Equity & Liabilities			
Capital & Reserve		3,373,878,826	3,525,104,909
Issued, Subscribed & paid up	10.00	9,900,000	9,900,000
Government Equity Contribution	11.00	75,726,829	75,726,829
Reserve	12.00	11,762,376,184	11,871,331,704
Retained Earnings	8.00	(8,474,124,187)	(8,431,853,624)
Non-Current Liabilities		8,786,624,687	8,730,843,878
BJMC Current Account	13.00	682,145,459	636,016,510
Long Term Loan	14.00	7,968,841,768	7,968,841,768
Gratuity Liabilities (Provision)	15.00	135,637,460	125,985,600
Current Liabilities		288,522,021	277,873,262
Bank Overdraft	16.00	114,168,824	114,118,824
Liabilities for Goods	17.00	1,123,224	1,447,727
Liabilities for Expenses	18.00	60,596,309	54,402,553
Liabilities for Other Finance	19.00	34,265,400	42,046,270
Due to BJMC Mills	20.00	18,893,832	18,893,832
Gratuity Payable Account (Current)	21.00	59,474,432	46,964,056
Total Equity & Liabilities		12,449,025,534	12,533,822,049

Accompanying notes from 1 to 44 form an integral part of these Financial Statements


Accounts Head


Project Head

Signed in terms of our report of even date.


Md. Abul Basher, FCA # 0840
Managing Partner
M A Fazal & Co.
Chartered Accountants

Place: Dhaka, Bangladesh.

Date: 13 OCT 2025

DVC: 2510130840AS349119



Karim Jute Mills Limited
 Demra, Dhaka
Statement Of Manufacturing, Trading and Profit & Loss Account
 For the year ended 30th June, 2024

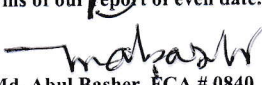
Particulars	Notes	Amount in Taka	
		FY 2023-2024	FY 2022-2023
INCOME			
Foreign Sales	22.00	-	-
Local Sales	23.00	938,519	1,875,716
Local sales(CWIP)		-	-
Total Sales		938,519	1,875,716
Subsidy	24.00	-	-
Total Income		938,519	1,875,716
A. MATERIAL COST			
Opening Work-in-Process	25.00	-	-
Raw Jute Consumed	26.00	-	-
Charge on Raw Jute	27.00	-	-
Other Direct Materials Consumed	28.00	-	-
Sub Total		-	-
Closing Work-in-Process	29.00	-	-
Total Material Cost: A		-	-
B. CONVERSION COST			
Opening Work-in-Process	25.00	-	-
Wages	30.00	-	-
Salaries	31.00	101,004,736	99,240,383
Power/Electricity	32.00	2,013,558	1,436,921
Fuel		118,494	-
Repairs & Maintenance	33.00	2,650,313	2,737,576
Depreciation	34.00	11,771,488	11,771,488
Insurance	35.00	225,553	1,267,742
Other Factory Overhead	36.00	-	1,177,371
Sub Total		117,784,142	117,631,481
Closing Work-in-Process	29.00	-	-
Total Conversion Cost: B		117,784,142	117,631,481
Cost of Production (A + B)		117,784,142	117,631,481
Opening Stock of F/Goods	37.00	838,655	2,829,075
Sub Total		118,622,797	120,460,556
Closing Stock of F/Goods	38.00	-	838,655
Cost of Goods Sold		118,622,797	119,621,901
Administrative Expenses	39.00	12,886,311	15,892,772
Selling Expenses	40.00	-	-
Total Operating Expenses		131,509,108	135,514,673
Operating Profit/(Loss)		(130,570,589)	(133,638,957)
Financial Expenses			
Interest on Long Term Loan	41.00	-	-
Interest on Cash Credit	41.00	-	-
Total Interest		-	-
Operating Profit/Loss		(130,570,589)	(133,638,957)
Non - Operating Income	42.00	29,937,643	17,355,093
Net Profit/Loss before tax		(100,632,946)	(116,283,864)
Rent, rates & Taxes/ AIT	43.00	3,634,979	4,741,447
Net Profit/Loss after tax		(104,267,925)	(121,025,311)

Accompanying notes from 1 to 44 form an integral part of these Financial Statements


 Accounts Head


 Project Head

Signed in terms of our report of even date.


 Md. Abul Basher, FCA # 0840
 Managing Partner
 M A Fazal & Co.
 Chartered Accountants

Place : Dhaka, Bangladesh.

Date: 13 OCT 2025

DVC: 2510130840AS349119

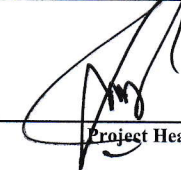
KARIM JUTE MILLS LIMITED
DEMRA, DHAKA
Statement of Changes in Shareholders' Equity
As at 30 June, 2024

Particulars	Share Capital	Equity Contribution	Reserve	Accumulated profit/(loss)	Total
Balance as on 01 July, 2023	9,900,000	75,726,829	12,048,317,817	(8,431,853,624)	3,702,091,022
Adjustment for revaluation	-	-	-	-	-
Decreasing Revaluation of Land	-	-	(149,937,421)	-	(149,937,421)
Accum. Depreciation of Revaluation Asset	-	-	(146,483,791)	-	(146,483,791)
Revenue Reserve	-	-	10,479,579	-	10,479,579
Prior year adjustment	-	-	-	61,997,362	61,997,362
Net profit/(loss) after tax for the Year	-	-	-	(104,267,925)	(104,267,925)
Balance as on 30 June, 2024	9,900,000	75,726,829	11,762,376,184	(8,474,124,187)	3,373,878,826

Statement of Changes in Shareholders' Equity
As at 30 June, 2023

Particulars	Share Capital	Equity Contribution	Reserve	Accumulated profit/(loss)	Total
Balance as on 01 July, 2022	9,900,000	75,726,829	12,048,317,817	(8,242,690,968)	3,891,253,678
Adjustment for revaluation	-	-	-	-	-
Decreasing Revaluation of Land	-	-	(73,143,300)	-	(73,143,300)
Accum. Depreciation of Revaluation Asset	-	-	(114,322,392)	-	(114,322,392)
Revenue Reserve	-	-	10,479,579	-	10,479,579
Prior year adjustment	-	-	-	(68,137,345)	(68,137,345)
Net profit/(loss) after tax for the Year	-	-	-	(121,025,311)	(121,025,311)
Balance as on 30 June, 2023	9,900,000	75,726,829	11,871,331,704	(8,431,853,624)	3,525,104,909


 Accounts Head


 Project Head

Signed in terms of our report of even date.

Dated, Dhaka.

Date:

13 OCT 2025

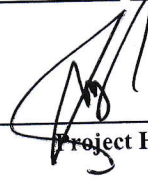
KARIM JUTE MILLS LIMITED

Demra, Dhaka.

Statement of Cash Flows
For the year ended 30th June, 2024

SI. No.	Particulars	Amount in Taka	
		FY 2023-2024	FY 2022-2023
A.	Cash flow from Operating Activities:		
	Net Profit/(loss) for the year	(104,267,925)	(121,025,311)
	Prior year Adjustment	61,997,362	(68,137,345)
	Depreciation on Revaluation	32,161,399	32,161,399
	Depreciation	11,771,488	11,771,489
		1,662,324	(145,229,768)
	Adjustment to Reconcile Net loss		
	Stock of Stores & Spares	710,955	1,964,251
	Debtors Less provision	11,889,730	31,359,955
	Due from BJMC Mills	(237,491)	141,409
	Advance, Deposits & Prepayments	534,520	262,946
	Interim Revenue Support Receivable	-	-
	Bank Overdraft	50,000	50,000
	Liabilities for Goods	(324,503)	(457,774)
	Liabilities for Expense	6,193,756	(3,608,635)
	Due To BJMC Jute Mills	-	(9,200,585)
	Gratuity Liabilities (Provision)	9,651,860	(87,533,135)
	BJMC Current Account	46,128,949	8,084,843
		74,597,776	(58,936,725)
	Net Cash used by operating Activities	76,260,100	(204,166,493)
B	Cash Flows from Investing Activities:		
	Fixed Assets Addition	(64,090)	(244,800)
	Sales Proceeds	-	76,856,700
	Revaluation Downward	-	73,143,300
	Long Term loan	-	14,012,665
		(64,090)	163,767,865
C	Cash Flows From Financing Activities:		
	Liabilities for other Finance	(7,780,870)	(41,796,355)
	Reserve	(108,955,520)	(105,304,699)
	Gratuity Payable Account (Current)	12,510,376	(8,112,576)
		(104,226,014)	(155,213,630)
	Cash Provided from Financing Activities :		
	Increase /(Decrease) in cash & bank balance: (A+B+C)	(28,030,004)	(195,612,258)
	Add: Opening Cash & Bank balance As on 01.07.2023	50,363,580	245,975,838
		22,333,575	50,363,580
	Closing cash & Cash Equivalents as on 30.06.2024		


Accounts Head


Project Head

Place : Dhaka, Bangladesh.

Date: 13 OCT 2025

Karim Jute Mills Limited

Notes to the Financial Statement and Significant Account Policies Notes
For the Year ended June 30, 2024

A Background of the Company

Kaim Jute Mills Limited, located at Demra, Jatrabari, Dhaka controlled by BJMC-a state-owned corporation under the Ministry of Textiles and Jute. The Mill were incorporated under the Companies Act 1913 in 20th August, 1957.

Address of Registered Office:

The company has its registered address at Demra, Jatrabari, Dhaka.

B Objective & Nature Of Business

The primary objective of Karim Jute Mills Limited is to ensure the efficient utilization of resources enhance productivity, achieve optimum production targets, and procure quality raw jute at fair prices in a timely and ethical manner according to demand. The company is committed to producing high-quality jute goods, diversifying its product line, ensuring a safe production environment, adhering to jute related policies and strategies, and implementing technologically advanced and electronic-based management systems. The vision is to transform the company into a profitable and sustainable enterprise through innovative ideas and modern practices.

C Significant Accounting Policies

i) Basis of preparation and Presentation of Financial Statements:

The Financial Statements have been prepared following under historical cost convention and International Accounting Standards (IAS), International Financial Reporting Standards (IFRS), The Companies Act, 1994, wherever appropriate the policies are explained in the succeeding notes.

IAS-1 Presentation of Financial Statements

IAS 7 Statement of Cash Flows

IAS-16 Property, Plant & Equipment

IAS 37 Provisions, Contingent Liabilities and Contingent Assets

IFRS-9 Financial Instruments

IFRS 15 Revenue from Contracts with Customers

ii) Accounting Period:

These financial statements of the Company cover the financial year from 1st July 2023 to 30th June 2024 with comparative figures for the financial year from 1st July 2022 to 30th June 2023 is followed consistently.

iii) Components of Financial Statements:

The Financial Statements include the following components as per IAS 1 "Presentation of Financial Statements.

i) 11 Statement of Financial Position as at June 30, 2024

ii) Statement of comprehensive income for the year ended June 30, 2024

iii) Statement of Cash Flow for the year ended June 30, 2024

iv) Statement of Changes in Equity for the year ended June 30, 2024

v) Notes to the Financial Position and Significant Accounting Policies Notes.

D Accrual Basis of Accounting:

The Financial Statements of the company have been prepared under the historical cost convention & in compliance with the Bangladesh Financial Reporting Framework & the requirements of the Companies Act, 1994 & other relevant local laws & regulations as applicable.

E Revenue Recognition:

Revenue is measured at the fair value of the consideration received or receivable and represents amount receivable for goods and services provided in the normal course of business. Sales of goods are recognized when goods are delivered and has passed.

F Non Current Assets:

i) Recognition and Measurement

Items of property, plant and equipment are measured at cost including revaluation less accumulated depreciation less impairment loss, if any.

Cost includes expenditure that is directly attributable to the acquisition of assets. The cost of self constructed assets includes the cost of material and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

When parts of an items of property, plant and equipment have different usefully lives, they are accounted for as separates items insajor components) of property, plant and equipment's.

ii) Depreciation of Fixed Assets

Depreciation on all plant and equipment has been charged separately on original cost & revaluation Isserve by reducing balance method considering the economic and technical lives of the same Depreciation charged on original cost is recognized on the profit & loss for the year & depreciation charged on revaluation reserve is recognized in the statement of changes in equity Full-year depreciation is charged on assets during the year of acquisition irrespective of its date of acquisition Depreciation has been charged for full year during the period under audit.

G Taxation

Current Income tax is recognized on the basis of company's computation based on the best estimate of total income applying Income Tax Act, 2024.

H Provision

Provisions have been recognized when there is a present obligation as a result of past events and settlement is expected to result in an outflow of resources. The amount is measured and recognized and provision at the best estimate of the expenditure required to settle the obligation of balance sheet date as per IAS 37 Provision. Contingent Liabilities & Contingent Assets.

I General

The Figures in the Financial statement have been rounded off in the nearest Taka.

Where considered necessary, previous year phrases and figure have been re-arranged to confirm to the current period's clarification.

J Going Concern

The company has commenced their business in 1972 but the company has discontinued its operations and failed to generate any revenue since the financial year 2020 There is a significant doubt over the ability of the entity to continue as a going concern in the foreseeable future.