

Private & Confidential

Final

BANGLADESH JUTE MILLS LIMITED

Ghorashal, Palash, Norshingdi


**Auditors' Report and Financial Statements
Of**


BANGLADESH JUTE MILLS LIMITED


For the year ended 30 June, 2024


M A Fazal & Co.

Chartered Accountants

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Independent Auditors' Report
To the Shareholders of Bangladesh Jute Mills Limited
Report on the audit of the financial statements

Opinion

We have audited the financial statements of **Bangladesh 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.

Matter of emphasise:

01. Debtors shown tk. 63,593,313/- which includes Trade debtors (Foreign), Sundry debtors, Sundry Receivable and Duty Drawback but couldn't provide ageing and significant documents for auditors verification.
02. Inter project transactions and BJMC Current Account balances still unverified due to improper documents and reconciliation. Ref. note no-05, 08 and 21.
03. The following 05 Banks statements not provided for auditors reconciliation and verification of Janata Bank Plc: AC no- 7476, 4801, 0529, Dutch Bangla Bank Plc: AC no-1090 and Sonali Bank Plc: AC no- 1060. And Others 03 balance confirmation letters have been sent which are yet to be received.

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

Managements is 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.
03 March, 2025



Md. Abul Bashar, FCA # 0840

Managing Partner

M A Fazal & Co.

Chartered Accountants

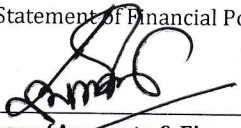
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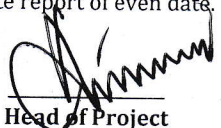
Bangladesh Jute Mills Ltd.
Ghorashal, Palash, Narsingdi.

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

| Sl. # | Particulars | Notes/ Sch. | Amount (Tk.) | |
|--------------------------------------------------|-------------------------------------------|----------------|------------------------|------------------------|
| | | | 30 June, 2024 | 30 June, 2023 |
| Property & Assets : | | | | |
| A. Non -Current Assets : | | | | |
| | | | 2,985,930,561 | 2,987,457,921 |
| | At Cost/Revaluation Less Accumulated Dep. | 1 | 2,985,919,944 | 2,987,447,304 |
| | Investment at Cost | 2 | 10,617 | 10,617 |
| B. Current Assets: | | | | |
| | | | 1,336,679,585 | 1,355,740,073 |
| | Stock of Stores & Spares | 3 | - | - |
| | Debtors | 4 | 63,593,313 | 63,593,313 |
| | Due from BJMC Mills | 5 | 47,569,464 | 47,569,464 |
| | Advance, Deposits & Prepayments | 6 | 21,994,051 | 20,753,935 |
| | Interim Revenue Support Receivable | 7 | 10,634,102 | 10,634,102 |
| | BJMC Current Account | 8 | 1,107,771,531 | 1,105,421,671 |
| | Cash & Bank Balance | 9 | 85,117,124 | 107,767,588 |
| Total Property & Assets : (A+B) | | | 4,322,610,146 | 4,343,197,994 |
| Capital & Liabilities: | | | | |
| C. Authorized capital | | | | |
| | | 10 | 50,000,000 | 50,000,000 |
| D. Equity & Retained Earnings : | | | | |
| | | | (4,475,701,010) | (7,647,701,928) |
| | Issued, Subscribed & Paid up Capital | 11 | 20,060,000 | 20,060,000 |
| | GOB Equity Contribution | 12 | 10,537,167 | 10,537,167 |
| | Retained Earnings | 13 | (7,569,707,849) | (7,678,299,095) |
| | Reserve | 14 | 3,063,409,672 | - |
| E. Long Term Liabilities : | | | | |
| | | | 8,474,753,878 | 11,624,856,426 |
| | Reserve | 14 | - | 3,138,761,782 |
| | BJMC Current Account | 15 | - | - |
| | Long Term Loan | 16 | 8,393,220,717 | 8,393,220,717 |
| | Gratuity Liabilities (Provision) | 17 | 81,533,161 | 92,873,926 |
| F. Current Liabilities : | | | | |
| | | | 323,557,278 | 366,043,497 |
| | Liabilities for Goods | 18 | 1,482,181 | 1,482,181 |
| | Liabilities for Expenses | 19 | 265,234,580 | 247,085,582 |
| | Liabilities for other Finance | 20 | 7,405,403 | 16,368,012 |
| | Due to BJMC Mills | 21 | 9,058,086 | 9,058,086 |
| | Gratuity Payable Accounts (Current) | 22 | 40,377,028 | 92,049,636 |
| Total Capital & Liabilities : (D+E+F) | | | 4,322,610,146 | 4,343,197,994 |

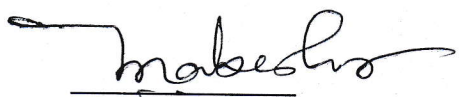
This is the Statement of Financial Position referred to in our separate report of even date.


Deputy Manager (Accounts & Finance) and
Head of Department


Head of Project
Signed in terms of our report of even date.

Dated, Dhaka.
03 March, 2025




Md. Abul Basher, FCA # 840
Managing Partner
M A FAZAL & CO.
Chartered Accountants

DVC: 2503060840 AS 31140

Bangladesh Jute Mills Ltd.

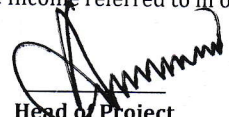
Ghorashal, Palash, Narsingdi.

Statement of Manufacturing, Trading & other Comprehensive Income for the ended 30th June, 2024.

| Sl. # | Particulars | Notes/ Sch. | Amount (Tk.) | |
|-----------------------------|----------------------------------------------------|-------------|---------------------|----------------------|
| | | | 2023-2024 | 2022-2023 |
| Income : | | | | |
| 1 | Local Sales | 23 | - | - |
| 2 | Foreign Sales | 24 | - | - |
| 3 | Total Sales : (1+2) | | - | - |
| 4 | Subsidy | | - | - |
| 5 | Total Income: (3+4) | | - | - |
| Material Cost : | | | | |
| 6 | Opening Work-In-Process | | - | - |
| 7 | Raw Jute | | - | - |
| 8 | Charges on Raw Jute | | - | - |
| 9 | Other Direct Materials | | - | - |
| 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 | 25 | 56,405,763 | 60,499,554 |
| 16 | Power/Electricity | 26 | 189,892 | 64,216 |
| 17 | Fuel | | - | - |
| 18 | Repairs & Maintenance | 27 | - | - |
| 19 | Depreciation | 28 | 1,104,984 | 1,104,984 |
| 20 | Insurance | 29 | 20,000 | 20,000 |
| 21 | Other Factory Overhead | 30 | 1,561,455 | 1,496,112 |
| 22 | Sub-Total : (13 to 21) | | 59,282,094 | 63,184,866 |
| 23 | Closing Work-in-Process | | - | - |
| 24 | Total Conversion Cost : (22-23) | | 59,282,094 | 63,184,866 |
| 25 | Cost of production : (12+24) | | 59,282,094 | 63,184,866 |
| 26 | Opening Stock of Finished Goods | | - | - |
| 27 | Cost of Goods Available for Sales : (25+26) | | 59,282,094 | 63,184,866 |
| 28 | Closing Stock of Finished Goods | | - | - |
| 29 | Cost of Sales : (27-28) | | 59,282,094 | 63,184,866 |
| 30 | Gross Profit/(Loss) : (5-29) | | (59,282,094) | (63,184,866) |
| 31 | Administrative Expenses | 31 | 1,173,158 | 34,859,303 |
| 32 | Selling Expenses | 32 | - | - |
| 33 | Operating Expenses (31+32) | | 1,173,158 | 34,859,303 |
| 34 | Net Operating Profit/(Loss) : (30-33) | | (60,455,252) | (98,044,169) |
| Financial Expenses : | | | | |
| 35 | Interest Cash credit | | - | - |
| 36 | Interest on Long Term Loan | 33 | 2,456,500 | 32,493,600 |
| 37 | Total Financial Expense : (35+36) | | 2,456,500 | 32,493,600 |
| 38 | Non- Operating Income | 34 | 6,577,619 | 23,037,894 |
| 39 | Net Profit/(Loss) before Tax : (34-37+38) | | (56,334,132) | (107,499,875) |
| 40 | TDS/ Provision for Income Tax | | - | (776,491) |
| 41 | Net Profit/(Loss) after Tax : (39-40) | | (56,334,132) | (108,276,366) |

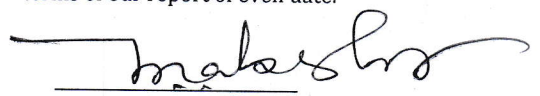
This is the Statement of Manufacturing, Trading & other Comprehensive Income referred to in our separate report of even date.


Deputy Manager (Accounts & Finance) and
Head of Department


Head of Project
Signed in terms of our report of even date.

Dated, Dhaka.
03 March, 2025



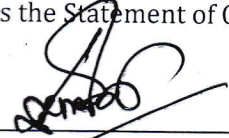

Md. Abul Basher, FCA # 840
Managing Partner
M A FAZAL & CO.
Chartered Accountants

Bangladesh Jute Mills Ltd.
 Ghorashal, Palash, Narsingdi.

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

| Sl. # | Particulars | Amount (Tk.) | |
|-----------|-----------------------------------------------------------------|---------------------|----------------------|
| | | 2023-2024 | 2022-2023 |
| A. | <u>Cash Flow from Operating Activities :</u> | | |
| | Net Profit (Loss) for the year | (56,334,132) | (108,276,366) |
| | Previous year adjustment | 164,925,379 | (668,851,139) |
| | Depreciation | 1,104,984 | 1,104,984 |
| | Adjustment to Reconcile Net Loss | 109,696,230 | (776,022,521) |
| B. | <u>Cash Provided by the Operating Activities :</u> | | |
| | Stock of Stores & Spares | - | 8,434,393 |
| | Debtors | - | - |
| | Due from BJMC Mills | - | - |
| | Advance, Deposits & prepayments | (1,240,117) | 40,800 |
| | FDR | - | 65,000,000 |
| | BJMC Current Accounts | (2,349,860) | 32,491,080 |
| | Due to BJMC Mill | - | - |
| | Liability for Goods | - | (7,690,522) |
| | Liability for Expenses | 18,148,998 | 103,321,312 |
| | Gratuity Payable Accounts (Current) | (51,672,608) | (3,332,726) |
| | Due to BJMC Mills | - | (7,249,386) |
| | Net Cash Provided by Operating activities : (A) | (37,113,586) | 191,014,950 |
| C. | <u>Cash Flow from Investing activities :</u> | | |
| | Fixed Assets Addition/Adjustment | - | 102,287,205 |
| | Long Term Loan | - | 489,773,938 |
| | Total Investing Activities : (B) | - | 592,061,143 |
| D. | <u>Cash Flow from Financing Activities :</u> | | |
| | Gratuity Liabilities (Provision) | (11,340,765) | 71,198,159 |
| | Reserve | (74,929,734) | (27,357,471) |
| | Liabilities for other Finance | (8,962,609) | (1,210,614) |
| | Total Financing Activities : © | (95,233,108) | 42,630,074 |
| | Increase/(Decrease) in Cash and Bank Balance : (A+B+C+D) | (22,650,464) | 49,683,646 |
| | Opening Cash & Bank Balance | 107,767,588 | 58,083,943 |
| | Closing Cash & Bank Balance | 85,117,124 | 107,767,588 |

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


 Deputy Manager (Accounts & Finance) and
 Head of Department


 Head of Project

Dated, Dhaka
 03 March, 2025



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

| # | Particulars | Cost | | | Revaluation | Disposal during the Year | Total Cost as on 30.06.2024 | Depreciation on Original Cost | | Total Dep. on Original Cost on 30.06.2024 |
|--------------|-------------------------------|----------------------------------|--------------------------|--------------------|----------------------|--------------------------|-----------------------------|----------------------------------|-------------------------|-------------------------------------------|
| | | Opening Balance as on 01.07.2023 | Addition during the Year | Sub-Total | | | | Opening Balance as on 01.07.2023 | Charged during the year | |
| 1 | Land | 2 | 3 | 4=2+3 | 5 | 6 | 7=4+5-6 | 8 | 9 | 10=8+9 |
| 1 | Land | 2,029,533 | - | 2,029,533 | 2,299,830,567 | - | 2,301,860,100 | - | - | - |
| 2 | Land Development | 450,000 | - | 450,000 | - | - | 450,000 | - | - | - |
| 3 | Building & Other Construction | 28,966,906 | - | 28,966,906 | 308,645,411 | - | 337,612,316 | 756,550 | 144,140 | 900,690 |
| 4 | Plant, Machinery & Equipment | 128,579,191 | - | 128,579,191 | 217,695,812 | - | 346,275,003 | 6,878,729 | 952,888 | 7,831,617 |
| 5 | Furniture & Fixture | 1,525,150 | - | 1,525,150 | - | - | 1,525,150 | 47,736 | 7,956 | 55,692 |
| 5 | Vehicles | 150,000 | - | 150,000 | - | - | 150,000 | - | - | - |
| 7 | Sundry Assets | 1,528,271 | - | 1,528,271 | 15,649,844 | - | 17,178,115 | - | - | - |
| 3 | Biological Assets (Trees) | - | - | - | 17,177,900 | - | 17,177,900 | - | - | - |
| Total | | 163,229,051 | - | 163,229,051 | 2,858,999,533 | - | 3,022,228,585 | 7,683,015 | 1,104,984 | 8,787,999 |

| # | Particulars | Depreciation on Revaluation | | Total Dep. On Revaluation as on 30.06.2024 | Total Depreciation | Written Down Value | | Total Assets as on 30.06.2024 | |
|--------------|-------------------------------|----------------------------------|-------------------------|--------------------------------------------|--------------------|--------------------|--------------------|-------------------------------|-----------------------------|
| | | Opening Balance as on 01.07.2023 | Charged during the year | | | For the year | Cumulative | | Original Cost on 30.06.2024 |
| 11 | Land | 12 | 13 | 14=12+13 | 15=9+13 | 16=10+14 | 17=5-10 | 18=5-14 | 19=17+18-6 |
| 1 | Land | - | - | - | 15,649,844 | - | 2,029,533 | 2,299,830,567 | 2,301,860,100 |
| 2 | Land Development | - | - | - | - | - | 450,000 | - | 450,000 |
| 3 | Building & Other Construction | 8,625,052 | 46,756 | 8,671,808 | 190,896 | 9,572,498 | 28,066,216 | 299,973,603 | 328,039,818 |
| 4 | Plant, Machinery & Equipment | 18,473,214 | 375,620 | 18,848,834 | 1,328,508 | 26,680,451 | 120,747,574 | 198,846,978 | 319,594,552 |
| 5 | Furniture & Fixture | - | - | - | 7,956 | 55,692 | 1,469,458 | - | 1,469,458 |
| 5 | Vehicles | - | - | - | - | - | 150,000 | - | 150,000 |
| 7 | Sundry Assets | - | - | - | - | - | 1,528,271 | 15,649,844 | 17,178,115 |
| 3 | Biological Assets (Trees) | - | - | - | - | - | - | 17,177,900 | 17,177,900 |
| Total | | 27,098,266 | 422,376 | 27,520,642 | 1,527,360 | 36,308,641 | 154,441,052 | 2,831,478,891 | 2,985,919,944 |

NB. Revaluation of fixed assets done 2016-2017, that's why the the opening balance of depreciation on previous revaluation are omitted.

