

Final


Private & Confidential


**BAGHDAD-DHAKA CARPET FACTORY**  
*North Kattali, Chattogram.*


**Auditors' Report and Financial Statements**  
Of  
**BAGHDAD-DHAKA CARPET FACTORY**  
For the year ended 30 June, 2024


**M A Fazal & Co.**

Chartered Accountants

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## **Independent Auditors' Report Of Baghdad-Dhaka Carpet Factory Report on the audit of the financial statements**

### **Opinion**

We have audited the financial statements of **Baghdad-Dhaka Carpet Factory** 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 Emphasis:**

01. They have shown the Contingent Assets in the financial statement violating IAS-37.
02. We didn't found any reconciliation of BJMC current account and BJMC Mills.
03. We have sent balance confirmation letters in respective Banks 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.  
28 January, 2025



**Md. Abul Basher, FCA # 0840**

Managing Partner

**M A Fazal & Co.**

Chartered Accountants

DVC: 2501200840AS234694

## Baghdad-Dhaka Carpet Factory

North Kattali, Chattogram.

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

Particulars	Notes	Amount (Tk.)	
		30.06.2024	30.06.2023
<b>Property &amp; Assets :</b>			
<b>A. Non-Current Assets :</b>		<b>2,447,407,245</b>	<b>2,454,215,019</b>
At Cost/Revaluation Less Accumulated Depreciation	1.00	2,447,407,245	2,454,215,019
Investment	2.00	-	-
<b>B. Current Assets :</b>		<b>100,670,642</b>	<b>111,496,530</b>
Stock & Stores	3.00	15,165,988	15,153,538
Debtors	4.00	3,010,809	3,182,972
Due from BJMC Mills	5.00	57,361,781	58,052,900
Advance, Deposit & Pre-Payments	6.00	2,555,667	2,652,927
Contingent Assets	7.00	3,289,560	3,289,560
Interim Revenue Support Receivable	8.00	-	-
BJMC Current Account	9.00	-	-
Cash & Bank Balance	10.00	19,286,837	29,164,633
<b>Total Property &amp; Assets</b>		<b>2,548,077,887</b>	<b>2,565,711,549</b>
<b>Capital &amp; Liabilities :</b>			
<b>C. Authorized Capital</b>		<b>11.00</b>	<b>-</b>
<b>D. Equity &amp; Retained Earnings :</b>		<b>1,087,667,779</b>	<b>1,110,237,648</b>
Issued, Subscribed & Paid-up Capital	12.00	-	-
Govt. Equity Contribution	13.00	55,301,999	55,301,999
Reserves	14.00	2,260,817,746	2,266,960,929
Retained Earnings	15.00	(1,228,451,966)	(1,212,025,280)
<b>E. Long Term Liabilities :</b>		<b>1,394,069,110</b>	<b>1,393,058,645</b>
BJMC Current Account	16.00	227,096,614	227,788,249
Long Term Loan	17.00	1,145,623,176	1,145,623,176
Gratuity Liabilities (Provision)	18.00	21,349,320	19,647,220
<b>F. Current Liabilities :</b>		<b>66,340,998</b>	<b>62,415,256</b>
Bank Overdraft	19.00	-	-
Liabilities for Goods	20.00	19,506	23,529
Liabilities for Expenses	21.00	19,735,330	18,705,708
Liabilities for Other Finance	22.00	12,636,744	7,550,184
Due to BJMC Mills	23.00	17,800,646	17,795,609
Due to A.K. Khan Jute Mills		3,714,988	3,714,988
Gratuity Payable Account (Current)	24.00	12,433,784	14,625,238
<b>Total Capital &amp; Liabilities</b>		<b>2,548,077,887</b>	<b>2,565,711,549</b>

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



Assistant Manager (A & F) and  
Head of Department



Head of Project

Signed in terms of our report of even date.

Dated, Dhaka.  
28 January, 2025



  
Md. Abul Basher, FCA # 0840

Managing Partner


## Baghdad-Dhaka Carpet Factory


North Kattali, Chattogram.

### Statement of Manufacturing, Trading and Comprehensive Income for the year ended 30th June, 2024.

Sl. #	Particulars	Notes	Amount (Tk.)				
			Design Carpet	Plain Carpet	Yarn	Total on 2023-2024	Balance on 2022-2023
<b>Income :</b>							
1	Foreign Sales	26.00	-	-	-	-	-
2	Local Sales	27.00	-	-	-	-	-
3	<b>Total Sales : (1+2)</b>		-	-	-	-	-
4	Subsidy	28.00	-	-	-	-	-
5	<b>Total Income : (3+4)</b>		-	-	-	-	-
<b>Material Cost :</b>							
6	Opening Work-in-Process		144,657	-	323,142	467,799	467,799
7	Raw Jute Consumption	29.00	-	-	-	-	-
8	Charges on Raw Jute	30.00	-	-	-	-	-
9	Other Direct Materials Consumed	31.00	-	-	-	-	-
10	<b>Sub-Total : (6 to 9)</b>		144,657	-	323,142	467,799	467,799
11	Closing Work-in-Process	3.01	144,657	-	323,142	467,799	467,799
12	<b>Total Material Cost : (10-11)</b>		-	-	-	-	-
<b>Conversion Cost :</b>							
13	Opening Work-in-Process		-	-	240,477	240,477	240,477
14	Wages	32.00	-	-	-	-	-
15	Salaries	33.00	-	-	16,282,118	16,282,118	15,883,190
16	Power/Electricity	34.00	-	-	659,654	659,654	532,240
17	Repairs & Maintenance	35.00	-	-	103,681	103,681	56,392
18	Depreciation	36.00	-	-	901,200	901,200	970,800
19	Insurance	37.00	-	-	15,640	15,640	11,799
20	Other Factory Overhead	38.00	-	-	1,150,923	1,150,923	1,331,011
21	<b>Sub-Total : (13 to 20)</b>		-	-	19,353,693	19,353,693	19,025,908
22	Closing Work-in-Process	3.01	-	-	240,477	240,477	240,477
23	<b>Total Conversion Cost : (21-22)</b>		-	-	19,113,216	19,113,216	18,785,431
24	<b>Cost of Production : (12+23)</b>		-	-	19,113,216	19,113,216	18,785,431
25	Opening Stock of Finished Goods		142,099	237,040	-	379,139	379,139
26	<b>Cost of Goods Available for Sale : (24+25)</b>		142,099	237,040	19,113,216	19,492,354	19,164,570
27	Closing Stock of Finished Goods	3.03	142,099	237,040	-	379,139	379,139
28	<b>Total Cost of Sales : (26-27)</b>		-	-	19,113,216	19,113,216	18,785,431
29	Administrative Expenses	39.00	-	-	4,822,709	4,822,709	5,592,638
30	Selling Expenses	40.00	-	-	-	-	-
31	<b>Total Operating Expenses : (28 to 30)</b>		-	-	23,935,924	23,935,924	24,378,069
32	<b>Operating Profit/(Loss) : (5 - 31)</b>		-	-	(23,935,924)	(23,935,924)	(24,378,069)
<b>Financial Expenses :</b>							
33	Interest (Cash Credit)		-	-	-	-	-
34	Interest (Long Term Loan)		-	-	-	-	-
35	<b>Total Interest : (33+34)</b>		-	-	-	-	-
36	<b>Total Profit/(Loss) : (32-35)</b>		-	-	(23,935,924)	(23,935,924)	(24,378,069)
37	Non-Operating Income		-	-	8,063,408	8,063,408	12,015,620
38	<b>Net Profit/(Loss) : (36+37)</b>		-	-	(15,872,516)	(15,872,516)	(12,362,449)

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

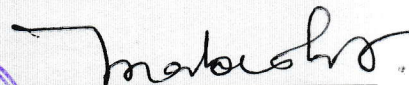
  
Assistant Manager (A & F) and  
Head of Department

  
Head of Project

Signed in terms of our report of even date.

Dated, Dhaka.  
28 January, 2025



  
Md. Abul Basher, FCA # 0840  
Managing Partner  
MA FAZAL & CO.

## Baghdad-Dhaka Carpet Factory

North Kattali, Chattogram.

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

Particulars	Amount (Tk.)	
	2023-2024	2022-2023
Net Profit/(Loss) for the year	(15,872,516)	(12,362,449)
Previous Year's Adjustment	(554,171)	1,275,531
Depreciation	901,200	970,800
Adjustment to Reconcile Net Loss	<b>(15,525,487)</b>	<b>(10,116,118)</b>
<b>Cash Provided by the Operating Activities :</b>		
Stock & Stores	(12,450)	2,184
Book Debts	172,163	1,495,587
Advance, Deposits & Prepayments	97,260	54,399
Contingent Assets	-	-
BJMC Current A/C	(691,635)	18,401,351
Due from BJMC Jute Mills	691,119	(1,169,628)
Due to BJMC Jute Mills	5,037	(709,945)
Liabilities for Goods Supply	(4,023)	(213,320)
Liabilities for Expenses	1,029,622	(10,653,113)
Liabilities for Other Finance	5,086,561	(2,299,783)
	<b>6,373,654</b>	<b>4,907,732</b>
Cash Provided form Operating Activities	<b>(9,151,833)</b>	<b>(5,208,386)</b>
<b>Cash Flow from Investing Activities :</b>		
Fixed Assets Addition	(363,426)	-
Cash Provided from Investing Activities	<b>(363,426)</b>	-
<b>Cash Flow from Financing Activities :</b>		
Retiring Fund	1,702,100	1,664,960
Grant for Gratuity	(2,191,454)	(20,208,869)
Long Term & Others	-	15,260,508
Bank Overdraft	-	-
Capital	-	-
Reserves	126,817	-
Cash Provided from Financing Activities	<b>(362,537)</b>	<b>(3,283,402)</b>
Increase/(Decrease) in Cash & Bank Balance	(9,877,796)	(8,491,788)
Add : Opening Cash & Bank Balance as on 01.07.2023	29,164,633	37,656,421
Closing Cash & Bank Balance as on 30.06.2024	<b>19,286,837</b>	<b>29,164,633</b>

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



Assistant Manager (A & F) and  
 Head of Department



Head of Project



## Baghdad-Dhaka Carpet Factory

North Kattali, Chattogram.

Schedule of Fixed Assets as on 30th June, 2024

Annexure -B

Particulars	Original Cost			Revaluation Increased	Total Cost as on 30.06.2024	Depreciation on Original Cost		Total as on 30.06.2024
	Original Cost on 01.07.2023	Addition during the year	Cost as on 30.06.2024			Opening as on 01.07.2023	Charged during the year	
Land	1,786,540	-	1,786,540	2,058,213,460	2,060,000,000	-	-	-
Land Development	2,932,943	-	2,932,943	1,096,905	4,029,848	81,952	14,400	96,352
Building & Other Constructions	21,405,273	359,126	21,764,399	42,444,067	64,208,466	2,093,163	280,800	2,373,963
Plant, Machinery & Equipments	171,721,071	-	171,721,071	192,125,880	363,846,951	8,544,499	606,000	9,150,499
Vehicles	858,243	-	858,243	-	858,243	858,239	-	858,239
Furniture & Fixture	308,330	-	308,330	-	308,330	307,441	-	307,441
Sundry Assets	26,700	4,300	31,000	-	31,000	26,533	-	26,533
Biological Assets (Tree)	-	-	-	4,225,000	4,225,000	-	-	-
<b>Total</b>	<b>199,039,100</b>	<b>363,426</b>	<b>199,402,526</b>	<b>2,298,105,312</b>	<b>2,497,507,838</b>	<b>11,911,827</b>	<b>901,200</b>	<b>12,813,027</b>

Particulars	Depreciation on Revaluation Cost		Total as on 30.06.2024	Total Depreciation		Original Cost	Revaluation	Total
	Opening as on 01.07.2023	Charged during the year		For the year	Cumulative			
Land	9	10	11=9+10	12=7+10	13=8+11	14=3-8	15=4-11	16=14+15
Land Development	207,329	42,000	249,329	56,400	345,681	1,786,540	847,576	2,060,000,000
Building & Other Constructions	3,670,719	744,000	4,414,719	1,024,800	6,788,682	2,836,591	38,029,348	3,684,167
Plant, Machinery & Equipments	27,139,518	5,484,000	32,623,518	6,090,000	41,774,017	19,390,436	159,502,362	57,419,784
Vehicles	-	-	-	-	858,239	162,570,572	-	322,072,934
Furniture & Fixture	-	-	-	-	307,441	4	-	4
Sundry Assets	-	-	-	-	26,533	889	-	889
Biological Assets (Tree)	-	-	-	-	-	4,467	-	4,467
<b>Total</b>	<b>31,017,566</b>	<b>6,270,000</b>	<b>37,287,566</b>	<b>7,171,200</b>	<b>50,100,593</b>	<b>186,589,499</b>	<b>2,260,817,746</b>	<b>2,447,407,245</b>

The above assets includes assets received from closed Adamjee Jute Mills Limited, details of which are shown below :

Particulars	Depreciation		Total as on 30.06.2024	Written Down Value	
	Original Cost on 01.07.2023	Addition during the year		On Original cost as 01.07.2023	Total as on 30.06.2024
Plant, Machinery & Equipments	40,987	-	40,987	40,987	-
Sundry Assets	3,000	-	3,000	3,000	-
<b>Total</b>	<b>43,987</b>	<b>-</b>	<b>43,987</b>	<b>43,987</b>	<b>-</b>

