

**Private & Confidential**

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**Auditors' Report Financial Statements**

of

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

Town Khalishpur, Khulna.

For the year ended 30<sup>th</sup> June, 2024.

**MASUD ALTAF & CO.**

Chartered Accountants

Dom-Inno Apartment, B-1

23/16, Khilji Road, Block-B

Shyamoli, Mohammadpur, Dhaka-1207.

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## **Independent Auditors' Report** **of** **The Crescent Jute Mills Co. Ltd.**

### **Opinion**

We have audited the Financial Statements of **The Crescent Jute Mills Co. Ltd.** which comprise the Statement of Financial Position as on 30<sup>th</sup> June, 2024 and related the Statement of Manufacturing, Trading and Profit (Loss) and Other Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, financial statements of the Entity are give a true and fair view of the financial position as on 30<sup>th</sup> June, 2024 and of its Statement of Manufacturing, Trading and Profit (Loss) and Other Comprehensive Income, Changes in Equity and Cash Flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note B and other applicable laws and regulations.

### **The Matter of Emphasis**

1. Stock & Stores & Spares Less Provision (Stores & Spares, and Store in Transit) balance accounted of **BDT. 62,828,086.00** as at 30<sup>th</sup> June, 2024. The balance is confirmed by the management through financial statements and statement of inventory. we could not be able to gather sufficient and appropriate audit evidence which was necessary to perform the required audit procedures including physical counting of the inventories.
2. Sundry Debtors amounting to **Tk. 38,702,077.00** 00 from 7 (Seven) Items out of which **Tk. 37,798,220.00** from 6 (Six) Items coming from last year without any adjustment. (See Accounts Notes 4.03)
3. Due from BJMC Mills amounting to **Tk. 48,528,607.00** from 27 (Twenty Seven) party out of which 23 (Twenty Three) Party coming from last year without any adjustment. (See Accounts Notes 6.00)
4. Advance against Company Income Tax amounting to **Tk. 3,699,378.00** from 8 (Eight) parties coming from last year without any adjustment. (See Accounts Notes 5.01(F)).
5. Interim Revenue Support Receivable amounting **Tk. 27,741,354.00** Which represents amount receivable against the loss for the year 1994-95 & 1995-96.
6. The Entity incurred a series of net losses in the consecutive year to year. Last three year details are given below:

<b>Financial year</b>	<b>Net profit/Loss after Tax.</b>	<b>Profit &amp; Loss account balance (Retained Earnings)</b>
2021-2022	(590,876,616)	(19,155,424,970)
2022-2023	(271,404,354)	(19,372,372,581)
2023-2024	(138,766,317)	(19,470,112,676)

**MASUD ALTAF & CO.**

Chartered Accountants

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7. BJMC Current account amounting **Tk. 551,297,057.00** are shown in the statement of financial Position which are not reconcile with BJMC. They Shows Different figure in each Ledger Books. (See Accounts Notes 7.00).
8. Due to BJMC Mills amounting to **Tk. 17,497,340.00** from 8 (Eight) party out of which 7 (Seven) Party coming from last year without any adjustment. (See Accounts Notes 17.00).

**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 Entity in accordance with the International Ethics Standards Board for Accountants, Code of Ethics for Professional Accountants (IESBA Code), We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements of the Entity and also separate financial statement of the Entity in accordance with IFRSs as explained in note 2 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 International Standards on Auditing (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.
- 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 Entity'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 Entity 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.

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 relationship and other matters that may reasonably be thought to on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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**Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994, the rules and regulations issued by regulatory authorities, 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 Entity so far as it appeared from our examination of those books.
- c) The Statement of Financial Position, Manufacturing, Trading and Profit (Loss) and Other Comprehensive Income, Changes in Equity & Cash Flow for the year then ended dealt with by the report are in agreement with the books of account and returns, and
- d) The expenditures incurred were for the purpose of the Entity's business for the year.

Dated, Dhaka.  
19<sup>th</sup> March, 2025.



A handwritten signature in blue ink, appearing to read "Md. Altaf Hossain Masud".

(Md. Altaf Hossain Masud, FCA)

Principal, Enrolment No. 0684

**MASUD ALTAF & CO.**

Chartered Accountants

**DVC: 2503190684AS155316**

## The Crescent Jute Mills Co. Ltd.

Town Khalishpur, Khulna.

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

Sl. #	Particulars	Notes	Amount (Tk.)	
			30.06.2024	30.06.2023
<b>Property &amp; Assets :</b>				
<b>A. Fixed Assets:</b>				
	At Cost/Revaluation less accumulated depreciation	1.00	10,884,526,159	10,971,350,861
	Investment	2.00	411,780	411,780
	<b>Total Fixed Assets : (A)</b>		<b>10,884,937,939</b>	<b>10,971,762,641</b>
<b>B. Current Assets:</b>				
	Stock & Stores & Spares Less Provision	3.00	62,828,086	63,057,765
	Debtors Less Provision	4.00	78,517,808	152,417,306
	Advance, Pre-Payments & Deposit	5.00	11,550,511	16,049,282
	Due from BJMC Mills Account	6.00	48,528,607	60,183,295
	BJMC Current Account	7.00	551,297,057	550,306,330
	Interim Revenue support receivable	8.00	27,741,354	27,741,354
	Cash and Bank Balance	9.00	64,541,006	84,585,620
	<b>Total Current Assets : (B)</b>		<b>845,004,429</b>	<b>954,340,951</b>
	<b>Total Property &amp; Assets : (A+B)</b>		<b>11,729,942,368</b>	<b>11,926,103,592</b>
<b>Capital &amp; Liabilities :</b>				
	<b>Authorised Capital</b>	10.00	<b>50,000,000</b>	<b>50,000,000</b>
<b>C. Shareholders Equity &amp; Loans :</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	10,846,783,425	10,930,047,877
	Accumulated Profit & Loss (Retained Earnings)	14.00	(19,470,112,676)	(19,372,372,581)
			<b>(8,492,107,962)</b>	<b>(8,311,103,416)</b>
<b>D. Non-Current Liabilities :</b>				
	Long Term Govt. Loan (BB RF)	15.00	17,220,479,547	17,037,189,380
	Gratuity Liabilities (Provision)	16.00	161,106,960	214,509,870
			<b>17,381,586,507</b>	<b>17,251,699,250</b>
<b>E. Current Liabilities :</b>				
	Due to BJMC Mills Accounts	17.00	17,497,340	17,627,450
	BJMC Current Account	18.00	-	-
	Bank Overdraft	19.00	2,567,451,531	2,567,351,531
	Liabilities for goods	20.00	232,104	252,644
	Liabilities for expenses	21.00	80,175,422	41,547,753
	Liabilities for other Finance (Including PF)	22.00	71,352,143	72,562,855
	Gratuity Payable Account (Current Position)	23.00	103,755,283	286,165,525
			<b>2,840,463,823</b>	<b>2,985,507,758</b>
	<b>Total Capital &amp; Liabilities : (C+D+E)</b>		<b>11,729,942,368</b>	<b>11,926,103,592</b>

This is the Statement of Financial Position referred to in our separate report of even date.  
**K. M. Manzurul Islam**  
Manager (A & F)  
Head of Account & Finance  
The Crescent Jute Mills Co. Ltd.  
Town Khalishpur, Khulna.

Dated, Dhaka.  
19th March, 2025.

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





(Md. Altaf Hossain Masud, FCA)  
Principal, Enrolment No. 0684  
**MASUD ALTAF & CO.**  
Chartered Accountants  
DVC: 2503190684AS155316

**The Crescent Jute Mills Co. Ltd.**  
Town Khalishpur, Khulna.

**Statement of Manufacturing, Trading and Profit & Loss and Other Comprehensive Income for the year ended 30th June, 2024.**


Sl. #	Particulars	Notes	Amount (Tk.)	
			2023-2024	2022-2023
<b>Income:</b>				
1	Foreign sales	25.A	-	-
2	Odd / Local sales	25.B	-	1,024,548
3	Closing work-in-process Sales	25.C	-	-
4	<b>Total sales (1+2+3) :</b>		-	<b>1,024,548</b>
5	Subsidy	25.D	-	-
6	<b>Total Income (4+5) :</b>		-	<b>1,024,548</b>
<b>Material cost:</b>				
7	Opening work-in-process	26.A	-	-
8	Raw Jute consumption		-	-
9	Other direct materials consumed	27	-	-
10	<b>Sub-Total (7: 9)</b>		-	-
11	Closing work-in-process	26.A	-	-
12	<b>Total Material cost (10-11) :</b>		-	-
<b>Conversion cost:</b>				
13	Opening work-in-process	26.A	-	-
14	Wages	28	-	-
15	Salaries	29	95,500,155	115,792,617
16	Power/Electricity		4,177,649	4,142,839
17	Fuel		-	-
18	Repairs & maintainance	30	999,565	760,033
19	Depreciation		2,547,881	2,017,235
20	Insurance		119,396	178,170
21	Other Factory overhead	31	2,138,724	2,761,495
22	<b>Sub-Total (13 : 21)</b>		<b>105,483,370</b>	<b>125,652,389</b>
23	Closing work-in-process	26.B	-	-
24	<b>Total Conversion cost (22-23)</b>		<b>105,483,370</b>	<b>125,652,389</b>
25	<b>Cost of production (12+24) :</b>		<b>105,483,370</b>	<b>125,652,389</b>
26	Open stock of Finished goods		-	2,073,000
27	Less: Transfer to Swing section		-	-
28	<b>Cost of goods available for sale (25+26-27)</b>		<b>105,483,370</b>	<b>127,725,389</b>
29	Closing stock of Finish. goods		-	-
30	<b>Total cost of sales (28- 29)</b>		<b>105,483,370</b>	<b>127,725,389</b>
31	Administrative expenses	32	33,245,433	34,092,289
32	Selling expenses	33	37,514	70,648
33	<b>Total operating expenses(30:32)</b>		<b>138,766,317</b>	<b>161,888,325</b>
34	<b>Operating Profit/Loss (6 -33)</b>		<b>(138,766,317)</b>	<b>(160,863,777)</b>
<b>Financial expenses:</b>				
35	Interest on Cash Credit Loan		-	90,748,628
36	Interest on Long term Loan		-	19,791,949
37	Interest on Subsidy Loan		-	-
38	<b>Total Interest (35+36+37) :</b>		-	<b>110,540,577</b>
39	Non-Operating Income		-	-
40	<b>Total Profit/(Loss) (34-38+39) :</b>		<b>(138,766,317)</b>	<b>(271,404,354)</b>
41	Non-Operating Expenses		-	-
42	<b>Total Profit/(Loss) (40-41) :</b>		<b>(138,766,317)</b>	<b>(271,404,354)</b>
<b>Add: Previous Year Adjustment</b>			24	
<b>Add: Previous year loss brought forward</b>				
<b>Accumulated Loss Carried to Balance Sheet</b>				

  
The annexed notes form an integral parts of these financial statement.  
**K. M. Manzurul Islam**  
Manager (A & F)  
Head of Account & Finance  
The Crescent Jute Mills Co. Ltd.  
Town Khalishpur, Khulna.

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

Dated, Dhaka.  
19th March, 2025.



  
**(Md. Altaf Hossain Masud, FCA)**  
Principal, Enrolment No. 0684  
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Chartered Accountants

DVC: 2503190684AS155316

## The Crescent Jute Mills Co. Ltd.

Town Khalishpur, Khulna.

### Statement of Change in Equity for the year ended 30th June, 2024.

Particulars	Share Capital	Equity Contribution of Govt. Of Bangladesh	Reserves & Surplus	Profit/(Loss) Appropriate A/c	Total
Balance as on 30.06.2023	24,750,000	106,471,289	10,930,047,877	(19,372,372,581)	(8,311,103,416)
Less: Depreciation on revaluation of fixed assets	-	-	(83,264,451.56)	-	(83,264,452)
Add: Net Loss during the year	-	-	-	(138,766,317)	(138,766,317)
Add: Prior year adjustment for the year	-	-	-	41,026,223	41,026,223
<b>Total as on 30 June 2024</b>	<b>24,750,000</b>	<b>106,471,289</b>	<b>10,846,783,425</b>	<b>(19,470,112,676)</b>	<b>(8,492,107,962)</b>

Particulars	Share Capital	Equity Contribution of Govt. Of Bangladesh	Reserves & Surplus	Profit/(Loss) Appropriate A/c	Total
Opening Balance on 30.06.2022	24,750,000	106,471,289	11,104,070,940	(19,155,424,970)	(7,920,132,741)
Less: Depreciation on revaluation of fixed assets	-	-	(174,023,064)	-	(174,023,064)
Add: Net Loss during the year	-	-	-	(271,404,354)	(271,404,354)
Add: Prior year adjustment for the year	-	-	-	54,456,742	54,456,742
<b>Total as on 30 June 2023</b>	<b>24,750,000</b>	<b>106,471,289</b>	<b>10,930,047,876</b>	<b>(19,372,372,581)</b>	<b>(8,311,103,416)</b>

This is the Statement of Changes in Equity referred to in our separate report of even date.

Dated, Dhaka.  
19th March, 2025.



*(Md. Altaf Hossain Masud, FCA)*  
Principal, Enrolment No. 0684  
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**The Crescent Jute Mills Co. Ltd.**  
Town Khalishpur, Khulna.


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

SL #	Particulars	Amount (Tk.)	
		2023-2024	2022-2023
A.	Net Profit/(Loss)	(138,766,317)	(271,404,354)
B.	<b>Adjustment for items not involving in movement of cash :</b>	<b>44,328,474</b>	<b>56,473,977</b>
	Depreciation	3,302,251	2,017,235
	Prior year Adjustment	41,026,223	54,456,742
C.	<b>Cash Generated from Operation : (A+B)</b>	<b>(94,437,843)</b>	<b>(214,930,377)</b>
D.	<b>Changes in Working Capital Components :</b>	<b>(108,044,226)</b>	<b>(848,803,509)</b>
	Advance, Deposit & Prepayments	4,498,770	(1,854,637)
	Debtors Less Provision	73,899,498	(1,699,341)
	Stock & Stores	229,679	2,302,889
	Due from BJMC Mills Account	11,654,687	459,698
	BJMC Current Account	(990,728)	41,564,412
	Liabilities for goods	(20,540)	(2,761,373)
	Liabilities for expenses	38,627,669	(5,695,540)
	Due to BJMC Mills Account	(130,110)	(37,516,643)
	Gratuity Fund (Current)	(182,410,242)	(834,411,698)
	Gratuity Liability (Provision)	(53,402,910)	(9,191,277)
E.	<b>Cash Flow from Operating Activities : (C+D)</b>	<b>(202,482,070)</b>	<b>(1,063,733,886)</b>
F.	<b>Investing Activities :</b>		<b>(16,110)</b>
	Fixed Assets Purchase		-
	Sale of Fixed Assets	258,000	-
	Revenue Reserve	-	-
	<b>Cash Flow from Investing Activities</b>	<b>258,000</b>	<b>(16,110)</b>
G.	<b>Financing Activities :</b>		
	Bank Overdraft	100,000	(1,378,241,022)
	Liabilities for Other Finance	(1,210,712)	(51,109,255)
	Long Term Govt. Loan	183,290,167	2,180,124,027
	<b>Cash Flow from Financing Activities</b>	<b>182,179,455</b>	<b>750,773,750</b>
H.	<b>Net Cash in flows/ (Out flow) : (E+F+G)</b>	<b>(20,044,615)</b>	<b>(312,976,246)</b>
I.	<b>Cash &amp; Bank balance at the beginning of the year</b>	<b>84,585,620</b>	<b>397,561,866</b>
J.	<b>Cash &amp; Bank balance at the end of the year : ( H+I)</b>	<b>64,541,006</b>	<b>84,585,620</b>

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

Dated, Dhaka.  
19th March, 2025.



  
(Md. Altaf Hossain Masud, FCA)  
Principal, Enrolment No. 0684  
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Chartered Accountants  
DVC: 2503190684AS155316

## The Crescent Jute Mills Co. Ltd.

Town Khalishpur, Khulna.

### Notes to the Financial Statements for the year ended 30th June, 2024.

#### **A. Background and Nature of the Company:**

##### **A.01 Legal Form and Country of Incorporation :**

The Crescent Jute mills Company Ltd. was established as a private Limited Company in 1952 under the companies Act, 1913. After liberation it was nationalized vide P.O. 27 of 1972 and subsequent Industrial Nationalised Act, 25 of 2018. The mill was placed under the control of Bangladesh Jute Mills Corporation. The company now incorporated as a public limited company under the companies Act, 1994.

##### **A.02 Location of Registered Office :**

The registered office of the company is at Town Khalishpur, Khulna.

##### **A.03 Principal Activities and Nature of Operation :**

The principal activities of the company are manufacturing, sales and export of jute goods namely (Hessian, Sacking, CBC, S.Twine & P.L.P).

##### **A.04 Number of Employee's :**

Total number of employees including workers at the end of year i. e. on 30.06.2024 were 173 (Daily Basis-08, Staffs-94 , and Officers-71).

#### **B. Significant Accounting Policies :**

An integrated accounting system is being followed by the company for preparation of financial statements. These financial statements have been prepared on a going concern basis under the historical cost convention based on generally accepted accounting principles.

##### **B.01 Consideration of Inflation :**

The effects of exchange rate fluctuation has not been taken while preparing financial statements on historical cost basis.No effects of inflation in price index has been taken into consideration while preparing these financial statements.

##### **B.02 Depreciation :**

Depreciation on all other fixed assets is computed using the straight line method at rates varying 1.5% to 20% depending on nature of assets. No depreciation is charged on land and Trees. The company first time made revaluation of the assets in 1992-93 and second time made revaluation of the assets in 2015-16 as per circular no. BJMC Letter Ref. 24.04.0000.306.18.001.18-30 dated 09.04.2019. Revaluation Reserve was taken into accounts as "Capital Reserve" as per BJMC guide line.

Depreciation are being charged on the revalued assets based on remaining lifes.

##### **B.03 Inventories :**

Inventories comprise raw materials, work-in-process, finished goods, stores & spares and stock in transit. Value of inventory held are made following weighted average method in consistent with previous practice.

Unsold finished goods stock are valued at market price which is lower than cost. Work-in-process are valued at Tenders price as on June 30,2024 as per BJMC & Ministry Order. It covers 100% material cost and balance remains for conversion cost.

##### **B.04 Transactions in Foreign Currencies :**

Revenue transactions of foreign currency are converted in Bangladesh taka at exchange rate prevailing on the date of transaction.

##### **B.05 Revenue Recognition :**

The revenue during the year represents income arising from the sale of Hessian, Sacking, CBC and S.Twine, an recognized when invoices are raised satisfying all the conditions of sale in line with in IAS-18

##### **B.06 Service Benefits :**

(a) The company is maintaining a contributory Provident Fund for its every permanent employee.The company Contributed to the Fund @ 8.33% of basic salary(8.33% effected from 01.11.2017) of each permanent employee.

(b) The company also provides Gratuity benefit to its every permanent employee equivalent to two months last basic salary for each completed year of service.

