

Private & Confidential

Auditors' Report and Financial Statements

of

Daulatpur Jute Mills Ltd.

Town Khalishpur, Khulna.

For the year ended 30th June, 2022.

MASUD ALTAF & CO.

Chartered Accountants

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Independent Auditors' Report of Daulatpur Jute Mills Ltd.

Opinion

We have audited the Financial Statements of **Daulatpur Jute Mills Ltd.** which comprise the Statement of Financial position as on 30th June, 2022 and related the Statement of Manufacturing, Trading and Profit/(Loss) & Other Comprehensive Income and 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 of the Company gives a true and fair view of the financial position as on 30th June, 2022 and of its Statement of Manufacturing, Trading and Profit/ (Loss) & other Comprehensive Income for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Auditing Standards (IAS). 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), 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 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 Company and also separate financial statement of the Company 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 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.

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 IASs 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 Auditing Standards IASs, 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.
- 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.

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 Company so far as it appeared from our examination of those books.
- c) The Statement of Financial Position, Statement of Manufacturing, Trading and Profit/(Loss) & Other Comprehensive Income and Cash Flows 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 company's business for the year.

Dated, Dhaka.
1st September, 2022.




(MASUD ALTAF & CO.)
Chartered Accountants
DVC : 2209010684AS642552

Daulatpur Jute Mills Ltd.

Town Khalishpur, Khulna.

Statement of Financial Position as on 30th June, 2022.

Sl. #	Particulars	Notes/ Sch.	Amount (Tk.)	
			30.06.2022	30.06.2021
Property & Assets :				
A. Non Current Assets :				
	At Cost/Revaluation Less Accumulated Depreciation	1.00	2,266,812,703	2,288,787,676
	Investment	2.00	2,409,830	2,409,830
	Total Non Current Assets : (A)		2,269,222,533	2,291,197,506
B. Current Assets :				
	Stock & Stores	3.00	5,711,238	6,119,152
	Debtors Less Provision	4.00	8,976,482	13,574,235
	Due from BJMC Mills	5.00	4,230,154	2,129,745
	Advance, Deposit & Pre-Payments	6.00	11,414,116	13,317,824
	Interim Revenue Support Receivable	7.00	6,563,399	6,563,399
	BJMC Current Account	8.00	-	-
	Cash & Bank Balance	9.00	8,463,026	7,318,936
	Total Current Assets : (B)		45,358,416	49,023,291
C. Profit & Loss Account Balance				
		10.00	1,552,680,190	1,503,833,274
	Total Property & Assets : (A+B+C)		3,867,261,139	3,844,054,071
Capital & Liabilities :				
D. Shareholders Equity & Loans :				
	Authorized Capital	11.00	10,000,000	10,000,000
	Issued, Subscribed & Paid-up Capital	12.00	10,000,000	10,000,000
	Govt. Equity Contribution	13.00	14,242,999	14,242,999
	Reserves	14.00	2,276,885,313	2,298,207,313
	BJMC Current Account	15.00	165,946,737	125,158,000
	Long Term Loan	16.00	1,203,339,318	1,155,277,810
	Gratuity Liabilities (Provision)	17.00	54,532,278	51,405,480
	Total Shareholders Equity & Loans : (D)		3,724,946,645	3,654,291,602
E. Current Liabilities :				
	Bank Overdraft	18.00	49,141,623	48,096,745
	Liabilities for Goods	19.00	1,428,139	20,912,654
	Liabilities for Expenses	20.00	7,720,236	12,692,653
	Liabilities for other Finance	21.00	1,356,266	2,222,905
	Due to BJMC Mills	22.00	78,246,830	80,702,758
	Gratuity Payable Account(Current)	23.00	4,421,399	25,134,754
	Total Current Liabilities : (E)		142,314,493	189,762,469
	Total Capital & Liabilities : (D+E)		3,867,261,139	3,844,054,071

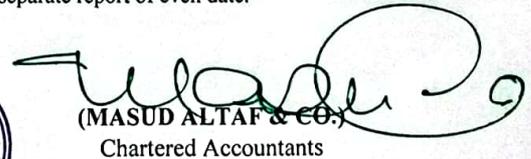


(ক. এম. মাসুদ আলম)
This is the Statement of Financial Position referred to in our separate report of even date.
উৎসাহিত হিসাব ও অর্থ বিভাগীয় প্রধান
দৌলতপুর জুট মিলস্ লিমি।


বমশ কুমার চক্রবর্তী
সহস্রাপক (উৎপাদন) ও
প্রকল্প প্রধান
দৌলতপুর জুট মিলস্ লিমি।

Dated, Dhaka.
01 SEP 2022




(MASUD ALTAF & CO.)
Chartered Accountants

DIC: 2203010684 AS 642552

Daulatpur Jute Mills Ltd.
Town Khalishpur, Khulna.

Statement of Manufacturing, Trading and Profit/(Loss) & Other Comprehensive Income for the year ended 30th June, 2022.

Sl. #	Particulars	Notes	Amount (Tk.)			Amount (Tk.)	
			Hessian	Sacking	CBC	2021-2022	2020-2021
	Income:	24 b	-	-	-	-	33,650,925
1	Foreign Sales		-	-	-	-	33,650,925
	Net : Foreign Sales	24 a	26,000.00	40,226.00	-	66,226	21,179,004
2	Local Sales		26,000.00	40,226.00	-	66,226	21,179,004
	Net : Local Sales		26,000.00	40,226.00	-	66,226	54,829,929
3	Total Sales : (1+2)		-	-	-	-	4,037,684
4	Subsidy		26,000.00	40,226.00	-	66,226	58,867,613
5	Total Income : (3+4)						
	Material Cost :						
6	Opening Work-in-Process		14,000.00	25,113.00	-	39,113	4,447,000
7	Raw Jute Consumption	25	-	-	-	-	-
8	Charges on Raw Jute	26	-	-	-	-	-
9	Other Direct Materials Consumed	27	-	-	-	-	16,938
10	Sub-Total : (6 to 9)		14,000.00	25,113.00	-	39,113	4,463,938
11	Closing Work-in-Process	28	-	-	-	-	39,113
12	Total Material Cost : (10-11)		14,000.00	25,113.00	-	39,113	4,424,825
	Conversion Cost :						
13	Opening Work-in-Process		12,000.00	15,113.00	-	27,113	3,399,000
14	Wages	29	-	-	-	-	-
15	Salaries	30	-	-	-	37,973,952	36,073,659
16	Power/Electricity	31	-	-	-	1,563,585	1,520,029
17	Fuel	32	-	-	-	-	-
18	Repairs and Maintenance	33	-	-	-	532,328	370,418
19	Depreciation	34	-	-	-	681,483	671,000
20	Insurance	35	-	-	-	261,777	261,777
21	Other Factory Overhead	36	-	-	-	1,006,198	781,429
22	Sub-Total : (13 to 21)		12,000.00	15,113.00	-	42,046,436	43,077,312
23	Closing Work-in-Process	28	-	-	-	-	27,113
24	Total Conversion Cost : (22-23)		12,000.00	15,113.00	-	42,046,436	43,050,199
25	Cost of Production (12+24) :		26,000.00	40,226.00	-	42,085,549	47,475,024
26	Opening Stock of Finished Goods		-	-	-	-	55,207,000
27	Cost of Goods Available for Sale : (25+26)		26,000.00	40,226.00	-	42,085,549	102,682,024
28	Closing Stock of Finished Goods	37	-	-	-	-	-
29	Total Cost of Sales : (27- 28)		26,000.00	40,226.00	-	42,085,549	102,682,024
30	Contribution Margin (5-29)		-	-	-	(42,019,323)	(43,814,411)
31	Administrative Expenses	38	-	-	-	510,829	794,672
32	Selling Expenses	39	-	-	-	488,690	2,734,475
33	Total Operating Expenses : (31+32)		-	-	-	999,520	3,529,147
34	Operating Profit/(Loss) : (30-33)		-	-	-	(43,018,842)	(47,343,558)
	Financial Expenses :						
35	Interest on Cash Credit Account	40	-	-	-	4,367,478	4,095,570
36	Interest (B.B Refinancing)	41	-	-	-	1,424,508	1,334,662
37	Less : Interest Received Central Sale	42	-	-	-	-	-
38	Total Interest : (35+36-37)		-	-	-	5,791,986	5,430,232
39	Total Profit/(Loss) : (34-38)		-	-	-	(48,810,828)	(52,773,790)
40	Non-Operating Income	43	-	-	-	-	-
41	Net Profit/(Loss) : (39+40)		-	-	-	(48,810,828)	(52,773,790)
42	Prior year Adjustment	44	-	-	-	(36,088)	(48,967,698)
43	Accumulated previous year/(Loss)		-	-	-	(1,503,833,274)	(1,402,091,786)
44	Accumulated Loss : (41+42+43)		-	-	-	(1,552,680,190)	(1,503,833,274)

This is the Statement of Manufacturing, Trading and Profit/(Loss) & Other Comprehensive Income referred to in the separate report of even date.

স্বাক্ষরিত (স্বাক্ষর) ও
সং-স্বাক্ষরিত (স্বাক্ষর) ও
হিসাব ও অর্থ বিভাগীয় প্রধান
দৌলতপুর জুট মিলস লিঃ.

Dated, Dhaka.

01 SEP 2022



কুমার চক্রবর্তী
উপস্থাপন (উপস্থাপন) ও
স্বাক্ষরিত (স্বাক্ষর) ও
দৌলতপুর জুট মিলস লিঃ

(MASUD ALTAF & CO.)
Chartered Accountants

DYC: 2209010684AS642552

Daulatpur Jute Mills Ltd.
Town Khalishpur, Khulna.

**Statement of Manufacturing, Trading and Profit/(Loss) & Other Comprehensive Income
for the year ended 30th June, 2022.**

Sl. #	Particulars	Amount Tk. (In Lac)			Tk. (Per Ton)	
		Hessian	Sacking	Total	Hessian	Sacking
		0.26	0.40	0.66	-	-
1	Local Sales	-	-	-	-	-
2	Foreign Sales	0.26	0.40	0.66	-	-
3	Total Sales : (1+2)	-	-	-	-	-
4	Subsidy Foreign Sales)	0.26	0.40	0.66	-	-
5	Total Operating Income : (3+4)					
	Material Cost :	0.14	0.25	0.39	14,000	13,287
6	Opening Work-in-Process	-	-	-	-	-
7	Raw Jute Consumption	-	-	-	-	-
8	Charges on Raw Jute	-	-	-	-	-
9	Other Direct Materials	0.14	0.25	0.39	-	-
10	Sub-Total : (6 to 9)	-	-	-	-	-
11	Closing Work In Process	0.14	0.25	0.39	-	-
12	Total Materials Cost : (10-11)					
	Conversion Cost :	0.12	0.15	0.27	16,000	10,643
13	Opening Work-in-Process	-	-	-	-	-
14	Wages	-	-	379.74	-	-
15	Salary	-	-	15.64	-	-
16	Power & Electricity	-	-	-	-	-
17	Fuel	-	-	5.32	-	-
18	Repair & Maintenance	-	-	6.81	-	-
19	Depreciation	-	-	2.62	-	-
20	Insurance	-	-	10.06	-	-
21	Other Factory Over Head	0.12	0.15	420.46	-	-
22	Sub-Total : (13 to 21)	-	-	-	-	-
23	Closing Work In Process	0.12	0.15	420.46	-	-
24	Total conversion Cost : (22-23)					
25	Cost Of Production : (12+24)	0.26	0.40	420.86	-	-
26	Opening Stock of Finished Goods	-	-	-	-	-
27	Cost of Goods Available for Sales : (25+26)	0.26	0.40	420.86	-	-
28	Closing Stock of Finished Goods	0.26	0.40	420.86	-	-
29	Total Cost of Sales : (27-28)	-	-	(420.19)	-	-
30	Contribution Margin : (5-29)	-	-	5.11	-	-
31	Administrative Expense	-	-	4.89	-	-
32	Selling Expense	-	-	10.00	-	-
33	Total Operating Expense : (31+32)	-	-	(430.19)	-	-
34	Operating Profit/(Loss) : (30-33)					
	Financial Expense :					
35	Interest on Cash Credit	-	-	43.67	-	-
36	Interest (B.B Refinancing)	-	-	14.25	-	-
37	Less: Interest Received Central Sales	-	-	-	-	-
38	Total Interest : (35+36-37)	-	-	57.92	-	-
39	Total Profit/ (Loss) : (34-38)	-	-	(488.11)	-	-
40	Non Operating Income	-	-	-	-	-
41	Net Profit/ (Loss) : (39+40)	-	-	(488.11)	-	-

Quantity in M. Ton :

Bale Production	-	-	-
Opening Stock of Finished Goods	-	-	-
Goods Available for Sales	-	-	-
Closing Stock of Finished Goods	-	-	-
Local Sales	-	-	-
Foreign Sales	-	-	-
Total Sales	-	-	-
Equivalent Production	(1.00)	(1.89)	(2.89)



Daulatpur Jute Mills Ltd.

Town Khalishpur, Khulna.

Statement of Cash Flows for the year ended 30th June, 2022.

Sl. #	Particulars	Amount (Tk.)	
		2021-2022	2020-2021
A.	Cash Provided by the Operating Activities :		
	Net Profit/ (Loss) for the year	(48,810,828)	(52,773,790)
	Previous year adjustment	(36,088)	(48,967,698)
	Depreciation	681,483	671,000
	Adjustment to Reconcile Net Loss	(48,165,433)	(101,070,489)
	Stock & Store	407,914	63,646,500
	Debtors	4,597,753	17,898,658
	Advance, Deposits & Prepayments	1,903,708	1,546,880
	BJMC Current A/C	40,788,737	(15,350,907)
	Due from BJMC Jute Mills	(2,100,409)	249,880
	Due to BJMC Jute Mills	(2,455,928)	11,054,536
	Liabilities for Goods	(19,484,515)	(10,554,742)
	Liabilities for Expenses	(4,972,417)	(13,995,040)
	Liabilities for Finance	(866,640)	(7,024,671)
	Gratuity Liabilities (Provision)	3,126,798	49,640,606
		20,945,003	97,111,700
	Net Cash Used by Operating Activities	(27,220,431)	(3,958,789)
B.	Cash Flow from Investing Activities :		
	Fixed Asstes Addition	(28,510)	(135,812)
	Reserve	-	-
	Net Cash Used by investing Activities	(28,510)	(135,812)
C.	Cash Flow From Financing Activities :		
	Gratuity Payable Account	(20,713,355)	(1,587,560)
	Long Term Loan	48,061,508	7,592,662
	Bank Overdraft	1,044,878	4,095,571
	Cash Provided from Financing Activities :	28,393,031	10,100,673
	Increase/(Decrease) in Cash & Bank Balance : (A+B+C)	1,144,090	6,006,072
	Add : Opening Cash & Bank Blance as on 01.07.2021	7,318,936	1,312,864
	Closing Cash & Bank Balance as on 30.06.2022	8,463,026	7,318,936

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

Dated, Dhaka.
1st September, 2022.



(MASUD ALTAF & CO.)
Chartered Accountants
DVC : 2209010684AS642552

Daulatpur Jute Mills Ltd.
Town Khalishpur, Khulna.

Statement of Quantity Schedule as on 30th June, 2022.

Annexure-A

Particulars	(M.Ton)					
	Hessian	Sacking	C.B.C	Yarn	Others	Total
Weaving Production	-	-	-	-	-	-
1. Materials Cost :						
Opening Work-in-Process	1.00	1.89	-	-	-	2.89
Equivalent Production	(1.00)	(1.89)	-	-	-	(2.89)
Sub-Total	-	-	-	-	-	-
Closing Work-in-process	-	-	-	-	-	-
Finished Goods Production	-	-	-	-	-	-
2. Conversion Cost :						
Opening Work-in-Process	0.75	1.42	-	-	-	2.17
Equivalent Production	(0.75)	(1.42)	-	-	-	(2.17)
Sub-Total	-	-	-	-	-	-
Closing Work-in-Process	-	-	-	-	-	-
Finished Goods Production	-	-	-	-	-	-
Opening Stock of Finished Goods	-	-	-	-	-	-
Goods available for Sales	-	-	-	-	-	-
3. Sales :						
Local Sales	-	-	-	-	-	-
Foreign Sales	-	-	-	-	-	-
Total Sales	-	-	-	-	-	-
Closing Stock of Finished Goods	-	-	-	-	-	-
Sales of Work-in-Process	1.00	1.89	-	-	-	2.89



Daulatpur Jute Mills Ltd.
Town Khalishpur, Khulna.

Schedule of Fixed Assets for the year ended 30th June 2022.

Schedule-1.00

Sl. #	Particulars	Original Cost			Revaluation Increased	Total as on 30.06.2022	Depreciation on Original Cost			Total Original Cost 30.06.2022
		Original Cost on 01.07.2021	Addition during the year	Disposal/Sales			Sub-Total	Opening balance as on 01.07.2021	Charge during the year	
1	Land	47,750,400	-	-	47,750,400	1,980,025,000	-	-	-	15,000
2	Land Development	350,290	-	-	350,290	5,824,000	5,473,710	12,000	3,000	637,502
3	Building & Other Construction	18,008,831	-	-	18,008,831	155,867,000	137,858,169	505,502	132,000	960,573
4	Plant, Machinery & Equipment's	29,027,539	-	-	29,027,539	230,584,720	201,557,181	759,330	201,243	16,780
5	Furniture & Fixture	634,285	-	-	634,285	1,103,000	468,715	13,420	3,360	1,562,282
6	Vehicles	1,608,000	-	-	1,608,000	1,608,000	-	1,236,242	326,040	40,840
7	Sundry Assets	621,978	28,510	-	621,978	960,450	338,472	25,000	15,840	-
8	Biological Assets (Tree)	-	28,510	-	28,510	3,408,510	3,380,000	-	-	-
	Total	98,001,323	28,510	-	98,029,833	2,379,380,680	2,281,350,847	2,551,494	681,483	3,232,977

Sl. #	Particulars	Depreciation on Revaluation Value			Total Revaluation Cost 30.06.2022	Total Depreciation	Written down Value			Total Assets as on 30.06.2022
		Opening balance as on 01.07.2021	Charge during the year	Disposal/Sales			On Original Cost	On Revaluation	14+15=16	
1	Land	-	-	-	-	-	3-8=14	4-11=15	14+15=16	
2	Land Development	1,107,000	273,000	-	1,380,000	276,000	47,750,400	1,932,274,600	1,980,025,000	
3	Building & Other Construction	28,344,000	6,892,000	-	35,236,000	7,024,000	335,290	4,093,710	4,429,000	
4	Plant, Machinery & Equipment's	58,305,000	14,109,000	-	72,414,000	14,310,243	17,371,329	102,622,169	119,993,498	
5	Furniture & Fixture	146,000	28,000	-	174,000	31,360	28,066,966	129,143,181	157,210,147	
6	Vehicles	-	-	-	-	326,040	617,505	294,715	912,220	
7	Sundry Assets	111,000	20,000	-	131,000	35,840	45,718	207,472	788,610	
8	Biological Assets (Tree)	-	-	-	-	-	28,510	3,380,000	3,408,510	
	Total	88,013,000	21,322,000	-	109,335,000	22,003,483	94,796,856	2,172,015,847	2,266,812,703	



Daulatpur Jute Mills Ltd.

Town Khalishpur, Khulna.

Notes to the Financial Statements for the year ended 30th June, 2022.

A. Legal form of the Enterprise :

Daulatpur Jute mills is a public limited company and was incorporated in the then East Pakistan under the Company Act 1913 subsequently by the Company Act 1994. The mill was placed under the control and management of Bangladesh Jute Mills Corporation (BJMC) under P.O.27 of 1972. Subsequently Bangladesh Industrial Nationalization Act, Order 25, year of 2018, date : 29th July, 2018.

B. Nature of Business :

The principal activities of the company is manufacturing of Hessian & Sacking jute cloth for local and export sale .

C. Significant Accounting Policies :

The mill follows an integrated accounting system. These accounts have been prepared on a going concern basis under historical cost convention based on the generally accepted accounting principles consistently applied.

D. Basis of Presentation :

Financial Statement presentation follows the formats recommended in the International Financial Reporting Standards.

E. Fixed Assets :

The Fixed Assets are shown at cost & Revaluation less accumulated depreciation. Revaluation was made in the First time Revaluation year 1992-93 & 2nd time 2016-17 and increased value transferred to Capital Reserve

F. Depreciation :

Fixed Assets were depreciated at straight line method @ 2.5% to 25% according to the type of assets.

G. Foreign Currency Transaction:

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

H. Service Benefits :

- (a) The factory is maintaining a contributory Provident Fund for its every permanent employee.
- (b) The factory also provides Gratuity benefit to its every permanent employee equivalent to two months last basic wages/salary for each completed year of service.

I. Taxation :

The Company was incurring loss since long but in this time the company is incurring to earn loss. So, provision for company income tax has not been made in the accounts during these financial year .

J. Liabilities for Expenses :

Provision for certain expenses and known liabilities were made in the accounts during the year under audit. These type of liabilities must be paid/adjusted after having actual bill/expenses. In our opinion, these should not be carried forward years after year.

K) Reporting period :

The financial statements of the company cover the period from 1st July, 2021 to 30th June, 2022 consistently.

