

Final

KARIM JUTE MILLS LTD.
Demra, Dhaka.

Auditors' Report to the Financial Statements
Of
Karim Jute Mills Ltd.
For the financial year 30th June, 2025

M A Fazal & Co.

Chartered Accountants

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Independent Auditors' Report
Of
Karim Jute Mills Limited
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, 2025** 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, 2025** 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. The Source tax amounting to Tk. 1,173,260/- has been presented as Advance Tax in the Statement of Profit or Loss and Other Comprehensive Income instead of being recognized as income tax expense, which is non-compliance with the requirements of IAS 12.
In addition, rental income tax of Tk. 661,572 relating to Karim Chamber should be recognized as Advance Income Tax (current tax asset) in the Statement of Financial Position, to the extent that it is recoverable against future tax liabilities. (Note 42)
3. We noted that the prior year adjustment of **Tk. (23,093,569)/-** (Note 11.01) 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.
4. As disclosed in Note 6.00 to the financial statements, the entity has recognized an amount of Tk. 11,005,640 as Interim Revenue Support Receivable, originating from FY 1994-95 and FY 1995-96, which has been carried forward for several decades without any realization.





No evidence of recovery efforts, confirmation from the relevant authority, or assessment of recoverability was made available to us. The continued recognition of such long-outstanding receivable without impairment assessment is not consistent with the requirements of IAS 36 Impairment of Assets and IFRS 9 Financial Instruments, and may result in overstatement of assets.

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:

- Except for the matters as referred to in the qualified opinion paragraph of our report. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- In our opinion, except for the matters as referred to in the qualified opinion paragraph of our report, proper books of accounts as required by law have been kept by the Corporation so far as it appeared from our examination of those books; and
- Except for the matters as referred to in the qualified opinion paragraph of our report, The statements of financial position and statement of profit or loss and other comprehensive income, dealt with by the report are in agreement with the books of account and returns.

Dated, Dhaka

18 FEB 2026

Md. Abul Basher, FCA

Managing Partner

M A Fazal & Co.

Chartered Accountants

ICAB Enrollment No. 0840

FRC Enlistment No. CA-001-112



DVC: **2602180840AS61293**

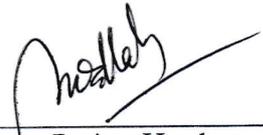
Karim Jute Mills Limited
Demra, Dhaka
Statement of Financial Position
As at 30 June, 2025

Particulars	Notes	Amount in Taka	
		FY 2024-2025	FY 2023-2024
A. Property & Assets			
Non-Current Assets		11,809,661,849	11,851,808,659
Property, Plant & Equipment	1.00	11,809,661,849	11,851,808,659
Current Assets		618,851,712	597,216,875
Inventory	2.00	168,845,598	168,690,619
Accounts Receivable	3.00	311,275,564	308,716,548
Due from BJMC Mills	4.00	71,590,405	75,849,383
Advances, Deposits & Prepayments	5.00	11,336,640	10,621,110
Interim Revenue Support Receivable	6.00	11,005,640	11,005,640
Cash & Bank Balances	7.00	44,797,865	22,333,575
Total Property & Assets		12,428,513,561	12,449,025,534
B. Equity & Liabilities			
Capital & Reserve		3,216,214,331	3,373,878,826
Issued, Subscribed & paid up	8.00	9,900,000	9,900,000
Government Equity Contribution	9.00	75,726,829	75,726,829
Reserve	10.00	11,730,214,785	11,762,376,184
Retained Earnings	11.00	(8,599,627,283)	(8,474,124,187)
Non-Current Liabilities		8,176,981,028	8,104,479,228
Long Term Loan	14.00	8,034,515,768	7,968,841,768
Gratuity Liabilities (Provision)	15.00	142,465,260	135,637,460
Current Liabilities		1,035,318,202	970,667,480
BJMC Current Account	13.00	740,271,732	682,145,459
Bank Overdraft	16.00	114,168,824	114,168,824
Liabilities for Goods	17.00	1,099,440	1,123,224
Liabilities for Expenses	18.00	45,551,425	60,596,309
Liabilities for Other Finance	19.00	38,190,422	34,265,400
Due to BJMC Mills	20.00	22,576,317	18,893,832
Gratuity Payable Account (Current)	21.00	73,460,042	59,474,432
Total Equity & Liabilities		12,428,513,561	12,449,025,534

Accompanying notes from 1 to 42 form an integral part of these Financial Statements



Accounts Head
মোহাম্মদ আলোয়ার হোসেন
ব্যবস্থাপক (হিসাব ও অর্থ)
ও
হিসাব বিকাশের প্রধান
করিম জুটে মিলস্ লিমিটেড
ডেমরা, ঢাকা।



Project Head
মোহাম্মদ এনায়েত উল্লাহ
উপ-মহাব্যবস্থাপক (প্রকল্প প্রধান)
করিম জুটে মিলস্ লিমিটেড
সাকলিয়া, ডেমরা, ঢাকা।
Signed in terms of our report of even date.

Dated, Dhaka

18 FEB 2026



Md. Abul Basher, FCA

Managing Partner

M A Fazal & Co.

Chartered Accountants

ICAB Enrollment No. 0840

FRC Enlistment No. CA-001-112

DVC: 2602180840AS612931

Karim Jute Mills Limited
Demra, Dhaka
Statement of Profit or Loss and Others Comprehensive Income
For the year ended 30th June, 2025

Particulars	Notes	Amount in Taka	
		FY 2024-2025	FY 2023-2024
INCOME			
Foreign Sales	22.00	-	-
Local Sales	23.00	-	938,519
Local sales(CWIP)		-	-
Total Sales		-	938,519
Subsidy	24.00	-	-
Total Income		-	938,519
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	104,037,338	101,004,736
Power/Electricity	32.00	2,005,170	2,013,558
Fuel	32.00	101,731	118,494
Repairs & Maintenance	33.00	1,444,247	2,650,313
Depreciation	34.00	11,717,530	11,771,488
Insurance	35.00	333,553	225,553
Other Factory Overhead	36.00	-	-
Sub Total		119,639,569	117,784,142
Closing Work-in-Process	29.00	-	-
Total Conversion Cost: B		119,639,569	117,784,142
Cost of Production (A + B)		119,639,569	117,784,142
Opening Stock of F/Goods	37.00	-	838,655
Sub Total		119,639,569	118,622,797
Closing Stock of F/Goods	38.00	-	-
Cost of Goods Sold		119,639,569	118,622,797
Administrative Expenses	39.00	2,013,653	12,886,311
Selling Expenses	40.00	-	-
Total Operating Expense		121,653,222	131,509,108
Operating Profit/(Loss)		(121,653,222)	(130,570,589)
Non - Operating Income	41.00	21,078,527	29,937,643
Net Profit/Loss before tax		(100,574,695)	(100,632,946)
Rent, rates & Taxes/ AIT	42.00	1,834,832	3,634,979
Net Profit/Loss after tax		(102,409,527)	(104,267,925)

Accompanying notes from 1 to 42 form an integral part of these Financial Statements

Accounts Head

মোহাম্মদ আনোয়ার হোসেন
ব্যবস্থাপক (হিসাব ও অর্থ)
হিসাব বিভাগীয় প্রধান
করিম জুট মিলস্ লিমিটেড
ডেমরা, ঢাকা।

Dated, Dhaka

18 FEB 2026

Project Head

মোহাম্মদ এনায়েত উল্লাহ
স্বাক্ষরিত করি।
করিম জুট মিলস্ লিমিটেড
সারুলিয়া, ডেমরা, ঢাকা।

Md. Abul Basher, FCA

Managing Partner

M A Fazal & Co.

Chartered Accountants

ICAB Enrollment No. 0840

FRC Enlistment No. CA-001-112

DVC: 2602180840AS612931



Karim Jute Mills Limited
Demra, Dhaka
Statement of Changes in Equity
As at 30 June, 2025

Particulars	Share Capital	Equity Contribution	Reserve	Accumulated profit/(loss)	Total
Balance as on 01 July, 2024	9,900,000	75,726,829	12,048,317,817	(8,474,124,187)	3,659,820,459
Adjustment for revaluation	-	-	-	-	-
Decreasing Revaluation of Land	-	-	(149,937,421)	-	(149,937,421)
Accum. Depreciation of Revaluation Asset	-	-	(178,645,190)	-	(178,645,190)
Revenue Reserve	-	-	10,479,579	-	10,479,579
Prior year adjustment	-	-	-	(23,093,569)	(23,093,569)
Net profit/(loss) after tax for the Year	-	-	-	(102,409,527)	(102,409,527)
Balance as on 30 June, 2025	9,900,000	75,726,829	11,730,214,785	(8,599,627,283)	3,216,214,331

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

Accounts Head

মোহাম্মদ আলোয়ার হোসেন
Dated, Dhaka. ব্যবস্থাপক (কিসাব ও অর্থ)

18 FEB 2025 হিসাব বিচারীর প্রধান
করিম জুট মিলস্ লিমিটেড
ডেমরা, ঢাকা।



Project Head
মোহাম্মদ এনায়েত উল্লাহ
উপ-মহাব্যবস্থাপক (প্রকল্প প্রধান)
করিম জুট মিলস্ লিমিটেড
সারুলিয়া, ডেমরা, ঢাকা।



KARIM JUTE MILLS LIMITED

Demra, Dhaka.

Statement of Cash Flows

For the year ended 30th June, 2025

SI. No.	Particulars	Amount in Taka	
		FY 2024-2025	FY 2023-2024
A.	Cash flow from Operating Activities:		
	Net Profit/(loss) for the year	(102,409,527)	(104,267,925)
	Prior year Adjustment	(23,093,569)	61,997,362
	Depreciation on Revaluation	32,161,399	32,161,399
	Depreciation	11,717,530	11,771,488
	Adjustment to Reconcile Net loss	(81,624,167)	1,662,324
	Stock of Stores & Spares	(154,979)	710,955
	Debtors Less provision	(2,559,016)	11,889,730
	Due from BJMC Mills	4,258,978	(237,491)
	Advance, Deposits & Prepayments	(715,530)	534,520
	Interim Revenue Support Receivable	-	-
	Bank Overdraft	-	50,000
	Liabilities for Goods	(23,784)	(324,503)
	Liabilities for Expense	(15,044,884)	6,193,756
	Due To BJMC Jute Mills	3,682,485	-
	Gratuity Liabilities (Provision)	6,827,800	9,651,860
	BJMC Current Account	58,126,273	46,128,949
		54,397,343	74,597,776
	Net Cash used by operating Activities	(27,226,824)	76,260,100
B.	Cash Flows from Investing Activities:		
	Fixed Assets Addition	(1,732,119)	(64,090)
	Sales Proceeds	-	-
	Revaluation Downward	-	-
	Long Term loan	65,674,000	-
	Net Cash used by investing Activities	63,941,881	(64,090)
C.	Cash Flows From Financing Activities:		
	Liabilities for other Finance	3,925,022	(7,780,870)
	Reserve	(32,161,399)	(108,955,520)
	Gratuity Payable Account (Current)	13,985,610	12,510,376
	Cash Provided from Financing Activities :	(14,250,767)	(104,226,014)
	Increase / (Decrease) in cash & bank balance: (A+B+C)	22,464,290	(28,030,004)
	Add: Opening Cash & Bank balance As on 01.07.2024	22,333,575	50,363,580
	Closing cash & Cash Equivalents as on 30.06.2025	44,797,865	22,333,575

Accounts Head



Project Head
মোহাম্মদ এনায়েত উল্লাহ
উপ-মহাব্যবস্থাপক (প্রকল্প প্রধান)
করিম জুট মিলস্ লিমিটেড
সাকলিয়া, ডেমরা, ঢাকা।

Dated, Dhaka 10 JUNE 2025
মোহাম্মদ আমোয়ার হোসেন
ব্যবস্থাপক (হিসাব ও অর্থ)
হিসাব বিভাগীয় প্রধান
করিম জুট মিলস্ লিমিটেড
ডেমরা, ঢাকা।

Karim Jute Mills Limited
Notes to the Financial Statement and Significant Account Policies Notes
For the Year ended June 30, 2025

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 Finalcial 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

ii) Accounting Period:

These financial statements of the Company cover the financial year from 1st July 2024 to 30th June 2025 with comparative figures for the financial year from 1st July 2023 to 30th June 2024 is followed consistently.

iii) Components of Financial Statements:

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

i) Statement of Financial Position as at June 30, 2025

ii) Statement of comprehensive income for the year ended June 30, 2025

iii) Statement of Cash Flow for the year ended June 30, 2025

iv) Statement of Changes in Equity for the year ended June 30, 2025

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.

