

**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, 2025**

**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, 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.

**Matter of Emphasis:**

01. Proper reconciliation of BJMC current account and BJMC Mills was not found.
02. We have sent balance confirmation letters in respective Banks which are yet to be received.
03. Land ownership documents were not found, and land tax has not been paid for the last three years.
04. Appropriate supporting documents for the long-term loan were unavailable for verification.

**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) 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;
- b) 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
- c) 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. 28 JAN 2026



**Md. Abul Basher, FCA**

Managing Partner

**M A Fazal & Co.**

Chartered Accountants

ICAB Enrollment No: 0840

FRC Enrollment No: CA-001-112

DVC:2601280840AS348020

**Baghdad-Dhaka Carpet Factory**  
North Kattali, Chattogram.  
**Statement of Financial Position as on 30th June, 2025**

Particulars	Notes	Amount (Tk.)	
		30.06.2025	30.06.2024
<b>Property &amp; Assets :</b>			
<b>A. Non-Current Assets :</b>			
At Cost/Revaluation Less Accumulated Depreciation	1.00	2,440,254,145	2,447,407,245
Investment	2.00	-	-
<b>B. Current Assets :</b>			
Stock & Stores	3.00	98,929,375	100,670,642
Debtors	4.00	15,174,578	15,165,988
Due from BJMC Mills	5.00	3,006,344	3,010,809
Advance, Deposit & Pre-Payments	6.00	58,083,946	57,361,781
Contingent Assets	7.00	5,517,623	2,555,667
Interim Revenue Support Receivable	8.00	-	3,289,560
BJMC Current Account	9.00	-	-
Cash & Bank Balance	10.00	-	-
		17,146,884	19,286,837
<b>Total Property &amp; Assets</b>		<b>2,539,183,520</b>	<b>2,548,077,887</b>
<b>Capital &amp; Liabilities :</b>			
<b>C. Authorized Capital</b>	11.00	-	-
<b>D. Equity &amp; Retained Earnings :</b>			
		<b>1,044,446,899</b>	<b>1,087,667,779</b>
Issued, Subscribed & Paid-up Capital	12.00	-	-
Govt. Equity Contribution	13.00	55,301,999	55,301,999
Reserves	14.00	2,254,547,746	2,260,817,746
Retained Earnings	15.00	(1,265,402,846)	(1,228,451,966)
<b>E. Long Term Liabilities :</b>			
		<b>1,431,053,740</b>	<b>1,394,069,110</b>
BJMC Current Account	16.00	260,529,239	227,096,614
Long Term Loan	17.00	1,145,872,681	1,145,623,176
Gratuity Liabilities (Provision)	18.00	24,651,820	21,349,320
<b>F. Current Liabilities :</b>			
		<b>63,682,881</b>	<b>66,340,998</b>
Bank Overdraft	19.00	-	-
Liabilities for Goods	20.00	12,253	19,506
Liabilities for Expenses	21.00	28,967,176	19,735,330
Liabilities for Other Finance	22.00	6,964,695	12,636,744
Due to BJMC Mills	23.00	12,455,048	17,800,646
Due to A.K. Khan Jute Mills		3,714,988	3,714,988
Gratuity Payable Account (Current)	24.00	11,568,720	12,433,784
<b>Total Capital &amp; Liabilities</b>		<b>2,539,183,520</b>	<b>2,548,077,887</b>

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

  
Deputy Manager (Accounts) and  
Head of Department

  
Head of Project

Signed in terms of our report of even date.

Dated, Dhaka. 28 JAN 2026



  
Md. Abul Basher, FCA  
Managing Partner

M A Fazal & Co.

Chartered Accountants

ICAB Enrollment No: 0840

FRC Enrollment No: CA-001-112

DVC: 2601280840AS348020

## Baghdad-Dhaka Carpet Factory

North Kattali, Chattogram.

### Statement of Changes in Equity for the year ended 30th June, 2025

Particulars	Share Capital	Govt. Equity Contribution	Reserve	Retained Earning	Total
Opening Balance as on 01.07.2024	-	55,301,999	2,260,817,746	(1,228,451,966)	1,087,667,779
Add : Net Profit /(Loss)	-	-	-	(7,911,897)	(7,911,897)
Add : Prior years adjustment	-	-	-	(29,038,982)	(29,038,982)
Less : Depreciation on Reserve	-	-	(6,270,000)	-	(6,270,000)
Add : Reserve agst. Sale of Fixed Assets	-	-	-	-	-
Closing Balance as on 30.06.2025	-	55,301,999	2,254,547,746	(1,265,402,846)	1,044,446,899

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

Particulars	Share Capital	Govt. Equity Contribution	Reserve	Retained Earning	Total
Opening Balance as on 01.07.2023	-	55,301,999	2,266,960,929	(1,212,025,280)	1,110,237,648
Add : Net Profit /(Loss)	-	-	-	(15,872,516)	(15,872,516)
Add : Prior years adjustment	-	-	126,817	(554,171)	(427,354)
Less : Depreciation on Reserve	-	-	(6,270,000)	-	(6,270,000)
Add : Reserve agst. Sale of Fixed Assets	-	-	-	-	-
Closing Balance as on 30.06.2024	-	55,301,999	2,260,817,746	(1,228,451,966)	1,087,667,779

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



Deputy Manager (A & F) and  
Head of Department



Head of Project

Dated, Dhaka.



## Baghdad-Dhaka Carpet Factory

North Kattali, Chattogram.

### Statement of Cash Flows for the year ended 30th June, 2025

Particulars	Amount (Tk.)	
	2024-2025	2023-2024
Net Profit/(Loss) for the year	(7,911,897)	(15,872,516)
Previous Year's Adjustment	(29,038,982)	(554,171)
Depreciation	902,000	901,200
<b>Adjustment to Reconcile Net Loss</b>	<b>(36,048,879)</b>	<b>(15,525,487)</b>
<b>Cash Provided by the Operating Activities :</b>		
Stock & Stores	(8,590)	(12,450)
Book Debts	4,465	172,163
Advance, Deposits & Prepayments	(2,961,956)	97,260
Contingent Assets	3,289,560	-
BJMC Current A/C	33,432,625	(691,635)
Due from BJMC Jute Mills	(722,165)	691,119
Due to BJMC Jute Mills	(5,345,598)	5,037
Liabilities for Goods Supply	(7,253)	(4,023)
Liabilities for Expenses	9,231,846	1,029,622
Liabilities for Other Finance	(5,672,049)	5,086,561
	<b>31,240,886</b>	<b>6,373,654</b>
<b>Cash Provided form Operating Activities</b>	<b>(4,807,994)</b>	<b>(9,151,833)</b>
<b>Cash Flow from Investing Activities :</b>		
Fixed Assets Addition	(18,900)	(363,426)
<b>Cash Provided from Investing Activities</b>	<b>(18,900)</b>	<b>(363,426)</b>
<b>Cash Flow from Financing Activities :</b>		
Retiring Fund	3,302,500	1,702,100
Grant for Gratuity	(865,064)	(2,191,454)
Long Term & Others	249,505	-
Bank Overdraft	-	-
Capital	-	-
Reserves	-	126,817
<b>Cash Provided from Financing Activities</b>	<b>2,686,941</b>	<b>(362,537)</b>
Increase/(Decrease) in Cash & Bank Balance	(2,139,953)	(9,877,796)
Add : Opening Cash & Bank Balance as on 01.07.2024	19,286,837	29,164,633
<b>Closing Cash &amp; Bank Balance as on 30.06.2025</b>	<b>17,146,884</b>	<b>19,286,837</b>

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

  
Deputy Manager (A & F) and  
Head of Department

  
Head of Project



## Baghdad-Dhaka Carpet Factory

North Kattali, Chattogram.

### Statement of Changes in Working Capital for the year ended 30th June, 2025

Sl. #	Particulars	2024-2025	2023-2024	Increase/ (Decrease)
<b>A.</b>	<b><u>Current Assets :</u></b>			
	Stock & Stores	15,174,578	15,165,988	8,590
	Debtors	3,006,344	3,010,809	(4,465)
	Due from BJMC Mills	58,083,946	57,361,781	722,165
	Advance, Deposit & Pre-Payments	5,517,623	2,555,667	2,961,956
	Contingent Assets	-	3,289,560	(3,289,560)
	Cash & Bank Balance	17,146,884	19,286,837	(2,139,953)
	<b>Total Current Assets</b>	<b>98,929,375</b>	<b>100,670,642</b>	<b>(1,741,267)</b>
<b>B.</b>	<b><u>Current Liabilities :</u></b>			
	Liabilities for Goods	12,253	19,506	(7,253)
	Liabilities for Expenses	28,967,176	19,735,330	9,231,846
	Liabilities for Other Finance	6,964,695	12,636,744	(5,672,049)
	Due to BJMC Mills	12,455,048	17,800,646	(5,345,598)
	Due to A.K. Khan Jute Mills	3,714,988	3,714,988	-
	Gratuity Payable Account (Current)	11,568,720	12,433,784	(865,064)
	<b>Total Current Liabilities</b>	<b>63,682,881</b>	<b>66,340,998</b>	<b>(2,658,117)</b>
	<b>Net Working Capital (Decrease) : (A-B)</b>	<b>35,246,494</b>	<b>34,329,644</b>	<b>916,850</b>



## Baghdad-Dhaka Carpet Factory

North Kattali, Chattogram.

### Notes to the Financial Statements for the year ended 30th June, 2025.

**A. Legal form of the Enterprise :**

The Factory was established by BJMC in 1979-80. Installed Capacity of the mills is 10 Looms, 10 Spinning's Frames with 1000 Spindles having a Production Capacity of 1800 M. Ton Yarn per year. The factory are producing export yarn in stead of Jute carpet from 25.10.2003 due to low demand of carpet in the International market and to avoid huge losses as per direction of BJMC.

**B. Nature of Business :**

The principal activities of the company was manufacturing, local sale and export of jute yarn.

**C. Significant Accounting Policies :**

The mill follows an integrated accounting system. These accounts have been prepared on a going concern basis under historical cost conversion 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

**E. Cash and Cash Equivalents :**

Cash in hand and cash at bank have been considered as cash and cash equivalents for the preparation of these financial statements, which were held and are available for use by the factory without any restriction. There was no significant risk of changes in value of these current assets.

**F. Fixed Assets :**

First time Revaluation was made in the year 1992-93 and Second time Revaluation was made in the year 2016-2017. The Fixed Assets are shown at cost & Revaluation less accumulated depreciation as well as increased value transferred to Capital Reserve Account as per BJMC Guide Line.

**G. Depreciation :**

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

**H. Foreign Currency Transaction:**

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

**I. Service Benefits :**

- (a) The factory is maintaining a contributory Provident Fund for its every permanent employee. The subscription of the members is @ 10.00% and the factory is providing contribution to the Fund @ 8.33% of basic salary of each 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.

**J. Taxation :**

The factory is incurring loss since long. This year the factory also incurred loss. On the other hand source tax deducted on export proceeds have adjusted against company tax.

**K. Liabilities for Expenses :**

Provision for certain expenses and known liabilities were made in the accounts during the year under audit.

**L. Reporting period :**

The financial statements of the factory cover the period of July 01, 2024 to June 30, 2025 consistently.

- M. Present Status of the Company:** At present the factory production has been closed from 1st July, 2020 as per government order no 24.00.0000.118.18.057.20.104 dated on June 30, 2020.

