

Private & Confidential

Khalishpur Jute Mills Ltd.
Town- Khalishpur, Khulna

Auditor's Report and Financial Statements
Of
Khalishpur Jute Mills Ltd
For the year ended 30th June 2025.

M A FAZAL & CO.

Chartered Accountants



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Independent Auditor's Report
Of
Khalishpur Jute Mills Ltd.
Report on the Audit of the Financial Statements

Opinion

We have audited financial statements of **Khalishpur Jute Mills Ltd.** which comprise the Statement of Financial Position as at 30 June 2025 and related the Statement of manufacturing, trading And Profit/(loss) & Others Comprehensive Income, 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 of the Company gives a true and fair view of the Statement of Financial Position as at 30 June 2025, 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 Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' 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 the 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.

Matter of Emphasis

01. An amount of Tk. 1,223,025.00 has been shown as Investments in Schedule. No. 2.00 attached with the financial statement which is unverified in absence of documents.
02. The balance sheet shows Prior Year Adjustments with a debit of 101,294,610.00 and a credit of 76,891,720.00, but appropriate supporting documents and Calculation were not found.
03. According to memorandum Authorised Capital and Paid-up capital Tk 25,000,000 and Tk.20,000,000 respectively. While in the Financial Statements those amounting Tk 50,000,000 and 23,540,000 respectively.
04. Inter-Project Transactions and Interim Revenue Support Receivables remain unverified due to adequate supporting documents and the absence of proper reconciliation, as disclosed in Notes 05, 07, and 21 to the financial statements.





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 statements 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 Concern'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 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.





- 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 that:

- Except for the matters as referred to in the matter of Emphasis of our report. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- In our opinion, except for the matters as referred to in the matter of Emphasis of our report, Proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books,
- Except for the matters as referred to in the matter of Emphasis of our report. The statement of financial position and statement of Manufacturing, Trade and Profit/(Loss) & Other comprehensive income and Cash Flows dealt with by the report are in agreement with the books of account and returns;

Dated, Dhaka

22 FEB 2026



Md. Abul Basher

Md. Abul Basher, FCA
Managing Partner
M A FAZAL & CO.
Chartered Accountants
ICAB Enrollment No: 0840
FRC Enlistment No: CA-001-112

DVC: **2602220840AS938380**

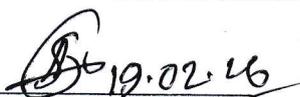
Khalishpur Jute Mills Ltd.

Town Khalishpur, Khulna.

Statement of Financial Position as on 30th June, 2025

Sl. #	Particulars	Notes/Sch.	Amount (Tk.)	
			30.06.2025	30.06.2024
A.	Property, Plant & Equipment (Non Current Assets):			
	At Cost/Revaluation less accumulated depreciation	1.00	11,822,318,693	11,951,194,566
	Investment	2.00	1,223,025	1,223,025
	Total Non Current Assets :		11,823,541,718	11,952,417,591
B.	Current Assets :			
	Stock, Stores & Spares	3.00	32,288,428	32,286,119
	Debtors (Less : Provisions)	4.00	31,401,907	31,401,907
	Due from BJMC Mills	5.00	103,912,902	103,912,902
	Advance, Deposit & Pre-Payment	6.00	6,676,350	7,050,430
	Interim Revenue Support Receivable	7.00	23,164,884	23,164,884
	BJMC Current Account	8.00	426,875,842	478,857,177
	Cash, Bank & Cash Equivalents	9.00	7,651,881	22,625,548
	Total Current Assets :		631,972,194	699,298,967
	Total Assets (A+B)		12,455,513,912	12,651,716,558
C.	Capital & Liabilities :			
	Authorized Capital	10.00	50,000,000	50,000,000
D.	Equity & Retained Earnings:			
	Issued, Subscribed & Paid-up Capital	11.00	23,540,000	23,540,000
	Govt. Equity Contribution	12.00	733,847,149	733,847,149
	Reserve & Surplus	13.00	11,573,300,509	11,697,431,922
	Retained Earnings:	14.00	(7,310,963,107)	(7,184,157,356)
	Total Equity & Retained Earnings		5,019,724,551	5,270,661,715
E.	Long term Liabilities :			
	Long term Loan	15.00	7,132,256,675	7,154,881,674
	Gratuity Liabilities (Provision)	16.00	112,735,347	60,476,017
	Total Long term Liabilities :		7,244,992,022	7,215,357,691
F.	Current Liabilities :			
	Bank Overdraft	17.00	76,875,604	76,875,604
	Liabilities for Goods	18.00	3,336,830	3,336,830
	Liabilities for Expenses	19.00	38,593,052	25,725,389
	Liabilities for other Finance	20.00	14,177,588	14,045,310
	Due to BJMC Mills	21.00	8,536,604	8,536,604
	Gratuity Payable Account (Current)	22.00	492,776,611	371,774,151
	Total Current Liabilities :		190,797,339	165,697,152
	Total Capital & Liabilities : (D+E+F)		12,455,513,912	12,651,716,558

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


19.02.26
Manager (Accounts & Finance)

শহীদুল ইসলাম
উপ-ব্যবস্থাপক (হিসাব ও অর্থ) ও
হিসাব ও অর্থ বিভাগীয় প্রধান
খালিশপুর জুট মিলস্ লিঃ
শহর খালিশপুর, খুলনা।


Deputy General Manager

Signed in terms of our report of even date.



Md. Abul Basher, FCA
Managing Partner
M A Fazal & Co.
Chartered Accountants
ICAB Enrollment No: 0840
FRC Enlistment No: CA-001-112

Dated, Dhaka.

22 FEB 2026

DVC:

2602220840AS938380



Khalishpur Jute Mills Ltd.

Town Khalishpur, Khulna.

Statement of Manufacturing, Trading and Comprehensive Income for the year ended 30th June, 2025.

Sl. #	Particulars	Sch. No.	Hessian	Sacking	C.B.C	Yarn	Geo-Jute	Amount (Tk.)	
								2024-2025	2023-2024
Income :									
1	Foreign sales.	25.00	-	-	-	-	-	-	-
2	Local sales.(Scrap)	26.00	-	-	-	-	-	-	56,410,811
3	Local sales(Process goods)	26(a)	-	-	-	-	-	-	-
4	Total Sales : (1+2)		-	-	-	-	-	-	56,410,811
5	Subsidy	26(1)	-	-	-	-	-	-	-
6	Total Income (3+4)		-	-	-	-	-	-	56,410,811
Material Cost :									
7	Opening work-in-process		-	-	-	-	-	-	-
8	Raw Jute Consumed	27.00	-	-	-	-	-	-	-
9	Changes on Raw Jute	28.00	-	-	-	-	-	-	-
10	Other Direct Materials Consumed	29.00	-	-	-	-	-	-	-
11	Sub Total (6 to 9)		-	-	-	-	-	-	-
12	Closing Work in Process		-	-	-	-	-	-	-
13	Total Material Cost (10 -11) :		-	-	-	-	-	-	-
Conversion Cost :									
14	Opening work-in-process		-	-	-	-	-	-	-
15	Wages.	30.00	-	-	-	-	-	-	-
16	Salaries.	31.00	-	78,672,052	-	-	-	78,672,052	79,205,395
17	Power/ Electricity.	32.00	-	3,854,801	-	-	-	3,854,801	3,372,976
18	Fuel	33.00	-	-	-	-	-	-	-
19	Repairs & Maintenance	34.00	-	483,117	-	-	-	483,117	922,033
20	Depreciation.	35.00	-	4,744,460	-	-	-	4,744,460	4,744,460
21	Insurance.	36.00	-	51,302	-	-	-	51,302	97,029
22	Other Factory Overhead.	37.00	-	1,413,302	-	-	-	1,413,302	1,482,406
23	Sub Total (13 to 21):		-	89,219,034	-	-	-	89,219,034	89,824,299
24	Closing Work-in-process.		-	-	-	-	-	-	-
25	Total Conversion Cost (22-23) :		-	89,219,034	-	-	-	89,219,034	89,824,299
26	Cost of Production (12+24):		-	89,219,034	-	-	-	89,219,034	89,824,299
27	Opening Stock of Finished Good.		-	-	-	-	-	-	-
28	Cost of Goods Available for Sales(25+26)		-	89,219,034	-	-	-	89,219,034	89,824,299
29	Closing Stock of Finished Goods.		-	-	-	-	-	-	-
30	Total Cost of Sales (27-28):		-	89,219,034	-	-	-	89,219,034	89,824,299
31	Gross Profit/(Loss) (5-29)		-	(89,219,034)	-	-	-	(89,219,034)	(33,413,488)
32	Administrative expenses	38.00	-	13,602,787	-	-	-	13,602,787	13,840,296
33	Selling expenses	39.00	-	19,440	-	-	-	19,440	101,654
34	Tax Paid at source	40.00	-	59,850	-	-	-	59,850	95,872
35	Total Operating expenses (31 to 33)		-	13,682,077	-	-	-	13,682,077	14,037,822
36	Operating Profit/(Loss) (30-34):		-	(102,901,111)	-	-	-	(102,901,111)	(47,451,310)
Financial Expenses :									
37	Interest (Cash Credit)	41.00	-	-	-	-	-	-	50,000
38	Interest on L.T Loan	42.00	-	-	-	-	-	-	15,000
39	Total Interest (36+37)		-	-	-	-	-	-	65,000
40	Total Profit/(Loss) (35-38)		-	(102,901,111)	-	-	-	(102,901,111)	(47,516,310)
41	Non-Operating Income	43.00	-	498,250	-	-	-	498,250	833,597
42	Total Profit/(Loss) Before Tax (40+41)		-	(102,402,861)	-	-	-	(102,402,861)	(46,682,713)
43	Income Tax		-	-	-	-	-	-	-
44	Net Profit/(Loss) After Tax (41-42) :		-	(102,402,861)	-	-	-	(102,402,861)	(46,682,713)

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

Manager (Accounts & Finance)

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শহর খালিশপুর, খুলনা।

Dated, Dhaka.

22 FEB 2026

DVC:

2602220840AS938380

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Deputy General Manager

Signed in terms of our report of even date.

Md. Abul Basher, FCA

Managing Partner

M A Fazal & Co.

Chartered Accountants

ICAB Enrollment No: 0840

FRC Enlistment No: CA-001-112



Khalishpur Jute Mills Ltd.

Town Khalishpur, Khulna.

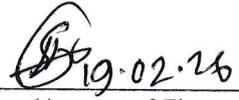
Statement of Changes in Equity for year ended 30th June, 2025

Particulars	Share Capital	Equity contribution	Capital Reserve	Retained Earning	Total
Balance as on 01.07.2024	23,540,000	733,847,149	11,697,431,922	(7,184,157,356)	5,270,661,715
Profit & Loss A/C	-	-	-	(102,402,861)	(102,402,861)
Depreciaion on Re-Valuation Assets	-	-	124,131,413	-	124,131,413
Prior year Adjustment	-	-	-	(24,402,890)	(24,402,890)
Closing Balance as on 30.06.2025	23,540,000	733,847,149	11,573,300,509	(7,310,963,107)	5,019,724,551

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

Particulars	Share Capital	Equity contribution	Capital Reserve	Retained Earning	Total
Balance as on 01.07.2023	23,540,000	733,847,149	13,905,270,092	(7,139,992,016)	7,522,665,225
Profit & Loss A/C	-	-	-	(46,682,713)	(46,682,713)
Depreciaion on Re-Valuation Assets	-	-	124,131,413	-	124,131,413
Less: Revaluation loss on Plant, Machinerics & Equipments	-	-	2,083,706,757	-	
Prior year Adjustment	-	-	-	2,517,373	2,517,373
Closing Balance as on 30.06.2024	23,540,000	733,847,149	11,697,431,922	(7,184,157,356)	5,270,661,715

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


 19.02.26
 Manager (Accounts & Finance)

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 শহর খালিশপুর, খুলনা।




 Deputy General Manager
 কে এম শফিকুল ইসলাম
 প্রকল্প প্রধান
 খালিশপুর জুট মিলস্ লিঃ
 শহর খালিশপুর, খুলনা।

Dated, Dhaka.

22 FEB 2026

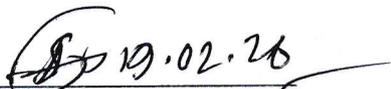
Khalishpur Jute Mills Ltd.

Town Khalishpur, Khulna.

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

Sl. #	Particulars	Amount (Tk.)	
		2024-2025	2023-2024
A.	Cash Flow from Operating Activities :		
	Net Profit/(Loss) for the year	(102,402,861)	(46,682,713)
	Prior year Adjustment	(24,402,890)	2,517,373
	Depreciation	4,744,460	4,744,460
	Total	(122,061,291)	(39,420,880)
	Increase/Decrease in Current Assets :		
	Stock & Stores	(2,309)	154,759
	Debtors	-	
	Due from BJMC Mills	-	
	Advance Deposit & Pre-payments	374,080	883,520
	BJMC Current Account	51,981,335	(12,839,050)
	Total	52,353,106	(11,800,771)
	Increase/Decrease in Current Liabilities :		
	Due to BJMC Mills	-	
	Liabilities for Goods	-	94,618
	Liabilities for Expenses	12,867,663	7,580,953
	Gratuity Liability (Provision)	52,259,330	(22,443,582)
	Gratuity Payable Account(Current)	12,100,246	9,685,584
	Total	77,227,239	(5,082,427)
	Total Net Cash used by Operating Activities:	7,519,054	(56,304,078)
B.	Cash Flow from Investing Activities :		
	Addition of Non Current Assets	-	
	Total Net Cash used by Investing Activities :	-	
C.	Cash Flow from Financing Activities :		
	Bank Overdraft	-	50,000
	Liabilities for Other Finance	132,278	592,202
	Long Term Loan	(22,624,999)	43,956,000
	Total Net Cash provided by Financing Activities :	(22,492,721)	44,598,202
	Net Cash Inflow/Outflow (A+B+C)	(14,973,667)	(11,705,877)
	Cash and Bank Balance at the beginning of the year	22,625,548	34,331,425
	Cash and Bank Balance at the ending of the year	7,651,881	22,625,548

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


19.02.26
Manager (Accounts & Finance)

Dated, Dhaka. 
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22 FEB 2026


Deputy General Manager
কে এম শফিকুল ইসলাম
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শহর খালিশপুর, খুলনা।

Khalishpur Jute Mills Limited
Town Khalishpur, Khulna
Notes to the Financial statements
For the year ended 30 June, 2025

A Company's Background and Nature of Business

A.01 Formation

Khalishpur Jute Mills Ltd. incorporated in then the East Pakistan under the Company Act 1913 subsequently amended in 1994. The mill was placed under the control and management of Bangladesh Jute Mills Corporation (BJMC) under Bangladesh Industrial Enterprises(Nationalization) Order. 25/2018 (Old

A.02 Nature of Business

The principal activities of the company is manufacturing, local sale and export of jute yarn, Hessian, Sacking C.B.C and Geo-Jute.

B.00 Basis For Preparation

B.01 Reporting framework and compliance thereof

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act, 1994 and other relevant local laws and regulations.

B.02 Other Regulatory Compliance

As required, Khalishpur Jute Mills Limited Complies with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations:

- a) The Income Tax ordinance 2023
- b) The Income Tax Rules 2023
- c) The Value Added Tax Act 2012
- d) The Value Added Tax Rules 2016
- e) Securities and Exchange Commission Rules 1987
- f) Security & Exchange Act 1993
- g) Bangladesh Labour Act 2006 Amended in 2013
- h) Bangladesh labour Rules 2015
- i) Public Procurement Rules 2008
- j) Public Procurement Act 2006
- k) The Customs Act 1969
- l) Security & Exchange Ordinance 1969

B.03 Basis of measurement

Measurement is the process of determining the monetary amounts at which the elements of the financial statements are to be recognized and carried in the statement of financial position and profit or loss and other comprehensive income. The measurement basis adopted by the Company is historical cost of property, plant and equipment, financial assets and inventories as disclosed in the accounting policies below.

B.04 Functional and presentational currency and level of precision

These financial statements are presented in Bangladesh Taka (Taka/Tk/BDT) except where indicated otherwise, which is both functional currency and presentation currency of the Company/group. The figures of financial statements have been rounded off to the nearest BDT.

B.05 Use of judgments and estimates

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

B.06 Reporting period

These financial statements of the Company cover the financial year from 01st July 2024 to 30th June 2025 with comparative figures for the financial year from 01st July 2023 to 30th June 2024 is followed

B.07 Comparative information and rearrangement thereof

Comparative figures have been re-arranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

B.08 Going concern

The Financial Statements has been prepared on going concern basis though the company is running under loss. Loss during the year was Tk. 102,402,861 and accumulated loss amount stands at Tk. 7,310,963,107 as of the Financial Position date. The mill has not carried out any operational activities since its complete shutdown in 30 June, 2020

B.09 Accrual basis of accounting

These financial statements have been prepared on a accrual basis of accounting, except for cash flow information. The items of assets, liabilities, equity, income and expenses (the elements of financial statements) have been recognized when they satisfy the definitions and recognition criteria applicable for these elements as mentioned in the Framework.

B.10 Materiality and aggregation

These financial statements present separately each material class of similar items. Dissimilar nature or function items are presented separately unless they are immaterial. Financial statements result from processing large numbers of transactions or other events that are aggregated into classes according to their

C.00 Significant Accounting Policies:

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

C.01 Inventories

- i) Store and Spares are valued at the weighted average cost.
- ii) Store-in-Transit are valued at cost incurred up to the Financial Position date.
- iii) Stock of jute is valued at the cost or net realizable value (selling price) whichever is lower.
- iv) Work-in-process is valued at average cost.

C.02 Physical Inventories

As reported to us, physical inventory of stock, stores and finished goods were carried out during the year under audit by the mills management. Quantity on inventory report was stated as per physical verification and valuation thereof has been made at cost or market price which is lower.

C.03 Cash Flow Statement:

Cash flow statement is prepared in accordance with IAS-7 under indirect method.

C.04 Depreciation

Depreciation charged on Fixed Assets at Straight Line Method at the rates prescribed by BJMC varying from 2.5% to 25% depending on the nature and the useful lives of the assets. Depreciation is charged for full year in the year of acquisition or capitalization irrespective of the date of acquisition or installation.

C.05 Subsequent costs:

The cost of replacing part of an item of property, plant and equipment will recognize in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the concern and its cost can be measured reliably. The cost of the day to day servicing of the property, plant and equipment are recognized in the Statement of Comprehensive Income as incurred.

C.06 Sister Concern

Khalishpur Jute Mills Limited is a sister concern of Bangladesh Jute Mills Corporation. As per Presidential Order no. 27, 1972 the entire management of Khalishpur Jute Mills Limited is controlled and managed by BJMC. Planning and managerial decision for overall functioning of the Mills depends on BJMC. BJMC has full authority to execute contract with third parties on behalf of the company.

C.07 Related Party Transactions

The company in normal course of business has entered into transactions with other entities related party as per International Accounting Standard 24 (IAS-24). Management believes that the terms of related party transactions are not significantly different from that could have been obtained from third parties.

C.08 Provident Fund Scheme

The factory is maintaining a contributory Provident Fund for its every permanent employee. The factory is providing contribution to the Fund equivalent to 8.33 of basic salary of each permanent employee from date of Nov'2017 & each member of provident fund contributes 10% of basic salary.

C.09 Gratuity Scheme

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

C.10 Provisions:

Provisions were made considering risk and un-certainties at best estimate of the probable expenditure that would require to meet the current obligation on the Balance Sheet date.

C.11 Advance, Deposits and Prepayments:

Advances are inutility measured at cost after initial recognition advances are carried at cost less deductions, adjustments or charges to other account, Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to profit and loss account.

C.12 Cash and Cash equivalents:

Cash and cash equivalents include cash in hand, cash at bank which are held and available for use by the concern.

C.13 Others:

i) Previous year's figures have been rearranged where considered necessary to confirm the current year presentation.

ii) Please check the management Report's observation and comments given against different Heads of Accounts.

C.14 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.