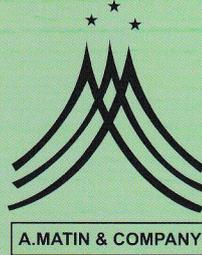


PRIVATE & CONFIDENTIAL

**AUDIT REPORT
&
FINANCIAL STATEMENTS
OF
AMIN JUTE MILLS LTD.**

FOR THE YEAR ENDED ON 30TH JUNE, 2025



**এ.মতীন এন্ড কোং
A.MATIN & COMPANY
CHARTERED ACCOUNTANTS**

**60/2, Halim Palace (1st Floor), Naya Paltan, Dhaka-1000
Phone : 88 0248318191, Mobile : 01713 453596, 01728 039565
E-mail : akmatinmatin@yahoo.com, akmatinmatinbd29@gmail.com
www.amatin.co**



এ. মতীন এন্ড কোং
A. MATIN & CO.
Chartered Accountants

Independent Auditor's Report

To the Board of Directors/ General Manager(Project Head) of Amin Jute Mills Ltd.

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Amin Jute Mills Ltd. (the "Company"), which comprise the Statement of Financial Position as at 30 June 2025 and along with 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 30 June 2025, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the matter discussed in the Basis for Qualified Opinion section of our report, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 30 June 2025 and of its financial performance and its cash flows for the period then ended 30 June 2025 in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994 and other applicable laws and regulation.

Basis for Qualified Opinion

With modification to this report, we would like to state that-

- 1.The Company has accumulated losses of BDT 11,507,837,823 as at 30 June 2025 and has been incurring losses for several years. Operations have remained suspended since the 2020–2021 financial year in accordance with a circular issued by the Ministry of Textiles and Jute of the People's Republic of Bangladesh dated 30 June 2020. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern in accordance with IAS 1.
2. As disclosed in Note 10.00, although the Company provided the Memorandum and Articles of Association, we were unable to verify the share capital balance due to the absence of updated RJSC Schedule X and Form XII. In the absence of these statutory documents, we could not obtain sufficient appropriate audit evidence regarding the accuracy and completeness of the share capital as required under ISA. The Company is required to maintain and update such statutory filings in accordance with the Companies Act 1994 Section-36.
- 3.As disclosed in Note 6.01(b), an amount of Tk. 7,694,914 recoverable from Mr. Johiruddin Ahmed Chowdhury, Assistant Manager (Marketing), has been carried forward for an extended period without recovery and is presented under "Advance against Audit Objection." The matter is currently under litigation (Money Case No. 34/2011 and 56/2021). In the absence of an impairment assessment or adequate provision, the recoverable balance may be overstated, contrary to the requirements of IFRS 9.
4. As disclosed in Note 18.00, the Company has not transferred Provident Fund contributions relating to officers and staff amounting to Tk. 87,729,352. Provident Fund contributions are required to be regularly credited and deposited into the Provident Fund Trust. The failure to transfer these contributions may constitute non-compliance with applicable statutory requirements and may expose the Company to potential penalties and additional liabilities.
- 5.A total of 10.98 acres of land is legally registered in the name of the Company; however, the land is not under the control or possession of the Company and is currently subject to dispute. In the absence of control over and access to the property, recognition of this land as Property, Plant and Equipment may not meet the recognition criteria under IAS 16, which requires that an asset be controlled by the entity and that future economic benefits are probable.
6. As disclosed in Note 1(c), Note 12(a), and Note 28, the Company has recognized depreciation of Tk. 4,417,308 in Profit or Loss based on the original cost of revalued assets. However, depreciation on the revalued portion amounts to Tk. 24,059,800 has not been charged to Profit or Loss as required by IAS 16 and has instead been adjusted directly against the Revaluation Reserve.

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 Entity 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 the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter Paragraph:

1. As disclosed in Note 2.00, the Company's investments in the share capital of various companies amounting to Tk. 1,612,932 could not be verified due to the absence of supporting documentation. In the absence of sufficient appropriate audit evidence, as required under ISA-500, we are unable to determine whether these investments are fairly stated in the financial statements in accordance with IFRS 9. Instances are given below:



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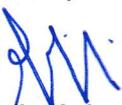


- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) 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 disclosures in 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.
- e) 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.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act- 1994, Financial Reporting Council - Financial Reporting Framework & the rules and regulations issued by regulatory authorities, We also report the following:

- (i) 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;
- (ii) 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;
- (iii) the statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account.


(Monika Nashat Matin, FCA)

ICAB Enrolment No. 1968

A. Matin & Co.,

Chartered Accountants

DVC: 260 225 1968 AS 535620

Place: Dhaka

Date: 25 FEB 2026



Amin Jute Mills Ltd.
Sholashahar, Chattogram.
Statement of Financial Position
As on 30th June, 2025

Sl. No	Particulars	Notes	Amount in Taka	
			30.06.2025	30.06.2024
Property & Assets :				
A. Non Current Assets :				
	At Cost/Revaluation less accumulated depreciation	1.00	23,905,708,674	23,934,102,857
	Investment	2.00	1,612,932	1,612,932
	Total Non Current Assets		23,907,321,606	23,935,715,789
B. Current Assets :				
	Stock & Stores	3.00	33,018,334	33,028,447
	Debtors (Less: Provisions)	4.00	194,731,127	192,035,721
	Due from BJMC Mills	5.00	54,713,510	53,023,254
	Advance, Deposit & Pre-payments (Less: Provisions)	6.00	19,150,931	12,133,597
	Cash & Bank Balance	7.00	43,362,781	107,373,113
	Total Current Assets		344,976,682	397,594,132
	Total Property & Assets : (A+B)		24,252,298,288	24,333,309,921
Capital & Liabilities :				
C. Authorized Capital				
		8.00	50,000,000	50,000,000
D. Shareholders Equity & Loans :				
	Issued, Subscribed & Paid-up Capital	9.00	32,317,920	32,317,920
	Govt. Equity Contribution	10.00	159,037,352	159,037,352
	Accumulated Profit & Loss (Retained Earnings)	11.00	(11,507,837,823)	(11,392,914,285)
	Reserves	12.00	23,792,819,186	23,816,878,986
			12,476,336,635	12,615,319,973
E. Long Term Liabilities				
	Long Term Loan	13.00	10,812,100,954	10,701,569,373
	Gratuity Liabilities (Provision)	14.00	126,921,380	108,401,240
	Total Shareholders Equity & Loan		10,939,022,334	10,809,970,613
F. Current Liabilities :				
	BJMC Current Account	15.00	421,388,606	416,004,372
	Liabilities for Goods	16.00	4,667,813	4,671,365
	Liabilities for Expenses	17.00	161,941,085	161,169,848
	Liabilities for other Finance	18.00	135,310,729	136,143,518
	Due to BJMC Mills	19.00	40,980,677	41,742,671
	Gratuity Payable Account (Current)	20.00	72,650,409	148,287,561
	Total Current Liabilities		836,939,319	908,019,335
	Total Capital & Liabilities : (D+E+F)		24,252,298,288	24,333,309,921

The annexed notes an integral part of these financial statements.


Manager (A & F)

যতন কুমার নাথ
Signed as per our annual financial statement Date.
আমিন জুট মিলস্ লিমিটেড
ষোলশাহর, চট্টগ্রাম।


General Manager (Project Head)
এ এইচ এম কামরুল হাসান
মহাব্যবস্থাপক (প্রকল্প প্রধান)
আমিন জুট মিলস্ লিমিটেড
ষোলশাহর, চট্টগ্রাম।

(Monika Nashat Matin, FCA)

ICAB Enrolment No: 1968

A. Matin & Co.

Chartered Accountants

DVC: 260 225 1968 AS 535620

Place: Dhaka

Date: 25 FEB 2026

Ref: PC-Palash:F-AR:CR-AJML-2024-2025



Amin Jute Mills Ltd.
Sholashahar, Chattogram.
Statement of Comprehensive Income
For the year ended 30th June, 2025

Particulars	Notes/ Sch.	Amount in Taka	
		2024-2025	2023-2024
Sales & Services :			
Local Sales (WIP)		-	-
Local Sales		-	34,780
Foreign Sales		-	-
Subsidy		-	-
Duty Draw Back		-	-
Other Sales		-	883,005
Gross Income :		-	917,785
Cost of Sales and Services :			
Material Cost :			
Opening work in process		-	17,000
Raw Materials Consumed	21.00	-	-
Other Direct Materials	22.00	-	-
Sub-Total :		-	17,000
Less : Closing work-in-process		-	-
Total Material Cost : A		-	17,000
Conversion Cost :			
Opening work-in-process		-	9,000
Wages (02 Month Notice Pay)	23.00	-	-
Salary Officers & Staff	24.00	84,545,388	83,592,531
Power	25.00	2,908,070	3,388,254
Fuel	26.00	-	-
Repair & Maintenance	27.00	336,681	1,237,251
Depreciation	28.00	4,417,308	4,049,200
Insurance	29.00	254,674	555,055
Other Factory Overhead	30.00	8,256,182	8,343,658
Sub-Total :		100,718,303	101,174,949
Closing work-in-process		-	-
Total Conversion Cost : B		100,718,303	101,174,949
Cost of Production & Services : (A + B)		100,718,303	101,191,949
Add : Opening stock of Finished Goods		-	57,014
Sub-Total :		100,718,303	101,248,963
Less : Closing stock of F/Goods		-	-
Cost of Goods Sold		100,718,303	101,248,963
Administrative Expenses	31.00	13,235,015	20,267,284
Selling Expenses	32.00	200,915	213,741
Total Operating Expenses		114,154,233	121,729,988
Operating Profit/(Loss)		(114,154,233)	(120,812,203)
Financial Expenses :			
Loan Interest on PF	33.00	2,173,162	2,173,162
Total Financial Expenses		2,173,162	2,173,162
Non - Operating Income	34.00	11,548,434	17,993,096
Net Profit/(Loss) before Tax		(104,778,961)	(104,992,269)
Source Tax Paid	35.00	2,369,848	2,421,909
Net Profit/(Loss) after Tax		(107,148,809)	(107,414,178)
Prior year Adjustment	36.00	(7,774,729)	13,599,660
Total Loss/ Profit		(114,923,538)	(93,814,518)
Previous year Profit/Loss B. F.		(11,392,914,286)	(11,299,099,767)
Balance Being Loss carried Forward To Balance Sheet		(11,507,837,824)	(11,392,914,286)

The annexed notes an integral part of these financial statements.


Manager (A & F)

Signed as per our annexed schedule of accounts date.

তন কুমার নাথ
আমিন জুট মিলস্ লিমিটেড
শোলশাহর, চট্টগ্রাম।

Place: Dhaka

Date: **25 FEB 2026**




General Manager (Project Head)

(Monika Nashat Matin, FCA)

ICAB Enrolment No: 1968

A. Matin & Co.

Chartered Accountants

DVC: 260 225 1968 AS 535620

Amin Jute Mills Ltd.
Sholashahar, Chattogram.
Statement of Cash Flows
For the year ended 30th June, 2025

Sl. No	Particulars	Amount in Taka	
		2024-2025	2023-2024
A.	Cash Flow from Operating Activities :		
	Net Profit/(Loss) during the year	(107,148,809)	(107,414,177)
	Prior year Adjustment	(7,774,729)	13,599,660
	Depreciation	4,417,308	4,049,200
	Increase/ Decrease Stock & Stores	10,113	151,715
	Increase/ Decrease Debtors (Less : Provision)	(2,695,406)	1,883,984
	Increase/ Decrease Due from BJMC Mills	(1,690,257)	(3,301,798)
	Increase/ Decrease Advance Deposits & Prepayments	(7,017,334)	2,875,782
	Increase/ Decrease BJMC Current Account	5,384,235	5,064,859
	Increase/ Decrease Liabilities for Goods	(3,552)	(71,350)
	Increase/ Decrease Liabilities for Expenses	771,237	33,515,161
	Increase/ Decrease Liabilities for Other Finance	(832,789)	2,502,491
	Increase/ Decrease Due to BJMC Mills	(761,994)	(3,296,223)
	Increase/ Decrease Gratuity liabilities (Provision)	18,520,140	5,684,080
	Increase/ Decrease Gratuity Payable Account (Current)	(75,637,153)	(5,326,164)
	Net Cash Provided from Operating Activities : (A)	(174,458,990)	(50,082,781)
B.	Cash Flow from Investing Activities :		
	Acquisition of Fixed Assets	(82,925)	30,218,338
	Net Cash used for Investing Activities : (B)	(82,925)	30,218,338
C.	Cash Flow from Financing Activities :		
	Increase/Decrease in Long Term loan re-structure loan	110,531,582	17,422,014
	Net Cash used for Financing Activities : (C)	110,531,582	17,422,014
	Net Cash Increase/Decrease : (A+B+C)	(64,010,333)	(2,442,428)
	Cash & Bank Balance at the beginning of the year	107,373,113	109,815,541
	Cash & Bank Balance at the end of the year	43,362,781	107,373,113



Manager (A & F)

জন কুমার নাথ
বিস্তারিত (হিসাব ও অর্থ)
আমিন জুট মিলস্ লিমিটেড
শোলশাহর, চট্টগ্রাম।





General Manager (Project Head)

এ এইচ এম কামরুল হাসান
মহাব্যবস্থাপক (প্রকল্প প্রধান)
আমিন জুট মিলস্ লিমিটেড
শোলশাহর, চট্টগ্রাম।

Amin Jute Mills Ltd.
Sholashahar, Chittagong
Statement of Changes in Equity
For the year ended June 30, 2025

Particulars	Share Capital	Govt. Equity Contribution	Reserve	Retained Earnings	Amount (Tk.)
Balance Beginning of the year	32,317,920	159,037,352	23,816,878,986	(11,392,914,285)	12,615,319,973
Current year Profit/loss after income Tax	-	-	-	(107,148,809)	(107,148,809)
Prior year Adjustment	-	-	-	(7,774,729)	(7,774,729)
Reserve deduct during the year as depreciation	-	-	(24,059,800)	-	(24,059,800)
Balance as at 30 June, 2025	32,317,920	159,037,352	23,792,819,186	(11,507,837,823)	12,476,336,635

Statement of Changes in Equity
For the year ended June 30, 2024

Particulars	Share Capital	Govt. Equity Contribution	Reserve	Retained Earnings	Amount (Tk.)
Balance Beginning of the year	32,317,920	159,037,352	23,840,938,786	(11,299,099,767)	12,733,194,291
Current year Profit/loss after income Tax	-	-	-	(107,414,177)	(107,414,177)
Prior year Adjustment	-	-	-	13,599,660	13,599,660
Reserve deduct during the year as depreciation	-	-	(24,059,800)	-	(24,059,800)
Balance as at 30 June, 2024	32,317,920	159,037,352	23,816,878,986	(11,392,914,285)	12,615,319,973



Manager (A & F)

যতন কুমার নাথ
ব্যবস্থাপক (হিসাব ও জরি)
আমিন জুট মিলস্‌ লিমিটেড
শোলশাহর, চট্টগ্রাম।




General Manager (Project Head)

এ এইচ এম কামরুল হাসান
মহাব্যবস্থাপক (প্রকল্প প্রধান)
আমিন জুট মিলস্‌ লিমিটেড
শোলশাহর, চট্টগ্রাম।

Amin Jute Mills Ltd.
Sholashahar, Chattogram.
Notes to the Financial Statement
For the year ended 30 June 2025

A. Background of the company or Legal form of the entity:

Amin Jute mills Ltd. was incorporated in the then East Pakistan under the Company Act 1913 subsequently ammended in 1994. The mill was placed under the control and management of Bangladesh Jute Mills Corporation (BJMC) under P.O.27 of 1972. Bangladesh Industrial Enterprises Nationalised Act, 25 of 2018. Now the mill Operation has been stopped from the 2020-2021 financial/Operation year as per the decision of the Peoples Republic of Bangladesh: The Ministry of Textile and Jute: Date of Closing on Operation is- 30.06.2020. Amin Jute Mills Incorporation No: 688EB/14 OF 1953-54, Dated: 28.05.1953.

B. Main Activities of the Company:

The principal activities of the company is manufacturing Hessian, Sacking, CBC, Yarn, Lamination, local sale and export of jute yarn. Now Operation has been Stopped.

C. Functional and presentation currency

The financial statements are presented in Bangladesh Taka (Taka/Tk/BDT), which is the company's functional and presentation currency. Except as indicated, financial information presented in Bangladesh Taka has been rounded off to the nearest taka.

D. Reporting period

The financial period of the company covers one year from 1 July 2024 to 30 June 2025 and is followed consistently.

E. Comparative information

Comparative information has been disclosed in respect of the year ended 30 June 2025 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

F. Use of estimates and judgments

The preparation of financial statements in conformity with IFRSs requires management to make 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimates and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in these financial statements are stated in the notes to the Financial Position.

G. Going Concern

The Bangladesh Jute Mills Corporation (BJMC) have made an assessment of the company's ability to continue as a going concern and they do not intend either to liquidate or to cease trading. The Company has adequate resources to continue in operation for the foreseeable future. The current resources of the Company provide sufficient funds and attributable credit facilities to meet the present requirements of its existing business. Since, there is no material uncertainties related to events or conditions at reporting date which may cast significant doubt upon the company's ability to continue as a going concern, for this reason, management continues to adopt going concern basis in preparing the financial statements.

H. Accrual basis of accounting

The company prepares its financial statements, except the statement of cash flows, using the accrual basis of accounting. When the accrual basis of accounting is used, an entity recognises the elements of financial statements such as assets, liabilities, equity, income and expenses when they satisfy the definitions and recognition criteria for those elements in the conceptual framework.

I. Accounting and Related Policies:

Accounting Policy:

The accounting and reporting policies of the mill conform to the International Accounting Standards(IAS) and International Financial Reporting Standards (IFRS) the mill values its assets and liabilities principally on historical cost convention and follows the accrual method of accounting under integrated accounting system except otherwise noted.



Depreciation:

Depreciation is commenced when the asset is in the location and condition necessary for it to be capable of operating in the manner intended. Property plant and equipment of the company are depreciated using straight line method. Full month's depreciation is charged for the month of acquisition. On disposal of an asset, depreciation is charged up to the month prior to the disposal. Each significant part of an item of property, plant and equipment is depreciated separately, using their useful lives. If any residual value is considered for an asset on its expiry of expected life, the value is deducted from the cost to arrive at the depreciable amount. The residual value and useful life of an asset are reviewed in each year end. Depreciation is expressed in terms of percentage of cost of the related assets. The depreciation rates per annum applicable to different categories of property, plant and equipment. Fixed Assets were depreciated at straight line method @ 2.5% to 25% according the type of assets.

3.03 Assets Revaluation

The land is measured using the revaluation model. The Fixed Assets are shown at cost & Revaluation less accumulated depreciation. First time Revaluation was made in the year 1992-1993 and Second time Revaluation was made in the year 2016-2017 and increased value transferred to Capital Reserve Account as per BJMC Guide Line. The decision was taken by the management of Amin Jute mills Ltd. which the approved by the BJMC. The land valuation resulted in a revaluation surplus aggregating amount BDT 2,150,244,872 against land measuring 85.93 Acre at different locations.

Value of Inventory:

Stock of Store and Spares have been valued at weighted average cost price method. Finished Goods is have been reportedly valued at latest Govt. approved selling price, which is lower of Net Realizable Value (NRV) & cost of production.

Physical Inventory:

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 par physical Verification and valuation thereof has been made at cost or market price whichever is lower.

Service and Support from BJMC:

The mills avail some administrative and other services from BJMC in those areas where such common Services can efficiently be provided. This includes intinal auditing, special auditing, administrative and technical support, arrangement of finance & supplies etc.

J. Statement of compliance

The financial statements of the company have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) vide letter no 1/1/ICAB-2017 dated 14 December 2017. The compliance status of these IAS's & IFRS's are as follows:

Name of The Standards	Compliance status
IAS 1: Presentation of Financial Statements	Complied
IAS 2: Inventories	Complied
IAS 7: Statement of Cash Flows	Complied
IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors	Complied
IAS 12: Income Taxes	Complied
IAS 16: Property, Plant and Equipment	Complied
IAS 19: Employee Benefits	Not applicable
IAS 24: Related Party Disclosures	Complied
IAS 26: Accounting and Reporting by Retirement Benefit Plans	Not applicable
IAS 27: Separate Financial Statements	Not applicable
IAS 37: Provisions, Contingent Liabilities and Contingent assets	Complied
IAS 38: Intangible Assets	Complied
IAS 40: Investment Property	Not applicable
IFRS 7: Financial Instruments: Disclosures	Complied
IFRS 10: Consolidated Financial Statements	Not applicable
IFRS 11: Joint Arrangements	Not applicable
IFRS 12: Disclosure of Interests in Other Entities	Complied



Compliance with other regulatory requirements

The Company complied with the requirements of following laws and regulations from various government bodies:

- i) The Companies Act, 1994;
- ii) The Income Tax Act, 2023 and amendment thereon;
- iii) The Financial Reporting Law/Act, 2015;
- iv) The Value Added Tax and Supplementary Duty Act 2012;
- v) The Value Added Tax and Supplementary Duty Rule 2016;
- vi) The Stamp Act, 1899;
- vii) The Bangladesh Labor Act, 2006 and amended in 2015;

K. Revenue recognition

The company has recognized revenue as per IFRS-15 Revenue from Contract with Customers. The company has recognized revenue when (or as) the entity satisfies a performance obligation. This core principle is delivered in a five-step model framework:

- i) Identify the contract(s) with a customer;
- ii) Identify the performance obligations in the contract;
- iii) Determine the transaction price;
- iv) Allocate the transaction price to the performance obligations in the contract;
- v) Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods.

Revenue is measured based on the consideration specified in a contract with a customer net of returns, discounts, free issues and VAT.

Foreign Currency Transaction

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

Service Benefits

(a) The factory is maintaining a contributory Provident Fund for its every permanent employee. The factory is providing contribution to the Fund equivalent to 10% of basic wages and salary 8.33% of year of 2017-2018 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.

Taxation

The Company has been incurring losses for several years and has also reported a loss for the year under audit. However, as per Section 163(5) of the Income Tax Act, 2023, minimum tax at the rate of 0.60% on gross income is applicable irrespective of taxable profit or loss. During the year, the Company has recognized Tk. 2,369,848 as tax expense, representing the source tax deducted.

Liabilities for Expenses

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

