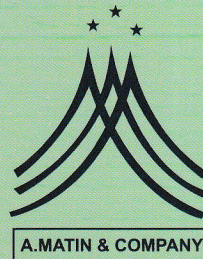


PRIVATE & CONFIDENTIAL

**AUDIT REPORT
&
FINANCIAL STATEMENTS
OF
UNITED JUTE MILLS LIMITED
FOR THE YEAR ENDED ON 30TH JUNE, 2024**



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

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

INDEPENDENT AUDITOR'S REPORT

**TO THE SHAREHOLDERS OF
UNITED JUTE MILLS LIMITED
Nagoriyakandi, Narsingdi.**

**FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2024
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

Qualified Opinion

We have audited the financial statements of the company, which comprises of The Statement of Financial Position as at 30th June, 2024, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying Financial Statements present fairly in all material respects or give a true and fair view of the Financial Position of the Company as at 30th June, 2024 and of its Financial Performance and Cash Flows for the year then ended accordance with the International Financial Reporting Standards (IFRS).

Basis for Qualified Opinion

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

1. During the audit, we have observed that the entity has not revalued its property, plant and equipment or conducted an impairment review since the financial year 2016–17. This is non-compliant with IAS 16 Property, Plant and Equipment, paragraph 31, which requires revaluations with sufficient regularity to reflect fair value, and IAS 36 Impairment of Assets, paragraph 9, which mandates annual assessment for impairment indicators. The lack of regular revaluation and impairment assessment may result in the overstatement or understatement of asset values, thereby affecting the reliability and accuracy of the financial statements.
2. We have observed that the entity disposed of a portion of its Building & Other Construction and Property, Plant & Equipment during the reporting period; however, the accounting treatment and related disclosures were not in full compliance with IAS 16 Property, Plant and Equipment. Specifically, as per paragraph 67 of IAS 16, an item of property, plant and equipment shall be derecognised upon disposal, and any resulting gain or loss shall be recognised in profit or loss in accordance with paragraph 68. The entity did not appropriately recognise the disposal or disclose the nature and financial impact of the transaction. This omission may result in a misstatement of assets and earnings, thereby affecting the fair presentation of the financial statements.
3. Income Tax Expense amounting to Tk. 6,540,095/- (Note:41.00) has been recognized in the Statement of Profit or Loss and Other Comprehensive Income solely based on Tax Deducted at Source (TDS), without accounting for the potential capital gains tax arising from the disposal of non-current assets totaling Tk. 24,641,365/-. Additionally, neither the TDS nor any provision for income tax, in accordance with the requirements of IAS 12 *Income Taxes*, has been recognized in the Statement of Financial Position.





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4. During our audit, we found following balances have been carried forward over the years without any movement as well as no impairment test has been performed on these balances after their initial recognition, as required by IFRS 9 – Financial Instruments.

S/L No.	Particulars	Amount
1	Investment (Note 02.00)	8,840,389/-
2	Interim Revenue support receivable (Note 07.00)	12,506,801/-

5. We noted that during the reporting period, the client sold stock and spare parts; however, instead of recognizing the related income and associated cost through the profit and loss account, the net impact was directly adjusted against retained earnings in the statement of changes in equity. Which violates IAS 1 (Presentation of Financial Statements)
6. The entity has not regularly filed statutory returns with the Registrar of Joint Stock Companies and Firms (RJSC). Additionally, the entity could not provide Schedule X (Annual Summary of Share Capital & List of Shareholders) and Form XII (Particulars of Directors, Manager, and Managing Agents). These documents are essential to verify the company's compliance with regulatory requirements and to validate information related to charges against assets and corporate governance structure.
7. The entity has remained non-operational for several years and has recently disposed of certain non-current assets, including buildings and machinery (Note 1.00). These factors may give rise material uncertainty related it's going concern and those uncertainties have not been adequately disclosed in the financial statements.

We conducted our Audit in accordance with the International Standards on Auditing (ISAs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). 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 Code of Ethics Issued by the International Ethics Standards Board for Accountants (IESBA) Code of Ethics as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of the Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of the Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation of Financial Statements in accordance with the accounting policies of the Company 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 if 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 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 Audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material, if individually or in the aggregate, they could be reasonable by expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an Audit in accordance with ISA, we exercise professional judgement and maintain professional scepticism throughout the Audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statement, 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 the 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 disclosures 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 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 gives a true and fair view.

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.





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

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, we also report the following except for the effects of the matter described in the Basis for Qualified Opinion:

- 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;
- 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; and
- The Statement 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 accounts.

Monika Nashat Matin, FCA

Enrolment No. 1968

A. Matin & Co.

Chartered Accountants

DVC: 2504291968 AS 199777

Place: Dhaka, Bangladesh.

Dated: 29 APR 2025



United Jute Mills Limited

Statement of Financial Position.

As on 30th June, 2024

Particulars	Note	Amount in Taka	
		30.06.2024	30.06.2023
Fixed Asset			
A. Non Current Assets			
At Cost/Revaluation less accumulated depreciation	1.00	4,399,855,724	4,544,913,178
Asset in Pakistan	1.02	9,495,514	9,495,514
Investment	2.00	8,840,389	8,840,389
Total Non-Current Assets		4,418,191,627	4,563,249,081
B. Current Assets			
Stock, Stores & Spares	3.00	-	44,071,500
Debtors (Less: Provisions)	4.00	29,967,678	38,813,178
Due from BJMC Mills	5.00	59,427,192	59,427,192
Advance, Deposit & Pre-payments	6.00	6,321,844	6,191,024
Interim Revenue support receivable	7.00	12,506,801	12,506,801
BJMC Current Account	8.00	146,536,836	152,810,357
Cash & Bank Balance	9.00	123,719,273	119,258,131
Current A/C with Meghna Jute Mills		2,744,778,538	2,735,548,919
Current A/C with Chandpur Jute Mills		2,742,573,035	2,733,383,958
Total Current Assets		5,865,831,197	5,902,011,060
Total Assets (A+B)		10,284,022,823	10,465,260,141
Capital & Liabilities			
C. Authorised Capital		50,000,000	50,000,000
D. Shareholders Equity & Retained Earnings			
Issued, Subscribed & Paid-up Capital	10.00	15,000,000	15,000,000
Govt. Equity Contribution	11.00	48,010,997	48,010,997
Profit & Loss Account (Retained Earning)	12.00	(6,208,064,294)	(6,166,683,085)
Reserves	13.00	4,292,005,967	4,402,317,064
Total Equity & Retained Earning		(1,853,047,330)	(1,701,355,024)
E. Non Current Liabilities			
BJMC Current Account	14.00	-	-
Long-Term Liabilities	15.00	11,454,904,015	11,457,503,459
Gratuity Liabilities (Provision)	16.00	466,184,310	463,501,937
Total Non Current Liabilities		11,921,088,325	11,921,005,396
F. Current Liabilities:			
Bank Over Draft	17.00	-	-
Liabilities for Goods	18.00	9,380,540	9,380,540
Liabilities for Expenses	19.00	20,079,878	47,928,553
Liabilities for Other Finance	20.00	68,173,846	67,124,075
Due to BJMC/ De-Nationalised Jute Mills	21.00	34,713,756	34,713,756
Gratuity Payable Account (Current)	22.00	83,633,808	86,462,845
Total Current Liabilities		215,981,828	245,609,769
Total Capital & Liabilities (D+E+F)		10,284,022,823	10,465,260,141

Manager (Accounts & Finance)
Signed in terms of our separate report of even date annexed.

General Manager (Project Head)

Place: Dhaka, Bangladesh.

Date: 29 APR 2025

Monika Nashat Matin, FCA
Enrollment No. 1968

A. Matin & Co.

Chartered Accountants

DVC: 2504291968 AS 199777



United Jute Mills Limited

Statement of Profit or Loss & Other Comprehensive Income
For the Year ended 30th June, 2024

Particulars	Notes	Amount in Taka			
		2023-24			2022-23
		Hessian	Sacking	Total	
Income					
1 Foreign Sales	24.00	-	-	-	-
2 Local Sales	25.00	-	-	-	-
3 Total Sales (1+2)		-	-	-	-
4 Subsidy	24.01	-	-	-	8,170,000
5 Total Income (3+4)		-	-	-	8,170,000
Material cost					
6 Opening Work-in-Process		-	-	-	-
7 Raw Jute consumption	26.00	-	-	-	-
8 Charges on Raw Jute	27.00	-	-	-	-
9 Other Direct Materials Consumed	28.00	-	-	-	-
10 Sub-Total (6 to 9)		-	-	-	-
11 Closing Work-in-Process		-	-	-	-
12 Total Material cost (10-11)		-	-	-	-
Conversion cost					
13 Opening Work-in-Process		-	-	-	-
14 Wages	29.00	-	-	-	-
15 Salaries	30.00			46,214,970	47,396,917
16 Power/Electricity	31.00			803,050	678,772
17 Fuel	32.00			-	-
18 Repairs & Maintenance	33.00			198,025	479,757
19 Depreciation	34.00			10,104,992	7,603,985
20 Insurance	35.00			8,643	8,618
21 Other Factory Overhead	36.00			543,623	1,651,948
22 Sub-Total (13 to 21)				57,873,302	57,819,997
23 Closing Work-in-Process				-	-
24 Total Conversion cost (22-23)				57,873,302	57,819,997
25 Cost of production (12+24)				57,873,302	57,819,997
26 Opening Stock of Finished goods				-	-
27 Cost of goods available for sale(25+26)				57,873,302	57,819,997
28 Closing Stock of Finished goods				-	-
29 Total cost of sales(27- 28)				57,873,302	57,819,997
30 Administrative Expenses	37.00			7,243,544	10,021,841
31 Selling Expenses	38.00			198,117	538,668
32 Total operating expenses (29 to 31)				65,314,963	68,380,506
33 Operating Profit/(Loss) (5 - 32)				(65,314,963)	(60,210,506)
Financial expenses					
34 Interest (Cash Credit)				-	-
35 Interest (Long-Term Loan)	39.00			3,767,930	8,231,656
36 Total Interest (34+35)				3,767,930	8,231,656
37 Total Profit/(Loss) (33-36)				(69,082,893)	(68,442,162)
38 Non-Operating Income (Scrap Sale)	40.00			65,400,945	-
39 Net Profit/(Loss) (37- 38) Before Tax				(3,681,948)	(68,442,162)
40 Tax Paid At Source (TDS)	41.00			6,540,095	3,223,600
41 Net Profit/(Loss) After Tax (39-40)				(10,222,043)	(71,665,762)

Manager (Accounts & Finance)
Signed in terms of our separate report of even date annexed.

General Manager (Project Head)

Place: Dhaka, Bangladesh.

Date: 29 APR 2025

Monika Nashat Matin, FCA

Enrollment No. 1968

A. Matin & Co.

Chartered Accountants

DVC: 2504291968 AS 199777



United Jute Mills Ltd.

Statement of Change in Equity

For year ended 30th June, 2024

Particulars	Share Capital	Equity Contribution	Reserves	P&L A/C	Total
Balance as on 01.07.2023	15,000,000	48,010,997	4,402,317,064	(6,166,683,085)	(1,701,355,024)
Depreciaion on Re-Valuation Assets	-	-	(32,409,798)	-	(32,409,798)
Profit/(Loss) on sales of Stock & Spares	-	-	-	26,872,535	26,872,535
Net Profit/(Loss) During the Year	-	-	-	10,222,043	10,222,043
Closing Balance as on 30.06.24	15,000,000	48,010,997	4,369,907,266	(6,129,588,507)	(1,696,670,245)



United Jute Mills Limited

Statement of Cash Flows
For the Year Ended June 30, 2024

Particulars	Amount in Taka	
	30.06.2024	30.06.2023
A. Cash Flows from Operating Activities		
Net Profit Before Tax	(3,681,948)	(68,442,161)
Add: Finance Cost	3,767,930	8,231,656
Add: Depreciation on Fixed Assets (Cost)	10,104,992	7,603,985
Add: Loss on Sale of Plant & Machinery	(9,162,054)	
Add: Loss on Sale of Stock Store & Spares	(26,872,535)	
Less: Profit on Sale of Building	4,875,423	
Loss on sell of Stock & Spares		-
(Increase)/Decrease in Stock, Stores & Spares	44,071,500	-
(Increase)/Decrease in Debtors (Less: Provisions)	8,845,500	15,729,000
(Increase)/Decrease in Due from BJMC Mills	-	(415,168)
(Increase)/Decrease in Advance, Deposit & Pre-payments	(130,820)	1,235,451
(Increase)/Decrease in Interim Revenue support receivable	-	-
(Increase)/Decrease in BJMC Current Account	6,273,521	81,563,056
(Increase)/Decrease in Current A/C with Meghna Jute Mills	(9,229,619)	(27,192,288)
(Increase)/Decrease in Current A/C with Chandpur Jute Mills	(9,189,077)	(22,980,930)
Increase/(Decrease) in Liabilities for Goods	-	(944,190)
Increase/(Decrease) in Liabilities for Expenses	(27,848,675)	(17,456,022)
Increase/(Decrease) in Liabilities for Other Finance	1,049,771	(12,151,987)
Increase/(Decrease) in Due to BJMC/ De-Nationalised Jute Mills	-	(12,889,914)
Increase/(Decrease) in Gratuity Payable Account (Current)	(2,829,037)	(85,387,000)
Cash Generated from Operations	(9,955,128)	(133,496,512)
Tax Paid	(6,540,095)	(3,223,600)
Less: Bank Commission & Charges Paid	(3,767,930)	(8,231,656)
Net Cash Generated from Operating Activities	(20,263,153)	(144,951,768)
B. Cash flows from Investing Activities		
Sale of Non current asset		
Disposal of Building	2,833,811	
Disposal of Plant & Machinery	21,807,554	
Cash Payment to acquire Fixed Assets		-
Net cash used in investing activities	24,641,365	-
C. Cash flows from Financing Activities		
Cash Receipt from Long-Term Liabilities	(2,599,444)	29,174,530
Cash Paid for Gratuity Liabilities (Provision)	2,682,373	47,190,546
Net cash Flow from Financing Activities	82,929	76,365,076
D. Net Cash Inflows/(outflows) {A+B+C}	4,461,141	(68,586,692)
E. Cash and Cash Equivalent at The Beginning of The Year	119,258,131	187,844,823
F. Cash and Cash Equivalent at The End of The Year	123,719,273	119,258,131

