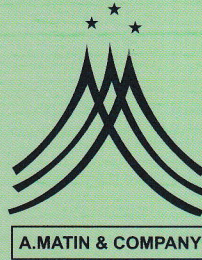


PRIVATE & CONFIDENTIAL

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



**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

Meghna 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 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, 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 period 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 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.





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3. During our audit, we found that the balance of Tk.6,637,366/- stated under Interim Revenue support receivable (Note 07.00) 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.
4. 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.
5. 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.





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:

- a) 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;
- b) 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
- c) 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 834922

Place: Dhaka, Bangladesh.

Dated: 29 APR 2025





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

Meghna Jute Mills Limited
Statement of Financial Position
As on 30th June, 2024

Particulars	Notes	Amount in (Tk.)	
		30.06.2024	30.06.2023
Property & Assets:			
A. Non Current Assets:			
At Cost/Revaluation less accumulated depreciation	1.00	2,203,439,094	2,243,743,810
Investment	2.00	-	-
Total Non Current Assets:		2,203,439,094	2,243,743,810
B. Current Assets:			
Stock, Stores & Spares	3.00	-	-
Debtors (Less: Provisions)	4.00	15,196,008	17,185,508
Due from BJMC Mills	5.00	-	-
Advance, Deposit & Pre-payments	6.00	-	-
Interim Revenue support receivable	7.00	6,637,366	6,637,366
BJMC Current Accounts	8.00	-	-
Cash & Bank Balance	9.00	-	-
Total Current Assets		21,833,374	23,822,874
Total Property & Assets: (A+B)		2,225,272,468	2,267,566,684
C. Capital & Liabilities:			
Authorised Capital	11.00	50,000,000	50,000,000
D. Shareholders Equity & Retained Earning:			
Issued, Subscribed & Paid-up Capital	12.00	10,000,000	10,000,000
Govt. Equity Contribution	13.00	55,185,640	55,185,640
Accumulated Profit & Loss Account (Retained Earning):	10.00	(2,768,723,914)	(2,742,792,787)
Total Equity & Retained Earning		(2,703,538,274)	(2,677,607,147)
Non Current Liabilities			
E. Reserves			
Current Accounts with United Jute Mills	14.00	2,170,587,550	2,200,550,850
Long Term Loan	15.00	2,746,345,344	2,735,548,919
Gratuity Liabilities (Provision)	16.00	-	-
Total Non Current Liabilities	17.00	6,081,178	5,604,334
F. Current Liabilities:			
Bank Over Draft	18.00	-	-
Liabilities for Goods	19.00	-	-
Liabilities for Expenses	20.00	3,997,096	3,367,155
Liabilities for other Finance	21.00	1,799,574	102,573
Due to BJMC Mills	22.00	-	-
Gratuity Payable Account (Current)	23.00	-	-
Total Current Liabilities		5,796,670	3,469,728
Total Capital & Liabilities (D+E+F)		2,225,272,468	2,267,566,684

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

General Manager (Project Head)

Monika Nashat Matin, FCA
Enrollment No. 1968
A. Matin & Co.

Chartered Accountants

DVC: 2504291968 AS 834922

Place: Dhaka, Bangladesh.
Date: 29 APR 2025





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

Meghna 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	25	-	-	-	-
2 Local sales	26	-	-	-	-
3 Total sales (1+2):		-	-	-	-
4 Subsidy		-	-	-	-
5 Total Income (3+4):		-	-	-	-
Material Cost:					
6 Opening work-in-process		-	-	-	-
7 Raw Jute consumption	27	-	-	-	-
8 Charges on Raw Jute	28	-	-	-	-
9 Other direct materials consumed	29	-	-	-	-
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	30			-	-
15 Salaries	31			21,422,014	22,275,914
16 Power/Electricity	32			423,436	339,385
17 Fuel	33			-	-
18 Repairs & maintenance	34			65,245	101,716
19 Depreciation	35			2,966,817	2,304,496
20 Insurance	36			4,321	4,309
21 Other Factory overhead	37			34,795	829,225
22 Sub-Total (13 to 21):				24,916,628	25,855,044
23 Closing work-in-process				-	-
24 Total Conversion cost (22-23):				24,916,628	25,855,044
25 Cost of production (12+24):				24,916,628	25,855,044
26 Opening stock of Finished goods				-	-
27 Cost of goods available for sale(25+26)				24,916,628	25,855,044
28 Closing stock of Finished goods				-	-
29 Total cost of sales (27-28):				24,916,628	25,855,044
30 Administrative expenses	38			3,412,742	4,999,768
31 Selling expenses	39			74,621	173,740
32 Total operating expenses (29 to 31):				28,403,991	31,028,552
33 Operating Profit/(Loss) (5 - 32)				(28,403,991)	(31,028,552)
Financial Expenses:					
34 Interest (Cash Credit)				-	-
35 Interest (Long term Loan)	40			-	3,724,247
36 Total Interest (34+35):				-	-
37 Non-Operating Income	41			-	-
38 Total Profit/(Loss) (33+36):				(28,403,991)	(34,752,799)
39 Tax Paid At Source (TDS)	42			-	738,100
40 Net Profit/(Loss) After Tax (TDS)(39-40)				(28,403,991)	(35,490,899)

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 834922

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

Meghna 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	10,000,000	55,185,640	2,200,550,850	(2,742,792,787)	(477,056,297)
Depreciation on Re-Valuation Assets	-	-	(14,999,725)	-	(14,999,725)
Disposal of Fixed Assets	-	-	-	(2,472,863)	(2,472,863)
Net Loss During the Year	-	-	-	28,403,991	28,403,991
Closing Balance as on 30.06.24	10,000,000	55,185,640	2,185,551,125	(2,716,861,659)	(466,124,893)

Manager (Accounts & Finance)

General Manager (Project Head)





এ. মতীন এন্ড কোং
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Chartered Accountants

Meghna Jute Mills Limited

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

Particulars	Amount in Taka	
	2023-2024	2022-2023
A. Cash Flows from Operating Activities		
Net Profit Before Tax	(28,403,991)	(34,752,799)
Prior year adjustment		3,724,247
Add: Finance Cost	-	2,304,496
Add: Depreciation on Fixed Assets (Cost)	2,966,817	-
Less: Loss on Disposal of Fixed Assets	2,472,863	-
(Increase)/Decrease in Stock, Stores & Spares	-	-
(Increase)/Decrease in Debtors (Less: Provisions)	1,989,500	7,764,500
(Increase)/Decrease in Due from BJMC Mills	-	-
(Increase)/Decrease in Advance, Deposit & Pre-payments	-	-
(Increase)/Decrease in Interim Revenue support receivable	-	-
(Increase)/Decrease in BJMC Current Account	-	-
(Increase)/Decrease in Current A/C with United Jute Mills	10,796,425	27,192,288
(Increase)/Decrease in Current A/C with Chandpur Jute Mills	-	-
Increase/(Decrease) in Liabilities for Goods	-	-
Increase/(Decrease) in Liabilities for Expenses	629,941	593,196
Increase/(Decrease) in Liabilities for Other Finance	1,697,002	(796,774)
Increase/(Decrease) in Due to BJMC/ De-Nationalised Jute Mills	-	-
Increase/(Decrease) in Gratuity Liabilities (Provision)	476,844	-
Cash Generated from Operations	(7,374,599)	6,029,153
Tax Paid	-	(738,100)
Less: Bank Commission & Charges Paid	-	(3,724,247)
Net Cash Generated from Operating Activities	(7,374,599)	1,566,806
B. Cash flows from Investing Activities		
Cash Payment to acquire Fixed Assets	-	-
Disposal of Fixed Asset	7,374,599	-
Net cash used in investing activities	7,374,599	-
C. Cash flows from Financing Activities		
Cash Receipt from Long-Term Liabilities	-	-
Cash Paid for Gratuity Liabilities (Provision)	-	(1,566,806)
Net cash Flow from Financing Activities	-	(1,566,806)
D. Net Cash Inflows/(outflows) {A+B+C}	-	-
E. Cash and Cash Equivalent at The Beginning of The Year	-	-
F. Cash and Cash Equivalent at The End of The Year	-	-

