



## 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, 2023** 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, 2023** 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.

### 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.





**M A FAZAL & CO.**

Chartered Accountants



- 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) We have obtained all the information and explanation which to best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof.
- b) In our opinion, proper books of account as required by law except for the matter emphasis have been kept by the company so far as it appeared from our examination of those books.
- c) The company's statement of financial position dealt with by the report is in agreement with the books of accounts and returns.
- d) The expenditure incurred were for the purpose of the companies for the year.

#### **Matter of Emphasis:**

01. We didn't found Sonali Bank statement, A/C No- SND A/C. No. 0104240000178. So, We didn't verified closing balance of mentioned bank account. Also we have sent balance confirmation letter in respective Bank which yet to be received.
02. We didn't found any reconciliation of BJMC current account.

Dated, Dhaka,

03 JAN 2024



  
Md. Abul Basher, FCA # 0840

Managing Partner

**M A Fazal & Co.**

Chartered Accountants

DVC: 2401030840AS 388855



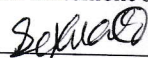
## Baghdad-Dhaka Carpet Factory


North Kattali, Chattogram.

### Statement of Financial Position as on 30th June, 2023.

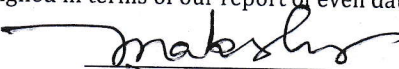
Particulars	Sch./ Notes	Amount (Tk.)	
		30.06.2023	30.06.2022
<b>Property &amp; Assets (Non-Current Assets) :</b>			
<b>A. Non-Current Assets :</b>			
At Cost/Revaluation Less Accumulated Depreciation Investment	1.00	2,454,215,019	2,461,455,819
	2.00	-	-
<b>B. Current Assets :</b>			
Stock & Stores		111,496,530	120,370,860
Debtors	3.00	15,153,538	15,155,722
Due from BJMC Mills	4.00	3,182,972	4,678,559
Advance, Deposit & Pre-Payments	5.00	58,052,900	56,883,273
Contingent Assets	6.00	2,652,927	2,707,326
Interim Revenue Support Receivable	7.00	3,289,560	3,289,560
BJMC Current Account	8.00	-	-
Cash & Bank Balance	9.00	-	-
	10.00	29,164,633	37,656,421
<b>Total Assets</b>		<b>2,565,711,549</b>	<b>2,581,826,679</b>
<b>Capital &amp; Liabilities :</b>			
<b>C. Authorized Capital</b>			
	11.00	-	-
<b>D. Equity &amp; Retained Earnings :</b>			
Issued, Subscribed & Paid-up Capital		(1,156,723,281)	(1,145,636,363)
Govt. Equity Contribution	12.00	-	-
Retained Earnings	13.00	55,301,999	55,301,999
	14.00	(1,212,025,280)	(1,200,938,362)
<b>E. Long Term Liabilities :</b>			
Reserves		3,660,019,574	3,630,962,756
BJMC Current Account	15.00	2,266,960,929	2,273,230,929
Long Term Loan	16.00	227,788,249	209,386,898
Gratuity Liabilities (Provision)	17.00	1,145,623,176	1,130,362,669
	18.00	19,647,220	17,982,260
<b>F. Current Liabilities :</b>			
Bank Overdraft		62,415,256	96,500,286
Liabilities for Goods	19.00	-	-
Liabilities for Expenses	20.00	23,529	236,849
Liabilities for Other Finance	21.00	18,705,708	29,358,821
Due to BJMC Mills	22.00	7,550,184	9,849,966
Due to A.K. Khan Jute Mills	23.00	17,795,609	18,505,554
Gratuity Payable Account(Current)		3,714,988	3,714,988
	24.00	14,625,238	34,834,107
<b>Total Capital &amp; Liabilities</b>		<b>2,565,711,549</b>	<b>2,581,826,679</b>

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

  
Deputy Manager (A & F) and  
Head of Department

  
Head of Project

Signed in terms of our report of even date.

  
Md. Abul Basher, FCA # 0840  
Managing Partner  
M A Fazal & Co.

Chartered Accountants

DVC: 2401030840 AS 388855

Dated, Dhaka.

03 JAN 2024




## Baghdad-Dhaka Carpet Factory


North Kattali, Chattogram.

### Statement of Manufacturing, Trading and Comprehensive Income for the year ended 30th June, 2023.

Sl. #	Particulars	Sch./ Notes	Amount (Tk.)				
			Design Carpet	Plain Carpet	Yarn	Total on 2022-2023	Balance on 2021-2022
<b>Income :</b>							
1	Foreign Sales	26.00	-	-	-	-	-
2	Local Sales	27.00	-	-	-	-	-
3	<b>Total Sales : (1+2)</b>		-	-	-	-	-
4	Subsidy	28.00	-	-	-	-	-
5	<b>Total Income : (3+4)</b>		-	-	-	-	-
<b>Material Cost :</b>							
6	Opening Work-in-Process		144,657	-	323,142	467,799	467,799
7	Raw Jute Consumption	29.00	-	-	-	-	-
8	Charges on Raw Jute	30.00	-	-	-	-	-
9	Other Direct Materials Consumed	31.00	-	-	-	-	-
10	<b>Sub-Total : (6 to 9)</b>		144,657	-	323,142	467,799	467,799
11	Closing Work-in-Process	3.01	144,657	-	323,142	467,799	467,799
12	<b>Total Material Cost : (10-11)</b>		-	-	-	-	-
<b>Conversion Cost :</b>							
13	Opening Work-in-Process		-	-	240,477	240,477	240,477
14	Wages	32.00	-	-	-	-	-
15	Salaries	33.00	-	-	15,883,190	15,883,190	13,866,398
16	Power/Electricity	34.00	-	-	532,240	532,240	599,471
17	Repairs & Maintenance	35.00	-	-	56,392	56,392	126,621
18	Depreciation	36.00	-	-	970,800	970,800	989,400
19	Insurance	37.00	-	-	11,799	11,799	1,816,272
20	Other Factory Overhead	38.00	-	-	1,331,011	1,331,011	960,902
21	<b>Sub-Total : (13 to 20)</b>		-	-	19,025,908	19,025,908	18,599,540
22	Closing Work-in-Process	3.01	-	-	240,477	240,477	240,477
23	<b>Total Conversion Cost : (21-22)</b>		-	-	18,785,431	18,785,431	18,359,063
24	<b>Cost of Production : (12+23)</b>		-	-	18,785,431	18,785,431	18,359,063
25	Opening Stock of Finished Goods		142,099	237,040	-	379,139	379,139
26	<b>Cost of Goods Available for Sale : (24+25)</b>		142,099	237,040	18,785,431	19,164,570	18,738,202
27	Closing Stock of Finished Goods	3.03	142,099	237,040	-	379,139	379,139
28	<b>Total Cost of Sales : (26-27)</b>		-	-	18,785,431	18,785,431	18,359,063
29	Administrative Expenses	39.00	-	-	5,592,638	5,592,638	7,372,371
30	Selling Expenses	40.00	-	-	-	-	-
31	<b>Total Operating Expenses : (28 to 30)</b>		-	-	24,378,069	24,378,069	25,731,434
32	<b>Operating Profit/(Loss) : (5 - 31)</b>		-	-	(24,378,069)	(24,378,069)	(25,731,434)
<b>Financial Expenses :</b>							
33	Interest (Cash Credit)		-	-	-	-	-
34	Interest (Long Term Loan)		-	-	-	-	-
35	<b>Total Interest : (33+34)</b>		-	-	-	-	-
36	<b>Total Profit/(Loss) : (32-35)</b>		-	-	(24,378,069)	(24,378,069)	(25,731,434)
37	Non-Operating Income		-	-	12,015,620	12,015,620	7,351,138
38	<b>Net Profit/(Loss) : (36+37)</b>		-	-	(12,362,449)	(12,362,449)	(18,380,297)

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

  
Deputy Manager (A & F) and  
Head of Department

  
Head of Project

Signed in terms of our report of even date.

Dated, Dhaka.

03 JAN 2024

  
Md. Abul Basher, FCA # 0840  
Managing Partner  
M A Fazal & Co.  
Chartered Accountants  
DVC: 2401030840AS388855



## Baghdad-Dhaka Carpet Factory

North Kattali, Chattogram.

### Income/Cost Statement for the year ended 30th June, 2023.

Sl. #	Particulars	Taka in Lac					Yarn Per M.Ton
		Design Carpet	Plain Carpet	Total Carpet	Yarn	Grand Total	
<b>Income :</b>							
1	Foreign Sales	-	-	-	-	-	-
2	Local Sales	-	-	-	-	-	-
3	<b>Total Sales : (1+2)</b>	-	-	-	-	-	-
4	Subsidy	-	-	-	-	-	-
5	<b>Total Income : (3+4)</b>	-	-	-	-	-	-
<b>Material Cost :</b>							
6	Opening Work-in-Process	1.45	-	1.45	3.23	4.68	751,493
7	Raw Jute Consumption	-	-	-	-	-	-
8	Charges on Jute	-	-	-	-	-	-
9	Other Direct Materials Consumption	-	-	-	-	-	-
10	<b>Sub-Total : (6 to 9)</b>	<b>1.45</b>	<b>-</b>	<b>1.45</b>	<b>3.23</b>	<b>4.68</b>	<b>751,493</b>
11	Closing Work-in-Process	1.45	-	1.45	3.23	4.68	751,493
12	<b>Total Materials Cost : (10-11)</b>	-	-	-	-	-	-
<b>Conversion Cost :</b>							
13	Opening Work-in-Process	-	-	-	2.40	2.40	751,491
14	Wages	-	-	-	-	-	-
15	Salaries	-	-	-	-	-	-
16	Power/Electricity	-	-	-	158.83	158.83	-
17	Repairs & Maintenance	-	-	-	5.32	5.32	-
18	Depreciation	-	-	-	0.57	0.57	-
19	Insurance	-	-	-	9.71	9.71	-
20	Other Factory Overhead	-	-	-	0.12	0.12	-
21	<b>Sub-Total : (13 to 20)</b>	-	-	-	<b>13.31</b>	<b>13.31</b>	-
22	Closing Work-in-Process	-	-	-	2.40	2.40	751,491
23	<b>Total Conversion Cost : (21-22)</b>	-	-	-	<b>187.86</b>	<b>187.86</b>	-
24	<b>Cost of Production : (12+23)</b>	-	-	-	<b>187.86</b>	<b>187.86</b>	-
25	Opening Stock of Finished Goods	1.42	2.37	3.79	-	3.79	-
26	<b>Cost of Goods Available for Sale : (24+25)</b>	<b>1.42</b>	<b>2.37</b>	<b>3.79</b>	<b>187.86</b>	<b>191.65</b>	-
27	Closing Stock of Finished Goods	1.42	2.37	3.79	-	3.79	-
28	<b>Total Cost of Sales : (26-27)</b>	-	-	-	<b>187.86</b>	<b>187.86</b>	-
29	Administrative Expenses	-	-	-	55.92	55.92	-
30	Selling Expenses	-	-	-	-	-	-
31	<b>Total Operating Expenses : (28 to 30)</b>	-	-	-	<b>243.78</b>	<b>243.78</b>	-
32	<b>Operating Profit/(Loss) : (5-31)</b>	-	-	-	<b>(243.78)</b>	<b>(243.78)</b>	-
<b>Financial Expenses :</b>							
33	Interest (Cash Credit)	-	-	-	-	-	-
34	Interest (Long Term Loan)	-	-	-	-	-	-
35	<b>Total Interest : (33+34)</b>	-	-	-	-	-	-
36	<b>Total Profit/ (Loss) : (32-35)</b>	-	-	-	<b>(243.78)</b>	<b>(243.78)</b>	-
37	Non-Operating Income	-	-	-	120.16	120.16	-
38	<b>Net Profit/ (Loss) : (36+37)</b>	-	-	-	<b>(123.62)</b>	<b>(123.62)</b>	-
<b>Quantity (M. Ton)</b>							
39	Baled Production	-	-	-	-	-	-
40	Opening Stock of Finished Goods	5.36	10.87	16.23	-	16.23	-
41	Goods Available for Sale	5.36	10.87	16.23	-	16.23	-
42	Closing Stock of Finished Goods	5.36	10.87	16.23	-	16.23	-
44	Local Sales	-	-	-	-	-	-
45	Foreign Sales	-	-	-	-	-	-
46	<b>Total Sales</b>	-	-	-	-	-	-
47	Equivalent Production	-	-	-	-	-	-

This is the Statement of Income/Cost referred to in our separate report of even date.

*[Signature]*  
Deputy Manager (A & F) and  
Head of Department

*[Signature]*  
Head of Project

## Baghdad-Dhaka Carpet Factory

North Kattali, Chattogram.

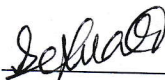
### Statement of Changes in Equity for the year ended 30th June, 2023.

Particulars	Share Capital	Govt. Equity Contribution	Reserve	Retained Earning	Total
Opening Balance as on 01.07.2022	-	55,301,999	2,273,230,929	(1,200,938,362)	1,127,594,566
Add : Net Profit /(Loss)	-	-	-	(12,362,449)	(12,362,449)
Add : Prior years adjustment	-	-	-	1,275,531	1,275,531
Less : Depreciation on Reserve	-	-	(6,270,000)	-	(6,270,000)
Add : Reserve agst. Sale of Fixed Assets	-	-	-	-	-
<b>Closing Balance as on 30.06.2023</b>	-	<b>55,301,999</b>	<b>2,266,960,929</b>	<b>(1,212,025,280)</b>	<b>1,110,237,648</b>

NOTE: AS per IAS 1, Presentation of financial statement guides us to represent the accumulated P/L balance with the column heading Retained Earnings for better reflection of the state of affairs of the organisation. Till previous year Bagdad Dhaka Carpet Factory used to show the P/L balance independently without a justified presentation. After bring this into the notice of the management we received a decision of BJMC management (Letter no 24.04.0000.306.09.001.18.118 dated on 20-12-2023) to change the presentation according to the guidelines of IAS 1. Hence, we made the necessary changes.

Particulars	Share Capital	Govt. Equity Contribution	Reserve	Retained Earning	Total
Opening Balance as on 01.07.2021	-	55,301,999	2,279,244,830	(1,177,045,410)	1,157,501,419
Add : Net Profit /(Loss)	-	-	-	(18,380,297)	(18,380,297)
Add : Prior years adjustment	-	-	-	(5,512,655)	(5,512,655)
Less : Depreciation on Reserve	-	-	(6,270,000)	-	(6,270,000)
Add : Reserve agst. Sale of Fixed Assets	-	-	256,099	-	256,099
<b>Closing Balance as on 30.06.2022</b>	-	<b>55,301,999</b>	<b>2,273,230,929</b>	<b>(1,200,938,362)</b>	<b>1,127,594,566</b>

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.

03 JAN 2024



## Baghdad-Dhaka Carpet Factory

North Kattali, Chattogram.

### Statement of Cash Flows for the year ended 30th June, 2023.

Particulars	Amount (Tk.)	
	2022-2023	2021-2022
Net Profit/(Loss) for the year	(12,362,449)	(18,380,297)
Previous Year's Adjustment	1,275,531	(5,852,371)
Depreciation	970,800	989,400
Adjustment to Reconcile Net Loss	<b>(10,116,118)</b>	<b>(23,243,267)</b>
<b><u>Cash Provided by the Operating Activities :</u></b>		
Stock & Stores	2,184	(103,033)
Book Debts	1,495,587	141,890
Advance, Deposits & Prepayments	54,399	345,402
Contingent Assets	-	-
BJMC Current A/C	18,401,351	11,386,383
Due from BJMC Jute Mills	(1,169,628)	(17,544)
Due to BJMC Jute Mills	(709,945)	746,911
Liabilities for Goods Supply	(213,320)	(12,255,897)
Liabilities for Expenses	(10,653,113)	(6,583,159)
Liabilities for Other Finance	(2,299,783)	3,255,177
	<b>4,907,732</b>	<b>(3,083,871)</b>
Cash Provided form Operating Activities	<b>(5,208,386)</b>	<b>(26,327,138)</b>
<b><u>Cash Flow from Investing Activities :</u></b>		
Fixed Assets Addition	-	-
Cash Provided from Investing Activities	-	-
<b><u>Cash Flow from Financing Activities :</u></b>		
Retiring Fund	1,664,960	(162,888)
Grant for Gratuity	(20,208,869)	(17,736,343)
Long Term & Others	15,260,507	74,327,119
Bank Overdraft	-	-
Capital	-	-
Reserves	-	-
Cash Provided from Financing Activities	<b>(3,283,402)</b>	<b>56,427,888</b>
Increase/(Decrease) in Cash & Bank Balance	<b>(8,491,788)</b>	<b>30,100,749</b>
Add : Opening Cash & Bank Balance as on 01.07.2022	37,656,421	7,555,672
Closing Cash & Bank Balance as on 30.06.2023	<b>29,164,633</b>	<b>37,656,421</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**