


Private & Confidential


Carpeting Jute Mills Ltd.
Town- Rajghat, Jessore


Auditor's Report and Financial Statements
Of
Carpeting Jute Mills Ltd.
For the year ended 30th June 2023.


M A Fazal & Co.

Chartered Accountants

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**Independent Auditor's Report
Of
Carpeting Jute Mills Ltd
Report on the Audit of the Financial Statements**

Opinion

We have audited financial statements of **Carpeting Jute Mills Ltd** which comprise the Statement of Financial Position as at 30 June 2023 and related the Statement of manufacturing, trading And Profit/(loss) & Others Comprehensive Income, 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 of the Company gives a true and fair view of the Statement of Financial Position as at 30 June 2023, and of its Statement of Manufacturing, Trading and Profit/(Loss) & Other Comprehensive Income, Changes in Equity and Cash Flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note B 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.

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:

- (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 accounts 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 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; and
- (iv) The expenditures incurred were for the purpose of the Company's business for the year;

Matter of Emphasis:

- (i) Prior year adjustment has been shown amounting Tk. 200,971,945/- but the management did not Provide us adequate supporting documents for our verification.

Dated, Dhaka



Md. Abul Basher
Md. Abul Basher # 0840
Managing Partner
M A FAZAL & CO.
Chartered Accountants

DVC: 240 3240840 AS 347195



MA FAZAL & CO.
Chartered Accountants



DOCKLANDS
ACCOUNTANTS

Carpeting Jute Mills Ltd.

Rajghat, Jessore.

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

Particulars	Notes/ Sch.	Amount (Tk.)	
		30.06.2023	30.06.2022
Property & Assets (Non- Current Assets) :			
A. Non Current Assets :		975,428,082	976,814,482
At Cost/ Revaluation Less Accumulated Depreciation	1.00	974,278,082	975,664,482
Investment	2.00	1,150,000	1,150,000
B. Current Assets :		92,020,504	108,790,884
Stock, Store & Spares	3.00	9,812,239	9,964,790
Debtors	4.00	2,980,800	2,991,402
Due from BJMC Mills	5.00	39,776,224	49,911,930
Advance, Deposit & Pre-Payment	6.00	18,764,565	19,256,281
Interim Revenue support receivable	7.00	11,029,561	11,029,561
Cash & Cash Equivalents	8.00	9,657,115	15,636,920
Total Property & Assets : (A+B)		1,067,448,586	1,085,605,366
Capital & Liabilities :			
C. Authorized Capital	9	-	20,000,000
D. Equity & Retained Earning :		(2,879,211,197)	(2,644,286,740)
Issued, Subscribed & Paid-up Capital	10	7,500,000	7,500,000
Govt. Equity Contribution	11	98,110,999	98,110,999
Retained Earnings	12	(2,984,822,196)	(2,749,897,739)
E. Long Term Liabilities :		3,871,438,545	3,634,086,968
Reserves	13.00	912,303,459	913,341,859
Gratuity Liabilities (Provision)	14.00	51,721,605	62,505,403
Long Term Loan	15.00	2,472,545,450	2,178,255,421
BJMC Current Account	16.00	434,868,031	479,984,285
F. Current Liabilities :		75,221,238	95,805,138
Due to BJMC Mills	17.00	12,299,867	16,707,703
Liabilities for Goods	18	-	551,712
Liabilities for Expenses	19	11,078,673	9,081,112
Liabilities for other Finance	20	27,023,919	21,907,783
Gratuity Payable Account (Current)	21	24,818,779	47,556,828
Total Capital & Liabilities : (D+E+F)		1,067,448,586	1,085,605,366

The accompanying notes from 01-44 form an integral part of this Financial Position as per our annexed report of even date

Head of Accounts & Finance

Deputy General Manager (Project Head)
Signed in terms of our report of even date.

Md. Abul Basher FCA # 0840

Managing Partner

M A Fazal & Co.

Chartered Accountants

Dated, Dhaka.
24 march, 2024


DVC: 2403240840 AS 347195




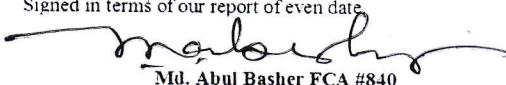
Carpeting Jute Mills Ltd.
Raighat, Jessore.
Statement of Manufacturing, Trading & Profit/(Loss) and other Comprehensive Income
for the year ended 30th June, 2023.

Sl. #	Particulars	Notes/ Sch.	Amount (Tk.)			Last year 30.06.2022
			C.B.C	YARN	Total (30.06.2023)	
	Income :					
1	Foreign Sales	22.00	-	-	-	-
2	Local Sales	23.00	-	-	-	2,455,646
3	Others Sales				7,396,459	
4	Total Sales : (1+2+3)				7,396,459	2,455,646
5	Subsidy	23(1)	-	-	-	-
6	Total Income : (4+5)				7,396,459	2,455,646
	Material Cost :					
7	Opening work-in-process	24.00	-	-	-	1,793,997
8	Raw Jute Consumed		-	-	-	-
9	Charge on Raw Jute		-	-	-	-
10	Other Direct Materials Consumed		-	-	-	-
11	Sub Total : (7 to 10)					1,793,997
12	Closing Work in Process	24.00	-	-	-	-
13	Total Material Cost : (11-12)					1,793,997
	Conversion Cost :					
14	Opening work-in-process	24.00	-	-	-	608,804
15	Wages		-	-	-	-
16	Salaries	25.00	-	-	34,174,723	34,867,960
17	Power/ Electricity	26.00	-	-	530,213	619,457
18	Fuel		-	-	-	-
19	Repairs & Maintenance	27.00	-	-	128,317	198,819
20	Depreciation	28.00	-	-	348,000	348,000
21	Insurance	29.00	-	-	-	434,600
22	Other Factory Overhead	30.00	-	-	-	1,222,333
23	Sub Total : (14 to 22)				35,181,253	38,299,973
24	Closing Work-in-process		-	-	-	-
25	Total Conversion Cost : (23-24)				35,181,253	38,299,973
26	Cost of Production : (13+25)				35,181,253	40,093,970
27	Opening Stock of Finished Goods		-	-	-	-
28	Cost of Goods Available for Sales : (26+27)				35,181,253	40,093,970
29	Closing Stock of Finished Goods		-	-	-	-
30	Total Cost of Sales : (28-29)				35,181,253	40,093,970
31	Gross Profit/loss(6-30)				(27,784,794)	(37,638,324)
32	Administrative Expenses	31.00	-	-	4,652,214	1,454,528
33	Selling Expenses	32.00	-	-	-	152,976
34	Total Operating expenses : (32+ 33)				4,652,214	41,701,474
35	Operating Profit/(Loss) : (31-34)				(32,437,008)	(39,245,828)
	Financial Expenses :					
36	Interest (Cash Credit)		-	-	-	-
37	Interest on Bangladesh Bank Loan	33.00	-	-	1,515,504	4,742,984
38	Total Interest : (36+37)				1,515,504	4,742,984
39	Total Profit/(Loss) : (35-38)				(33,952,512)	(43,988,812)
40	Non-Operating Income		-	-	-	123,402
41	Net Profit/Loss) Before Tax : (39+40)				(33,952,512)	(43,865,410)
42	TDS		-	-	-	-
43	Net Profit/(Loss) After Tax : (41-42)				(33,952,512)	(43,865,410)

The accompanying notes From 01-44 form an integral part of this Financial Position as per our annexed report of even date


Head of Accounts & Finance


Deputy General Manager (Project Head)
Signed in terms of our report of even date


Md. Abul Basher FCA #840
Managing Partner
MA Fazal & Co.
Chartered Accountants

Dated, Dhaka.
24 march, 2024

DVC: 2403240840AS 34705

Carpeting Jute Mills Ltd.
 Rajghat, Jessore.
Statement of Manufacturing, Trading & Profit/(Loss) and other Comprehensive Income
for the year ended 30th June, 2023.

Sl. #	Particulars	Notes/ Sch.	Amount Tk. (In Lac.)			Last year 30.06.2022
			C.B.C	YARN	Total 30.06.2023	
	Income :					
1	Foreign Sales	22.00	-	-	-	-
2	Local Sales	23.00	-	-	-	24.56
3	Others Sales				73.96	
4	Total Sales : (1+2+3)				73.96	24.56
5	Subsidy	23(1)	-	-	-	-
6	Total Income : (4+5)				73.96	24.56
	Material Cost :					
7	Opening work-in-process	24.00	-	-	-	17.94
8	Raw Jute Consumed		-	-	-	-
9	Charge on Raw Jute		-	-	-	-
10	Other Direct Materials Consumed		-	-	-	-
11	Sub Total (7 to 10)					17.94
12	Closing Work in Process	24.00	-	-	-	-
13	Total Material Cost : (11 -12)					17.94
	Conversion Cost :					
14	Opening work-in-process	24.00	-	-	-	6.09
15	Wages		-	-	-	-
16	Salaries	25.00	-	-	341.75	348.68
17	Power/ Electricity	26.00	-	-	5.30	6.19
18	Fuel		-	-	-	-
19	Repairs & Maintenance	27.00	-	-	1.28	1.99
20	Depreciation	28.00	-	-	3.48	3.48
21	Insurance	29.00	-	-	-	4.35
22	Other Factory Overhead	30.00	-	-	-	12.22
23	Sub Total : (14 to 22)				351.81	383.00
24	Closing Work-in-process		-	-	-	-
25	Total Conversion Cost : (23-24)				351.81	383.00
26	Cost of Production : (13+25)				351.81	400.94
27	Opening Stock of Finished Goods		-	-	-	-
28	Cost of Goods Available for Sales : (26+27)				351.81	400.94
29	Closing Stock of Finished Goods		-	-	-	-
30	Total Cost of Sales : (28-29)				351.81	400.94
31	Gross Profit/(Loss) : (6-30)				(277.85)	
32	Administrative Expenses	31.00	-	-	46.52	14.55
33	Selling Expenses	32.00	-	-	-	1.53
34	Total Operating expenses : (32+33)				46.52	417.01
35	Operating Profit/(Loss) : (31-34)				(324.37)	(392.46)
	Financial Expenses :					
36	Interest (Cash Credit)		-	-	-	-
37	Interest on Bangladesh Bank Loan	33.00	-	-	15.16	47.43
38	Total Interest : (36+37)				15.16	47.43
39	Total Profit/(Loss) : (35-38)				(339.53)	(439.89)
40	Non-Operating Income		-	-	-	1.23
41	Net Profit/(Loss) Before Tax: (39+40)				(339.53)	
42	TDS		-	-	-	-
43	Net Profit/(Loss) After Tax : (41-42)				(339.53)	(438.65)

This is the Statement of Manufacturing Trading & Profit/(Loss) and other Comprehensive Income referred



Carpeting Jute Mills Ltd.

Rajghat, Jessore.

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

Particulars	Share Capital	Equity Contribution	Capital Reserve	Retained in Earning	Total
Balance as on 01.07.2022	7,500,000	98,110,999	913,341,859	(2,749,897,740)	(1,730,944,882)
Depreciaion on Re-Valuation Assets	-	-	(1,038,400)	-	(1,038,400)
Prior year Adjustment	-	-	-	(200,971,945)	(200,971,945)
Profit & Loss A/C	-	-	-	(33,952,512)	(33,952,512)
Total	7,500,000	98,110,999	912,303,459	(2,984,822,196)	(1,966,907,738)

Note: As per IAS 1, Presentation of Financial Statement guides us to represent the accumulated P/L balance with the control heading Retained Earnings for better reflection of the state of affairs of the organisation. Till previous year Daulatpur Jute Mills Ltd 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.

Statement of Changes in Equity for year ended 30th June, 2022.

Particulars	Share Capital	Equity Contribution	Capital Reserve	Retained in Earning	Total
Balance as on 01.07.2022	7,500,000	98,110,999	918,380,259	(2,682,583,818)	(1,658,592,560)
Depreciaion on Re-Valuation Assets	-	-	(5,038,400)	-	(5,038,400)
Prior year Adjustment	-	-	-	(23,448,512)	(23,448,512)
Profit & Loss A/C	-	-	-	(43,865,410)	(43,865,410)
Total	7,500,000	98,110,999	913,341,859	(2,749,897,740)	(1,730,944,882)

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

Head of Accounts & Finance

Deputy General Manager (Head of Project)
Signed in terms of our report of even date.



Carpeting Jute Mills Ltd.

Rajghat, Jessore.

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

Sl.#	Particulars	Amount (Tk.)	
		30.06.2023	30.06.2022
A.	<u>Cash Flow from Operating Activities :</u>		
	Net Profit/(Loss) for the year	(33,952,512)	(43,865,410)
	Prior year Adjustment	(200,971,945)	(23,448,512)
	Total	(234,924,457)	(67,313,922)
	<u>Increase/Decrease in Current Assets :</u>		
	Stock & Stores	152,551	3,125,547
	Debtors	10,602	6,844,158
	Due from BJMC Mills	10,135,707	6,924,286
	Advance Deposit & Pre-payments	491,716	(17,351,363)
	Depreciation	348,000	348,000
	Total	11,138,576	(109,372)
	<u>Increase/Decrease in Current Liabilities :</u>		
	Due to BJMC Mills	(4,407,836)	7,820,980
	Liabilities for Goods	(551,712)	(20,078,250)
	Liabilities for Expenses	1,997,561	(38,420,656)
	BJMC Current Account	(45,116,254)	33,428,679
	Gratuity Liability (Provision)	(10,783,798)	(727,860)
	Gratuity Payable Account(Current)	(22,738,049)	(34,511,575)
	Total	(81,600,088)	(52,488,682)
	Total Net Cash used by Operating Activities:	(70,461,512)	(52,598,054)
B.	<u>Cash Flow from Investing Activities :</u>		
	Addition of Non Current Assets	-	-
	Total Net Cash used by Investing Activities :	-	-
C.	<u>Cash Flow from Financing Activities :</u>		
	Liabilities for Other Finance	5116136	(2,172,268)
	Long Term Loan	294290029	128,846,980
	Total Net Cash provided by Financing Activities :	299,406,165	126,674,712
	Net Cash Inflow/Outflow : (A+B+C)	(5,979,805)	6,762,736
	Cash & Bank Balance at the beginning of the year	15,636,920	8,874,184
	Cash & Bank Balance at the ending of the year	9,657,115	15,636,920

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

Carpeting Jute Mills Ltd.
Rajghat, Jessore.

Notes to the Financial Statements for the year ended 30th June, 2023.

Basic Accounting Policies :

Presentation of Annual Accounts :

The accounts have been prepared under historical cost convention subject to following exceptions.

Revaluation of Non Current Assets :

The Fixed Assets of the Company first time Re-valuation were made in the year 1992-93 and 2nd time Re-valuation were made in the year 2016-2017 have been revalued on the basis of replacement cost in terms of BJMC directives vide in their letter no.24.04.0000.306.18.001.18-30, dated 09.04.2019. The principles followed and the factors considered for estimating replacement cost of the fixed assets are summarized below :

Land : Location - wise prevailing land price.

Other Assets : On estimated basis considering the present conditions and prevailing market price of similar items of assets. Net carrying value of the assets revalued on 30th June, 2017 are re-stated of replacement cost less accumulated depreciation up to 30th June, 2017 computed straight line method on estimated useful lives of the assets.

Provision for Depreciation on Fixed Assets : Depreciation on Fixed Assets has been charged on as per BJMC guide line.

Valuation of Closing Stock : The basis of valuation of closing stock are as per instruction of BJMC.

Stock of Finished Goods : There are no Finished Goods in the Mill

Unsold goods : At cost or net market price which ever is lower.
In transit : Net FOB price
Shutout Stock : 50% of the export value.

Thread Wastages Stock : There are no Thread wastage in the Mill

Caddis Stock : At 25% of Jute cutting as on 30th June, 2019.
Stores and Spares : At cost on average price.
Raw Jute : at weighted average of holding cost plus charges on Raw Jute including godown rents, insurance etc.

Work in Process : There are no work in process the Mill

Foreign Currency Translation : Foreign currency balances under IDA (RAH) Scheme have been translated into taka at the rate prevailing on the balance sheet date.

Figures in the Accounts : Figures have been rounded off to the nearest taka. Previous year's figure have been rearranged to conform to current years presentation.

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, 2020.