

# **PRIVATE & CONFIDENTIAL**

**AUDIT REPORT  
&  
FINANCIAL STATEMENTS  
OF  
MEGHNA JUTE MILLS LIMITED  
FOR THE YEAR ENDED ON 30<sup>TH</sup> JUNE, 2022**



এ.মতীন এন্ড কোং

**A. MATIN & CO.**

**CHARTERED ACCOUNTANTS**

**60/2, (1<sup>st</sup> Floor), Naya Paltan, Dhaka- 1000.**

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**A. MATIN & CO.**  
Chartered Accountants

## INDEPENDENT AUDITOR'S REPORT

**Meghna Jute Mills Limited**

Nagoriyakandi, Narsingdi.

FOR THE FINANCIAL YEAR ENDED 30<sup>TH</sup> JUNE 2022  
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements **Meghna Jute Mills Limited, Nagoriyakandi, Narsingdi**, which comprises of The Statement of Financial Position as at 30<sup>th</sup> June, 2022 Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow 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 or give a true and fair view of the Financial Position of the Company as at 30<sup>th</sup> June, 2022 and of its Financial Performance and Cash Flows for the period then ended accordance with the International Financial Reporting Standards (IFRS).

### Basis for Opinion

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 Accounting Education Standards Board (IAESB) 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 our basis for the opinion.

### Emphasis of Matter

Without modification to our report, we would like to draw attention,

The Accounts department of the mill does not have adequate manpower to keep books of accounts properly. Every year prior period adjustment is being used to provide for expenses not accrued before. This year an adjustment of Tk. 17,330,893 has been made as Prior year adjustment in Profit & Loss Account (Note-10.00). Management is also treating Tax deducted at source (TDS) of tk- 989,550 as advance tax in financial position as expenses in profit & loss a/c.

The operation of the mill is closed since June 2020. It does not have any cash and cash equivalent rather it is supported by United Jute Mills to pay of its expenses. Cash from whatever revenue earned goes to United Jute Mills Ltd. There is a going concern threat for the mill.





### **Responsibilities of the Management and those charged with Governance for the Financial Statement**

Management is responsible for the preparation of Financial Statement 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 Statement, 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 Statement 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 asses 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:

- 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.
- d) The Expenditure incurred was for the purpose of the Company's Business.

Monika Nashat Matin, ACA  
Enrolment No-1968  
A. Matin & Co.  
Chartered Accountants  
DVC: 2305141968AS670071

Dhaka, Bangladesh  
Dated: 14/05/2023





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A. MATIN & CO.  
Chartered Accountants

Meghna Jute Mills Limited  
Statement of Financial Position  
As on 30th June, 2022

Sl. No.	Particulars	Notes/ Sch.	Amount in (Tk.)	
			As on 30.06.2022	As on 30.06.2021
	<b>Property &amp; Assets :</b>			
	<b>Non Current Assets :</b>			
A.	At Cost/Revaluation less accumulated depreciation	1.00	2,263,005,703	2,282,267,596
	Investment	2.00	-	-
	<b>Total Non Current Assets:</b>		<b>2,263,005,703</b>	<b>2,282,267,596</b>
	<b>Current Assets :</b>			
	Stock, Stores & Spares	3.00	-	-
	Debtors (Less: Provisions)	4.00	24,950,008	35,098,758
	Due from BJMC Mills	5.00	-	-
B.	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	-	-
	<b>Total Current Assets</b>		<b>31,587,374</b>	<b>41,736,124</b>
	<b>Profit &amp; Loss Account Balance:</b>	10.00	<b>2,707,301,887</b>	<b>2,643,085,185</b>
C.	<b>Total Property &amp; Assets : (A+B+C)</b>		<b>5,001,894,964</b>	<b>4,967,088,905</b>
	<b>Capital &amp; Liabilities :</b>			
	<b>Authorised Capital</b>		<b>50,000,000</b>	<b>50,000,000</b>
	<b>Shareholders Equity &amp; Loans :</b>			
	Issued, Subscribed & Paid-up Capital	11.00	10,000,000	10,000,000
	Govt. Equity Contribution	12.00	55,185,640	55,185,640
D.	Reserves	13.00	2,217,508,247	2,234,465,644
	Current Accounts with United Jute Mills	14.00	2,708,356,631	2,652,976,488
	Long Term Loan	15.00	-	-
	Gratuity Liabilities (Provision)	16.00	7,171,140	11,406,917
	<b>Total Shareholders Equity &amp; Loans</b>		<b>4,998,221,658</b>	<b>4,964,034,689</b>
	<b>Current Liabilities :</b>			
	Bank Over Draft	17.00	-	-
	Liabilities for Goods	18.00	-	-
	Liabilities for Expenses	19.00	2,773,959	2,268,987
E.	Liabilities for other Finance	20.00	899,347	785,229
	Due to BJMC Mills	21.00	-	-
	Gratuity Payable Account (Current)	22.00	-	-
	<b>Total Current Liabilities</b>		<b>3,673,306</b>	<b>3,054,216</b>
	<b>Total Capital &amp; Liabilities (D+E)</b>		<b>5,001,894,964</b>	<b>4,967,088,905</b>

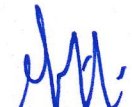
Manager (Accounts & Finance)

Signed in terms of our separate report of even date annexed.

General Manager (Project Head)



Dhaka, Bangladesh  
Dated: 14.05.2023

  
Monika Nashat Matin, ACA  
Enrolment No: 1968  
A. Matin & Co.  
Chartered Accountants  
DVC: 2305141968AS670071



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A. MATIN & CO.  
Chartered Accountants

Meghna Jute Mills Limited  
Manufacturing, Trading and Profit & Loss Account  
For the year ended 30th June, 2022


Sl. No.	Particulars	Sch. No.	Amount in Taka			2020-21
			2021-22			
			Hessian	Sacking	Total	
<b>Income:</b>						
1	Foreign sales	25.00	-	-	-	3,860,519
2	Local sales	26.00	-	-	-	9,124,181
3	<b>Total sales (1+2) :</b>		-	-	-	<b>12,984,700</b>
4	Subsidy		-	-	-	772,104
5	<b>Total Income (3+4) :</b>		-	-	-	<b>13,756,804</b>
<b>Material cost:</b>						
6	Opening work-in-process		-	-	-	2,477,000
7	Raw Jute consumption	27.00	-	-	-	-
8	Charges on Raw Jute	28.00	-	-	-	-
9	Other direct materials consumed	29.00	-	-	-	-
10	<b>Sub-Total (6 to 9) :</b>		-	-	-	<b>2,477,000</b>
11	Closing work-in-process		-	-	-	-
12	<b>Total Material cost (10-11) :</b>		-	-	-	<b>2,477,000</b>
<b>Conversion cost:</b>						
13	Opening work-in-process		-	-	-	1,239,000
14	Wages	30.00	-	-	-	6,770,193
15	Salaries	31.00	3,244,995	18,813,078	22,058,073	22,609,624
16	Power/Electricity	32.00	107,195	515,596	622,791	1,285,073
17	Fuel	33.00	-	-	-	690,000
18	Repairs & maintenance	34.00	112,893	551,191	664,084	124,078
19	Depreciation	35.00	391,765	1,912,731	2,304,496	3,510,070
20	Insurance	36.00	767	3,745	4,512	25,815
21	Other Factory overhead	37.00	225,984	111,363	337,347	357,412
22	<b>Sub-Total (13 to 21) :</b>		<b>4,083,599</b>	<b>21,907,704</b>	<b>25,991,303</b>	<b>36,611,265</b>
23	Closing work-in-process		-	-	-	-
24	<b>Total Conversion cost (22-23) :</b>		<b>4,083,599</b>	<b>21,907,704</b>	<b>25,991,303</b>	<b>36,611,265</b>
25	<b>Cost of production (12+24) :</b>		<b>4,083,599</b>	<b>21,907,704</b>	<b>25,991,303</b>	<b>39,088,265</b>
26	Opening stock of Finished goods		-	-	-	8,773,000
27	<b>Cost of goods available for sale(25+26)</b>		<b>4,083,599</b>	<b>21,907,704</b>	<b>25,991,303</b>	<b>47,861,265</b>
28	Closing stock of Finished goods		-	-	-	-
29	<b>Total cost of sales (27- 28) :</b>		<b>4,083,599</b>	<b>21,907,704</b>	<b>25,991,303</b>	<b>47,861,265</b>
30	Administrative expenses	38.00	345,028	3,220,809	3,565,837	3,324,797
31	Selling expenses	39.00	22,181	159,615	181,796	484,729
32	<b>Total operating expenses (29 to 31) :</b>		<b>4,450,808</b>	<b>25,288,128</b>	<b>29,738,936</b>	<b>51,670,791</b>
33	<b>Operating Profit/(Loss) (5 - 32)</b>		<b>(4,450,808)</b>	<b>(25,288,128)</b>	<b>(29,738,936)</b>	<b>(37,913,987)</b>
<b>Financial expenses:</b>						
34	Interest (Cash Credit)		-	-	-	-
35	Interest (Long term Loan)	40.00	1,548,007	14,609,316	16,157,323	14,238,585
36	<b>Total Interest (34+35) :</b>		<b>1,548,007</b>	<b>14,609,316</b>	<b>16,157,323</b>	<b>14,238,585</b>
37	Non-Operating Income	41.00	-	-	-	-
38	<b>Total Profit/(Loss) (33+36) :</b>		<b>(5,998,815)</b>	<b>(39,897,444)</b>	<b>(45,896,259)</b>	<b>(52,152,572)</b>
39	Tax Paid At Source (TDS)	42.00	329,850	659,700	989,550	699,087
40	<b>Net Profit/(Loss) After Tax (TDS)(39-40)</b>		<b>(6,328,665)</b>	<b>(40,557,144)</b>	<b>(46,885,809)</b>	<b>(52,851,659)</b>

Manager (Accounts & Finance)

General Manager (Project Head)

Signed in terms of our separate report of even date annexed.



  
Monika Nashat Matin, ACA  
Enrolment No: 1968  
A. Matin & Co.  
Chartered Accountants  
DVC: 2305141968AS670071

Dhaka, Bangladesh  
Dated: 14.05.2023



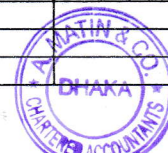
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Chartered Accountants

**Meghna Jute Mills Limited**

**Income/Cost Statement**

For the year ended 30th June, 2022

Sl. No.	Particulars	Amount (Taka in Lac)			Per Ton	
		Hessian	Sacking	Total	Hessian	Sacking
<b>INCOME</b>						
1	Local Sales	-	-	-		
2	Foreign Sales	-	-	0.00		
3	Total Sales	0.00	0.00	0.00		
4	Subsidy	0.00	0.00	0.00		
5	<b>Total Operating Income (1+2)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		
<b>MATERIAL COST</b>						
6	Op. Work-in-Process	0.00	0.00	0.00		
7	Raw Jute	0.00	0.00	0.00	-	-
8	Other Direct Materials	0.00	0.00	0.00	-	-
9	<b>Sub-Total (6+8)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	-	-
10	Cl. Work-in-Process	0.00	0.00	0.00	-	-
11	<b>Total Materials Cost (9+10)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	-	-
<b>CONVERSION COST</b>						
13	Op. Work-in-Process	0.00	0.00	0.00		
14	Wages	0.00	0.00	0.00	-	-
15	Salaries	32.45	188.13	220.58	-	-
16	Power / Electricity	1.07	5.16	6.23	-	-
17	Fuel	0.00	0.00	0.00	-	-
18	Repairs & Maint.	1.13	5.51	6.64	-	-
19	Depreciation	3.92	19.13	23.04	-	-
20	Insurance	0.01	0.04	0.05	-	-
21	Other Factory Overhead	2.26	1.11	3.37	-	-
22	<b>Sub-Total (12+20)</b>	<b>40.84</b>	<b>219.08</b>	<b>259.91</b>	-	-
23	Cl. Work-in-Process	0.00	0.00	0.00	-	-
24	<b>Total Conversion Cost</b>	<b>40.84</b>	<b>219.08</b>	<b>259.91</b>	-	-
25	<b>Cost of Production</b>	<b>40.84</b>	<b>219.08</b>	<b>259.91</b>	-	-
26	Op. Stock of F/Goods	0.00	0.00	0.00		
27	Cost of Goods Available for Sales	40.84	219.08	259.91		
28	Cl. Stock of F/Goods	0.00	0.00	0.00		
29	<b>Total Cost of Sales</b>	<b>40.84</b>	<b>219.08</b>	<b>259.91</b>		
30	Admn. Expenses	3.45	32.21	35.66		
31	Selling Expenses	0.22	1.60	1.82		
32	<b>Total Operating Expenses</b>	<b>44.51</b>	<b>252.88</b>	<b>297.39</b>		
33	<b>Operating Profit(Loss)</b>	<b>(44.51)</b>	<b>(252.88)</b>	<b>(297.39)</b>		
<b>FINANCIAL EXPENSES</b>						
34	Interest Cash Credit	-	-	-		
35	Interest on Long Term Loan	15.48	146.09	161.57		
36	<b>Total Interest (33+34)</b>	<b>15.48</b>	<b>146.09</b>	<b>161.57</b>		
37	Non-Operating Income	-	-	-		
38	<b>Net Profit (Loss)</b>	<b>(59.99)</b>	<b>(398.97)</b>	<b>(458.96)</b>		
	Tax Paid At Source	3.30	6.60	9.90		
	<b>Total Profit / (Loss)</b>	<b>(63.29)</b>	<b>(405.57)</b>	<b>(468.86)</b>		
<b>QUANTITY IN (M.TON)</b>						
39	Baled Production					
40	Op. Stock of F.Goods					
41	Goods avail. for Sales					
42	Cl. Stock of F/ Goods					
43	Local Sales					
44	Foreign Sales					
45	Total Sales					
46	Equivalent Production					





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A. MATIN & CO.  
Chartered Accountants

## Meghna Jute Mills Ltd.

Statement of Change in Equity  
For year ended 30th June, 2022.

Particulars	Share Capital	Equity Contribution	Reserves	P&LA/C	Total
Balance as on 01.07.2021	10,000,000	55,185,640	2,234,465,644	(2,643,085,185)	(343,433,901)
Depreciaion on Re-Valuation Assets	-	-	(16,957,397)	-	(16,957,397)
Prior year Adjustment	-	-	-	(17,330,893)	(17,330,893)
During the Year	-	-	-	(46,885,809)	(46,885,809)
Closing Balance as on 30.06.22	10,000,000	55,185,640	2,217,508,247	(2,707,301,887)	(424,608,000)

Manager (Accounts & Finance)

General Manager (Project Head)







**Meghna Jute Mills Limited**  
**Statement of Cash Flow**  
**For the Year Ended June 30, 2022.**

Particulars	30.06.2022 (Amount in Taka)
<b>A. Cash Flows from Operating Activities</b>	
Net Profit Before Tax	(45,896,259)
Add: Finance Cost	16,157,323
Add: Depreciation on Fixed Assets	2,304,496
Prior Year Adjustment	(17,330,893)
(Increase)/Decrease in Stock, Stores & Spares	
(Increase)/Decrease in Debtors (Less: Provisions)	10,148,750
(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	55,380,143
(Increase)/Decrease in Current A/C with Chandpur Jute Mills	
Increase/(Decrease) in Liabilities for Goods	
Increase/(Decrease) in Liabilities for Expenses	504,972
Increase/(Decrease) in Liabilities for Other Finance	114,118
Increase/(Decrease) in Due to BJMC/ De-Nationalised Jute Mills	
Increase/(Decrease) in Gratuity Liabilities (Provision)	(4,235,777)
<b>Cash Generated from Operations</b>	<b>17,146,873</b>
Tax Paid	(989,550)
Less: Bank Commission & Charges Paid	(16,157,323)
<b>Net Cash Generated from Operating Activities</b>	<b>-</b>
<b>B. Cash flows from Investing Activities</b>	
Cash Payment to acquire Fixed Assets	-
<b>Net cash used in investing activities</b>	<b>-</b>
<b>C. Cash flows from Financing Activities</b>	
Cash Receipt from Long-Term Liabilities	
Cash Paid for Gratuity Liabilities (Provision)	
<b>Net cash Flow from Financing Activities</b>	<b>-</b>
<b>D. Net Cash Inflows/(outflows) {A+B+C}</b>	<b>-</b>
<b>E. Cash and Cash Equivalent at The Beginning of The Year</b>	<b>-</b>
<b>F. Cash and Cash Equivalent at The End of The Year</b>	<b>-</b>

Manager (Accounts & Finance)

General Manager (Project Head)

