

Private & Confidential

Auditors' Report and Financial Statements

of

Carpeting Jute Mills Ltd.

Rajghat, Jessore.

For the year ended 30th June, 2022.

MASUD ALTAF & CO.

Chartered Accountants

Dom-Inno Apartment, B-1

23/16, Khilji Road, Block-B

Shyamoli, Mohammadpur, Dhaka-1207.

Telephone no. 88-02-48117178

Mobile no. 01711-536193

E-mail : macaudit.2002@gmail.com

Independent Auditors' Report of Carpeting Jute Mills Ltd.

Opinion

We have audited the Financial Statements of "Carpeting Jute Mills Ltd." which comprise the Statement of Financial Position as on 30th June, 2022 and related the Statement of Manufacturing, Trading and Profit (Loss) and Other Comprehensive Income, Changes in Equity and 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 financial position as on 30th June, 2022 and of its Statement of Manufacturing, Trading and Profit (Loss) and 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 Auditing Standards (IAS). 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), We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and 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 statement of the Company in accordance with IFRSs as explained in note B 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.

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 IASs 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.



MASUD ALTAF & CO.

Chartered Accountants

Dom-Inno Apartment, B-1
23/16, Khilji Road, Block-B
Shyamoli, Mohammadpur, Dhaka-1207
Tel : 88-02-48117178, 01711-536193
E-mail : macaudit.2002@gmail.com

As part of an audit in accordance with International Auditing Standards IASs, 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 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.
- c) The Statement of Financial Position, Manufacturing, Trading and Profit (Loss) and Other Comprehensive Income, Changes in Equity and Cash Flows dealt with by the report are in agreement with the books of account and returns, and
- d) The expenditures incurred were for the purpose of the company's business for the year.

Dated, Dhaka.
12th February, 2023.




(MASUD ALTAF & CO.)
Chartered Accountants
DVC : 2302120684AS805920

Carpeting Jute Mills Ltd.

Rajghat, Jessore.

Statement of Financial Position as on 30th June, 2022.

Sl. #	Particulars	Notes/S ch.	Amount (Tk.)	
			30.06.2022	30.06.2021
Property & Assets :				
A. Non Current Assets :				
	Property, Plant & Equipment	1.00	975,664,482	981,050,882
	Investment	2.00	1,150,000	1,150,000
	Total Non Current Assets		976,814,482	982,200,882
B. Current Assets :				
	Stock, Store & Spares	3.00	9,964,790	13,090,337
	Debtors	4.00	2,991,402	9,835,560
	Due from BJMC Mills	5.00	49,911,930	56,836,217
	Advance, Deposit & Pre-Payment	6.00	19,256,280	1,904,917
	Interim Revenue support receivable	7.00	11,029,561	11,029,561
	Cash & Bank Balance	8.00	15,636,920	8,874,184
	Total Current Assets		108,790,883	101,570,776
C. Profit & Loss Account Balance				
		9.00	2,749,897,739	2,682,583,818
	Total Property & Assets : (A+B+C)		3,835,503,105	3,766,355,475
Capital & Liabilities :				
Authorized Capital				
		10.00	20,000,000	20,000,000
D. Shareholders Equity & Loans :				
	Issued, Subscribed & Paid-up Capital	11.00	7,500,000	7,500,000
	Govt. Equity Contribution	12.00	98,110,999	98,110,999
	Reserves	13.00	913,341,859	918,380,259
	Gratuity Liabilities (Provision)	14.00	62,505,403	63,233,263
	Long term Loan	15.00	2,178,255,421	2,049,408,441
	Total Shareholders Equity & Loans		3,259,713,682	3,136,632,962
E. Current Liabilities :				
	BJMC Current Account	16.00	479,984,285	447,240,948
	Due to BJMC Mills	17.00	16,707,703	8,886,723
	Liabilities for Goods	18.00	551,712	20,629,962
	Liabilities for Expenses	19.00	9,081,112	47,501,768
	Liabilities for other Finance	20.00	21,907,783	24,080,051
	Gratuity Payable Account (Current)	21.00	47,556,828	81,383,061
	Total Current Liabilities		575,789,423	629,722,513
	Total Capital & Liabilities : (D+E)		3,835,503,105	3,766,355,475

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

Dated, Dhaka.
12th February, 2023.



(MASUD ALTAF & CO.)
Chartered Accountants
DVC: 2302120684AS805920

Carpeting Jute Mills Ltd.
Rajghat, Jessore.

**Statement of Manufacturing, Trading & Profit/(Loss) and other Comprehensive Income
for the year ended 30th June, 2022.**

Sl. #	Particulars	Notes/ Sch.	Amount (Tk.)			Last year 30.06.2021
			C.B.C	YARN	Total (30.06.2022)	
	Income :					
1	Foreign Sales	22.00	-	-	-	48,673,760
2	Local Sales	23.00	613,230	1,842,416	2,455,646	6,041,953
3	Total Sales : (1+2)		613,230	1,842,416	2,455,646	54,715,713
4	Subsidy	23(1)	-	-	-	5,679,123
5	Total Income : (3+4)		613,230	1,842,416	2,455,646	60,394,836
	Material Cost :					
6	Opening work-in-process	24.00	1,534,997	259,000	1,793,997	1,793,997
7	Raw Jute Consumed		-	-	-	-
8	Charge on Raw Jute		-	-	-	-
9	Other Direct Materials Consumed		-	-	-	-
10	Sub Total : (6 to 9)		1,534,997	259,000	1,793,997	1,793,997
11	Closing Work in Process	24.00	-	-	-	1,793,997
12	Total Material Cost : (10-11)		1,534,997	259,000	1,793,997	-
	Conversion Cost :					
13	Opening work-in-process	24.00	457,492	151,312	608,804	608,804
14	Wages		-	-	-	-
15	Salaries	25.00	8,716,991	26,150,969	34,867,960	34,219,768
16	Power/ Electricity	26.00	154,864	464,593	619,457	1,406,542
17	Fuel		-	-	-	-
18	Repairs & Maintenance	27.00	49,706	149,113	198,819	363,570
19	Depreciation	28.00	87,000	261,000	348,000	1,248,000
20	Insurance	29.00	108,650	325,950	434,600	728,400
21	Other Factory Overhead	30.00	305,587	916,746	1,222,333	1,036,980
22	Sub Total : (13 to 21)		9,880,290	28,419,683	38,299,973	39,612,064
23	Closing Work-in-process		-	-	-	608,804
24	Total Conversion Cost : (22-23)		9,880,290	28,419,683	38,299,973	39,003,260
25	Cost of Production : (12+24)		11,415,287	28,678,683	40,093,970	39,003,260
26	Opening Stock of Finished Goods		-	-	-	52,943,880
27	Cost of Goods Available for Sales : (25+26)		11,415,287	28,678,683	40,093,970	91,947,140
28	Closing Stock of Finished Goods		-	-	-	-
29	Total Cost of Sales : (27-28)		11,415,287	28,678,683	40,093,970	91,947,140
30	Administrative Expenses	31.00	363,634	1,090,894	1,454,528	4,634,316
31	Selling Expenses	32.00	38,244	114,732	152,976	2,548,066
32	Total Operating expenses : (29 to 31)		11,817,165	29,884,309	41,701,474	99,129,522
33	Operating Profit/(Loss) : (5-32)		(11,203,935)	(28,041,893)	(39,245,828)	(38,734,686)
	Financial Expenses :					
34	Interest (Cash Credit)		-	-	-	-
35	Interest on Bangladesh Bank Loan	33.00	1,185,746	3,557,238	4,742,984	5,287,834
36	Total Interest : (34+35)		1,185,746	3,557,238	4,742,984	5,287,834
37	Total Profit/(Loss) : (33-36)		(12,389,681)	(31,599,131)	(43,988,812)	(44,022,520)
38	Non-Operating Income		30,817.00	92,585.00	123,402	-
39	Net Profit/(Loss) : (37+38)		(12,358,864)	(31,506,546)	(43,865,410)	(44,022,520)

This is the Statement of Manufacturing Trading and Profit/(Loss) and other Comprehensive Income referred to in our separate report of even date.

Dated, Dhaka.
12th February, 2023.



(MASUD ALTAFA & CO.)
Chartered Accountants

DVC: 2302120684AS805920

Carpeting Jute Mills Ltd.

Raighat, Jessore.

Statement of Manufacturing, Trading & Profit/(Loss) and other Comprehensive Income for the year ended 30th June, 2022.

Sl. #	Particulars	Notes/ Sch.	Amount Tk. (In Lac.)			Last year 30.06.2021
			C.B.C	YARN	Total	
Income :						
1	Foreign Sales	22.00	-	-	-	486.74
2	Local Sales	23.00	6.13	18.42	24.56	60.42
3	Total Sales : (1+2)		6.13	18.42	24.56	547.16
4	Subsidy	23(1)	-	-	-	56.79
5	Total Income : (3+4)		6.13	18.42	24.56	603.95
Material Cost :						
6	Opening work-in-process	24.00	15.35	2.59	17.94	17.94
7	Raw Jute Consumed	25.00	-	-	-	-
8	Charge on Raw Jute	26.00	-	-	-	-
9	Other Direct Materials Consumed	27.00	-	-	-	-
10	Sub Total (6 to 9)		15.35	2.59	17.94	17.94
11	Closing Work in Process	24.00	-	-	-	17.94
12	Total Material Cost : (10 -11)		15.35	2.59	17.94	(0.00)
Conversion Cost :						
13	Opening work-in-process	24.00	4.57	1.51	6.09	6.09
14	Wages	28.00	-	-	-	-
15	Salaries	29.00	87.17	261.51	348.68	342.20
16	Power/ Electricity	30.00	1.55	4.65	6.19	14.07
17	Fuel	31.00	-	-	-	-
18	Repairs & Maintenance	32.00	0.50	1.49	1.99	3.64
19	Depreciation	33.00	0.87	2.61	3.48	12.48
20	Insurance	34.00	1.09	3.26	4.35	7.28
21	Other Factory Overhead	35.00	3.06	9.17	12.22	10.37
22	Sub Total : (13 to 21)		98.80	284.20	383.00	396.12
23	Closing Work-in-process	24.00	-	-	-	6.09
24	Total Conversion Cost : (22-23)		98.80	284.20	383.00	390.03
25	Cost of Production : (12+24)		114.15	286.79	400.94	39,003.00
26	Opening Stock of Finished Goods	39.00	-	-	-	529.44
27	Cost of Goods Available for Sales : (25+26)		114.15	286.79	400.94	919.47
28	Closing Stock of Finished Goods	39.00	-	-	-	-
29	Total Cost of Sales : (27-28)		114.15	286.79	400.94	919.47
30	Administrative Expenses	36.00	3.64	10.91	14.55	46.34
31	Selling Expenses	37.00	0.38	1.15	1.53	25.48
32	Total Operating expenses : (29 to 31)		118.17	298.84	417.01	991.30
33	Operating Profit/(Loss) : (5-32)		(112.04)	(280.42)	(392.46)	(387.35)
Financial Expenses :						
34	Interest (Cash Credit)	-	-	-	-	-
35	Interest on Bangladesh Bank Loan	38.00	11.86	35.57	47.43	52.88
36	Total Interest : (34+35)		11.86	35.57	47.43	52.88
37	Total Profit/(Loss) : (33-36)		(123.90)	(315.99)	(439.89)	(440.23)
38	Non-Operating Income		0.31	0.93	1.23	-
39	Net Profit/(Loss) : (37+38)		(123.59)	(315.07)	(438.65)	(440.23)

This is the Statement of Manufacturing Trading & Profit/(Loss) and other Comprehensive Income referred to in our separate report of even date.

Dated, Dhaka.
12th February, 2023.



(MASUD ALTAF & CO.)
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Carpeting Jute Mills Ltd.
Rajghat, Jessore.

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

Particulars	Share Capital	Equity Contribution	Capital Reserve	P/L A/C	Total
Balance as on 01.07.2021	7,500,000	98,110,999	918,380,259	(2,682,583,818)	(1,658,592,560)
Depreciation 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.

Dated, Dhaka.
12th February, 2023.



Masud Altaf
(MASUD ALTAF & CO.)
Chartered Accountants
DVC : 2302120684AS805920

Carpeting Jute Mills Ltd.

Rajghat, Jessore.

Statement of Cash Flows for the year ended 30th June, 2022.

Sl.#	Particulars	Amount (Tk.)	
		2021-2022	2020-2021
A.	Cash Flow from Operating Activities :		
	Net Profit/(Loss) for the year	(43,865,410)	(44,022,520)
	Prior year Adjustment	(23,448,512)	(555,022,332)
	Total	(67,313,922)	(599,044,852)
	Increase/Decrease in Current Assets :		
	Stock & Stores	3,125,547	140,944,344
	Debtors	6,844,158	15,741,226
	Due from BJMC Mills	6,924,286	-
	Advance Deposit & Pre-payments	(17,351,363)	10,133,476
	Depreciation	348,000	1,248,000
	Total	(109,372)	168,067,046
	Increase/Decrease in Current Liabilities :		
	Due to BJMC Mills	7,820,980	4,083,868
	Liabilities for Goods	(20,078,250)	(2,936,123)
	Liabilities for Expenses	(38,420,656)	39,979,568
	BJMC Current Account	33,428,679	2,290,742
	Gratuity Liability (Provision)	(727,860)	(16,262,977)
	Gratuity Payable Account(Current)	(34,511,575)	(53,753,124)
	Total	(52,488,682)	(26,598,046)
	Total Net Cash used by Operating Activities:	(52,598,054)	141,469,000
B.	Cash Flow from Investing Activities :		
	Addition of Non Current Assets	-	-
	Total Net Cash used by Investing Activities :	-	-
C.	Cash Flow from Financing Activities :		
	Liabilities for Other Finance	(2,172,268)	(76,900,195)
	Long Term Loan	128,846,980	531,978,052
	Total Net Cash provided by Financing Activities :	126,674,712	455,077,857
	Net Cash Inflow/Outflow : (A+B+C)	6,762,736	(2,497,995)
	Cash & Bank Balance at the beginning of the year	8,874,184	11,372,179
	Cash & Bank Balance at the ending of the year	15,636,920	8,874,184

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

Dated, Dhaka.
12th February, 2023.



(MASUD ALTAF & CO.)
Chartered Accountants
DVC : 2302120684AS805920

Carpeting Jute Mills Ltd.

Rajghat, Jessore.

Statement of Quantity Schedule as on 30th June, 2022.

Particulars	As on 30.06.2022			Cumulative		
	CBC (M.Ton)	YARN (M.Ton)	Total	CBC (M.Ton)	YARN (M.Ton)	Total
Weaving Production	-	-	-	-	-	-
Materials :						
Opening Work-in-process	22.20	5.42	27.62	22.20	5.42	27.62
Equivalent Production	-	-	-	-	-	-
Sub-Total	22.20	5.42	27.62	22.20	5.42	27.62
Closing Work-in-process	-	-	-	-	-	-
Baled Production	22.20	5.42	27.62	22.20	5.42	27.62
Conversion Cost :						
Opening Work-in-process	16.65	4.06	20.71	16.65	4.06	20.71
Equivalent Production	-	-	-	-	-	-
Sub-Total	16.65	4.06	20.71	16.65	4.06	20.71
Closing Work-in-process	-	-	-	-	-	-
Opening Stock of Finished Goods	-	-	-	-	-	-
Goods Available for Sale	16.65	4.06	20.71	16.65	4.06	20.71
Closing Stock of Finished Goods	-	-	-	-	-	-
Local Sale	16.65	4.06	20.71	16.65	4.06	20.71
Foreign Sale	-	-	-	-	-	-
Total Sale	16.65	4.06	20.71	16.65	4.06	20.71



Carpeting Jute Mills Ltd.
Rajshahi, Jessore

Schedule of Fixed Assets for the year ended 30th June, 2022.

Sl. #	Particulars	Cost					Revaluation	Total Cost as on 30.06.2022	Depreciation on Original Cost		
		Original Cost 2016-2017	Cost after Impairment	Cost as on 30.06.2022	Addition during the year	Total as on 30.06.2022			Opening as on 01.07.2021	Charged during the year	Total as on 30.06.2022
1	Land	2	3	4	5	7	8=(6+7)	9	10	11=(9+10)	
		359,279	359,279	359,279	-	788,191,612	788,550,891	-	-	-	
2	Land Development	40,000	40,000	40,000	-	984,914	1,024,914	-	-	-	
3	Building & Other Construction	6,937,655	6,937,655	6,937,655	-	95,820,510	102,758,165	-	-	-	
4	Plant, Machinery & Equipment	61,851,479	61,851,479	61,851,479	-	59,485,493	121,336,972	3,744,000	348,000	4,092,000	
5	Furniture & Fixture	417,566	417,566	417,566	-	232,134	649,700	-	-	-	
6	Vehicles	3,917,068	2,536,000	2,536,000	-	-	2,536,000	-	-	-	
7	Sturdy Assets	141,978	141,978	141,978	-	3,477,262	3,619,240	-	-	-	
8	Biological Assets (Trees)	-	-	-	-	14,671,000	14,671,000	-	-	-	
Total		73,665,025	72,283,957	72,283,957	-	962,962,925	1,035,146,882	3,744,000	348,000	4,092,000	

Sl. #	Particulars	Depreciation on Revaluation Cost					Original Cost	Written Down Value	Total Assets as on 30.06.2022
		Opening as on 01.07.2021	Charged during the year	Total as on 30.06.2022	For the year	Cumulative			
1	Land	13	14	15=(13+14)	16=(10+14)	17=(11+15)	18=(6+11)	19=(7+15)	20=(18+19)
		-	-	-	-	-	359,279	788,191,612	786,550,891
2	Land Development	-	-	-	-	-	40,000	984,914	1,024,914
3	Building & Other Construction	153,600	38,400	192,000	38,400	192,000	6,937,655	95,628,510	102,566,165
4	Plant, Machinery & Equipment	50,198,400	5,000,000	55,198,400	5,348,000	59,290,400	57,759,479	4,287,093	62,046,572
5	Furniture & Fixtures	-	-	-	-	-	417,566	232,134	649,700
6	Vehicles	-	-	-	-	-	2,536,000	-	2,536,000
7	Sturdy Assets	-	-	-	-	-	141,978	3,477,262	3,619,240
8	Biological Assets (Trees)	-	-	-	-	-	-	14,671,000	14,671,000
Total		50,352,000	5,038,400	55,390,400	5,386,400	59,482,400	68,191,957	907,472,525	975,664,482

N.B : The above Assets included Assets record from of close Admallee Jute Mills Ltd.

Sl. #	Particulars	Cost			Depreciation			Written Down Value
		Original Cost as on 01.07.21	Additional during the year	Cost as on 30.06.22	Opening as on 01.07.21	During the year	Total	
1	Plants, Machinery & Equipment	8,278,130	-	8,278,130	5,721,300	351,600	6,072,900	2,205,230
Total		8,278,130	-	8,278,130	5,721,300	351,600	6,072,900	2,205,230



Carpeting Jute Mills Ltd.

Raighat, Jessore.

Notes to the Financial Statements for the year ended 30th June, 2022.

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

Cuddis 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.

