

PRIVATE & CONFIDENTIAL

**AUDIT REPORT
&
FINANCIAL STATEMENTS
OF
UNITED JUTE MILLS LIMITED
FOR THE YEAR ENDED ON 30TH JUNE, 2022**



এ.মতীন এন্ড কোং

A. MATIN & CO.

CHARTERED ACCOUNTANTS

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Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

United Jute Mills Limited

Nagoriyakandi, Narsingdi.

FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements **United Jute Mills Limited, Nagoriyakandi, Narsingdi**, which comprises of The Statement of Financial Position as at 30th 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, 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, 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. 51,750,465 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- 2,071,900 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 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:

- 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: 2305141968AS711191



Dhaka, Bangladesh
Dated: 14.05.2023



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A. MATIN & CO.
Chartered Accountants

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

Sl. No.	Particulars	Sch. No.	Amount in (Tk.)	
			As on 30.06.2022	As on 30.06.2021
Property & Assets :				
A. Non Current Assets :				
	At Cost/Revaluation less accumulated depreciation	1.00	4,589,655,558	4,634,397,938
	Investment	2.00	8,840,389	8,840,389
	Total Non-Current Assets:		4,598,495,947	4,643,238,327
B. Current Assets :				
	Stock, Stores & Spares	3.00	44,071,500	44,078,197
	Debtors (Less: Provisions)	4.00	54,542,178	75,303,862
	Due from BJMC Mills	5.00	59,012,024	59,801,146
	Advance, Deposit & Pre-payments	6.00	7,426,475	9,885,078
	Interim Revenue support receivable	7.00	12,506,801	12,506,801
	BJMC Current Account	8.00	234,373,413	89,067,695
	Cash & Bank Balance	9.00	187,844,823	149,127,962
	Current A/C with Meghna Jute Mills		2,708,356,631	2,652,976,488
	Current A/C with Chandpur Jute Mills		2,710,403,028	2,659,554,441
	Total Current Assets:		6,018,536,873	5,752,301,671
C. Profit & Loss Account Balance				
	Total Property & Assets : (A+B+C)	10.00	6,095,017,324	6,052,704,167
Capital & Liabilities :				
Authorised Capital:				
		11.00	50,000,000	50,000,000
D. Shareholders Equity & Loans :				
	Issued, Subscribed & Paid-up Capital	11.00	15,000,000	15,000,000
	Govt. Equity Contribution	12.00	48,010,997	48,010,997
	Reserves	13.00	4,439,455,459	4,476,593,854
	BJMC Current Account	14.00	-	-
	Long-Term Liabilities	15.00	11,418,833,415	10,188,787,549
	Gratuity Liabilities (Provision)	16.00	416,311,391	424,646,801
	Total Shareholders Equity & Loans:		16,337,611,262	15,153,039,201
E. Current Liabilities :				
	Bank Over Draft	17.00	-	-
	Liabilities for Goods	18.00	10,324,730	272,550,041
	Liabilities for Expenses	19.00	65,384,575	76,185,000
	Liabilities for Other Finance	20.00	79,276,062	85,065,286
	Due to BJMC/ De-Nationalised Jute Mills	21.00	47,603,670	47,208,781
	Gratuity Payable Account (Current)	22.00	171,849,845	814,195,856
	Total Current Liabilities		374,438,881	1,295,204,963
Total Capital & Liabilities (D+E)			16,712,050,144	16,448,244,164

Manager (Accounts & Finance)

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

General Manager (Project Head)



(Signature)

Monika Nashat Matin, ACA

Enrolment No: 1968

A. Matin & Co.

Chartered Accountants

DVC: 2305141968AS711191

Place: Dhaka, Bangladesh.

Dated: 14.05.2023



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A. MATIN & CO.
Chartered Accountants

United Jute Mills Limited
Manufacturing, Trading and Profit & Loss Account.
For the Year ended 30th June, 2022

Sl.	Particulars	Notes/ Sch. No.	Amount in Taka			2020-21
			2021-22			
			Hessian	Sacking	Total	
	Income:					
1	Foreign Sales	25	-	-	-	208,511,454
2	Local Sales	26	-	-	-	22,135,981
3	Total Sales (1+2) :		-	-	-	230,647,435
4	Subsidy	23	-	-	-	25,021,374
5	Total Income (3+4) :		-	-	-	255,668,810
	Material cost:					
6	Opening Work-in-Process		-	-	-	6,026,000
7	Raw Jute consumption	27	-	-	-	-
8	Charges on Raw Jute	28	-	-	-	-
9	Other Direct Materials Consumed	29	-	-	-	19,990
10	Sub-Total (6 to 9):		-	-	-	6,045,990
11	Closing Work-in-Process		-	-	-	-
12	Total Material cost (10-11) :		-	-	-	6,045,990
	Conversion cost:					
13	Opening Work-in-Process		-	-	-	3,012,000
14	Wages	30	-	-	-	49,630,685
15	Salaries	31	9,161,976	35,617,269	44,779,245	51,245,157
16	Power/Electricity	32	199,014	845,680	1,044,694	2,179,823
17	Fuel	33	-	-	-	989,490
18	Repairs & Maintenance	34	328,944	1,394,059	1,723,003	3,601,117
19	Depreciation	35	1,558,817	6,045,168	7,603,985	13,772,201
20	Insurance	36	4,110	4,913	9,023	51,630
21	Other Factory Overhead	37	709,094	1,085,158	1,794,252	955,882
22	Sub-Total (13 to 21) :		11,961,955	44,992,247	56,954,202	125,437,985
23	Closing Work-in-Process		-	-	-	-
24	Total Conversion cost (22-23) :		11,961,955	44,992,247	56,954,202	125,437,985
25	Cost of production (12+24) :		11,961,955	44,992,247	56,954,202	131,483,975
26	Opening Stock of Finished goods		-	-	-	233,255,000
27	Cost of goods available for sale(25+26)		11,961,955	44,992,247	56,954,202	364,738,975
28	Closing Stock of Finished goods		-	-	-	-
29	Total cost of sales (27- 28) :		11,961,955	44,992,247	56,954,202	364,738,975
30	Administrative Expenses	38	1,520,670	7,841,354	9,362,024	14,283,535
31	Selling Expenses	39	175,490	675,093	850,583	4,899,782
32	Total operating expenses (29 to 31) :		13,658,115	53,508,694	67,166,809	383,922,292
33	Operating Profit/(Loss) (5 - 32)		(13,658,115)	(53,508,694)	(67,166,809)	(128,253,482)
	Financial expenses:					
34	Interest (Cash Credit)		-	-	-	-
35	Interest (Long-Term Loan)	40	4,057,628	20,767,285	24,824,913	25,099,898
36	Total Interest (34+35) :		4,057,628	20,767,285	24,824,913	25,099,898
37	Total Profit/(Loss) (33-36) :		(17,715,743)	(74,275,979)	(91,991,722)	(153,353,380)
38	Non-Operating Income	41	-	-	-	-
39	Net Profit/(Loss) (37- 38) Before Tax		(17,715,743)	(74,275,979)	(91,991,722)	(153,353,380)
40	Tax Paid At Source (TDS)	42	690,637	1,381,263	2,071,900	3,000,346
41	Net Profit/(Loss) After Tax (39-40)		(18,406,380)	(75,657,242)	(94,063,622)	(156,353,726)


Manager (Accounts & Finance)

General Manager (Project Head)

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

Place: Dhaka, Bangladesh.
Dated: 14.05.2023




Monika Nashat Matin, ACA
Enrolment No: 1968
A. Matin & Co.
Chartered Accountants
DVC: 2305141968AS711191



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Chartered Accountants

United Jute Mills Limited
Income/Cost Statement
For the year ended 30th June, 2022.

Sl. No.	Particulars	Amount (Taka in Lac)			Cost per Ton	
		Hessian	Sacking	Total	Hessian	Sacking
INCOME						
1	Local Sales	-	-	-		
2	Foreign Sales	-	-	-		
3	Total Sales	-	-	-		
4	Subsidy	-	-	-		
5	Total Operating Income	-	-	-		
MATERIAL COST						
6	Op. Work-in-Process	-	-	-		
7	Raw Jute	-	-	-	-	-
8	Other Direct Materials	-	-	-	-	-
9	Sub-Total (6+8)	-	-	-	-	-
10	Cl. Work-in-Process	-	-	-	-	-
11	Total Materials Cost (9+10)	-	-	-	-	-
CONVERSION COST						
12	Op. Work-in-Process	-	-	-		
13	Wages	-	-	-	-	-
14	Salaries	91.62	356.17	447.79	-	-
15	Power / Electricity	1.99	8.46	10.45	-	-
16	Fuel	-	-	-	-	-
17	Repairs & Maint.	3.29	13.94	17.23	-	-
18	Depreciation	15.59	60.45	76.04	-	-
19	Insurance	0.04	0.05	0.09	-	-
20	Other Factory Overhead	7.09	10.85	17.94	-	-
21	Sub-Total (13+21)	119.62	449.92	569.54	-	-
22	Cl. Work-in-Process	-	-	-	-	-
23	Total Conversion Cost	119.62	449.92	569.54	-	-
24	Cost of Production	119.62	449.92	569.54	-	-
25	Op. Stock of F/Goods	-	-	-	-	-
26	Cost of Goods Available for Sales	119.62	449.92	569.54		
27	Cl. Stock of F/Goods	-	-	-		
28	Total Cost of Sales	119.62	449.92	569.54		
29	Admn. Expenses	15.21	78.41	93.62		
30	Selling Expenses	1.75	6.75	8.51		
31	Total Operating Expenses	136.58	535.09	671.67		
32	Operating Profit (Loss)	(136.58)	(535.09)	(671.67)		
FINANCIAL EXPENSES						
33	Interest Cash Credit	-	-	-	-	-
34	Interest on Long Term Loan	40.58	207.67	248.25		
35	Total Interest (33+34)	40.58	207.67	248.25		
36	Non-Operating Income	-	-	-		
37	Net Profit (Loss) 32-35+36	(177.16)	(742.76)	(919.92)		
38	Tax Paid At Source (TDS)	6.91	13.81	20.72		
39	Total Profit / (Loss)	(184.06)	(756.57)	(940.64)		
QUANTITY IN (M.TON)						
40	Baled Production					
41	Op. Stok of F.Goods					
42	Goods avail. for Sales					
43	Cl. Stock of F/ Goods					
44	Local Sales					
45	Foreign Sales					
46	Total Sales					
47	Equivalent Production					





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Chartered Accountants

United Jute Mills Ltd.

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

Particulars	Share Capital	Equity Contribution	Reserves	P&L A/C	Total
Balance as on 01.07.2021	15,000,000	48,010,997	4,476,593,854	(6,052,704,167)	(1,513,099,316)
Depreciaion on Re-Valuation Assets	-	-	(37,138,395)	-	(37,138,395)
Prior year Adjustment	-	-	-	51,750,465	51,750,465
During the Year	-	-	-	(94,063,622)	(94,063,622)
Closing Balance as on 30.06.22	15,000,000	48,010,997	4,439,455,459	(6,095,017,324)	(1,592,550,868)

Manager (Accounts & Finance)

General Manager (Project Head)





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Chartered Accountants

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

Particulars	30.06.2022 (Amount in Taka)
A. Cash Flows from Operating Activities	
Net Profit Before Tax	(91,991,722)
Add: Finance Cost	24,824,913
Add: Depreciation on Fixed Assets	7,603,985
Prior Year Adjustment	51,750,465
(Increase)/Decrease in Stock, Stores & Spares	6,697
(Increase)/Decrease in Debtors (Less: Provisions)	20,761,684
(Increase)/Decrease in Due from BJMC Mills	789,122
(Increase)/Decrease in Advance, Deposit & Pre-payments	2,458,603
(Increase)/Decrease in Interim Revenue support receivable	-
(Increase)/Decrease in BJMC Current Account	(145,305,718)
(Increase)/Decrease in Current A/C with Meghna Jute Mills	(55,380,143)
(Increase)/Decrease in Current A/C with Chandpur Jute Mills	(50,848,587)
Increase/(Decrease) in Liabilities for Goods	(262,225,311)
Increase/(Decrease) in Liabilities for Expenses	(10,800,425)
Increase/(Decrease) in Liabilities for Other Finance	(5,789,224)
Increase/(Decrease) in Due to BJMC/ De-Nationalised Jute Mills	394,889
Increase/(Decrease) in Gratuity Payable Account (Current)	(642,346,011)
Cash Generated from Operations	(1,156,096,783)
Tax Paid	(2,071,900)
Less: Bank Commission & Charges Paid	(24,824,913)
Net Cash Generated from Operating Activities	(1,182,993,596)
B. Cash flows from Investing Activities	
Cash Payment to acquire Fixed Assets	-
Net cash used in investing activities	-
C. Cash flows from Financing Activities	
Cash Receipt from Long-Term Liabilities	1,230,045,867
Cash Paid for Gratuity Liabilities (Provision)	(8,335,410)
Net cash Flow from Financing Activities	1,221,710,457
D. Net Cash Inflows/(outflows) {A+B+C}	38,716,861
E. Cash and Cash Equivalent at The Beginning of The Year	149,127,962
F. Cash and Cash Equivalent at The End of The Year	187,844,823

Manager (Accounts & Finance)

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General Manager (Project Head)