



MA FAZAL & CO.
Chartered Accountants



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

Opinion

We have audited financial statements of **Daulatpur 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, 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 for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2 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.





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ACCOUNTANTS

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;

Dated, Dhaka

03 JAN 2024



DVC: 2401030840 AS 411730

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Md. Abul Basher # 0840

Managing Partner

M A FAZAL & CO.

Chartered Accountants

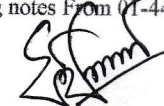


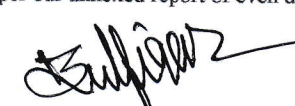
Daulatpur Jute Mills Ltd.
 Town Khalishpur, Khulna.

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 : | | 2,247,498,620 | 2,269,222,533 |
| At Cost/Revaluation Less Accumulated Depreciation | 1.00 | 2,245,088,790 | 2,266,812,703 |
| Investment | 2.00 | 2,409,830 | 2,409,830 |
| B. Current Assets : | | 41,683,381 | 45,358,416 |
| Stock & Stores | 3.00 | 5,651,320 | 5,711,238 |
| Debtors Less Provision | 4.00 | 8,942,440 | 8,976,482 |
| Due from BJMC Mills | 5.00 | 4,230,154 | 4,230,154 |
| Advance, Deposit & Pre-Payments | 6.00 | 11,976,117 | 11,414,116 |
| Interim Revenue Support Receivable | 7.00 | 6,563,399 | 6,563,399 |
| BJMC Current Account | 8.00 | - | - |
| Cash & Cash Equivalents | 9.00 | 4,319,951 | 8,463,026 |
| Total Property & Assets : (A+B) | | 2,289,182,001 | 2,314,580,949 |
| Capital & Liabilities : | | | |
| C. Authorized Capital | 10.00 | - | - |
| D. Equity & Retained Earnings : | | (1,585,069,864) | (1,528,437,191) |
| Issued, Subscribed & Paid-up Capital | 11.00 | 10,000,000 | 10,000,000 |
| Govt. Equity Contribution | 12.00 | 14,242,999 | 14,242,999 |
| Retained Earnings | 13.00 | (1,609,312,863) | (1,552,680,190) |
| E. Long Term Liabilities: | | 3,762,823,051 | 3,700,703,646 |
| Reserves | 14.00 | 2,255,563,313 | 2,276,885,313 |
| BJMC Current Account | 15.00 | 164,373,957 | 165,946,737 |
| Long Term Loan | 16.00 | 1,293,550,386 | 1,203,339,318 |
| Gratuity Liabilities (Provision) | 17.00 | 49,335,395 | 54,532,278 |
| F. Current Liabilities : | | 111,428,814 | 142,314,493 |
| Bank Overdraft | 18.00 | 13,927,000 | 49,141,623 |
| Liabilities for Goods | 19.00 | 1,428,139 | 1,428,139 |
| Liabilities for Expenses | 20.00 | 10,991,943 | 7,720,236 |
| Liabilities for other Finance | 21.00 | 1,996,995 | 1,356,266 |
| Due to BJMC Mills | 22.00 | 73,425,200 | 78,246,830 |
| Gratuity Payable Account(Current) | 23.00 | 9,659,537 | 4,421,399 |
| Total Capital & Liabilities : (D+E+F) | | 2,289,182,001 | 2,314,580,949 |

The accompanying notes Form 01-44 form an integral part of this Financial Position as per our annexed 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 411730

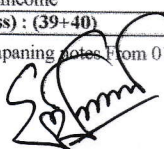
03 JAN 2024



Daulatpur Jute Mills Ltd.
Town Khalishpur, Khulna.
Statement of Manufacturing, Trading and Profit/(Loss) & Other Comprehensive Income
for the year ended 30th June, 2023.

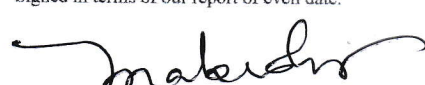
| Sl. # | Particulars | Notes | Amount (Tk.) | | | Amount (Tk.) | |
|-----------------------------|---|-------|--------------|---------|-----|---------------------|---------------------|
| | | | Hessian | Sacking | CBC | 2022-2023 | 2021-2022 |
| Income: | | | | | | | |
| 1 | Foreign Sales | 24.b | - | - | - | - | - |
| | Net : Foreign Sales | | - | - | - | - | - |
| 2 | Local Sales | 24.a | - | - | - | - | 66,226 |
| | A. Local Sales | | - | - | - | - | 66,226 |
| | B. Other Sales | | - | - | - | 4,252,833.00 | - |
| | Net : Local Sales | | - | - | - | 4,252,833.00 | - |
| 3 | Total Sales : (1+2) | | - | - | - | 4,252,833.00 | 66,226 |
| 4 | Subsidy | | - | - | - | - | - |
| 5 | Total Income : (3+4) | | - | - | - | 4,252,833.00 | 66,226 |
| Material Cost : | | | | | | | |
| 6 | Opening Work-in-Process | | - | - | - | - | 39,113 |
| 7 | Raw Jute Consumption | 25 | - | - | - | - | - |
| 8 | Charges on Raw Jute | 26 | - | - | - | - | - |
| 9 | Other Direct Materials Consumed | 27 | - | - | - | - | - |
| 10 | Sub-Total : (6 to 9) | | - | - | - | - | 39,113 |
| 11 | Closing Work-in-Process | 28 | - | - | - | - | - |
| 12 | Total Material Cost : (10-11) | | - | - | - | - | 39,113 |
| Conversion Cost : | | | | | | | |
| 13 | Opening Work-in-Process | | - | - | - | - | 27,113 |
| 14 | Wages | 29 | - | - | - | - | - |
| 15 | Salaries | 30 | - | - | - | 40,152,172 | 37,973,952 |
| 16 | Power/Electricity | 31 | - | - | - | 1,257,808 | 1,563,585 |
| 17 | Fuel | 32 | - | - | - | - | - |
| 18 | Repairs and Maintenance | 33 | - | - | - | 618,009 | 532,328 |
| 19 | Depreciation | 34 | - | - | - | 401,913 | 681,483 |
| 20 | Insurance | 35 | - | - | - | 21,777 | 261,777 |
| 21 | Other Factory Overhead | 36 | - | - | - | 788,842 | 1,006,198 |
| 22 | Sub-Total : (13 to 21) | | - | - | - | 43,240,521 | 42,046,436 |
| 23 | Closing Work-in-Process | 28 | - | - | - | - | - |
| 24 | Total Conversion Cost : (22-23) | | - | - | - | 43,240,521 | 42,046,436 |
| 25 | Cost of Production (12+24) : | | - | - | - | 43,240,521 | 42,085,549 |
| 26 | Opening Stock of Finished Goods | | - | - | - | - | - |
| 27 | Cost of Goods Available for Sale : (25+26) | | - | - | - | 43,240,521 | 42,085,549 |
| 28 | Closing Stock of Finished Goods | 37 | - | - | - | - | - |
| 29 | Total Cost of Sales : (27- 28) | | - | - | - | 43,240,521 | 42,085,549 |
| 30 | Contribution Margin (5-29) | | - | - | - | (38,987,688) | (42,019,323) |
| 31 | Administrative Expenses | 38 | - | - | - | 11,650,154 | 510,829 |
| 32 | Selling Expenses | 39 | - | - | - | 5,660 | 488,690 |
| 33 | Total Operating Expenses : (31+32) | | - | - | - | 11,655,814 | 999,519 |
| 34 | Operating Profit/(Loss) : (30-33) | | - | - | - | (50,643,502) | (43,018,842) |
| Financial Expenses : | | | | | | | |
| 35 | Interest on Cash Credit Account | 40 | - | - | - | 1,660,377 | 4,367,478 |
| 36 | Interest (B.B Refinancing) | 41 | - | - | - | 749,202 | 1,424,508 |
| 37 | Less : Interest Received Central Sale | 42 | - | - | - | - | - |
| 38 | Total Interest : (35+36-37) | | - | - | - | 2,409,579 | 5,791,986 |
| 39 | Total Profit/(Loss) : (34-38) | | - | - | - | (53,053,081) | (48,810,828) |
| 40 | Non-Operating Income | 43 | - | - | - | - | - |
| 41 | Net Profit/(Loss) : (39+40) | | - | - | - | (53,053,081) | (48,810,828) |

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

MA Fazal & Co.

Chartered Accountants

Dated, Dhaka.

U 3 JAN 2024

DVC: 2401030840AS411730





Daulatpur Jute Mills Ltd.

Town Khalishpur, Khulna.

**Statement of Manufacturing, Trading and Profit/(Loss) & Other Comprehensive Income
for the year ended 30th June, 2023.**

| Sl # | Particulars | Amount Tk. (In Lac) | | | Tk. (Per Ton) | |
|------|--|---------------------|---------|----------|---------------|---------|
| | | Hessian | Sacking | Total | Hessian | Sacking |
| 1 | Foreign Sales | - | - | - | - | - |
| | Net: Foreign Sales | - | - | - | - | - |
| 2 | Local Sales | - | - | - | - | - |
| | A. Local Sales | - | - | - | - | - |
| | B. Other Sales | - | - | 42.53 | - | - |
| | Net: Local Sales | - | - | 42.53 | - | - |
| 3 | Total Sales : (1+2) | - | - | 42.53 | - | - |
| 4 | Subsidy | - | - | - | - | - |
| 5 | Total Operating Income : (3+4) | - | - | 42.53 | - | - |
| | Material Cost : | | | | | |
| 6 | Opening Work-in-Process | - | - | - | - | - |
| 7 | Raw Jute Consumption | - | - | - | - | - |
| 8 | Charges on Raw Jute | - | - | - | - | - |
| 9 | Other Direct Materials | - | - | - | - | - |
| 10 | Sub-Total : (6 to 9) | - | - | - | - | - |
| 11 | Closing Work In Process | - | - | - | - | - |
| 12 | Total Materials Cost : (10-11) | - | - | - | - | - |
| | Conversion Cost : | | | | | |
| 13 | Opening Work-in-Process | - | - | - | - | - |
| 14 | Wages | - | - | - | - | - |
| 15 | Salary | - | - | 401.52 | - | - |
| 16 | Power & Electricity | - | - | 12.58 | - | - |
| 17 | Fuel | - | - | - | - | - |
| 18 | Repair & Maintenance | - | - | 6.18 | - | - |
| 19 | Depreciation | - | - | 4.02 | - | - |
| 20 | Insurance | - | - | 0.22 | - | - |
| 21 | Other Factory Over Head | - | - | 7.89 | - | - |
| 22 | Sub-Total : (13 to 21) | - | - | 432.41 | - | - |
| 23 | Closing Work In Process | - | - | - | - | - |
| 24 | Total conversion Cost : (22-23) | - | - | 432.41 | - | - |
| 25 | Cost Of Production : (12+24) | - | - | 432.41 | - | - |
| 26 | Opening Stock of Finished Goods | - | - | - | - | - |
| 27 | Cost of Goods Available for Sales : (25+26) | - | - | 432.41 | - | - |
| 28 | Closing Stock of Finished Goods | - | - | - | - | - |
| 29 | Total Cost of Sales : (27-28) | - | - | 432.41 | - | - |
| 30 | Contribution Margin : (5-29) | - | - | (389.88) | - | - |
| 31 | Administrative Expense | - | - | 116.50 | - | - |
| 32 | Selling Expense | - | - | 0.06 | - | - |
| 33 | Total Operating Expense : (31+32) | - | - | 116.56 | - | - |
| 34 | Operating Profit/(Loss) : (30-33) | - | - | (506.44) | - | - |
| | Financial Expense : | | | | | |
| 35 | Interest on Cash Credit | - | - | 16.60 | - | - |
| 36 | Interest (B.B Refinancing) | - | - | 7.49 | - | - |
| 37 | Less: Interest Received Central Sales | - | - | - | - | - |
| 38 | Total Interest : (35+36-37) | - | - | 24.10 | - | - |
| 39 | Total Profit/ (Loss) : (34-38) | - | - | (530.53) | - | - |
| 40 | Non Operating Income | - | - | - | - | - |
| 41 | Net Profit/ (Loss) : (39+40) | - | - | (530.53) | - | - |

Quantity in M. Ton :

| | | | |
|----------------------------------|---|---|---|
| Bale Production | - | - | - |
| Opening Stock of Finished Goods | - | - | - |
| Goods Available for Sales | - | - | - |
| Closing Stock of Finished Goods | - | - | - |
| Local Sales | - | - | - |
| Foreign Sales | - | - | - |
| Total Sales | - | - | - |
| Equivalent Production | - | - | - |



Daulatpur Jute Mills Ltd.
Town Khalishpur, Khulna.
Statement of Change 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 | 100,000 | 14,242,999 | 2,276,885,313 | (1,552,680,190) | 738,548,122 |
| Add : Net Profit /(Loss) | - | - | (21,322,000) | (53,053,081) | (74,375,081) |
| Add : Prior years adjustment | - | - | - | (3,579,592) | (3,579,592) |
| Closing Balance as on 30.06.2023 | 100,000 | 14,242,999 | 2,255,563,313 | (1,609,312,863) | 660,593,449 |

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.

| Particulars | Share Capital | Govt. Equity Contribution | Reserve | Retained Earning | Total |
|---|----------------|---------------------------|----------------------|------------------------|--------------------|
| Opening Balance as on 01.07.2021 | 100,000 | 14,242,999 | 2,298,207,313 | (1,503,833,274) | 808,717,038 |
| Add : Net Profit /(Loss) | - | - | (21,322,000) | (48,810,828) | (70,132,828) |
| Add : Prior years adjustment | - | - | - | (36,088) | (36,088) |
| Closing Balance as on 30.06.2022 | 100,000 | 14,242,999 | 2,276,885,313 | (1,552,680,190) | 738,548,122 |

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: 2401030840AS411730

Dated, Dhaka.

03 JAN 2024

Daulatpur Jute Mills Ltd.
Town Khalishpur, Khulna.
Statement of Cash Flows as on 30th June, 2023.

| Sl# | Particulars | Amount (Tk.) | |
|----------|---|---------------------|---------------------|
| | | 2022-2023 | 2021-2022 |
| A | <u>Cash Provided by the Operating Activities:</u> | - | - |
| | Net Profit/(loss) for the year | (53,053,081) | (48,810,828) |
| | Prior year Adjustment | (3,579,592) | (36,088) |
| | Depreciation | 401,913 | 681,483 |
| | Adjustment to Reconcile Net loss | (56,230,760) | (48,165,433) |
| | Stock & Store | 59,918 | 407,914 |
| | Debtors Less provision | 34,042 | 4,597,753 |
| | Advance, Deposits & Prepayments | (562,001) | 1,903,708 |
| | BJMC Current A/C | (1,572,780) | 40,788,737 |
| | Due from BJMC Jute Mills | (0) | (2,100,409) |
| | Due To BJMC Jute Mills | (4,821,630) | (2,455,928) |
| | Liabilities for Goods | - | (19,484,515) |
| | Liabilities for Expense | 3,271,707 | (4,972,417) |
| | Liabilities for Other Finance | 640,730 | (866,640) |
| | Gratuity Liabilities (Provision) | (5,196,883) | 3,126,798 |
| | Net Cash used by operating Activities | (8,146,898) | 20,945,003 |
| | | (64,377,658) | (27,220,431) |
| B | <u>Cash Flows from Investing Activities:</u> | - | - |
| | Fixed Assets Addition | - | (28,510) |
| | Reserve | - | - |
| | Net Cash used by investing Activities | - | (28,510) |
| C | <u>Cash Flows From Financing Activities:</u> | | |
| | Gratuity payable Account | 5,238,138 | (20,713,355) |
| | Long Term Loan | 90,211,068 | 48,061,508 |
| | Bank Overdraft | (35,214,623) | 1,044,878 |
| | Cash Provided from Financing Activities : | 60,234,583 | 28,393,031 |
| | Increase /(Decrease) in cash & bank balance: (A+B+C) | (4,143,074) | 1,144,090 |
| | Add: Opening Cash & Bank balance As on 01.07.2022 | 8,463,026 | 7318936 |
| | Closing cash & Bank Balance as on 30.06.2023 | 4,319,952 | 8,463,026 |