

Final

Private & Confidential

Auditors' Report and Financial Statements of

Eastern Jute Mills Ltd.

Atra Industrial Area, Khulna.

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** **Eastern Jute Mills Ltd.**

Opinion

We have audited the Financial Statements of "Eastern 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
Shaymoli, 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.
16th February, 2023.




(MASUD ALTAF & CO.)
Chartered Accountants
DVC: 2302160684AS345822

Eastern Jute Mills Ltd.

Atra Industrial Area, Khulna.

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

Sl.	Particulars	Notes/Sch.	Amount (Tk.)	
			30.06.2022	30.06.2021
Property & Assets :				
A. Non Current Assets :				
	At Cost/Revaluation less accumulated depreciation	1.00	4,023,026,483	4,038,736,127
	Investment	2.00	-	-
	Total Non Current Assets		4,023,026,483	4,038,736,127
B. Current Assets :				
	Stock, Store & Spares	3.00	28,476,208	28,543,864
	Debtors (Less : Provisions)	4.00	9,838,439	14,812,439
	Due from BJMC Mills	5.00	7,540,151	7,540,151
	Advance, Deposit & Pre-Payment	6.00	7,329,953	9,198,021
	Interim Revenue support receivable	7.00	7,208,521	7,208,521
	BJMC Current Account	8.00	-	-
	Cash & Bank Balance	9.00	143,607,121	63,341,225
	Total Current Assets		204,000,395	130,644,221
C. Profit & Loss Account Balance				
		10.00	5,179,850,256	5,098,100,051
	Total Property & Assets (A+B+C)		9,406,877,133	9,267,480,398
Capital & Liabilities :				
Authorized Capital				
		11.00	50,000,000	50,000,000
D. Shareholders Equity & Loans :				
	Issued, Subscribed & Paid-up Capital	12.00	8,000,000	8,000,000
	Govt. Equity Contribution	13.00	38,886,133	38,886,133
	Reserves	14.00	3,952,378,848	3,967,728,245
	BJMC Current Account	15.00	660,523,275	241,096,019
	Long term Loan	16.00	4,382,070,890	4,356,907,377
	Gratuity Liabilities (Provision)	17.00	55,506,341	60,673,661
	Total Shareholders Equity & Loans		9,097,365,487	8,673,291,435
E. Current Liabilities :				
	Bank Overdraft	18.00	-	-
	Liabilities for Goods	19.00	7,813,132	113,241,660
	Liabilities for Expenses	20.00	24,863,469	35,881,934
	Liabilities for other Finance	21.00	39,727,668	87,543,423
	Due to BJMC Mills	22.00	43,853,226	43,853,226
	Gratuity Payable Account (Current)	23.00	193,254,151	313,668,721
	Total Current Liabilities		309,511,647	594,188,964
	Total Capital & Liabilities (D+E)		9,406,877,133	9,267,480,398

যুসুফী মোঃ রফিকুল ইসলাম
উপ-ব্যবস্থাপক (হিসাব) ও
হিসাব ও অর্থ বিভাগীয় প্রধান
ইস্টার্ন জুট মিলস্ লিমিটেড
আটরা, খুলনা।

ড. জি.এ.এম. মাহবুবউর রশীদ
জুলফিকার (পিএইচডি)
প্রকল্প প্রধান
ইস্টার্ন জুট মিলস্ লিমিটেড
আটরা, খুলনা।

Dated, Dhaka.
16th February, 2023.



(MASUD ALTAF & CO.)
Chartered Accountants
DVC: 2302160684AS345822


Eastern Jute Mills Ltd.


Atra Industrial Area, Khulna.

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

Sl. #	Particulars	Notes /Sch.	Amount (Tk.)				2020-2021
			Hessian	Sacking	C.B.C	Total	
Income :							
1	Foreign sales.	25.00	-	-	-	-	121,417,103
2	Local sales.	26.00	-	-	-	49,000	40,890,492
3	Total Sales : (1+2)		-	-	-	49,000	162,307,595
4	Subsidy.	26.01	-	-	-	-	14,050,384
5	Total Income (3+4)		-	-	-	49,000	176,357,979
Material Cost :							
6	Opening work-in-process		-	-	-	-	29,486,509
7	Raw Jute Consumed	28.00	-	-	-	-	-
8	Change on Raw Jute	29.00	-	-	-	-	-
9	Other Direct Materials Consumed	30.00	-	-	-	-	-
10	Sub Total (6 to 9)		-	-	-	-	29,486,509
11	Closing Work in Process	27.00	-	-	-	-	-
12	Total Material Cost (10 -11):		-	-	-	-	29,486,509
Conversion Cost :							
13	Opening work-in-process		1,748,453	5,863,425	199,050	7,810,928	7,810,928
14	Wages.	31.00	-	-	-	-	21,505,015
15	Salaries.	32.00	-	-	-	51,691,458	53,502,005
16	Power/ Electricity.	33.00	-	-	-	1,730,125	3,408,025
17	Fuel	34.00	-	-	-	-	122,010
18	Repairs & Maintenance	35.00	-	-	-	547,054	1,114,050
19	Depreciation.	36.00	-	-	-	360,247	360,247
20	Insurance.	37.00	-	-	-	2,700,000	2,700,000
21	Other Factory Overhead.	38.00	-	-	-	-	329,000
22	Sub Total (13 to 21):		-	-	-	64,839,812	90,851,280
23	Closing Work-in-process.	27.00	-	-	-	-	7,810,928
24	Total Conversion Cost (22-23) :		-	-	-	64,839,812	83,040,352
25	Cost of Production (12+24):		-	-	-	64,839,812	112,526,861
26	Opening Stock of Finished Good.		43,000	60,000	-	103,000	148,501,100
27	Cost of Goods Available for Sales(25+26)		-	-	-	64,942,812	261,027,961
28	Closing Stock of Finished Goods.	39.00	-	-	-	-	103,000
29	Total Cost of Sales (27-28):		-	-	-	64,942,812	260,924,961
30	Administrative expenses	40.00	-	-	-	10,048,040	10,051,040
31	Selling expenses	41.00	-	-	-	-	5,532,085
32	Total Operating expenses (29 to 31)		-	-	-	74,990,852	276,508,086
33	Operating Profit/(Loss) (5-32):		-	-	-	(74,941,852)	(100,150,107)
Financial Expenses :							
34	Interest (Cash Credit)		-	-	-	-	-
35	BD Bank Re-Fi.Govt.Loan	42.00	-	-	-	12,840,000	12,840,000
36	Total Interest (34+35)		-	-	-	12,840,000	12,840,000
37	Total Profit/(Loss) (33-36)		-	-	-	(87,781,852)	(112,990,107)
38	Non-Operating Income		-	-	-	-	-
39	Net Profit/(Loss) (37+38) :		-	-	-	(87,781,852)	(112,990,107)

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


মসুদ আলতাফ ইসলাম
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 আটরা, খুলনা।

Dated, Dhaka.

16th February, 2023.




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Shaymoli, Mohammadpur, Dhaka-1207.
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E-mail : macaudit.2002@gmail.com

Eastern Jute Mills Ltd.
Atra Industrial Area, Khulna.

Statement of Manufacturing, Trading & Other Comprehensive Income for the year ended 30th June, 2022.

Sl. #	Particulars	Notes/Sch.	Amount Tk. (In Lac.)				Last year 2020-2021
			Hessian	Sacking	C.B.C	Total	
Income :							
1	Foreign sales.	25.00	-	-	-	-	1,214.17
2	Local sales.	26.00	-	-	-	0.49	408.90
3	Total Sales : (1+2)		-	-	-	0.49	1,623.08
4	Subsidy	26(1)	-	-	-	-	140.50
5	Total Income : (3+4)		-	-	-	0.49	1,763.58
Material Cost :							
6	Opening work-in-process		-	-	-	-	294.87
7	Raw Jute Consumed	28.00	-	-	-	-	-
8	Change on Raw Jute	29.00	-	-	-	-	-
9	Other Direct Materials Consumed	30.00	-	-	-	-	-
10	Sub Total : (6 to 9)		-	-	-	-	294.87
11	Closing Work in Process	27.00	-	-	-	-	-
12	Total Material Cost : (10 -11)		-	-	-	-	294.87
Conversion Cost :							
13	Opening work-in-process		17.48	58.63	1.99	78.11	78.11
14	Wages.	31.00	-	-	-	-	215.05
15	Salaries.	32.00	-	-	-	516.91	535.02
16	Power/ Electricity.	33.00	-	-	-	17.30	34.08
17	Fuel	34.00	-	-	-	-	1.22
18	Repairs & Maintenance	35.00	-	-	-	5.47	11.14
19	Depreciation.	36.00	-	-	-	3.60	3.60
20	Insurance.	37.00	-	-	-	27.00	27.00
21	Other Factory Overhead.	38.00	-	-	-	-	3.29
22	Sub Total : (13 to 21)		17.48	58.63	1.99	648.40	908.51
23	Closing Work-in-process.	27.00	-	-	-	-	78.11
24	Total Conversion Cost : (22-23)		17.48	58.63	1.99	648.40	830.40
25	Cost of Production : (12+24)		17.48	58.63	1.99	648.40	1,125.27
26	Opening Stock of Finished Good.		0.43	0.60	-	1.03	1,485.01
27	Cost of Goods Available for Sales : (25+26)		17.91	59.23	1.99	649.43	2,610.28
28	Closing Stock of Finished Goods.	39.00	-	-	-	-	1.03
29	Total Cost of Sales : (27-28)		17.91	59.23	1.99	649.43	2,609.25
30	Administrative expenses	40.00	-	-	-	100.48	100.51
31	Selling expenses	41.00	-	-	-	-	55.32
32	Total Operating expenses : (29 to 31)		-	-	-	749.91	2,765.08
33	Operating Profit/(Loss) : (5-32)		-	-	-	(749.42)	(1,001.50)
Financial Expenses :							
34	Interest (Cash Credit)		-	-	-	-	-
35	Interest on C.C.L.T Loan	42.00	-	-	-	128.40	128.40
36	Total Interest (34+35)		-	-	-	128.40	128.40
37	Total Profit/(Loss) (33-36)		-	-	-	(877.82)	(1,129.90)
38	Non-Operating Income	45.00	-	-	-	-	-
39	Net Profit/(Loss) : (37+38)		-	-	-	(877.82)	(1,129.90)



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Eastern Jute Mills Ltd.

Atra Industrial Area, Khulna.

Schedule of Quantity as on 30th June, 2022.

M.Ton.

Particulars	30th June, 2022				Cumulative (July, 2021-June, 2022)			
	Hessian	Sacking	CBC	Total	Hessian	Sacking	CBC	Total
Weaving Production	-	-	-	-	-	-	-	-
Materials :								
Opening Work-in-process	-	-	-	-	-	-	-	-
Equivalent Production	-	-	-	-	-	-	-	-
Sub-Total	-	-	-	-	-	-	-	-
Closing Work-in-process	-	-	-	-	-	-	-	-
Baled Production	-	-	-	-	-	-	-	-
Conversion :								
Opening Work-in-process	21.37	71.68	2.43	95.48	-	-	-	-
Equivalent Production				-	-	-	-	-
Sub-Total	-				-	-	-	-
Closing Work-in-process	-	-	-	-	-	-	-	-
Opening Stock of Finished Goods	0.36	0.75	-	1.11	-	-	-	-
Goods available for Sale	0.36	0.75	-	1.11	-	-	-	-
Closing Stock of Finished Goods	-	-	-	-	-	-	-	-
Local Sale	-	-	-	-	-	-	-	-
Foreign Sale	-	-	-	-	-	-	-	-
Total Sale	-	-	-	-	-	-	-	-



Eastern Jute Mills Ltd.

Atra Industrial Area, Khulna.

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

Sl. #	Particulars	Amount (Tk.)	
		2021-2022	2020-2021
A.	<u>Cash Flow from Operating Activities :</u>		
	Net Profit/(Loss) for the year	(87,781,852)	(112,990,106)
	Prior year Adjustment	6,031,646	177,419,939
	Total	(81,750,206)	64,429,833
	<u>Increase/Decrease in Current Assets :</u>		
	Stock & Stores	67,656	199,469,496
	Debtors	4,974,000	30,826,000
	Advance Deposit & Pre-payments	1,868,068	10,776,309
	Depreciation	360,247	360,247
	Total	7,269,970	241,432,053
	<u>Increase/Decrease in Current Liabilities :</u>		
	Due to BJMC Mills	0	7,694,659
	Liabilities for Goods	(105,428,528)	(27,777,641)
	Liabilities for Expenses	(11,018,465)	(514,189)
	BJMC Current Account	419,427,256	(81,798,737)
	Gratuity Payable Account(Current)	(120,414,570)	(1,088,694,189)
	Total	182,565,694	(1,191,090,097)
	Total Net Cash used by Operating Activities:	108,085,458	(885,228,212)
B.	<u>Cash Flow from Investing Activities :</u>		
	Addition of Non Current Assets	-	-
	Revaluation of Non Current Assets	-	-
	Assets in Pakistan	-	-
	Total Net Cash used by Investing Activities :	-	-
C.	<u>Cash Flow from Financing Activities :</u>		
	Bank Overdraft	-	-
	Due from BJMC Mills	-	6,781,433
	Liabilities for Other Finance	(47,815,755)	(196,896,460)
	Long Term Loan	25,163,514	1,129,587,475
	Gratuity Liability (Provision)	(5,167,320)	8,771,979
	Reserves	-	(15,483,792)
	Total Net Cash provided by Financing Activities :	(27,819,561)	932,760,634
	Net Cash Inflow/Outflow (A+B+C)	80,265,897	46,500,636
	Cash and Bank Balance at the beginning of the year	63,341,225	16,840,590
	Cash and Bank Balance at the ending of the year	143,607,121	63,341,225

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

Dated, Dhaka.
16th February, 2023.



(MASUD ALTAF & CO.)

Chartered Accountants

DVC: 2302160684AS345822

Eastern Jute Mills Ltd.

Atira Industrial Area, Khulna.

Schedule of Fixed Assets as on 30th June, 2022.

Schedule-1.00

Particulars	Cost			Revaluation	Total Cost as on 30.06.2022	Depreciation on original Cost		Total Dep. On Original Cost as on 30.06.2022
	Opening Balance as on 01.07.2021	Addition/ Sales during the year	Total as on 30.06.2022			Opening as on 01.07.2021	Charged during the year	
1) Land	1,336,057	2	1,336,057	4	2,637,800,103	6	7	6+7=8
2) Land Development	364,022	-	364,022	5,153,546	5,517,568	-	-	-
3) Building & Other Construction	12,124,976	-	12,124,976	115,526,523	127,651,499	557,744	139,436	697,180
4) Plant, Machinery & Equipment	55,440,029	-	55,440,029	1,264,177,427	1,319,617,456	767,732	191,933	959,665
5) Furniture & Fixture	781,833	-	781,833	1,292,617	2,074,450	88,679	5,248	93,927
6) Vehicles	3,800,000	-	3,800,000	-	3,800,000	94,520	23,630	118,150
7) Sundry Assets	370,916	-	370,916	537,000	907,916	-	-	-
8) Biological Assets(Trees)	-	-	-	4,273,400	4,273,400	-	-	-
Total	74,217,833	-	74,217,833	4,027,424,559	4,101,642,392	1,508,675	360,247	1,868,922

Particulars	Depreciation on Re-valuation Cost			Total Depreciation	Written Down Value		Total Assets as on 30.06.2022
	Opening Balance as on 01.07.2021	Charged during the year	Total as on 30.06.2022		Original Cost	Revaluation	
9	-	10	9+10=11	8+11=13	3-8=14	4-11=15	14+15=16
1) Land	-	-	-	-	1,336,056	2,636,464,046	2,637,800,103
2) Land Development	1,030,709	257,677	1,288,387	1,288,387	364,022	3,865,160	4,229,182
3) Building & Other Construction	9,242,121	2,310,530	11,552,652	12,249,832	11,427,796	103,973,871	115,401,667
4) Plant, Machinery & Equipment	50,567,097	12,641,774	63,208,872	64,168,537	54,480,364	1,200,968,555	1,255,448,919
5) Furniture & Fixture	517,047	129,262	646,308	740,235	687,906	646,309	1,334,215
6) Vehicles	-	-	-	118,150	3,681,850	-	3,681,850
7) Sundry Assets	40,616	10,154	50,770	50,770	370,916	486,230	857,146
8) Biological Assets(Trees)	-	-	-	-	-	4,273,400	4,273,400
Total	61,397,591	15,349,398	76,746,988	78,615,910	72,348,911	3,950,677,571	4,023,026,483

N.B. : Re-valuation of fixed assets done 2016-2017, that's why the opening balance of depreciation on previous Re-valuation are omitted.
The above Plant & Machinery Assets includes Assets received from closed Adamjee Jute Mills (M.R.R NO-501 to 508 year-2003-04).



Eastern Jute Mills Ltd.

Atra Industrial Area, Khulna.

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

- A. Legal form of the Enterprise :**
Eastern Jute mills is a public limited company and was incorporated in the then East Pakistan under the Company Act 1913 subsequently by the Company Act 1994. The mill was placed under the control and management of Bangladesh Jute Mills Corporation (BJMC) under P.O.27 of 1972. Subsequently Industrial Nationalization Act No. 25 of 2018.
- B. Nature of Business :**
The principal activities of the company is manufacturing of hessian & sacking jute cloth for local and export sale .
- C. Significant Accounting Policies :**
The mill follows an integrated accounting system. These accounts have been prepared on a going concern basis under historical cost convention based on the generally accepted accounting principles consistently applied.
- D. Basis of Presentation :**
Financial Statement presentation follows the formats recommended in the International Financial Reporting Standards.
- E. Fixed Assets :**
The Fixed Assets are shown at cost & Revaluation less accumulated depreciation. Revaluation was made in the year 2016-17 and increased value transferred to Capital Reserve Account as per BJMC Guide Line.
- F. Depreciation :**
Fixed Assets were depreciated at straight line method @ 2.5% to 25% according the type of assets.
- G. Foreign Currency Transaction:**
Revenue transactions of foreign currency are converted in Bangladeshi taka at the exchange rate prevailing on the date of transaction.
- H. Service Benefits :**
(a) The factory is maintaining a contributory Provident Fund for its every permanent employee. The factory is providing contribution to the Fund equivalent to 8.33% of basic wages/salary of each permanent employee.
(b) The factory also provides Gratuity benefit to its every permanent employee equivalent to two months last basic wages/salary for each completed year of service.
- I. Taxation :**
The Company was incurring loss since long but in this time the company is incurring to earn loss. So, provision for company income tax has not been made in the accounts during these financial year .
- J. Liabilities for Expenses :**
Provision for certain expenses and known liabilities were made in the accounts during the year under audit. These type of liabilities must be paid/adjusted after having actual bill/expenses. In our opinion, these should not be carried forward years after year.
- K. Reporting period :**
The financial statements of the company cover the period from 1st July, 2021 to 30th June, 2022 consistently.