

Private & Confidential

Auditors' Report and Financial Statements

of

Baghdad-Dhaka Carpet Factory

North Kattali, Chattogram.

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.

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Independent Auditors' Report of Baghdad-Dhaka Carpet Factory

Opinion

We have audited the Financial Statements of “**Baghdad-Dhaka Carpet Factory**” 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 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 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.

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.

During Our Audit, we observed that a good amount of Working-in-Process, Finished Goods, Trade Debtors (Foreign & Local) and Sundry Parties are coming from Previous years without any actions. And Advance against Expenses to 8 (eight) Parties are lying without any adjustment.


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 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 January, 2023.




(MASUD ALTAF & CO.)
Chartered Accountants
DVC: 2301120684AS265064

Baghdad-Dhaka Carpet Factory

North Kattali, Chattogram.

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

Particulars	Sch./ Notes	Amount (Tk.)	
		30.06.2022	30.06.2021
A. Fixed Assets :			
At Cost/Revaluation Less Accumulated Depreciation	1.00	2,461,455,818.81	2,467,607,502.81
Investment	2.00	-	-
Current Assets :			
Stock & Stores	3.00	15,155,721.87	15,052,688.85
Debtors	4.00	4,678,558.64	4,820,448.64
Due from BJMC Mills	5.00	56,883,272.54	56,865,728.54
Advance, Deposit & Pre-Payments	6.00	2,707,326.23	3,052,727.78
Contingent Assets	7.00	3,289,560.19	3,289,560.19
Interim Revenue Support Receivable	8.00	-	-
BJMC Current Account	9.00	-	-
Cash & Bank Balance	10.00	37,656,420.92	7,555,671.64
Total Current Assets		120,370,860.39	90,636,825.64
Profit & Loss Account Balance	11.00	1,200,938,361.53	1,177,045,410.26
Total Assets		3,782,765,040.73	3,735,289,738.71

B. Capital & Liabilities :

Authorized Capital	12.00	-	-
Issued, Subscribed & Paid-up Capital	13.00	-	-
Govt. Equity Contribution	14.00	55,301,999.00	55,301,999.00
Reserves	15.00	2,273,230,929.00	2,278,732,929.00
BJMC Current Account	16.00	209,386,898.10	198,000,515.10
Long Term Loan	17.00	1,130,362,668.92	1,056,035,549.92
Gratuity Liabilities (Provision)	18.00	17,982,260.00	18,145,148.40
Current Liabilities :			
Bank Overdraft	19.00	-	-
Liabilities for Goods	20.00	236,848.90	12,492,745.90
Liabilities for Expenses	21.00	29,358,821.09	35,941,980.38
Liabilities for Other Finance	22.00	9,849,966.44	6,594,789.48
Due to BJMC Mills	23.00	18,505,553.89	17,758,643.14
Due to A.K. Khan Jute Mills		3,714,988.39	3,714,988.39
Gratuity Payable Account(Current)	24.00	34,834,107.00	52,570,450.00
Total Current Liabilities		96,500,285.71	129,073,597.29
Total Capital & Liabilities		3,782,765,040.73	3,735,289,738.71

Md. Farid Uddin
Asst. Accounts Officer
Baghdad-Dhaka Carpet Factory
North Kattali, Chattogram.

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

যতন কুমার নাথ
উপ ব্যবস্থাপক (বিঃ/অর্থ) ও
হিসাব বিভাগীয় প্রধান
বগদাদ-ঢাকা কার্পেট ফ্যাক্টরী
উত্তর কটালী, চট্টগ্রাম।

Dated, Dhaka
12th January, 2023.



(MASUD ALTAF & CO.)
Chartered Accountants
DVC: 2301120684AS265064

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

Baghdad-Dhaka Carpet Factory

North Kattali, Chattogram.

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

Sl #	Particulars	Sch./ Notes	Amount (Tk.)				Last year 2020- 2021
			Design Carpet	Plain Carpet	Yarn	Total	
Income :							
1	Foreign Sales	26.00	-	-	-	-	2,027,000.64
2	Local Sales	27.00	-	-	-	-	1,471,744.00
3	Total Sales : (1+2)		-	-	-	-	3,498,744.64
4	Subsidy	28.00	-	-	-	-	141,890.00
5	Total Income : (3+4)		-	-	-	-	3,640,634.64
Material Cost :							
6	Opening Work-in-Process		144,657.00	-	323,142.00	467,799.00	982,050.00
7	Raw Jute Consumption	29.00	-	-	-	-	-
8	Charges on Raw Jute	30.00	-	-	-	-	-
9	Other Direct Materials Consumed	31.00	-	-	-	-	-
10	Sub-Total : (6 to 9)		144,657.00	-	323,142.00	467,799.00	982,050.00
11	Closing Work-in-Process	3.01	144,657.00	-	323,142.00	467,799.00	467,799.00
12	Total Material Cost : (10-11)		-	-	-	-	514,251.00
Conversion Cost :							
13	Opening Work-in-Process		-	-	240,477.00	240,477.00	628,390.00
14	Wages	32.00	-	-	-	-	2,303,501.00
15	Salaries	33.00	-	-	13,866,397.85	13,866,397.85	13,980,073.08
16	Power/Electricity	34.00	-	-	599,471.00	599,471.00	824,058.00
17	Repairs & Maintenance	35.00	-	-	126,621.00	126,621.00	313,211.68
18	Depreciation	36.00	-	-	989,400.00	989,400.00	1,270,800.00
19	Insurance	37.00	-	-	1,816,272.00	1,816,272.00	108,129.00
20	Other Factory Overhead	38.00	-	-	960,901.59	960,901.59	3,063,264.04
21	Sub-Total : (13 to 20)		-	-	18,599,540.44	18,599,540.44	22,491,426.80
22	Closing Work-in-Process	3.01	-	-	240,477.00	240,477.00	240,477.00
23	Total Conversion Cost : (21-22)		-	-	18,359,063.44	18,359,063.44	22,250,949.80
24	Cost of Production : (12+23)		-	-	18,359,063.44	18,359,063.44	22,765,200.80
25	Opening Stock of Finished Goods		142,098.52	237,040.00	-	379,138.52	2,975,491.52
26	Cost of Goods Available for Sale : (24+25)		142,098.52	237,040.00	18,359,063.44	18,738,201.96	25,740,692.32
27	Closing Stock of Finished Goods	3.03	142,098.52	237,040.00	-	379,138.52	379,138.52
28	Total Cost of Sales : (26-27)		-	-	18,359,063.44	18,359,063.44	25,361,553.80
29	Administrative Expenses	39.00	-	-	7,372,371.00	7,372,371.00	7,515,790.55
30	Selling Expenses	40.00	-	-	-	-	200,107.00
31	Total Operating Expenses : (28 to 30)		-	-	25,731,434.44	25,731,434.44	33,077,451.35
32	Operating Profit/(Loss) : (5 - 31)		-	-	(25,731,434.44)	(25,731,434.44)	(29,436,816.71)
Financial Expenses :							
33	Interest (Cash Credit)		-	-	-	-	-
34	Interest (Long Term Loan)		-	-	-	-	-
35	Total Interest : (33+34)		-	-	-	-	-
36	Total Profit/(Loss) : (32-35)		-	-	(25,731,434.44)	(25,731,434.44)	(29,436,816.71)
37	Non-Operating Income		-	-	7,351,137.85	7,351,137.85	6,917,771.58
38	Net Profit/(Loss) : (36+37)		-	-	(18,380,296.59)	(18,380,296.59)	(22,519,045.13)



Md. Farid Uddin
Asst. Accounts Officer
Baghdad-Dhaka Carpet Factory
North Kattali, Chattogram

This is the Statement of Manufacturing, Trading and Comprehensive Income referred to in our separate report of even date.

Dated, Dhaka
12th January, 2023.




(MASUD ALTAF & CO.)
Chartered Accountants


যতন কুমার নাথ
উপ ব্যবস্থাপক (হিঃ/অর্থ) ও
হিসাব বিভাগীয় প্রধান
বগদাদ-ঢাকা কার্পেট ফ্যাক্টরী
উত্তর কটালী, চট্টগ্রাম।

Baghdad-Dhaka Carpet Factory

North Kattali, Chattogram.

Income/Cost Statement for the year ended 30th June, 2022.

Sl. #	Particulars	Taka in Lac					Yarn Per M.Ton
		Design Carpet	Plain Carpet	Total Carpet	Yarn	Grand Total	
Income :							
1	Foreign Sales	-	-	-	-	-	-
2	Local Sales	-	-	-	-	-	-
3	Total Sales : (1+2)	-	-	-	-	-	-
4	Subsidy	-	-	-	-	-	-
5	Total Income : (3+4)	-	-	-	-	-	-
Material Cost :							
6	Opening Work-in-Process	1.45	-	1.45	3.23	4.68	751,493
7	Raw Jute Consumption	-	-	-	-	-	-
8	Charges on Jute	-	-	-	-	-	-
9	Other Direct Materials Consumption	-	-	-	-	-	-
10	Sub-Total : (6 to 9)	1.45	-	1.45	3.23	4.68	751,493
11	Closing Work-in-Process	1.45	-	1.45	3.23	4.68	751,493
12	Total Materials Cost : (10-11)	-	-	-	-	-	-
Conversion Cost :							
13	Opening Work-in-Process	-	-	-	2.40	2.40	751,491
14	Wages	-	-	-	-	-	-
15	Salaries	-	-	-	138.66	138.66	-
16	Power/Electricity	-	-	-	5.99	5.99	-
17	Repairs & Maintenance	-	-	-	1.27	1.27	-
18	Depreciation	-	-	-	9.89	9.89	-
19	Insurance	-	-	-	18.16	18.16	-
20	Other Factory Overhead	-	-	-	9.61	9.61	-
21	Sub-Total : (13 to 20)	-	-	-	185.98	185.98	751,491
22	Closing Work-in-Process	-	-	-	2.40	2.40	751,491
23	Total Conversion Cost : (21-22)	-	-	-	183.58	183.58	-
24	Cost of Production : (12+23)	-	-	-	183.58	183.58	-
25	Opening Stock of Finished Goods	1.42	2.37	3.79	-	3.79	-
26	Cost of Goods Available for Sale : (24+25)	1.42	2.37	3.79	183.58	187.37	-
27	Closing Stock of Finished Goods	1.42	2.37	3.79	-	3.79	-
28	Total Cost of Sales : (26-27)	-	-	-	183.58	183.58	-
29	Administrative Expenses	-	-	-	73.73	73.73	-
30	Selling Expenses	-	-	-	-	-	-
31	Total Operating Expenses : (28 to 30)	-	-	-	257.31	257.31	-
32	Operating Profit/(Loss) : (5-31)	-	-	-	(257.31)	(257.31)	-
Financial Expenses :							
33	Interest (Cash Credit)	-	-	-	-	-	-
34	Interest (Long Term Loan)	-	-	-	-	-	-
35	Total Interest : (33+34)	-	-	-	-	-	-
36	Total Profit/ (Loss) : (32-35)	-	-	-	(257.31)	(257.31)	-
37	Non-Operating Income	-	-	-	73.51	73.51	-
38	Net Profit/ (Loss) : (36+37)	-	-	-	(183.80)	(183.80)	-
Quantity (M. Ton)							
39	Baled Production	-	-	-	-	-	-
40	Opening Stock of Finished Goods	5.36	10.87	16.23	-	16.23	-
41	Goods Available for Sale	5.36	10.87	16.23	-	16.23	-
42	Closing Stock of Finished Goods	5.36	10.87	16.23	-	16.23	-
44	Local Sales	-	-	-	-	-	-
45	Foreign Sales	-	-	-	-	-	-
46	Total Sales	-	-	-	-	-	-
47	Equivalent Production	-	-	-	-	-	-

This is the Statement of Income/Cost referred to in our separate report of even date.

Dated, Dhaka
12th January, 2023.



(MASUD ALTAF & CO.)
Chartered Accountants
DVC: 2301120684AS265064

Baghdad-Dhaka Carpet Factory
North Kattali, Chattogram.

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

Particulars	Amount (Tk.)	
	2021-2022	2020-2021
Net Profit/(Loss) for the year	(18,380,296.59)	(22,519,045.13)
Previous year's adjustment	(5,852,370.68)	(18,276,789.32)
Depreciation	989,400.00	1,270,800.00
Adjustment to Reconcile Net Loss	(23,243,267.27)	(39,525,034.45)
Cash Provided by the Operating Activities :		
Stock & Stores	(103,033.02)	4,206,666.87
Book Debts	141,890.00	59,223,134.10
Advance, Deposits & Prepayments	345,401.55	(642,727.06)
Contingent Assets	-	-
BJMC Current A/C	11,386,383.00	(884,680.00)
Due from BJMC Jute Mills	(17,544.00)	(45,003,367.81)
Due to BJMC Jute Mills	746,910.75	(3,687,598.10)
Liabilities for Goods Supply	(12,255,897.00)	(7,640,752.20)
Liabilities for Expenses	(6,583,159.29)	(40,134,845.35)
Liabilities for Other Finance	3,255,176.96	(4,985,353.18)
	(3,083,871.05)	(39,549,522.73)
Cash Provided form Operating Activities	(26,327,138.32)	(79,074,557.18)
Cash Flow from Investing Activities :		
Fixed Assets Addition	-	(90,620.00)
Cash Provided from Investing Activities	-	(90,620.00)
Cash Flow from Financing Activities :		
Retiring Fund	(162,888.40)	(3,418,340.60)
Grant for Gratuity	(17,736,343.00)	(36,348,804.00)
Long Term & Others	74,327,119.00	124,022,904.50
Bank Overdraft	-	-
Capital	-	-
Reserves	-	-
Cash Provided from Financing Activities	56,427,887.60	84,255,759.90
Increase/(Decrease) in Cash & Bank Balance	30,100,749.28	5,090,582.72
Add : Opening Cash & Bank Balance as on 01.07.2021	7,555,671.64	2,465,088.92
Closing Cash & Bank Balance as on 30.06.2022	37,656,420.92	7,555,671.64

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

Dated, Dhaka
12th January, 2023.



(MASUD ALTAF & CO.)
Chartered Accountants
DVC: 2301120684AS265064

Baghdad-Dhaka Carpet Factory
North Kattali, Chattogram.

Schedule of Quantity as on 30th June, 2022.

Annexure - A
Quantity in M.Ton

Particulars	Hessian	Sacking	C.B.C	Yarn	Others	Total
Weaving Production	-	-	-	-	-	-
Materials Cost :						
Opening Work-in-Process	-	-	-	0.43	11.66	12.09
Equivalent Production	-	-	-	-	-	-
Sub-Total	-	-	-	0.43	11.66	12.09
Closing Work-in-process	-	-	-	0.43	11.66	12.09
Local Sales of Work-in-Process	-	-	-	-	-	-
Baled Production	-	-	-	-	-	-
Conversion Cost :						
Opening Work-in-Process	-	-	-	0.32	-	0.32
Equivalent Production	-	-	-	-	-	-
Sub-Total	-	-	-	0.32	-	0.32
Closing Work-in-Process	-	-	-	0.32	-	0.32
Opening Stock of Finished Goods	-	-	-	-	16.23	16.23
Goods Available for Sale	-	-	-	-	16.23	16.23
Closing Stock of Finished Goods	-	-	-	-	16.23	16.23
Local Sales of Work-in-Process	-	-	-	-	-	-
Local Sales	-	-	-	-	-	-
Foreign Sales	-	-	-	-	-	-
Total Sales	-	-	-	-	-	-



Baghdad-Dhaka Carpet Factory

North Kattali, Chattogram.

Statement of Changes in Working Capital for the year ended 30th June, 2022.

Sl #	Particulars	2021-2022	2020-2021	Increase/ (Decrease)
A.	<u>Current Assets :</u>			
	Due from BJMC Mills	56,883,272.54	56,865,728.54	17,544.00
	Stock & Stores less Provision	15,155,721.87	15,052,688.85	103,033.02
	Book Debts less Provision	4,678,558.64	4,820,448.64	(141,890.00)
	Advance, Deposit and Pre-Payments	2,707,326.23	3,052,727.78	(345,401.55)
	Cash & Bank Balance	37,656,420.92	7,555,671.64	30,100,749.28
	Total Current Assets	117,081,300.20	87,347,265.45	29,734,034.75
B.	<u>Current Liabilities :</u>			
	Gratuity Payable Account (Current)	34,834,107.00	52,570,450.00	(17,736,343.00)
	Due to BJMC Mills	18,505,553.89	17,758,643.14	746,910.75
	Due to A.K Khan Jute Mills	3,714,988.39	3,714,988.39	-
	Creditors for Goods	236,848.90	12,492,745.90	(12,255,897.00)
	Creditors for Expenses	29,358,821.09	35,941,980.38	(6,583,159.29)
	Creditors for Other Finance	9,849,966.44	6,594,789.48	3,255,176.96
	Total Current Liabilities	96,500,285.71	129,073,597.29	(32,573,311.58)
	Net Working Capital (Decrease) : (A-B)	20,581,014.49	(41,726,331.84)	62,307,346.33



Baghdad-Dhaka Carpet Factory

North Kattali, Chattogram.

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

I. #	Particulars	Original Cost		Revaluation Increased	Total Cost as on 30.06.2022	Depreciation on Original Cost		Total as on 30.06.2022
		Original Cost on 01.07.2021	Addition during the year			Cost as on 30.06.2022	Charged during the year	
		1	2	4	5=3+4	6	7	8=6+7
1	Land	1,786,540.00	-	2,058,213,460.00	2,060,000,000.00	-	-	-
2	Land Development	2,932,943.00	-	1,096,905.00	4,029,848.00	53,152.00	14,400.00	67,552.00
3	Building & Other Constructions	21,405,273.00	-	42,444,067.00	63,849,340.00	1,531,563.14	280,800.00	1,812,363.14
4	Plant, Machinery & Equipments	171,721,071.00	-	192,125,880.00	363,846,951.00	7,332,499.05	606,000.00	7,938,499.05
5	Vehicles	858,243.00	-	-	858,243.00	858,239.00	-	858,239.00
6	Furniture & Fixture	308,330.00	-	-	308,330.00	149,641.00	88,200.00	237,841.00
7	Sundry Assets	26,700.00	-	-	26,700.00	26,533.00	-	26,533.00
8	Biological Assets (Tree)	-	-	4,225,000.00	4,225,000.00	-	-	-
	Total	199,039,100.00	-	2,298,105,312.00	2,497,144,412.00	9,951,627.19	989,400.00	10,941,027.19

I. #	Particulars	Depreciation on Revaluation Cost		Total Depreciation	Written Down Value		Total
		Opening as on 01.07.2021	Charged during the year		Original Cost	Revaluation	
		9	10	Cumulative	14=3-8	15=4-11	16=14+15
1	Land	-	-	13=8+11	1,786,540.00	2,058,213,460.00	2,060,000,000.00
2	Land Development	123,329.00	42,000.00	232,881.00	2,865,391.00	931,576.00	3,796,967.00
3	Building & Other Constructions	2,182,719.00	744,000.00	4,739,082.14	19,592,909.86	39,517,348.00	59,110,257.86
4	Plant, Machinery & Equipments	16,171,518.00	5,484,000.00	29,594,017.05	163,782,571.95	170,470,362.00	334,252,933.95
5	Vehicles	-	-	858,239.00	4.00	-	4.00
6	Furniture & Fixture	-	-	237,841.00	70,489.00	-	70,489.00
7	Sundry Assets	-	-	26,533.00	167.00	-	167.00
8	Biological Assets (Tree)	-	-	-	-	4,225,000.00	4,225,000.00
	Total	18,477,566.00	6,270,000.00	35,688,593.19	188,098,072.81	2,273,357,746.00	2,461,455,818.81

The above assets includes assets received from closed Adamjee Jute Mills Limited, details of which are shown below :

#	Particulars	Original Cost on 01.07.2021	Addition during the year	Total as at 30.06.2022	Depreciation		Written Down Value
					On Original cost as 01.07.2021	For the year 2021-2022	
1	Plant, Machinery & Equipments	40,987.00	-	40,987.00	40,987.00	-	-
2	Sundry Assets	3,000.00	-	3,000.00	3,000.00	-	-
	Total	43,987.00	-	43,987.00	43,987.00	-	-



Baghdad-Dhaka Carpet Factory
North Kattali, Chattogram.

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

A. Legal form of the Enterprise :

The Factory was established by BJMC in 1979-80. Installed Capacity of the mills is 10 Looms, 10 Spinning's Frames with 1000 Spindles having a Production Capacity of 1800 M. Ton Yarn per year. The factory are producing export yarn in stead of Jute carpet from 25.10.2003 due to low demand of carpet in the International market and to avoid huge losses as per direction of BJMC.

B. Nature of Business :

The principal activities of the company is manufacturing, local sale and export of jute yarn.

C. Significant Accounting Policies :

The mill follows an integrated accounting system. These accounts have been prepared on a going concern basis under historical cost conversion 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. Cash and Cash Equivalents :

Cash in hand and cash at bank have been considered as cash and cash equivalents for the preparation of these financial statements, which were held and are available for use by the factory without any restriction. There was no significant risk of changes in value of these current assets.

F. Fixed Assets :

First time Revaluation ware made in the year 1992-93 and Second time Revaluation ware made in the year 2016-2017. The Fixed Assets are shown at cost & Revaluation less accumulated depreciation as well as increased value transferred to Capital Reserve Account as per BJMC Guide Line.

G. Depreciation :

Fixed Assets were depreciated at straight line method @ 2.5% to 25% according the type of assets.

H. Foreign Currency Transaction:

Revenue transactions of foreign currency are converted in Bangladeshi taka at the exchange rate prevailing on the date of transaction.

I. Service Benefits :

- (a) The factory is maintaining a contributory Provident Fund for its every permanent employee. The factory is providing contribution to the Fund @ 8.33% of basic 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.

J. Taxation :

The factory is incurring loss since long. This year the factory also incurred loss. On the other hand source tax deducted on export proceeds have adjusted against company tax.

K. Liabilities for Expenses :

Provision for certain expenses and known liabilities were made in the accounts during the year under audit.

L. Reporting period :

The financial statements of the factory cover the period of July 01, 2021 to June 30, 2022 consistently.

