

Private & Confidential

Dacca Steel Works Ltd.
76-78, Tongi industrial Area, Gazipur-1710.

Auditor's Report and Financial Statements
Of
Dacca Steel Works Ltd.
For the year ended 30th June 2023.

M A FAZAL & CO.

Chartered Accountants



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**Independent Auditor's Report
To the shareholders of Dacca Works Limited
On the Audit of the Financial Statements**

Qualified Opinion

We have audited the accompanying financial statements of **Dacca Works Limited** (An Enterprise under Bangladesh Steel & Engineering Corporation) which comprises the Statement of Financial Position as on 30th June, 2023 along with Statement of Comprehensive Income, statement of Changes in Equity and Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory notes.

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, 2023 and of its Financial Performance and Cash Flows for the period then ended accordance with the International Financial Reporting Standards (IFRS).

Basis for Qualified Opinion

With modification to this report, we would like to state that

1. The Company did not submit monthly VAT return (Mushak 9.1) as per VAT Act-2012, which is a non-compliance of VAT Act, 2012.
2. The Company did not submit return of RJSC Under section 36 of the Companies Act, 1994).
3. The Company did not submit the Income Tax return as per section 75 of Income Tax ordinance, 1984, which is a non-Compliance of Income Tax ordinance, 1984.
4. As disclosed in note # 4.00 of the financial statements, property, plants and Equipment of BDT 14,837,092 was reported in the statement of financial position. The fixed assets register was not maintained properly. We could not verify the fixed assets in absence of fixed assets identification number, purchase date, cost, accumulated depreciation, WDV etc. against individual assets. The company also did not carry out any fixed assets physical inventory at the year end, or at any time during the year.
5. As referred to in note # 05.00 of the financial Statements, closing inventory was shown at BDT 1,345,476 in the financial position. The valuation and existence of the Inventory were not completely traceable; inventory was taken at the year end.
6. As referred to in note # 21.00 of the financial statement, Inter project Current Account balance of BDT 450,951,230 is yet to be reconciled. The balance remains unverified by us.
7. The Company carried out the closing balance of dis -invested project current Account, Inter Unit Account , BSEC Current Account, Loan from BSEC , Liabilities for other finance, Share Money deposit, Capital reserve and other Liabilities from since long, as no such arrangement was Made by the management for adjustment these balances.





8. We yet to be received the balance confirmation certificate from Dacca Steel Works Limited mentioned bank. After getting & verifying of all confirmation if found any changes Audit report would be changes.
9. The company is incurring operating loss year after year as a result the going concern assumption is under threat.

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 our qualified 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 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 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.

Auditors' 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 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 provides 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 explanations which to the best of our knowledge and belief were necessary for the purposes 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 Company's Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows dealt with by the report are in agreement with the books of account and returns; and
- (d) The expenditure incurred was for the purpose of the Company's business for the Year;

Md. Abul Basher, FCA #840

Managing Partners

M A FAZAL & CO.

Chartered Accountants

DVC: 2403120840AS919824



Dated, Dhaka

DACCA STEEL WORKS LIMITED.

Statement of Financial Position


As at June 30, 2023

Particulars	Notes	Amount in Taka	
		30.06.2023	30.06.2022
Assets:			
Non-Current Assets:		14,837,092	15,954,053
Property, Plant and Equipment	4.00	14,837,092	15,954,053
Current Assets:		205,755,972	184,872,711
Inventories	5.00	1,345,476	1,345,476
Trade Debtors	6.00	2,085,972	2,108,109
Sundry Debtors	7.00	18,557,408	8,030,857
Inter Project Current Account	8.00	2,080,786	1,928,716
Disinvested Project Current Account	9.00	163,334	163,334
Inter Unit Account	10.00	62,812,910	62,812,910
Advance, Deposit and Pre payment	11.00	7,978,567	7,842,996
Advance Income Tax	12.00	13,259,304	12,415,574
Cash and Cash Equivalents	13.00	7,325,389	31,857,015
FDR Account	14.00	90,146,826	56,367,724
Total Assets		220,593,064	200,826,764
Equity & Liabilities:			
Equity:		(382,654,529)	(390,174,008)
Share Capital	15.00	2,487,240	2,487,240
Share Money Deposit	16.00	65,000	65,000
Capital Reserve		11,747	11,747
Retained Earnings	17.00	(385,218,516)	(392,737,995)
Non Current Liabilities:		26,815,696	26,297,831
Provision for Leave Pay and Gratuity Fund	18.00	6,921,470	6,403,605
Manpower Rationalization Through BSEC		19,894,226	19,894,226
Current Liability:		576,431,897	564,702,941
BSEC Current Account	19.00	694,424	2,081,569
BSEC Special Loan Account	20.00	7,557,800	7,557,800
Inter-Project Current Account	21.00	450,951,230	441,176,687
Dis-invested Project Current Account	22.00	29,788	29,788
Inter Unit Account	23.00	69,511,020	69,511,020
Liabilities for Goods	24.00	765,587	765,587
Liabilities for Expenses	25.00	9,087,523	8,202,924
Liabilities for Other Finance	26.00	23,189,795	22,126,544
Advance against Sales	27.00	1,531,646	1,531,646
Provision for Tax & VAT	28.00	7,495,942	7,495,942
Provision for Income Tax	29.00	4,271,037	3,091,746
Provision for Beneficiaries Profit Participation Fund	30.00	764,236	549,819
Other Liabilities		581,869	581,869
Total Equity & Liabilities		220,593,064	200,826,764

Accompanying notes from 1 to 39 form an integral part of these Financial Statements



Head of Accounts



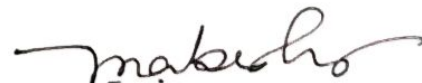
Managing Director

Signed in terms of our separate report of even date

Place: Dhaka

DVC :





Md. Abul Basher, FCA # 0840

Managing Partner

M A Fazal & Co.

Chartered Accountants

DVC: 2403120840AS919824

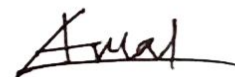
DACCA STEEL WORKS LIMITED.
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2023

Particulars	Notes	Amount in Taka	
		2022-2023	2021-2022
Revenue	31.00	-	6,564,665
Cost of Goods Sold	32.00	1,431,500	9,184,930
Gross Profit/Loss		(1,431,500)	(2,620,265)
Less: Operating Expense		20,950,869	12,576,200
Administrative Expenses:	34.00	20,163,505	12,120,780
Selling and Distribution Expenses	35.00	787,364	455,420
Operating Profit/Loss		(22,382,369)	(15,196,465)
Add: Non-operating income	36.00	36,772,607	33,705,860
Less: Financial Expenses	37.00	9,887,489	9,808,424
Net Profit/(Loss) before Tax and B.P.P.F		4,502,749	8,700,971
Beneficiaries Profit Participation Fund (B.P.PF)	38.00	(214,417)	(414,332)
Net Profit/(Loss) before Tax		4,288,332	8,286,639
Income Tax	39.00	1,179,291	2,278,826
Net Profit after Tax		3,109,041	6,007,814

Accompanying notes from 1 to 39 form an integral part of these Financial Statements



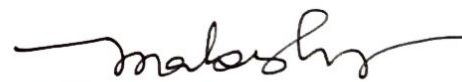
Head of Accounts



Managing Director

Signed in terms of our separate report of even date.

Place: Dhaka



Md. Abul Basher, FCA # 0840

Managing Partner

M A Fazal & Co.

Chartered Accountants

DVC: 2403120840AS919824



DACCA STEEL WORKS LIMITED.

Statement of Changes in Equity

As at June 30, 2023

Particulars	Amount in Taka				
	Share Capital	Share Money Deposit	Capital Reserve	Retained Earnings	Total
Balance as at July 01, 2022	2,487,240	65,000	11,747	(392,737,995)	(390,174,008)
Prior year adjustment	-	-	-	4,410,438	4,410,438
Net Profit/(Loss)	-	-	-	3,109,041	3,109,041
Balance as at June 30, 2023	2,487,240	65,000	11,747	(385,218,516)	(382,654,529)

Statement of Changes in Equity

As at June 30, 2022

Particulars	Amount in Taka				
	Share Capital	Share Money Deposit	Capital Reserve	Retained Earnings	Total
Balance as at July 01, 2021	2,487,240	65,000	11,747	(399,841,694)	(397,277,706)
Prior year adjustment (Purchase)				1,005,720	
Prior year adjustment (BPPF)				(135,487)	
Prior year adjustment (Advance)	-	-	-	225,652	225,652
Net Profit/(Loss)	-	-	-	6,007,814	6,007,814
Balance as at June 30, 2022	2,487,240	65,000	11,747	(392,737,995)	(390,174,008)

Accompanying notes from 1 to 39 form an integral part of these Financial Statements



Head of Accounts



Managing Director

Place: Dhaka



DACCA STEEL WORKS LIMITED.

Cash Flow Statement

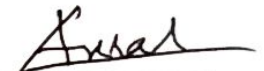
For the year ended June 30, 2023

Particulars	Amount in Taka	
	2022-2023	2021-2022
A. Cash Flows from Operating Activities:		
Received from Customers	(10,504,414)	7,610,011
Received from non-operating income	36,772,607	33,705,860
Payment to suppliers, employees & Others	(16,878,580)	(13,748,853)
Finance Expenses	(9,887,489)	(9,808,424)
B.P.P.F. Expense	(214,417)	
Advance Income Tax	(843,730)	(1,337,233)
Net cash flow from/(used in) Operating Activities	(1,556,022)	16,421,361
B. Cash Flows from Investing Activities:		
Acquisition of fixed assets	(400,090)	(221,558)
Payment to FDR Account	(33,779,102)	(2,541,311)
Net cash used in Investing Activities	(34,179,192)	(2,762,869)
C. Cash flows from Financing Activities:		
Inter Project Current Account (Assets)	(152,070)	101,306
Inter Project Current Account (Liability)	9,774,543	9,559,832
Liabilities for Other Finance	1,063,251	
Provision for Leave Pay and Gratuity Fund	517,865	121,114
Net cash flow from/(used in) Financing Activities	11,203,589	9,782,251
Net Cash Surplus/(Deficit) for the year (A+B+C)	(24,531,625)	23,440,743
Cash & Cash Equivalents on 30.06.2021	31,857,015	8,416,272
Cash & Cash Equivalents on 30.06.2022	7,325,388	31,857,015

Accompanying notes from 1 to 39 form an integral part of these Financial Statements



Head of Accounts



Managing Director

Place: Dhaka

