

Private & Confidential

BANGLADESH JUTE MILLS LIMITED

Ghorashal, Palash, Norshingdi


**Auditors' Report and Financial Statements
Of**


BANGLADESH JUTE MILLS LIMITED


For the year ended 30 June, 2023


M A Fazal & Co.

Chartered Accountants

 29, Bangabandhu Avenue (2nd Floor) Dhaka-1000.

 +88 (0) 2223381991 (Off), +88 (0) 1720-505499 & +88 (0) 1300-884656,

 mafazalco1970@gmail.com, shamima499@gmail.com & mdabulbasher68@gmail.com,

 www.fazalandco.com



**Independent Auditors' Report
To the Shareholders of Bangladesh Jute Mills Limited
Report on the audit of the financial statements**

Opinion

We have audited the financial statements of **Bangladesh Jute Mills Limited** which comprise the statement of financial position as at **30 June, 2023** and the statement of profit or loss and other comprehensive income, Statement of Changes in Equity 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 present fairly, in all material respects, the financial position of the company as at **30 June, 2023** and of its financial performance for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the Companies Act 1994, 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 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) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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

Managements is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from expected to influence the economic decisions of users taken on the basis of these financial statements.

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, 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 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 disclosure 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 to 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 achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 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 except for the matter emphasis 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 dealt with by the report is in agreement with the books of accounts and returns.
- d) The expenditure incurred were for the purpose of the companies for the year.

Matter of emphasise:

01. There are missing bank statements for Janata Bank Plc.: AC no- 8792, 7476, 4801, 0529 and Sonali Bank Plc. AC no- 1060. And we have sent 03 balance confirmation letters in respective Banks which yet to be received.
02. Stock of Stores & Spares sold which has un-verified due to lack of documents.

Dated, Dhaka.
7th March, 2024





Md. Abul Basher, FCA # 0840

Managing Partner

M A Fazal & Co.

Chartered Accountants

DVC: 2403070840AS606019

Bangladesh Jute Mills Ltd.

Ghorashal, Palash, Narsingdi.

Statement of Financial Position as on 30th June, 2023.

Sl. #	Particulars	Notes/ Sch.	Amount (Tk.)	
			30 June, 2023	30 June, 2022
Property & Assets :				
A.	<u>Non -Current Assets :</u>		2,987,457,921	3,091,272,485
	At Cost/Revaluation Less Accumulated Dep.	1.00	2,987,447,304	3,091,261,868
	Investment at Cost	2.00	10,617	10,617
B.	<u>Current Assets:</u>		1,355,740,073	1,412,022,700
	Stock of Stores & Spares	3.00	-	8,434,393
	Debtors (Less Provision)	4.00	63,593,313	63,593,313
	Due from BJMC Mills	5.00	47,569,464	47,569,464
	Advance, Deposits & Prepayments	6.00	20,753,935	20,794,734
	Interim Revenue Support Receivable	7.00	10,634,102	10,634,102
	BJMC Current Account	8.00	1,105,421,671	1,137,912,751
	FDR (Sonali Bank Ltd.)		-	65,000,000
	Cash & Bank Balance	9.00	107,767,588	58,083,943
Total Property & Assets : (A+B)			4,343,197,994	4,503,295,185
Capital & Liabilities:				
C.	<u>Authorized capital</u>	10.00	50,000,000	50,000,000
D.	<u>Equity & Retained Earnings :</u>		(7,647,701,928)	(6,870,574,423)
	Issued, Subscribed & Paid up Capital	11.00	20,060,000	20,060,000
	GOB Equity Contribution	12.00	10,537,167	10,537,167
	Retained Earnings	13.00	(7,678,299,095)	(6,901,171,590)
E.	<u>Long Term Liabilities :</u>		11,624,856,425	11,091,664,176
	Reserve	14.00	3,138,761,782	3,166,541,629
	BJMC Current Account	15.00	-	-
	Long Term Loan	16.00	8,393,220,717	7,903,446,779
	Gratuity Liabilities (Provision)	17.00	92,873,926	21,675,767
F.	<u>Current Liabilities :</u>		366,043,497	282,205,433
	Liabilities for Goods	18.00	1,482,181	9,172,703
	Liabilities for Expenses	19.00	247,085,582	143,764,270
	Liabilities for other Finance	20.00	16,368,012	17,578,626
	Due to BJMC Mills	21.00	9,058,086	16,307,472
	Gratuity Payable Accounts (Current)	22.00	92,049,636	95,382,362
Total Capital & Liabilities : (D+E+F)			4,343,197,994	4,503,295,185

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

Deputy Manager (Accounts & Finance) and
Head of Department

Head of Project

Signed in terms of our report of even date.

Dated, Dhaka.
07 March, 2024



Md. Abul Basher, FCA # 840
Managing Partner
M A FAZAL & CO.
Chartered Accountants

DVC: 2403070840AS606019

Bangladesh Jute Mills Ltd.

Ghorashal, Palash, Narsingdi.

Statement of Manufacturing, Trading & other Comprehensive Income for the ended 30th June, 2023.

Sl. #	Particulars	Notes/ Sch.	Hessian	Sacking	Amount (Tk.)	
					2022-2023	2021-2022
Income :						
1	Local Sales	23	-	-	-	500,000
2	Foreign Sales	24	-	-	-	-
3	Total Sales : (1+2)		-	-	-	500,000
4	Subsidy		-	-	-	-
5	Total Income: (3+4)		-	-	-	500,000
Material Cost :						
6	Opening Work-In-Process	25	-	-	-	-
7	Raw Jute		-	-	-	-
8	Charges on Raw Jute		-	-	-	-
9	Other Direct Materials	26	-	-	-	-
10	Sub Total : (6 to 9)		-	-	-	-
11	Closing Work-in-Process		-	-	-	-
12	Total Material Cost : (10-11)		-	-	-	-
Conversion Cost :						
13	Opening work-in-Process		-	-	-	-
14	Wages	27	-	-	-	-
15	Salaries	28	-	-	60,499,554	63,111,347
16	Power/Electricity	29	-	-	64,216	2,102,930
17	Fuel	30	-	-	-	122,515
18	Repairs & Maintenance	31	-	-	-	573,786
19	Depreciation	32	-	-	1,104,984	1,104,984
20	Insurance	33	-	-	20,000	20,000
21	Other Factory Overhead	34	-	-	1,496,112	1,246,545
22	Sub-Total : (13 to 21)		-	-	63,184,866	68,282,107
23	Closing Work-in-Process		-	-	-	-
24	Total Conversion Cost : (22-23)		-	-	63,184,866	68,282,107
25	Cost of production : (12+24)		-	-	63,184,866	68,282,107
26	Opening Stock of Finished Goods		-	-	-	-
27	Cost of Goods Available for Sales : (25+26)		-	-	63,184,866	68,282,107
28	Closing Stock of Finished Goods	38	-	-	-	-
29	Cost of Sales : (27-28)		-	-	63,184,866	68,282,107
30	Gross Profit/(Loss) : (5-29)		-	-	(63,184,866)	(67,782,107)
31	Administrative Expenses	35	-	-	34,859,303	1,651,372
32	Selling Expenses	36	-	-	-	-
33	Operating Expenses (31+32)		-	-	34,859,303	1,651,372
34	Net Operating Profit/(Loss) : (30-33)		-	-	(98,044,169)	(69,433,479)
Financial Expenses :						
35	Interest Cash credit		-	-	-	-
36	Interest on Long Term Loan	37	-	-	32,493,600	32,493,600
37	Total Financial Expense : (35+36)		-	-	32,493,600	32,493,600
38	Non- Operating Income	39	-	-	23,037,894	-
39	Net Profit/(Loss) before Tax : (34-37+38)		-	-	(107,499,875)	(101,927,079)
40	TDS/ Provision for Income Tax		-	-	(776,491)	4,065,870
41	Net Profit/(Loss) after Tax : (39-40)		-	-	(108,276,366)	(105,992,949)

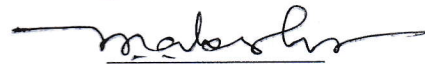
This is the Statement of Manufacturing, Trading & other Comprehensive Income referred to in our separate report of even date.


Deputy Manager (Accounts & Finance) and
Head of Department


Head of Project

Signed in terms of our report of even date.

Dated, Dhaka.
07 March, 2024


Md. Abul Basher, FCA # 840
Managing Partner
M A FAZAL & CO.
Chartered Accountants

DVC: 2403070840 AS606019

Bangladesh Jute Mills Ltd.
Ghorashal, Palash, Narsingdi.

Statement of Changes in Equity
for the year ended 30th June, 2023

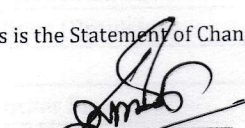
Particulars	Share Capital	Govt. Equity Contribution	Retained Earning	Total
Opening Balance as on 01.07.2022	20,060,000	10,537,167	(6,901,171,590)	(6,870,574,423)
Add : Net Profit /(Loss)	-	-	(108,276,366)	(108,276,366)
Add : Prior years adjustment	-	-	(668,851,139)	(668,851,139)
Less: Depreciation on Reserve	-	-	-	-
Closing Balance as on 30.06.2023	20,060,000	10,537,167	(7,678,299,095)	(7,647,701,928)

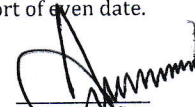
Note: As per IAS 1, Presentation of Financial Statement guides us to represent the accumulated P/L balance with the control heading Retained Earnings for better reflection of the state of affairs of the organisation. Till previous year Bangladesh Jute Mills Ltd. used to show the P/L balance independently 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.

For the year ended 30th June, 2022

Particulars	Share Capital	Govt. Equity Contribution	Retained Earning	Total
Opening Balance as on 01.07.2021	20,060,000	10,537,167	(7,035,231,895)	(7,004,634,728)
Add : Net Profit /(Loss)	-	-	(105,992,949)	(105,992,949)
Add : Prior years adjustment	-	-	240,053,254	240,053,254
Less: Depreciation on Reserve	-	-	-	-
Closing Balance as on 30.06.2022	20,060,000	10,537,167	(6,901,171,590)	(6,870,574,423)

This is the Statement of Changes in Equity referred to in our separate report of even date.


Deputy Manager (A & F) and
Head of Department


Head of Project

Dated, Dhaka.
07 March, 2024



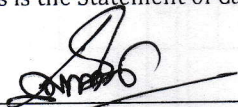
Bangladesh Jute Mills Ltd.

Ghorashal, Palash, Narsingdi.

Statement of Cash Flows for the year ended 30th June, 2023.

Sl. #	Particulars	Amount (Tk.)	
		2022-2023	2021-2022
A.	Cash Flow from Operating Activities :		
	Net Profit (Loss) for the year	(108,276,366)	(105,992,949)
	Previous year adjustment	(668,851,139)	240,053,254
	Stock of Stores & Spares	8,434,393	11,759,607
	Debtors Less Provision	-	18,779,367
	Depreciation	1,104,984	1,104,984
	Due from BJMC Mills	-	-
	Advance, Deposits & prepayments	40,800	496,469
	FDR (Sonali Bank Ltd.)	65,000,000	(65,000,000)
	BJMC Current Accounts	32,491,080	(304,643,850)
	Due to BJMC Mill	-	-
	Liability for Goods	(7,690,522)	(204,429,497)
	Liability for Expenses	103,321,312	(16,727,115)
	Gratuity Payable Accounts (Current)	(3,332,726)	(131,043,709)
	Due to BJMC Mills	(7,249,386)	-
	Net Cash Provided by Operating activities : (A)	(585,007,571)	(555,643,440)
B.	Cash Flow from Investing activities :		
	Fixed Assets Addition/Adjustment (Land Sold)	102,287,205	-
	Long term Loan	489,773,938	540,827,479
	Total Investing Activities : (B)	592,061,143	540,827,479
C.	Cash Flow from Financing Activities :		
	Gratuity Liabilities (Provision)	71,198,159	(7,234,153)
	Reserve	(27,357,471)	-
	Liabilities for other Finance	(1,210,614)	(10,767,642)
	Total Financing Activities : ©	42,630,074	(18,001,795)
	Increase/(Decrease) in Cash and Bank Balance : (A+B+C)	49,683,646	(32,817,756)
	Opening Cash & Bank Balance	58,083,943	90,901,698
	Closing Cash & Bank Balance	107,767,588	58,083,943

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


Deputy Manager (Accounts & Finance) and
Head of Department


Head of Project

Dated, Dhaka
07 March, 2024



Bangladesh Jute Mills Ltd.

Ghorashal, Palash, Narsingdi.

Notes to the Financial Statements for the year ended 30th June, 2023

A. Legal form of the Enterprise :

Bangladesh Jute Mills Ltd. was incorporated in then the East Pakistan under the Company Act 1913 subsequently amended in 1994. The mill was placed under the control and management of Bangladesh Jute Mills Corporation (BJMC) is valid and placed Bangladesh industrial enterprise (Nationalization Act. 25 of 2018)

B. Nature of Business :

The principal activities of the company is manufacturing, local sale and export of jute yarn, Hessian, Sacking and C.B.C. AT present the factory has been lay off.

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 :

The Fixed Assets are shown at cost & Revaluation less accumulated depreciation. First time Revaluation was made in the year 1992-93 and second time Revaluation was made in the year 2016-2017 and 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 wages and salary permanent employee. The factory is providing contribution to the Fund equivalent to 10% of workers basic wages and staff / 8.33% officers 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 1st July, 2022 to 30th June, 2023 consistently.

M. Present Status of the company :

At present the factory production has been Closed from 1st July, 2020 as per government order no-