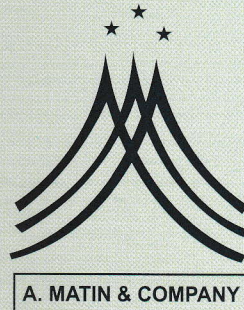


**PRIVATE & CONFIDENTIAL**

*AUDIT REPORT  
&  
FINANCIAL STATEMENTS  
OF  
AMIN JUTE MILLS LTD.*

*FOR THE YEAR ENDED ON 30<sup>TH</sup> JUNE, 2023*



**এ.মতীন এন্ড কোং**  
**A. MATIN & COMPANY**  
**CHARTERED ACCOUNTANTS**

**60/2, Halim Palace (1<sup>st</sup> Floor), Naya Paltan, Dhaka-1000**  
**Phone : 88 0248318191, Mobile : 01713 453596, 01728 039565**  
**E-mail : akmatinmatin@yahoo.com, akmatinmatinbd29@gmail.com**  
**www.amatin.co**





**Independent Auditor's Report**

**To the Board of Directors' of Amin Jute Mills Ltd.**

**Report on the Audit of the Financial Statements**

**Qualified Opinion**

We have audited the financial statements of Amin Jute Mills Ltd. (the "Company"), which comprise the Statement of Financial Position as at 30 June 2023 and along with 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 30 June 2023, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the matter discussed in the Basis for Qualified Opinion section of our report, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 30 June 2023, and of its financial performance and its cash flows for the period then ended 30 June 2023 in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994 and other applicable laws and regulation.

**Basis for Qualified Opinion**

1. The Company's accumulated loss was BDT- 11,299,099,767 for the year ended 30 June 2023. It has been incurring loss year after year. So the mill Operation has been stopped from the 2020-2021 financial/Operation year as per the decision of the Bangladesh Jute Mills Corporation (BJMC). Circular No:24.00.0000.118.18.057.20.104, Date: 30.06.2020.
2. These conditions or events (Operation Stopped) indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue its operation in foreseeable future. Moreover, we could not confirm the basis of management assumption to continue the company as going concern. This is a non-compliance of IAS-1, paragraph 25-26.
3. As disclosed in note no. 10.00 (Share Capital) Though the company has provided us with articles of association and a Memorandum of Association, we could not verify the share capital amount in the financial statements due to the absence of Update RJSC Schedule X. In addition, they did not provide us with Update Form -XII.
4. Recoverable from Johiruddin Ahmed Chowdhury: Assistant Manager Marketing: Amounting to Taka 7,694,914 was carried forward for a long without recovering any amount. This amount of Taka showing as a closing balance at Janata Bank Ltd. Jibon Bima Branch, Chittagong. (It is under the Jurisdiction of the Court).
5. As disclosed in note 18.00 Liabilities (Creditors) for Finance: Officer & Staff P.F: The company did not transfer the contribution of Provident Fund amounting to Tk. 83,918,854, this is non-compliance as per Income tax Act-2023 Second Schedule, Paragraph-09.
6. A total of 18.23 Acres of land area is legally owned or registered by Amin Jute Mills Ltd but this Land property is not in control or possession by the entity or Amin Jute Mills Ltd. This is a Disputed land property as per IAS-16.
7. The disclosed in note no.12(a): As Per IAS: 16, Where an asset has been revalued, the depreciation charge is based on the revalued amount, less residual value, from the date of revaluation & the whole of the depreciation charge is recognized in profit or loss, but the mill recognizes in Profit & Loss only the depreciation charged on original cost and the depreciation on revaluation is directly deducted from revaluation reserve. Although the overall effect is the same it is not an appropriate treatment as per IAS-16. All depreciation after revaluation should be charged to Profit & Loss and excess depreciation for revaluation could be normalized through a separate policy of reserve transfer from Revaluation Reserve to Retained Earnings.
8. Every year prior adjustment is being used to provide for expenses not accrued before. This year an adjustment of Tk.28,396,177 has been made as a Prior year adjustment in the Profit & Loss Account & (Note-36.00).

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 Entity 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 the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.







এ. মতীন এন্ড কোং  
**A. MATIN & CO.**  
Chartered Accountants

13. Some assets are carried forward for a long without testing their recoverability as per IAS-36. A Provision against these assets is required to be made in the financial statements. Instances are given below:

Sl No	Amount	Amount in Taka	Remarks
1	Trade Debtors	7,678,012	Note-4.01
2	Sundry Debtors	633,231	Note-4.02
3	Subsidy Receivable	175,547,636	Note-4.03
4	Duty Draw Back Receivable	10,060,825	Note-4.04
<b>Total</b>		<b>193,919,704</b>	

14. Management is treating Tax deducted at source (TDS) of Tk- 2,070,913(Note:35) as expenses in the profit & loss account but it's a financial position item.

#### Reporting on Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

#### 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 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 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

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.





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**A. MATIN & CO.**  
Chartered Accountants


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 disclosures in 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 entities or business activities 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.

**Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act- 1994, Financial Reporting Council - Financial Reporting Framework & the rules and regulations issued by regulatory authorities, We also report the following:

- (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 account 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 profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account.

  
(Manika Nashat Matin, ACA)  
ICAB Enrolment No. 1968  
A. Matin & Co.,  
Chartered Accountants  
OVC: 2402191968AS768802

Place: Dhaka  
Date: 19.02.2024

Page No.06







Amin Jute Mills Ltd.  
Sholashahar, Chattogram.  
Statement of Financial Position  
As on 30th June, 2023.

Particulars	Notes/ Sch.	Amount in Taka	
		30.06.2023	30.06.2022
<b>A Property &amp; Assets :</b>			
<b>Non Current Assets :</b>			
At Cost/Revaluation less accumulated depreciation	1.00	23,992,430,195	24,018,090,426
Investment	2.00	1,612,932	1,612,932
<b>Total Non Current Assets</b>		<b>23,994,043,127</b>	<b>24,019,703,358</b>
<b>B Current Assets :</b>			
Stock & Stores	3.00	33,180,162	37,739,984
Debtors (Less : Provisions)	4.00	193,919,704	195,785,245
Due from BJMC Mills	5.00	49,721,456	48,425,605
Advance, Deposit & Pre-payments (Less: Provisions)	6.00	15,009,380	16,685,978
Cash & Bank Balance	7.00	109,815,541	252,686,795
<b>Total Current Assets</b>		<b>401,646,244</b>	<b>551,323,607</b>
<b>Total Property &amp; Assets: (A+B)</b>		<b>24,395,689,371</b>	<b>24,571,026,965</b>
<b>Capital &amp; Liabilities :</b>			
<b>C Authorised Capital</b>	8.00	<b>50,000,000</b>	<b>50,000,000</b>
<b>D Shareholders Equity &amp; Retained Earnings:</b>			
Issued, Subscribed & Paid-up Capital	9.00	32,317,920	32,317,920
Govt. Equity Contribution	10.00	159,037,352	159,037,352
Accumulated Profit & Loss (Retained Earnings)	11.00	(11,299,099,767)	(11,164,411,121)
Reserves	12.00	23,840,938,786	23,864,998,586
		<b>12,733,194,291</b>	<b>12,891,942,737</b>
<b>E Long Term Liabilities:</b>			
BJMC Current Account	13.00	410,939,512	323,305,364
Long Term Loan	14.00	10,684,147,360	10,628,237,870
Gratuity Liabilities (Provision)	15.00	102,717,160	103,858,060
		<b>11,197,804,032</b>	<b>11,055,401,294</b>
<b>F Current Liabilities :</b>			
Liabilities for Goods	16.00	4,742,715	9,832,908
Liabilities for Expenses	17.00	127,654,687	147,928,470
Liabilities for other Finance	18.00	133,641,027	151,878,383
Due to BJMC Mills	19.00	45,038,894	46,170,617
Gratuity Payable Account (Current)	20.00	153,613,725	267,872,555
<b>Total Current Liabilities</b>		<b>464,691,048</b>	<b>623,682,934</b>
<b>Total Capital &amp; Liabilities : (D+E+F)</b>		<b>24,395,689,370</b>	<b>24,571,026,965</b>

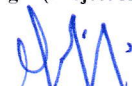
The annexed notes an integral part of these financial statements.

  
Accounts Head

  
Ganarel Manager (Project Head)

Signed as per our annexed report of even date.

Place: Dhaka  
Date: 19.02.2024

  
(Monika Nashat Matin, ACA)  
ICAB Enrolment No: 1968  
A. Matin & Co.  
Chartered Accountants  
DVC:2402191968AS768802

Ref: FC-Palash-F-AR-CR-AJML-2022-2023






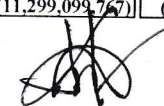


**Amin Jute Mills Ltd.**  
Sholashahar, Chattogram.  
Statement of Manufacturing, Trading & Other Comprehensive Income  
For the year ended 30th June, 2023.

Particulars	Notes/ Sch.	Amount (Tk.)	
		2022-2023	2021-2022
<b>Sales &amp; Services :</b>			
Local Sales (WIP)		-	724,535
Local Sales		2,831,801	494,958
Foreign Sales		-	-
Subsidy		-	-
Duty Draw Back		-	-
Other Sales		9,114,647	-
<b>Gross Income :</b>		<b>11,946,448</b>	<b>1,219,493</b>
<b>Cost of Sales and Services :</b>			
<b>Material Cost :</b>			
Opening work in process		17,000	871,000
Raw Materials Consumed	21.00	-	-
Other Direct Materials	22.00	-	-
<b>Sub-Total :</b>		<b>17,000</b>	<b>871,000</b>
Less : Closing work-in-process		17,000	17,000
<b>Total Material Cost : A</b>		<b>-</b>	<b>854,000</b>
<b>Conversion Cost :</b>			
Opening work-in-process		9,000	9,000
Wages (02 Month Notice Pay)	23.00	-	-
Salary Officers & Staff	24.00	85,098,147	83,722,642
Power	25.00	3,019,253	3,799,480
Fuel	26.00	27,120	16,100
Repair & Maintenance	27.00	593,168	472,883
Depreciation	28.00	4,049,200	4,049,200
Insurance	29.00	575,003	558,285
Other Overhead	30.00	7,316,601	8,074,923
<b>Sub-Total :</b>		<b>100,687,492</b>	<b>100,702,513</b>
Closing work-in-process		9,000	9,000
<b>Total Conversion Cost : B</b>		<b>100,678,492</b>	<b>100,693,513</b>
<b>Cost of Production &amp; Services : (A + B)</b>		<b>100,678,492</b>	<b>101,547,513</b>
Add : Opening stock of Finished Goods		4,161,710	4,533,310
<b>Sub-Total :</b>		<b>104,840,202</b>	<b>106,080,823</b>
Less : Closing stock of F/Goods		57,014	4,161,710
<b>Cost of Goods Sold</b>		<b>104,783,188</b>	<b>101,919,113</b>
Administrative Expenses	31.00	18,510,531	19,084,284
Selling Expenses	32.00	275,006	3,939,087
<b>Total Operating Expenses</b>		<b>123,568,725</b>	<b>124,942,484</b>
<b>Operating Profit/(Loss)</b>		<b>(111,622,277)</b>	<b>(123,722,991)</b>
<b>Financial Expenses :</b>			
Interest on Cash Credit	33.00	-	-
Interest on Long Term Loan	33.00	-	-
Interest on PF	33.00	2,173,162	2,173,162
<b>Total Financial Expenses</b>		<b>2,173,162</b>	<b>2,173,162</b>
Non - Operating Income	34.00	9,573,883	8,451,278
<b>Net Profit/(Loss) before Tax</b>		<b>(104,221,556)</b>	<b>(117,444,875)</b>
Source Tax Paid	35.00	2,070,913	5,413,095
<b>Net Profit/(Loss) after Tax</b>		<b>(106,292,469)</b>	<b>(122,857,970)</b>
Prior year Adjustment	36.00	(28,396,177)	39,152,092
<b>Total Loss/ Profit</b>		<b>(134,688,646)</b>	<b>(83,705,878)</b>
Previous year Profit/Loss B. F.		(11,164,411,121)	(11,080,705,243)
<b>Balance Being Loss carried Forward To Balance Sheet</b>		<b>(11,299,099,767)</b>	<b>(11,164,411,121)</b>

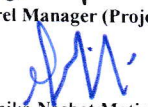
The annexed notes an integral part of these financial statements.

  
Accounts Head

  
Ganarel Manager (Project Head)

Signed as per our annexed report of even date.

Place: Dhaka  
Date: 19.02.2024

  
(Monika Nashat Matin, ACA)  
ICAB Enrolment No: 1968  
A. Matin & Co.  
Chartered Accountants  
DVC:2402191968AS768802

Ref: PC-Palash:F:AR:CR-AJML-2022-2023









**Amin Jute Mills Ltd.**  
Sholashahar, Chattogram.  
Statement of Cash Flows  
For the year ended 30th June, 2023.

Sl. #	Particulars	Amount (Tk.)	
		2022-2023	2021-2022
<b>A.</b>	<b>Cash Flow from Operating Activities :</b>		
	Net Profit/(Loss) during the year	(134,688,646)	(122,857,970)
	Previous year Adjustment	-	39,152,092
	Depreciation	28,109,000	4,049,200
	Increase/ Decrease Stock & Stores	4,559,822	4,129,617
	Increase/ Decrease Debtors (Less : Provision)	1,865,541	131,591,535
	Increase/ Decrease Due from BJMC Mills	(1,295,851)	(27,499,503)
	Increase/ Decrease Advance Deposits & Prepayments	1,676,598	18,837,674
	Increase/ Decrease Reserves	(24,059,800)	-
	Increase/ Decrease BJMC Current Account	87,634,148	(383,778,185)
	Increase/ Decrease Liabilities for Goods	(5,090,193)	(153,434,630)
	Increase/ Decrease Liabilities for Expenses	(20,273,783)	22,291,172
	Increase/ Decrease Liabilities for Other Finance	(18,237,356)	(33,537,147)
	Increase/ Decrease Due to BJMC Mills	(1,131,723)	(1,550,837)
	Increase/ Decrease Gratuity liabilities (Provision)	(1,140,900)	(4,764,111)
	Increase/ Decrease Gratuity Payable Account (Current)	(114,258,830)	(775,834,967)
	<b>Net Cash Provided from Operating Activities : (A)</b>	<b>(196,331,973)</b>	<b>(1,283,206,060)</b>
<b>B.</b>	<b>Cash Flow from Investing Activities :</b>		
	Acquisition of Fixed Assets	(2,448,769)	(64,454)
	Investment in FDR	-	-
	<b>Net Cash used for Investing Activities : (B)</b>	<b>(2,448,769)</b>	<b>(64,454)</b>
<b>C.</b>	<b>Cash Flow from Financing Activities :</b>		
	Increase/Decrease in Long Term loan re-structure loan	55,909,489	1,322,969,194
	<b>Net Cash used for Financing Activities : (C)</b>	<b>55,909,489</b>	<b>1,322,969,194</b>
	<b>Net Cash Increase/Decrease : (A+B+C)</b>	<b>(142,871,253)</b>	<b>39,698,680</b>
	Cash & Bank Balance at the beginning of the year	252,686,795	212,988,115
	<b>Cash &amp; Bank Balance at the end of the year</b>	<b>109,815,541</b>	<b>252,686,795</b>

  
Accounts Head

  
Ganarel Manager (Project Head)








এ. মতীন এন্ড কোং  
**A. MATIN & CO.**  
Chartered Accountants

**Amin Jute Mills Limited**  
Sholashahar, Chittagong.  
Statement of Changes in Equity  
For the year ended June 30, 2023.

Particulars	Share Capital	Govt. Equity Contribution	Reserve	Retained Earnings	Amount (Tk.)
Balance Beginning of the year	32,317,920	159,037,352	23,864,998,586	(11,164,411,121)	12,891,942,738
Current year Profit/loss after income Tax	-	-	-	(106,292,469)	(106,292,469)
Previous Years Adjustment	-	-	-	(28,396,177)	(28,396,177)
Reserve deduct during the year as depreciation	-	-	(24,059,800)	-	(24,059,800)
Balance as at 30 June, 2023	32,317,920	159,037,352	23,840,938,786	(11,299,099,767)	12,733,194,291

  
Accounts Head

  
Ganarel Manager (Project Head)







**Amin Jute Mills Ltd.**  
Sholashahar, Chattogram.  
Notes to the Financial Statement  
For the year ended 30 June 2023

**A. Background of the company or Legal form of the entity:**

Amin Jute mills Ltd. was incorporated in the then 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) under P.O.27 of 1972. Bangladesh Industrial Enterprises Nationalised Act, 25 of 1980. Now the mill Operation has been stopped from the 2019-2020 financial/Operation year as per the decision of the Bangladesh Jute Mills Corporation (BJMC) Date of Closing on Operation is- 30.06.2020. Amin Jute Mills Incorporation No: 688EB/14 OF 1953-54, Dated: 28.05.1953.

**B. Main Activities of the Company:**

The principal activities of the company is manufacturing Hessian, Sacking, CBC, Yarn, Lamination, local sale and export of jute yarn. Now Operation has been Stopped.

**C. Functional and presentation currency**

The financial statements are presented in Bangladesh Taka (Taka/Tk/BDT), which is the company's functional and presentation currency. Except as indicated, financial information presented in Bangladesh Taka has been rounded off to the nearest taka.

**D. Reporting period**

The financial period of the company covers one year from 1 July 2022 to 30 June 2023 and is followed consistently.

**E. Comparative information**

Comparative information has been disclosed in respect of the year ended 30 June 2023 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

**F. Use of estimates and judgments**

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimates and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in these financial statements are stated in the notes to the financial Position.

**G. Going Concern**

The Bangladesh Jute Mills Corporation (BJMC) have made an assessment of the company's ability to continue as a going concern and they do not intend either to liquidate or to cease trading. The Company has adequate resources to continue in operation for the foreseeable future. The current resources of the Company provide sufficient funds and attributable credit facilities to meet the present requirements of its existing business. Since, there is no material uncertainties related to events or conditions at reporting date which may cast significant doubt upon the company's ability to continue as a going concern, for this reason, management continues to adopt going concern basis in preparing the financial statements.

**H. Accrual basis of accounting**

The company prepares its financial statements, except the statement of cash flows, using the accrual basis of accounting. When the accrual basis of accounting is used, an entity recognises the elements of financial statements such as assets, liabilities, equity, income and expenses when they satisfy the definitions and recognition criteria for those elements in the conceptual framework.





**Accounting and Related Policies:**

**Accounting Policy:**

The accounting and reporting policies of the mill conform to the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) the mill values its assets and liabilities principally on historical cost convention and follows the accrual method of accounting under integrated accounting system except otherwise noted.

**Depreciation:**

Depreciation is commenced when the asset is in the location and condition necessary for it to be capable of operating in the manner intended. Property plant and equipment of the company are depreciated using straight line method. Full month's depreciation is charged for the month of acquisition. On disposal of an asset, depreciation is charged up to the month prior to the disposal. Each significant part of an item of property, plant and equipment is depreciated separately, using their useful lives. If any residual value is considered for an asset on its expiry of expected life, the value is deducted from the cost to arrive at the depreciable amount. The residual value and useful life of an asset are reviewed in each year end. Depreciation is expressed in terms of percentage of cost of the related assets. The depreciation rates per annum applicable to different categories of property, plant and equipment. Fixed Assets were depreciated at straight line method @ 2.5% to 25% according the type of assets.

**Land Assets Revaluation**

The land is measured using the revaluation model. The Fixed Assets are shown at cost & Revaluation less accumulated depreciation. First time Revaluation was made in the year 1992-1993 and Second time Revaluation was made in the year 2016-2017 and increased value transferred to Capital Reserve Account as per BJMC Guide Line. The decision was taken by the management of Amin Jute mills Ltd. which the approved by the BJMC. The land valuation resulted in a revaluation surplus aggregating amount BDT 2,150,244,872 against land measuring 85.93 Acre at different locations.

**Value of Inventory:**

Stock of Store and Spares have been valued at weighted average cost price method. Finished Goods is have been reported valued at latest Govt. approved selling price, which is lower of Net Realizable Value (NRV) & cost of production.

**Physical Inventory:**

As reported to us physical inventory of stock, stores and finished goods were carried out during the Year under audit by the mills management, Quantity on inventory report was stated as par physical Verification and valuation thereof has been made at cost or market price whichever is lower.

**Service and Support from BJMC:**

The mills avail some administrative and other services from BJMC in those areas where such common Services can efficiently be provided This includes intinal auditing, special auditing administrative and technical support, management of finance & supplies etc.

**Statement of compliance**

The financial statements of the company have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) vide letter no 1/1/ICAB-2017 dated 14 December 2017. The compliance status of these IAS's & IFRS's are as follows:

Name of The Standards	Compliance status
IAS 1: Presentation of Financial Statements	Complied
IAS 2: Inventories	Complied
IAS 7: Statement of Cash Flows	Complied
IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors	Complied
IAS 12: Income Taxes	Complied
IAS 16: Property, Plant and Equipment	Complied
IAS 19: Employee Benefits	Not applicable
IAS 24: Related Party Disclosures	Complied
IAS 26: Accounting and Reporting by Retirement Benefit Plans	Not applicable





Name of The Standards	Compliance status
IAS 27: Separate Financial Statements	Not applicable
IAS 37: Provisions, Contingent Liabilities and Contingent assets	Complied
IAS 40: Investment Property	Not applicable
IFRS 7: Financial Instruments: Disclosures	Complied
IFRS 10: Consolidated Financial Statements	Not applicable
IFRS 11: Joint Arrangements	Not applicable
IFRS 12: Disclosure of Interests in Other Entities	Complied
IFRS 16: Leases	Not applicable

**Compliance with other regulatory requirements**

The Company complied with the requirements of following laws and regulations from various government bodies:

- The Companies Act, 1994;
- The Income Tax Act, 2023 and amendment thereon;
- The Financial Reporting Law/Act, 2015;
- The Value Added Tax and Supplementary Duty Act 2012;
- The Value Added Tax and Supplementary Duty Rule 2016;
- The Stamp Act, 1899;
- The Bangladesh Labor Act, 2006 and amended in 2015;

**Revenue recognition**

The company has recognized revenue as per IFRS-15 Revenue from Contract with Customers. The company has recognized revenue when (or as) the entity satisfies a performance obligation. This core principle is delivered in a five-step model framework:

- Identify the contract(s) with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract;
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods.

Revenue is measured based on the consideration specified in a contract with a customer net of returns, discounts, free issues and VAT.

**Foreign Currency Transaction**

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

**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 10% of basic wages and salary 8.33% of year of 2017-2018 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.

**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.

**Liabilities for Expenses**

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

