

**PRIVATE & CONFIDENTIAL**

**AUDITOR'S REPORT AND FINANCIAL STATEMENTS  
OF**

**M.M JUTE MILLS LTD.  
FOR THE YEAR ENDED 30 JUNE 2023**

**S.R. ISLAM & CO.**

**Chartered Accountants**

**37/2 Purana Paltan, Box Culvert Road,**

**Fayenaz Tower, Level-9, Flat No.9/D,**

**Dhaka-1000**

**Mobile No: 01670044444**

**E-mail: srislamnco@gmail.com**



**Independent Auditor's Report**  
**Of**  
**M. M. Jute Mills Ltd.**

**Qualified Opinion**

We have audited the financial statements of **M. M. Jute Mills Ltd.** 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, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the company financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

**Basis for Qualified Opinion**

**Depreciation charged to Capital Reserve**

Depreciation on Fixed Asset revaluation has been provided in the financial statements as per BJMC Guide Line. The depreciation amount debited to the capital Reserve and credited to Fixed Assets Revaluation. As per true and fair value measurement the depreciation charge for each period which shall recognize in the Profit or Loss and other Comprehensive Income.

**Material Uncertainties Regarding Going Concern**

As per Government decision Ministry of Textile and Jute vide ref: No-24.0000.118.18.057.20.104 dated 30-6-2020 stated that the M. M. Jute Mills Ltd closed on 1-7-2020 in connection with full production department Activity and other department will continue in the future accordingly. In this connection, the company's going Concern of its assessment of material uncertainties related to events or conditions that may cast significant doubt Upon the entity ability to continue as going concern.

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 corporation in accordance 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management & Those Charged with Governance for the Financial Statements**

Management 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation'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 these financial statements

As part of an audit in accordance with ISAs, we exercise professional judgement 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 Corporation'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 Corporation'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 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 Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Corporation's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.


#### **Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, 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 accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) The statements of financial position and statements of profit or loss and other comprehensive income dealt with by the report agree with the books of accounts and returns.

  
**S.R. ISLAM & CO.**  
Chartered Accountants

Place. Dhaka  
Date: 07 February-2024  
DVC: 2402070946AS835894

  
Shaiful Alam, FCA  
Managing Partner  
S. R. Islam & Co.  
Chartered Accountants



M M Jute Mills Ltd.  
Banshbaria, Chattogram.

Statement of Financial Position as on 30th June, 2023

Sl. #	Particulars	Note/ Sch.	Amount in (Tk.)	
			As on 30.06.2023	As on 30.06.2022
<b>Property &amp; Assets :</b>				
<b>A. Non Current Assets :</b>				
	At Cost/Revaluation less accumulated depreciation Investment	1.00 2.00	1,147,477,811 1,487,678	1,165,222,225 1,487,678
	<b>Total Non Current Assets (A)</b>		<b>1,148,965,489</b>	<b>1,166,709,903</b>
<b>B. Current Assets :</b>				
	Stock, Stores & Spares	3.00	9,205,073	9,205,673
	Debtors ( Less : Provisions )	4.00	72,720,283	83,222,238
	Due from BJMC Mills	5.00	32,756,041	32,891,405
	Advance, Deposit & Pre-payment	6.00	1,063,551	2,675,161
	Interim Revenue support receivable	7.00	4,300,219	4,300,219
	BJMC H/O Lease Account	8.00	15,249,171	15,249,171
	Cash & Cash Equivalent	9.00	18,604,485	32,338,928
	<b>Total Current Assets (B)</b>		<b>153,898,823</b>	<b>179,882,795</b>
	<b>Total Property &amp; Assets : (A+B)</b>		<b>1,302,864,312</b>	<b>1,346,592,698</b>
<b>Capital &amp; Liabilities :</b>				
<b>C. Authorized Capital</b>				
		10.00	<b>25,000,000</b>	<b>25,000,000</b>
<b>D. Equity &amp; Retained Earnings :</b>				
	Issued, Subscribed & Paid-up Capital	11.00	7,000,000	7,000,000
	Govt. Equity Contribution	12.00	77,083,000	77,083,000
	Reserves	13.00	1,121,981,939	1,134,400,082
	Profit & Loss Account ( Retained Earning )	14.00	(1,211,035,420)	(1,309,145,312)
	<b>Total Equity &amp; Retained Earnings</b>		<b>(4,970,481)</b>	<b>(90,662,230)</b>
<b>E.</b>				
	BJMC Current Account	15.00	282,180,785	404,573,356
	Long Term Loan	16.00	920,746,572	892,296,009
	Gratuity Liabilities ( Provision )	17.00	24,529,960	27,819,720
	<b>Total Long Term Liabilities</b>		<b>1,227,457,317</b>	<b>1,324,689,085</b>
<b>F. Current Liabilities :</b>				
	Liabilities for goods	18.00	821,884	1,251,095
	Liabilities for expenses	19.00	13,210,988	21,474,470
	Liabilities for other Finance	20.00	40,205,679	40,210,778
	Due to BJMC Mills	21.00	19,320,493	24,758,419
	Gratuity Payable Account ( Current )	22.00	6,818,432	24,871,081
	<b>Total Current Liabilities :</b>		<b>80,377,476</b>	<b>112,565,843</b>
	<b>Total Capital &amp; Liabilities : (D+E+F)</b>		<b>1,302,864,312</b>	<b>1,346,592,698</b>

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

06/02/23  
জিয়াউদ্দীন সাহমুদ সেলিম  
সহকারী ব্যবস্থাপক (হিসাব)  
হিসাব বিভাগীয় প্রধান  
এম. এম. ডি. বিলব সি: বংশাবারীয়া চট্টগ্রাম

AP  
মোঃ রেকায়ত উল্লাহ  
ব্যবস্থাপক (উৎপাদন) ও  
প্রকল্প প্রধান  
এম. এম. ডি. বিলব সি: বংশাবারীয়া চট্টগ্রাম

07 FEB 2024



Date :

Place : Dhaka

DVC: 2402070946A5835894

Shaiful Alam, FCA

Enrolment No. 0946

Managing Partner

S.R. Islam & Co.


Chartered Accountants

M M Jute Mills Ltd.  
Banshbaria, Chattogram.

**Manufacturing Trading and Profit (Loss) Accounts For the year ended 30th June, 2023.**

SL. #	Particulars	Sch. No	Amount in (Tk.)	
			2022-2023	2021-2022
<b>Income :</b>				
1	Foreign sales		-	-
2	Local Sales		-	-
3	<b>Total sales : (1+2+3)</b>		-	-
4	Subsidy		-	-
5	<b>Total Income : (4+5)</b>	23	-	-
<b>Material cost :</b>				
6	Opening Work-in-Process		-	-
7	Raw Jute Consumed	24	-	-
8	Charge on Raw Jute		-	-
9	Other Direct Materials Consumed	25	-	-
10	<b>Sub-Total (6 to 9)</b>		-	-
11	Closing Work-in-Process		-	-
12	<b>Total Material cost (10-11)</b>		-	-
<b>Conversion cost :</b>				
13	Opening Work-in-Process		-	-
14	Wages	26	-	-
15	Salaries	27	18,880,722	18,692,364
16	Power/ Electricity	28	615,030	943,790
17	Repairs & Maintenance	29	217,986	221,170
18	Insurance	30	137,482	168,211
19	Depreciation	31	5,326,271	5,267,393
20	Other Factory Overhead	32	486,499	435,975
21	<b>Sub-Total : (13 to 20)</b>		<b>25,663,990</b>	<b>25,728,903</b>
22	Closing Work-in-Process		-	-
23	<b>Total Conversion Cost (21-22) :</b>		<b>25,663,990</b>	<b>25,728,903</b>
24	<b>Cost of Production (13+24)</b>		<b>25,663,990</b>	<b>25,728,903</b>
25	Opening stock of Finished Goods		-	-
26	<b>Cost of Goods Available for Sale (25+26)</b>		<b>25,663,990</b>	<b>25,728,903</b>
27	Closing stock of Finished Goods		-	-
28	<b>Total Cost of Sales (27-28)</b>		<b>25,663,990</b>	<b>25,728,903</b>
29	<b>Gross Profit /(Loss) (6-29)</b>		<b>(25,663,990)</b>	<b>(25,728,903)</b>
30	Administrative expenses	33	4,244,240	3,120,343
31	Selling expenses	34	60,008	59,424
32	<b>Total operating expenses (31 to 32)</b>		<b>4,304,248</b>	<b>3,179,767</b>
33	<b>Operating Profit/(Loss) (30-33) :</b>		<b>(29,968,238)</b>	<b>(28,908,670)</b>
<b>Financial expenses :</b>				
34	Interest (Cash Credit)	35	-	-
35	Interest (Long term Loan)	36	-	-
36	<b>Total Interest (35+36)</b>		-	-
37	<b>Total Profit/(Loss) (34-37)</b>		<b>(29,968,238)</b>	<b>(28,908,670)</b>
38	Non-Operating Income		2,726,839	13,658
39	<b>Total Profit/(Loss) Before Tax (38+39)</b>		<b>(27,241,399)</b>	<b>(28,895,012)</b>
40	Less: AIT deduction		-	-
41	<b>Net Profit/(Loss) After Tax</b>		<b>(27,241,399)</b>	<b>(28,895,012)</b>

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

  
০৬/০৭/২৩  
জিয়াউদ্দীন সাহুদুল সেলিম  
সহকারী ব্যবস্থাপক (হিসাব)  
হিসাব বিভাগীয় প্রধান  
এম. এম. জুট মিলস লি. বানশবারী, চট্টগ্রাম

  
মোঃ রেজায়েত উল্লাহ  
ব্যবস্থাপক (উৎপাদন) ও  
প্রকল্প প্রধান  
এম. এম. জুট মিলস লি. বানশবারী, চট্টগ্রাম

07 FEB 2024

Date:  
Place: Dhaka.  
DVC:



2402070946 AS 835894

  
Shaiful Alam FCA  
Enrolment No. 0946  
Managing Partner  
S.R. ISLAM & CO.  
Chartered Accountants



**M M Jute Mills Ltd.**  
**Banshbaria, Chattogram.**  
**Manufacturing Trading and Profit (Loss) Accounts For the year ended 30th June, 2023.**

Sl. #	Particulars	Sch. No	Amount in Tk. (In Lac.)				Per ton	
			Yarn	CBC	Total	Last year 30.06.2022	Yarn	CBC
	<b>Income :</b>		-	-	-	-	-	-
1	Foreign sales	23.00	-	-	-	-	-	-
2	Local Sales	23.00	-	-	-	-	-	-
3	<b>Total sales : (1+2+3)</b>		-	-	-	-	-	-
4	Subsidy	23.00	-	-	-	-	-	-
5	<b>Total Income : (3+4)</b>		-	-	-	-	-	-
	<b>Material cost :</b>		-	-	-	-	-	-
6	Opening Work-in-process		-	-	-	-	-	-
7	Raw Jute Consumed	24.00	-	-	-	-	-	-
8	Charge on Raw Jute		-	-	-	-	-	-
9	Other direct materials Consumed	25.00	-	-	-	-	-	-
10	<b>Sub-Total (7 to 10)</b>		-	-	-	-	-	-
11	Closing Work-in-Process		-	-	-	-	-	-
12	<b>Total Material cost : (11-12)</b>		-	-	-	-	-	-
	<b>Conversion cost :</b>		-	-	-	-	-	-
13	Opening Work-in-Process		-	-	-	-	-	-
14	Wages	26.00	-	-	-	-	-	-
15	Salaries	27.00			188.81	186.92	-	-
16	Power/Electricity	28.00			6.15	9.44	-	-
17	Repairs & Maintainance	29.00			2.18	2.21	-	-
18	Insurance	30.00			1.37	1.68	-	-
19	Depreciation	31.00			53.26	52.68	-	-
20	Other Factory Overhead	32.00			4.87	4.36	-	-
21	<b>Sub-Total : (14 to 21)</b>				<b>256.64</b>	<b>257.29</b>	-	-
22	Closing Work-in-Process				-	-	-	-
23	<b>Total Conversion Cost (22-23) :</b>				<b>256.64</b>	<b>257.29</b>	-	-
24	<b>Cost of Production (13+25)</b>				<b>256.64</b>	<b>257.29</b>	-	-
25	Opening stock of Finished Goods				-	-	-	-
26	<b>Cost of Goods Available for sale (25+26)</b>				<b>256.64</b>	<b>257.29</b>	-	-
27	Closing stock of Finished Goods				-	-	-	-
28	<b>Total Cost of Sales (27-28)</b>				<b>256.64</b>	<b>257.29</b>	-	-
29	<b>Gross Profit /(Loss) (6-29)</b>				<b>(256.64)</b>	<b>(257.29)</b>	-	-
30	Administrative expenses	33.00			42.44	31.20	-	-
31	Selling expenses	34.00			0.60	0.60	-	-
32	<b>Total Operating expenses (31 to 32)</b>				<b>43.04</b>	<b>31.80</b>	-	-
33	<b>Operating Profit/(Loss) (30-33)</b>				<b>(299.68)</b>	<b>(289.09)</b>	-	-
	<b>Financial expenses :</b>				-	-	-	-
34	Interest (Cash Credit)	35.00			-	-	-	-
35	Interest (Long term Loan)	36.00			-	-	-	-
36	<b>Total Interest (35+36)</b>				-	-	-	-
37	<b>Total Profit/(Loss) (34-37)</b>				<b>(299.68)</b>	<b>(289.09)</b>	-	-
38	Non-Operating Income				27.27	0.14	-	-
39	<b>Total Profit/(Loss) Before Tax (38+39)</b>				<b>(272.41)</b>	<b>(288.95)</b>	-	-
40	AIT Deduction				-	-	-	-
41	<b>Net Profit/(Loss) After Tax</b>				<b>(272.41)</b>	<b>(288.95)</b>	-	-

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

Date:  
Place: Dhaka.  
DVC:

2402070946AS835894

07 FEB 2024

শ্রীমান সৈয়দ মোহাম্মদ হোসেন  
সহকারী ব্যবস্থাপক (হিসাব  
হিসাব বিভাগীয় প্রধান  
এম এম ডি বিল্ডিং বি: ইনসার্টিং এজেন্ট



মোঃ রেজায়েত উল্লাহ  
ব্যবস্থাপক (উৎপাদন) এ  
প্রকল্প প্রধান  
এম এম ডি বিল্ডিং বি: ইনসার্টিং এজেন্ট

Shaiful Alam FCA  
Enrolment No. 0946  
Managing Partner  
S.R. ISLAM & CO.  
Chartered Accountants

M M Jute Mills Ltd.  
Banshbaria, Chittagong.  
Statement of Change in Equity for the year ended 30th June,2023

Particulars	Share Capital	Equity Contribution	Capital Reserve	Accumulated profit & Loss (Retained Earning)	Total (TK.)
Balance as on 01/07/2022	7000000	77083000	1134400082	(1,309,145,312)	(90,662,230)
Depreciation on Re-valuation Assets	0	0	(12,418,143)	-	(12,418,143)
Prior year Adjustment	0	0	-	125,351,291	125,351,291
Profit & Loss A/C	0	0	-	(27,241,399)	(27,241,399)
<b>Balance as on 30/06/2023</b>	<b>7000000</b>	<b>77083000</b>	<b>1,121,981,939.00</b>	<b>(1,211,035,420)</b>	<b>(4,970,481)</b>

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


  
মিয়াউদ্দীন মাহমুদ সেলিফ  
সহকারী ব্যবস্থাপক (হিসাব  
খিসাব বিভাগীয় প্রধান)  
এম এম জুট মিলস লি: বান্দারবন্দা চট্টগ্রাম

  
মোঃ রেজাউল করিম  
ব্যবস্থাপক (উৎপাদন) ও  
প্রকল্প প্রধান  
এম এম জুট মিলস লি: বান্দারবন্দা চট্টগ্রাম

07 FEB 2024

Date :  
Place : Dhaka  
DVC:

2402070946AS835894

  
Shaiful Alam, FCA  
Enrolment No. 0946  
Managing Partner  
S.R. Islam & Co.  
Chartered Accountants





# M M Jute Mills Ltd.

Banshbaria, Chattogram.

S.R. Islam & CO.  
Chartered Accounts

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

Sl. #	Particulars	Amount (Tk.)	
		2022-2023	2021-2022
<b>A.</b>	<b><u>Cash Flow from Operating Activities :</u></b>		
	Net Profit/(Loss) for the year	(27,241,399)	(28,895,012)
	Depreciation	5,326,271	5,267,393
	Prior year Adjustment	125,351,291	1,897,174
	<b>Total</b>	<b>103,436,163</b>	<b>(21,730,445)</b>
	<b><u>Increase/ (Decrease) in Current Assets :</u></b>		
	Stock of Stores & Spares	600	(450,515)
	Debtors (Less: Provision)	10,501,955	17,635,141
	Due from BJMC Mills	135,364	92,320
	Advance, Deposits & Prepayment	1,611,610	408,688
	<b>Total</b>	<b>12,249,529</b>	<b>17,685,634</b>
	<b><u>Increase/ (Decrease) in Current Liabilities :</u></b>		
	Due to BJMC Mills	(5,437,926)	(207,595)
	Liabilities for Expense	(8,263,482)	(3,442,914)
	Liabilities for Goods	(429,211)	(30,236,175)
	BJMC Current Account	(122,392,571)	-
	Gratuity Liabilities (Provision)	(3,289,760)	141,860
	Gratuity Payable Account (Current)	(18,052,649)	(53,509,982)
	<b>Total</b>	<b>(157,865,599)</b>	<b>(87,254,806)</b>
	<b>Total Net Cash used by Operating Activities :</b>	<b>(42,179,907)</b>	<b>(91,299,617)</b>
<b>B.</b>	<b><u>Cash Flow from Investing Activities :</u></b>		
	Addition of Non Current Assets	-	(22,000)
	<b>Total Net Cash used by Investing Activities :</b>	<b>-</b>	<b>(22,000)</b>
<b>C.</b>	<b><u>Cash Flow from Financing Activities :</u></b>		
	Liabilities for Other Finance	(5,099)	(2,455,802)
	Long Term Loan	28,450,563	114,266,312
	<b>Total Net Cash Provided by Financing Activities :</b>	<b>28,445,464</b>	<b>111,810,510</b>
	<b>Net Cash Inflow /Outflow : (A+B+C)</b>	<b>(13,734,443)</b>	<b>20,488,893</b>
	Cash & Bank Balance at the beginning of the year	32,338,928	11,850,035
	<b>Cash &amp; Bank Balance at the ending of the year</b>	<b>18,604,485</b>	<b>32,338,928</b>

Date: ০৬/০৭/২৩  
জিয়াউদ্দীন মাহমুদ সেলিম  
DVC

Place: Dhaka  
হিসাব বিভাগীয় প্রধান  
১২৪ কুট মিলন বি. কলকাতা-১৪৩০

মোঃ রেফায়েত উল্লাহ  
গ্যাবহাশক (উৎপাদন) ও  
প্রকল্প প্রধান  
১২৪ কুট মিলন বি. কলকাতা-১৪৩০

Shaiful Alam, FCA  
Enrolment No. 0946  
Managing Partner  
S.R Islam & Co.  
Chartered Accountants

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