

PRIVATE & CONFIDENTIAL

AUDIT REPORT
&
FINANCIAL STATEMENTS
OF
BANGLADESH JUTE MILLS CORPORATION
ADAMJEE COURT, MOTIJHEEL C/A
DHAKA- 1000.

FOR THE YEAR ENDED 30TH JUNE, 2019

SUBMITTED TO:
Bangladesh Jute Mills Corporation,
115-120, Adamjee Court, Motijheel C/A

Dhaka- 1000.

SUBMITTED BY:

ATA KHAN & CO.
Chartered Accountants
67, Motijheel C/A,
Dhaka- 1000.
Bangladesh
Tel: 9560933, 956071
Tel: +88-02-57160573
Mobile: 01819-228521
E-mail: maqbul.ahmed@yahoo.com

In Joint
Venture
With

S.R ISLAM & CO.
Chartered Accountants
37/2, Purana Paltan, Fayenaz Tower
Dhaka-1000.
Bangladesh
Mobile: 0181464444
Mobile: 0167004444
E-mail: srislaninco@gmail.com

BANGLADESH JUTE MILLS CORPORATION
Adamjee Court, Motijheel, Dhaka
Notes to the financial statements
For the year ended 30 June 2019

1.00 Legal Status & Activities of the Corporation:

Bangladesh Jute Mills Corporation is a government owned corporation established by the presidential order No.27 of 1972 subsequently Bangladesh Industrial Enterprises (Nationalization) Order-25, 2018. The main function of the corporation is to establish Jute Mills and related industries in the country as well as to manage and look after the affairs of the enterprises placed it by the government under Control by Ministry Textile & Jute.

a) Address of the Corporation

The head office of the corporation is situated at (115-120), Adamjee court, Motijheel Commercial Area, Dhaka-1000.

2.00 Significant Accounting Policies and Other Information:

a) Accounting Convention and Basis:

The Financial Statements have been prepared on going concern basis, following accrual basis of accounting in accordance with International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs) and BJMC Integrity System as adopted in International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), and as per Financial Reporting Framework (FRF) for various Public Enterprises (PEs) and Statutory Public Authorities (SPAs) by Financial Reporting Council (FRC).

b) Going Concern

The corporation has adequate resources to continue its operation for the foreseeable future. For this reason, the corporation continue to adopt going concern basis in preparing the accounts. The current conditions and resources of the corporation provides sufficient fund to meet requirements of its existing business.

c) Effect of Exchanges Fluctuation:

The effects of exchange rate fluctuations in respect of the foreign currency loans are considered.

d) Component of Financial Statements

The Financial Statements are prepared and presented in compliance with the requirements of IAS-1 "Presentation of Financial Statements". The Financial Statements comprises of:

- i) Statement of Financial Position as at 30th June, 2019.
- ii) Statement of Comprehensive Income for the year ended 30th June, 2019
- iii) Statement of Cash Flows for the year ended 30th June, 2019
- iv) Notes to the Accounts, comprising a summary of significant accounting policies and explanatory information.

e) Reporting Period:

The reporting period of the Financial Statements of BJMC which covers from 1st July, 2018 to 30th June, 2019.

f) Functional and Presentation Currency

These Financial Statements are prepared in Bangladeshi Taka (BDT) which is the corporation's functional currency.

g) Measurement Bases Used In Preparing the Financial Statements

All the elements of Financial Statements of the corporation has been measured in "Historical Cost" basis.

h) Fixed Assets and Depreciation

Property, plant and equipment are stated at historical cost less accumulated depreciation.



Depreciation is consistently charged on straight line method on all fixed assets except on land and land development where no depreciation is charged. Full year's depreciation is charged on additions to fixed assets irrespective of the date when the related assets are put into use and no depreciation is charged on assets disposed off during the year. Fixed assets are depreciated at the rates varying from 2.5% to 20% depending on the nature of assets.

i) Loan for Jute Purchase, Retirement Benefit, Govt. Bangladesh Bank and Other Loan from Govt.

The above loan was made available by the Government to the nationalized Jute Mills through BJMC for development work, meeting up retirements benefit plan, Raw Jute purchase etc. all are accounted for in accordance with the agreement for such loan.

Similarly when the loan has been received by BJMC from Government the loan recognized as financial liability at amortized cost using interest method.

j) Accrued expenses and other payables

Liabilities are recognized for the goods and services received, whether paid or not for those goods and services. Payables are not interest bearing and are stated at their nominal value.

k) Cash & Cash Equivalents

Cash and Cash equivalents comprise cash in hand and demand deposits, together with highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value.

l) Statements of Cash Flows

Cash Flows Statement is prepared principally in accordance with IAS-7 "Statement of Cash Flows" presented under indirect method.

m) Advances, Deposits and Prepayments:

Advances are initially recognized at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to profit of loss.

n) Recognition of Income

To meet the expenditures of the corporation's (BJMC) head office those expenditure is charged as "charges levied on enterprise" to the Jute Mills under BJMC head office according to the running loom of the Jute Mills and this charged recognize as income of the corporations (BJMC) head office.

o) Employee Benefits

The corporation has accounted for and disclosed employee in compliance with the provision of IAS 19: 'Employee Benefit'.

p) Comparative Information and rearrangement thereof

Comparative information has been disclosed in respect of the previous period for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current period financial statements. Figures of previous period has been re-arranged/re-stated whenever considered necessary to ensure comparability with the current period presentation as per BAŞ-8: "Accounting Policies, Changes in Accounting Estimates and Errors".

q) Tax Status of The Corporation:

i. The revenue income of the corporation is exempted from tax under clause 3 of 6th Schedule, Part A of the Income Tax Ordinance 1984 being a government owned corporation formed under PO 27 of 1972 as local body/local government run by no profit/no gain basis.

ii. S,R,O No. 228-Act-Income-Tax/2011. By virtue of clause (b) of sub-section (4) of section 44 of the Incom Tax Ordinance, 1984 (Ord. XXXVI of 1984), the Government, other than rge basic salary paid by the Government to Government officers and employees, including festival allowance exemption from income tax payable on allowances and benefits in kind.

r) Events after the reporting date



Events after the reporting date that provide additional information about the corporation's position at the reporting date are reflected in the financial statements. Material events after the reporting date that are not adjusting events are disclosed hereunder.

The corporation does not have any events after the reporting date that are adjusting events.

s) General

Those notes from an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith. Figures in the notes and annexed financial statements have been rounded off to the nearest amount of taka. Previous year's figures have been regrouped and/or rearranged whenever considered necessary for the purpose of the better presentation as required IAS.

3.00 Employees Retirement Plan:

The corporation operates a contributory provident fund and also a gratuity scheme for its permanent employees in accordance with 'Bangladesh Jute mills Corporation Employees' Service Rules 1990' published through Gazette Notification vide No. SRO 173-Law/90 dated 24 July 1990.

a) Authorized Capital

BJMC was established by the order of The Government of The People's Republic of Bangladesh under clause 18/(2) of Presidential Order No-27 of 1972 with the above authorized capital.

b) Subscribed and Paid-up Capital

The above capital was contributed by The Government of The People's Republic of Bangladesh in accordance with clause 18(2) of Presidential Order No-27 of 1972 has remained unchanged.



BANGLADESH JUTE MILLS CORPORATION
Adamjee Court, Motijheel, Dhaka
Statement of Financial Position
As on 30 June 2019

Particulars	Notes	Amount in taka	
		30 June 2019	30 June 2018
Property and Assets:			
A. Non-current assets		102,850,454,521	96,740,642,383
Property, plant & equipment	4.00	37,792,315	40,330,177
Other investments and recoverable			
Government fund disbursed to mills for equity and loan (contra)	5.00	1,472,077,098	1,472,077,098
Government fund disbursed to mills for payment of wages commission (contra)	6.00	5,248,300,000	5,248,300,000
Government fund disbursed to mills for purchase of Jute (contra)	7.00	21,450,000,000	20,650,000,000
Government special loan for closed / running mills	8.00	4,523,462,274	4,523,462,274
Government fund utilized for mills liabilities (Contra)	9.00	550,000,000	550,000,000
Interest free government loan (contra)	10.00	14,111,000	14,111,000
Government fund utilized for retirement benefits	11.00	9,895,449,843	9,895,449,843
Government loan (Bangladesh Bank loan) to mills (contra)	12.00	738,700,000	738,700,000
Government bond against NCB loan (Jute and wages) (contra)	13.00	6,922,870,000	6,922,870,000
Government bond against NCB loan (mills) (contra)	14.00	21,353,102,000	21,353,102,000
Government fund utilized for settlement of mills debts to PDB (dontra)	17.00	2,334,263,000	2,334,263,000
Government fund utilized for payment of mills salary & wages	18.00	10,469,217,100	5,156,867,100
Government fund utilized for payment of mills (VRS)	19.00	5,491,750,823	5,491,750,823
Government fund against payment third parties liabilities	20.00	60,100,000	60,100,000
Government loan for peoples and quami (contra)	21.00	1,052,900,000	1,052,900,000
Government fund for payment of DA	22.00	147,334,000	147,334,000
BJMC insurance scheme (contra)	16.00	218,749,742	218,749,742
Investment of BIDD funds before merger	15.00	61,775,325	61,775,325
Govt. fund received against sale of Gulshan land (Contra)	23.00	10,808,500,000	10,808,500,000
B. Current assets		11,571,996,134	10,962,049,114
Due from returned / de nationalized Jute mills	24.00	289,661,481	262,279,555
Current Account with BJMC Mills/ Zonal Offices	25.00	5,586,896,089	5,168,965,595
Current account with closed mills	26.00	328,504,958	374,811,929
Bills receivable from overseas countries	27.00	4,636,236,085	4,636,236,085
Advances, deposits and prepayments	28.00	116,305,908	29,003,660
Other clearing accounts	29.00	51,404,815	51,654,176
Cash and Bank balances	30.00	562,986,798	439,098,114
Total property and assets (A+B)		114,422,450,655	107,702,691,497
Capital & Liabilities:			
Authorized Capital			
Share Capital as Authorized by P.O. 27 of 1972		10,000,000	10,000,000
C. Reserve and Paid-up Capital			
Subscribed and paid up by GOB		500,000	500,000
Reserve and Surplus	31.00	1,195,165,872	1,301,152,501
D. Other Funds/ Non-Current Liabilities		106,429,476,234	99,645,776,234
Government fund for equity and loan (Contra)	32.00	1,472,077,098	1,472,077,098
Government fund against wages commission (Contra)	33.00	5,248,300,000	5,248,300,000
Government fund for Jute purchase (Contra)	34.00	21,450,000,000	20,650,000,000
Government special loan for closed/running mills	35.00	4,648,695,000	4,648,695,000
Government fund for payment of mills liabilities (Contra)	36.00	550,000,000	550,000,000
Government interest free loan (Contra)	37.00	14,111,000	14,111,000
Government fund against retirement benefits	38.00	10,646,500,000	10,646,500,000
GOB debt service liabilities (DSL) held by BJMC	39.00	3,216,931	3,216,931
Government loan (Bangladesh Bank) (Contra)	40.00	738,700,000	738,700,000
Govt.Loan DSL (Electricity)	43.00	2,334,263,000	2,334,263,000
Government loan against bonus & salary	44.00	1,100,000,000	1,100,000,000
Government fund for payment of mills salary & wages	45.00	10,563,900,000	4,580,200,000
Government fund payment for voluntary retirement scheme (Contra)	46.00	5,721,600,000	5,721,600,000

Particulars	Notes	Amount in taka	
		30 June 2019	30 June 2018
Government loan against PPP for peoples and quami Jute mills (Contra)	47.00	1,052,900,000	1,052,900,000
Government fund against payment third parties liabilities	48.00	1,174,500,000	1,174,500,000
Government loan against D/A	49.00	204,500,000	204,500,000
Government bond against NCB loan (Contra)	50.00	6,922,870,000	6,922,870,000
Government bond against NCB loan (Mills) (Contra)	51.00	21,353,102,000	21,353,102,000
BIDC fund before Merger	41.00	202,991,463	202,991,463
BJMC insurance scheme (Contra)	42.00	218,749,742	218,749,742
Govt. fund received against sale of gulshan land (Contra)	52.00	10,808,500,000	10,808,500,000
E. Current Liabilities		6,797,308,549	6,755,262,760
Other liabilities & provision	53.00	1,321,695,408	988,986,569
Current accounts with mills	54.00	5,288,378,743	5,579,041,793
Leased mills money received on mills' account	55.00	187,234,398	187,234,398
Total Capital & Liabilities (C+D+E)		114,422,450,655	107,702,691,496

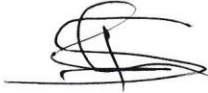
The annexed notes form an integral part of these financial statements.

General Manager

(Accounts & Finance)

Signed in terms of our separate report of even date annexed.

Maqbul Ahmed, FCA
Enrollment No. 0587
Partner
ATA KHAN & CO.
Chartered Accountants
DVC:



Shaiful Alam, FCA
Enrollment No. 0946
Managing Partner
S.R ISLAM & CO.
Chartered Accountants
DVC:

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BANGLADESH JUTE MILLS CORPORATION
Adamjee Court, Motijheel, Dhaka
Statement of Profit or Loss and Comprehensive Income
For the year ended 30 June 2019

Particulars	Notes	Amount in Taka	
		2018-2019	2017-2018
Income:			
Charges levied on enterprises	56.00	613,327,839	356,911,816
Sales of tender form	57.00	1,025,300	933,450
Interest on loan to employees		434,731	32,397
Recruitment receipt		3,047,331	20,330,659
Enlistment fee		345,500	330,000
Sundry receipts		570,337	694,954
Total income		618,751,038	379,233,276
Expenditure:			
Salaries and allowances	58.00	481,046,833	206,911,096
Liveries and uniforms		561,662	264,051
Entertainment expenses		1,030,028	1,578,396
Recruitment expense		11,972,330	974,365
Perquisite	59.00	897,575	234,309
Medical expenses		113,149	150,515
Postage, telephone, telex etc.	60.00	882,109	1,773,465
TA/DA & conveyance		5,334,954	6,682,985
Printing & Stationery		1,668,652	1,283,068
Office rent		6,480,672	6,480,672
Rent, Rates & Taxes	61.00	439,880	573,934
Electricity		1,516,977	1,556,007
Publicity and advertisement		2,113,048	10,217,892
Repairs and maintenance	62.00	5,732,474	5,759,846
Fees and professional charges	63.00	3,783,816	6,916,199
Fuel and lubricants		5,794,530	6,012,528
Depreciation	Annex-A	4,007,695	5,572,508
Insurance	64.00	781,190	1,135,749
Training expenses		1,137,049	637,078
Welfare expenses		57,525	652,079
Games and sports		25,678,565	27,229,613
Interest and bank charges	65.00	25,171,962	31,893,020
Hiring of staff bus		4,700,145	4,929,495
Other misc. expenses	66.00	1,691,769	3,893,098
Business development expenses	67.00	17,163,608	17,089,623
Jatio Pat Dibosh		8,992,838	28,831,685
Total expenditure		618,751,035	379,233,276


The annexed notes form an integral part of these financial statements.

General Manager

(Accounts & Finance)

Signed in terms of our separate report of even date annexed.

Maqbul Ahmed, FCA
Enrolment No. 0587
Partner
ATA KHAN & CO.
Chartered Accountants
DVC.:


Shaiful Alam, FCA
Enrollment No. 0946
Managing Partner
S.R ISLAM & CO.
Chartered Accountants
DVC: 2402140946AS380959



BANGLADESH JUTE MILLS CORPORATION
Adamjee Court, Motijheel, Dhaka
Statement of Cash Flow
For the year ended 30 June 2019

Particulars	Amount in Taka	
	2018-2019	2017-2018
A: Operating Activities		
Depreciation	4,007,695	5,572,508
Prior Year Adjustment of Depreciation	-	-
Less: Cash received from disposal of fixed assets	-	-
Operating profit before changes in working capital:		
Decrease/(Increase) in current account with BJMC mills	(417,930,495)	(40,994,634)
Due from returned / de nationalized Jute Mills	(27,381,926)	(91,866,155)
Decrease/(Increase) in advances deposits and prepayments	(87,302,248)	30,121,392
Decrease/(Increase) in other clearing account	249,361	(263,916)
Decrease/(Increase) in current account with closed mills	46,306,972	15,916,368
Increase/(Decrease) in other liabilities and provision	332,708,839	34,956,279
Increase/(Decrease) in current accounts with mills	(290,663,050)	155,941,671
Net Cash flow from operating activities	(440,004,853)	109,383,513
B: Investing activities		
Addition to property, plant & equipments	(1,469,834)	(10,367,380)
Disposal of Fixed Assets	-	-
Net Cash flow from investing activities	(1,469,834)	(10,367,380)
C: Financing activities		
Reserve and surplus	(105,986,629)	221,941,084
Investment of BIDC funds before merger	-	1,600,000
Govt. fund received against sale of gulshan land	-	(2,000,000,000)
Government fund for Jute purchase (Contra)	800,000,000	-
Government fund for payment of mills salary & wages	5,983,700,000	-
Government fund disbursed to mills for purchase of Jute (contra)	(800,000,000)	-
Government fund utilized for payment of mills salary & wages	(5,312,350,000)	-
Govt. fund received against sale of gulshan land (Contra)	-	2,000,000,000
Net Cash flow from financing activities	565,363,371	223,541,084
D: Net Cash Inflow/(outflow) (A+B+C)	123,888,684	322,557,217
E: Opening cash and cash equivalents	439,098,114	116,540,897
F: Closing cash and cash equivalents	562,986,798	439,098,114