

Private & Confidential

**AUDIT REPORT
AND
FINANCIAL STATEMENTS**

OF

**BANGLADESH JUTE MILLS CORPORATION
ADAMJEE COURT, MOTIJHEEL, DHAKA-1000
BANGLADESH.**

FOR THE YEAR ENDED 30TH JUNE, 2017

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AUDITORS' REPORT TO THE SHAREHOLDERS
of
BANGLADESH JUTE MILLS CORPORATION (BJMC)

Opinion

We have audited the financial statements of **Bangladesh Jute Mills Corporation (BJMC)**, which comprise the statement of financial position as at **30 June 2017** and the statement of profit or loss and other comprehensive income, statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2017 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable law 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 Auditors' 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 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 and Internal Controls

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, 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 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.
- 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 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 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.


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.

Report on other Legal and Regulatory Requirements

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; and
- c) the statements of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts.
- d) The expenditure incurred was for the purpose of the Corporation's maintenance.


S. M. Tauhidul Islam, FCA
Partner
Enrol # 1536
Anil Salam Idris & Co.
Chartered Accountants
DVC No. : 2211280226AS422144
Date: November 28, 2022
Place: Dhaka, Bangladesh


Md. Anisur Rahman, FCA
Managing Partner
Enrol # 226
Rahman Anis & Co.
Chartered Accountants
DVC No. : 2211280226AS422144
Date: November 28, 2022
Place: Dhaka, Bangladesh



BANGLADESH JUTE MILLS CORPORATION
Adamjee Court, Motijheel, Dhaka
Statement of Financial Position
As at 30th June, 2017

Particulars	Note	Amount in Taka	
		30-06-2017	30-06-2016
Property and Assets:			
A. Non-current Assets		92,737,447,511	85,932,915,997
Property, Plant & Equipment	4	35,535,305	29,783,391
Other Investments and Recoverable			
Government Fund Disbursed to Mills for Equity and Loan (Contra)	5	1,472,077,098	1,472,077,098
Government Fund Disbursed to Mills for Payment of Wages Commission (Contra)	6	5,248,300,000	5,248,300,000
Government Fund Disbursed to Mills for Purchase of Jute (Contra)	7	20,650,000,000	20,650,000,000
Government Special Loan for Closed / Running Mills	8	4,523,462,274	4,523,462,274
Government Fund Utilized for Mills Liabilities (Contra)	9	550,000,000	550,000,000
Interest Free Government. Loan (Contra)	10	14,111,000	14,111,000
Government Fund Utilized for Retirement Benefits	11	9,895,449,843	9,895,449,843
Government Loan (Bangladesh Bank Loan) to Mills (Contra)	12	738,700,000	738,700,000
Government Bond against NCB Loan (Jute And Wages) (Contra)	13	6,922,870,000	6,922,870,000
Government Bond Against NCB Loan (Mills) (Contra)	14	21,353,102,000	21,353,102,000
Government Fund Utilized for Settlement of Mills Debts to PDB (Contra)	17	2,334,263,000	2,334,263,000
Government Fund Utilized for Payment of Mills Salary & Wages	18	3,156,867,100	3,156,867,100
Government Fund Utilized for Payment of Mills (VRS)	19	5,491,750,823	5,491,750,823
Government Fund against payment Third Parties Liabilities	20	60,100,000	60,100,000
Government Loan for Peoples and Quami (Contra)	21	1,052,900,000	1,052,900,000
Government Fund for Payment of DA	22	147,334,000	147,334,000
BJMC Insurance Scheme (Contra)	16	218,749,742	218,749,742
Investment of BIDD Funds before Merger	15	63,375,325	73,095,725
Govt. Fund Received Against Sale Of Gulshan Land (Contra)	23	8,808,500,000	2,000,000,000
B. Current Assets		10,552,404,951	10,325,706,880
Due from Returned / De Nationalized Jute Mills	24	170,413,400	100,468,234
Current Account with BJMC Mills	25	5,127,970,961	4,663,840,646
Current Account with Closed Mills	26	390,728,297	406,528,795
Bills Receivable From Overseas Countries	27	4,636,236,085	4,636,236,085
Advances, Deposits and Prepayments	28	59,125,052	54,593,352
Other Clearing Accounts	29	51,390,260	49,082,471
Cash and Bank Balances	30	116,540,895	414,957,296
Total Property and Assets (A+B)		103,289,852,462	96,258,622,877



Particulars	Note	Amount in Taka	
		30-06-2017	30-06-2016
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			
		1,079,711,417	885,555,652
Subscribed and paid up by GOB		500,000	500,000
Reserve and Surplus	31	1,079,211,417	885,055,652
D. Other Funds/ Non-Current Liabilities			
		95,645,776,234	88,837,276,234
Government Fund for Equity and Loan (Contra)	32	1,472,077,098	1,472,077,098
Government Fund against Wages Commission (Contra)	33	5,248,300,000	5,248,300,000
Government Fund for Jute Purchase (Contra)	34	20,650,000,000	20,650,000,000
Government Special Loan for Closed/Running Mills	35	4,648,695,000	4,648,695,000
Government Fund for Payment of Mills Liabilities (Contra)	36	550,000,000	550,000,000
Government Interest Free Loan (Contra)	37	14,111,000	14,111,000
Government Fund against Retirement Benefits	38	10,646,500,000	10,646,500,000
GOB Debt Service Liabilities (DSL) Held by BJMC	39	3,216,931	3,216,931
Government Loan (Bangladesh Bank) (Contra)	40	738,700,000	738,700,000
Government Fund for Settlement of Mills Debts to PDB (Contra)	43	2,334,263,000	2,334,263,000
Government Loan against Bonus & Salary	44	1,100,000,000	1,100,000,000
Government Fund for Payment of Mills Salary & Wages	45	2,580,200,000	2,580,200,000
Government Fund Payment for Voluntary Retirement Scheme (Contra)	46	5,721,600,000	5,721,600,000
Government Loan against PPP for Peoples and Quami Jute Mills (Contra)	47	1,052,900,000	1,052,900,000
Government Fund against payment Third Parties Liabilities	48	1,174,500,000	1,174,500,000
Government Loan against D/A	49	204,500,000	204,500,000
Government Bond against NCB Loan (Contra)	50	6,922,870,000	6,922,870,000
Government Bond against NCB Loan (Mills) (Contra)	51	21,353,102,000	21,353,102,000
BIDC Fund before Merger	41	202,991,463	202,991,463
BJMC Insurance Scheme (Contra)	42	218,749,742	218,749,742
Govt. Fund Received Against Sale Of Gulshan Land (Contra)	52	8,808,500,000	2,000,000,000
E. Current Liabilities			
		6,564,364,810	6,535,790,990
Loan and Overdrafts	53	-	7,829,720
Other Liabilities & Provision	54	954,030,290	956,332,875
Current Accounts with Mills	55	5,423,100,122	5,384,393,997
Leased Mills Money Received on Mills' Account	56	187,234,398	187,234,398
Total Capital & Liabilities (C+D+E)		103,289,852,462	96,258,622,877

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.

S. M. Tauhidul Islam, FCA

Partner

Enrl: 1536

Anil Salam Idris & Co.

Chartered Accountants

DVC No. : 2211280226AS422144

Date: November 28, 2022

Place: Dhaka, Bangladesh

Md. Anisur Rahman, FCA

Manging Partner

Enrl: 0226

Rahman Anis & Co.

Chartered Accountants

DVC No. : 2211280226AS422144

Date: November 28, 2022

Place: Dhaka, Bangladesh



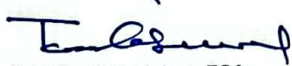
BANGLADESH JUTE MILLS CORPORATION
Adamjee Court, Motijheel, Dhaka
Statement of Comprehensive Income
For the year ended 30 June 2017

Particulars	Note	Amount in Taka	
		2016-2017	2015-2016
Income			
Charges Levied on Enterprises	57	388,941,258	411,212,579
Sales of Tender form/Enlistment Fees	58	1,717,950	3,072,375
Interest on Loan to Employees		71,002	91,950
Recruitment Receipt		3,740,400	-
Sundry Receipts		182,836	239,370
Total Income		394,653,446	414,616,274
Expenditure			
Salaries and Allowances	59	213,737,157	179,369,444
Liveries and Uniforms		591,637	1,075,807
Entertainment expenses		1,328,688	1,475,052
Recruitment expense		11,211,404	-
Perquisite	60	230,154	513,904
Medical Expenses		71,696	203,840
Postage, Telephone, Telex etc.	61	985,825	1,088,984
TA/DA & Conveyance		5,945,793	6,697,531
Printing & Stationery		3,209,110	1,187,119
Office Rents		6,480,672	6,480,672
Rent, Rates & Taxes	62	501,454	679,883
Power/Electricity		1,188,099	1,375,058
Publicity and Advertisement		9,604,030	29,018,886
Repairs and Maintenance	63	5,973,991	6,281,549
Fees and Professional Charges	64	9,109,028	6,544,667
Fuel and Lubricants		6,035,689	7,038,014
Depreciation	Annex-A	9,130,596	12,457,496
Insurance	65	1,197,870	1,357,497
Training Expenses		1,368,881	1,450,119
Welfare Expenses		348,048	33,600
Games and Sports		25,364,331	21,880,958
Interest and Bank Charges	66	37,817,759	101,376,528
Hiring of Staff Bus		4,797,386	4,812,347
Other Misc. Expenses	67	2,259,646	1,299,347
Business Development Expenses	68	21,822,429	20,917,972
Jatio Pat Dibosh		14,342,074	-
Total Expenditure		394,653,446	414,616,274

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.



S. M. Tauhidul Islam, FCA
Partner
Enrl: 1536
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Place: Dhaka, Bangladesh



BANGLADESH JUTE MILLS CORPORATION
Adamjee Court, Motiljheel, Dhaka
Statement of Cash Flow
For the year ended 30 June 2017

Particulars	Amount in Taka	
	30-06-17	30-06-16
A: Operating Activities		
Depreciation	9,130,596	11,870,862
Prior Year Adjustment of Depreciation	-	586,634
Less: Cash received from disposal of fixed assets	-	(3,595)
Operating profit before changes in working capital:		
Decrease/(Increase) in Current Account with BJMC Mills	(464,130,315)	(670,696,429)
Due from Returned / De Nationalized Jute Mills	(69,945,166)	(345,017)
Decrease/(Increase) in Advances Deposits and Prepayments	(4,531,700)	4,131,915
Decrease/(Increase) in Other Clearing Account	(2,307,789)	627,508
Decrease/(Increase) in Current Account with Closed Mills	15,800,498	-
Decrease/(Increase) in Bills Receivable From Overseas Countries	-	-
Increase/(Decrease) in Loan and Overdrafts	(7,829,720)	-
Increase/(Decrease) in Other Liabilities and Provision	(2,302,586)	364,144,315
Decrease/Increase in Current Account with Close Mills	-	11,473,562
Increase/(Decrease) in Current Accounts With Mills	38,706,125	(198,595,767)
Increase/(Decrease) in Leased Mills Money Received on Mills' Account	-	-
Net Cash Flow from Operating Activities	(487,410,056)	(476,806,012)
B: Investing Activities		
Addition to Fixed Assets	(14,882,509)	(9,735,669)
Disposal of Fixed Assets	-	3,595
Net Cash Flow from Investing Activities	(14,882,509)	(9,732,074)
C: Financing Activities		
Reserve and Surplus	194,155,766	124,092,612
Government Fund for Jute Purchase	-	2,000,000,000
Government Fund for Payment of Mills Salary & Wages	-	750,000,000
Government Bond against NCB Loan (Mills)	-	21,353,102,000
Govt. Fund Received Against Sale Of Gulshan Land	-	2,000,000,000
Government Fund Utilized for Payment of Mills Salary & Wages	-	(750,000,000)
Government Fund for Payment of DA	-	(147,334,000)
Government Fund Disbursed to Mills for Purchase of Jute	-	(2,000,000,000)
Nationalized Commercial Banks Loan to Mills	-	(21,353,102,000)
Investment of BIDD Funds before Merger	9,720,400	1,600,000
Govt. Fund Received Against Sale Of Gulshan Land	(6,808,500,000)	(2,000,000,000)
Govt. Fund Received Against Sale Of Gulshan Land (Contra)	6,808,500,000	-
Net Cash Flow from Financing Activities	203,876,164	(21,641,388)
D: Net Cash Inflow/(Outflow) (A+B+C)	(298,416,401)	(508,179,473)
E: Opening Cash and Bank Balances	414,957,296	923,136,769
F: Closing Cash and Bank Balances	116,540,895	414,957,296



BANGLADESH JUTE MILLS CORPORATION
Adamjee Court, Motijheel, Dhaka
Notes to the financial statements
For the year ended 30 June 2017

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, 2017.
- ii) Statement of Comprehensive Income for the year ended 30th June, 2017
- iii) Statement of Cash Flows for the year ended 30th June, 2017
- 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, 2016 to 30th June, 2017.

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 BAS-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 Income Tax Ordinance, 1984 (Ord. XXXVI of 1984), the Government, other than the 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 form 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.

