

## Independent Auditors' Report of M M Jute Mills Ltd.

### Opinion

We have audited the Financial Statements of **M M Jute Mills Ltd.** which comprise the Statement of Financial position as on 30<sup>th</sup> June, 2022 and related the Statement of Manufacturing, Trading and Profit/(Loss) & Other Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company gives a true and fair view of the financial position as on 30<sup>th</sup> June, 2022 and of its Statement of Manufacturing, Trading and Profit/ (Loss) & other Comprehensive Income, Changes in Equity and Cash Flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2 and other applicable laws and regulations.

### Basis for Opinion

We conducted our audit in accordance with International Auditing Standards (IAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants, Code of Ethics for Professional Accountants (IESBA Code), We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. 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 and fair presentation of the financial statements of the Company and also separate financial statement of the Company in accordance with IFRSs as explained in note 2 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 IASs 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.

**MASUD ALTAF & CO.**  
Chartered Accountants

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As part of an audit in accordance with International Auditing Standards IASs, 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.
- 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.

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

In accordance with the Companies Act 1994, the rules and regulations issued by regulatory authorities, we also report the following:

- a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) 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.
- c) The Statement of Financial Position, Statement of Manufacturing, Trading and Profit/(Loss) & Other Comprehensive Income and Cash Flows dealt with by the report are in agreement with the books of account and returns, and
- d) The expenditures incurred were for the purpose of the company's business for the year.

Dated, Dhaka.  
8<sup>th</sup> February, 2023.



(MASUD ALTAF & CO.)  
Chartered Accountants  
DVC : 2302080684AS654430

## M M Jute Mills Ltd.

Banshbaria, Chattogram.

### Statement of Financial Position as on 30th June, 2022.

Sl. #	Particulars	Note/ Sch.	Amount (Tk.)	
			30.06.2022	30.06.2021
<b>Property &amp; Assets :</b>				
<b>A. Non Current Assets :</b>				
	At Cost/Revaluation less accumulated depreciation	1.00	1,165,222,225	1,182,915,875
	Investment	2.00	1,487,678	1,487,678
<b>Total Non Current Assets : (A)</b>			<b>1,166,709,903</b>	<b>1,184,403,553</b>
<b>B. Current Assets :</b>				
	Stock, Stores & Spares	3.00	9,205,673	8,755,158
	Debtors ( Less : Provisions )	4.00	83,222,238	100,857,379
	Due from BJMC Mills	5.00	32,891,405	32,983,725
	Advance, Deposit & Pre-payment	6.00	2,675,161	3,083,849
	Interim Revenue support receivable	7.00	4,300,219	4,300,219
	BJMC H/O Lease A/c	8.00	15,249,171	15,249,171
	Cash & Bank Balance	9.00	32,338,928	11,850,035
<b>Total Current Assets : (B)</b>			<b>179,882,795</b>	<b>177,079,536</b>
<b>C. Profit &amp; Loss Account Balance</b>				
		10.00	1,309,145,312	1,282,147,474
<b>Total Property &amp; Assets : (A+B+C)</b>			<b>2,655,738,010</b>	<b>2,643,630,563</b>
<b>Capital &amp; Liabilities :</b>				
<b>Authorized Capital</b>				
		11.00	25,000,000	25,000,000
<b>D. Shareholders Equity &amp; Loans :</b>				
	Issued, Subscribed & Paid-up Capital	12.00	7,000,000	7,000,000
	Govt. Equity Contribution	13.00	77,083,000	77,083,000
	Reserves	14.00	1,134,400,082	1,146,848,339
	BJMC Current Account	15.00	404,573,356	404,573,356
	Long Term Loan	16.00	892,296,009	778,029,697
	Gratuity Liabilities ( Provision )	17.00	27,819,720	27,677,860
<b>Total Shareholders Equity &amp; Loans</b>			<b>2,543,172,167</b>	<b>2,441,212,252</b>
<b>E. Current Liabilities :</b>				
	Liabilities for Goods	18.00	1,251,095	31,487,270
	Liabilities for Expenses	19.00	21,474,470	24,917,384
	Liabilities for other Finance	20.00	40,210,778	42,666,580
	Due to BJMC Mills & Denationalised mills	21.00	24,758,419	24,966,014
	Gratuity & Others Payable Account (Current )	22.00	24,871,081	78,381,063
<b>Total Current Liabilities :</b>			<b>112,565,843</b>	<b>202,418,311</b>
<b>Total Capital &amp; Liabilities : (D+E)</b>			<b>2,655,738,010</b>	<b>2,643,630,563</b>

(মোঃ কবির হোসেন)  
সহকারী হিসাব কর্মকর্তা  
এম এম জুট মিলস্ লিমিটেড  
বাঁশবাড়ীয়া, সীতাকুণ্ড, চট্টগ্রাম।

Mohammed Salim  
Manager (Production) &  
Project Head  
M M Jute Mills Ltd.  
Banshbaria, Chattogram.

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

Dated, Dhaka.  
8th February, 2023.



(MASUD ALTAF & CO.)  
Chartered Accountants  
DVC: 2302080684AS654430

## M M Jute Mills Ltd.

Banshbaria, Chattogram.

### Statement of Manufacturing, Trading and other Comprehensive Income for the year ended 30th June, 2022.

Sl. #	Particulars	Sch. No	Amount (Tk.)	
			2021-2022	2020-2021
<b>Income :</b>				
1	Foreign sales		-	17,576,949
2	Local Sales		-	2,329,278
3	Local Sales (Process goods)		-	781,945
4	<b>Total sales : (1+2+3)</b>		-	<b>20,688,172</b>
5	Subsidy		-	2,037,127
6	<b>Total Income : (4+5)</b>	23	-	<b>22,725,299</b>
<b>Material cost :</b>				
7	Opening Work-in-Process		-	761,703
8	Raw Jute Consumed	24	-	-
9	Charge on Raw Jute		-	-
10	Other Direct Materials Consumed	25	-	-
11	<b>Sub-Total (6 to 9)</b>		-	-
12	Closing Work-in-Process		-	-
13	<b>Total Material cost (10-11)</b>		-	-
<b>Conversion cost :</b>				
14	Opening Work-in-Process		-	-
15	Wages	26	-	2,975,580
16	Salaries	27	18,692,364	20,207,225
17	Power/ Electricity	28	943,790	1,079,840
18	Repairs & Maintenance	29	221,170	617,979
19	Insurance	30	168,211	187,755
20	Depreciation	31	5,267,393	5,290,175
21	Other Factory Overhead	32	435,975	732,288
22	<b>Sub-Total : (13 to 20)</b>		<b>25,728,903</b>	<b>31,090,842</b>
23	Closing Work-in-Process		-	-
24	<b>Total Conversion Cost (21-22) :</b>		<b>25,728,903</b>	<b>31,090,842</b>
25	<b>Cost of Production (13+24)</b>		<b>25,728,903</b>	<b>31,090,842</b>
26	Opening stock of Finished Goods		-	19,452,189
27	<b>Cost of Goods Available for Sale (25+26)</b>		<b>25,728,903</b>	<b>50,543,031</b>
28	Closing stock of Finished Goods		-	-
29	<b>Total Cost of Sales (27-28)</b>		<b>25,728,903</b>	<b>50,543,031</b>
30	<b>Gross Profit/(Loss) (6-29)</b>		<b>(25,728,903)</b>	<b>(27,817,732)</b>
31	Administrative Expenses	33	3,120,343	5,119,096
32	Selling Expenses	34	59,424	948,327
33	<b>Total Operating Expenses (31 to 32)</b>		<b>3,179,767</b>	<b>6,067,423</b>
34	<b>Operating Profit/(Loss) (30-33) :</b>		<b>(28,908,670)</b>	<b>(33,885,155)</b>
<b>Financial Expenses :</b>				
35	Interest (Cash Credit)	35	-	-
36	Interest (Long term Loan)	36	-	-
37	<b>Total Interest (35+36)</b>		-	-
38	<b>Total Profit/(Loss) (34-37)</b>		<b>(28,908,670)</b>	<b>(33,885,155)</b>
39	Non-Operating Income		13,658	3,800
40	<b>Total Profit/(Loss) before Tax (38+39)</b>		<b>(28,895,012)</b>	<b>(33,881,355)</b>
41	Less: AIT deduction		-	301,201
42	<b>Net Profit/(Loss) after Tax</b>		<b>(28,895,012)</b>	<b>(34,182,556)</b>

(মোঃ কবির হোসেন)  
সহকারী হিসাব কর্মকর্তা  
এম এম জুট মিলস লিঃ  
বাঁশবাড়ীয়া, সীতাকুণ্ড, চট্টগ্রাম।

Mohammed Salim  
Manager (Production) &  
Project Head  
M M Jute Mills Ltd.  
Chattogram.

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

Dated, Dhaka.  
8th February, 2023.



(MASUD ALTAF & CO.)  
Chartered Accountants

DVC: 2302080684AS654430

**M M Jute Mills Ltd.**  
Banshbaria, Chattogram.

**Statement of Manufacturing, Trading and other Comprehensive Income  
for the year ended 30th June, 2022.**

Sl. #	Particulars	Sch. No	Amount Tk. (In Lac.)				Per ton	
			Yarn	CBC	Total	Last year 30.06.2021	Yarn	CBC
	<b>Income :</b>		-	-	-	-	-	-
1	Foreign sales	23.00	-	-	-	175.77	-	-
2	Local Sales	23.00	-	-	-	23.29	-	-
3	Local Sales (Process goods)		-	-	-	7.82	-	-
4	<b>Total sales : (1+2+3)</b>		-	-	-	206.88	-	-
5	Subsidy	23.00	-	-	-	20.37	-	-
6	<b>Total Income : (3+4)</b>		-	-	-	227.25	-	-
	<b>Material cost :</b>		-	-	-	-	-	-
7	Opening Work-in-process		-	-	-	7.62	-	-
8	Raw Jute Consumed	24.00	-	-	-	-	-	-
9	Charge on Raw Jute		-	-	-	-	-	-
10	Other direct materials Consumed	25.00	-	-	-	-	-	-
11	<b>Sub-Total (7 to 10)</b>		-	-	-	-	-	-
12	Closing Work-in-Process		-	-	-	-	-	-
13	<b>Total Material cost : (11-12)</b>		-	-	-	-	-	-
	<b>Conversion cost :</b>		-	-	-	-	-	-
14	Opening Work-in-Process		-	-	-	-	-	-
15	Wages	26.00	-	-	-	29.76	-	-
16	Salaries	27.00	93.46	93.46	186.92	202.07	-	-
17	Power/Electricity	28.00	4.72	4.72	9.44	10.80	-	-
18	Repairs & Maintenance	29.00	1.11	1.10	2.21	6.18	-	-
19	Insurance	30.00	0.84	0.84	1.68	1.88	-	-
20	Depreciation	31.00	26.34	26.34	52.68	52.90	-	-
21	Other Factory Overhead	32.00	2.18	2.18	4.36	7.32	-	-
22	<b>Sub-Total : (14 to 21)</b>		<b>128.65</b>	<b>128.64</b>	<b>257.29</b>	<b>310.91</b>	-	-
23	Closing Work-in-Process		-	-	-	-	-	-
24	<b>Total Conversion Cost (22-23) :</b>		<b>128.65</b>	<b>128.64</b>	<b>257.29</b>	<b>310.91</b>	-	-
25	<b>Cost of Production (13+25)</b>		<b>128.65</b>	<b>128.64</b>	<b>257.29</b>	<b>310.91</b>	-	-
26	Opening stock of Finished Goods		-	-	-	194.52	-	-
27	<b>Cost of Goods Available for sale (25+26)</b>		<b>128.65</b>	<b>128.64</b>	<b>257.29</b>	<b>505.43</b>	-	-
28	Closing stock of Finished Goods		-	-	-	-	-	-
29	<b>Total Cost of Sales (27-28)</b>		<b>128.65</b>	<b>128.64</b>	<b>257.29</b>	<b>505.43</b>	-	-
30	<b>Gross Profit/(Loss) (6-29)</b>		(128.65)	(128.64)	(257.29)	(278.18)	-	-
31	Administrative expenses	33.00	15.60	15.60	31.20	51.19	-	-
32	Selling expenses	34.00	0.30	0.30	0.60	9.48	-	-
33	<b>Total Operating expenses (31 to 32)</b>		15.90	15.90	31.80	60.67	-	-
34	<b>Operating Profit/(Loss) (30-33)</b>		(144.55)	(144.54)	(289.09)	(338.85)	-	-
	<b>Financial expenses :</b>		-	-	-	-	-	-
35	Interest (Cash Credit)	35.00	-	-	-	-	-	-
36	Interest (Long term Loan)	36.00	-	-	-	-	-	-
37	<b>Total Interest (35+36)</b>		-	-	-	-	-	-
38	<b>Total Profit/(Loss) (34-37)</b>		(144.55)	(144.54)	(289.09)	(338.85)	-	-
39	Non-Operating Income		0.07	0.07	0.14	0.04	-	-
40	<b>Total Profit/(Loss) before Tax (38+39)</b>		(144.48)	(144.47)	(288.95)	(338.81)	-	-
41	AIT Deduction		-	-	-	3.01	-	-
42	<b>Net Profit/(Loss) after Tax</b>		<b>(144.48)</b>	<b>(144.47)</b>	<b>(288.95)</b>	<b>(341.82)</b>	-	-

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

Dated, Dhaka.  
8th February, 2023.



(MASUD ALTAF & CO.)  
Chartered Accountants  
DVC : 2302080684AS654430

**M M Jute Mills Ltd.**  
Banshbaria, Chattogram.

**Statement of Changes in Equity for the year ended 30th June, 2022.**

Particulars	Share Capital	Equity Contribution	Capital Reserve	P/L A/C	Total (Tk.)
Balance as on 01.07.2021	7,000,000	77,083,000	1,110,747,851	(1,282,147,474)	(87,316,623)
Depriciation on Re- valuation Assets	-	-	(60,246,786)	-	(60,246,786)
Prior year Adjustment	-	-	-	1,897,174	1,897,174
Profit & Loss A/C	-	-	-	(28,895,012)	(28,895,012)
Balance as on 30.06.2022	7,000,000	77,083,000	1,050,501,065	(1,309,145,312)	(174,561,247)

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

Dated, Dhaka.  
8th February, 2023.



*[Signature]*  
(MASUD ALTAF & CO.)  
Chartered Accountants  
DVC : 2302080684AS654430

## M M Jute Mills Ltd.

Banshbaria, Chattogram.

### Statement of Cash Flow for the year ended 30th June, 2022.

Sl. #	Particulars	Amount (Tk.)	
		2021-2022	2020-2021
<b>A.</b>	<b>Cash Flow from Operating Activities :</b>		
	Net Profit/(Loss) for the year	(28,895,012)	(34,182,556)
	Depreciation	5,267,393	5,290,175
	Prior year Adjustment	1,897,174	14,867,152
	<b>Total</b>	<b>(21,730,445)</b>	<b>(14,025,229)</b>
	<b>Increase/ (Decrease) in Current Assets :</b>		
	Stock of Stores & Spares	(450,515)	20,365,216
	Debtors (Less: Provision)	17,635,141	(19,061,604)
	Due from BJMC Mills	92,320	4,061,529
	Advance, Deposits & Prepayment	408,688	2,043,759
	<b>Total</b>	<b>17,685,634</b>	<b>7,408,900</b>
	<b>Increase/ (Decrease) in Current Liabilities :</b>		
	Due to BJMC Mills	(207,595)	13,358,978
	Liabilities for Expense	(3,442,914)	(38,084,547)
	Liabilities for Goods	(30,236,175)	(1,898,569)
	BJMC Current Account	-	6,826,044
	Gratuity Liabilities (Provision)	141,860	(82,160)
	Gratuity Payable Account (Current)	(53,509,982)	(28,562,487)
	<b>Total</b>	<b>(87,254,806)</b>	<b>(48,442,741)</b>
	<b>Total Net Cash used by Operating Activities :</b>	<b>(91,299,617)</b>	<b>(55,059,070)</b>
<b>B.</b>	<b>Cash Flow from Investing Activities :</b>		
	Addition of Non Current Assets	(22,000)	(173,878)
	<b>Total Net Cash used by Investing Activities :</b>	<b>(22,000)</b>	<b>(173,878)</b>
<b>C.</b>	<b>Cash Flow from Financing Activities :</b>		
	Liabilities for Other Finance	(2,455,802)	(11,252,990)
	Long Term Loan	114,266,312	75,396,612
	<b>Total Net Cash Provided by Financing Activities :</b>	<b>111,810,510</b>	<b>64,143,622</b>
	<b>Net Cash Inflow /Outflow : (A+B+C)</b>	<b>20,488,893</b>	<b>9,318,193</b>
	Cash & Bank Balance at the beginning of the year	11,850,035	2,531,842
	<b>Cash &amp; Bank Balance at the ending of the year</b>	<b>32,338,928</b>	<b>11,850,035</b>

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

Dated, Dhaka.  
8th February, 2023.



(MASUD ALTAF & CO.)  
Chartered Accountants  
DVC : 2302080684AS654430

## M M Jute Mills Ltd.

Banshbaria, Chittagong.

### Schedule of Quantity (M.Ton) as on 30th June, 2022.

Schedule-1.00

Sl. #	Particulars	Cumulative (M.Ton)		
		CBC	Yarn	Total
1	Weaving Production	-	-	-
	<b>Materials :</b>			-
2	Opening Work-in-Process	-	-	-
3	Equivalent Production	-	-	-
4	<b>Sub Total</b>	-	-	-
5	Closing Work-in -Process	-	-	-
6	<b>Baled Production</b>	-	-	-
	<b>Conversion :</b>			-
7	Opening Work-in-Process	-	-	-
8	Equivalent Production	-	-	-
9	<b>Sub Total</b>	-	-	-
10	Closing Work In -Process	-	-	-
11	Opening Stock of Finished Goods	-	-	-
12	Goods Available for Sales	-	-	-
13	<b>Less:- Transferred to w/p(CBC)</b>	-	-	-
14	Closing Stock of Finished Goods	-	-	-
15	Foreign Sale	-	-	-
16	Local Sale	-	-	-
17	<b>Total Sale</b>	-	-	-
18	Local Sales (Closing work-in-process)	-	-	-





**M M Jute Mills Limited**  
Banshbaria, Chattogram.

**Schedule of Fixed Assets as on 30th June, 2022.**

Particulars	Cost			Revaluation	Total Cost as on 30.06.2022	Depreciation on original Cost			Total Depn on Original cost as on 30.06.2022
	Opening Balance as on 01.07.2021	Addition during the year	Total as on 30.06.2022			Opening as on 01.07.2021	Adjustment	Charged during the year	
(A)	1	2	3=(1+2)	4	5=(3+4)	6	7	8	9=(6+7+8)
1) Land	386,645	-	386,645	883,893,236	884,279,881	-	-	-	-
2) Land Development	2,220,119	-	2,220,119	-	2,220,119	582,072	-	194,024	776,096
3) Building & Other Construction	9,240,915	-	9,240,915	278,670,443	287,911,358	980,507	-	293,188	1,273,695
4) Plant, Machinery & Equipment	62,718,512	22,000	62,740,512	4,475,970	67,216,482	15,016,708	-	4,699,036	19,715,744
5) Furniture & Fixture	419,090	-	419,090	264,445	683,535	75,435	-	25,145	100,580
6) Vehicles	380,000	-	380,000	-	380,000	168,000	-	56,000	224,000
7) Sundry Assets	256,917	-	256,917	-	256,917	256,916	-	-	256,916
Total : (A)	75,622,198	22,000	75,644,198	1,167,304,094	1,242,948,292	17,079,638	-	5,267,393	22,347,031
B) Biological Assets (Tree)	-	-	-	4,867,750	4,867,750	-	-	-	-
Total : (A+B)	75,622,198	22,000	75,644,198	1,172,171,844	1,247,816,042	17,079,638	-	5,267,393	22,347,031

  

Particulars	Depreciation on Re-valuation Cost		Total Depreciation	Written Down Value		Total Assets as on 30.06.2022
	Opening as on 01.07.2021	Charged during the year		Original Cost	Revaluation	
(A)	10	11	14=(9+12)	15=(3+9)	16=(4-12)	17=(15+16)
1) Land	-	-	-	386,645	883,893,236	884,279,881
2) Land Development	-	-	-	1,444,023	-	1,444,023
3) Building & Other Construction	46,744,132	12,268,955	59,013,087	7,967,220	219,657,356	227,624,576
4) Plant, Machinery & Equipment	865,617	126,413	992,030	43,024,768	3,483,940	46,508,708
5) Furniture & Fixture	188,780	52,889	241,669	318,510	22,776	341,286
6) Vehicles	-	-	-	224,000	-	224,000
7) Sundry Assets	-	-	-	156,000	-	156,000
Total : (A)	47,798,529	12,448,257	60,246,786	53,297,167	1,107,057,308	1,160,354,475
B) Biological Assets (Trees)	-	-	-	-	4,867,750	4,867,750
Total : (A+B)	47,798,529	12,448,257	60,246,786	53,297,167	1,111,925,058	1,165,222,225

N.B : The above Assets includes Assets received from Closed Adamjee Jute Mills, details of which are given below:-

Sl. #	Particulars	Cost		Addition during year	Revaluation	Total Cost as on 30.06.2022
		Opening Balance as on 01.07.2021	Cost as on 30.06.2022			
1	Plant, Machinery & Equipment	11,296,266	11,296,266	-	-	11,296,266
	Total	11,296,266	11,296,266	-	-	11,296,266



## M M Jute Mills Ltd.

Banshbaria, Chattogram.

### Notes to the Financial Statements for the year ended 30th June, 2022.

- A. **Legal form of the Enterprise :**  
M M Jute Mills Ltd. was incorporated in then the East Pakistan under the Company Act 1913 subsequently amended in 1994. The mill was placed under the control and management of Bangladesh Jute Mills Corporation (BJMC) under P.O. 27 of 1972. is subsequently and placed Bangladesh industrial enterprise (Nationalisation Act.25 year of 2018)
- B. **Nature of Business :**  
The principal activities of the company is manufacturing, local sale and export of jute yarn and C.B.C.
- C. **Significant Accounting Policies :**  
The Mill follows an integrated accounting system. These accounts have been prepared on a going concern basis under historical cost conversion based on the generally accepted accounting principles consistently applied.
- D. **Basis of Presentation :**  
Financial Statement presentation follows the formats recommended in the International Financial Reporting Standards.
- E. **Cash and Cash Equivalents :**  
Cash in hand and cash at bank have been considered as cash and cash equivalents for the preparation of these financial statements, which were held and are available for use by the factory without any restriction. There was no significant risk of changes in value of these current assets.
- F. **Fixed Assets :**  
The Fixed Assets are shown at cost & Revaluation less accumulated depreciation. First time Revaluation was made in the year 1992-93 and second time Revaluation was made in the year 2016-2017 and increased value transferred to Capital Reserve Account as per BJMC Guide Line.
- G. **Depreciation :**  
Fixed Assets were depreciated at straight line method @ 2.5% to 25% according the type of assets.
- H. **Foreign Currency Transaction:**  
Revenue transactions of foreign currency are converted in Bangladeshi taka at the exchange rate prevailing on the date of transaction.
- I. **Service Benefits :**  
(a) The mills is maintaining a contributory Provident Fund for its every permanent employee. The mills is providing contribution to the Fund 10% of basic Salary of each permanent employee and for company's 8.33% of Basic Salary from November 2017.  
(b) The mills also provides Gratuity benefit to its every permanent employee equivalent to two months last basic wages/salary for each completed year of service.
- J. **Taxation :**  
The mills is incurring loss since long. This year the factory also incurred loss. On the other hand source tax deducted on export proceeds have adjusted against company tax.
- K. **Liabilities for Expenses :**  
Provision for certain expenses and known liabilities were made in the accounts during the year under audit.
- L. **Reporting period :**  
The financial statements of the factory cover the period of 1st July, 2021 to 30th June, 2022 consistently.

