

PRIVATE AND CONFIDENTIAL

**AUDITORS' REPORT
AND
FINANCIAL STATEMENTS
OF
JATIO JUTE MILLS LIMITED
RAIPUR, SIRAJGANJ.**

FOR THE YEAR ENDED 30 JUNE 2022

SUBMITTED BY



ATA KHAN & CO.

Chartered Accountants

67, Motijheel C/A., (1st Floor)
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INDEPENDENT AUDITORS' REPORT

TO

THE MANAGEMENT OF JATIO JUTE MILLS LIMITED

Report on the Audit of the Financial Statements:

Opinion

We have audited the financial statements of **Jatio Jute Mills Limited** which comprise the statement of balance sheet as at 30 June 2022, Manufacturing, trading and profit & loss account and cash flow statement 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 present fairly, in all material respects, of the balance sheet of **Jatio Jute Mills Limited** as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable rules and regulation.

Emphasis of matter:

Without modifying our opinion we draw attention to the following matter:

1. Depreciation on revaluation adjusted with revaluation reserve without charging in statement of profit or loss and other comprehensive income as par BJMC guideline.
2. Provision for minimum tax has not been kept in accordance with ITO 1984.

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 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 audit opinion.

Going Concern

We are required to report if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of the financial statements. We have nothing to report in these respects.



Other Information

Management is responsible for other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The directors are responsible for that other information. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover this 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 this other information and, in doing so, consider whether this other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to communicate the matter to those charged with governance.

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 in accordance with International Financial Reporting Standards and other applicable rules and regulations 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.

Auditors' 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 taken together, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 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.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, Supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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:

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 account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- (c) the company's financial statements dealt with by the report are in agreement with the books of account.
- (d) The expenditure incurred was for the purpose of the company's business.

Dated: Dhaka,
12 March, 2023

Maqbul Ahmed, FCA
ICAB Enrolment No. 587

Partner

ATA KHAN & CO.
Chartered Accountants
DVC: 2303120587AS294924



JATIO JUTE MILLS LIMITED

RAIPUR, SIRAJGONJ.

BALANCE SHEET AS ON 30TH JUNE' 2022

PARTICULARS	SCHEDULE NO	AMOUNT IN TAKA	
		AS ON 30.06.2022	AS ON 30.06.2021
A. NON CURRENT ASSETS:		2,960,684,653	2,995,882,192
At cost/Revaluation less: accumulated Dep.	1.00	2,930,684,653	2,965,882,192
Investment	2.00	30,000,000	30,000,000
B. CURRENT ASSETS		813,878,127	947,124,304
Stock of stores & spares	3.00	17,319,948	20,632,906
Debtors (Less: Provision)	4.00	23,499,439	121,981,050
Due from BJMC Mills	5.00	20,919,770	25,455,633
Advance, Deposit & Prepayment (Less:Prov.)	6.00	9,238,390	10,325,111
Interim Revenue Support received	7.00	14,789,019	14,789,019
BJMC Current Accounts	8.00	716,978,055	747,953,669
Cash & Bank Balance	9.00	11,133,507	5,986,916
C. PROFIT & LOSS ACCOUNT BALANCE	10.00	3,236,375,055	3,122,983,976
TOTAL ASSETS (A+B+C)		7,010,937,835	7,065,990,472
CAPITAL & LIABILITES			
Authorised Capital	11.00	50,000,000	50,000,000
D. Issued subscribed & paid up Capital	12.00	21,500,000	21,500,000
E. Reserves & Long Term Liabilities		6,825,723,332	6,755,085,647
Govt. Equity contribution	13.00	39,977,982	39,977,982
Reserves	14.00	2,820,871,032	2,848,014,803
Long Term Loan	15.00	3,880,219,672	3,790,097,672
Gratuity Liabilites (Provision)	16.00	84,654,646	76,995,190
F. CURRENT LIABILITES		163,714,503	289,404,825
Bank Overdraft	17.00	94,084,178	111,245,518
Liabilities for Goods	18.00	-	103,043,755
Liabilities for Expenses	19.00	9,107,328	17,378,129
Liabilities for Other Finance	20.00	16,100,816	19,364,822
Due to BJMC Mills	21.00	27,338,957	3,029,507
Gratuity Payable Account (Current)	22.00	17,083,224	35,343,094
TOTAL LIABILITES (D+E+F)		7,010,937,835	7,065,990,472

These Accounts should be read in conjunction with the annexed notes & schedules.

ACCOUNTS HEAD

PROJECT HEAD

SIGNED IN TERMS OF OUR ANNEXED REPORT OF EVEN DATE

Maqbul Ahmed

Maqbul Ahmed, FCA

ICAB Enrollment No. 587

Partner

ATA KHAN & CO.

Chartered Accountants

DVC: 2303120587AS294924

Date: Dhaka,
12 March, 2023



JATIO JUTE MILLS LIMITED
MANUFACTURING, TRADING AND PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2022

Sl NO	PARTICULARS	Notes	Total 2021-2022	Total 2020-2021
	INCOME:			
1	Foreign Sales	23.00	-	259,611,509
2	Local Sales	24.00	-	41,860,712
3	Sales Odd Lot		3,583,403	-
4	TOTAL SALES (1+2+3)		3,583,403	301,472,221
5	Subsidy		-	31,153,380
6	TOTAL INCOME (4+5)		3,583,403	332,625,601
	MATREIAL COST			
7	Opening work in process		-	13,092,000
8	Raw Jute Comsumption		-	-
9	Charges On Raw Jute		-	-
10	Other direct Materials consumed	25.00	-	-
11	SUB-TOTAL (7+.....10)		-	13,092,000
12	Closing work in process		-	-
13	TOTAL MATERIAL COST (11-12)		-	13,092,000
	CONVERSION COST			
14	Opening work in process		-	6,432,000
15	Wages	26.00	-	-
16	Salaries	27.00	86,691,339	93,085,650
17	Power/Electricity		1,276,600	3,041,304
18	Fuel		-	-
19	Repairs & Maintanance	28.00	1,936,559	665,186
20	Depreciation		8,053,768	8,053,768
21	Insurance		-	39,318
22	Other Factory Overhead	29.00	-	-
23	SUB -TOTAL (14+22)		97,958,266	111,317,226
24	Closing work in process		-	-
25	TOTAL CONVERSION COST (23-24)		97,958,266	111,317,226
26	COST OF PRODUCTION (13+25)		97,958,266	124,409,226
27	Opening Stock of Finished Goods		-	336,004,300
28	COST OF GOODS AVAILABLE FOR SALE (26+27)		97,958,266	460,413,526
29	Closing stock of Finished Goods		-	-
30	Total Cost of Sales (28-29)		97,958,266	460,413,526
31	Administrative Expenses	30.00	8,116,687	4,509,950
32	Selling Expenses	31.00	-	11,806,330
33	TOTAL OPERATING EXPENSES (30+31+32)		106,074,953	476,729,807
34	OPERATING PROFIT/(LOSS) (6-33)		(102,491,550)	(144,104,205)
	FINANCIAL EXPENSES			
35	Interest Cash Credit		12,704,610	4,949,964
36	Interest (Long Term Loan)		-	-
37	TOTAL Interest (35+36)		12,704,610	4,949,964
38	Total Cost/Expenditure (33+37)		118,779,563	481,679,771
39	Total Profit/(Loss)(34-37)		(115,196,160)	(149,054,169)
40	Non Operating Income	32.00	1,117,757	3,676,803
41	Net Profit before tax provision(39+40)		(114,078,403)	(145,377,366)
42	provision for taxation 15%		-	-
43	Net Profit After tax provision (40-41)		(114,078,403)	(145,377,366)
44	Prior Years Adjustments	32a	687,324	170,595
	Total		(113,391,079)	(145,206,771)
	Previous Year Loss Brought Forward		(3,122,983,976)	(2,977,777,205)
	Balance Being Loss Carried Forward to B/S		(3,236,375,055)	(3,122,983,976)

These Accounts should be read in conjunction with the annexed notes & schedules.

ACCOUNTS HEAD

PROJECT HEAD

SIGNED IN TERMS OF OUR ANNEXED REPORT OF EVEN DATE

Maqbul Ahmed

Maqbul Ahmed, FCA
ICAB Enrollment No. 587
Partner

ATA KHAN & CO.
Chartered Accountants

DVC: 2303120587AS294924

Date: Dhaka,
12 March, 2023



JATIO JUTE MILLS LIMITED

RAIPUR, SIRAJGONJ.

Cash Flow Statement (under Indirect Method) For the Year ended 30 June 2022

Particulars		Amount In Taka	
		2021-2022	2020-2021
A	Cash Flow from operating Activities:		
	Net Profit/(Loss) for the Year	(114,078,403)	(145,377,366)
	Depreciation for the Year (on Cost)	8,053,768	8,053,768
	Depreciation for the Year (on Revaluation)	-	-
	Prior Year Adjustments	687,324	170,595
		(105,337,311)	(137,153,003)
	Changes in Working capital	37,523,242	166,146,601
	(Increase)/Decrease In inventory	3,312,958	373,274,739
	(Increase)/Decrease In Trade Debtors & Receivable	98,481,611	50,986,682
	(Increase)/Decrease of Advance/Deposits & Pre-Payments	1,086,721	5,859,509
	(Increase)/Decrease Of Gratuity (Current).	(18,259,870)	12,876,252
	(Increase)/Decrease Of Gratuity Liabilities(Provision).	7,659,456	(12,698,710)
	(Increase)/Decrease of Dues to BJMC Mills	24,309,450	143,811
	(Increase)/Decrease of Dues from BJMC Mills	4,535,864	4,542
	(Increase)/Decrease in BJMC Current Account	30,975,614	(220,229,978)
	(Increase)/Decrease Liabilities for Goods	(103,043,755)	(17,123,896)
	Liabilities for Other Finance	(3,264,006)	(6,549,867)
	Increase/(Decrease) Liabilities for Expences.	(8,270,800)	(20,396,484)
	Net Cash Used/Provided In Operating Activates	(67,814,069)	28,993,597
B	Cash Flow Form Investment Activities:		
	Purchase of Fixed Asset	-	-
	Investment	-	(30,000,000)
	Working Progress	-	-
	Increase /(Decrease) in Fixed Assets (CWP)	-	-
	Net Cash Used in Investment Activities		(30,000,000)
C	Cash Flow from Financing Activates:		
	Increase/Decrease In Long Term Loan	90,122,000	-
	Increase/Decrease In Others Finance	-	-
	Increase/Decrease Bank Overdraft	(17,161,340)	4,195,070
	Net Cash used/Provided In Financing Activities:	72,960,660	4,195,070
D	Net Cash Flow (A+B+C) Changes In cash	5,146,591	3,188,667
	Add: Opening Cash & Bank Balance	5,986,916	2,798,248
	Closing Cash & Bank Balance	11,133,507	5,986,916

ACCOUNTS HEAD

PROJECT HEAD

Date: Dhaka,
12 March, 2023



Jatio Jute Mills Limited

Raipur, Sirajgang.

SCHEDULE OF FIXED ASSETS

AS ON 30 TH JUNE 2022

Particulars	Cost					Depreciation					Written Down Value			
	Opening 01.07.21	Addition during the year	Sub Total	Revaluation Cost (report)	Total 30.06.22	Closing 30.06.22	Opening 01.07.21	On Revaluation Cost (report)		Closing 30.06.22	Original Cost 30.06.22	Rev. Value as on 30.06.22	Total as on 30.06.22	
								Charge during the year	Charge during the year					
1	2	3	4 (2+3)	5	6 (4+5)	7	8	9 (7+8)	10	11	12 (10+11)	13 (4-9)	14 (5-12)	15 (13+14)
Land	1,000,845	-	1,000,845	2,349,539,963	2,350,540,808	-	-	-	-	-	-	1,000,845	2,349,539,963	2,350,540,808
Land Dev.	8,855,610	-	8,855,610	-	8,855,610	1,771,124	442,781	2,213,905	-	-	-	6,641,705	-	6,641,705
Building & other construction	47,229,729	-	47,229,729	86,629,437	133,859,166	9,445,944	2,361,486	11,807,430	17,325,888	4,331,472	21,657,360	35,422,299	64,972,077	100,394,376
Plant, Machinery & Equipment	102,779,328	-	102,779,328	456,245,973	559,025,301	20,424,388	5,106,097	25,530,485	91,249,196	22,812,299	114,061,495	77,248,843	342,184,478	419,433,321
Furniture & Fixtures	424,894	-	424,894	-	424,894	61,312	15,328	76,640	-	-	-	348,254	-	348,254
Vehicles	1,091,521	-	1,091,521	-	1,091,521	214,552	53,638	268,190	-	-	-	823,331	-	823,331
Sundry Assets	1,966,798	-	1,966,798	-	1,966,798	297,752	74,438	372,190	-	-	-	1,594,608	-	1,594,608
Trees	-	-	-	50,908,250	50,908,250	-	-	-	-	-	-	-	50,908,250	50,908,250
Total	163,348,725	-	163,348,725	2,943,323,623	3,106,672,348	32,215,072	8,053,768	40,268,840	108,575,084	27,143,771	135,718,855	123,079,885	2,807,604,768	2,930,684,653

N: B: The above assets includedes assets received from closed adamjee jute mills limited.

Particulars	Original Cost	Revaluation Cost	Total Cost	Opening Depreciation	Charge During the Year	Closing Depreciation	Written Down Value
Plant, Machinery & Equipment	46,495,726	-	46,495,726	26,851,282	3,254,701	30,105,983	19,644,444



JATIO JUTE MILLS LIMITED
(An Enterprise of BJMC)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

A) Legal form of the enterprise:

Jatio Jute mills is a public limited company and was incorporated in the then East Pakistan under the Company Act 1913 subsequently by the Company Act 1994. The mill was placed under the control and management of Bangladesh Jute Mills Corporation (BJMC) under P.O.27 of 1972. Subsequently the Industries national Act 25/Years of 2018

B) Nature of Business:

The principal activities of the company is manufacturing, sale and export of jute goods.

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) Non Current Assets:

The Fixed Assets are shown at cost & Revaluation less accumulated depreciation. Revaluation was made in the year 2016-17 and increased value transferred to Capital Reserve Account as per BJMC Guide Line.

E) Depreciation:

Fixed Assets were depreciated at straight line method @ 2.5% to 25% according the type of assets.

F) Foreign Currency Transaction:

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

G) Service Benefits:

(a) The company is maintaining a contributory Provident Fund for its every permanent employee. The company is providing contribution 10% of salary, and 8.33% of basic salary of permanent employee. 2017-2018 each.

(b) The company also provides Gratuity benefit to its every permanent employee equivalent to two months last basic salary for each completed year of service.

H) Company Taxation:

The company is incurred loss this year. So, no provision for company income tax has been made in the accounts during the financial year. Provision for minimum tax has also not been made.

I) Liabilities for Expenses:

Provision for certain expenses and known liabilities were made in the accounts during the year. These type of liabilities must be paid off/adjusted after having actual bill/expenses.

J) Comparative information & rearrange thereof:

Figures of provisions period has been rearrange/restated. Whenever considered necessary to ensure with current period presentation as required by BAS-08; Accounting, Policies, Changes in Accounting Statements And Erros.

K) Depreciation on Revalued assets:

Depreciation on revalued assets has been charged against revaluation reserve as per BJMC practise.

