

Final

BANGLADESH JUTE MILLS LIMITED

Ghorashal, Palash, Norshingdi

**Auditors' Report and Financial Statements
Of
BANGLADESH JUTE MILLS LIMITED
For the year ended 30 June, 2022**

M A FAZAL & CO.

Chartered Accountants

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M A FAZAL & CO.
CHARTERED ACCOUNTANTS
In Practice Since 1970



DOCKLANDS
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Independent Auditors' Report **To the Shareholders of Bangladesh Jute Mills Limited** **Report on the audit of the financial statements**

Opinion

We have audited the financial statements of **Bangladesh Jute Mills Limited** which comprise the statement of financial position as at **30 June, 2022** 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, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at **30 June, 2022** and of its financial performance for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the Companies Act 1994, and other applicable laws 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 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) 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 these requirements and 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

Managements 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 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 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.





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- 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 disclosure 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the 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.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- a) We have obtained all the information and explanation which to 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 except for the matter emphasis have been kept by the company so far as it appeared from our examination of those books.
- c) The company's statement of financial position dealt with by the report is in agreement with the books of accounts and returns.
- d) The expenditure incurred were for the purpose of the companies for the year.

Dated, Dhaka.




Md. Abul Basher, FCA # 0840

Managing Partner

M A Fazal & Co.

Chartered Accountants

DVC: 2310160840A5746349



Bangladesh Jute Mills Ltd.

Ghorashal, Palash, Narsingdi.

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

Sl. #	Particulars	Notes/ Sch.	Amount (Tk.)	
			30.06.2022	30.06.2021
Property & Assets :				
A. Non Current Assets :				
	At Cost/Revaluation Less Accumulated Dep.	1.00	3,091,261,868	3,092,789,228
	Investment at Cost	2.00	10,617	10,617
	Total Non Current Assets		3,091,272,485	3,092,799,846
B. Current Assets:				
	Stock of Stores & Spares	3.00	8,434,393	20,194,000
	Debtors Less Provision	4.00	63,593,313	82,372,679
	Due from BJMC Mills	5.00	47,569,464	47,569,464
	Advance, Deposits & Prepayments	6.00	20,794,734	21,291,204
	Interim Revenue Support Receivable	7.00	10,634,102	10,634,102
	BJMC Current Account	8.00	1,137,912,751	833,268,901
	FDR (Sonal Bank Ltd.)	Sch. 02	65,000,000	-
	Cash & Bank Balance	9.00	58,083,943	90,901,698
	Total Current Assets		1,412,022,700	1,106,232,048
C. Profit & Loss Account - Balance				
		10.00	6,901,171,590	7,035,231,896
	Total Property & Assets : (A+B+C)		11,404,466,775	11,234,263,790
Capital & Liabilities:				
D. Shareholders Equity & Loan :				
	Authorized capital	11.00	50,000,000	50,000,000
E. Current Liabilities :				
	Issued, Subscribed & Paid up Capital	12.00	20,060,000	20,060,000
	GOB Equity Contribution	13.00	10,537,167	10,537,167
	Reserve	14.00	3,166,541,629	3,166,964,005
	BJMC Current Account	15.00	-	-
	Long Term Loan	16.00	7,903,446,779	7,362,619,301
	Gratuity Liabilities (Provision)	17.00	21,675,767	28,909,920
	Total Share Holder Equity & Loan		11,122,261,342	10,589,090,392
	Liabilities for Goods	18.00	9,172,703	213,602,199
	Liabilities for Expenses	19.00	143,764,270	160,491,386
	Liabilities for other Finance	20.00	17,578,626	28,346,268
	Due to BJMC Mills	21.00	16,307,472	16,307,472
	Gratuity Payable Accounts (Current)	22.00	95,382,362	226,426,072
	Total Current Liabilities		282,205,433	645,173,397
	Total Capital & Liabilities : (D+E)		11,404,466,775	11,234,263,790

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

Deputy Manager (Accounts & Finance) and

Head of Department

মোঃ ইমরাত হোসেন

উপ-ব্যব: (হিসাব ও অর্থ)

... হিসাব বিভাগীয় প্রধান

Dated, Dhaka.



Head of Project

(আবুল কাশেম মোহাম্মদ হান্নান)

Signed in terms of our report of even date.

বাংলাদেশ জুট মিলস্ লিমিটেড

ঘোড়াশাল, পলাশ, নরসিংদী।

Md. Abul Basher, FCA # 840

Managing Partner

M A FAZAL & CO.

Chartered Accountants

DVC: 2310160840A6746349

Bangladesh Jute Mills Ltd.

Ghorashal, Palash, Narsingdi.

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

Sl. #	Particulars	Notes/ Sch.	Hessian	Sacking	Amount (Tk.)	
					2021-2022	2020-2021
Income :						
1	Local Sales	24	-	-	500,000	38,562,000
2	Foreign Sales	25	-	-	-	155,095,000
3	Total Sales : (1+2)		-	-	500,000	193,657,000
4	Subsidy		-	-	-	18,611,000
5	Total Income : (3+4)		-	-	500,000	212,268,000
Material Cost :						
6	Opening Work-In-Process	26	-	-	-	35,068,421
7	Raw Jute		-	-	-	-
8	Charges on Raw Jute		-	-	-	-
9	Other Direct Materials	27	-	-	-	440,000
10	Sub Total : (6+7+8+9)		-	-	-	35,508,421
11	Closing Work-in-Process	27	-	-	-	-
12	Total Materials Cost : (10-11)		-	-	-	35,508,421
Conversion Cost :						
13	Opening work-in-Process	27	-	-	-	15,043,332
14	Wages	28	-	-	-	49,509,938
15	Salaries	29	-	-	63,111,347	63,350,425
16	Power/Electricity	30	-	-	2,102,930	2,499,684
17	Fuel	31	-	-	122,515	806,104
18	Repairs & Maintenance	32	-	-	573,786	199,052
19	Depreciation	33	-	-	1,104,984	1,104,984
20	Insurance	34	-	-	20,000	20,000
21	Other Factory Overhead	35	-	-	1,246,545	973,758
22	Sub-Total : (13 to 21)		-	-	68,282,107	133,507,277
23	Closing Work-in-Process	27	-	-	-	-
24	Total Conversion Cost : (22-23)		-	-	68,282,107	133,507,277
25	Cost of production : (12+24)		-	-	68,282,107	169,015,698
26	Opening Stock of Finished Goods		-	-	-	199,431,000
27	Cost of Goods Available for Sales : (25+26)		-	-	68,282,107	368,446,698
28	Closing Stock of Finished Goods		-	-	-	752,000
29	Total Cost of Sales : (27-28)		-	-	68,282,107	367,694,698
30	Gross Profit/Loss : (5-29)		-	-	(67,782,107)	(155,426,698)
31	Administrative Expenses	36	-	-	1,651,372	11,808,208
32	Selling Expenses	37	-	-	-	3,369,860
33	Total Operating Expenses (31+32)		-	-	1,651,372	15,178,068
34	Operating Profit/Loss : (30-33)		-	-	(69,433,479)	(170,604,766)
Financial Expenses :						
35	Interest Cash credit		-	-	-	-
36	Interest on Long Term Loan	38	-	-	32,493,600	27,079,000
37	Total Interest : (35+36)		-	-	32,493,600	27,079,000
38	Total Profit/Loss : (34-37)		-	-	(101,927,079)	(197,683,766)
39	TDS	37	-	-	4,065,870	3,207,333
41	Net Profit/Loss : (38-39)		-	-	(105,992,949)	(200,891,099)
42	Balance Transfer to Profit/(Loss) Appr. A/C		-	-	(105,992,949)	(200,891,099)

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

Deputy Manager (Accounts & Finance) and

Head of Department

মোঃ হুমায়ুন হোসেন

উপ-ব্যব: (হিসাব ও অর্থ)

হিসাব বিভাগীয় প্রধান

Dated, Dhaka.



Head of Project

(আবুল কাশেম মোহাম্মদ হান্নান)

প্রকল্প প্রধান

Signed in terms of our report of even date.

বাংলাদেশ জুট মিলস লিমিটেড

ঘোড়াশাল, পলাশ, নরসিংদী।

Md. Abul Basher, FCA # 840

Managing Partner

M A FAZAL & CO.

Chartered Accountants

DVC: 2310260840A6746349

Bangladesh Jute Mills Ltd.

Ghorashal, Palash, Narsingdi.

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

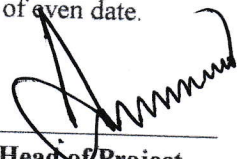
Sl. #	Particulars	Amount (Tk.)	
		2021-2022	2020-2021
A.	Cash Flow from Operating Activities :		
	Net Profit (Loss) for the year	(105,992,949)	(200,891,099)
	Previous year adjustment	240,053,254	(446,775,277)
	Stock of Stores & Spares	11,759,607	253,897,532
	Debtors Less Provision	18,779,367	172,531,618
	Depreciation	1,104,984	1,104,984
	Due from BJMC Mills	0	(341,226)
	Advance, Deposits & prepayments	496,469	87,270,009
	FDR (Sonali Bank Ltd.)	(65,000,000)	-
	BJMC Current Accounts	(304,643,850)	(24,614,708)
	Due to BJMC Mill	-	-
	Liability for Goods	(204,429,497)	(3,850,287)
	Liability for Expenses	(16,727,115)	10,027,149
	Gratuity Payable Accounts (Current)	(131,043,709)	(1,804,307,215)
	Net Cash Provided by Operating activities : (A)	(555,643,440)	(1,955,948,520)
B.	Cash Flow from Investing activities :		
	Fixed Assets Addition/Adjustment	-	-
	Long term Loan	540,827,479	2,376,264,751
	Total Investing Activities : (B)	540,827,479	2,376,264,751
C.	Cash Flow from Financing Activities :		
	Gratuity Liabilities (Provision)	(7,234,153)	1,173,798
	Liabilities for other Finance	(10,767,642)	(410,993,714)
	Total Financing Activities : ©	(18,001,795)	(409,819,916)
	Increase/(Decrease) in Cash and Bank Balance : (A+B+C)	(32,817,755)	10,496,315
	Opening Cash & Bank Balance	90,901,698	80,405,383
	Closing Cash & Bank Balance	58,083,943	90,901,698

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


Deputy Manager (Accounts & Finance) and

Head of Department
উপ-ব্যব: (হিসাব ও অর্থ)
হিসাব বিভাগীয় প্রধান




Head of Project

(আবুল কাশিম মোহাম্মদ হান্নান)
প্রকল্প প্রধান
বাংলাদেশ জুট মিলস্ লিমিটেড
ঘোড়াশাল, পলাশ, নরসিংদী।

Dated, Dhaka

Bangladesh Jute Mills Ltd.

Ghoramhal, Palash, Narsingdi.

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

Sl. #	Particulars	Cost			Revaluation	Total Cost as on 30.06.2022	Depreciation on Original Cost		Total Dep. on Original Cost as on 30.06.2021
		Opening Balance as on 01.07.2021	Addition during the Year	Sub-Total			Operating Balance as on 01.07.2021	Charged during the year	
1	Land	2	3	4=2+3	5	6=4+5	7	8	9=7+8
2	Land Development:	2,029,533	-	2,029,533	2,332,502,567	2,334,532,100	-	-	-
3	Building & Other Construction	450,000	-	450,000	-	450,000	-	-	-
4	Plant, Machinery & Equipment	28,966,906	-	28,966,906	308,645,411	337,612,316	468,270	144,140	612,410
5	Furniture & Fixture:	128,579,191	-	128,579,191	287,311,017	415,890,208	4,972,953	952,888	5,925,841
6	Vehicles	1,525,150	-	1,525,150	-	1,525,150	31,824	7,956	39,780
7	Sundry Assets	150,000	-	150,000	-	150,000	-	-	-
8	Biological Assets (Trees)	1,528,271	-	1,528,271	15,649,844	17,178,115	-	-	-
	Total	163,229,051	-	163,229,051	2,961,286,738	3,124,515,789	5,473,047	1,104,984	6,578,031
Sl. #	Particulars	Depreciation on Revaluation		Total Depreciation	Written Down Value		Total Assets as on 30.06.2022		
		Opening Balance as on 01.07.2021	Charged during the year	Total Dep. On Revaluation as on 30.06.2022	Original Cost on 30.06.2022	Revaluation at 30.06.2021			
10	Land	11	12	13=11+12	16=4+9	17=5-13	18		
2	Land Development:	-	-	-	2,029,533	2,332,502,567	2,334,532,100		
3	Building & Other Construction	8,531,540	46,756	8,578,296	450,000	-	450,000		
4	Plant, Machinery & Equipment	17,721,974	375,620	18,097,594	28,354,496	300,067,115	328,421,610		
5	Furniture & Fixture:	-	-	-	122,653,350	269,213,423	391,866,773		
6	Vehicles	-	-	-	1,485,370	-	1,485,370		
7	Sundry Assets	-	-	-	150,000	-	150,000		
8	Biological Assets (Trees)	-	-	-	1,528,271	15,649,844	17,178,115		
	Total	26,253,514	422,376	26,675,890	156,651,020	2,934,610,848	3,091,261,868		

NB. Revaluation of fixed assets done 2016-2017, that's why the opening balance of depreciation on previous revaluation are omitted.

The above assets included Assets record from of closed Adamjee Jute Mills Ltd.

Sl. #	Particulars	Cost			Depreciation		Net Value 30.06.2021
		Original cost as on 01.07.2021	Addition during the year	Sub-Total	Accumulated Dep. on Original cost as on 01.07.2020	Total Dep. on original cost as on 30.06.2021	
I	Plants, Machinery & Equipment	69,615,205	-	69,615,205	26,981,851	375,620	42,257,734
	Total	69,615,205	-	69,615,205	26,981,851	375,620	42,257,734



Bangladesh Jute Mills Ltd.

Ghorashal, Palash, Narsingdi.

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

A. Legal form of the Enterprise :

Bangladesh 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) is valid and placed Bangladesh industrial enterprise (Nationalisation Act. 25 of 2018)

B. Nature of Business :

The principal activities of the company was manufacturing, local sale and export of jute yarn, Hessian, Sacking and C.B.C. at present the factory has been lay off.

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 factory is maintaining a contributory Provident Fund for its every wages and salary permanent employee. The factory is providing contribution to the Fund equivalent to 10% of workers basic wages and staff / 8.33% officers salary of each permanent employee.

(b) The factory 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 factory 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.