

PRIVATE & CONFIDENTIAL

**AUDITORS' REPORT
&
FINANCIAL STATEMENT
OF
BANGLADESH JUTE MILLS CORPORATION
DHAKA- 1000.**

FOR THE YEAR ENDED 30TH JUNE, 2020

SUBMITTED TO:

The Board of Directors
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.
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ARUN & COMPANY
Chartered Accountants
House No. 558 (4th Floor) East Kazipara,
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Independent Auditor's Report
To the Shareholders of Bangladesh Jute Mills Corporation
Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of **Bangladesh Jute Mills Corporation**, which comprise the statement of financial position as at June 30, 2020, 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the incorporating financial statements present fairly, in all material respects, the financial position of the Corporation as at June 30, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

1. Other investment and recoverable total amount BDT 97,667,200,205 is showing in the financial statement as on 30 June 2020. The present status of the said assets is doubtful for recover settlement on account of close all jute mills under the BJMC for the year 2019-2020.
2. Question of going concern status uncertainty due to closed all the jute mills under supervision and control by the BJMC.
3. Out of other Fund / Non-current liabilities some balances have been carry forwarded since long without any changes and all of such balances are related to government. Only ledger and GO of last nine years of some balances was made available to us. In the absence of detail information, we could not confirm whether any adjustment was necessary (i.e. charging of interest; Accounting treatment under IAS-20 etc.) which might have material impact on the Financial Statements. Details of such balances are mentioned here under:

Sl.	Particulars	Reference Note No. of Financial Statement	Amounts
1.	Government Fund for Equity and Loan	32.00	1,472,077,098
2.	Government Fund Against Wages Commission	33.00	5,248,300,000
3.	Government Fund for Jute Purchase	34.00	21,450,000,000
4.	Government Special Loan for Closed/ Running Mills	35.00	4,648,695,000
5.	Government Fund for Payment of Mills Liabilities	36.00	550,000,000
6.	Government Interest Free Loan	37.00	14,111,000
7.	Government Fund Against Retirement Benefits	38.00	10,646,500,000
8.	Govt. Debt Service Liabilities Held by BJMC	39.00	3,216,931
9.	Government Loan (Bangladesh Bank)	40.00	738,700,000
10.	Govt. Loan DSI. (Electricity)	43.00	2,334,263,000
11.	Government Loan Against Bonus & Salary	44.00	1,100,000,000
12.	Government Fund Payment for Voluntary Retirement Scheme	46.00	5,721,600,000
13.	Government Loan Against PPP for Peoples and Quami Jute Mills	47.00	1,052,900,000
14.	Government Fund against payment third party liabilities	48.00	1,174,500,000
15.	Government Loan Against D/A	49.00	204,500,000
16.	Government Loan Against NCB Loan (Contra)	50.00	6,922,870,000

Sl.	Particulars	Reference Note No. of Financial Statement	Amounts
17.	Government Bond Against NCB Loan (Mills) (Contra)	51.00	21,353,102,000
18.	BIDC Fund Before Merger	41.00	202,991,463
19.	BJMC Insurance Scheme (Contra)	42.00	218,749,742
20.	Govt. Fund Received Against Sale of Gulshan Land (Contra)	52.00	10,808,500,000
21.	Leased Mills Money Received on Mills' Account	55.00	187,234,398

4. Out of other liabilities some balances have been carry forwarded since long without any changes and evaluating its pay-ability. Detail of such balances are mentioned here under:

Sl.	Particulars	Reference Note No. of Financial Statement	Amounts
1.	C&F Bank, Khulna	53.00	790,645
2.	Liabilities for goods	53.00	335,380,845
3.	Liabilities for closed mills	53.00	28,016,330
4.	Performance Guarantee	53.00	66,588,089

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 corporation in accordance 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management & Those Charged with Governance for the Financial Statements

Management 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation'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 judgement 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 Corporation'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 Corporation'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 Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Corporation's 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.

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

In accordance with the Companies Act 1994, 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 Corporation so far as it appeared from our examination of these books;
- c) The statements of financial position and statements of profit or loss and other comprehensive income dealt with by the report agree with the books of accounts and returns.



Maqbul Ahmed, FCA
Enrollment No. 0587
Partner
ATA KHAN & CO.
Chartered Accountants
DVC:2501290587AS221593
Dhaka, Bangladesh
Dated: 29th January, 2025



Arun Kumer Kundu, FCA
Enrollment No. 1217
Managing Partner
ARUN & COMPANY.
Chartered Accountants
DVC:2501281217AS523111
Dhaka, Bangladesh
Dated: 28th January, 2025



BANGLADESH JUTE MILLS CORPORATION

Adamjee Court, Motijheel, Dhaka

Statement of Financial Position

As at 30 June 2020

Particulars	Notes	Amount in Taka	
		2019-2020	2018-2019
Property and Assets:			
A. Non-current assets		108,511,279,991	102,850,454,521
Property, plant & equipment	4.00	35,579,785	37,792,315
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	21,450,000,000
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 (Contra)	17.00	2,334,263,000	2,334,263,000
Government fund utilized for payment of mills salary & wages	18.00	16,132,255,100	10,469,217,100
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		11,303,811,923	11,571,996,134
Due from returned / de nationalized Jute mills	24.00	315,470,632	289,661,481
Current Account with BJMC Mills/ Zonal Offices	25.00	5,293,984,182	5,586,896,089
Current account with closed mills	26.00	293,050,278	328,504,958
Bills receivable from overseas countries	27.00	4,636,236,085	4,636,236,085
Advances, deposits and prepayments	28.00	157,074,207	116,305,908
Other clearing accounts	29.00	48,894,062	51,404,815
Cash and Bank balances	30.00	559,102,477	562,986,798
Total property and assets (A+B)		119,815,091,913	114,422,450,655



BANGLADESH JUTE MILLS CORPORATION
Adamjee Court, Motijheel, Dhaka
Statement of Financial Position
As at 30 June 2020

Particulars	Notes	Amount in Taka	
		2019-2020	2018-2019
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		1,195,635,352	1,195,665,872
Reserve and Surplus	31.00	500,000	500,000
		1,195,135,352	1,195,165,872
D. Other Funds/ Non-Current Liabilities			
Government fund for equity and loan (Contra)	32.00	111,512,176,234	106,429,476,234
Government fund against wages commission (Contra)	33.00	1,472,077,098	1,472,077,098
Government fund for Jute purchase (Contra)	34.00	5,248,300,000	5,248,300,000
Government special loan for closed/running mills	35.00	21,450,000,000	21,450,000,000
Government fund for payment of mills liabilities (Contra)	36.00	4,648,695,000	4,648,695,000
Government interest free loan (Contra)	37.00	550,000,000	550,000,000
Government fund against retirement benefits	38.00	14,111,000	14,111,000
GOB debt service liabilities (DSI.) held by BJMC	39.00	10,646,500,000	10,646,500,000
Government loan (Bangladesh Bank) (Contra)	40.00	3,216,931	3,216,931
Govt.Loan DSI. (Electricity)	43.00	738,700,000	738,700,000
Government loan against bonus & salary	44.00	2,334,263,000	2,334,263,000
Government fund for payment of mills salary & wages	45.00	1,100,000,000	1,100,000,000
Government fund payment for voluntary retirement scheme (Contra)	46.00	15,646,600,000	10,563,900,000
Government loan against PPP for peoples and quami Jute mills (Contra)	47.00	5,721,600,000	5,721,600,000
Government fund against payment third parties liabilities	48.00	1,052,900,000	1,052,900,000
Government loan against D/A	49.00	1,174,500,000	1,174,500,000
Government bond against NCB loan (Contra)	50.00	204,500,000	204,500,000
Government bond against NCB loan (Mills) (Contra)	51.00	6,922,870,000	6,922,870,000
		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			
Other liabilities & provision	53.00	7,107,280,327	6,797,308,549
Current accounts with mills	54.00	1,309,335,191	1,321,695,408
Leased mills money received on mills' account	55.00	5,610,710,738	5,288,378,743
		187,234,398	187,234,398
Total Capital & Liabilities (C+D+E)		119,815,091,913	114,422,450,655

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

Maqbul Ahmed

Maqbul Ahmed, FCA
Enrollment No. 0587
Partner

ATA KHAN & CO.
Chartered Accountants
DVC: 2501290587AS221593
Dhaka, Bangladesh
Dated: 29th January, 2025



Arun Kunder

General Manager (Accounts & Finance)
Signed in terms of our separate report of even date annexed.

Arun Kunder, FCA
Enrollment No. 1217
Managing Partner
ARUN & COMPANY
Chartered Accountants
DVC: 2501281217AS523111
Dhaka, Bangladesh
Dated: 28th January, 2025

BANGLADESH JUTE MILLS CORPORATION
Adamjee Court, Motijheel, Dhaka
Statement of Profit or Loss and Comprehensive Income
For the year ended 30 June 2020

Particulars	Notes	Amount in Taka	
		2019-2020	2018-2019
Income:			
Charges levied on enterprises	56.00	308,113,100	613,327,839
Sales of tender form	57.00	352,000	1,025,300
Interest on loan to employees		127,925	434,731
Recruitment receipt		100,500	3,047,331
Enlistment fee		318,500	345,500
Sundry receipts		3,232,229	570,337
Total income		312,244,254	618,751,038
Expenditure:			
Salaries and allowances	58.00	238,697,362	481,046,833
Liveries and uniforms		126,500	561,662
Entertainment expenses		936,060	1,030,028
Recruitment expense		-	11,972,330
Perquisite	59.00	972,789	897,575
Medical expenses		165,728	113,149
Postage, telephone, telex etc.	60.00	580,776	882,109
TA/DA & conveyance		6,001,179	5,334,954
Printing & Stationery		926,146	1,668,652
Office rent		6,480,672	6,480,672
Rent, Rates & Taxes	61.00	124,802	439,880
Electricity		1,447,637	1,516,977
Publicity and advertisement		361,337	2,113,048
Repairs and maintenance	62.00	4,637,996	5,732,474
Fees and professional charges	63.00	2,131,212	3,783,816
Fuel and lubricants		5,591,632	5,794,530
Depreciation	Annex-A	3,669,537	4,007,695
Insurance	64.00	1,691,966	781,190
Training expenses		795,556	1,137,049
Welfare expenses		60,680	57,525
Games and sports		18,499,580	25,678,565
Interest and bank charges	65.00	6,891,507	25,171,962
Hiring of staff bus		4,175,998	4,700,145
Other misc. expenses	66.00	1,626,275	1,691,769
Business development expenses	67.00	5,628,626	17,163,608
Jatio Pat Dibosh		22,700	8,992,838
Total expenditure		312,244,254	618,751,038

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

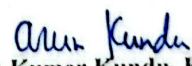

General Manager (Accounts & Finance)

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



Maqbul Ahmed, FCA
Enrolment No. 0587
Partner
ATA KHAN & CO.
Chartered Accountants
DVC: 2501290587AS221593
Dhaka, Bangladesh
Dated: 29th January, 2025




Arun Kumer Kundu, FCA
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Dhaka, Bangladesh
Dated: 28th January, 2025

BANGLADESH JUTE MILLS CORPORATION
Adamjee Court, Motijheel, Dhaka
Statement of Cash Flow
For the year ended 30 June 2020

Particulars	Amount in Taka	
	2019-2020	2018-2019
A: Operating Activities		
Depreciation	3,669,537	4,007,696
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	292,911,907	(417,930,494)
Due from returned / de nationalized Jute Mills	(25,809,151)	(27,381,926)
Decrease/(Increase) in advances deposits and prepayments	(40,768,298)	(87,302,248)
Decrease/(Increase) in other clearing account	2,510,753	249,361
Decrease/(Increase) in current account with closed mills	35,454,679	46,306,972
Increase/(Decrease) in other liabilities and provision	(12,360,217)	332,708,839
Increase/(Decrease) in current accounts with mills	322,331,995	(290,663,050)
Net Cash flow from operating activities	577,941,205	(440,004,851)
B: Investing activities		
Addition to property, plant & equipments	(1,457,006)	(1,469,834)
Disposal of Fixed Assets	-	-
Net Cash flow from investing activities	(1,457,006)	(1,469,834)
C: Financing activities		
Reserve and surplus	(30,520)	(105,986,629)
Investment of BIDD funds before merger	-	-
Govt. fund received against sale of gulshan land	-	-
Government fund for Jute purchase (Contra)	-	800,000,000
Government fund for payment of mills salary & wages	5,082,700,000	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	(5,663,038,000)	(5,312,350,000)
Govt. fund received against sale of gulshan land (Contra)	-	-
Net Cash flow from financing activities	(580,368,520)	565,363,371
D: Net Cash Inflow/(outflow) (A+B+C)	(3,884,321)	123,888,686
E: Opening cash and cash equivalents	562,986,798	439,098,113
F: Closing cash and cash equivalents	559,102,477	562,986,798

