

PRIVATE & CONFIDENTIAL

AUDIT REPORT

&

FINANCIAL STATEMENTS

OF

Bangladesh Jute Mills Corporation (BJMC)

FOR THE YEAR ENDED ON 30TH JUNE, 2021



এ. মতীন এন্ড কোং

A. MATIN & CO.

CHARTERED ACCOUNTANTS

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A. MATIN & CO.
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

BANGLADESH JUTE MILLS CORPORATION (BJMC)
ADAMJEE COURT (ANNEX-1), (4TH FLOOR)
115-120, MOTIJHEEL C/A, DHAKA-1000.
FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2021
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Qualified Opinion

We have audited the financial statements of **Bangladesh Jute Mills Corporation (BJMC)** which comprise the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, Statement of cash flows and notes to the financial statements 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 matters described in the Basis for qualified opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of BJMC as at 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulations.

Basis for Qualified Opinion

1. During the audit, the entity failed to provide any bank statements, account numbers, or branch information for the following bank accounts (Note-24.02), : BCCI Bank (EBL) – Tk. 894,881.59, Agrani Bank (PB), A/C CD-11375-1 – Tk. 112,893.23, C&F Bank, Chattogram – Tk. 13,789.78, and C&F Bank, Khulna – Tk. 4,299.55 even though these balances have been carried forward year after year. Consequently, we were unable to obtain sufficient and appropriate audit evidence to verify the accuracy of the reported balances for these accounts, and there is also significant uncertainty regarding the recoverability of these balances from the respective banks.
2. During the year, 25 mills under the corporation were closed by government directive, and the entity continues to carry substantial loan obligations to various parties without a clear repayment feasibility. Although these events collectively give rise to material uncertainty regarding the entity's ability to continue as a going concern, the financial statements do not adequately disclose this material uncertainty related to going concern.
3. The audit fee payable of Tk. 220,350, Other payables of Tk. 13,448,644.80 under Liabilities for Expenses of Others Liabilities & Provisions (Note: 52) and Interest on FDR of Tk. 33,66,044/-, Group Insurance Liabilities-Mills of Tk. 2,60,81,728/-, ITD Scheme of Tk. 13,338,044/- Sundry Receipts A/C Closed AJM Ltd. of Tk. 23,11,84,157.31/-, Adamjee Earth Filling Project of Tk. 5,88,725.11/-, Interest-Free Government Loan (D/N) of 1,08,89,000/-, M/S Metropolitan Exports Corporation of Tk. 1,43,74,000/- under Liabilities for Other Finance of Others Liabilities & Provisions (Note: 52) have been carried forward for a prolonged period. However, the entity has not provided any clarification regarding what these balances relate to, the reasons for their continued non-payment & how interest income on FDR has been reported as payable.



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4. Despite being denominated in foreign currencies & changes in exchange rates between the functional currency and the respective foreign currencies at year-end, the entity did not recognize in accordance with IAS 21, any foreign exchange gain or loss at year-end in respect of the following balances: Bills Receivable from A.B.S. Sudan amounting to Tk. 4,160,709,200 (Note: 18), the Grain Board of Iraq amounting to Tk. 475,526,885 (Note: 18), and a Long-Term Loan from the Government of Bangladesh–Foreign Source amounting to Tk. 705,403,200 (Note: 32.02). Furthermore, BJMC was unable to confirm the applicable exchange rate at the time these amounts were recorded, as these balances have been carried forward year after year.
5. The financial statements include various financial assets, such as ADP amounting to Tk. 1,472,077,098/- (Note:02), Govt Loan(Jute) amounting to Tk. 21,450,000,000/- (Note:03), Retirement Benefit amounting to Tk. 9,895,449,843/- (Note:04), Govt. Special Loan amounting to 4,523,462,274/- (Note:05), Govt. Loan (Wages Comm.) amounting to Tk. 5,248,300,000/- (Note:06), Govt. Loan (B. Bank) with Mills amounting to Tk. 738,700,000 (Note:08), Labilities Payment(All Mills) amounting to Tk. 550,000,000/- (Note:09), Govt. Interest-free Loan amounting to Tk. 14,111,000/- (Note:10), which primarily represent contractual rights to receive cash from currently operating mills, closed mills formerly under the corporation, and pre-liberation parties in Pakistan. Despite clear indications of significant increase in credit risk associated with these assets, the entity did not measure & recognize a loss allowance based on lifetime expected credit losses, as required by IFRS-9.
6. During our audit of BJMC, we identified a discrepancy in the amount reported under "Cash at Bank" (Note 24.02) related to the Fixed Deposit Receipt (FDR) with Mercantile Bank Limited, Barodi Bazar Branch, A/C No-133741232567263. The financial statements show an FDR balance of Tk. 50,000,000, while the bank statement indicates a closing balance of Tk. 51,293,750 results in a difference of Tk. 1,293,750 due to the unrecognized of interest Income during the financial year. But we have seen that this amount is accounted on next year.
7. Bangladesh Jute Mills Corporation (BJMC) is classified as a Statutory Public Authority (SPA) under the financial reporting framework issued by the Financial Reporting Council (FRC) (Ref: SUPPLEMENTAL INFORMATION/LIST OF ENTITIES/SL No-261). As a SPA, the entity was required to prepare its financial statements in accordance with Level 3: Simple Accrual Basis FRS but contrary to the principles of accrual basis accounting; However, instead of adhering to the principles of accrual basis accounting, BJMC took the following actions:
 - i. Interest of Tk. 11,455,618/- on BJMC loan to Jabbar Jute Mills Ltd. (Note-31) & interest of Tk. 10,146,432/- on BIDD loan to Jabbar Jute Mills Ltd though accumulated since inception, were recognized in the financial statements only upon denationalization during the year.
 - ii. The interest earned from Fixed Deposit Receipts (FDR) has not been separately disclosed on the face of the Statement of Profit or Loss and Other Comprehensive Income. Furthermore, an amount of Tk. 21,513,083.96 in interest income has been incorrectly classified under operating income—"Charges levied on Enterprise"—instead of being presented as non-operating income, which is not in compliance with IFRS 15.

- iii. Accrued expenses such as utility bills (such as electricity) and audit fees have not been recognized as current liabilities.

Moreover, BJMC reports breakeven results by adjusting overhead allocations at year-end and uses a Statement of Income and Expenditure instead of the required Statement of Profit or Loss and Other Comprehensive Income, violating FRC's financial reporting standards.

Additionally, Level 3: Simple Accrual Basis FRS requires the presentation of a Budget vs. Actual Statement and Part 1 of Cash Basis of International Public Sector Accounting Standard (IPSAS) prescribes the statement of Receipts and payments, which should be prepared with the financial statements.

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 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 these requirements and with the IESBA Code and the 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 qualified opinion.

Responsibilities of the Management and those charged with Governance for the Financial Statement

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs and other applicable laws 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 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 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 controls.
- 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 organization'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 organization 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 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 Organization so far as it appeared from our examination of those books; and
- c) The Statement 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 was incurred for the purpose of organization business.

Monika Nashat Matin, FCA

Enrolment No: 1968

A. MATIN & CO.

Chartered Accountants

DVC: 2507271968 AS 422614

Place: Dhaka, Bangladesh

Dated: 27 JUL 2025





Bangladesh Jute Mills Corporation
Adamjee Court, Motijheel, Dhaka
Statement of Financial Position
As at 30th June, 2021

Particulars	Notes	Amount In Taka	
		30.06.2021	30.06.2020
Property & Assets			
Non-Current Assets:			
Property, Plant & Equipment	1.00	41,304,031	35,579,785
Government Funds Disbursed to Mills		127,059,274,934	97,386,675,139
ADP	2.00	1,472,077,098	1,472,077,098
Govt Loan(Jute)	3.00	21,450,000,000	21,450,000,000
Retirement Benefit	4.00	9,895,449,843	9,895,449,843
Govt. Special Loan	5.00	4,523,462,274	4,523,462,274
Govt.Loan(Wages Comm.)	6.00	5,248,300,000	5,248,300,000
Govt. Loan (B.Bank) with Mills	8.00	738,700,000	738,700,000
Labilities Payment(All Mills)	9.00	550,000,000	550,000,000
Govt. Interest Free Loan	10.00	14,111,000	14,111,000
Govt.Loan DSL (Electricity)	11.00	2,334,263,000	2,334,263,000
Govt.Loan Salary & Wages	12.00	16,132,255,100	16,132,255,100
Govt. Bond Against NCB.Loan(Jute & Wages)	13.00	6,922,870,000	6,922,870,000
Govt. Bond Against NCB.Loan(Jute & Wages)	14.00	21,353,102,000	21,353,102,000
Govt.Fund for VRS	7.00	5,491,750,823	5,491,750,823
Govt. Fund Disbursed for Third Party Liability Payment	25.00	60,100,000	60,100,000
Govt Loan for Re-opening Peoples & Qaumi Jute Mills Ltd	26.00	1,052,900,000	1,052,900,000
Govt Fund for DA	28.00	147,334,000	147,334,000
Govt. Fund for Closed 25 Jute Mills Workers' Golden Handshake	29.00	19,081,958,078	-
Govt. Saving Certificate issued for Closed 25 Jute Mill Workers Golden Handshake	30.00	10,590,641,717	-
Govt. Fund received against Sale of Gulshan Land	27.00	10,808,500,000	10,808,500,000
BIDC FUNDS Disbursed to		59,571,575	61,775,325
BIDC Fund (Shares Investment) to Mills	15.00	38,516,849	38,516,849
BIDC Fund (Shares Investment) to D/N Jute Mills	16.00	21,054,726	23,258,476
Fund and Liabilities of Insurance Scheme	17.00	218,749,742	218,749,742
Bills Receivable	18.00	4,636,236,085	4,636,236,085





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Particulars	Notes	Amount In Taka	
		30.06.2021	30.06.2020
Current Assets:		8,157,311,966	6,667,575,838
C/A with BJMC Mills	19.00	4,881,084,988	5,293,984,182
C/A with Closed Mills	20.00	295,322,915	293,050,278
Advance, Deposit & Prepayment	21.00	250,254,372	157,074,207
Others Clearing Accounts	22.00	48,941,458	48,894,062
Due from Returned/ De-Nationalized Jute Mills	23.00	390,004,155	315,470,632
Cash and Bank Balances	24.00	2,291,704,077	559,102,477
Total Property & Asset		150,980,948,333	119,815,091,913
Equity & Liabilities			
Authorized Capital			
Share Capital as Authorized by PO- 27 of 1972		10,000,000	10,000,000
Subscribed and Paid up Capital by GOB		500,000	500,000
Reserves and Surplus	31.00	1,247,546,575	1,195,135,352
Long Term Loan From GOB		129,954,534,825	100,281,935,030
ADP	32.00	1,472,077,098	1,472,077,098
Jute Purchase	33.00	21,450,000,000	21,450,000,000
Retirement Benefit	34.00	10,646,500,000	10,646,500,000
Govt. Special Fund for Closed Mills	35.00	4,648,695,000	4,648,695,000
Wages Commission	36.00	5,248,300,000	5,248,300,000
Govt. {B. Bank} Loan	37.00	738,700,000	738,700,000
Liability Payment {All Mills}	38.00	550,000,000	550,000,000
Interest Free Govt. Loan	39.00	14,111,000	14,111,000
Govt. Loan DSL (Electricity)	40.00	2,334,263,000	2,334,263,000
Debt Service Liabilities	41.00	3,216,931	3,216,931
Govt. Loan Against Bonus & Salary	42.00	1,100,000,000	1,100,000,000
Govt. Loan Salary & Wages	43.00	15,646,600,000	15,646,600,000
Govt. Loan Against VRS	44.00	5,721,600,000	5,721,600,000
Govt. Loan Against PPP for peoples & Quami	45.00	1,052,900,000	1,052,900,000
Third party liabilities	46.00	1,174,500,000	1,174,500,000
Govt. Loan Against D/A	47.00	204,500,000	204,500,000
Govt Bond Against NCB Loan	54.00	6,922,870,000	6,922,870,000
Govt Bond Against NCB Loan (Mills)	55.00	21,353,102,000	21,353,102,000
Govt. Fund for Closed 25 Jute Mills	56.00	19,081,958,078	-
Govt. Saving Certificate issued for Closed 25 Jute Mill Workers	57.00	10,590,641,717	-
Golden Handshake			-





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A. MATIN & CO.
Chartered Accountants

Particulars	Notes	Amount In Taka	
		30.06.2021	30.06.2020
Govt. Fund received against. Sale of Gulshan Land		10,808,500,000	10,808,500,000
Govt. Fund	48.00	202,991,463	202,991,463
BJMC Insurance Scheme	49.00	218,749,742	218,749,742
Lease Money	53.00	187,234,397	187,234,397
Current Liabilities :		8,360,891,331	6,920,045,929
Loan and Overdrafts	50.00	291,391,189	291,391,189
Current Account with Mills	51.00	7,057,103,212	5,610,710,738
Others Liabilities & Provisions	52.00	1,012,396,931	1,017,944,002
Total Equity & Liabilities		150,980,948,333	119,815,091,913

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

General Manager (Accounts & Finance)
Bangladesh Jute Mills Corporation

Monika Nashat Matin, FCA
Enrolment No. 1968
A. Matin & Co.

Chartered Accountants

DVC: 250727-999 AS 422614

Place: Dhaka, Bangladesh.

Date: 27 JUL 2025




Bangladesh Jute Mills Corporation
Adamjee Court, Motijheel, Dhaka
Statement of Profit or Loss & Other Comprehensive Income
For the year ended 30th June, 2021


Particulars	Notes	Amount In Taka	
		2020-2021	2019-2020
Income			
Charges Levied on Enterprises	58.00	291,759,346	308,113,099
Enlistment Fee		82,000	318,500
Sales of Tender form	59.00	248,400	352,000
Interest on Loan to Employees		49,248	127,925
Sundry Receipts		803,734	3,232,229
Recruitment Receipt		1,549,100	100,500
Total Taka :		294,491,828	312,244,254
Expenditure			
Salaries and Allowances		244,793,171	238,697,362
Liveries and Uniforms		588,056	126,500
Entertainment Exp.		1,340,615	936,060
Perquisite	60.00	1,019,755	972,789
Medical Expenses		230,145	165,728
Postage, Telephone, Telex etc.	61.00	563,359	580,776
TA, DA & Conveyance		5,541,638	6,001,179
Printing & Stationery		832,527	926,146
Office Rent		6,480,672	6,480,672
Rent, Rates & Taxes	62.00	222,587	124,802
Power/Electricity		1,432,539	1,447,637
Publicity and Advertisement		81,901	361,337
Jatio Pat Dibosh		289,570	22,700
Repairs and Maintenance	63.00	6,666,541	4,637,996
Fees and Professional Chgs.	64.00	2,060,877	2,131,212
Recruitment Expense		276,660	-
Fuel and Lubricants		5,009,927	5,591,632
Depreciation		3,459,703	3,669,537
Training Expenses		638,647	795,556
Insurance	65.00	746,370	1,691,969
Innovation		290,628	-
Shuddhachar		226,740	-
Welfare Expenses		63,130	60,680
Games and Sports		500,000	18,499,580
Interest and Bank Chgs.	66.00	442,494	6,891,507
Hiring of Staff Bus		3,789,639	4,175,998
Other Misc. Expenses	67.00	1,487,914	1,626,275
Business Developments	68.00	5,416,023	5,628,626
Total :		294,491,828	312,244,254



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


General Manager (Accounts & Finance)
Bangladesh Jute Mills Corporation


Monika Nishat Matin, FCA
Enrolment No. 1968
A. Matin & Co.
Chartered Accountants


Place: Dhaka, Bangladesh.
Date: 27 JUL 2025

DVC: 2507271968 AS 422614



Bangladesh Jute Mills Corporation
Adamjee Court, Motijheel, Dhaka
Statement of Cash Flow
For the year ended 30th June, 2021

Particulars	Amount In Taka	
	2020-2021	2019-2020
A. CASH FLOWS FROM OPERATING ACTIVITIES:	3,459,703	3,669,537
Net Profit/(Loss) during the year	-	-
Prior Year Adjustment	-	-
Depreciation during the year	3,459,703	3,669,537
Cash Generated from Operation:		
Increase/(Decrease) in Current Assets	242,865,472	264,299,890
Increase/(Decrease) in current account with BJMC Mills	412,899,193	292,911,907
(Increase)/Decrease in Due From Returned/De Nationalized Jute Mills	(74,533,522)	(25,809,151)
Increase/(Decrease) in advances deposits and prepayments	(93,180,165)	(40,768,298)
Increase/(Decrease) in other clearing account	(47,396)	2,510,753
(Increase)/Decrease in current account with closed mills	(2,272,637)	35,454,679
Increase/(Decrease) in Current Liabilities:	1,440,845,402	309,971,778
Increase/(Decrease) in other liabilities and provision	(5,547,071)	(12,360,217)
Increase/(Decrease) in current accounts with mills	1,446,392,474	322,331,995
Net Cash Provided/ Used from Operating Activities	1,687,170,578	577,941,205
B. CASH FLOWS FROM INVESTING ACTIVITIES:	(9,183,950)	(1,457,006)
Increase/(Decrease) in Property, Plant & Equipment Addition	(9,183,950)	(1,457,006)
Net Cash Provided/ Used from Investing Activities	(9,183,950)	(1,457,006)
C. CASH FLOWS FROM FINANCING ACTIVITIES:	54,614,973	(580,368,520)
Reserve and Surplus	52,411,223	(30,520)
Investment of BIDC funds before Merger	2,203,750	-
Govt. fund received against sale of Gulsan land	-	-
Government fund for Jute Purchase	-	-
Government fund for payment of mills salary & wages	-	5,082,700,000
Government fund disbursed to mills for purchase of Jute (Contra)	-	-
Government fund utilized for payment of mills salary & wages	-	(5,663,038,000)
Government fund received against sale of Gulshan land (Contra)	-	-
Net Cash Provided/ Used from Financing Activities	54,614,973	(580,368,520)
D. Net Increase/(Decrease) in Cash & Cash Equivalents (A+ B+C)	1,732,601,601	(3,884,321)
E. Cash & Cash Equivalents at the beginning of the year	559,102,477	562,986,798
F. Cash & Cash Equivalents at the end of the year (D+E)	2,291,704,077	559,102,477


General Manager (Accounts & Finance)
Bangladesh Jute Mills Corporation