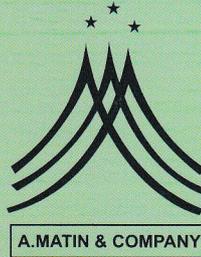


PRIVATE & CONFIDENTIAL

**AUDIT REPORT
&
FINANCIAL STATEMENTS
OF
BANGLADESH JUTE MILLS LTD.**

FOR THE YEAR ENDED ON 30TH JUNE, 2025



**এ.মতীন এন্ড কোং
A.MATIN & COMPANY
CHARTERED ACCOUNTANTS**

**60/2, Halim Palace (1st Floor), Naya Paltan, Dhaka-1000
Phone : 88 0248318191, Mobile : 01713 453596, 01728 039565
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এ. মতীন এন্ড কোং
A. MATIN & CO.
Chartered Accountants

Independent Auditor's Report

To the General Manager(Project Head) of Bangladesh Jute Mills Ltd.

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Bangladesh Jute Mills Ltd. (the "Company"), which comprise the Statement of Financial Position as at 30 June 2025 and along with 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 30 June 2025, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the matter discussed in the Basis for Qualified Opinion section of our report, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 30 June 2025 and of its financial performance and its cash flows for the period then ended 30 June 2025 in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994 and other applicable laws and regulation.

Basis for Qualified Opinion

With modification to this report, we would like to state that-

1. The Company's accumulated loss was BDT- (7,414,294,657) for the year ended 30 June 2025. It has been incurring losses year after year. Mill's Operation has been stopped from the 2020-2021 financial/Operation year as per the decision of the People's Republic of Bangladesh: The Ministry of Textile and Jute- Circular No: 24.00.0000.118.18.057.20.104, Date: 30.06.2020. The company suffers from operating losses every year; as a result, the entity is suffering from a huge accumulated loss. However no disclosure or explanation has been given in the notes to the accounts about the organization's ability to continue as a going concern. Under IAS-1-Presentation of Financial Statements, the risk of a going concern issue arises when some conditions or events cast significant doubt on an entity's ability to continue as a going concern.

2. As disclosed in note no. 10.00 (Share Capital) Though the company has provided us with articles of association and a Memorandum of Association, we could not verify the share capital amount in the financial statements due to the absence of Update RJSC Schedule X. In addition, they did not provide us with the Update Form -XII. As per the Company Act 1994, Section 36, the entity must update its Schedule X & XII.

3. As disclosed in note no.1(c): according to IAS: 16, Where an asset has been revalued, the depreciation charge is based on the revalued amount, less residual value, from the date of revaluation & the whole of the depreciation charge is recognized in profit or loss, but the mill recognizes in Profit & Loss only the depreciation charged on original cost but the depreciation on revaluation amount Tk. 422,376 does not charge. All depreciation after revaluation should be charged to Profit & Loss, and excess depreciation for revaluation could be normalized through a separate policy of reserve transfer from Revaluation Reserve to Retained Earnings. The entity does not charge depreciation on the revaluation portion; it's Non-compliance with IAS 16.

4. As disclosed in Note 13.01, the financial statements include a prior-year adjustment amounting to Tk. 219,051,041. The adjustment has not been accounted for in accordance with the requirements of IAS-8: Accounting Policies, Changes in Accounting Estimates and Errors. Furthermore, although the entity is subject to external audit on an annual basis, a material amount has been recognized as a prior-year adjustment in the current period. The nature, justification, and retrospective application of this adjustment have not been adequately supported, and the required disclosures under IAS-8 have not been appropriately presented.

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 Entity 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 the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter Paragraph:

1. As disclosed in note 2.00 Investment on entity Total Tk.10,617 but we didn't find any documents on these investment.
2. As disclosed in note 4.00 Debtors in total Tk.63,593,313 are carried forward for a long without testing their recoverability & due to lack of supporting documents we didn't verify these amount. Instances are given below:

Sl. No.	Particulars	Amount in Taka
1	Trade Debtors(Foreign)	15,496,591
2	Sundry Debtors	1,337,089
3	Subsidy Receivable	25,252,633
4	Duty Drawback	21,507,000
Total		63,593,313



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3. As disclosed in note 5.00: Due from BJMC Mills Total Tk.47,569,464 has been carried forward for a long time.
4. As disclosed in note 6: Advance, Deposit & Pre-payments Tk 23,059,064 has been carried forward for a long time.
5. As disclosed in note 7: Interim Revenue Support Receivable Tk 10,634,102 has been carried forward for a long time.
6. As disclosed note 16.00 Due to lack of supporting documents and explanation, we could not verify the Long Term Loan Tk.8,393,220,717. Instances are given below:

Sl. No.	Particulars	Amount in Taka	Remarks
1	Bank Loan: Bangladesh Bank Refinancing Loan.	219,182,418	More than 10 Years
2	Govt. Loan Through BJMC.	6,992,482,539	Slow Moving
3	NCB Loan through BJMC Against Govt. Guarantee.	363,574,147	Slow Moving
4	Govt. Bond against Liabilities	817,804,000	More than 5 Years
5	Loan from Associates	1,470,335	More than 5 Years
	Sub Total	8,394,513,439	
	Add: Liabilities in Pakistan	42,850	
	Less: Assets in Pakistan	1,335,571	
	Total	8,393,220,717	

7. As disclosed in note 18.00: Liabilities(Creditors) for Goods Tk 1,333,356. Some head of accounts amounts has been carried forward for a long time.
8. As disclosed in note 19.00: Liabilities for Expenses Tk 51,426,257. Some head of accounts amounts has been carried forward for a long time.
9. As disclosed in note 20.00: Liabilities for Others Finance: Tk.11,066,822. Some head of accounts amounts has been carried forward for a long.
10. As disclosed in note 21.00: Due to BJMC Mills Total Tk 9,058,086 has been carried forward for a long time.

Reporting on Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the 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 the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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 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 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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) 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.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.



c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) 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 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.

e) 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 finding, 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 the communicate with them all relationship 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, Financial Reporting Council - Financial Reporting Framework & the rules and regulations issued by regulatory authorities, We also report the following:

(i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(ii) 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;

(iii) the statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account.



(Monika Nashat Matin, FCA)

ICAB Enrolment No. 1968

A. Matin & Co.,

Chartered Accountants

DVC:2602171968AS365699

Place: Dhaka

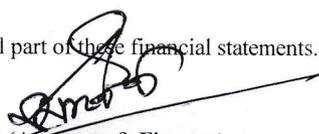
Date: 17 FEB 2026



Bangladesh Jute Mills LTD.
Statement of Financial Position
As on 30th June, 2025

SL No.	Particulars	Notes/ Sch.	Amount in Taka	
			30 June, 2025	30 June, 2024
Property & Assets :				
A	A. Non -Current Assets :		2,877,894,525	2,985,930,561
	Fixed Assets: At Cost/Revaluation Less Accumulated Dep.	1.00	2,877,883,908	2,985,919,944
	Investment at cost	2.00	10,617	10,617
B	Current Assets:		1,387,615,237	1,336,679,585
	Stock of Stores & Spares	3.00	-	-
	Debtors (Less Provision)	4.00	63,593,313	63,593,313
	Due from BJMC Mills	5.00	47,569,464	47,569,464
	Advance, Deposits & Prepayments	6.00	23,059,064	21,994,051
	Interim Revenue Support Receivable	7.00	10,634,102	10,634,102
	BJMC Current Account	8.00	1,214,719,523	1,107,771,531
	Cash & Bank Balance	9.00	28,039,771	85,117,124
	Total Property & Assets : (A+B)		4,265,509,762	4,322,610,146
Capital & Liabilities:				
C	Authorized capital	10.00	50,000,000	50,000,000
D	Equity & Retained Earnings :		(4,320,287,818)	(4,475,701,010)
	Issued, Subscribed & Paid up Capital	11.00	20,060,000	20,060,000
	GOB Equity Contribution	12.00	10,537,167	10,537,167
	Retained Earnings	13.00	(7,414,294,657)	(7,569,707,849)
	Reserve	14.00	3,063,409,672	3,063,409,672
E	Long Term Liabilities :		8,480,490,477	8,474,753,878
	Long Term Loan	16.00	8,393,220,717	8,393,220,717
	Gratuity Liabilities (Provision)	17.00	87,269,760	81,533,161
F	Current Liabilities :		105,307,103	323,557,278
	BJMC Current Account	15.00	-	-
	Liabilities for Goods	18.00	1,333,356	1,482,181
	Liabilities for Expenses	19.00	51,426,257	265,234,580
	Liabilities for other Finance	20.00	11,066,822	7,405,403
	Due to BJMC Mills	21.00	9,058,086	9,058,086
	Gratuity Payable Accounts (Current)	22.00	32,422,582	40,377,028
	Total Capital & Liabilities : (D+E+F)		4,265,509,762	4,322,610,146

This annexed notes an integral part of these financial statements.


Manager (Accounts & Finance)
and Head of Department


General Manager (Head of Project)

Signed as per our annexed report of even date.

Place: Dhaka.

Date: 17 FEB 2026

(Monika Nashat Matin, FCA)

ICAB Enrolment No. 1968

A. Matin & Co.

Chartered Accountants

DVC: 260 217 1968 AS 365699



Bangladesh Jute Mills LTD.
Statement of Manufacturing, Trading & other Comprehensive Income
For the ended 30th June, 2025.

Sl. #	Particulars	Notes/Sch.	Amount (Tk.)	
			2024-2025	2023-2024
Income :				
1	Local Sales		-	-
2	Foreign Sales		-	-
3	Total Sales : (1+2)		-	-
4	Subsidy		-	-
5	Total Income: (3+4)		-	-
Material Cost :				
6	Opening Work -In- Process		-	-
7	Raw Jute		-	-
8	Charges on Raw Jute		-	-
9	Other Direct Materials		-	-
10	Sub Total : (6 to 9)		-	-
11	Closing Work-in-Process		-	-
12	Total Material Cost : (10-11)		-	-
Conversion Cost :				
13	Opening work-in-Process		-	-
14	Wages		-	-
15	Salaries	23	58,632,372	56,405,763
16	Power/Electricity	24	103,357	189,832
17	Fuel	25	-	-
18	Repairs & Maintenance		-	-
19	Depreciation	26	1,104,984	1,104,984
20	Insurance	27	20,000	20,000
21	Other Factory Overhead	28	1,641,200	1,561,455
22	Sub-Total : (13 to 21)		61,501,913	59,282,034
23	Closing Work-in-Process		-	-
24	Total Conversion Cost : (22-23)		61,501,913	59,282,034
25	Cost of production : (12+24)		61,501,913	59,282,034
26	Opening Stock of Finished Goods		-	-
27	Cost of Goods Available for Sales : (25+26)		61,501,913	59,282,034
28	Closing Stock of Finished Goods		-	-
29	Cost of Sales : (27-28)		61,501,913	59,282,034
30	Gross Profit/(Loss) : (5-29)		(61,501,913)	(59,282,034)
31	Administrative Expenses	29	11,844,198	1,173,158
32	Selling Expenses		-	-
33	Operating Expenses (31+32)		11,844,198	1,173,158
34	Net Operating Profit/(Loss) : (30-33)		(73,346,111)	(60,455,192)
35	Interest Cash credit		-	-
36	Interest on Long Term Loan	30	-	2,456,500
37	Total Financial Expense : (35+36)		-	2,456,500
38	Non- Operating Income	31	11,104,694	6,577,619
39	Net Profit/(Loss) before Tax : (34-37+38)		(62,241,417)	(56,334,072)
40	Provision for Income Tax/Tax Expenses	32	1,396,432	-
41	Net Profit/(Loss) after Tax : (39-40)		(63,637,849)	(56,334,072)

This annexed notes an integral part of these financial statements.


Manager (Accounts & Finance)
and Head of Department


General Manager(Head of Project)

Signed as per our annexed report of even date.

Place: Dhaka.

Date: **17 FEB 2026**




(Monika Nashat Matin, FCA)

ICAB Enrolment No. 1968

A. Matin & Co.

Chartered Accountants

DVC: **2602171968AS3656**

Bangladesh Jute Mills Ltd.
Statement of Cash Flows
For the year ended 30th June, 2025

Sl. #	Particulars	Amount in Taka	
		2024-2025	2023-2024
A.	Cash Flow from Operating Activities :		
	Net Profit/(Loss) during the year	(63,798,622)	(56,334,132)
	Previous year Adjustment	-	164,925,379
	Depreciation	108,036,036	1,104,984
	Increase/ Decrease Stock & Stores	-	-
	Increase/ Decrease Advance Deposits & Prepayments	-	(1,240,117)
	Increase/ Decrease Due from BJMC Mills	-	-
	Increase/ Decrease Advance Deposits & Prepayments	(1,065,013)	-
	Increase/ Decrease Reserve	-	(74,929,734)
	Increase/ Decrease BJMC Current Account	(106,947,992)	(2,349,860)
	Increase/ Decrease Liabilities for Goods	(148,825)	-
	Increase/ Decrease Liabilities for Expenses	5,403,095	18,148,998
	Increase/ Decrease Liabilities for Other Finance	3,661,815	(8,962,609)
	Increase/ Decrease Due to BJMC Mills	-	-
	Increase/ Decrease Gratuity liabilities (Provision)	5,736,599	(11,340,765)
	Increase/ Decrease Gratuity Payable Account (Current)	(7,954,446)	(51,672,608)
	Net Cash Provided from Operating Activities : (A)	(57,077,353)	(22,650,464)
B.	Cash Flow from Investing Activities :		
	Acquisition of Fixed Assets	-	-
	Net Cash used for Investing Activities : (B)	-	-
C.	Cash Flow from Financing Activities :		
	Increase/Decrease in Long Term loan re-structure loan	-	-
	Net Cash used for Financing Activities : (C)	-	-
	Net Cash Increase/Decrease : (A+B+C)	(57,077,353)	(22,650,464)
	Cash & Bank Balance at the beginning of the year	85,117,124	107,767,588
	Cash & Bank Balance at the end of the year	28,039,771	85,117,124


Manager (Accounts & Finance)
and Head of Department


General Manager (Head of Project)



Bangladesh Jute Mills Ltd.
Statement of Cash Flows
For the year ended 30th June, 2025

Particulars	Share Capital	Govt. Equity Contribution	Reserve	Retained Earning	Total
Opening Balance as on 01.07.2024	20,060,000	10,537,167	3,063,409,672	(7,569,707,849)	(4,475,701,010)
Add : Net Profit / (Loss)	-	-	-	(63,637,849)	(63,637,849)
Reserve	-	-	-	-	-
Add: Prior years adjustment	-	-	-	219,051,041	219,051,041
Closing Balance as on 30.06.2025	20,060,000	10,537,167	3,063,409,672	(7,414,294,657)	(4,320,287,818)

Bangladesh Jute Mills Ltd.
Statement of Cash Flows
For the year ended 30th June, 2024

Particulars	Share Capital	Govt. Equity Contribution	Reserve	Retained Earning	Total
Opening Balance as on 01.07.2023	20,060,000	10,537,167	3,063,409,672	(7,678,299,095)	(4,584,292,256)
Add : Net Profit / (Loss)	-	-	-	(56,334,072)	(56,334,072)
Reserve	-	-	-	-	-
Add: Prior years adjustment	-	-	-	164,925,379	164,925,379
Closing Balance as on 30.06.2024	20,060,000	10,537,167	3,063,409,672	(7,569,707,788)	(4,475,700,949)



[Signature]
Manager (Accounts & Finance)
and Head of Department

[Signature]

General Manager (Head of Project)

Bangladesh Jute Mills Ltd.

Notes to the Financial Statement

For the year ended 30 June 2025

A. Background of the company or Legal form of the entity:

Bangladesh Jute Mills Ltd. was incorporated in the then East Pakistan under the Companies 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. Bangladesh Industrial Enterprises Nationalized Act, 25 of 1981. Now the mill Operation has been stopped from the 2020-2021 financial/Operation year as per the decision of the People's Republic of Bangladesh: The Ministry of Textile and Jute: Date of Closing on Operation is 30.06.2020. Bangladesh Jute Mills Incorporation No: C365, 1893 E.P/160 of 1962-1963, Dated: 13.04.1963. The past name of the Bangladesh Jute Mills Ltd was PAK Jute Mills Ltd. After the liberation, the name was changed.

Present Status of the company:

At present, the factory production has been closed from 1st July 2020 as per government order no: 2400.0000.118.18.057.20.104, dated 30 June 2020.

B. Main Activities of the Company:

The principal activities of the company are manufacturing, local sale, and export of jute yarn, Hessian, Sacking, and C.B.C. At present, the factory has been laid off, as says Operation has been stopped.

C. Functional and presentation currency

The financial statements are presented in Bangladesh Taka (Taka/Tk/BDT), which is the company's functional and presentation currency. Except as indicated, financial information presented in Bangladesh Taka has been rounded off to the nearest taka.

D. Reporting period

The financial period of the company covers one year from 1 July 2024 to 30 June 2025 and is followed consistently.

E. Comparative information

Comparative information has been disclosed in respect of the year ended 30 June 2025 for all numerical information in the financial statements, and also the narrative and descriptive information where it is relevant for understanding the current year's financial statements.

F. Use of estimates and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimates and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in these financial statements is stated in the notes to the Financial Position.

G. Going Concern

The Bangladesh Jute Mills Corporation (BJMC) has made an assessment of the company's ability to continue as a going concern, and they do not intend either to liquidate or to cease trading. The Company has adequate resources to continue in operation for the foreseeable future. The current resources of the Company provide sufficient funds and attributable credit facilities to meet the present requirements of its existing business. Since there are no material uncertainties related to events or conditions at the reporting date that may cast significant doubt upon the company's ability to continue as a going concern, for this reason, management continues to adopt a going concern basis in preparing the financial statements.

H. Accrual basis of accounting

The company prepares its financial statements, except for the statement of cash flows, using the accrual basis of accounting. When the accrual basis of accounting is used, an entity recognizes the elements of financial statements, such as assets, liabilities, equity, income, and expenses, when they satisfy the definitions and recognition criteria for those elements in the conceptual framework.

I. Accounting and Related Policies:

Accounting Policy:

The accounting and reporting policies of the mill conform to the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). The mill values its assets and liabilities principally on historical cost convention and follows the accrual method of accounting under an integrated accounting system except otherwise noted.

Depreciation:

Depreciation commences when the asset is in the location and condition necessary for it to be capable of operating in the manner intended. Property, plant and equipment of the company are depreciated using the straight line method. Full month's depreciation is charged for the month of acquisition. On disposal of an asset, depreciation is charged up to the month before the disposal. Each significant part of an item of property, plant and equipment is depreciated separately, using its useful life. If any residual value is considered for an asset on its expiry of expected life, the value is deducted from the cost to arrive at the depreciable amount. The residual value and useful life of an asset are reviewed at each year-end. Depreciation is expressed in terms of the percentage of the cost of the related assets. The depreciation rates per annum applicable to different categories of property, plant, and equipment. Fixed Assets were depreciated at the straight line method @ 2.5% to 25% according to the type of assets.

Assets Revaluation

The land is measured using the revaluation model. The Fixed Assets are shown at cost & Revaluation less accumulated depreciation. First time Revaluation was made in the year 1992-1993, and the second time Revaluation was made in the year 2016-2017, and the increased value was transferred to Capital Reserve Account as per BJMC Guide Line. The decision was taken by the management of Bangladesh Jute Mills Ltd., which was approved by the BJMC.

Value of Inventory:

Stock of Store and Spares has been valued at the weighted average cost price method. Finished Goods have been reported valued at latest Govt. approved selling price, which is the lower of Net Realizable Value (NRV) & cost of production.

Physical Inventory:

As reported to us, a physical inventory of stock, stores, and finished goods was carried out during the Year under audit by the mill's management. The quantity on the inventory report was stated as per physical Verification and valuation thereof has been made at cost or market price, whichever is lower.

Service and Support from BJMC:

The mills avail some administrative and other services from BJMC in those areas where such common Services can efficiently be provided. This includes internal auditing, special auditing, administrative and technical support, arrangement of finance & supplies, etc.

A. Statement of compliance

The financial statements of the company have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) vide letter no 1/1/ICAB-2017 dated 14 December 2017. The compliance status of these IASs & IFRS's are as follows:

Name of The Standards	Compliance status
IAS 1: Presentation of Financial Statements	Complied
IAS 2: Inventories	Complied
IAS 7: Statement of Cash Flows	Complied
IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors	Complied
IAS 12: Income Taxes	Complied
IAS 16: Property, Plant and Equipment	Complied
IAS 19: Employee Benefits	Not applicable
IAS 24: Related Party Disclosures	Complied
IAS 26: Accounting and Reporting by Retirement Benefit Plans	Not applicable
IAS 27: Separate Financial Statements	Not applicable
IAS 37: Provisions, Contingent Liabilities and Contingent assets	Complied
IAS 38: Intangible Assets	Complied
IAS 40: Investment Property	Not applicable
IFRS 7: Financial Instruments: Disclosures	Complied
IFRS 10: Consolidated Financial Statements	Not applicable
IFRS 11: Joint Arrangements	Not applicable
IFRS 12: Disclosure of Interests in Other Entities	Complied



Compliance with other regulatory requirements

The Company complied with the requirements of following laws and regulations from various government bodies:

- i) The Companies Act, 1994;
- ii) The Income Tax Act, 2023 and amendment thereon;
- iii) The Financial Reporting Law/Act, 2015;
- iv) The Value Added Tax and Supplementary Duty Act 2012;
- v) The Value Added Tax and Supplementary Duty Rule 2016;
- vi) The Stamp Act, 1899;
- vii) The Bangladesh Labor Act, 2006 and amended in 2015;

K. Revenue recognition

The company has recognized revenue as per IFRS-15 Revenue from Contract with Customers. The company has recognized revenue when (or as) the entity satisfies a performance obligation. This core principle is delivered in a five-step model framework:

- i) Identify the contract(s) with a customer;
- ii) Identify the performance obligations in the contract;
- iii) Determine the transaction price;
- iv) Allocate the transaction price to the performance obligations in the contract;
- v) Recognized revenue when (or as) the entity satisfies a performance obligation.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods.

Revenue is measured based on the consideration specified in a contract with a customer net of returns, discounts, free issues and VAT.

Foreign Currency Transaction

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

Service Benefits

(a) The factory is maintaining a contributory Provident Fund for its every permanent employee. The factory is providing contribution to the Fund equivalent to 10% of basic wages and salary 8.33% of year of 2017-2018 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.

Taxation

The Bangladesh Jute Mills Ltd. is incurring loss since long. This year the Company's also incurred loss. As per Income Tax Act Section 163 (Sub section-05) minimum Tax is 0.60% on their gross income. Company's has showing its advance Tax as amount Tk. 13,96,432 as tax expenses. This amount is comes from interest on the entities term deposits.

Liabilities for Expenses

Provision for certain expenses and known liabilities were made in the accounts during the year under audit.

Adjustment

Some head of account amount has been made for Prior years adjustment.

