

AUDITORS' REPORT
&
THE FINANCIAL STATEMENTS
OF
Rajshahi Jute Mills
For the Year Ended 30th June 2023

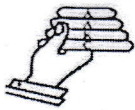
AUDITORS':

AKHTER ABBAS KHAN & Co.
Chartered Accountants

Nirman Samad Trade Centre (5th Floor)
63/1 Pioneer Road, Kakrail, Dhaka-1000

Hotel Ornate (5th Floor)
30 Bijoyagar, Dhaka-1000

Contact Number: 01972448363
Email ID: aakc.dhaka@gmail.com



Independent Auditor's Report

To the Board of Directors of

Rajshahi Jute Mills

Report on the Audit of the Financial Statements

Report on the Audit of the Financial Statements:

Qualified Opinion:

We have audited the financial statements of **Rajshahi Jute Mills** which comprise the statement of financial position as of 30 June 2023, and Statement of Manufacturing and Profit or Loss and Other Comprehensive Income, a statement of changes in equity, a 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 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 the Company as of 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Emphasis the Matter

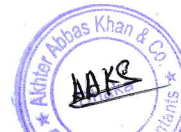
We draw attention to:

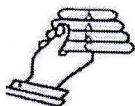
1. The company incurred a series of net losses in the consecutive four years. Details are given in the tabulated form:

Financial Year	Net profit/(Loss) after tax (BDT.)	Accumulated Profit and loss accounts (Retained Earnings) (BDT.)
2019-2020	(223,044,187.13)	(3,566,639,304.39)
2020-2021	(117,255,913.99)	(3,682,179,791.20)
2021-2022	(91,312,333.33)	(3,834,435,630.61)
2022-2023	(92,976,107.70)	(3,932,681,644.95)

We also draw attention to the production difficulties, inability to pay creditors on due dates, the inefficiency of key management, closing of Company operation and negative operating cash flows indicated by the financial statements of the company. As per ISA-570 Para 19 & 22, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and that the financial statements do not adequately disclose this matter. However, as per P.O.-27 of 1972 Rajshahi Jute Mills is a nationalized company and always backed and financially assisted by Government & subsequently Industrial Nationalization Act No. 25 of 2018. **Company Operation is closed through government circular Ref: 24.00.0000.118.18.057.20.104 dated-30 June 2020.** Our opinion is not modified in this issue.

2. There are no any fixed assets register and physical verification was not carried from inception with tagging of the same. Therefore, we cannot comment on any damage, obsolete items, scrap, over/under statement and its impact in annual financial statements. Our opinion is not modified in this issue.





3. IAS 12 requires an entity to recognize a deferred tax liability or (subject to specified conditions) a deferred tax asset for all temporary differences, with some exceptions. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the statement of financial position. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes, but the Company did not reflect any deferred tax which is a non-compliance of **IAS 12**. Our opinion is not modified in this issue.
4. Attention is drawn to Note no. 21.00 of the financial statements, regarding Liabilities for Other Finance (Including PF) as on June 30, 2023 of BDT 56,371,532.06 (in which VAT deducted at source by the amounting taka 83,714.00 and Tax deducted at source by the amounting Taka 279,391.00). VAT & TAX duly deducted by the company from various suppliers but has not been deposited to government treasury within stipulated time which is a non-compliance of VAT & SD Act, 2012 and Income Tax Act 2023 (Previous the Income Tax ordinance & Rule, 1984). After the audit period, the said dues amount has been deposited in the government Treasury. Our opinion is not modified in this issue.
5. Attention is drawn to Note no.-43.00 of the financial performance regarding Non-Operating Income as on June 30, 2023 BDT 497,955.40 but the revenue shown in the VAT Return was 0.00. There is a difference between revenue shown in the financial performance and VAT Return by TK. 497,955.40. Explanation of the management was not satisfactory about the difference of revenue in VAT Return and Statement of Profit or Loss & Other Comprehensive Income. Our opinion is not modified in this issue.

Basis for Qualified Opinion:

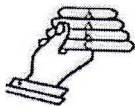
1. Attention is drawn to note no. 08 & 13 of the financial statements regarding BJMC current Account and Govt. Equity Contribution as on June 30, 2023 of BDT 169,583,988.16 and 51,700,927 respectively. BJMC current Account and Govt. Equity Contribution accounts remained unreconciled with Bangladesh Jute Mills Corporation (BJMC) Authority and the ledger balance of Rajshahi Jute Mills and BJMC remained mismatch according to supporting documents.

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 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) and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye-Laws. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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:

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, the Companies Act 1994, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concerned 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.

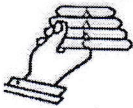
Auditor's Responsibilities for the Audit of the Financial Statements:

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 statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.



AKHTER ABBAS KHAN & CO.
Chartered Accountants

Nirman Samad Trade Centre (5th Floor)
63/1 Pioneer Road, Kakrail, Dhaka-1000
Phone: 09611286804, Cell: 01972448363
E-mail ID: aakc.dhaka@gmail.com

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.

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:

In accordance with the Companies Act 1994, 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 Company 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 account.
- d) The expenditure incurred was for the purpose of the Company's business.

Place: Dhaka

Date: 20 AUG 2024

Signed for & on behalf of
Akhter Abbas Khan & Co.
Chartered Accountants

Biplob Saha ACA
Partner

Enrollment Number-ICAB: 1992

DVC: 2408201902AS778640






Rajshahi Jute Mills
Statement of Financial Position
As on 30th June, 2023

Particulars	Note	Amount in Taka	
		30.06.2023	30.06.2022
Assets :			
Non-Current Assets :			
Property Plant & Equipment	1	4,335,133,599.95	4,373,925,231.28
Work in Progress (WIP) (building, plant and other construction)	1 (a)	258,437,316.29	258,437,316.29
Total Non-Current Assets : (A)		4,593,570,916.24	4,632,362,547.57
Current Assets :			
Investment	2	-	-
Inventories (Stock & Stores)	3	10,595,099.77	10,627,458.19
Debtors	4	45,024,002.03	77,017,911.95
Due from BJMC Mills	5	5,558,172.57	5,534,612.57
Advance, Deposit and Prepayments	6	10,538,336.10	9,429,155.81
Interim Revenue Support Receivable	7	7,480,800.22	7,480,800.22
BJMC Current Account	8	169,583,988.16	162,111,747.98
Cash & Cash Equivalent	9	45,300,175.20	193,919,365.62
Total Current Assets : (B)		294,080,574.05	466,121,052.34
Total Assets : (A+B)		4,887,651,490.29	5,098,483,599.91
Equity & Liabilities :			
Authorized Capital	11	-	-
Shareholders Equity :			
Issued, Subscribed & Paid-up Capital	12	1,072,304.00	1,072,304.00
Govt. Equity Contribution	13	51,700,927.25	51,700,927.25
Reserves & Surplus	14	4,253,067,675.22	4,286,322,268.93
Profit and Loss Account Balance (Retained Earnings)	10	(3,932,681,644.95)	(3,834,435,630.61)
Total Shareholders Equity : (C)		373,159,261.52	504,659,869.57
Non-Current Liabilities :			
BJMC Current Account	15	-	-
Long Term Loan	16	4,282,502,277.49	4,187,376,295.43
Gratuity Liabilities (Provision)	17	92,606,200.00	93,504,100.00
Total Non-Current Liabilities : (D)		4,375,108,477.49	4,280,880,395.43
Current Liabilities :			
Bank Overdraft	18	-	-
Liabilities for Goods	19	1,865,879.44	2,833,718.04
Liabilities for Expenses	20	18,302,498.32	65,162,055.25
Liabilities for Other Finance	21	56,371,532.06	76,739,683.07
Due to BJMC Mills	22	11,335,279.22	11,921,666.43
Gratuity Payable Account (Current)	23	51,508,562.24	156,286,212.12
Total Current Liabilities : (E)		139,383,751.28	312,943,334.91
Total Equity & Liabilities : (C+D+E)		4,887,651,490.29	5,098,483,599.91


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



Asstt. Manager (A&P)
সহঃ ব্যবস্থাপক (হিসাব)
রাজশাহী জুট মিলস
রাজশাহী

As per our annexed report of same date


Place: Dhaka

Date: 20 AUG 2024


Accountant & Finance Head
আবু বাশার মোঃ নুরুজ্জামান
সহঃ ব্যবস্থাপক (হিস & অঃ)
রাজশাহী জুট মিলস, রাজশাহী


Project Head
(মোঃ শরিফুল কবির)
প্রকল্প প্রধান
রাজশাহী জুট মিলস, রাজশাহী

Signed for and on behalf of
Akhter Abbas Khan & Co.
Chartered Accountants


Biplob Saha ACA
Partner

Enrollment Number-ICAB: 1992
DVC: 2403201992AS778690

Seal & name





Rajshahi Jute Mills

Statement of Manufacturing and Profit or Loss & Others Other Comprehensive Income
For the year ended 30th June, 2023

SL.	Particulars	Note	Hessian	Sacking	Amount in Taka	
					2022-2023	2021-2022
Income:						
1	Foreign sales	25	-	-	-	-
2	Local sales	26	-	-	-	201,952.00
3	Total sales (1+2)		-	-	-	201,952.00
4	Subsidy		-	-	-	-
5	Total Income (3+4)		-	-	-	201,952.00
Material cost:						
6	Opening work-in-process	27	-	-	-	-
7	Raw jute consumption	28	-	-	-	-
8	Charges on raw jute	29	-	-	-	-
9	Other direct materials consumed	30	-	-	-	-
10	Sub-Total (6 to 9)		-	-	-	-
11	Closing work-in-process	27	-	-	-	-
12	Total material cost (10-11)		-	-	-	-
Conversion cost:						
13	Opening work-in-process	27	-	-	-	-
14	Wages	31	-	-	-	-
15	Salaries: officers	32	18,839,259.62	22,187,002.61	41,026,262.23	41,118,538.09
16	Salaries: staff	32	15,812,933.63	18,622,897.45	34,435,831.08	33,882,737.55
17	Power/Electricity	33	651,901.90	767,745.10	1,419,647.00	1,692,187.50
18	Fuel	34	-	-	-	-
19	Repairs and maintenance	35	222,898.58	262,507.74	485,406.32	1,032,028.22
20	Depreciation	36	2,542,607.68	2,994,429.94	5,537,037.62	5,537,037.63
21	Insurance	37	322,826.68	380,193.10	703,019.78	708,278.78
22	Other factory overhead	38	320,841.66	377,855.34	698,697.00	397,145.00
23	Sub-Total (13 to 22)		38,713,269.75	45,592,631.28	84,305,901.03	84,367,952.77
24	Closing work-in-process	27	-	-	-	-
25	Total conversion cost (23-24)		38,713,269.75	45,592,631.28	84,305,901.03	84,367,952.77
26	Cost of production (12+25)		38,713,269.75	45,592,631.28	84,305,901.03	84,367,952.77
27	Opening stock of finished goods	39	-	-	-	319,304.86
28	Cost of goods available for sale(26+27)		38,713,269.75	45,592,631.28	84,305,901.03	84,687,257.63
29	Closing stock of finished goods	39	-	-	-	-
30	Total cost of sales (28- 29)		38,713,269.75	45,592,631.28	84,305,901.03	84,687,257.63
31	Administrative expenses	40	4,210,020.02	4,958,142.05	9,168,162.07	8,091,663.89
32	Selling expenses	41	-	-	-	23,592.00
33	Total operating expenses (30 to 32)		42,923,289.77	50,550,773.33	93,474,063.10	92,802,513.52
34	Operating profit/(loss) (5 - 33)		(42,923,289.77)	(50,550,773.33)	(93,474,063.10)	(92,600,561.52)
Financial expenses:						
35	Interest (Bangladesh Bank Refinancing)	42	-	-	-	-
36	Total interest (34+35)		-	-	-	-
37	Total profit/(loss) (34-36)		(42,923,289.77)	(50,550,773.33)	(93,474,063.10)	(92,600,561.52)
38	Non-operating income	43	228,661.12	269,294.28	497,955.40	1,288,228.19
39	Net profit/(loss) (37+38)		(42,694,628.65)	(50,281,479.05)	(92,976,107.70)	(91,312,333.33)

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

Asstt. Manager (Acct)
সহঃ ব্যবস্থাপক (হিসাব)
রাজশাহী জুট মিলস
ঢাকা পুর, রাজশাহী।

As per our annexed report of same date

Place: Dhaka

Date:

20 AUG 2024

Account's & Finance Head

আবু বাশার মোঃ নুরুজ্জামান
সহঃ ব্যবস্থাপক (হিঃ ও অঃ)
রাজশাহী জুট মিলস, রাজশাহী

Project Head

(মোঃ শরিফুল কবির)
প্রকল্প প্রধান
রাজশাহী জুট মিলস, রাজশাহী

Signed for and on behalf of
Akhter Abbas Khan & Co.
Chartered Accountants

Biplob Saha ACA
Partner

Enrollment Number-ICAB: 1992

DVC: 2408201992AS778640






Rajshahi Jute Mills


Statement of Changes In Equity
For the year ended 30th June, 2023


Particulars	2022-2023				
	Issued, Subscribed & Paid-up Capital	Govt. Equity Contribution	Reserves & Surplus	Profit and Loss Account Balance (Retained Earnings)	Total
Opening Balance	1,072,304.00	51,700,927.25	4,286,322,268.93	(3,834,435,630.61)	504,659,869.57
Less: Current year Depreciation on Revaluation of Fixed Assets	-	-	(33,254,593.71)	(92,976,107.70)	(126,230,701.41)
Add/Less: Prior year Adjustment				(5,269,906.64)	(5,269,906.64)
Balance as on June 30, 2023	1,072,304.00	51,700,927.25	4,253,067,675.22	(3,932,681,644.95)	373,159,261.52

Particulars	2021-2022				
	Issued, Subscribed & Paid-up Capital	Govt. Equity Contribution	Reserves & Surplus	Profit and Loss Account Balance (Retained Earnings)	Total
Opening Balance	1,072,304.00	51,700,927.25	4,319,579,268.93	(3,682,179,791.20)	690,172,708.98
Less: Current year Depreciation on Revaluation of Fixed Assets	-	-	(33,257,000.00)	(91,312,333.33)	(124,569,333.33)
Add/Less: Prior year Adjustment				(60,943,506.08)	(60,943,506.08)
Balance as on June 30, 2022	1,072,304.00	51,700,927.25	4,286,322,268.93	(3,834,435,630.61)	504,659,869.57

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


Asstt. Manager (A&F)
মোঃ হাকিমুর রহমান
সহঃ ব্যবস্থাপক (হিসাব)
রাজশাহী জুট মিলস্
শ্যামপুর, রাজশাহী।
As per our annexed report of same date


Accountant's & Finance Head
আবু বাশার মোঃ নুরুজ্জামান
সহঃ ব্যবস্থাপক (হিস ও অঃ)
রাজশাহী জুট মিলস্, রাজশাহী


Project Head
(মোঃ শরিফুল কবির)
প্রকল্প প্রধান
রাজশাহী জুট মিলস্, রাজশাহী

Place: Dhaka
Date:

20 AUG 2024







Rajshahi Jute Mills
Statement of Cash Flows
For the year ended 30th June, 2023


Particulars	Amount in Taka	
	2022-2023	2021-2022
A Cash Flow from Operating Activities		
Net profit/(loss) for the year	(92,976,107.70)	(91,312,333.33)
Adjusted to Reconcile Net Income	(5,269,906.64)	(60,943,506.08)
Depreciation	5,537,037.62	5,537,037.63
Decrease in debtors	31,993,909.92	85,690,818.00
Increase in due from BJMC Mills	(23,560.00)	-
Increase in due to BJMC Mills	(586,387.21)	(50,087.00)
Decrease in advance deposit and prepayments	(1,109,180.29)	642,285.18
Decreases in stock, stores and spares	32,358.42	743,907.69
Decrease in gratuity liabilities (provision)	(897,900.00)	46,839,014.89
Increase in liabilities for goods	(967,838.60)	(83,060,025.44)
Increase in liabilities for expenses	(46,859,556.93)	4,044,166.56
Increase liability for other finance	(20,368,151.01)	(17,488,828.35)
Increase BJMC current account	(7,472,240.18)	8,109,985.99
Increase in gratuity liabilities (payable)	(104,777,649.88)	(164,800,874.00)
Net Cash Used by Operating Activities	(243,745,172.48)	(266,048,438.26)
B Cash Flow from Investing Activities		
Purchase of plant, machinery and equipments	-	-
Investment	-	-
Net Cash Used by Investing Activities	-	-
C Cash Flow from Financing Activities		
Increase long term loan	95,125,982.06	327,140,912.00
Decrease bank overdraft	-	-
Net Cash Provided from Financing Activities	95,125,982.06	327,140,912.00
D Net decrease in cash and bank balance (A+B+C)	(148,619,190.42)	61,092,473.74
E Opening cash and bank balance	193,919,365.62	132,826,891.88
F Closing cash and bank balance	45,300,175.20	193,919,365.62

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


Asstt. Manager (A&F)
মোঃ হাফিজুর রহমান
সহঃ ব্যবস্থাপক (হিসাব)
রাজশাহী জুট মিলস্
শ্যামপুর, রাজশাহী।

As per our annexed report of same date


Account's & Finance Head
আবু বাশার মোঃ নুরুজ্জামান
সহঃ ব্যবস্থাপক (ডি: ও অঃ)
রাজশাহী জুট মিলস্, রাজশাহী


Project Head
মোঃ শরিফুল কবির
প্রকল্প প্রধান
রাজশাহী জুট মিলস্, রাজশাহী

Place: Dhaka
Date: 20 AUG 2024



Rajshahi Jute Mills

Notes to the Financial Statement
For the year ended 30th June, 2023

A. Legal form of the Enterprise :

Rajshahi Jute Mills was incorporated in the then 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) under P.O.27 of 1972. Subsequently Bangladesh Industrial Nationalized Act. 25 of 2018.

B. Nature of Business & Activities:

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

C. Significant Accounting Policies :

The Mill follows an integrated accounting system. These accounts have been prepared on a going concern basis under historical cost conversion based on the generally accepted accounting principles consistently applied.

D. 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 Revaluation was made in the year 2016-17 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 transaction of foreign currency are converted in Bangladeshi taka at the exchange rate prevailing on the date of transaction.

I. Service Benefits :

- The Company is maintaining a contributory Provident Fund for its every permanent employee the company is providing contribution 8.33% of salary and 10% of basic salary of permanent employee 2017-18 each.
- The company also provides Gratuity benefit to its every permanent employee equivalent to two months last basic salary for each completed year of service.

J. Taxation :

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

K. Liabilities for Expenses :

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

L. Comparative information & rearrange there of:

Figures of provisions period has been rearrange/restated whenever considered necessary to ensure with current period presentation as required by IAS-08. Accounting. Policies, changes in Accounting statements and Errors.

M. Depreciation on Revalued assets:

Depreciation on revalued assets has been charged against revolution reserve as per BJMC practice.

N. Reporting period :

The financial statements of the factory cover the period of 1st July, 2022 to 30th June, 2023 consistently.