

PRIVATE & CONFIDENTIAL

**AUDITOR'S REPORT AND FINANCIAL STATEMENTS
OF**

**R.R JUTE MILLS LTD.
FOR THE YEAR ENDED 30 JUNE 2023**

S.R. ISLAM & CO.

Chartered Accountants

37/2 Purana Paltan, Box Culvert Road,

Fayenz Tower, Level-9, Flat No.9/D,

Dhaka-1000

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Independent Auditor's Report
Of
R.R. Jute Mills Ltd.

Qualified Opinion

We have audited the financial statements of **R. R. Jute Mills Ltd.** which comprise the statement of financial position as at 30 June 2023, 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 company financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2023, 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

Depreciation charged to Capital Reserve

Depreciation on Fixed Asset revaluation has been provided in the financial statements as per BJMC Guide Line. The depreciation amount debited to the capital Reserve and credited to Fixed Assets Revaluation. As per true and fair value measurement the depreciation charge for each period which shall recognized in the profit or loss and other comprehensive Income.

Material Uncertainties Regarding Going Concern

As per Government decision Ministry of Textile and Jute vide ref: No-24.0000.118.18.057.20.104 dated 30-6-2020 stated that the R. R. Jute Mills Ltd closed on 1-7-2020 in connection with full production department activity and other department will continue in the future accordingly. In this connection, the company's going concern of its assessment of material uncertainties related to events or conditions that may cast significant doubt upon the entity ability to continue as going concern.

We 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

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.

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 and the Securities and Exchange Rules 1987, 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 Company 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.



Place. Dhaka
Date: 04 February-2024
DVC: 2402050946AS593046


Shaiful Alam, FCA
Managing Partner
S. R. Islam & Co.
Chartered Accountants



R R Jute Mills Ltd.
Banshbaria, Shitakundha, Chattogram.
Statement of Financial Position as on 30th June, 2023.

Sl. #	Particulars	Notes/ Sch.	Amount (Tk.)	
			30.06.2023	30.06.2022
A.	Property, Plant & Equipment:			
	Non Current Assets :			
	(At Cost & Revaluation less accumulated	1	945,015,405.00	947,153,904.00
	Investment	2	8,000.00	8,000.00
	Deferred Expenses		-	-
	Total Non Current Assets : (A)		945,023,405.00	947,161,904.00
B.	Current Assets :			
	Stock of Stores & Spares	3	6,510,698.42	6,517,674.42
	Debtors (less: Provisions)	4	1,050,806.25	1,050,806.25
	Due from BJMC Mills & De-Nationalised Mills	5	91,786,209.31	91,581,466.31
	Receivable From Nature Bac	6	59,870,483.69	59,870,483.69
	BJMC (HO) Lease A/c	7	47,397,931.50	23,397,931.50
	Advance, Deposits & prepayment .	8	2,893,894.65	2,861,269.65
	Interim Revenue Support Receivable	9	3,104,401.02	3,104,401.02
	BJMC Current A/C	10	-	-
	Cash & Cash Equivalent	11	13,231,168.86	27,892,227.51
	Total Current Assets : (B)		225,845,593.70	216,276,260.35
	Total Assets: (A+B)		1,170,868,998.70	1,163,438,164.35
	Capital & Liabilities :			
C.	Authorised Capital	13	25,000,000.00	25,000,000.00
D.	Equity & Retained Earnings :			
	Issued,Subscribed & paid -up Capital	14	5,000,000.00	5,000,000.00
	Govt. Equity Contribution	15	78,282,000.00	78,282,000.00
	Accumulated Profit & Loss(Retained Earnings)	12	(1,304,288,854.85)	(1,276,091,706.16)
	Reserve	16	894,824,058.02	896,068,231.02
	Total Equity & Retained Earnings :(D)		(326,182,796.83)	(296,741,475.14)
E.	Long Term Liabilities:			
	BJMC Current Account	17	335,781,334.23	339,589,569.28
	Long Term Loan	18	1,015,981,534.55	986,533,266.24
	Gratuity Liabilities (Provision)	19	28,431,020.00	27,015,540.00
	Total Long Term Liabilities:		1,380,193,888.78	1,353,138,375.52
F.	Current Liabilities :			
	Bank Overdraft	20	-	-
	Liabilities for Goods	21	2,010,172.25	2,208,580.25
	Liabilities for Expenses	22	18,994,210.01	32,420,361.08
	Liabilities for other Finance	23	58,429,836.28	34,225,101.43
	Due to BJMC Mills & De-Nationalised Mills	24	32,834,565.59	32,834,565.59
	Gratuity Payable Account (Current)	25	4,589,122.62	5,352,655.62
	Total Current Liabilities : (F)		116,857,906.75	107,041,263.97
	Total Capital & Liabilities : (D+E+F)		1,170,868,998.70	1,163,438,164.35

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

মোঃ সাখাওয়াত হাম্বলার
উপ-ব্যবস্থাপক (হিসাব ও অর্থ)
ও হিসাব বিভাগীয় প্রধান
আর.আর. জুটে মিলস লিমিটেড
বাঁশবাড়ীয়া, চট্টগ্রাম।

মোঃ নূর নবী
ব্যবস্থাপক (উৎপাদন)
প্রকল্প প্রধান
আর.আর. জুটে মিলস লিমিটেড

Date:
Place: Dhaka.

DVC: 2402050946AS503046



Shaiful Alam FCA
Enrolment No. 0946
Managing Partner
S.R. Islam & CO.
Chartered Accountants

R R Jute Mills Ltd.
Bansbaria, Shitakundha, Chattogram.
Statement of Manufacturing, Trading and Profit/(Loss) & other Comprehensive Income
for the year ended 30th June, 2023.

Sl. #	Particulars	Notes	Amount (Tk.)			Last year 2021-2022
			C.B.C.	Yarn	Total	
	Income:					
1	Foreign Sales	26	-	-	-	-
2	Local Sales		-	-	-	-
3	Total Sales : (1+2)		-	-	-	-
4	Subsidy		-	-	-	-
5	Total Operating Income : (3+4)		-	-	-	-
	Material Cost :					
6	Opening Work in Process	27	-	-	-	-
7	Raw jute	28	-	-	-	-
8	Charge on jute	29	-	-	-	-
9	Other Direct Materials	30	-	-	-	-
10	Sub Total : (6 to 9)		-	-	-	-
11	Clo work in Process	31	-	-	-	-
12	Total Materials Cost : (10-11)		-	-	-	-
	Conversion Cost :					
13	Opening Work in Process	27	-	-	-	-
14	Wages(Notice pay)	32	-	-	-	-
15	Salaries	33	-	-	21,563,881.10	20,952,081.70
16	Power	34	-	-	683,674.00	856,205.00
17	Fuel	35	-	-	116,643.00	151,896.00
18	Repairs & Maintenance	36	-	-	116,398.00	268,644.00
19	Depreciation	37	-	-	894,326.00	983,563.00
20	Insurance	38	-	-	11,630.00	11,630.00
21	Other Factory Overhead	39	-	-	-	-
22	Sub-Total : (13 to 21)		-	-	23,386,552.10	23,224,019.70
23	Closing Work in Process	31	-	-	-	-
24	Total Conversion Cost : (22-23)		-	-	23,386,552.10	23,224,019.70
25	Cost of Production : (12+24)		-	-	23,386,552.10	23,224,019.70
26	Opening Stock of F/Goods	40	-	-	-	-
27	Cost of Goods available for Sale : (25+26)		-	-	23,386,552.10	23,224,019.70
28	Total Cost of Sales : (27-28)	41	-	-	-	-
29	Gross Profit / (Loss) : (5-29)		-	-	23,386,552.10	23,224,019.70
30	Admn. Expenses	42	-	-	5,141,584.85	5,062,037.99
31	Selling Expenses	43	-	-	-	-
32	Total Operating Expenses : (31 to 32)		-	-	28,528,136.95	28,286,057.69
33	Operating Profit/(Loss) : (30-33)		-	-	(28,528,136.95)	(28,286,057.69)
	Financial Expenses :					
34	Interest Cash Credit	45	-	-	-	-
35	Interest on long Term Loan	46	-	-	-	-
36	Total Interest : (36+37)		-	-	-	-
37	Total Profit / Loss : (34-38)		-	-	(28,528,136.95)	(28,286,057.69)
38	Non Operating Income	47	-	-	4,919,296.10	49,022.53
39	Net Profit /(Loss) before Tax		-	-	(23,608,840.85)	(28,237,035.16)
40	Less: Turnover Tax Paid/TDS	44	-	-	-	-
41	Net Profit /(Loss) after Tax		-	-	(23,608,840.85)	(28,237,035.16)
42	Add:Previous year adjustment	48	-	-	(4,588,307.84)	7,306,625.63
43	Add Accumulated loss up to Previous year		-	-	(1,276,091,706.16)	(1,255,161,296.63)
44	Balance Transfer to Balance Sheet		-	-	(1,304,288,854.85)	(1,276,091,706.16)

This is the Statement of Manufacturing, Trading and Profit/(Loss) & other Comprehensive Income referred to in our separate report of even date.


মোঃ নূর নবী
 ব্যবস্থাপক (উৎপাদন)
 প্রকল্প প্রধান
 আর.আর. জুট মিলস লিঃ


মোঃ সাইফুর রহমান
 উপ-ব্যবস্থাপক (ফিন্যান্স ও অর্থ)
 ও হিসাব বিভাগীয় প্রধান
 আর.আর. জুট মিলস লিঃ
 কিশোরগঞ্জ, চট্টগ্রাম।


 Shaiful Alam FCA
 Enrolment No. 0946
 Managing Partner
 S.R. ISLAM & CO.
 Chartered Accountants

Date:
Place: Dhaka.
DVC:

2402050946AS503046



R R Jute Mills Ltd.

Banshbaria, Shitakundha, Chattogram.

Statement of Changes in Equity for year ended 30th June, 2023.

Particulars	Share Capital	Equity Contribution	Reserve	Accumulated Profit&Loss(Retained Earning)	Total
Balance as on 01.07.2022	5,000,000.00	78,282,000.00	896,068,231.02	(1,276,091,706.16)	(296,741,475.14)
Deprication on Re-Valuation Assets	-	-	(1,244,173.00)	-	(1,244,173.00)
Prior year Adjustment	-	-	-	(4,588,307.84)	(4,588,307.84)
Accumulated Profit & Loss	-	-	-	(23,608,840.85)	(23,608,840.85)
Total	5,000,000.00	78,282,000.00	894,824,058.02	(1,304,288,854.85)	(326,182,796.83)

This is the Statement of Changes in Equity to in our separate report of even date.

04 FEB 2024

Date:

Place: Dhaka.

DVC: 240205.0946AS503046



Shaiful Alam FCA
Enrolment No. 0946
Managing Partner
(S.R. Islam & Co.)
Chartered Accountants



R R Jute Mills Ltd.
Banshbaria, Shitakundha, Chattogram.

Statement of Cash Flows for the year ended 30th June, 2023.

Sl. #	Particulars	Amount (Tk.)	
		2022-2023	2021-2022
A.	Cash Flow from operating Activities :		
	Net profit/ (loss) for the year june 30.06.22	(23,608,840.85)	(28,237,035.16)
	Depreciation	894,326.00	983,563.00
	Add : Prior year adjustment profit/(loss)	(4,588,307.84)	7,306,625.63
	Total	(27,302,822.69)	(19,946,846.53)
	Increase / (Decrease) in Current Assets :		
	Stock of Stores & Spares	6,976.00	55,502.00
	Debtors (less: Provisions)	-	-
	Due from BJMC Mills	(204,743.00)	(1,167,382.00)
	BJMC (HO) Lease A/c	(24,000,000.00)	-
	Advance, Deposits & prepayment .	(32,625.00)	975,532.69
	Total	(24,230,392.00)	(136,347.31)
	Increase / (Decrease) in Current Liabilities :		
	Liabilities for Goods	(198,408.00)	(7,625,473.27)
	Liabilities for Expenses	(13,426,151.07)	(3,829,975.89)
	BJMC Current Account	(3,808,235.05)	-
	Due to BJMC Mills	-	-
	Gratuity Liabilities (Provision)	1,415,480.00	(457,440.00)
	Total	(16,017,314.12)	(11,912,889.16)
	Total Cash Flow From Operating Activities	(67,550,528.81)	(31,996,083.00)
B.	Cash Flow from Investing Activities :		
	Addition of Fixed Assets	-	-
	Long Term Loan	29,448,268.31	19,845,000.00
	Total Cash Flow From Investing Activities	29,448,268.31	19,845,000.00
C.	Cash Flow from Financing Activities :		
	Liabilities for Other Finance	24,204,734.85	(1,694,136.85)
	Gratuity Liabilities	(763,533.00)	(9,774,627.38)
	Total Cash Flow From Financing Activities	23,441,201.85	(11,468,764.23)
D.	Increase/(Decrease) in Cash and Bank Balance	(14,661,058.65)	(23,619,847.23)
E.	Cash and Cash Equivalent at beginning of the year	27,892,227.51	51,512,074.74
F.	Cash & Cash Equivalent ending of the year	13,231,168.86	27,892,227.51

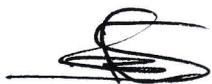
This is the Statement of Cash Flows referred to in our separate report of even date.

04 FEB 2024

Date:
Place: Dhaka.
DVC:

2402050946AS593046




Shaiful Alam FCA
Enrolment No. 0946
Managing Partner
(S.R. Islam & Co.)
Chartered Accountants

R R Jute Mills Ltd.
Banshbaria, Shitakundha, Chattogram.

Notes to the Financial Statements for the year ended 30th June, 2023.

A. Legal form of the Enterprise :

R.R. Jute Mills Ltd. was incorporated in then the East Pakistan under the Company Act 1913 subsequently amended in 1994. The mill was placed under the control the Govt. of People's Republic of Bangladesh as per Presidential order No: 27 of 1972 subsequently amended the Industrial Nationalize Act. no 25, year of 2018.

B. Nature of Business :

The principal activities of the company is manufacturing, local sale and export of jute yarn and C.B.C.

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 of Fixed Assets was made first time in 1993 and second time in the year of 2016-2017 by BJMC and the Revaluation surplus was transferred to capital Reserve as per BJMC guide line.

G. Depreciation :

Fixed Assets were depreciated at straight line percentage rate @ 2.5% to 25% according the type of assets.

H. Foreign Currency Transaction:

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

I. Service Benefits :

(a) The Company is maintaining a contributory Provident Fund for its every permanent employee, the company is providing contribution to the Fund equivalent to 10% of basic wages and 8.33% on salary of each permanent employee.

(b) The Company also provides Gratuity benefit to its every permanent employee equivalent to two month's last basic wages/ salary for each completed year of service or Six month and above

J. Taxation :

The factory is incurring loss since long. This year the factory also incurred loss. On the other hand source tax deducted on export proceeds have adjusted against company tax.

K. Liabilities for Expenses :

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

L. Reporting period :

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

