

**PRIVATE & CONFIDENTIAL**  
**AUDIT REPORT**  
**&**  
**FINANCIAL STATEMENTS**  
*OF*

**Latif Bawany Jute Mills Ltd.**

**For the year ended 30th June, 2023**



**RAHMAN ANIS & CO.**

*Chartered Accountants*

**Azad Center, 55 Purana Palton, Suit# 13/A-1 (Floor-13), Dhaka-1000, Bangladesh**  
PH: 88-02-223382597, Mobile: +88-01819491543, Email: ca\_rac@yahoo.com



**INDEPENDENT AUDITOR'S REPORT  
TO  
THE SHAREHOLDERS  
OF  
Latif Bawany Jute Mills Ltd.**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of **Latif Bawany Jute Mills Ltd.** (the Company), which comprise the statement of financial position as at 30 June 2023, and the statement of profit and 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, the accompanying financial statements give a true and fair view of 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) and other applicable laws and regulations.

**Basis for opinion**

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 section 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 we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute 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 opinion.

**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 International Financial Reporting Standards (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 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 charge with governance are also 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. 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 gives a true and fair view.

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 purposes 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.

Place: Dhaka, Bangladesh  
Date: 17 October, 2024.

  
**Mollah Hafizul Haq, FCA**  
Senior Partner  
**Rahman Anis & Co.**  
Chartered Accountants  
ICAB Enrl. No. 336  
DVC No. 2410170336AS386315



Latif Bawany Jute Mills Ltd.  
Statement of Financial Position  
as on 30th June, 2023.

Sl. #	Particulars	Notes/ Sch.	Amount (Tk.)	
			2022-2023	2021-2022
	<u>Property &amp; Assets :</u>			
A.	<u>Non Current Assets :</u>			
i.	At Cost Less Accumulated Depreciation	1.00	17,165,151,706	17,182,130,522
ii.	Investment On Associate (Sonali bag project)	2.00	93,537,399	88,891,064
	Total Non Current Assets : (A)		17,258,689,105	17,271,021,586
B.	<u>Current Assets :</u>			
	Stock & Stores	3.00	38,412,298	50,591,512
	Debtors (Less : Provision)	4.00	418,815,613	450,917,613
	Due from BJMC Mills	5.00	33,730,190	33,433,645
	Advance, Deposit & Pre Payments	6.00	48,475,416	65,674,474
	Interim Revenue Support Receivable	7.00	21,200,000	21,200,000
	BJMC Current Account	8.00	937,182,227	1,073,525,967
	Cash & Bank Balance	9.00	30,922,311	162,044,555
	Total Current Assets : (B)		1,528,738,055	1,857,387,766
	<b>Total Property &amp; Assets : (A+B+C)</b>		<b>18,787,427,160</b>	<b>19,128,409,352</b>
C.	<u>Capital &amp; Liabilities :</u>			
	Authorised Capital	10.00	25,000,000	25,000,000
D.	Profit & (Loss) Account Balance	11.00	(11,413,713,355)	(10,985,289,186)
E.	<u>Shareholders Equity &amp; Loan :</u>			
	Issued, Subscribed & Paid up capital	12.00	16,500,000	16,500,000
	Govt. Equity Contribution	13.00	90,554,607	90,554,607
	Reserves	14.00	17,105,427,847	17,111,747,647
	BJMC Current Account	15.00	-	-
	Long term Loan	16.00	11,979,582,996	11,652,654,788
	Gratuity Liabilities (Provision)	17.00	183,009,060	284,101,874
	Total Shareholders Equity & Loan : (E)		29,375,074,511	29,155,558,916
F.	<u>Current Liabilities :</u>			
	Bank Overdraft	18.00	150,824,426	179,286,176
	Liabilities for Goods	19.00	2,061,601	2,996,411
	Liabilities for Expenses	20.00	88,708,149	107,862,837
	Liabilities for Other Finance	21.00	400,147,451	334,698,002
	Due to BJMC Mills	22.00	107,570,539	110,647,716
	Gratuity Payable Account (Current)	23.00	76,753,839	222,648,480
	Total Current Liabilities : (F)		826,066,005	958,139,622
	<b>Total Capital &amp; Liabilities : (E+F)</b>		<b>18,787,427,160</b>	<b>19,128,409,352</b>

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

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DGM(A&F)  
Latif Bawany Jute Mills Ltd.

আহসান কবীর  
উপ মহা ব্যবস্থাপক (হিস ও অর্থ)  
লতিফ বাওয়ানী জুট মিলস্ লিমিটেড  
ডেমরা, ঢাকা।

Dated, Place: Dhaka, Bangladesh.  
17 October, 2024.

*MBA*

General Manager  
Latif Bawany Jute Mills Ltd.

মোহাম্মদ মুহিউদ্দীন হাদেক  
মহাব্যবস্থাপক  
লতিফ বাওয়ানী জুট মিলস্ লিমিটেড  
ডেমরা, ঢাকা।

*Raeer*  
Mollah Hafizul Haq, FCA  
Senior Partner  
Rahman Anis & Co.  
Chartered Accountants  
ICAB Enrollment No. 336  
DVC: 2410170336AS386315



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

Sl. #	Particulars	Notes/ Sch.	Amount (Tk.)	
			2022-2023	2021-2022
	<b>Income :</b>			
1	Local Sales( Cbc=0.85 Lacs)	25.00	85,000	1,877,098
2	Foreign Sales	25.00	-	-
3	<b>Total Sales : (1+2)</b>		<b>85,000</b>	<b>1,877,098</b>
4	Subsidy		-	-
5	<b>Total Income (3+4)</b>		<b>85,000</b>	<b>1,877,098</b>
	<b>Material Cost :</b>			
6	Opening Work-in-Process		-	-
7	Raw Jute		-	-
8	Other Direct Materials		-	-
9	<b>Sub-Total : (6+8)</b>		-	-
10	Closing Work-in-Process		-	-
11	<b>Total Materials Cost : (9-10)</b>		-	-
	<b>Conversion Cost :</b>			
12	Opening Work-in-Process		-	-
13	Wages	28.00	-	-
14	Salaries	29.00	127,171,557	124,289,506
15	Power/Electricity		3,570,618	4,758,951
16	Fuel /Gas Bills		1,373,499	498,960
17	Repairs & Maintenance	30.00	2,457,495	2,012,690
18	Depreciation	31.00	10,659,016	11,336,634
19	Insurance		675,848	348,731
20	Other Factory Overhead	32.00	-	2,839,591
21	<b>Sub-Total : (12+20)</b>		<b>145,908,033</b>	<b>146,085,063</b>
22	Closing Work-in-Process		-	-
23	<b>Total Conversion Cost : (21-22)</b>		<b>145,908,033</b>	<b>146,085,063</b>
24	<b>Cost of Production (11+23)</b>		<b>145,908,033</b>	<b>146,085,063</b>
25	Opening Stock of Finished Goods		85,000	1,555,000
26	<b>Cost of Goods Available for Sale (24+25)</b>		<b>145,993,033</b>	<b>147,640,063</b>
	Cloth Tr. to PLP		-	-
27	Closing Stock of Finished Goods		-	85,000
28	<b>Total Cost of Sales : (26-27)</b>		<b>145,993,033</b>	<b>147,555,063</b>
29	<b>Gross Profit/Loss : (5-28)</b>		<b>(145,908,033)</b>	<b>(145,677,965)</b>
30	Administrative Expenses	33.00	27,576,706	3,369,791
31	Selling Expenses	34.00	3,763,519	2,258,339
32	<b>Total Operating Expenses : (30+31)</b>		<b>31,340,225</b>	<b>5,628,130</b>
33	<b>Operating Profit/(Loss) (29-32)</b>		<b>(177,248,258)</b>	<b>(151,306,095)</b>
	<b>Financial Expenses :</b>			
34	Interest In Cash Credit	35.00	-	-
35	Interest Long Term Loan		-	43,717,724
36	<b>Total Interest (34+35)</b>		-	<b>43,717,724</b>
37	Non Operating Income		1,059,602	7,928,334
38	<b>Net Profit/(Loss) (33-36+37)</b>		<b>(176,188,656)</b>	<b>(187,095,485)</b>
39	Balance B/F. for the last year		(10,985,289,186)	(10,886,471,617)
40	Prior year adjustment		(252,235,513)	88,277,916
41	<b>Balance Transferred to Balance Sheet</b>		<b>(11,413,713,355)</b>	<b>(10,985,289,186)</b>

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

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DGM(A&F)  
Latif Bawany Jute Mills Ltd.

আহসান কবীর  
উপ মহা ব্যবস্থাপক (হিঃ ও অর্থ)  
লতিফ বাওয়ানী জুট মিলস্ লিঃ  
ডেমরা, ঢাকা।

Dated, Place: Dhaka, Bangladesh.  
17 October, 2024.

*MHA*  
General Manager  
Latif Bawany Jute Mills Ltd.

মোহাম্মদ মুহিউদ্দীন হাদেক  
মহাব্যবস্থাপক  
লতিফ বাওয়ানী জুট মিলস্ লিঃ  
ডেমরা, ঢাকা।

*ben*  
Mollah Hafizul Haq, FCA  
Senior Partner  
Rahman Anis & Co.  
Chartered Accountants  
ICAB Enrollment No. 336  
DVC: 2410170336AS386315



Latif Bawany Jute Mills Ltd.

Statement of Changes in Working Capital for the year ended 30th June, 2023.

Sl. #	Particulars	Amount (Tk.)	
		2022-2023	2021-2022
<b>A.</b>	<b>Current Assets :</b>		
	Stock & Store	38,412,298	53,105,867
	Book Debts	418,815,613	602,713,051
	Due from BJMC Mills	33,730,190	34,013,131
	Adv. Deposit & Pre Payments	48,475,416	99,428,727
	Interim Revenue Supports	21,200,000	21,200,000
	BJMC Current Account	937,182,227	980,247,430
	Cash & Bank Balance	30,922,311	84,839,931
	<b>Total : (A)</b>	<b>1,528,738,055</b>	<b>1,875,548,137</b>
<b>B.</b>	<b>Current Liabilities :</b>		
	Bank Overdraft	150,824,426	186,827,426
	Liabilities for Goods	2,061,601	211,217,299
	Liabilities for Expenses	88,708,149	105,694,775
	Liabilities for Other Finance	400,147,451	388,135,304
	Due to BJMC Mills	107,570,539	110,373,368
	Gratuity Payable Account (Current)	76,753,839	2,182,048,342
	<b>Total : (B)</b>	<b>826,066,005</b>	<b>3,184,296,514</b>
<b>C.</b>	<b>Increase/Decrease : (A-B)</b>	<b>702,672,051</b>	<b>(1,308,748,377)</b>

This is the Statement of Changes in Working Capital referred to in our separate report of even date.

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DGM(A&F)  
Latif Bawany Jute Mills Ltd.

আহসান কবীর  
উপ মহা ব্যবস্থাপক (হিঃ ও অর্থ)  
লতিফ বাওয়ানী জুট মিলস্ লিঃ  
ডেমরা, ঢাকা।

*MRS. M*  
General Manager

Latif Bawany Jute Mills Ltd.  
মোহাম্মদ মুহিউদ্দীন হাদেক  
মহাব্যবস্থাপক  
লতিফ বাওয়ানী জুট মিলস্ লিঃ  
ডেমরা, ঢাকা।

Dated, Place: Dhaka, Bangladesh.  
17 October, 2024.



Latif Bawany Jute Mills Ltd.  
Statement of Cash Flows  
for the year ended 30th June, 2023.

Sl. #	Particulars	Amount (Tk.)	
		2022-2023	2021-2022
<b>A. Cash Flow from Operating Activities :</b>			
	Net profit for the year	(176,188,656)	(187,095,485)
	Adjustment Previous year	(252,235,513)	88,277,916
	Depreciation	10,659,016	11,336,634
	Stock & Stores	12,179,214	2,514,355
	Debtors (Less : Provision)	32,102,000	151,795,438
	Due from BJMC Mills	(296,545)	579,486
	Advance Deposit per payment	17,199,058	33,754,253
	BJMC Current Accounts	136,343,740	(93,278,537)
	Liabilities for Goods	(934,810)	(208,220,888)
	Liabilities for Expenses	(19,154,688)	2,168,062
	Liabilities for Other Finance	65,449,449	(53,437,303)
	Due to BJMC Mill	(3,077,177)	274,348
	Gratuity Payable Account (Current)	(145,894,641)	(1,959,399,862)
	<b>Net Cash used from Operating Activities (A+B+C)</b>	<b>(323,849,553)</b>	<b>(2,210,731,582)</b>
<b>B. Cash Flow from Investing activities :</b>			
	Fixed Assets Addition	-	(84,432)
	Investment	(4,646,335)	(29,370,811)
	<b>Net Cash used from Investing Activities : (B)</b>	<b>(4,646,335)</b>	<b>(29,455,243)</b>
<b>C. Cash Flow from Financing Activities :</b>			
	Reserve	-	-
	Long Term Loan	326,928,208	2,338,913,476
	Gratuity Prov.	(101,092,814)	(13,980,777)
	Bank Overdraft	(28,461,750)	(7,541,250)
	<b>Net Cash used from Financing Activities : (C)</b>	<b>197,373,644</b>	<b>2,317,391,449</b>
	<b>Increase/(Decrease) in Cash and Bank Balance : (A+B+C)</b>	<b>(131,122,244)</b>	<b>77,204,624</b>
	Cash & Bank Balance at the beginning of the year	162,044,555	84,839,931
	<b>Cash &amp; Bank Balance at the ending of the year</b>	<b>30,922,311</b>	<b>162,044,555</b>

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

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DGM(A&F)  
Latif Bawany Jute Mills Ltd.

আহসান কবীর  
উপ মহা ব্যবস্থাপক (হিসাব ও অর্থ)  
লতিফ বাওয়ানী জুট মিলস্ লিমিটেড  
ভৈরব, ঢাকা।

*M. M. M.*

General Manager  
Latif Bawany Jute Mills Ltd.

মোহাম্মদ মুহিউদ্দীন হাদেক  
মহাব্যবস্থাপক  
লতিফ বাওয়ানী জুট মিলস্ লিমিটেড  
ভৈরব, ঢাকা।

Dated, Place: Dhaka, Bangladesh.  
17 October, 2024.





Latif Bawany Jute Mills Ltd.

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

**A. Legal form of the Enterprise :**

Latif Bawany Jute Mills Ltd. incorporated in then the 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 the Industrial Nationalization Act No. 25th of 2018.

**B. Nature of Business & Activities :**

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

**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. 1st time revaluation was made in the year 1992-93 and 2nd time revaluation was made in the year 2016-2017 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 transactions of foreign currency are converted in Bangladeshi taka at the exchange rate prevailing on the date of transaction.

**I. Service Benefits :**

(a) The mill is maintaining a contributory Provident Fund for its every permanent employee. The mill is providing contribution to the Fund equivalent to 10% of basic salary of each permanent employee and company contribution 8.33% as November 2018.

(b) The mill also provides Gratuity benefit to its every permanent employee equivalent to two months last basic salary for each completed year of service.

**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.

**M. The mill production process has been closed from 01/07/2020, By govt. gadget notification no. 24.00.0000.118.18.057.20.104 Dated- 30/06/2020**

