

**Independent Auditor's Report
and
Financial Statements
of
Rajshahi Jute Mills
As at and for the year ended 30 June 2024**

**SHUBHANKAR & CO.
CHARTERED ACCOUNTANTS
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Shubhankar & Co.

Chartered Accountants

Independent Auditor's Report To the Managements of Rajshahi Jute Mills

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Rajshahi Jute Mills** which comprise the Statement of Financial Position as at 30 June 2024 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, the accompanying financial statements give a true and fair view of the financial position of the entity as at 30 June 2024, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs).

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

Going Concern

The entity has experienced a series of net losses over the past years. Additionally, we highlight the closure of mill operations, the cessation of production, and the ongoing negative operating cash flows. According to ISA 570, these events and conditions indicate the existence of material uncertainty that may significantly doubt the entity's ability to continue as a going concern, and the financial statements do not adequately disclose this matter. However, Rajshahi Jute Mills is a nationalized company and is under the control and management of the Bangladesh Jute Mills Corporation (BJMC) as per P.O. 27 of 1972, and subsequently the Bangladesh Industrial Nationalization Act 25 of 2018. Therefore, the company has consistently been supported and financially assisted by the government.

Emphasis of Matter

1. As disclosed in Note No. 1.00 of the financial statements, the written down value of Property, Plant, and Equipment is Taka 4,297,445,756.01. However, we were unable to conduct a physical count of these assets due to the unavailability of the asset register or a detailed itemized list, which should include the purchase date, asset identification number, acquisition documents, and asset locations.



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2. As disclosed in Note No. 3.00 of the financial statements, the value of Stock & Stores is Taka 10,570,636.40. However, we were unable to perform a physical count of the Stock and Stores as of June 30, 2024, as our appointment occurred after the year-end.
3. As disclosed in Note No. 9.01 of the financial statements, the Cash in Hand is reported as Taka 216,099.00. We were unable to perform a physical count as of June 30, 2024, due to our appointment occurring after the year-end. However, we conducted a verification of the cash in hand during the course of our audit on January 16, 2025, and found that the cash in hand was in agreement with the cash book.
4. As disclosed in Note No. 44.00 of the financial statements, the non-operating income is reported as Taka 2,287,764.94. However, the revenue reported in the VAT return is Taka 0.00, resulting in a discrepancy between the revenue presented in the statement of profit or loss and the VAT return.

Other Matter

All beginning balances of all heads of accounts were drawn from audited financial statements of June 30, 2023 of immediate earlier year.

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 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 entity'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 entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity'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 the audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:



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- 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 entity'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 entity'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 entity 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity to express our opinion on the financial statements. We are responsible for the direction, supervision and performance of the entity audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

We also report that:

- 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 entity so far as it appeared from our examination of those books;



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- c) 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 and returns.

Place: Dhaka
Date:

Nirmal Roy, FCA
ICAB Enrollment No. 1851
For and on behalf of
Shubhankar & Co.
Chartered Accountants
DVC: 2503131851A S611621

Rajshahi Jute Mills
Statement of Financial Position
As on 30 June 2024

Particulars	Notes	Amount in Taka	
		30.06.2024	30.06.2023
Assets:			
Non Current Assets		4,499,230,811.17	4,593,570,916.24
Property, Plant & Equipment	1	4,297,445,756.01	4,335,133,599.95
Construction Work in Progress (2nd Unit)	1.01	201,785,055.16	258,437,316.29
Current Assets		282,567,508.09	294,080,574.05
Investments	2	-	-
Stock and Stores	3	10,570,636.40	10,595,099.77
Debtors	4	15,527,440.90	45,024,002.03
Due from BJMC/ Denationalize Mills	5	6,243,521.47	5,558,172.57
Advance, Deposits & Pre-payments	6	6,188,853.94	10,538,336.10
Interim Revenue Support Receivable	7	7,480,800.22	7,480,800.22
BJMC Current Account	8	203,808,506.59	169,583,988.16
Cash and Cash Equivalents	9	32,747,748.57	45,300,175.20
Total Assets		4,781,798,319.26	4,887,651,490.29
Equity & Liabilities:			
Shareholders Equity		253,902,953.63	373,159,261.52
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	4,219,813,675.22	4,253,067,675.22
Profit and Loss Account Balance (Retained Earnings)	10	(4,018,683,952.84)	(3,932,681,644.95)
Non Current Liabilities		4,409,064,336.49	4,375,108,477.49
BJMC Current Account	15	-	-
Long Term Loan	16	4,300,198,976.49	4,282,502,277.49
Gratuity Liabilities (Provision)	17	108,865,360.00	92,606,200.00
Current Liabilities		118,831,029.14	139,383,751.28
Bank Overdraft	18	-	-
Liabilities for Goods	19	1,837,887.16	1,865,879.44
Liabilities for Expenses	20	18,131,662.55	18,302,498.32
Liabilities for Other Finance	21	54,506,623.38	56,371,532.06
Due to BJMC/ Denationalise Mills	22	10,465,995.81	11,335,279.22
Gratuity Payable Account (Current)	23	33,888,860.24	51,508,562.24
Total Equity & Liabilities		4,781,798,319.26	4,887,651,490.29

The annexed notes form an integral part of the statements financial Position.

Dy. Manager (A&F)

Account's & Finance Head

Project Head

Signed as per our annexed report of even date



Nirmal Roy, FCA
ICAB Enrollment No. 1851
For and on behalf of
Shubhankar & Co.
Chartered Accountants

Rajshahi Jute Mills

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2024

Sl No	Particulars	Notes	Hessian	Sacking	Amount in Taka	
					2023-2024	2022-2023
	Income:					
1	Local sales	25	-	-	-	-
2	Foreign sales	26	-	-	-	-
3	Total sales (1+2)		-	-	-	-
4	Subsidy		-	-	-	-
5	Total Income (3+4)		-	-	-	-
	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	23,322,632.19	27,467,072.05	50,789,704.24	41,026,262.23
16	Salaries: staff	32	16,001,280.32	18,844,713.41	34,845,993.73	34,435,831.08
17	Power/Electricity	33	821,436.25	967,405.75	1,788,842.00	1,419,647.00
18	Fuel	34	-	-	-	-
19	Repairs and maintenance	35	401,314.79	472,628.57	873,943.36	485,406.32
20	Depreciation	36	2,275,664.30	2,680,050.63	4,955,714.93	5,537,037.62
21	Insurance	37	309,330.84	364,299.04	673,629.88	703,019.78
22	Other factory overhead	38	86,680.88	102,084.12	188,765.00	698,697.00
23	Sub-Total (13 to 22)		43,218,339.56	50,898,253.58	94,116,593.14	84,305,901.03
24	Closing work-in-process	27	-	-	-	-
25	Total conversion cost (23-24)		43,218,339.56	50,898,253.58	94,116,593.14	84,305,901.03
26	Cost of production (12+25)		43,218,339.56	50,898,253.58	94,116,593.14	84,305,901.03
27	Opening stock of finished goods	39	-	-	-	-
28	Cost of goods available for sale(26+27)		43,218,339.56	50,898,253.58	94,116,593.14	84,305,901.03
29	Closing stock of finished goods	39	-	-	-	-
30	Total cost of sales (28- 29)		43,218,339.56	50,898,253.58	94,116,593.14	84,305,901.03
31	Administrative expenses	40	3,070,235.06	3,615,816.91	6,686,051.97	9,168,162.07
32	Selling expenses	41	-	-	-	-
33	Total operating expenses (30 to 32)		46,288,574.63	54,514,070.48	100,802,645.11	93,474,063.10
34	Operating profit/(loss) (5 - 33)		(46,288,574.63)	(54,514,070.48)	(100,802,645.11)	(93,474,063.10)
	Financial expenses:					
35	Interest Expenses	42	-	-	-	-
36	Total profit/(loss) (34-35)		(46,288,574.63)	(54,514,070.48)	(100,802,645.11)	(93,474,063.10)
37	Non-operating income	44	1,050,541.66	1,237,223.28	2,287,764.94	497,955.40
38	Net profit/(loss) before tax (36+37)		(45,238,032.97)	(53,276,847.20)	(98,514,880.17)	(92,976,107.70)
39	Income Tax Expenses	44	51,445.00	60,586.79	112,031.79	-
40	Net profit/(loss) after tax (38-39)		(45,289,477.96)	(53,337,434.00)	(98,626,911.96)	(92,976,107.70)

The annexed notes form an integral part of the statements financial Position.

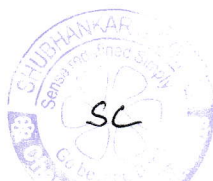
Dy. Manager (A&F)

Account's & Finance Head

Project Head

Signed as per our annexed report of even date

Place: Dhaka
Date:



Nirmal Roy, FCA
ICAB Enrollment No. 1851
For and on behalf of
Shubhankar & Co.
Chartered Accountants
DVC: 2503131851/AS611621

Rajshahi Jute Mills
Statement of Changes In Equity
For the year ended 30 June 2024

Particulars	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	4,253,067,675.22	(3,932,681,644.95)	373,159,261.52
Less: Current year Depreciation on Revaluation of Fixed Assets	-	-	33,254,000.00	(98,626,911.96)	(65,372,911.96)
Add/Less: Prior year Adjustment	-	-	-	12,624,604.07	12,624,604.07
Balance as on June 30, 2024	1,072,304.00	51,700,927.25	4,219,813,675.22	(4,018,683,952.84)	253,902,953.63

For the year ended 30 June 2023

Particulars	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

The annexed notes form an integral part of the statements financial Position.

20.06.2024
Dy. Manager (A&F)

20.06.2025
Account's & Finance Head

20.06.2025
Project Head

Place: Dhaka

Date:



Rajshahi Jute Mills
Statement of Cash Flows
For the year ended 30 June 2024

Particulars	Amount in Taka	
	2023-2024	2022-2023
A. Cash Flow from Operating Activities		
Net profit/(loss) for the year	(98,626,911.96)	(92,976,107.70)
Adjusted to Reconcile Net Income	12,624,604.07	(5,269,906.64)
Depreciation	4,527,713.94	5,537,037.62
(Increase)/ Decrease in debtors	29,496,561.13	31,993,909.92
(Increase)/ Decrease in due from BJMC Mills	(685,348.90)	(23,560.00)
(Increase)/ Decrease in advance deposit and prepayments	4,349,482.16	(1,109,180.29)
(Increase)/ Decrease in stock, stores and spares	24,463.37	32,358.42
(Increase)/ Decrease BJMC current account	(34,224,518.43)	(7,472,240.18)
Increase/ (Decrease) in due to BJMC Mills	(869,283.41)	(586,387.21)
Increase/ (Decrease) in gratuity liabilities (provision)	16,259,160.00	(897,900.00)
Increase/ (Decrease) in liabilities for goods	(27,992.28)	(967,838.60)
Increase/ (Decrease) in liabilities for expenses	(170,835.77)	(46,859,556.93)
Increase/ (Decrease) in liabilities for other finance	(1,864,908.68)	(20,368,151.01)
Increase/ (Decrease) in gratuity liabilities (payable)	(17,619,702.00)	(104,777,649.88)
Net Cash Used by Operating Activities	(86,807,516.76)	(243,745,172.48)
B. Cash Flow from Investing Activities		
Purchase of plant, machinery and equipment	(93,870.00)	-
Sale of plant, machinery and equipment of Construction WIP (2nd Unit)	56,652,261.13	-
Investment	-	-
Net Cash Provided by Investing Activities	56,558,391.13	-
C. Cash Flow from Financing Activities		
Increase in long term loan	17,696,699.00	95,125,982.06
Decrease in bank overdraft	-	-
Net Cash Provided by Financing Activities	17,696,699.00	95,125,982.06
Net decrease in cash and cash equivalents (A+B+C)	(12,552,426.63)	(148,619,190.42)
Opening cash and cash equivalents	45,300,175.20	193,919,365.62
Closing cash and cash equivalents	32,747,748.57	45,300,175.20

The annexed notes form an integral part of the Statement of financial Position.

[Signature]
26.06.2024
Dy. Manager (A&F)

[Signature]
03.07.2025
Account's & Finance Head

[Signature]
13.03.2025
Project Head

Place: Dhaka
Date:



Rajshahi Jute Mills
Notes to the Financial Statement
As at and for the year ended 30 June 2024

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. Property, Plant & Equipment's :

The Property, Plant & Equipment's 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 :

a) 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.

b) 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. 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.

K. Comparative information & rearrange there of:

Figures of comparative period has been rearrange/ restated whenever considered necessary to ensure with current period presentation.

L. Depreciation on Revalued assets:

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

M. Reporting period :

The financial statements of the entity cover the period of 1st July, 2023 to 30th June, 2024.