

final

Private & Confidential

Auditors' Report and Financial Statements

of

R R Jute Mills Ltd.

Banshbaria, Shitakundha, Chattogram.

For the year ended 30th June, 2022.

MASUD ALTAF & CO.

Chartered Accountants

Dom-Inno Apartment, B-1

23/16, Khilji Road, Block-B

Shyamoli, Mohammadpur, Dhaka-1207.

Telephone no. 88-02-48117178

Mobile no. 01711-536193

E-mail : macaudit.2002@gmail.com

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

Opinion

We have audited the Financial Statements of "R R Jute Mills Ltd." which comprise the Statement of Financial position as on 30th June, 2022 and related the Statement of Manufacturing, Trading and Comprehensive Income, Changes in Equity & 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 of the Company gives a true and fair view of the Financial Position as on 30th June, 2022 and of its Statement of Manufacturing, Trading and Comprehensive Income, Changes in Equity & Cash Flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 2 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Auditing Standards (IAS). 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), We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and 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.

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 also separate financial statement of the Company in accordance with IFRSs as explained in note 2 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 IASs 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 International Auditing Standards IASs, 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the rules and regulations issued by regulatory authorities, 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.
- c) The Statement of Financial Position, Statement of Manufacturing, Trading and Profit/ (Loss) & Other Comprehensive Income, Changes in Equity and Cash Flows dealt with by the report are in agreement with the books of account and returns, and
- d) The expenditures incurred were for the purpose of the company's business for the year.

Dated, Dhaka.
04th February, 2023.




(MASUD ALTAF & CO.)
Chartered Accountants
DVC: 2302040684AS741403

R R Jute Mills Ltd.

Banshbaria, Shitakundha, Chattogram.

Statement of Financial Position as on 30th June, 2022.

Sl. #	Particulars	Notes/ Sch.	Amount (Tk.)	
			30.06.2022	30.06.2021
A. Property & Assets :				
Non Current Assets :				
	(At Cost & Revaluation less accumulated depreciation)	1	947,153,904.00	949,439,799.00
	Investment	2	8,000.00	8,000.00
	Total Non Current Assets : (A)		947,161,904.00	949,447,799.00
B. Current Assets :				
	Stock of Stores & Spares	3	6,517,674.42	6,573,176.42
	Debtors (less: Provisions)	4	1,050,806.25	1,050,806.25
	Due from BJMC Mills & De-Nationalised Mills	5	91,581,466.31	90,414,084.31
	Receivable From Nature Bac	6	59,870,483.69	59,870,483.69
	BJMC (HO) Lease A/c	7	23,397,931.50	23,397,931.50
	Advance, Deposits & prepayment .	8	2,861,269.65	3,836,802.34
	Interim Revenue Support Receivable	9	3,104,401.02	3,104,401.02
	BJMC Current A/C	10	-	-
	Cash & Bank Balances	11	27,892,227.51	51,512,074.74
	Total Current Assets : (B)		216,276,260.35	239,759,760.27
C. Profit and Loss Account Balance : (C)				
	Total Property & Assets: (A+B+C)	12	1,276,091,706.16	1,255,161,296.63
			2,439,529,870.51	2,444,368,855.90
D. Capital & Liabilities :				
Authorised Capital :				
Shareholders Equity & Loan :				
	Issued,Subscribed & paid -up Capital	13	25,000,000.00	25,000,000.00
	Govt. Equity Contribution	14	5,000,000.00	5,000,000.00
	Reserve	15	78,282,000.00	78,282,000.00
	BJMC Current Account	16	896,068,231.02	897,370,563.02
	Long Term Loan	17	339,589,569.28	339,589,569.28
	Gratuity Liabilities (Provision)	18	986,533,266.24	966,688,266.24
	Total Shareholders Equity & Loan : (D)	19	27,015,540.00	27,472,980.00
			2,332,488,606.54	2,314,403,378.54
E. Current Liabilities :				
	Bank Overdraft	20	-	-
	Liabilities for Goods	21	2,208,580.25	9,834,053.52
	Liabilities for Expenses	22	32,420,361.08	36,250,336.97
	Liabilities for other Finance	23	34,225,101.43	35,919,238.28
	Due to BJMC Mills & De-Nationalised Mills	24	32,834,565.59	32,834,565.59
	Gratuity Payable Account (Current)	25	5,352,655.62	15,127,283.00
	Total Current Liabilities : (E)		107,041,263.97	129,965,477.36
F. Total Capital & Liabilities : (D+E)				
			2,439,529,870.51	2,444,368,855.90

মোঃ সাখাওয়াত খন্দকার
উপ-ব্যবস্থাপক (হিসাব ও অর্থ) ও
হিসাব বিভাগীয় প্রধান
আর আর জুট মিলস্ লিমিটেড
বান্ধাবাড়িয়া, চট্টগ্রাম।

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

Dated, Dhaka.
4th February, 2023.

মোঃ নূর নবী
ব্যবস্থাপক (উৎপাদন)
ও
প্রকল্প প্রধান
আর.আর. জুট মিলস্ লিমিটেড (MASUD ALTAF & CO.)
Chartered Accountants
DVC: 2302040684AS741403



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

**Statement of Manufacturing, Trading and Profit/(Loss) & other Comprehensive Income
for the year ended 30th June, 2022.**

Sl. #	Particulars	Notes	Amount (Tk.)			Last year 2020-2021
			C.B.C.	Yarn	Total	
	Income:					
1	Foreign Sales	26	-	-	-	13,784,402.00
2	Local Sales		-	-	-	8,124,233.00
3	Total Sales : (1+2)		-	-	-	21,908,635.00
4	Subsidy		-	-	-	1,654,128.00
5	Total Operating Income : (3+4)		-	-	-	23,562,763.00
	Material Cost :					
6	Opening Work in Process	27	-	-	-	6,090,838.00
7	Raw jute	28	-	-	-	-
8	Charge on jute	29	-	-	-	-
9	Other Direct Materials	30	-	-	-	6,090,838.00
10	Sub Total : (6 to 9)		-	-	-	-
11	Clo.work in Process	31	-	-	-	6,090,838.00
12	Total Materials Cost : (10-11)		-	-	-	-
	Conversion Cost :					
13	Opening Work in Process	27	-	-	-	1,074,854.00
14	Wages(Notice pay)	32	-	-	-	4,934,621.00
15	Salaries	33	-	-	20,952,081.70	23,235,030.04
16	Power	34	-	-	856,205.00	923,994.00
17	Fuel	35	-	-	151,896.00	230,614.00
18	Repairs & Maintenance	36	-	-	268,644.00	387,663.00
19	Depreciation	37	-	-	983,563.00	1,061,641.00
20	Insurance	38	-	-	11,630.00	127,989.00
21	Other Factory Overhead	39	-	-	-	1,057,425.50
22	Sub-Total : (13 to 21)		-	-	23,224,019.70	33,033,831.54
23	Closing Work in Process	31	-	-	-	-
24	Total Conversion Cost : (22-23)		-	-	23,224,019.70	39,124,669.54
25	Cost of Production : (12+24)		-	-	-	14,704,267.00
26	Opening Stock of F/Goods	40	-	-	-	-
27	Cost of Goods available for Sale : (25+26)		-	-	23,224,019.70	53,828,936.54
28	Total Cost of Sales : (27-28)	41	-	-	23,224,019.70	53,828,936.54
29	Gross Profit / (Loss) : (5-29)		-	-	5,062,037.99	9,257,224.00
30	Admn. Expenses	42	-	-	-	450,180.81
31	Selling Expenses	43	-	-	-	63,536,341.35
32	Total Operating Expenses : (31 to 32)		-	-	28,286,057.69	(39,973,578.35)
33	Operating Profit/(Loss) : (30-33)		-	-	(28,286,057.69)	(39,973,578.35)
	Financial Expenses :					
34	Interest Cash Credit	45	-	-	-	-
35	Interest on long Term Loan	46	-	-	-	-
36	Total Interest : (36+37)		-	-	(28,286,057.69)	(39,973,578.35)
37	Total Profit / Loss : (34-38)		-	-	49,022.53	88,679.43
38	Non Operating Income	47	-	-	(28,237,035.16)	(39,884,898.92)
39	Net Profit/(Loss) before Tax		-	-	-	1,328,381.00
40	Less: Turnover Tax Paid/TDS	44	-	-	(28,237,035.16)	(41,213,279.92)
41	Net Profit/(Loss) after Tax		-	-	7,306,625.63	6,874,065.18
42	Add:Previous year adjustment	48	-	-	(1,255,161,296.63)	(1,220,822,081.89)
43	Add:Accumulated loss up to Previous year		-	-	(1,276,091,706.16)	(1,255,161,296.63)
44	Balance Transfer to Balance Sheet		-	-	-	-

মোঃ সাখাওয়াত খন্দকার
উপ-ব্যবস্থাপক (হিসাব ও কর) ও
হিসাব বিভাগীয় প্রধান
আর আর জুট মিলস লিমিটেড
বান্ধাবারীয়া, চট্টগ্রাম।

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

Dated, Dhaka.
4th February, 2023.

(MASUD ALTAF & CO.)
Chartered Accountants
DVC: 2302040684AS741403



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

Statement of Changes in Equity for year ended 30th June, 2022.

Particulars	Share Capital	Equity Contribution	Reserve	Profit and Loss Account	Total
Balance as on 01.07.2021	5,000,000.00	78,282,000.00	897,370,563.02	(1,255,161,296.63)	(274,508,733.61)
Deprication on Re-Valuation Assets	-	-	(1,302,332.00)	-	(1,302,332.00)
Prior year Adjustment	-	-	-	7,306,625.63	7,306,625.63
Profit & Loss A/C	-	-	-	(28,237,035.16)	(28,237,035.16)
Total	5,000,000.00	78,282,000.00	896,068,231.02	(1,276,091,706.16)	(296,741,475.14)

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

Dated, Dhaka.
4th February, 2023.



(Signature)
(MASUD ALTAF & CO.)
Chartered Accountants
DVC: 2302040684AS741403

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

Statement of Cash Flows for the year ended 30th June, 2022.

Sl. #	Particulars	Amount (Tk.)	
		2021-2022	2020-2021
A.	Cash Flow from operating Activities :		
	Net profit/ (loss) for the year june 30.06.22	(28,237,035.16)	(41,213,279.92)
	Depreciation & Revaluation	983,563.00	1,061,641.00
	Add : Prior year adjustment profit/(loss)	7,306,625.63	6,874,065.18
	Total	(19,946,846.53)	(33,277,573.74)
	Increase / (Decrease) in Current Assets :		
	Stock of Stores & Spares	55,502.00	39,156,521.54
	Debtors (less: Provisions)	-	31,405,312.85
	Due from BJMC Mills	(1,167,382.00)	(6,816,979.09)
	Advance, Deposits & prepayment .	975,532.69	184,752.69
	Total	(136,347.31)	63,929,607.99
	Increase / (Decrease) in Current Liabilities :		
	Liabilities for Goods	(7,625,473.27)	(46,858,129.00)
	Liabilities for Expenses	(3,829,975.89)	(82,418,685.55)
	BJMC Current Account	-	12,970,459.00
	Due to BJMC Mills	-	29,786,263.92
	Gratuity Liabilities (Provision)	(457,440.00)	(5,110,360.00)
	Total	(11,912,889.16)	(91,630,451.63)
	Total Cash Flow From Operating Activities	(31,996,083.00)	(60,978,417.38)
B.	Cash Flow from Investing Activities :		
	Addition of Fixed Assets	-	-
	Long Term Loan	19,845,000.00	197,987,705.00
	Total Cash Flow From Investing Activities	19,845,000.00	197,987,705.00
C.	Cash Flow from Financing Activities :		
	Liabilities for Other Finance	(1,694,136.85)	1,251,990.35
	Gratuity Liabilities	(9,774,627.38)	(123,540,130.97)
	Total Cash Flow From Financing Activities	(11,468,764.23)	(122,288,140.62)
D.	Increase/(Decrease) in Cash and Bank Balance	(23,619,847.23)	14,721,147.00
E.	Cash and Bank Balance at beginning of the year	51,512,074.74	36,790,927.74
F.	Cash & Bank Balance as on 30.06.2022	27,892,227.51	51,512,074.74

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

Dated, Dhaka.
4th February, 2023.



(MASUD ALTAF & CO.)
Chartered Accountants
DVC: 2302040684AS741403

R R Jute Mills Ltd.

Banshbaria, Shitakundha, Chattogram.

Schedule of Quantity Production, Sales & Closing Stock for the year ended 30th June, 2022.

(M. Ton)

Particulars	CBC	Yarn	Total
Loom Operation	-	-	-
Working Days	-	-	-
Weaving Production	-	-	-
Opg. Work-in -Processes	-	-	-
Equivalent Production	-	-	-
Sub-Total	-	-	-
Clg. Work-in -Processes	-	-	-
Bale Production	-	-	-
Opg. Stock of F/Goods	-	-	-
Goods available for Sales	-	-	-
Clg. Stock of F/ Goods.	-	-	-
Foreign Sales- CBC	-	-	-
Local Sales-CBC	-	-	-
Local Sales- Work-in Process	-	-	-
Total Sales	-	-	-



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

Schedule of Fixed Assets as on 30th June, 2022.

Schedule-1.00

Sl. #	Particulars	Original Cost			Revaluation			Total Cost as on 30.06.2022	
		Opening Balance as on 01.07.2021	Addition during the year 2021-2022	Adjustment/Disp. 2021-2022	Total Cost as on 30.06.2022	Opening Balance	Add Excess Value		Total
1	Land	168,115.65	-	-	168,115.65	770,231,884.35	-	770,231,884.35	770,400,000.00
2	Land Development	56,375.00	-	-	56,375.00	8,774,786.00	-	8,774,786.00	8,831,161.00
3	Building & Other Construction	4,828,772.96	-	-	4,828,772.96	72,299,371.04	-	72,299,371.04	77,128,144.00
4	Plant, Machinery & Equipment	49,655,443.65	-	-	49,655,443.65	50,840,452.35	-	50,840,452.35	100,495,896.00
5	Furniture & Fixture	1,012,217.11	-	-	1,012,217.11	137,088.89	-	137,088.89	1,149,306.00
6	Vehicles	20,000.00	-	-	20,000.00	-	-	-	20,000.00
7	Sundry Assets	560,910.88	-	-	560,910.88	14,829.12	-	14,829.12	575,740.00
8	Biological Assets	-	-	-	-	1,466,600.00	-	1,466,600.00	1,466,600.00
	Total	56,301,835.25	-	-	56,301,835.25	903,765,011.75	-	903,765,011.75	960,066,847.00

Sl. #	Depreciation On Original Cost			Depreciation On Revaluation			Total Depreciation			Written Down Value as on 30.06.2021		
	Opening as on 01.07.2021	Charged during the year	Adjustment/Disp. 2021-22	Opening as on 01.07.2021	Charged during the year	Adjustment/Disp. 2021-22	Total as on 30.06.2022	For the year	Cumulative	Original Cost	Revaluation	Total
1	-	-	-	-	-	-	-	-	-	168,115.65	770,231,884.35	770,400,000.00
2	-	-	-	350,992.00	84,237.00	-	435,229.00	84,237.00	435,229.00	56,375.00	8,339,557.00	8,395,932.00
3	126,263.00	47,025.00	-	3,105,616.00	691,937.00	-	3,797,553.00	738,962.00	3,970,841.00	4,655,484.96	68,501,818.04	73,157,303.00
4	3,757,477.00	917,959.00	-	3,167,868.00	524,398.00	-	3,692,266.00	1,442,357.00	8,367,702.00	44,980,007.65	47,148,186.35	92,128,194.00
5	83,244.00	18,579.00	-	20,758.88	1,760.00	-	22,518.88	20,339.00	124,341.88	910,394.11	114,570.01	1,024,964.12
6	-	-	-	-	-	-	-	-	-	20,000.00	-	20,000.00
7	-	-	-	14,829.12	-	-	14,829.12	-	14,829.12	560,910.88	0.00	560,910.88
8	-	-	-	-	-	-	-	-	-	-	1,466,600.00	1,466,600.00
	3,966,984.00	983,563.00	-	6,660,064.00	1,302,332.00	-	7,962,396.00	2,285,895.00	12,912,943.00	51,351,288.25	895,802,615.75	947,153,904.00



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

Notes to the Financial Statements for the year ended 30th June, 2022.

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, 2021 to 30th June, 2022 consistently.