

# **Private & Confidential**

## **Auditors' Report and Financial Statements**

of

### **Galfra-Habib Ltd.**

Barabkunda, Sitakunda, Chattogram.

For the year ended 30<sup>th</sup> 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

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MASUD ALTAF & CO.  
Chartered Accountants

Dom-Inno Apartment, B-1  
23/16, Khilji Road, Block-B  
Shyamoli, Mohammadpur, Dhaka-1207.  
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## **Independent Auditor's Report of Galfra-Habib Ltd.**

### **Opinion**

We have audited the Financial Statements of **Galfra-Habib Ltd.** which comprise the Statement of Financial position as on 30<sup>th</sup> June, 2022 and related the Statement of Manufacturing, Trading and Profit/(Loss) & Other Comprehensive Income, Changes in Equity and 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 30<sup>th</sup> June, 2022 and of its Statement of Manufacturing, Trading and Profit/(Loss) & other Comprehensive Income, Changes in Equity and 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.

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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.  
1<sup>st</sup> February, 2023.

  
(MASUD ALTAF & CO.)  
Chartered Accountants  
DVC: 2302010684AS410525

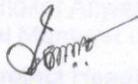
## Galfra-Habib Ltd.

Barabkunda, Sitakunda, Chattogram.

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

Sl. #	Particulars	Notes/ Sch.	Amount (Tk.)	
			30.06.2022	30.06.2021
<b>Property &amp; Assets :</b>				
<b>A. Non Current Assets :</b>				
	At Cost / Revaluation less acc.depreciation	1.00	1,785,952,683	1,789,803,898
	<b>Total Non Current Assets : (A)</b>		<b>1,785,952,683</b>	<b>1,789,803,898</b>
<b>B. Current Assets :</b>				
	Stock and Stores	2.00	185,336,375	186,257,092
	Debtors (Less : Provision)	3.00	194,781,438	194,781,438
	Due from BJMC Mills	4.00	776,494	205,026
	Advance, Deposits and Pre-payments (Provision)	5.00	922,296	992,296
	Cash and Bank Balance	6.00	23,133,321	9,072,827
	<b>Total Current Assets : (B)</b>		<b>404,949,924</b>	<b>391,308,679</b>
<b>C. Profit &amp; Loss Account Balance : (C)</b>				
		7.00	776,033,469	727,291,533
	<b>Total Property &amp; Assets : (A+B+C)</b>		<b>2,966,936,076</b>	<b>2,908,404,110</b>
<b>Capital &amp; Liabilities :</b>				
<b>Authorised Capital</b>				
		8.00	10,000,000	10,000,000
<b>D. Shareholders Equity &amp; Loan :</b>				
	Issued, Subscribed and Paid-up Capital	9.00	6,632,780	6,632,780
	Govt. Equity Contribution	10.00	39,555,350	39,555,350
	Reserves	11.00	1,700,486,555	1,702,461,229
	BJMC Current Account	12.00	298,114,121	261,503,076
	Long Term Loan	13.00	824,001,504	747,448,505
	Gratuity Liabilities (Provision)	14.00	48,990,840	46,542,638
	<b>Total Shareholders Equity &amp; Loan : (D)</b>		<b>2,917,781,151</b>	<b>2,804,143,578</b>
<b>E. Current Liabilities :</b>				
	Liabilities for Goods	15.00	1,973,055	16,603,458
	Liabilities for Expenses	16.00	6,910,252	7,804,871
	Liabilities for other Finance	17.00	13,172,561	13,264,631
	Due to BJMC Mills	18.00	5,868,726	5,990,059
	Gratuity Payable Account (Current)	19.00	21,230,332	60,597,512
	<b>Total Current Liabilities : (E)</b>		<b>49,154,925</b>	<b>104,260,531</b>
	<b>Total Capital &amp; Liabilities : (D+E)</b>		<b>2,966,936,076</b>	<b>2,908,404,110</b>

  
**Sumon Uddin**  
Deputy Manager (A & F)  
&  
Head of Accounts & Finance  
Galfra Habib Ltd  
Barabkunda, Chattogram

  
**Engr. Khandker Anwarul Islam**  
General Manager (C.C.)  
&  
(Project Head)  
Galfra Habib Ltd.

This is the Statement of Financial Position of Galfra Habib Ltd. as on 30th June, 2022. It is a separate report of even date.

Dated, Dhaka.  
1st February, 2023.



  
**(MASUD ALTAF & CO.)**  
Chartered Accountants  
DVC: 2302010684AS410525

## Gafra-Habib Ltd.

Barabkunda, Sitakunda, Chattogram.

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

Sl. #	Particulars	Notes	Amount (Tk.)	
			2021-2022	2020-2021
	<b>Income:</b>			
1	Local Sales	20.00	1,004,120	124,955
	<b>Material Cost :</b>			
2	Opening Work-in-Process	21.00	28,378,335	28,378,335
3	Raw Materials Consumption	22.00	-	-
4	Furnace Materials	23.00	-	-
5	Other direct materials Consumed	24.00	-	-
6	<b>Sub-Total : (2 to 5)</b>		<b>28,378,335</b>	<b>28,378,335</b>
7	Closing Work-in-Process	21.00	28,378,335	28,378,335
8	<b>Total Material Cost : (6-7)</b>		<b>-</b>	<b>-</b>
	<b>Conversion Cost :</b>			
9	Opening Work-in-Process	21.00	9,715,385	9,715,385
10	Wages	25.00	-	5,240,000
11	Salaries	26.00	34,536,577	35,915,077
12	Power/Electricity	27.00	648,417	604,960
13	Fuel	28.00	45,204	92,811
14	Repairs & Maintenance	29.00	266,703	377,599
15	Depreciation	30.00	1,876,541	1,876,541
16	Insurance	31.00	227,271	842,829
17	Other Factory Overhead	32.00	551,213	720,751
18	<b>Sub-Total : (9 to 17)</b>		<b>47,867,311</b>	<b>55,385,953</b>
19	Closing Work-in-Process	21.00	9,715,385	9,715,385
20	<b>Total Conversion Cost : (18-19)</b>		<b>38,151,926</b>	<b>45,670,568</b>
21	<b>Cost of Production : (8+20)</b>		<b>38,151,926</b>	<b>45,670,568</b>
22	Opening Stock of Finished Goods	33.00	125,776,579	135,205,910
23	<b>Cost of Goods available for Sale : (21+22)</b>		<b>163,928,505</b>	<b>180,876,478</b>
24	Closing Stock of Finished Goods	33.00	124,772,459	125,776,579
25	<b>Total Cost of Sales : (23-24)</b>		<b>39,156,046</b>	<b>55,099,899</b>
26	Administrative Expenses	34.00	14,271,086	11,322,052
27	Selling Expenses	35.00	-	30,073
28	<b>Total Operating Expenses : (25 to 27)</b>		<b>53,427,132</b>	<b>66,452,024</b>
29	<b>Operating Profit/(Loss) : (1-28)</b>		<b>(52,423,012)</b>	<b>(66,327,069)</b>
30	Non-Operating Income		57,000	-
31	<b>Net Profit/(Loss) : (29+30)</b>		<b>(52,366,012)</b>	<b>(66,327,069)</b>
32	Add : Previous year Profit/(Loss)		(727,291,533)	(684,733,093)
33	Add : Prior years Adjustments	36.00	3,624,076	23,768,629
34	<b>Balance Transfer to Profit/(Loss) Appr. A/c</b>		<b>(776,033,469)</b>	<b>(727,291,533)</b>
35	<b>Transferred to Statement of Financial Position</b>		<b>(776,033,469)</b>	<b>(727,291,533)</b>

  
**Sumon Uddin**  
Deputy Manager (A & F)  
&  
Head of Accounts & Finance  
Gafra Habib Ltd  
Barabkunda, Chattogram

  
**Engr. Khandker Anwarul Islam**  
General Manager (C.C.)  
&  
(Project Head)  
**Gafra Habib Ltd.**  
Barabkunda, Sitakunda, Chattogram

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

Dated, Dhaka.  
1st February, 2023.



(MASUD ALTAF & CO.)

Chartered Accountants

DVC: 2302010684AS410525

## Galfra-Habib Ltd.

Barabkunda, Sitakunda, Chattogram.

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

Particulars	Share Capital	Govt. Equity Contribution	Reserve	Retained Earning	Total
Opening Balance as on 01.07.2021	6,632,780	39,555,350	1,702,461,229	727,291,533	2,475,940,892
Add : Net Profit /(Loss)	-	-	(1,974,674)	52,274,312	50,299,638
Add : Prior years adjustment	-	-	-	3,624,076	3,624,076
Closing Balance as on 30.06.2022	6,632,780	39,555,350	1,700,486,555	783,189,921	2,529,864,606

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

Dated, Dhaka.  
1st February, 2023.



*Masud Altaf*  
(MASUD ALTAF & CO.)  
Chartered Accountants  
DVC: 2302010684AS410525

## Galfra-Habib Ltd.

Barabkunda, Sitakunda, Chattogram.

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

Sl. #	Particulars	Amount (Tk.)	
		2021-2022	2020-2021
<b>A.</b>	<b>Cash Flow from Operating Activities :</b>		
	Net Profit/(Loss) for the year	(52,366,012)	(66,327,069)
	Prior year Adjustment	3,624,076	23,768,629
	Depreciation	1,876,541	1,876,541
	<b>Total</b>	<b>(46,865,395)</b>	<b>(40,681,899)</b>
	<b>Increase/Decrease in Current Assets :</b>		
	Stock & Stores	920,717	8,231,826
	Debtors	-	46,146,628
	Due from BJMC Mills	(571,468)	677,530
	Advance Deposit & Pre-payments	70,000	(440,550)
	BJMC Current Account	36,611,045	16,526,698
	<b>Total</b>	<b>37,030,294</b>	<b>71,142,132</b>
	<b>Increase/Decrease in Current Liabilities :</b>		
	Liabilities for Goods	(14,630,403)	176,183
	Liabilities for Expenses	(894,619)	(7,916,927)
	Liabilities for Other Finance	(92,070)	2,095,195
	Due to BJMC Mills	(121,333)	(949,326)
	Gratuity Payable Account(Current)	(39,367,180)	(276,239,000)
	<b>Total</b>	<b>(55,105,606)</b>	<b>(282,833,875)</b>
	<b>Total Net Cash used by Operating Activities:</b>	<b>(64,940,706)</b>	<b>(252,373,642)</b>
<b>B.</b>	<b>Cash Flow from Investing Activities :</b>		
	Addition of Non Current Assets	-	-
	<b>Total Net Cash used by Investing Activities : (B)</b>	<b>-</b>	<b>-</b>
<b>C.</b>	<b>Cash Flow from Financing Activities :</b>		
	Reserve	-	-
	Long Term Loan	76,552,999	266,453,998
	Gratuity Liability (Provision)	2,448,202	(5,370,530)
	<b>Total Net Cash provided by Financing Activities :</b>	<b>79,001,201</b>	<b>261,083,468</b>
	<b>Net Cash Inflow/Outflow : (A+B+C)</b>	<b>14,060,495</b>	<b>8,709,826</b>
	Cash and Bank Balance at the beginning of the year	9,072,826	363,000
	Cash and Bank Balance at the ending of the year	<b>23,133,321</b>	<b>9,072,826</b>

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

## Galfra-Habib Ltd.

Barabkunda, Sitakunda, Chattogram.

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

Sl. #	Particulars	Amount (Tk.)		Increase/ Decrease
		2021-2022	2020-2021	
<b>A.</b>	<b>Source of Capital :</b>			
	Share Capital	6,632,780	6,632,780	-
	Government Equity Contribution	39,555,350	39,555,350	-
	Reserve	1,700,486,555	1,702,461,229	(1,974,674)
	Cumulative Profit /Loss) Balance	(776,033,469)	(727,291,533)	(48,741,936)
	BJMC Current A/c	298,114,121	261,503,076	36,611,045
	Long Term Loan	824,001,504	747,448,505	76,552,999
	Gratuity Liabilities (Non Current)	48,990,840	46,542,638	2,448,202
	<b>Total Source of Fund :</b>	<b>2,141,747,682</b>	<b>2,076,852,046</b>	<b>64,895,637</b>
<b>B.</b>	<b>Application of Fund :</b>			
	Non Current Assets	1,785,952,683	1,789,803,898	(3,851,215)
	Working Capital	355,794,999	287,048,148	68,746,851
	<b>Total Application of Fund</b>	<b>2,141,747,682</b>	<b>2,076,852,046</b>	<b>64,895,636</b>

## Galfra-Habib Ltd.

Barabkunda, Sitakunda, Chattogram.

### Statement of Working Capital for the year ended 30th June, 2022.

Sl. #	Particulars	Amount (Tk.)		Increase/ Decrease
		2021-2022	2020-2021	
<b>A.</b>	<b>Current Assets :</b>			
	Stock and Stores	185,336,375	186,257,092	(920,717)
	Debtors (Less: Provision)	194,781,438	194,781,438	-
	Due from BJMC Mills	776,494	205,026	571,468
	Advance, Deposits and Pre-payments	922,296	992,296	(70,000)
	Cash and Bank Balance	23,133,321	9,072,827	14,060,494
	<b>Total</b>	<b>404,949,924</b>	<b>391,308,679</b>	<b>13,641,245</b>
<b>B.</b>	<b>Current Liabilities :</b>			
	Liabilities for Goods	1,973,055	16,603,458	(14,630,403)
	Liabilities for Expenses	6,910,252	7,804,871	(894,619)
	Liabilities for other Finance	13,172,561	13,264,631	(92,070)
	Due to BJMC Mills	5,868,726	5,990,059	(121,333)
	Gratuity Payable Account (Current)	21,230,332	60,597,512	(39,367,180)
	<b>Total</b>	<b>49,154,925</b>	<b>104,260,531</b>	<b>(55,105,606)</b>
	<b>Total : (A+B)</b>	<b>355,794,999</b>	<b>287,048,148</b>	<b>68,746,851</b>

## Gaffra-Habib Ltd.

Barabkunda, Sitakunda, Chattogram.

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

Schedule-2.00

Particulars	Cost			Revaluation Cost	Total Cost as on 30.06.2022	Depreciation on Original Cost			Total Dep. on Original Cost as on 30.06.2022
	Opening Balance as on 01.07.2021	Addition during the year	Total as on 30.06.2022			Charged during the year	Opening Balance as on 01.07.2021	Charged during the year	
1	2	3	4=2+3	5	6=4+5	7	8	9=7+8	
Development	502,926	-	502,926	1,637,897,074	1,638,400,000	-	-	-	-
Building & Other Construction	1,372,771	-	1,372,771	5,718,431	7,091,202	100,332	25,083	125,415	125,415
Plant & Machinery	16,336,737	-	16,336,737	60,833,618	77,170,355	880,608	220,152	1,100,760	1,100,760
Furniture & Fixture	75,437,904	-	75,437,904	-	75,437,904	5,728,656	1,432,164	7,160,820	7,160,820
Vehicles	54,861	-	54,861	-	54,861	15,056	3,764	18,820	18,820
Intangible Assets	978,234	-	978,234	-	978,234	978,232	-	978,232	978,232
Total Assets :	2,211,434	-	2,211,434	-	2,211,434	781,512	195,378	976,890	976,890
				4,843,000	4,843,000	-	-	-	-
			96,894,867	1,709,292,123	1,806,186,990	8,484,396	1,876,541	10,360,937	10,360,937

Particulars	Depreciation on Revaluation Cost			Total Depreciation			Written Down Value		
	Opening Balance as on 01.07.2021	Charged during the year	Total Dep. On Revaluation Cost as on 30.06.2022	For the year	Cumulative	Original Cost	Revaluation	Total Assets as on 30.06.2022	
10	11	12	13=11+12	14=8+12	15=9+13	16=4-9	17=5-13	18=16+17	
Development	-	-	-	-	-	502,926	1,637,897,074	1,638,400,000	
Building & Other Construction	436,396	109,099	545,495	134,182	670,910	1,247,356	5,172,936	6,420,292	
Plant & Machinery	7,462,300	1,865,575	9,327,875	2,085,727	10,428,635	15,235,977	51,505,743	66,741,720	
Furniture & Fixture	-	-	-	1,432,164	7,160,820	68,277,084	-	68,277,084	
Vehicles	-	-	-	3,764	18,820	36,041	-	36,041	
Intangible Assets	-	-	-	-	978,232	2	-	2	
Total Assets :	-	-	-	195,378	978,232	1,234,544	-	1,234,544	
				-	-	-	4,843,000	4,843,000	
	7,898,696	1,974,674	9,873,370	3,851,215	19,257,417	86,533,930	1,699,418,753	1,785,952,683	



## **Galfra-Habib Ltd.**

Barabkunda, Sitakunda, Chattogram.

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

#### A. Introductory Information :

##### 1.00 Corporate Status, Control and Management of the Enterprise :

Galfra Habib Ltd. was reportedly a public limited company limited by shares and was incorporated under the Companies Act.1913 on February 05, 1966 and started its commercial production in 01 July'1968. As per Presidential Order No.27 of 1972 it was Nationalized and Govt. of the People's Republic of Bangladesh took the charge of this enterprise on 26 March,1972 and since then the control and management of the enterprise was placed upon the Bangladesh Jute Mills Corporation (BJMC) as per Bangladesh Industrial Enterprise (Nationalization) Order 1972 now replaced as Bangladesh Industrial Enterprise (Nationalization) Act-25 year of 2018.

##### 1.00 Share Capital :

The company was registered with an Authorized Capital of Tk. 1,00,00,000.00 divided into 10,00,000 Ordinary Shares of Tk. 10.00 each. Issued, Subscribed and Paid up Capital of the company was Tk.46,32,780.00 divided into 3,96,578 Ordinary Shares of Tk. 10.00 each paid up in cash and 66,700 Ordinary Shares of Tk. 10.00 each paid up for consideration other than in cash and Tk. 20,00,000.00 divided into 2,00,000, 7.50% Redeemable Preference Shares of Tk. 10.00 each which had been vested in and allotted to the Govt. of the People's Republic of Bangladesh as per Presidential Order No.27 of 1972 subsequently as Bangladesh Industrial Enterprise (Nationalization) Act-25 year of 2018.

##### 3.00 Locations, Activities & Operations :

Galfra Habib Ltd is an mechanical machine & spare parts manufacturing company. The Registered Office of the Company and its Factory are located at Barabkunda, Post Code No: 4312, Sitakunda, Chittagong. The principal activities of the company are to manufacture machine & spare parts of Jute and textile mills' for BJMC and to sell all of its products both in BJMC Mill and in local market.

#### B. Basis of Preparation :

##### 01. Basis of Preparation and Presentation of Financial Statements :

The financial statements of the enterprise are designed as per BJMC format and the company followed Integrated Accounting System and these financial statements have been prepared by the factory management on going concern basis under historical cost convention following mercantile system of accounting on consistent basis except almost all items of fixed assets revalued 1st time in the year 1992-93 and again revalued on 30 June, 2017. The Preparation and Presentation of the Financial Statements is as per guide line of BJMC and as per IAS in consistent as per last.

##### 2.00 Statement of Compliance :

The financial statements have been prepared partly in accordance with International Accounting Standards (IAS) & International Financial Reporting Standards (IFRS) and Interpretation of IASs & IFRSs, and other applicable laws and regulations and partly as per BJMC Guide line as per last.



**3.00 Basis of Reporting :**

The financial statements are prepared and presented for external users by the company in accordance with identified financial reporting framework . Presentation has been made partly in compliance with the requirements of IAS 1 -"Presentation of Financial Statements". The financial statements comprise of :-

- a) Statement of Financial Position as at 30th June, 2022
- b) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2022
- c) Statement of Changes in Equity as at 30th June, 2022
- d) Statement of Cash Flows for the year ended 30th June, 2022
- e) Statement of Fund Flows for the year ended 30th June, 2022
- f) Notes , comprising a summary of significant accounting policies and explanatory information

**4.00 Functional and Presentation Currency :**

The financial statements are expressed in Bangladesh Taka which is both functional currency and reporting currency of the company and figures have been rounded off the nearest taka.

**5.00 Use of Estimates and Judgments :**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and underlying assumptions, which are reviewed on an on-going basis.

**6.00 Reporting Period**

The financial statements of the Company cover one financial year from July 2021 to June 2022 consistently .

**7.00 Comparative Information :**

Comparative information has been disclosed in respect of the year 2020-2021 for all numeric information in the Financial Statements and also the narrative and descriptive information where it is relevant for understanding of the current years Financial Statements.

**8.00 Summary of Significant Accounting Policies :**

**C. Significant Accounting Policies :**

**1.00 Property Plant & Equipment ( PPE ) and Depreciation :**

All tangible fixed assets are stated at revalue cost which was made on 30 June, 2017 by giving effect of the same revalue amount of assets through a corresponding credit in capital reserve account. Depreciation on PPE including land development has been consistently charged using straight- line method at the rates as prescribed by BJMC .

**2.00 Biological Assets ( Trees) :**

Biological assets - 1688 Numbers of trees was shown in financial statements at revalue cost valued by the valuator in the year 2017 .

**3.00 Stock and Stores :**

**Valuation of Stock, Stores and Spares are made up as under :**

- \* Stock of Raw Materials are valued at weighted average cost of MRR Value.
- \* Stores and Spares are valued at average cost.
- \* Stock of Finished Goods are valued by productivity of machinery as per BJMC guideline.
- \* Stock of Work-in-Process are valued at actual of applied material cost as per BJMC guide line.

**MASUD ALTAF & CO.**

Chartered Accountants

**4.00 Revenue Recognition :**

Local sales were recognized on Local Sale Rate Fixed By the BJMC basis or the title of the goods were handed over to the buyer.

**5.00 Foreign Currency Transaction :**

Transactions denominated in foreign currencies are translated into BD Taka at the exchange rate ruling on the date of transaction.

**6.00 Employees Benefit Plans :**

The enterprise maintains the following benefit schemes for its permanent employees.

- \* Contributory Provident Fund
- \* Gratuity scheme and leave pay
- \* Group Insurance

\* The company is maintaining a Contributory Provident Fund according to CPF Rules' 1979 for its every permanent employee. The company is providing contribution to the Fund 8.33% on Basic pay of staff/officers salary from 2017-2018. Company Provident Fund is administered by a Board of Trustee and is funded equally by the employee and the company.

\* Gratuity is payable to all eligible employees at the rate of 2(two) month's basic pay for every completed year of services on retirement, voluntary resignation, termination, discharge on medical ground and retrenchment etc. Gratuity amount is provided in the accounts at actual. Provision for leave pay is made in the accounts on estimate but it would be payable on the basis of unavailed leave at the credit of employees.

