

**Gul Ahmed Jute Mills Ltd.**

Auditor's Report

and

Audited Financial Statements

as at and for the year ended

30 June 2025

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**Octokhan**

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**Chartered Accountants**

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# Octokhan

**Independent Auditor's Report  
of Gul Ahmed Jute Mills Limited  
Report on the Audit of the Financial Statements**

## **Opinion**

We have audited the financial Statements of Gul Ahmed Jute Mills Limited (the company), which comprise the statements of financial position as at 30 June 2025, 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 Company as at 30 June 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the companies Act 1994 and other applicable laws and regulations.

## **Basis of 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 ethical requirement 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 believed 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 IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, 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 alternatives 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 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 scepticism 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.



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- Obtain sufficient appropriate audit evidence regarding the financial information of the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the 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.

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.

## **Going concern**

The financial statements of the Company have been prepared on a going concern basis, which assumes the realization of assets and the settlement of liabilities in the ordinary course of business. In adopting this basis, the management has considered the company's business activities, as well as the associated risks and uncertainties. The management believes that the company will be able to continue its operations as a going concern.

However, the company's financial position as of the reporting date raises significant uncertainty regarding its ability to continue as a going concern. The statement of profit or loss and other comprehensive income reports a net loss of Tk. 29,182,303, a negative retained earnings balance of Tk. 4,843,820,989, and negative net operating cash flows of Tk. 28,237,860. By govt. order no 24.00.0000.118.18.057.20.104, dated on 30 June, 2020 the company is non-operational since and can go operational by any Government notice on Government funding.

Notwithstanding these conditions, management is actively taking steps to address these concerns. The company is in the process of securing additional funding from various sources, including support from sister concerns, loans from banks or financial institutions, shareholder loans, and/or additional equity investments. Management is confident that these actions will provide the necessary financial resources to support the company's on-going operations and mitigate the risks related to its liquidity position.

The ability of the company to continue as a going concern is dependent upon the successful implementation of management's with Government plans and the ability to secure the required funding. The financial statements do not include any adjustments that may be required if the company is unable to continue as a going concern.



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## 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;
- (c) The company's statement of financial position dealt with by the report is in agreement with the books of accounts and returns.
- (d) The expenditure incurred were for the purpose of the companies for the year.

**Octokhan**

Chartered Accountants



Ferdous Ahmed Khan FCA  
Partner, Enrolment No. 612

Dated:

DVC: 2512280612 AS651398



**Gul Ahmed Jute Mills Limited**  
(An Enterprise of Bangladesh Jute Mills Corporation under Ministry Of Textile & Jute)  
Kumira, Shitakundha, Chittagong.  
**Statement of Financial Position**  
As On 30th June, 2025

Sl. No.	Particulars	Note	Amount (Tk.)	
			30 June, 2025	30 June, 2024
<b>Property &amp; Assets:</b>				
<b>A.</b>	<b>Non Current Assets:</b>			
	At cost/Revaluation less accumulated depreciation	4	2,311,760,233	2,350,242,447
	Investment	5	-	-
	<b>Total Non Current Assets: (A)</b>		<b>2,311,760,233</b>	<b>2,350,242,447</b>
<b>B.</b>	<b>Current Assets:</b>			
	Stock, Stores & Spares	6	21,263,419	21,263,419
	Debtors (Less : Provisions)	7	29,382,721	27,133,229
	Due from BJMC Mills	8	45,111,955	45,230,970
	Advance, Deposit & Pre-payments	9	6,426,894	7,116,593
	Interim Revenue support Receivable	10	7,822,886	7,822,886
	BJMC Current Account	11	621,532,982	636,032,275
	Cash & Bank Balance	12	1,271,340	28,519,374
	<b>Total Current Assets: (B)</b>		<b>732,812,198</b>	<b>773,118,746</b>
	<b>Total Property &amp; Assets: (A+B+C)</b>		<b>3,044,572,431</b>	<b>3,123,361,194</b>
<b>Capital &amp; Liabilities:</b>				
	Authorized Capital	13	50,000,000	50,000,000
<b>D.</b>	<b>Shareholders Equity &amp; Loans :</b>			
	Issued, Subscribed & Paid-up Capital	14	12,000,000	12,000,000
	Govt. Equity Contribution	15	116,251,025	116,251,025
	Reserves	17	2,191,104,356	2,213,335,680
	Retained Earning	16	(4,843,820,989)	(4,809,972,304)
			<b>(2,524,465,607)</b>	<b>(2,468,385,599)</b>
<b>E.</b>	<b>Non- Current Liabilities:</b>			
	Long Term Loan	18	5,360,185,908	5,355,504,125
	Gratuity Liabilities (Provision)	19	47,587,840	55,852,280
	<b>Total Shareholders Equity &amp; Loans : (D)</b>		<b>5,407,773,748</b>	<b>5,411,356,405</b>
<b>F.</b>	<b>Current Liabilities :</b>			
	Liabilities for Goods	20	3,221,367	3,331,635
	Liabilities for Expenses	21	60,715,571	80,943,631
	Liabilities for Other Finance	22	44,759,778	46,063,885
	Due to BJMC Mills	23	24,438,597	24,438,597
	Gratuity Payable Account (Current)	24	28,128,977	25,612,639
	<b>Total Current Liabilities : (E)</b>		<b>161,264,290</b>	<b>180,390,388</b>
	<b>Total Capital &amp; Liabilities : (D+E)</b>		<b>3,044,572,431</b>	<b>3,123,361,194</b>

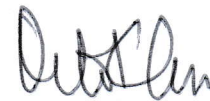
Accompanying notes from 1 to 40 form an integral part of these Financial Statements



Md. Jakir Hossain  
Dy. General Manager



SM Moinul Karim  
General Manager (Project Head)



Ferdous Ahmed Khan FCA  
Partner  
Octokhan  
Chartered Accountants  
Enrolment No. 612

Date:  
Dhaka.

DVC: 2512280612AS 651398

**Gull Ahmed Jute Mills Limited**  
(An Enterprise of Bangladesh Jute Mills Corporation under Ministry Of Textile & Jute)  
Kumara, Shtakundha, Chittagong.  
**Manufacturing, Trading & Statement of Comprehensive Income**  
For the year ended 30th June, 2025

Sl. No.	Particulars	Notes	Amount (Tk.)	
			As on 30 June, 2025	As on 30 June, 2024
	<b>Income:</b>			
1	Foreign sales	25	-	-
2	Local sales	25	-	-
3	Other	41	4,796,092	-
3	<b>Total sales (1+2)</b>		<b>4,796,092</b>	-
4	Subsidy	25	-	-
5	<b>Total Income (3+4)</b>		<b>4,796,092</b>	-
	<b>Material cost:</b>			
6	Opening work-in-process		-	-
7	Raw Jute Consumption	26	-	-
8	Charges on Raw Jute	27	-	-
9	Other Direct Materials Consumed	28	-	-
10	<b>Sub-Total (6 to 9)</b>		-	-
11	Closing work-in-process		-	-
12	<b>Total Material cost (10-11)</b>		-	-
	<b>Conversion cost:</b>			
13	Opening work-in-process		-	-
14	Wages	29	-	-
15	Salaries	30	33,218,680	35,215,580
16	Power/Electricity	31	946,903	1,054,627
17	Fuel	32	203,460	203,160
18	Repairs & Maintenance	33	1,507,427	453,414
19	Depreciation	34	5,949,600	5,949,600
20	Insurance	35	327,383	336,000
21	Other overhead	36	52,607	26,920
22	<b>Sub-Total (13 to 21)</b>		<b>42,206,060</b>	<b>43,239,301</b>
23	Closing work-in-process		-	-
24	<b>Total Conversion Cost (22-23)</b>		<b>42,206,060</b>	<b>43,239,301</b>
25	<b>Cost of Production (12+24)</b>		<b>42,206,060</b>	<b>43,239,301</b>
26	Opening Stock of Finished goods		-	-
27	<b>Cost of Goods available for Sales (25+26)</b>		<b>42,206,060</b>	<b>43,239,301</b>
28	Closing stock of Finished goods		-	-
29	<b>Total Cost of Sales (27-28)</b>		<b>42,206,060</b>	<b>43,239,301</b>
30	<b>Gross Profit/Loss (5-29)</b>		<b>(37,409,968)</b>	<b>(43,239,301)</b>
31	Administrative expenses	37	5,438,727	5,589,249
32	Selling expenses	38	-	-
33	<b>Total Operating expenses (31+32)</b>		<b>5,438,727</b>	<b>5,589,249</b>
34	<b>Operating Profit/Loss (30-33)</b>		<b>(42,848,695)</b>	<b>(48,828,550)</b>
	<b>Financial expenses:</b>			
35	Interest (Cash Credit)		-	-
36	Interest (PF Loan)		-	-
37	Interest (Long term Loan)	39	48,608	43,157
38	<b>Total Interest</b>		<b>48,608</b>	<b>43,157</b>
39	<b>Total Profit/Loss (34-38)</b>		<b>(42,897,303)</b>	<b>(48,871,706)</b>
40	Non-Operating Income	40	13,715,000	28,447,308
41	<b>Net Profit/(Loss) before Tax (39+40)</b>		<b>(29,182,303)</b>	<b>(20,424,399)</b>
42	Tax Paid At Source (TDS)		-	-
	<b>Net Profit/(Loss)</b>		<b>(29,182,303)</b>	<b>(20,424,399)</b>
44	Prior Year Adjustment		-	-
45	Previous Year Profit/(Loss)		-	-
46	<b>Balance Transfer to Profit/(Loss) Appr. A/c</b>		-	-
47	<b>Transferred to Statement of Financial Position</b>		-	-

Accompanying notes from 1 to 40 form an integral part of these Financial Statements

Md. Jakir Hossain  
Dy. General Manager

SM Moinul Karim  
General Manager (Project Head)

Ferdous Ahmed Khan FCA  
Partner  
Octokhan  
Chartered Accountants  
Enrolment No. 612

Date:  
Dhaka.

DVC: 2512280612AS651398



**Gul Ahmed Jute Mills Ltd.**  
(An Enterprise of Bangladesh Jute Mills Corporation under Ministry Of Textile & Jute)  
Kumira, Chattogram.

**Statement of Changes in Equity**  
For the year ended 30th June, 2025

Particulars	Issued, Subscribed & Paid up Capital	Govt. Equity Contribution	Reserve	Retained Earnings	Total
Opening Balance as on 01.07.2024	12,000,000	116,251,025	2,236,067,004	(4,809,972,304)	(2,445,654,275)
Net Profit/ (loss) during the year	-	-	-	(29,182,303)	(29,182,303)
Prior year adjustments	-	-	-	(4,666,382)	(4,666,382)
Depreciation Adjustment During the year	-	-	(44,962,648)	-	(44,962,648)
Closing balance as on 30.06.2025	12,000,000	116,251,025	2,191,104,356	(4,843,820,989)	(2,524,465,607)

**Note:** As per IAS 1, Presentation of Financial Statement guides us to represent the accumulated P/L balance with the control heading Retained Earnings for better reflection of the state of affairs of the organization. Till previous year **Gul Ahmed Jute Mills Ltd.** used to show the P/L balance independently without a justified presentation. After bring this into the notice of the management we received a decision of BJMC management (Letter no 24.04.0000.306.09.001.18.118 dated on 20-12-2023) to change the presentation according to the guidelines of IAS 1. Hence, we made the necessary changes.

For the year ended 30th June, 2024

Particulars	Issued, Subscribed & Paid up Capital	Govt. Equity Contribution	Reserve	Retained Earnings	Total
Opening Balance as on 01.07.2023	12,000,000	116,251,025	2,236,067,004	(4,773,632,856)	(2,409,314,827)
Net Profit/ (loss) during the year	-	-	-	(20,424,399)	(20,424,399)
Prior year adjustments	-	-	-	(15,915,049)	(15,915,049)
Depreciation Adjustment During the year	-	-	(22,731,324)	-	(22,731,324)
Closing balance as on 30.06.2024	12,000,000	116,251,025	2,213,335,680	(4,809,972,304)	(2,468,385,599)

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

*JH*

Md. Jakir Hossain  
Dy. General Manager

*SM Moinul Karim*

SM Moinul Karim  
General Manager (Project Head)

*Ferdous Ahmed Khan*

Ferdous Ahmed Khan FCA  
Partner  
Octokhan

Chartered Accountants  
Enrolment No. 612

Date:  
Dhaka.

DVC: 2512280612AS65139



**Gul Ahmed Jute Mills Ltd.**  
(An Enterprise of Bangladesh Jute Mills Corporation under Ministry Of Textile & Jute)  
Kumira, Chattagram.

**Statement of Cash Flow**  
For the year ended 30th June, 2025

SI	Particulars	Amount (Tk.)	
		2024-2025	2023-2024
<b>A.</b>	<b>Cash Flow from Operating Activities :</b>		
	Net/(Loss) profit for the year	(29,182,303)	(20,424,399)
	Adjustment Previous year	(4,666,382)	(15,915,049)
	Depreciation	5,610,825	5,949,600
	<b>Total</b>	<b>(28,237,860)</b>	<b>(30,389,848)</b>
	<b>Increase/Decrease in Current Assets:</b>		
	Stock & Stores	0	0
	Debtors (Less : Provision)	(2,249,492)	(698,479)
	Due from BJMC Mills	119,015	7,759
	Advance, Deposit and prepayment	689,699	9,253,418
	BJMC Current Accounts	14,499,294	(10,259,862)
		<b>13,058,515</b>	<b>(1,697,164)</b>
	<b>Increase/ Decrease in Current Liabilities:</b>		
	Liabilities for Goods	(110,268.32)	(13,573)
	Liabilities for Expenses	(20,228,061)	42,595,419
	Liabilities for Other Finance	(1,304,106)	(1,911,367)
	Due to BJMC Mill	(0)	0
	Gratuity Payable Account (Current)	2,516,338	392,110
	<b>Total</b>	<b>(19,126,098)</b>	<b>41,062,589</b>
	<b>Net Cash used from Operating Activities (A)</b>	<b>(34,305,443)</b>	<b>8,975,577</b>
<b>B.</b>	<b>Cash Flow from Investing activities :</b>		
	Fixed Assets Addition	(54,720)	(182,658)
	Fixed Assets Sales	10,432,285	-
	Biological Assets Sales	262,500	-
	Investment	-	-
	<b>Net Cash used from Investing Activities : (B)</b>	<b>10,640,065</b>	<b>(182,658)</b>
<b>C.</b>	<b>Cash Flow from Financing Activities :</b>		
	Long Term Loan	4,681,783	28,156,759
	Gratuity Prov.	(8,264,440)	(37,086,658)
	<b>Net Cash used from Financing Activities : (C)</b>	<b>(3,582,657)</b>	<b>(8,929,899)</b>
	<b>Increase/(Decrease) in Cash and Bank Balance : (A+B+C)</b>	<b>(27,248,034)</b>	<b>(136,981)</b>
	Cash & Bank Balance at the beginning of the year	28,519,375	28,656,353
	<b>Cash &amp; Bank Balance at the ending of the year</b>	<b>1,271,340</b>	<b>28,519,375</b>

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



Md. Jakir Hossain  
Dy. General Manager



SM Moinul Karim  
General Manager (Project Head)



Ferdous Ahmed Khan FCA  
Partner  
Octokhan  
Chartered Accountants  
Enrolment No. 612

Date:  
Dhaka.

DVC: 2512280612AS651398



## Gul Ahmed Jute Mills Limited

(An Enterprise of Bangladesh Jute Mills Corporation under Ministry Of Textile & Jute)  
Kumira, Shitakundha, Chittagong.

### Notes to the Financial Statements for the year ended 30th June, 2025

**1.00 Legal Status of the Company:**

**Legal form of the Enterprise:**

Gul Ahmed Jute Mills Ltd. was reportedly public limited company by shares and was incorporated under the Company Act. 1913 on October 26, 1966 and started its commercial production in 1968. The mill was placed under the control of and management of Bangladesh Jute Mills Corporation (BJMC) under P.O 27 of 1972. Subsequently the Industrial Nationalize Act 25 year of 2018.

**2.00 Activities of the Company:**

The Principle activities of the company are manufacture, sale and export of jute goods. Which has been closed from 1st July, 2020 as per government order no- 24.00.0000.118.18.057.20.104, dated on 30 June, 2020 (as mentioned in **note 3.08**).

**3.00 Significant Accounting Policies:**

The financial statement of the enterprise are designed as per BJMC format and prepared in accordance with Bangladesh Accounting Standards. The Company followed integrated Accounting System and these financial statements have been prepared on going concern basis under historical cost convention following mercantile system of accounting on consistent basis.

**3.01 Fixed Assets:**

The Fixed Assets are shown at Cost & Revaluation less accumulated depreciation. First time Revaluation was made in the year 1992-93 and second time in the year of 2016-17 by BJMC guide line and transferred to Capital Reserve Account as per BJMC Guidelines.

**3.02 Depreciation:**

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

**3.03 Foreign Currency Transaction:**

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

**3.04 Service Benefits:**

The Company is maintaining a contributory Provident Fund for its every permanent employee. Contributory Provident Fund is administered by a Board of Trustee and is funded equally by the employee and the company. The Company is providing contribution to the fund 8.33% and own contribution 10% of Basic salary of each permanent employee. The company also provides gratuity benefit to all its permanent employee's equivalent to two months last basic salary of each completed year of service.

**3.05 Company Taxation:**

The company has been incurring losses over a long period. As a result, provision for taxation has been made following section 16BB of the Income Tax Act 2023.

**3.06 Liabilities for Expenses:**

Provision for certain expenses and known liabilities were made in the accounts during the year under audit. These types of liabilities must be paid off/adjust after having actual bill/expenses.

**3.07 Presentation:**

Figures of the previous year have been rearranged wherever to conform to current year's presentation.

**3.08 Present Status of the company:**

At present the factory production has been closed from 1st July, 2020 as per government order no- 24.00.0000.118.18.057.20.104, dated on 30 June, 2020.

