

Private & Confidential

Galfra-Habib Ltd.
Barabkunda, Sitakunda, Chattogram.

Auditors' Report and Financial Statements
Of
Galfra-Habib Ltd.
For the year ended 30 June, 2025

M A Fazal & Co.

Chartered Accountants

 **29, Bangabandhu Avenue (2nd Floor) Dhaka-1000.**

 **+88 (0) 2223381991 (Off), +88 (0) 1720-505499 & +88 (0) 1300-884656,**
 **mafazalco1970@gmail.com, shamima499@gmail.com & mdabulbasher68@gmail.com,**

 **www.mafazal.com**



**Independent Auditors' Report
Of
Galfra-Habib Ltd.
Report on the audit of the financial statements**

Opinion

We have audited the financial statements of **Galfra-Habib Ltd.** which comprise the statement 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 present fairly, in all material respects, the financial position of the company as at **30 June, 2025** and of its financial performance for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the Companies Act 1994, 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) together with the ethical requirements 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 and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters:

1. Finish Goods couldn't be verified physically due to those FG transferred to premises of Amin Jute Mills Limited as per instruction of BJMC.
2. Balance reconciliation not found of BJMC Current Account.
3. Reconciliation of the Current Accounts with BJMC (Chattogram Zone) was not found.
4. Reconciliations for balances-Due from and Due to BJMC mills were not available for our verification (Note no- 4 & 18). In addition, a short-term loan of Tk. 5,50,000/- relating to Mill Furnishing Ltd. has been carried forward for a considerable period, but no reconciliation was provided (Note 17).
5. An amount of Tk. 78,206/- has been reported under "Due from BJMC Mills" (Note 04) for BJMC (Chattogram Zone), while an amount of Tk. 78,205/- has been reported as a debit balance under "Liabilities for Other Finance" (Note 17) as BJMC Current Account (Chattogram Zone). It has been observed that both debit balances have been presented on opposite sides of the financial statements, which is inconsistent with appropriate financial reporting practice.
6. Monthly VAT return copies could not be verified because the returns have not been submitted since the mill suspended its production activities.
7. Withholding tax return copies could not be verified because the returns have not been submitted for an extended period.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Managements are responsible for the preparation and fair presentation of the financial statements 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 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.

Auditors 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 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 disclosure 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 achieves fair presentation.
- 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.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, we also report the following:

- a) Except for the matters as referred to in the qualified opinion paragraph of our report. We have obtained all the information and explanations 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, except for the matters as referred to in the qualified opinion paragraph of our report, proper books of accounts as required by law have been kept by the Corporation so far as it appeared from our examination of those books; and
- c) Except for the matters as referred to in the qualified opinion paragraph of our report, The statements 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 and returns.

Dated, Dhaka. 17 FEB 2026



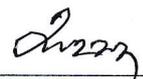
Md. Abul Basher, FCA
Managing Partner
M A Fazal & Co
Chartered Accountants
ICAB Enrolment No: 0840
FRC Enlistment No: CA-001-112

DVC: 26 0217 08198751940

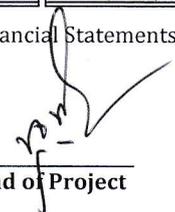
Galfra-Habib Ltd.
 Barabkunda, Sitakunda, Chattogram.
Statement of Financial Position
 As at 30th June, 2025.

Particulars	Notes	Amount (Tk.)	
		30 June,2025	30 June,2024
Property & Assets :			
Non Current Assets :		1,774,405,599	1,778,254,627
Property, Plant and Equipment	1.00	1,774,405,599	1,778,254,627
Current Assets :		140,254,121	146,045,256
Inventories	2.00	124,772,459	124,772,459
Trade and Others Receivable	3.00	1,019,951	2,306,056
Due from BJMC Mills	4.00	2,265,014	815,782
Advance, Deposits and Pre-payments	5.00	471,746	471,746
Cash and Bank Balances	6.00	11,724,951	17,679,213
Total Property & Assets		1,914,659,720	1,924,299,883
Capital Fund & Liabilities :			
Authorized Capital	7.00	10,000,000	10,000,000
Capital Fund		6,632,780	6,632,780
Paid-up Capital	8.00	6,632,780	6,632,780
Reserve and Surplus:		876,421,085	874,621,587
Govt. Equity Contribution	9.00	39,555,350	39,555,350
Retained Earnings	10.00	(857,696,798)	(861,470,970)
Reserves	11.00	1,694,562,533	1,696,537,207
Non-Current Liabilities :		842,229,768	849,501,268
Long Term Loan	12.00	825,315,608	825,315,608
Gratuity Liabilities (Provision)	13.00	16,914,160	24,185,660
Current Liabilities :		189,376,087	193,544,248
BJMC Current Account	14.00	157,960,360	162,193,815
Liabilities for Goods	15.00	826,609	826,609
Liabilities for Expenses	16.00	6,396,290	5,836,434
Liabilities for other Finance	17.00	11,538,602	11,314,471
Due to BJMC Mills	18.00	1,327,426	1,711,066
Gratuity Payable Account (Current)	19.00	11,326,800	11,661,853
Total Capital & Liabilities		1,914,659,720	1,924,299,883

Accompanying notes from 1 to 35 and Schedule form an integral part of these Financial Statements



 Asst. Manager (A & F) and
 Head of Department



 Head of Project

Signed in terms of our report of even date.



Md. Abul Basher, FCA
 Managing Partner
M A Fazal & Co.
 Chartered Accountants
 ICAB Enrollment No: 0840
 FRC Enlistment No: CA-001-112

Place: Dhaka
 Date: **17 FEB 2026**

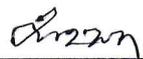


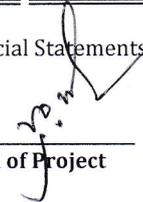
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Galfra-Habib Ltd.
Barabkunda, Sitakunda, Chattogram.
Statement of Profit or Loss and Other Comprehensive Income
 for the year ended 30th June, 2025.

Particulars	Notes	Amount (Tk.)	
		2024-2025	2023-2024
Income		-	4,542,471
Local Sales	20.00	-	4,542,471
Material Cost :			
Opening Work-in-Process	21.00	-	28,378,335
Raw Materials Consumption	22.00	-	2,721,018
Furnace Materials	23.00	-	-
Other direct materials Consumed	24.00	-	-
Sub-Total : (2 to 5)		-	31,099,353
Closing Work-in-Process	21.00	-	-
Total Material Cost : (6-7)		-	31,099,353
Conversion Cost :			
Opening Work-in-Process	21.00	-	9,715,385
Wages	25.00	-	-
Salaries	26.00	13,611,435	21,724,148
Power/Electricity	27.00	120,090	306,632
Fuel	28.00	-	20,719
Repairs & Maintenance	29.00	127,331	471,747
Depreciation	30.00	1,874,354	1,874,354
Insurance	31.00	220,383	134,606
Other Factory Overhead	32.00	-	-
Sub-Total : (9 to 17)		15,953,593	34,247,591
Closing Work-in-Process	21.00	-	-
Total Conversion Cost : (18-19)		15,953,593	34,247,591
Cost of Production : (8+20)		15,953,593	65,346,944
Opening Stock of Finished Goods	33.00	124,772,459	124,772,459
Cost of Goods available for Sale : (21+22)		140,726,052	190,119,403
Closing Stock of Finished Goods	33.00	124,772,459	124,772,459
Cost of Sales : (23-24)		15,953,593	65,346,944
Gross Profit/(Loss) : (1-25)		(15,953,593)	(60,804,473)
Administrative Expenses	34.00	4,931,774	7,097,928
Selling Expenses	35.00	-	-
Loss on sale of Store & Spares		-	225,154
Operating Expenses : (27+28+29)		4,931,774	7,323,082
Net Operating Profit/(Loss) : (26-30)		(20,885,367)	(68,127,555)
Non-Operating Income		38,000	2,226,456
Net Profit/(Loss) before Tax : (31+32)		(20,847,367)	(65,901,099)
Provision for Income Tax		380	2,725
Net Profit/(Loss) after Tax : (33-34)		(20,847,747)	(65,903,824)

Accompanying notes from 1 to 35 and Schedule form an integral part of these Financial Statements


 Asst. Manager (A & F) and
 Head of Department


 Head of Project

Signed in terms of our report of even date.



Md. Abul Basher, FCA
 Managing Partner
M A Fazal & Co.
 Chartered Accountants
 ICAB Enrollment No: 0840
 FRC Enlistment No: CA-001-112

Place: Dhaka

Date: 17 FEB 2026



DVC: 26 02170840AS751940

Galfra-Habib Ltd.

Barabkunda, Sitakunda, Chattogram.

Statement of Changes in Equity
for the year ended 30th June, 2025.

Particulars	Share Capital	Govt. Equity Contribution	Reserve	Retained Earning	Total
Opening Balance as on 01.07.2024	6,632,780	39,555,350	1,696,537,207	(861,470,970)	881,254,367
Add : Net Profit /(Loss)	-	-	-	(20,847,747)	(20,847,747)
Add : Prior years adjustment	-	-	-	24,621,919	24,621,919
Less: Depreciation on Reserve	-	-	(1,974,674)	-	(1,974,674)
Closing Balance as on 30.06.2025	6,632,780	39,555,350	1,694,562,533	(857,696,798)	883,053,865

Statement of Changes in Equity
for the year ended 30th June, 2024

Particulars	Share Capital	Govt. Equity Contribution	Reserve	Retained Earning	Total
Opening Balance as on 01.07.2023	6,632,780	39,555,350	1,710,359,925	(810,660,432)	945,887,623
Add : Net Profit /(Loss)	-	-	-	(65,903,824)	(65,903,824)
Add : Prior years adjustment	-	-	-	15,093,286	15,093,286
Less: Depreciation on Reserve	-	-	(13,822,718)	-	(13,822,718)
Closing Balance as on 30.06.2024	6,632,780	39,555,350	1,696,537,207	(861,470,970)	881,254,367



Asst. Manager (A & F) and
Head of Department



Head of Project

Place: Dhaka

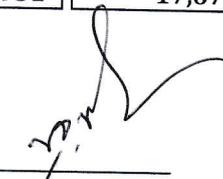
Date: 17 FEB 2026



Galfra-Habib Ltd.
Barabkunda, Sitakunda, Chattogram.
Statement of Cash Flows
for the year ended 30th June, 2025.

Particulars	Amount (Tk.)	
	2024-2025	2023-2024
A) Cash Flow from Operating Activities :		
Net Profit/(Loss) for the year	(20,847,747)	(65,903,824)
Prior year Adjustment	24,621,919	15,093,286
Depreciation	1,874,354	1,874,354
Total	5,648,526	(48,936,184)
Changes in working capital:		
Increase/Decrease in Current Assets :		
Stock & Stores	-	60,563,916
Debtors	1,286,105	-
Due from BJMC Mills	(1,449,232)	-
Advance Deposit & Pre-payments	-	450,550
BJMC Current Account	(4,233,455)	18,084,057
Total	(4,396,582)	79,098,523
Increase/Decrease in Current Liabilities :		
Liabilities for Goods	-	-
Liabilities for Expenses	559,856	(2,988,764)
Liabilities for Other Finance	224,132	(482,066)
Due to BJMC Mills	(383,640)	-
Gratuity Payable Account(Current)	(335,053)	2,522,808
Provision for income tax		
Total	65,295	(948,021)
Total Net Cash used by Operating Activities:	1,317,239	29,214,318
B) Cash Flow from Investing Activities :		
Addition of Non Current Assets	-	-
Total Net Cash used by Investing Activities : (B)	-	-
C) Cash Flow from Financing Activities :		
Reserve	-	-
Long Term Loan	-	2,861,000
Gratuity Liability (Provision)	(7,271,500)	(25,717,400)
Total Net Cash provided by Financing Activities :	(7,271,500)	(22,856,400)
Net Cash Inflow/Outflow : (A+B+C)	(5,954,261)	6,357,918
Cash and Bank Balance at the beginning of the year	17,679,213	11,321,295
Cash, FDR and Bank Balance at the ending of the year	11,724,951	17,679,213


Asst. Manager (A & F) and
Head of Department


Head of Project

Place: Dhaka
Date: 17 FEB 2026



Galfra-Habib Ltd.

Barabkunda, Sitakunda, Chattogram.

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

A. Introductory Information :

i) 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 subsequently as Bangladesh Industrial Enterprise (Nationalization) Act-25 year of 2018.

ii) 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.

iii) Locations, Activities & Operations :

Galfra Habib Ltd is a 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. At present the factory's 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.

B. Basis of Preparation :

i) 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.

ii) 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.

iii) 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 :-

- Statement of Financial Position as at 30th June, 2025
- Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2025
- Statement of Changes in Equity as at 30th June, 2025
- Statement of Cash Flows for the year ended 30th June, 2025
- Statement of Fund Flows for the year ended 30th June, 2025
- Notes, comprising a summary of significant accounting policies and explanatory information

iv) 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 to the nearest taka.



v) 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.

vi) Reporting Period

The financial statements of the Company cover one financial year from July 2024 to June 2025 consistently .

vii) Comparative Information :

Comparative information has been disclosed in respect of the year 2024-2025 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.

viii) Summary of Significant Accounting Policies :

C. Significant Accounting Policies :

i) 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 .

ii) 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 .

iii) Stock and Stores :

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

* Stock of Finished Goods are valued by productivity of machinery as per BJMC guideline.

iv) 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.

v) 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% and own contribution 10% 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 unexpired leave at the credit of employees.

vi) 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.