


Private & Confidential



Galfra-Habib Ltd.
Barabkunda, Sitakunda, Chattogram.


Auditors' Report and Financial Statements
Of
Galfra-Habib Ltd.
For the year ended 30 June, 2024

M A Fazal & Co.

Chartered Accountants

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

Opinion

We have audited the financial statements of **Golfra-Habib Ltd.** which comprise the statement of financial position as at **30 June, 2024** and the statement of profit or loss and other comprehensive income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at **30 June, 2024** 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. Found a list of finish goods of GHL but couldn't verified physically due to those FG transferred to premises of Amin Jute Mills Limited as per instruction of BJMC.
2. We have sent balance confirmation letters in respective Banks and 01 balance confirmation letter received from BRAC Bank Plc out of 05 Banks. Rest of the balance confirmation letters are yet to be received.

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) We have obtained all the information and explanation which to 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 except for the matter emphasis 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.



Dated, Dhaka.
24 April, 2025



Md. Abul Basher, FCA # 0840

Managing Partner

M A Fazal & Co.

Chartered Accountants

DVC: 2504280840 AS 890483

Gafra-Habib Ltd.
Barabkunda, Sitakunda, Chattogram.
Statement of Financial Position
As at 30th June, 2024.

Sl. #	Particulars	Notes	Amount (Tk.)	
			30 June,2024	30 June,2023
Property & Assets :				
A.	<u>Non Current Assets :</u>			
	At Cost / Revaluation less acc.depreciation		1,778,254,627	1,782,103,655
		1.00	1,778,254,627	1,782,103,655
B.	<u>Current Assets :</u>			
	Stock and Stores		146,045,256	200,701,804
	Debtors	2.00	124,772,459	185,336,375
	Due from BJMC Mills	3.00	2,306,056	2,306,056
	Advance, Deposits and Pre-payments (Provision)	4.00	815,782	815,782
	Cash and Bank Balance	5.00	471,746	922,296
		6.00	17,679,213	11,321,295
	Total Property & Assets (A+B)		1,924,299,883	1,982,805,459
Capital & Liabilities :				
C.	<u>Authorized Capital</u>			
		7.00	10,000,000	10,000,000
D.	<u>Equity & Retained Earnings :</u>			
	Issued, Subscribed and Paid-up Capital		881,254,367	(764,472,302)
	Govt. Equity Contribution	8.00	6,632,780	6,632,780
	Retained Earnings	9.00	39,555,350	39,555,350
	Reserves	10.00	(861,470,970)	(810,660,432)
		11.00	1,696,537,207	-
E.	<u>Non-Current Liabilities :</u>			
	Reserves		1,011,695,083	2,714,979,307
	BJMC Current Account		-	1,698,511,881
	Long Term Loan	12.00	162,193,815	144,109,758
	Gratuity Liabilities (Provision)	13.00	825,315,608	822,454,608
		14.00	24,185,660	49,903,060
F.	<u>Current Liabilities :</u>			
	Liabilities for Goods		31,350,433	32,298,454
	Liabilities for Expenses	15.00	826,609	826,609
	Liabilities for other Finance	16.00	5,836,434	8,825,198
	Due to BJMC Mills	17.00	11,314,471	11,796,536
	Gratuity Payable Account (Current)	18.00	1,711,066	1,711,066
		19.00	11,661,853	9,139,045
	Total Capital & Liabilities : (D+E+F)		1,924,299,883	1,982,805,459

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

[Signature]
Manager (A & F) and
Head of Department
মোঃ আহমদের রহমান চৌধুরী
সহঃ ব্যবস্থাপক (হিসাব ও অর্থ)
গালফ্রা হাবিব লিমিটেড
বাড়বকুণ্ড, সীতাকুণ্ড, চট্টগ্রাম।

[Signature]
Md. Nur Nobi
Manager (Production)
&
Project Officer
Gafra Habib Ltd.
Barabkunda, Sitakunda, Chattogram
Signed in terms of our report of even date.

[Signature]
Md. Abul Basher, FCA # 0840
Managing Partner
M A Fazal & Co.
Chartered Accountants

Dated, Dhaka.
24 April, 2025



DVC: 2504280840 AS 890483

Galfra-Habib Ltd.

Barabkunda, Sitakunda, Chattogram.

Statement of Manufacturing, Trading and Profit/(Loss) & Other Comprehensive Income
for the year ended 30th June, 2024.

Sl. #	Particulars	Notes	Amount (Tk.)	
			2023-2024	2022-2023
1.	Income		4,542,471	-
	Local Sales	20.00	4,542,471	-
	Material Cost :			
2.	Opening Work-in-Process	21.00	28,378,335	28,378,335
3.	Raw Materials Consumption	22.00	2,721,018	-
4.	Furnace Materials	23.00	-	-
5.	Other direct materials Consumed	24.00	-	-
6.	Sub-Total : (2 to 5)		31,099,353	28,378,335
7.	Closing Work-in-Process	21.00	-	28,378,335
8.	Total Material Cost : (6-7)		31,099,353	-
	Conversion Cost :			
9.	Opening Work-in-Process	21.00	9,715,385	9,715,385
10.	Wages	25.00	-	-
11.	Salaries	26.00	21,724,148	34,287,381
12.	Power/Electricity	27.00	306,632	392,568
13.	Fuel	28.00	20,719	106,044
14.	Repairs & Maintenance	29.00	471,747	594,431
15.	Depreciation	30.00	1,874,354	1,874,354
16.	Insurance	31.00	134,606	214,699
17.	Other Factory Overhead	32.00	-	337,191
18.	Sub-Total : (9 to 17)		34,247,591	47,522,053
19.	Closing Work-in-Process	21.00	-	9,715,385
20.	Total Conversion Cost : (18-19)		34,247,591	37,806,668
21.	Cost of Production : (8+20)		65,346,944	37,806,668
22.	Opening Stock of Finished Goods	33.00	124,772,459	124,772,459
23.	Cost of Goods available for Sale : (21+22)		190,119,403	162,579,127
24.	Closing Stock of Finished Goods	33.00	124,772,459	124,772,459
25.	Cost of Sales : (23-24)		65,346,944	37,806,668
26.	Gross Profit/(Loss): (1-25)		(60,804,473)	(37,806,668)
27.	Administrative Expenses	34.00	7,097,928	8,086,993
28.	Selling Expenses	35.00	-	-
29.	Loss on sale of Store & Spares		225,154	-
30.	Operating Expenses : (27+28+29)		7,323,082	8,086,993
31.	Net Operating Profit/(Loss) : (26-30)		(68,127,555)	(45,893,661)
32.	Non-Operating Income (Scrap & Tender) Sales		2,226,456	21,454,544
33.	Net Profit/(Loss) before Tax : (31+32)		(65,901,099)	(24,439,117)
34.	Provision for Income Tax		2,725	-
35.	Net Profit/(Loss) after Tax : (33-34)		(65,903,824)	(24,439,117)

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

[Signature]
Manager (A & F) and
Head of Department
মোঃ আহম্মদের রহমান চৌধুরী
সহ ব্যবস্থাপক (হিসাব ও অর্থ)
গালফ্রা হাবিব লিমিটেড
বাড়বকুণ্ড, সীতাকুণ্ড, চট্টগ্রাম।

[Signature]
Md. Nur Nobi
Manager (Production)
&
Project Head (A C)
Galfra-Habib Ltd.
Barabkunda, Sitakunda, Chattogram

Signed in terms of our report of even date.



[Signature]
Md. Abul Basher, FCA # 0840
Managing Partner
M A Fazal & Co.
Chartered Accountants

Dated, Dhaka.
24 April, 2025

Galfra-Habib Ltd.

Barabkunda, Sitakunda, Chattogram.

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

Particulars	Share Capital	Govt. Equity Contribution	Reserve	Retained Earning	Total
Opening Balance as on 01.07.2022	6,632,780	39,555,350	-	(776,033,469)	(729,845,339)
Add : Net Profit /(Loss)	-	-	-	(24,439,117)	(24,439,117)
Add : Prior years adjustment	-	-	-	(10,187,846)	(10,187,846)
Less: Depreciation on Reserve	-	-	-	-	-
Closing Balance as on 30.06.2023	6,632,780	39,555,350	-	(810,660,432)	(764,472,302)

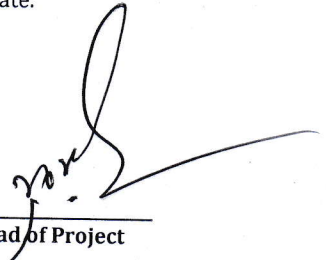
This is the Statement of Changes in Equity referred to in our separate report of even date.



Deputy Manager (A & F) and
Head of Department

মোঃ আহম্মদের রহমান চৌধুরী
সহঃ ব্যবস্থাপক (হিসাব ও অর্থ)

Dated, Dhaka. 24 April, 2025
গালফ্রা হাবিবি লিমিটেড
বাড়বকুণ্ড, সীতাকুণ্ড, চট্টগ্রাম।



Head of Project

Md. Nur Nobi
Manager (Production)

&
Project Head (A.C)
Galfra Habib Ltd.
Barabkunda, Sitakunda, Chattogram



Galfra-Habib Ltd.

Barabkunda, Sitakunda, Chattogram.

Statement of Cash Flows for the year ended 30th June, 2024.

SL #	Particulars	Amount (Tk.)	
		2023-2024	2022-2023
A.	Cash Flow from Operating Activities :		
	Net Profit/(Loss) for the year	(65,903,824)	(24,439,117)
	Prior year Adjustment	15,093,286	(10,187,864)
	Depreciation	1,874,354	1,874,354
	Total	(48,936,184)	(32,752,609)
	Increase/Decrease in Current Assets :		
	Stock & Stores	60,563,916	-
	Debtors	-	192,475,382
	Due from BJMC Mills	-	(39,288)
	Advance Deposit & Pre-payments	450,550	-
	BJMC Current Account	18,084,057	(154,004,363)
	Total	79,098,523	38,431,731
	Increase/Decrease in Current Liabilities :		
	Liabilities for Goods	(0)	(1,146,446)
	Liabilities for Expenses	(2,988,764)	1,914,946
	Liabilities for Other Finance	(482,066)	(1,376,025)
	Due to BJMC Mills	-	(4,157,660)
	Gratuity Payable Account(Current)	2,522,808	(12,091,287)
	Provision for income tax	-	-
	Total	(948,021)	(16,856,472)
	Total Net Cash used by Operating Activities:	29,214,318	(11,177,350)
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	(1,546,896)
	Gratuity Liability (Provision)	(25,717,400)	912,220
	Total Net Cash provided by Financing Activities :	(22,856,400)	(634,676)
	Net Cash Inflow/Outflow : (A+B+C)	6,357,918	(11,812,026)
	Cash and Bank Balance at the beginning of the year	11,321,295	23,133,321
	Cash and Bank Balance at the ending of the year	17,679,213	11,321,295

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

Deputy Manager (A & F) and
Head of Department

মোঃ আহম্মদের রহমান চৌধুরী
সহ ব্যবস্থাপক (হিসাব ও অর্থ)
গালফ্রা হাবিবি লিমিটেড
বাড়বকুণ্ড, সীতাকুণ্ড, চট্টগ্রাম।

Head of Project

Md. Nur Nobi
Manager (Production)
&
Project Head (A.C)
Galfra Habib Ltd.
Barabkunda, Sitakunda, Chattogram

Dated, Dhaka.
24 April, 2025



Galfra-Habib Ltd.

Barabkunda, Sitakunda, Chattogram.

Notes to the Financial Statements for the year ended 30th June, 2024.

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

2.00 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, 2024
- b) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2024
- c) Statement of Changes in Equity as at 30th June, 2024
- d) Statement of Cash Flows for the year ended 30th June, 2024
- e) Statement of Fund Flows for the year ended 30th June, 2024
- 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

These financial statements of the Company cover the financial year from 01st July 2023 to 30th June 2024 with comparative figures for the financial year from 01st July 2022 to 30th June 2023 is followed consistently.

7.00 Comparative Information :

Comparative information has been disclosed in respect of the year 2023-2024 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.

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% 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 payable are calculating to all eligible employees at the rate of Gratuity = Last Basic Salary \times Gratuity Rate
* Completed Years of Service 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 unveiled leave at the credit of employees.

7.00 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.

