



Private & Confidential


Galfra-Habib Ltd.
Barabkunda, Sitakunda, Chattogram


Auditors' Report and Financial Statements
Of
Galfra-Habib Ltd.
For the year ended 30 June, 2023

M A Fazal & Co.
Chartered Accountants

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Independent Auditors' Report
Of
Golfra-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, 2023** 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, 2023** 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.

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

Managements is 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.

Emphasis of Matters:

1. In our verification we didn't found sufficient supporting or documents of prior year adjustment.
2. In our verification we didn't found Scarp sale related any supporting or documents, Tk. 21,454,544/-.
3. We have sent balance confirmation letter in respective Bank. We received 02 balance confirmation letters from JBL out of 05 Bank balance confirmation letter. Rest balance confirmation letters from 02 JBL and 01 from BBL are yet to be received.

Dated, Dhaka.
01 FEB 2024



Md. Abu Basher, FCA # 0840

Managing Partner

M A Fazal & Co.

Chartered Accountants

DVC: 2402010840A8557350

Galfra-Habib Ltd.

Barabkunda, Sitakunda, Chattogram.

Statement of Financial Position

As at 30th June, 2023.

Sl. #	Particulars	Notes	Amount (Tk.)	
			30 June,2023	30 June,2022
Property & Assets :				
A. Non Current Assets :			1,782,103,655	1,785,952,683
At Cost / Revaluation less acc.depreciation		1.00	1,782,103,655	1,785,952,683
B. Current Assets :			200,701,804	404,949,924
Stock and Stores		2.00	185,336,375	185,336,375
Debtors		3.00	2,306,056	194,781,438
Due from BJMC Mills		4.00	815,782	776,494
Advance, Deposits and Pre-payments (Provision)		5.00	922,296	922,296
Cash and Bank Balance		6.00	11,321,295	23,133,321
Total Property & Assets (A+B)			1,982,805,459	2,190,902,607
Capital & Liabilities :				
C. Authorized Capital		7.00	10,000,000	10,000,000
D. Equity & Retained Earnings :			(764,472,302)	(729,845,339)
Issued, Subscribed and Paid-up Capital		8.00	6,632,780	6,632,780
Govt. Equity Contribution		9.00	39,555,350	39,555,350
Retained Earnings		10.00	(810,660,432)	(776,033,469)
E. Non-Current Liabilities :			2,714,979,307	2,871,593,020
Reserves		11.00	1,698,511,881	1,700,486,555
BJMC Current Account		12.00	144,109,758	298,114,121
Long Term Loan		13.00	822,454,608	824,001,504
Gratuity Liabilities (Provision)		14.00	49,903,060	48,990,840
F. Current Liabilities :			32,298,454	49,154,926
Liabilities for Goods		15.00	826,609	1,973,055
Liabilities for Expenses		16.00	8,825,198	6,910,252
Liabilities for other Finance		17.00	11,796,536	13,172,561
Due to BJMC Mills		18.00	1,711,066	5,868,726
Gratuity Payable Account (Current)		19.00	9,139,045	21,230,332
Total Capital & Liabilities : (D+E+F)			1,982,805,459	2,190,902,607

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

Deputy-Manager (A & F) and
Head of Department

মোঃ আলী আশরাফ
ব্যবস্থাপক (হিসাব ও অর্থ)

হিসাব বিভাগীয় প্রধান
গাভরা হাবিব লিমিটেড
বাড়বকুণ্ড, চট্টগ্রাম।

Dated, Dhaka.

01 FEB 2024



Head of Project

Signed in terms of our report of even date.

হাজিঃ খন্দকার আনোয়ারুল ইসলাম
মহাব্যবস্থাপক (সি.সি.)
গাভরা হাবিব লিমিটেড
বাড়বকুণ্ড, চট্টগ্রাম।

Md. Abul Basher, FCA # 0840

Managing Partner

M A Fazal & Co.

Galfra-Habib Ltd.

Barabkunda, Sitakunda, Chattogram.

Statement of Manufacturing, Trading and Profit/(Loss) & Other Comprehensive Income
for the year ended 30th June, 2023.

Sl. #	Particulars	Notes	Amount (Tk.)	
			2022-2023	2021-2022
1.	Income		-	1,004,120
	Local Sales	20.00	-	1,004,120
	Material Cost :			
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.	Sub-Total : (2 to 5)		28,378,335	28,378,335
7.	Closing Work-in-Process	21.00	28,378,335	28,378,335
8.	Total Material Cost : (6-7)		-	-
	Conversion Cost :			
9.	Opening Work-in-Process	21.00	9,715,385	9,715,385
10.	Wages	25.00	-	-
11.	Salaries	26.00	34,287,381	34,536,577
12.	Power/Electricity	27.00	392,568	648,417
13.	Fuel	28.00	106,044	45,204
14.	Repairs & Maintenance	29.00	594,431	266,703
15.	Depreciation	30.00	1,874,354	1,876,541
16.	Insurance	31.00	214,699	227,271
17.	Other Factory Overhead	32.00	337,191	551,213
18.	Sub-Total : (9 to 17)		47,522,053	47,867,311
19.	Closing Work-in-Process	21.00	9,715,385	9,715,385
20.	Total Conversion Cost : (18-19)		37,806,668	38,151,926
21.	Cost of Production : (8+20)		37,806,668	38,151,926
22.	Opening Stock of Finished Goods	33.00	124,772,459	125,776,579
23.	Cost of Goods available for Sale : (21+22)		162,579,127	163,928,505
24.	Closing Stock of Finished Goods	33.00	124,772,459	124,772,459
25.	Cost of Sales : (23-24)		37,806,668	39,156,046
26.	Gross Profit/(Loss): (1-25)		(37,806,668)	(38,151,926)
27.	Administrative Expenses	34.00	8,086,993	14,271,086
28.	Selling Expenses	35.00	-	-
29.	Operating Expenses : (27+28)		8,086,993	14,271,086
30.	Net Operating Profit/(Loss) : (26-29)		(45,893,661)	(52,423,012)
31.	Non-Operating Income (Scrap & Raw materials) Sales		21,454,544	57,000
32.	Net Profit/(Loss) before Tax : (30+31)		(24,439,117)	(52,366,012)
33.	Provision for Income Tax		-	-
34.	Net Profit/(Loss) after Tax : (32-33)		(24,439,117)	(52,366,012)
35.	Add : Previous year Profit/(Loss)		-	(727,291,533)
36.	Add : Prior years Adjustments		-	3,624,076
37.	Balance Transfer to Profit/(Loss) Appr. A/c		-	(828,399,481)
38.	Transferred to Statement of Changes in Equity		(24,439,117)	(828,399,481)

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

Deputy Manager (A & F) and

Head of Department
মোঃ আলী আশরাফ
ব্যবস্থাপক (হিসাব ও অর্থ)

হিসাব বিভাগীয় প্রধান
গালফা হাবিব লিঃ
বাড়বকুণ্ড, চট্টগ্রাম

Dated, Dhaka.

01 FEB 2024



ইঞ্জিঃ খন্দকার মুনোয়ারুল ইসলাম
মহাব্যবস্থাপক (সি.সি.)
Head of Project (S.S.)

Signed in terms of our report of even date.

Md. Abul Bashir, FCA # 0840

Managing Partner

M A Fazal & Co.

Chartered Accountants

DVC: 24091084083557350

Galfra-Habib Ltd.

Barabkunda, Sitakunda, Chattogram.

Statement of Changes in Equity for the year ended 30th June, 2023.

Particulars	Share Capital	Govt. Equity Contribution	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)
Closing Balance as on 30.06.2023	6,632,780	39,555,350	(810,660,432)	(764,472,302)

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 organisation. Till previous year Galfra-Habib 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.


Particulars	Share Capital	Govt. Equity Contribution	Retained Earning	Total
Opening Balance as on 01.07.2021	6,632,780	39,555,350	(727,291,533)	(681,103,403)
Add : Net Profit /(Loss)	-	-	(52,366,012)	(52,366,012)
Add : Prior years adjustment	-	-	3,624,076	3,624,076
Closing Balance as on 30.06.2022	6,632,780	39,555,350	(776,033,469)	(729,845,339)

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 আলী আশরাফ
 ব্যবস্থাপক (হিসাব ও অর্থ)

Dated, Dhaka. হিসাব বিভাগীয় প্রধান
 গালফ্রা হাবিব লিমিটেড
 বাড়বকুণ্ড, চট্টগ্রাম।
 01 FEB 2024


 Head of Project


ইঞ্জিঃ খন্দকার আনোয়ারুল ইসলাম
 মহাব্যবস্থাপক (সি.সি.)
 (প্রকল্প প্রধান)
 গালফ্রা হাবিব লিমিটেড
 বাড়বকুণ্ড, চট্টগ্রাম।



Galfra-Habib Ltd.
Barabkunda, Sitakunda, Chattogram.
Statement of Cash Flows
for the year ended 30th June, 2023.

Sl. #	Particulars	Amount (Tk.)	
		2022-2023	2021-2022
A.	Cash Flow from Operating Activities :		
	Net Profit/(Loss) for the year	(24,439,117)	(52,366,012)
	Prior year Adjustment	(10,187,846)	3,624,076
	Depreciation	1,874,354	1,876,541
	Total	(32,752,609)	(46,865,395)
	Increase/Decrease in Current Assets :		
	Stock & Stores	-	920,717
	Debtors	192,475,382	-
	Due from BJMC Mills	(39,288)	(571,468)
	Advance Deposit & Pre-payments	-	70,000
	BJMC Current Account	(154,004,363)	36,611,045
	Total	38,431,731	37,030,294
	Increase/Decrease in Current Liabilities :		
	Liabilities for Goods	(1,146,446)	(14,630,403)
	Liabilities for Expenses	1,914,946	(894,619)
	Liabilities for Other Finance	(1,376,025)	(92,070)
	Due to BJMC Mills	(4,157,660)	(121,333)
	Gratuity Payable Account(Current)	(12,091,287)	(39,367,180)
	Total	(16,856,472)	(55,105,605)
	Total Net Cash used by Operating Activities:	(11,177,350)	(64,940,706)
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	(1,546,896)	76,552,999
	Gratuity Liability (Provision)	912,220	2,448,202
	Total Net Cash provided by Financing Activities :	(634,676)	79,001,201
	Net Cash Inflow/Outflow : (A+B+C)	(11,812,026)	14,060,495
	Cash and Bank Balance at the beginning of the year	23,133,321	9,072,826
	Cash and Bank Balance at the ending of the year	11,321,295	23,133,321

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 আলী আশরাফ
ব্যবস্থাপক (হিসাব ও অর্থ)

হিসাব বিভাগীয় প্রধান
গালফ্রা হাবিব লিমিটেড
বাড়বকুণ্ড, চট্টগ্রাম।

Dated, Dhaka.

01 FEB 2024




Head of Project

গাজী খন্দকার আনোয়ারুল ইসলাম
মহানবাবস্থাপক (সি.সি.)
(প্রকল্প প্রধান)
গালফ্রা হাবিব লিমিটেড
বাড়বকুণ্ড, চট্টগ্রাম।