

INDEPENDENT AUDITORS' REPORT

To The Shareholders of
EMERALD OIL INDUSTRIES LIMITED

We have audited the accompanying financial statements of EMERALD OIL INDUSTRIES LIMITED, which comprise the Statement of Financial Position as at 30 June 2016 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Notes to the financial statements, including a summary of significant accounting policies and other explanatory information for the year ended 30 June 2016.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BAS), the Companies Act, 1993 and Exchange Rules 1993 and other applicable laws and regulations. Management is also responsible for the design, implementation and maintenance of internal control systems that are necessary to prevent or detect material misstatements, whether due to fraud or error.

Emerald Oil Industries Ltd

Auditors' Report

and

Financial Statements

As at and for the year ended 30 June 2016

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Bangladesh Accounting Standards (BAS). Those standards require that we exercise professional judgment and maintain independence throughout the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes the evaluation of the accounting policies used and the reasonableness of any estimates made by management, as well as evaluating the overall presentation of the financial statements.

MAHFEL HUQ & CO.

মাহফেল হক এন্ড কোং

Chartered Accountants

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Mahfel Huq & Co.

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INDEPENDENT AUDITORS' REPORT

To The shareholders of
EMERALD OIL INDUSTRIES LIMITED

We have audited the accompanying financial statements of **EMERALD OIL INDUSTRIES LIMITED**, which comprise the Statement of Financial Position as at 30 June 2016 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Notes to the financial statements, including a summary of significant accounting policies and other explanatory information for the year ended 30 June 2016.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), Bangladesh Accounting Standards (BASs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws & regulations 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Mahfel Huq & Co.

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Basis for Qualified Opinion

- a) The evidence with respect to inventory having a carrying amount of BD TK. 721,497,136 was limited as we could not observe the physical inventory count as of 30 June, 2016. As a result physical existence of the inventory on 30th June, 2016 was difficult to ascertain.
- b) The company has reported an amount of BDTK. 165,425,110 as advance against rice bran purchase in the financial statements. During audit we sent balance confirmation letters to all of the parties to whom advance was made but no response received till the reporting date. As a result, we could not confirm the amount of advance reported in the financial statements.

Qualified Opinion

In our opinion, except as stated in our "Basis for Qualified Opinion" paragraphs above, the financial statements prepared in accordance with Bangladesh Accounting Standards (BASs), Bangladesh Financial Reporting Standards (BFRSs) give a true and fair view of the state of the affairs of the company as at 30 June 2016 and of the results of its operations and its cash flows for the year then ended and comply with the requirements of the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Emphasis of Matter:

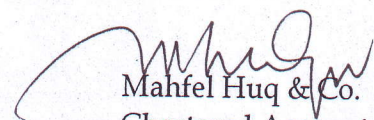
We draw attention to Note 3.08 and 3.09 to the financial statements:

Emerald Oil Industries Limited has been unable to repay loans from BASIC bank and loan facilities have been suspended and litigation has been lodged against the Company and its directors by Anti Corruption Commission (ACC). Our opinion is not qualified in respect of this matter.

We further report that:

- (a) We have obtained all the information and explanation which to the best of our knowledge and believe 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 company's statement 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
- (d) The expenditure incurred was for the purpose of the company's business.

Dated: Dhaka
26 November 2016

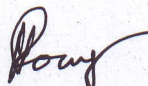

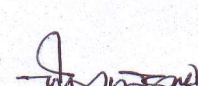
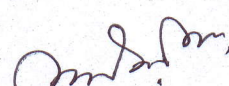

Mahfel Huq & Co.
Chartered Accountants



EMERALD OIL INDUSTRIES LIMITED
STATEMENT OF FINANCIAL POSITION
As at 30 June, 2016

Particulars	Notes	Amount In Taka	Amount In Taka
		30.06.2016	30.06.2015
A. NON-CURRENT ASSET		728,586,550	789,514,616
Property, Plant & Equipment	5.00	728,471,300	779,953,930
Capital Work-in-progress	6.00	-	8,126,436
Intangible Assets	7.00	115,250	1,434,250
B. CURRENT ASSET		1,644,447,808	1,271,143,517
Inventories	8.00	721,497,136	540,696,336
Trade & Other Receivables	9.00	725,753,933	569,028,067
Investment	10.00	12,611,335	11,652,046
Advances, Deposits & Pre-Payments	11.00	174,537,770	137,068,843
Cash & Cash Equivalents	12.00	10,047,634	12,698,225
TOTAL ASSETS & PROPERTIES (A+B)		2,373,034,358	2,060,658,133
C. SHAREHOLDERS EQUITY		935,395,658	804,023,780
Share capital	13.00	542,850,000	493,500,000
Retained earnings	14.00	392,545,658	310,523,780
D. NON-CURRENT LIABILITIES		655,415,528	776,904,687
Deferred Tax Liabilities	15.00	27,301,361	20,592,626
Long term Loan (Secured)	16.00	628,114,167	756,312,061
E. CURRENT LIABILITIES		782,223,172	479,729,666
Current Portion Of Long Term Loan	17.00	278,400,257	140,651,794
Trade & Other Payables	18.00	12,867,952	12,372,925
Short Term Bank Loan	19.00	305,953,177	269,413,675
Uncollected IPO Subscription	20.00	6,316,250	6,381,250
Accruals & Provisions	21.00	178,685,536	50,910,022
TOTAL EQUITY & LIABILITIES (C+D+E)		2,373,034,358	2,060,658,133
Net Asset Value (NAVs) Per Share		17.23	16.29

The annexed notes (1-33) the integral part of these financial statements.





 Company Secretary Director Director Chairman

Signed as per our separate report on same date.

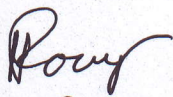


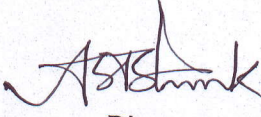


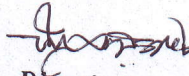
EMERALD OIL INDUSTRIES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 June, 2016

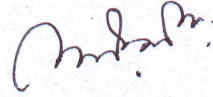
Particulars	Notes	Amount In Taka	Amount In Taka
		30.06.2016	30.06.2015
Revenue	22.00	1,849,603,316	1,763,368,794
Less: Cost Of Goods Sold	23.00	1,422,766,430	1,381,945,633
A. Gross Profit		426,836,886	381,423,161
B. Operating Expenses		49,005,124	51,041,876
General and Administrative Expenses	24.00	23,845,300	24,134,198
Selling and Distribution Expenses	25.00	25,159,824	26,907,678
C. Operating profit (A-B)		377,831,762	330,381,285
D. Non Operating Income		1,438,735	1,369,598
Other Income	26.00	1,438,735	1,369,598
E. Non-operating Expenses		162,188,433	148,159,951
Financing Expenses	27.00	162,188,433	148,159,951
F. Profit before WPPF & Tax (C+D-E)		217,082,064	183,590,932
G. Contribution to WPPF		10,337,241	8,742,425
H. Profit/(Loss) before Tax (F-G)		206,744,823	174,848,507
I. Income Tax Expenses	28.00	26,022,945	22,027,262
J. Net profit / (loss) after tax (H-I)		180,721,878	152,821,245
Earnings Per Share Par Value of Tk. 10/- each	29.00	3.33	3.10
Re-stated Earnings Per Share Par Value of Tk. 10/- each	30.00	3.33	2.82

The annexed notes (1-33) the integral part of these financial statements.


Company Secretary


Director



Director


Chairman

Signed as per our separate report on same date.

Date: 26 November 2016
Dhaka




Mahfel Huq & Co.
Chartered Accountants



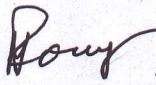
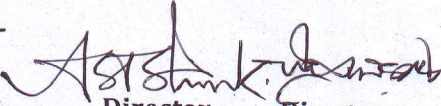
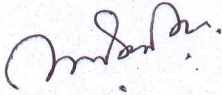
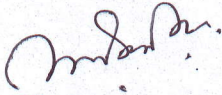
EMERALD OIL INDUSTRIES LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June, 2016

Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total Amount
Balance as at July 01, 2015	493,500,000	310,523,780	804,023,780
Stock Dividend for the year ended June 30, 2015	49,350,000	(49,350,000)	-
Cash Dividend for the year ended June 30, 2015	-	(49,350,000)	(49,350,000)
Net profit after tax for the period	-	180,721,878	180,721,878
Balance as at June 30, 2016	542,850,000	392,545,658	935,395,658

EMERALD OIL INDUSTRIES LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended June 30, 2015

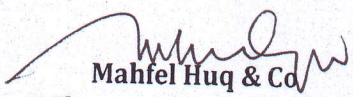
Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total Amount
Balance as at July 01, 2014	470,000,000	200,226,477	670,226,477
Stock Dividend for the year ended June 30, 2014	23,500,000	(23,500,000)	-
Cash Dividend for the year ended June 30, 2014	-	(47,000,000)	(47,000,000)
Excess Provision Written Back	-	27,976,058	27,976,058
Net profit after tax for the year	-	152,821,245	152,821,245
Balance as at 30 June, 2015	493,500,000	310,523,780	804,023,780

The annexed notes (1-33) the integral part of these financial statements.


 Company Secretary
 
 Director
 
 Director
 
 Chairman

Signed as per our separate report on same date.

Date: 26 November 2016
Dhaka

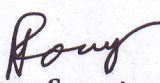
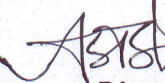
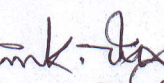
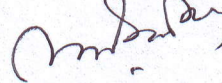

 Mahfel Huq & Co.
 Chartered Accountants



EMERALD OIL INDUSTRIES LIMITED
STATEMENT OF CASH FLOWS
 For the year ended 30 June, 2016


Particulars	Amount In Taka	Amount In Taka
	30.06.2016	30.06.2015
A. Cash flows from operating activities:		
Cash received from customer & other income	1,694,255,555	1,579,460,728
Payment to Creditors, Suppliers & Others	(1,622,243,145)	(1,704,733,403)
Income Tax Paid during the period	(151,770)	(752,363)
Net Cash provided by operating activities	71,860,640	(126,025,038)
B. Cash flows from investing activities:		
Acquisition of property, plant and Equipment	(250,000)	(4,220,953)
Payments for Capital work in progress	-	(34,972,315)
Investment in FDR	(1,066,125)	(1,073,750)
Net Cash used in investing activities	(1,316,125)	(40,267,018)
C. Cash flows from financing activities:		
Financial Expenses	(70,523,944)	(148,159,951)
Divident Paid	(48,696,233)	(46,340,650)
Refund Warrant Liabilities-Net	(65,000)	(1,967,250)
Short term bank loan (paid)/Received-Net	36,539,502	9,946,282
Long Term Bank Loan (paid)/Received-Net	9,550,569	308,944,856
Net Cash from financing Activities	(73,195,106)	122,423,287
Net Decrease in cash & cash equivalents (A+B+C)	(2,650,591)	(43,868,769)
Cash & cash equivalents at the beginning of the period	12,698,225	56,566,994
Cash & cash equivalents at the end of the period	10,047,634	12,698,225
Net Operating Cash Flow Per Share	1.32	(2.55)

The annexed notes (1-33) the integral part of these financial statements.





 Company Secretary Director Director Chairman

Signed as per our separate report on same date.

Date: 26 November 2016
 Dhaka


Mahfel Huq & Co
 Chartered Accountants





EMERALD OIL INDUSTRIES LIMITED
Notes to the Financial Statements
For the year ended 30 June, 2016

1.00 REPORTING ENTITY

1.01 Formation and legal status

Emerald Oil Industries Ltd, (hereinafter referred to as EOIL), a Private Limited Company was incorporated under the Companies Act 1994 vide Registration No. C-72229(271/2008) dated July 17, 2008. Initially the company named as 'Emerald Oil & Poultry Industries Limited' having its registered office in Dhaka. The Corporate Office of the company is situated at 45, Bijoy Nagar, Dhaka. The company started its commercial operation from July 02, 2011. The board in its meeting held on December 21, 2011 decided to convert the company into public limited and converted into public limited accordingly. The company was renamed as "Emerald Oil Industries Ltd" with effect from December 01, 2011. The company was listed with Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. on March 11, 2014 and March 13, 2014 respectively.

1.02 Nature of business

The Company is engaged in manufacturing of Rice Bran Oil by processing of Rice Bran. In the processing of rice bran, De-oil Bran, Fatty Acid, Wax, Gum & Spent Earth are produced as by-product.

2.00 BASIS OF PREPARATION, PRESENTATION AND DISCLOSURES OF FINANCIAL STATEMENTS

2.01 Statement of Compliance

The financial statements have been prepared on a going concern basis following accrual basis of accounting except for cash flow statement in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh as Bangladesh Accounting Standards (BASS) and Bangladesh Financial Reporting Standards (BFRSs).

2.02 Other regulatory compliances

As required, Emerald Oil Industries Ltd complies with the following major Act and Rules in addition to the Companies Act 1994 and other applicable laws and regulations:

- a) The Income Tax Ordinance 1984
- b) The Income Tax Rules 1984
- c) The Value Added Tax Act 1991
- d) The Value Added Tax Rules 1991
- e) Bangladesh Securities and Exchange Commission Rules 1987
- f) The Customs Act 1969

2.03 Basis of Measurement

The financial statements have been prepared on historical cost basis, accrual concept and going concern assumptions.

2.04 Functional and presentation currency

These financial statements are prepared in Bangladesh Taka (Taka/Tk.), which is the company's functional currency. All financial information presented in Taka has been rounded off to the nearest integer.



2.05 Use of Estimates and Judgment

The preparation of these financial statements is in conformity with BFRSs 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.

Estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

2.06 Presentation of Financial Statements

The presentation of these financial statements is in accordance with the guidelines provided

by BAS 1: Presentation of Financial Statements, The Financial Statement comprises:

- a) statement of financial position
- b) statement of profit or loss and others comprehensive income
- c) statement of changes in equity
- d) statement of cash flows and
- e) notes to the financial statements, comprising a summary of significant accounting policies and explanatory information.

2.07 Reporting Period

The financial period of the companies covers twelve months from 01 July 2015 to 30 June 2016.

2.08 Date of Authorization

The Board of Directors has authorized these financial statements on November 26, 2016.

2.09 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently (otherwise as stated) to all periods presented in these financial statements.

3.00 Application of Standards

The following Standards are applied to the financial statements for the year under review:

Name of the accounting standards	Ref. No.	Status of Application
Presentation of Financial Statements	BAS - 1	Applied
Inventories	BAS - 2	Applied
Statements of Cash Flows	BAS - 7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors.	BAS - 8	Applied
Events after the reporting period	BAS - 10	Applied
Income Taxes	BAS - 12	Applied
Property, Plant and Equipment	BAS - 16	Applied
Leases	BAS - 17	Applied
Revenue	BAS - 18	Applied
Employee Benefit	BAS - 19	Applied
The Effects of Changes in Foreign Exchange Rates	BAS - 21	Applied
Borrowing Costs	BAS - 23	Applied



Related Party Disclosures	BAS - 24	Applied
Financial Instrument, Presentation	BAS - 32	Applied
Earnings Per Share	BAS - 33	Applied
Interim Financial Reporting, Comparative	BAS - 34	Applied
Impairment of Assets	BAS - 36	Applied
Provisions, Contingent Liabilities and Contingent Assets	BAS - 37	Applied
Intangible Assets	BAS - 38	Applied
Financial Instruments: Recognition & Measurement	BAS - 39	Applied
First Time Adoption of International Financial	BFRS - 1	Applied
Financial Instruments disclosure	BFRS - 7	Applied

3.01 Property, Plant and Equipment

3.01.01 Recognition and Measurement and Disclosure

Items of property, plant and equipment are measured at cost less accumulated depreciation less impairment loss, if any. Capital work-in-progress represents the cost incurred for acquisition and/or construction of property, plant and equipment that were not ready for use, are stated at cost.

Cost includes expenditure that is directly attributable to the acquisition of asset. The cost of self constructed asset includes the cost of material and direct labour and any other costs directly attributable to bringing the assets to the state of its intended use and the costs of dismantling and removing the items and restoring the site on which they are located.

3.01.02 Borrowing Costs

Interest and other expenses incurred by the company in respect of borrowing of fund are recognized as expenses in the period in which they incurred unless the activities that are necessary to prepare the qualifying assets for its intended use are in progress. Expenses capitalized also include applicable borrowing cost considering the requirement of BAS 23: Borrowing Costs.

3.01.03 Subsequent Costs and Maintenance Activities

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when the cost is incurred, it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repair and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of fixed assets, the expenditure is capitalized as an additional cost of the assets. All other costs are recognized to the profit and loss account as expenses if incurred. All up-gradation/enhancement are generally charged off as revenue expenditure unless they bring similar significant additional benefits.





3.01.04 Disposal of property, plant and equipment

On Disposal of property, plant and equipment, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the income statement, which is determined with reference to the net book value of the assets and net sales proceeds.

3.01.05 Maintenance Activities

The company incurs maintenance cost for all its major items of property, plant and equipment. Repair and maintenance costs are charged as expenses when incurred.

3.01.06 Depreciation

Depreciation on all items of Property, Plant & Equipment other than Land & Land development is computed using the reducing balance method so as to write off the assets over their expected useful life. Depreciation on Property, Plant & Equipment has been charged on acquisition of Property, Plant & Equipment when it is available for use.

After considering the useful life of assets as per BAS-16, the annual depreciation rates have been applied as under which is considered reasonable by the management.

Category	Rate of Depreciation	
	30.06.2016	30.06.2015
Land & Land Development	-	-
Building & Other Civil Works	5%	5%
Plant & Machineries	10%	10%
Electrical & Gas Line Installation	15%	15%
Furniture & Fixtures	15%	15%
Office Decoration	15%	15%
Office Equipment	20%	20%
Vehicle	20%	20%

3.02 Capital Work-in-progress

Property, plant and equipment under construction/acquisition is accounted for as capital work-in-progress until construction/acquisition is complete and measured at cost.

3.03 Intangible Assets

3.03.01 Recognition and measurement

Intangible assets are measured at cost less accumulated amortization and accumulated impairment loss, if any. Intangible asset is recognized when all the conditions for recognition as per BAS 38: "Intangible assets" are met. The cost of an intangible asset comprises its purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use.

3.03.02 Amortization

Amortization is recognized in the statement of comprehensive income on straight line method. The estimated useful life for computer software is 10 years and Campaign film is 5 years.





3.04 Inventories

Inventories comprise of raw materials, Finished goods, Processing Material, Packing Materials and Stores & Spares. Raw materials and Stores and Spares have been valued at average cost. Finished goods have been valued at lower of net realizable value and total of cost of material and other production Overhead attributable to bringing the goods to the state of sale under the convention of BAS-2.

3.05 Trade & Other Receivables

Accounts receivable is initially recognized at cost which is the fair value of the consideration given in return. After initial recognition these are carried at cost less impairment losses due to uncollectibility of any amount so recognized.

3.06 Advances, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment, inventory or expenses.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to Comprehensive income.

3.07 Cash and Cash Equivalent

Cash and cash equivalent include cash in hand, cash at banks which are held and available for use by the Company without any restriction.

3.08 Contingencies

There is ongoing litigation against the Directors as well as Emerald Oil Industries Ltd. by Anti-Corruption Commission (ACC) and some other government parties regarding loan arrangement from BASIC bank against which a writ petition (No. 13250 of 2015) has been lodged. At this point management is unable to measure the obligation with sufficient reliability or ascertain the outcome of this litigation. Hence no provision for liability has been recorded. However, management hereby discloses the existence of a contingent liability regarding this issue.

3.09 Going Concern

Though the company made a net profit after tax of Tk. 180,721,878 during the year but the company could not repay its banks'/financial Institutions' loans in due time which resulted in anti-corruption commission filing a lawsuit against the Directors as well as the Company as detailed in 3.08. This resulted from company's liquidity being stuck up in the inventories, receivables and advances due to increase of the production by the company, advances given to suppliers for supply of raw material, generous credit terms allowed for market expansion. The management of the company are trying their best to overcome this situation and has decided to reorganize the management, arrange some other financing sources for smooth operation of the business. In the opinion of the management, the company shall overcome all the obstacles within the shortest possible time. Therefore, the management adopted going concern basis for preparation of the financial statement.



3.10 Income Tax & VAT

Current Tax

A provision @ 25% on 50% of the profit except other income of the company has been provided during the year as the 50% income of the company is exempted from tax for the year as per PARA 45 of Sixth Schedule Part-A of the Income Tax Ordinance, 1984. However provision 25% is made on total others income of the company.

Deferred Tax

Deferred tax is provided for all temporary differences comprising between the tax base of assets and liabilities and their carrying amounts in financial statements in accordance with the provision of BAS-12.

Value Added Tax (VAT)

No VAT is applicable on the sale proceeds of the company as the company's sales is exempted from VAT under Table-3, Heading No.-15.15, H.S.Code-1515.90.00 of SRO No. 180/Law/2012/638-VAT of the VAT Act, 1991.

3.11 Revenue Recognition

In compliance with the requirements of BAS - 18: Revenue, revenue from receipts from customers against sales is recognized when products are dispatched to customers, that is, when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

3.12 Borrowing Costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognized in profit or loss using effective interest method. Borrowing cost incurred against loan for BMRE project has been capitalized under effective interest rate method.

3.13 Statement of Cash Flows

Cash flow statement is prepared in accordance with BAS-7 titled "Statement of Cash Flow" and the Cash flow from operating activities has been presented under direct method.

3.14 Statements of Changes in Equity

Statement of changes in equity is prepared in accordance with BAS-1 "Presentation of Financial Statements". This statement reflects information about the increase or decrease in net assets or wealth.

3.15 Earnings Per Share

The company calculates its earnings per share in accordance with Bangladesh Accounting Standard (BAS) -33 which has been reported on the face of Statement of Comprehensive Income.

Basic Earnings Per Share

The Company present its basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.





Diluted Earnings Per Share

No diluted earnings per share is required to be calculated for the period as there was no scope for dilution during the year.

3.16 Employee Benefit Schemes

Workers Profit Participation Fund (WPPF)

During 2011-12, The company has introduced Workers Profit Participation Fund for its employees in accordance with provisions of Bangladesh Labour Act, 2006 (Sec-232(1)).

3.17 Related Party Transactions

The Company carried out related party transaction only with key management personal. The information as required by BAS 24: "Related party Disclosures" has been disclosed in notes to the accounts (Note:33).

3.18 Events After the Reporting Period

In compliance with the requirements of BAS10: Events after the reporting period that provide additional information about the company's position at the reporting date are reflected in the financial statements and there is not any adjusting events after the Balance Sheet date.

The board of directors of the company in its 79th Board Meeting held on 26 November 2016 has recommended 10% stock dividend for the year ended 30 June 2016.

3.19 Net Asset Value per Share (NAVs):

Net Asset Value (NAVs) per share has been calculated by dividing net asset value reported in the statement of financial position by the number of ordinary shares in issue.

3.20 Comparative

Comparative information has been disclosed in respect of the previous year for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year financial statements.

Previous year's figure has been re-arranged whenever considered necessary to ensure comparability with the current year's presentation as per BAS-8: "Accounting Policies, Changes in Accounting Estimates and Errors"

3.21 Impairment of assets

I) Financial Assets

Accounts receivable and others receivables are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flow of that asset that can be estimated reliably. Objective evidence that financial assets are impaired can include default of delinquency by a debtor, indicates that a debtor of issuer will enter bankruptcy etc.



II) Non-Financial assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. Carrying amount of the assets is reduced to its recoverable amount by recognizing an impaired loss is recognized immediately in statement of comprehensive income unless the asset is carried at revalued amount. Any impaired loss of a revalued asset treated as a revaluation decrease. During the period no impaired loss occurred to recognize in the Financial Statements.

3.22 Leases

In compliance with BAS 17, Lease in terms of which the company assumes substantially all the risks and rewards of ownership are classified as finance leases and all other leases are classified as operating lease.

3.23 Foreign Currency Transaction:

Foreign currency transactions are recorded, on initial recognition in the functional currency at the spot exchange rate ruling at the transaction date.

At the end of each reporting period, in compliance with the provision of BAS 21: The Effects of Changes in Foreign Exchange Rates, are determined as under :

- (a) Foreign currency monetary items are translated using the closing rate.
- (b) Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction.
- (c) Non-monetary items that are measured at fair value in a foreign currency is translated using the exchange rate at the date when the fair value is determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rate different from those at which they were translated on initial recognition during the period or in previous financial statements is recognized in profit or loss in the period in which they arise.

4.00 Risk Factors & Management Perception About The Risks

An investment in Equity Shares is not always risk free. Sometimes it involves a high degree of risk. Before making an investment in the Equity Shares, please carefully consider all the information in this Prospectus including the risk and uncertainties described below. If any of the following risk actually occurs, our business, financial condition and results of our operations could suffer, the trading price of our equity shares could decline and you may lose all or part of your investment:

4.01 Interest Rate Risks

Financial market of Bangladesh has been experiencing volatile interest rate over the year. Unfavorable movement of interest rate enhances the cost of fund of the company and could adversely affect the business and future financial performance.





Management Perception

Management of the Company is aware about the interest rate volatility and always sourcing bank loan at competitive market rate. On the other hand management emphasizes on equity based financing to reduce the dependency on bank borrowings. Nevertheless, it may not always be possible while funding of local procurement of raw materials is done against bank borrowings.

4.02 Exchange Rate Risks

The company faces foreign exchange rate fluctuation risk as the Company imports small portion of raw materials like hexane, phosphoric acid, bleaching earth, citric acid etc. against payment of foreign currency. Unfavorable volatility of foreign currency may affect the profitability of the company.

Management Perception

Cost of imported materials for the company is insignificant compared to total cost of production. On the other hand, all other market players in edible oil industry faces very high exchange rate risk as they operate based on import of entire raw materials. This provides the company in a favorable position to manage exchange rate fluctuations.

4.03 Industry Risks

(a) Competitive Market for Edible Oil

Presently, Edible oil industry of Bangladesh is very much competitive. Soybean Oil and palm oil dominate the whole edible oil industry in Bangladesh. For the first time Rice bran oil emerged as an alternative to Soybean Oil and palm oil in our market. Demand, supply, consumption, competitive scenario, etc of Rice bran oil are the triggering factors for successful operation of the company.

Management Perception

Rice Bran Oil is currently being considered as the world's healthiest edible oil that contains vitamins, antioxidants, nutrients and free from trans fat. It can help lower cholesterol, fight diseases, enhance the immune system, fat free radicals and more. Rice Bran Oil is used to fry, sauté, in salad dressings, baking, dipping oils and where ever you use cooking oil.

Increasing health consciousness of general people and due emphasis of the Government in this sector, the demand for rice bran oil is growing very fast. These are important ingredients for defining unique selling proposition (USP) for marketing the products. The Company also foresees growing demand for its products. With the proposed expansion and strengthening financial condition due to the public issue the company will be in a very strong position to develop effective marketing strategies and compete in the market in order to grab emerging market opportunities.

(b) Market penetration

The company has recently introduced the rice bran oil in the market where the imported as well as local brands of rice bran/soyabean oil have already been dominating huge local edible oil market. In case the company fails to secure market for its products at the desired price, profitability as well as growth of the company may be seriously affected.





Management Perception

Since commencement of operation the company is in a position to sale the entire product of oil in the local market. With the increasing awareness as well as continuing branding campaigns for the product the retail sale has been growing which is expected to increase further. In view of growing demand as well as higher margin in retail sales the management feels that profitability can be safely maintained in the future years.

(c) Sourcing of Raw Materials

Main raw material for the project is rice bran which is available locally. The company collects rice bran usually from five nearer districts (i.e. Sherpur, Mymensingh, Tangail, Natrokona, Jamalpur). Except rice bran, the project requires hexane, c phosphoric acid, bleaching earth, citric acid etc as raw materials, which are usually sourced from abroad.

Management Perception

The risks on sourcing raw materials are very limited. There are 460 auto rice mills in these five districts and these mills produces around 3,11,645 kg of rice bran every day (Source: Bangladesh Rice Mills Association). The sponsors of the company developed very strong network with most of these rice millers. As a result, the company has been enjoying smooth flow of raw materials since inception of the company and expected to continue the same.

4.04 Market and Technology-Related Risks

Technology plays an important role for the existence of a company. Innovation of a new and cost effective technology may render the existing technology obsolete, which may cause negative impact on the performance of the company.

Management Perception

Management of EOIL is very much aware of this risk. The company took initiative to expand its production capacity with the latest technology to minimize the market and technological risk.

4.05 Potential or Existing Government Regulations

Adverse Changes in the regulations governing the edible oil and compounded animal feed industries may bring adverse effect on our business growth, financial condition and operational performance.

Management Perception

The edible oil industry is one of the high regulated sectors in Bangladesh and has stringent laws for consumer protection. Any change in the statutory and regulatory framework for edible oil as well as the compounded animal feed industry will have impact on the business of all market players almost equally.

4.06 Potential Changes in Global or National Policies

Performance of the Company will be hampered due to unfavorable changes in national as well as global policy. Furthermore, the performance of the Company may adversely affect due to unavoidable circumstances like political turmoil both in Bangladesh and worldwide.





Management Perception

Any change in the global and national policy will affect all the market players almost equally. However, impact of change in global policies will be very negligible because EOIL operates its business based on local raw material. On the other hand, rice bran oil is the new introduction in Bangladesh. Hence, as far as national policy is concerned, rice bran oil sector is not expected to face any adverse effect in near future.

4.07 Operational Risks

Shortage or non-availability of power and gas may adversely affect the manufacturing processes of the factory. In addition, shortage in treated water, flawed machineries etc. may disrupt the company's operational activities which in turn will affect the quality of refined rice bran oil.

Management Perception

Manufacturing process of our Company requires substantial amount of power, gas and fuel. To facilitate the manufacturing facilities, company has adequate power backup from own fuel generator along with adequate Rural Electrification Board of Bangladesh (REB) load sanction. In addition, the company gets required water from its own water treatment plant. However, shortage of gas supply may increase our dependency on the usage of furnace oil which will increase our cost and may have an adverse impact on our profitability.

4.08 Non-operating History

Any interruption in the operations of the company affects the company's image as a going concern. This is crucial for every company to operate its business activities in an ongoing basis albeit saving for the scheduled shut down for maintenance. Failure to do so would result in loss in profitability in the long run. Emerald Oil Industries Ltd. was not in production from the end of June 2016 due to yearly maintenance and servicing of its machineries.

Management Perception

The company is operating normally.

4.09 Dependability on Agricultural Production (Paddy)

The business of EOIL is very much dependent on agricultural production particularly Paddy. If the paddy production is hampered due to any environmental reasons then the production of main raw material of rice bran oil i.e. rice bran will be also hampered. As result, production of EOIL will be affected due to lack of main raw material i.e. rice bran.

Management Perception

If there is a shortfall of paddy production due to adverse climatic conditions, performance of our company may also be affected adversely. Any significant increase in the prices of these raw materials or decrease in the availability of the raw materials could also adversely affect our results of operations.





5.00 PROPERTY, PLANT & EQUIPEMENTS TK. 728,471,300

This is made up as follows:

Particulars

Opening Balance
Addition during the year

Less: Disposal during the year

Closing Balance

Less: Accumulated Depreciation

Written Down Value:

Amount In Taka	Amount In Taka
30.06.2016	30.06.2015

1,008,877,326	934,361,221
8,376,436	74,516,105
1,017,253,762	1,008,877,326
-	-
1,017,253,762	1,008,877,326
288,782,462	228,923,396
728,471,300	779,953,930

6.00 CAPITAL WORK- IN- PROGRESS TK. 0

This is made up as follows:

Particulars

Opening Balance
Addition during the year

Less: Transferred to Property, Plant & Equipment

TOTAL:

8,126,436	37,999,273
-	34,972,315
8,126,436	72,971,588
8,126,436	64,845,152
-	8,126,436

The above represents the cost of 2550 sft commercial place purchased in Mansion D Ayesha (7th Floor) with one car parking, Shukrabad, Dhaka and transferred to property, plant and equipments during the year.

7.00 INTANGIBLE ASSETS TK. 115,250

This is made up as follows:

Particulars

Opening Balance
Addition during the year

Closing Balance

Less: Accumulated Amortization:

Written Down Value:

6,760,000	6,760,000
-	-
6,760,000	6,760,000
6,644,750	5,325,750
115,250	1,434,250

The details have been shown in Annexure: B

8.00 INVENTORIES TK. 721,497,136

This is made up as follows:

Particulars

Finished Goods
Raw Materials
Processing Materials
Packing Materials
Stores & Spares

TOTAL:

360,477,142	161,522,993
295,756,908	303,621,855
57,521,517	64,682,729
5,409,415	7,319,905
2,332,154	3,548,854
721,497,136	540,696,336

The details have been shown in Annexure: C

9.00 TRADE & OTHER RECEIVABLES TK. 725,753,933

This is made up as follows:

Particulars

Dues within three months
Dues over three months but within six months
Dues over six months

TOTAL:

43,182,359	362,470,879
480,449,104	171,277,448
202,122,470	35,279,740
725,753,933	569,028,067

Classification schedule as required by Schedule XI of Companies Act 1994 is as follows:

- i) Accounts Receivable considered good in respect of which the company is fully secured
- ii) Accounts Receivable considered good in respect of which the company holds no security
- iii) Accounts Receivable considered doubtful or bad
- iv) Accounts Receivable due by any director or other officer of the company
- v) Accounts Receivable due by Common management
- vi) The maximum amount of receivable due by any director or other officer of the company

725,753,933	569,028,067
-	-
-	-
-	-
-	-
-	-
725,753,933	569,028,067





10.00 INVESTMENT TK. 12,611,335

This is made up as follows:

Particulars

This represents the amount invested in FDR with Prime Finance & Investment Ltd. and the interest receivable thereon as follows:

FDR # 3318/13

Interest Receivable on FDR

TOTAL:

Above FDR is Lien with Prime Finance & Investment Ltd against Loan No # LAD # 2013/015

Amount In Taka 30.06.2016	Amount In Taka 30.06.2015
------------------------------	------------------------------

12,139,875	11,073,750
471,460	578,296
12,611,335	11,652,046

10.01 ACCURED INTEREST ON FDR TK. 471,460

This is made up as follows:

Particulars

Interest Receivable on FDR

TOTAL:

471,460	578,296
471,460	578,296

11.00 ADVANCES, DEPOSITS & PRE-PAYMENTS TK. 174,537,770

This is made up as follows:

Particulars

Advances:

Tax Deducted at source

Pre-paid Insurance

Deposits

Advance against Rice Bran

Advance against Salary

Other Advance

Note: 11.01

Note: 11.02

Note: 11.03

TOTAL:

904,133	752,363
-	3,312,472
4,948,120	9,160,848
165,425,110	119,725,183
2,825,407	3,698,445
435,000	419,532
174,537,770	137,068,843

11.01 Deposits: Tk.4,948,120

This is made up as follows:

Particulars

Security Deposits-REB

Security Deposits-Titas Gas

Security Deposits-T & T

Security Deposits-Godown

Bank Guarantee Margin

Lease Deposits-PFIL

Lease Deposits-ULCL

Lease Deposits-Midas

Security Deposits-CDBL

Security Deposits-Office Space

TOTAL:

8,250	8,250
896,500	896,500
10,000	10,000
800,000	800,000
358,600	358,600
1,371,250	1,371,250
202,450	202,450
-	4,212,728
400,000	400,000
901,070	901,070
4,948,120	9,160,848

11.02 Advance against Rice Bran: Tk.165,425,110

This is made up as follows:

Particulars

Advance against Rice Bran

TOTAL:

165,425,110	119,725,183
165,425,110	119,725,183

This represents the amount paid as advance to various suppliers for procuring rice bran, the basic raw material & the details are given in Annexure-D

11.03 ADVANCE AGAINST SALARY TK. 2,825,407

This is made up as follows:

Particulars

Employee-Factory Office

Employee-Head Office

TOTAL:

2,235,446	2,452,565
589,961	1,245,880
2,825,407	3,698,445

- a) All advances and deposits amount are considered good and recoverable.
b) There is no agreement with directors and officers of the Company regarding advance or due amount.





12.00 CASH & CASH EQUIVALENTS TK. 10,047,634

This is made up as follows:

Particulars

Cash in Hand
Cash at Bank

Notes: 12.01
Notes: 12.02

TOTAL:

Amount In Taka 30.06.2016	Amount In Taka 30.06.2015
------------------------------	------------------------------

1,048,032	2,473,690
8,999,602	10,224,535
10,047,634	12,698,225

12.01 CASH IN HAND TK. 1,048,032

This is made up as follows:

Particulars

Cash at Head Office
Cash at Factory

TOTAL:

335,488	80,278
712,544	2,393,412
1,048,032	2,473,690

12.02 CASH AT BANK TK. 8,999,602

This is made up as follows:

Particulars

Name of the Bank	Branch	Account No.	30.06.2016	30.06.2015
Al-Arafah Bank	Motijheel	0021020055993	-	144,855
The Farmers Bank Ltd.	Gulshan	0111100043807	6,042	9,252
National Bank of Pakistan	Motijheel	000111100008392	33,536	34,261
Bank Asia Ltd	Bashundhara	02333001211	-	169
Bank Asia Ltd	Bashundhara	02336000081	740,529	754,525
Basic Bank Ltd.	Dilkusha	1510-01-0004855	-	3,119
Brac Bank Ltd.	Bijoy Nagar	1532-2033-9277-9001	2,176	-
Brac Bank Ltd.	Sherpur	6001-2026-2539-9001	363	827,074
Bangladesh Krishi Bank	Sherpur	0201010548	95,585	96,885
Dutch Bangla Bank Ltd.	Jamalpur	2061100009548	1,572	119,637
Islami Bank Bangladesh Ltd	Dilkusha	20502130100194512	16,344	162,640
Islami Bank Bangladesh Ltd	Sherpur	20501880100396407	5,585	22,110
National Bank Ltd.	Jamalpur	0075-33014231	3,677	7,013
Jamuna Bank Ltd.	Sherpur	0069-0210000639	29,852	31,502
Janata Bank Ltd	Dilkusha	010233068969	5,337	156,987
Janata Bank Ltd	Sherpur	0510-0210021183	26,988	29,638
Mutual Trust Bank Ltd.	Panthapath	0003-0210014971	-	275
Mutual Trust Bank Ltd.	Panthapath	0003-0210014926	297	486,947
Mutual Trust Bank Ltd.	Panthapath	0003-0320001642	6,948,216	6,808,263
Mutual Trust Bank Ltd.	Panthapath	0003-0320001643	321,000	321,000
Mutual Trust Bank Ltd.	Panthapath	0003-0320001644	30,000	30,000
Mutual Trust Bank Ltd.	Panthapath	0002-0210029840	696,128	-
Rupali Bank	Purana Paltan	200042471	-	97,690
Prime Bank Ltd.	Sherpur	51111030002914	18,383	19,303
Prime Bank Ltd.	Banani	13211070021183	4,397	5,145
Sonali Bank Ltd.	Sherpur	2400000191	2,489	22,489
Sonali Bank Ltd.	Sherpur	200023598	11,106	33,756
TOTAL:			8,999,602	10,224,535

13.00 SHARE CAPITAL TK. 542,850,000

This is made up as follows:

Particulars

Authorised Capital:

100,000,000 ordinary shares of tk. 10/- each

1,000,000,000 **1,000,000,000**

Issued and Paid-up Capital

49,350,000 ordinary shares of tk. 10/- each

Stock Dividend 4,935,000 shares of Tk. 10/- each

493,500,000	470,000,000
49,350,000	23,500,000
542,850,000	493,500,000

TOTAL:

The aforesaid share capital is subscribed as under:

Holding of the Share	No. of Shareholder	No. of Share	Value in Taka	Value in Taka
Sponsors/Directors	21	16,528,750	165,287,500	272,250,000
Institutions	219	4,310,882	43,108,820	60,999,310
General Public	6,858	33,445,368	334,453,680	160,250,690
Total:	7,098	54,285,000	542,850,000	493,500,000





Amount In Taka	Amount In Taka
30.06.2016	30.06.2015

Details of Number of holders and percentage as under:

Shareholding Range	30.06.2016			30.06.2015		
	No. of Shareholder	No. of Shares	Ownership (%)	No. of Shareholder	No. of Shares	Ownership (%)
0001-499	2,316	377,394	0.70%	655	90,180	0.18%
500-5000	3,893	6,206,419	11.43%	3,185	3,733,622	7.57%
5001-10000	438	3,270,729	6.03%	254	1,864,127	3.78%
10001-20000	235	3,399,163	6.26%	174	2,532,390	5.13%
20001-30000	73	1,840,323	3.39%	46	1,127,008	2.28%
30001-40000	32	1,134,536	2.09%	26	940,020	1.90%
40001-50000	23	1,081,352	1.99%	19	875,172	1.77%
50001-100000	38	2,799,049	5.16%	42	3,080,514	6.24%
100001-1000000	44	13,756,035	25.34%	47	13,760,300	27.88%
1000001-1000000000	6	20,420,000	37.62%	7	21,346,667	43.26%
TOTAL:	7,098	54,285,000	100.00%	4,455	49,350,000	100.00%

14.00 RETAINED EARNINGS TK. 392,545,658

This is made up as follows:

Particulars

Opening Balance

Add: Prior year adjustment (Provision for Tax)

Add: Net Profit/(Loss) after tax for the year

Less: Dividend for the year ended June 30, 2015

TOTAL:

310,523,780	200,226,477
180,721,878	27,976,058
(98,700,000)	152,821,245
	(70,500,000)
392,545,658	310,523,780

15.00 Deferred Tax Liability TK. 27,301,361

The break-up of the amount is given below:

Particulars

Property, Plant & Equipment

Deferred Tax Liability

Particulars	Carrying Amount	Tax Base	Temporary Difference	Tax Rate	Deferred Tax (Assets)/Liab.	Deferred Tax (Assets)/Liab.
Property, Plant & Equipment	677,870,853	459,459,968	218,410,885	12.50%	27,301,361	20,592,626
Deferred Tax Liability	677,870,853	459,459,968	218,410,885		27,301,361	20,592,626

16.00 LONG TERM LOAN (SECURED) TK. 628,114,167

This is made up as follows:

Particulars

Bank Name	Types of A/C	Branch	Account No.	30.06.2016	30.06.2015
Basic Bank Ltd	Term Loan	Dilkusha	1502-04-0000016	201,458,620	203,933,108
Basic Bank Ltd	Term Loan	Dilkusha	1502-01-0000901	90,873,968	92,015,308
Basic Bank Ltd	Term Loan	Dilkusha	1502-01-0000917	104,417,112	105,728,550
Basic Bank Ltd	Term Loan	Dilkusha	1502-01-0000959	204,842,123	207,414,857
Basic Bank Ltd	Term Loan	Dilkusha	1502-04-000042	78,302,910	78,502,910
Nitol Motors Ltd.	Lease Finance	Mohakhali	70691	486,998	618,750
United Leasing Co. Ltd.	Lease Finance	Kazi Nazrul Islam Avenue	67011400194	4,819,679	5,683,960
Prime Finance & Investment Ltd.	Lease Finance	Dilkusha	LAD # 2013/015	59,647,422	55,541,728
Midas Financing Ltd.	Lease Finance	Dhanmondi	S00098&L00934	161,665,592	147,524,684
				906,514,424	896,963,855
Less: Current portion of Long Term Loan				278,400,257	140,651,794
TOTAL:				628,114,167	756,312,061

Details of Term loan are provided below :

Nature:	Term Loan, Lease Finance
Tenure:	3~8 years
Repayment Clause:	36~95 monthly equal installments.
Interest Rate:	10.50% - 15.00% p.a.





17.00 CURRENT PORTION OF LONG TERM LOAN TK. 278,400,257

This is made up as follows:

Particulars

Basic Bank Ltd-016
Basic Bank Ltd-901
Basic Bank Ltd-917
Basic Bank Ltd-959
Basic Bank Ltd-42
Nitol Motors Ltd.
United Leasing
Midas Financing Ltd.
Prime Finance & Investment Ltd.

TOTAL:

Current portion of Long Term Loan is shown as Current liabilities as per requirement of BAS-1.

Amount In Taka	Amount In Taka
30.06.2016	30.06.2015

38,266,822	23,998,019
18,373,083	11,426,284
21,111,269	13,129,173
41,415,384	25,756,374
47,655,627	19,477,605
297,936	275,000
3,892,163	1,948,795
81,437,386	32,195,441
25,950,587	12,445,103
278,400,257	140,651,794

18.00 TRADE & OTHER PAYABLES TK. 12,867,952

This is made up as follows:

Particulars

Trade Creditors
Advance against Sales
Bills & Others Payable
Security Deposit received

TOTAL:

All creditors were paid on regular basis

1,841,603	2,196,700
-	167,466
10,976,349	9,958,759
50,000	50,000
12,867,952	12,372,925

19.00 SHORT TERM BANK LOAN TK. 305,953,177

This is made up as follows:

Particulars

Bank Name	Account Types	Branch	Account No.	30.06.2016	30.06.2015
Basic Bank Ltd	CC	Dilkusha	1560-01-0000579	59,821,040	53,905,123
Bank Asia Ltd	CC	Bashundhara	02333001240	246,132,137	215,508,552
TOTAL:				305,953,177	269,413,675

Purpose:	Working Capital.
Tenure:	1 year
Interest Rate:	10.50%~15% p.a. subject to change by the bank from time to time as applicable for the limit.

20.00 UNCOLLECTED IPO SUBSCRIPTION TK. 6,316,250

This is made up as follows:

Particulars

This represent the amount payable against uncollected IPO subscription for Initial Public Offering liability as follows:

Bank Name	Account Types	Currency	Account No.	30.06.2016	30.06.2015
Mutual Trust Bank Limited	SND	BDT	0003-0320001642	5,965,250	6,030,250
Mutual Trust Bank Limited	FC	USD	0003-0260000721	321,000	321,000
Mutual Trust Bank Limited	FC	Euro	0003-0260000730	30,000	30,000
TOTAL:				6,316,250	6,381,250

21.00 ACCURALS & PROVISIONS TK. 178,685,536

This is made up as follows:

Particulars

Salary & Wages
Managing Directors Remuneration
Audit & Professional Fees
Interest Payable
Telephone Bill
Gas Bill
House Rent & Utility
Electricity Bill
Workers' Profit Participation Fund Note - 21.01
Dividend Payable
Provision for Income Tax Note - 21.02
TOTAL:

3,823,550	3,744,220
400,000	100,000
345,000	115,000
91,664,489	-
17,375	21,927
6,056,720	885,896
-	43,835
150,179	76,139
33,573,634	23,236,393
1,313,117	659,350
41,341,472	22,027,262
178,685,536	50,910,022





21.01 Workers Profit Participation Fund Payable: Tk. 33,573,634

This is made up as follows:

Particulars

Opening Balance
Add: Accrued During the year

Less: Paid During the year
Outstanding Balance

Amount In Taka	Amount In Taka
30.06.2016	30.06.2015

23,236,393	14,493,968
10,337,241	8,742,425
33,573,634	23,236,393
33,573,634	23,236,393

21.02 PROVISION FOR INCOME TAX TK. 41,341,472

This is made up as follows:

Particulars

Opening Balance
Add: Addition during the year
Add: Adjustment of Deferred Tax for Rate Difference

Less: Excess Provision Written Back to Retained earnings
Less: AIT Adjustment
Less: Paid during the year

TOTAL:

22,027,262	10,917,234
19,314,210	12,830,034
-	32,477,175
41,341,472	56,224,443
-	27,976,058
-	6,221,123
-	-
-	34,197,181
41,341,472	22,027,262





Amount in Taka	Amount in Taka
30.06.2016	30.06.2015

22.00 REVENUE TK. 1,849,603,316

This is made up as follows:

Particulars

This represents cash and credit sales during the year under audit and made up as follows:

	Qty.	Meas.	Rate		
Rice Bran Oil (Bulk)	6,137	Ton	90,715	556,730,395	725,449,781
Oil-1 Ltr. Bottled	103,137	Pcs.	115	11,900,613	17,895,492
Oil-2 Ltr. Bottled	90,398	Pcs.	220	19,893,129	28,355,862
Oil-5 Ltr. (HDPE Bottled)	144,106	Pcs.	571	82,304,211	115,558,372
Oil-5 Ltr. (Pet Bottled)	445,665	Pcs.	519	231,469,571	101,154,489
Oil-8 Ltr Tin	58,970	Pcs.	847	49,958,785	49,823,315
Oil-8 Ltr (Pet Bottled)	251,434	Pcs.	803	201,800,515	69,752,640
Oil-16 Ltr Tin	1,166	Pcs.	1,660	1,935,560	5,852,112
De-Oiled Rice Bran	59,958	Ton	11,199	671,446,848	612,605,474
Fatty Acid	210	Ton	38,823	8,165,764	24,180,937
Gum	500	Ton	2,510	1,254,125	1,150,000
Wax	489	Ton	18,659	9,132,546	8,291,865
Spent Earth	1,930	Ton	1,871	3,611,254	3,299,455

TOTAL:

1,849,603,316 1,763,368,794

23.00 COST OF GOODS SOLD TK. 1,422,766,430

This is made up as follows:

Particulars

Raw Material Consumed	Note -23.01	1,354,160,974	1,197,203,214
Processing Material Consumed	Note -23.02	43,868,954	37,887,043
Packing Material Consumed	Note -23.03	86,507,709	63,137,070
Stores & Spares Consumed	Note -23.04	5,726,210	12,293,109
Factory Overhead	Note -23.05	131,629,385	147,178,436
Cost of Production		1,621,893,232	1,457,698,872
Add: Opening Stock of Finished Goods		161,522,993	85,930,333
Cost of Goods available for Sale		1,783,416,225	1,543,629,205
Less: Sample Expenses Transferred to Selling & Distributon Expenses		172,653	160,579
Less: Closing Stock of Finished Goods		360,477,142	161,522,993
Cost of Goods Sold:		<u>1,422,766,430</u>	<u>1,381,945,633</u>

23.01 RAW MATERIAL CONSUMED TK. 1,354,160,974

This is made up as follows:

Particulars

Opening Stock	303,621,855	137,692,867
Add: Purchase during the year	1,346,296,027	1,363,132,202
	1,649,917,882	1,500,825,069
Less: Closing Stock	295,756,908	303,621,855
TOTAL:	<u>1,354,160,974</u>	<u>1,197,203,214</u>





	Amount in Taka 30.06.2016	Amount in Taka 30.06.2015
23.02 PROCESSING MATERIAL CONSUMED TK. 43,868,954		
This is made up as follows:		
Particulars		
Opening Stock	64,682,729	59,065,967
Add: Purchase during the year	36,707,742	43,503,805
	101,390,471	102,569,772
Less: Closing Stock	57,521,517	64,682,729
TOTAL:	43,868,954	37,887,043
23.03 PACKING MATERIAL CONSUMED TK. 86,507,709		
This is made up as follows:		
Particulars		
Opening Stock	7,319,905	3,816,160
Add: Purchase during the year	84,597,219	66,640,815
	91,917,124	70,456,975
Less: Closing Stock	5,409,415	7,319,905
TOTAL:	86,507,709	63,137,070
23.04 STORES & SPARES CONSUMED TK. 5,726,210		
This is made up as follows:		
Particulars		
Opening Stock	3,548,854	891,950
Add: Purchase during the year	4,509,510	14,950,013
	8,058,364	15,841,963
Less: Closing Stock	2,332,154	3,548,854
TOTAL:	5,726,210	12,293,109
23.05 FACTORY OVERHEAD TK. 131,629,385		
This is made up as follows:		
Particulars		
Salary & Allowances	20,535,931	27,317,200
Fuel & Lubricants	28,048,244	20,564,546
Daily Labour	3,889,555	5,146,594
Depreciation	54,997,959	60,122,911
Electricity Bill	186,570	217,769
Fooding & Entertainment	965,921	1,407,766
Factory Insurance	3,312,472	2,622,958
Gas Bill	11,561,360	18,113,555
House Rent & Utilities	324,150	426,803
Lab Testing	107,147	68,520
Loading & Unloading	5,035,210	5,818,689
Medical Expenses	160,928	132,562
Repair & Maintenance	1,894,425	4,602,148
Printing & Stationery	54,536	124,198
Rates & Taxes	34,500	81,000
Vehicle Maintenance	447,632	321,837
Uniform & Liveries	72,845	89,380
TOTAL:	131,629,385	147,178,436





Amount in Taka	Amount in Taka
30.06.2016	30.06.2015

24.00 GENERAL ADMINISTRATIVE EXPENSES TK. 23,845,300

This is made up as follows:

Particulars

Salary & Allowances
Managing Directors Remuneration
Audit & Professional Fees
Board Meeting Fees
Computer Accessories
Dish Bill
Donation & Subscription
Electricity Bill
Fooding & Entertainment
Internet & Server Expenses
Miscellaneous Expenses
Mobile & Telephone Bill
Newspaper & Periodicals
AGM Expenses
Office Maintenance
Office Rent
Postage & Courier
Printing & Stationery
Registration & Renewals
Travelling & Conveyance
Vehicle Maintenance
Water Bill
Write off of Intangible Assets
Depreciation

7,255,199	6,277,776
1,200,000	900,000
230,000	394,625
48,000	62,500
7,450	60,610
9,490	14,150
119,500	215,700
171,017	178,503
816,257	845,305
327,200	396,062
196,550	323,575
824,436	1,039,051
7,445	18,966
608,257	689,458
285,634	506,764
2,185,241	1,865,604
31,575	138,539
166,894	197,218
1,860,305	750,650
219,947	412,944
1,082,396	1,486,913
12,400	12,340
1,319,000	1,331,000
4,861,107	6,015,945
23,845,300	24,134,198

TOTAL:

25.00 SELLING & DISTRIBUTION EXPENSES TK. 25,159,824

This is made up as follows:

Particulars

Advertisement
Delivery Expenses
Electricity Bill
Fooding & Entertainment
Office & Go-Down Rent
Printing & Stationery
Salary & Allowances
Sales Promotion Expenses
Sample Expenses
Marketing Office Maintenance
Vehicle Maintenance

1,092,000	2,394,197
8,959,811	8,902,673
84,232	87,920
38,827	48,904
1,334,160	1,757,120
44,578	183,699
11,855,020	10,682,050
1,069,330	1,940,884
172,653	160,579
414,828	696,197
94,385	53,455
25,159,824	26,907,678

TOTAL:





	Amount in Taka 30.06.2016	Amount in Taka 30.06.2015
26.00 OTHER INCOME TK. 1,438,735		
This is made up as follows:		
Particulars		
Bank Interest Received	269,310	185,677
FDR Interest	1,006,914	1,183,921
Wastage Sales	162,511	-
TOTAL	1,438,735	1,369,598
27.00 FINANCING EXPENSES TK. 162,188,433		
This is made up as follows:		
Particulars		
Bank Charges & Commission	185,758	411,287
Interest on CC/OD Account	42,312,789	37,828,563
Interest on STL	-	11,578,282
Interest on Long Term Loan	89,800,200	83,645,134
Interest on Lease Finance	29,889,686	14,696,685
TOTAL:	162,188,433	148,159,951
28.00 INCOME TAX EXPENSES TK. 26,022,945		
This is made up as follows:		
Current Tax	19,314,210	12,830,034
Deferred Tax	6,708,735	(23,279,947)
Adjustment of Deferred Tax for Rate Difference		32,477,175
	26,022,945	22,027,262
28.01 DEFERRED TAX EXPENSES TK. 6,708,735		
Particulars		
Closing Deffered Tax Liability	27,301,361	20,592,626
Opening Deffered Tax Liability	20,592,626	43,872,573
TOTAL:	6,708,735	(23,279,947)
29.00 CALCULATION OF BASIC EARNINGS PER SHARE TK. 3.33		
This is made up as follows:		
Particulars		
Net Profit / (Loss) for the Year	180,721,878	152,821,245
Earnings attributable to the ordinary share holders	180,721,878	152,821,245
Weighted average no. of Shares (Note - 29.01)	54,285,000	49,350,000
Basic Earning Per Share:	3.33	3.10
29.01 WEIGHTED AVERAGE NUMBER OF SHARES: 54,285,000		
This is made up as follows:		
Particulars		
4,70,00,000 shares for 366 days	47,000,000	47,000,000
2,350,000 shares for 366 days	2,350,000	2,350,000
4,935,000 shares for 366 days	4,935,000	-
TOTAL:	54,285,000	49,350,000





Amount in Taka	Amount in Taka
30.06.2016	30.06.2015

30.00 CALCULATION OF RESTATED EARNINGS PER SHARE : 3.33

This is made up as follows:

Particulars

Earnings attributable to the ordinary share holders

Weighted average no. of Shares (Note - 30.01)

Restated Earning Per Share:

180,721,878	152,821,245
54,285,000	54,285,000
3.33	2.82

30.01 WEIGHTED AVERAGE NUMBER OF SHARES FOR RE-STATEMENT: 54,285,000

This is made up as follows:

Particulars

4,70,00,000 shares for 366 days

2,350,000 shares for 366 days

4,935,000 shares for 366 days

TOTAL:

47,000,000	47,000,000
2,350,000	2,350,000
4,935,000	4,935,000
54,285,000	54,285,000

31.00 NO. OF EMPLOYEES

The company had 165 permanent employees as at June 30, 2016 and 79 number of seasonal and temporary workers as required, which was as at June 30, 2015. All the permanent employees received remuneration in excess of Tk. 36,000 per annum.

32.00 PRODUCTION CAPACITY

This is made up as follows:

Particulars

****Installed Capacity:**

Rice Bran Oil (Refined)

De-oiled Rice Bran (DOB)

Actual Production:

Rice Bran Oil (Refined)

De-oiled Rice Bran (DOB)

Achieved (%)

Rice Bran Oil (Refined)

De-oiled Rice Bran (DOB)

(Ton/Year)	(Ton/Year)
17,520	14,568
87,600	72,840
14,226	12,362
57,940	56,573
81.20%	84.86%
66.14%	77.67%

Installed capacity of previous year includes capacity of expansion unit for eight (8) months.

33.00 RELATED PARTY DISCLOSURE

The aggregate amount paid/provided during the year in respect of directors & key management personnel of the company as required by BAS-24 are disclosed below:

a) Short Term Benefits	Tk. 6,826,300	Tk. 4,059,000
b) Post Employment Benefit	Nil	Nil
c) Other Long Term Benefits	Nil	Nil
d) Termination Benefit	Nil	Nil
e) Share Based payment	Nil	Nil



**EMERALD OIL INDUSTRIES LIMITED
SCHEDULE OF PROPERTY, PLANT & EQUIPMENTS**

As at 30 June, 2016

Annexure: A

Particulars	COST			Rate	DEPRECIATION			Written down value
	As at 01.07.2015	Addition during the year	As at 30.06.2016		As at 01.07.2015	Charged during the year	As at 30.06.2016	
	Land & Land Development	50,600,447			50,600,447			
Building & Other Civil Works	368,737,735	8,376,436	377,114,171	5%	54,108,740	69,944,895	307,169,276	
Plant & Machineries	529,439,314		529,439,314	10%	145,528,393	183,919,485	345,519,829	
Electrical & Gas Line Installation	9,842,954		9,842,954	15%	4,704,871	5,475,583	4,367,371	
Furniture & Fixtures	3,239,994		3,239,994	15%	1,619,766	1,862,800	1,377,194	
Office Decoration	7,411,947		7,411,947	15%	3,552,375	4,131,311	3,280,636	
Office Equipment	3,493,595		3,493,595	20%	1,913,766	2,229,732	1,263,863	
Vehicle	36,111,340		36,111,340	20%	17,495,485	21,218,656	14,892,684	
Balance as at June 30, 2016	1,008,877,326	8,376,436	1,017,253,762		228,923,396	288,782,462	728,471,300	
Balance as at June 30, 2015	934,361,221	74,516,105	1,008,877,326		162,784,540	228,923,396	779,953,930	

Depreciation Charged To-

General & Administrative Expenses	4,861,107
Factory Overhead	54,997,959
Total	59,859,066



EMERALD OIL INDUSTRIES LIMITED
SCHEDULE OF INTANGIBLE ASSETS
 As at 30 June, 2016

Particulars	COST			Rate	AMORTIZATION			Written down value
	As at 01.07.2015	Addition during the year	As at 30.06.2016		As at 01.07.2015	Charged during the year	As at 30.06.2016	
	Software	330,000	-		330,000	181,750	33,000	
Campaign Film (Advertisement)	6,430,000	-	6,430,000	5,144,000	1,286,000	6,430,000	-	
Balance as at 30.06.2016	6,760,000	-	6,760,000	5,325,750	1,319,000	6,644,750	115,250	
Balance as at 30.06.2015	6,760,000	-	6,760,000	3,994,750	1,331,000	5,325,750	1,434,250	

Annexure: B





EMERALD OIL INDUSTRIES LIMITED
Quantity-wise break-up of Inventory
As at 30 June, 2016

Annexure: C

Finished Goods:						
Items Name	Balance as on 30 June 2016			Balance as on 30 June 2015		
	Quantity (Ton)	Rate	Amount	Quantity (Ton)	Rate	Amount
Rice Bran Oil (Bulk)	319.50	63,541.61	20,301,632	521.77	68,250	35,610,693
De-oiled Rice Bran	-	-	-	4,517.99	9,741	44,008,057
Fatty Acid	-	-	-	1.16	37,740	43,817
Gum	-	-	-	0.47	1,913	899
Wax	-	-	-	1.12	13,808	15,534
Spent Earth	-	-	-	1.66	1,371	2,276
Oil-1 Ltr	161,806.00	72.38	11,712,000	17,576.00	78	1,362,438
Oil-2 Ltr	94,268.00	134.66	12,694,301	13,743.00	145	1,986,673
Oil-5 Ltr (HDPE)	221,134.00	355.20	78,547,290	55,714.00	383	21,332,434
Oil-5 Ltr (PET)	301,748.00	348.82	105,255,414	45,212.00	381	17,203,680
Oil-8 Ltr (Tin)	10,799.00	584.78	6,315,029	40,284.00	599	24,133,601
Oil-8 Ltr (Pet Bottle)	233,021.00	539.23	125,651,476	24,743.00	-	14,480,291
Oil-16 Ltr	-	-	-	1,166.00	1,151	1,342,601
Total Finished Goods			360,477,142			161,522,993
Raw Materials:						
Items Name	Balance as on 30 June 2016			Balance as on 30 June 2015		
	Quantity (Ton)	Rate	Amount	Quantity (Ton)	Rate	Amount
Rice Bran	18,328.86	16,136.13	295,756,908	18,830.14	16,124	303,621,855
Crude Oil	-	-	-	-	-	-
	18,328.86	16,136.13	295,756,908	18,830.14	16,124.24	303,621,855
Processing Material						
Items Name	Balance as on 30 June 2016			Balance as on 30 June 2015		
	Quantity (Ton)	Rate	Amount	Quantity (Ton)	Rate	Amount
Hexane	139.67	122,577.10	17,120,104	136.53	122,577	16,735,820
Bleaching Earth	618.43	56,122.43	34,708,019	671.38	55,828	37,482,148
Phosphoric	31.80	163,406.67	5,195,610	42.57	163,157	6,945,692
Citric	4.28	96,125.51	411,447	5.26	98,869	520,080
Carbon	1.07	81,050.86	86,337	41.31	72,606	2,998,989
			57,521,517			64,682,729
Packing Materials:						
Items Name	Balance as on 30 June 2016			Balance as on 30 June 2015		
	Quantity (Kg/Pcs)	Rate	Amount	Quantity (Kg/Pcs)	Rate	Amount
Pet Powder	6.50	168.46	1,095	6,889.05	164	1,131,059
HDPE/LDPE	10,006.15	156.95	1,570,416	9,455.61	156	1,472,364
Drum	535.00	1,194.38	638,993	46.00	1,088	50,028
Polybag	374.00	18.06	6,755	43,346.00	17	739,721
Carton	14,606.00	34.70	506,808	3,413.00	35	120,682
Bottle	925.00	41.15	38,062	2,904.00	44	128,543
Tin	14,656.00	75.81	1,111,119	44,288.00	76	3,357,225
Others	-	-	1,536,167	-	-	320,283
			5,409,415			7,319,905
Stores & Spares						
Balance as on 30 June 2016			Balance as on 30 June 2015			
Quantity-wise break-up of Stores & Spares could not be given as it was difficult to quantify each item in a separate and distinct due to large variety of stores & spares.			2,332,154			3,548,854
Value of Closing Inventory			721,497,136			540,696,336





EMERALD OIL INDUSTRIES LIMITED
SCHEDULE OF ADVANCE AGAINST RICE BRAN PURCHASE
As at 30 June, 2016

Annexure: D			
Sl. No.	Name of the Customer	Amount in Taka	Amount in Taka
		30.06.2016	30.06.2015
1	Alfah Enterprise-Jamalpur	18,773,259	21,010,700
2	Al-Muin Enterprise-Ghatail	2,303,775	2,053,429
3	Amran Enterprise-Sherpur	4,066,630	3,714,095
4	Anwar Enterprise-Dhakolhati-Sherpur	9,659,507	9,424,613
5	Arafat Enterprise-Jamalpur	3,636,687	2,786,942
6	Apurba Das-Mymensingh	3,741,622	-
7	Azad Enterprise-Comilla	3,492,812	-
8	Emam Hasan Enterprise-Sherpur	5,231,730	-
9	Emran Enterprise-Jamalpur	6,360,587	5,278,890
10	Enaa Enterprise-Sherpur	5,060,392	-
11	Hasan Enterprise-Sherpur	4,415,523	4,308,150
12	Islam Enterprise-Asuganj-B.Barua	4,719,362	4,604,600
13	Jabbar Rice Mill-Sherpur	3,826,184	3,592,930
14	Jahangir Enterprise-Savar Bustand	4,397,433	4,290,500
15	Lipi Enterprise-Jamalpur	1,241,980	1,002,480
16	Ma Babar Ashirbad Enterprise-Kalihati	3,964,630	3,654,310
17	Mim Enterprise-Sherpur	2,169,936	985,238
18	Motin & Brothers-Hobiganj-Sylhet	7,893,086	7,626,740
19	New Hasib Auto Rice Mill-Haluaghat	3,658,845	-
20	Orna Enterprise-Sherpur	4,224,452	1,235,542
21	Ruman Rice Mill-Jamalpur	6,364,875	6,098,829
22	Shafi Trade International- Sherpur	10,975,295	10,926,938
23	S. B. Traders	2,835,500	2,823,007
24	Saiful Traders-Bhairab	4,285,730	-
25	Salim Enterprise-Sherpur	8,208,549	-
26	Shumi Enterprise-Dhaka	8,227,729	2,017,950
27	Syed Murad-Jamalpur	21,689,000	22,289,300
Total		165,425,110	119,725,183

