

Emerald Oil Industries Limited

Halimunnesa's Court (9th Floor)
23 Kakrail Road
Dhaka 1000

Auditors' Report And Financial Statements As at and for the year ended 30 June 2017

Shiraz Khan Basak & Co.

Chartered Accountants
R.K. Tower (Level-6 & 10)
86, Bir Uttam C.R. Datta Road
Dhaka- 1205



**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF
EMERALD OIL INDUSTRIES LIMITED**

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Emerald Oil Industries Ltd (the Company), which comprise the statement of financial position as at **30 June 2017**, 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, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

- Tax deducted at source and VAT deducted at source was not at all complied with when making payment for expenditures. Total expenditures included the purchase of raw materials, factory overhead, administrative, selling & distribution expense. A non-compliance with the Income Tax Ordinance 1984 and VAT Act 2012.
- Deferred tax of Taka 60,029,619 (Ref Note#14), the liability amount could not be confirmed due to non-availability of details of tax base. The deferred tax charged to statement of profit or loss & other Comprehensive Income for the year is Taka 32,728,258 (Ref Note#27.01).
- Supporting documents of expenses made during the year were not fully verified due to non-availability with present management custody.

Emphasis of Matter

1. Property, Plant & Equipment (PPE):
The company did not maintain fixed assets registers/ details properly, with details containing information such as identification number of assets held, date of acquisition, cost of purchase, category of assets, accumulated depreciation, etc. Due to lack of such update records, existence, completeness and accuracy of the said fixed assets were not identifiable.
2. Gross loss : Reason of gross loss could not be ascertained due to the non availability of related documents and information.
3. Closing stock of finished goods Taka 127,738,964 (Ref Note#23.00) as on 30 June 2017 was, reportedly, missing from the factory. The value of finished goods written off during the year. We did not receive any information of case/GD filed regarding this issue.



4. We sent balance confirmation requests to concerned bank branches maintaining accounts by the company. We received only two account's balance confirmations from IBBL and Padma Bank Ltd.
5. The management has written off Tk 19,874,390 (Ref Note#13.01) for non existence of some security deposits, advances and PPE (Vehicles, office decoration). Reportedly previous management did not handover documents and/or physical items to the present management.
6. Trade & Other Receivables as on 30 June 2017 was Taka 1,556,653,675 (Ref Note#8.00) for credit sales. Opening balance of trade receivable Taka 725,753,933 and sales made during the year Taka 940,414,264 debited to ex-MD, Mr. Syed Hasibul Gani Galib, reportedly for non submission of credit parties' details (names, addresses, etc) to the present management. However, provision for doubtful debt provided Taka 1,556,653,675 (100% of receivable amount) during the year because ex-MD is not present in Bangladesh for long period and his return to Bangladesh is uncertain.
7. Long-term loans as on 30 June 2017 Taka 1,288,494,215 (Ref Note#15.00) in compare to previous year Taka 906,514,424 which is more than 42% higher than previous year. Balance confirmation letters were sent to the loan givers but we have not received any response.
8. Trade and other payables as on 30 June 2017 Taka 274,757,115 (Ref Note#17.00) in compare to previous year Taka 12,867,952 which is more than 21 times than previous year. Balance confirmation letters were sent to the parties but we have received only five confirmations.
9. Workers' Profit Participation & Welfare Fund (WPP&WF): No amount paid on account of WPP&WF during the year under audit from the due amount of Taka 33,573,634 (Ref Note#20.01) as at 30.06.2016 to the outstanding employees.
10. No gratuity policy is maintained by the Company for its permanent employees, a non-compliance of section 27(4) of the Bangladesh Labour Act 2006 as amended.
11. Contingent liabilities for pending tax cases remains unverified due to non-availability of required documents. Also, no disclosure is given in the financial statements in this regard.
12. Amount due for Gas bill as on 30 June 2016 is Taka 16,172,131 (Ref Note#20.00) in compare to previous year Taka 6,056,720 which is more than 2.67 times than previous year.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of the most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risks	Our response to the risks
Property, Plant and Equipment	
The carrying value of property, plant and equipment amount to Taka 659,273,075 (30 June 2016: Taka 728,471,300). This represents a material amount in the company's statement of financial position as at 30 June 2017 as:	Our audit procedures to assess the carrying value of the property, plant and equipment included the following: <ul style="list-style-type: none"> • Assessing the design, implementation and operating effectiveness of key



<ul style="list-style-type: none"> • There is a risk of determining which costs meet the criteria for capitalization; • Determining the date on which the assets is recognized to property, plant and equipment and depreciation commences; • The estimation of economic useful lives and residual values assigned to property, plant and equipment. <p>Additionally, we identified the carrying value of property, plant and equipment as a key audit matter because of the high level of management judgment involved and because of its significance to the financial statements.</p>	<p>internal controls over the completeness, existence and accuracy of property, plant and equipment including the key internal controls over the estimation of useful economic lives and residual values;</p> <ul style="list-style-type: none"> • Testing supporting evidence of acquisition made on sample selected during the year to verify accuracy of recorded cost and ownership of acquired assets to the company; • Testing the key controls over the management’s judgement in relation to the accounting estimates of the useful economic lives and residual values of property, plant and equipment; • Physically inspected assets located at factory to verify their existence and assets condition of use during or audit. • Assessing the adequacy of the disclosures of the financial statements. <p>(See note number 5.00 for details]</p>
<p>Revenue recognition</p>	
<p>At year end the company reported total revenue of BDT 940,414,264 (2015-16: BDT 1,849,603,316). Revenue is measured at contract value. Sales income is the major source of income for the company. Therefore, there is a risk of revenue being misstated.</p> <p>There is also a risk that revenue may be overstated due to fraud through manipulation and management may feel to achieve performance targets.</p>	<p>We have tested the design and operative effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Check controls over taking sales orders; • Segregation of duties in invoice creation and modification; and • Timing of revenue recognition. <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> • Obtaining supporting documents for sales transactions recorded either side of year end to determine whether revenue was recognized in the correct period; • Cross match sales order, sales invoice and dispatch carefully; and • Critically assessing journals posted to revenue to identify unusual or irregular items. <p>(See note number 21.00 for details]</p>



Employee Benefits	
<p>(a) Short-term employee benefits, such as the following, if expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services:</p> <ul style="list-style-type: none"> (i) Wages, salaries and social security contributions; (ii) Paid annual leave and paid sick leave; (iii) Profit sharing and bonuses; and (iv) Non-monetary benefits (such as medical care, housing, cars and free of subsidized goods or services) for current employees; <p>(b) Other long-term paid absence such as following:</p> <ul style="list-style-type: none"> (i) long-term paid absences such as long-service leave. (ii) Jubilee or other long-service benefits; and (iii) Long-term disability benefits; and <p>(c) Termination benefits</p>	<p>The objectives of this standard are to prescribe the accounting and disclosure for employee benefits. The standard requires an entity to recognize;</p> <ul style="list-style-type: none"> (a) A liability when an employee has provided service in exchange for employee benefits to be paid in the future; and (b) An expense when the entity consumes the economic benefit arising from service provided by (c) An employee in exchange for employee benefits.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. The annual report is expected to be made available to us after the date of this auditor's report.

In connection with our audit of the financial statements, our responsibility is to read the other information identifies above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance of the company.



Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards, 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 misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.



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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) The 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 accounts and returns; and
- d) The expenditure incurred was for the purposes of the Company's business.

Date, Dhaka
23 February 2023



Signed for and on behalf of
Shiraz Khan Basak & Co
Chartered Accountants

Bhudhar Chakraborty FCA
Enrolment No. 599, Partner
DVC# 2302240599AS921044

EMERALD OIL INDUSTRIES LIMITED
STATEMENT OF FINANCIAL POSITION
As at 30 June 2017

Particulars	Notes	Amount In Taka	Amount In Taka
		30.06.2017	30.06.2016
A. NON-CURRENT ASSET		659,355,325	728,586,550
Property, Plant & Equipment	5.00	659,273,075	728,471,300
Intangible Assets	6.00	82,250	115,250
B. CURRENT ASSET		26,499,257	1,644,447,808
Inventories	7.00	-	721,497,136
Trade & Other Receivables	8.00	-	725,753,933
Investment	9.00	13,406,596	12,611,335
Advances, Deposits & Pre-Payments	10.00	4,176,888	174,537,770
Cash & Cash Equivalents	11.00	8,915,773	10,047,634
TOTAL ASSETS & PROPERTIES (A+B)		685,854,582	2,373,034,358
C. SHAREHOLDERS EQUITY		(1,042,540,635)	935,395,658
Share capital	12.00	597,135,000	542,850,000
Retained earnings	13.00	(1,639,675,635)	392,545,658
D. NON-CURRENT LIABILITIES		1,348,523,834	655,415,528
Deferred Tax Liabilities	14.00	60,029,619	27,301,361
Long term Loan (Secured)	15.00	1,288,494,215	628,114,167
E. CURRENT LIABILITIES		379,871,383	782,223,172
Current Portion Of Long Term Loan	16.00	-	278,400,257
Trade & Other Payables	17.00	274,757,115	12,867,952
Short Term Bank Loan	18.00	-	305,953,177
Uncollected IPO Subscription	19.00	6,286,250	6,316,250
Accruals & Provisions	20.00	98,828,018	178,685,536
TOTAL EQUITY & LIABILITIES (C+D+E)		685,854,582	2,373,034,358
Net Asset Value (NAVs) Per Share		(17.46)	17.23

The accompanying notes (1-31) form an integral part of these financial statements. These Financial Statements were authorized for issue by Board of Directors on 23 February 2023.







 Chairman Managing Director Director Company Secretary Chief Financial Officer



Dhaka, Bangladesh
February 23, 2023



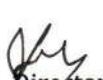


Signed for & on behalf of
Shiraz Khan Basak & Co
Chartered Accountants


 Bhudhar Chakraborty FCA
 Enrolment No. 599, Partner
 DVC#2302240599AS921044

EMERALD OIL INDUSTRIES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 June 2017

Particulars	Notes	Amount In Taka	Amount In Taka
		2016-2017	2015-2016
Revenue	21.00	940,414,264	1,849,603,316
Less: Cost Of Goods Sold	22.00	1,066,881,869	1,422,766,430
A. Gross Profit/ (Loss)		(126,467,605)	426,836,886
B. Operating Expenses		1,702,798,964	49,005,124
General and Administrative Expenses	23.00	136,196,742	23,845,300
Selling and Distribution Expenses	24.00	9,948,547	25,159,824
Provision for Bad & Doubtful Debts	8.02	1,556,653,675	-
C. Operating profit/ (Loss) (A-B)		(1,829,266,569)	377,831,762
D. Non Operating Income		966,875	1,438,735
Other Income	25.00	966,875	1,438,735
E. Non-operating Expenses		91,149,747	162,188,433
Financing Expenses	26.00	91,149,747	162,188,433
F. Profit/ (Loss) before WPPF & Tax (C+D-E)		(1,919,449,441)	217,082,064
G. Contribution to WPPF		-	10,337,241
H. Profit/(Loss) before Tax (F-G)		(1,919,449,441)	206,744,823
I. Income Tax Expenses	27.00	38,612,463	26,022,945
Current Tax		5,884,205	19,314,210
Deferred Tax Expense/(Income)		32,728,258	6,708,735
J. Net profit / (loss) after tax (H-I)		(1,958,061,903)	180,721,878
Earnings Per Share	28.00	(34.34)	3.33

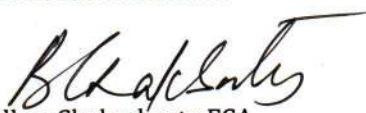
The accompanying notes (1-31) form an integral part of these financial statements. These Financial Statements were authorized for issue by Board of Directors on 23 February 2023.

 Chairman
 Managing Director
 Director
 Company Secretary
 Chief Financial Officer



Dhaka, Bangladesh
February 23, 2023

Signed for & on behalf of
Shiraz Khan Basak & Co
Chartered Accountants


 Bhudhar Chakraborty FCA
 Enrolment No. 599, Partner
 DVC#2302240599AS921044

EMERALD OIL INDUSTRIES LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2017

Particulars	Amount in Taka				
	Share Capital	Share Money Deposit	Revaluation Reserve	Retained Earnings	Total Amount
Balance as at July 01, 2016	542,850,000	-	-	392,545,658	935,395,658
Stock Dividend for the year ended June 30, 2016	54,285,000	-	-	(54,285,000)	-
Cash Dividend for the year ended June 30, 2016	-	-	-	-	-
Prior Year Adjustment	-	-	-	(19,874,390)	(19,874,390)
Net profit/(Loss) after tax for the Year	-	-	-	(1,958,061,903)	(1,958,061,903)
Balance as at June 30, 2017	597,135,000	-	-	(1,639,675,635)	(1,042,540,635)

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

Particulars	Amount in Taka				
	Share Capital	Share Money Deposit	Revaluation Reserve	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/(Loss) after tax for the Year	-	-	-	180,721,878	180,721,878
Balance as at June 30, 2016	542,850,000	-	-	392,545,658	935,395,658

The accompanying notes (1-31) form an integral part of these financial statements. These Financial Statements were authorized for issue by Board of Directors on 23 February 2023.






 Chairman Managing Director Director Company Secretary Chief Financial Officer

Dhaka, Bangladesh
February 23, 2023



EMERALD OIL INDUSTRIES LIMITED
STATEMENT OF CASH FLOWS
For the year ended 30 June 2017

Particulars	Amount In Taka	Amount In Taka
	30.06.2017	30.06.2016
A. Cash flows from operating activities:		
Cash received from customer & other income	155,534,683	1,694,255,555
Payment to Creditors, Suppliers & Others	(49,703,809)	(1,622,243,145)
Income Tax Paid during the year	(25,705)	(151,770)
Net Cash provided by operating activities	105,805,169	71,860,640
B. Cash flows from investing activities:		
Acquisition of property, plant and Equipment	-	(250,000)
Investment in FDR	-	(1,066,125)
Net Cash used in investing activities	-	(1,316,125)
C. Cash flows from financing activities:		
Financial Expenses	(182,814,236)	(70,523,944)
Dividend Paid	(119,408)	(48,696,233)
Refund Warrant Liabilities-Net	(30,000)	(65,000)
Short term bank loan (paid)/Received-Net	(305,953,177)	36,539,502
Long Term Bank Loan (paid)/Received-Net	381,979,791	9,550,569
Net Cash from financing Activities	(106,937,030)	(73,195,106)
Net Decrease in cash & cash equivalents (A+B+C)	(1,131,861)	(2,650,591)
Cash & cash equivalents at the beginning of the year	10,047,634	12,698,225
Cash & cash equivalents at the end of the year	8,915,773	10,047,634
Net Operating Cash Flow Per Share	1.86	1.32

The accompanying notes (1-31) form an integral part of these financial statements. These Financial Statements were authorized for issue by Board of Directors on 23 February 2023.

 Chairman
  Managing Director
  Director
  Company Secretary
  Chief Financial Officer

Dhaka, Bangladesh
February 23, 2023



EMERALD OIL INDUSTRIES LIMITED
Notes to the Financial Statements
For the year ended 30 June 2017

1.00 REPORTING ENTITY

1.01 Formation and legal status

Emerald Oil Industries Ltd, (hereinafter referred to as EOIL), a Public 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 Halimunnesa's Court (9th floor), 23 Kakrail Road, Dhaka 1000. 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 Financial Reporting Council (FRC).

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

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 IFRSs 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 IAS 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 company covers twelve months from 01 July 2016 to 30 June 2017.

2.08 Date of Authorization

The Board of Directors has authorized these financial statements on 23 February 2023

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	IAS - 1	Applied
Inventories	IAS - 2	Applied
Statements of Cash Flows	IAS - 7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors.	IAS - 8	Applied
Events after the reporting period	IAS - 10	Applied
Income Taxes	IAS - 12	Applied
Property, Plant and Equipment	IAS - 16	Applied
Employee Benefit	IAS - 19	Applied
The Effects of Changes in Foreign Exchange Rates	IAS - 21	Applied
Borrowing Costs	IAS - 23	Applied
Related Party Disclosures	IAS - 24	Applied
Financial Instrument, Presentation	IAS - 32	Applied
Earnings Per Share	IAS - 33	Applied
Interim Financial Reporting, Comparative Information	IAS - 34	Applied
Impairment of Assets	IAS - 36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS - 37	Applied
Intangible Assets	IAS - 38	Applied
Financial Instruments: Recognition & Measurement	IAS - 39	Applied
Financial Instruments disclosure	IFRS - 7	Applied
Fair Value Measurement	IFRS - 13	Applied
Revenue	IFRS - 15	Applied
Leases	IFRS - 16	Not Applicable

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 IAS 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 IAS-16, the annual depreciation rates have been applied as under which is considered reasonable by the management.

Category	Rate of Depreciation	
	30.06.2017	30.06.2016
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 IAS 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 IAS-2.



3.05 Accounts Receivable

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 profit and loss account.

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 Ex Directors removed on 02 March 2021 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.

3.09 Going Concern

The company made a net Loss after tax of Tk. 1,958,061,902/- during the year. 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.

However Bangladesh Securities & Exchange Commission vide letter no.-BSEC/SRMIC/47/2014/73, Dated: 02 March 2021 appointed 5 (Five) distinguished individuals as Independent Directors of the Company in accordance with condition under 2 of the Commission's Notification No. SEC/CMRRCD/2009-193/07/Admin, Dated September 01, 2020. The new Board already included an investor namely " Minori Bangladesh Ltd." vide letter No.-BSEC/SRMIC/47/2014/112, Dated 29 April 2021 to bring the company into operation. In consequence of permission of the new board the company again started it's commercial production on 09 January 2022 upon successful completion of trial production

3.10 Income Tax & VAT

Current Tax

A provision @ 0.6% on the Gross Revenue Income except other income of the company has been provided during the year as per 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 IAS-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 related SRO of the VAT Act, 1991.

3.11 Revenue Recognition

In compliance with the requirements of IFRS – 15: 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 IAS-7 titled "Statement of Cash Flows" 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 IAS-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 International Accounting Standard (IAS) -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 & Welfare Fund (WPP&WF)

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)). No provision is made during the year 2016-17 as the company incurred loss.

3.17 Related Party Transactions

The Company carried out related party transaction only with key management personal. The information as required by IAS 24: "Related party Disclosure" has been disclosed in notes to the accounts (Note: 31).

3.18 Events After the Reporting Period

In compliance with the requirements of IAS 10: Events after the reporting period, post Balance Sheet events that provide additional information about the company's position at the reporting Date are reflected in the financial statements and there are some adjustments have been made on 30 June 2017 as details below:

Sl No.	Head of Accounts	Amount (Tk.)	Reason
1	Office Decoration	3,280,636	There is no physical existence.
2	Vehicles	14,892,684	
3	Security Deposits-Godown	800,000	Party Name, Address & Details are not found and no amount has been realized even after 6 (Six) years of the Balance Sheet Date. Efforts have been taken to realize the amount.
4	Security Deposits-Office Space	901,070	
5	Provision for Bad & Doubtful Debts	1,556,653,675	

The company's operations were shut down due to severe irregularities during April 2017. So the Board of Directors has been reconstituted by Bangladesh Securities and Exchange Commission vide letter no.-BSEC/SRMIC/47/2014/73, dated 2 March 2021 and appointed five (5) distinguished individuals as Independent Directors of the issuer Company in accordance with the condition under 2 of the Commission's Notification No. SEC/CMRRCD/2009-193/07/Admin dated 1 September 2020. In this context, the new board already included "Minori Bangladesh Ltd" included in the Board of Directors with further investment vide letter No. BSEC/SRMIC/47/2014/112 dated 29 April 2021 to bring the company into operation.

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 IAS-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 IFRS 16, 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 IAS 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/soyaben 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, 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 April 2017 to December 2021 due to then management's failure.

Management Perception

The company is operating normally except that for the nature of the project 35 to 40 days is generally required for yearly overhauling of plant and machineries.

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.



Amount In Taka	Amount In Taka
30.06.2017	30.06.2016

5.00 PROPERTY, PLANT & EQUIPEMENTS: TK. 659,273,075

This is made up as follows:

Particulars

Opening Balance
Addition during the year

Less: Disposal/Write Off during the year

Closing Balance

Less: Accumulated Depreciation

Written Down Value:

The details have been shown in Annexure: A

1,017,253,762	1,008,877,326
-	8,376,436
1,017,253,762	1,017,253,762
43,523,287	-
973,730,475	1,017,253,762
314,457,400	288,782,462
659,273,075	728,471,300

Office Decoration and Vehicles have been impaired since there is no physical existence.

6.00 INTANGIBLE ASSETS: TK. 82,250

This is made up as follows:

Particulars

Opening Balance
Addition during the year

Closing Balance

Less: Accumulated Amortization:

Written Down Value:

The details have been shown in Annexure: B

6,760,000	6,760,000
-	-
6,760,000	6,760,000
6,677,750	6,644,750
82,250	115,250

7.00 INVENTORIES: TK. NIL

This is made up as follows:

Particulars

Finished Goods
Raw Materials
Processing Materials
Packing Materials
Stores & Spares

TOTAL:

Inventories have been written off since there is no physical existence.

-	360,477,142
-	295,756,908
-	57,521,517
-	5,409,415
-	2,332,154
-	721,497,136

8.00 TRADE & OTHER RECEIVABLES: TK. 1,556,653,675

This is made up as follows:

Particulars

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

TOTAL:

Less: Provision for Bad & Doubtful Debts

Net Amount

Note -8.01

Note -8.02

-	43,182,359
-	480,449,104
1,556,653,675	202,122,470
1,556,653,675	725,753,933
1,556,653,675	-
-	725,753,933

8.01 TRADE & OTHER RECEIVABLES: TK. 1,556,653,675

Since Buyers name, address and other details were not found although all initiatives have been taken for this reason the full amount of Accounts Receivables as on 30.06.2016 transferred to Ex Managing Director Mr. Syed Hasibul Gani Galib and all credit sales made during the year (2016-17) also transferred in his name.

8.02 PROVISION FOR BAD & DOUBTFUL DEBTS: TK. 1,556,653,675

Since no collection has been received from 1st July 2017 to till date from Mr. Syed Hasibul Gani Galib or any other parties, the full amount of receivables is shown as Bad & Doubtful Debts.

1,556,653,675	-
1,556,653,675	-



Amount In Taka	Amount In Taka
30.06.2017	30.06.2016

9.00 INVESTMENT: TK. 13,406,596

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	12,611,335	12,139,875
Interest Receivable on FDR	795,261	471,460
TOTAL:	13,406,596	12,611,335

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

10.00 ADVANCES, DEPOSITS & PRE-PAYMENTS: TK. 4,176,888

This is made up as follows:

Particulars

Tax Deducted at source	929,838	904,133	
Deposits	3,247,050	4,948,120	Note: 10.01
Advance against Rice Bran	-	165,425,110	Note: 10.02
Advance against Salary	-	2,825,407	
Other Advance	-	435,000	
TOTAL:	4,176,888	174,537,770	

10.01 DEPOSITS: TK. 3,247,050

This is made up as follows:

Particulars

Security Deposits-REB	8,250	8,250
Security Deposits-Titas Gas	896,500	896,500
Security Deposits-T & T	10,000	10,000
Security Deposits-Godown	-	800,000
Bank Guarantee Margin	358,600	358,600
Lease Deposits-PFIL	1,371,250	1,371,250
Lease Deposits-ULCL	202,450	202,450
Security Deposits-CDBL	400,000	400,000
Security Deposits-Office Space	-	901,070
TOTAL:	3,247,050	4,948,120

10.02 ADVANCE AGAINST RICE BRAN: TK. NIL

This is made up as follows:

Particulars

Advance against Rice Bran	-	165,425,110
TOTAL:	-	165,425,110

11.00 CASH & CASH EQUIVALENTS: TK. 8,915,773

This is made up as follows:

Particulars

Cash in Hand	-	1,048,032	Note -11.01
Cash at Bank	8,915,773	8,999,602	Note -11.02
TOTAL:	8,915,773	10,047,634	



Amount In Taka	Amount In Taka
30.06.2017	30.06.2016

11.01 CASH IN HAND: TK. NIL

This is made up as follows:

Particulars

Cash at Head Office
Cash at Factory

TOTAL:

-	335,488
-	712,544
-	1,048,032

11.02 CASH AT BANK: TK. 8,915,773

This is made up as follows:

Name of the Bank	Branch	Account No.	30.06.2017	30.06.2016
The Farmers Bank Ltd.	Gulshan	0111100043807	4,892	6,042
National Bank of Pakistan	Motijheel	000111100008392	31,661	33,536
Bank Asia Ltd	Bashundhara	02333001211	3,145	-
Bank Asia Ltd	Bashundhara	02336000081	726,037	740,529
Brac Bank Ltd.	Bijoy Nagar	1532-2033-9277-9001	670	2,176
Brac Bank Ltd.	Sherpur	6001-2026-2539-9001	-	363
Bangladesh Krishi Bank	Sherpur	5101-0210010547	4,227	95,585
Dutch Bangla Bank Ltd.	Jamalpur	2061100009548	2,152	1,572
Islami Bank Bangladesh Lt	Dilkusha	20502130100194512	13,504	16,344
Islami Bank Bangladesh Lt	Sherpur	20501880100396407	3,798	5,585
National Bank Ltd.	Jamalpur	0075-33014231	1,257	3,677
Jamuna Bank Ltd.	Sherpur	0069-0210000639	29,277	29,852
Janata Bank Ltd	Dilkusha	010233068969	4,187	5,337
Janata Bank Ltd	Sherpur	0510-0210021183	25,688	26,988
Mutual Trust Bank Ltd.	Panthapath	30210014926	-	297
Mutual Trust Bank Ltd.	Panthapath	30320001642	7,065,345	6,948,216
Mutual Trust Bank Ltd.	Panthapath	30260000721	321,000	321,000
Mutual Trust Bank Ltd.	Panthapath	30260000730	30,000	30,000
Mutual Trust Bank Ltd.	Principal	20210029840	619,762	696,128
Prime Bank Ltd.	Sherpur	51111030002914	16,658	18,383
Prime Bank Ltd.	Banani	13211070021183	2,672	4,397
Sonali Bank Ltd.	Sherpur	2400000191	-	2,489
Sonali Bank Ltd.	Sherpur	6201200002359	9,841	11,106
TOTAL:			8,915,773	8,999,602

12.00 SHARE CAPITAL: TK. 597,135,000

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

5,42,85,000 ordinary shares of tk. 10/- each

542,850,000 493,500,000

Stock Dividend 54,28,500 shares of Tk. 10/- each

54,285,000 49,350,000

TOTAL:

597,135,000 **542,850,000**

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	5	16,971,625	169,716,250	165,287,500
Institutions	240	5,543,401	55,434,010	43,108,820
General Public	9,662	37,198,474	371,984,740	334,453,680
Total:	9,907	59,713,500	597,135,000	542,850,000



Amount In Taka	Amount In Taka
30.06.2017	30.06.2016

Details of Number of holders and percentage as under:

Shareholding Range	30.06.2017			30.06.2016		
	No. of Shareholder	No. of Shares	Ownership (%)	No. of Shareholder	No. of Shares	Ownership (%)
0001-499	2,887	492,547	0.82%	2,316	377,394	0.70%
500-5000	5,568	9,821,579	16.45%	3,893	6,206,419	11.43%
5001-10000	779	5,811,961	9.73%	438	3,270,729	6.03%
10001-20000	415	5,969,726	10.00%	235	3,399,163	6.26%
20001-30000	116	2,822,183	4.73%	73	1,840,323	3.39%
30001-40000	41	1,436,689	2.41%	32	1,134,536	2.09%
40001-50000	28	1,266,123	2.12%	23	1,081,352	1.99%
50001-100000	41	2,729,610	4.57%	38	2,799,049	5.16%
100001-1000000	25	5,507,924	9.22%	44	13,756,035	25.34%
1000001-1000000000	7	23,855,158	39.95%	6	20,420,000	37.62%
TOTAL:	9,907	59,713,500	100.00%	7,098	54,285,000	100.00%

13.00 RETAINED EARNINGS: TK. -1,639,675,635

This is made up as follows:

Particulars

Opening Balance	
Prior year adjustment	Note -13.01
Net Profit/(Loss) after tax for the year	
Adjustment of Workers' Profit Participation Fund	
Dividend for the year	
TOTAL:	

392,545,658	310,523,780
(19,874,390)	-
(1,958,061,903)	180,721,878
-	-
(54,285,000)	(98,700,000)
(1,639,675,635)	392,545,658

13.01 PRIOR YEAR ADJUSTMENT: TK. 19,874,390

This is made up as follows:

Particulars

Office Decoration Written Off	
Vehicles Written Off	
Security Deposits-Godown Written Off	
Security Deposits-Office Space Written Off	
TOTAL:	

3,280,636	-
14,892,684	-
800,000	-
901,070	-
19,874,390	-

14.00 DEFERRED TAX LIABILITY: TK. 60,029,619

The break-up of the amount is given below:

Particulars	Carrying Amount	Tax Base	Temporary Difference	Tax Rate	Deferred Tax (Assets)/Liab.	Deferred Tax (Assets)/Liab.
Property, Plant & Equipment	659,273,075	419,154,600	240,118,475	25%	60,029,619	27,301,361
Deferred Tax Liability	659,273,075	419,154,600	240,118,475		60,029,619	27,301,361

15.00 LONG TERM LOAN (SECURED): TK. 1,288,494,215

This is made up as follows:

Particulars

Bank Name	Types of A/C	Branch	Account No.	30.06.2017	30.06.2016
Basic Bank Ltd	Term Loan	Dilkusha	1502-04-0000016	201,458,620	201,458,620
Basic Bank Ltd	Term Loan	Dilkusha	1502-01-0000901	90,873,968	90,873,968
Basic Bank Ltd	Term Loan	Dilkusha	1502-01-0000917	104,417,112	104,417,112
Basic Bank Ltd	Term Loan	Dilkusha	1502-01-0000959	204,842,123	204,842,123
Basic Bank Ltd	Term Loan	Dilkusha	1502-04-000042	78,302,910	78,302,910
Basic Bank Ltd	CC	Dilkusha	1560-01-0000579	59,821,040	-
Bank Asia Ltd	Term Loan	Bashundhara	2335000430	266,996,150	-



				Amount In Taka	Amount In Taka
				30.06.2017	30.06.2016
Nitol Motors Ltd.	Lease Finance	Mohakhali	70691	-	486,998
United Leasing Co. Ltd.	Lease Finance	Kazi Nazrul Islam Avenue	67011400194	1,435,000	4,819,679
Prime Finance & Investme	Lease Finance	Dilkusha	LAD # 2013/015	71,478,648	59,647,422
Midas Financing Ltd.	Lease Finance	Dhanmondi	S00098 & L00937	208,868,644	161,665,592
				1,288,494,215	906,514,424
Less: Current portion of Long Term Loan				-	278,400,257
TOTAL:				1,288,494,215	628,114,167

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.

16.00 CURRENT PORTION OF LONG TERM LOAN: TK. NIL

This is made up as follows:

Particulars

Basic Bank Ltd-016	-	38,266,822
Basic Bank Ltd-901	-	18,373,083
Basic Bank Ltd-917	-	21,111,269
Basic Bank Ltd-959	-	41,415,384
Basic Bank Ltd-42	-	47,655,627
Nitol Motors Ltd.	-	297,936
United Leasing	-	3,892,163
Midas Financing Ltd.	-	81,437,386
Prime Finance & Investment Ltd.	-	25,950,587
TOTAL:	-	278,400,257

17.00 TRADE & OTHER PAYABLES: TK. 274,757,115

This is made up as follows:

Particulars

Trade Creditors	166,381,247	1,841,603
Advance against Sales	45,848,547	-
Bills & Others Payable	62,527,321	10,976,349
Security Deposit received	-	50,000
TOTAL:	274,757,115	12,867,952

18.00 SHORT TERM BANK LOAN: TK. NIL

This is made up as follows:

Bank Name	Account Types	Branch	Account No.	30.06.2017	30.06.2016
Basic Bank Ltd	CC	Dilkusha	1560-01-0000579	-	59,821,040
Bank Asia Ltd	CC	Bashundhara	02333001240	-	246,132,137
TOTAL:				-	305,953,177

19.00 UNDISTRIBUTED IPO SUBSCRIPTION: TK. 6,286,250

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.	30.06.2017	30.06.2016
Mutual Trust Bank Limited	SND	BDT	0003-0320001642	5,965,250	5,965,250
Mutual Trust Bank Limited	FC	USD	0003-0260000721	321,000	321,000
Mutual Trust Bank Limited	FC	Euro	0003-0260000730	-	30,000
TOTAL:				6,286,250	6,316,250



Amount In Taka	Amount In Taka
30.06.2017	30.06.2016

20.00 ACCURALS & PROVISIONS: TK. 98,828,018

This is made up as follows:

Particulars

Salary & Wages	
Managing Directors Remuneration	
Audit & Professional Fees	
Interest Payable	
Telephone Bill	
Gas Bill	
CSE Listing Fee Payable	
Electricity Bill	
Dividend Payable	
Workers' Profit Participation Fund	Note -20.01
Provision for Income Tax	Note -20.02
TOTAL:	

-	3,823,550
-	400,000
230,000	345,000
-	91,664,489
-	17,375
16,172,131	6,056,720
432,867	-
-	150,179
1,193,709	1,313,117
33,573,634	33,573,634
47,225,677	41,341,472
98,828,018	178,685,536

20.01 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/Adjusted During the year	
Outstanding Balance	

33,573,634	23,236,393
-	10,337,241
33,573,634	33,573,634
-	-
33,573,634	33,573,634

20.02 PROVISION FOR INCOME TAX: TK. 47,225,677

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:	

41,341,472	22,027,262
5,884,205	19,314,210
-	-
47,225,677	41,341,472
-	-
-	-
-	-
47,225,677	41,341,472



	Amount in Taka 2016-2017	Amount in Taka 2015-2016
21.00 REVENUE: TK. 940,414,264		
This is made up as follows:		
Particulars		
This represents cash and credit sales during the year under audit and made up as follows:		
Rice Bran Oil (Bulk)	325,997,545	556,730,395
Oil-1 Ltr. Bottled	3,320,484	11,900,613
Oil-2 Ltr. Bottled	5,579,526	19,893,129
Oil-5 Ltr. (HDPE Bottled)	66,408,682	82,304,211
Oil-5 Ltr. (Pet Bottled)	135,623,033	231,469,571
Oil-8 Ltr Tin	6,315,029	49,958,785
Oil-8 Ltr (Pet Bottled)	101,565,907	201,800,515
Oil-16 Ltr Tin	-	1,935,560
De-Oiled Rice Bran	291,268,782	671,446,848
Fatty Acid	1,644,253	8,165,764
Gum	235,333	1,254,125
Wax	1,734,214	9,132,546
Spent Earth	721,476	3,611,254
TOTAL:	940,414,264	1,849,603,316
 22.00 COST OF GOODS SOLD: TK. 1,066,881,869		
This is made up as follows:		
Particulars		
Raw Material Consumed	652,510,416	1,354,160,974
Processing Material Consumed	57,521,517	43,868,954
Packing Material Consumed	37,075,856	86,507,709
Stores & Spares Consumed	2,586,614	5,726,210
Factory Overhead	84,449,288	131,629,385
Cost of Production	834,143,691	1,621,893,232
Add: Opening Stock of Finished Goods	360,477,142	161,522,993
Cost of Goods available for Sale	1,194,620,833	1,783,416,225
Less: Sample Expenses Transferred to Selling & Distributon Expenses	-	172,653
Less: Closing Stock of Finished Goods	127,738,964	360,477,142
Cost of Goods Sold:	1,066,881,869	1,422,766,430
 22.01 RAW MATERIAL CONSUMED: TK. 652,510,416		
This is made up as follows:		
Particulars		
Opening Stock	295,756,908	303,621,855
Add: Purchase during the year	356,753,508	1,346,296,027
	652,510,416	1,649,917,882
Less: Closing Stock	-	295,756,908
TOTAL:	652,510,416	1,354,160,974
 22.02 PROCESSING MATERIAL CONSUMED: TK. 57,521,517		
This is made up as follows:		
Particulars		
Opening Stock	57,521,517	64,682,729
Add: Purchase during the year	-	36,707,742
	57,521,517	101,390,471
Less: Closing Stock	-	57,521,517
TOTAL:	57,521,517	43,868,954
 22.03 PACKING MATERIAL CONSUMED: TK. 37,075,856		
This is made up as follows:		
Particulars		
Opening Stock	5,409,415	7,319,905
Add: Purchase during the year	31,666,441	84,597,219
	37,075,856	91,917,124
Less: Closing Stock	-	5,409,415
TOTAL:	37,075,856	86,507,709



22.04 STORES & SPARES CONSUMED: TK. 2,586,614

This is made up as follows:

Particulars

Opening Stock
Add: Purchase during the year

Less: Closing Stock
TOTAL:

Amount in Taka 2016-2017	Amount in Taka 2015-2016
2,332,154	3,548,854
254,460	4,509,510
2,586,614	8,058,364
-	2,332,154
2,586,614	5,726,210

22.05 FACTORY OVERHEAD: TK. 84,449,288

This is made up as follows:

Particulars

Salary & Allowances
Fuel & Lubricants
Daily Labour
Depreciation
Electricity Expense
Fooding & Entertainment
Factory Insurance
Gas Bill
House Rent & Utilities
Lab Testing
Loading & Unloading
Medical Expenses
Repair & Maintenance
Printing & Stationery
Rates & Taxes
Vehicle Maintenance
Uniform & Liveries

TOTAL:

9,218,600	20,535,931
9,403,086	28,048,244
1,951,360	3,889,555
50,565,553	54,997,959
131,062	186,570
592,095	965,921
-	3,312,472
11,163,715	11,561,360
-	324,150
44,750	107,147
719,162	5,035,210
8,721	160,928
469,454	1,894,425
20,443	54,536
-	34,500
161,287	447,632
-	72,845
84,449,288	131,629,385

23.00 GENERAL ADMINISTRATIVE EXPENSES: TK. 136,196,742

This is made up as follows:

Particulars

Salary & Allowances
Directors Remuneration
Audit Fees
Board Meeting Fees
Computer Accessories
Dish Expense
Donation & Subscription
Electricity Expense
Fooding & Entertainment
Internet & Server Expenses
Miscellaneous Expenses
Mobile & Telephone Expense
Newspaper & Periodicals
Conference Expenses
Office Maintenance
Office Rent
Postage & Courier
Printing & Stationery
Registration & Renewals
Travelling & Conveyance
Vehicle Maintenance
Water Expense
Write off of Finished Goods (Missing from Factory)
Write off of Intangible Assets
Depreciation

TOTAL:

3,167,395	7,255,199
600,000	1,200,000
230,000	230,000
39,000	48,000
7,460	7,450
3,050	9,490
26,250	119,500
76,129	171,017
170,304	816,257
56,891	327,200
38,577	196,550
137,158	824,436
1,483	7,445
277,945	608,257
72,787	285,634
1,902,000	2,185,241
12,163	31,575
16,517	166,894
971,161	1,860,305
27,847	219,947
127,639	1,082,396
3,670	12,400
127,738,964	-
33,000	1,319,000
459,352	4,861,107
136,196,742	23,845,300



	Amount in Taka 2016-2017	Amount in Taka 2015-2016
24.00 SELLING & DISTRIBUTION EXPENSES: TK. 9,948,547		
This is made up as follows:		
Particulars		
Advertisement	234,204	1,092,000
Delivery Expenses	2,773,621	8,959,811
Electricity Expense	46,870	84,232
Fooding & Entertainment	24,443	38,827
Office & Go-Down Rent	834,000	1,334,160
Printing & Stationery	9,897	44,578
Salary & Allowances	5,645,971	11,855,020
Sales Promotion Expenses	214,242	1,069,330
Sample Expenses	70,007	172,653
Marketing Office Maintenance	70,458	414,828
Vehicle Maintenance	24,834	94,385
TOTAL:	9,948,547	25,159,824
25.00 OTHER INCOME: TK. 966,875		
This is made up as follows:		
Particulars		
Bank Interest Received	171,614	269,310
FDR Interest	795,261	1,006,914
Wastage Sales	-	162,511
TOTAL:	966,875	1,438,735
26.00 FINANCING EXPENSES: TK. 91,149,747		
This is made up as follows:		
Particulars		
Bank Charges & Commission	66,716	185,758
Interest on CC/OD Account	18,803,555	42,312,789
Interest on Long Term Loan	13,245,198	89,800,200
Interest on Lease Finance	59,034,278	29,889,686
TOTAL:	91,149,747	162,188,433
27.00 INCOME TAX EXPENSES: TK. 38,612,463		
This is made up as follows:		
Current Tax	5,884,205	19,314,210
Deferred Tax	32,728,258	6,708,735
TOTAL:	38,612,463	26,022,945
27.01 DEFERRED TAX EXPENSES: TK. 32,728,258		
Particulars		
Closing Deffered Tax Liability	60,029,619	27,301,361
Opening Deffered Tax Liability	27,301,361	20,592,626
TOTAL:	32,728,258	6,708,735
28.00 CALCULATION OF BASIC EARNINGS PER SHARE: TK. -34.34		
This is made up as follows:		
Particulars		
Net Profit / (Loss) for the Year	(1,958,061,903)	180,721,878
Earnings attributable to the ordinary share holders	(1,958,061,903)	180,721,878
Weighted average no. of Shares (Note - 28.01)	57,021,559	54,285,000
Basic Earning Per Share:	(34.34)	3.33
28.01 WEIGHTED AVERAGE NUMBER OF SHARES: 57,021,559		
This is made up as follows:		
Particulars		
4,70,00,000 shares for 365 days	47,000,000	47,000,000
23,50,000 shares for 365 days	2,350,000	2,350,000
49,35,000 shares for 365 days	4,935,000	4,935,000
54,28,500 shares for 184 days	2,736,559	-
TOTAL:	57,021,559	54,285,000

Note -27.01



Amount in Taka 2016-2017	Amount in Taka 2015-2016
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29.00 NO. OF EMPLOYEES

The company had 43 permanent employees during the year 2016-2017 and 64 number of seasonal and temporary workers as required, which was during the year 2016-2017. All the permanent employees received remuneration in excess of Tk. 36,000 per annum.

30.00 PRODUCTION CAPACITY

This is made up as follows:

Particulars

****Installed Capacity:**

Rice Bran Oil (Refined)
De-oiled Rice Bran (DOB)

(Ton/Year)	(Ton/Year)
17,520	17,520
87,600	87,600

Actual Production:

Rice Bran Oil (Refined)
De-oiled Rice Bran (DOB)

3,270	14,226
25,751	57,940

Achieved (%)

Rice Bran Oil (Refined)
De-oiled Rice Bran (DOB)

18.66%	81.20%
29.40%	66.14%

Actual Production given for 9 (nine) months for 1 Unit

31.00 RELATED PARTY DISCLOSURE

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

	Tk.	Tk.
a) Short Term Benefits	4,410,000	6,826,300
b) Post Employment Benefit	Nil	Nil
c) Other Long Term Benefits	Nil	Nil
d) Termination Benefit	Nil	Nil
e) Share Based payment	Nil	Nil
f) Trade Receivable (Mr. Syed Hasibul Gani Galib) (Note-8.01)	1,556,653,675	Nil


 Chairman Managing Director Director Company Secretary Chief Financial Officer

Dhaka, Bangladesh
February 23, 2023



EMERALD OIL INDUSTRIES LIMITED
SCHEDULE OF PROPERTY, PLANT & EQUIPMENTS

As at 30 June 2017

Annexure: A

Particulars	COST				Rate	DEPRECIATION				Written down value
	As at 01.07.2016	Addition during the year	Adjustment during the year	As at 30.06.2017		As at 01.07.2016	Charged during the year	Adjustment during the year	As at 30.06.2017	
Land & Land Development	50,600,447	-	-	50,600,447	-	-	-	-	-	50,600,447
Building & Other Civil Works	377,114,171	-	-	377,114,171	5%	69,944,895	15,358,464	-	85,303,359	291,810,812
Plant & Machineries	529,439,314	-	-	529,439,314	10%	183,919,485	34,551,983	-	218,471,468	310,967,846
Electrical & Gas Line Installation	9,842,954	-	-	9,842,954	15%	5,475,583	655,106	-	6,130,689	3,712,265
Furniture & Fixtures	3,239,994	-	-	3,239,994	15%	1,862,800	206,579	-	2,069,379	1,170,615
Office Decoration	7,411,947	-	(7,411,947)	-	15%	4,131,311	-	(4,131,311)	-	-
Office Equipment	3,493,595	-	-	3,493,595	20%	2,229,732	252,773	-	2,482,505	1,011,090
Vehicles	36,111,340	-	(36,111,340)	-	20%	21,218,656	-	(21,218,656)	-	-
Balance as at 30 June 2017	1,017,253,762	-	(43,523,287)	973,730,475		288,782,462	51,024,905	(25,349,967)	314,457,400	659,273,075
Balance as at 30 June 2016	1,008,877,326	8,376,436	-	1,017,253,762		228,923,396	59,859,066	-	288,782,462	728,471,300

Depreciation Charged To-

General & Administrative Expenses
Factory Overhead
Total

30.06.2017

459,352
50,565,553
51,024,905

30.06.2016

4,861,107
54,997,959
59,859,066



EMERALD OIL INDUSTRIES LIMITED
SCHEDULE OF INTANGIBLE ASSETS
As at 30 June 2017

Annexure: B

Particulars	COST			Rate	AMORTIZATION			Written down value
	As at 01.07.2016	Addition during the year	As at 30.06.2017		As at 01.07.2016	Charged during the year	As at 30.06.2017	
Software	330,000	-	330,000	10%	214,750	33,000	247,750	82,250
Campaign Film (Advertisement)	6,430,000	-	6,430,000	20%	6,430,000	-	6,430,000	-
Balance as at 30.06.2017	6,760,000	-	6,760,000		6,644,750	33,000	6,677,750	82,250
Balance as at 30.06.2016	6,760,000	-	6,760,000		5,325,750	1,319,000	6,644,750	115,250

