



Aziz Halim Khair Choudhury
Chartered Accountants

Exclusive Correspondent Firm of **PKF** International

**Auditor's Report
And
Financial Statements
Of
Emerald Oil Industries Limited
For the year ended June 30, 2021**

Emerald Oil Industries Limited
For the year ended 30 June 2021**Contents**

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AZIZ HALIM KHAIROU CHOUHURY
Chartered Accountants
Exclusive Correspondent Firm of PKF International

Independent Auditor's Report
To the Shareholders of Emerald Oil Industries Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Emerald Oil Industries Limited. ("The Company"), which comprise the Statement of Financial Position as at 30 June 2021, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial Statements, including a summary of significant accounting policies and other explanatory information.

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 2021, and its financial performance and its cash flow year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Qualified Opinion

1. As disclosed in note # 5 Property, plant & equipment are at a written down value (WDV) of Taka 478,746,658 as on 30 June 2021. The authenticity and existence of property, plant & equipment could not be verified due to the non-availability of the fixed assets register (Soft or hard copy).

Moreover, during the year 2020-2021 the company has shown addition to Property, Plant & Equipment Tk. 1,511,200 against which they could not provide us with sufficient/appropriate audit evidence like original bills/invoice, goods receipts notes, challan, VAT & Tax deduction documents, contract, money receipts of parties, work completion certification, etc. for the verification. As a result, the genuineness and correctness of the addition to Property, Plant & Equipment could not be confirmed.

Further, It was observed that in the year 2020-2021, Bank Asia sold a flat of the company at Taka 20,400,000 through auction and adjust this money against their Loan. When we verified the sale of property, plant, and Equipment of the company we observed that the company could not able to give the effect of gain or loss on the sale of fixed assets in the financial statements due to the non-availability of appropriate and sufficient documents and information like a detailed list of disposed of assets, original cost value, accumulated depreciation, board approval, auctioned process & auctioned documents, gate pass, etc. The company could not make any accumulated depreciation adjustments in the financial statements for the sale of the assets.

2. No revaluation of Property, Plant & Equipment was carried out till 30th June 2021 to determine the fair value as per IAS-16.
3. Trade and Other Receivables of Taka 1,556,653,675 (Ref. note # 7.00) were shown as receivable from Mr. Syed Hasibul Gani Galib, Ex-Managing Director of the Company for the credit sales that were made during his tenure. Because the company could not collect the said receivables from the parties due to the unavailability of the parties' details (name, address, etc.). However, 100% provision for doubtful debt is provided by the company against the aforesaid receivable on the ground of uncertainty of recovery.
4. We could not confirm the authenticity, existence, aging, etc. of carry forward balances of Tax deducted at the source of Taka 1,000,856 and a Bank Guarantee Margin of Tk. 358,600 (Note-08.00) due to the non-availability of sufficient/appropriate audit evidence like bank guarantee agreement, correspondence with the bank, bank statements or confirmations from the bank, and any other supporting documentation, etc.

5. As disclosed in note # 9.00 Cash & Cash Equivalents Taka 9,586,010 as on 30 June 2021. To confirm this amount we sent balance confirmation letters to the respective bank branches maintaining accounts by the company. We did not receive the following balance confirmation certificates from the concerned bank branches:

| Name of the Bank | Account No. | Amount | Remarks |
|---------------------------|-----------------|----------------|---------|
| National Bank of Pakistan | 000111100008392 | 27,521 | |
| Basic Bank Ltd. | 1510-01-0004855 | 91,677 | |
| Dutch Bangla Bank Ltd. | 2061100009548 | 3,310 | |
| Jamuna Bank Ltd. | 0069-0210000639 | 29,277 | |
| Janata Bank Ltd | 010233068969 | 392 | |
| Mutual Trust Bank Ltd. | 30260000721 | 350,813 | |
| Mutual Trust Bank Ltd. | 30260000730 | 28,577 | |
| Total | | 531,567 | |

6. As per financial statements, Minori Bangladesh Limited invested Taka 32,870,100 as a share money deposit as on 30 June 2021. During the year 2020-2021, the company received Taka 5,770,100 from Minori Bangladesh Limited as Share Money Deposit. While examining the aforesaid share money deposit we found that the company had received the share money deposit in cash instead of the Bank account.

However, Emerald Oil Industries Limited maintained a ledger to record the transactions made by "Minori Bangladesh Limited" on behalf of the company.

7. As disclosed in note # 13 in the year 2020-2021 an amount of Taka 65,027,102 was shown as deferred tax liability in the statement of financial position and Taka 7,460,511 as deferred tax expense in the statement of profit or loss and other comprehensive income. The accuracy of the calculation of the said deferred tax liability and expense could not be confirmed due to the non-availability of the latest tax assessment order.
8. As disclosed in note # 14 Long Term Loan (Secured) Taka 1,305,150,784, to confirm this amount we sent balance confirmation letters to the respective bank branches maintaining accounts by the company. Out of which we have not received some balance confirmation certificates from the concerned bank branches. Details are given below:

| Bank Name | Account No. | Amount |
|-------------------------|-----------------|--------------------|
| Basic Bank Ltd | 1502-04-0000016 | 197,338,045 |
| Basic Bank Ltd | 1502-01-0000901 | 89,014,251 |
| Basic Bank Ltd | 1502-01-0000917 | 102,280,237 |
| Basic Bank Ltd | 1502-01-0000959 | 200,650,071 |
| Basic Bank Ltd | 1502-04-000042 | 76,689,913 |
| Basic Bank Ltd | 1560-01-0000579 | 58,611,910 |
| United Leasing Co. Ltd. | 67011400194 | 686,250 |
| Midas Financing Ltd. | S00098 & L00937 | 243,654,888 |
| Total | | 968,925,565 |

Further, we received balance confirmation Certificates from the following Bank & NBFI and found that there was a difference between the amount of the Company's Books & Financial Statements and the Balance Confirmation Certificate/Statements of Banks & NBFI. Details are given below:

| Bank Name | Account No. | Amount as per Financial Statements | Amount as per Balance Confirmation | Difference |
|---------------------------------|----------------|------------------------------------|------------------------------------|---------------------|
| Bank Asia Ltd | 2335000430 | 62,846,059 | 65,409,586 | (2,563,527) |
| Bank Asia Ltd | 2335000491 | 200,065,000 | 222,997,345 | (22,932,345) |
| Prime Finance & Investment Ltd. | LAD # 2013/015 | 73,314,160 | 90,817,139 | (17,502,979) |
| Total | | 336,225,219 | 379,224,070 | (42,998,851) |

9. The company did not show any financial expenses in the financial statements against interest on Long Term loans from Banks and NBFIs in 2020-2021. If the company would have charged interest on Long Term Loan, the loss and the loan liability of the company would have been increased to that extent. The matter of non-charging of interest has been disclosed in note-14 of the financial statements.
10. As disclosed in note # 15 Trade and Other Payables of Taka 288,794,833 as on 30 June 2021 in comparison to the previous year's Taka 287,149,925. To confirm the above amount we sent balance confirmation letters to various parties but no confirmation letters have been received from the parties.
11. The company paid salary & allowance of Taka 2,534,500 and Taka 880,259 respectively in cash instead of A/C Payee cheque or Bank transfer to its employees which are disclosed in notes # 20.01 & 21.00 (Salary & Allowance).

Moreover, we also noticed various noncompliances with ITO 1984 & Rules as follows:

- a. In applicable cases, salary tax was not deducted at source and not deposited to the govt. treasury;
- b. The statement of 'Information regarding payment of salary' was not furnished to DCT in accordance with Section 108 of Income Tax Ordinance 1984 as per the prescribed Form.
- c. The statement of 'Information regarding the filing of return by employees' was not furnished to DCT in accordance with Section 108A Income Tax Ordinance 1984 as per the prescribed Form.

Due to due to non-deduction of salary tax and the non-furnish of aforesaid statements, the tax authority may disallow the salary & allowance expenses and subsequently impose a tax on the amount of salary & allowance expenses as per tax rate.

We conducted our audit in accordance with International Standards on Auditing (IASs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our qualified opinion.

Emphasis of Matters:

Without qualifying our opinion, we draw attention to this following:

1. As per Section 81 of The Companies Act 1994, every company shall hold an AGM each year. As per Section 82 if the default is made in holding a meeting of the Company, the company and every officer of the company who is in default shall be punishable.....". But the company could not hold its Annual General Meeting (AGM) since December 2016.
2. As per Section 36 of The Companies Act 1994 "Annual Summary of Share Capital and List of Shareholders and Directors to be filed within 21 days of an Annual General Meeting (AGM) to RJSC." But the company management did not comply with the aforesaid section of the Companies Act 1984.
3. The company management could not provide us with the latest Tax Assessment Status of the company for our verification, so we could not determine the actual tax liability of the company. The company did not submit the Income Tax Return of the company since the income year 2014-2015 as per section 75 (1) of the Income Tax Ordinance 1984. Further, the company provided us with a Tax Assessment Certificate of the company U/S 82BB of Income Tax Ordinance 1984 for the Assessment Year 2014-2015 (The income year 2013-2014).
4. According to Section 232 of the Labour Law 2006 of Bangladesh, it is obligatory for companies or establishments in Bangladesh to establish a Workers Profit Participation Fund (WPPF). The law mandates that a company must allocate five percent (5%) of its Net Profit to the Workers Profit Participation Fund, Welfare Fund, and Bangladesh

Worker's Welfare Foundation Fund, with a distribution ratio of 80:10:10. The payment should be made within nine (9) months after the end of each fiscal year. The company did not make any payment within the stipulated time since the year 2015-2016 in accordance with the abovementioned Law.

5. The company's failure to provide gratuity to its permanent employees as per Section 27(4) of the Bangladesh Labour Act 2006, as amended, which mandates employers to grant gratuity payments to permanent employees after one year of continuous service. This was reported in the "Emphasis of Matter" Paragraph of last year's audit report.
6. Due to the unavailability of required documents the verification of potential liability for pending tax cases which is dependent on the outcomes of such cases, could not be ascertained. Furthermore, there has been no disclosure in the financial statements regarding this issue.
7. No information was provided to the audit team regarding action taken by the company to recover the receivables from Mr. Syed Hasibul Gani Galib (Ex. Managing Director of the company).

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. Those matters were addressed in 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. For each matter below, our description of how our audit addressed the matter is produced in the context.

| Risk | Our response to the risk |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Property, plant and equipment (PP&E) | |
| <p>The carrying value of PP&E as at 30 June 2021 was BDT. 478,746,658 Which is 97.18% of total assets.</p> <p>There are a number of areas where management judgment impacts the carrying value of PP&E, and the related depreciation profiles. These include:</p> <ul style="list-style-type: none"> • Determining which costs meet the criteria for capitalization; • The estimation of economic useful lives and residual values assigned to property, plant and equipment. <p>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>Our audit procedures to assess the carrying value of PP&E included the following:</p> <ul style="list-style-type: none"> • assessing the design, implementation and operating effectiveness of key 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; • assessing, on a sample basis, costs capitalized during the year by comparing the costs capitalized with the relevant underlying documentation, which included purchase agreements and invoices, and assessing whether the costs capitalized met the relevant criteria for capitalization; and • evaluating management's estimation of useful economic lives and residual values by considering our knowledge of the business. |
| See note no. 5.00 of the financial statements. | |

Reporting on 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 auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and 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.

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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from 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 a part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, 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.
- 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 doubts 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 conclusion is 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 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 matter 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 auditor's 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 be 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, the Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission and other applicable laws and regulations. We, as required by law, further report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief where necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books are required by law have been kept by the Company so far as it appeared from our examinations of those books ;
- c) The information and explanations required by us have been received and found satisfactory;
- d) The Statement of Financial Position, and the Statement of Profit or Loss and Other Comprehensive Income and Statement of Changes in Equity and Statement of Cash Flows of the Company dealt with by the report are in agreement with the books of account and returns; and
- e) The expenditure was incurred for the purpose of the Company's business.

05 June 2023
Dhaka

Signed for and on behalf of
Aziz Halim Khair Choudhury
Chartered Accountants


Signed by:
Md. Aftab Uddin Ahmed FCA
Senior Partner
ICAB Enrolment No.: 804
DVC# 2306050804AS646012

EMERALD OIL INDUSTRIES LIMITED
STATEMENT OF FINANCIAL POSITION
As at 30 June, 2021

| Particulars | Notes | Amount In Taka | Amount In Taka |
|-------------------------------------------------|-------|------------------------|------------------------|
| | | 30.06.2021 | 30.06.2020 |
| A. NON-CURRENT ASSET | | 478,746,658 | 532,512,569 |
| Property, Plant & Equipment | 5.00 | 478,746,658 | 532,512,569 |
| Intangible Assets | 6.00 | - | - |
| B. CURRENT ASSET | | 13,884,148 | 13,771,551 |
| Trade & Other Receivable | 7.00 | - | - |
| Advances, Deposits & Pre-Payments | 8.00 | 4,298,138 | 4,284,683 |
| Cash & Cash Equivalents | 9.00 | 9,586,010 | 9,486,868 |
| TOTAL ASSETS & PROPERTIES (A+B) | | 492,630,806 | 546,284,120 |
| C. SHAREHOLDERS EQUITY | | (1,278,034,901) | (1,247,573,223) |
| Share Capital | 10.00 | 597,135,000 | 597,135,000 |
| Share Money Deposit | 11.00 | 32,870,100 | 27,100,000 |
| Retained Earnings | 12.00 | (1,908,040,001) | (1,871,808,223) |
| D. NON-CURRENT LIABILITIES | | 1,370,177,887 | 1,398,707,148 |
| Deferred Tax Liabilities | 13.00 | 65,027,102 | 72,487,614 |
| Long term Loan (Secured) | 14.00 | 1,305,150,784 | 1,326,219,534 |
| E. CURRENT LIABILITIES | | 400,487,820 | 395,150,195 |
| Trade & Other Payables | 15.00 | 288,794,833 | 287,149,925 |
| Unclaimed Public Subscription Money against IPO | 16.00 | 6,286,250 | 6,286,250 |
| Unclaimed Dividend Account | 17.00 | 1,193,709 | 1,193,709 |
| Accruals & Provisions | 18.00 | 104,213,028 | 100,520,311 |
| TOTAL EQUITY & LIABILITIES (C+D+E) | | 492,630,806 | 546,284,120 |
| Net Asset Value (NAVs) Per Share | | (20.29) | (19.99) |

The annexed notes (1-34) the integral part of these financial statements. These financial statements were authorized for issue by the Board of Directors on 01 June 2023.



CFO



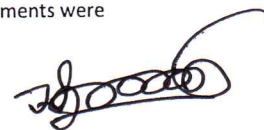
Company Secretary



Director



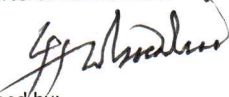
Managing Director



Chairman

Signed in terms of our separate report of even date annexed.

Signed for and on behalf of
Aziz Halim Khair Choudhury
Chartered Accountants



Signed by:
Md. Aftab Uddin Ahmed FCA
Senior Partner
ICAB Enrollment No.804

Date: 05 June 2023
Place: Dhaka

DVE : 2306050804A9G46012

EMERALD OIL INDUSTRIES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Year Ended 30 June, 2021

| Particulars | Notes | Amount In Taka | Amount In Taka |
|------------------------------------------------------|-------|---------------------|---------------------|
| | | 30.06.2021 | 30.06.2020 |
| Revenue | 19.00 | - | - |
| Less: Cost Of Goods Sold | 20.00 | 37,236,709 | 41,238,091 |
| Gross Profit/ (Loss) | | (37,236,709) | (41,238,091) |
| Operating Expenses | | (6,453,596) | (3,187,364) |
| General and Administrative Expenses | 21.00 | (6,453,596) | (3,187,364) |
| Profit/ (Loss) from Operations | | (43,690,305) | (44,425,455) |
| Other Income | 22.00 | 135,917 | 279,204 |
| Financing Expenses | 23.00 | (107,320) | (105,818) |
| Profit/ (Loss) before WPPF & Tax | | (43,661,708) | (44,252,069) |
| Contribution to WPPF | | - | - |
| Profit/(Loss) before Tax | | (43,661,708) | (44,252,069) |
| Income Tax Expenses | 24.00 | 7,429,930 | (2,058,919) |
| Current Tax | | (30,581) | (69,801) |
| Deferred Tax (Expense)/Income | | 7,460,511 | (1,989,118) |
| Net profit / (loss) after tax | | (36,231,778) | (46,310,988) |
| Other Comprehensive Income | | - | - |
| Total Comprehensive Income for the Year | | (36,231,778) | (46,310,988) |
| Earnings Per Share Par Value of Tk. 10/- each | 25.00 | (0.58) | (0.76) |

The annexed notes (1-34) the integral part of these financial statements. These financial statements were authorized for issue by the Board of Directors on 01 June 2023.


CFO


Company Secretary



Director


Managing Director


Chairman

Signed in terms of our separate report of even date annexed.

Signed for and on behalf of
Aziz Halim Khair Choudhury
Chartered Accountants


Signed by:
Md. Aftab Uddin Ahmed FCA
Senior Partner
ICAB Enrollment No.804
DVC: 2306050804AS646012

Date: 05 June 2023
Place: Dhaka

EMERALD OIL INDUSTRIES LIMITED
STATEMENT OF CHANGES IN EQUITY
For the Year Ended 30 June, 2021

| Particulars | Amount in Taka | | | |
|-------------------------------------|--------------------|---------------------|------------------------|------------------------|
| | Share Capital | Share Money Deposit | Retained Earnings | Total Amount |
| Balance as at July 01, 2020 | 597,135,000 | 27,100,000 | (1,871,808,223) | (1,247,573,223) |
| Share Money Deposit During the year | - | 5,770,100 | - | 5,770,100 |
| Net profit after tax for the year | - | - | (36,231,778) | (36,231,778) |
| Balance as at June 30, 2021 | 597,135,000 | 32,870,100 | (1,908,040,000) | (1,278,034,900) |

STATEMENT OF CHANGES IN EQUITY
For the year ended June 30, 2020

| Particulars | Amount in Taka | | | |
|-------------------------------------|--------------------|---------------------|------------------------|------------------------|
| | Share Capital | Share Money Deposit | Retained Earnings | Total Amount |
| Balance as at July 01, 2019 | 597,135,000 | - | (1,825,585,259) | (1,228,450,259) |
| Prior Year Adjustment | - | - | 88,024 | 88,024 |
| Restated Opening Balance | 597,135,000 | - | (1,825,497,235) | (1,228,362,235) |
| Share Money Deposit During the year | - | 27,100,000 | - | 27,100,000 |
| Net profit after tax for the year | - | - | (46,310,988) | (46,310,988) |
| Balance as at June 30, 2020 | 597,135,000 | 27,100,000 | (1,871,808,223) | (1,247,573,223) |

The annexed notes (1-34) the integral part of these financial statements. These financial statements were authorized for issue by the Board of Directors on 01 June 2023.



CFO



Company Secretary



Director



Managing Director



Chairman

Signed in terms of our separate report of even date annexed.

Date: 05 June 2023

Place: Dhaka

EMERALD OIL INDUSTRIES LIMITED
STATEMENT OF CASH FLOWS
For the Year Ended 30 June, 2021

| Particulars | Notes | Amount In Taka | |
|------------------------------------------------------------|--------------|---------------------|--------------------|
| | | 30.06.2021 | 30.06.2020 |
| A. Cash flows from operating activities: | | | |
| Cash received from customer & other income | 26.00 | 135,917 | 367,229 |
| Payment to Creditors, Suppliers & Others | 27.00 | (3,506,150) | 6,138,308 |
| Income Tax Paid during the year | 28.00 | (13,455) | (36,777) |
| Net Cash provided by operating activities | | (3,383,688) | 6,468,760 |
| B. Cash flows from investing activities: | | | |
| Acquisition of property, plant and Equipment | | (1,511,200) | (1,588,308) |
| Disposal of property, plant and Equipment | | 20,400,000 | - |
| Net Cash used in investing activities | | 18,888,800 | (1,588,308) |
| C. Cash flows from financing activities: | | | |
| Financial Expenses | | (107,320) | (105,818) |
| Share Money Deposit | | 5,770,100 | 27,100,000 |
| Long Term Bank Loan (paid)/Received-Net | | (21,068,750) | (31,581,346) |
| Net Cash from financing Activities | | (15,405,970) | (4,587,164) |
| Net Decrease in cash & cash equivalents (A+B+C) | | 99,142 | 293,288 |
| Cash & cash equivalents at the beginning of the year | | 9,486,868 | 9,193,580 |
| Cash & cash equivalents at the end of the year | | 9,586,010 | 9,486,868 |
| Net Operating Cash Flow Per Share | 30.00 | (0.054) | 0.106 |

The annexed notes (1-34) the integral part of these financial statements. These financial statements were authorized for issue by the Board of Directors on 01 June 2023.



CFO



Company Secretary



Director



Managing Director



Chairman

Signed in terms of our separate report of even date annexed.

Date: 05 June 2023

Place: Dhaka

EMERALD OIL INDUSTRIES LIMITED
Notes to the Financial Statements
For the Year Ended 30 June, 2021

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 & Supplementary Duty Act, 2012
- d) The Value Added Tax & Supplementary Duty Rules, 2016
- 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 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 2020 to 30 June 2021.

2.08 Date of Authorization

The Board of Directors has authorized these financial statements on 01 June 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 | |
|------------------------------------|----------------------|------------|
| | 30.06.2021 | 30.06.2020 |
| 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 doubtful of recovery 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. 36,231,778/- 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.

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 Value Added Tax & Supplementary Duty Act, 2012.

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 profit or loss and others 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)). No provision is made during the year 2020-21 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: 33).

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.

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/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 hexanoic 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 |
|----------------|----------------|
| 30.06.2021 | 30.06.2020 |

5.00 PROPERTY, PLANT & EQUIPEMENTS: TK. 478,746,658

This is made up as follows:

Particulars

Opening Balance
Addition during the year

| | |
|--------------------|--------------------|
| 975,318,783 | 973,730,475 |
| 1,511,200 | 1,588,308 |
| 976,829,983 | 975,318,783 |
| 20,400,000 | - |
| 956,429,983 | 975,318,783 |
| 477,683,325 | 442,806,214 |
| 478,746,658 | 532,512,569 |

Less: Disposal during the year
Closing Balance
Less: Accumulated Depreciation
Written Down Value:

The details have been shown in Annexure: A

6.00 INTANGIBLE ASSETS: TK. 0

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 |
| 6,760,000 | 6,760,000 |
| - | - |

The details have been shown in Annexure: B

7.00 TRADE & OTHER RECEIVABLES: TK. 0

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

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

Since the Buyers name, address, and other details were not available and there was an uncertainty of recovery, the full amount of Accounts Receivables as of 30.06.2016 was transferred to Ex-Managing Director Mr. Syed Hasibul Gani Galib and all credit sales which was made during the year (2016-17) also transferred in his name. During the year 2019-2020, Bank Asia management realized an amount of Tk.1,05,00,000 against their loan to the company through a sale of Ex-Managing Director, Mr. Syed Hasibul Gani Galib's personal assets by auction.

8.00 ADVANCES, DEPOSITS & PRE-PAYMENTS: TK. 4,298,138

This is made up as follows:

Particulars

Advances:
Tax Deducted at source
Deposits
Other Advance

Note: 8.01

| | |
|------------------|------------------|
| 1,051,088 | 1,037,633 |
| 3,247,050 | 3,247,050 |
| - | - |
| 4,298,138 | 4,284,683 |

TOTAL

8.01 DEPOSITS: TK. 3,247,050

This is made up as follows:

Particulars

Security Deposits-REB
Security Deposits-Titas Gas
Security Deposits-T & T
Bank Guarantee Margin
Lease Deposits-PFIL
Lease Deposits-ULCL
Security Deposits-CDBL

| | |
|------------------|------------------|
| 8,250 | 8,250 |
| 896,500 | 896,500 |
| 10,000 | 10,000 |
| 358,600 | 358,600 |
| 1,371,250 | 1,371,250 |
| 202,450 | 202,450 |
| 400,000 | 400,000 |
| 3,247,050 | 3,247,050 |

TOTAL

| Amount In Taka | Amount In Taka |
|----------------|----------------|
| 30.06.2021 | 30.06.2020 |

9.00 CASH & CASH EQUIVALENTS: TK. 9,586,010

This is made up as follows:

Particulars

Cash in Hand
Cash at Bank

Note: 9.01

| | |
|------------------|------------------|
| - | - |
| 9,586,010 | 9,486,868 |
| 9,586,010 | 9,486,868 |

TOTAL

9.01 CASH AT BANK: TK. 9,586,010

This is made up as follows:

| Name of the Bank | Branch | Account No. | 30.06.2021 | 30.06.2020 |
|----------------------------|-------------|---------------------|------------------|------------------|
| The Farmers Bank Ltd. | Gu'shan | 0111100043807 | 1,212 | 1,902 |
| National Bank of Pakistan | Motijheel | 000111100008392 | 27,521 | 28,441 |
| Bank Asia Ltd | Bashundhara | 02336000081 | 731,215 | 739,083 |
| Basic Bank Ltd. | Dilkusha | 1510-01-0004855 | 91,677 | 92,367 |
| Brac Bank Ltd. | Sherpur | 6001-2026-2539-9001 | 575 | 575 |
| Dutch Bangla Bank Ltd. | Jamalpur | 2061100009548 | 3,310 | - |
| Islami Bank Bangladesh Ltd | Dilkusha | 20502130100194512 | 9,790 | 10,480 |
| Jamuna Bank Ltd. | Sherpur | 0069-0210000639 | 29,277 | 29,277 |
| Janata Bank Ltd | Dilkusha | 010233068969 | 392 | 1,082 |
| Mutual Trust Bank Ltd. | Panthapath | 30320001642 | 7,697,069 | 7,589,169 |
| Mutual Trust Bank Ltd. | Panthapath | 30260000721 | 350,813 | 351,369 |
| Mutual Trust Bank Ltd. | Panthapath | 30260000730 | 28,577 | 27,352 |
| Mutual Trust Bank Ltd. | Principal | 20210029840 | 614,582 | 615,771 |
| TOTAL | | | 9,586,010 | 9,486,868 |

10.00 SHARE CAPITAL: TK. 597,135,000

This is made up as follows:

Particulars

Authorized Capital :

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

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

Issued and Paid-up Capital

5,97,13,500 ordinary shares of tk. 10/- each

597,135,000 **597,135,000**

TOTAL

597,135,000 **597,135,000**

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 | 7 | 22,848,125 | 228,481,250 | 169,716,250 |
| Institutions | 211 | 8,583,080 | 85,830,800 | 93,566,660 |
| General Public | 4,690 | 28,282,295 | 282,822,950 | 333,852,090 |
| TOTAL | 4,908 | 59,713,500 | 597,135,000 | 597,135,000 |

Details of Number of holders and percentage as under:

| Shareholding Range | 30.06.2021 | | | 30.06.2020 | | |
|--------------------|--------------------|-------------------|----------------|--------------------|-------------------|----------------|
| | No. of Shareholder | No. of Shares | Ownership (%) | No. of Shareholder | No. of Shares | Ownership (%) |
| 0001-499 | 1,547 | 250,102 | 0.42% | 1,830 | 298,529 | 0.50% |
| 500-5000 | 2,462 | 4,080,304 | 6.83% | 3,275 | 5,561,821 | 9.31% |
| 5001-10000 | 362 | 2,752,289 | 4.61% | 511 | 3,769,996 | 6.31% |
| 10001-20000 | 199 | 2,986,058 | 5.00% | 263 | 3,920,321 | 6.57% |
| 20001-30000 | 93 | 2,348,201 | 3.93% | 118 | 2,954,382 | 4.95% |
| 30001-40000 | 50 | 1,784,578 | 2.99% | 56 | 1,971,203 | 3.30% |
| 40001-50000 | 35 | 1,609,001 | 2.69% | 32 | 1,481,561 | 2.48% |
| 50001-100000 | 96 | 7,123,233 | 11.93% | 60 | 4,526,471 | 7.58% |
| 100001-1000000 | 57 | 12,438,076 | 20.83% | 51 | 10,887,558 | 18.23% |
| 1000001-1000000000 | 7 | 24,341,658 | 40.76% | 7 | 24,341,658 | 40.76% |
| TOTAL | 4,908 | 59,713,500 | 100.00% | 6,203 | 59,713,500 | 100.00% |

| Amount In Taka | Amount In Taka |
|----------------|----------------|
| 30.06.2021 | 30.06.2020 |

11.00 SHARE MONEY DEPOSIT: TK. 32,870,100

This is deposited by Minori Bangladesh Ltd and is made up as follows:

Particulars

| | | |
|-------------------------|-------------------|-------------------|
| Opening Balance | 27,100,000 | - |
| Deposit During the Year | 5,770,100 | 27,100,000 |
| Share Allotment | - | - |
| CLOSING BALANCE | 32,870,100 | 27,100,000 |

12.00 RETAINED EARNINGS: TK. -1,908,040,001

This is made up as follows:

Particulars

| | | |
|-----------------------------------------------|------------------------|------------------------|
| Opening Balance | (1,871,808,223) | (1,825,585,259) |
| Prior year adjustment | - | 88,024 |
| Add: Net Profit/(Loss) after tax for the year | (36,231,778) | (46,310,988) |
| CLOSING BALANCE | (1,908,040,001) | (1,871,808,223) |

Note: 12.01

12.01 PRIOR YEAR ADJUSTMENT: TK. 0

This is made up as follows:

Particulars

| | | |
|-------------------|----------|---------------|
| LC Margin Refund | - | 87,449 |
| Cash at BRAC Bank | - | 575 |
| TOTAL | - | 88,024 |

13.00 DEFERRED TAX LIABILITY: TK. 65,027,102

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 | 478,746,658 | 189,737,314 | 289,009,344 | 22.50% | 65,027,102 | 72,487,614 |
| Deferred Tax Liability | 478,746,658 | 189,737,314 | 289,009,344 | | 65,027,102 | 72,487,614 |

14.00 LONG TERM LOAN (SECURED): TK. 1,305,150,784

This is made up as follows:

Particulars

| Bank Name | Types of A/C | Branch | Account No. | 30.06.2021 | 30.06.2020 |
|---------------------------------|---------------|--------------------------|-----------------|----------------------|----------------------|
| Basic Bank Ltd | Term Loan | Dilkusha | 1502-04-0000016 | 197,338,045 | 197,338,045 |
| Basic Bank Ltd | Term Loan | Dilkusha | 1502-01-0000901 | 89,014,251 | 89,014,251 |
| Basic Bank Ltd | Term Loan | Dilkusha | 1502-01-0000917 | 102,280,237 | 102,280,237 |
| Basic Bank Ltd | Term Loan | Dilkusha | 1502-01-0000959 | 200,650,071 | 200,650,071 |
| Basic Bank Ltd | Term Loan | Dilkusha | 1502-04-000042 | 76,689,913 | 76,689,913 |
| Basic Bank Ltd | CC | Dilkusha | 1560-01-0000579 | 58,611,910 | 58,611,910 |
| Bank Asia Ltd | Term Loan | Bashundhara | 2335000430 | 62,846,059 | 62,806,059 |
| Bank Asia Ltd | Term Loan | Bashundhara | 2335000491 | 200,065,000 | 220,425,000 |
| United Leasing Co. Ltd. | Lease Finance | Kazi Nazrul Islam Avenue | 67011400194 | 686,250 | 1,435,000 |
| Prime Finance & Investment Ltd. | Lease Finance | Dilkusha | LAD # 2013/015 | 73,314,160 | 73,314,160 |
| Midas Financing Ltd. | Lease Finance | Dhanmondi | S00098 & L00937 | 243,654,888 | 243,654,888 |
| TOTAL | | | | 1,305,150,784 | 1,326,219,534 |

Since the Company has pending litigation with its Lender Bank & NBFI which is disclosed in Note-34, therefore no interest is charged during the year.

| Amount In Taka | Amount In Taka |
|----------------|----------------|
| 30.06.2021 | 30.06.2020 |

15.00 TRADE & OTHER PAYABLES: TK. 288,794,833

This is made up as follows:

Particulars

| | | |
|---------------------------------------------------------------|--------------------|--------------------|
| Trade Creditors | 166,381,247 | 166,381,247 |
| Advance against Sales | 45,848,547 | 45,848,547 |
| Payable to Ex-Managing Director Mr. Syed Hasibul Gani Galib** | 10,500,000 | 10,500,000 |
| Bills & Others Payable | 66,065,039 | 64,420,131 |
| TOTAL | 288,794,833 | 287,149,925 |

**The above amount of Tk. 10,500,000 was realized by Bank Asia through auction sale of personal assets of Ex-Managing Director Mr. Syed Hasibul Gani Galib against the bank loan to the company.

16.00 UNCLAIMED PUBLIC SUBSCRIPTION MONEY AGAINST IPO: TK. 6,286,250

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

| Bank Name | Account Types | Currency | Account No. | 30.06.2021 | 30.06.2020 |
|---------------------------|---------------|----------|-----------------|------------------|------------------|
| 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 |
| TOTAL | | | | 6,286,250 | 6,286,250 |

17.00 UNCLAIMED DIVIDEND ACCOUNT: TK. 1,193,709

This is made up as follows:

| Years | No of Shareholders | | |
|----------------------|--------------------|------------------|------------------|
| For the Year 2013-14 | 385 no's | 598,450 | 598,450 |
| For the Year 2014-15 | 215 no's | 595,259 | 595,259 |
| TOTAL | | 1,193,709 | 1,193,709 |

18.00 ACCURALS & PROVISIONS: TK. 104,213,028

This is made up as follows:

Particulars

| | | | |
|------------------------------------|--------------|--------------------|--------------------|
| Office Rent Payable | | 240,000 | - |
| Audit & Professional Fees | | 3,765,000 | 940,000 |
| Gas Bill | | 16,376,447 | 16,376,447 |
| CSE Listing Fee Payable | | 1,627,139 | 1,328,571 |
| DSE Listing Fee Payable | | 1,194,372 | 895,804 |
| Workers' Profit Participation Fund | Note - 18.01 | 33,573,634 | 33,573,634 |
| Provision for Income Tax | Note - 18.02 | 47,436,436 | 47,405,855 |
| TOTAL | | 104,213,028 | 100,520,311 |

18.01 WORKERS PROFIT PARTICPATION FUND PAYABLE: TK. 33,573,634

This is made up as follows:

Particulars

| | | |
|-------------------------------------|-------------------|-------------------|
| Opening Balance | 33,573,634 | 33,573,634 |
| Add: Accrued During the year | - | - |
| | 33,573,634 | 33,573,634 |
| Less: Paid/Adjusted During the year | - | - |
| CLOSING BALANCE | 33,573,634 | 33,573,634 |

18.02 PROVISION FOR INCOME TAX: TK. 47,436,436

This is made up as follows:

Particulars

| | | |
|-----------------------------------------------------|-------------------|-------------------|
| Opening Balance | 47,405,855 | 47,336,054 |
| Add: Addition during the year | 30,581 | 69,801 |
| Add: Adjustment of Deferred Tax for Rate Difference | - | - |
| | 47,436,436 | 47,405,855 |
| Less: Adjustment during the year | - | - |
| CLOSING BALANCE | 47,436,436 | 47,405,855 |

| Amount in Taka | Amount in Taka |
|----------------|----------------|
| 30.06.2021 | 30.06.2020 |
| - | - |

19.00 REVENUE: TK. 0

Due to shut down of the Factory, no production as well as no sales were made during the year.

20.00 COST OF GOODS SOLD: TK. 37,236,709

This is made up as follows:

Particulars

| | | |
|-----------------------------------------|-------------------|-------------------|
| Raw Material Consumed | - | - |
| Processing Material Consumed | - | - |
| Packing Material Consumed | - | - |
| Stores & Spares Consumed | - | - |
| Factory Overhead | - | - |
| Cost of Production | 37,236,709 | 41,238,091 |
| Add: Opening Stock of Finished Goods | - | - |
| Cost of Goods available for Sale | 37,236,709 | 41,238,091 |
| Less: Sales of by-product | - | - |
| Less: Closing Stock of Finished Goods | - | - |
| Cost of Goods Sold: | 37,236,709 | 41,238,091 |

Note -20.01

Due to shut down of the Factory, no production as well as no sales were made during the year.

20.01 FACTORY OVERHEAD: TK. 37,236,709

This is made up as follows:

Particulars

| | | |
|---------------------|-------------------|-------------------|
| Salary & Allowances | 2,534,500 | 2,400,000 |
| Depreciation | 34,647,009 | 38,838,091 |
| Electricity Bill | 8,200 | - |
| Factory Expense | 47,000 | - |
| TOTAL | 37,236,709 | 41,238,091 |

21.00 GENERAL ADMINISTRATIVE EXPENSES: TK. 6,453,596

This is made up as follows:

Particulars

| | | |
|--------------------------------|------------------|------------------|
| Salary & Allowances | 880,259 | 720,000 |
| Audit Fees | 250,000 | 250,000 |
| Advertisement Expense | 22,500 | - |
| Board Meeting Fees | 360,000 | - |
| Electricity Bill | 8,192 | - |
| Fooding & Entertainment | 18,785 | - |
| Internet & Server Expenses | 14,550 | 72,600 |
| Legal & Professional Expenses | 2,725,000 | - |
| Miscellaneous Expenses | 3,900 | - |
| Mobile & Telephone Bill | 4,700 | - |
| Office Maintenance | 36,302 | 911,092 |
| Office Rent | 240,000 | 240,000 |
| Office Service Charge | 69,730 | 18,000 |
| Printing & Stationery | 7,060 | - |
| Registration & Renewals | 1,556,244 | 703,136 |
| Travelling & Conveyance | 20,207 | - |
| Vehicle Maintenance | 6,065 | - |
| Write off of Intangible Assets | - | 16,250 |
| Depreciation | 230,102 | 256,286 |
| TOTAL | 6,453,596 | 3,187,364 |

| | Amount in Taka 30.06.2021 | Amount in Taka 30.06.2020 |
|------------------------------------------------------------------------------|------------------------------|------------------------------|
| 22.00 OTHER INCOME: TK. 135,917 | | |
| This is made up as follows: | | |
| Particulars | | |
| Bank Interest Received | 134,558 | 251,483 |
| Foreign Exchange Gain/ (Loss) Note -22.01 | 1,359 | 27,721 |
| TOTAL | 135,917 | 279,204 |

| | | |
|--------------------------------------------------------------------------------------------|--------------|---------------|
| 22.01 FOREIGN EXCHANGE GAIN/ (LOSS) DURING THE YEAR: TK. 1,359 | | |
| This is made up as follows: | | |
| Particulars | | |
| Opening Balance of Foreign Currency Account | (378,721) | (351,000) |
| Bank Charge During the Year | 690 | - |
| Closing Balance of Foreign Currency Account Note -22.02 | 379,390 | 378,721 |
| FOREIGN EXCHANGE GAIN/ (LOSS) DURING THE YEAR | 1,359 | 27,721 |

| 22.02 CLOSING BALANCE OF FOREIGN CURRENCY ACCOUNT: TK. 379,390 | | | | | | |
|-----------------------------------------------------------------------|-------------|-----------|----------|---------------|----------------|----------------|
| This is made up as follows: | | | | | | |
| Name of the Bank | Account No. | FC Amount | Currency | Exchange Rate | Value in Taka | Value in Taka |
| Mutual Trust Bank Ltd. | 30260000721 | 4,136.94 | USD | 84.80 | 350,813 | 351,369 |
| Mutual Trust Bank Ltd. | 30260000730 | 283.31 | URO | 100.87 | 28,577 | 27,352 |
| TOTAL | | | | | 379,390 | 378,721 |

| | | |
|----------------------------------------------|----------------|----------------|
| 23.00 FINANCING EXPENSES: TK. 107,320 | | |
| This is made up as follows: | | |
| Particulars | | |
| Bank Charges & Commission | 107,320 | 105,818 |
| Interest on Long Term Loan | - | - |
| Interest on Lease Finance | - | - |
| TOTAL | 107,320 | 105,818 |

Since the Company has pending litigation with it's Lender Bank & NBFI which is disclosed in Note-34, therefore no interest is charged during the year.

| | | |
|-------------------------------------------------------------|--------------------|------------------|
| 24.00 INCOME TAX EXPENSES: TK. -7,429,930 | | |
| This is made up as follows: | | |
| Current Tax Note -24.01 | 30,581 | 69,801 |
| Deferred Tax Note -24.02 | (7,460,511) | 1,989,118 |
| TOTAL | (7,429,930) | 2,058,919 |

| | | |
|---------------------------------------------------|---------------|---------------|
| 24.01 CURRENT TAX: TK. 30,581 | | |
| This is made up as follows: | | |
| Particulars | | |
| Net Profit excluding other income as per accounts | (43,797,625) | (44,531,273) |
| Add: Accounting Depreciation | 34,877,111 | 39,094,377 |
| | (8,920,514) | (5,436,896) |
| Less: Tax Depreciation | 33,936,000 | 47,050,851 |
| | (42,856,514) | (52,487,747) |
| Less: Exempted Income | - | - |
| Current Profit excluding other income | (42,856,514) | (52,487,747) |
| Other Income | 135,917 | 279,204 |
| Income Tax Rate (Operating) | 22.5% | 25% |
| Income Tax Rate (Non-operating) | 22.5% | 25% |
| Current Tax: | | |
| Other Income | 30,581 | 69,801 |
| Total Current Tax | 30,581 | 69,801 |

| | Amount in Taka 30.06.2021 | Amount in Taka 30.06.2020 |
|-----------------------------------------------------------------|------------------------------|------------------------------|
| 24.02 DEFERRED TAX EXPENSES/ (INCOME): TK. -7,460,511 | | |
| Particulars | | |
| Closing Deferred Tax Liability | 65,027,102 | 72,487,614 |
| Opening deferred Tax Liability | 72,487,614 | 70,498,495 |
| TOTAL | (7,460,511) | 1,989,118 |
| 25.00 CALCULATION OF BASIC EARNINGS PER SHARE: TK. -0.58 | | |
| This is made up as follows: | | |
| Particulars | | |
| Net Profit / (Loss) for the Year | (36,231,778) | (46,310,988) |
| Earnings attributable to the ordinary share holders | (36,231,778) | (46,310,988) |
| Weighted average no. of Shares (Note - 25.01) | 62,640,070 | 61,126,664 |
| Basic Earning Per Share: | (0.58) | (0.76) |
| 25.01 WEIGHTED AVERAGE NUMBER OF SHARES: 62,640,070 | | |
| This is made up as follows: | | |
| Particulars | | |
| 62,423,500 shares for 365 days | 62,423,500 | - |
| 357,200 shares for 212 days | 207,470 | - |
| 106,966 shares for 30 days | 8,792 | - |
| 112,844 shares for 1 day | 309 | - |
| 59,713,500 shares for 365 days | - | 59,713,500 |
| 1,915,000 shares for 254 days | - | 1,332,630 |
| 200,000 shares for 144 days | - | 78,904 |
| 595,000 shares for 1 day | - | 1,630 |
| TOTAL | 62,640,070 | 61,126,664 |

Share money deposit has been considered as potential share capital in calculating Weighted average number of shares as per Financial Reporting Council Circular Vide ref. no 146/FRC/Admin/circular/2020/01, dated 11 February 2020.

| | | |
|----------------------------------------------------------------------------------------|----------------|----------------|
| 26.00 CASH RECEIVED FROM CUSTOMER & OTHER INCOME: 135,917 | | |
| This is made up as follows: | | |
| Particulars | | |
| Closing Advance Against Sales | 45,848,547 | 45,848,547 |
| Opening Advance Against Sales | (45,848,547) | (45,848,547) |
| Other Income | 135,917 | 279,204 |
| Prior year adjustment | - | 88,024 |
| Total | 135,917 | 367,229 |
| 27.00 RECEIVED FROM/ (PAYMENT TO) CREDITORS, SUPPLIERS & OTHERS: -3,506,150 | | |
| This is made up as follows: | | |
| Particulars | | |
| Cost Of Goods Sold | (37,236,709) | (41,238,091) |
| General and Administrative Expenses | (6,453,596) | (3,187,364) |
| Depreciation | 34,877,111 | 39,094,377 |
| Amortization of Intangible Asset | - | 16,250 |
| Opening Advance, Deposits & prepayments excluding TDS | 3,247,050 | 3,247,050 |

| | Amount in Taka 30.06.2021 | Amount in Taka 30.06.2020 |
|-------------------------------------------------------------------|------------------------------|------------------------------|
| Closing Advance, Deposits & prepayments excluding TDS | (3,247,050) | (3,247,050) |
| Closing Accounts & Other Payables excluding Advance against sales | 242,946,286 | 241,301,378 |
| Opening Accounts & Other Payables excluding Advance against sales | (241,301,378) | (230,695,378) |
| Closing Accrued Expenses | 23,202,958 | 19,540,822 |
| Opening Accrued Expenses | (19,540,822) | (18,693,686) |
| Total | (3,506,150) | 6,138,308 |

28.00 INCOME TAX PAID DURING THE YEAR: -13,455

This is made up as follows:

| <u>Particulars</u> | | |
|--------------------|-----------------|-----------------|
| Closing Provision | 47,436,436 | 47,405,855 |
| Opening TDS | 1,037,633 | 1,000,856 |
| Opening Provision | (47,405,855) | (47,336,054) |
| Current Provision | (30,581) | (69,801) |
| Closing TDS | (1,051,088) | (1,037,633) |
| Total | (13,455) | (36,777) |

29.00 RECONCILIATION OF NET OPERATING CASH FLOW

Cash flow from operating activities (indirect method)

| | | |
|-----------------------------------------------------------------------------------|--------------------|--------------------|
| Profit/(Loss) for After tax | (36,231,778) | (46,310,988) |
| Adjustment for: | | |
| Income Tax expense recognized in profit and loss | (7,429,930) | 2,058,919 |
| Prior year adjustment | - | 88,024 |
| Amortization of intangible assets | - | 16,250 |
| Depreciation of non-current assets | 34,877,111 | 39,094,377 |
| Cash Generated from Operating activities before changes in working capital | (8,784,597) | (5,053,418) |
| Adjustment for separate consideration | | |
| Finance cost recognized in profit and loss | 107,320 | 105,818 |

Movement in Working Capital:

| | | |
|--------------------------------------------------------------|--------------------|--------------------|
| (Increase)/decrease in inventories | - | - |
| (Increase)/decrease in trade and other receivables | - | - |
| (Increase)/decrease in advance, deposit and prepayment | (13,455) | (36,777) |
| Increase/(decrease) in trade payables & other payables | 1,644,908 | 106,000 |
| Increase/(decrease) in provision for expense | 3,662,136 | 847,136 |
| Cash generated from operations | 5,293,589 | 916,359 |
| Income Tax Paid | - | - |
| Net cash (used in)/ generated by operating activities | (3,383,688) | (4,031,241) |

30.00 NET OPERATING CASHFLOW PER SHARE

| | | |
|--------------------------------------------------------|----------------|--------------|
| Net Operating Cashflows (From statement of cash flows) | (3,383,688) | 6,468,760 |
| Total number of shares | 62,640,070 | 61,126,664 |
| Net Operating Cashflow per share | (0.054) | 0.106 |

31.00 NO. OF EMPLOYEES

The company had 13 permanent employees as at June 30, 2021. All the permanent employees received remuneration in excess of Tk. 36,000 per annum.

32.00 PRODUCTION CAPACITY

Emerald Oil Industries Ltd. was not in production during the year 2020-2021.

| Amount in Taka | Amount in Taka |
|----------------|----------------|
| 30.06.2021 | 30.06.2020 |

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 IAS-24 are disclosed below:

| | Tk. | Tk. |
|-------------------------------------------------------------------|---------------|---------------|
| a) Short Term Benefits | Nil | Nil |
| 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-7.00) | 1,556,653,675 | 1,556,653,675 |
| g) Trade & Other Payables (Mr. Syed Hasibul Gani Galib) (Note-15) | - | 10,500,000 |

34.00 CONTINGENT LIABILITY

Since the Company has pending litigation with it's Lender Bank & NBFI , no interest is charged during the year. The details of Pending litigation is given below:

| Sl. No. | Particulars | Filed by | Present Status |
|---------|--------------------------------------------------------------|---------------------------------|----------------|
| 1 | Artha Rin Suit No. 259/2017 & Artha Jari Suit No. 15/2020 | BASIC Bank Ltd | Pending |
| 2 | Artha Rin Suit No. 2406/2016 & Artha Jari Suit No. 437/ 2018 | Bank Asia Ltd | Pending |
| 3 | Artha Rin Suit No. 371/2018 | MIDAS Financing Ltd. | Pending |
| 4 | Artha Rin Suit No. 705/2017 & Artha Jari Suit No. 64/ 2019 | Prime Finance & Investment Ltd. | Pending |



CFO



Company Secretary



Director



Managing Director



Chairman

Date: 05 June 2023

Place: Dhaka

EMERALD OIL INDUSTRIES LIMITED
SCHEDULE OF PROPERTY, PLANT & EQUIPMENTS
As at 30 June, 2021

Annexure: A

| Particulars | COST | | | Rate | DEPRECIATION | | | Written down value |
|------------------------------------|--------------------|--------------------------|-------------------------|------|--------------------|-------------------------|--------------------|--------------------|
| | As at 01.07.2020 | Addition during the year | Dispose during the year | | As at 01.07.2020 | Charged during the year | As at 30.06.2021 | |
| | | | | | | | | |
| Land & Land Development | 50,600,447 | - | - | - | - | - | 50,600,447 | |
| Building & Other Civil Works | 378,702,479 | 1,409,500 | 20,400,000 | 5% | 127,002,292 | 138,637,776 | 221,074,203 | |
| Plant & Machineries | 529,439,314 | - | - | 10% | 302,743,755 | 325,413,311 | 204,026,003 | |
| Electrical & Gas Line Installation | 9,842,954 | - | - | 15% | 7,563,160 | 341,969 | 1,937,825 | |
| Furniture & Fixtures | 3,239,994 | 32,200 | - | 15% | 2,521,090 | 112,666 | 638,438 | |
| Office Equipment | 3,493,595 | 69,500 | - | 20% | 2,975,917 | 117,436 | 469,742 | |
| Balance as at June 30, 2021 | 975,318,783 | 1,511,200 | 20,400,000 | | 442,806,214 | 477,683,325 | 478,746,658 | |
| Balance as at June 30, 2020 | 973,730,475 | 1,588,308 | - | | 403,711,837 | 39,094,377 | 532,512,569 | |

Depreciation Charged To-

| | | |
|-----------------------------------|-------------------|-------------------|
| General & Administrative Expenses | 230,102 | 256,286 |
| Factory Overhead | 34,647,009 | 38,838,091 |
| Total | 34,877,111 | 39,094,377 |

| | |
|-------------------|-------------------|
| 30.06.2021 | 30.06.2020 |
|-------------------|-------------------|

| | |
|-------------------|-------------------|
| 230,102 | 256,286 |
| 34,647,009 | 38,838,091 |
| 34,877,111 | 39,094,377 |



EMERALD OIL INDUSTRIES LIMITED
SCHEDULE OF INTANGIBLE ASSETS
As at 30 June, 2021

Annexure: B

| Particulars | COST | | | Rate | AMORTIZATION | | | Written down value |
|---------------------------------|------------------|--------------------------|------------------|------|------------------|-------------------------|------------------|--------------------|
| | As at 01.07.2020 | Addition during the year | As at 30.06.2021 | | As at 01.07.2020 | Charged during the year | As at 30.06.2021 | |
| | Software | 330,000 | - | | 330,000 | 10% | 330,000 | |
| Campaign Film (Advertisement) | 6,430,000 | - | 6,430,000 | 20% | 6,430,000 | 6,430,000 | - | |
| Balance as at 30.06.2021 | 6,760,000 | - | 6,760,000 | | 6,760,000 | 6,760,000 | - | |
| Balance as at 30.06.2020 | 6,760,000 | - | 6,760,000 | | 6,743,750 | 6,760,000 | 16,250 | |



EMERALD OIL INDUSTRIES LIMITED
CALCULATION OF DEFERRED TAX
FOR THE YEAR ENDED 30 JUNE, 2021

Property, Plant & Equipment (Carrying Amount):

| Particulars | COST | | | | Rate of Dep. | DEPRECIATION | | | Written down value |
|------------------------------------|--------------------|--------------------------|-------------------------|--------------------|--------------|--------------------|-------------------------|--------------------|--------------------|
| | As at 01.07.2020 | Addition during the year | Dispose during the year | As at 30.06.2021 | | As at 01.07.2020 | Charged during the year | As at 30.06.2021 | |
| Land & Land Development | 50,600,447 | - | - | 50,600,447 | | - | - | 50,600,447 | |
| Building & Other Civil Works | 378,702,479 | 1,409,500 | 20,400,000 | 359,711,979 | 5% | 127,002,292 | 138,637,776 | 221,074,203 | |
| Plant & Machineries | 529,439,314 | - | - | 529,439,314 | 10% | 302,743,755 | 325,413,311 | 204,026,003 | |
| Electrical & Gas Line Installation | 9,842,954 | - | - | 9,842,954 | 15% | 7,563,160 | 7,905,129 | 1,937,825 | |
| Furniture & Fixtures | 3,239,994 | 32,200 | - | 3,272,194 | 15% | 2,521,090 | 2,633,756 | 638,438 | |
| Office Equipment | 3,493,595 | 69,500 | - | 3,563,095 | 20% | 2,975,917 | 3,093,353 | 469,742 | |
| Balance as at 30.06.2021 | 975,318,783 | 1,511,200 | 20,400,000 | 956,429,983 | | 442,806,214 | 477,683,325 | 478,746,658 | |

Property, Plant & Equipment (Tax Base):

| Particulars | COST | | | | Rate of Dep. | DEPRECIATION | | | Written down value |
|------------------------------------|--------------------|--------------------------|-------------------------|--------------------|--------------|-------------------|-------------------------|--------------------|--------------------|
| | As at 01.07.2020 | Addition during the year | Dispose during the year | As at 30.06.2021 | | As at 01.07.2020 | Charged during the year | As at 30.06.2021 | |
| Land & Land Development | 50,600,447 | - | - | 50,600,447 | | - | - | 50,600,447 | |
| Building & Other Civil Works | 77,764,031 | 1,409,500 | 20,400,000 | 58,773,531 | 20% | 11,754,706 | - | 47,018,825 | |
| Plant & Machineries | 100,866,885 | - | - | 100,866,885 | 20% | 20,173,377 | - | 80,693,508 | |
| Electrical & Gas Line Installation | 3,401,425 | - | - | 3,401,425 | 10% | 340,142 | - | 3,061,283 | |
| Furniture & Fixtures | 1,070,138 | 32,200 | - | 1,102,338 | 10% | 110,234 | - | 992,104 | |
| Office Decoration | 2,555,047 | - | - | 2,555,047 | 10% | 255,505 | - | 2,299,542 | |
| Office Equipment | 203,574 | 69,500 | - | 273,074 | 30% | 81,922 | - | 191,152 | |
| Vehicle | 6,100,568 | - | - | 6,100,568 | 20% | 1,220,114 | - | 4,880,454 | |
| Balance as at 30.06.2021 | 242,562,114 | 1,511,200 | 20,400,000 | 223,673,314 | | 33,936,000 | - | 189,737,314 | |

| Particulars | Carrying Amt. | Tax Base | Temporary Difference | Tax Rate | Cl. Liab/(Asset) | Op. Liab/(Asset) | Exps/(Income) |
|------------------------------------|--------------------|--------------------|----------------------|---------------|-------------------|-------------------|--------------------|
| Property, Plant & Equipment's WPPF | 478,746,658 | 189,737,314 | 289,009,344 | 22.50% | 65,027,102 | 72,487,614 | (7,460,511) |
| Total | 478,746,658 | 189,737,314 | 289,009,344 | 22.50% | 65,027,102 | 72,487,614 | (7,460,511) |

