



Annual Report  
**2018-19**

**EMERALD OIL INDUSTRIES LIMITED**

# ANNUAL REPORT 2018-19



EMERALD

EMERALD OIL INDUSTRIES LIMITED

# MISSION

## MISSION

It serves the need of consumers and business in growth segments profitably by providing:

- It serves the need of consumers and businesses in growth segments profitably by providing:
- Manufacturing quality products and services provided at reasonable prices to our customers;
- A satisfactory work environment for our staff;
- Fair, respectful, and consistent working relationships with our suppliers and dealers;

# VISION

To be the most trusted and preferred brand to every household in Bangladesh

# CORE VALUE

## CORE VALUE

**Innovation:**

We anticipate change and shape it to fit our purpose.

**Quality:**

We are committed to offering the highest quality products at all times to our customers.

**Trustworthiness:**

Our customers can trust our products because we can act with integrity and do what is right.

**Customer:**

We are passionate about our customers and embrace their priorities as our own.

**Responsibility:**

We take responsibility, ensure the safety of our people and products, contribute to our local communities & care for our environment.

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# LETTER OF TRANSMITTAL

LETTER OF TRANSMITTAL

All valued Shareholders,  
Bangladesh Securities and Exchange Commission,  
Registrar of Joint Stock Companies & Firms,  
Dhaka Stock Exchange Limited and  
Chittagong Stock Exchange Limited.


Subject: Submission of Annual Report for the year ended June 30, 2019.

Dear Sir(s),

We are pleased to submit a copy of the Annual Report together with the Audited Financial Statements including the Balance Sheet, Profit or Loss Account, Statement of Changes in Equity, and Cash Flows for the year ended 30 June 2019 along with notes thereon for your records.

Thank you for your support and confidence on us.

Best regards.

  
**(Sadia Afrin)**  
Company Secretary

# NOTICE OF THE 12<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 12th Annual General Meeting of EMERALD OIL INDUSTRIES LIMITED will be held virtually by using the digital platform through the link <https://spondonoil-agm12.bdvirtualagm.com> on Wednesday, 12 July 2023 at 12:00 Noon to transact the following business:

## AGENDA:

01. To receive, consider and approve the Audited Financial Statements for the year ended 30th June 2019 together with the Auditors' Report thereon and the report of the Directors'.
02. To declare the Dividend for the year ended June 30, 2019.
03. To elect/re-elect of Directors.
04. To consider the appointment of Statutory Auditors for the year ended June 30, 2020, and fix their remuneration.
05. To consider the appointment of Compliance Auditors for the year ended June 30, 2020, and fix their remuneration.

Dated, Dhaka  
22 June, 2023

By order of the Board of Directors

  
(Sadia Afrin)

Company Secretary

## Notes:

- (a) The "Record Date" was fixed on 23 March 2023. The Shareholders, whose names will appear in the Share register of the Company at the close of business on the record date, will be eligible to attend/participate and vote at the Annual General Meeting through the digital platform.
- (b) Pursuant to the Bangladesh Securities & Exchange Commission's Order No.SEC/CRMIC/94-231/91 dated March 31, 2021. The detailed procedures to attend the meeting will be communicated to the shareholder's E-mail ID in due course and it will also be available on the Company's website at [www.spondonoil.com](http://www.spondonoil.com).
- (c) For login to the system, the Members need to put their 16-digit Beneficial Owners (BO) ID Number and other credentials as proof of their identity by visiting the link <https://spondonoil-agm12.bdvirtualagm.com>. The Members will be able to submit their questions/comments electronically 24 hours before the commencement of the AGM and during the AGM.
- (d) Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD /2006-158/208/Admin/81 dated June 20, 2018, the soft copy of the Annual Report 2018-19 shall be sent to the E-mail address of the Members available in their Beneficial Owners (BO) accounts maintained with the depository. These are also available on the Company's website at [www.spondonoil.com](http://www.spondonoil.com).
- (e) A member eligible to attend/participate and vote in the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. No person shall act as a proxy unless he/she is entitled to be present and vote in his/her own right. The "Proxy Form" duly filled, signed, and stamped at BDT 20/- must be sent through E-mail to Emerald Oil Industries Limited, share department at the registered office of the company not later than 48 hours before commencement of the AGM.
- (f) Members are requested to notify their changes of address, if any.



# CORPORATE DIRECTORY

## Board of Directors

### BOARD OF DIRECTORS

MR. SYED MONWARUL ISLAM  
Chairman & Sponsor

MR. SYED HASIBUL GANI GALIB  
Managing Director & Sponsor

MR. A.S.M MONIRUL ISLAM  
Director

MR. SAJAN KUMAR BASAK  
Director

MR. AMITABHA BHOMIK  
Director

# COMPANY PROFILE

NAME OF THE COMPANY	: Emerald Oil Industries Limited
INCORPORATION NO. & DATE	: C72229 (271)/08 dated July 17, 2008
LEGAL STATUS	: Public Limited Company
LISTING	: Dhaka Stock Exchange Ltd. Chattogram Stock Exchange Ltd.
DATE OF COMMERCIAL OPERATION	: 02 July 2011
NATURE OF BUSINESS	: Manufacture, Marketing and Sale of Rice Bran Edible Oil
BRAND NAME	: Spondon
MAIN RAW MATERIALS	: Rice Bran
PRODUCTION CAPACITY	: 48 MT of Refined Rice Bran Oil and 240 MT of De-Oiled Rice Brand from 300 MT of Rice Bran per day
AUTHORIZED CAPITAL	: Tk. 100 Million
PAID UP CAPITAL	: 597,135,000

## **AUDITORS:**

Shiraz Khan Basak & Co.  
Chartered Accountants  
86, Bir Uttam C.R. Datta Road (312, Sonargaon Road),  
Hatirpool, Dhaka- 1205

## **CORPORATE GOVERNANCE COMPLIANCE AUDITOR:**

Jasmin & Associates  
Chartered Secretaries  
Al-Helal Building (1st Floor), 186, Inner Circle Road,  
Dhaka 1000

## **BANKERS:**

The Farmers Bank Ltd., National Bank of Pakistan, Basic Bank Ltd., Bank Asia Ltd., BRAC Bank Ltd., Bangladesh Krishi Bank Ltd., Dutch Bangla Bank Ltd., Islami Bank Bangladesh Ltd., National Bank Ltd., Jamuna Bank Ltd., Janata Bank Ltd., Mutual Trust Bank Ltd., Prime Bank Ltd., Sonali Bank Ltd.

## **REGISTERED OFFICE:**

Halimunnesa`s Court (Floor-9), 23 Kakrail, Dhaka-1000, Bangladesh.

## **FACTORY:**

Sheripara, Sherpur Sadar, Sherpur



# DIRECTORS' REPORT TO THE SHAREHOLDERS

## Dear Shareholders,

It is a great pleasure for us to welcome you all to the 12th Annual General Meeting of Emerald Oil Industries Limited (EOIL). We feel honored to submit to you the Annual Report together with the Auditor's Report and Audited Financial Statements of the Company for the year ended 30 June 2019. The Directors' Report is prepared in compliance with Section 184 of the Companies Act 1994 and Bangladesh Securities and Exchange Commission's (BSEC) notification no. SEC/CMRRCD/2006-158/207/Admin/80, dated June 03, 2018.

## BACKGROUND OF THE COMPANY

Emerald Oil Industries Ltd. hereinafter referred to as EOIL was incorporated on July 17, 2008 with registration no.-C72229 (271)/08, as a Private Limited Company under The Companies Act 1994 with a mission to produce edible oil which is a common item for preparation of daily food of human being. The company started its commercial operation on 02 July 2011 and converted into Public Limited Company on December 21, 2011. The company was listed with Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. on March 11, 2014 and March 13, 2014 respectively.

It is to be informed that the company borrowed loans from different Banks & NBFIs. In April 2017, the company suddenly closed its production without repaying the dues of Banks & NBFIs, and as a result, these loans have been classified. In addition, no Annual General Meeting (AGM) was held since the financial year 2016-2017. The previous Managing Director and main sponsor of the company Mr. Syed Hasibul Gani Galib, who lead the company engaged in various cases and left the country putting the interest of the general investors and other stakeholders at significant risk. Then the company felt in management crisis and became shut down from 1st April 2017.

Bangladesh Securities and Exchange Commission (BSEC) reconstituted the Board of the company vide letter no. BSEC/SRMIC/47/2014/73 dated 02 March 2021 and appointed the following persons as independent directors of Emerald.

Sl. No.	Name	Designation
1.	Mr. Mohammad Shahidul Haque	Chairman/Independent Director
2.	Professor Dr. Prashanta Kumar Banerjee	Independent Director
3.	Dr. Santus Kumar Deb	Independent Director
4.	Mr. Md. Sajib Hossain	Independent Director
5.	Mr. Mohammad Golam Sarwar	Independent Director

From the vide letter no. BSEC/SRMIC/47/2014/73 dated 02 March 2021, it has been duly mentioned that the independent directors/directors appointed/nominated by the commission under Commission's Notification No. SEC/CMRRCD/2009-193/07/Admin. Dated 01 September 2020 and Commission's Order No. SEC/CMRRCD/2009-98/08 Dated 01 September 2020 will not be included in the particulars of directors (FORM-XII).

BSEC vide the said memo dated 02.03.2021 also directed to appoint two nominated directors from amongst shareholders, who have 2% or more shares. Thereafter, BSEC vide Memo No. BSEC/SRMIC/47/2014/112 dated 29.04.2021 advised Emerald Oil Industries Limited to appoint one or more directors in EOIL against the ownership of 7.81% shares held by Minori Bangladesh Ltd (Minori), a Japan Bangladesh Joint Venture Company. Accordingly, Mr. Sidratul Mahabub Hasan was nominated as a director of EOIL for and on behalf of Minori.

Further, BSEC Memo No. BSEC/SRMIC/47/2014/211 dated 13.08.2021 appointed Mr. Md. Safiqul Islam as Chairman/Independent Director of Emerald in place of Mr. Mohammad Shahidul Haque. Hence, the board of directors of Emerald Oil Industries Limited as follows:

SI. No	Name	Designation
1.	Mr. Md. Safiqul Islam	Chairman/Independent Director
2.	Professor Dr. Prashanta Kumar Banerjee	Independent Director
3.	Dr. Santus Kumar Deb	Independent Director
4.	Mr. Md. Sajib Hossain	Independent Director
5.	Mr. Mohammad Golam Sarwar	Independent Director
6.	Mr. Sidratul Mahabub Hasan	Nominated Director of Minori Bangladesh Ltd.

Mr. Md. Afzal Hossain has been appointed as the paid Managing Director of the company by the Board of Directors in its 13th meeting of the Board of Directors held on 08 July 2021.

We are pleased to announce a significant accomplishment, as we successfully obtained permission from the Supreme Court of Bangladesh (High Court Division) dated 25 May 2023 to hold Annual General Meetings (AGMs) for the years ended 30th June 2017, 2018, 2019, 2020, 2021, and 2022. This achievement underscores our commitment to fulfilling our legal obligations and maintaining open lines of communication with our valued shareholders. The permission granted by the High Court Division was a result of meticulous preparation, extensive legal consultations, and a comprehensive presentation of our case. We deeply appreciate the Court's consideration of our circumstances and their approval of our request, recognizing the significance of conducting AGMs within a reasonable timeframe.

By obtaining permission to hold AGMs for multiple years, we are able to address the concerns and expectations of our shareholders effectively. These meetings provide an opportunity to discuss the company's performance, financial results, corporate governance practices, and future plans. This permission granted by the High Court signifies our dedication to upholding legal compliance and corporate governance standards. It also reflects our commitment to providing transparent and timely reporting to our stakeholders. We are grateful for the support and trust of our shareholders throughout this process.

This Director's report is prepared on the basis of the Financial Statement for the year ended 30th June 2019.

## I. INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENTS IN THE INDUSTRY

During the initial period, we encountered numerous challenges as people were completely unaware of rice bran oil and its associated health advantages. However, due to the growing health consciousness among residents, the demand for antioxidant-rich rice bran oil has been rapidly increasing. Through an intensive awareness campaign, especially targeting homemakers, the demand for rice bran oil has surged in recent years, leading consumers to switch from other edible oils.

Rice bran oil possesses significant market potential, with an abundance of raw materials available and numerous rice mills capable of supplying it. Our country annually produces more than 5 crore tons of paddy, resulting in 40 lakh tons of rice bran. The escalating demand for rice bran oil has raised hopes of reducing the country's reliance on imported cooking oil. Currently, the nation spends over Tk. 10,000 crore per year on importing 14-15 lakh tons of edible oil, while the domestic demand stands at 18 lakh tons and continues to increase annually.

Presently, Bangladesh has 16 (Approx.) rice bran oil mills with a combined production capacity of 2.5 lakh tons per year, effectively narrowing the demand-supply gap and reducing import dependency. Additionally, there is a considerable demand for rice bran oil in India. Bangladesh has already commenced exporting rice bran oil to India, with the trade volume increasing day by day. We also anticipate expanding our exports in the coming years. We have continued to emphasize responsible sourcing, eco-friendly production processes, and waste reduction initiatives. Our commitment to sustainability has not only benefited the environment but has also resonated with our discerning customers, who appreciate our dedication to social and environmental responsibility.

The global demand for healthier cooking oils is on the rise, and we are well-positioned to capitalize on this trend. We will continue to expand our market presence, both domestically and internationally, and explore new avenues for growth and diversification. Furthermore, we will remain steadfast in our pursuit of excellence, constantly seeking ways to improve our products and operations.

## II. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCES

The company was shut down and there was no segment-wise product.

## III. RISKS AND CONCERNS

Risk refers to the risk of adverse market conditions affecting the sales and profitability of the company. Mostly, the risk arises from falling demand for the product or service, which would harm the performance of the company. On the other hand, strong marketing and brand management would help the company to increase its customer base.

Strong brand loyalty of the company's products to its customers has enabled the company to capture significant market share in the sector. The company is also continuously penetrating the market and upgrading the quality of its products to minimize market risks.

An unexpected incident occurred in the company, which seriously hampered the business of the company. The Anti-Corruption Commission arrested the Managing Director of the company in March 2016 for loans taken from Basic Bank Ltd. There was several negative news about the MD as well as the company in the newspapers and among the dealers, distributors, retailers, and customers also, which affected the business badly.

## IV. DISCUSSION ON COST OF GOODS SOLD, GROSS PROFIT MARGIN & NET PROFIT MARGIN

Amount in million Taka

Particulars	2019		2018	
Cost of Goods Sold	42.32	-	46.45	-
Gross margin	(42.32)	-	(46.45)	-
Net margin for the year	(68.26)	-	(117.65)	-

## V. DISCUSSION ON CONTINUITY OF ANY EXTRA ORDINARY GAIN OR LOSS

There was no extraordinary gain or loss in the Financial Statements 30 June 2019.

## VI. BASIS FOR RELATED PARTY TRANSACTION

Related party transaction is shown in note no. 26 in notes to the accounts.

## VII. UTILIZATION OF PROCEEDS FROM PUBLIC ISSUES AND/ OR RIGHTS ISSUES

The company did not raise any funds from Public Issues, rights issues, and/or any other instruments during the year 2018-19.

## VIII. FINANCIAL RESULTS AFTER THE COMPANY GOES FOR INITIAL PUBLIC OFFERING (IPO), REPEAT PUBLIC OFFERING (RPO), RIGHTS OFFER, DIRECT LISTING, ETC.

The company is listed with Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Ltd. on 10 March 2014 & 13 March 2014 respectively and financial performances after the listing have been disclosed in Sl. No. XVIII (Key operating Financial Data of last preceding 5 years).

## IX. SIGNIFICANT VARIANCE BETWEEN QUARTERLY FINANCIAL PERFORMANCE AND ANNUAL FINANCIAL STATEMENTS

There is no significant variance between the quarterly financial performance and the annual financial statements because the company could not run its operation as the company was shut down and no quarterly report prepared during the year.

## X. REMUNERATION TO DIRECTORS INCLUDING INDEPENDENT DIRECTORS

No remuneration paid to the Directors including Independent Directors as there was no operational activities of the company during the year.

**XI. The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows, and changes in equity.**

**XII. Proper books of account of the company have been maintained.**

**XIII. Appropriate accounting policies have been consistently applied in the preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.**

**XIV. IAS/ BAS/IFRS/BFRS, as applicable in Bangladesh, have been followed in the preparation of the financial statements, and any departure there-from has been adequately disclosed.**

**XV. The system of internal control is sound in design and has been effectively implemented and monitored.**

## **XVI. GOING CONCERN**

The new management as well as the re-constituted board of the company is trying their best to overcome all the obstacles within the shortest possible time. Therefore, the management adopted a going concern basis for the preparation of the financial statement.

## **XVII. DEVIATION FROM THE LAST YEAR'S OPERATING RESULTS**

There is no significant deviance from the last year's operating results as there was no operational activities of the company.

## **XVIII. KEY OPERATING FINANCIAL DATA OF LAST PRECEDING 5 YEARS**

The key operating and financial data of Emerald Oil Industries Ltd. for the last five years have been given separately as under:

Amount in Million Taka except ratios

<b>Particulars</b>	<b>30 June 2019</b>	<b>30 June 2018</b>	<b>30 June 2017</b>	<b>30 June 2016</b>	<b>30 June 2015</b>
<b>Operational Result</b>					
Turnover	-	-	940.41	1,849.60	1,763.37
Gross Profit	(42.32)	(46.45)	(126.47)	426.83	381.42
Net Profit before Tax	(64.27)	(111.06)	(1,919.45)	206.74	174.85
Net Profit after Tax	(68.26)	(117.65)	(1,958.06)	180.72	152.82
Net Cash Flow From Operation	0.20	0.12	105.81	71.86	(126.43)
<b>Financial Position</b>					
Fixed Assets	570.03	612.70	659.36	728.47	779.95
Current Assets	13.44	13.23	26.50	1,644.44	1,271.14
Shareholder's Equity	(1,228.45)	(1,160.19)	(1,042.54)	935.39	804.02
Long Term Liability (Including current Position)	1,357.80	1,337.34	1,288.49	906.51	896.96
<b>Key Financial Ratio</b>					
Current Ratio	0.04	0.03	0.07	2.10	2.65
Quick Ratio	0.02	0.02	0.06	0.96	1.52
Debt to Equity Ratio	(1.47)	(1.54)	(1.66)	1.54	1.56
Net Income Ratio (%)	-	-	-208.21%	9.77%	8.67%
Return on Equity (%)	5.56%	10.14%	187.82%	19.32%	19.00%
Earnings Per Share	(1.14)	(1.97)	(34.34)	3.33	3.10

## **XIX. DIVIDEND DECLARATION**

Due to the negative growth of the financial position of the company the Board of Directors is unable to recommend any dividend for the year.

## XX. NUMBER OF BOARD MEETINGS HELD DURING THE YEAR AND ATTENDANCE

Due to the mentioned situation as well as the absence of the Board of Directors, no Board Meetings were held during the year ended 30 June 2019.

## XXI. PATTERN OF SHAREHOLDING

The Pattern of Shareholdings as on 30 June 2019 is as follows:

Name	No. of Shares	%
Sponsors/Directors	18,181,625	30.45%
Institutions	5,647,868	9.46%
General Public	35,884,007	60.09%
<b>Total</b>	<b>59,713,500</b>	<b>100.00%</b>

Shareholdings position as on 30 June 2019 as follows:

SI	Name sponsors/ promoters and directors	Status No. of Shares	Holding	Holding %
1	Mr. Syed Monwarul Islam	Chairman & Sponsor	1,210,000	2.03%
2	Mr. Syed Hasibul Gani Galib	Managing Director & Sponsor	12,782,000	21.41%
3	Mr. A.S.M. Monirul Islam	Director	1,210,000	2.02%
4	Mr. Sajjan Kumar Basak	Director	1,331,000	2.23%
5	Mr. Amitabha Bhowmik	Director	1,331,000	2.23%
6	Mr. Md. Enamul Haque Khan	Sponsor	317,625	0.53%
7	Institutions		5,647,868	9.46%
8	General Public		35,884,007	60.09%
<b>Total</b>			<b>59,713,500</b>	<b>100.00%</b>

### a) Parent/ Subsidiary/Associated companies and other related parties

There are no parent/ Subsidiary/Associated companies or other related parties.

### b) Directors, CEO, CS, CFO, Head of Internal Audit and their spouse and minor children

SI	Name of Directors & Executives	Status	No. of Share held	Share held by the Spouse & minor Children	Remarks
1	Mr. Syed Monwarul Islam	Chairman & Sponsor	1,210,000	Nil	Nil
2	Mr. Syed Hasibul Gani Galib	MD & Sponsor	12,782,000	4,180,000	Ms. Farhana Galib Ame, Spouse
3	Mr. A.S.M. Monirul Islam	Director	1,210,000	Nil	Nil
4	Mr. Sajjan Kumar Basak	Director	1,331,000	Nil	Nil
5	Mr. Amitabha Bhowmik	Director	1,331,000	935,000	Ms. Indrani Sen, Spouse

### c) Executives:

No Executive of the company hold any shares of the company.

### d) 10% or more voting Interest

Shareholders holding ten percent (10%) or more voting interest in the company:

Sl.	Name	Share held	% of total no. of shares
1	Mr. Syed Hasibul Gani Galib	12,782,000	21.41%

### ELECT/RE-ELECT OF DIRECTOR

During the year, there were no operational activities of the Directors of the Company and the Company was shut down. Finally, no AGM was held from the year 2016-17 and due to that no directors have been elected and re-elected. However, Bangladesh Securities and Exchange Commission (BSEC) reconstituted the Board of the company vide letter no. BSEC/SRMIC/47/2014/73 dated 02 March 2021 and appointed five (5) independent directors of Emerald Oil Industries Limited. From the vide letter no. BSEC/SRMIC/47/2014/73 dated 02 March 2021, it has been duly mentioned that the independent directors/directors appointed/nominated by the commission under Commission's Notification No. SEC/CMRRCD/2009-193/07/Admin. Dated 01 September 2020 and Commission's Order No. SEC/CMRRCD/2009-98/08 Dated 01 September 2020 will not be included in the particulars of directors (FORM-XII).

BSEC vide the said memo dated 02.03.2021 also directed to appoint two nominated directors from amongst shareholders, who have 2% or more shares. Thereafter, BSEC vide Memo No. BSEC/SRMIC/47/2014/112 dated 29.04.2021 advised Emerald Oil Industries Limited to appoint one or more directors in EOIL against the ownership of 7.81% shares held by Minori Bangladesh Ltd (Minori), a Japan Bangladesh Joint Venture Company. Accordingly, Mr. Sidratul Mahabub Hasan was nominated as a director of EOIL for and on behalf of Minori.

Further, BSEC Memo No. BSEC/SRMIC/47/2014/211 dated 13.08.2021 appointed Mr. Md. Safiqul Islam as Chairman/Independent Director of Emerald in place of Mr. Mohammad Shahidul Haque.

### STATUTORY AUDITORS QUALIFIED REPORT

Statutory Auditors' Shiraz Khan Basak & Co. Chartered Accountants submitted a "Qualified Opinion" on the Financial Statement of Emerald Oil Industries Limited for the year ended June 30, 2019, on deferred tax liability. The company's new management has been considering these opinions with utmost priority. Appropriate measures will be taken and hopeful these issues will be mitigated in the upcoming year.

### APPOINTMENT OF STATUTORY AUDITOR

In the 9th Annual General Meeting (AGM) Mahfel Haq & Co, Chartered Accountants has been appointed as an auditor of the company for the year ended 30th June 2017. But no AGM was held as well as no financial statement had also been audited by the Auditors from 2017. As a result, the office of the Auditor of the company felt vacant with effect from the year 2016-2017. Moreover, the then Board of Directors was removed by the Bangladesh Securities and Exchange Commission (BSEC), and independent directors were appointed by BSEC on 02 March 2021. There was no management as well in the company for a substantial period of time. Therefore, the new Board of Directors appointed Shiraz Khan Basak & Co. Chartered Accountants for auditing the financial statements of the company for the financial years ending 30 June 2017, 30 June 2018, and 30 June 2019 in its 27th Board of Directors meeting held on 26th November 2022 in view of section 210(7) of the Companies Act 1994 which empowers the Board of Directors of the company to appoint ad-hoc auditors for the vacant office of auditors.

Then Shiraz Khan Basak & Co. Chartered Accountants completed the audit of the financial statements of the company for the year ended June 30, 2019.

To comply with BSEC guidelines the new Board had been appointed Shiraz Khan Basak & Co, Chartered Accountants as Statutory Auditors of the company for a period of 3 (three) years i.e year ended 30 June 2017, 2018 & 2019 for the audit of financial statements of the company with the fee of Tk. 2,00,000/- (Two Lac) (excluding VAT).

### APPOINTMENT OF CORPORATE GOVERNANCE AUDITOR

The Board of Directors of Emerald Oil Industries Limited in its 30th Board of Directors meeting held on 23 February 2023 appointed Jasmin & Associates, Chartered Secretaries for Corporate Governance audit for the year ended 30th June 2017, 2018, 2019 & 2020. Further, the Corporate Governance Compliance Report and a Certifi-



cate of Compliance required under the said Guidelines, as provided by Jasmin & Associates, Chartered Secretaries are also annexed to this report.

Good governance and ethical conduct provide the foundation for everything we do at Emerald Oil Industries Ltd. We aim to tackle challenging issues head-on, make our communications and processes simple, hold everyone accountable, and empower all our employees to do what is right. Our Code of Business Conduct helps employees make ethical decisions. We believe continuous supervision in every business practice is the key to sustain in a leadership role. Therefore our company is directed, administered, and complied with the set of laws, policies, and procedures exerted in Bangladesh Securities and Exchange Commission's Notification No. SEC/CMMRRC-D/2006-158/ 207/Admin/80, dated June 03, 2018, Company ACT 1994 and Listing Regulations 2015 by Dhaka Stock Exchange Ltd. The Directors' declaration, and Shareholding pattern for the year ended June 30, 2019, are appended as Annexure respectively.

## ACKNOWLEDGMENT

In conclusion, we would like to express our sincere thanks to our valued shareholders, Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Ltd. (DSE), Chittagong Stock Exchange Ltd. (CSE), Central Depository of Bangladesh Ltd. (CDBL), RJSC, Banks and other business associates for their valuable suggestions, continuous support, and co-operation extended during the period under review. We would like to thank our auditors for their efforts in the timely completion of the audit. We also thank our dedicated management team and employees whose hard work and firm commitment made this year a successful one.

We hope to get all of your support, advice, and encouragement for our continuous growth.

Thank you all.

On behalf of the Board of Directors,



**(Md. Safiqul Islam)**  
Chairman

# CERTIFICATE OF CORPORATE GOVERNANCE

*Jasmin & Associates*  
Chartered Secretaries

**Report to the Shareholders  
of  
Emerald Oil Industries Limited  
on Compliance on Corporate Governance Code**

We have examined the Compliance status to the Corporate Governance Code by Emerald Oil Industries Limited for the year ended 30 June, 2019. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and Verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission except as stated in the remarks column in Annexure-C;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Company was shut down during the period, in accordance with the Governance of the Company is not satisfactory.

For: Jasmin & Associates  
Chartered Secretaries



Jasmin Akter, FCS  
Chief Executive

Place : Dhaka  
Dated : June 25, 2023

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# COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Annexure-C  
[As per condition No. 1(5)(xxvii)]

Status of compliance with the conditions of Corporate Governance Code as imposed by Bangladesh Securities and Exchange Commission (BSEC) by the Notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 issued under section 2CC of The Bangladesh Securities and Exchange Ordinance, 1969:

(Report under Condition No.9.00)

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
<b>1.0</b>	<b>Board of Directors</b>			
1(1)	Board's Size: The number of the Board members of the company shall not be less than 5 (five) and more than 20 (twenty).	√		The EOIL Board was comprised of 5 (Five) Directors.
<b>1.2</b>	<b>Independent Directors</b>			
1(2)(a)	At least one fifth(1/5) of the total number of directors in the company's board shall be independent directors.		√	No operational activities of the Company during the year 2018-19 & the company was shut down.
1(2)(b)(i)	The independent director does not hold any share in the company or holds less than one percent (1%) shares of the total paid up shares of the company		√	
1(2)(b)(ii)	The independent director is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company:		√	
1(2)(b)(iii)	Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.		√	
1(2)(b)(iv)	Who has not been an executive of the company in immediately preceding 2 (two) financial years The independent director does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.		√	
1(2)(b)(v)	Independent Directors are not the members or TREC holder, directors or officers of any stock exchange. Who is not the shareholder, directors excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market.		√	
1(2)(b)(vi)	The independent director is not a partner or an executive or was not a Partner or an executive during the preceding 3(three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code.		√	
1(2)(b)(vii)	The independent director shall not be an independent director in more than 5(five)listed companies.		√	

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		Complied	Not Complied		
1(2)(b)(viii)	The independent director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution(NBFI).		√	No operational activities of the Company during the year 2018-19 & the company was shut down.	
1(2)(b)(ix)			√		
1(2)(b)(x)			√		
1(2)(c)		The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).			√
1(2)(d)		The post of independent director(s) cannot remain vacant for more than 90 (ninety) days.			√
1(2)(e)		The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.			√
<b>1.3</b>	<b>Qualification of Independent Director(ID)</b>				
1(3)(a)	Independent Director shall be knowledgeable individual with integrity		√	No operational activities of the Company during the year 2018-19	
1(3)(b)(i)	Business leader who is or was a promoter or director of an unlisted company having minimum paid up capital of Tk. 100 million or any listed company or a member of any national or international chamber of commerce or business association		√		
1(3)(b)(ii)	Corporate leader who is or was a top level executive not lower than CEO or MD or DMD or CFO or Head of Finance or Accounts or company secretary or head of internal audit and compliance or head of legal service or a candidate with equivalent position of an unlisted company having minimum paid up capital of 100 million or of a listed company.		√		
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th grade of the national pay scale (at least bachelor degree in economics or commerce or business or law)		√		
1(3)(b)(iv)	University teacher who has an educational background in economics or commerce or business studies or law.		√		
1(3)(b)(v)	Professional or who is or was an advocate practicing at least in the high court division of supreme court or a CA or CMA or CFA or CCA or CPA or CMA or CS or equivalent position.		√		
1(3)(c)	The Independent Director shall have at least 10 years of experience in any field mentioned in clause (b)		√		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.		√		
<b>1.4</b>	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer</b>				

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Condition No.	Title	Status		Remarks
		Complied	Not Complied	
1(4)(a)	The Chairman of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) shall be different individuals;		√	Company was shut down during the year 2018-19
1(4)(b)	The MD and/or CEO of a listed company shall not hold the same in another listed company;		√	
1(4)(c)	The Chairman of the board shall be elected from among the non-executive Directors of the company;		√	
1(4)(d)	The board shall clearly define respective roles & responsibilities of chairperson and MD or CEO;		√	
1(4)(e)	In the absence of chairperson of the board, remaining members may elect one of themselves from non-executive directors as chairperson & the reason of absence shall be duly recorded in the minutes.		√	
<b>1.5</b>	<b>The Director's Report to Shareholders</b>			
1(5)(i)	Industry outlook and possible future developments in the industry.	√		
1(5)(ii)	Segment-wise or product-wise performance Risk and Concern including external & internal risk factors threat to sustainability & negative impact on environment, if any	√		
1(5)(iii)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	√		
1(5)(iv)	Discussion on continuity of any Extra-Ordinary gain or loss.	√		
1(5)(v)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the Annual Report.	√		The basis of related party transactions is disclosed in the financial statements no. 3.17 and Note 26.
1(5)(vi)	Utilization of proceeds from public issues, rights issues and/ or through any others instruments.	√		No such issue made in 2018-19
1(5)(vii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering(RPO), Rights Offer, Direct Listing etc.			N/A
1(5)(viii)	If significant variance occurs between Quarterly Financial Performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.			N/A
1(5)(ix)	Remuneration to directors including independent directors.	√		
1(5)(x)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes inequity.	√		
1(5)(xi)	Proper books of accounts of the issuer company have been maintained.	√		
1(5)(xii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		
1(5)(xiv)	International Accounting Standards (IAS)/ International Financial Reporting Standard	√		

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		Complied	Not Complied	
	(IFRS) as applicable in Bangladesh have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	√		
1(5)(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
1(5)(xvi)	Minority shareholders have been protected.	√		
1(5)(xvii)	There are no significant doubts upon the issuer-company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	√		
1(5)(xviii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	√		
1(5)(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		
1(5)(xx)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	√		Discussed in Directors Report
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend.			N/A
1(5)(xxii)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		No Board meeting was held during the year 2018-19
<b>1(5)(xxiii)</b>	<b>A report on the pattern of shareholding disclosing the aggregate number of shares (along with name wise details where stated below) held by:</b>			
1(5)(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details)			N/A
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details).	√		Discussed in Directors Report
1(5)(xxiii)(c)	Executives.			N/A
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		Discussed in Directors Report
<b>1(5)(xxiv)</b>	<b>In case of appointment/re-appointment of a Director the company shall disclose the following information to the shareholders</b>			
1(5)(xxiv)(a)	A brief resume of the director;		√	No operational activities of the Company during the year 2018-2019
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas.		√	
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.		√	
1(5)(xxv)	A management discussion and analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statement, among others focusing on:		√	



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		Complied	Not Complied	
1(5)(xxv)(a)	Accounting policies & estimation for preparation of financial statements.		√	No operational activities of the Company during the year 2018-19
1(5)(xxv)(b)	Changes in accounting policies & estimation, if any clearly describing the effect on financial performance or results and financial position as well as cash flows in the absolute figures.		√	
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows in the absolute figures.		√	
(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario.		√	
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe.		√	
1(5)(xxv)(f)	Risks & concerns issued related to the financial statements, explaining such risk and concerns mitigation plan of the company.		√	
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with jurisdiction thereof, i.e. actual position shall be explained to the shareholders in the next AGM.		√	
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the board as required under condition No.3(3) shall be disclosed as per (Annexure-A).		√	
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of the code as required under condition No.9 shall be disclosed as per Annexure C	√		
1(6)	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with Bangladesh Secretarial Standards as adopted by the Institute of Chartered Secretaries of Bangladesh.		√	No board meeting was held during the year 2018-19
<b>1.7</b>	<b>Code of conduct for the chairperson, other Board members and Chief Executive Officer</b>			
1(7)(a)	The board shall lay down a code of conduct , based on the recommendation of the NRC at condition No.6 for the chairperson of the board, other board members & CEO of the company.		√	No operational activities of the Company during the year 2018-19
1(7)(b)	The code of conduct as determined by the NRC shall be posted in the website of the company among others prudent conduct & behavior; confidentiality; conflict of interest; compliance with laws , rules & regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.		√	
<b>2.00</b>	<b>Governance of Board of Directors of Subsidiary Company</b>			
2(a)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of			EOIL does not have any subsidiary company

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Condition No.	Title	Status		Remarks
		Complied	Not Complied	
	Directors of the subsidiary company.			
2(b)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.			EOIL does not have any subsidiary company
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.			
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.			
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary Company.			
<b>3.0</b>	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)</b>			
<b>3.1</b>	<b>Appointment</b>			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC).		√	No operational activities of the Company during the year 2018-19 & the company was shut down.
3(1)(b)	The positions of the MD or CEO, CS, CFO and HIAC shall be filled by different individuals.		√	
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time.		√	
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS.		√	
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).			
3(2)	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board. Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.		√	
<b>3.3</b>	<b>Duties of Managing Director or Chief executive Officer and Chief Financial Officer</b>			
3(3)(a)	The MD or CEO and CFO shall certify to the board that they have reviewed financial statements		√	No operational activities of the Company during the year 2018-19 & the company was shut down.
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.		√	
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.		√	

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Condition No.	Title	Status		Remarks
		Complied	Not Complied	
3(3)(b)	The certification of the MD or CEO and CFO that no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members.		√	No operational activities of the Company during the year 2018-19 & the company was shut down.
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the annual report		√	
<b>4.0</b>	<b>Board of Directors' Committee</b>			
4(i)	The Board shall have an Audit Committee as a sub-committee of the Board.		√	No operational activities of the Company during the year 2018-19 & the company was shut down.
4(ii)	The Board shall have a Nomination & Remuneration Committee as a sub-committee of the Board.		√	
<b>5.0</b>	<b>Audit Committee</b>			
<b>5.1</b>	<b>Responsibility to the Board of Directors</b>			
5(1)(a)	Audit Committee shall be the sub-committee of the Board of Directors.		√	The Company had no Audit Committee during the year 2018-19.
5(1)(b)	The committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.		√	
5(1)(c)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.			
<b>5.2</b>	<b>Constitution of the Audit Committee</b>			
5(2)(a)	The Audit Committee shall be composed of at least three members.		√	The Company had no Audit Committee during the year 2018-19.
5(2)(b)	Board shall appoint members of Audit Committee from non-executive directors except chairperson including one independent director.		√	
5(2)(c)	All members of the audit committee should be financially literate and at least one member shall have accounting or related financial management experience and ten years of such experience.		√	
5(2)(d)	When the terms of service of any committee member expires or there is any circumstances causing any committee member to be unable to hold before expiration of terms of service where number of Committee members falls short than the prescribed number the board shall fill the vacancy immediately or not later than 1 one month from the date of vacancy.		√	
5(2)(e)	The company secretary shall act as the secretary of the committee.		√	
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least one independent director.		√	
<b>5.3</b>	<b>Chairperson of the Audit Committee</b>			
5(3)(a)	Chairman of the Audit Committee shall be an Independent Director appointed by the Board.		√	No operational activities of the Company during the year 2018-19 and the Company had no Audit Committee.
5(3)(b)	In the absence of the chairperson of the audit committee remaining members may elect one of themselves as Chairperson for that particular meeting.		√	

## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
5(3)(c)	Presence of Chairman of the Audit Committee in the Annual General Meeting		√	Do
<b>5.4</b>	<b>Meeting of the Audit Committee</b>			
5(4)(a)	Frequency of Meeting of the Audit Committee.		√	The Company had no Audit Committee during the year 2018-19
5(4)(b)	Quorum of the Audit Committee Meeting.		√	
<b>5.5</b>	<b>Role of Audit Committee shall include the following</b>			
5(5)(a)	Oversee the financial reporting process.		√	The Company had no Audit Committee during the year 2018-19
5(5)(b)	Monitor choice of accounting policies and principles.		√	
5(5)(c)	Monitor internal audit and compliance process, approval of internal audit and compliance plan and review of these reports.		√	
5(5)(d)	Oversee hiring and performance of external auditors.		√	
5(5)(e)	Hold meeting with external auditors for review of annual financial statements before submission to the board.		√	
5(5)(f)	Review along with the management, the annual financial statements before submission to the board for approval.		√	
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.		√	
5(5)(h)	Review the adequacy of internal audit function.		√	
5(5)(i)	Review the Management's discussion and analysis before disclosing in the annual report.		√	
5(5)(j)	Review statement of all related party transactions submitted by the management.		√	
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.			
5(5)(l)	Oversee the determination of audit fees and others for effective audit and evaluate performance of external auditors.		√	
5(5)(m)	When money is raised through Initial Public Offering(IPO)/Repeat Public Offering (RPO)/ Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis and annual basis.		√	
<b>5.6</b>	<b>Reporting of the Audit Committee</b>			
<b>5(6)(a)</b>	<b>Reporting to the Board of Directors</b>			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board of Directors.		√	The Company had no Audit Committee during the year 2018-19
<b>5(6)(a)(ii)</b>	<b>The Audit Committee shall immediately report to the Board of Directors on the followings, if any</b>			
5(6)(a)(ii)(a)	Report on conflicts of interests;	N/A		Such situation didn't occurred
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect in the internal audit & compliance process or in the financial statement.	N/A		There was no such issue arise during the year 2018-19
5(6)(a)(ii)(c)	Suspected infringement of laws, including securities related law, rules and regulations.	N/A		

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		Complied	Not Complied	
5(6)(a)(ii)(d)	Any other matter which shall be disclosed to the Board of Directors immediately.	N/A		There was no such issue arise during the year 2018-19
<b>5(6)(b)</b>	<b>Reporting to the Authorities:</b> If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of the period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	N/A		
<b>5(7)</b>	<b>Reporting to the Shareholders and General Investors:</b> Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 5.6.a(ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.		√	The Company had no Audit Committee during the year 2018-19
<b>6.00</b>	<b>Nomination and Remuneration Committee (NRC)</b>			
<b>6.1</b>	<b>Responsibility to the board of directors</b>		√	The Company had no NRC during the year 2018-19
6(1)(a)	The company shall have a NRC as a sub-committee of the board.		√	
6(1)(b)	NRC shall assist the board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors & top level executives as well as considering remuneration of directors, top level executive.		√	
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing.		√	
<b>6.2</b>	<b>Constitution of the NRC</b>			
6(2)(a)	The committee shall comprise of at least 3 members including an independent director.		√	No NRC during the year 2018-19
6(2)(b)	All members of the committee shall be non-executive directors.		√	
6(2)(c)	Members of the committee shall be nominated and appointed by the board.		√	
6(2)(d)	The board shall have authority to remove and appoint any member of the committee.		√	
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the committee or any other cases of vacancies, the board shall fill the vacancy within 180 days (one hundred eighty) of occurring such vacancy.	N/A		Such situation not arise during the year
6(2)(f)	The chairperson of the committee may appoint or co-opt any external expert or members of staff to committee who shall be non-voting member.	N/A		The Committee didn't appoint or co-opt any external expert or member

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		Complied	Not Complied	
6(2)(g)	Company secretary shall act as the secretary of the committee.		√	No NRC during the year 2018-19
6(2)(h)	Quorum of the NRC shall not constitute without attendance of at least an independent director.		√	
6(2)(i)	No member of the NRC shall receive any remuneration other than Directors' fees or honorarium from the company.		√	
<b>6.3</b>	<b>Chairperson of the NRC</b>			
6(3)(a)	The board shall select one member of the NRC to be chairperson of the committee who shall be an independent director.		√	No NRC during the year 2018-19
6(3)(b)	In the absence of chairperson of NRC, the remaining members may elect one of themselves as chairman of the meeting.		√	
6(3)(c)	The chairperson of NRC shall attend the AGM and in the absence of regular chairperson, any member from the NRC shall be selected to attend in AGM.		√	
<b>6.4</b>	<b>Meeting of the NRC</b>			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year.		√	The Company had no NRC during the year 2018-19
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC.		√	
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must.		√	
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.		√	
<b>6.5</b>	<b>Role of the NRC</b>			
6(5)(a)	NRC shall be independent and responsible or accountable to the board and shareholders.		√	Do
<b>6(5)(b)</b>	<b>NRC shall oversee among others, the following matters and make report with recommendation to the Board:</b>			
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:		√	The Company had no NRC during the year 2018-19
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully.		√	
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;		√	
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of company and its goals;		√	



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		Complied	Not Complied	
6(5)(b)(ii)	A policy on boards diversity considering age, gender, experience, ethnicity, educational background & nationality;		√	The Company had no NRC during the year 2018-19
6(5)(b)(iii)	Identifying persons who are qualified to become directors and top level executive in accordance with the criteria laid down and recommend their appointment and removal to the board;		√	
6(5)(b)(iv)	Formulating the criteria for evaluation of independent directors and the board;		√	
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement or promotion criteria;		√	
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;		√	
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.		√	
<b>7.0</b>	<b>External or Statutory Auditors</b>			
7(1)(i)	Non-engagement in Appraisal or valuation services or fairness opinions.	√		In Practice
7(1)(ii)	Non-engagement in designing and implementation of Financial Information System.	√		
7(1)(iii)	Non-engagement in Book-keeping or other services related to the accounting records or financial statements.	√		
7(1)(iv)	Non-engagement Broker-dealer services.	√		
7(1)(v)	Non-engagement in Actuarial services.	√		
7(1)(vi)	Non-engagement in Internal audit or special audit services.	√		
7(1)(vii)	Non-engagement in any other service determined by the Audit Committee.	√		
7(1)(viii)	Non-engagement in audit or certification services on compliance of corporate governance as required under condition: 9(1).	√		
7(1)(ix)	Any other service that creates conflict of interest.	√		
7(2)	No partner or employees and family members of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.			
7(3)	Representative of external or statutory auditors shall remain present in the shareholders meeting (AGM or EGM) to answer the queries of the shareholders.	√		
<b>8.0</b>	<b>Maintaining Website by the Company</b>			
8(1)	The company shall have an official website linked with the websites of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		

## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
<b>9.0</b>	<b>Reporting and Compliance of Corporate Governance</b>			
9(1)	Obtaining Certificate from a professional accountant/ Secretary other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and disclose it in the Annual Report.	√		The Company obtained the certificate from Jasmin & Associates, Chartered Secretaries regarding the compliance of conditions of the Corporate Governance of the Commission, and such certificate is disclosed in the Annual Report
9(2)	The professional who will provide the certificate on compliance of the Corporate Governance Code shall be appointed by the shareholders in AGM.		√	During the year the Company was shut down. No AGM has been held from the year 2016-17. After, the reconstitute of board of directors by the BSEC, the Board of Directors of Emerald Oil Industries Limited in its 30th Board of Directors meeting held on 23 February 2023 has appointed Corporate Governance compliance auditor Jasmin & Associates, Chartered Secretaries for the year ended 30th June 2019.
9(3)	The directors of the company shall state, in accordance with the annexure attached, in the directors' report whether the company has complied with these conditions.	√		

# INDEPENDENT AUDITORS' REPORT

To the shareholders of  
EMERALD OIL INDUSTRIES LIMITED

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## 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 2019, 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 2019, 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

Deferred tax of Taka 70,498,495(Ref Note#22.01), 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 3,922,793.

### Emphasis of Matter

01. 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.
02. 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.
03. Trade & Other Receivables as on 30 June 2017 was Taka 1,556,653,675 (Ref Note#7.00) for credit sales. Opening balance of trade receivable on 01 July 2016 Taka 725,753,933 and sales made during the year 2016-17 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 2016-17 because ex-MD is not present in Bangladesh for long period and his return to Bangladesh is uncertain.
04. Long-term loans as on 30 June 2019 Taka 1,357,800,880 (Ref Note#13.00) in compare to previous year Taka 1,337,344,393. Balance confirmation letters were sent to the loan givers but we have not received any response.
05. Trade and other payables as on 30 June 2019 Taka 276,543,925(Ref Note#14.00) in compare to previous year Taka 276,005,504. Balance confirmation letters are sent to the parties but we have received only five confirmations.
06. 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#16.01) as at 30.06.2016 to the outstanding employees.

07. 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.
08. 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.
09. Amount due for Gas bill as on 30 June 2019 is Taka 16,376,447 (Ref Note#16.00) same carried from last year. No settlement or adjustment made of the bills carried from last years.

### Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of 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
<b>Property, Plant and Equipment</b>	
<p>The carrying value of property, plant and equipment amount to Taka 570,018,638 (30 June 2018: Taka 612,651,099). This represents a material amount in the company's statement of financial position as at 30 June 2019 as:</p> <ul style="list-style-type: none"> <li>● There is a risk of determining which costs meet the criteria for capitalization;</li> <li>● Determining the date on which the assets is recognized to property, plant and equipment and depreciation commences;</li> <li>● The estimation of economic useful lives and residual values assigned to property, plant and equipment.</li> </ul> <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>(See note number 5.00 for details]</p>	<p>Our audit procedures to assess the carrying value of the property, plant and equipment included the following:</p> <ul style="list-style-type: none"> <li>● 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;</li> <li>● 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;</li> <li>● Testing the key controls over the management's judgment in relation to the accounting estimates of the useful economic lives and residual values of property, plant and equipment;</li> <li>● Physically inspected assets located at factory to verify their existence and assets condition of use during or audit.</li> <li>● Assessing the adequacy of the disclosures of the financial statements.</li> </ul>

### 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. 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

ent 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 auditors' 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 judgment 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 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 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 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 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 statements 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# 2302240599AS142842



# EMERALD OIL INDUSTRIES LIMITED

## STATEMENT OF FINANCIAL POSITION

As at 30 June, 2019

Particulars	Notes	Amount In Taka	Amount In Taka
		30.06.2019	30.06.2018
<b>A. NON-CURRENT ASSET</b>		<b>570,034,888</b>	<b>612,700,349</b>
Property, Plant & Equipment	5.00	570,018,638	612,651,099
Intangible Assets	6.00	16,250	49,250
<b>B. CURRENT ASSET</b>		<b>13,441,486</b>	<b>13,228,077</b>
Trade & Other Receivables	7.00	-	-
Advances, Deposits & Pre-Payments	8.00	4,247,906	4,213,804
Cash & Cash Equivalents	9.00	9,193,580	9,014,273
<b>TOTAL ASSETS &amp; PROPERTIES (A+B)</b>		<b>583,476,374</b>	<b>625,928,426</b>
<b>C. SHAREHOLDERS EQUITY</b>		<b>(1,228,450,259)</b>	<b>(1,160,194,960)</b>
Share capital	10.00	597,135,000	597,135,000
Retained earnings	11.00	(1,825,585,259)	(1,757,329,960)
<b>D. NON-CURRENT LIABILITIES</b>		<b>1,428,299,375</b>	<b>1,403,920,096</b>
Deferred Tax Liabilities	12.00	70,498,495	66,575,703
Long term Loan (Secured)	13.00	1,357,800,880	1,337,344,393
<b>E. CURRENT LIABILITIES</b>		<b>383,627,258</b>	<b>382,203,290</b>
Trade & Other Payables	14.00	276,543,925	276,005,504
Uncollected IPO Subscription	15.00	6,286,250	6,286,250
Accruals & Provisions	16.00	100,797,083	99,911,536
<b>TOTAL EQUITY &amp; LIABILITIES (C+D+E)</b>		<b>583,476,374</b>	<b>625,928,426</b>
<b>Net Asset Value (NAVs) Per Share</b>		<b>(20.57)</b>	<b>(19.43)</b>

The annexed notes (1-26) the integral part of these financial statements. These financial statements were authorised for issue by the Board of Directors on 23 February 2023.

  
Chairman


  
Managing Director

  
Director

  
Company Secretary

  
Chief Financial Officer

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

  
**Bhudhar Chakraborty FCA**  
Enrolment No. 599, Partner  
DVC# 2302240599AS142842

Dhaka, Bangladesh  
February 23, 2023

**EMERALD OIL INDUSTRIES LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
For the year ended 30 June, 2019

Particulars	Notes	Amount In Taka	Amount In Taka
		2018-2019	2017-2018
Revenue	17.00	-	-
Less: Cost Of Goods Sold	18.00	42,321,434	46,448,482
<b>A. Gross Profit/ (Loss)</b>		<b>(42,321,434)</b>	<b>(46,448,482)</b>
<b>B. Operating Expenses</b>		<b>1,709,584</b>	<b>2,534,236</b>
General and Administrative Expenses	19.00	1,709,584	2,534,236
<b>C. Operating profit/ (Loss) (A-B)</b>		<b>(44,031,018)</b>	<b>(48,982,718)</b>
<b>D. Non Operating Income</b>		<b>233,644</b>	<b>207,866</b>
Other Income	20.00	233,644	207,866
<b>E. Non-operating Expenses</b>		<b>20,476,722</b>	<b>62,281,423</b>
Financing Expenses	21.00	20,476,722	62,281,423
<b>F. Profit/ (Loss) before WPPF &amp; Tax (C+D-E)</b>		<b>(64,274,096)</b>	<b>(111,056,275)</b>
<b>G. Contribution to WPPF</b>		-	-
<b>H. Profit/ (Loss) before Tax (F-G)</b>		<b>(64,274,096)</b>	<b>(111,056,275)</b>
<b>I. Income Tax Expenses</b>	22.00	<b>3,981,204</b>	<b>6,598,051</b>
Current Tax		58,411	51,967
Deferred Tax Expense/(Income)		3,922,793	6,546,084
<b>J. Net profit / (loss) after tax (H-I)</b>		<b>(68,255,299)</b>	<b>(117,654,326)</b>
<b>Earnings Per Share</b>	23.00	<b>(1.14)</b>	<b>(1.97)</b>

The annexed notes (1-26) the integral part of these financial statements. These financial statements were authorised for issue by the Board of Directors on 23 February 2023.

  
Chairman


  
Managing Director

  
Director

  
Company Secretary

  
Chief Financial Officer

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

  
**Bhudhar Chakraborty FCA**  
Enrolment No. 599, Partner  
DVC# 2302240599AS142842

Dhaka, Bangladesh  
February 23, 2023

## EMERALD OIL INDUSTRIES LIMITED

### STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June, 2019

Particulars	Amount in Taka				
	Share Capital	Share Money Deposit	Revaluation Reserve	Retained Earnings	Total Amount
Balance as at July 01, 2018	597,135,000	-	-	(1,757,329,960)	(1,160,194,960)
Stock Dividend for the year ended June 30, 2018	-	-	-	-	-
Cash Dividend for the year ended June 30, 2018	-	-	-	-	-
Net profit/(Loss) after tax for the Year	-	-	-	(68,255,299)	(68,255,299)
<b>Balance as at June 30, 2019</b>	<b>597,135,000</b>	<b>-</b>	<b>-</b>	<b>(1,825,585,259)</b>	<b>(1,228,450,259)</b>

## EMERALD OIL INDUSTRIES LIMITED

### STATEMENT OF CHANGES IN EQUITY


For the year ended 30 June, 2018

Particulars	Amount in Taka				
	Share Capital	Share Money Deposit	Revaluation Reserve	Retained Earnings	Total Amount
Balance as at July 01, 2017	597,135,000	-	-	(1,639,675,634)	(1,042,540,634)
Stock Dividend for the year ended June 30, 2017	-	-	-	-	-
Cash Dividend for the year ended June 30, 2017	-	-	-	-	-
Net profit/(Loss) after tax for the Year	-	-	-	(117,654,326)	(117,654,326)
<b>Balance as at June 30, 2018</b>	<b>597,135,000</b>	<b>-</b>	<b>-</b>	<b>(1,757,329,960)</b>	<b>(1,160,194,960)</b>

The annexed notes (1-26) the integral part of these financial statements. These financial statements were authorised for issue by the 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, 2019

Particulars	Notes	Amount In Taka	Amount In Taka
		2018-2019	2017-2018
<b>A. Cash flows from operating activities:</b>			
Cash received from customer & other income		233,644	207,866
Payment to Creditors, Suppliers & Others		-	(47,801)
Income Tax Paid during the year		(34,102)	(36,916)
<b>Net Cash provided by operating activities</b>		<b>199,542</b>	<b>123,150</b>
<b>B. Cash flows from investing activities:</b>			
Acquisition of property, plant and Equipment		-	-
Investment in FDR		-	13,406,596
<b>Net Cash used in investing activities</b>		<b>-</b>	<b>13,406,596</b>
<b>C. Cash flows from financing activities:</b>			
Financial Expenses		(20,476,722)	(62,281,423)
Long Term Bank Loan (paid)/Received-Net		20,456,487	48,850,178
<b>Net Cash from financing Activities</b>		<b>(20,235)</b>	<b>(13,431,245)</b>
<b>Net Decrease in cash &amp; cash equivalents (A+B+C)</b>		<b>179,307</b>	<b>98,501</b>
Cash & cash equivalents at the beginning of the year		9,014,273	8,915,773
<b>Cash &amp; cash equivalents at the end of the year</b>		<b>9,193,580</b>	<b>9,014,273</b>
<b>Net Operating Cash Flow Per Share</b>		<b>-</b>	<b>-</b>

The annexed notes (1-26) the integral part of these financial statements. These financial statements were authorised for issue by the Board of Directors on 23 February 2023.

  
Chairman

  
Managing Director

  
Director

  
Company Secretary

  
Chief Financial Officer

Dhaka, Bangladesh  
February 23, 2023

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2019

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### 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
- (c) 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 2018 to 30 June 2019.

## 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	
	30.06.2018	30.06.2017
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. 68,255,299/- 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 its 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 2018-19 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: 26).

### **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.

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 or delinquency by a debtor, indicates that a debtor or 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, Natokona, 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 produce 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 Nonoperating 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
30.06.2019	30.06.2018

#### 5.00 PROPERTY, PLANT & EQUIPEMENTS: TK. 570,018,638

This is made up as follows:

##### **Particulars**

Opening Balance	973,730,475	973,730,475
Addition during the year	-	-
	<b>973,730,475</b>	<b>973,730,475</b>
Less: Disposal during the year	-	-
Closing Balance	<b>973,730,475</b>	<b>973,730,475</b>
Less: Accumulated Depreciation	403,711,837	361,079,376
<b>Written Down Value:</b>	<b>570,018,638</b>	<b>612,651,099</b>

The details have been shown in Annexure: A

#### 6.00 INTANGIBLE ASSETS: TK. 16,250

This is made up as follows:

##### **Particulars**

Opening Balance	6,760,000	6,760,000
Addition during the year	-	-
Closing Balance	<b>6,760,000</b>	<b>6,760,000</b>
Less: Accumulated Amortization:	6,743,750	6,710,750
<b>Written Down Value:</b>	<b>16,250</b>	<b>49,250</b>

The details have been shown in Annexure: B

#### 7.00 TRADE & OTHER RECEIVABLES: TK. NIL

This is made up as follows:

##### **Particulars**

Dues within three months	-	-
Dues over three months but within six months	-	-
Dues over six months	1,556,653,675	1,556,653,675
<b>TOTAL:</b>	<b>Note -7.01</b>	<b>1,556,653,675</b>
<b>Less: Provision for Bad &amp; Doubtful Debts</b>	<b>Note -7.02</b>	<b>1,556,653,675</b>
<b>Net Amount</b>		<b>-</b>
<b>7.01 TRADE &amp; OTHER RECEIVABLES: TK. 1,556,653,675</b>	<b>1,556,653,675</b>	<b>1,556,653,675</b>

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.

#### 7.02 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.

Amount In Taka	Amount In Taka
30.06.2019	30.06.2018

#### 8.00 ADVANCES, DEPOSITS & PRE-PAYMENTS: TK. 4,247,906

This is made up as follows:

##### Particulars

##### Advances:

Tax Deducted at source		1,000,856	966,754
Deposits	Note: 8.01	3,247,050	3,247,050
<b>TOTAL:</b>		<b>4,247,906</b>	<b>4,213,804</b>

#### 8.01 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
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
<b>TOTAL:</b>		<b>3,247,050</b>	<b>3,247,050</b>

#### 9.00 CASH & CASH EQUIVALENTS: TK. 9,193,580

This is made up as follows:

##### Particulars

Cash in Hand		-	-
Cash at Bank	Note: 9.01	9,193,580	9,014,273
<b>TOTAL:</b>		<b>9,193,580</b>	<b>9,014,273</b>

#### 9.01 CASH AT BANK: TK. 9,193,580

This is made up as follows:

##### Particulars

Name of the Bank	Branch	Account No.	30.06.2019	30.06.2018
The Farmers Bank Ltd.	Gulshan	0111100043807	2,592	3,742
National Bank of Pakistan	Motijheel	000111100008392	29,361	30,511
Bank Asia Ltd	Bashundhara	02336000081	756,269	741,032
Bangladesh Krishi Bank	Sherpur	5101-0210010547	-	1,077
Dutch Bangla Bank Ltd.	Jamalpur	2061100009548	-	852
Islami Bank Bangladesh Ltd	Dilkusha	20502130100194512	11,170	12,320
Islami Bank Bangladesh Ltd	Sherpur	20501880100396407	-	1,728
Jamuna Bank Ltd.	Sherpur	0069-0210000639	29,277	29,277
Janata Bank Ltd	Dilkusha	010233068969	1,772	3,037
Janata Bank Ltd	Sherpur	0510-0210021183	273	1,538
Mutual Trust Bank Ltd.	Panthapath	30320001642	7,394,905	7,216,000
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	616,962	618,112
Prime Bank Ltd.	Sherpur	51111030002914	-	1,635
Prime Bank Ltd.	Banani	13211070021183	-	1,522
Sonali Bank Ltd.	Sherpur	6201200002359	-	891
<b>TOTAL:</b>			<b>9,193,580</b>	<b>9,014,273</b>

Amount In Taka	Amount In Taka
30.06.2019	30.06.2018

#### 10.00 SHARE CAPITAL: TK. 597,135,000

This is made up as follows:

##### Particulars

##### **Authorised Capital:**

Authorised Capital :

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

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

Issued and Paid-up Capital

5,97,13,500 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	5	16,971,625	169,716,250	169,716,250
Institutions	119	5,647,868	56,478,680	47,872,500
General Public	6,527	37,094,007	370,940,070	379,546,250
<b>Total:</b>	<b>6,651</b>	<b>59,713,500</b>	<b>597,135,000</b>	<b>597,135,000</b>

Details of Number of holders and percentage as under:

Shareholding Range	30.06.2019			30.06.2018		
	No. of Shareholder	No. of Shares	Ownership (%)	No. of Shareholder	No. of Shares	Ownership (%)
0001-499	1,947	319,789	0.54%	2,329	399,091	0.67%
500-5000	3,568	6,174,161	10.34%	5,056	9,101,354	15.24%
5001-10000	529	3,946,901	6.61%	741	5,485,620	9.19%
10001-20000	298	4,429,322	7.42%	407	5,959,820	9.98%
20001-30000	106	2,698,213	4.52%	110	2,730,514	4.57%
30001-40000	57	1,990,068	3.33%	50	1,760,200	2.95%
40001-50000	37	1,725,214	2.89%	25	1,153,882	1.93%
50001-100000	60	4,292,692	7.19%	48	3,360,186	5.63%
100001-1000000	42	10,281,982	17.22%	26	5,907,675	9.89%
1000001-1000000000	7	23,855,158	39.95%	7	23,855,158	39.95%
<b>TOTAL:</b>	<b>6,651</b>	<b>59,713,500</b>	<b>100.00%</b>	<b>8,799</b>	<b>59,713,500</b>	<b>100.00%</b>

#### 11.00 RETAINED EARNINGS: TK. -1,825,585,259

This is made up as follows:

##### Particulars

Opening Balance

(1,757,329,960)      (1,639,675,634)

Add: Prior year adjustment

-      -

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

(68,255,299)      (117,654,326)

Add: Adjustment of Workers' Profit Participation Fund

-      -

Less: Dividend for the year

-      -

**TOTAL:**

**(1,825,585,259)**      **(1,757,329,960)**

Amount In Taka	Amount In Taka
30.06.2019	30.06.2018

#### 12.00 Deferred Tax Liability: TK. 70,498,495

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	570,018,638	288,024,657	281,993,981	25.00%	70,498,495	66,575,703
<b>Deferred Tax Liability</b>	<b>570,018,638</b>	<b>288,024,657</b>	<b>281,993,981</b>		<b>70,498,495</b>	<b>66,575,703</b>

#### 13.00 LONG TERM LOAN (SECURED): TK. 1,357,800,880

This is made up as follows:

##### Particulars

Bank Name	Types of A/C	Branch	Account No.	30.06.2019	30.06.2018
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	59,821,040
Bank Asia Ltd	Term Loan	Bashundhara	2335000430	297,681,059	295,139,579
United Leasing Co. Ltd	Lease Finance	Kazi Nazrul Islam Avenue	67011400194	1,435,000	1,435,000
Prime Finance & Investment Ltd.	Lease Finance	Dilkusha	LAD # 2013/015	73,314,160	65,474,414
Midas Financing Ltd.	Lease Finance	Dhanmondi	S00098 & L00937	245,654,888	235,579,627
				<b>1,357,800,880</b>	<b>1,337,344,393</b>
				-	-
				<b>1,357,800,880</b>	<b>1,337,344,393</b>

Less: Current portion of Long Term Loan

**TOTAL:**

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.

#### 14.00 TRADE & OTHER PAYABLES: TK. 276,543,925

This is made up as follows:

##### Particulars

Trade Creditors	166,381,247	166,381,247
Advance against Sales	45,848,547	45,848,547
Bills & Others Payable	64,314,131	63,775,710
<b>TOTAL:</b>	<b>276,543,925</b>	<b>276,005,504</b>



Amount In Taka	Amount In Taka
30.06.2019	30.06.2018

#### 15.00 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.	30.06.2018	30.06.2017
Mutual Trust	SND	BDT	0003-0320001642	5,965,250	5,965,250
Bank Limited	FC	USD	0003-0260000721	321,000	321,000
	FC	Euro	0003-0260000730	-	-
<b>TOTAL:</b>				<b>6,286,250</b>	<b>6,286,250</b>

#### 16.00 ACCURALS & PROVISIONS: TK. 100,797,083

This is made up as follows:

##### Particulars

Audit & Professional Fees		690,000	460,000
Gas Bill		16,376,447	16,376,447
CSE Listing Fee Payable		1,030,003	731,435
DSE Listing Fee Payable		597,236	298,668
Dividend Payable		1,193,709	1,193,709
Workers' Profit Participation Fund	Note - 16.01	33,573,634	33,573,634
Provision for Income Tax	Note - 16.02	47,336,054	47,277,643
<b>TOTAL:</b>		<b>100,797,083</b>	<b>99,911,536</b>

#### 16.01 Workers Profit Participation 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	-	-
	<b>33,573,634</b>	<b>33,573,634</b>
Less: Paid/Adjusted During the year	-	-
<b>Outstanding Balance</b>	<b>33,573,634</b>	<b>33,573,634</b>

#### 16.02 PROVISION FOR INCOME TAX: TK. 47,336,054

This is made up as follows:

##### Particulars

Opening Balance	47,277,643	47,225,676
Add: Addition during the year	58,411	51,967
Add: Adjustment of Deferred Tax for Rate Difference	-	-
	<b>47,336,054</b>	<b>47,277,643</b>
Less: Excess Provision Written Back to Retained earnings	-	-
Less: AIT Adjustment	-	-
Less: Paid during the year	-	-
	-	-
<b>TOTAL:</b>	<b>47,336,054</b>	<b>47,277,643</b>

Amount In Taka	Amount In Taka
2018-2019	2017-2018

#### 17.00 REVENUE: TK. NIL

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

#### 18.00 COST OF GOODS SOLD: TK. 42,321,434

This is made up as follows:

##### **Particulars**

Raw Material Consumed	-	-
Processing Material Consumed	-	-
Packing Material Consumed	-	-
Stores & Spares Consumed	-	-
Factory Overhead	Note -18.01	46,448,482
<b>Cost of Production</b>	<b>42,321,434</b>	<b>46,448,482</b>
Add: Opening Stock of Finished Goods	-	-
<b>Cost of Goods available for Sale</b>	<b>42,321,434</b>	<b>46,448,482</b>
Less: Sales of by-product	-	-
Less: Closing Stock of Finished Goods	-	-
<b>Cost of Goods Sold:</b>	<b>42,321,434</b>	<b>46,448,482</b>

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

#### 18.01 FACTORY OVERHEAD: TK. 42,321,434

This is made up as follows:

##### **Particulars**

Depreciation	42,321,434	46,244,166
Gas Bill	-	204,316
<b>TOTAL:</b>	<b>42,321,434</b>	<b>46,448,482</b>

#### 19.00 GENERAL ADMINISTRATIVE EXPENSES: TK. 1,709,584

This is made up as follows:

##### **Particulars**

Audit Fees	230,000	230,000
Office Maintenance	-	2,000
Office Rent	258,000	774,000
Registration & Renewals	877,557	1,117,426
Write off of Intangible Assets	33,000	33,000
Depreciation	311,027	377,810
<b>TOTAL:</b>	<b>1,709,584</b>	<b>2,534,236</b>

#### 20.00 OTHER INCOME: TK. 233,644

This is made up as follows:

##### **Particulars**

Bank Interest Received	233,644	207,866
<b>TOTAL:</b>	<b>233,644</b>	<b>207,866</b>

Amount In Taka	Amount In Taka
2018-2019	2017-2018

#### 21.00 FINANCING EXPENSES: TK. 20,476,722

This is made up as follows:

##### **Particulars**

Bank Charges & Commission	20,235	49,649
Interest on Long Term Loan	2,541,480	28,118,429
Interest on Lease Finance	17,915,007	34,113,345
<b>TOTAL:</b>	<b>20,476,722</b>	<b>62,281,423</b>

#### 22.00 INCOME TAX EXPENSES: TK. 3,981,204

This is made up as follows:

Current Tax		58,411	51,967
Deferred Tax	Note -22.01	3,922,793	6,546,084
<b>TOTAL:</b>		<b>3,981,204</b>	<b>6,598,051</b>

#### 22.01 DEFERRED TAX EXPENSES: TK. 3,922,793

##### **Particulars**

Closing Deffered Tax Liability	70,498,495	66,575,703
Opening Deffered Tax Liability	66,575,703	60,029,619
<b>TOTAL:</b>	<b>3,922,793</b>	<b>6,546,084</b>

#### 23.00 CALCULATION OF BASIC EARNINGS PER SHARE: TK. -1.14

This is made up as follows:

##### **Particulars**

Net Profit / (Loss) for the Year	(68,255,299)	(117,654,326)
<b>Earnings attributable to the ordinary share holders</b>	<b>(68,255,299)</b>	<b>(117,654,326)</b>
Weighted average no. of Shares	(Note - 23.01)	59,713,500
<b>Basic Earning Per Share:</b>	<b>(1.14)</b>	<b>(1.97)</b>

#### 23.01 WEIGHTED AVERAGE NUMBER OF SHARES: 59,713,500

This is made up as follows:

##### **Particulars**

59,713,500 shares for 365 days	59,713,500	59,713,500
<b>TOTAL:</b>	<b>59,713,500</b>	<b>59,713,500</b>

#### 24.00 NO. OF EMPLOYEES

No Employee was employed during the year 2018-2019.

#### 25.00 PRODUCTION CAPACITY

Emerald Oil Industries Ltd. was not in production during the year 2018-2019.

Amount In Taka	Amount In Taka
2018-2019	2017-2018

## 26.00 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:

		<u>Tk.</u>	<u>Tk.</u>
(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-7.01)	1,556,653,675	1,556,653,675

  
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, 2019

Annexure-A

Particulars	COST			Rate	DEPRECIATION			Written down value
	As at 01.07.2018	Addition during the year	As at 30.06.2019		As at 01.07.2018	Charged during the year	As at 30.06.2019	
	Land & Land Development	50,600,447	-		50,600,447	-	-	
Building & Other Civil Works	377,114,171	-	377,114,171	5%	13,861,014	113,754,914	263,359,257	
Plant & Machineries	529,439,314	-	529,439,314	10%	27,987,106	277,555,359	251,883,955	
Electrical & Gas Line Installation	9,842,954	-	9,842,954	15%	473,314	7,160,843	2,682,111	
Furniture & Fixtures	3,239,994	-	3,239,994	15%	149,253	2,394,224	845,770	
Office Equipment	3,493,595	-	3,493,595	20%	161,774	2,846,497	647,098	
<b>Balance as at June 30, 2019</b>	<b>973,730,475</b>	<b>-</b>	<b>973,730,475</b>		<b>42,632,461</b>	<b>403,711,837</b>	<b>570,018,638</b>	
<b>Balance as at June 30, 2018</b>	<b>973,730,475</b>	<b>-</b>	<b>973,730,475</b>	<b>-</b>	<b>46,621,976</b>	<b>361,079,376</b>	<b>612,651,099</b>	

**Depreciation Charged To-**

General & Administrative Expenses  
Factory Overhead  
**Total**

**30.06.2019**

311,027  
42,321,434  
**42,632,461**

**30.06.2018**

377,810  
46,244,166  
**46,621,976**

## EMERALD OIL INDUSTRIES LIMITED

### SCHEDULE OF INTANGIBLE ASSETS

As at 30 June, 2019

Annexure-B

Particulars	C O S T			Rate	A M O R T I Z A T I O N			Written down value
	As at 01.07.2018	Addition during the year	As at 30.06.2019		As at 01.07.2018	Addition during the year	As at 30.06.2019	
Software	330,000	-	330,000	10%	280,750	33,000	313,750	16,250
Campaign Film (Advertisement)	6,430,000	-	6,430,000	20%	6,430,000	-	6,430,000	-
<b>Balance as at 30.06.2019</b>	<b>6,760,000</b>	<b>-</b>	<b>6,760,000</b>		<b>6,710,750</b>	<b>33,000</b>	<b>6,743,750</b>	<b>16,250</b>
<b>Balance as at 30.06.2018</b>	<b>6,760,000</b>	<b>-</b>	<b>6,760,000</b>	<b>-</b>	<b>6,677,750</b>	<b>33,000</b>	<b>6,710,750</b>	<b>49,250</b>



## EMERALD OIL INDUSTRIES LIMITED

Halimunnesa's Court (Floor-9), 23 Kakrail, Dhaka-1000, Bangladesh

### PROXY FORM

I/We \_\_\_\_\_  
of \_\_\_\_\_  
being a member(s) of Emerald Oil Industries Limited hereby appoint Mr./Ms. \_\_\_\_\_  
\_\_\_\_\_ of \_\_\_\_\_  
as my/our proxy to attend and vote for me/us and on my/our behalf at the 12th Annual General Meeting (AGM)  
of the Company to be held on 12 July, 2023 (Wednesday) and or at any adjournment thereof.  
Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2023

Signature of Shareholder(s) \_\_\_\_\_ Signature of the Proxy: \_\_\_\_\_  
BO ID: \_\_\_\_\_  
No. of Shares held: \_\_\_\_\_

\_\_\_\_\_  
Authorized Signature  
Emerald Oil Industries Limited

\_\_\_\_\_  
Signature verified

N.B.: This Form of Proxy, duly signed (as recorded with the company), stamped and completed must be submitted to the Registered Office or Share Department (the Company's registered office: Halimunnesa's Court, Floor-9, 23, Kakrail, Dhaka-1000, Bangladesh) of the Company at least 48 (Forty Eight) hours before the Meeting.

## EMERALD OIL INDUSTRIES LIMITED

Halimunnesa's Court (Floor-9), 23 Kakrail, Dhaka-1000, Bangladesh

### ATTENDANCE SLIP

I/We hereby record my attendance at the 12th Annual General Meeting of Emerald Oil Industries Limited being held on 12 July, 2023 (Wednesday).

Signature of Shareholder(s) \_\_\_\_\_ Signature of the Proxy: \_\_\_\_\_  
Name of Shareholder(s) \_\_\_\_\_ Name of Proxy: \_\_\_\_\_  
BO ID: \_\_\_\_\_  
No. of Shares held: \_\_\_\_\_

\_\_\_\_\_  
Authorized Signature  
Emerald Oil Industries Limited

Note: Please complete the attendance slip and hand it over at the entrance of the venue.



## EMERALD OIL INDUSTRIES LIMITED

**REGISTERED OFFICE:**

Halimunnesa's Court (Floor-9), 23, Kakrail, Dhaka-1000, Bangladesh

Phone : +88 02 8391511-3, Fax: +88 02 8391514

E-mail : [emldoik@yahoo.com](mailto:emldoik@yahoo.com), Web : [www.spondonoil.com](http://www.spondonoil.com)

**FACTORY:** Sheripara, Sherpur Sadar, Sherpur