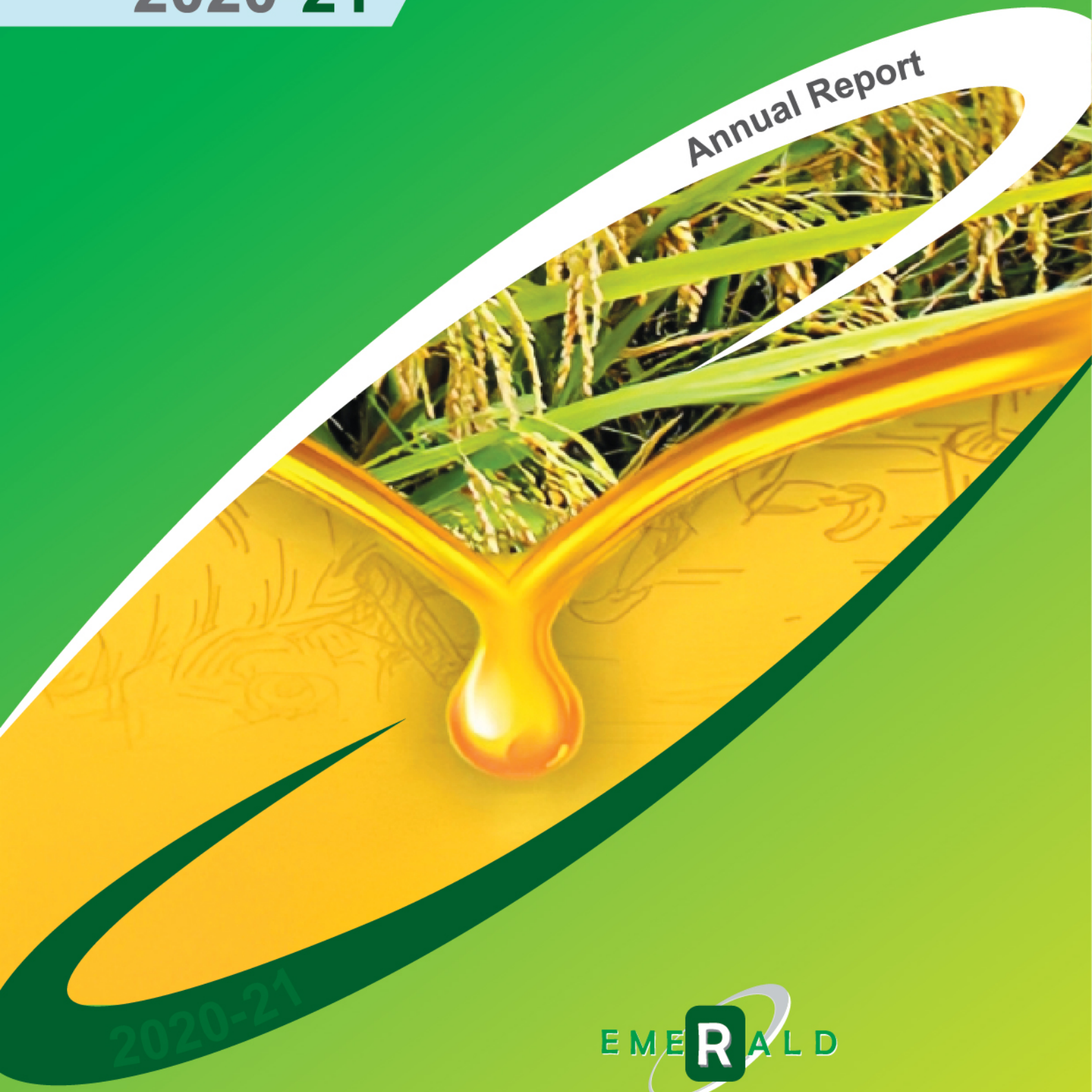


2020-21

Annual Report



2020-21



**Emerald Oil Industries Limited**

Annual Report  
2020-21



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, 2021.

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 2021 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 14<sup>TH</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 14th Annual General Meeting of Emerald Oil Industries Ltd. will be held virtually by using the digital platform through the link <https://spondonoil-agm14.bdvirtualagm.com> on Wednesday, 12 July 2023 at 4:00 P.M. to transact the following business:

## AGENDA:

01. To receive, consider and approve the Audited Financial Statements for the year ended 30th June 2021 together with the Auditors' Report thereon and the report of the Directors'.
02. To declare the Dividend for the year ended June 30, 2021.
03. To elect/re-elect of Directors.
04. To consider approval of the appointment of Independent Directors.
05. To consider the appointment of Statutory Auditors for the year ended June 30, 2022, and fix their remuneration.
06. To consider the appointment of Compliance Auditors for the year ended June 30, 2022, and fix their remuneration.

Dated, Dhaka  
22 June, 2023

By order of the Board of Directors



Company Secretary

## Notes:

- (a) The "Record Date" is fixed on 26 June 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-agm14.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 2020-21 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.

# 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:**

S.K Barua & Co.  
Chartered Accountants  
House #184 (Ground Floor), Road #02,  
New DOHS, Mohakhali, Dhaka-1206, Bangladesh.

## **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

# CORPORATE DIRECTORY

## Board of Directors

### As on 30th June, 2021 (reconstituted by BSEC)

MR. MD. SAFIQL ISLAM  
Chairman/Independent Director

PROFESSOR DR. PRASHANTA KUMAR BANERJEE  
Independent Director

DR. SANTUS KUMAR DEB  
Independent Director

MR. MD. SAJIB HOSSAIN  
Independent Director

MR. MOHAMMAD GOLAM SARWAR  
Independent Director

MR. SIDRATUL MAHABUB HASAN  
Nominated Director of Minori Bangladesh Ltd.

### As on 30th June, 2020

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

# DIRECTORS' REPORT TO THE SHAREHOLDERS

## Dear Shareholders,

It is a great pleasure for us to welcome you all to the 14th 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 2021. 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 2021.

## 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 into 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 company's Managing Director 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	2021		2020	
Cost of Goods Sold	37.24	-	41.24	-
Gross margin	(37.24)	-	(41.24)	-
Net margin for the year	(36.23)	-	(46.31)	-

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

There was no extraordinary gain or loss in the Financial Statements on 30 June 2021.

## VI. BASIS FOR RELATED PARTY TRANSACTION

Related party transaction is shown in note no. 33 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 2020-21.

## 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 has 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

Bangladesh Securities and Exchange Commission (BSEC) reconstituted the Board of the company and removed the previous directors of the company vide letter no. BSEC/SRMIC/47/2014/73 dated 02 March 2021 and appoint-

ed 5(five)distinguished persons as independent directors of Emerald. After that BSEC vide Memo No. BSEC/SR-MIC/47/2014/112 dated 29 April 2021 advised Emerald Oil Industries Limited to appoint one or more directors in Emerald against the ownership of 7.81% shares held by Minori Bangladesh Limited. During the year, 12 (Twelve) board of director meeting was held and no remuneration was paid to Directors including Independent Directors except Board Meeting Fees.

## XI. DECLARATION ON THE FINANCIAL STATEMENT

- 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.
- Proper books of account of the company have been maintained.
- 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.
- 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.
- The system of internal control is sound in design and has been effectively implemented and monitored.

## XII. 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.

## XIII. 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.

## XIV. 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

Particulars	30 June 2021	30 June 2020	30 June 2019	30 June 2018	30 June 2017
<b>Operational Result</b>					
Turnover	-	-	-	-	940.41
Gross Profit	(37.24)	(41.24)	(42.32)	(46.45)	(126.47)
Net Profit before Tax	(43.66)	(44.25)	(64.27)	(111.06)	(1,919.45)
Net Profit after Tax	(36.23)	(46.31)	(68.26)	(117.65)	(1,958.06)
Net Cash Flow From Operation	(3.38)	6.47	0.20	0.12	105.81
<b>Financial Position</b>					
Fixed Assets	478.75	532.51	570.03	612.70	659.36
Current Assets	13.88	13.77	13.44	13.23	26.50
Shareholder's Equity	(1,278.03)	(1,247.57)	(1,228.45)	(1,160.19)	(1,042.54)
Long Term Liability (Including current Position)	1,305.15	1,326.22	1,357.80	1,337.34	1,288.49
<b>Key Financial Ratio</b>					
Current Ratio	0.03	0.03	0.04	0.03	0.07
Quick Ratio	0.02	0.02	0.02	0.02	0.06
Debt to Equity Ratio	(1.39)	(1.44)	(1.47)	(1.54)	(1.66)
Net Income Ratio (%)	-	-	-	-	-208.21%
Return on Equity (%)	2.83%	3.71%	5.56%	10.14%	187.82%
Earnings Per Share	(0.58)	(0.76)	(1.14)	(1.97)	(34.34)

## XV. DIVIDEND DECLARATION

Due to the negative growth of the financial position of the company the Board of Directors is unable to hold AGM within the stipulated time after 2016 till date & no dividend recommend this year.

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

During the year, 12 (Twelve) nos. of meeting of the board of director was held and all the members of the board attended the meetings.

## XVII. PATTERN OF SHAREHOLDING

The Pattern of Shareholdings as on 30 June 2021 is as follows:

Name	No. of Shares	%
Sponsors/Directors	22,848,125	38.26%
Institutions	8,583,080	14.37%
General Public	28,282,295	47.37%
<b>Total</b>	<b>59,713,500</b>	<b>100.00%</b>

Shareholdings position as on 30 June 2021 as follows:

SI	Name sponsors/ promoters and directors	Status No. of Shares	Holding	Holding %
1	Mr. Syed Monwarul Islam	Sponsor	1,210,000	2.03%
2	Mr. Syed HasibulGaniGalib	Sponsor	12,782,000	21.41%
3	Mr. A.S.M. Monirul Islam	Ex Director	1,210,000	2.02%
4	Mr. Sajan Kumar Basak	Ex Director	1,331,000	2.23%
5	Mr. Amitabha Bhowmik	Ex Director	1,331,000	2.23%
6	Mr. Md. Enamul Haque Khan	Sponsor	317,625	0.53%
7	Mr. Sidratul Mahabub Hasan	Shareholder Director, nominated by Minori Bangladesh Ltd.	4,666,500	7.81%
8	Institutions		8,583,080	14.37%
9	General Public		28,282,295	47.37%
<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	Sponsor	1,210,000	Nil	Nil
2	Mr. Syed Hasibul Gani Galib	Sponsor	12,782,000	Nil	Nil
3	Mr. A.S.M. Monirul Islam	Ex Director	1,210,000	Nil	Nil
4	Mr. Sajan Kumar Basak	Ex Director	1,331,000	3,400	Ms. Anjana Basak, Spouse
5	Mr. Amitabha Bhowmik	Ex Director	1,331,000	Nil	Nil
6	Mr. Md. Enamul Haque Khan	Sponsor	317,625	Nil	Nil
7	Mr. Sidratul Mahabub Hasan	Shareholder Director, nominated by Minori Bangladesh Ltd.	4,666,500	Nil	Nil

**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 AND APPOINTMENT OF INDEPENDENT DIRECTORS**

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 by rotation as per Articles of Association of the Company. 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. As per BSEC's 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/CMR-RCD/2009-193/07/Admin. Dated 01 September 2020 and Commission's Order No.SEC/CMRRC/2009-98/08 Dated 01 September 2020 will not be included in the particulars of directors (FORM-XII).

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

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. SidratulMahabub 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:

Sl. 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.

**STATUTORY AUDITORS QUALIFIED REPORT**

Statutory Auditors Aziz Halim Khair Choudhury, Chartered Accountants submitted a "Qualified Opinion" on the Financial Statement of Emerald Oil Industries Limited for the year ended June 30, 2021, on Property, plant & equipment, Trade and Other Receivables, Advances, Deposits & Pre-Payments, Cash & Cash equivalents, Share money deposit, Deferred tax liabilities, Long term loan, Trade & Other Payables, Salary & Allowance. 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 Aziz Halim Khair Choudhury, Chartered Accountants for auditing the financial statements of the company for the financial years ending 30 June 2020, 30 June 2021, and 30 June 2022 in its 31st Board of Directors meeting held on 15 March 2023 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 Aziz Halim Khair Choudhury, Chartered Accountants completed the audit of the financial statements of the company for the year ended June 30, 2021.

To comply with BSEC guidelines the new Board had been appointed Aziz Halim Khair Choudhury, Chartered Accountant as Statutory Auditors of the company for a period of 3 (three) years i.e year ended 30 June 2020, 2021&2022 for the audit of financial statements of the company with the fee of Tk. 2,50,000/- (Two Lac Fifty Thousand) (including VAT & Tax).

## 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 S.K Barua & Co.Chartered Accountants for Corporate Governance audit for the year ended 30th June 2021 & 2022. Further, the Corporate Governance Compliance Report and a Certificate of Compliance required under the said Guidelines, as provided by S.K Barua &Co.Chartered Accountants 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, the Shareholding Pattern for the year ended June 30, 2021, is 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



**S.K. BARUA & CO.**  
CHARTERED ACCOUNTANTS

a member of  
**empacta**  
registered in Berlin-Germany

## Report to the Shareholders of Emerald Oil Industries Limited on compliance on the Corporate Governance Code

[Certificate as per condition No. 1(5) (xxvii)]

We have examined the compliance status to the Corporate Governance Code by **Emerald Oil Industries Limited** for the year ended on 30 June 2021. This Code relates to the Notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 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 security 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 remark's column in Annexure-C;
- b) The Company has complied with the provision 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 except as stated in the remark's column in Annexure-C; and
- d) The Company was shut down during the financial period 2020-21, in accordance with the Governance of the company is not satisfactory.



**Dated: Dhaka**  
**26 June 2023**

1

  
**Mohammad Anwarul Hoque FCA**  
**Partner**  
**S.K. Barua & Co.**  
**Chartered Accountants**

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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 is comprised of 6 (six) Directors. Bangladesh Securities and Exchange Commission (BSEC) reconstituted the Board of the company and removed the previous directors of the company vide letter no. BSEC/SRMIC/47/2014/73 dated 02 March 2021 and appointed the 5(five) persons as independent directors of Emerald. After that 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 Emerald against the ownership of 7.81% shares held by Minori Bangladesh Limited. As of now, the EOIL board is comprised 6(six) 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.	√		Do
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	√		Do
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: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	√		Do

## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years	√		Do
1(2)(b)(iv)	The independent director does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.	√		Do
1(2)(b)(v)	Independent Directors are not the members or TREC holder, directors or officers of any stock exchange.			Do
1(2)(b)(vi)	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.	√		Do
1(2)(b)(vii)	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.	√		Do
1(2)(b)(viii)	The independent director shall not be an independent director in more than 5(five)listed companies.	√		Do
1(2)(b)(ix)	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).	√		Do
1(2)(b)(x)	The independent director has not been convicted for a criminal offence involving moral turpitude.	√		Do
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).		√	The EOIL Board is comprised of 6 (six) Directors. Bangladesh Securities and Exchange Commission (BSEC) reconstituted the Board of the company and removed the previous directors of the company vide letter no.BSEC/SRMIC/47/2014/73 dated 02 March 2021 and appointed the 5(five) persons as independent directors of Emerald. After that BSEC vide Memo No. BSEC/SR-MIC/47/2014/112 dated 29.04.2021 advised Emerald Oil Industries Limited to appoint one or more directors in Emerald against the ownership of 7.81% shares held by Minori Bangladesh Limited. As of now, the EOIL board is comprised 6(six) Directors.

## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days.	√		Do
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.	√		Do
<b>1.3</b>	<b>Qualification of Independent Director(ID)</b>			
1(3)(a)	Independent Director shall be knowledgeable individual with integrity	√		Independent Directors have been appointed by BSEC.
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			N/A
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.			N/A
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)	√		Independent Directors have been appointed by BSEC.
1(3)(b)(iv)	University teacher who has an educational background in economics or commerce or business studies or law.	√		Do
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.	N/A		
1(3)(c)	The Independent Director shall have at least 10 years of experience in any field mentioned in clause (b)	√		Independent Directors have been appointed by BSEC.
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	√		Do
<b>1.4</b>	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer</b>			
1(4)(a)	The Chairman of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) shall be different individuals;		√	The post of Chairman, Managing Director, or CEO was vacant because the Company was shut down during the financial year 2020-2021
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;		√	



## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
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.		√	Due to the Company was shut down during the year
<b>1.5</b>	<b>The Director's Report to Shareholders</b>			
1(5)(i)	Industry outlook and possible future developments in the industry.	√		During the financial year 2020-2021 no AGM was held and no Director's report was issued. Subsequently, Directors' report complies with the guideline.
1(5)(ii)	Segment-wise or product-wise performance	√		
1(5)(iii)	Risk and Concern including external & internal risk factors threat to sustainability & negative impact on environment, if any	√		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	√		
1(5)(v)	Discussion on continuity of any Extra-Ordinary gain or loss.	√		
1(5)(vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the Annual Report.	√		Disclosed in notes to the financial statements for the financial year 2020-21. (Note 3.17)
1(5)(vii)	Utilization of proceeds from public issues, rights issues and/ or through any others instruments.	√		No such remuneration has been given in the year ended 30 June 2021
1(5)(viii)	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)(ix)	If significant variance occurs between Quarterly Financial Performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	√		There was no operation due to shut down of the company.
1(5)(x)	Remuneration to directors including independent directors.	√	√	No such remuneration has been given in the year ended 30 June 2021
1(5)(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 inequity.	√		
1(5)(xii)	Proper books of accounts of the issuer company have been maintained.	√		It has been mentioned in the Director's report that proper books of accounts have been maintained but there are several observations in the audit report in this regard.
1(5)(xiii)	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 (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.		√	There is no statement in the Director's report in this regard.
1(5)(xvii)	There are no significant doubts upon the issuer-company's ability to continue as a going concern. If-	√		

## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
	he 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.	√		
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.	√		7(seven) Board of Directors meetings have been held during the year. The meeting's attendance by each director shall be disclosed in Annual Report.
<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)	√		
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).	√		
1(5)(xxiii)(c)	Executives.	√		
5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		
<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;		√	
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:		√	
1(5)(xxv)(a)	Accounting policies & estimation for preparation of financial statements.		√	
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.		√	

## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
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	√		The certificate regarding the compliance of conditions is disclosed in the annual report.
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.	√		
<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.		√	Due to the Company was shut down, the Company had no NRC during the financial year 2020-21.
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 Directors of the subsidiary company.	N/A		EOIL does not have any 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.	N/A		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the	N/A		

## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
	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.	N/A		EOIL does not have any subsidiary company
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary Company.	N/A		
<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).		√	Due to the Company was shut down during financial year 2020-21.
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		√	Because the Company was shut down during the financial year 2020-21.
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.		√	
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.		√	
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the annual report		√	

## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
<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.		√	The Company was shut down during the financial year 2020-21.
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.		√	Due to the Company was shut down, the Company had no Audit Committee during the financial year 2020-21 .
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.		√	Due to the Company was shut down, the Company had no Audit Committee during the financial year 2020-21.
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.		√	Due to the Company was shut down, the Company had no Audit Committee during the financial year 2020-21 .
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.		√	
5(3)(c)	Presence of Chairman of the Audit Committee in the Annual General Meeting		√	



## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
<b>5.4</b>	<b>Meeting of the Audit Committee</b>			
5(4)(a)	Frequency of Meeting of the Audit Committee.		√	Due to the Company was shut down, the Company had no Audit Committee during the financial year 2020-21 .
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) 5(5)(b)	Oversee the financial reporting process. Monitor choice of accounting policies and principles.		√	Due to the Company was shut down, the Company had no Audit Committee during the year
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.		√	Due to the Company was shut down, the Company had no Audit Committee during the financial year 2020-21 .
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.		√	Due to the Company was shut down, the Company had no Audit Committee during the financial year 2020-21 .
<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
5(6)(a)(ii)(c)	Suspected infringement of laws, including securities related law, rules and regulations.	N/A		
5(6)(a)(ii)(d)	Any other matter which shall be disclosed to the Board of Directors immediately.	N/A		

## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
5(6)(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		There was no such issue arise during the year
5(7)	<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.		√	Due to the Company was shut down, the Company had no Audit Committee during the year
<b>6.00</b>	<b>Nomination and Remuneration Committee (NRC)</b>			
<b>6.1</b>	<b>Responsibility to the board of directors</b>			
6(1)(a)	The company shall have a NRC as a sub-committee of the board.		√	Due to the Company was shut down, the Company had no NRC during the financial year 2020-21 .
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.		√	Due to the Company was shut down, the Company had no NRC during the yea
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.			The Committee didn't appoint or co-opt any external expert or member

## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
6(2)(g)	Company secretary shall act as the secretary of the committee.		√	Due to the Company was shut down, the Company had no NRC during the financial year 2020-21
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.		√	Due to the Company was shut down, the Company had no NRC during the financial year 2020-21
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.		√	Due to the Company was shut down, the Company had no NRC during the financial year 2020-21
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:		√	Due to the Company was shut down, the Company had no NRC during the financial year 2020-21
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		√	

## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
	objectives appropriate to the working of company and its goals;			
6(5)(b)(ii)	A policy on boards diversity considering age, gender, experience, ethnicity, educational background & nationality;		√	Due to the Company was shut down, the Company had no NRC during the financial year 2020-21
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		√	

## COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
	disclosures on its website as required under the listing regulations of the concerned stock exchange(s).			Due to Shut down the Company's quarterly financial statements were not posted in the website.
<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 S.K. Barua & Co. Chartered Accountants regarding the compliance of the conditions of 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.	√		The Board of Directors of Emerald Oil Industries Limited at its 30th Board of Directors meeting held on 23 February 2023 has appointed S.K. Barua & Co. Chartered Accountants for Corporate Governance audit for the year ended 30th June 2021.
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.	√		Detailed status given at Annexure - C and published in the Report



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

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion Section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 30 June 2021, and its financial performance and its cash flow year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

#### Basis for Qualified Opinion

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

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

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

02. No revaluation of Property, Plant & Equipment was carried out till 30th June 2021 to determine the fair value as per IAS-16.
03. Trade and Other Receivables of Taka 1,556,653,675 (Ref. note # 7.00) were shown as receivable from Mr. Syed Hasibul Gani Galib, Ex-Managing Director of the Company for the credit sales that were made during his tenure. Because the company could not collect the said receivables from the parties due to the unavailability of the parties' details (name, address, etc.). However, 100% provision for doubtful debt is provided by the company against the aforesaid receivable on the ground of uncertainty of recovery.
04. We could not confirm the authenticity, existence, aging, etc. of carry forward balances of Tax deducted at the

source of Taka 1,000,856 and a Bank Guarantee Margin of Tk. 358,600 (Note-08.00) due to the non-availability of sufficient/appropriate audit evidence like bank guarantee agreement, correspondence with the bank, bank statements or confirmations from the bank, and any other supporting documentation, etc.

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

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

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

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

07. As disclosed in note # 13 in the year 2020-2021 an amount of Taka 65,027,102 was shown as deferred tax liability in the statement of financial position and Taka 7,460,511 as deferred tax expense in the statement of profit or loss and other comprehensive income. The accuracy of the calculation of the said deferred tax liability and expense could not be confirmed due to the non-availability of the latest tax assessment order.
08. As disclosed in note # 14 Long Term Loan (Secured) Taka1,305,150,784, to confirm this amount we sent balance confirmation letters to the respective bank branches maintaining accounts by the company. Out of which we have not received some balance confirmation certificates from the concerned bank branches. Details are given below:

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

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

Bank Name	Account No.	Amount as per Financial Statements	Amount as per Balance Confirmation	Difference
Bank Asia Ltd	2335000430	62,846,059	65,409,586	(2,56 3,527)
Bank Asia Ltd	2335000491	200,065,000	222,997,345	(22,932,345)
Prime Finance & Investment Ltd.	LAD # 2013/015	73,314,160	90,817,139	(17,502,979)
<b>Total</b>		<b>336,225,219</b>	<b>379,224,070</b>	<b>(42,998,851)</b>

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

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

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

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

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

### Emphasis of Matter

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

- As per Section 81 of The Companies Act 1994, every company shall hold an AGM each year. As per Section 82 if the default is made in holding a meeting of the Company, the company and every officer of the company who is in default shall be punishable.....". But the company could not hold its Annual General Meeting (AGM) since December 2016.
- As per Section 36 of The Companies Act 1994 "Annual Summary of Share Capital and List of Shareholders and Directors to be filed within 21 days of an Annual General Meeting (AGM) to RJSC." But the company management did not comply with the aforesaid section of the Companies Act 1984.

03. The company management could not provide us with the latest Tax Assessment Status of the company for our verification, so we could not determine the actual tax liability of the company. The company did not submit the Income Tax Return of the company since the income year 2014-2015 as per section 75 (1) of the Income Tax Ordinance 1984. Further, the company provided us with a Tax Assessment Certificate of the company U/S 82BB of Income Tax Ordinance 1984 for the Assessment Year 2014-2015 (The income year 2013-2014).
04. According to Section 232 of the Labour Law 2006 of Bangladesh, it is obligatory for companies or establishments in Bangladesh to establish a Workers Profit Participation Fund (WPPF). The law mandates that a company must allocate five percent (5%) of its Net Profit to the Workers Profit Participation Fund, Welfare Fund, and Bangladesh Worker's Welfare Foundation Fund, with a distribution ratio of 80:10:10. The payment should be made within nine (9) months after the end of each fiscal year. The company did not make any payment within the stipulated time since the year 2015-2016 in accordance with the abovementioned Law.
05. The company's failure to provide gratuity to its permanent employees as per Section 27(4) of the Bangladesh Labour Act 2006, as amended, which mandates employers to grant gratuity payments to permanent employees after one year of continuous service. This was reported in the "Emphasis of Matter" Paragraph of last year's audit report.
06. Due to the unavailability of required documents the verification of potential liability for pending tax cases which is dependent on the outcomes of such cases, could not be ascertained. Furthermore, there has been no disclosure in the financial statements regarding this issue.
07. No information was provided to the audit team regarding action taken by the company to recover the receivables from Mr. Syed Hasibul Gani Galib (Ex. Managing Director of the company).

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. Those matters were addressed in context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is produced in the context.

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

## Reporting on Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions



that may cast significant doubts on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

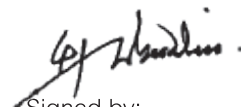
### Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission and other applicable laws and regulations. We, as required by law, further report that:

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

05 June 2023  
Dhaka

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



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

# EMERALD OIL INDUSTRIES LIMITED

## STATEMENT OF FINANCIAL POSITION

As at 30 June, 2021

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

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

  
CFO

  
Company Secretary

  
Director

  
Managing Director

  
Chairman

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

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



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

Date: 05 June 2023  
Place: Dhaka

**EMERALD OIL INDUSTRIES LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
For the year ended 30 June, 2021

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

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

  
CFO

  
Company Secretary


  
Director

  
Managing Director

  
Chairman

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

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

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

Date: 05 June 2023  
Place: Dhaka

## EMERALD OIL INDUSTRIES LIMITED

### STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June, 2021

Particulars	Amount in Taka			
	Share Capital	Share Money Deposit	Retained Earnings	Total Amount
Balance as at July 01, 2020	597,135,000	27,100,000	(1,871,808,224)	(1,247,573,224)
Share Money Deposit During the year	-	5,770,100	-	5,770,100
Net profit after tax for the year	-	-	(36,231,778)	(36,231,778)
<b>Balance as at June 30, 2021</b>	<b>597,135,000</b>	<b>32,870,100</b>	<b>(1,908,040,001)</b>	<b>(1,278,034,901)</b>

## EMERALD OIL INDUSTRIES LIMITED

### STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June, 2020

Particulars	Amount in Taka			
	Share Capital	Share Money Deposit	Retained Earnings	Total Amount
Balance as at July 01, 2019	597,135,000	-	(1,825,585,259)	(1,228,450,259)
Prior Year Adjustment	-	-	88,024	88,024
Restated Opening Balance	597,135,000	-	(1,825,497,235)	(1,228,362,235)
Share Money Deposit During the year	-	27,100,000	-	27,100,000
Net profit after tax for the year	-	-	(46,310,988)	(46,310,988)
<b>Balance as at June 30, 2021</b>	<b>597,135,000</b>	<b>27,100,000</b>	<b>(1,871,808,223)</b>	<b>(1,247,573,223)</b>

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

  
CFO

  
Company Secretary

  
Director

  
Managing Director

  
Chairman

Date: 05 June 2023

Place: Dhaka

# EMERALD OIL INDUSTRIES LIMITED

## STATEMENT OF CASH FLOWS

For the year ended 30 June, 2021

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

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

  
CFO

  
Company Secretary

  
Director

  
Managing Director

  
Chairman

Date: 05 June 2023

Place: Dhaka

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

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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 & Supplementary Duty Act, 2012
- d) The Value Added Tax & Supplementary Duty Rules, 2016
- e) Bangladesh Securities and Exchange Commission Rules 1987

### 2.03 Basis of Measurement

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

### 2.04 Functional and presentation currency

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

### 2.05 Use of Estimates and Judgment

The preparation of these financial statements 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 2020 to 30 June 2021.

## 2.08 Date of Authorization

The Board of Directors has authorized these financial statements on 01 June, 2023.

## 2.09 SIGNIFICANT ACCOUNTING POLICIES

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

## 3.00 APPLICATION OF STANDARDS

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

Name of the accounting standards	Ref. No.	Status of Application
Presentation of Financial Statements	IAS – 1	Applied
Inventories	IAS – 2	Applied
Statements of Cash Flows	IAS – 7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS – 8	Applied
Events after the reporting period	IAS – 10	Applied
Income Taxes	IAS – 12	Applied
Property, Plant and Equipment	IAS – 16	Applied
Employee Benefit	IAS – 19	Applied
The Effects of Changes in Foreign Exchange Rates	IAS – 21	Applied
Borrowing Costs	IAS – 23	Applied
Related Party Disclosures	IAS – 24	Applied
Financial Instrument, Presentation	IAS – 32	Applied
Earnings Per Share	IAS – 33	Applied
Interim Financial Reporting, Comparative Information	IAS – 34	Applied
Impairment of Assets	IAS – 36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS – 37	Applied
Intangible Assets	IAS – 38	Applied
Financial Instruments: Recognition & Measurement	IAS – 39	Applied
Financial Instruments disclosure	IFRS – 7	Applied
Fair Value Measurement	IFRS – 13	Applied
Revenue	IFRS – 15	Applied
Leases	IFRS – 16	Not Applicable

### **3.01 Property, Plant and Equipment**

#### **3.01.01 Recognition and Measurement and Disclosure**

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

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

#### **3.01.02 Borrowing Costs**

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

#### **3.01.03 Subsequent Costs and Maintenance Activities**

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

#### **3.01.04 Disposal of property, plant and equipment**

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

#### **3.01.05 Maintenance Activities**

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

#### **3.01.06 Depreciation**

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

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

Category	Rate of Depreciation	
	30.06.2021	30.06.20
Land & Land Development	-	-
Building & Other Civil Works	5%	5%
Plant & Machineries	10%	10%
Electrical & Gas Line Installation	15%	15%
Furniture & Fixtures	15%	15%
Office Decoration	15%	15%
Office Equipment	20%	20%
Vehicle	20%	20%

### 3.02 Capital Work-in-progress

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

### 3.03 Intangible Assets

#### 3.03.01 Recognition and measurement

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

#### 3.03.02 Amortization

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

### 3.04 Inventories

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

### 3.05 Accounts Receivable

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

### 3.06 Advances, Deposits and Prepayments

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

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to profit and loss account.

### 3.07 Cash and Cash Equivalent

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

### 3.08 Contingencies

There is ongoing litigation against the Ex Directors removed on 02 March 2021 as well as Emerald Oil Industries Ltd. by Anti-Corruption Commission (ACC) and some other government parties regarding loan arrangement from BASIC bank against which a writ petition (No. 13250 of 2015) has been lodged. At this point management is unable to measure the obligation with sufficient reliability or ascertain the outcome of this litigation. Hence no provision for liability has been recorded.

### 3.09 Going Concern

The company made a net Loss after tax of Tk. 36,231,778/- during the year. The company could not repay its banks'/financial Institutions' loans in due time which resulted in anti-corruption commission filing a lawsuit against the Directors as well as the Company as detailed in 3.08.

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

### 3.10 Income Tax & VAT

#### Current Tax

A provision @ 0.6% on the Gross Revenue Income except other income of the company has been provided during the year as per the Income Tax Ordinance, 1984. However provision 22.5% is made on total others income of the company.

#### Deferred Tax

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

#### Value Added Tax (VAT)

No VAT is applicable on the sale proceeds of the company as the company's sales is exempted from VAT under Table-3, Heading No.-15.15, H.S.Code-1515.90.00 of related SRO of The Value Added Tax & Supplementary Duty Act, 2012.

### 3.11 Revenue Recognition

In compliance with the requirements of IFRS – 15: Revenue, revenue from receipts from customers against sales is recognized when products are dispatched to customers, that is, when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

### 3.12 Borrowing Costs

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

### **3.13 Statement of Cash Flows**

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

### **3.14 Statements of Changes in Equity**

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

### **3.15 Earnings Per Share**

The company calculates its earnings per share in accordance with International Accounting Standard (IAS) -33 which has been reported on the face of Statement of profit or loss and others comprehensive income.

#### **Basic Earnings Per Share**

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

#### **Diluted Earnings Per Share**

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

### **3.16 Employee Benefit Schemes**

Workers Profit Participation Fund (WPPF)

During 2011-12, The company has introduced Workers Profit Participation Fund for its employees in accordance with provisions of Bangladesh Labour Act, 2006 (Sec-232(1)). No provision is made during the year 2020-21 as the company incurred loss.

### **3.17 Related Party Transactions**

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

### **3.18 Events After the Reporting Period**

In compliance with the requirements of IAS 10: Events after the reporting period, post Balance Sheet events that provide additional information about the company's position at the reporting Date are reflected in the financial statements.

### **3.19 Net Asset Value per Share (NAVs):**

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

### **3.20 Comparative**

Comparative information has been disclosed in respect of the previous year for all numerical information in

the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year financial statements.

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

### **3.21 Impairment of assets**

#### **I) Financial Assets**

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

#### **II) Non-Financial assets**

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

### **3.22 Leases**

In compliance with IFRS 16, Lease in terms of which the company assumes substantially all the risks and rewards of ownership are classified as finance leases and all other leases are classified as operating lease.

### **3.23 Foreign Currency Transaction:**

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

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

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

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

## **4.00 Risk Factors & Management Perception About The Risks**

An investment in Equity Shares is not always risk free. Sometimes it involves a high degree of risk. Before making an investment in the Equity Shares, please carefully consider all the information in this Prospectus including the risk and uncertainties described below. If any of the following risk actually occurs, our



business, financial condition and results of our operations could suffer, the trading price of our equity shares could decline and you may lose all or part of your investment:

#### **4.01 Interest Rate Risks**

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

##### **Management Perception**

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

#### **4.02 Exchange Rate Risks**

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

##### **Management Perception**

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

#### **4.03 Industry Risks**

##### **(a) Competitive Market for Edible Oil**

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

##### **Management Perception**

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

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

##### **(b) Market penetration**

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

### **Management Perception**

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

### **(c) Sourcing of Raw Materials**

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

### **Management Perception**

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

## **4.04 Market and Technology-Related Risks**

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

### **Management Perception**

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

## **4.05 Potential or Existing Government Regulations**

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

### **Management Perception**

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

## **4.06 Potential Changes in Global or National Policies**

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

### **Management Perception**

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

#### **4.07 Operational Risks**

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

##### **Management Perception**

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

#### **4.08 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
30.06.2021	30.06.2020

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

This is made up as follows:

##### **Particulars**

Opening Balance	975,318,783	973,730,475
Addition during the year	1,511,200	1,588,308
	<b>976,829,983</b>	<b>975,318,783</b>
Less: Disposal during the year	20,400,000	-
Closing Balance	956,429,983	975,318,783
Less: Accumulated Depreciation	477,683,325	442,806,214
<b>Written Down Value:</b>	<b>478,746,658</b>	<b>532,512,569</b>

The details have been shown in Annexure: A

#### 6.00 INTANGIBLE ASSETS: TK. 0

This is made up as follows:

##### **Particulars**

Opening Balance	6,760,000	6,760,000
Addition during the year	-	-
<b>Closing Balance</b>	<b>6,760,000</b>	<b>6,760,000</b>
Less: Accumulated Amortization:	6,760,000	6,760,000
<b>Written Down Value:</b>	<b>-</b>	<b>-</b>

The details have been shown in Annexure: B

#### 7.00 TRADE & OTHER RECEIVABLES: TK. 0

This is made up as follows:

##### **Particulars**

Dues within three months	-	-
Dues over three months but within six months	-	-
Dues over six months	1,556,653,675	1,556,653,675
<b>TOTAL</b>	<b>1,556,653,675</b>	<b>1,556,653,675</b>
Less: Provision for Bad & Doubtful Debts	1,556,653,675	1,556,653,675
<b>Net Amount</b>	<b>-</b>	<b>-</b>

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

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

This is made up as follows:

##### **Particulars**

##### **Advances:**

Tax Deducted at source	1,051,088	1,037,633
Deposits	3,247,050	3,247,050
Other Advance	-	-
<b>TOTAL</b>	<b>4,298,138</b>	<b>4,284,683</b>

Note: 8.01

Amount In Taka	Amount In Taka
30.06.2021	30.06.2020

#### 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. 9,586,010

his is made up as follows:

##### Particulars

Cash in Hand		-	-
Cash at Bank	Note: 9.01	9,586,010	9,486,868
<b>TOTAL</b>		<b>9,586,010</b>	<b>9,486,868</b>

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

This is made up as follows:

##### Particulars

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

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

his is made up as follows:

##### Particulars

##### Authorized Capital:

100,000,000 ordinary shares of tk. 10/- each **1,000,000,000** **1,000,000,000**

##### Issued and Paid-up Capital

5,97,13,500 ordinary shares of tk. 10/- each **597,135,000** **597,135,000**

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

Amount In Taka	Amount In Taka
30.06.2021	30.06.2020

The aforesaid share capital is subscribed as under:

Holding of the Share	No. of Shareholder	No. of Share	Value in Taka	Value in Taka
Sponsors/Directors	7	22,848,125	228,481,250	169,716,250
Institutions	211	8,583,080	85,830,800	93,566,660
General Public	4,690	28,282,295	282,822,950	333,852,090
<b>TOTAL</b>	<b>4,908</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	30.06.2021			30.06.2020		
	No. of Shareholder	No. of Shares	Ownership (%)	No. of Shareholder	No. of Shares	Ownership (%)
0001-499	1,547	250,102	0.42%	1,830	298,529	0.50%
500-5000	2,462	4,080,304	6.83%	3,275	5,561,821	9.31%
5001-10000	362	2,752,289	4.61%	511	3,769,996	6.31%
10001-20000	199	2,986,058	5.00%	263	3,920,321	6.57%
20001-30000	93	2,348,201	3.93%	118	2,954,382	4.95%
30001-40000	50	1,784,578	2.99%	56	1,971,203	3.30%
40001-50000	35	1,609,001	2.69%	32	1,481,561	2.48%
50001-100000	96	7,123,233	11.93%	60	4,526,471	7.58%
100001-1000000	57	12,438,076	20.83%	51	10,887,558	18.23%
1000001-1000000000	7	24,341,658	40.76%	7	24,341,658	40.76%
<b>TOTAL</b>	<b>4,908</b>	<b>59,713,500</b>	<b>100.00%</b>	<b>6,203</b>	<b>59,713,500</b>	<b>100.00%</b>

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

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

##### Particulars

Opening Balance	27,100,000	-
Deposit During the Year	5,770,100	27,100,000
Share Allotment	-	-
<b>CLOSING BALANCE</b>	<b>32,870,100</b>	<b>27,100,000</b>

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

This is made up as follows:

##### Particulars

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

Note: 12.01

#### 12.01 PRIOR YEAR ADJUSTMENT: TK. 0

This is made up as follows:

##### Particulars

LC Margin Refund	-	87,449
Cash at BRAC Bank	-	575
<b>TOTAL</b>	<b>-</b>	<b>88,024</b>



<b>Amount In Taka</b>	<b>Amount In Taka</b>
<b>30.06.2021</b>	<b>30.06.2020</b>

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

The break-up of the amount is given below:

Particulars	Carrying Amount	Tax Base	Temporary Difference	Tax Rate	Deferred Tax (Assets)/Liab.	Deferred Tax (Assets)/Liab.
Property, Plant & Equipment	478,746,658	189,737,314	289,009,344	22.50%	65,027,102	72,487,614
<b>Deferred Tax Liability</b>	<b>478,746,658</b>	<b>189,737,314</b>	<b>289,009,344</b>		<b>65,027,102</b>	<b>72,487,614</b>

The details have been shown in Annexure: C

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

This is made up as follows:

#### Particulars

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

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

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

This is made up as follows:

#### Particulars

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

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

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

This is made up as follows:

#### Particulars

This represent the amount payable against uncollected IPO subscription for Initial Public Offering

Amount In Taka	Amount In Taka
30.06.2021	30.06.2020

as follows:

Bank Name	Account Types	Currency	Account No.	30.06.2021	30.06.2020
Mutual Trust	SND	BDT	0003-0320001642	5,965,250	5,965,250
Bank Limited	FC	USD	0003-0260000721	321,000	321,000
<b>TOTAL:</b>				<b>6,286,250</b>	<b>6,286,250</b>

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

This is made up as follows:

Particulars	No of Shareholders		
For the Year 2013-14	385 no's	598,450	598,450
For the Year 2014-15	215 no's	595,259	595,259
<b>TOTAL</b>		<b>1,193,709</b>	<b>1,193,709</b>

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

This is made up as follows:

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

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

This is made up as follows:

Particulars		
Opening Balance	33,573,634	33,573,634
Add: Accrued During the year	-	-
	<b>33,573,634</b>	<b>33,573,634</b>
Less: Paid/Adjusted During the year	-	-
<b>CLOSING BALANCE</b>	<b>33,573,634</b>	<b>33,573,634</b>

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

This is made up as follows:

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

Amount In Taka	Amount In Taka
30.06.2021	30.06.2020

### 19.00 REVENUE: TK. 0

- -

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

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

This is made up as follows:

#### **Particulars**

Raw Material Consumed	-	-
Processing Material Consumed	-	-
Packing Material Consumed	-	-
Stores & Spares Consumed	-	-
Factory Overhead	Note -20.01 37,236,709	41,238,091
<b>Cost of Production</b>	<b>37,236,709</b>	<b>41,238,091</b>
Add: Opening Stock of Finished Goods	-	-
<b>Cost of Goods available for Sale</b>	<b>37,236,709</b>	<b>41,238,091</b>
Less: Sales of by-product	-	-
Less: Closing Stock of Finished Goods	-	-
<b>Cost of Goods Sold:</b>	<b>37,236,709</b>	<b>41,238,091</b>

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

### 20.01 FACTORY OVERHEAD: TK. 37,236,709

This is made up as follows:

#### **Particulars**

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

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

This is made up as follows:

#### **Particulars**

Salary & Allowances	880,259	720,000
Audit Fees	250,000	250,000
Advertisement Expense	22,500	-
Board Meeting Fees	360,000	-
Electricity Bill	8,192	-
Fooding & Entertainment	18,785	-
Internet & Server Expenses	14,550	72,600
Legal & Professional Expenses	2,725,000	-
Miscellaneous Expenses	3,900	-
Mobile & Telephone Bill	4,700	-
Office Maintenance	36,302	911,092
Office Rent	240,000	240,000
Office Service Charge	69,730	18,000

	Amount In Taka	Amount In Taka
	30.06.2021	30.06.2020
Printing & Stationery	7,060	-
Registration & Renewals	1,556,244	703,136
Travelling & Conveyance	20,207	-
Vehicle Maintenance	6,065	-
Write off of Intangible Assets	-	16,250
Depreciation	230,102	256,286
<b>TOTAL</b>	<b>6,453,596</b>	<b>3,187,364</b>

## 22.00 OTHER INCOME: TK. 135,917

This is made up as follows:

### Particulars

Bank Interest Received		134,558	251,483
Foreign Exchange Gain/ (Loss)	Note -22.01	1,359	27,721
<b>TOTAL</b>		<b>135,917</b>	<b>279,204</b>

## 22.01 FOREIGN EXCHANGE GAIN/ (LOSS) DURING THE YEAR: TK. 1,359

This is made up as follows:

### Particulars

Opening Balance of Foreign Currency Account		(378,721)	(351,000)
Bank Charge During the Year		690	-
Closing Balance of Foreign Currency Account	Note -22.02	379,390	378,721
<b>FOREIGN EXCHANGE GAIN/ (LOSS) DURING THE YEAR</b>		<b>1,359</b>	<b>27,721</b>

## 22.02 CLOSING BALANCE OF FOREIGN CURRENCY ACCOUNT: TK. 379,390

This is made up as follows:

Name of the Bank	Account No.	FC Amount	Currency	Exchange Rate	Value in Taka	Value in Taka
Mutual Trust Bank Ltd.	30260000721	4,136.94	USD	84.80	350,813	351,369
Mutual Trust Bank Ltd.	30260000730	283.31	URO	100.87	28,577	27,352
<b>TOTAL</b>					<b>379,390</b>	<b>378,721</b>

## 23.00 FINANCING EXPENSES: TK. 107,320

This is made up as follows:

### Particulars

Bank Charges & Commission	107,320	105,818
Interest on Long Term Loan	-	-
Interest on Lease Finance	-	-
<b>TOTAL</b>	<b>107,320</b>	<b>105,818</b>

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

Amount In Taka	Amount In Taka
30.06.2021	30.06.2020

#### 24.00 INCOME TAX EXPENSES: TK. -7,429,930

This is made up as follows:

Current Tax	Note -24.01	30,581	69,801
Deferred Tax	Note -24.02	(7,460,511)	1,989,118
<b>TOTAL</b>		<b>(7,429,930)</b>	<b>2,058,919</b>

#### 24.01 CURRENT TAX: TK. 30,581

This is made up as follows:

##### Particulars

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

#### 24.02 DEFERRED TAX EXPENSES/ (INCOME): TK. -7,460,511

##### Particulars

Closing Deferred Tax Liability		65,027,102	72,487,614
Opening deferred Tax Liability		72,487,614	70,498,495
<b>TOTAL</b>		<b>(7,460,511)</b>	<b>1,989,118</b>

#### 25.00 CALCULATION OF BASIC EARNINGS PER SHARE: TK. -0.58

This is made up as follows:

##### Particulars

Net Profit / (Loss) for the Year		(36,231,778)	(46,310,988)
<b>Earnings attributable to the ordinary share holders</b>		<b>(36,231,778)</b>	<b>(46,310,988)</b>
Weighted average no. of Shares	(Note - 25.01)	62,640,070	61,126,664
<b>Basic Earning Per Share:</b>		<b>(0.58)</b>	<b>(0.76)</b>

#### 25.01 WEIGHTED AVERAGE NUMBER OF SHARES: 62,640,070

This is made up as follows:

##### Particulars

62,423,500 shares for 365 days	62,423,500	-
357,200 shares for 212 days	207,470	-
106,966 shares for 30 days	8,792	-
112,844 shares for 1 day	309	-
59,713,500 shares for 365 days	-	59,713,500

	Amount In Taka	Amount In Taka
	30.06.2021	30.06.2020
1,915,000 shares for 254 days	-	1,332,630
200,000 shares for 144 days	-	78,904
595,000 shares for 1 day	-	1,630
<b>TOTAL</b>	<b>62,640,070</b>	<b>61,126,664</b>

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

## 26.00 CASH RECEIVED FROM CUSTOMER & OTHER INCOME: 135,917

This is made up as follows:

### **Particulars**

Closing Advance Against Sales	45,848,547	45,848,547
Opening Advance Against Sales	(45,848,547)	(45,848,547)
Other Income	135,917	279,204
Prior year adjustment	-	88,024
<b>TOTAL</b>	<b>135,917</b>	<b>367,229</b>

## 27.00 RECEIVED FROM/ (PAYMENT TO) CREDITORS, SUPPLIERS & OTHERS: -3,506,150

This is made up as follows:

### **Particulars**

Cost Of Goods Sold	(37,236,709)	(41,238,091)
General and Administrative Expenses	(6,453,596)	(3,187,364)
Depreciation	34,877,111	39,094,377
Amortization of Intangible Asset	-	16,250
Opening Advance, Deposits & prepayments excluding TDS	3,247,050	3,247,050
Closing Advance, Deposits & prepayments excluding TDS	(3,247,050)	(3,247,050)
Closing Accounts & Other Payables excluding Advance against sales	242,946,286	241,301,378
Opening Accounts & Other Payables excluding Advance against sales	(241,301,378)	(230,695,378)
Closing Accrued Expenses	23,202,958	19,540,822
Opening Accrued Expenses	(19,540,822)	(18,693,686)
<b>TOTAL</b>	<b>(3,506,150)</b>	<b>6,138,308</b>

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

This is made up as follows:

### **Particulars**

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



## 29.00 RECONCILIATION OF NET OPERATING CASH FLOW

### Cash flow from operating activities (indirect method)

Profit/(Loss) for After tax

#### Adjustment for:

Income Tax expense recognized in profit and loss

Prior year adjustment

Amortization of intangible assets

Depreciation of non-current assets

**Cash Generated from Operating activities before changes in working capital**

#### Adjustment for separate consideration

Finance cost recognized in profit and loss

#### Movement in Working Capital:

(Increase)/decrease in inventories

(Increase)/decrease in trade and other receivables

(Increase)/decrease in advance, deposit and prepayment

(Increase)/(decrease) in trade payables & other payables

(Increase)/(decrease) in provision for expense

#### Cash generated from operations

Income Tax Paid

**Net cash (used in)/ generated by operating activities**

Amount In Taka	Amount In Taka
30.06.2021	30.06.2020

(36,231,778)	(46,310,988)
(7,429,930)	2,058,919
-	88,024
-	16,250
34,877,111	39,094,377
<b>(8,784,597)</b>	<b>(5,053,418)</b>
107,320	105,818
-	-
-	-
(13,455)	(36,777)
1,644,908	106,000
3,662,136	847,136
<b>5,293,589</b>	<b>916,359</b>
-	-
<b>(3,383,688)</b>	<b>(4,031,241)</b>

## 30.00 NET OPERATING CASHFLOW PER SHARE

Net Operating Cashflows (From statement of cash flows)

Total number of shares

**Net Operating Cashflow per share**

(3,383,688)	6,468,760
62,640,070	61,126,664
<b>(0.054)</b>	<b>0.106</b>

## 31.00 NO. OF EMPLOYEES

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

## 32.00 REDUCTION CAPACITY

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

## 33.00 RELATED PARTY DISCLOSURE

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

	Taka	Taka
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

		Amount In Taka	Amount In Taka
		30.06.2021	30.06.2020
f) Trade Receivable (Mr. Syed Hasibul Gani Galib)	(Note-7)	1,556,653,675	1,556,653,675
g) Trade & Other Payables (Mr. Syed Hasibul Gani Galib)	(Note-15)	-	10,500,000

### 34.00 CONTINGENT LIABILITY

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

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

  
CFO

  
Company Secretary

  
Director

  
Managing Director

  
Chairman

Date: 05 June 2023  
Place: Dhaka

**EMERALD OIL INDUSTRIES LIMITED**  
**Schedule of Property, Plant & Equipments**  
As at 30 June, 2021

Annexure-A

Particulars	C O S T			Rate	D E P R E C I A T I O N			Written down value
	As at 01.07.2020	Addition during the year	Dispose during the year		As at 01.07.2020	Charged during the year	As at 30.06.2021	
Land & Land Development	50,600,447			-	-	-	50,600,447	
Building & Other Civil Works	378,702,479	1,409,500	20,400,000	5%	127,002,292	11,635,484	221,074,203	
Plant & Machineries	529,439,314			10%	302,743,755	22,669,556	204,026,003	
Electrical & Gas Line Installation	9,842,954			15%	7,563,160	341,969	1,937,825	
Furniture & Fixtures	3,239,994	32,200		15%	2,521,090	112,666	638,438	
Office Equipment	3,493,595	69,500		20%	2,975,917	117,436	469,742	
<b>Balance as at June 30, 2021</b>	<b>975,318,783</b>	<b>1,511,200</b>	<b>20,400,000</b>		<b>442,806,214</b>	<b>34,877,111</b>	<b>478,746,658</b>	
<b>Balance as at June 30, 2020</b>	<b>973,730,475</b>	<b>1,588,308</b>	<b>-</b>		<b>403,711,837</b>	<b>39,094,377</b>	<b>532,512,569</b>	
<b>Depreciation Charged To-</b>		<b>30.06.2021</b>				<b>30.06.2020</b>		
General & Administrative Expenses		230,102				256,286		
Factory Overhead		34,647,009				38,838,091		
<b>Total</b>		<b>34,877,111</b>				<b>39,094,377</b>		

## EMERALD OIL INDUSTRIES LIMITED

### SCHEDULE OF INTANGIBLE ASSETS

As at 30 June, 2021

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 01.07.2020	Addition during the year		As at 30.06.2021	As at 01.07.2020	Addition during the year	
Software	330,000	-	10%	330,000	-	330,000	-
Campaign Film (Advertisement)	6,430,000	-	20%	6,430,000	-	6,430,000	-
Balance as at 30.06.2021	6,760,000	-		6,760,000	-	6,760,000	-
Balance as at 30.06.2020	6,760,000	-		6,743,750	16,250	6,760,000	-

**EMERALD OIL INDUSTRIES LIMITED**  
**CALCULATION OF DEFERRED TAX**  
For the year ended 30 June, 2021

Annexure-C

## Property, Plant &amp; Equipment (Carrying Amount):

Particulars	COST			Rate	DEPRECIATION			Written down value
	As at 01.07.2020	Addition during the year	Dispose during the year		As at 30.06.2021	As at 01.07.2020	Charged during the year	
Land & Land Development	50,600,447	-	-	50,600,447	-	-	-	50,600,447
Building & Other Civil Works	378,702,479	1,409,500	20,400,000	359,711,979	5%	11,635,484	138,637,776	221,074,203
Plant & Machineries	529,439,314	-	-	529,439,314	10%	302,743,755	325,413,311	204,026,003
Electrical & Gas Line Installation	9,842,954	-	-	9,842,954	15%	7,563,160	7,905,129	1,937,825
Furniture & Fixtures	3,239,994	32,200	-	3,272,194	15%	2,521,090	2,633,756	638,438
Office Equipment	3,493,595	69,500	-	3,563,095	20%	2,975,917	3,093,353	469,742
<b>Balance as at 30.06.2021</b>	<b>975,318,783</b>	<b>1,511,200</b>	<b>20,400,000</b>	<b>956,429,983</b>		<b>442,806,214</b>	<b>477,683,325</b>	<b>478,746,658</b>

## Property, Plant &amp; Equipment (Tax Base):

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

Particulars	Carrying Amt.	Tax Base	Temporary Difference	Tax Rate	Cl. Liab/(Asset)	Op. Liab/(Asset)	Exps/(Income)
Property, Plant & Equipment's WPPF	478,746,658	189,737,314	289,009,344	22.50%	65,027,102	72,487,614	(7,460,511)
<b>Total</b>	<b>478,746,658</b>	<b>189,737,314</b>	<b>289,009,344</b>	<b>22.50%</b>	<b>-</b>	<b>65,027,102</b>	<b>72,487,614</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 14th 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 14th 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

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