

**Independent Auditor's Report and
Audited Financial Statement
Of
Emerald Oil Industries Ltd.
For the year ended 30 June 2023**

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

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Emerald Oil Industries Limited. ("the Company"), which comprise the Statement of Financial Position as at 30 June 2023, 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 2023, and its financial performance and its cash flow for the 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

- As disclosed in note # 5 Property, plant & equipment are shown at a written down value (WDV) of Taka 472,444,726 as on 30 June 2023. Out of this figure amounting Taka 487,332,169 written down value (WDV) of opening Property, plant & equipment's authenticity, opening balance and existence of property, plant & equipment could not be verified due to the non-availability of the fixed assets register (Soft or hard copy). In addition, no impairment test was carried on Property, Plant & Equipment on 30th June 2023 as required by IAS - 36, "Impairment of Assets" to assess the recoverable amount.
- The evidence with respect to inventory having a carrying amount of Taka 53,238,669 was limited as we could not observe the physical inventory count as of 30 June 2023 since our appointment was on 16 July, 2023. As a result, the accuracy of the physical existence of the inventory on 30 June 2023 could not be ascertained.
- As disclosed in note # 9.00 Cash at Bank Taka 63,790,451 as on 30 June 2023. 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	Branch	Account No.	30.06.2023 Taka	30.06.2022 Taka
National Bank of Pakistan	Motijheel	111100008392	-	26,831
Basic Bank Ltd.	Dilkusha	1510-01-0004855	24,562	31,992
Brac Bank Ltd.	Sherpur	6001-2026-2539-9001	-	575
Dutch Bangla Bank Ltd.	Jamalpur	2061100009548	-	3,310
Total			24,562	62,708

Further,

- Bank statement of National Bank of Pakistan, Motijheel Branch, A/C No. 000111100008392 was not provided to us for verification. The opening balance of the said account was Taka 26,831 and Nil balance was reported in the financial statements.
- Bank statement of Brac Bank Limited, Sherpur Branch, A/C No. 6001-2026-2539-9001 was not provided to us for verification. The opening balance of the said account was Taka 575 and Nil balance was reported in the financial statements.
- Bank statement of Dutch-Bangla Bank Limited, Jamalpur Branch, A/C No. 2061100009548 was not provided to us for verification. The opening balance of the said account was Taka 3,310 and Nil balance was reported in the financial statements.
- We did not receive bank statement for Jamuna Bank Limited Sherpur Branch A/C # 1001000874508.

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We have received balance confirmation from the following Bank & NBFIs:

Bank Name	Branch	Account No.	Amount in Taka
Padma (Ex Farmers) Bank Ltd.	Gulshan	0111100043807	301,200
AB Bank Ltd.	Gulshan	4019-781334-430	54,342,104
Total			54,643,304

We have received balance confirmation through the management of the following Bank & NBFIs:

Bank Name	Branch	Account No.	Amount in Taka
Bank Asia Ltd	Bashundhara	02336000081	736,709
Islami Bank Bangladesh Ltd	Dilkusha	20502130100194512	8,410
Mutual Trust Bank Ltd.	Panthapath	30210014971	3,275
Mutual Trust Bank Ltd.	Panthapath	30210014926	2,585
Mutual Trust Bank Ltd.	Panthapath	30260000721 [USD]	446,790
Mutual Trust Bank Ltd.	Panthapath	30260000730 [EURO]	33,394
Mutual Trust Bank Ltd.	Panthapath	30320001642	7,279,221
Mutual Trust Bank Ltd.	Principal	20210029840	612,201
Total			9,122,585

- As disclosed in note # 13 in the year 2022-2023 an amount of Taka 64,569,064 was shown as deferred tax liability in the statement of financial position and Taka 566,859 as deferred tax income (in note # 26) 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 as we could not confirm the opening balance of the Property, plant and equipment already disclosed in our qualifying point # 1.
- As disclosed in note # 14 Long Term Loan (Secured) Taka 1,304,464,534, 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:

Particulars	Branch	Account No.	Amount in Taka
Midas Financing Ltd.	Dhanmondi	S00098 & L00937	243,654,888
Total			316,969,048

We have received balance confirmation from the following Bank & NBFIs:

Bank Name	Branch	Account No.	Amount in Taka
Bank Asia Ltd.	Bashundhara	2335000430	62,846,059
Bank Asia Ltd.	Bashundhara	2335000491	200,065,000
Total			262,911,059

We have received balance confirmation through the management of the following Bank & NBFIs:

Bank Name	Branch	Account No.	Amount in Taka
Prime Finance & Investment Ltd.	Dilkusha	LAD # 2013/015	73,314,160
Total			73,314,160

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

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(Amount in Taka)

Bank Name	Account No.	Amount as per Financial Statements (A)	Amount as per Balance Confirmation (B)	Difference (A-B) Excess / (Shortfall)
Bank Asia Ltd	2335000430	62,846,059	537,500,000	(274,588,941)
Bank Asia Ltd	2335000491	200,065,000		
Prime Finance & Investment Ltd.	LAD # 2013/015	73,314,160	134,175,148	(60,860,988)
Total		262,911,059	671,675,148	(335,449,929)

**Bank Asia Ltd. has not provided individual balances, rather accumulated figure in crore taka.

Furthermore, the following Banks has provided us with balances as at 16.08.2023 rather than 30.06.2023:

(Amount in Taka)

Particulars	Branch	Account No.	Amount as per Financial Statements (A) 30.06.2023	Amount as per Balance Confirmation (B) 16.08.2023	Difference (A-B) Excess / (Shortfall)
Basic Bank Ltd.	Dilkusha	1502-04-0000016	197,338,045	385,027,023	(187,688,978)
Basic Bank Ltd.	Dilkusha	1502-01-0000901	89,014,251	173,746,111	(84,731,860)
Basic Bank Ltd.	Dilkusha	1502-01-0000917	102,280,237	199,639,873	(97,359,636)
Basic Bank Ltd.	Dilkusha	1502-01-0000959	200,650,071	391,647,066	(190,996,995)
Basic Bank Ltd.	Dilkusha	1502-04-000042	76,689,913	153,467,839	(76,777,926)
Basic Bank Ltd.	Dilkusha	1560-01-0000579	58,611,910	113,087,457	(54,475,547)
Total			724,584,427	1,416,615,368	(692,030,941)

We did not receive bank statement for the following Bank & NBFIs:

Bank Name	Branch	Account No.	Amount in Taka
Basic Bank Ltd	Dilkusha	1502-04-0000016	197,338,045
Basic Bank Ltd	Dilkusha	1502-01-0000901	89,014,251
Basic Bank Ltd	Dilkusha	1502-01-0000917	102,280,237
Basic Bank Ltd	Dilkusha	1502-01-0000959	200,650,071
Basic Bank Ltd	Dilkusha	1502-04-000042	76,689,913
Basic Bank Ltd	Dilkusha	1560-01-0000579	58,611,910
Bank Asia Ltd.	Bashundhara	2335000430	62,846,059
Bank Asia Ltd.	Bashundhara	2335000491	200,065,000
Prime Finance & Investment Ltd.	Dilkusha	LAD # 2013/015	73,314,160
Midas Financing Ltd.	Dhanmondi	S00098 & L00937	243,654,888
Total			1,304,464,534

Since we could not obtain bank statements for these loans, we could not verify them.

- The company did not show any financial expenses in the financial statements against interest on Long Term loans from Banks and NBFIs in 2022-2023. 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.
- Company is using two (02) office premises on rental basis which are underlying asset as per IFRS 16, "Leases". As a result, implementation of such "Leases" is required as per IFRS 16 which has not been complied by the Company.

8. The company paid salary & allowance to its employees which are disclosed in notes # 21.05 & 22.00 (Salary & Allowance). We noticed various non-compliances regarding ITO, 1984 & Rules as follows:
- In applicable cases, Proof of Submission of Returns or PSRs were not collected from respective employees which results in disallowances of such employees' salary & allowances;
 - 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; and
 - 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 the non-furnish of aforesaid statements, the tax authority may disallow the whole salary & allowance expenses and subsequently impose a tax on the amount of salary & allowance expenses as per applicable tax rate.

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

Emphasis of Matters:

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

- 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 (Section 166 of Income Tax Act, 2023).
- In accordance with Section 232 of the Labour Act, 2006 (as amended), the company made provision for Workers Profit Participation Fund (WPPF) in the financial statements but has not made any payment within the stipulated time since the year 2015-2016.
- As per Income Tax Ordinance, 1984, Section 52, Rule 16 (relevant sections of Income Tax Act, 2023) and VAT & SD Act, 2012 SRO no. 240/Dated 29.06.2021. VAT & TAX should be deducted at source in applicable cases. We observed that in most cases VAT & TAX was not deducted at source where applicable.
- 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 who served more than five years but less than ten years for 14 (fourteen) days' salaries and who served 10 (ten years) or more than 10 (ten) years for 30 (thirty) days' salaries. This was reported in the "Emphasis of Matter" Paragraph of last year's audit report.
- 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.
- 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) as referred to note # 7.

Key Audit Matters

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

Risk	Our response to the risk
Property, plant and equipment (PP&E)	
<p>The carrying value of PP&E as at 30 June 2023 was BDT. 472,444,726 Which is 57.83% of total assets.</p> <p>There are a number of areas where management judgment impacts the carrying value of PP&E, and the related depreciation profiles. These include:</p> <ul style="list-style-type: none"> • Determining which costs meet the criteria for capitalization; • The estimation of economic useful lives and residual values assigned to property, plant and equipment. <p>We identified the carrying value of property, plant and equipment as a key audit matter because of the high level of management judgment involved and because of its significance to the financial statements.</p>	<p>Our audit procedures to assess the carrying value of PP&E included the following:</p> <ul style="list-style-type: none"> • assessing the design, implementation and operating effectiveness of key internal controls over the completeness, existence and accuracy of property, plant and equipment, including the key internal controls over the estimation of useful economic lives and residual values; • assessing, on a sample basis, costs capitalized during the year by comparing the costs capitalized with the relevant underlying documentation, which included purchase agreements and invoices, and assessing whether the costs capitalized met the relevant criteria for capitalization; and • evaluating management's estimation of useful economic lives and residual values by considering our knowledge of the business.
See note no. 5.00 of the financial statements.	
Revenue	
<p>Revenue recognition has significant and wide influence on financial statements. The Company reported revenue for the amount of Taka 1,115,218,571. Revenue is recognized when the amounts and the related costs are reliably measured and the performance obligation is completed through passing of control to the customers. While the risk and rewards are being transferred for the performance obligations at the delivery point and control has passed, there is a risk that:</p> <ul style="list-style-type: none"> • The Company might misstate or manipulate sales quantity or price in the financial statements. • There is also a risk that revenue may be overstated or understated through various discounts and incentives. • Mismatch in Mushak 9.1 reported sales with sales reported in the financial statements may lead to penalties by the respective authority. <p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p> <p>Due to the complexities and the inherent risk of manipulation in revenue recognition, we determined this to be a key audit matter.</p>	<p>How the matter was addressed in our audit Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> • We assessed the reporting environment of the Company as well as other relevant systems supporting the accounting of revenue; • We examined customer invoice (Mushak 6.3), VAT submission form (Mushak 9.1) and receipts of payment on a test basis; • We summarized Mushak 9.1, Mushak 6.7, month wise sales and cross checked with financial statements and found mismatch between sales reported in Mushak 9.1 and financial statements which has been addressed in our Letter to the Management; • We performed detailed walk-through tests for the discounts and trade incentives; • We obtained and reviewed supporting documents for sales transactions recorded; • We assessed whether the sufficient disclosure has been given; and • We have tested the sales cut-off at the close to the period-end to ensure the completeness of revenue recognised in financial statements by reviewing relevant supporting documents regarding the appropriateness of recording sales made in the current and subsequent accounting period. • We conducted substantive testing of revenue recorded over the period using sampling techniques, by examining the relevant supporting documents including customer acknowledged sales invoices, VAT Challans and outbound delivery note. We also confirmed customer balances at the statement of financial position date. • We confirmed certain customers' receivable balances at the balance sheet date, selected on a sample basis by considering the amounts outstanding with

Risk	Our response to the risk
See note no. 20.00 of the financial statements.	those customers.

Other Matter

The Financial Statements of Emerald Oil Industries Ltd. for the year ended 30 June 2022 were audited by Md. Aftab Uddin Ahmed FCA of Aziz Halim Khair Choudhury Chartered Accountants who expressed qualified opinion dated on 05 June, 2023.

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 auditor's report thereon. As of our reporting date, we were not provided with the draft copy of the Annual report and we have nothing to report in this regard. 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. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 judgement 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.

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- 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.

Place: Dhaka
Dated: 01 November, 2023



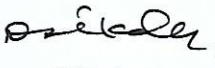




Md. Abdullah Al Amin, FCA
Partner
Ahsan Manzur & Co.
Chartered Accountants
Enrollment #: 1463
DVC: 2311051463AS801570

Emerald Oil Industries Ltd.
Statement of Financial Position
As at 30 June, 2023


	Notes	30.06.2023 Taka	30.06.2022 Taka
ASSETS			
A. NON-CURRENT ASSET			
Property, Plant & Equipment	5.00	472,444,726	487,332,169
B. CURRENT ASSET			
Inventories	6.00	53,238,669	70,375,466
Trade & Other Receivable	7.00	217,674,951	106,997,458
Advances, Deposits & Pre-Payments	8.00	9,636,046	10,906,085
Cash & Cash Equivalents	9.00	63,943,381	10,227,296
TOTAL ASSETS & PROPERTIES (A+B)		816,937,773	685,838,474
C. SHAREHOLDERS EQUITY			
		(946,257,661)	(1,066,054,111)
Share Capital	10.00	597,135,000	597,135,000
Share Money Deposit	11.00	315,585,044	232,735,044
Retained Earnings	12.00	(1,858,977,705)	(1,895,924,155)
D. NON-CURRENT LIABILITIES			
		1,369,033,598	1,369,600,457
Deferred Tax Liabilities	13.00	64,569,064	65,135,923
Long term Loan (Secured)	14.00	1,304,464,534	1,304,464,534
E. CURRENT LIABILITIES			
		394,161,836	382,292,128
Short Term Loan	15.00	6,569,334	13,326,479
Trade & Other Payables	16.00	245,589,019	260,951,139
Unclaimed Public Subscription Money against IPO	17.00	6,286,250	6,286,250
Unclaimed Dividend Account	18.00	1,193,709	1,193,709
Accruals & Provisions	19.00	134,523,524	100,534,551
TOTAL EQUITY & LIABILITIES (C+D+E)		816,937,773	685,838,474
Net Asset Value (NAVs) Per Share		(10.37)	(12.85)

The annexed notes (1-36) the integral part of these financial statements. These financial statements were authorized for issue by the Board of Directors on 01 November, 2023.

 CFO
  Company Secretary
  Director
  Managing Director
  Chairman

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

Date: 01 November, 2023
Place: Dhaka


 Md. Abdullah Al Amin, FCA
 Partner
 Ahsan Manzur & Co.
 Chartered Accountants
 Enrollment #: 1463
 DVC: 2311051463AS801570



Emerald Oil Industries Ltd.
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June, 2023

	Notes	2022-2023 Taka	2021-2022 Taka
Revenue	20.00	1,115,218,571	433,507,612
Less: Cost Of Goods Sold	21.00	1,007,087,857	403,241,956
Gross Profit/ (Loss)		108,130,714	30,265,656
Operating Expenses		(35,077,676)	(17,515,169)
General and Administrative Expenses	22.00	(28,471,327)	(15,256,481)
Selling and Distribution Expenses	23.00	(6,606,349)	(2,258,688)
Profit/ (Loss) from Operations		73,053,038	12,750,487
Other Income	24.00	3,982,166	3,892,768
Financing Expenses	25.00	(151,833)	(115,270)
Profit/ (Loss) before WPPF & Tax		76,883,371	16,527,985
Contribution to WPPF		(3,844,169)	(826,399)
Profit/(Loss) before Tax		73,039,202	15,701,586
Income Tax Expenses	26.00	(7,020,439)	(3,585,740)
Current Tax		(7,587,298)	(3,476,919)
Deferred Tax (Expense)/Income		566,859	(108,821)
Net profit / (loss) after tax		66,018,763	12,115,846
Other Comprehensive Income		-	-
Total Comprehensive Income for the Year		66,018,763	12,115,846
Earnings Per Share Par Value of Tk. 10/- each	27.00	0.73	0.17

The annexed notes (1-36) the integral part of these financial statements. These financial statements were authorized for issue by the Board of Directors on 01 November, 2023.


CFO


Company Secretary


Director


Managing Director


Chairman

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

Date: 01 November, 2023
Place: Dhaka




Md. Abdullah Al Amin, FCA
Partner
Ahsan Manzur & Co.
Chartered Accountants
Enrollment #: 1463
DVC: 2311051463AS801570





Emerald Oil Industries Ltd.
Statement of Changes In Equity
For the year ended 30 June, 2023


Particulars	Amount in Taka			
	Share Capital	Share Money Deposit	Retained Earnings	Total Amount
Balance as at July 01, 2022	597,135,000	232,735,044	(1,895,924,155)	(1,066,054,111)
Add: Share Money Deposit During the year	-	82,850,000	-	82,850,000
Less: Cash Dividend for the year 2021-2022	-	-	(8,306,375)	(8,306,375)
Less: Cash Dividend for the year 2022-2023	-	-	(20,765,938)	(20,765,938)
Add: Net profit/(loss) after tax for the year	-	-	66,018,763	66,018,763
Balance as at June 30, 2023	597,135,000	315,585,044	(1,858,977,705)	(946,257,661)
Balance as at July 01, 2021	597,135,000	32,870,100	(1,908,040,001)	(1,278,034,901)
Add: Share Money Deposit During the year	-	199,864,944	-	199,864,944
Add: Net profit/(loss) after tax for the year	-	-	12,115,846	12,115,846
Balance as at June 30, 2022	597,135,000	232,735,044	(1,895,924,155)	(1,066,054,111)


The annexed notes (1-36) the integral part of these financial statements. These financial statements were authorized for issue by the Board of Directors on 01 November, 2023.


CFO


Company Secretary


Director


Managing Director


Chairman

Date: 01 November, 2023
Place: Dhaka



Emerald Oil Industries Ltd.
Statement of Cash Flows
For the year ended 30 June, 2023

Notes	2022-2023 Taka	2021-2022 Taka
A. Cash flows from operating activities:		
Cash received from customer & other income	28.00 1,001,365,330	330,402,922
Payment to Creditors, Suppliers & Others	29.00 (1,004,326,503)	(499,545,211)
Income Tax Paid during the year	30.00 (43,846)	(10,937)
Net Cash provided by operating activities	(3,005,019)	(169,153,226)
B. Cash flows from investing activities:		
Acquisition of property, plant and Equipment	(19,219,918)	(42,595,391)
Disposal of property, plant and Equipment	-	-
Net Cash used in investing activities	(19,219,918)	(42,595,391)
C. Cash flows from financing activities:		
Financial Expenses	(151,833)	(115,270)
Share Money Deposit	82,850,000	199,864,944
Long Term Bank Loan (paid)/Received-Net	-	(686,250)
Short Term Loan (paid)/Received-Net	(6,757,145)	13,326,479
Net Cash from financing Activities	75,941,022	212,389,903
Net Decrease in cash & cash equivalents (A+B+C)	53,716,085	641,286
Cash & cash equivalents at the beginning of the year	10,227,296	9,586,010
Cash & cash equivalents at the end of the year	63,943,381	10,227,296
Net Operating Cash Flow Per Share	32.00 (0.03)	(2.40)

The annexed notes (1-36) the integral part of these financial statements. These financial statements were authorized for issue by the Board of Directors on 01 November, 2023.


CFO


Company Secretary


Director


Managing Director


Chairman

Date: 01 November, 2023
Place: Dhaka



Emerald Oil Industries Ltd.
Notes to the Financial Statements
For the year ended 30 June, 2023

1.00 REPORTING ENTITY

1.01 Formation and legal status

Emerald Oil Industries Ltd, (hereinafter referred to as "the Company" or "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 is situated at Halimunnesa's Court (9th floor), 23 Kakrail Road, Dhaka - 1000. The Corporate Office of the company is situated at House-55, Road-17, Abdul Alim Nakib Road, Banani, Dhaka - 1213. 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 Income Tax Act, 2023
- d) The Value Added Tax & Supplementary Duty Act, 2012
- e) The Value Added Tax & Supplementary Duty Rules, 2016
- f) 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 to 30 June.

2.08 Date of Authorization

The Board of Directors has authorized these financial statements on 01 November, 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	N/A
Related Party Disclosures	IAS – 24	Applied
Financial Instrument, Presentation	IAS – 32	N/A
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	N/A
Financial Instruments disclosure	IFRS – 7	N/A
Fair Value Measurement	IFRS – 13	Applied
Revenue	IFRS – 15	Applied
Leases	IFRS – 16	Not Applied

3.01 Property, Plant and Equipment

3.01.01 Recognition and Measurement and Disclosure

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

Cost includes expenditure that is directly attributable to the acquisition of asset. The cost of self constructed asset includes the cost of material and direct labor 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	
	2022-2023	2021-2022
Land & Land Development	N/A	N/A
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. EOIL's intangible assets have been fully amortised so far. As a result, no carrying value has been shown as they are fully amortised.

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, "Inventories".

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

Though the company made a net Profit after tax of Tk. 66,018,763/- during the year but the company could not repay its banks'/financial Institutions' loans in due time which resulted in anti-corruption commission filing a lawsuit against the Directors as well as the Company as detailed in 3.08.

However Bangladesh Securities & Exchange Commission vide letter no.-BSEC/SRMIC/47/2014/73, Dated: 02 March 2021 appointed 05 (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 @ 0.60% on the Gross Revenue Income except other income of the company has been provided during the year as per the Income Tax Act, 2023 and respective Finance Act. 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 from contracts with customers", revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. Revenue from contracts with customers is recognized in the statement of profit or loss and other comprehensive income when the performance obligation (supply of promised goods and services) is satisfied. Performance obligation is satisfied at a point in time when customer obtains the control of goods and services. Revenue is recognized as per 5 step model of IFRS 15 as follows:

- i. Identify the contract(s) with a customer;
- ii. Identify the performance obligations in the contract;
- iii. Determine the transaction price;
- iv. Allocate the transaction price to the performance obligations in the contract; and
- v. Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of Value Added Tax (VAT), if applicable. Company recognises revenue when goods are delivered to the customers.

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. The crude oil is sold in bulk quantities directly to the wholesale buyers. The refined oil has been sold as bulk which is VAT exempted. These has not been processed as bottled 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)).

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: 35).

3.18 Events After the Reporting Period

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

The Board of Directors in its meeting held on 01 November, 2023 approved the financial statements of the company for the year ended 30 June 2023 and authorised the same for issue. The Board of Directors also recommended final 10% Cash Dividend (Including 5% Interim cash dividend) Except Previous Directors holding 29.92% Shares for the year ended June 30, 2023, which is subject to the approval of the shareholders in the ensuring Annual General Meeting.

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

EOIL has not applied IFRS 16: "Leases" on its qualifying assets.

According to IFRS 16 Leases, a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.

An asset is typically identified by being explicitly specified in a contract, but an asset can also be identified by being implicitly specified at the time it is made available for use by the customer.

Upon lease commencement, the company would recognize a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the company. Adjustments may also be required for lease incentives, payments at or prior to commencement and restoration obligations or similar. After lease commencement, the company measures the right-of-use asset using a cost model. Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment.

The lease liability is initially measured at present value of the future lease payments discounted using the discount rate implicit in the lease. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others.

On the statement of financial position, right-of-use assets are recognised as non-current assets and lease obligations as current liabilities (to be paid in the next year) and non-current liabilities (net of current obligation).

3.23 Foreign Currency Transaction:

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

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

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

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

4.00 Risk Factors & Management Perception About The Risks

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



4.01 Interest Rate Risks

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

Management Perception

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

4.02 Exchange Rate Risks

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

Management Perception

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

4.03 Industry Risks

(a) Competitive Market for Edible Oil

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

Management Perception

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

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

(b) Market penetration

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



Management Perception

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

(c) Sourcing of Raw Materials

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

Management Perception

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

4.04 Market and Technology-Related Risks

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

Management Perception

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

4.05 Potential or Existing Government Regulations

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

Management Perception

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

4.06 Potential Changes in Global or National Policies

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

Management Perception

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



4.07 Operational Risks

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

Management Perception

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

4.08 Non-operating History

Any interruption in the operations of the company affects the company's image as a going concern. This is crucial for every company to operate its business activities in an ongoing basis albeit saving for the scheduled shut down for maintenance. Failure to do so would result in loss in profitability in the long run. Emerald Oil Industries Ltd. was not in production from April 2017 to December 2021 due to then management's failure.

Management Perception

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

4.09 Dependability on Agricultural Production (Paddy)

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

Management Perception

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



5.00 PROPERTY, PLANT & EQUIPEMENTS

A. Cost

Opening Balance
Add: Addition during the year
Less: Disposal during the year

30.06.2023 Taka	30.06.2022 Taka
999,025,374	956,429,983
19,219,918	42,595,391
-	-
1,018,245,292	999,025,374

B. Accumulated Depreciation

Opening Balance
Add: Charged during the year
Less: Disposal during the year

511,693,205	477,683,325
34,107,361	34,009,880
-	-
545,800,566	511,693,205
472,444,726	487,332,169

Written Down Value (A-B)

The details have been shown in **Annexure - A.**

6.00 INVENTORIES

Finished Goods
Raw Materials
Processing Materials
Packing Materials
LP Gas
Stores & Spares

46,035,033	59,055,383
81,256	5,659,733
3,573,418	1,133,691
2,223,328	1,927,127
-	1,660,000
1,325,634	939,532
53,238,669	70,375,466

The details have been shown in **Annexure - B.**

7.00 TRADE & OTHER RECEIVABLES

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

138,976,150	106,997,458
73,377,193	-
1,561,975,283	1,556,653,675
1,774,328,626	1,663,651,133
1,556,653,675	1,556,653,675
217,674,951	106,997,458

Less: Provision for Bad & Doubtful Debts

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

Tax Deducted at source
Deposits
Advance to Employee
Other Advance

Note: 8.01

1,105,871	1,062,025
5,881,400	5,581,400
314,030	2,608,898
2,334,745	1,653,762
9,636,046	10,906,085

8.01 DEPOSITS

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

8,250	8,250
3,093,300	3,093,300
10,000	10,000
640,000	340,000
358,600	358,600
1,371,250	1,371,250
400,000	400,000
5,881,400	5,581,400

9.00 CASH & CASH EQUIVALENTS

Cash in Hand
Cash at Bank

Note: 9.01

Note: 9.02

152,930	277,704
63,790,451	9,949,592
63,943,381	10,227,296



9.01 CASH IN HAND

Cash at Head Office
Cash at Factory

	30.06.2023 Taka	30.06.2022 Taka
	2,072	-
	150,858	277,704
	152,930	277,704

9.02 CASH AT BANK

Name of the Bank	Branch	Account No.		
Padma (Ex Farmers) Bank Ltd.	Gulshan	0002111004143	301,200	301,200
National Bank of Pakistan	Motijheel	000111100008392	-	26,831
Bank Asia Ltd	Bashundhara	02336000081	736,709	726,151
Basic Bank Ltd.	Dilkusha	1510-01-0004855	24,562	31,992
Brac Bank Ltd.	Sherpur	6001-2026-2539-9001	-	575
Dutch Bangla Bank Ltd.	Jamalpur	2061100009548	-	3,310
Islami Bank Bangladesh Ltd	Dilkusha	20502130100194512	8,410	9,100
Jamuna Bank Ltd.	Sherpur	1001000874508	-	29,277
Mutual Trust Bank Ltd.	Panthapath	30210014971	3,275	4,655
Mutual Trust Bank Ltd.	Panthapath	30210014926	2,585	3,965
Mutual Trust Bank Ltd.	Panthapath	30320001642	7,279,221	7,779,045
Mutual Trust Bank Ltd.	Panthapath	30260000721 [USD]	446,790	386,597
Mutual Trust Bank Ltd.	Panthapath	30260000730 [EURO]	33,394	27,637
Mutual Trust Bank Ltd.	Principal	20210029840	612,201	613,391
AB Bank Ltd.	Gulshan	4019-781334-430	54,342,104	5,866
TOTAL			63,790,451	9,949,592

** USD to BDT rate has been taken from Bangladesh Bank website on the closing date (108.00 Taka/USD).

** EURO to BDT rate has been taken from Bangladesh Bank website on the closing date (117.87 Taka/EURO).

10.00 SHARE CAPITAL

Authorised Capital :

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

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

Issued and Paid-up Capital

59,713,500 ordinary shares of Tk. 10/- each

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

The aforesaid share capital is subscribed as under:

Holding of the Share	No. of Shareholder	No. of Share	30.06.2023 Taka	30.06.2022 Taka
Sponsors/Directors	7	22,848,125	228,481,250	228,481,250
Institutions	70	4,451,271	44,512,710	51,319,950
General Public	4,647	32,414,104	324,141,040	317,333,800
TOTAL	4,724	59,713,500	597,135,000	597,135,000

Details of Number of holders and percentage as under:

Shareholding Range	30.06.2023			30.06.2022		
	No. of Shareholder	No. of Shares	Ownership (%)	No. of Shareholder	No. of Shares	Ownership (%)
0001-499	1,795	240,146	0.40%	2,092	351,734	0.59%
500-5000	2,112	3,726,183	6.24%	3,590	5,698,818	9.54%
5001-10000	311	2,376,830	3.98%	463	3,544,233	5.94%
10001-20000	213	3,264,897	5.47%	314	4,662,709	7.81%
20001-30000	67	1,667,233	2.79%	123	3,087,701	5.17%
30001-40000	42	1,488,880	2.49%	50	1,751,268	2.93%
40001-50000	36	1,678,620	2.81%	47	2,164,155	3.62%
50001-100000	76	5,626,164	9.42%	89	6,268,633	10.50%
100001-1000000	65	15,466,013	25.90%	52	9,653,749	16.17%
1000001-1000000000	7	24,178,534	40.49%	6	22,530,500	37.73%
TOTAL	4,724	59,713,500	100.00%	6,826	59,713,500	100.00%



11.00 SHARE MONEY DEPOSIT

Opening Balance
Add: Deposit During the Year
Less: Share Allotment

30.06.2023 Taka	30.06.2022 Taka
232,735,044	32,870,100
82,850,000	199,864,944
-	-
315,585,044	232,735,044

12.00 RETAINED EARNINGS

Opening Balance
Add: Prior year adjustment
Add: Net Profit/(Loss) after tax for the year
Less: Dividend for the year 2021-2022
Less: Dividend for the year 2022-2023

(1,895,924,155)	(1,908,040,001)
-	-
66,018,763	12,115,846
(8,306,375)	-
(20,765,938)	-
(1,858,977,705)	(1,895,924,155)

13.00 DEFERRED TAX LIABILITY

Property, Plant & Equipment
Temporary Difference
Applicable tax rate
Deferred Tax Liabilities as on 30 June 2023

Carrying Amount	Tax Base	30.06.2023 Taka	Taxable/ (Deductible) Temporary Differences
472,444,726	185,471,107		286,973,619
472,444,726	185,471,107		286,973,619
			22.50%
			64,569,064

Property, Plant & Equipment
Temporary Difference
Applicable tax rate
Deferred Tax Liabilities as on 30 June 2022

Carrying Amount	Tax Base	30.06.2022 Taka	Taxable/ (Deductible) Temporary Differences
487,332,169	197,839,177		289,492,992
487,332,169	197,839,177		289,492,992
			22.50%
			65,135,923

14.00 LONG TERM LOAN (SECURED)

Bank Name	Types of A/C	Branch	Account No.	-	-
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	62,846,059
Bank Asia Ltd	Term Loan	Bashundhara	2335000491	200,065,000	200,065,000
Prime Finance & Investment Ltd.	Lease Finance	Dilkusha	LAD # 2013/015	73,314,160	73,314,160
Midas Financing Ltd.	Lease Finance	Dhanmondi	S00098 & L00937	243,654,888	243,654,888
TOTAL				1,304,464,534	1,304,464,534

Since the Company has pending litigation with it's Lender Bank & NBF1 which is disclosed in Note-36, therefore no interest is charged during the year.



	30.06.2023 Taka	30.06.2022 Taka
15.00 SHORT TERM LOAN		
Minori Bangladesh Ltd.	<u>6,569,334</u>	<u>13,326,479</u>

16.00 TRADE & OTHER PAYABLES

Trade Creditors	130,486,714	138,657,999
Advance against Sales	38,690,633	45,848,547
Payable to Ex-Managing Director Mr. Syed Hasibul Gani Galib**	10,500,000	10,500,000
Bills & Others Payable	65,911,672	65,944,593
	<u>245,589,019</u>	<u>260,951,139</u>

**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.

17.00 UNCLAIMED PUBLIC SUBSCRIPTION MONEY AGAINST IPO

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

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

18.00 UNCLAIMED DIVIDEND ACCOUNT

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
		<u>1,193,709</u>	<u>1,193,709</u>

19.00 ACCURALS & PROVISIONS

Salary & Wages	1,866,563	2,052,132
Managing Directors Remuneration	140,000	140,000
Audit & Professional Fees	881,957	1,690,000
Office Rent Payable	-	-
Dividend Payable	29,072,313	-
Gas Bill	5,817,836	9,413,324
CSE Listing Fee Payable	-	1,925,707
Workers' Profit Participation Fund	38,244,202	34,400,033
Provision for Income Tax	58,500,653	50,913,355
	<u>134,523,524</u>	<u>100,534,551</u>

19.01 WORKERS PROFIT PARTICIPATION FUND PAYABLE

Opening Balance	34,400,033	33,573,634
Add: Accrued During the year	3,844,169	826,399
	<u>38,244,202</u>	<u>34,400,033</u>
Less: Paid/Adjusted During the year	-	-
	<u>38,244,202</u>	<u>34,400,033</u>

19.02 PROVISION FOR INCOME TAX

Opening Balance	50,913,355	47,436,436
Add: Addition during the year	7,587,298	3,476,919
Add: Adjustment of Deferred Tax for Rate Difference	-	-
	<u>58,500,653</u>	<u>50,913,355</u>
Less: Excess Provision Written Back to Retained earnings	-	-
Less: AIT Adjustment	-	-
Less: Paid during the year	-	-
	<u>58,500,653</u>	<u>50,913,355</u>



	2022-2023 Taka	2021-2022 Taka
20.00 REVENUE		
Rice Bran Oil (Bulk)	592,029,805	256,953,946
Refined Oil	11,024,940	-
De-Oiled Rice Bran	512,163,826	176,553,666
	<u>1,115,218,571</u>	<u>433,507,612</u>
Refer to note - 3.11 for detailed revenue policy.		
21.00 COST OF GOODS SOLD		
Raw Material Consumed	875,981,170	402,365,750
Processing Material Consumed	6,932,823	681,635
Packing Material Consumed	3,169,323	2,887,473
Stores & Spares Consumed	883,756	626,354
Factory Overhead	111,466,330	55,736,127
Cost of Production	998,433,402	462,297,339
Add: Opening Stock of Finished Goods	59,055,383	-
Cost of Goods available for Sale	<u>1,057,488,785</u>	<u>462,297,339</u>
Less: Sales of by-product	4,365,895	-
Less: Closing Stock of Finished Goods	46,035,033	59,055,383
Cost of Goods Sold:	<u>1,007,087,857</u>	<u>403,241,956</u>
21.01 RAW MATERIAL CONSUMED		
Opening Stock	5,659,733	-
Add: Purchase during the year	870,402,693	408,025,483
	876,062,426	408,025,483
Less: Closing Stock	81,256	5,659,733
	<u>875,981,170</u>	<u>402,365,750</u>
21.02 PROCESSING MATERIAL CONSUMED		
Opening Stock	1,133,691	-
Add: Purchase during the year	9,372,550	1,815,326
	10,506,241	1,815,326
Less: Closing Stock	3,573,418	1,133,691
	<u>6,932,823</u>	<u>681,635</u>
21.03 PACKING MATERIAL CONSUMED		
Opening Stock	1,927,127	-
Add: Purchase during the year	3,465,524	4,814,600
	5,392,651	4,814,600
Less: Closing Stock	2,223,328	1,927,127
	<u>3,169,323</u>	<u>2,887,473</u>
21.04 STORES & SPARES CONSUMED		
Opening Stock	939,532	-
Add: Purchase during the year	1,269,858	1,565,886
	2,209,390	1,565,886
Less: Closing Stock	1,325,634	939,532
	<u>883,756</u>	<u>626,354</u>
21.05 FACTORY OVERHEAD		
Salary & Allowances	18,809,583	8,828,756
Fuel & Lubricants	8,807,847	1,332,744
Depreciation	33,486,379	33,585,904
Electricity Expense	622,150	108,841



	2022-2023 Taka	2021-2022 Taka
Fooding & Entertainment	853,343	703,725
Factory Expense	2,015,354	487,764
Gas Bill	37,973,707	7,626,584
Insurance Premium	825,897	-
Stationery	76,482	22,070
Printing & Packaging	9,800	-
Loading & Unloading	5,578,040	2,378,819
Medical Expenses	17,481	8,202
Electric Accessories	140,769	202,109
Conveyance	38,720	37,394
Mobile Bill	116,000	44,150
Laboratory Test Fee	127,555	-
Rent & Rates	517,000	-
Repair & Maintenance	1,450,223	369,065
	111,466,330	55,736,127

22.00 GENERAL ADMINISTRATIVE EXPENSES

Salary & Allowances	8,673,947	6,254,349
Directors Remuneration	1,800,000	1,840,000
Audit Fees	345,000	250,000
Board Meeting Fees	880,000	760,000
Computer Accessories	47,000	51,050
Conference Expenses	2,813,328	52,000
Donation & Subscription	148,000	47,500
Electric Accessories	-	14,890
Electricity Expense	33,351	96,868
Fooding & Entertainment	305,207	138,190
Internet & Server Expenses	119,106	111,532
Legal & Professional Expenses	3,945,900	957,200
Miscellaneous Expenses	91,620	2,800
Mobile & Telephone Bill	106,081	97,830
Newspaper & Periodicals	5,378	320
Office Maintenance	250,255	409,523
Office Rent	2,000,000	815,500
Office Service Charge	716,881	439,688
Postage & Courier	19,270	19,965
Printing & Stationery	325,872	210,486
Registration & Renewals	2,780,587	1,009,672
Travelling & Conveyance	1,044,368	714,170
Vehicle Fuel	499,063	269,355
Software Maintenance	5,000	-
Vehicle Maintenance	895,131	241,617
Website Expense	-	28,000
Depreciation	620,982	423,976
	28,471,327	15,256,481

23.00 SELLING & DISTRIBUTION EXPENSES

Advertisement	503,590	151,300
Business Promotion	3,181,576	-
Delivery Expenses	483,170	276,700
Fooding & Entertainment	398,033	323,899
Salary & Allowances	914,130	900,000
Sample Expenses	40,000	66,789
Vehicle Maintenance	1,085,850	540,000
	6,606,349	2,258,688



		2022-2023 Taka	2021-2022 Taka
24.00 OTHER INCOME			
Bank Interest Received		246,716	109,374
Foreign Exchange Gain/ (Loss)	Note -24.01	65,950	34,844
Wastage Sales		3,669,500	3,748,550
		3,982,166	3,892,768

24.01 FOREIGN EXCHANGE GAIN/ (LOSS) DURING THE YEAR

Opening Balance		(414,234)	(379,390)
Bank Charge During the Year		-	-
Foreign Exchange Gain/ (Loss) during the year	Note -24.02	480,184	414,234
		65,950	34,844

24.02 CLOSING BALANCE OF FOREIGN CURRENCY ACCOUNT

Name of the Bank	Account No.	FC Amount	Currency	Exchange Rate		
Mutual Trust Bank Ltd.	30260000721	4,137	USD	108.00	446,790	386,597
Mutual Trust Bank Ltd.	30260000730	283	EURO	117.87	33,394	27,637
TOTAL					480,184	414,234

25.00 FINANCING EXPENSES

Bank Charges & Commission		151,833	115,270
Interest on Long Term Loan		-	-
Interest on Lease Finance		-	-
		151,833	115,270

Since the Company has pending litigation with it's Lender Bank & NBFI which is disclosed in Note-36, therefore no interest is charged during the year.

26.00 INCOME TAX EXPENSES

Current Tax	Note -26.01	7,587,298	3,476,919
Deferred Tax	Note -26.02	(566,859)	108,821
Adjustment of Deferred Tax for Rate Difference		-	-
		7,020,439	3,585,740

26.01 CURRENT TAX

Net Profit excluding other income as per accounts	69,057,036	11,808,818
Add: Accounting Depreciation	34,107,361	34,009,880
Add: WPPF	3,844,169	826,399
	107,008,566	46,645,097
Less: Tax Depreciation	31,587,988	34,493,528
Current Profit excluding other income	75,420,578	12,151,569
Less: Set Off of Business Loss	(75,420,578)	(12,151,569)
Taxable Business Income	-	-
Other Income	3,982,166	3,892,768
Income Tax Rate (Operating)	22.5%	22.5%
Income Tax Rate (Non-operating)	22.5%	22.5%
Current Tax:		
On Income from Operation	6,691,311	2,601,046
On Other Income	895,987	875,873
Total Current Tax	7,587,298	3,476,919



	2022-2023 Taka	2021-2022 Taka
26.02 DEFERRED TAX EXPENSES/ (INCOME)		
Closing Deferred Tax Liability	64,569,064	65,135,923
Opening deferred Tax Liability	65,135,923	65,027,102
	(566,859)	108,821
27.00 CALCULATION OF BASIC EARNINGS PER SHARE		
Net Profit / (Loss) for the Year	66,018,763	12,115,846
Earnings attributable to the ordinary share holders	66,018,763	12,115,846
Weighted average no. of Shares (Note - 27.01)	90,568,346	70,509,022
Basic Earning Per Share:	0.73	0.17
27.01 WEIGHTED AVERAGE NUMBER OF SHARES		
82,987,004 shares for 365 days	82,987,004	-
8,285,000 shares for 334 days	7,581,342	-
63,000,510 shares for 365 days	-	63,000,510
137,419 shares for 334 days	-	125,748
268,516 shares for 272 days	-	200,100
570,475 shares for 242 days	-	378,233
1,914,379 shares for 211 days	-	1,106,668
4,664,609 shares for 181 days	-	2,313,135
1,830,519 shares for 150 days	-	752,268
2,481,396 shares for 119 days	-	809,003
4,627,729 shares for 91 days	-	1,153,763
3,491,452 shares for 70 days	-	669,594
	90,568,346	70,509,022
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.		
28.00 CASH RECEIVED FROM CUSTOMER & OTHER INCOME		
Revenue	1,115,218,571	433,507,612
Opening Accounts Receivable	106,997,458	-
Closing Accounts Receivable	(217,674,951)	(106,997,458)
Closing Advance Against Sales	38,690,633	45,848,547
Opening Advance Against Sales	(45,848,547)	(45,848,547)
Other Income	3,982,166	3,892,768
	1,001,365,330	330,402,922
29.00 RECEIVED FROM/ (PAYMENT TO) CREDITORS, SUPPLIERS & OTHERS		
Cost Of Goods Sold	(1,007,087,857)	(403,241,956)
General and Administrative Expenses	(28,471,327)	(15,256,481)
Selling & Distribution Expenses	(6,606,349)	(2,258,688)
Depreciation	34,107,361	34,009,880
Opening Inventory	70,375,466	-
Closing Inventory	(53,238,669)	(70,375,466)
Opening Advance, Deposits & prepayments excluding TDS	9,844,060	3,247,050
Closing Advance, Deposits & prepayments excluding TDS	(8,530,175)	(9,844,060)
Closing Accounts & Other Payables excluding Advance against sales	206,898,386	215,102,592
Opening Accounts & Other Payables excluding Advance against sales	(215,102,592)	(242,946,286)
Adjustment for unpaid dividend	(29,072,313)	-
Closing Accrued Expenses	37,778,669	15,221,163
Opening Accrued Expenses	(15,221,163)	(23,202,958)
	(1,004,326,503)	(499,545,211)



	2022-2023 Taka	2021-2022 Taka
30.00 INCOME TAX PAID DURING THE YEAR		
Closing Provision	58,500,653	50,913,355
Opening TDS	1,062,025	1,051,088
Opening Provision	(50,913,355)	(47,436,436)
Current Provision	(7,587,298)	(3,476,919)
Closing TDS	(1,105,871)	(1,062,025)
	(43,846)	(10,937)

31.00 RECONCILIATION OF NET OPERATING CASH FLOW

Cash flow from operating activities (indirect method)

Profit/(Loss) for After tax	66,018,763	12,115,846
Adjustment for:		
Income Tax expense recognized in profit and loss	7,020,439	3,585,740
Depreciation of non-current assets	34,107,361	34,009,880
Cash Generated from Operating activities	107,146,563	49,711,466
Adjustment for separate consideration		
Finance cost recognized in profit and loss	151,833	115,270
Movement in Working Capital:		
(Increase)/decrease in inventories	17,136,797	(70,375,466)
(Increase)/decrease in Trade & Other Receivable	(110,677,493)	(106,997,458)
(Increase)/decrease in advance, deposit and prepayment	1,270,039	(6,607,947)
Increase/(decrease) in trade payables & other payables	(15,362,120)	(27,843,694)
Adjustment for dividend payable	(29,072,313)	-
Increase/(decrease) in provision for expense	26,401,674	(7,155,396)
Cash generated from operations	(110,303,415)	(218,979,961)
Income Tax Paid	-	-
Net cash (used in)/ generated by operating activities	(3,005,019)	(169,153,224)

32.00 NET OPERATING CASHFLOW PER SHARE

Net Operating Cashflows (From statement of cash flows)	(3,005,019)	(169,153,224)
Total number of shares	90,568,346	70,509,022
Net Operating Cashflow per share	(0.033)	(2.40)

33.00 NO. OF EMPLOYEES

The company had 15 permanent employees in Head Office and 21 permanent employees in Factory as at June 30, 2023 and 52 number of seasonal and temporary workers as required, which was as at June 30, 2022. All the permanent employees received remuneration in excess of Tk. 36,000 per annum.

34.00 PRODUCTION CAPACITY

**Installed Capacity:	(Ton/Year)	(Ton/Year)
Rice Bran Crude Oil	10,800	10,800
De-oiled Rice Bran (DORB)	43,200	43,200
Actual Production:		
Rice Bran Crude Oil	5,297	2,498
De-oiled Rice Bran (DORB)	21,910	10,125
Achieved (%)		
Rice Bran Crude Oil	49.05%	23.13%
De-oiled Rice Bran (DORB)	50.72%	23.44%

Emerald Oil Industries Ltd. was not in production from April 2017 to December 2021. The company again started its commercial production on 09 January 2022 upon successful completion of trial production. The full production capacity could not be utilized due to disruption in the supply of Titas Gas.



2022-2023	2021-2022
Taka	Taka

35.00 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:

a) Key Management Benefits	Tk.	Tk.
b) Post Employment Benefit	7,440,413	4,891,500
c) Other Long Term Benefits	Nil	Nil
d) Termination Benefit	Nil	Nil
e) Share Based payment	Nil	Nil
f) Trade Receivable (Mr. Syed Hasibul Gani Galib) (Note-7)	1,556,653,675	1,556,653,675
g) Short Term Loan (Minority Bangladesh Ltd.) (Note-15)	6,569,334	13,326,479
h) Other Related Party Transactions:		

Name of the Company	Nature of Relationship	Nature of Transaction	Opening Balance as on 01.07.2022 Receivable/ (Payable)	Debit	Credit	Outstanding Balance as on 30.06.2023 Receivable/ (Payable)
Minority Bangladesh Ltd.	Investor	Working Capital	(13,326,479)	98,176,928	91,419,783	(6,569,334)

i) Particulars of Directors:

Name of Directors/ Shareholders	Status in Emerald Oil Industries Ltd.	Name of the firms/companies in which interested is the proprietor, partner, director, managing agent, guarantor, employee etc./Entities where they have interests	Status in interested entity	(%) of Holding/interest in the concern as on 30.06.2023
Md. Nasir Sikder	Shareholder Director, nominated	N/A	N/A	N/A
Mohammad Murad Hossain	Shareholder Director, nominated by Minority Bangladesh Ltd.	Unic Printing Co. Limited	Managing Director	50%
Md. Rubel Sardar	Shareholder Director, nominated	N/A	N/A	N/A
Md. Afzal Hossain	Paid Managing Director	Minority Bangladesh Ltd.	Director	0.077%



2022-2023
Taka

2021-2022
Taka

According to BSEC Letter No. BSEC/SRMIC/47/2014/73 dated 02 March 2021, Clause (f), the name of Independent Directors nominated by the Commission under the said notification and order will not be included in the Particulars of Directors (Form-XII). Thus their particulars have not been furnished here.

j) The Company has not received or issued any Corporate Guarantee.

36.00 CONTINGENT LIABILITY

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

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


CFO


Company Secretary


Director


Managing Director


Chairman

Date: 01 November, 2023
Place: Dhaka



Emerald Oil Industries Ltd.
SCHEDULE OF PROPERTY, PLANT & EQUIPMENTS
As at 30 June, 2023

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 01.07.2022	Addition during the year	As at 30.06.2023		As at 01.07.2022	Charged during the year	As at 30.06.2023	
Land & Land Development	50,600,447	-	50,600,447	-	-	-	50,600,447	
Building & Other Civil Works	379,114,669	1,544,215	380,658,884	5%	150,176,553	11,485,511	218,996,820	
Plant & Machineries	537,159,465	17,047,653	554,207,118	10%	346,201,919	19,948,137	188,057,062	
Electrical & Gas Line Installation	22,747,560	201,930	22,949,490	15%	9,163,648	2,052,731	11,733,111	
Furniture & Fixtures	4,023,498	129,685	4,153,183	15%	2,785,870	195,371	1,171,942	
Office Decoration	150,000	-	150,000	15%	11,250	20,813	32,063	
Office Equipment	5,001,535	296,435	5,297,970	20%	3,331,145	363,722	3,694,867	
Vehicle	228,200	-	228,200	20%	22,820	41,076	63,896	
Balance as at June 30, 2023	999,025,374	19,219,918	1,018,245,292		511,693,205	34,107,361	545,800,566	472,444,726
Balance as at June 30, 2022	956,429,983	42,595,391	999,025,374		477,683,325	34,009,880	511,693,205	487,332,169

Depreciation Charged To-
General & Administrative Expenses
Factory Overhead
Total

	30.06.2023	30.06.2022
General & Administrative Expenses	620,982	423,976
Factory Overhead	33,486,379	33,585,904
Total	34,107,361	34,009,880



EMERALD OIL INDUSTRIES LIMITED
Quantity-wise break-up of Inventory
As at 30 June, 2023

Annexure: B

Finished Goods:						
Items Name	Balance as on 30 June 2023			Balance as on 30 June 2022		
	Quantity (Kg)	Rate	Amount	Quantity (Kg)	Rate	Amount
Rice Bran Oil (Bulk)	300,406.00	106.43	31,973,439	460,673.00	126.84	58,430,258
De-oiled Rice Bran	495,672.00	23.32	11,558,982	27,880.00	19.22	535,875
Refine Oil	515.00	150.00	77,250			
Fatty Acid	513.00	105.00	53,865			
Gum	5,000.00	0.87	4,350			
Wax	30,200.00	50.00	1,510,000			
Empty Bag	60,627.00	15.00	857,147	5,250.00	17.00	89,250
Total Finished Goods			46,035,033			59,055,383
Raw Materials:						
Items Name	Balance as on 30 June 2023			Balance as on 30 June 2022		
	Quantity (Kg)	Rate	Amount	Quantity (Kg)	Rate	Amount
Rice Bran	2,460.00	33.03	81,256	159,086.00	35.58	5,659,733
	2,460.00	33.03	81,256	159,086.00	35.58	5,659,733
Processing Material						
Items Name	Balance as on 30 June 2023			Balance as on 30 June 2022		
	Quantity (Kg)	Rate	Amount	Quantity (Kg)	Rate	Amount
Activated Carbon	1,275.00	70.00	89,250	2,250.00	70.00	157,500
Bleaching Earth	1,725.00	58.85	101,511	9,050.00	58.00	524,900
Boric Acid	25.00	220.00	5,500	25.00	220.00	5,500
Caustic Soda	710.00	81.24	57,680	130.00	67.73	8,805
Citric Acid	175.00	163.49	28,611	50.00	210.71	10,536
Filter Aid	850.00	108.00	91,800	900.00	108.00	97,200
Hexane	21,698.00	133.04	2,886,666	-	-	-
Phosphoric Acid	545.00	440.00	239,800	735.00	440.00	323,400
Sodium Carbonate	40.00	65.00	2,600	90.00	65.00	5,850
Vitamin A	5.00	14,000.00	70,000			
			3,573,418			1,133,691
Packing Materials:						
Items Name	Balance as on 30 June 2023			Balance as on 30 June 2022		
	Quantity (Kg/Pcs)	Rate	Amount	Quantity (Kg/Pcs)	Rate	Amount
DORB Bag	46,245.00	16.95	783,751	28,838.00	16.80	484,371
Carton	6,290.00	49.33	310,265	6,305.00	49.33	311,038
Bottle	44,080.00	22.18	977,724	44,140.00	22.20	979,902
Others	-		151,588	-		151,816
			2,223,328			1,927,127
LPG Cylinder:						
Items Name	Balance as on 30 June 2023			Balance as on 30 June 2022		
	Quantity (Pcs)	Rate	Amount	Quantity (Pcs)	Rate	Amount
LPG Cylinder			-	400.00	4,150.00	1,660,000
Stores & Spares						
Balance as on 30 June 2023			Balance as on 30 June 2022			
Quantity-wise break-up of Stores & Spares could not be given as it was difficult to quantify each item in a separate and distinct due to large variety of stores & spares.			1,325,634			939,532
Value of Closing Inventory			53,238,669			68,715,466



Emerald Oil Industries Ltd.
CALCULATION OF DEFERRED TAX
FOR THE YEAR ENDED 30 JUNE, 2023

Annexure: C

Property, Plant & Equipment (Carrying Amount):

Particulars	COST			Rate	DEPRECIATION			Written down value
	As at 01.07.2022	Addition during the year	As at 30.06.2023		As at 01.07.2022	Charged during the year	As at 30.06.2023	
Land & Land Development	50,600,447	-	50,600,447	-	-	-	50,600,447	
Building & Other Civil Works	379,114,669	1,544,215	380,658,884	5%	150,176,553	11,485,511	161,662,064	
Plant & Machineries	537,159,465	17,047,653	554,207,118	10%	346,201,919	19,948,137	366,150,056	
Electrical & Gas Line Installation	22,747,560	201,930	22,949,490	15%	9,163,648	2,052,731	11,216,379	
Furniture & Fixtures	4,023,498	129,685	4,153,183	15%	2,785,870	195,371	2,981,241	
Office Decoration	150,000	-	150,000	15%	11,250	20,813	32,063	
Office Equipment	5,001,535	296,435	5,297,970	20%	3,331,145	363,722	3,694,867	
Vehicle	228,200	-	228,200	20%	22,820	41,076	63,896	
Balance as at 30.06.2023	999,025,374	19,219,918	1,018,245,292		511,693,205	34,107,361	545,800,566	472,444,726

Property, Plant & Equipment (Tax Base):

Particulars	CARRYING VALUE			Rate	DEPRECIATION			Written down value
	As at 01.07.2022	Addition during the year	As at 30.06.2023		As at 01.07.2022	Charged during the year	As at 30.06.2023	
Land & Land Development	50,600,447	-	50,600,447	-	-	-	50,600,447	
Building & Other Civil Works	53,137,212	1,544,215	54,681,427	20%	10,936,285	10,936,285	43,745,142	
Plant & Machineries	70,730,927	17,047,653	87,778,580	20%	17,555,716	17,555,716	70,222,864	
Electrical & Gas Line Installation	14,369,300	201,930	14,571,230	10%	1,457,123	1,457,123	13,114,107	
Furniture & Fixtures	1,569,067	129,685	1,698,752	10%	169,875	169,875	1,528,877	
Office Decoration	2,204,588	-	2,204,588	10%	220,459	220,459	1,984,129	
Office Equipment	1,140,714	296,435	1,437,149	30%	431,145	431,145	1,006,004	
Vehicle	4,086,923	-	4,086,923	20%	817,385	817,385	3,269,538	
Balance as at 30.06.2023	197,839,177	19,219,918	217,059,095		31,587,988	31,587,988	185,471,107	

Particulars	Carrying Amt.	Tax Base	Temporary Difference	Tax Rate	Cl. Liab/(Asset)	Op. Liab/(Asset)	Exps/(Income)
Property, Plant & Equipment's WPPF	472,444,726	185,471,107	286,973,619	22.50%	64,569,064	65,135,923	(566,859)
Total	472,444,726	185,471,107	286,973,619	22.50%	64,569,064	65,135,923	(566,859)

