



ANNUAL REPORT 2022-23



2022-23

এমারেন্ড অয়েল ইন্ডাস্ট্রিজ লিমিটেড
EMERALD OIL INDUSTRIES LIMITED

Annual Report
2022-23



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, 2023.**

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, 2023 along with notes thereon for your records.

Thank you for your support and confidence on us.

Best regards.

Sd/-
(Md. Emran Hossain)
Acting Company Secretary

NOTICE OF THE 16th ANNUAL GENERAL MEETING

Notice is hereby given that the 16th Annual General Meeting of Emerald Oil Industries Ltd. will be held virtually by using the digital platform through the link <https://spondonoil.bdvirtualagm.com> on Wednesday, 27 December 2023 at 11.00 A.M. to transact the following business:

01. To receive, consider and approve the Audited Financial Statements for the year ended 30th June 2023 together with the Auditors' Report thereon and the report of the Directors.
02. To declare the Dividend for the year ended June 30, 2023.
03. To elect/re-elect of Directors.
04. To consider the appointment of Statutory Auditors for the year ended June 30, 2024 and fix their remuneration.
05. To consider the appointment of Compliance Auditors for the year ended June 30, 2024 and fix their remuneration.
06. To confirm the raising of paid-up capital of Emerald Oil Industries Ltd. from existing BDT 59,71,35,000/- (Taka fifty nine crore seventy one lac thirty five thousand) to BDT 91,27,20,040/- (Taka Ninety one crore, twenty seven lac twenty thousand forty) only through issuance of 3,15,58,504 ordinary shares of Tk. 10/- each totaling Tk. 31,55,85,040/- (Taka thirty one crore fifty five lakh eighty five thousand forty) only to Minori Bangladesh Limited.

Dated, Dhaka
06 December 2023

By order of the Board of Directors

Sd/-
(Md. Afzal Hossain)
Managing Director

Notes:

- (a) The "Record Date" was fixed on 29 November 2023. The Shareholders, whose names appeared 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.
- (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.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 2022-23 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.
- (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

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.

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

Ahsan Manzur & Co., Chartered Accountants
House#373(2nd floor), Road#28, New DOHS, Mohakhali, Dhaka

Corporate Governance Compliance Auditor

S.R. ISLAM & CO., Chartered Accountants
37/2 Purana Paltan, (Fayenz Tower, 9th Floor), Box Culvert Road, Dhaka

Bankers

AB Bank, The Farmers (Padma) 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

Mr. Md. Safiqul Islam	Chairman and Independent Director
Professor Dr. Prashanta Kumar Banerjee	Independent Director
Dr. Santus Kumar Deb	Independent Director
Mr. Mohammad Golam Sarwar	Independent Director
Dr. Md. Liakat Hossain Moral	Independent Director
Ms. Shahinoor Khanum FCA	Independent Director
Mr. Md. Nasir Sikder	Director (Nominated by Minori Bangladesh Ltd.)
Mr. Mohammad Murad Hossan	Director (Nominated by Minori Bangladesh Ltd.)
Mr. Md. Rubel Sardar	Director (Nominated by Minori Bangladesh Ltd.)
Mr. Md. Afzal Hossain	Managing Director

Audit Committee

Ms. Shahinoor Khanum FCA Independent Director	Chairman
Mr. Mohammad Golam Sarwar Independent Director	Member
Mr. Md. Nasir Sikder Director Nominated by Minori Bangladesh Ltd.	Member

Nomination and Remuneration Committee

Professor Dr. Prashanta Kumar Banerjee Independent Director	Chairman
Dr. Santus Kumar Deb Independent Director	Member
Mr. Mohammad Golam Sarwar Independent Director	Member
Dr. Md. Liakat Hossain Moral Independent Director	Member
Mr. Md. Rubel Sardar Director Nominated by Minori Bangladesh Ltd.	Member

DIRECTOR'S PROFILE



Mr. Md. Safiqul Islam
Chairman and Independent Director

Mr. Md. Safiqul Islam, (Former Additional Secretary) Chairman and Independent Director of the Company.

DIRECTOR'S PROFILE



Professor Dr. Prashanta Kumar Banerjee
Independent Director

Dr. Prashanta Kumar Banerjee is Professor (Selection Grade) at Bangladesh Institute of Bank Management (BIBM), a national training, research, consultancy, and education institute on banking and finance of Bangladesh. He also served the Institute as Director (RD&C) and Director (Accounts and Administration). He completed his Ph.D. in Finance from the Punjab University, India and later on, he did Post-Doctoral Research in the area of Corporate Finance under Senior Fulbright Scholarship in the United States of America (USA). Dr. Banerjee has developed a very distinguished career at the BIBM as he has held a number of academic and administrative positions on his way to the present level. Dr. Banerjee served with the King Faisal University, Kingdom of Saudi Arabia as an Associate Professor between December 2009 and July, 2011. He has remained associated with a number of top universities in Bangladesh to teach courses at the graduate programs. A number of articles authored by Dr. Banerjee were published in reputed national and international journals including the Journal of Developing Areas, Empirical Economics, The Journal of Energy and Development, Southwest Business and Economics Journal, Global Business and Finance Review, Wealth – International Journal of Money, Banking and Finance, Finance India and so on. Dr. Banerjee completed a number of consultancy works for Bangladesh Bank, SME foundation, Agrani Bank Ltd, IPDC Bangladesh Ltd. International Finance Corporation (IFC), World Bank Group. Dr. Banerjee completed a consultancy work titled Financial Sector Strengthening Project of Afghanistan with Da Afghanistan Bank (DAB), Central Bank of Afghanistan. The contribution of Dr. Banerjee in different policy issues relating to the financial sector of Bangladesh is highly acclaimed. He was the chairman of the Technical Committee on launching of International Factoring and Member of the core committee for introducing Internal Credit Risk Rating (ICRR) System of Bangladesh Bank. As recognition of his ability and potentials, Dr. Banerjee has been awarded some prestigious academic and research awards and fellowships. They include i-Proclaim ARA-2017 Award as Distinguished Scientist (Awards for Publication Excellence by ABC Malaysia), Bangladesh Education Leadership Awards 2017 by Asian Confederation of Businesses with CMO Asia, Fulbright Post-Doctoral Fellowship, USA, University Grants Commission of India Fellowship and so on.

DIRECTOR'S PROFILE



Dr. Santus Kumar Deb
Independent Director

Dr. Santus Kumar Deb is a Professor of the Department of Tourism and Hospitality Management of the University of Dhaka. He has completed BBA and MBA major in Marketing, Post Graduation Diploma in Supply Chain Management, Executive Program in Strategic Digital Marketing, and PhD in Service Management. He is a renowned scholar in the field of Tourism and Service Management.



Mr. Mohammad Golam Sarwar
Independent Director

Mohammad Golam Sarwar (FCO UK Government Chevening & Commonwealth Scholar) is currently an Assistant Professor at the Department of Law, University of Dhaka. He has worked as a Research Consultant for the University of Oxford under Reach Project on Clean River Policy in Urban Asia funded by DFID UK. He has experience working as a Legal Consultant in different UN Agencies and Development organizations including UNDP, UN WOMEN, ILO, IDLO, UNHCR, UNODC, and Office of the UN Resident Coordinator, Swedwatch, and FORUM-ASIA. He has served as a Legal Consultant for the Ministry of Foreign Affairs, Ministry of Law, Justice and Parliamentary Affairs, Ministry of Commerce, and Ministry of Home Affairs, Bangladesh. I have worked with the Ministries to prepare study reports and legal and policy briefs on different aspects of human rights, trade, investment, migration, and trafficking. He has studied International Development Law at the University of Warwick with Chevening Scholarship. He studied Bachelor of Laws and Master of Laws from the University of Dhaka. He has been awarded in International Commonwealth Doctoral Scholarship 2021 United Kingdom, awarded Commonwealth Doctoral Scholarship to pursue Ph.D. in Law at SOAS University of London International FCO UK GOVERNMENT Chevening Scholarship 2015 United Kingdom, awarded the Chevening Scholarship given by the Foreign and Commonwealth Office of the British Government and National Best Researcher 2010 Bangladesh Inter year Moot Court Competition Organized by Dhaka University.

DIRECTOR'S PROFILE



Dr. Md. Liakat Hossain Moral
Independent Director

Dr. Md. Liakat Hossain Moral obtained his BSS Honors and MSS degrees in Economics from the University of Dhaka. He did his Ph.D. in Finance & Banking. He has some professional qualifications also. Dr. Moral engaged himself in different academic & professional bodies like Senate members of Dhaka University, the Joint Secretary of Bangladesh Economic Association, etc. He worked in the banking profession from 1983 till January 2020. His representation to the rank of Deputy Managing Director through ranks and files starting with branch-level management. On 1st January 2020, he retired from regular service. To highlight some of them, he also served on deputation at the Bangladesh Institute of Bank Management (BIBM) for a seven-year term ranging from 1993 to 2000 as a faculty member. With more than 35 years of experience in operational banking and over 14 years of experience as a principal and faculty member, he is adept in team leadership, business development, and revenue generation. He has a host of publications on various topics pertaining to banking, finance, and management in professional journals. He also presented more than a dozen papers at different seminars and conferences. To mention further, the IMF mission while visiting Bangladesh to complete the 2001 Article IV consultation met with Dr. Md. Liakat Hossain Moral twice for his input on the latest developments in the credit and financial markets.



Ms. Shahinoor Khanum, FCA
Independent Director

Ms. Shahinoor Khanum, FCA is a fellow member of the Institute of Chartered Accountants of Bangladesh (ICAB). She currently holds the position of Joint Deputy Director at ASA International Group PLC, an LSE (London Stock Exchange) listed Company with primary responsibility for the group's financial reporting and tax management especially International Taxation. Before that, she worked in AMAN Group as Assistant General Manager- Corporate Reporting and Taxation position. She has the ability to evaluate the organization's objectives and assess the potential for strategic decision-making. Her core expertise is in Finance & Accounts, Financial and corporate governance, international transfer pricing, UK taxation, individual and corporate tax planning & assessment, Value Added Tax (VAT), IFRS, Corporate laws, international transactions, foreign direct investment, and financial due diligence, etc. In aggregate, she possessed over 10 years of experience in Finance, Accounts, Corporate Reporting, and Governance, Audit, and Taxation including work as lead financial reporting and international taxation.

DIRECTOR'S PROFILE



Mr. Md. Nasir Sikder
Director

Mr. Md. Nasir Sikder, who serves as Director of the Company, nominated by Minori Bangladesh Ltd. His educational journey includes the successful completion of a Master's degree in Business Administration with a specialization in accounting, a noteworthy achievement he earned at the esteemed National University. With a professional tenure spanning over 12 years, Mr. Nasir has wealth of experience in various domains, including but not limited to Accounts, Finance, Auditing, Taxation, VAT, and Bank Management. His multifaceted expertise is a testament to his versatile skill set and comprehensive knowledge in financial matters. Furthermore, Mr. Nasir's dedication to professional growth led him to undertake the prestigious Chartered Accountancy (CA) Course, and he has made substantial progress, and succeeded as part-qualified Chartered Accountant under the Institute of Chartered Accountants of Bangladesh. This demonstrates his commitment to achieving the highest standards of excellence in the field of Accounting and Finance. In addition to his academic and CA pursuits, Mr. Nasir also holds the esteemed title of a Certified Income Tax Practitioner (ITP), a recognition bestowed by the National Board of Revenue (NBR). This certification underscores his proficiency and competence in tax matters, reaffirming his commitment to staying current with the ever-evolving landscape of Financial Regulations and Compliance. Mr. Nasir Sikder's diverse educational background, coupled with his extensive professional experience, make him a unique personality, bringing a well-rounded understanding of Financial Management and a demonstrated dedication to excellence in the area of Accounts and Finance.



Mr. Mohammad Murad Hossan
Director

Mr. Mohammad Murad Hossan, Director (Nominated by Minori Bangladesh Ltd.) of the Company. He completed his Master of Business Administration from Stamford University of Bangladesh. He has work experience of more than 14 years in the Banking and Financial sector, collection department, and managing a big portfolio amounting to 100 crores. Besides that, he has more than two years of experience working in the Human Resource Management department.

DIRECTOR'S PROFILE



Mr. Md. Rubel Sardar
Director

Mr. Md. Rubel Sardar, Director (Nominated by Minori Bangladesh Limited) of the Company. He has completed his Master of Business Administration in Accounting from National University. He is experienced in Accounts & Finance with other professional experience in auditing, financial statement preparation, financial review, and analysis. He also learned CA(CC), from Islam & Co. Chartered Accountants in the Institute of Chartered Accountants of Bangladesh (ICAB).



Mr. Md. Afzal Hossain
Managing Director

Mr. Md. Afzal Hossain is a young, energetic and dynamic person is acting as Managing Director of the Company. He has completed Post-graduation in accounting discipline from National University in Bangladesh. He is also Director of Minori Bangladesh Ltd. In his Corporate life, he has vast experiences in different areas such as Banking, Accounts, Commercial, Export, Import, Logistic, Domestic and International Marketing of Agro and Live-Stock products.



CHAIRMAN MESSAGE TO THE SHAREHOLDERS

CHAIRMAN MESSAGE

Dear Shareholders,

On behalf of the Board of Directors, I welcome you all to the 16th Annual General Meeting of Emerald Oil Industries Ltd. I thank to honorable shareholders for joining the event through digital platform.

Dear Shareholders, it is to be informed that the company borrowed loans from different Bank & 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. The previous Managing Director and main sponsor of the Company Mr. Syed Hasibul Gani Galiblead 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 to 08 January 2022.

In this situation, Bangladesh Securities and Exchange Commission (BSEC) reconstituted the Board of the company and appointed 5 (five) distinguished persons as Independent Directors. It may be informed that out of 5 (five) Independent Directors 1 (one) Independent Director Mr. Sajib Hossain has been resigned on 23 February, 2023 as he has been nominated as Independent Director of Chaittagong Stock Exchange Ltd. (CSE). As per direction of BSEC, the company appointed 3 (three) nominated directors from amongst shareholders against the ownership of 7.81% Shares held by Minori Bangladesh Ltd (Minori), a Japan Bangladesh Joint Venture Company. Accordingly, Minori Bangladesh Ltd started its activities and renovated the factory and invested huge amount for Property, Plant, Equipments and its maintenance, Gas connection, Husk Boiler installation, Electric Sub-station, etc. for the company bringing into operation. Minori also recruited qualified & experienced persons for starting the operation of the Company.

The Company also successfully completed last 6 years pending AGM's with the permission of Hon'ble Supreme Court of Bangladesh (High Court Division) and declared 2% cash dividend to the hon'ble shareholders (except previous sponsors & Directors) for the year 2021-22.

Dear Shareholders, the Company is working tirelessly to provide maximum service and provide quality product to the consumers and besides, the company is taking various steps to increase the profit to protect the interests of the Shareholders. For this purpose, to sell rice bran oil on the local market and export to Japanese Market, recently Emerald Oil and Minori Bangladesh joined hands with Jamuna Edible Oil Industries to produce and sell rice bran oil in the local and Japanese markets.



Dear Shareholders, with the support, right direction of the Board and hardworking of the management and all employees, the company retained to achieve a profit amount at Tk.66,018,763 during the year and based on the operating profit and considering the interest of Shareholders the Board of Directors proposed 10% cash dividend (including 5% interim cash dividend) except previous sponsors & directors holding 30.45% shares for the FY 2022-23.

Despite, all those previous setbacks the company aims at producing high quality products to our consumers for which we strive hard to match their expectations at all the times.

I would like to express our gratitude to the Bangladesh Securities and Exchange Commission for appropriate steps taken to restore the factory in consideration of the greater interest of the Shareholders. I would also like to extend my wholehearted thanks to the honorable members of the Board for their continues co-operation and valuable advices to administer the affairs of the Company smoothly and also to the different Sub-committees of the Board for performing their defined roles.

I on behalf of the Board would like to express my sincere thanks to the respected shareholders for their confidence on the Board of the company throughout the year. I am also grateful to the Dhaka Stock Exchange Ltd. Chittagong Stock Exchange Ltd. Registrar of Joint Stock Companies & Firms, Central Depository Bangladesh Limited, Banks and Financial Institutions for their support and patronage extended to the company from time to time.

In conclusion, I would like to express my heartfelt gratitude to our dedicated employees who are the driving force behind our success. I extend my appreciation to the board of directors for their guidance and wisdom. Lastly, I would like to thank our shareholders for their unwavering support and trust in our vision.

Thank you all.

(Md. Safiqul Islam)
Chairman

DIRECTORS' REPORT

to the Shareholders

Dear Shareholders,

It is a great pleasure for us to welcome you all to the 16th Annual General Meeting of the Emerald Oil Industries Limited. We feel honored to submit you the Annual Report together with the Auditors' Report and Audited Financial Statements of the Company for the year ended 30 June 2023. 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/CMRRC-D/2006- 158/134/Admin/80 dated 03 July, 2018.

Business review

Emerald Oil Industries Ltd. was incorporated on 17 July 2008 and after that, the company had been officially started its commercial production of Rice Bran edible oil with the brand name "Spondon" on 02 July 2011. Eventually, Emerald Oil Industries Ltd. was listed with the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. in March 2014.

With the cordial support & cooperation of our honorable Consumers, Bankers, Financial institutions, Suppliers, and Shareholders as well as the regulatory authority of the capital market the company's business was progressing successfully. But with regret, 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.

In this situation, Bangladesh Securities and Exchange Commission (BSEC) reconstituted the Board of the company and appointed 5 (five) distinguished persons as Independent Directors. As per direction of BSEC, the company appointed 3 (three) nominated directors from amongst shareholders against the ownership of 7.81% Shares held by Minori Bangladesh Ltd (Minori), a Japan Bangladesh Joint Venture Company. Accordingly, Minori Bangladesh Ltd started its activities and renovated the factory and invested huge amount for Property, Plant, Equipment and its maintenance, Gas connection, Husk Boiler installation, Electric Sub-station, etc. for the company bringing into operation. Minori also recruited qualified & experienced persons for starting the operation.

The Company also successfully completed last 6 years pending AGM's with the permission of Hon'ble Supreme Court of Bangladesh (High Court Division) and declared 2% cash dividend to the hon'ble shareholders (except previous sponsors & Directors) for the year 2021-22.

The Company is working tirelessly to provide maximum service and provide quality product to the consumers and besides, the company is taking various steps to increase the profit to protect the interests of the Shareholders. For this purpose, to sell rice bran oil on the local market and export to Japanese Market, recently Emerald Oil and Minori Bangladesh joined hands with Jamuna Edible Oil Industries to produce and sell rice bran oil in the local and Japanese markets.

Despite, all those previous setbacks the company aims at producing high quality products to our consumers for which we strive hard to match their expectations at all the times.

We are pleased to announce that with the support, right direction of the Board and hardworking of the management and all employees, the company retained to achieve a profit amount at Tk. 66,018,763 during the year based on the operation profit and considering the interest of Shareholders the Board of Directors proposed 10% cash dividend (including 5% interim cash dividend) except previous sponsors & directors holding 30.45% shares for the FY 2022-23.

This meeting provides an opportunity to discuss the company's performance, financial results, corporate governance practices, and future plans. 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.

DIRECTORS' REPORT

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 MT of paddy, resulting in 40 lakh MT 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 MT of edible oil, while the domestic demand stands at 18 lakh MT and continues to increase annually.

Presently, Bangladesh has 16 (Approx.) rice bran oil mills with a combined production capacity of 2.5 lakh MT 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.

Segment-wise or product-wise performances

There is no segment-wise product. However, product-wise revenue has been given in Note No. 20 in notes to the accounts of the financial statements.

Risks and concerns

Rice bran oil is extracted from the hard outer brown layer of rice called chaff (rice husk). This variety of edible oil is more popular in developed countries than soybean or palm oil. However, the demand for rice bran oil is low in Bangladesh even though it is produced here.

The low demand has led to only around 1.5 lakh MT of crude bran oil being produced locally every year of which around 1 lakh MT is exported while the rest is refined for the local market. However, local manufacturers have the capacity to produce 7.68 lakh MT of oil per year.

According to a research report of the Department of Agricultural Extension (DEA), 47.48 lakh MT of rice bran is produced in the country's auto, semi-auto, and general rice mills.

Whereas according to Bangladesh Rice Bran Oil Mills Association, the country's annual demand for edible oil is 25 to 30 lakh MT. Rice bran oil production is about 2.5 lakh MT. At least Tk. 1,859 crore or \$200 million worth of this oil variety is exported per year. At the same time, 13 lakh MT of de-oiled rice bran are produced per year.

Very recently, the government ordered to ban the export of rice bran crude oil without consulting with the association. As a result of the unilateral decision, the traders are facing disaster. They are being forced to close down their factories. In this decision, the country is being deprived of foreign exchange. Besides, about one lakh people involved in this industry have become unemployed.

According to the government's decision, rice bran oil will be sold through trucks of the Trading Corporation Bangladesh. But in the present situation, it is difficult to suddenly refine the 600 to 2,000 MT of crude rice bran oil in stock. Recently the Bangladesh Rice Bran Oil Mills Association has been sent to the government to withdraw the decision on the export ban.

Although the new management of EOIL is aware of the different risks associated with doing business and is prepared to solve them through a systematic approach. However, business may be affected by risks and uncertainties presently not known to us or that we currently believe to be immaterial. Financial risk management has been disclosed in the Note - 4 of the Financial Statements.

DIRECTORS' REPORT

Discussion on cost of goods sold, gross profit margin & net profit margin

Amount in million Taka

Particulars	2023		2022	
	Cost of Goods Sold	1,007.09	90.30%	403.24
Gross margin	108.13	9.70%	30.27	6.98%
Net margin for the year	66.02	5.92%	12.12	2.79%

Discussion on continuity of any extra ordinary gain or loss

There was no extra-ordinary gain or loss in the Financial Statements 30 June, 2023.

Basis for related party transaction

Related party transaction is shown in note no. 35 in notes to the Financial Statements.

Utilization of proceeds from public issues and/ or rights issues

The company did not raise any fund from Public Issues, rights issues and/or any other instruments during the year 2022-23. Noted that Emerald Oil Industries Ltd. has been received the consent letter from Bangladesh Securities and Exchange Commission vide letter no. BSEC/CI/CPLC(Public)-1038/2022/1499 dated 15 November 2023 for raising paid up capital of the Company from existing BDT 59,71,35,000/- (Taka fifty nine crore seventy one lac thirty five thousand) to BDT 91,27,20,040/- (Taka Ninety one crore, twenty seven lac twenty thousand forty) only through issuance of 3,15,58,504 ordinary shares of Tk. 10/- each totaling Tk. 31,55,85,040/- (Taka thirty one crore fifty five lac eighty five thousand forty) only to Minori Bangladesh Limited subject to lock in period for 3 (three) years and compliance of other conditions mentioned in the consent letter which was approved by the shareholders of the company in the Extra –Ordinary General Meeting (EGM) held on 08th January 2023 at 10.a.m. This consent for raising of paid up capital of Emerald Oil Industries Ltd. is to be approved by the shareholders in the 16th Annual General meeting (AGM).

The purpose and utilization of amount of the issue are described below:

Utilization of Fund	Particulars	Amount (Tk)
Repayment of Bank Liabilities	BASIC Bank, Bank Asia & Midas Finance	21,150,000
Working Capital	Raw Material (Bran), Chemical & Packing Material Purchases	200,024,597
Previous Due Payment	Payment to Old Suppliers, Previous Gas Bill Paid, BAPLC Certificate Fee and DSE Listing fee)	55,224,319
Capital Expenditure	Property, Plant and Equipment	10,162,358
Pre-Operating Expenses	Factory Repair & Maintenance, HO & Factory Daily Expenses, Board Meeting Attendance Fee, Directors Remuneration and Salary & Wages	29,023,766
Total		315,585,040

Entitlement of dividend

Shareholders whose names shall appear in the Members Register of the Company or the Depository Register of CDBL on the 'Record Date' of the respective year's AGM will receive the entitled dividend.

Process of distribution of cash dividend

Cash dividend shall be paid directly to the bank account within 15 days and not more than 30 (thirty) days from the date of approval by the Shareholders in the AGM and the date of the Board's approval in case of interim Dividend subject to compliance of circulars/directives of BSEC or Bangladesh Bank or other regulatory authority from time to time.

Procedure of stock dividend distribution

The stock dividend is being credited within 30 (thirty) days of approval subject to the clearance of the regulatory requirement. Process for settling unpaid dividends unpaid or unclaimed cash dividends and stock dividends shall be settled as per instructions of the BSEC or other regulatory authority from time to time.

DIRECTORS' REPORT

Financial statements

The Board of Directors of EOIL would like to inform you that the Financial Statements containing the audited accounts for the year ended 30 June, 2023, conform with the requirements of the Companies Act, 1994, IAS, and IFRS as adopted and applicable, Securities & Exchange Rules-1987 and the listing regulations of the Dhaka Stock Exchange Limited and Chittagong Stock Exchanges PLC, and believes that the financial statements reflect fairly the form and substance of all transactions carried out during the year under review and reasonably accurately present the Company's financial condition and results of its operations.

Code of conduct for the Chairperson, other Board Members, and Chief Executive Officer

To prepare a Code of Conduct Policy for the Chairperson, other Board members, and the Chief Executive Officer of the Company is under processing.

Dividend distribution policy

The dividend policy outlines the amount of cash that will be distributed to the Shareholders every year as dividends out of the after-tax profit of the Company. The dividend policy is based on balancing the value expectations of Shareholders and ensuring funds availability for future expansion plans. To prepare a Dividend Distribution Policy for the Company as per applicable Acts and regulatory directives issued by the Bangladesh Securities and Exchange Commission is under process.

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.

Deviation from the last year's operating results

There is a significant deviance from the last year's operating results as the company was in operation from 10th January 2022 [only for 6th month (Approx)] for the year 2021-2022 against full year operation for the year 2022-2023.

Key operating financial data of last preceding 5 years

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

(Amount in Million Taka except ratios)

Particulars	30 June 2023	30 June 2022	30 June 2021	30 June 2020	30 June 2019
Operational Result					
Turnover	1,115.22	433.51	-	-	-
Gross Profit	108.13	30.27	(37.24)	(41.24)	(42.32)
Net Profit before Tax	73.04	15.70	(43.66)	(44.25)	(64.27)
Net Profit after Tax	66.02	12.12	(36.23)	(46.31)	(68.26)
Net Cash Flow From Operation	(3.01)	(169.15)	(3.38)	6.47	0.20

Amount in Million Taka except ratios)

Particulars	30 June 2023	30 June 2022	30 June 2021	30 June 2020	30 June 2019
Financial Position					
Fixed Assets	472.44	487.33	478.75	532.51	570.03
Current Assets	344.49	198.51	13.88	13.77	13.44
Shareholder's Equity	(946.26)	(1,066.05)	(1,278.03)	(1,247.57)	(1,228.45)
Long Term Liability (Including current Position)	1,304.46	1,304.46	1,305.15	1,326.22	1,357.80

DIRECTORS' REPORT

Amount in Million Taka except ratios)

Particulars	30 June 2023	30 June 2022	30 June 2021	30 June 2020	30 June 2019
Key Financial Ratio					
Current Ratio	0.87	0.52	0.03	0.03	0.04
Quick Ratio	0.71	0.31	0.02	0.02	0.02
Debt to Equity Ratio	(1.86)	(1.64)	(1.39)	(1.44)	(1.47)
Net Income Ratio (%)	5.92%	2.79%	-	-	-
Return on Equity (%)	(6.98%)	(1.14%)	2.83%	3.71%	5.56%
Earnings Per Share	0.73	0.17	(0.58)	(0.76)	(1.14)

Authorized Capital

The authorized capital of the Company is Tk. 100 crore divided into 100,000,000 ordinary shares of Tk.10/- each.

Paid up Capital

EOIL has been increasing its business volume gradually. The position of Paid-up Capital of the Company is as under:

Date	Particulars	Amount in Taka
17.07.2008	Subscription to the Memorandum & Articles of Association at the time of incorporation	5,000,000
29.09.2011	1st Cash Allotment	94,000,000
12.02.2012	2nd Cash Allotment	171,000,000
06.02.2014	Through IPO	200,000,000
28.12.2014	5% stock dividend	23,500,000
20.12.2015	10% stock dividend	49,350,000
31.12.2016	10% stock dividend	54,285,000
Total		597,135,000

Subsequently BSEC has given consent for raising paid up capital of the Company from existing BDT 59,71,35,000/- (Taka fifty nine crore seventy one lac thirty five thousand) to BDT 91,27,20,040/- (Taka Ninety one crore, twenty seven lac twenty thousand forty) only through issuance of 3,15,58,504 ordinary shares of Tk. 10/- each totaling Tk. 31,55,85,040/- (Taka thirty one crore fifty five lac eighty five thousand forty) only to Minori Bangladesh Limited subject to lock in period for 3 (three) years and compliance of other conditions mentioned in the consent letter which was approved by the shareholders of the company in the Extra -Ordinary General Meeting (EGM) held on 08th January 2023, at 10 am. This consent for raising of paid up capital of Emerald Oil Industries Ltd. is to be approved by the shareholders in the Annual General meeting (AGM).

Earnings per share (EPS)

During the year ended 30 June, 2023, the Company's EPS is Tk. 0.73. The EPS is calculated considering the Share Money Deposit as the 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.

Remuneration to Directors including Independent Directors

The Company has paid Tk. 880,000/- to the directors including Independent Directors as remuneration for attending committee and Board meetings in the F/Y 2022-2023, which has been mentioned in Notes No. 22.00. The Company has not paid any amount as remuneration to the Directors including Independent Directors in the F/Y 2022-23.

Dividend declaration

The Board of Directors recommended final 10% Cash Dividend (Including 5% Interim cash dividend) Except Previous Sponsors & Directors holding 30.45% Shares for the year ended June 30, 2023 subject to the approval of the Shareholders in the 16th Annual General Meeting (AGM).

DIRECTORS' REPORT

Elect/re-elect of Director

The Present Board of Directors of the company are as follows:

Sl.	Name	Designation	Remarks
1.	Md. Safiqul Islam	Chairman and Independent Director	Appointed by Bangladesh Securities & Exchange Commission (BSEC) vide Letter No. BSEC/SR MIC/47/2014/73, Dated 02 March 2021 and BSEC/SRMIC /47/2014/211, Dated 13 August 2021.
2.	Professor Dr. Prashanta Kumar Banerjee	Independent Director	
3.	Dr. Santus Kumar Deb	Independent Director	
4.	Mohammad Golam Sarwar	Independent Director	
5.	Dr. Md. Liakat Hossain Moral	Independent Director	Appointed by the Board of Directors of Emerald Oil Industries Ltd. in its 27th Board Meeting held on 26 November 2022.
6.	Shahinoor Khanum, FCA	Independent Director	
7.	Md. Nasir Sikder	Shareholder Director, Nominated by Minori Bangladesh Ltd.	Appointed by the Board of Directors of Emerald Oil Industries Ltd. in its 27th Board Meeting held on 26 November 2022 as per the instruction of BSEC vide Letter No. BSEC /SRMIC/47/2014/112, Dated 29 April 2021.
8.	Mohammad Murad Hossan		
9.	Md. Rubel Sardar		
10.	Md. Afzal Hossain	Paid Managing Director	Appointed as a Paid Managing Director by the Board of Directors of EOIL in its 13th Board of Directors Meeting held on 08 July 2021.

As per the Companies Act, 1994, retirement by rotation is a process whereby at each Annual General meeting (AGM) one third of the directors must retire from their position and be eligible for reappointment. Accordingly, Mr. Mohammad Murad Hossan will be retired and being eligible for re-appointment in the 16th Annual General Meeting.

Before reconstitution of the Board by the BSEC, the previous Board of Directors of the company who shall not be allowed to represent or be elected as a director as per letter no. BSEC/SRMIC/47/20/14/73, Dated 02 March 2021 are as follows:

- 1) Mr. Syed Monowarul Islam
- 2) Mr. Syed Hasibul Gani Galib
- 3) Mr. A S M Monirul Islam
- 4) Mr. Sajan Kumar Basak
- 5) Mr. Amitabha Bhowmik

Statutory Auditors qualified report

Statutory Auditors Ahsan Manzur & Co., Chartered Accountants submitted "Qualified Opinion" on the Financial Statements of Emerald Oil Industries Limited for the year ended June 30, 2023 on Property, plant & equipment, Inventory, Cash & Cash equivalents, Deferred tax liabilities, Long term loan, Lease and 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

The Company's Statutory Auditor Ahsan Manzur & Co., Chartered Accountants will retire in the 16th Annual General Meeting. Being eligible under Section 212 of the Company's Act 1994, the Auditors have expressed their willingness to continue for the year 2023-24 at fees Tk. 4,00,000 (excluding VAT). The Auditors have completed their 1st year of audit and hence are eligible for reappointment. The Board of Directors of the Company recommended approval of the reappointment of Ahsan Manzur & Co., Chartered Accountants as Auditors of the Company for the year 2023-24 with a fee of Tk. 4,00,000 (excluding VAT) subject to the approval of Shareholders in the 16th AGM.

DIRECTORS' REPORT

Appointment of Corporate Governance Compliance Auditor

As per Corporate Governance Code No. BSEC/ CMRRCD/2006-158/207/Admin/80 dated 3 June 2018, the Audit Committee recommended to reappoint M/S S.R. Islam & Co. Chartered Accountants as the Corporate Governance Compliance Auditor of the Company for the Year 2023-2024. The Directors endorsed recommendation of the Audit Committee for reappointment of M/S S.R. Islam & Co., Chartered Accountants as the Corporate Governance Compliance Auditor of the Company for the Year 2023-2024 at a fee of Taka 60,000/- (Sixty Thousand Only) including VAT & Tax subject to the approval of the Shareholders in the 16th Annual General Meeting (AGM).

Declaration on the financial statements

The Directors are responsible for the governance of the Company and, as part of the preparation and presentation of the financial statements for the year ended June 30, 2023, of Emerald Oil Industries Limited (EOIL), the Directors confirm, to the best of their knowledge that:

- (a) The financial statements, prepared by the Management of the Company, which were duly scrutinized by the external auditors, present fairly its state of affairs, the result of its operations, cash flows, and changes in equity;
- (b) Proper books of account of the Company have been maintained;
- (c) Appropriate accounting policies have been consistently applied in the preparation of the Financial Statements and the accounting estimates are based on reasonable and prudent judgments;
- (d) The International Accounting Standards (IAS) and/or IFRS as applicable in Bangladesh, have been followed in the preparation of the Financial Statements and any departure there from has been adequately disclosed;
- (e) The system of internal control is sound in design and has been effectively implemented and monitored;
- (f) There is no doubt, whatsoever, upon the Company's ability to continue as a going concern;
- (g) The CEO and CFO have certified to the Board that they have reviewed the financial statements and affirmed that these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (h) The CEO and CFO have certified to the Board that they have reviewed the financial statements and affirmed that 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;
- (i) The CEO and CFO have further certified to the Board that there are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct. The CEO and CFO have further certified to the Board that there are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct;
- (j) The declaration of the CEO & CFO of the Board of Directors is shown of page 29 of this report.

Other regulatory disclosures

Pursuant to the BSEC Notification on 'Code of Corporate Governance (CGC) dated June 03, 2018, the Directors of EOIL also report that:

- (i) The Company is aware of its various risks and concerns. The financial risk management has been disclosed under Note -4 of the financial statements;
- (ii) All transactions with related parties have been made on a commercial basis and the details of related parties and transactions have been disclosed under Note No. 35 of the financial statements;
- (iii) Appropriate accounting policies have been followed in the preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment;
- (iv) The financial statements are prepared in accordance with IAS/IFRS and any departure there from has been adequately disclosed;

DIRECTORS' REPORT

- (v) From inception, the financial results of the Company have continued to grow as reflected in the yearly financial statements of the Company;
- (vi) No extraordinary gain or loss has been recognized in the financial statements of the Company;
- (vii) No significant variations have occurred between the quarterly and final financial results of the Company during 2022-23;
- (viii) During the year, the Company has paid a total amount of Tk. 880,000/- as Board meeting attendance fees; All significant deviations from the previous year in the operating results of the Company have been highlighted and the reasons thereof have been explained;
- (ix) The key operating and financial data for the last five years have been disclosed on page 19-20 of this report;
- (x) The Board of Directors recommended final 10% Cash Dividend (Including 5% Interim cash dividend) Except Previous Sponsors Directors holding 30.45% Shares for the year ended June 30, 2023. During FY 2022-23, 12 (Twelve) Board Meetings were held, which met the regulatory requirements. The attendance records of the Directors are shown on page 28 of this report;
- (xi) Rights and interests of the minority Shareholders have been duly protected by means of transparent operations and proper disclosure of material information of the Company;
- (xii) No bonus or stock dividend has been declared or an interim dividend declared during the year;
- (xiii) A statement of 'Management Discussion and Analysis' has been presented on pages 26-27 in this report;
- (xiv) The Shareholding pattern of the Company as FY 2022-23, is shown on page 44 of this report; and
- (xv) Directors' profiles have been included in the Annual Report as per BSEC Guidelines.

Corporate Governance

Corporate governance is the system of rules, practices, and processes by which a company is directed and controlled. Corporate governance essentially involves balancing the interests of a company's many stakeholders such as Shareholders, Management, Customers, Suppliers, Financiers, Government, and the community. Corporate governance facilities are the rules & regulations to work in the best interest of stakeholders. The Board of Directors firmly believes that the practice of good corporate governance is essential to ensuring a disciplined and sustainable national economy. The Management strictly adheres to two basic principles of Corporate Governance i.e. transparency and disclosure. Since the inception of the Company the Board of Directors has been fully committed to building a strong and empowered Management Team. This helped Emerald Oil Industries Ltd. to maintain Good Corporate Governance. Status of compliance with the conditions imposed by Bangladesh Securities and Exchange Commission's Notification No. SEC/C-MMRCD/2006-158/ 207/Admin/80, dated June 03, 2018, along with a certificate from S.R. Islam & Co. Chartered Accountants have been presented in page 33-45 in this report.

Future prospectus

In Bangladesh, we are committed to seizing future opportunities and driving sustainable growth, as outlined in this Annual Report. Looking ahead, we anticipate several key areas of focus that will shape our future prospects and guide our strategic initiatives. These areas encompass market expansion, sustainability, and talent development.

As we move forward, our company aims to expand its presence and capture a larger market in Bangladesh. We will leverage our strong brand reputation, customer trust, and deep understanding of local market dynamics to identify new growth avenues. Our strategic focus will be on exploring untapped regions, targeting emerging consumer segments, and diversifying our product/service offerings to meet evolving customer needs.

Sustainability is an integral part of our future roadmap. We are committed to conducting our business in an environmentally responsible and socially conscious manner. Our sustainability initiatives will focus on reducing our carbon footprint, conserving resources, promoting renewable energy, and minimizing waste generation.

Investing in our people will remain a priority as we look to the future. We recognize that our employees are our most valuable asset and the driving force behind our success. We will continue to foster a culture of learning, innovation, and inclusivity to attract and retain top talent. Our focus will be on providing professional development opportunities, nurtur-

DIRECTORS' REPORT

ing leadership capabilities, and promoting a diverse and inclusive work environment. We will also strengthen our talent acquisition strategies to ensure we have the right skills and expertise to navigate future challenges and capitalize on emerging opportunities.

As we reflect on our achievements and progress outlined in this Annual Report, we are excited about the future prospects for our company in Bangladesh. By expanding our market presence, prioritizing sustainability, and investing in our people, we are well-positioned to navigate the evolving business landscape and drive sustainable growth. We remain committed to creating long-term value for our shareholders, contributing to the socio-economic development of Bangladesh, and shaping a brighter future for our organization and the communities we serve.

Internal control

At Emerald Oil Industries Limited, we place a strong emphasis on maintaining robust internal controls to ensure the integrity of our operations, including the production and distribution of rice bran oil in Bangladesh. Our internal control framework is designed to safeguard our assets, mitigate risks, ensure compliance with laws and regulations, and maintain the accuracy and reliability of financial reporting. We continuously evaluate and enhance our internal control systems to meet evolving challenges and best practices.

We foster a control-conscious culture throughout the organization, emphasizing the importance of ethics, accountability, and integrity. Our management sets the tone at the top, promoting a strong commitment to internal control and providing clear guidance and expectations to employees.

Information technology

In our company, we recognize the critical role of Information Technology (IT) in driving operational efficiency in Bangladesh. Our IT infrastructure and systems are designed to enable seamless operations, ensure data integrity and security, and facilitate decision-making processes. We maintain a robust and secure IT infrastructure that supports our business operations. This includes hardware, software, networks, servers, and databases that are regularly updated and maintained to ensure optimal performance. Data management is a key priority for us. We have implemented secure and scalable data storage systems to manage the vast amount of information generated by our operations. As technology advances, cyber security remains a critical concern. We prioritize cyber security measures to protect our IT infrastructure, systems, and data from unauthorized access, cyber threats, and data breaches. We consider IT to be a strategic enabler in our business operations. We are committed to leveraging technology to enhance productivity, streamline processes, and improve customer experiences.

Environmental policy

At Emerald Oil Industries Limited, we are committed to protecting the environment and operating our business in a sustainable manner. We recognize the importance of environmental stewardship and the role we play in preserving the natural resources of Bangladesh. Our environmental policy outlines our commitment to minimizing our environmental impact, complying with applicable regulations, and continuously improving our environmental performance. We are committed to complying with relevant environmental laws, regulations, and standards set forth by the government of Bangladesh. We strive to ensure that our operations, products, and services meet or exceed these requirements, incorporating environmental considerations into our decision-making processes.

We prioritize pollution prevention and aim to minimize the generation of waste, emissions, and pollutants. Through the implementation of efficient processes, technologies, and practices, we strive to reduce our environmental footprint and promote sustainable resource management. We actively seek to identify opportunities to minimize the use of hazardous substances and promote the use of environmentally friendly alternatives.

We recognize the importance of conserving natural resources and promoting their responsible use. We strive to optimize resource utilization, including energy, water, and raw materials, by implementing energy-efficient technologies, promoting water conservation practices, and exploring recycling and reuse opportunities. We encourage our employees to adopt sustainable practices both at work and in their personal lives.

Our environmental policy reflects our dedication to responsible environmental management and sustainable practices in Bangladesh. We are committed to minimizing our environmental impact, conserving natural resources, complying with applicable regulations, and continuously improving our environmental performance.

DIRECTORS' REPORT

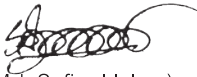
Acknowledgment

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 for 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

MANAGEMENT DISCUSSION AND ANALYSIS

As per condition no 1(5) (XXV) of the Corporate Governance Code dated June 03, 2018 issued by BSEC, the Management Discussion and Analysis are as follows:

(a) Accounting policies and estimation for preparation of Financial Statements

The Company follows International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS) in preparing financial statements. Disclosure and rules as required by Insurance Act 2010 have been complied with while preparing financial statements and also in compliance with the Companies Act 1994. In addition, the Bangladesh Securities and Exchange Commission Rules 1987, Listing Regulations of Dhaka Stock Exchange Ltd. (DSE) & Chattogram Stock Exchange Ltd. (CSE), Detailed description of accounting policies and estimation used for preparation of the financial statements of the company are disclosed in the note 2 of the financial statements.

(b) Changes in accounting policies and estimation

The Company has been following consistent policies and estimation in preparing its financial statements. However, IFRS 9 IAS 39 previous year and any changes due to such replacement incorporated in the accounts accordingly.

(c) Comparative analysis of financial performance or results and financial position as well as cash follows for current financial year with immediately preceding 5 (five) years

(Amount in million Taka except ratios)

Particulars	30 June 2023	30 June 2022	30 June 2021	30 June 2020	30 June 2019
Turnover	1,115.22	433.51	-	-	-
Gross Profit	108.13	30.27	(37.24)	(41.24)	(42.32)
Net Profit before Tax	73.04	15.70	(43.66)	(44.25)	(64.27)
Net Profit after Tax	66.02	12.12	(36.23)	(46.31)	(68.26)
Net Cash Flow From Operation	(3.01)	(169.15)	(3.38)	6.47	0.20
Fixed Assets	472.44	487.33	478.75	532.51	570.03
Current Assets	344.49	198.51	13.88	13.77	13.44
Shareholder's Equity	(946.26)	(1,066.05)	(1,278.03)	(1,247.57)	(1,228.45)
Long Term Liability (Including current Position)	1,304.46	1,304.46	1,305.15	1,326.22	1,357.80
Current Ratio	0.87	0.52	0.03	0.03	0.04
Earnings Per Share	0.73	0.17	(0.58)	(0.76)	(1.14)

(d) Financial and economic scenario of the Country and the Globe

Bangladesh Economy:

Bangladesh's robust economic recovery from the COVID-19 pandemic has been interrupted by the war in Russia-Ukraine, resultant supply-chain disruptions, global oil-and food-price spikes, slowdown in external demand, weak remittance inflow, shortfall in revenue collection and slow public expenditure, rise in inflation, widening of current account deficit, depreciation of the Taka and a decline in foreign exchange reserves. Unemployment situation and low investment are other challenges.

To overcome the challenges, the government took quick and decisive measures to address the economic fallout. The government also needs to take more actions to stable foreign exchange reserve, manage inflation, enhance revenue earnings, ensure proper electricity and gas supply for economic activities, and extend social safety net programs.

Nevertheless, the economy has been showing some signs of improvement in the review period (FY23). Exports and imports are two important drivers of the economy, and amid the present situation, both the areas have done comparatively well. The export-oriented garment, leather and domestic market-oriented steel, food-processing and transport sectors are running in full scale. Foreign currency reserve is still somewhat in a satisfactory position but into a weaker trajectory. The exchange rate has long been remained stable but depreciated notably in recent months.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of US Dollar, the value of GDP in current market price decreased by 1.38 per cent to US\$453,852 million in FY23 from US\$460,219 million in the previous fiscal year. Per capita GDP stood at US\$2,657 in FY23, compared to US\$2,687 in FY22, showing a decrease of 1.12 per cent. Per capita GNI also decreased to US\$2,765 in FY23 from US\$2,793 in the previous fiscal year.

World Economy:

The baseline forecast is for global growth to slow from 3.5 percent in 2022 to 3.0 percent in 2023 and 2.9 percent in 2024, well below the historical (2000–19) average of 3.8 percent. Advanced economies are expected to slow from 2.6 percent in 2022 to 1.5 percent in 2023 and 1.4 percent in 2024 as policy tightening starts to bite. Emerging market and developing economies are projected to have a modest decline in growth from 4.1 percent in 2022 to 4.0 percent in both 2023 and 2024. Global inflation is forecast to decline steadily, from 8.7 percent in 2022 to 6.9 percent in 2023 and 5.8 percent in 2024, due to tighter monetary policy aided by lower international commodity prices. Core inflation is generally projected to decline more gradually, and inflation is not expected to return to target until 2025 in most cases.

Monetary policy actions and frameworks are key at the current juncture to keep inflation expectations anchored. Chapter 2 documents recent trends in inflation expectations at near- and medium-term horizons and across agents. It emphasizes the complementary role of monetary policy frameworks, including communication strategies, in helping achieve disinflation at a lower cost to output through managing agents' inflation expectations. Given increasing concerns about geoeconomic fragmentation, Chapter 3 assesses how disruptions to global trade in commodities can affect commodity prices, economic activity, and the green energy transition.

(e) Risk and concerns issues related to the financial statements, explaining such risk and concern mitigation plan of the Company

Rice bran oil is extracted from the hard outer brown layer of rice called chaff (rice husk). This variety of edible oil is more popular in developed countries than soybean or palm oil. However, the demand for rice bran oil is low in Bangladesh even though it is produced here.

(f) Future plan or projection or forecast for company's operation, performance and financial position

Although the year 2022-23 was exceedingly difficult for all of us, Emerald Oil Industries Ltd. underlying strengths and resilience to deliver optimum service to its consumers. The company finds new pathway of providing services. It will continuously take diversified business approach and invest in building capabilities to further entrenching the leadership position in the market and continuing with the quality production of the company for foreseeable future.



(Md. Afzal Hossain)
Managing Director

DIRECTORS' MEETING AND ATTENDANCE FOR THE YEAR 2022-23

Name of Board Members and position in the Board	Board of Directors (BOD)			Audit Committee (AC)			Nomination and Remuneration Committee (NRC)		
	Total BOD meeting held	Meeting Attended	Attendance as % of Total meeting held	Total AC meeting held	Meeting Attended	Attendance as % of Total meeting held	Total NRC meeting held	Meeting Attended	Attendance as % of Total meeting held
Md.Safiqul Islam Chairman & Independent Director	12	12	100%						
Professor Dr. Prashanta Kumar Banerjee Independent Director	12	12	100%	6	3	50%	1	1	100%
Dr. Santus Kumar Deb Independent Director	12	10	83%				1	1	100%
Md.Sajib Hossain Independent Director	12	7	100%	6	3	50%			
Mohammad Golam Sarwar Independent Director	12	6	50%	6	1	17%	1		
Dr. Md. Liakat Hossain Moral Independent Director	12	6	100%				1		
Shahinoor Khanum, FCA, Independent Director	12	6	100%	6	4	67%			
Sidratul Mahabub Hasan Nominated Director (Minori Bangladesh Ltd.)	12	6	100%				1	1	100%
Md. Nasir Sikder Nominated Director (Minori Bangladesh Ltd.)	12	7	100%	6	3	50%			
Mohammad Murad Hossan Nominated Director (Minori Bangladesh Ltd.)	12	7	100%						
Md. Rubel Sardar Nominated Director (Minori Bangladesh Ltd.)	12	7	100%				1		
Md. Afzal Hossain Managing Director	12	12	100%						

Note: % of attendance calculated on the basis of the tenure of respective Directors.

DECLARATION BY MD & CFO

Annexure-A

As per condition No. 1(5)(xxvi) of CGC

The Board of Directors
Emerald Oil Industries Limited
Halimunnes's Court (Floor-9), 23, Kakrail, Dhaka-1000

Subject: **MD & CFO's Declaration to the Board of Directors.**

Dear Sir(s),

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/ CMRRCD/2006- 158/ 207/ Admin/80, dated: June 03, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

01. The Financial Statements of Emerald Oil Industries Limited (EOIL) for the year ended 30th June 2023 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
02. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
03. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
04. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
05. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
06. The management's use of the going concerns basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

We have reviewed the financial statements for the year ended 30th June, 2023 and that to the best of our knowledge and belief:

- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
- (ii) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

There are, to the best of knowledge and belief, 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 of Directors or its members.


(Managing Director)


(Chief Financial Officer)

REPORT OF AUDIT COMMITTEE

Dear Shareholders,

The audit committee of Emerald Oil Industries Ltd. is a sub-committee of the Board of Directors and is appointed and authorized by the Board in pursuance of BSEC notification to review the activities of the business. The Audit Committee of the Company comprises of three Directors, nominated by the Board of Directors of the Company. The committee has worked closely with the company's financial terms to ensure that the audit processes adopted in connection with the financial statements deal with best practices. The committee was empowered to examine the matter related to the financial and other affairs of the Company. This committee ensures a sound financial reporting system and updated information to the Board of Directors.

Before Last reconstitution, Composition of the Audit Committee was as follows:

Sl.	Name	Position in the Board	Position in the Committee
01	Mr. Md. Sajib Hossain, CFA	Independent Director	Chairman
02	Professor Dr. Prashanta Kumar Banerjee	Independent Director	Member
03	Mr. Mohammad Golam Sarwar	Independent Director	Member
04.	Ms. Shahinoor Khanum FCA	Independent Director	Member

The Audit Committee was reconstituted on 23 February 2023 with the consisting of following Non-executive Directors:

Sl.	Name	Position in the Board	Position in the Committee
01	Ms. Shahinoor Khanum FCA	Independent Director	Chairman
02	Mr. Mohammad Golam Sarwar	Independent Director	Member
03	Mr. Md. Nasir Sikder	Nominated Director (Minori Bangladesh Ltd.)	Member

During the year ended 30 June 2023, total 6 (Six) meetings were held of the Audit Committee. The Audit Committee Member and attendances for the year ended June 30, 2023 are as follows:

Sl.	Name	Meeting Tenure	No. of Meetings held during the tenure	Attended
01	Mr. Md. Sajib Hossain, CFA	31/03/2022 - 23/02/2023	3	3
02	Professor Dr. Prashanta Kumar Banerjee	31/03/2022 - 23/02/2023	3	3
03	Mr. Mohammad Golam Sarwar	31/03/2022 - 30/06/2023	6	1
04	Ms. Shahinoor Khanum, FCA	06/02/2023 - 30/06/2023	4	4
05	Mr. Md. Nasir Sikder	23/02/2023 - 30/06/2027	3	3

Terms of Reference:

The terms of reference of the Committee has been agreed upon as follows:

- (a) To review all internal and external audit report;
- (b) To recommend the statutory annual audited financial statements to the Board of Directors for approval;
- (c) To review the finding of the internal and external auditors;
- (d) To review and approve the Annual Audit Plan of the Internal Audit Department;
- (e) To monitor the implementation of the recommendations of the Internal and External auditors;
- (f) To review the performance of the external auditors and make recommendations to the Board regarding their appointment and fees;
- (g) To review the quarterly, half yearly and annual financial statements before submission to the Board for approval;
- (h) To review the company's statement on internal control systems prior to endorsement by the Board; and
- (i) Company secretary shall be the secretary of the audit committee.

REPORT OF AUDIT COMMITTEE

Activities:

- (i) The financial statements of the first quarter, half year, third quarter and the full year were reviewed by the committee and subsequently recommended to the Board for consideration and approval;
- (ii) The Committee also reviewed the work of the internal audit department and made suggestions for improvement;
- (iii) The Committee recognized the observation of the internal audit department regarding internal control and suggestions made to improve operational systems and procedures and their implementation.

Recommendation:

- 01. The Financial Statements for the year ended 30th June, 2023 may be approved;
- 02. Ahsan Manzur & Co. Chartered Accountants may be appointed as the statutory auditor of the Company for the year ended 30th June, 2024 at fees of Tk. 4,00,000/- (excluding VAT) subject to approval of the Shareholders at the 16th Annual General Meeting of the Company; and
- 03. S.R. Islam & Co. Chartered Accountants may be appointed as the compliance auditor of the Company for the year ended 30th June, 2024 at fees of Tk. 60,000/- (including VAT & Tax) subject to approval of the Shareholders at the 16th Annual General Meeting of the Company.

Sd/-
(Shahinoor Khanum, FCA)
Chairman of the Audit Committee

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Nomination and Remuneration Committee of Emerald Oil Industries Limited (EOIL) is a sub-committee of the Board of Directors and appointed and authorized by the Board in pursuance of BSEC notification to assist the Board in the formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executives.

Before Last reconstitution, Composition of the NRC Committee was as follows:

SI #	Name	Position in the Board	Position in the Committee
01	Professor Dr. Prashanta Kumar Banerjee	Independent Director	Chairman
02	Dr. Santus Kumar Deb	Independent Director	Member
03	Mr. Mohammad Golam Sarwar	Independent Director	Member
04	Mr. Sidratul Mahabub Hasan	Nominated Director (Minori Bangladesh Ltd.)	Member

The NRC Committee was reconstituted on 06 February 2023 with the following Non -Executive Directors:

SI #	Name	Position in the Board	Position in the Committee
01	Professor Dr. Prashanta Kumar Banerjee	Independent Director	Chairman
02	Dr. Santus Kumar Deb	Independent Director	Member
03	Mr. Mohammad Golam Sarwar	Independent Director	Member
04	Dr. Md. Liakat Hossain Moral	Independent Director	Member
05	Mr. Md. Rubel Sardar	Nominated Director (Minori Bangladesh Limited)	Member

During the year ended 30 June 2023, only1 (One) meeting was held of the NRC Committee. The NRC Committee Members and attendances for the year ended June 30, 2023 are as follows:

SI #	Name	Meeting Tenure	No. of Meetings held during the tenure	Attended
01	Professor Dr. Prashanta Kumar Banerjee	31/03/2022 - 30/06/2023	1	1
02	Dr. Santus Kumar Deb	31/03/2022 - 30/06/2023	1	1
03	Mr. Mohammad Golam Sarwar	31/03/2022 - 30/06/2023	1	-
04	Mr. Sidratul Mahabub Hasan	31/03/2022 - 06/02/2023	1	1
05	Dr. Md. Liakat Hossain Moral	06/02/2023 - 30/06/2023	-	-
06	Mr. Md. Rubel Sardar	06/02/2023 - 30/06/2023	-	-

The Nomination and Remuneration Committee of EOIL acts in accordance with the Terms of Reference in compliance with the Code-6 of the Securities and Exchange Commission's Corporate Governance Code Notification No. BSEC/CM-RRCD/2006-158/207/Admin/80 dated June 03, 2018.

The Nomination and Remuneration Committee focuses on the selection of individuals with suitable skills and experience to develop the human resources pool of the Company and recommend to the Board for an appointment.

The Chairman of the Nomination and Remuneration Committee, on behalf of all the members of the Committee, extends gratitude to all the Stakeholders, Management Team, and especially the Board of Directors of EOIL for their continued support & guidance during the year 2022-2023 and seeks cooperation in the years to come.

Sd/-

(Professor Dr. Prashanta Kumar Banerjee)
Chairman, NRC

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	
1.0(1)	Board of Directors			
	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 Board of EOIL comprised of 10 (ten) Directors including 6 (six) Independent Directors (ID)
1.2	Independent Directors			
1(2)(a)	At least 2(two) directors or one-fifth (1/5) of the total number of directors in the company's Board, whichever is higher, shall be independent directors;	√		There are 6 (Six) Independent Directors of EOIL out of 6 BSEC appointed 5 ID and another one ID
1(2)(b)	Without contravention of any provision of any other laws, for the purpose of this clause, an "independent director" means a director-			
1(2)(b)(i)	The independent director does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		
1(2)(b)(ii)	The independent director is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company;	√		
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;.	√		
1(2)(b)(iv)	The independent director does not have any other relationship, whether pecuniary or other wise, with the company or its subsidiary/associated companies;	√		
1(2)(b)(v)	Independent Directors are not the members or TREC holder, directors or officers of any stock exchange;	√		
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;	√		
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;	√		
1(2)(b)(viii)	The independent director shall not be an independent director in more than 5(five) listed companies;	√		
1(2)(b)(ix)	Who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for nonpayment of any loan or advance or obligation to a bank or a financial institution; and	√		
1(2)(b)(x)	The independent director has not been convicted for a criminal offence involving moral turpitude;	√		

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
1(2)(c)	<p>The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM);</p> <p>Provided that the Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;</p>		√	Bangladesh Securities and Exchange Commission (BSEC) reconstituted the Board of the company and removed the previous directors of the company vide letter no. BSEC/SR-MIC/47/2014/73 dated 02 March 2021 and appointed 5(five) independent directors of EOIL out of which 1 (one) Independent Director resigned from the Board on 24/02/2023. After that the Board of EOIL appointed Dr. Md. Liakat Hossain Moral and Shahinur Khanum, FCA as Independent Director of the Company.
1(2)(d)	The post of independent director(s) can not remain vacant for more than 90 (ninety) days; and	√		
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;	√		Independent Directors has been continuing their position for the first term
1.3	Qualification of Independent Director (ID)			
1(3)(a)	Independent Director shall be knowledgeable individual with integrity;	√		
1(3)(b)(i)	Independent director shall have following qualifications: Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or			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; or	√		Mr. Dr. Md. Liakat Hossain Moral is a retired Banker
1(3)(b)(iii)	Former or existing official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or	√		Mr. Md. Safiqul Islam is the Former Additional Secretary
1(3)(b)(iv)	University teacher who has an educational background in economics or commerce or business studies or law; or	√		Dr. Prashanta Kumar Banerjee, Dr. Santus Kumar Deb and Mr. Mohammad Golam Sarwar are the University Teacher

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	√		Mrs. Shahinoor Khanum is a fellow member of the Institute of Chartered Accountants of Bangladesh (ICAB)
1(3)(c)	The Independent Director shall have at least 10 years of experience in any field mentioned in clause (b);	√		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	√		
1.4	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer-			
1(4)(a)	The Chairman of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) shall be different individuals;	√		
1(4)(b)	The MD and/or CEO of a listed company shall not hold the same in another listed company;	√		
1(4)(c)	The Chairman of the board shall be elected from among the non-executive Directors of the company;	√		
1(4)(d)	The board shall clearly define respective roles & responsibilities of chairperson and MD or CEO;	√		
1(4)(e)	In the absence of chairperson of the board, remaining members may elect one of themselves from non-executive directors as chairperson & the reason of absence shall be duly recorded in the minutes.	√		
1.5	The Director's Report to Shareholders			
1(5)(i)	Industry outlook and possible future developments in the industry ;	√		The Directors report complies with the guidelines
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 where applicable;	√		
1(5)(v)	Discussion on continuity of any Extra-Ordinary activities and their implications (gain or loss);	√		
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		Basis of Transactions and a statement of all related party transactions are disclosed under notes to the financial statements note no. 3.17
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	√		No such issue made in F/Y 2023-23.
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)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;			
1(5)(x)	A Statement Remuneration to directors including independent directors;	√		Disclosed in the Annual Report
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 in equity;	√		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	√		

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks	
		Complied	Not Complied		
1(5)(xiii)	A Statement 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;	√		Disclosed in the Annual Report	
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)	Statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√			
1(5)(xvii)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons there of 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 there of 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;	√			The Board of Directors recommended final 10% Cash Dividend (Including 5% Interim cash dividend) Except Previous Sponsors and Directors holding 30.45% shares for the year ended June 30, 2023
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;				NA
1(5)(xxii)	The number of Board meetings held during the year and attendance by each director shall be disclosed;	√			12 (twelve) Board of Directors meetings held during the year. The meeting's attendance by each director shall be disclosed in Annual Report
1(5)(xxiii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality;	√			
1(5)(xxiii)(a)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name wise details where stated below) held by:-	√			
1(5)(xxiii)(b)	Parent/Subsidiary/Associated Companies and other related parties (name-wise details);			N/A	
1(5)(xxiii)(c)	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)(d)	Executives;	√			
1(5)(xxiii)(e)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details);	√			

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
1(5)(xxiv)	In case of appointment/re-appointment of a Director the company shall disclose the following information to the shareholders:-	√		Stated in Annual Report
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;	√		
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;		√	There are no peer Industries listed with any exchange in Bangladesh
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		Stated in Annual Report
1(5)(xxv)(f)	Risks & concerns issued related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		
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-B & Annexure-C.	√		
1(6)	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with Bangladesh Secretarial Standards as adopted by the Institute of Chartered Secretaries of Bangladesh.	√		
1.7	Code of conduct for the chairperson, other Board members, and Chief Executive Officer			
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.		√	To prepare a code of conduct set for chairmen of the Board, other members of the Board and Chief Executive Officer of the company is under process
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.		√	
2.00	Governance of Board of Directors of subsidiary Company			
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.			NA

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
2(b)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.			EOIL does not have any subsidiary company
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.			
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.			
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			
3.0	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3.1	Appointment			
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).	√		
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:	√		
3(2)	Duties of Managing Director or Chief executive Officer and Chief Financial Officer	√		
3.3	The MD or CEO and CFO shall certify to the board that they have reviewed financial statements			
3(3)(a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	√		
3(3)(a)(i)	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)(a)(ii)	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)(b)				
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the annual report	√		
4.0	Board of Directors' Committee			
4(i)	The Board shall have an Audit Committee as a sub-committee of the Board.	√		Disclosed in Annual Report
4(ii)	The Board shall have a Nomination & Remuneration Committee as a sub-committee of the Board.	√		
5.0	Audit Committee			
5.1	Responsibility to the Board of Directors			
5(1)(a)	Audit Committee shall be the sub-committee of the Board of Directors.	√		

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
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.	√		The audit committee duly discharged its responsibilities
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.	√		In Practice
5.2	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3(three) members.	√		The Committee is comprised of 3 (Three) members including 2 (Two) Independent Directors
5(2)(b)	Board shall appoint members of Audit Committee from non-executive directors except chairperson including 1(one) independent director.	√		The members of the Audit Committee are appointed by the Board who are Non-Executive Directors and which includes 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.	√		Based on the academic qualifications and professional experiences, the Board reviewed and considered that all the existing members of the Audit Committee are 'financially literate' and they have 'related financial management experience' as per codes of BSEC. The members have also given their declarations
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		In Practice
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	√		
5.3	Chairperson of the Audit Committee			
5(3)(a)	Chairman of the Audit Committee shall be an Independent Director appointed by the Board	√		In Practice
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	√		
5.4	Meeting of the Audit Committee			

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
5(4)(a)	Frequency of Meetings of the Audit Committee	√		Total 6 (Six) meetings held during the year
5(4)(b)	Quorum of the Audit Committee Meeting	√		In Practice
5.5	Role of Audit Committee shall include the following			
5(5)(a)	Oversee the financial reporting process.	√		In Practice
5(5)(b)	Monitor choice of accounting policies and principles.	√		
5(5)(c)	Monitor internal audit and compliance process, approval of internal audit and compliance plan and review of these reports	√		
5(5)(d)	Oversee hiring and performance of external auditors.			
5(5)(e)	Hold meeting with external auditors for review of annual financial statements before submission to the board	√		
5(5)(f)	Review along with the management, the annual financial statements before submission to the board for approval.	√		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	√		
5(5)(h)	Review the adequacy of internal audit function.	√		
5(5)(i)	Review the Management's discussion and analysis before disclosing in the annual report	√		
5(5)(j)	Review statement of all related party transactions submitted by the management.	√		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.			N/A
5(5)(l)	Oversee the determination of audit fees and others for effective audit and evaluate performance of external auditors	√		In Practice
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.	√		
5.6	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board of Directors.	√		In Practice
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board of Directors on the followings, if any			
5(6)(a)(ii)(a)	Report on conflicts of interests;			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;			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;			
5(6)(a)(ii)(d)	Any other matter which shall be disclosed to the Board of Directors immediately ;			
5(6)(b)	Reporting to the Authorities: 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.			

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
5(7)	Reporting to the Shareholders and General Investors: 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.	√		Activity of AC has disclosed in the Annual Report
6.00	Nomination And Remuneration Committee (NRC)			
6.1	Responsibility to the board of directors			
6(1)(a)	The company shall have a NRC as a sub-committee of the board	√		Already in place. The TOR is available
6(1)(b)				
6(1)(c)	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	√		The NRC duly discharged its responsibilities
	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing	√		In practice. The Terms of Reference is clearly set forth in writing covering all relevant areas as stated in the code
6.2	Constitution Of the NRC			
6(2)(a)	The committee shall comprise of at least 3 (three) members including an independent director;	√		The Committee is comprised of 5 (Five) members including 4 (Four) Independent Directors
6(2)(b)	At least 02 (two) members of the Committee shall be non-executive directors;	√		In Practice
6(2)(c)	Members of the committee shall be nominated and appointed by the board;	√		The NRC members are appointed by the Board
6(2)(d)	The board shall have authority to remove and appoint any member of the committee;	√		In Practice
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;	√		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: If the Chairperson feels that advice or suggestion from such external expert and/or members of staff shall be required or valuable for the committee;	√		The Committee didn't appoint or co-opt any external expert or member
6(2)(g)	Company secretary shall act as the secretary of the committee	√		In Practice
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	√		
6.3	Chairperson of the NRC			
6(3)(a)	The board shall select one member of the NRC to be chairperson of the committee who shall be an independent director;	√		In Practice
6(3)(b)	In the absence of chairperson of NRC, the remaining members may elect one of themselves as chairman for that particular meeting the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	√		
6(3)(c)	The chairperson of NRC shall attend the Annual General Meeting (AGM) to answer the queries of the Shareholders.	√		

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
6.4	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year.	√		1 (One) meeting held during the year
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC	√		To be complied if needed
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	√		In Practice
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	√		
6.5	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the board and shareholders	√		
6(5)(b)	NRC shall oversee among others, the following matters and make report with recommendation to the Board:			
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-	√		In Practice
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	√		In Practice
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of company and its goals	√		In Practice
6(5)(b)(ii)	A policy on boards diversity considering age, gender, experience, ethnicity, educational background & nationality	√		
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.	√		Preparing NRC Policy is under process
7.0	External or Statutory Auditors			
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	√		

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
7(1)(viii)	Non-engagement in audit or certification services on compliance of corporate governance as required under condition: 9(1)	√		In Practice
7(1)(ix) 7(2)	Any other service that creates conflict of interest 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	√		
8.0	Maintaining Website by the Company			
8(1)	The company shall have an official website linked with the websites of the stock exchange	√		Website is there which is linked with those of the stock exchanges
8(2)	The company shall keep the website functional from the date of listing	√		In Practice
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s)	√		
9.0	Reporting and Compliance of Corporate Governance			
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	√		
9(2)	The professional who will provide the certificate on compliance of the Corporate Governance Code shall be appointed by the shareholders in AGM	√		
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	√		

Compliance of condition no. 1(5)(xxiii)

The pattern of shareholding as at June 30, 2023

- (i) Parent/ Subsidiary/ Associated companies and other related parties N/A
(ii) Directors, Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO), Head of Internal Auditor (IA) and their spouses and minor children:

Sl.	Name of Directors & Executives	Status	No. of Share held	Share held by the Spouse/Children	Remarks
(a)	Md. Safiqul Islam,	Chairman / Independent Director	Nil	Nil	Nil
	Professor Dr. Prashanta Kumar Banerjee	Independent Director	Nil	Nil	Nil
	Dr. Santus Kumar Deb	Independent Director	Nil	Nil	Nil
	Md. Sajib Hossain,	Independent Director	Nil	Nil	Nil
	Mohammad Golam Sarwar	Independent Director	Nil	Nil	Nil
	Dr. Md. Liakat Hossain Moral	Independent Director	Nil	Nil	Nil
	Shahinoor Khanum, FCA	Independent Director	Nil	Nil	Nil
	Sidratul Mahabub Hasan	Nominated Director of Minori Bangladesh Ltd.	Nil	Nil	Nil
	Md. Nasir Sikder		Nil	Nil	Nil
	Mohammad Murad Hossan		Nil	Nil	Nil
	Md. Rubel Sardar		Nil	Nil	Nil
(b)	Md. Afzal Hossain,	Managing Director	Nil	Nil	Nil
(c)	Mrs. Sadia Afrin	Company Secretary	Nil	Nil	Nil
(d)	Md. Ashraful Alam	CFO	Nil	Nil	Nil

- (iii) Executive (top five Salaried Employees of the Company), other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit.

Name	Designation	Share
Major Md. Nazmul Ahsan (Rtd)	General Manager (Factory)	Nil
Md. Asadul Islam	AGM (Sales & Purchase)	Nil
Md. Emran Hossain	PRO	Nil
Abdullah Al Sayed	Manager (Tax & VAT)	Nil
Syed Razib Hasan	Manager (Operation)	Nil

- (iv) Shareholders holding 10% or more voting interest in the Company.

Name	Designation	Share
Mr. Syed Hasibul Gani Galib	12,782,000	21.41%

√

CERTIFICATE OF CORPORATE GOVERNANCE



S.R. ISLAM & CO.
Chartered Accountants

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**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 June 30, 2023. This Code relates to 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 Emerald Oil Industries Limited. Our examination was limited to the procedures and implementation there of as adopted by the Management in ensuring compliance with the conditions of the Corporate Governance Code.


This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by 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) **Emerald Oil Industries Limited** has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission except as stated in the remarks column of the Statement on Status of Compliance prepared by the Directors of the Company;
- (b) **Emerald Oil Industries Limited** has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by Emerald Oil Industries Limited required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the Company is satisfactory.

Dated: December 11, 2023
Place: Dhaka




Mohammed Wahidur Rahman, FCA
Enrollment No: 1247
Partner
S. R. Islam & Co.

E-mail: srislamnco@gmail.com, Website: www.srislam.com

INDEPENDENT AUDITORS' REPORT

Audited Financial Statement 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.	Amount in Taka	
			30.06.2023	30.06.2022
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.

- (iv) We did not receive bank statement for Jamuna Bank Limited Sherpur Branch A/C # 1001000874508.

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

04. 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.
05. 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			243,654,888

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:

Bank Name	Account No.	Amount as per Financial Statements (A)	Amount as per Balance Confirmation (B)	(Amount in Taka)
				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.

06. 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.
07. 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.
08. 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:
 - a. 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;
 - b. The statement of 'Information regarding payment of salary' was not furnished to DCT in accordance with Section 108 of Income Tax Ordinance, 1984 as per the prescribed Form; and
 - c. The statement of 'Information regarding the filing of return by employees' was not furnished to DCT in accordance with Section 108A Income Tax Ordinance 1984 as per the prescribed Form.

Due to 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:

01. 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).
02. 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.
03. 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.
04. 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.
05. 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. 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 those customers.
See note no. 20.00 of the financial statements.	

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.
- 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.

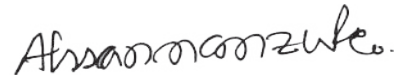
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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.



Md. Abdullah Al Amin, FCA

Partner

Ahsan Manzur & Co.

Chartered Accountants

Enrollment #: 1463

DVC: 2311051463AS801570

Place: Dhaka

Dated: 01 November, 2023

EMERALD OIL INDUSTRIES LIMITED

Statement of Financial Position

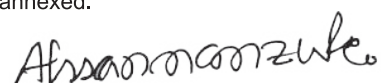
As at 30 June, 2023

Particulars	Notes	Taka	Taka
		30.06.2023	30.06.2022
ASSETS			
A. NON-CURRENT ASSET		472,444,726	487,332,169
Property, Plant & Equipment	5.00	472,444,726	487,332,169
B. CURRENT ASSET		344,493,047	198,506,305
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.



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

Date: 01 November, 2023
Place: Dhaka

EMERALD OIL INDUSTRIES LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June, 2023

Particulars	Notes	2022-2023	2021-2022
		Taka	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

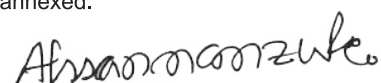

Company Secretary


Director


Managing Director


Chairman

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



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

Date: 01 November, 2023
Place: Dhaka

EMERALD OIL INDUSTRIES LIMITED

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 LIMITED

Statement of Cash Flows For the year ended 30 June, 2023

Particulars	Notes	2022-2023	2021-2022
		Taka	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/SR-MIC/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 ensuing 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, Natokona, Jamalpur). Except rice bran, the project requires hexane phosphoric acid, bleaching earth, citric acid etc. as raw materials, which are usually sourced from abroad.

Management Perception

The risks on sourcing raw materials are very limited. There are 460 auto rice mills in these five districts and these mills 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	30.06.2022
Taka	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

Written Down Value (A-B)

The details have been shown in Annexure - A.

472,444,726	487,332,169
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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

09.00 CASH & CASH EQUIVALENTS

		30.06.2023	30.06.2022
		Taka	Taka
Cash in Hand	Note: 9.01	152,930	277,704
Cash at Bank	Note: 9.02	63,790,451	9,949,592
		63,943,381	10,227,296

9.01 CASH IN HAND

Cash at Head Office	2,072	-
Cash at Factory	150,858	277,704
	152,930	277,704

9.02 CASH AT BANK

<u>Name of the Bank</u>	<u>Branch</u>	<u>Account No.</u>		
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
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Issued and Paid-up Capital

59,713,500 ordinary shares of Tk. 10/- each	597,135,000	597,135,000
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The aforesaid share capital is subscribed as under:

<u>Holding of the Share</u>	<u>No. of Shareholder</u>	<u>No. of Share</u>	<u>30.06.2023</u>	<u>30.06.2022</u>
			<u>Taka</u>	<u>Taka</u>
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

30.06.2023

30.06.2022

Taka

Taka

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	232,735,044	32,870,100
Add: Deposit During the Year	82,850,000	199,864,944
Less: Share Allotment	-	-
	315,585,044	232,735,044

12.00 RETAINED EARNINGS

Opening Balance	(1,895,924,155)	(1,908,040,001)
Add: Prior year adjustment	-	-
Add: Net Profit/(Loss) after tax for the year	66,018,763	12,115,846
Less: Dividend for the year 2021-2022	(8,306,375)	-
Less: Dividend for the year 2022-2023	(20,765,938)	-
	(1,858,977,705)	(1,895,924,155)

13.00 DEFERRED TAX LIABILITY

	Carrying Amount	Tax Base	30.06.2023 Taka Taxable/ (Deductible)Temporary Differences
Property, Plant & Equipment	472,444,726	185,471,107	286,973,619
Temporary Difference	472,444,726	185,471,107	286,973,619
Applicable tax rate			22.50%
Deferred Tax Liabilities as on 30 June 2023			64,569,064

	Carrying Amount	Tax Base	30.06.2022 Taka Taxable/ (Deductible)Temporary Differences
Property, Plant & Equipment	487,332,169	197,839,177	289,492,992
Temporary Difference	487,332,169	197,839,177	289,492,992
Applicable tax rate			22.50%
Deferred Tax Liabilities as on 30 June 2022			65,135,923

14.00 LONG TERM LOAN (SECURED)

				30.06.2023	30.06.2022
				Taka	Taka
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 its Lender Bank & NBFi which is disclosed in Note-36, therefore no interest is charged during the year.

15.00 SHORT TERM LOAN

Minori Bangladesh Ltd.	6,569,334	13,326,479
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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
TOTAL	245,589,019	260,951,139

**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.	30.06.2023	30.06.2022
Mutual Trust	SND	BDT	0003-0320001642	5,965,250	5,965,250
Bank Limited	FC	USD	0003-0260000721	321,000	321,000
TOTAL				6,286,250	6,286,250

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
		1,193,709	1,193,709

	30.06.2023	30.06.2022
	Taka	Taka
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
	134,523,524	100,534,551
19.01 WORKERS PROFIT PARTICPATION FUND PAYABLE		
Opening Balance	34,400,033	33,573,634
Add: Accrued During the year	3,844,169	826,399
	38,244,202	34,400,033
Less: Paid/Adjusted During the year	-	-
	38,244,202	34,400,033
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	-	-
	58,500,653	50,913,355
Less: Excess Provision Written Back to Retained earnings	-	-
Less: AIT Adjustment	-	-
Less: Paid during the year	-	-
	58,500,653	50,913,355

20.00 REVENUE

Rice Bran Oil (Bulk)
Refined Oil
De-Oiled Rice Bran

Refer to note - 3.11 for detailed revenue policy.

2022-2023	2021-2022
Taka	Taka
592,029,805	256,953,946
11,024,940	-
512,163,826	176,553,666
1,115,218,571	433,507,612

21.00 COST OF GOODS SOLD

Raw Material Consumed	Note -21.01	875,981,170	402,365,750
Processing Material Consumed	Note -21.02	6,932,823	681,635
Packing Material Consumed	Note -21.03	3,169,323	2,887,473
Stores & Spares Consumed	Note -21.04	883,756	626,354
Factory Overhead	Note -21.05	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		1,057,488,785	462,297,339
Less: Sales of by-product		4,365,895	-
Less: Closing Stock of Finished Goods		46,035,033	59,055,383
Cost of Goods Sold:		1,007,087,857	403,241,956

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
	875,981,170	402,365,750

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
	6,932,823	681,635

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
	3,169,323	2,887,473

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
	883,756	626,354

21.05 FACTORY OVERHEAD

	2022-2023	2021-2022
	Taka	Taka
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
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

	2022-2023	2021-2022
	Taka	Taka
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

24.00 OTHER INCOME

Bank Interest Received	246,716	109,374
Foreign Exchange Gain/ (Loss)	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	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	Taka 2022-2023	Taka 2021-2022
Mutual Trust	30260000721	4,137	USD	108.00	446,790	386,597
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

	2022-2023	2021-2022
	Taka	Taka
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

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	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

	2022-2023	2021-2022
	Taka	Taka
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)

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 before changes in working capital	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)

2022-2023	2021-2022
Taka	Taka

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.

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:

		Taka	Taka
a) Key Management Benefits		7,440,413	4,891,500
b) Post Employment Benefit		Nil	Nil
c) Other Long Term Benefits		Nil	Nil
d) Termination Benefit		Nil	Nil
e) Share Based payment		Nil	Nil
f) Trade Receivable (Mr. Syed Hasibul Gani Galib)	(Note-7)	1,556,653,675	1,556,653,675
g) Short Term Loan (Minori 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)
Minori Bangladesh Ltd.	Investor	Working Capital	(13,326,479)	98,176,928	91,419,783	(6,569,334)

2022-2023	2021-2022
Taka	Taka

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 by Minori Bangladesh Ltd.	N/A	N/A	N/A
Mohammad Murad Hossan	Shareholder Director, nominated by Minori Bangladesh Ltd.	Unic Printing Co. Limited	Managing Director	50%
Md. Rubel Sardar	Shareholder Director, nominated by Minori Bangladesh Ltd.	N/A	N/A	N/A
Md. Afzal Hossain	Paid Managing Director	Minori Bangladesh Ltd.	Director	0.077%

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

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


CFO


Company Secretary


Director


Managing Director


Chairman

Date: 01 November, 2023

Place: Dhaka

EMERALD OIL INDUSTRIES LIMITED
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	Dispose during the year		As at 30.06.2023	Charged during the year	As at 30.06.2023	
Land & Land Development	50,600,447	-	-	-	-	-	50,600,447	
Building & Other Civil Works	379,114,669	1,544,215	-	5%	150,176,553	11,485,511	218,996,820	
Plant & Machineries	537,159,465	17,047,653	-	10%	346,201,919	19,948,137	188,057,062	
Electrical & Gas Line Installation	22,747,560	201,930	-	15%	9,163,648	2,052,731	11,733,111	
Furniture & Fixtures	4,023,498	129,685	-	15%	2,785,870	195,371	1,171,942	
Office Decoration	150,000	-	-	15%	11,250	20,813	117,937	
Office Equipment	5,001,535	296,435	-	20%	3,331,145	363,722	1,603,103	
Vehicle	228,200	-	-	20%	22,820	41,076	164,304	
Balance as at June 30, 2023	999,025,374	19,219,918	1,018,245,292		511,693,205	34,107,361	472,444,726	
Balance as at June 30, 2022	956,429,983	42,595,391	999,025,374		477,683,325	34,009,880	487,332,169	

Depreciation Charged To-

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

30.06.2023	30.06.2022
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30.06.2023	30.06.2022
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EMERALD OIL INDUSTRIES LIMITED

Quantity-wise break-up of Inventory

As at 30 June, 2023

Finished Goods:

Annexure-B

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 LIMITED
CALCULATION OF DEFERRED TAX
For the year ended 30 June, 2023

Annexure-C

Property, Plant & Equipment (Carrying Amount):

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	Dispose during the year		As at 30.06.2023	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	11,485,511	161,662,064	218,996,820	
Plant & Machineries	537,159,465	17,047,653	-	554,207,118	19,948,137	366,150,056	188,057,062	
Electrical & Gas Line Installation	22,747,560	201,930	-	22,949,490	2,052,731	11,216,379	11,733,111	
Furniture & Fixtures	4,023,498	129,685	-	4,153,183	195,371	2,981,241	1,171,942	
Office Decoration	150,000	-	-	150,000	20,813	32,063	117,937	
Office Equipment	5,001,535	296,435	-	5,297,970	363,722	3,694,867	1,603,103	
Vehicle	228,200	-	-	228,200	41,076	63,896	164,304	
Balance as at 30.06.2023	999,025,374	19,219,918		1,018,245,292	34,107,361	545,800,566	472,444,726	

Property, Plant & Equipment (Tax Base):

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	Dispose during the year		As at 30.06.2023	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	10,936,285	-	43,745,142	
Plant & Machineries	70,730,927	17,047,653	-	87,778,580	17,555,716	-	70,222,864	
Electrical & Gas Line Installation	14,369,300	201,930	-	14,571,230	1,457,123	-	13,114,107	
Furniture & Fixtures	1,569,067	129,685	-	1,698,752	169,875	-	1,528,877	
Office Decoration	2,204,588	-	-	2,204,588	220,459	-	1,984,129	
Office Equipment	1,140,714	296,435	-	1,437,149	431,145	-	1,006,004	
Vehicle	4,086,923	-	-	4,086,923	817,385	-	3,269,538	
Balance as at 30.06.2023	197,839,177	19,219,918		217,059,095	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 & Equipments 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)

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 16th Annual General Meeting (AGM) of
the Company to be held on 27th December, 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

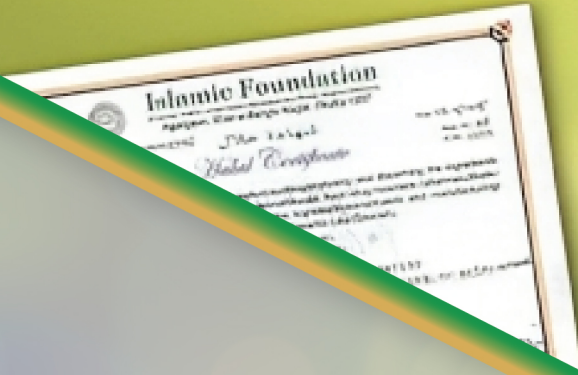
I/We hereby record my attendance at the 16th Annual General Meeting of Emerald Oil Industries Limited being held on 27th December, 2023 (Wednesday).

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.

বাংলাদেশ ইসলামিক
ফাউন্ডেশন কর্তৃক
হালাল সনদ প্রাপ্ত
বাংলাদেশের
একমাত্র ভোজ্য
তেল স্পন্দন রাইস ব্র্যান
অয়েল



EMERALD OIL INDUSTRIES LIMITED

REGISTERED OFFICE:

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

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