

INDEPENDENT AUDITOR'S REPORT

**ASSOCIATED OXYGEN LIMITED
FOR THE YEAR ENDED 30th JUNE, 2022**

Ashraf Uddin & Co.

CHARTERED ACCOUNTANTS

Since 1979

CORPORATE ADDRESS

142/B GREEN ROAD
(3RD & 4TH FLOOR)
DHAKA-1215.

REGISTERED ADDRESS

RAHMAN CHAMBER (5TH FLOOR)
12-13 MOTIJHEEL C/A
DHAKA-1000.

MEMBER OF

"ANTEA"

ALLIANCE OF INDEPENDENT FIRMS, MALORCA, 26 ATICO
08008 - BARCELONA. SPAIN.



MANAGING PARTNER:
MD. ASHRAF UDDIN AHMED
LLB, CFC, FCA

PARTNERS:
ENAMUL KABIR, FCA
MD. MOHIUDDIN AHMED, FCA, CFC

142/B, Green Road (3rd & 4th Floor)
Dhaka- 1215, Bangladesh.
Rahman Chamber (5th Floor)

12-13, Motijheel Commercial Area, Dhaka. Bangladesh.

Independent Auditor's Report To the Shareholders of Associated Oxygen Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Associated Oxygen Limited** and its subsidiaries (the 'Group') as well as the separate financial statements of **Associated Oxygen Limited** (the 'Company'), which comprise the statement of financial position as at 30th June, 2022, and the and separate statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying and separate financial statements give true and fair view of the financial position of the company and the financial position of the Company as at 30th June, 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), 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 for our opinion.

Emphasis of Matters

We refer to note no: 3.13 regarding the payment of Workers Profit Participation and Welfare Fund in accordance with Banladesh Labour Act-2006 and status of compliance regarding creating provision for the fund, disbursement of the fund and position of separate bank account and pay order submission to central welfare fund of government in line with Bangladesh Labour Rules-2015. Our opinion is not modified in respect of this matter.

We also refer to note no: 3.22 (b) regarding the repayment of WPPF loan by the company on due time.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1.Revenue Recognition Ref: Note 19.00	
Key audit matters	How our audit address the matter
The company in current year recognized revenue of Tk. 532,583,720/- for the year. Revenue recognition has significant and widespread	-We clearly encoded the total procedure of process starting from receipt of customer order to realization of revenue.

<p>influence over the financial statements and plays a vital role in calculating Corporate Tax. Since, revenue recognition is one of the performance indicators in almost all sector, there always exist risk of revenue smoothing or window dressing.</p> <p>As per IFRS 15 revenue is recognized when a performance obligation is satisfied by transferring control over a promised good or service.</p>	<p>-We tested the key controls over approval of export order, signing off documents by appropriate personnel and input sales data into system in a complete & accurate manner.</p> <p>-We collected sample work order, delivery challan, GRN, invoice & payment disbursement documents against revenue.</p> <p>-We collect delivery challan & invoice 10 days before and after the year end and check those against sales ledger to ensure cut off.</p> <p>-We tested the correctness of journal entries and recalculate the amount shown in sales ledger and make sure that the carry forward figures are accurate.</p> <p>-We reviewed VAT return of the company to assess the reasonableness of revenue booked for the year.</p> <p>-We carefully checked that, no unusual journal entries were made at the period end and also check the transactions/entries just before and after the balance sheet date to confirm cut off.</p> <p>- We checked appropriate disclosure in accordance with IFRS 15.</p>
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2.Inventory Valuation
Ref: Note 6.00

Key audit matters	How our audit address the matter
<p>The company has shown sum of Tk. 62,137,698/- as closing inventory which represents 2.69 % of total assets & 15.51 % of total current assets.</p> <p>Inventories are usually carried in financial statements at the lower of cost and net realizable value. Since frequent changes in customer demand is unavoidable in manufacturing industry and a large quantity of raw material is held. As a result, there is risk that the carrying value of inventory exceeds net realizable value.</p>	<p>Our audit approach includes but not limited to the followings:</p> <p>-We gained an understanding of recording and valuation methods regarding Inventory.</p> <p>-We made sure that closing balances care carried forward correctly and current year purchase amounts are in agreement with ledger balances.</p> <p>-We carried out analytical procedure to identify unusual fluctuation.</p> <p>-We obtained the yearend inventory count report with segregated value.</p> <p>- We retest the NRV calculation made the company and consider relevant assumptions made.</p> <p>-We reviewed the company's policy of accounting for obsolete, damaged & slow moving items along with procedure for disposal.</p> <p>-We have checked the physical safeguard of inventory held at warehouse of the company.</p> <p>- We collect and review the purchase document of inventory items along with delivery challan &</p>



	GRN. -We have also considered the adequacy of the company's disclosures in respect of the levels of provisions against inventory as per IAS-2.
3. Property, Plant and Equipment Ref: Note 4.00	
Key audit matters	How our audit address the matter
<p>In the year ended 30th June, 2022 the company accounted for Property Plant and Equipment WDV of Tk.1,797,350,889/- & Tk. 367,254,188/- as current year addition to fixed asset.</p> <p>The written down balance represents biggest part of total assets. Large amount and number of fixed assets and subsequent additions subject to huge amount of depreciation charged against profit. Error in addition to fixed asset & depreciation calculation could result in over or understatement of profit / assets.</p>	<p>-We obtained asset register and confirm the opening balances that are carried forward from last year.</p> <p>-We obtained current year purchase / addition to fixed asset documents and ensure their complete recording in ledger.</p> <p>-We obtain import documents of machineries (bill of entry, AIT documents, C & F documents, insurance coverage, carrying , installation costs) to assess the reliability of value recorded.</p> <p>-We inspected the physical existence of the assets capitalized in current year along with the verification of company's legal rights on those assets.</p> <p>-We recalculate the depreciation charged against assets in current year.</p> <p>-We carried out analytical procedure to detect any unusual fluctuation in value in comparison with last year.</p> <p>-We evaluate the appropriateness of disclosures in financial statements in line with IAS-16.</p>

Other Information

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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 the Financial statements.

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

- Identify and assess the risks of material 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, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and 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 statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



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

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


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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 2020, we also report the following:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) The statements of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) The expenditure incurred was for the purpose of the Company's business.

Place: Dhaka
Date: 01.11.2022


Md. Molluddin Ahmed FCA, CFC
Enrollment no: 1046
Partner
Ashraf Uddin & Co.
Chartered Accountants

DVC: 2211011046AS179208



Associated Oxygen Limited

Statement of Financial Position

As at 30 June, 2022

Particulars	Notes	Amounts in Taka	
		30-June-2022	30-Jun-2021
Assets			
Non-Current Assets			
		1,908,347,031	1,679,231,781
Property, Plant and Equipment	4.00	1,797,350,889	1,549,935,959
Capital Work in Progress	5.00	110,996,141	129,295,822
Current Assets			
		400,621,004	461,161,175
Inventories	6.00	62,137,698	71,477,738
Trade and Other Receivables	7.00	273,517,830	263,250,070
Advances, Deposits & Prepayments	8.00	60,652,374	38,293,076
Cash and Cash Equivalents	9.00	4,313,102	88,140,291
Total Assets		<u>2,308,968,034</u>	<u>2,140,392,956</u>
Shareholder's Equity and Liabilities			
Shareholder's Equity			
		2,024,008,737	1,876,128,879
Share Capital	10.00	1,097,820,000	1,026,000,000
Retained Earnings	11.00	926,188,737	850,128,879
Non-Current Liabilities			
		154,363,845	148,154,309
Long Term Loan (Non-Current portion)	12.00	13,587,721	22,028,463
Deferred Tax Liability	13.00	140,776,124	126,125,846
Current Liabilities			
		130,595,453	116,109,768
Trade and Other Payables	14.00	5,124,798	11,090,106
Long Term Loan (Current Portion)	15.00	9,275,040	13,501,316
Loan from WPPF	16.00	13,867,629	-
Liabilities for Expenses	17.00	3,300,819	3,454,275
Dividend Payable	17.01	869,622	566,339
Liabilities for Income Tax	18.00	85,858,525	73,902,017
Liabilities for WPPF	18.01	12,299,019	13,595,715
Total Shareholder's Equity and Liabilities		<u>2,308,968,035</u>	<u>2,140,392,956</u>
Net Assets Value (NAV) per share (Basic)	26.00	<u>18.56</u>	<u>18.29</u>

The annexed notes form an integral part of these Financial Statements.



Chief Financial Officer


Company Secretary


Managing Director


Chairman

Place: Dhaka
Dated: 01-11-2022


Md. Mohiuddin Ahmed, FCA, CFC
Enrollment no: 1046
Partner
Ashraf Uddin & Co
Chartered Accountants
DVC: 2211011046AS179208



Associated Oxygen Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2022

Particulars	Notes	Amounts in Taka	
		30-June-2022	30-Jun-2021
Revenue	19.00	532,583,720	563,577,229
Cost of Goods Sold	20.00	(200,228,723)	(200,214,750)
Gross Profit		332,354,997	363,362,479
Operating Expenses	21.00	(71,337,321)	(78,172,391)
Administrative Expenses	21.01	(35,994,153)	(38,069,796)
Selling & Distribution Expenses	21.02	(35,343,168)	(40,102,595)
Profit from Operation		261,017,676	285,190,088
Financial Expenses	22.00	(3,331,347)	(4,125,325)
Other non-operating Income	23.00	593,076	4,445,261
Net Profit Before Income Tax & WPPF		258,279,405	285,510,024
Less: WPPF Expenses		(12,299,019)	(13,595,715)
Net Profit Before Income Tax		245,980,385	271,914,309
Income Tax Expenses	24.00	(62,527,587)	(56,834,439)
Current Tax	24.01	(47,877,309)	(50,171,397)
Deferred Tax	24.02	(14,650,278)	(6,663,042)
Net Profit after Income Tax		183,452,798	215,079,870
Other Comprehensive Income/(Loss)		-	-
Total Comprehensive Income for the Period		183,452,798	215,079,870
Earnings Per Shares (EPS) (Basic)	25.00	1.67	2.19

The annexed notes form an integral part of these Financial Statements.


Chief Financial Officer


Company Secretary


Managing Director


Chairman

Place: Dhaka
Dated: 01-11-2022


Md. Mohiuddin Ahmed, FCA, CFC
Enrollment no: 1046
Partner
Ashraf Uddin & Co
Chartered Accountants
DVC: 2211011046AS179208



Associated Oxygen Limited
Statement of Changes in Equity
For the year ended June 30, 2022

(Amount in Taka)

Particulars	Share Capital	Retained Earnings	Total
Opening Balance as at 1 July, 2021	1,026,000,000	850,128,879	1,876,128,879
Stock dividend issue	71,820,000	(71,820,000)	-
Cash dividend declared		(35,572,940)	(35,572,940)
Net Profit/(Loss) during the year transferred from Statement of Profit or Loss and other Comprehensive Income	-	183,452,798	183,452,798
Balance as at 30 June, 2022	1,097,820,000	926,188,737	2,024,008,737

Associated Oxygen Limited
Statement of Changes in Equity
For the year ended June 30, 2021

(Amount in Taka)

Particulars	Share Capital	Retained Earnings	Total
Opening Balance as at 1 July, 2020	800,000,000	739,686,213	1,539,686,213
Stock dividend issue	150,000,000		150,000,000
Cash dividend declared	76,000,000	(76,000,000)	-
Adjustment of IPO Expenses	-	(15,462,041)	(15,462,041)
Cash dividend declared	-	(13,175,163)	(13,175,163)
Net Profit/(Loss) during the year transferred from Statement of Profit or Loss and other Comprehensive Income	-	215,079,870	215,079,870
Balance as at 30 June, 2021	1,026,000,000	850,128,879	1,876,128,879


Chief Financial Officer


Company Secretary


Managing Director


Chairman

Place: Dhaka

Dated: 01-11-2022



Associated Oxygen Limited
Statement of Cash Flows
For the year ended June 30, 2022

Particulars	Note	Amounts in Taka	
		30-June-2022	30-Jun-2021
A Cash flows from Operating Activities			
Received from Customers	28.16	519,180,388	470,009,622
Received from Other Income		102,033	567,458
Paid to Suppliers	28.17	(46,899,515)	(60,559,985)
Paid to Employees	28.18	(39,686,819)	(35,796,403)
Paid for Other Operating Expenses	28.19	(74,902,852)	(106,546,106)
Income Tax Paid		(15,880,650)	(15,206,125)
Net Cash Generated from Operating Activities		341,912,585	252,468,461
B Cash flows from Investing Activities			
Acquisition of Property, Plant and Equipment		(31,386,581)	(12,842,621)
FDR Interest Received/Encashment		3,626,615	702,251
Advance Paid to Plant & Machineries purchase		(42,715,575)	-
Increase/Decrease in Capital Work in Process		(317,567,926)	(300,025,965)
Net cash Used to Investing Activities		(388,043,467)	(312,166,335)
C Cash flows from Financing Activities			
Cash Paid for Financial Expenses		(3,331,347)	(4,125,325)
Bank Interest/Charge on Dividend Account		(3,631)	(13,954,380)
Loan from WPPF		13,867,629	-
IPO Expenses paid		(295,912)	-
Dividend Paid		(35,266,026)	(12,608,824)
IPO Fund Received		-	150,000,000
Long-term Loan received/(Repaid)		(12,667,019)	(627,292)
Net cash Generated from Financing Activities		(37,696,306)	118,684,179
D Net Increase/(Decrease) Cash and Cash Equivalents (A+B+C)			
		(83,827,188)	58,986,305
Cash and Cash Equivalents at the beginning of the Period		88,140,291	29,153,986
Cash and Cash Equivalents at the end of the Period		4,313,102	88,140,291
Net Operating Cash Flows Per Share (NOCFPS) (Basic) (Note - 27.00)		3.11	2.57

Those Financial Statements should be read in conjunction with the annexed Notes.


Chief Financial Officer


Company Secretary


Managing Director


Chairman

Place: Dhaka

Dated: 01-11-2022



Associated Oxygen Limited
Schedule of Property Plant and Equipment
As at 30 June 2022

Particulars	Cost			Rate (%)	Depreciation		Written down value at 30 June 2022
	Balance as on 1st July 2021	Addition during the Period	Balance as on 30 June 2022		Balance as on 1st July 2021	Charge during the Period	
Land & Land Development	65,384,554	5,084,585	70,469,139	-	-	-	70,469,139
Building & Other Construction	445,166,961	47,495,240	492,662,201	5%	133,233,503	16,667,718	342,760,980
Plant & Machinery	1,290,326,646	288,372,367	1,578,699,013	7.5%	294,171,362	82,728,325	1,201,799,326
Electrical Installation	48,521,240	7,609,944	56,131,184	10%	21,607,306	2,829,138	31,694,740
Office Equipment	21,012,172	2,293,242	23,305,414	10%	8,520,436	1,230,734	13,554,244
Gas Line Installation	54,049,838	1,115,925	55,165,763	10%	24,115,783	2,890,284	28,159,696
Furniture & Fixture	25,394,062	2,044,658	27,438,720	10%	8,656,324	1,673,898	17,108,498
Computer & Computer Accessories	11,023,456	628,465	11,651,921	10%	4,714,873	618,102	6,318,946
Generator & Motors	58,356,597	-	58,356,597	10%	16,598,349	4,019,175	37,739,073
Vehicle	34,036,116	7,160,377	41,196,493	20%	9,911,322	5,277,089	26,008,082
Fire Extinguisher	30,163,885	5,449,385	35,613,270	10%	11,970,308	1,904,796	21,738,166
Balance as on 30 June 2022	2,083,435,527	367,254,188	2,450,689,715		533,499,566	119,839,260	1,797,350,889

Depreciation Allocated to:	Allocation (%)	Amount of Dep.
Factory Overhead- Note- 21.02	60%	71,903,556
Administrative Expenses - Note- 22.01	20%	23,967,852
Selling & Distribution Expenses- Note-22.02	20%	23,967,852
Total	100%	119,839,260



Annexure-A
(Amount in Taka)

Associated Oxygen Limited
Schedule of Property Plant and Equipment (Yearly)
As at 30 June 2021

Particulars	Cost			Rate (%)	Depreciation		Written down value at 30 Jun 2021
	Balance as on 1st Apr. 2020	Addition during the Period	Balance as on 30 Jun 2021		Balance as on 1st Apr. 2020	Charge during the Period	
Land & Land Development	65,384,554	-	65,384,554	-	-	-	65,384,554
Building & Other Construction	423,942,827	21,224,134	445,166,961	5%	117,488,999	15,744,504	133,233,503
Plant & Machinery	1,078,625,309	211,701,337	1,290,326,646	7.5%	224,410,604	69,760,757	294,171,362
Electrical Installation	48,438,894	82,346	48,521,240	10%	18,681,156	2,926,150	996,155,285
Office Equipment	20,415,387	596,785	21,012,172	10%	7,191,326	1,329,110	26,913,934
Gas Line Installation	54,049,838	-	54,049,838	10%	20,858,925	3,256,858	12,491,735
Furniture & Fixture	23,941,252	1,452,810	25,394,062	10%	6,894,945	1,761,380	29,934,055
Computer & Computer Accessories	10,746,962	276,494	11,023,456	10%	4,015,594	699,279	16,737,737
Generator & Motors	43,274,515	15,082,082	58,356,597	10%	12,840,219	3,758,130	6,308,583
Vehicle	25,482,944	8,553,172	34,036,116	20%	5,030,916	4,880,407	41,758,248
Fire Extinguisher	28,918,785	1,245,100	30,163,885	10%	10,047,159	1,923,150	24,124,793
Balance as on 31 March 2021	1,823,221,267	260,214,260	2,083,435,527		427,459,842	106,039,725	1,549,935,959

Depreciation Allocated to:	Allocation (%)	Amount of Dep.
Factory Overhead- Note- 21.02	60%	63,623,835
Administrative Expenses - Note- 22.01	20%	21,207,945
Selling & Distribution Expenses- Note-22.02	20%	21,207,945
Total	100%	106,039,725



Associated Oxygen Limited
Notes, Comprising a summary of significant accounting policies and other
explanatory information
For the year ended 30 June,2022

1.00 Background and Introduction

1.01 Formation and Legal Status

The Company namely “Associated Oxygen Limited” was incorporated on 27 June, 1990 vide registration no. CHC-698/177, 1990 as a private limited Company in Bangladesh under the Companies Act 1994. Subsequently the Company converted into Public limited Company dated on 25 April, 2018 The Company also listed with both Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited on 15 October 2020 after obtained IPO approval from BSEC as on 6th August, 2020.

The address of the registered office is located at BCIC Sadan, (1st Floor), 26 Agrabad, Chittagong, Bangladesh. Factory is situated at 123 Fouzderhat Station, South Bhatairy, Sitakundo, Chittagong.

1.02 Nature of Business

The Company’s principal activities are manufacturing and supply of industrial and medical gases, welding products and equipment’s and ancillary equipment’s.

1.03 Capital Structure of the Company

Associated Oxygen Limited is a limited Company formed by a local owner. The details of the capital structure are given below:

Particulars	Taka
Authorized Capital	
250,000,000 ordinary shares of Taka 10/= each	2,500,000,000
Issued, Subscribed, Called-up and Paid-up Capital 109,782,000 ordinary shares of Tk. 10/= each fully paid -up	1,097,820,000

2.00 Basis of Preparation

2.01 Statement of Compliance

The Financial Statements of the Company are prepared on a going concern basis under historical cost convention and in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws & regulation in Bangladesh.

The Company also complies with amongst others, the following laws and regulation

- The Income Tax Ordinance 1984;
- The Income Tax Rules 1984;
- The Value Added Tax and Supplementary Duty Act 2012;
- The Value Added Tax and Supplementary Duty Rules 2016;
- Bangladesh Labor Law, 2006 (Amended 2013);
- Labor Rules, 2015;
- The Securities and Exchange Ordinance, 1969;
- Bangladesh Securities and Exchange Commission Act, 1993;
- Dhaka and Chittagong Stock Exchange Listing Regulations, 2015.

In addition to, the management has made assessment of the difference between IFRS and BFRS (mainly IFRS-15 ‘Revenue from contract with Customers’ and IAS-18 ‘Revenue’) and concluded that there are no differences which would impact any numerical amount and disclosures in the financial statement. For better presentation, the management reconciled Statement of Profit or Loss and Other Comprehensive Income as well as Statement of Financial Position of the company with effect of IFRS-15 Para c-8.

2.02 Functional and Presentation Currency

The Financial Statements are expressed in Bangladeshi Taka which is both functional currency



2.02 Functional and Presentation Currency

The Financial Statements are expressed in Bangladeshi Taka which is both functional currency and reporting currency of the Company. The figures of Financial Statements have been rounded off to the nearest Taka.

2.03 Use of Estimates and Judgments

The preparation of Financial Statements in conformity with IFRS 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 and underlying assumptions, which are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the Financial Statements are stated in the following notes:

Note 4.00 Depreciation of property, plant and equipment

Note 18.01 Liabilities for income tax

2.04 Reporting Period

The Financial Statements of the Company consistently cover from 1st July to 30th June for all reported periods i. e. 01 July 2021 to 30 June 2022.

2.05 Preparation and Presentation of Financial Statements of the Company

Management is responsible for the preparation and presentation of Financial Statements of the Company.

2.06 Comparative Information

Comparative figures and account titles in the Financial Statements have been rearranged / reclassified and restated where necessary to conform to changes in presentation in the current period."However, there is no such rearrangement or reclassification was occurred during the year.

3.00 Significant Accounting Policies

The Financial Statements have been prepared in compliance with the requirement of IASs (International Accounting Standards) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as applicable in Bangladesh. The following IAS's are applicable for the Financial Statements for the period under audit:

IAS-1	Presentation of Financial Statements
IAS -2	Inventories
IAS -7	Statement of Cash Flows
IAS -8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS -10	Events after the Reporting Period
IAS -12	Income Taxes
IAS -16	Property, Plant and Equipment
IAS -19	Employee Benefits
IAS -21	The Effects of Changes in Foreign Exchange Rates
IAS -23	Borrowing Costs
IAS -24	Related Party Disclosures
IAS -33	Earnings Per Share
IAS -36	Impairment of Assets
IAS -37	Provisions, Contingent Liabilities and Contingent Assets
IFRS-1	First time Adoption of International Financial Reporting Standards
IFRS-8	Operating Segments
IFRS-9	Financial Instruments



IFRS-13	Fair Value Measurement
IFRS-15	Revenue from Contracts with Customers
IFRS-16	Lease

3.01 Going Concern

This Financial Statements has been prepared on the assumption that the entity is a going concern and will continue its business for the foreseeable future. Hence, it is assumed that the entity has neither the intention nor the need to liquidate or curtail materially the scale of its operation. The Company has adequate resources to continue its operation for the foreseeable future. As such, the director intended to adopt the going concern basis is preparing the Financial Statements. The current credit facilities and resources of the Company provides sufficient fund to meet the present requirements of its existing business.

3.02 Accrual Basis

The financial statements have been prepared, except Cash Flows information, using the accrual basis of accounting.

3.03 Property, Plant and Equipment

i) Recognition, Measurement and Disclosure

Property, Plant and Equipment except land and building are measured at cost less accumulated depreciation and impairment losses if any. Land and building are measured at fair value. The cost of an item of Property, Plant and Equipment comprises its purchase price and any directly attributable inward freight, duties and non-refundable taxes. Where parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. 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 that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the entity and the cost of the item can be measured reliably. All other costs are recognized in the Statement of Profit or Loss and Other Comprehensive Income as an expense as incurred. In accordance with the allowed alternative treatment of IAS 23 "Borrowing Cost" finance costs have been capitalized for qualifying assets (if any).

ii) Depreciation on Fixed Assets

Depreciation on a fixed asset is computed using the reducing balance method so as to write off the assets over their expected useful life. After considering the useful life of assets as per IAS-16 Property, Plant and Equipment the annual depreciation rates applied under which is considered reasonable by the management. Depreciation rates varying from 5% to 20%. Depreciation of an asset begins when it is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management. The cost and accumulated depreciation of depreciable assets retired or otherwise disposed of are eliminated from the assets and accumulated depreciation and any gain or loss on such disposal is reflected in operations for the year.

Category of Fixed Assets	Rate %
Land and Land Development	0%
Building & Other Construction	5%
Plant & Machinery	7.5%
Electrical Installation	10%
Fire Fighting Equipment	10%
Office Equipment	10%
Gas Line Installation	10%
Furniture & Fixtures	10%
Computer & Computer Accessories	10%
Generator & Motors	10%



Vehicle

20%

iii) Disposal of Fixed Assets

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the Statement of Profit or Loss & Other Comprehensive Income. The profit or loss on sale of fixed assets was determined by the difference of net book value and net sale proceeds of that particular of assets.

iv) Impairment of Assets

No fact and circumstances indicate that the Company's assets including Property, Plant and Equipment may be impaired. Hence, no evaluation of the recoverability of assets was performed.

3.04 Capital Work in Progress

Capital Work in Progress represents the cost incurred for acquisition and/or construction of property plant and equipment that were not ready for use at end of the year 30 June 2021 and these are stated at cost.

3.05 Inventories

Inventories comprise of Consumable Stores, work-in-process and finished goods, which are valued lower of cost or net realizable value in accordance with the Para of 21 & 25 of IAS-2: "Inventories" after making due allowance for any obsolete or slow-moving item and details of valuation are as follows:

i)	Work-in-process	at estimated cost
ii)	Finished goods	at cost or net realizable value, whichever is lower
iii)	Consumable Stores	at cost

3.06 Revenue Recognition

"As per IFRS-15: "Revenue from Contracts with Customers" an entity shall account for a contract with a customer only when all of the following criteria are met:

- The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
- The entity can identify each party's rights regarding the goods or services to be transferred;
- The entity can identify the payment terms for the goods or services to be transferred;
- The contract has commercial substance (i.e. the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and
- It is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer."

Considering the five steps model, the Company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised good to a customer. Goods are considered as transferred when (or as) the customer obtains control of those goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer when the buyer provides assurance by giving acceptance on the delivery of goods. Revenue represents the invoice value of goods supplied to the customers measured at the fair value of the consideration received or receivable. The company did not make any contract with its customers to pay any loss for which guaranty or if do not pay any warranty against its products against which the company may need to make any provision.



3.07 Taxation

i) Current Tax

Income Tax on the profit or loss for the year comprises current tax and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Provision for corporate income tax is made on estimated taxable profit in accordance with the income tax laws.

ii) Deferred Tax

Deferred tax is recognized in accordance with the IAS-12 'Income Taxes'. Deferred tax arises due to the temporary difference deductible or taxable for the events or transaction is recognized in the income statements. A temporary difference is a difference between the tax bases of an asset or liability and its carrying amount/reported the amount in the Balance Sheet. Deferred tax assets or liability is the amount of income tax recoverable or payable in a future period(s) recognized in the current period. The deferred tax liability/expenses do not create a legal liability/recoverability to and from the income tax authority.

3.08 Loans and Borrowings

Principal amount of the loans and borrowings are stated at their outstanding amount. Borrowings repayable within twelve months from the balance sheet date are classified as current liabilities whereas borrowings repayable after twelve months from the balance sheet date are classified as non-current liabilities. Accrued interest and other charges are classified as current liabilities.

3.09 Foreign Currency Transaction / Translation

Transactions in foreign currencies are translated into Bangladeshi Taka at the Exchange rate prevailing on the date of transactions in accordance with IAS- 21: "The Effects of Changes in Foreign Exchange Rate." Monetary assets and liabilities in foreign currencies at the reporting date are translated into Bangladesh Taka at the rate of exchange prevailing at the reporting date. All exchange differences are recognized in the Statement of Profit or Loss and Other Comprehensive Income.

3.10 Provision:

In accordance with the guidelines as prescribed by IAS 37, provisions are recognized when all the following criteria are met:

- When the Company has a present obligation as a result of past event;
- When it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation; and
- The reliable estimate can be made of the amount of the obligation.

We have shown the provisions in the statement of Financial Position at an appropriate level with regard to an adequate provision for risks and uncertainties. An amount recorded as a provision represents the best estimate of the probable expenditure required to fulfill the current obligation on the reporting date.

3.11 Contingent Liabilities and Assets

Contingent liabilities and assets are current or possible obligations or assets, arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the Company.

3.12 Statement of Cash Flows

Statement of Cash Flows is prepared principally in accordance with IAS 7: "Statement of Cash Flows" and the cash flow from the operating activities have been presented under direct method is



a requirement of Securities and Exchange Rules, 1987 as well as indirect method in the notes to the financial statements.

3.13 Events after the Reporting Period

Events after the reporting period that provide additional information about the Company's position at the reporting period or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the Notes when they are material.

The loan taken from WPPF fund was repaid within due time with interest. The Board of Directors authorizes the financial statements for the year ended 30 June, 2022 on 07 Nov, 2022.

3.14 Borrowing Cost

Interest and other cost incurred in the Company in connection with the borrowing of the fund are recognized as expenses in the year in which they are incurred unless such borrowings cost related to acquisition/construction of assets in progress that are required to be capitalized as per IAS-23: Borrowing Cost.

3.15 Advertisement and Promotional Expenses

All cost associated with advertising and promotional activities are charged out in the period incurred.

3.16 Trade Receivable

i) Recognition and Measurement

Trade receivable consists of local sales, against sales with tenure of 120 days to 180 days and realizable at the maturity date.

ii) Bad and Doubtful Debts

The Company does not make any provision for bad and doubtful debts because its local sales are realized during the year with a fixed maturity date.

3.17 Creditors and Accrual

Liabilities are recognized for amounts to be paid in the future for goods and services received, whether or not billed by the supplier.

3.18 Cash and Cash Equivalents:

According to IAS 7: "Statement of Cash Flows" cash comprises cash in hand and bank deposit and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value IAS 1: "Presentation of Financial Statements" provides that cash and cash equivalent are not restricted in use. Considering the provision of IAS 7 and IAS 1, cash in hand and bank balances have been considered as cash and cash equivalents.

3.19 Components of the Financial Statements:

According to the International Accounting Standard IAS-1: "Presentation of Financial Statements", the complete set of Financial Statements includes the following components:

- i) Statement of Financial Position as at 30 June 2022
- ii) Statement of Profit or Loss or Other Comprehensive Income for the year ended 30 June 2022.
- iii) Statement of Changes in Equity for the year ended 30 June 2022.
- iv) Statement of Cash Flows for the year ended 30 June 2022.
- v) Notes, comprising a summary of significant accounting policies and other explanatory Information as at and for the year ended 30 June 2022.

3.20 Earnings Per Share:

Earnings Per Share (EPS) is calculated in accordance with the International Accounting Standard IAS-33: "Earnings Per Share".



i) **Basic Earnings Per Share:**

Basic Earnings Per Share is calculated by dividing the net profit or loss for the period attributable to ordinary shareholders by the weighted average number of Ordinary Shares outstanding during the year.

ii) **Diluted Earnings Per Share:**

No diluted Earnings per share was required to be calculated for the year under review as there was no scope for dilution of Earnings Per Share for the year.

3.21 Related Party Transactions

The objective of IAS 24: "Related Party Disclosure" is to ensure that an entity's Financial Statements contain the disclosures necessary to draw attention to the possibility that its Financial Position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties. Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operating decisions.

A party is related to an entity if: [IAS 24 Para 9] directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the entity has an interest in the entity that gives it significant influence over the entity, has joint control over the entity, the party is a member of the key management personnel of the entity or its parent, the party is a close member of the family of any individual, the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual and the party is a post-employment benefit plan for the benefit of employees of the entity.

3.22 Employee Benefits

The Company maintains defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds. The Company has accounted for and disclosed employee benefits in compliance with the provisions of IAS 19: Employee Benefits. The cost of employee benefit is charged off as revenue expenditure in the period to which the contributions relate. The Company's employee benefits include the following:

a) **Short Term Employee Benefits**

Short-term employee benefits include wages, salaries, festival bonuses etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

b) **Contribution to Workers' Profit Participation and Welfare Funds**

This represents 5% of net profit before tax, contributed by the Company as per provisions of the Bangladesh Labor Law, 2006 (Amended 2013). The Company recognizes the contribution to Workers Profit Participation and Welfare Fund in the accounts from the period of 2018. The fund will be transferred as per Bangladesh Labor Law, 2006 after completion of the necessary legal process.

It was hard for us to ensure bank account of all the workers as they are mostly marginal workers. We paid the WPPF amount in cash basis.

3.23 Operating Segments

No segment reporting is applicable for the Company as required by IFRS-8: "Operating Segments" as the Company operates in a single industry segment and within a geographical segment.

3.24 Financial Risk Management Policies

The Company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Company does not hold or issue derivative Financial Instruments for speculative or trading purposes.



3.25 Interest Rate Risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. The foreign currency loan is subject to floating rates of interest. Local loans are, however, not significantly affected by fluctuations in interest rate risk. The Company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

3.26 Foreign Currency Risk

The Company is exposed to currency risk on certain import of machineries and equipment. Majority of the Company's foreign currency transactions are denominated in USD and relate to procurement of machineries and equipment from abroad.

3.27 Credit Risk

Credit risk is the potential Financial loss resulting from the failure of a customer or counterparty to settle its Financial and contractual obligations to the Company as and when they fall due. Management has a credit policy in place and the exposure to Credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of Credit Risk. The maximum exposure to Credit Risk is represented by the carrying amount of each Financial Asset in the Statement of Financial Position. However, due to a large number of parties comprising the group's customer base, Management does not anticipate material losses from its debt collection.

3.28 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity (cash and cash equivalents) is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalent to meet expected operational expenses including financial obligation through the preparation of the cash flow forecast with due consideration of timeline of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within the due date. In extremely stressed conditions, the Company may get support from the related Company in the form of short term financing.

3.30 Fair Values

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of trade and other short-term receivables are taken to approximate their carrying value. The fair value of financial assets and liabilities approximate their carrying value.

3.31 Risk and Uncertainties for the use of Estimates in Preparation of Financial Statements

The Preparation of Financial Statements 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 and disclosure requirements for contingent assets and liabilities during and at the date of Financial Statements. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors.

3.32 Date of Authorization:

The Financial Statements of the company for the year ended 30 June 2022 were authorized for issue in accordance with a resolution of the Board of Directors on 4 November 2022.

3.33 Measurement of Expected Credit Losses (ECL):

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive). ECLs are



discounted at the effective interest rate of the financial asset. At each reporting date, the company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Company expected that they have no credit losses on Trade Receivables.

3.34 General

- i. Wherever considered necessary, previous year's figures have been rearranged for the purpose of comparison.
- ii. Figures appearing in the Financial Statements have been rounded off to the nearest Taka.



		Amounts in Taka	
		30-Jun-22	30-Jun-2021
4.00	Property, Plant and Equipment		
	A. Fixed Assets at Cost		
	Opening Balance	2,083,435,527	1,823,221,267
	Add: Addition during the Period	367,254,188	260,214,260
	Less: Disposal of assets (Oxygen Bottle)	-	-
	Total Cost	2,450,689,715	2,083,435,527
	B. Accumulated Depreciation		
	Opening Balance	533,499,566	427,459,842
	Add: Depreciation for the Period	119,839,260	106,039,725
	Less: Adjustment for the year	-	-
	Total Depreciation	653,338,826	533,499,567
	Written Down Value (WDV) as at 30 June, 2022 (A-B)	1,797,350,889	1,549,935,960
	Details of Property, Plant and Equipment have been shown in the Annexure - A.		
5.00	Capital Work in Progress		
	Plant & Machineries Note-5.01	34,102,874	65,278,670
	Building & Other Const Note-5.02	66,377,517	64,017,152
	Generator & Motors Note-5.03	10,515,750	-
		110,996,141	129,295,822
5.01	Plant & Machineries		
	Opening Balance	65,278,670	49,222,002
	Add: Addition During the year	257,196,571	227,758,005
	Less: Transfer to Property, Plant and Equipment	(288,372,367)	(211,701,337)
	Closing Balance	34,102,874	65,278,670
5.02	Building & Other Construction		
	Opening Balance	64,017,152	20,154,870
	Add: Addition During the year	49,855,605	64,450,502
	Less: Transfer to Property, Plant and Equipment	(47,495,240)	(20,588,220)
		66,377,517	64,017,152
5.03	Generator & Motors		
	Opening Balance	-	7,264,624
	Add: Addition During the year	10,515,750	7,817,458
	Less: Transfer to Property, Plant and Equipment	-	(15,082,082)
		10,515,750	-
6.00	Inventories		
	Work in Process (Note 20.00)	2,829,230	2,693,869
	Finished Goods (Note 20.01)	21,300,212	28,129,375
	Consumable Stores (Note:20.02.1)	38,008,256	40,654,494
		62,137,698	71,477,738



		Amounts in Taka	
		30-Jun-22	30-Jun-2021
7.00 Trade and Other Receivable			
Trade Receivable (Note-7.01)		273,477,849	260,074,517
Other Receivable (Note-7.02)		39,981	3,175,553
		273,517,830	263,250,070
7.01 Trade Receivable			
Opening Balance		260,074,517	166,506,910
Add: Sales During the year		532,583,720	563,577,229
		792,658,237	730,084,139
Less: Realized During the year		(519,180,388)	(470,009,622)
Closing Balance		273,477,849	260,074,517
7.02 Other Receivable (FDR-Interest)			
Opening Balance		3,175,553	-
Add: Interest Accrued during the year/period		491,043	3,877,804
Less: Realized/encashment during the year/period		(3,626,615)	(702,251)
Closing Balance		39,981	3,175,553
Aging of Trade and Others Receivables			
Less than Six Month		289,587,737	263,250,070
More than Six Month		-	-
Total		289,587,737	263,250,070

The classification of Receivables as required by the Schedule XI, Part 1, Para 4 of the Companies Act, 1994 are given below:

Particulars		
i) Receivables considered good in respect of which the company is fully secured.		
ii) Receivables considered good in respect of which the company holds no security other than the debtor personal security.	273,517,830	263,250,070
iii) Receivables considered doubtful or bad.		
iv) Receivables due by directors or other officers of the company or any of them either severally or jointly with any other person or Receivables due by firms or private companies respectively in which any director is a partner or a director or a member.		
v) Receivables due by companies under the same management.		
vi) The maximum amount of receivables due by any directors or other officers of the company at any time during the year.		
	273,517,830	263,250,070



	Amounts in Taka	
	30-Jun-22	30-Jun-2021
8.00 Advances, Deposits & Prepayments		
Advance to Employee	604,288	2,050,000
Vat Current Account	1,139,637	10,051
Advance against Plant & Machineries	42,715,575	
Deposits (Note:8.01)	312,224	312,224
Advance Income Tax (Note 8.02)	15,880,650	35,920,801
	60,652,374	38,293,076

Disclosure as per Schedule XI, Part I, Para 6 of the Companies Act, 1994

Particulars		
Advance, deposits & prepayment considered good and in respect of which the company is fully secured.		
Advance, deposits & prepayment considered good for which the company holds no security.	60,652,374	38,293,076
Advance, deposits & prepayment considered doubtful or bad.		
Advance, deposits & prepayment due by directors or other officers of the company or any of them either severally or jointly with any other person or		
Advance, deposits & prepayment due by firms or private companies respectively in which any director is a partner or a director or a member.	604,288	2,050,000
Advance, deposits & prepayment due by companies under the same management.		
The maximum amount due by directors or other officers of the company at any time during the year.		

8.01 Deposits		
PDB-Electric Line	210,000	210,000
T & T Department	2,000	2,000
BGSL-Gas Line	100,224	100,224
	312,224	312,224
8.02 Advance Income Tax		
Opening Balance	35,920,801	20,714,676
Add: Addition during the year	15,880,650	15,206,125
	51,801,451	35,920,801
Less: Adjustment during the period	(35,920,801)	-
Closing Balance	15,880,650	35,920,801
9.00 Cash and Cash Equivalent		
Cash in Hand	2,077,500	1,261,040
Cash at Bank (Note- 9.01)	2,235,602	86,879,251
	4,313,102	88,140,291



9.01 Cash at Bank

Bank Asia Limited
National Bank Limited
SBAC Bank Limited
NRBC Bank Limited-81
NRBC Bank Limited-71
Basic Bank Ltd.
The City Bank Ltd (Dividend A/C)
Brac Bank Ltd-1501204195399001
NRBC Bank Limited-FDR
Basic Bank Limited-FDR
Union Bank Ltd.
United Commercial Bank Limited
Total

Amounts in Taka	
30-Jun-22	30-Jun-2021
17,870	18,215
80,707	1,072
1,655	10,171
20,198	6,717
4,326	4,278
-	31,759
869,622	566,339
598,715	598,196
-	85,000,000
641,000	641,000
1,510	-
-	1,504
2,235,602	86,879,251

10.00 Share Capital**10.01 Authorized Share Capital**

250,000,000 Ordinary shares of Tk 10/= each

2,500,000,000	1,100,000,000
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10.02 Issued, subscribed, called-up and paid-up share capital

109,782,000 Ordinary shares of Taka 10/= each.

1,097,820,000	1,026,000,000
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Shareholders & their shareholding are as follows:

SL	Name	No. of Share	Sharehold %	Nature of Shareholding	Amounts in Taka	
					30-Jun-2022	30-Jun-2021
1	Md. Nizam Uddin Chowdhury	7,929,264	7.22%	Chairman	79,292,640	74,105,280
2	Mrs. Ismat Jahan	21,004,559	19.13%	Managing Director	210,045,590	196,304,299
3	Fahim Chowdhury	2,269,528	2.07%	Director	22,695,280	21,210,552
4	Azmine Mahatab Chowdhury	2,452,554	2.23%	Director	24,525,540	22,921,078
5	Advocate Nasima Akter		-	Independent Director	-	-
6	A.K.M Showkat Hasan Khan			Independent Director	-	-
6	Others	76,126,095	69.34%	Individual / Institution	761,260,950	711,458,791
	Total	109,782,000	100%		1,097,820,000	1,026,000,000

11.00 Retained Earnings

Opening Balance
Less: Stock dividend issue
Less: Cash dividend declared
Less: Adjustment of IPO Expenses
Add: Addition during the year
Closing Balance

850,128,879	739,686,213
(71,820,000)	(76,000,000)
(35,572,940)	(13,175,163)
-	(15,462,041)
183,452,798	215,079,870
926,188,737	850,128,879



Amounts in Taka	
30-Jun-22	30-Jun-2021

12.00 Long Term Loan (Non-Current portion)

Opening Balance	35,529,781	36,157,072
Add: Addition during the year	2,932,980	3,833,518
Less: Payment/Adjustment during the Period	(15,600,000)	(4,460,810)
	22,862,761	35,529,780
Less: Long term Loan (Current Portion) (Note-15.C)	(9,275,040)	(13,501,316)
Closing Balance	13,587,721	22,028,463

Details are as follows:

Bank Name : Basic Bank Limited
Interest Rate: 09% (Revised from time to time)
Tenure : 24 Month
Renewal Dat : Dec 31, 2014 (Renewable)
Limit : 5 Crore
Security : 112 Decimal of Land with Factory
Building & Other construction, Plant

13.00 Deferred Tax Liability

Written down value as (Accounting Base)	1,797,350,889	1,549,935,959
Written Down value as (Tax Base)	(1,171,679,229)	(989,376,645)
Temporary Difference	625,671,660	560,559,314
Effective Tax Rate	22.50%	22.50%
	140,776,124	126,125,845.73

14.00 Trade and Other Payables

Al Hatim Trading Centre	30,250	102,480
Bhai Bhai Traders	125,000	715,470
Khan Eng Works	302,500	749,540
Khan Ajmiri Filter Co	-	471,248
Maa Motors	104,250	201,000
Marin commercial corporation	12,450	701,057
Mask Power	-	705,480
Nazmul H.Servicing	208,500	855,240
Power Man	104,580	450,000
Mas ship recycling industries	456,810	1,552,868
7B Associates & Brothers	47,258	1,027,954
Al Safa	2,041,250	952,658
Tulip Steel Co.	480,200	1,097,450
IPO Expenses	1,211,750	1,507,661
	5,124,798	11,090,106

15.00 Long Term Loan (Current Portion)

Basic Bank Ltd.	9,275,040	13,501,316
	9,275,040	13,501,316



		Amounts in Taka	
		30-Jun-22	30-Jun-2021
16.00	Loan from WPPF		
	Opening Balance	-	-
	Add: Addition during the year (Principal)	13,595,715	-
	Add: Addition during the year (Interest)	271,914	-
	Less: Paid during the year	-	-
		13,867,629	
17.00	Liabilities for expenses		
	Salary & Allowances	2,246,481	1,925,280
	Directors Remuneration	70,000	70,000
	Electricity Bill	66,153	600,000
	Gas Bill	336,035	484,721
	Audit Fees	230,000	200,000
	Others	352,150	174,274
		3,300,819	3,454,275
17.01	Dividend Payable		
	Opening Balance	566,339	-
	Add: Cash dividend declared 5% except Sponsor D	35,572,940	13,175,163
	Add: Interest during the period (Net of Tax)	12,899	-
	Less: Bank Charge during the period	(16,530)	-
	Less: Paid during the period	(35,266,026)	(12,608,824)
	Closing Balance	869,622	566,339
18.00	Liabilities for Income Tax		
	Opening Balance	73,902,017	23,730,620
	Add: Addition during the Period	47,877,309	50,171,397
		121,779,326	73,902,017
	Less: Adjustment during the year	(35,920,801)	
	Closing Balance	85,858,525	73,902,017
18.01	Liabilities for WPPF		
	Opening Balance	13,595,715	7,449,190
	Add: Addition during the Period	12,299,019	13,595,715
	Less: Loan	(13,595,715)	(7,449,190)
	Closing Balance	12,299,019	13,595,715



		Amounts in Taka	
		30-Jun-22	30-Jun-2021
19.00 Revenue			
	Sales of Oxygen Gas (Net off VAT)	532,583,720	563,577,229
		532,583,720	563,577,229
20.00 Cost of Goods Sold			
	Work in process- Opening	2,693,869	2,485,121
	Work in process- Closing	(2,829,230)	(2,693,869)
	Manufacturing overhead (Note 20.02)	193,534,921	208,697,921
	Cost of goods Manufactured	193,399,560	208,489,173
	Add: Opening finished goods	28,129,375	19,854,952
	Cost of goods available for sale	221,528,935	228,344,125
	Less: Closing finished goods (Note 20.01)	(21,300,212)	(28,129,375)
	Cost of Goods Sold	200,228,723	200,214,750
20.01 Finished Goods			
	Opening Balance	28,129,375	19,854,952
	Add: Production during the year	193,399,560	208,489,173
	Cost of goods available for sale	221,528,935	228,344,125
	Less: Cost of Goods Sold	200,228,723	(200,214,750)
	Closing Balance	21,300,212	28,129,375
20.02 Manufacturing Overhead			
	Wages, Salaries and Allowances	20,409,517	19,485,268
	Consumable Stores (Note: 20.02.1)	43,876,356	46,603,741
	Workers Entertainment	1,679,200	1,620,489
	Medical Aid	100,602	1,147,770
	Repair & Maintenance	5,818,212	9,811,532
	Oil & Lubricants	39,415,550	36,832,655
	Carriage Inward	7,048,390	11,802,090
	Gas charges & Utility	3,283,538	17,770,541
	Depreciation (Annexure-A)	71,903,556	63,623,835
		193,534,921	208,697,921
20.02.1 Consumable Stores			
	Opening Balance	40,654,494	28,118,010
	Add: Addition during the year	41,230,118	59,140,225
	Production available for Sale	81,884,612	87,258,235
	Less: Closing Stock	(38,008,256)	(40,654,494)
	Consumed during the year	43,876,356	46,603,741



		Amounts in Taka	
		30-Jun-22	30-Jun-2021
21.00	Operating Expenses		
	Administrative Expenses (Note- 21.01)	35,994,153	38,069,796
	Selling & Distribution Expenses (Note-21.02)	35,343,168	38,917,408
		71,337,321	76,987,204
21.01	Administrative Expenses		
	Salaries and Allowances	4,590,500	4,389,506
	Directors Remuneration	840,000	1,965,000
	Board Meeting Fees	102,500	100,000
	Postage & Stamps	45,700	102,387
	Entertainment	389,237	657,561
	Printing & Stationary	452,220	1,125,795
	Utilities and Others	843,966	2,321,049
	Travel, Communication & Conveyance	173,838	1,890,996
	Telephone Mobile & Fax	287,138	597,952
	Audit Fees	230,000	200,000
	Donation and Subscription	80,500	603,750
	Leveries and Uniforms	44,500	206,695
	Medical and Welfare Expenses	75,648	408,535
	Depreciation (Annexure-A)	23,967,853	21,207,945
	Rent, Rates and Taxes	725,550	741,000
	Paper and Periodicals	20,750	114,068
	AGM Expenses	200,000	223,731
	Listing & Annual Fee	1,403,918	701,959
	Joint Stock Fee	1,289,035	-
	Misc. Expense	5,800	240,066
	Legal and Professional expenses	225,500	271,800
		35,994,153	38,069,795
21.02	Selling & Distribution Expenses		
	Salaries and Allowances	1,915,500	1,892,509
	Tour & Conveyance	195,796	542,956
	Carriage Outward	9,040,900	16,094,644
	Conference and Meeting	122,343	187,841
	Depreciation (Annexure-A)	23,967,851	21,207,945
	Advertisement & Publicity	100,778	176,700
		35,343,168	40,102,595
22.00	Financial Expenses		
	Bank Charge & Commission	126,453	291,807
	Interest on WPPF Loan	271,914	
	Interest on Long Term Loan	2,932,980	3,833,518
		3,331,347	4,125,325



		Amounts in Taka	
		30-Jun-22	30-Jun-2021
23.00	Other non-operating Income		
	Misc. Income	100,517	139,157
	Interest Income-IPO Bank Accounts	1,516	428,301
	Interest Income-FDR Accounts	491,043	3,877,804
		593,076	4,445,262
24.00	Income Tax Expenses		
24.01	Current Tax		
	Profit before Income Tax	245,980,385	271,914,309
	Add. Depreciation Expenses (Accounting Depreciation)	119,839,260	106,039,725
	Less: Depreciation Expenses (Tax Depreciation)	(184,951,604)	(188,747,825)
	Business Income	180,868,041	189,206,209
	Tax Rate	22.50%	22.50%
	Total Tax Expenses	40,695,309	42,571,397
		7,182,000	7,600,000
		47,877,309	50,171,397
24.02	Deferred Tax Expenses		
	Deferred Tax as on 30 June 2022	140,776,124	126,125,846
	Less: Opening Deferred Tax 01 July 2021	(126,125,846)	(119,462,803)
		14,650,278	6,663,043
25.00	Earnings Per Share (Basic)		
	Net profit after WPPF & Income Tax	183,452,798	215,079,870
	Number of Ordinary Shares at the end of the Period	109,782,000	98,202,740
	Earning Per Share (EPS) (Basic)	1.67	2.19
25.01	Calculation of Weighted Average Number of Shares		
	Opening No. of Share (Paid Up Capital in Share)	80,000,000	80,000,000
	Initial Public Offer Fund in Share	15,000,000	10,602,740
	Stock dividend Issued for the year 30 June 2020	7,600,000	7,600,000
	Stock dividend Issued for the year 30 June 2021	7,182,000	-
		109,782,000	98,202,740

Calculation of Weighted Average Number of Shares considering Basic EPS

** the company declared stock dividend 7% and 5% cash dividend for the year ended 30 June 2021 and duly approved by the board and annual general meeting by the shareholders as well as got post approval from BSEC



	Amounts in Taka	
	30-Jun-22	30-Jun-2021
26.00 Net Asset Value (NAV) Per Share		
Total Assets	2,308,968,034	2,140,392,956
Less: Total Liabilities	(271,451,512)	(264,264,077)
Net Asset Value/Share Holders Equity	2,037,516,522	1,876,128,879
Number of Shares outstanding at the end of the Period	109,782,000	102,600,000
Net Asset Value (NAV) Per Share- Basic	18.56	18.29
27.00 Net Operating Cash Flow Per Share (NOCFPS) Basic	451,694,585	350,671,201
Net Operating Cash Flows	341,912,585	252,468,461
Weighted Average Number of ordinary shares (Note-25.01)	109,782,000	98,202,740
Net Operating Cash Flow Per Share (NOCFPS) Basic	3.11	2.57

28.00 Other Commitments, Contingencies and Relevant Information

28.01 Contingencies

1) there is contingent Liability Tk.39,39,103.00 for Agst.Bank Guarantee of Karnafully Gas distribution event that may require recognition of contingent liabilities for the year ended 30 June, 2022.

28.02 Capital expenditure commitment

There was no capital expenditure commitment or contract at 30 June, 2022. There was no material capital expenditure authorized by the Board but not contracted for as at 30 June, 2022.

28.03 Directors' interest in contracts with the company

There was no transaction resulting in Directors' interest with the company and no leasing facilities have been made available to the Directors.

28.04 Credit Facility Not Availed

There was no credit facility available to the company under any contract, but not availed as on 30 June, 2022 other than trade credit available in the ordinary course of business.

28.05 Attendance Status & Board meeting Fees of Board Meeting of Directors

During the period ended 30 June 2022, there were Eight (8) Board Meetings were held.

The attendance status of all the meetings are as follows:

Name of Director	Meeting Held	01 Jul-21 To 30 June-22
Md. Nizamuddin Chowdhury	8	20,000
Mrs. Ismat Zahan	8	20,000
Mr. Fahim Chowdhury	8	20,000
Mr. Azmine Mahatab Chowdhury	8	20,000
Advocate Nasima Akter Chowdhury	8	20,000
A.K.M Showkat Hasan Khan	4	20,000
Total		120,000



Amounts in Taka	
30-Jun-22	30-Jun-2021

28.06 Details of Remuneration Paid During this period to the Board of Directors

Name of Director	Designation	Amount in Taka
		30-Jun-22
Md. Nizamuddin Chowdhury	Chairman	
Mrs. Ismat Zahan	Managing Director	840,000
Mr. Fahim Chowdhury	Director	-
Mr. Azmine Mahatab Chowdhury	Director	-
Advocate Nasima Akter Chowdhury	Independent Director	-
A.K.M Showkat Hasan Khan	Independent Director	-
Total		840,000



28.07 Related party disclosures (IAS-24)

The Company carried out a number of transactions with related parties in the normal course of

SL. No.	Name of the Related Party	Nature of Tran.	Opening Balance	Addition	Paid	Closing Balance
1	Md. Nizamuddin	Remuneration	-	-	-	-
		BOD Fee		20,000	(20,000)	-
2	Mrs. Ismat Zahan	Remuneration	70,000	840,000	(840,000)	70,000
		BOD Fee		20,000	(20,000)	-
3	Mr. Fahim Chowdhury	Remuneration	-	-	-	-
		BOD Fee		17,500	(17,500)	-
4	Mr. Azmine Mahatab	Remuneration	-	-	-	-
		BOD Fee		17,500	(17,500)	-
5	Advocate Nasima Akter	Remuneration	-	-	-	-
		BOD Fee		20,000	(20,000)	-
5	A.K.M Showkat Hasan Khan	Remuneration	-	-	-	-
		BOD Fee		7,500	(7,500)	-
Total			70,000	942,500	(942,500)	70,000

28.08 Number of Employee - Para 3 of Schedule XI, Part II

Salary range Monthly	Officers & Executive	Workers	Total Employee	
			30-Jun-22	30-Jun-21
Below 8,500	-	-	-	-
Above 8,500	18	262	280	280

28.09 Utilization of Capacity - Para 7 of Schedule XI, Part II

Installed Capacity (Qubic Meter) /Quarter/Yearly
Actual Production (Qbic Meter) /Quarter/Yearly
Capacity Utilization (%) Quarter/Yearly

	30-06-2022	30-06-2021
Installed Capacity (Qubic Meter) /Quarter/Yearly	9,935,700	9,929,900
Actual Production (Qbic Meter) /Quarter/Yearly	9,251,700	8,827,363
Capacity Utilization (%) Quarter/Yearly	93.12%	88.90%

28.10 Events after the Reporting Period

No material events had occurred from end of reporting period to the date of issue of Financial Statements, which could materially affect the values stated in the Financial Statements.

28.10.1 IPO Fund Utilization

As on 30 June 2022, details of IPO fund utilization of the company as follows;

Sl. No.	Purpose of Utilization	Allotment as per IPO (Tk.)	Total Utilization of Fund up to June 30, 2022	Unspent Balance (Taka) as on June 30, 2022
1	Construction of New Plant Shed & Store Shed	68,156,250	68,172,041	(15,791)
2	New Plant & Machinery	42,400,250	8,133,138	34,267,112
3	Bank Loan Repayment	20,000,000	20,000,000	-
4	IPO Related Expenses	19,443,500	15,543,353	3,900,147
	Total IPO Proceeds	150,000,000	111,848,532	38,151,468
5	Interest Income/ (Bank Charges & Foreign exchange loss)	3,378,315	161,741	3,216,574
	Total IPO Proceeds & Interest Income/ (Bank Charges)	153,378,315	112,010,273	41,368,042



28.11 As per Company Act, 1994, Para 4, Part II, Schedule X, part-II, Schedule-XI (4) The profit and loss account will give by way of a note detailed information, showing separately the following payments provided or made during the financial year to the directors, including managing director, the managing agents or manager, if any, by the company, subsidiaries of the company and any other person:-

Particulars	Amount in Taka	
	30-Jun-22	30-Jun-21
Managerial Remuneration paid or payable during the period to the directors, including managing	840,000	2,090,000
Expenses reimbursed to the Managing Agent	-	-
Commission or Remuneration payable separately to	-	-
Commission received or receivable by the managing agent or his associate as selling or buying agent of	-	-
The money value of the contracts for the sale or purchase of goods and materials or supply of	-	-
Any other perquisites or benefits in cash or in kind stating,	-	-
Other allowances and commission including	-	-
Pensions etc.		
(i) Pensions		
(ii) Gratuities		
(iii) Payments from a provident funds in excess of	-	-
Share Based payments	-	-

As per Para 17, IAS- 24:

An entity shall disclose key management personnel compensation in total and for each of the following benefits:

(a) Short-term employee benefits	840,000	1,965,000
(b) Post-employee benefits	-	-
(c) Other long term benefits	-	-
(d) Termination benefits and	-	-
(e) share- based payment	-	-
	840,000	1,965,000

As per Para 18, IAS- 24:

Disclosure requirements of IAS 24 Para 18 minimum disclosure shall include:

a) the amount of transaction	942,500	2,065,000
b) the amount of outstanding balance, including comi	70,000	70,000
i) their terms & condition, including whether they are secured, and the nature of the consideration to	Remuneration & Board meeting Fee	
ii) details of any guarantee given or received	-	-
c) Provisions for doubtful debts related to the	-	-
d) the expenses recognized during the period in respect of bad or doubtful debts due from related	-	-

28.12 Aggregated amount of Remuneration, Fees, Salary & Wages of employees are given below:

Directors Remuneration	840,000	1,965,000
Board Meeting Fees	102,500	100,000
Wages, Salaries and Allowances	20,409,517	19,485,268
Salary & Allowances	6,506,000	6,282,015
	27,858,017	27,832,283



28.13 Reconciliation of Net Profit with Cash Flow from Operating Activities (Notification No. BSEC/CMRRCD /2006-158/2008/ Admin/81, dated:20 June 2018)

Particulars	Amount in Taka	
	30-Jun-22	30-Jun-21
Net Profit Before Income Tax & WPPF	258,279,405	285,510,025
Adjustment:		
Depreciation Expenses	119,839,260	106,039,725
Financial Expense	3,331,347	4,125,325
Adjustment of FDR Interest	(491,043)	(3,877,804)
Increase/(Decrease) in Inventory	9,340,040	(21,019,655)
Increase/(Decrease) in Accounts Receivable	(13,403,332)	(93,567,607)
Increase/(Decrease) in Accounts Payable	(5,965,308)	(1,419,760)
Increase/(Decrease) in Liabilities	(153,456)	(695,320)
Increase/(Decrease) in Advance & Prepayment	(2,056,149)	28,848
Payment of Income Tax	(15,880,650)	(15,206,125)
Payment of WPPF	(13,595,715)	(7,449,190)
Net Cash Generated from Operating Activities	339,244,400	252,468,462

28.14 The requirement of schedule XI Part-II, Para-3(a): Turnover

Turnover in Quantity	9,250,500	8,727,363
Turnover in Amount (BDT)	532,583,720	563,577,229

The requirement of schedule XI Part-II, Para-3(b): Consumable Store Consumed

Consumable Store Consumed in Quantity	6,548,710	5,326,048
Consumable Store Consumed in Amount (BDT)	43,876,356	46,603,741

The requirement of schedule XI Part-II, Para-3(C): Inventory

Consumable Store

Opening Quantity	19,167,607	13,421,484
Addition During the year	1,193,320	22,770,709
Closing at the end of the Year	13,389,529	19,167,607

Work in Process

Opening Quantity	296,946	288,197
Closing at the end of the Year	146,461	296,946

Finished Goods

Opening Quantity	1,998,393	1,468,127
Closing at the end of the Year	473,338	1,998,393

28.15 Significant Deviation

EPS is changed due to decrease in Sales Revenue, Sales Volume, Sales rate. NOCFPS is changed due to increase of collection from Customer.

28.16 Received from Customers

Sales during the year	532,583,720	563,577,229
Add: Opening Receivables	260,074,517	166,506,910
Less: Closing Receivables	273,477,849	260,074,517
	519,180,388	470,009,622

28.17 Paid to Suppliers

Purchase during the year	41,230,118	59,140,225
Add: Opening Payables	9,582,445	11,002,205
Less: Closing Payables	3,913,048	9,582,445
	46,899,515	60,559,985



28.18 Paid to Employees

Salary, Wages Including Bonus and WPPF
 Add: Opening Payables salary
 Less: Closing Payables salary
 Add: Opening Payables WPPF
 Less: Closing Payables WPPF
 Add: Closing Advance to Employee
 Less: Opening Advance to Employee

40,157,036	41,427,998
1,995,280	1,960,210
2,316,481	1,995,280
13,595,715	7,449,190
12,299,019	13,595,715
604,288	2,050,000
2,050,000	1,500,000
39,686,819	35,796,403

28.19 Paid for Other Operating Expenses

Manufacturing overhead
 Administrative Expenses
 Selling Expenses
 Add: Opening Payables
 Less: Closing Payables
 Add: Closing Advance
 Less: Opening Advance
 Less: Consumable Stores Consumed
 Less: Depreciation

173,125,404	133,401,474
30,461,153	24,979,708
33,427,668	28,285,797
1,458,995	1,458,995
984,338	509,271
1,451,861	1,153,897
322,275	322,275
43,876,356	35,771,353
119,839,260	88,412,981
74,902,852	64,263,991

28.20 Acquisition of Property, Plant and Equipment:

Purchase of Assets
 Less: Transfer from CWIP
 Add: Opening Liability
 Less: Closing Liability

367,254,188	281,069,968
(335,867,607)	(266,809,607)
31,386,581	14,260,361

28.21 Capital Work in Progress

Purchase of Assets
 Add: Opening Liability
 Less: Closing Liability

317,567,926	300,025,965
-	-
-	-
317,567,926	300,025,965

