

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন।”

“Investment in capital market involves a certain degree of risks. The investors are required to read the prospectus and risk factors carefully, assess their own financial conditions and risk taking ability before making their investment decisions.”

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। বিনিয়োগকারীগণ প্রোসপেক্টাস পড়ে এবং ঝুঁকির বিষয়গুলি সতর্কতার সাথে অনুধাবন করে নিজ নিজ আর্থিক অবস্থা ও ঝুঁকিগ্রহণ করার সক্ষমতা বিবেচনা করে বিনিয়োগ সিদ্ধান্ত গ্রহণ করবেন।”

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PROSPECTUS OF



ASSOCIATED OXYGEN LIMITED

BCIC Sadan (1st Floor) 26 Agrabad C/A, Chattagram, Bangladesh

ISSUE MANAGER



BD FINANCE CAPITAL HOLDINGS LIMITED

64, Motijheel C/A (2nd floor), Dhaka-1000, Bangladesh

(A) Preliminary Information and Declarations:

- i) Name(s), address(s), telephone number(s), web address(s), e-mail (s), fax number(s) and contact persons of the issuer, issue manager(s), underwriter(s), auditors, credit rating company and values, where applicable;

ISSUER:		
Name & Address	Contact Person	Telephone & Fax Number, Email, Web Address
Associated Oxygen Limited BCIC Sadan (1 st Floor) 26 Agrabad C/A, Chattagram, Bangladesh.	Mrs. Ismat Jahan Managing Director	Phone: +880-31-711009, +880-31-711038, Fax: +880-31-2517950 Email: info@associatedoxygenltd.com Web: www.associatedoxygenltd.com

ISSUE MANAGER:		
Name & Address	Contact Person	Telephone & Fax Number, Email, Web Address
BD Finance Capital Holdings Limited 64, Motijheel C/A (2 nd floor), Dhaka- 1000, Bangladesh	Barun Prasad Paul Managing Director & CEO(CC)	Tel: +88 02 9588186 Fax: +88 02 9588185 E-mail: barun_rbs@yahoo.com Web: www.bdcapital.com.bd

UNDERWRITERS:		
Name & Address	Contact Person	Phone & Fax Number, E-mail, Web Address
NRB Equity Management Limited Al-Razi Complex, Suite# G-602, 603 (6 th Floor) 166-167, Shaheed Syed Nazrul Islam Sarani, Purana Paltan, Dhaka-1000	Md. Muslahuddin Chowdhury Chief Executive Officer	Tel: +88 02 9585326 Fax: +88 02 9585281 E-mail: ceo@nrbequity.com Web: www.nrbequity.com

AUDITOR:		
Name & Address	Contact Person	Telephone & Fax Number, E-mail, Web Address
Shiraz Khan Basak & Co. Chartered Accountants R.K Tower (Level-10)86, Bir Uttam C.R Datta Road (312, Sonargaon), Dhaka-1205	Ramendra Nath Basak, FCA, Partner	Tel: +88-02-9635139 Fax: +88-02-8621575 Email: shirazkhanbasak@yahoo.com

- ii) “A person interested to get a prospectus may obtain from the issuer and the issue manager”

- iii) “If you have any query about this document, you may consult the issuer, issue manager and underwriter”

“এই প্রোসপেক্টাসে বর্ণিত তথ্য সম্পর্কিত যে কোন জিজ্ঞাসা আপনি প্রতিষ্ঠানটির উল্লেখিত ইস্যুয়ার, ইস্যু ব্যবস্থাপক এবং অবলেখকের সাথে যোগাযোগ করে জেনে নিতে পারেন।”

(IV) "CONSENT OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE OR OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2015. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER, MANAGING DIRECTOR, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY, ISSUE MANAGER, ISSUE MANAGER'S CHIEF EXECUTIVE OFFICER, MANAGING DIRECTOR, UNDERWRITERS, AUDITOR(S), VALUER AND/OR CREDIT RATING COMPANY (IF ANY)."

(V) Risks in relation to the First Issue

"This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the securities is TK. 10 (ten) and the issue price is Tk. 10 each i.e. the face value. The issue price has been determined and justified by the issuer and the issue manager/bidding by the eligible investors as stated under the paragraph on "Justification of Issue Price" should not be taken to be indicative of the market price of the securities after listing. No assurance can be given regarding active or sustained trading of the securities or the price after listing."

(VI) General Risk

"Investment in securities involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offer. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended by the Bangladesh Securities and Exchange Commission (BSEC) nor does BSEC guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'risk factors' given on page number(s) 128-135."

(VII) The Associated Oxygen Limited's Absolute Responsibility

"The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all material information with regard to the issuer and the issue, that the information contained in the Prospectus are true, fair and correct in all material aspects and are not misleading in any respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."

(b) Availability of Prospectus

- i. Names, addresses, telephone numbers, fax numbers, website addresses and e-mail addresses and names of contact persons of the institutions where the Prospectus and abridged version of Prospectus are available in hard and soft forms.

The Prospectus and Abridge Version of the Prospectus in hard and soft forms of **Associated Oxygen Limited** shall be obtained from the following address:

ISSUER		
Name & Address	Contact Persons	Telephone & Fax Number, E-mail, Web Address
Associated Oxygen Limited BCIC Sadan (1 st Floor) 26, Agrabad C/A Chattagram.	Mrs. Ismat Jahan Managing Director	Phone: +880-31-711009, +880-31-711038, Fax: +880-31- 2517950 Email: info@associatedoxygenltd.com Web: www.associatedoxygenltd.com

ISSUE MANAGER		
Name & Address	Contact Person	Telephone & Fax Number, E-mail, Web Address
BD Finance Capital Holdings Limited 64 Motijheel C/A (2 nd floor), Dhaka-1000, Bangladesh	Barun Prasad Paul Managing Director & CEO(CC)	Tel: +88 02 9588186 Fax: +88 02 9588185 E-mail: barun_rbs@yahoo.com Web: www.bdcapital.com.bd

STOCK EXCHANGES		
Name & Address	Contact person	Telephone & Fax Number, E-mail, Web Address
Dhaka Stock Exchange Limited DSE Library, 9/F Motijheel C/A, Dhaka-1000.	Afzalur Rahaman Manager	Tel: +88-02-9564601,9576210-18 Fax: +88-02-9564727, +88-02-9569755 E-mail: research@dsebd.org Web: www.dsebd.org
Chittagong Stock Exchange Limited CSE Library, CSE Building, 1080, Sheikh Mujib Road Agrabad, Chattagram- 4100.	Mohammed Javed Sarwar Assistant Manager	Tel: +031-714632-3, Fax: + 031-714101 E-mail: javed@cse.com.bd Web: www.cse.com.bd

The Prospectus is also available on the websites of **Associated Oxygen Limited** (www.associatedoxygenltd.com), **BD Finance Capital Holdings Limited** (www.bdcapital.com.bd), **Bangladesh Securities and Exchanges Commission** (www.sec.gov.bd), **Dhaka Stock Exchange Limited** (www.dsebd.org), **Chittagong Stock Exchange Limited** (www.csebd.com) and Public Reference room of the **Bangladesh Securities and Exchange Commission (BSEC)** for reading and studying.

- ii. Name of Newspaper and Date of Publication of Abridged Version of Prospectus was published:

SL. No.	Name of the Newspaper	Date of Publication
1	The Daily Financial Express	10 th September, 2020
2	The New Nation	10 th September, 2020
3	The Daily Banik Barta	10 th September, 2020
4	The Daily Samakal	10 th September, 2020

iii. Definitions and Acronyms/ Elaborations

Unless the context otherwise indicates, requires or implies, the following terms shall have the meanings set forth below in this Information Memorandum. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

A	
AGM	Annual General Meeting
Allotment	Allotment of Shares
“Articles” or “Articles of Association” or “AOA”	The Articles of Association of Associated Oxygen Limited as amended
AOL	Associated Oxygen Limited
B	
IAS	International Accounting Standards
Board	The Board of Directors of AOL
BB	Bangladesh Bank
BDT	Bangladeshi Taka
IFRS	International Financial Reporting Standards
BPO	Business Process Outsourcing
BEPS	Bangladesh Electronic Payment System
ISA	International Standards on Auditing
BOA/C	Beneficiary Owner Account
BIDA	Bangladesh Investment Development Authority
BSEC	Bangladesh Securities and Exchange Commission
C	
CFO	Chief Financial Officer
CIB	Credit Information Bureau
CRM	Customer Relationship Management
CERTIFICATE	Share Certificate
COMMISSION	Bangladesh Securities and Exchange Commission
COMPANIES ACT	Companies Act, 1994 (Act. No. XVIII of 1994)
CSE	Chittagong Stock Exchange Limited
COMPANY	Associated Oxygen Limited
CDBL	Central Depository Bangladesh Limited
CEO	Chief Executive Officer
CC	Current Charge
D	
DSE	Dhaka Stock Exchange Limited
E	
EIs	Eligible Investors
EPB	Export Promotion Bureau
EFT	Electronic Fund Transfer
EPS	Earnings Per Share
EXCHANGES	Stock Exchanges
EU	European Union
F	
FC Account	Foreign Currency Account
FDR	Fixed Deposit Receipt
FOB	Free on Board
FY	Fiscal Year
G	
GBP	Great Britain Pound
GOB	Government of Bangladesh
H	
HR	Human Resource
HRD	Human Resource Development/Department
I	
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
ICAB	The Institute of Chartered Accountants of Bangladesh
ISSUE MANAGER	BD Finance Capital Holdings Limited
Issuer	Associated Oxygen Limited
IPO	Initial Public Offering

K	
KRA	Key Result Area
M	
MP	Market Price
MD	Managing Director
MS -Word	Microsoft Word
“Memorandum” or “Memorandum of Association” or “MOA”	The Memorandum of Association of Associated oxygen Limited
N	
NBR	National Board of Revenue
NAV	Net Asset Value
NRB	Non-Resident Bangladeshi
NBFI	Non-Bank Financial Institution
BDFCHL	BD Finance Capital Holdings Limited
O	
OFFERING PRICE	Price of the Share of Associated Oxygen being offered
P	
PE Ratio	Price Earnings Ratio
POS	Point of Sales
Q	
QA	Quality Assurance
QC	Quality Control
R	
R & D	Research & Development
REGISTERED OFFICE	Head Office of the Company
RJSC	Registrar of Joint Stock Companies and Firms
Rules	Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and its amendments
S	
Securities Market	Share Market
SC	Share Certificate
STD ACCOUNT	Short Term Deposit Account
SUBSCRIPTION	Application Money
SPONSORS	The Sponsors Shareholders of AOL
STOCKHOLDER	Shareholder
T	
TIN	Tax Identification Number
Taka/Tk./BDT	Bangladeshi Taka
U	
USD	United States Dollar
UK	United Kingdom
V	
VAT	Value Added Tax
W	
WPPF	Workers Profit Participation Fund
WDV	Written Down Value

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(j)	Changes in the key management persons during the last three Years. Any change otherwise than by way of retirement in the normal course in the senior key management personnel particularly in charge of production, planning, finance and marketing during the last three years prior to the date of filing the information memorandum. If the turnover of key management personnel is high compared to the industry, reasons should be discussed.	82
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CHAPTER-I

EXECUTIVE SUMMARY

(a) About the Industry:

The incremental growth of industries in the country, real estate development and medical facilities in the country are widening the scope of use of the gases like Oxygen, Acetylene, Nitrous oxide etc. Rather the consumption of such gases is growing at a much higher pace. Development of any country now is measured with different yardsticks and most significant is the use of oxygen. Consumption of oxygen has become an indicator of industrialization in the country as it is directly related to the growth of the use of metal and metallurgy. Growth in the real estate sector, human medical service, livestock medical service, aquaculture cannot be made without an increase in the use of oxygen and some other gases. Whatever, Ship breaking activities in Bangladesh are concentrated in Sitakund (Bhatary to Barwalia), just north of Chittagong city on the Bay of Bengal. It is of paramount importance to the macro and micro-economies of poverty-stricken Bangladesh. Some of the world's largest decommissioned ships are today scraped at the shores north of Chittagong, which is the second-largest city and major seaport in the country. Bangladesh was the top ship recycling nation from 2004-2009. Bangladesh became the second in 2012, scrapping around 270 ships. Bangladesh dismantling 210 ships in 2013, became the third-largest ship breaking nation in the world. Based on the present development demand for Oxygen Gases along with industrial gases are increasing day by day. This is a positive indication of a good future of Oxygen plant in Bangladesh. Associated Oxygen Limited is committed to the quality of our product & services. Our motto is to ensure optimum conditions in health, safety and the environment for employees, customers and stakeholders.

B) About the Issuer

NAME OF THE ISSUER	Associated Oxygen Limited
LOGO OF THE ISSUER	
PRIVATE/ PUBLIC LIMITED COMPANY	Incorporated as a Private Limited Company and subsequently, it was converted to Public Limited Company as on 25 April, 2018.
DATE OF INCORPORATION	June 27, 1990
DATE OF COMMENCEMENT OF COMMERCIAL OPERATION	December 01, 1992
CONVERSION DATE OF PRIVATE TO PUBLIC LIMITED COMPANY	25 April, 2018
INCORPORATION NUMBER	CHC-698/177, 1990
ADDRESSES OF REGISTERED OFFICE, OTHER OFFICES	BCIC Sadan (1 st Floor) 26, Agrabad, C/A Chattagram.
TELEPHONENUMBER	+880-31-2517950, +88-031-711009
FAX NUMBER	+880-31-2517950
EMAIL ADDRESS	info@associatedoxygenltd.com
BOARD OF DIRECTORS	1. Md. Nizam Uddin Chowdhury, Chairman 2. Mrs. Ismat Jahan, Managing Director 3. Md. Fahim Chowdhury, Director 4. Md. Azmine Mahtab Chowdhury, Director 5. Advocate Nasima Akter Chowdhury, Independent Director
PRODUCT	The principal activities of the company are manufacturing and supplying of industrial and medical gases, welding gas product ancillary equipment.
AUDITOR'S TO THE COMPANY WITH ADDRESS	Shiraz Khan Basak & Co. Chartered Accountants R.K Tower (Level-10), 86, Bir Uttam C.R Datta Road (312, Sonargaon), Dhaka-1205
LOGO OF THE AUDITOR	
CONTACT PERSON OF AUDITOR ALONG WITH WEBSITE, E-MAIL ADDRESS, TELEPHONE, FAX NO	Ramendra Nath Basak, FCA Principal- Shiraz Khan Basak & Co. Chartered Accountants Tel: +88-02-9635139, Fax: +88-02-8621575 E-mail: shirazkhanbasak@yahoo.com
BANKERS TO THE IPO	BRAC Bank Limited
MANAGER TO THE ISSUE	BD Finance Capital Holdings Limited 64, Motijheel C/A (2 nd floor), Dhaka-1000, Bangladesh Tel: +88 02 9588186, Fax: +88 02 9588185 E-mail: barun_rbs@yahoo.com Web: www.bdcapital.com.bd

C) Financial Information

Major Financial Information of Associated Oxygen Limited is as follows:

Sl. No	Particulars	Amount in Taka				
		30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15
1	Revenue	401,057,043	311,420,858	268,929,929	225,626,092	193,158,289
2	Gross Profit	251,187,590	183,629,203	158,659,713	133,470,908	114,037,196
3	Net Profit Before Tax	170,258,005	126,532,048	107,882,190	88,526,952	72,890,495
4	Net Profit after Tax	109,401,901	107,498,441	85,998,900	68,204,194	59,912,626
5	Total Assets	1,602,171,359	1,148,224,657	851,641,455	742,697,665	635,115,788
6	Paid up Capital	800,000,000	99,945,380	1,200,000	1,200,000	1,200,000
7	Retained Earnings	589,860,666	480,458,765	430,057,244	344,058,344	275,854,151
8	No. of Share	80,000,000	9,994,538	120,000	120,000	120,000
9	Face Value	10.00	10.00	10	10	10
10	NAV per share	17.37	58.07	3,593.81	2,877.15	2,308.78
11	Earnings per share (Basic)	1.51	3.26	2.81	2.23	1.96

N:B: The Company has split the face value of its Ordinary Shares from Tk. 100 to Tk. 10 at 06-07-2017.

D) Features of the issue and its objects:

Offer Price	BDT 10 per share
Number of Shares	15,000,000 Ordinary Share
Offer Size	BDT 150,000,000/-
Issue Manager	BD Finance Capital Holdings Limited
Underwriter(s)	NRB Equity Management Limited
Purpose of Raising Fund	Proceeds from Initial Public Offering (IPO) will be used for Construction of factory Store Shed & Expansion of Plant Shed, Acquisition of new plant and machinery, Partial Repayment of bank loan of the company and IPO expenses.
Date of Implementation	Within 24 months after receiving IPO Fund.

E) Legal and other information:

Name of the Company	Associated Oxygen Limited
Date of Incorporation	June 27, 1990 as a private limited company and subsequently converted to Public Limited Company
Registration No	CHC-698/177, 1990
Conversion Date of Private to Public Limited Company	25 April, 2018

Sl. No	Name of Certificate/ license/ Registration /NOC	License Issuer/Issuing Authority	Certificate / License No	Expiry Date	Remarks
1.	Certificate of incorporation	Registrar of Joint Stock Companies and Firms, Government of Bangladesh	CHC-698/177, 1990	N/A	As a Private Ltd Company June, 27 1990 & converted to Public Ltd company on 25 April, 2018
2.	Certificate of Commencement of Business	Registrar of Joint Stock Companies and Firms, Government of Bangladesh	N/A	N/A	Incorporated as a Private Limited Company
3.	TIN Certificate	National Board of Revenue	782372820960	N/A	-
4.	VAT Reg. No.	Customs, Excise & VAT Commissionerate, Chattagram	24111000170	N/A	-
5.	Trade License	Chattagram City Corporation	40621	30.06.2020	-
6.	Explosive License	Department of explosive	140-2(8)-0022	31.12.2020	-
7.	BIDA License	Bangladesh Investment Development Authority	20090418-C	N/A	-
8.	Factory License	Factory and Organization Inspection Authority, Ctg.	2339/Ctg	30.06.2020	-
9.	CCCI Certificate	The Chattagram Chamber of Commerce & Industry	M.GEN/36/1668	30.06.2020	-
10.	Import Registration Certificate	The controller of Import & Export, Government of Bangladesh	৳-০২০৪৫৭০	30.06.2020	-
11.	Fire License	Bangladesh Fire Services and Civil Defense	2958/08-09	30.06.2020	-

Sl. No	Name of Certificate/ license/ Registration /NOC	License Issuer/Issuing Authority	Certificate / License No	Expiry Date	Remarks
12.	Environment	Department of Environment	19-24906	12.06.2020	For Oxygen Plant
13.	Clearance Certificate		19-21657		For Use Generator
14.	Group Insurance	American Life Insurance Co.	921-12-307	25.08.2020	

f) Promoters' Background

The following two persons were the subscribers to the Memorandum as a Chairman and Managing Director:

Name of Promoter	Position
Md. Nizam Uddin Chowdhury	Chairman
Mrs. Ismat Jahan	Managing Director

MD. NIZAM UDDIN CHOWDHURY, CHAIRMAN

Md. Nizam Uddin Chowdhury, Chairman of Associated Oxygen Limited was born in 1948, in a respectable Muslim family. His Father Name is Late Md. Gulam Hossain Chowdhury. He has completed B. Com from Chattagram. He has wide experience in oxygen plant & Re-rolling business from 2007. He is looking after the whole activities of the company. He is serving AOL from inception.

MRS. ISMAT JAHAN, MANAGING DIRECTOR

Mrs. Ismat Jahan, Managing Director of Associated Oxygen Limited was born in 1979. She obtained a Masters of Business Administration. She is serving AOL from 2008. She is looking after the business of the company.

g) Capital structure and the history of Capital rising.

Particulars	No. of Ordinary Shares	Face value	Amount (BDT)
Authorized Capital	110,000,000	10	1,100,000,000
Before IPO:			
Paid up Capital	80,000,000	10	800,000,000
After IPO:			
To be issued as IPO	15,000,000	10	150,000,000
Paid up Capital (Post IPO)	95,000,000	10	950,000,000

History of capital Raising:

The Company has raised its paid-up capital in the following phases:

Particulars	Date of Allotment	Number of Shares			Amount of shares Capital (Taka)
		Consideration in Cash	Consideration Other Than Cash	Bonus	
1st (Subscription to the MOA at the time of Incorporation)	27-06-1990	45,000	-	-	450,000
2nd Allotment	05-04-2008	75,000	-	-	750,000
3rd Allotment	20-12-2017	2,734,846	-	-	27,348,460
4th Allotment	31-12-2017	-	-	5,709,692	57,096,920
5th Allotment	15-03-2018	720,000	-	-	7,200,000
6th Allotment	17-04-2018	710,000	-	-	7,100,000
7th Allotment	06-11-2018	50,005,462	-	-	500,054,620
8th Allotment	06-11-2018	20,000,000	-	-	200,000,000
Total		74,290,308	-	5,709,692	800,000,000

N:B: The Company has split the face value of its Ordinary Shares from Tk. 100 to Tk. 10 at 06-07-2017.

h) Summary of Valuation Report of Securities

VALUATION UNDER DIFFERENT METHODS		OFFER PRICE (BDT)
Method: 1	Net Tangible Assets Value Per Share at historical Cost as per Share on 30 June 2019	17.37
Method: 2	Earning-based-value per share (Considering Average Sector P/E)	19.77
	Earning-based-value per share (Considering Average Market P/E)	18.89
Method: 3	Projected earnings for the next three accounting year with rationales of the projection, (if not in commercial operation)	N/A
Method: 4	Average Market Price Per Share of Similar Stocks	423.86

Note: Details are shown on Page No. 116 under Section XV.

(i) Others:

**DECLARATION REGARDING CONNECTION
WITH ASSOCIATED OXYGEN LIMITED**

We hereby declare that, we are in “no way connected” with the Associated Oxygen Limited except as an Issue Manager to the Issue of IPO of Associated Oxygen Limited.

With regards,

Sd/-
Managing Director & CEO (CC)
BD Finance Capital Holdings Limited

**MANAGEMENT DECLARATION REGARDING
NO ADDITIONAL FUND OTHER THAN IPO IS REQUIRED**

We hereby declare that, no additional fund other than IPO is required to complete the proposed projects which are disclosed in the Use of Proceeds in the Prospectus.

Sd/-
Md. Nizam Uddin Chowdhury,
Chairman

Sd/-
Mrs. Ismat Jahan
Managing Director

Sd/-
Md. Fahim Chowdhury
Director

Sd/-
Md. Azmine Mahtab Chowdhury
Director

Sd/-
Advocate Nasima Akter Chowdhury
Independent Director

CHAPTER II

CONDITIONS IMPOSED BY THE COMMISSION IN THE CONSENT LETTER

CHAPTER II: CONDITIONS IMPOSED BY THE COMMISSION

DISCLOSURE IN RESPECT OF ISSUANCE OF SECURITY IN DEMATERIALIZED FORM

As per provisions of the Depository Act, 1999 and regulations made thereunder, the shares of the Company will be issued in dematerialized form only and for this purpose, Associated Oxygen Limited will sign an agreement with the Central Depository Bangladesh Limited (CDBL). Therefore, all transfers, transmissions, splitting or conversions will take place on the CDBL system and any further issuance of shares (including rights and bonus) will also be issued in dematerialized form only.

CONDITIONS UNDER 2CC OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969

PART-A

1. The company shall go for the Initial Public Offer (IPO) for 15,000,000 ordinary shares of Tk. 10.00 each at par totaling to **Tk. 150,000,000 (Fifteen Crore)** following the Securities and Exchange Ordinance, 1969, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Depository Act 1999 and rules made there under.
2. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in 4 (Four) national daily newspapers (two in Bangla and two in English), **within 02 (two) working days** of issuance of this consent letter. The issuer shall post the full prospectus, vetted by Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the issue manager, **within 03 (three) working days** from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The issuer shall submit to the Commission, the stock exchanges and the issue manager a diskette containing the text of the vetted prospectus in "MS-Word" format.
3. The company shall submit **40 (Forty)** copies of the printed prospectus to the Commission for official record within **05 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.
4. The issuer company and the issue manager shall ensure the transmission of the prospectus and its abridged version for NRBs through email to the Bangladesh Embassies and Missions abroad within **05 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper. A compliance report shall be submitted in this respect to the Commission jointly by the Issuer and the Issue Manager within **02 (Two) working days** from the date of said transmission of the prospectus.
5. The following declaration shall be made by the company in the prospectus, namely: -

"DECLARATION ABOUT LISTING OF SHARES WITH THE STOCK EXCHANGE (S):

None of the stock exchange(s), if for any reason, grants listing within **30 (Thirty) days** from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within **15 (Fifteen) days** from the date of refusal for listing by the stock exchanges or from the date of expiry of the said **30 (Thirty) days**, as the case may be.

In case of non-refund of the subscription money within the aforesaid **15 (Fifteen) days**, the Directors of the company, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of **2% (two percent)** above the bank rate, to the subscribers concerned.

The issue manager, in addition to the Issuer company, shall ensure due to compliance of the above-mentioned conditions and shall submit compliance report thereon to the Commission within **07 (Seven) days** of the expiry of the aforesaid **15 (Fifteen) days'** time period allowed for refund of the subscription money."

6. All applicants shall apply for a minimum lot of 500 shares worth Taka **5,000/- (Taka five thousand only)** or its multiples.
7. The IPO shall stand canceled in case of under- subscription in any category above 35%. In such an event, the issuer and issue manager shall inform the Commission **within 2 (two) working days** and release the subscription money **within 10 (ten) working days** after receiving verification report from CDBL and the information from exchanges regarding subscription.
8. 20% of the securities reserved for other general public shall be reserved for ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী. In case of under- subscription under any of sub-categories of eligible investor's category or general public category, the unsubscribed portion shall be added to another subcategory of the same category. In case of oversubscription in the general public category, the issuer and the issue manager shall jointly conduct an open lottery. In case of over subscription in the eligible investor's category, securities shall be allotted on Pro-rata basis. No eligible investor shall apply for more than 2% (two percent) of the total securities reserved for the eligible investors.
9. An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case, an applicant submits more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.

10. The applicants who have applied for more than two applications using the same bank account, their application will not be considered for the lottery and the Commission will forfeit 15% of their subscription money.
11. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in the account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.
12. The company shall furnish the list of allottees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, **within 24 (Twenty-Four) hours** of allotment.
13. Shares not allotted at the time of according this consent, but allotted after listing, in favor of sponsors, directors or shareholders having 10% or more shares, other than alternative investment funds, through stock dividends, shall be subject to a lock-in period of 02(two) years from the date of issuance of the prospectus.
14. If any share of Sponsors/Directors/Promoters is in paper format, it shall be handed over to securities custodian registered with the Commission and shall remain held till completion of lock-in period and the name of the securities custodian shall be furnished to the Commission jointly by the issuer and issue manager, along with a confirmation thereof from the custodian, within one week of listing of the shares with the stock exchange(s). Or they (shares of Sponsors/ Directors/ Promoters) can be demated and shall remain in lock-in under CDBL system and issuer shall submit a dematerialization confirmation report generated by CDBL and attested by Managing Director of the company along with the lock-in confirmation to the Commission within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters, the issuer will ensure their lock-in of those shares and submit a statement to this effect to the Commission.
15. The company shall not declare any dividend/bonus shares before listing of its capital with any Exchange from the date of this consent for raising capital.
16. The company shall not engage itself into any merger/amalgamation or acquisition activities without taking “No Objection” from the Commission, on the scheme of the said merger/amalgamation or acquisition, as recommended by the Board of Directors, before approval by the shareholders in General Meeting.
17. The trading of Securities in the platform of the exchanges shall be started within 10(ten) working days of listing approval.
18. For issuing 1,50,00,000 Ordinary Shares of Tk. 10.00 each at par through Initial Public Offer (IPO) by Associated Oxygen Limited is waived from the requirements of Rule 3(3)(c) of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 as amended vide Notification No. BSEC/CMRRCD /2003-109/229/Admin/98 dated 25 July 2019 and published in the official gazette on September 03, 2019.
19. Each Eligible Investor (EI) who intends to participate in electronic subscription systems of Associated Oxygen Limited shall maintain a minimum investment of Tk. 1,00,00,000.00 (Taka One Crore only) in listed securities at market price as on the end of a working day which is immediately preceded by 5 (five) working days from the first day of starting subscription as per clause (e) of sub-rule (1) of rule 2 of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015. The Central Depository Bangladesh Limited (CDBL) shall send a report to the exchange regarding holding of EIs in listed securities and the exchange shall ensure the compliance in this regard.

PART-B

Application Process

Step-1 (Applicant)

1. An applicant for public issue of securities shall submit an application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be the **25th (twenty-fifth)** working day from the date of publication of an abridged version of the prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
 - a) Other than non-resident Bangladeshi (NRB) and Foreign, applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.

- b) Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to the concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and the Foreign applicant may also submit a single draft against 02(two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains Foreign Currency account debiting the same account and provide the customer with a **certificate mentioning the FC account number which has been debited to issue the FDD. The applicant shall also submit the certificate with their application.** No banker shall issue more than two drafts from any Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in the respective customer account maintained with the Stockbroker/Merchant Banker.
- c) Eligible investors shall submit an application through the electronic subscription system of the exchange(s) and deposit the full amount intended to subscribe by the method as determined by exchange(s).

Step-2 (Intermediary)

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely “Public Issue Application Account”. The Stockbroker/Merchant Banker shall:
 - a) Post the amount separately in the customer account (other than NRB and Foreign applicants), and upon the availability of fund, block the amount equivalent to the application money;
 - b) Accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the “Public Issue Application Account” maintained with its bank within the first banking hour of **next working day** of the cut-off date;
 - c) Instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.
4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.
5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall prepare a list containing the draft information against the respective applicant’s particulars.
6. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and within 03 (three) working days from the cut-off date, send to the respective Exchange, the lists of applicants in electronic (text format with tilde ‘~’ separator) format, the certificate(s) issued by its banker, the drafts **and certificates** received from Non-resident Bangladeshi (NRB) and foreign applicants and a copy of the list containing the draft information.
7. **On the next working day**, the Exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers, the drafts **and certificates** submitted by Non-resident Bangladeshi (NRB) and Foreign applicants and the list containing the draft information. Exchanges shall verify and preserve the bankers’ certificates in their custody.
8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with the exchange.

Step-3 (Issuer)

9. The Issuer shall prepare a consolidated list of the applications and send the applicants’ BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website and websites of the Exchanges. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.
10. **On the next working day**, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parent s’ Name, Joint Account and Bank Account information along with the verification report.
11. After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit a report of the final status of subscription to the Commission and the Exchanges **within 10 (ten) working days** from the date of receiving information from the Exchanges.
12. The issuer and the issue manager shall conduct category wise lottery with the valid applications within 03 (three) working days from the date of reporting on valid and invalid applications to the Commission and the Exchanges on any recognized and licensed digital platform along with the existing system to ensure physical and social distance due to COVID-19 pandemic situation.

Provided that IPO lottery shall be conducted on the licensed digital platform made by any of the following institutions under the supervision of Central Depository Bangladesh Limited (CDBL):
 Bureau for Research Testing and Consultation (BRTC), BUET;
 Computer Science Department, Dhaka University; and
 Bangladesh Computer Council.

13. The Issuer and issue manager shall arrange to post the lottery result on their **websites within 06 (six) hours** and on the websites of the Commission and Exchanges within 12 (twelve) hours of the lottery.
14. **Within 02 (two) working days** of conducting a lottery, the Issuer shall:
 - a) Send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde '~' separator) format to the respective Exchange.
 - b) Send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the consent Letter issued by the Commission in electronic (text format with tilde '~' separator) format to the Commission and Exchanges mentioning the penalty amount against each applicant.
 - c) Issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Exchange in electronic form.
 - d) Send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

Step-4 (Intermediary)

15. **On the next working day**, Exchanges shall distribute the information and allotment letters to the stockbroker/Merchant Bankers concerned in electronic format and instruct them to:
 - a) remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;
 - b) send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money;
16. **On the next working day** of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker shall request its banker to:
 - a) Release the amount blocked for unsuccessful (other than NRB and foreign) applicants;
 - b) Remit the aggregate amount of successful applicants and the penalty amount of unsuccessful applicants (other than NRB and foreign) who are subject to penal provisions to the respective 'Escrow' accounts of the Issuer opened for subscription purposes.
17. **On the next working day** of receiving a request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's 'Escrow' account.
18. **Simultaneously**, the stockbrokers/Merchant Bankers shall release the application money blocked in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts and send documents to the Exchange evidencing details of the remittances made to the respective 'Escrow' accounts of the Issuer. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk. 5 (five) per withdrawal.
19. All drafts submitted by NRB or Foreign applicants shall be deposited in the Issuer's respective 'Escrow' accounts and refund shall be made by the Issuer by refund warrants through concerned stockbroker or merchant banker or transfer to the applicant's bank account (**FC account which has been debited to apply by NRB or foreign applicants**) through banking channel within 10 (ten) working days from the date of lottery.

Miscellaneous:

20. The Issuer, Issue Manager(s), Stockbrokers and Merchant Bankers shall ensure compliance of the above.
21. The bank drafts (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of an abridged version of the prospectus.
22. The amount deposited and blocked in the "Public Issue Application Account" shall not be withdrawn or transferred during the blocking period. The amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.
23. The Issuer shall pay the costs related to data transmission if claimed by the Exchange concerned up to an amount of Tk. 2,00,000 (taka two lac) for a public issue.
24. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk. 5 (Taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting an application.
25. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.
26. The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.

27. The concerned Exchange is authorized to settle any complaints and take necessary actions against any Stockbroker/ Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

Part-C

1. The issue manager shall carefully examine and compare the published prospectus and its abridged version on the date of publication with the copies vetted by the Commission. If any discrepancy is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to the Commission and the stock exchanges concerned. In this regard, the issue manager shall submit a compliance report to the Commission within 5 working days from the date of such publications.
2. The fund collected through Public Offering shall not be utilized prior to listing with Exchange(s) and that utilization of the said fund shall be affected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.
3. The company shall furnish a status report on the utilization of Public Offering proceeds audited by foreign-affiliated auditors and authenticated by the board of directors to the Commission and the Exchanges within 15 (Fifteen) days of the closing of each month until such fund is fully utilized, as mentioned in the schedule contained in the prospectus. The issuer shall simultaneously post the status report on its website and Exchanges shall also post the same in company information contained in websites of the Exchanges. In the event of any irregularity or inconsistency, the Commission may employ or engage any person to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.
4. While auditing the utilization of IPO proceeds, the auditors will perform their jobs under the following terms of reference (TOR) and confirm the same in their report/certificate:
 - (a) Whether IPO proceeds have been utilized for the purposes/heads as specified in the prospectus;
 - (b) Whether IPO proceeds have been utilized in line with the condition (if any) of the Commission's consent letter;
 - (c) Whether the utilization of IPO proceeds have been completed within the time schedule/implementation schedule as specified in the published prospectus;
 - (d) Whether utilization of IPO proceeds is accurate and for the purpose of the company as mentioned/specified in the published prospectus; and
 - (e) The auditors should also confirm that: (i) assets have been procured/imported/constructed maintaining proper/required procedure as well as at a reasonable price; and (ii) auditors' report has been made on verification of all necessary documents/papers/vouchers in support of IPO proceeds making reconciliation with Bank Statement.
5. All transactions, excluding petty cash expenses, shall be affected by crossed cheques or bank transfers.
6. Proceeds of the public offering shall not be transferred to any other bank account before listing with the Exchange(s). The proceeds shall not be used for any purpose other than those specified in the prospectus without any valid ground. **Any material deviation in this respect must have prior approval of at least 51% of the public shareholders, other than sponsors and directors, in a general meeting through a board-approved agenda and due notification to the shareholders. Before the said general meeting, such deviation as recommended by the board of directors shall be published as price-sensitive information with detailed description and reasons for such deviation. If approved by the shareholders, the meeting resolution shall be submitted to the Commission along with reasonable explanations and the decision shall be published as price-sensitive information.**
7. If any quarter or half-year of the financial year-end after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the said quarterly/half-yearly financial statements in accordance with the Commission's Notification SEC/CMRRCD/2008-183/admin/03-34 dated September 27, 2009 and Rules 13 of the Securities and Exchange Rules, 1987.
8. In the event of rising issues concerning Price Sensitive Information as defined under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা ১৯৯৫ after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the information as price-sensitive in accordance with the Commission's Notification No. SEC/SRMI/200-953/1950 dated October 24, 2000.

PART-D

1. As per provision of the Depository Act, 1999 & Regulations made thereunder, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the depository system of Central Depository Bangladesh Ltd. (CDBL) and any further issuance of shares (including rights/bonus) will be made in dematerialized form only.
2. The issuer and the issue manager shall ensure due to compliance of all the above conditions, the 'Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015' and the listing regulations of the Exchanges.
3. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

CHAPTER-III

DECLARATION AND DUE DILIGENCE CERTIFICATES AS PER ANNEXURE(S) –A, B & C

**Declaration about the responsibility of the directors, including the Managing Director
of Associated Oxygen Limited in respect of the prospectus [See rule 4 (1) (D)]**

This prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this prospectus to enable the investors to make a well-informed decision for investment.

Sd/-
Md. Nizam Uddin Chowdhury,
Chairman

Sd/-
Mrs. Ismat Jahan
Managing Director

Sd/-
Md. Fahim Chowdhury
Director

Sd/-
Md. Azmine Mahtab Chowdhury
Director

Sd/-
Advocate Nasima Akter Chowdhury
Independent Director

Place: Dhaka
Dated: 12.10.2019

**DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER
(BD FINANCE CAPITAL HOLDINGS LIMITED) [See rule 4 (1) (D)]**

To
The Bangladesh Securities and Exchange Commission

Sub: Public Issue of 15,000,000 Ordinary Shares of Tk. 150,000,000.00 by Associated Oxygen Limited.

Dear Sir,

We, the issue manager(s) to the above-mentioned forthcoming issue, state and confirm as follows:

1. We have examined all the documents submitted with the application for the above-mentioned public issue, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the prospectus pertaining to the said issue;
2. On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

- (a) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- (c) The disclosures made in the prospectus are true, fair and adequate to enable the investors to make a well-informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;
- (d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- (e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;
- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or another charter of the issuer and that the activities which have been carried out until now are valid in terms of the object clause of its Memorandum of Association;
- (g) Necessary arrangements have been made to ensure that the money to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;
- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well-informed decision;
- (i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in the record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;
- (j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the rules have been complied with and our comments, if any;
- (k) We also declare that we have managed the public issue of following issuers in the last 05 (five) years:

Sl. No	Name of the Issue	Issue Month/ Year	Listing year	Issue Price	Dividend Payment History				
					2015	2016	2017	2018	2019
N/A									

Place: Dhaka
Date: 15.09.2018

Sd/-
Barun Prasad Paul
Managing Director & CEO(CC)
BD Finance Capital Holdings Limited

**DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER
(NRB EQUITY MANAGEMENT LIMITED)
[SEE RULE 4 (1) (D)]**

To
The Bangladesh Securities and Exchange Commission

Sub: Public Issue of 15,000,000 Ordinary Shares of Tk. 150,000,000 of Associated Oxygen Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming Issue, state individually & collectively are as follows:

- (1) We, while underwriting the above-mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) We are registered with Bangladesh Securities Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at BDT-25,00,00,000 (Twenty-five Crore) only and has the capacity to underwrite a total amount of BDT- 125,00,00,000 (BDT-One Hundred Twenty-five Crore) only as per relevant legal requirements. We have committed to underwrite for up to BDT- 52,500,000 (BDT- Five Crore Twenty-five Lac) only for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us:

Sl. No.	Name of The Company	Amount Underwritten (BDT)
1	Lub-rref (Bangladesh) Limited	85,000,000
2	Western Marine Shipyard Limited	277,683,010
3	B. Brothers Garments Co. Ltd.	70,000,000
Total		432,683,010

- (c) All information is relevant to our underwriting decision has been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-


Md. Muslahuddin Chowdhury
Chief Executive Officer
NRB Equity Management Limited

Place: Dhaka
Dated: 12.10.2019

CHAPTER-IV

ABOUT THE ISSUER

- (a) Name of the issuer, dates of incorporation and commencement of its commercial operations, its logo, addresses of its registered office, other offices and plants, telephone number, fax number, contact person, website address and e-mail address:


Particulars	Descriptions
Name of the Issuer	Associated Oxygen Limited
Date of Incorporation	27 Jun, 1990
Date of commencement of commercial operation	December 01, 1992
Logo of the Issuer	
Addresses of registered office, other offices	BCIC Sadan (1 st Floor) 26, Agrabad, C/A Chattagram.
Addresses of Plants	123 Fouzderhat, Station South Vhatiary, Khadimpara, Sitakunda, Chattagram
Telephone Number	+880-31-711009, 880-31-711038
Fax Number	+880-31-2517950
Contact Person	Mrs. Ismat Jahan, Managing Director
Website	www.associatedoxygenltd.com
E-mail Address	info@associatedoxygenltd.com

- b) The names of the Sponsors and Directors of the Issuer:

Name of the Sponsor & Directors:

SL. NO.	NAME	DESIGNATION
1.	Md. Nizam Uddin Chowdhury	Chairman
2.	Mrs. Ismat Jahan	Managing Director
3.	Md. Fahim Chowdhury	Director
4.	Md. Azmine Mahtab Chowdhury	Director
5.	Advocate Nasima Akter Chowdhury	Independent Director

- c) The name, logo and address of the auditors and registrar to the issue, along with their telephone numbers, fax numbers, contact persons, website and e-mail addresses:

Particulars	Name & Address	Logo	Contact person	Telephone and Fax Number
Auditor	Shiraz Khan Basak & Co. R.K Tower (Level-10) 86, Bir Uttam C.R Datta Road (312, Sonargaon), Dhaka-1205		Ramendra Nath Basak, FCA Partner	Tel: +88-02-9635139 Fax: +88-02-8621575 Email: shirazkhanbasak@yahoo.com

Registrar of the Issue is not for this issue as per rules.


- d) The name(s) of the stock exchanges where the specified securities are proposed to be listed.

Sl. No.	Name of the Exchange	Logo	Address,
1	DHAKA STOCK EXCHANGE LIMITED (DSE)		9/F, Motijheel C/A, Dhaka-1000. Tel: +88-02-9564601, 9576210-18 Fax: +88-02-9564727, +88-02-9569755 web: www.dsebd.org
2	CHITTAGONG STOCK EXCHANGE LIMITED (CSE)		CSE Building, 1080 Sheikh Mujib Road, Chattagram-4100. Tel: +880-2-9513911-15 Fax: +880-2-9513906 web: www.cse.com.bd

CHAPTER-V

CORPORATE DIRECTORY OF THE ISSUER

CORPORATE DIRECTORY OF THE ISSUER

Name of The Issuer	Associated Oxygen Limited
Date of Incorporation	June 27, 1990
Date of Commencement of Commercial Operation	December 01, 1992
Conversion Date of Private to Public Limited Company	25 April, 2018
Logo of The Issuer	
Authorized Capital	Tk. 1,100,000,000/-
Issued, Subscribed & Paid-Up Capital	TK.800,000,000/-
Addresses of registered office, other offices	BCIC Sadan (1 st Floor) 26, Agrabad, C/A Chattagram.
Addresses of Plants	123 Fouzderhat, Station South Vhatiary, Khadimpara, Sitakunda, Chattagram
Addresses of Registered Office, Other Offices	BCIC Sadan (1 st Floor) 26, Agrabad, C/A Chattagram
Auditors'	Shiraz Khan Basak & Co. Chartered Accountants R.K Tower (Level-10) 86, Bir Uttam C.R Datta Road (312, Sonargaon), Dhaka-1205, Phone: 02-9635139 E-mail: shirazkhanbasak@yahoo.com
Board of Directors	1. Md. Nizam Uddin Chowdhury, Chairman 2. Mrs. Ismat Jahan, Managing Director 3. Md. Fahim Chowdhury, Director 4. Md. Azmine Mahtab Chowdhury, Director 5. Advocate Nasima Akter Chowdhury, Independent Director
Legal Advisor	Md. Arshad Hossain (Asad), BSc, MBA, LLB Room# 4021/A (3 rd Floor), Ainjibee Annex Bhaban (Court Hill), Kotowali, Chattagram
Tax Consultant	Md. Absarul Hoque (M Com, CA (KL), ITP) A. Hoque & Associates, 1557, Agrabad Access Road, Singapore market (4 th Floor), Suite: 512, Hazipara, CTG, Phone: 01817-015873, e-mail: ahoqueandassociates@yahoo.com
Company Secretary	Nur E Elahi
Compliance Officer	Md. Faisal Hossain
Banker to the IPO	BRAC Bank Limited
Banker to the Company	❖ Bank Asia Limited ❖ National Bank Limited ❖ South Bangla Agriculture Bank Limited ❖ United Commercial Bank Limited ❖ BASIC Bank Limited ❖ NRB Commercial Bank Limited ❖ Meghna Bank Limited

CHAPTER-VI

DESCRIPTION OF THE ISSUER

(a) Summary:

(i) The summary of the industry and business environment of the issuer:

Associated Oxygen Limited was incorporated as a Private Limited Company on June 27, 1990 under the Companies act 1994 & subsequently started its Commercial operations on December 01, 1992. The main activities of the company are manufacturing and supply of industrial and medical gases, welding products and equipment and ancillary equipment. In addition to Oxygen, AOL installed an additional facility for compressing waste Nitrogen into commercial-grade Nitrogen and over the years upgraded all its facilities. AOL can now supply Oxygen and Nitrogen in liquid and gaseous forms to Industries and Hospitals through its own sales network. Associated Oxygen Limited is committed to the quality of our product & services. Our motto is to ensure optimum conditions in health, safety and the environment for employees, customers and stakeholders. As the present, the oxygen gas & Nitrogen gas market is increasing day by day. Present rate to establish hospitals, Medical institutions, ship breaking industries, and steel re-rolling mills indicating a future aspect of the Oxygen gas. AOL's management is concern about the future aspect of the company.

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. In addition to Oxygen, AOL installed an additional facility for compressing waste Nitrogen into commercial-grade Nitrogen and over the years upgraded all its facilities. AOL can now supply Oxygen and Nitrogen in liquid and gaseous forms to Industries and Hospitals through its own sales network.

VISION

Our success will be built on our absolute dedication to the satisfaction of our customers, through constant innovation, operational efficiency, cost-effectiveness and the talents of our people.

MISSION

Our goal is to contribute to the well-being of people's lives through quality-ensured services, and by adopting & ensuring world-class standards.

THE BUSINESS ENVIRONMENT OF THE ISSUER:

Issuer's business environment is conducive to the business. We have skilled labors & experienced officers along with proficient Sales Team. The wage for labor is reasonable also. Government policy is favorable to the sector. Overall, it is a business-friendly situation.

(ii) Summary of consolidated financial, operating and other information:

This information is not applicable to the Associated Oxygen Limited. Since the Company has no associates, subsidiary or holding company.

(b) General information:

(i) Name and address, telephone and fax numbers of the registered office, corporate head office, other offices, factory, business premises and outlets of the issuer;

Registered Office & Corporate Office of Associated Oxygen Limited		
Address	:	BCIC Sadan (1 st Floor), 26 Agrabad C/A, Chattagram
Telephone No	:	+880-31-711009, +880-31-711038
Fax Number	:	+880-31-2517950
E-mail	:	info@associatedoxygenltd.com
Factory & Business Premises of Associated Oxygen Limited		
Address	:	Khadimpara, Madambibirhat, Bhatary, Sitakund, Chattagram
Telephone No	:	+880-31-711009, +880-31-711038
Fax Number	:	+880-31-2517950
E-mail	:	info@associatedoxygenltd.com
The outlet of the Issuer	:	The Company has no outlet.

(ii) The board of directors of the issuer:

Sl. No	Name	Designation
1	Md. Nizam Uddin Chowdhury	Chairman
2	Mrs. Ismat Jahan	Managing Director
3	Md. Fahim Chowdhury	Director
4	Md. Azmine Mahtab Chowdhury	Director
5	Advocate Nasima Akter Chowdhury	Independent Director

(iii) Names, addresses, telephone numbers, fax numbers and e-mail addresses of the Chairman, Managing Director, whole-time directors, etc. of the issuer:

SL	Name	Designation	Address	Telephone No. Fax No. & e-mail
1	Md. Nizam Uddin Chowdhury	Chairman	BCIC Sadan (1st Floor), 26 Agrabad C/A, Chattagram	Mobile No. 01847422432 Tel: 880-31-711009, 880-31-711038 Fax: 880-31-2517950 Email: chairman@associatedoxygenltd.com
2	Mrs. Ismat Jahan	Managing Director		Mobile No. 01847422433 Tel: 880-31-711009, 880-31-711038 Fax: 880-31-2517950 Email: md@associatedoxygenltd.com
3	Md. Fahim Chowdhury	Director		Mobile No. 01847422434 Tel: 880-31-711009, 880-31-711038 Fax: 880-31-2517950 Email: fahim@associatedoxygenltd.com
4	Md. Azmine Mahtab Chowdhury	Director		Mobile No. 01847422434 Tel: 880-31-711009, 880-31-711038 Fax: 880-31-2517950 Email: mahtab@associatedoxygenltd.com
5	Advocate Nasima Akter Chowdhury	Independent Director	Haradhon Chowdhury Bari, Haradhon Para, Bashbaria, 4313 Shitakunda, Ctg.	Mobile: 01711702127 Tel: 880-31-711009, 880-31-711038 Fax: 880-31-2517950 Email: in@associatedoxygenltd.com

(iv) Names, addresses, telephone numbers, fax numbers and e-mail addresses of the CFO, Company Secretary, Legal Advisor, Auditors and Compliance Officer;

SL	Name	Designation	Address	Telephone No. Fax No. & e-mail
1	Delower Hossain	CFO	BCIC Sadan (1 st Floor), 26 Agrabad C/A, Chattagram	Mobile: 01811416236 Tel: 880-31-711009, 880-31-711038 Fax: 880-31-2517950 Email: cfo@associatedoxygenltd.com
2	Nur E Elahi	Company Secretary		Mobile: 01817159334 Tel: 880-31-711009, 880-31-711038 Fax: 880-31-2517950 Email: cs@associatedoxygenltd.com
3	Md. Arshad Hossain	Legal Advisor		Mobile: 0181336044 Tel: 880-31-711009, 880-31-711038 Fax: 880-31-2517950 Email: arshad081@yahoo.com
4	Shiraz Khan Basak & Co.	Auditor	R.K Tower (Level-10) 86, Bir Uttam C.R Datta Road, Dhaka-1205	Phone: 02-9635139 E-mail: shirazkhanbasak@yahoo.com
5	Md. Faysal Hossain	Compliance Officer	BCIC Sadan (1 st Floor), 26 Agrabad C/A, Chattagram	Mobile: 01817159321 Tel: 880-31-711009, 880-31-711038 Fax: 880-31-2517950 Email: info@associatedoxygenltd.com

(v) Names, addresses, telephone numbers, fax numbers, contact person, website addresses and e-mail addresses of the issue manager (s), register to the issue etc.;

Name & Address of Manager to the Issue	Contact Person	Telephone, fax, website & e-mail
BD Finance Capital Holdings Limited 64, Motijheel C/A (2 nd floor), Dhaka-1000, Bangladesh	Barun Prasad Paul Managing Director & CEO(CC)	Tel: +88 02 9588186, Fax: +88 02 9588185 E-mail: barun_rbs@yahoo.com Web: www.bdcapital.com.bd

Registrar to the issue: Under fixed price method registrar to the issue is not applicable as the company is issuing shares at par.

(vi) The following details of credit rating, where applicable:

- The names of all the credit rating agencies from which credit rating has been obtained;
- The details of all the credit ratings obtained for the issue and the issuer;
- The rationale or description of the ratings (s) so obtained, as furnished by the credit rating agency(s);
- Observations and risk factors as stated in the credit rating report.

As per clause (e) of sub-rule (4) of rule 3 of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015, A company is required to be rated by credit rating company registered with the Commission for a public offer under book-building method. As the company is offering under fixed price method, the aforementioned rule is not applicable for the issue.

(vii) Details of Underwritings:

- The names, addresses, telephone numbers, fax Numbers, contact persons, and e-mail addresses of the underwriters and the amount underwriter by them:

Sl. No	Name & Address of Underwriter	Contact Person & Contact Details	Underwritten Amount in Taka
1	NRB Equity Management Limited Al Razi Complex, Suite G, Room No, 702-703, Level-07, 166-167 Syed Nazrul Islam Sarani, Bijoy Nagar, Dhaka.	Md. Muslahuddin Chowdhury Chief Executive Officer Tel: +88 02-9585325, +88 02-9585326 Fax: 02-9570546 www.nrbequity.com, Email: ceo@nrbequity.com	52,500,000/-
Total Amount of Underwritten			52,500,000/-

- Declaration by the underwriters that they have sufficient resources as per the regulatory requirements to discharge their respective obligations:

All the underwriters have sufficient resources as per the regulatory requirements to discharge their respective obligations which are disclosed in CHAPTER (III) under Due Diligence Certificate by The Underwriter(s) page number 30.

c) Major terms and conditions of the underwriting agreements:

- The IPO shall stand canceled in if at least 65% in any category of the IPO is not subscribed.
- In the case of under subscription in any category by up to 35% of the IPO the under-subscribed securities shall be taken up by the underwriters.
- Notwithstanding anything contained in this Agreement, in the case of any inconsistency between the provision of this Agreement and the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Public Issue Rules shall prevail.
- Prior to the publication of the Prospectus, the Company shall obtain a consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in Article 2.01 and providing for the payment of underwriting commission maximum 0.50% (**Zero points Five Zero**) on the amount underwritten.
- The Issuer shall within **10 (Ten)** days of the closure of subscription call upon the underwriter in writing with a copy of said writing to the Bangladesh Securities and Exchange Commission, to subscribe for the shares not subscribed by the closing date and to pay for in cash in full for such unsubscribed shares within **15(Fifteen)** days of the date of the said notice and the said amount shall have to be credited into shares subscription account within the said period.
- In any case within **7 (seven)** days after the expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and payment by the underwriter to the Commission.
- In the case of failure by the underwriter to pay for the shares within the stipulated time, the company/Issuer will be under no obligation to pay any underwriting commission under this agreement.

(c) Capital Structure:

- (i) Authorized, issued, subscribed and paid-up capital (number and class of securities, allotment dates, nominal price, issue price and form of consideration):

Particulars	No. of Ordinary Shares	Nominal price/ issue price/ Face value (Tk.)	Amount in Taka
Authorized Capital	110,000,000	10	1,100,000,000
BEFORE INITIAL PUBLIC OFFERING (IPO)			
Issued, subscribed and paid-up Capital (A)	80,000,000	10	800,000,000
AFTER INITIAL PUBLIC OFFERING (IPO)			
To be issued as IPO (B)	15,000,000	10	150,000,000
Total Issued, subscribed and paid-up (A+B)	95,000,000	10	950,000,000

The Company has raised its paid-up capital in the following phases:

Particulars	Date of Allotment	Number of Shares			Amount of Share Capital (Taka)
		Consideration In Cash	Consideration Other Than Cash	Bonus	
1 st (Subscription to the MOA at the time of Incorporation)	27-06-1990	45,000	-	-	450,000
2 nd Allotment	05-04-2008	75,000	-	-	750,000
3 rd Allotment	20-12-2017	2,734,846	-	-	27,348,460
4 th Allotment	31-12-2017	-	-	5,709,692	57,096,920
5 th Allotment	15-03-2018	720,000	-	-	7,200,000
6 th Allotment	17-04-2018	710,000	-	-	7,100,000
7 th Allotment	06-11-2018	50,005,462	-	-	500,054,620
8 th Allotment	06-11-2018	20,000,000	-	-	200,000,000
Total		74,290,308	-	5,709,692	800,000,000

N:B: The Company has split the face value of its Ordinary Shares from Tk. 100 to Tk. 10 at 06-07-2017

- (ii) The size of the present issue, with a break-up (number of securities, description, nominal value and issue amount):

Particulars			Percent	No of shares	Nominal Value (Tk)	Issue Amount (Taka)
Offer price BDT 10 each at par, total size of the fund to be raised BDT 150,000,000	Eligible Investors (EIs)	Mutual Funds and CIS	10%	1,500,000	10	15,000,000
		EI excluding Mutual Funds and CIS	30%	4,500,000		45,000,000
	General Public	NRB	10%	1,500,000		15,000,000
		GP excluding NRB*	50%	7,500,000		75,000,000
	Total			100%		15,000,000

GP excluding NRB*:7,500,000 Ordinary Shares will be reserved for General Public and Small Affected Investor.

- (iii) Paid-up capital before and after the present issue, after conversion of convertible instruments (if any) and share premium account (before and after the issue):

The company has no convertible instruments and share premium accounts

Particulars	Amount in BDT
Paid up capital before the present issue	800,000,000
Paid up capital after the present issue	950,000,000
Paid-up capital after conversion of convertible instruments (if any)	N/A
Share premium accounts before the present issue	N/A
Share premium account after the present issue	N/A

- (iv) Category wise shareholding structure with percentage before and after the present issue and after conversion of convertible instruments (if any):

Sl. No	Name of Director & Sponsor	No. of Ordinary Shares Hold		Percentage of Holding	
		Pre-IPO	Post-IPO	Pre-IPO	Post-IPO
1	Sponsors & Directors	29,124,186	29,124,186	36.41%	30.66%
2	Institutional	21,160,419	25,760,419	26.45%	27.01%
3	Mutual fund	-	1,500,000	0.00%	1.58%
4	Individual	29,715,395	37,115,395	37.14%	39.17%
5	Non-Residential Bangladeshis (NRBs)	-	1,500,000	0.00%	1.58%
Total		80,000,000	95,000,000	100.00%	100.00%

- (v) Where shares have been issued for consideration in other than cash at any point of time, details in a separate table, indicating the date of issue, persons to whom those are issued, relationship with the issuer, issue price, consideration and valuation thereof, reasons for the issue and whether any benefits have been accrued to the issuer out of the issue;

Issued out of the Issue;							
SL. No.	Date of Issue	Person to Whom those are Issued	Relation with the issuer	Issue price	Consideration and Valuation	Reasons for the issue	Benefit from the issue
1	31 December 2017	Md. Nizam Uddin Chowdhury	Chairman	10	Bonus	Payment of Dividend	Increase of Paid Up Capital
2		Mrs. Ismat Jahan	Managing Director				
3		Azmine Mahatab Chowdhury	Director				
4		Fahim Chowdhury	Director				
5		Mr. Kamrul Islam	Shareholder				
6		Syed Md. Monzur Hossain					
7		MAS Ship Recycling Industries					
8		Ayesha Akhter					
9		Md. Matiur Rahman					
10		Hasan Yousuf Chowdhury					
11		Sharmin Chowdhury					
12		Mr. Minhazul Hasan					
13		Syfuddin Ahmed					
14		Nadira Akter					
15		M/S. Tulip Steel					
16		Md. Bazlur Rahman					
17		BMSL Investment Limited					
18		Ahmed Tawfiqur Rahman Arnab					
19		Irfanur Hossain Chowdhury					
20		Mrs. Shamim Akter					
21		Salek Mohammad Nasir					
22		Md. Sarwar Hossain					
23		Md. Shohrab Hossain					
24		Kazi Tareq Shams					
25		Md. Asaduzzaman Mia					
26		Md. Mizanur Rahman					
27		Farjana Rahman Epshita					
28		A & A Shipyard Limited					
29		Kamruddin Ahmed Chowdhury					
30		Md. Saidul Hossain					
31		Mehreen Ship Re-Cycling					
32		Kamal Hossain Mia					
33		Md. Mofizur Rahman					
34		Md. Ruhul Azad					
35		Md. Foysol Alam					
36		Md. Farid Ahmed					
37		Abaci Investments Limited (MDA)					
38		Mr. Tasbirul Hasan					
39		Omni Shipping Limited					
40		Laila Kaniz					
41		Global Max Packaging Industries Ltd.					
42		Md. Mahim Uddin Chowdhury					
43		Md. Shahriar Hossain Chowdhury					
44		Md. Mahbuber Rahman					
45		A & A Logistics Limited					

- (vi) Where shares have been allotted in terms of any merger, amalgamation or acquisition scheme, details of such scheme and shares allotted:

The company has not allotted any shares in terms of any merger, amalgamation or acquisition scheme.

- (vii) Where the issuer has issued equity shares under one or more employee stock option schemes, date-wise details of equity shares issued under the schemes, including the price at which such equity shares were issued:

The issuer has not issued any equity shares under stock option to its employees.

- (viii) If the issuer has made an issue of specified securities at a price lower than the issue price during the preceding two years, specific details of the names of the persons to whom such specified securities have been issued, relation with the issuer, reasons for such issue and the price thereof;

Associated Oxygen Limited has not made an issue of specific securities at a price lower than the issue price during the preceding two years.

- (ix) The decision or intention, negotiation and consideration of the issuer to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue:

The Company has no such decision or intention, negotiation and consideration to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue.

- (x) The total shareholding of the sponsors and Directors in a tabular form, clearly stating the names, nature of issue, date of allotment, number of shares, face value, issue price, consideration, date when the shares were made fully paid up, percentage of the total pre and post-issue capital, the lock-in period and the number and percentage of pledged shares, if any, held by each of them:

Name	Nature of Issue	Date of Allotment & Share fully paid-up	No. Of Ordinary shares	Face Value & Issue Price	Consideration	Pre-IPO (%)	Post-IPO (%)	Lock-in Periods (Year)	% of Pledge Share
Md. Nizam Uddin Chowdhury	Ordinary	27.07.2008	20,000	10	Transfer	8.58%	7.22%	3 years	No Pledge
		20.12.2017	112,200	10	Cash				
		31.12.2017	264,400	10	Bonus				
		06.11.2018	6,465,000	10	Cash				
Total			6,861,600						
Mrs. Ismat Jahan	Ordinary	27.07.2008	20,000	10	Transfer	22.72%	19.13%	3 years	No Pledge
		20.04.2017	20,000	10	Transfer				
		20.04.2017	20,000	10	Transfer				
		20.12.2017	198,108	10	Cash				
		31.12.2017	516,216	10	Bonus				
		06.11.2018	17,827,000	10	Cash				
		27.12.2018	(425,000)	10	Transfer				
Total			18,176,324						
Azmine Mahatab Chowdhury	Ordinary	28.04.2017	20,000	10	Transfer	2.65%	2.23%	3 years	No Pledge
		20.12.2017	50,000	10	Cash				
		31.12.2017	140,000	10	Bonus				
		06.11.2018	1,912,322	10	Cash				
Total			2,122,322						
Fahim Chowdhury	Ordinary	28.04.2017	20,000	10	Transfer	2.45%	2.06%	3 years	No Pledge
		20.12.2017	62,400	10	Cash				
		31.12.2017	164,800	10	Bonus				
		06.11.2018	1,291,740	10	Cash				
		27.12.2018	425,000	10	Transfer				
Total			1,963,940						
Advocate Nasima Akter Chowdhury	N/A		-	-		0.00%	0.00%	N/A	N/A
Total			29,124,186			36.41%	30.66%		

N.B. i) the shares were made fully paid-up capital at the date of allotment. The company didn't issue any pledged share.

ii) The Company splits its Share Tk. 100 to Tk. 10 as on 06 July, 2017

iii) Lock in starts from the first trading day in the stock exchange.

- (xi) The details of the aggregate shareholding of the sponsors and Directors, the aggregate number of specified securities purchased or sold or otherwise transferred by the sponsor and/or by the Directors of the issuer and their related parties within six months immediately preceding the date of filing the prospectus.

There were no such specified securities purchased or sold or otherwise transferred by the sponsor and/or by the Directors of Associated Oxygen Limited within six months immediately preceding the date of filing the prospectus except the following:

Name of transferee	Nature of Issue	Date of Allotment & Share fully paid-up	No. Of Ordinary shares	Face Value & Issue Price	Transfer to
Mrs. Ismat Jahan	Transfer	27.12.2018	425,000	4,250,000	Fahim Chowdhury

- (xii) The name and address of any person who owns, beneficially or of record, 5% or more of the securities of the issuer, indicating the amount of securities owned, whether they are owned beneficially or of record, and the percentage of the securities represented by such ownership including number of equity shares which they would be entitled to upon exercise of warrant, option or right to convert any convertible instrument.

SL No	Name of Shareholder	Address	Number of Shares hold	Amount of Securities Owned	Type of Ownership	% of Ownership
1	Md. Nizam Uddin Chowdhury	Majid Chowdhury House, South Bhatary, Sitakunda, Chattagram	6,861,600	68,616,000	Chairman	8.58%
2	Mrs. Ismat Jahan		18,176,324	181,763,240	Managing Director	22.72%
3	Shahjalal Equity Management Limited	166-167 Shahid Syed Nazrul Islam Sarani, Al Razi Complex, Suite-901, Level-9, Block-C, Dhaka-1000	6,551,000	65,510,000	Shareholder	8.19%
There is no event or intent of exercising warrant, option or right to convert any convertible instrument.						

- (xiii) The number of securities of the issuer owned by each of the top ten salaried officers, and all other officers or employees as a group, indicating the percentage of outstanding shares represented by the securities owned.

None of the employees of the company own any shares of the issuer company “Associated Oxygen Limited” except Chairman, Directors & Managing Director:

SL No	Name of Shareholder	Number of Shares hold	Amount of Securities Owned	Type of Ownership	% of Ownership
1	Md. Nizam Uddin Chowdhury	6,861,600	68,616,000	Chairman	8.58%
2	Mrs. Ismat Jahan	18,176,324	186,013,240	Managing Director	22.72%
3	Fahim Chowdhury	1,963,940	19,639,400	Director	2.45%
4	Azmine Mahatab Chowdhury	2,122,322	21,223,220	Director	2.65%

(d) Description of Business:

- (i) The date on which the issuer company was incorporated and the date on which it commenced operations and the nature of the business which the company and its subsidiaries are engaged in or propose to engage in:

Date of incorporation and commencement of commercial operation

Associated Oxygen Limited was incorporated on June 27, 1990, as private limited companies vide registration no is CHC-698/177, 1990. It was converted into Public Limited Company on is 25th April, 2018. The Commercial Operation started on December 01, 1992.

Nature of the Business of the Issuer

The Company’s principal activities are manufacturing and supplying of industrial and medical gases, welding products and equipment’s and ancillary equipment’s. In addition to Oxygen, AOL installed an additional facility for compressing waste Nitrogen into commercial-grade Nitrogen and over the years upgraded all its facilities. AOL can now supply Oxygen and Nitrogen in liquid and gaseous forms to Industries and Hospitals through its own sales network.

Associates, Subsidiary/related holding Company and their Core areas of business

The Company has no associates, subsidiary or holding company.

- (ii) Location of the project:

The Plant is located at Khadimpara, Madambirhat, Bhatary, Sitakunda, Chattagram.

- (iii) Plant, machinery, technology, process, etc.

PLANT

AOL has started its journey in June 27, 1990 and launched commercial operation in December 1, 1992. To meet the growing demand for its products AOL gradually enhanced Capacity of its production plant. Now the capacity of the plant has stood at 825,830 M³ per month. Now it has ability to run three (03) shifts per day which will boost up its capacity.

MACHINERY

AOL is using most modern machineries and equipment in that era imported from renowned suppliers & manufacturers across the globe especially in China, India & USA to get the finest products in the hands of customers. Due to plant of Oxygen Gas we have to update all the time to meetup the market demand with good quality. We, at AOL always strive to be the best and latest manufacturing facilities of Oxygen & Nitrogen gases in both gas & liquid format. Machineries using in the plant are presented in the Description of Property section of the draft prospectus.

TECHNOLOGY

In its manufacturing process, AOL has employed best-in-class advanced technology, uncompromising quality standards and dynamic product innovation. The technology and machinery used in the production process for manufacturing Oxygen & Nitrogen Gases have been imported from suppliers in India, China and USA in addition with local suppliers.

PROCESS

Being a capital-based Oxygen Gas manufacturing company, AOL is ready to meet the market demand & minimize the competition risk. On receiving the orders from its customers, AOL manufactures the products and supplies those to the customers' destination as per their requirement. Total quality management lead by the trained professionals, strict monitoring, rapid delivery, good quality and true measurement always provided competitive advantage.

- (iv) Details of the major events in the history of the issuer, including details of capacity or facility creation, launching of the plant, products, marketing, change in ownership and/or key management personnel etc:

Particulars	Status
Date of Incorporation	27 th June 1990, as a private limited company
Registration No.	CHC-698/177, 1990
Conversion Date of Private to Public Limited Company	25 April, 2018
Installed Capacity	9,929,900 M ³ (As Per Month 30 th June, 2019)
Actual Production	9,035,298 M ³ (As Per Month 30 th June, 2019)
Launching of Plant	December 01, 1992
Product	Oxygen and Nitrogen in liquid and gaseous forms
Market	Present market in Bangladesh is very much favor to utilize Oxygen & Nitrogen in both Gas & liquid format. Daily increasing ship breaking, rerolling mills, hospitals etc. are a good indicator for the future market. AOL market is all over Bangladesh. Presently, due to heavy industrial area Chittagong & Dhaka is most demanded area of AOL.
Change in ownership/Key Management Personnel	None of the ownership or key management person changed except Directors of the Company.
Appointment of Independent Directors	Appointed as on 10 th June, 2019

- (v) Principal products or services of the issuer and markets for such products or services. Past trends and future prospects regarding exports (if applicable) and local market, demand and supply forecasts for the sector in which the product is included with a source of data;

Product and Services of the Company:

The Company's principal activities are manufacturing and supplying of industrial and medical gases, welding products and equipment's and ancillary equipment's. AOL can now supply Oxygen and Nitrogen in liquid and gaseous forms to Industries and Hospitals through its own sales network.

Product List

The principal activities of the company are manufacturing and supplying of industrial and medical gases, welding products and equipment and ancillary equipment.

Industrial Gas:

After firmly establishing ourselves in the Medical sector, AOL recognized that most of the gases in the medical portfolio are also commonly used for industrial purposes. Although there is a matter of the different level of purification between medical gases vs. industrial gases, the latter needing much less purification. We realized that these gases could also supply to the industrial sector. Seeing AOL's growth potential in the Industrial Gas division, we, therefore, have decided to extend our services to the industrial sector. We try to manufacture and supply some of the most essential and every-day gases, such as, liquid & gaseous Oxygen, liquid & gaseous Carbon Dioxide, liquid & gaseous Nitrogen, liquid & gaseous Helium, Hydrogen gas, Argon gas, and Gas Mixture like Argocil.

Past trends and future prospects regarding exports (if any) and Local Market:

Past Trend:

Last 5 years sales are as follows:

FINANCIAL YEAR	REVENUE** (AMOUNT IN TK)
2018-2019	401,057,033
2017-2018	311,420,858
2016-2017	268,929,929
2015-2016	225,626,092
2014-2015	193,158,289

** AOL has no Exports in last 5 year.

Local Market

Present market in Bangladesh is very much favor to utilize Oxygen Gas format. Daily increasing ship breaking, rerolling mills, hospitals etc. are a good indicator for the future market. AOL market is all over Bangladesh. Presently, due to heavy industrial area Chittagong & Dhaka is most demanded area of AOL.

Future Prospects:

Associated oxygen successfully penetrated the market and deepened its mark in this sector despite all the tough barriers to entry, associated saw an opportunity to embark on a new initiative to be involved in the medical gas manufacturing Industry. Thus, the Associated Oxygen Limited (AOL) came into being. It has already established itself as a dominant force in the sector with unparalleled expertise and quality assurance, AOL became the very first local manufacturer and supplier of Medical Gases. Till today, it remains a forerunner as a local company in the Medical Gas Production sector and maintains its grasp of a significant market share. Initiated in 1990, AOL has become a pioneer as the first local Medical Gas Manufacturer with its innovative, high-standard product and services in the medical gas industry. AOL has revolutionized Bangladesh's medical gas production industry as one of the largest local companies which are proficient enough to produce and supply all kinds of medical gases through a strategically planned. AOL has the ability to produce Carbon Di Oxide gas, Gas Mixture, Nitrogen Oxide, Helium Gas, Hydrogen Gas, Argon Gas etc. This will be helping AOL to capture the present market demand.

Projected Revenue:

FINANCIAL YEAR	REVENUE (AMOUNT IN TK)
2019-2020	422,794,335/-
2020-2021	469,217,153/-
2021-2022	517,921,893/-

- (vi) **If the issuer has more than one product or service, the relative contribution to sales and income of each product or service that accounts for more than 10% of the company's total revenues;**

At Present AOL has only one Product which is contributing 100% on its Revenue. Based on the recent Financial Statements past trends are as follows:

FINANCIAL YEAR	REVENUE (AMOUNT IN TK)	PRODUCT NAME
2018-2019	401,057,033	Oxygen Gas Format
2017-2018	311,420,858	
2016-2017	268,929,929	
2015-2016	225,626,092	
2014-2015	193,158,289	

- (vii) **Description of associates, subsidiary and holding company of the issuer and core areas of the business thereof;**
There is no associate; subsidiary and holding company Associated Oxygen Limited.

- (viii) **How the products or services are distributed with details of the distribution channel. Export possibilities and export obligations, if any:**

The products are delivered to different buyers under the control of associated Oxygen Limited by its sales representatives & technical experts. A detailed process flow is presented below:

Brief details of Process Flow for manufacturing Liquid Oxygen:

1. Air Compression:

The free saturated air is sucked from the atmosphere through a highly efficient dry-type suction filter into the first stage of the horizontal balanced opposed, lubricated reciprocating air compressor. Compressed air is chilled to 12-degree centigrade in a chilling unit at a temperature of 12-degree centigrade to a moisture separator where the condensed moisture gets removed before entering into molecular sieve battery. Before sending the air to the molecular sieve battery, the air is passed through an oil absorber where air becomes oil free.



2. Air Purification:

Chilled air passes through the molecular sieve battery consisting of twin tower packed with molecular sieves to remove moisture and carbon dioxide present in the air. Molecular sieve battery operates on twin tower system when one tower is under production the other tower is regenerated by passing waste nitrogen gas at 200 deg c through a reactivation heater. After an interval of 8 to 10 hours, the tower under production gets exhausted and regenerated by a similar process before use and thus the cycle continues. Any dust particles get filtered in the dust filter before the air enters the air separation column. The process air before liquefaction in the air separation unit needs to be cooled to temperatures of sub-zero (cryogenic). The main portion of the air after the process skid enters the expansion engine through the heat exchanger no. 1 after pre-cooling. The temperature of the air drops to around -165deg by the expander which is a very highly efficient advanced design with Teflon piston rings and a completely hydraulic mechanism with leak-proof ball valves.

3. Air separation:

Chilled, oil-free and moisture-free air enters into multi-pass heat exchanger no. I where it gets cooled to (-80) degc by cold gained from outgoing waste nitrogen and oxygen. A part of air this enters a multi-pass heat exchanger no. ii or liquefier made of special alloy tubes. This air cools to (-170) dec before passing through an expansion valve. Due to the JouleThompson effect, after the expansion valve, the air gets further cooled down and gets liquefied before entering into the bottom column is known as a rich liquid. the rich liquid in the bottom column enters into feed tray of top column enters into feed tray of the top column. similarly, the liquid nitrogen called poor liquid enters into the top column as reflux& it takes away the latent heat of condensing oxygen and gets vaporized whereas the liquid oxygen flows down the trays of the top column into the condenser passes through a sub-cooler to a low pump.

4. Liquid Oxygen Storage & Distribution:

Liquid oxygen is filled in a liquid storage tank that is connected to the liquefier forming an automatic system. A hosepipe is used for taking out liquid oxygen from the tank.

Export Possibility:

Present market in Bangladesh is very much favor to utilize oxygen & Nitrogen in both Gas & liquid format. Daily increasing ship breaking, rerolling mills, hospitals etc. are a good indicator for the future market. At present we have no intention to export but after fulfillment demand in Bangladesh, we may capable to export the product. The export possibility is always very high for the company.

Export Obligation:

Currently, there is no export obligation imposed from the government to export Oxygen & Nitrogen products to anywhere of the world accept some condition as imposed by WTO such as quota, duty on trade are prevail as well in exporting to some region and countries are prevail and reviewed by the regular time to time.

(ix) Competitive conditions in business with names, percentage and volume of market shares of major competitors;

Listed company:

Associated Oxygen Limited operates in a highly competitive environment. The major oxygen sector competitive companies of Associated Oxygen Limited are presented below:

For the year ended 31.12.2018 (Annualize)

Sl. No.	Name of the competitors	Volume in Sales (Tk)	Market Share (%)
1	Linde BD	5,669,936,000/-	93.39%

Source: http://www.linde.com.bd/en/images/LBL%20Q2%20FS%202019_tcm391-554040.pdf

However, there are some other local non-listed companies who are also the competitors of Associated Oxygen Limited those are as follows:

NON-LISTED COMPANY

SL No	Name of the Competitor	Address of the Competitor
1	KROL Oxygen Limited	Sitakund, Chattagram , Bangladesh
2	Spectra Oxygen Limited	House: 17, Road: 106, Block: CEN(F), Gulshan-2, Dhaka-1212
3	Median Oxygen Plant Limited	Sitakund, Chattagram , Bangladesh
4	Oxycon Limited	
5	Sima Oxygen Limited	
6	SL Oxygen Limited	

N: B: Due to the unavailability of the information on the respective website of the above company it is not possible for us to input the annual Revenue of the above non-listed competitors.

(x) Sources and availability of raw materials, names and addresses of the principal suppliers and contingency plan in case of any disruption;

Due to Oxygen & Nitrogen Manufacturing Company, there is no Raw Material except Natural Water & Open Air of Nature. Natural Water is only major Raw Material to produce Oxygen & Nitrogen which is supplied by its own deep tube-well in the factory area.

(xi) Sources of and the requirement for power, gas and water; or any other utilities and contingency plan in case of any disruption;

All required utility facilities are available at the project site and those are stated below:

UTILITIES	SOURCES AND REQUIREMENT
POWER/ ELECTRICITY	Associated Oxygen Limited has a connected load of 1250KVA. The required power is also available from own captive Gas power generators. No additional power is required to hire from external side for our expansion project.
WATER	The required water supply will be available from the own deep tube-well at the project site.
GAS	Associated Oxygen Limited manufacturing operation depends on Gas supply from Karnafully Gas Distribution Company Ltd.

UTILITIES	SOURCES AND REQUIREMENT
Contingency Plan in case of any disruption	The company has captive Power unit which generates required electricity by its Gas generator as well as diesel Generator.

- (xii) Names, address(s), telephone number, web address, e-mail and fax number of the customers who account for 10% or more of the company's products or services with amount and percentage thereof;
There are no customers to whom the company is selling more than 10 % of its total sale.

- (xiii) Names, address(s), telephone number, web address, e-mail and fax number of the suppliers from whom the issuer purchases 10% or more of its raw material or finished goods with amount and percentage thereof;

Due to Oxygen & Nitrogen Manufacturing Company, there is no Raw Material except Natural Water & Open Air of Nature. Natural Water is only major Raw Material to produce Oxygen & Nitrogen which is supplied by its own deep tube-well in the factory area. Whatever, there are some manufacturing related auxiliary items which are produced from a local supplier. A table below to show 10% or more of the auxiliary materials supplier:

Sl No	Name of Supplier	Address	Telephone & Fax Number	Web address & mail address	Amount in Taka	Percent (%)
1	Al Hatim Trading Center	309, Enayat bazer, Jubilee Road, Ctg.	Tel: 613161 Fax: 8831610612	Email: shatim@colbd.com Web: N/A	4,969,632/-	14.23%
2	Eicher Motors	Hazi Jamir Ambia Plaza, 230, D.T Road, Dewan Hat, Chittagong	Tel: 031-721591	Email: N/A Web: N/A	3,611,103/-	10.34%

- (xiv) Description of any contract which the issuer has with its principal suppliers or customers showing the total amount and quantity of transaction for which the contract is made and the duration of the contract. If there is not any of such contract, a declaration is to be disclosed duly signed by CEO/MD, CFO and Chairman on behalf of the Board of Directors;

TO WHOM IT MAY CONCERN

We, on behalf of the Board of Directors certify that the Associated Oxygen Limited does not enter into any contract with its principal suppliers or customers.

Sd/-
Md. Nizam Uddin Chowdhury
Chairman

Sd/-
Mrs. Ismat Jahan
Managing Director

Sd/-
Delower Hossain
Chief Financial Officer

- (xv) Description of licenses, registrations, NOC and permissions obtained by the issuer with the issue, renewal and expiry dates;

Sl. No	Name of Certificate/ license/ Registration/ NOC	License Issuer/Issuing Authority	Certificate / License No	Expiry Date	Remarks
1.	Certificate of incorporation	Registrar of Joint Stock Companies and Firms, Government of Bangladesh	CHC-698/177, 1990	N/A	As a Private Ltd Company June, 27 1990 & converted to Public Ltd company on 25 April, 2018
2.	Certificate of Commencement of Business	Registrar of Joint Stock Companies and Firms, Government of Bangladesh	N/A	N/A	Incorporated as a Private Limited Company
3.	TIN Certificate	National Board of Revenue	782372820960	N/A	-
4.	VAT Reg. No.	Customs, Excise & VAT Commissionerate, Chattagram	24111000170	N/A	-
5.	Trade License	Chattagram City Corporation	40621	30.06.2020	-
6.	Explosive License	Department of explosive	140-2(৬)-0022	31.12.2020	-
7.	BIDA License	Bangladesh Investment Development Authority	20090418-C	N/A	-
8.	Factory License	Factory and Organization Inspection Authority, Ctg.	2339/Ctg	30.06.2020	-

Sl. No	Name of Certificate/ license/ Registration/ NOC	License Issuer/Issuing Authority	Certificate / License No	Expiry Date	Remarks
9.	CCCI Certificate	The Chattagram Chamber of Commerce & Industry	M.GEN/36/1668	30.06.2020	-
10.	Import Registration Certificate	The controller of Import & Export, Government of Bangladesh	ব-০২০৪৫৭০	30.06.2020	-
11.	Fire License	Bangladesh Fire Services and Civil Defense	2958/08-09	30.06.2020	-
12.	Environment	Department of Environment	19-24906	12.06.2020	For Oxygen Plant
13.	Clearance Certificate		19-21657		For Use Generator
14.	Group Insurance	American Life Insurance Co.	921-12-307	25.08.2020	

(xvi) Description of any material patents, trademarks, licenses or royalty agreements:

Associated Oxygen Limited has no material patents, trademarks or royalty agreements. However, it has several regulatory licenses and certificates in order to continue its operation.

(xvii) Number of total employees and number of full-time employees:

The company has 281 employees as on 30th June, 2019. Details are as following:

SALARY RANGE (MONTHLY)	NUMBER OF EMPLOYEES		TOTAL
	STAFF	WORKERS	
Below Tk. 8,000	-	-	-
Above Tk. 8,000	18	263	281
TOTAL	18	263	281

(xviii) A brief description of business strategy:

- Introduce new and cutting-edge products and technology, which contributes to building a long-lasting and sustainable relationship with businesses and consumers.
- To focus on developing markets that offer us growth opportunities;
- Build a sustainable, long-lasting and fruitful business relationship with our investors.
- To invest in exceptional people and high-quality, low-cost operations;
- To passionate about performance, reliability and sustainability;
- To work with the customers, value them and involve efforts to meet their needs.
- To recruit, retain, develop, and motivate the best personnel and utilizing their full potential to add the value in operation.
- To maintain a disciplined approach to capital allocation and maintain the focus on fund generation efficiently and effectively as to the success of its strategy.

(xix) A table containing the existing installed capacities for each product or service, capacity utilization for these products or services in the previous years, projected capacities for existing as well as proposed products or services and the assumptions for future capacity utilization for the next three years in respect of existing as well as proposed products or services. If the projected capacity utilization is higher than the actual average capacity utilization, the rationale to achieve the projected levels.

Total actual capacity and its utilization

Financial Year	Products	Installed Capacity (M3)	Utilized Capacity (M3)	Utilization (%)
2015-2016	Oxygen Gas	6,868,900	5,374,736	78.25%
2016-2017		8,226,600	6,450,500	78.41%
2017-2018		8,625,000	7,398,037	85.77%
2018-2019		9,929,900	9,035,298	90.99%

Estimated Capacity and its Utilization

Financial Year	Products	Installed Capacity (M3)	Utilized Capacity (M3)	Utilization (%)
2019-2020	Oxygen Gas	10,748,124	9,501,341	88.40%
2020-2021	Oxygen &	11,740,000	10,543,694	89.81%
2021-2022	Nitrogen Gas	14,375,000	12,185,688	84.77%

The rationale to Achieve:

We have projected that the capacity utilization will be increased as the total market is increased day by day and the market share of the company is increasing. Hence, the management of the Company thinks that the projected capacity is attainable.

(e) Description of Property:

The written down value of Property, Plant and Equipment owned by the company as per audited accounts as 30 June, 2019 are stated below:

Particulars	Amounts in Taka	
	Cost	Written Down Value
Land & Land Development	65,384,554	65,384,554
Building & Other Construction	423,942,827	322,582,977
Plant & Machinery	998,754,039	838,007,324
Electrical Installation	48,438,894	33,064,154
Office Equipment	19,893,807	14,146,099
Gas Line Installation	54,049,838	36,878,792
Furniture & Fixture	20,244,592	14,936,777
Computer & Computer Accessories	10,490,912	7,211,322
Generator & Motors	43,274,515	33,815,885
Vehicle	12,247,694	9,695,966
Fire Extinguisher	26,264,085	18,034,162
Total	1,722,985,757	1,393,758,012

(i) Location and area of the land, building, principal plants and other property of the company and the condition thereof:

The entire above-mentioned assets are located at the factory at Khadimpara, Madambibirhat, Bhatary Sitakund, Chattagram and Company's head office at BCIC Sadan (1st Floor) 26, Agrabad, C/A Chattagram, Bangladesh. All of the above-mentioned Property, Plant and Equipment are in working condition. Details are given under as follows:

Sl. No	Name of the Assets	Location and Area	The condition of the Property
1	Land and Land Development	Factory Premises	Position held by the company through its own land
2	Building& other Construction		Factory shade is in good condition
3	Plant &Machinery		Working in good condition
4	Electrical Installation	Factory Premises & Corporate Office	Good condition
5	Office Equipment		
6	Gas line Installation	Factory Premises	
7	Furniture &Fixture	Factory Premises & Corporate Office	
8	Computer & Computer Accessories		
9	Generators& Motors	Factory Premises	
10	Fire Extinguisher		

Details of Land Properties

SL. No	Deed No	Dag/ Plot No	Area of the Land	Location of the Land	Year of Acquisition	Remarks
1	2254	RS-130, 723, 724, 725, 831, 833, 834, 835 BS: 758, 759, 760, 765, 766, 767, 778, 779, 780, 781, 782, , PS-138, 16, JL-58, RS-15,	112 Decimal	Mouza: Khadimpara Thana: Setakunda Chattagram	2001	Own

Details of Factory Building and other construction

Particulars	Construction Materials	Total Building Area (Sqft)	Usage (sqft)	WDV as on 30.06.2019	Status of Use
Corporate Office (Rented)	RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC- Slab with Beam, RCC-Stair, RCC-Lintel, Brick Wall, Plaster, Wall Paint, Inside wall- Plastic Paint, Outside Wall-Weather Coat Thai Aluminum & 5mm Glass in the window, Glass Door, CI Sheet Door, Wooden Door, M.S Grill in Window.	3,500	3,500		In Good Condition
Factory Area					
Cooling Water Tank	RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC- Slab with Beam, RCC-Stair, RCC-Lintel, Brick Wall, Plaster, Wall Paint, Inside wall- Plastic Paint, Outside Wall-Weather Coat, Steel Structure	1,960	1,960	322,582,977	In Good Condition

Particulars	Construction Materials	Total Building Area (Sqft)	Usage (sqft)	WDV as on 30.06.2019	Status of Use
Air Compressor Room	Brick Wall Plaster, Wall Paint, Inside wall, Plastic Paint, Outside Wall- Weather Coat,	1,000	1,000		
Sub Station Room	Thai Aluminum & 5mm Glass in window	1,000	1,000		
Factory Shed	RCC-Grade Beam, RCC-Floor Slab, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat, Profile Sheet and Steel Structure	19,160	19,160		
Cooling Tower	RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC- Slab with Beam, RCC-Stair, RCC-Lintel, Brick Wall, Plaster, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat, Steel Structure	580	580		
Generator Room	Brick Wall Plaster, Wall Paint, Inside wall, Plastic Paint, Outside Wall- Weather Coat,	840	840		
Power Plant	RCC Roof	670	670		In Good Condition
Office Building (3 Storied) Office & Admin Building	RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC- Slab with Beam, RCC-Stair, RCC-Lintel, Brick Wall, Plaster, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat Thai Aluminum & 5mm Glass in the window, Industrial Door, M.S Grill in Window.	3,780	3,780		
Utility Controlling Room	Brick Wall Plaster, Wall Paint, Inside wall, Plastic Paint, Outside Wall- Weather Coat, M.S Rod in the window with Profile Sheet Roof	150	150		
Guard Room	Brick Wall Plaster, Wall Paint, Inside wall, Plastic Paint, Outside Wall- Weather Coat, Thai Aluminum & 5mm Glass in window	70	70		
Workshop	RCC-Grade Beam, RCC-Floor Slab, Wall	840	840		
Testing Unit	Paint, Inside wall- Plastic Paint, Outside	840	840		
Filling Zone	Wall- Weather Coat, Profile Sheet and Steel Structure	6,070	6,070		
Loading & Unloading Space	Heavy weight absorber RCC-Floor Slab	4,190	4,190		
Godown	RCC-Grade Beam, RCC-Floor Slab, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat, Profile Sheet and Steel Structure	3,120	3,120		
Boundary Wall	RCC- Grade Beam, RCC- Pillar, Brick Wall with Plaster 5" & 8', Iron structure on the top 2'	860 rft	860 rft		
Internal Drainage System	RCC Floor, 10" Brickwork with Plaster with RCC Slab	290 rft	290 rft		
Main Gate	RCC- Pillar & Heavy weight CI Sheet	180	180		
Total Area (sqft.)		44,450	44,450		

(ii) Whether the property is owned by the Company or taken on lease:

All the assets of the Company are in its own name.

(iii) Dates of purchase, last payment date of current rent (খাজনা) and mutation date of lands, deed value and other costs including details of land development cost, if any and current use thereof:

Own Land:

Deed No.	Dates of purchase	Mutation date	Last payment date of the current rent	Deed Value	Registration Cost & other Cost	Area of Land (Decimal)	Mutated Area of Land (Decimal)
2254	24-05-2001	02.04.2009 & 12.01.2012	29.08.2019	560,000/-	54,800/-	112 Decimal	112 Decimal

Cost for Land	Amount in Taka
Deed value	560,000
Registration & other cost	54,800
Land Development Cost	64,769,754
Total Cost of Land Asset	65,384,554

- (iv) The names of the persons from whom the land have been acquired/ proposed to be acquired along with the cost of acquisition and relation, if any, of such persons to the issuer or any sponsor or director thereof:

Transferor	Transferee	Deed no.	Date of Acquisition	Area of Land	Cost of Acquisition	Relationship
1. Md. Yasin Ali, 2. Md. Jafrul Islam Chowdhury	Associated Oxygen Limited	2254	24.05.2001	112 decimals	614,800/-	There is no relation between the seller of land and the issuer or any sponsor or Director thereof;

- (v) Details of whether the issuer has received all the approvals pertaining to the use of the land, if required:

The issuer has received all the approvals pertaining to the use of the land.

- (vi) If the property is owned by the issuer, whether there is a mortgage or other type of charge on the property, with the name of the mortgagee;

Land for 112 Decimal with Factory Building is mortgaged to Basic bank limited against Term Loan.

- (vii) If the property is taken on lease, the expiration dates of the lease with name of the lessor, principal terms and conditions of the lease agreements and details of payment:

No Property is taken by the Company under the lease agreement.

(viii) Dates of purchase of plant and machinery along with seller's name, address, years of sale, a condition when purchased, country of origin, useful economic life at purchase and remaining economic life, purchase price and written down value:

Year of Purchase	Machineries Name	Seller's Name & Address	Country	Condition when Purchased	Cost of Acquisition	Estimate Life year	Used Life	Remaining Life	Remaining Balance
2008	Air Compressor with Spare parts	Hangzhu Oxygen Plant Manufacturer Ltd. No.388, Dongxin Rd,Xiacheng District, Hangzhou, 310004 China	China	Brand New	11,815,430	20	11	9	5,198,789
2009	Air Separation Plant	China National Heavy Machinery Corporation, A 23, Fuxing Road,Gongzhufen, Beijing,100036, China	China	Brand New	26,486,129	20	10	10	12,978,203
2009	Air/Vacuum pumps compressor W/Spare parts	S.K.Enterprise, D-304,Devia Shish Durgamata, Chowk,Agra Road, Kalyan(W), Thane,Mumbai,India	India	Brand New	605,752	15	10	5	201,917
2009	Press ring, Piston Ring, Support Ring, Sealing Ring	Arrow Engine Company, 2301, East Independence, Tulsa. Oklahoma, USA,74110	USA	Brand New	4,372,322	20	10	10	2,186,161
2011	Rectification Column with Compressor	Bengal Carbon & Teflon Technology, BSCIC ,Kalurghat, Ctg	Local	Brand New	2,834,100	15	8	7	1,322,580
2012	Oil Separator	Ifad Enterprise Ltd, 137, Tejgown , Dhaka	Local	Brand New	5,213,700	15	7	8	2,780,640
2012	Heat Exchanger with Accessories	Bengal Carbon & Teflon Technology, BSCIC ,Kalurghat, Ctg	Local	Brand New	2,779,187	15	7	8	1,482,233
2012	Rectification Column with Compressor		Local	Brand New	2,290,640	15	7	8	1,221,675
2012	Moliculer Purification System		Local	Brand New	1,354,200	15	7	8	722,240
2012	9.8 Oxygen Bottle		Local	Brand New	11,521,140	10	7	3	3,225,919
2013	9.8 Oxygen Bottle	Al-Hatim Trading Center, Jubile Road, Ctg	Local	Brand New	11,224,300	10	6	4	4,265,234
2013	Air Compressor With Spare parts	Sanghi Oxygen Co.(Pvt) Ltd. Mani Mahal, 11/21,Mathew RD,Opera House, Girgaon, Mumbai,Maharashtra,400004,India	INDIA	Brand New	11,827,451	20	6	14	8,279,216
2013	Press ring, Piston Ring, Support Ring, Sealing Ring	Al-Hatim Trading Center, Jubile Road, Ctg	Local	Brand New	7,217,180	15	6	9	4,330,308
2013		Bengal Carbon & Teflon Technology, BSCIC ,Kalurghat, Ctg	Local	Brand New	2,428,300	15	6	9	1,456,980
2013		Ifad Enterprise Ltd, 137, Tejgown , Dhaka	Local	Brand New	6,447,810	15	6	9	3,868,686
2014	6.00 3M Oxygen Bottle	Modina Oxygen & Steel Ltd. Barowlia, Sitakunda, Ctg	Local	Brand New	2,470,000	10	5	5	1,235,000
2014	6.00 3M Oxygen Bottle	M/S Bhai Bhai Traders, Madambibirhat, Shetakunda, Ctg	Local	Brand New	2,500,000	10	5	5	1,250,000
2014	9.8 Oxygen Bottle		Local	Brand New	12,162,500	10	5	5	6,081,250
2014	9.8 Oxygen Bottle	Al-Hatim Trading Center, Jubile Road, Ctg	Local	Brand New	807,500	10	5	5	403,750
2014	9.8 Oxygen Bottle	Modina Oxygen & Steel Ltd. Barowlia, Sitakunda,Ctg	Local	Brand New	4,173,500	10	5	5	2,086,750
2014	Air Booster Compressor	China National Heavy Machinery Corporation, A 23,Fuxing Road, Gongzhufen, Beijing	CHINA	Brand New	5,931,850	20	5	15	4,448,888
2014	Air Filter with accessories	M.R.Electro Mechanical Company D.T.Road	Local	Brand New	288,000	10	5	5	144,000
2014	Compressed Air Filter Complete Set	Pahartali Ctg	Local	Brand New	390,000	10	5	5	195,000

Year of Purchase	Machineries Name	Seller's Name & Address	Country	Condition when Purchased	Cost of Acquisition	Estimate Life year	Used Life	Remaining Life	Remaining Balance
2014	Cylinder Pressure Test machine	Tiajin Universal Machinery Import & Export Corp. 75,Jianshe Road,Heping District, Tianjin,China	CHINA	Brand New	3,776,420	15	5	10	2,517,613
2014	Press ring, Piston Ring, Support Ring, Sealing Ring	Al-Hatim Trading Center, Jubile Road, Ctg	Local	Brand New	2,819,015	15	5	10	1,879,343
2014		M/S Bhai Bhai Traders, Madambibirhat, Shetakunda, Ctg	Local	Brand New	250,000	15	5	10	166,667
2014	Oil Filter	M.R.Electro Mechanical Company D.T.Road Pahartali Ctg	Local	Brand New	104,800	10	5	5	52,400
2014	Oil Filter	Ifad Enterprise Ltd, 137, Tejgown , Dhaka	Local	Brand New	25,200	10	5	5	12,600
2014	Oil Separator		Local	Brand New	2,521,100	15	5	10	1,680,733
2014	Press ring, Piston Ring, Support Ring, Sealing Ring	Tiajin Universal Machinery Import & Export Corp. 75,Jianshe Road,Heping District, Tianjin, China	CHINA	Brand New	5,357,706	20	5	15	4,018,280
2014		M.R.Electro Mechanical Company D.T.Road Pahartali Ctg	Local	Brand New	178,000	15	5	10	118,667
2015	6.00 3M Oxygen Bottle	M/s.Bhai Bhai Traders, Madambibirhat, Shetakunda, Ctg	Local	Brand New	5,130,000	10	4	6	2,975,400
2015	6.00 3M Oxygen Bottle	Modina Oxygen & Steel Ltd. Barowlia, Sitakunda, Ctg	Local	Brand New	10,733,764	10	4	6	6,225,583
2015	9.8 Oxygen Bottle	Al-Hatim Trading Center, Jubile Road, Ctg	Local	Brand New	4,292,500	10	4	6	2,489,650
2015	9.8 Oxygen Bottle	M/s.Bhai Bhai Traders, Madambibirhat, Shetakunda, Ctg	Local	Brand New	9,222,500	10	4	6	5,533,500
2015	9.8 Oxygen Bottle	Modina Oxygen & Steel Ltd. Barowlia, Sitakunda,Ctg	Local	Brand New	8,542,500	10	4	6	5,125,500
2015	Air Compressor With Spare parts	Hangzhu Oxygen Plant Manufacture Ltd. No.388, Dongxin Rd,Xiacheng District, Hangzhou,310004,China	CHINA	Brand New	24,900,802	20	4	16	19,920,642
2015	Air Filter with accessories	M.R.Electro Mechanical Company D.T.Road Pahartali Ctg	Local	Brand New	1,075,200	10	4	6	645,120
2015	Compressed Air Filter Complete Set		Local	Brand New	819,000	10	4	6	491,400
2015	Oil Filter	M/s.Khan Engineering Works, Danilapara, Agrabad,Ctg	Local	Brand New	1,969,375	10	4	6	1,181,625
2015	Press ring, Piston Ring, Support Ring, Sealing Ring	Al-Hatim Trading Center, Jubile Road, Ctg	Local	Brand New	1,585,050	15	4	11	1,162,370
2015		M.R.Electro Mechanical Company D.T.Road Pahartali Ctg	Local	Brand New	1,068,000	15	4	11	783,200
2015	Water Reserve Tank	M/s.Yousuf & Brothers, Madambibirhat, Shetakunda, Ctg	Local	Brand New	21,000,000	20	4	16	16,800,000
2016	6.00 3M Oxygen Bottle	M/s.Bhai Bhai Traders, Madambibirhat, Shetakunda, Ctg	Local	Brand New	5,250,000	10	3	7	3,570,000
2016	9.8 Oxygen Bottle		Local	Brand New	6,861,000	10	3	7	4,802,700
2016	Air Compressor With Spare parts	Hangzhu Oxygen Plant Manufacture Ltd. No.388,Dongxin Rd, Xiacheng District, Hangzhou,310004,China	CHINA	Brand New	29,836,268	20	3	17	25,062,465

Year of Purchase	Machineries Name	Seller's Name & Address	Country	Condition when Purchased	Cost of Acquisition	Estimate Life year	Used Life	Remaining Life	Remaining Balance
2016	Air Compressor With Spare parts	ELGI Equipment's Ltd. 502,Block C.5th Floor, Axis Mall, Action Area 1 C, New Town Premises No.CF-9 Kolkata, West Bengal, 700156, India	INDIA	Brand New	5,302,130	20	3	17	4,506,811
2016	Air Filter with accessories	Bengal Carbon & Teflon Technology, BSCIC ,Kalurghat, Ctg	Local	Brand New	1,497,900	10	3	7	1,048,530
2016	Air Filter with accessories	M.R. Electro Mechanical Co., D.T.Road Pahartali Ctg	Local	Brand New	978,000	10	3	7	684,600
2016	Air Separation Plant	China National Heavy Machinery Corporation, A 23,Fuxing Road, Gongzhufen, Beijing,100036, China	CHINA	Brand New	29,061,739	20	3	17	24,411,861
2016	Air/Vacuum pumps compressor W/Spare parts	S.K.Enterprise, D-304,Devia Shish Durgamata, Chowk,Agra Road, Kalyan(W), Thane, Mumbai,India	INDIA	Brand New	1,960,920	15	3	12	1,568,736
2016	Press ring, Piston Ring, Support Ring, Sealing Ring	Ifad Enterprise Ltd, 137, Tejgown , Dhaka	Local	Brand New	2,619,440	15	3	12	2,095,552
2016	Compressed Air Filter Complete Set	M.R. Electro Mechanical Co., D.T.Road Pahartali Ctg	Local	Brand New	155,000	10	3	7	108,500
2016	Press ring, Piston Ring, Support Ring, Sealing Ring	Bengal Carbon & Teflon Technology, BSCIC ,Kalurghat, Ctg	Local	Brand New	1,731,300	15	3	12	1,385,040
2016	Oil Filter	Ifad Enterprise Ltd, 137, Tejgown , Dhaka	Local	Brand New	5,387,400	10	3	7	3,663,432
2016	Oil Filter	M.R. Electro Mechanical Co., D.T.Road Pahartali Ctg	Local	Brand New	104,800	10	3	7	73,360
2016	Oil Separator	Ifad Enterprise Ltd, 137, Tejgown , Dhaka	Local	Brand New	970,900	15	3	12	776,720
2016	Oil Separator	M.R. Electro Mechanical Co., D.T.Road Pahartali Ctg	Local	Brand New	75,000	15	3	12	60,000
2016	Press ring, Piston Ring, Support Ring, Sealing Ring	Al-Hatim Trading Center, Jubile Road, Ctg	Local	Brand New	3,623,000	15	3	12	2,898,400
2016		M.R. Electro Mechanical Co., D.T.Road Pahartali Ctg	Local	Brand New	288,200	15	3	12	230,560
2016	Purification Filter (208349NB)	M.R. Electro Mechanical Co., D.T.Road Pahartali Ctg	Local	Brand New	167,000	12	3	9	125,250
2016	Rectification Column with Compressor	Ifad Enterprise Ltd, 137, Tejgown , Dhaka	Local	Brand New	3,000,100	15	3	12	2,400,080
2016	Surefire Heated Element	Bengal Carbon & Teflon Technology, BSCIC, Kalurghat, Ctg	Local	Brand New	1,000,000	10	3	7	700,000
2017	Press ring, Piston Ring, Support Ring, Sealing Ring		Local	Brand New	5,713,540	15	2	13	4,951,735
2017	6.00 3M Oxygen Bottle	M/S Bhai Bhai Traders, Madambibirhat, Shetakunda, Ctg	Local	Brand New	3,515,000	10	2	8	2,812,000
2017	9.8 Oxygen Bottle		Local	Brand New	12,140,000	10	2	8	9,712,000
2017	Air Booster Compressor	China National Heavy Machinery Corporation, A 23,Fuxing Road,Gongzhufen,Beijing,100036	CHINA	Brand New	3,681,536	20	2	18	3,313,382
2017	Air Filter with accessories	Ifad Enterprise Ltd, 137, Tejgown , Dhaka	Local	Brand New	333,500	10	2	8	266,800

Year of Purchase	Machineries Name	Seller's Name & Address	Country	Condition when Purchased	Cost of Acquisition	Estimate Life year	Used Life	Remaining Life	Remaining Balance
2017	Air Pre-Cooling System	Bengal Carbon & Teflon Technology, BSCIC ,Kalurghat, Ctg	Local	Brand New	903,840	10	2	8	723,072
2017	Air Separation Plant	China National Heavy Machinery Corporation, A 23,Fuxing Road,Gongzhufen,Beijing,100036	CHINA	Brand New	29,157,253	20	2	18	25,949,955
2017	Air/Vacuum pumps compressor W/Spare parts	S.K.Enterprise, D-304,Devia Shish Durgamata, Chowk,Agra Road, Kalyan(W), Thane,Mumbai, India	INDIA	Brand New	3,825,892	15	2	13	3,315,773
2017	Compressor W/Spare parts	Hangzhou Unigas Engineering's Co.Ltd., Room 602,Rongji Products, Building, 60,Fengqi,East Rd,Hangzhou,310020,	CHINA	Brand New	1,315,510	15	2	13	1,140,109
2017	Cylinder Pressure Test machine	Tiajin Universal Machinery Import & Export Corp., 75,Jianshe Road,Heping District, Tianjin,China	CHINA	Brand New	4,730,827	15	2	13	4,036,972
2017	Press ring, Piston Ring, Support Ring, Sealing Ring	Arrow Engine Company, 2301,East Independence, Tulsa. Oklahoma,USA,74110	USA	Brand New	9,582,773	15	2	13	8,177,300
2017		Al-Hatim Trading Center, Jubile Road, Ctg	Local	Brand New	8,170,160	15	2	13	6,971,870
2017		M/S Bhai Bhai Traders, Madambibirhat, Shetakunda, Ctg	Local	Brand New	495,000	15	2	13	429,000
2017	Oil Filter	Ifad Enterprise Ltd, 137, Tejgown , Dhaka	Local	Brand New	3,958,500	10	2	8	3,166,800
2017	Oil Separator		Local	Brand New	1,993,900	15	2	13	1,728,047
2017	Press ring, Piston Ring, Support Ring, Sealing Ring	Tiajin Universal Machinery Import & Export Corp., 75,Jianshe Road, Heping District, Tianjin, China	CHINA	Brand New	6,534,950	20	2	18	5,816,106
2017		Ifad Enterprise Ltd, 137, Tejgown , Dhaka	Local	Brand New	574,600	15	2	13	497,987
2018		Bengal Carbon & Teflon Technology, BSCIC, Kalurghat, Ctg	Local	Brand New	21,763,183	15	1	14	20,312,304
2018	6.00 3M Oxygen Bottle	M/s.Bhai Bhai Traders, Madambibirhat, Shetakunda, Ctg	Local	Brand New	3,920,000	10	1	9	3,528,000
2018	6.00 3M Oxygen Bottle	Modina Oxygen & Steel Ltd. Barowlia, Sitakunda, Ctg	Local	Brand New	15,472,226	10	1	9	13,925,003
2018	9.8 Oxygen Bottle	M/s.Bhai Bhai Traders, Madambibirhat, Shetakunda, Ctg	Local	Brand New	23,307,000	10	1	9	20,510,160
2018	Press ring, Piston Ring, Support Ring, Sealing Ring	Dana Engineers International Ltd., House No.59,Road 13 & 15, Block D, Banani, Dhaka	Local	Brand New	4,314,920	15	1	14	4,027,259
2018	Press ring, Piston Ring, Support Ring, Sealing Ring	S.F. Engineering Works, 61/A, Dulalabad, Pahartali, Ctg	Local	Brand New	1,740,597	15	1	14	1,624,557
2018	Air Booster Compressor	Dana Engineers International Ltd., House No.59,Road 13 & 15, Block D, Banani, Dhaka	Local	Brand New	361,000	20	1	19	342,950
2018	Air Booster Compressor	Bengal Carbon & Teflon Technology, BSCIC, Kalurghat, Ctg	Local	Brand New	19,109,700	20	1	19	17,963,118
2018	Air Filter with accessories	Ifad Enterprise Ltd, 137, Tejgown , Dhaka	Local	Brand New	351,600	10	1	9	312,924

Year of Purchase	Machineries Name	Seller's Name & Address	Country	Condition when Purchased	Cost of Acquisition	Estimate Life year	Used Life	Remaining Life	Remaining Balance
2018	Air Pre-Cooling System	Dana Engineers International Ltd., House No.59,Road 13 & 15, Block D, Banani, Dhaka	Local	Brand New	416,500	10	1	9	374,850
2018	Air Separation Plant	Ifad Enterprise Ltd, 137, Tejgown , Dhaka	Local	Brand New	85,788,706	20	1	19	81,499,271
2018	Press ring, Piston Ring, Support Ring, Sealing Ring		Local	Brand New	917,550	15	1	14	844,146
2018	Cylinder Pressure Test machine	Bengal Carbon & Teflon Technology, BSCIC, Kalurghat, Ctg	Local	Brand New	22,107,200	15	1	14	20,634,355
2018	Heat Exchanger with Accessories	Dana Engineers International Ltd., House No.59,Road 13 & 15, Block D, Banani, Dhaka	Local	Brand New	513,000	15	1	14	471,960
2018	Heavy Duty Oxygen Cylinder Rack	New Tecnic Engineering, New Monsurabad, Pahartoli, Ctg	Local	Brand New	4,940,020	10	1	9	4,446,018
2018	Molecular Purification System	Dana Engineers International Ltd., House No.59,Road 13 & 15, Block D, Banani, Dhaka	Local	Brand New	1,422,900	15	1	14	1,328,040
2018	Oil Filter	Ifad Enterprise Ltd, 137, Tejgown , Dhaka	Local	Brand New	75,600	10	1	9	68,040
2018	Press ring, Piston Ring, Support Ring, Sealing Ring	Al-Hatim Trading Center, Jubile Road, Ctg	Local	Brand New	4,637,350	15	1	14	4,328,193
2018	Rectification Column with Compressor	Dana Engineers International Ltd., House No.59,Road 13 & 15, Block D, Banani, Dhaka	Local	Brand New	1,051,200	15	1	14	981,120
2018	Screw Type Air Compressor		Local	Brand New	413,000	10	1	9	371,700
2018	Surefire Heated Element		Local	Brand New	700,000	10	1	9	630,000
2019	Air Compressor With Spare parts	Bengal Carbon & Teflon Technology, BSCIC, Kalurghat, Ctg	China	Brand New	27,753,841	20	1	20	27,059,995
2019	Press ring, Piston Ring, Support Ring, Sealing Ring	Ifad Enterprise Ltd, 137, Tejgown , Dhaka	USA	Brand New	5,241,907	15	1	15	5,067,177
2019	Water Reserve Tank	M/s.Yousuf & Brothers, Madambibirhat, Shetakunda, Ctg	Local	Brand New	10,000,000	20	1	20	9,750,000
2019	9.8 Oxygen Bottle	M/S Bhai Bhai Traders, Madambibirhat, Shetakunda, Ctg	Local	Brand New	114,300,844	10	1	10	108,585,802
2019	9.8 Oxygen Bottle	Modina Oxygen & Steel Ltd. Barowlia, Sitakunda, Ctg	Local	Brand New	31,196,000	10	1	10	29,636,200
2019	Press ring, Piston Ring, Support Ring, Sealing Ring	Bengal Carbon & Teflon Technology, BSCIC, Kalurghat, Ctg	Local	Brand New	5,428,300	15	1	15	5,247,357
2019	Air Booster Compressor	China National Heavy Machinery Corporation, A 23,Fuxing Road,Gongzhufen,Beijing,100036	China	Brand New	13,016,226	20	1	20	12,690,820
2019	Press ring, Piston Ring, Support Ring, Sealing Ring	Tiajin Universal Machinery Import & Export Corp., 75,Jianshe Road,Heping District,Tianjin, China	China	Brand New	4,518,940	15	1	15	4,368,309
2019	Air/Vacuum pumps compressor W/Spare parts	S.K.Enterprise, D-304,Devia Shish Durgamata, Chowk,Agra Road, Kalyan(W), Thane, Mumbai, India	INDIA	Brand New	2,196,270	15	1	15	2,123,061
2019	Rectification Column with accessories	Bengal Carbon & Teflon Technology, BSCIC ,Kalurghat, Ctg	Local	Brand New	2,390,640	15	1	15	2,310,952

Year of Purchase	Machineries Name	Seller's Name & Address	Country	Condition when Purchased	Cost of Acquisition	Estimate Life year	Used Life	Remaining Life	Remaining Balance
2019	Cylinder Pressure Test machine	Tiajin Universal Machinery Import & Export Corp., 75,Jianshe Road,Heping District, Tianjin, China	CHINA	Brand New	5,719,482	15	1	15	5,528,833
2019	Air Separation Plant	China National Heavy Machinery Corporation,	CHINA	Brand New	17,987,691	20	1	20	17,537,998
2019	Air Pre-Cooling System	A 23,Fuxing Road,Gongzhufen,Beijing,100036	CHINA	Brand New	10,223,741	15	1	15	9,882,950
2019	9.8 Oxygen Bottle	Al-Hatim Trading Center, Jubile Road, Ctg	Local	Brand New	16,500,000	10	1	10	15,675,000
2019	Air Filter with accessories	Ifad Enterprise Ltd, 137, Tejgown , Dhaka	Local	Brand New	5,995,115	10	1	10	5,695,359
2019	Press ring, Piston Ring, Support Ring, Sealing Ring	M/s.Khan Engineering Works, Danilapara ,Agrabad,Ctg	Local	Brand New	400,000	15	1	15	386,667
2019	Fork Lift	Ifad Enterprise Ltd, 137, Tejgown , Dhaka	Local	Brand New	2,000,000	20	1	20	1,950,000
2019	Heavy Duty Oxygen Cylinder Rack	New Tecnic Engineering, New Monsurabad,Pahartoli,Ctg	Local	Brand New	180,000	10	1	10	171,000
2019	Air Booster Compressor	Bengal Carbon & Teflon Technology, BSCIC	Local	Brand New	41,172,760	20	1	20	40,143,441
2019	Air Separation Plant	,Kalurghat, Ctg	Local	Brand New	26,200,115	20	1	20	25,545,112
2019	Repair of Factory Plant Floor	M/s.Yousuf & Brothers, Madambibirhat, Shetakunda, Ctg	Local	Brand New	2,000,000	10	1	10	1,900,000
2019		M/S R & Sons, Fouzderhat Station Road, Shitakunda, Chittagong.	Local	Brand New	2,000,115	10	1	10	1,900,109

(ix) Details of the machinery required to be bought by the issuer, cost of the machinery, name of the suppliers, date of placement of the order and the date or expected date of supply, etc.

There is no such machinery which is yet to be delivered except the machinery mentioned in Use of Proceeds which is as follows.

Acquisition of New Plant & Machinery:

A. Crankshaft and Complete Overhauling Spare Parts of Waukesha's Gas Generator:

Sl. No	Particulars	No's	Amount In Taka
1	Crankshaft STD	1pcs	1,150,000
2	Exhaust valve	24pcs	648,000
3	Inlet valve	24pcs	480,000
4	Exhaust Seat	48pcs	336,000
5	Exhaust Guide	24pcs	168,000
6	Inlet Guide	24pcs	168,000
7	Connecting rod bearing	12pair	312,000
8	Main Bearing	07pair	350,000
9	Cylinder head gasket kit	12pcs	300,000
10	Seal Valve exhaust green	48pcs	28,800
11	Seal Valve inlet black	48pcs	28,800
12	Service Charge	-	250,000
13	Engine lifting charge	-	100,000
Total			4,319,600

B. Oil-Free Air Compressor (Brand New)

Sl. No	Name of Supplier	Country of origin	Description	Model	Qty (pcs)	Unit price in USD	Total in USD	Ex. Rate	Total Amount In BDT
1	Atlas Copco	China	Atlas Copco Oil free Centrifugal Type Air compressor (water cooled)	ZH 450-9.5BAR	2	190,000	380,000	84.34	32,049,200
2		Germany	Spares for 7,000 hours normal operation		2	-	-		
3			Sea Freight (Estimated)			1	6,000	6,000	
Total Cost of Machinery									32,555,240
Installation & Other Cost:									
L/C Commission & Other Charges, Insurance, Other Customs Related Charges, C& F Commission & Other Charges									3,476,984
Civil Works, Electrical Works, Labor Charge, Expertise Charges, Loading Unloading Changes & Contingent Cost									2,048,426
Total Installation & Other Cost (C)									5,525,410
Total Cost of Machinery with Installation cost (A+B+C)									42,400,250

- (x) In case the machinery yet to be delivered, the date of quotations relied upon for the cost estimates given shall also be mentioned:

There is no such machinery which is yet to be delivered.

- (xi) If plant is purchased in brand new condition then it should be mentioned:

All the assets are in good condition and no re-conditioned or second-hand Assets or Machinery are used by the company.

DECLARATION RELATED TO MACHINERY BEING BRAND NEW OF ASSOCIATED OXYGEN LIMITED

We do hereby declare that all of the Plants and machinery Associated Oxygen Limited at a Total Cost of **Tk. 998,754,039/-** which Written down Value is **Tk. 838,007,324/-** as of **30th June, 2019** was purchased in Brand new condition from the date of inception. There are no Reconditioned or Second-hand Machinery installed in the Company.

Place: Dhaka
Date: 12.10.2019

Sd/-
Shiraz Khan Basak & Co.
Chartered Accountants

- (xii) Details of the second hand or reconditioned machinery bought or proposed to be bought, if any, including the age of the machinery, balance estimated useful life, etc. as per PSI certificates of the said machinery as submitted to the Commission:

The Company neither purchased any second hand or reconditioned machinery nor any plan to purchase in the future.

- (xiii) A physical verification report by the Issue Manager(s) regarding the properties as submitted to the Commission:

PHYSICAL VERIFICATION REPORT (BY THE ISSUE MANAGER) OF ASSOCIATED OXYGEN LIMITED Visiting Report Dated: 23.02.2019

PARTICULARS	
Name of Company	Associated Oxygen Limited
Corporate Office	BCIC Sadan (1 st Floor) 26, Agrabad, C/A Chattagram.
Factory Office	123 Fouzderhat, Station South Vhatiary, Khadimpara, Sitakund, Ctg
Visited by The Officials of BD Finance Capital Holding Limited	1. Barun Prasad Paul, Managing Director & CEO (CC) 2. Md. Sohag Rana, Executive Officer
Accompanied by The Officials of AOL	1. Md. Fahim Chowdhury, Director 2. Md. Faysal Hossain, Internal Auditor
Purpose of Visit	The company signed an issue management agreement on 30 January, 2019 with BD Finance Capital Holdings Limited for public issue of shares through an initial public offering (IPO). In this respect, the management of BD Finance Capital Holdings Limited visited the plant as a part of due diligence of Issue manager on 20 February, 2019 in order to get the operational status of the company before the public issue of shares.

PARTICULARS	
Project Brief	
Project Type	Manufacturing and supply of industrial and medical gases, welding products and equipment and ancillary equipment.
Project Location	123 Fouzderhat, Station South Vhatiary, Khadimpara, Sitakund, Ctg
Project Nature	The company's principal activities are manufacturing and supplying of industrial gases, welding products and equipment and ancillary equipment.
Plant and Machinery	Different types of plant and machinery from both local and foreign origin.
Management Team	1. Md. Nizam Uddin Chowdhury - Chairman 2. Mrs. Ismat Jahan - Managing Director 3. Md. Azmain Mahatab Chowdhury- Director 4. Md. Fahim Chowdhury- Director 5. Mr. Ahmed Saheen Alrazi- Independent Director 6. Md. Delower Hossain- Chief Financial Officer
Worker	Number of officers and workers present during the visit time was about 284 workers found working in the factory.
Factory production	
During visit time, the production of the factory was running. The products are oxygen and nitrogen both in formatting liquid gaseous.	

DESCRIPTION OF PROPERTY:

We have identified the properties of Associated Oxygen Limited are as follows:

- a) **Land:** We have found about 112 decimals of land surrounded by Boundary wall and well secured for Factory Building.

Details of the statuses of the building are discussed below:

b) Factory Building & Other Constructions:

Particulars		Total Building Area (Sqft)	Usage (sqft)	WDV as on 30.06.2019	Status of Use
Corporate Office (Rented)	RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC- Slab with Beam, RCC-Stair, RCC-Lintel, Brick Wall, Plaster, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat Thai Aluminum & 5mm Glass in the window, Glass Door, CI Sheet Door, Wooden Door, M.S Grill in Window.	3,500	3,500		In Good Condition
Factory Area					
Cooling Water Tank	RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC- Slab with Beam, RCC-Stair, RCC-Lintel, Brick Wall, Plaster, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat, Steel Structure	1,960	1,960		In Good Condition
Air Compressor Room	Brick Wall Plaster, Wall Paint, Inside wall, Plastic Paint, Outside Wall- Weather Coat, Thai Aluminum & 5mm Glass in window	1,000	1,000		
Sub Station Room	Thai Aluminum & 5mm Glass in window	1,000	1,000		
Factory Shed	RCC-Grade Beam, RCC-Floor Slab, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat, Profile Sheet and Steel Structure	19,160	19,160		
Cooling Tower	RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC- Slab with Beam, RCC-Stair, RCC-Lintel, Brick Wall, Plaster, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat, Steel Structure	580	580		
Generator Room	Brick Wall Plaster, Wall Paint, Inside wall, Plastic Paint, Outside Wall- Weather Coat, Thai Aluminum & 5mm Glass in window	840	840		
Power Plant	Brick Wall Plaster, Wall Paint, Inside wall, Plastic Paint, Outside Wall- Weather Coat, Thai Aluminum & 5mm Glass in window	670	670		
Office Building (3 Storied) Office & Admin Building	RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC- Slab with Beam, RCC-Stair, RCC-Lintel, Brick Wall, Plaster, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat Thai Aluminum & 5mm Glass in the window, Industrial Door, M.S Grill in Window.	3,780	3,780		

Particulars		Total Building Area (Sqft)	Usage (sqft)	WDV as on 30.06.2019	Status of Use
Utility Controlling Room	Brick Wall Plaster, Wall Paint, Inside wall, Plastic Paint, Outside Wall- Weather Coat, M.S Rod in the window with RCC Roof	150	150		
Guard Room		70	70		
Workshop	RCC-Grade Beam, RCC-Floor Slab, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat, Profile Sheet and Steel Structure	840	840		
Testing Unit		840	840		
Filling Zone		6,070	6,070		
Loading & Unloading Space	Heavy weight absorber RCC-Floor Slab	4,190	4,190		
Godown	RCC-Grade Beam, RCC-Floor Slab, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat, Profile Sheet and Steel Structure	3,120	3,120		
Boundary Wall	RCC- Grade Beam, RCC- Pillar, Brick Wall with Plaster 5" & 8', Iron structure on the top 2'	860 rft	860 rft		
Internal Drainage System	RCC Floor, 10" Brickwork with Plaster with RCC Slab	290 rft	290 rft		
Main Gate	RCC- Pillar & Heavy weight CI Sheet	180	180	322,582,977	
		44,450	44,450		

The company has sufficient space to accommodate the new machineries as per IPO proceeds.

- c) **Plant & Machineries:** All the machineries used for production are purchased in brand new condition. The machineries are running well and maintained properly. A list below to show the list of machineries which we are found at the date of Physical verification:

SL	Particulars	No of Set
1.	6.00 3M Oxygen Bottle	4,210
2.	9.8 Oxygen Bottle	9,612
3.	ACB Ampere	4
4.	Air Booster Compressor	4
5.	Air Compressor with Spare parts	10
6.	Air Filter with accessories	8
7.	Air Pre-Cooling System	8
8.	Air Separation Plant	8
9.	Air/Vacuum pumps compressor	4
10.	Bearing, Ball, Buffer Disk, Buffer Spring, Cam Ring, Chock Ring, Complete Box, Control Warning, Spare Parts, Guide Valve, Pump, Roller & Loose Tools	2,995
11.	Circle Meter	10
12.	Compressed Air Filter Complete Set	3
13.	Cylinder Pressure Test machine	7
14.	Fork Lift	3
15.	Heat Exchanger with Accessories	2
16.	Heavy Duty Oxygen Cylinder Rack	2
17.	Lanier Blat Bosch Germany	4
18.	LET Panel Box	8
19.	Molecular Purification System	2
20.	O/V 1.25 " (Pakistan) with Accessories	8
21.	Oil Filter	52
22.	Oil Separator	48
23.	Oxygen Plants w/Spare parts	8
24.	Rectification Column with Compressor	8
25.	Screw Type Air Compressor	2
26.	Separator Elements	43
27.	Shaft Seal Sleeve Wear	4
28.	Valve Washer	5
29.	Volt Meter	12
30.	Volt Selector	15
31.	Water Reserve Tank-10,870 SFT	15,170 sqft

d) Furniture & Fixtures are found as follows:

Sl No.	Particulars	Qty
1	Sofa Set	12
2	Big Size Table	7
3	Round Conference Table	3
4	Executive Table	190
5	File Cabinet	40
6	Office Almira	24
7	Office Side Rack	8
8	Steel Almira	12

e) Office Equipment found as follows:

Sl No.	Particulars	Qty
1	Desktop Computer	25
2	Laptop	7
3	Printer	5
4	Scanner	5
5	Photocopy	2
6	Server	2
7	Server Rack	2
8	Power Supply	25
9	Router	4
10	Online UPS	2
11	Digital Camera	2

f) Fire Fighting Equipment found as follows:

Sl No.	Particulars	Qty
1	ABC Dry Powder Type	308
2	Drill Machine (Big)	2
3	Emergency Light	10
4	Fair Jacket	10
5	Fire Alarm	25
6	Fire Apron	150
7	Fire Blanket	150
8	Fire Brigade Connection	2
9	Fire Bucket	80
10	Fire Door	5
11	Gumboot (Pairs)	12
12	Hose Pipe with all fittings	112
13	Ladder (Big)	2
14	Lock Cutter	20
15	Oxygen Musk	20
16	Safety Helmet	200
17	Smock Detector	75
18	Torch Light	5
19	Belcha	50

Inside the factory

All Civil Construction of the factory has already been completed and the factory was in full operation during our visit except Capital Work in Process for BMRE & Office Building. The total project area is surrounded by a brick wall. Sufficient land space available within the factory for loading unloading & workers assemble. The project is connected to the national grid line of REB.

Physical Existence of Plant & Machinery, Office Equipment, Furniture & Fixtures, Inventories and Manpower Strength:

During the course of visit following plant & machinery, Office Equipment, furniture & fixtures were physically found:

Particulars of Plant & Machineries, Office Equipment's, Furniture & Fixtures, Inventory:

The factory of the Company is equipped with brand-new modern machinery imported from China, India & USA along with locally procured machinery to maintain Standard quality of products of the company. During our visit we found that all machinery was in the factory premises and were in good operational condition. The Office Building & Corporate office building of the Company is equipped with modern Office Equipment along with standard Furniture & Fixtures to maintain smooth administrative work. During our visit, we found that all the machinery were on the factory premises and were in good operational condition. We also find an Inventory register on Factory Premises.

Working Environment:

During our visit to the plant, we found that all workers were engaged in their scheduled work. We communicated some of the workers about the working environment of the factory. They expressed their satisfaction with the entire environment of the factory. Again, we found that there are sufficient facilities of sanitation, open space, corridor, and fire exit, Mini Canteen, Air ventilation system, safe drink water supply for workers, residence facilities for the comfortable workplace of the workers. Meanwhile, Plantations for keeping the factory as a green environment and a sufficient number of trained security guard for maximum security of the project.

Other Assets:

Other assets are including vehicles, furniture, office equipment, generator, Transformer are found in good condition.

Signboard:

The signboard of the company is well displayed at the registered office and factory premises and there is no other office-factory within the said factory premises & corporate office building.

Comments:

The Plant is in production and running efficiently.

For the Issue Manager

Sd/-

Barun Prasad Paul

Managing Director & CEO (CC)

BD Finance Capital Holdings Ltd.

- (xiv) If the issuer is entitled to any intellectual property right or intangible asset, full description of the property, whether the same is legally held by the issuer and whether all formalities in this regard have been complied with:

There is no intellectual property right or intangible assets of Associated Oxygen Limited.

- (xv) Full description of other properties of the issuer:

AOL has the following Other Properties as on 30 June, 2019:

Particulars	Amounts in Taka	
	Cost	Written Down Value
Electrical Installation	48,438,894	33,064,154
Office Equipment	19,893,807	14,146,099
Gas Line Installation	54,049,838	36,878,792
Furniture & Fixture	20,244,592	14,936,777
Computer & Computer Accessories	10,490,912	7,211,322
Generator & Motors	43,274,515	33,815,885
Vehicle	12,247,694	9,695,966
Fire Extinguisher	26264,085	18,034,162
Total	234,904,337	167,783,157

(f) Plan of operation and discussion of financial condition

- (i) If the issuer has not started its commercial operation, the company's plan of operations for the period which would be required to start commercial operation which shall, among others, include: -
- Projected financial statements up to the year of commercial operation;
 - Rationale behind the projection;
 - Any expected significant changes in the issuer's policy or business strategies;
 - Detail plan of capital investment with a break-up;
 - Summary of feasibility report, etc.

This section is not applicable to the issuer because the issuer (Associated Oxygen Limited) started its commercial operation on December 01, 1992.

- (ii) If the issuer had been in operation, the issuer's revenue and results from operations, financial position and changes in financial position and cash flows for the last five years or from commercial operation, which is shorter, shall be furnished in tabular form which shall, among others, include the following information:

Revenue and Results from Operation:

Particulars	Amounts In Taka				
	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15
Non-Current Assets	1,393,758,011	1,009,472,256	754,524,632	663,481,178	569,980,467
Current Assets	208,413,348	138,752,401	97,116,823	79,216,487	65,135,321

Particulars	Amounts In Taka				
	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15
Shareholder's Equity	1,389,860,666	580,404,145	431,257,244	345,258,344	277,054,151
Non-Current Liabilities	154,093,793	503,236,616	354,542,399	341,707,068	313,597,186
Current Liabilities	58,216,900	64,583,897	65,841,812	55,732,253	44,464,452
Revenue	401,057,043	311,420,858	268,929,929	225,626,092	193,158,289
Gross Profit	251,187,590	183,629,203	158,659,713	133,470,908	114,037,196
Non-Operating Income	70,064	39,888	48,358	38,254	66,887
Net Profit Before Tax	170,258,005	126,532,048	107,882,190	88,526,952	72,890,495
Total Comprehensive Income	109,401,901	107,498,441	85,998,900	68,204,194	59,912,626
Earnings Per Share (EPS) Basic	1.51	3.26	2.81	2.23	1.96
Earnings Per Share (EPS) Diluted	1.37	1.34	1.07	0.85	0.75

*** Diluted EPS are calculated with the Outstanding Share as on 30 June, 2019 i.e. 80,000,000 Shares.*

Statement of Financial Position:

Particulars	Amount In Taka				
	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15
ASSETS					
Non-Current Assets	1,393,758,011	1,009,472,256	754,524,632	663,481,178	569,980,467
Property, Plant & Equipment	1,393,758,011	976,529,839	753,583,632	662,540,178	569,039,467
Capital Work in Process	-	32,942,417	941,000	941,000	941,000
Current Assets	208,413,348	138,752,401	97,116,823	79,216,487	65,135,321
Inventories	46,143,408	30,591,046	25,142,584	19,658,556	17,557,857
Trade and Other Receivables	146,643,461	75,350,607	47,000,578	43,683,937	39,426,787
Advance, Deposits and Prepayments	14,695,560	31,908,077	24,453,105	15,290,389	7,760,753
Cash and Cash Equivalents	930,920	902,670	520,556	583,605	389,925
Total Assets	1,602,171,359	1,148,224,657	851,641,455	742,697,665	635,115,788
SHAREHOLDERS EQUITY AND LIABILITIES					
Shareholders' Equity	1,389,860,666	969,001,235	679,032,793	593,033,894	524,829,701
Share Capital	800,000,000	99,945,380	1,200,000	1,200,000	1,200,000
Retained Earnings	589,860,666	480,458,765	430,057,244	344,058,344	275,854,151
Share Money Deposit	-	388,597,090	247,775,550	247,775,550	247,775,550
Non-Current Liabilities	154,093,793	114,639,526	106,766,849	93,931,518	65,821,636
Long Term Loan(Non-Current portion)	20,786,852	27,288,486	29,957,292	30,937,353	16,381,446
Deferred Tax Liabilities	133,306,941	87,351,040	76,809,557	62,994,165	49,440,190
Current Liabilities	58,216,900	64,583,897	65,841,812	55,732,253	44,464,452
Trade and Other Payables	14,641,178	13,577,167	15,023,542	12,501,245	10,731,750
Long term Loan(Current Portion)	20,256,000	20,256,000	27,312,000	28,640,000	27,312,000
Liabilities for expenses	23,319,722	30,750,730	23,506,271	14,591,008	6,420,702
Total Shareholders' Equity & Liabilities	1,602,171,359	1,148,224,657	851,641,455	742,697,665	635,115,788
Net Assets Value (NAV) Basic	17.37	58.07	3,593.81	2,877.15	2,308.78

Statement of Changes in Financial Position:

Particulars	Share Capital	Retained Earnings	Total Equity
As at June 30, 2019	800,000,000	589,860,666	1,389,860,666
As at June 30, 2018	99,945,380	480,458,765	580,404,145
As at June 30, 2017	1,200,000	430,057,244	431,257,244
As at June 30, 2016	1,200,000	344,058,344	345,258,344
As at June 30, 2015	1,200,000	275,854,151	277,054,151

Statement of Cash Flows:

Particulars	Amount in Taka				
	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15
A. Cash Flows from Operating Activities:					
Received from Customers	329,764,189	283,070,829	265,613,287	221,368,942	182,317,112
Received from Other Income	103,644	63,738	48,358	38,254	66,884
Paid to Suppliers and Others	(96,311,505)	(87,762,265)	(70,592,163)	(56,880,221)	(48,252,997)
Paid to Employees	(26,937,127)	(20,958,236)	(19,058,793)	(16,780,979)	(14,534,792)
Paid for Operating Expenses	(20,965,808)	(22,625,035)	(20,095,288)	(17,706,343)	(17,932,126)
Income Tax Paid	(14,064,898)	(8,492,125)	(8,067,898)	(6,768,783)	(1,931,583)
Net Cash Generated from Operating Activities	171,588,495	143,296,907	147,847,504	123,270,870	99,732,498
B. Cash Flows from Investing Activities:					
Acquisition of Property, Plant and Equipment	(271,050,023)	(298,678,536)	(139,081,071)	(132,975,074)	(100,337,251)
Proceed from sale of Fixed Assets	5,190,475	21,762,158	-	-	-
Increase/Decrease in Capital work in Process	(200,902,415)	(32,001,417)	-	-	-
Net Cash Used to Investing Activities	(466,761,963)	(308,917,795)	(139,081,071)	(132,975,074)	(100,337,251)
C. Cash Flows from Financing Activities:					
Paid for financial Expenses	(9,754,178)	(6,742,192)	(6,521,420)	(5,986,022)	(5,994,907)

Particulars	Amount in Taka				
	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15
Long-term Loan received/(Repaid)	(6,501,634)	(9,724,806)	(2,308,061)	15,883,907	3,475,771
Receive Share Money deposit	311,457,530	182,470,000	-	-	3,208,560
Net Cash Generated from Financing Activities	295,201,718	166,003,003	(8,829,481)	9,897,885	689,424
D. Net Changes in Cash and Cash Equivalents for the year (A+B+C)	28,250	382,114	(63,049)	193,681	84,671
E. Cash and Cash Equivalents at the beginning of the year	902,670	520,556	583,606	389,925	305,255
F. Cash and Cash Equivalents at the end of the year (D+E)	930,920	902,670	520,556	583,606	389,925
NET OPERATING CASH FLOWS PER SHARE (NOCFPS)-Basic	2.37	4.34	4.83	4.03	3.27
NET OPERATING CASH FLOWS PER SHARE (NOCFPS)-Diluted	2.14	1.79	1.85	1.54	1.25

** Diluted NOCFPS are calculated with the Outstanding Share as on 30th June, 2019 i.e. 80,000,000 Shares.

a) Internal and external sources of cash:

Particulars	Amounts In Taka				
	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15
Internal Sources of Cash:					
Paid up Capital	800,000,000	99,945,380	1,200,000	1,200,000	1,200,000
Retained Earnings	589,860,666	480,458,765	430,057,244	344,058,344	275,854,151
Sub-Total	1,389,860,666	580,404,145	431,257,244	345,258,344	277,054,151
External Sources of Cash:					
Share Money Deposit	-	388,597,090	247,775,550	247,775,550	247,775,550
Long Term Loan	41,042,852	47,544,486	57,269,291	59,577,353	43,693,446
Sub-Total	41,042,852	436,141,576	305,044,841	307,352,903	291,468,996
Grand Total	1,430,903,518	1,016,545,721	736,302,085	652,611,247	568,523,147

b) Any material commitments for capital expenditure and expected sources of funds for such expenditure;

The Company has not entered into any material commitments for capital expenditure. However, The Company has a plan to enter the required material commitment for capital expenditure to use of net IPO proceeds as mentioned in 'Use of Proceeds' under section xxii of this prospectus.

c) Causes for any material changes from period to period in revenues, cost of goods sold, other operating expenses and net income:

Associated Oxygen Limited
Statement of Profit or Loss & Other Comprehensive Income (5 Year)

Particulars	Amount in Taka				
	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15
Revenue	401,057,043	311,420,858	268,929,929	225,626,092	193,158,289
Less: Cost of goods sold	(149,869,453)	(127,791,655)	(110,270,216)	(92,155,184)	(79,121,093)
Gross Profit	251,187,590	183,629,203	158,659,713	133,470,908	114,037,196
Operating expenses	(62,732,571)	(50,394,851)	(44,304,462)	(38,996,188)	(35,218,681)
Administrative Expense	(32,595,788)	(26,992,944)	(22,884,241)	(20,686,765)	(18,606,686)
Selling & Distribution Expense	(30,136,783)	(23,401,906)	(21,420,221)	(18,309,423)	(16,611,995)
Profit from Operation	188,455,019	133,234,352	114,355,252	94,474,720	78,818,514
Financial Expenses	(9,754,178)	(6,742,192)	(6,521,420)	(5,986,022)	(5,994,907)
Other non-operating Income	70,064	39,888	48,358	38,254	66,887
Profit before tax & WPPF	178,770,905	126,532,048	107,882,190	88,526,952	72,890,495
Less: Provision for WPPF	(8,512,900)	-	-	-	-
Profit before Income Tax	170,258,005	126,532,048	107,882,190	88,526,952	72,890,495
Provision for Income Tax	(60,856,103)	(19,033,608)	(21,883,290)	(20,322,758)	(12,977,869)
Current Tax	(14,900,202)	(8,492,125)	(8,067,898)	(6,768,783)	(1,931,583)
Deferred Tax	(45,955,901)	(10,541,483)	(13,815,392)	(13,553,975)	(11,046,286)
Profit after tax the period	109,401,901	107,498,441	85,998,900	68,204,193	59,912,626
Total Comprehensive Income for the year	109,401,901	107,498,441	85,998,900	68,204,193	59,912,626
Earnings Per Share (EPS) Basic	1.51	3.26	2.81	2.23	1.96
Earnings Per Share (EPS) Diluted	1.37	1.34	1.07	0.85	0.75

Causes for changes in the year to year changes in Revenue (%)

Revenue has been changed over the period due to changes in business volume in related with increase production capacity

Causes for changes from year to year of Cost of Goods Sold

Cost of Goods Sold changes over the period due to changes in salary & Cost of Goods Sold.

Causes for changes from year to year of other Operating Expenses

Operating expenses changes due to changes in Selling expense and admin Expenses.

Causes for changes from year to year of Net Income

Net profit after tax changes due to an increase in Revenue and Gross Profit.

d) Any seasonal aspects of the issuer's business:

There is no significant seasonal aspect of the Company's business.

e) Any known trends, events or uncertainties that may have a material effect on the issuer's future business;

There are no known trends, events or uncertainties that may affect the future business of the Company except the following:

1. Technological changes
2. Changes in government policy
3. Political unrest
4. Natural calamities

f) Any assets of the company used to pay off any liabilities:

None of the operating assets of the company has been used to pay off any liabilities of the company.

g) Any loan is taken from or given to any related party or connected person of the issuer with details of the same:

The company did not take any loan from or given to any related party or connected person of the issuer.

h) Any future contractual liabilities the issuer may enter into within next one year, and the impact, if any, on the financial fundamentals of the issuer:

The Company has no plan to enter into any future contractual liability within the next year except the normal course of business and in relation to the use of proceeds.

i) The estimated amount, where applicable, of future capital expenditure:

The Company does not have any plan for capital expenditure in the near future other than disclosed in **Section xxii** under the head of 'Use of Proceeds' and the normal course of business.

j) Any VAT, income tax, customs duty or other tax liability which is yet to be paid, including any contingent liabilities stating why the same was not paid prior to the issuance of the prospectus. Updated income tax status for the last 5 years or from commercial operation, which is shorter;

VAT

There is no VAT Liability of the Company as on 30th June, 2019.

INCOME TAX:

AOL is regular to submit the Income Tax Return to the authority. Assessment is completed up to Assessment year 2018-2019. A table below to show the Income Tax Status of the Company:

Year-wise income tax status of the company is provided below:

Income Year	Assessment Year	Profit Before Tax	Income Tax Liability	Status
2018-2019	2019-2020	170,258,005	60,856,103	Return will be submitted within due time
2017-2018	2018-2019	126,532,048	19,033,608	
2016-2017	2017-2018	107,882,190	21,883,290	
2015-2016	2016-2017	88,526,952	20,322,758	
2014-2015	2015-2016	72,890,495	12,977,869	

CUSTOMS DUTY:

There is no such liability outstanding for the company as of 30th June, 2019.

OTHER TAX LIABILITY:

There is no other Tax liability as on 30th June, 2019.

k) Any financial commitment, including lease commitment, the company had entered into during the past five years or from commercial operation, which is shorter, giving details as to how the liquidation was or is to be affected;

There is no Such Commitment by the Company.

l) Details of all personnel-related schemes for which the company has to make provision for in future years:

The Company considers its human resources as the most valuable assets of the Company and has been continuing to train, equip and groom its employees for building a strong foundation. In order to enhance and advance the professional ability and knowledge of the employees, regular training programs are conducted. The Company has a well-designed compensation plan and is offering two festival bonuses and leave encashment facility. There are several benefits for the employee of Associated Oxygen Limited Like:

- ✓ Attractive Salary & wages with two Festival Bonus
- ✓ Maternity Leave, Sick Leave & Casual Leave
- ✓ Medical care & WPPF Fund
- ✓ Group Insurance

Associated Oxygen Limited has an attractive Salaries & Wages structure along with two festival bonuses are introduced for personal satisfaction over the company job for employees. Besides this there are maternity leave, sick leave, casual leave and medical care & WPPF facility. There are also benefits on natural death, the accidental death benefit (ADB), permanent total disability (PTT) and permanent partial disability (PPD) under the donation activities & corporate social responsibilities of the companies.

m) Breakdown of all expenses related to the public issue;

The following amount, to be paid to the Issue Manager, Underwriters and other costs are as follows:

Sl. No	Particulars	Nature of Expenditure	Amount in Tk. (approx.)
Issue Management Fees			2,300,000
1	Manager to the Issue Fee	2% on the public offer amount (Maximum)	2,000,000
2	VAT against Issue Management Fees	@ 15% on Issue Management Fees	300,000
Regulatory Expenses			
BSEC Fees			650,000
3	Application Fee	Fixed	50,000
4	BSEC Consent Fee	Fee @ 0.40% on the public offering amount	600,000
Listing Related Expenses			4,500,000
5	Draft Prospectus Scrutiny Fees for DSE & CSE	Tk. 50,000 for each exchange	100,000
6	Listing Fee for Stock Exchanges (DSE & CSE)	0.25% on Tk. 10 crore of paid-up capital and 0.15% on the rest amount of paid-up capital; minimum Tk. 50,000 and Maximum Tk. 10 million for each exchange	3,050,000
7	Annual Fee for Stock Exchanges (DSE & CSE)	@ 0.05% on Tk. 100 Crore of paid-up capital and 0.02% on the rest amount of paid-up capital; minimum Tk. 50,000 and Maximum Tk. 6 lacs for each exchange	950,000
8	Electronic Bidding Fee	Fixed	400,000
IPO Related Expenses			462,500
9	Underwriting Commission	Commission @ 0.50% on underwritten amount	262,500
10	Auditors' Certification Fees & Others	At Actual	200,000
CDBL Fees and Expenses			751,000
11	Security Deposit	At Actual	500,000
12	Documentation Fee	At Actual	2,500
13	Annual Fee	At Actual	100,000
14	Connection Fee	At Actual	6,000
15	Initial Public Offer Fees	@0.015% of issue size+0.015% of Pre- IPO paid up capital	142,500
Other Expenses			825,000
16	Notice in 4 daily newspaper	Estimated (to be paid at actual)	650,000
17	Courier Expenses	Estimated (to be paid at actual)	175,000
Post Public Offer Expenses			9,955,000
18	Publication of Prospectus	Estimated (to be paid at actual)	750,000
19	Publication of Abridge Version of Prospectus in Newspaper	Estimated (to be paid at actual)	350,000
20	Lottery Conducting Expenses & BUET Fee	Estimated (to be paid at actual)	850,000
21	Collection of Forms, Data Processing and Share Software Charge	Estimated (to be paid at actual)	7,800,000
22	Stationeries and other expenses	Estimated (to be paid at actual)	205,000
Total			19,443,500

N.B: Actual Cost will vary if the above-mentioned estimates differ and will be adjusted accordingly.

- n) If the issuer has revalued any of its assets, the name, qualification and experiences of the value and the reason for the revaluation, showing the value of the assets prior to the revaluation separately for each asset revalued in a manner which shall facilitate comparison between the historical value and the amount after revaluation and giving a summary of the valuation report along with basis of pricing and certificates required under the revaluation guideline of the Commission:

Associated Oxygen Limited has not revalued any of its assets up to 30th June, 2019.

- o) Where the issuer is a holding/ subsidiary company, full disclosure about the transactions, including its nature and amount, between the issuer and its subsidiary/ holding company, including transactions which had taken place within the last five years of the issuance of the prospectus or since the date of incorporation of the issuer, whichever is later, clearly indicating whether the issuer is a debtor or a creditor;

Associated Oxygen Limited has no subsidiary nor it is operated under a holding company nor does it have an associate company. Hence, no transaction has taken place.

- p) Financial Information of Group Companies; the following information for the last three years base on the audited financial statement, in respect of all the group companies of the issuer, wherever applicable, along with significant notes of auditors:

The Company has no subsidiary/holding company or associate company. Therefore, no transaction has taken place.

- q) Where the issuer is a banking company, insurance company, non-banking financial institution or any other company which is regulated and licensed by another primary regulator, a declaration by the board of directors shall be included in the prospectus stating that all requirements of the relevant laws and regulatory requirements of its primary regulator have been adhered to by the issuer;

The issuer Company is not a banking company, insurance company, non-banking financial institution or any other company which is regulated and licensed by another primary regulator for this reason this subsection is not applicable for the Issuer.

- r) A report from the auditors regarding any allotment of shares to any person for any consideration otherwise than cash along with the relationship of that person with the issuer and rationale of the issue price of the shares:


**CERTIFICATION REGARDING ANY ALLOTMENT OF SHARES TO ANY PERSON
FOR ANY CONSIDERATION OTHERWISE THAN CASH ALONG WITH
RELATIONSHIP OF THAT PERSON WITH THE ISSUER**

This is to clarify that, **Associated Oxygen Limited** has not allotted any Shares other than Cash except issuance of a Bonus Share as on **31st December, 2017** for **5,709,692 Shares @ Tk. 10** each to the existing Shareholders. A table is given below regarding the allotment of shares to any person for any consideration otherwise than cash along with the relationship of that person with the issuer and rationale of the issue price of the shares:

SL. No.	Date of Issue	Name of the Shareholders	Relation with the issuer	No of Share (\$)	Face Value	Value
1	31/12/2017	Md. Nizam Uddin Chowdhury	Chairman	264,400	10	2,644,000
2	31/12/2017	Mrs. Ismat Jahan	Managing Director	516,216	10	5,162,160
3	31/12/2017	Azmine Mahatab Chowdhury	Director	140,000	10	1,400,000
4	31/12/2017	Fahim Chowdhury	Director	164,800	10	1,648,000
5	31/12/2017	Mr. Kamrul Islam	Shareholder	58,200	10	582,000
6	31/12/2017	Syed Md. Monzur Hossain	Shareholder	53,642	10	536,420
7	31/12/2017	MAS Ship Recycling Industries	Shareholder	43,000	10	430,000
8	31/12/2017	Ayesha Akhter	Shareholder	135,100	10	1,351,000
9	31/12/2017	Md. Matiur Rahman	Shareholder	90,000	10	900,000
10	31/12/2017	Hasan Yousuf Chowdhury	Shareholder	170,000	10	1,700,000
11	31/12/2017	Sharmin Chowdhury	Shareholder	60,000	10	600,000
12	31/12/2017	Mr. Minhazul Hasan	Shareholder	200,000	10	2,000,000
13	31/12/2017	Syfuiddin Ahmed	Shareholder	39,584	10	395,840
14	31/12/2017	Nadira Akter	Shareholder	424,722	10	4,247,220
15	31/12/2017	M/S. Tulip Steel	Shareholder	24,000	10	240,000
16	31/12/2017	Md. Bazlur Rahman	Shareholder	150,000	10	1,500,000
17	31/12/2017	BMSL Investment Limited	Shareholder	43,456	10	434,560
18	31/12/2017	Ahmed Tawfikur Rahman Arnab	Shareholder	60,000	10	600,000
19	31/12/2017	Irfanur Hossain Chowdhury	Shareholder	40,000	10	400,000
20	31/12/2017	Mrs. Shamim Akter	Shareholder	188,104	10	1,881,040

SL. No.	Date of Issue	Name of the Shareholders	Relation with the issuer	No of Share (S)	Face Value	Value
21	31/12/2017	Salek Mohammad Nasir	Shareholder	70,000	10	700,000
22	31/12/2017	Md. Sarwar Hossain	Shareholder	76,698	10	766,980
23	31/12/2017	Md. Shohrab Hossain	Shareholder	163,120	10	1,631,200
24	31/12/2017	Kazi Tareq Shams	Shareholder	60,000	10	600,000
25	31/12/2017	Md. Asaduzzaman Mia	Shareholder	44,000	10	440,000
26	31/12/2017	Md. Mizanur Rahman	Shareholder	33,806	10	338,060
27	31/12/2017	Farjana Rahman Epshita	Shareholder	60,000	10	600,000
28	31/12/2017	A & A Shipyard Limited	Shareholder	87,600	10	876,000
29	31/12/2017	Kamruddin Ahmed Chowdhury	Shareholder	45,900	10	459,000
30	31/12/2017	Md. Saidul Hossain	Shareholder	56,000	10	560,000
31	31/12/2017	Mehreen Ship Re-Cycling	Shareholder	40,180	10	401,800
32	31/12/2017	Kamal Hossain Mia	Shareholder	10,000	10	100,000
33	31/12/2017	Md. Mofizur Rahman	Shareholder	40,000	10	400,000
34	31/12/2017	Md. Ruhul Azad	Shareholder	445,956	10	4,459,560
35	31/12/2017	Md. Foysol Alam	Shareholder	7,000	10	70,000
36	31/12/2017	Md. Farid Ahmed	Shareholder	492,162	10	4,921,620
37	31/12/2017	Abaci Investments Limited (MDA)	Shareholder	40,000	10	400,000
38	31/12/2017	Mr. Tasbirul Hasan	Shareholder	249,892	10	2,498,920
39	31/12/2017	Omni Shipping Limited	Shareholder	76,100	10	761,000
40	31/12/2017	Laila Kaniz	Shareholder	40,000	10	400,000
41	31/12/2017	Global Max Packaging Industries Ltd.	Shareholder	40,000	10	400,000
42	31/12/2017	Md. Mahim Uddin Chowdhury	Shareholder	185,040	10	1,850,400
43	31/12/2017	Md. Shahrar Hossain Chowdhury	Shareholder	149,760	10	1,497,600
44	31/12/2017	Md. Mahbubur Rahman	Shareholder	291,254	10	2,912,540
45	31/12/2017	A & A Logistics Limited	Shareholder	40,000	10	400,000
Total				5,709,692		57,096,920

Place: Dhaka
Dated: 12.10.2019


Shiraz Khan Basak & Co.
Chartered Accountants

- s) **Any material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public:**

There is no material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public.

- t) **Business strategies and future plans - projected financial statements shall be required only for companies not started commercial operation yet and authenticated by Chairman, two Directors, Managing Director, CFO, and company secretary;**

Business Strategies of AOL is as follows:

Introduce new and cutting-edge products and technology which contributes to building a long-lasting and sustainable relationship with businesses and consumers.

- To focus on developing markets that offer us growth opportunities;
- Build a sustainable, long-lasting and fruitful business relationship with our investors.
- To invest in exceptional people and high-quality, low-cost operations;
- To passionate about performance, reliability and sustainability;
- To work with the customers, value them and involve efforts to meet their needs.
- To recruit, retain, develop, and motivate the best personnel and utilizing their full potential to add the value in operation.
- To maintain a disciplined approach to capital allocation and maintain the focus on fund generation efficiently and effectively as to the success of its strategy.

Future Plan

In persuasion of aforesaid Strategies AOL and its experienced team have been working insistently keeping in consideration future as well. AOL has a plan for Acquisition of Machineries, Constriction of Store Shed, Repayment of Bank loan (Basic Bank Ltd) and using IPO Proceeds. However, Associated Oxygen Ltd. was started commercial operation on 01 December 1992.

u) Discussion on the results of operations shall inter-alia contain the following:

1. A summary of the past financial results after adjustments as given in the auditor's report containing significant items of income and expenditure;

There was no significant adjustment given in the auditors' report during the last financial year. Summary of the financial results and operations are presented below:

Particulars	Amounts in Taka				
	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15
Revenue	401,057,043	311,420,858	268,929,929	225,626,092	193,158,289
Gross Profit	251,187,590	183,629,203	158,659,713	133,470,908	114,037,196
Non-Operating Income	70,064	39,888	48,358	38,254	66,887
Net Profit Before Tax	170,258,005	126,532,048	107,882,190	88,526,952	72,890,495
Total Comprehensive Income	109,401,901	107,498,441	85,998,900	68,204,194	59,912,626
Earnings Per Share (EPS) Basic	1.51	3.26	2.81	2.23	1.96
Earnings Per Share (EPS) Diluted	1.37	1.34	1.07	0.85	0.75

2. A summary of major items of income and expenditure:

Associated Oxygen Limited

Statement of Profit or Loss & Other Comprehensive Income (5 Year)

Particulars	Amount in Taka				
	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15
Revenue	401,057,043	311,420,858	268,929,929	225,626,092	193,158,289
Cost of goods sold	(149,869,453)	(127,791,655)	(110,270,216)	(92,155,184)	(79,121,093)
Operating expenses	(62,732,571)	(50,394,851)	(44,304,462)	(38,996,188)	(35,218,681)
Non-Operating Income	70,064	39,888	48,358	38,254	66,887
Profit before tax & WPPF	178,770,905	126,532,048	107,882,190	88,526,952	72,890,495
Less: Provision for WPPF	(8,512,900)	-	-	-	-
Income tax Expense	(60,856,103)	(19,033,608)	(21,883,290)	(20,322,758)	(12,977,869)
Profit after tax the period	109,401,901	107,498,441	85,998,900	68,204,193	59,912,626
Total Comprehensive Income for the Year	109,401,901	107,498,441	85,998,900	68,204,193	59,912,626

3. The income and sales on account of major products or services;

The income and sales on account of major products are as follows:

Particulars	Amounts In Taka				
	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15
Oxygen Gas	401,057,043	311,420,858	268,929,929	225,626,092	193,158,289

4. In case, other income constitutes more than 10% of the total income, the breakup of the same along with the nature of the income, i.e., recurring or non-recurring:

Other income of the company is not more than 10% of the total income.

5. If a material part of the income is dependent upon a single customer or a few major customers, the disclosure of this fact along with relevant data. Similarly, if any foreign customer constitutes a significant portion of the issuer's business, the disclosure of the fact along with its impact on the business considering exchange rate fluctuations:

The Company's income is not dependent upon a single customer or a few major customers or any foreign customer.

6. In case the issuer has followed any unorthodox procedure for recording sales and revenues, its impact shall be analyzed and disclosed:

No unorthodox procedure was followed by the Company for recording its sales and revenue.

v) Comparison of the recent financial year with the previous financial years of the major heads of the profit and loss statement, including an analysis of reasons for the change's insignificant items of income and expenditure, inter-alia, containing the following:

Particulars	Amounts In Taka				
	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15
Revenue	401,057,043	311,420,858	268,929,929	225,626,092	193,158,289
Gross Profit	251,187,590	183,629,203	158,659,713	133,470,908	114,037,196
Non-Operating Income	70,064	39,888	48,358	38,254	66,887

Particulars	Amounts In Taka				
	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15
Net Profit Before Tax	170,258,005	126,532,049	107,882,190	88,526,952	72,890,495
Total Comprehensive Income	109,401,901	107,498,441	85,998,900	68,204,194	59,912,626
Earnings Per Share (EPS) Basic	1.51	3.26	2.81	2.23	1.96
Earnings Per Share (EPS) Diluted	1.37	1.34	1.07	0.85	0.75

*** Diluted EPS are calculated on the Outstanding Share as on 30th June, 2019 i.e. 80,000,000.*

Analysis of Reasons for the Changes in significant items of income and expenditure:

In the last few years, production capacity has been increased for efficient management and installation of new plant & Machinery as a result significant revenue increased year by year.

(1) Unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.

There are no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.

(2) Significant economic changes that materially affect or are likely to affect income from continuing operations:

There are no significant economic changes that materially affected or are likely to affect income from continuing operations.

(3) Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations;

Other than matters as described in the “Risk Factors” and “Plan of operation and discussion of Financial Conditions” of this prospectus, there are no known trends or uncertainties that have had or are expected to have a material adverse impact on revenues or income of the Company from continuing operations.

(4) Future changes in the relationship between costs and revenues, in case of events such as a future increase in labor or material costs or prices that will cause a material change are known;

We are aware of the fact that the future is always uncertain that affect business and plan as well. So, in the future cost of labor or materials price may be changed. However, revenue is always adjusted and follows the trend in line with production cost. Hence, any change in cost will be reflected in the sales price. Moreover, we have a strong influence over the market to set the trend as well.

(5) The extent to which material increases in net sales or revenue are due to increased sales volume, the introduction of new products or services or increased sales prices:

There is no material increase in sales volume or revenue due to increased sales volume, the introduction of new products or services or increased sales prices.

(6) The total turnover of each major industry segment in which the issuer operated:

At present AOL is operated in various segments of the industry including Ship Breaking Industry, Re-rolling Mills Industry and Medical Institutes & Hospitals.

(7) Status of any publicly announced new products or business segment:

There are no publicly announced new products or business segment of the Company.

(8) The extent to which the business is seasonal:

The business of the Company is not dependent on any seasonal aspect.

w) Defaults or rescheduling of borrowings with financial institutions or banks, conversion of loans into equity along with reasons thereof, lockout, strikes and reasons for the same etc.

The Company has neither rescheduled its borrowings with financial institutions or banks nor converted its loans into equity. There has been no lockout, strikes etc.

x) Details regarding the changes in the activities of the issuer during the last five years which may have a material effect on the profits or loss, including discontinuance of lines of business, loss of agencies or markets and similar factors:

There were no changes in the activities of the Company during the last five years and had not any material effect on the profits or loss, including discontinuance of lines of business, loss of agencies or markets and similar factors.

y) Injunction or restraining order, if any, with possible implications:

There is no injunction or restraining order.

z) Technology, market, managerial competence and capacity built-up:

Technology

We have been using modern technology. We have modern machinery which is used to produce good quality products. Management is capable enough to deal with enhancing the capacity of the overall phenomenon of the business capacity and built-up to meet up the demand and have a maximum market share.

Market

Present market in Bangladesh is very much favor to utilize Oxygen & Nitrogen in both Gas & liquid format. Daily increasing ship breaking, rerolling mills, hospitals etc. are a good indicator for the future market. AOL market is all over Bangladesh. Presently, due to heavy industrial area Chittagong & Dhaka is most demanded area of AOL.

Managerial competence

All the members of the management team of the company are highly qualified, trained & skilled professionals, well experienced and extremely devoted. The management team is headed by Mrs. Ismat Jahan & Md. Nizam Uddin Chowdhury, Managing Director & Chairman acts for the best interest of the company. The expert team of AOL, which consists of a good number of professionals from various disciplines, is seasoned and experienced enough to use the facilities for production to fulfill the demand of target customers. Successive strong financial performance is the result of unwavering commitment of the promoters, management efficiency, employee's "sincerity, use of appropriate technology.

Capacity builds up

AOL always tries to enhance its capacity with the contemporary technology and customer demand. The company is continuously investing and deploying enough resources including human resources to accelerate & retain its sustainability.

aa) Changes in accounting policies in the last three years:

The management of the Company has not changed any accounting policies in the last three years.

bb) Significant developments subsequent to the last financial year: A statement by the directors whether in their opinion there have arisen any circumstances since the date of the last financial statements as disclosed in the prospectus or information memorandum and which materially and adversely affect or is likely to affect the trading or profitability of the issuer, or the value of its assets, or its ability to pay its liabilities within the next twelve months:

DECLARATION REGARDING SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL PERIOD ENDED 30TH JUNE, 2019

This is to certify that in our opinion there has not arisen any circumstances since the date of the last Financial Statements on 30th June, 2019 as disclosed in the prospectus and which materially and adversely affect or is likely to affect the trading or the profitability of the Associated Oxygen Limited, or the value of its assets, or its ability to pay its liabilities within the next twelve months.

Sd/-
Md. Nizam Uddin Chowdhury
Chairman

Sd/-
Mrs. Ismat Jahan
Managing Director

Sd/-
Md. Fahim Chowdhury
Director

Sd/-
Md. Azmine Mahtab Chowdhury
Director

Sd/-
Advocate Nasima Akter Chowdhury
Independent Director

cc) If any quarter of the financial year of the issuer ends after the period ended in the audited financial statements as disclosed in the prospectus or information memorandum, unaudited financial statements for each of the said quarters duly authenticated by the CEO and CFO of the issuer;

An Un Audited Financial Statement for the Period ended 31st March 2020 is as follows:

Associated Oxygen Limited
Statement of Financial Position (Un Audited)
As at 31 March, 2020

Particulars	Amount in Taka	
	31-Mar-2020	30-Jun-2019
Assets		
Non-Current Assets	1,442,886,776	1,393,758,011
Property, Plant and Equipment	1,356,935,303	1,393,758,011
Capital Work in Process	85,951,474	-
Current Assets	325,638,343	208,413,348
Inventories	49,527,747	46,143,408
Trade and Other Receivables	206,904,434	146,643,461
Advances, Deposits & Prepayments	24,790,190	14,695,560
Cash and Cash Equivalents	44,415,972	930,920
Total Assets	1,768,525,119	1,602,171,359
Shareholder's Equity and Liabilities		
Shareholder's Equity	1,496,271,552	1,389,860,666
Share Capital	800,000,000	800,000,000
Retained Earnings	696,271,552	589,860,666
Share Money Deposit	-	-
Non-Current Liabilities	174,380,288	154,093,793
Long Term Loan (Non-Current portion)	21,452,742	20,786,852
Deferred Tax Liability	152,927,547	133,306,941
Current Liabilities	97,873,279	58,216,900
Trade and Other Payables	14,082,994	14,641,178
Long term Loan (Current Portion)	14,422,272	20,256,000
Liabilities for expenses	69,368,013	23,319,722
Total Shareholder's Equity and Liabilities	1,768,525,119	1,602,171,359
Net Assets Value (NAV) per share (Basic)	18.70	17.37

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

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Sd/-
Managing Director

Sd/-
Chairman

Place: Dhaka
Dated: 26 April 2020

Associated Oxygen Limited
Statement of Profit or Loss and Other Comprehensive Income (Un Audited)
For the period ended March 31, 2020

Particulars	Amounts in Taka			
	Jul 01, 2019 to Mar 31, 2020	Jul 01, 2018 to Mar 31, 2019	Jan 01, 2020 to Mar 31, 2020	Jan 01, 2019 to Mar 31, 2019
Revenue	370,476,443	275,645,792	130,284,216	95,333,115
Cost of goods sold	(137,920,748)	(109,449,327)	(44,487,777)	(36,997,418)
Gross Profit	232,555,695	166,196,465	85,796,439	58,335,697
Operating expenses	(53,346,767)	(45,409,941)	(17,670,368)	(15,435,088)
Administrative Expenses	(26,598,989)	(23,610,377)	(8,693,323)	(7,790,556)
Selling & Distribution Expenses	(26,747,778)	(21,799,564)	(8,977,044)	(7,644,532)
Profit from Operation	179,208,928	120,786,524	68,126,071	42,900,609
Financial Expenses	(7,412,960)	(8,789,795)	(2,452,337)	(984,386)
Other non-operating Income	98,540	56,514	32,650	27,853
Net Profit Before Tax & WPPF	171,894,508	112,053,243	65,706,385	41,944,076
Less: WPPF Expenses	(8,185,453)	(5,335,869)	(3,128,875)	(1,997,337)
Net Profit Before Income Tax	163,709,055	106,717,374	62,577,509	39,946,739
Income Tax Expense	(57,298,169)	(22,956,472)	(21,902,128)	(9,695,275)
Current Tax	(37,677,564)	(6,868,809)	(15,813,820)	(2,051,477)
Deferred Tax	(19,620,605)	(16,087,663)	(6,088,308)	(7,643,797)
Net Profit after tax	106,410,886	83,760,902	40,675,381	30,251,464
Other Comprehensive Income/(Loss)	-	-	-	-
Total Comprehensive Income for the period	106,410,886	83,760,902	40,675,381	30,251,464
Earnings Per Shares (EPS) (Basic)	1.33	1.30	0.51	0.47

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

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Sd/-
Managing Director

Sd/-
Chairman

Place: Dhaka
Dated: 26 April 2020

Associated Oxygen Limited
Statement of Changes in Equity (Un Audited)
For the period ended March 31, 2020

(Amount in Taka)

Particulars	Share Capital	Retained Earnings	Share Money Deposit	Total
Opening Balance as at 1st July, 2019	800,000,000	589,860,666	-	1,389,860,666
Net Profit/(Loss) during the period transferred from Statement of Profit or Loss and other Comprehensive Income	-	106,410,886	-	106,410,886
Balance as at 31 March, 2020	800,000,000	696,271,552	-	1,496,271,552

Associated Oxygen Limited
Statement of Changes in Equity (Un Audited)
For the period ended March 31, 2019

(Amount in Taka)

Particulars	Share Capital	Retained Earnings	Share Money Deposit	Total
Opening Balance as at 1st July, 2018	99,945,380	480,458,765	388,597,090	969,001,235
Share issued from Share Money deposit	700,054,620	-	(700,054,620)	-
Addition during the period	-	-	313,045,000	313,045,000
Refund during the period	-	-	(1,587,470)	(1,587,470)
Net Profit/(Loss) during the period transferred from Statement of Profit or Loss and other Comprehensive Income	-	83,760,902	-	83,760,902
Balance as at 31 March, 2019	800,000,000	564,219,667	-	1,364,219,667

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Sd/-
Managing Director

Sd/-
Chairman

Place: Dhaka
Dated: 26 April 2020

Associated Oxygen Limited
Statement of Cash Flows (Un Audited)
For the period ended March 31, 2020

Particulars	Amounts in Taka	
	July 01, 2019 to March 31, 2020	July 01, 2018 to March 31, 2019
A Cash flows from Operating Activities		
Received from Customers	310,215,470	228,960,284
Received from Other Income	98,540	90,094
Paid to Suppliers and Others	(27,800,917)	(66,455,398)
Paid to Employees	(20,582,858)	(18,036,802)
Paid for Operating Expenses	(74,001,881)	(15,792,975)
Income Tax Paid	(10,254,800)	(6,868,809)
Net Cash Generated from Operating Activities	177,673,554	121,896,394
B Cash flows from Investing Activities		
Acquisition of Property, Plant and Equipment	(15,784,960)	(224,384,160)
Proceed from sale of Fixed Assets	-	5,190,476
Increase/Decrease in Capital Work in Process	(105,822,744)	(200,902,415)
Net cash Used to Investing Activities	(121,607,704)	(420,096,100)
C Cash flows from Financing Activities		
Cash Paid for Financial Expenses	(7,412,960)	(8,789,796)
Long-term Loan received/(Repaid)	(5,167,839)	(4,752,477)
Receive Share Money deposit	-	311,457,530
Net cash Generated from Financing Activities	(12,580,798)	297,915,257
D Net Increase/(Decrease) Cash and Cash Equivalents (A+B+C)	43,485,052	(284,449)
E Cash and Cash Equivalents at the beginning of the Period	930,920	902,670
F Cash and Cash Equivalents at the end of the period (D+E)	44,415,972	618,221
Net Operating Cash Flow Per Share (NOCFPS) (Basic)	2.22	1.89

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

dd) Factors that may affect the results of operations.

There are no such factors that may affect the results of operations except the following events:

- i) Changes in relevant Govt. policies
- ii) Increase the Competition
- iii) Political unrest
- iv) Natural Disaster

CHAPTER-VII

MANAGEMENTS DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(a) Overview of business and Strategies

Associated Oxygen Limited was incorporated as a Private Limited Company on June 27, 1990 under the Companies act 1994 & subsequently started its Commercial operations on December 01, 1992. The main activities of the company are manufacturing and supplying of industrial and medical gases, welding products and equipment and ancillary equipment. In addition to Oxygen, AOL installed an additional facility for compressing waste Nitrogen into commercial-grade Nitrogen and over the years upgraded all its facilities. AOL can now supply Oxygen and Nitrogen in liquid and gaseous forms to Industries and Hospitals through its own sales network. Associated Oxygen Limited is committed to the quality of our product & services. Our motto is to ensure optimum conditions in health, safety and the environment for employees, customers and stakeholders.

Business strategies:

- To pursuing superior performance in all aspects of its business and at all levels in its organization;
- To focus on enhancing its operational excellence;
- To focus on continuous growth philosophy.
- To expand market positions through selective focused growth from increased market share through consolidating, and where appropriate, extending its leadership position. By deepening the Company's customer relationships through a relentless pursuit of innovative initiatives that assist the customers' market impact and optimize their supply chain activities.
- To recruit, retain, develop, and motivate the best personnel and utilizing their full potential to add value to the operation;
- To maintain a disciplined approach to capital allocation and maintain the focus on fund generation efficiently and effectively as to the success of its strategy.

VISION

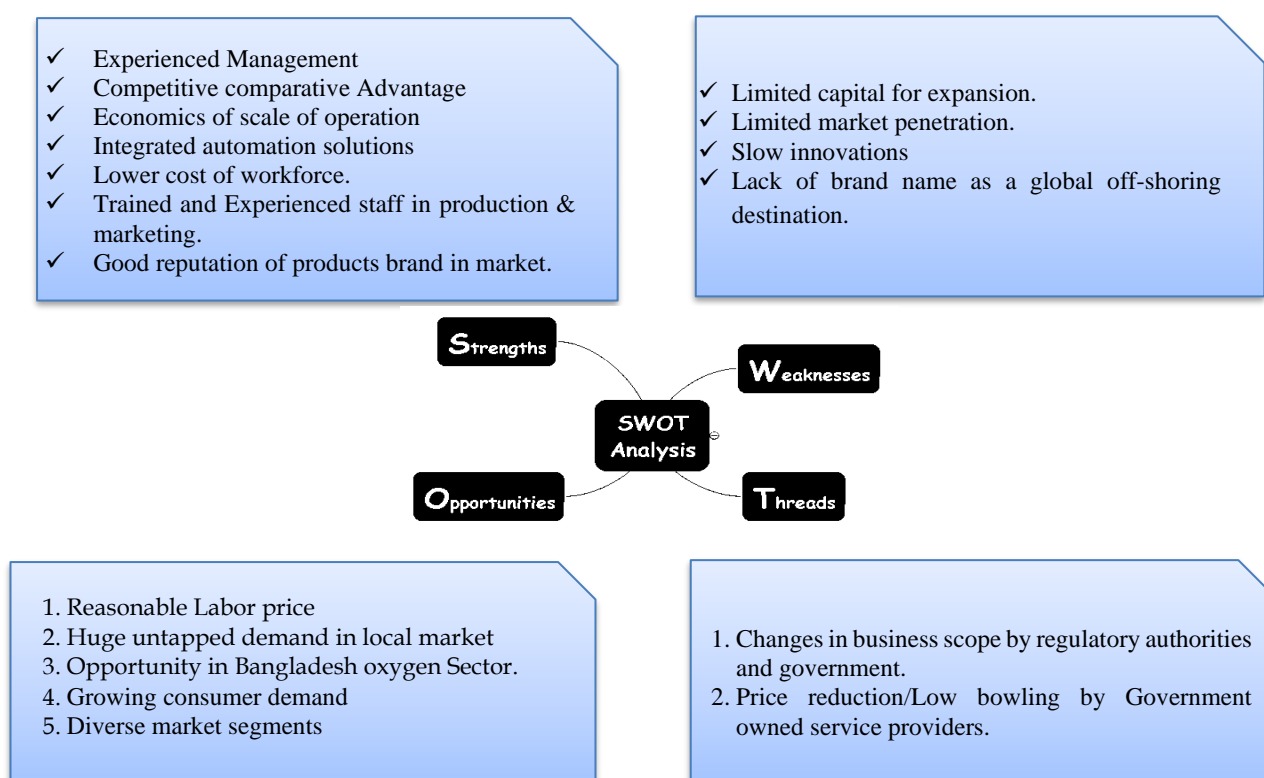
Our success will be built on our absolute dedication to the satisfaction of our customers, through constant innovation, operational efficiency, cost-effectiveness and the talents of our people.

MISSION

Our goal is to contribute to the well-being of people's lives through quality-ensured services, and by adopting & ensuring world-class standards.

(b) SWOT Analysis

A SWOT analysis is a structured planning method that helps to evaluate the strengths, weaknesses, opportunities and threats involved in a business venture. It identifies the internal and external factors that affect a business venture. Strength and Weakness are evaluated with internal factors whereas Opportunity and Threat are evaluated by external factors. Brief SWOT analysis of Associated Oxygen Limited is tabulated below:



STRENGTHS:

- Well Experienced Board of Directors:** We have skilled and well experienced Board of Directors.
- Skilled human resource:** We have a skilled human resource and a large base of experienced professionals.
- Modern Machinery:** We have been using modern machinery that increases our productivity.
- Quality Products:** We have to maintain producing quality products that increase our sales volume over the year.
- Market share:** Our market share has been increasing rapidly. Established marketing platform and a proven track record of performance help us to achieve the market share growth.
- Strong Distribution Channel:** We have very strong distribution Channels through which we can smoothly supply our products.

WEAKNESSES:

- The notion-existence of Brand:** We have not been developed yet as a Brand Company.
- Slow to innovate:** It is hard to innovate in diversifying the new product.

OPPORTUNITY:

- Reasonable Labor price:** Our industry is Man-Machine Combined and reasonable labor price has a huge advantage for cost minimizing that helps us a competitive edge over our competitors.
- Government Support:** There is government support to promote this sector. Several Government incentives like tax benefits, the Export Development Fund (EDF) facility, cash benefits are available.
- Huge untapped demand for Shipbreaking Industry & Medical Institutions:** We have a great opportunity for the development of our business because of huge untapped demand for Oxygen & Nitrogen and Gas mixture.
- Opportunity in Bangladesh in Oxygen Sector:** Remarkable Increase of Ship Breaking Industry, Re-rolling Mills along with Medical Institutions indicate the future opportunity for the sector.

THREAT:

- Increased Competition:** There is rivalry among the competitors to get the market share as maximum as possible.
- Political Unrest:** In our country we have to experience political unrest. The Company and the whole industry will be adversely affected if the political situation deteriorates.

- (c) **Analysis of the financial statements of last five years with the reason(s) of fluctuating revenue or sales, other income, total income, cost of material, finance cost, depreciation and amortization expense, other expense; changes in inventories, net profit before & after tax, EPS etc.:**

Particulars	Amounts in Taka				
	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15
Revenue	401,057,043	311,420,858	268,929,929	225,626,092	193,158,289
Gross Profit	251,187,590	183,629,203	158,659,713	133,470,908	114,037,196
Non-Operating Income	70,064	39,888	48,358	38,254	66,887
Net Profit Before Tax	170,258,005	126,532,048	107,882,190	88,526,952	72,890,495
Total Comprehensive Income	109,401,901	107,498,441	85,998,900	68,204,194	59,912,626
Earnings Per Share (EPS) Basic	1.51	3.26	2.81	2.23	1.96
Earnings Per Share (EPS) Diluted	1.37	1.34	1.07	0.85	0.75

*** Diluted EPS are calculated with the outstanding Share as on 30th June, 2019 i.e. 80,000,000.*

Causes for changes in revenue year to year

Revenue has been changed over the period due to changes in business volume.

Causes of Changes in another income year to year

Other income changes happen due to changes in other income sources.

Causes for changes in Changes in total income year to year

Total income changes due to changes in the financial period, revenue and expenses.

Causes for Changes in Cost of material

Cost of material changes due to raw material rate changes in the international market.

Causes of Changes in Finance cost

Finance cost changes due to interest rate change year to year.

Causes of Changes in depreciation and amortization expense

Depreciation has been changed over the period due to asset new addition and economic life increase.

Causes of Changes in other expense

Not applicable.

Causes for Changes in Inventories

Due to meet up the demand of target market, to maintain uninterrupted production and to mitigate the raw material cost inventories are stored; Inventory change is the difference between the inventory totals for the last reporting period and the current reporting period.

Causes for Changes in Net profit before tax

Due to changes in raw material price, revenue, selling expense and financial expense change which affect the net profit before tax.

Causes for Changes in Net profit after tax

The growth of the Net Profit before & after-tax is consistent with the revenue. No unusual change is occurring during the last five year in the above matter.

Causes of Changes in EPS

Due to changes in a number of shares and cumulative fluctuations of income statements item, EPS has been changed.

(d) Known trends demands, commitments, events or uncertainties that are likely to have an effect on the company's business:

There are no known trends demands, commitments, events or uncertainties that are likely to have an effect on the Company's business except the following:

- Technological change.
- Increased competition.
- Govt. policy changes towards the industry.
- Political unrest.
- Natural disaster

(e) Trends or expected fluctuations in liquidity:

There are no trends or expected fluctuations in liquidity.

(f) Off-balance sheet arrangements those have or likely to have a current or future effect on financial condition:

There are no off-balance sheet arrangements those have or likely to have a current or future effect on financial condition.

CHAPTER-VIII
DIRECTORS AND OFFICERS

Directors and Officers: The following information in respect of directors and officers of the issuer, namely: -

- (a) Name, Father's name, age, residential address, educational qualification, experience and position of each of the directors of the company and any person nominated or represented to be a director, showing the period for which, the nomination has been made and the name of the organization which has nominated him;

NAME OF DIRECTORS	FATHER'S NAME	AGE	Residential Address	Educational Qualification	Experience	Position	Name of the Institutions and Duration for Nominated Director
Md. Nizam Uddin Chowdhury	Late Md. Gulam Hossain Chowdhury	70	Hashem Manjil, Uttar Salimpur, Jaforabad, Sitakunda, Ctg.	B. Com	27 years	Chairman	N/A
Mrs. Ismat Jahan	Late Azizul Haque Chowdhury	40	Majid Chowdhury House, South Bhatary, Sitakunda, Ctg.	MBA	11 years	Managing Director	N/A
Md. Fahim Chowdhury	Md. Mohim Chowdhury	20		A Level	3 years	Director	N/A
Md. Azmine Mahtab Chowdhury	Md. Jasmin Uddin Chowdhury	20		H.S.C	2 years	Director	N/A
Advocate Nasima Akter Chowdhury	Abdul Kalam Azad Chowdhury	45	Haradhon Chowdhury Bari, Haradhon Para, Bashbaria, Sitakunda, Ctg.	MSS, LLB	20 Years	Independent Director	N/A

- (b) The date on which he first became a director and the date on which his current term of office shall expire:

Name of Directors	Position	Date of becoming Director for the First Time	Date of expiration of the current term
Md. Nizam Uddin Chowdhury	Chairman	27.06.2008	2021
Mrs. Ismat Jahan	Managing Director	27.06.2008	2020
Md. Fahim Chowdhury	Director	15.05.2017	2021
Md. Azmine Mahtab Chowdhury	Director	15.05.2017	2020
Advocate Nasima Akter Chowdhury	Independent Director	10.06.2019	2022

- (c) If any director has any type of interest in other businesses, names and types of business of such organizations. If any director is also a director of another company or owner or partner of any other concern, the names of such organizations;

Name of Directors	Position in Associated Oxygen Ltd	Director/ Ownership of other companies
Md. Nizam Uddin Chowdhury	Chairman	Sonali Steel Enterprise Limited- Director
Mrs. Ismat Jahan	Managing Director	Sonali Steel Enterprise Limited- Director, A & A Shipyard Limited- Director, A & A Logistics Limited- Chairman
Md. Fahim Chowdhury	Director	N/A
Md. Azmine Mahtab Chowdhury	Director	A & A Shipyard Limited- Director, A & A Logistics Limited- Director
Advocate Nasima Akter Chowdhury	Independent Director	N/A

- (d) Statement of if any of the directors of the issuer are associated with the securities market in any manner. If any director of the Issuer company is also a director of any issuer of other listed securities during the last three years then dividend payment history and market performance of that issuer:

The directors of the Associated Oxygen Limited are not associated with the securities market in any manner.

- (e) Any family relationship (father, mother, spouse, brother, sister, son, daughter, spouse's father, spouse's mother, spouse's brother, spouse's sister) among the directors and top five officers:

Name	Designation	Relationship
Md. Nizam Uddin Chowdhury	Chairman	Brother-in-Law of Managing Director
Mrs. Ismat Jahan	Managing Director	Sister-in-law of Chairman
Md. Fahim Chowdhury	Director	Nephew of Chairman
Md. Azmine Mahtab Chowdhury	Director	Nephew of Chairman
Advocate Nasima Akter Chowdhury	Independent Director	No Relationship

There is no family relationship exist between directors and top five management officers.

- (f) A very brief description of other businesses of the directors;

Name	Directorship/ Ownership with other companies And Position
Md. Nizam Uddin Chowdhury	Sonali Steel Enterprise Limited- Director
Mrs. Ismat Jahan	Sonali Steel Enterprise Limited- Director, A & A Shipyard Limited- Director, A & A Logistics Limited- Chairman
Md. Fahim Chowdhury	N/A
Md. Azmine Mahtab Chowdhury	A & A Shipyard Limited- Director, A & A Logistics Limited- Director
Advocate Nasima Akter Chowdhury	N/A

- (g) Short Bio-Data of each Director;

MD. NIZAM UDDIN CHOWDHURY, CHAIRMAN

Md. Nizam Uddin Chowdhury, Chairman of Associated Oxygen Limited was born in 1948, in a respectable Muslim family. His Father Name is Late Md. Gulam Hossain Chowdhury. He has completed B.Com from Chattagram. He has wide experience in oxygen plant & Re-rolling business from 2007. He is serving AOL from 2008.

MRS. ISMAT JAHAN, MANAGING DIRECTOR

Mrs. Ismat Jahan, Managing Director of Associated Oxygen Limited was born in 1979. She obtained a Masters of Business Administration and also looking after the business of the Company. She is serving AOL from 2008.

MD. FAHIM CHOWDHURY, DIRECTOR

Md. Fahim Chowdhury, Director of Associated Oxygen Limited was born in 1999, in a respectable Muslim family. His father name is Mohammad Mahim Chowdhury. He completed his A-level and O-level from British Council. He is related with internal Audit division of AOL. He serves AOL from 2017.

MD. AZMINE MAHTAB CHOWDHURY, DIRECTOR

Md. Azmine Mahtab Chowdhury, Director of Associated Oxygen Limited was born in 1999. His Father Name is Mohammad Jashim Uddin Chowdhury. He completed S.S.C in 2015 from Nasirabad Govt. Boys High School and H.S.C in 2017 from South Asian College under Chattagram Board. He is related to Admin & HR Management of AOL. He serves AOL from 2017.

ADVOCATE NASIMA AKTER CHOWDHURY, INDEPENDENT DIRECTOR

Advocate Nasima Akter Chowdhury, Independent Director of Associated Oxygen Limited was born in 1974, in a respectable Muslim family. Her father's name is Abdul Kalam Azad Chowdhury. She completed his SSC & HSC from Cumilla Board under Humanities Group. After completing BSS from National University, she completed her MSS from Dhaka University. Subsequently, she completed her LLB under National University in 1997. After completing LLB she started her career as a lawyer. During her successful career life, she worked as panel Lawyer at Bangladesh Legal Aid & Services Trust, Women Lawyers Association. She also an honorable member of Chittagong District Bar Association & Bangladesh Diabetic Association. At present she worked as an Advocate of Dhaka High Court Division. She is very much skilled Corporate Business Strategy, Business Management & Corporate Management.

- (h) Loan status of the issuer, its directors and shareholders who hold 10% or more shares in the paid-up capital of the issuer in terms of the CIB Report of Bangladesh Bank:

Neither the Company nor any of its directors or shareholders who hold 10% or more shares in the paid-up capital of the Company is loan defaulter in terms of the CIB report of the Bangladesh Bank.

- (i) Name with the position, educational qualification, age, date of joining the company, overall experience (in the year), previous employment, salary paid for the financial year of the Chief Executive Officer, Managing Director, Chief Financial Officer, Company Secretary, Advisers, Consultants and all Departmental Heads. If the Chairman, any director or any shareholder received any monthly salary than this information should also be included:

Name	Position	Educational Qualification	Age (Years)	Date of joining	Overall experience	Previous employment	Salary Paid 30.06.2019
Md. Nizam Uddin Chowdhury	Chairman	B.Com	70	June 27, 2008	27 years	Sonali Steel Ent. Ltd	980,000
Mrs. Ismat Jahan	Managing Director	Masters of Business Administration	40	June 27, 2008	11 years		857,500
Md. Fahim Chowdhury	Director	A Level	20	14/05/2017	3 years	-	795,000
Md. Azmine Mahtab Chowdhury	Director	H.S.C	20	14.05.2017	2 years	-	732,500
Nasima Akter Chowdhury,	Independent Director	MSS, LLB	45	10.06.2019	20 years	-	-
Delower Hossain	Chief Financial Officer (CFO)	M.COM	45	17.12.2007	15 years	Asian Textile Limited	360,000
Md. Faysal Hossain	Compliance Officer	M.COM	45	20.09.2012	15 years	Royal Auto Services Pvt. Limited	495,000
Nur E Elahi	Company Secretary (CS)	M.COM	45	16.06.2017	12 years	Confidence Salt Limited	360,000
Yasinul Bari	Factory Manager	M.COM	45	12.04.2010	17 years	Manola International	550,000
Mostafizur Rahman	HR & Admin Manager	M.COM	39	14.02.2009	13 years	Asia Textile Limited	495,000
Md. Sadek Hossain	Plant Manager	M.COM	45	15.04.2008	15 years	Stage II Limited	550,000

**** The Company has not paid any Salary or remuneration to Independent Director except meeting attendance fees for Independent Director.**

- (j) **Changes in the key management persons during the last three years. Any change otherwise than by way of retirement in the normal course in the senior key management personnel particularly in charge of production, planning, finance and marketing during the last three years prior to the date of filing the information memorandum. If the turnover of key management personnel is high compared to the industry, reasons should be discussed; Below personnel was key management persons during the last three years.**

Key Management	Position	2019	2018	2017
Md. Fahim Chowdhury	Director	Continuing	Appointed	-
Md. Azmine Mahtab Chowdhury	Director	Continuing	Appointed	-
Advocate Nasima Akter Chowdhury	Independent Director	Continuing	Reappointed	Appointed
Delower Hossain	Chief Financial Officer (CFO)	Continuing	Continuing	Appointed
Nur E Elahi	Company Secretary (CS)	Continuing	Appointed	-

- (k) **A profile of the sponsors including their names, father's name, age, personal addresses, educational qualifications, and experiences in the business, positions/posts held in the past, directorship held, other ventures of each sponsor and present position;**

Name of the sponsors	Father's name	Age	Personal address	Educational qualification	Experience in the business	Past positions	Present Positions	Holding in other Venture
Md. Nizam Uddin Chowdhury	Haji Yousuf Chowdhury	70	Majid Chowdhury House, South Bhatary, Sitakunda, Chattagram	MA	27 years	Chairman		N/A
Mrs. Ismat Jahan	Late Azizul Haque Chowdhury	40		Graduation	11 years	Managing Director		N/A
Md. Fahim Chowdhury	Mohim Chowdhury	20		A Level	3 years	-	Director	N/A
Md. Azmine Mahtab Chowdhury	Md. Jasmin Uddin Chowdhury	20		H.S.C	2 years	-	Director	N/A

- (l) **If the present directors are not the sponsors and control of the issuer was acquired within five years immediately preceding the date of filing prospectus details regarding the acquisition of control, date of acquisition, terms of the acquisition, consideration paid for such acquisition etc:**

Four Directors who are not Sponsoring & acquired within five years immediately preceding the date of filling draft prospectus details are given as follows:

SL. NO	Name	Acquisition of Control	Date of Acquisition	Terms of acquisition	Consideration Paid
1	Md. Nizam Uddin Chowdhury	Chairman	27.07.2008	No terms at acquisitions	Transfer
			20.12.2017		Cash
			31.12.2017		Bonus
			06.11.2018		Cash
2	Mrs. Ismat Jahan	Managing Director	27.07.2008		Transfer
			20.04.2017		Transfer
			20.12.2017		Cash
			31.12.2017		Bonus
			06.11.2018		Cash
			27.12.2018		Transfer
3	Md. Azmine Mahtab Chowdhury	Director	28.04.2017		Transfer
			20.12.2017		Cash
			31.12.2017		Bonus
			06.11.2018		Cash
4	Md. Fahim Chowdhury	Director	28.04.2017		Transfer
			20.12.2017		Cash
			31.12.2017		Bonus
			06.11.2018		Cash
			27.12.2018		Transfer
5	Advocate Nasima Akter Chowdhury	Independent Director	N/A		N/A

- (m) **If the sponsors/directors do not have experience in the proposed line of business, the fact explaining how the proposed activities would be carried out/managed;**

Two Directors of the Management team (Chairman & Management Director) has adequate knowledge to carry out this line of business.

- (n) **Interest of the key management persons:**

There is no other interest in the key management except remuneration & board meeting fees for Managing Director.

- (o) **All interests and facilities enjoyed by a director, whether pecuniary or non-pecuniary:**

Facilities whether pecuniary or non-pecuniary enjoyed by the Directors will remain unchanged during the publication period of the Prospectus. Interest and facility are already disclosed in Executive Compensation of the Prospectus and in the table below:

SL. NO	Name	Designation	Remuneration (30.06.2019)	Board Fee (30.06.2019)	Total Amount (30.06.2019)
1	Md. Nizam Uddin Chowdhury	Chairman	960,000/-	20,000/-	980,000/-
2	Mrs. Ismat Jahan	Managing Director	840,000/-	17,500/-	857,500/-
3	Md. Fahim Chowdhury	Director	780,000/-	15,000/-	795,000/-
4	Md. Azmine Mahtab Chowdhury	Director	720,000/-	12,500/-	732,500/-
5	Ahmed Saheen Alrazi	Independent Director	-	20,000/-	20,000/-
	Advocate Nasima Akter Chowdhury (Joined as on 10.06.2019)		-	-	-

Note: There are no pecuniary or non-pecuniary interests and facilities enjoyed except mentioned above.

- (p) **Number of shares held and percentage of shareholding (pre-issue) as of 30th June, 2019;**

Sl. No	Name of shareholder	No of shares held	Shareholding (pre-issue)
1	Md. Nizam Uddin Chowdhury	6,861,600	8.58%
2	Mrs. Ismat Jahan	18,176,324	22.72%
3	Md. Fahim Chowdhury	1,963,940	2.45%
4	Md. Azmine Mahtab Chowdhury	2,122,322	2.65%
5	Advocate Nasima Akter Chowdhury	-	-

(q) Change in the board of directors during the last three year:

Sl. No	Name of the Directors	Present Status	Date of Becoming Director
1	Md. Nizam Uddin Chowdhury	Chairman	June 27, 2008
2	Mrs. Ismat Jahan	Managing Director	June 27, 2008
3	Md. Fahim Chowdhury	Director	31.12.2017
4	Md. Azmine Mahtab Chowdhury		
5	Ahmed Saheen Alrazi	Independent	04.05.2018 & Resigned as on 10.06.2019
6	Advocate Nasima Akter Chowdhury	Director	10.06.2019

(r) Director's engagement with similar business:

None of the directors is engaged in a similar business.

CHAPTER-IX

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

- (a) The prospectus shall contain a description of any transaction during the last five years, or any proposed transactions certified by the auditors, between the issuer and any of the following persons, giving the name of the persons involved in the transaction, their relationship with the issuer, the nature of their interest in the transaction and the amount of such interest, namely:

TO WHOM IT MAY CONCERN

This is to certify that, the company does not have any transaction during the last five years, or any proposed transaction, between the issuer and any of the following persons:

- Any director or sponsor or executive officer of the issuer;
- Any person holding 5% or more of the outstanding shares of the issuer;
- Any related party or connected person of any of the above persons;

Except the following transactions:

- a) Board Meeting fees paid to the Directors:

A. Directors Remuneration

Name	Position	Amount in (BDT)				
		2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
Md. Nizam Uddin Chowdhury	Chairman	960,000	960,000	-	-	-
Mrs. Ismat Jahan	Managing Director	840,000	840,000	444,000	444,000	444,000
Mr. Fahim Chowdhury	Director	780,000	390,000	-	-	-
Mr. Azmine Mahatab Chowdhury	Director	720,000	360,000	-	-	-
Ahmed Saheen Alrazi	Independent Director	-	-	-	-	-
Total		3,300,000	2,550,000	444,000	444,000	444,000


B. Board Meeting Fees

Name	Position	Amount in (BDT)				
		2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
Md. Nizam Uddin Chowdhury	Chairman	20,000/-	20,000	20,000	20,000	16,000
Mrs. Ismat Jahan	Managing Director	17,500/-	20,000	20,000	20,000	16,000
Mr. Fahim Chowdhury	Director	15,000/-	10,000	-	-	-
Mr. Azmine Mahatab Chowdhury	Director	12,500/-	10,000	-	-	-
Ahmed Saheen Alrazi	Independent Director	20,000/-	10,000	-	-	-
Total		85,000	70,000	40,000	40,000	32,000

Ahmed Saheen Alrazi was resigned and Advocate Nasima Akter Chowdhury was newly appointed as Independent Director on 10 June 2019 and subsequently approved by the Board of Directors Meeting held on 10 June 2019.

Dated: 12.10.2019

Place: Dhaka


Shiraz Khan Basak & Co.
Chartered Accountants

- (b) Any transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries or holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus;

There is no transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries or holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus except the transaction mentioned under caption 'Related Party Transaction' of Audited Financial Statements and "Executive Compensation" part of this prospectus.

- (c) Any loans either taken or given from or to any director or any person connected with the director, clearly specifying details of such loan in the prospectus, and if any loan has been taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan, rate of interest applicable, date of loan taken, date of maturity of loan, and present outstanding of such loan.

No loan was taken or given from or to any director or any person connected with the director and no loan was taken from any such person who did not have any stake in the issuer, its holding Company or its associated concerns.

CHAPTER-X

EXECUTIVE COMPENSATION

- (a) The total amount of remuneration or salary or perquisites paid to the top five salaried officers of the issuer in the last accounting year and the name and designation of each such officer:

Sl. No.	Name	Designation	Amounts in Taka
			30.06.2019
1	Md. Nizam Uddin Chowdhury	Chairman	960,000/-
2	Mrs. Ismat Jahan	Managing Director	840,000/-
3	Md. Fahim Chowdhury	Director	780,000/-
4	Md. Azmine Mahtab Chowdhury	Director	720,000/-
5	Yasinul Bari	Factory Manager	550,000/-

- (b) Aggregate amount of remuneration paid to all directors and officers as a group during the last accounting year:

Sl. No	Particulars	Nature of payment	Amounts in Taka 30.06.2019
1	Directors	Directors Remuneration & Meeting Fees	3,385,000
2	Officers and staffs	Salary, wages & Allowances	24,211,175
Total			27,596,175

- (c) If any Shareholder Director received any monthly salary or prerequisite or benefit it must be mentioned along with the date of approval in AGM or EGM, terms thereof and payments made during the last accounting year:

Payments made during the last accounting year:

SL. No.	Name	Position	Monthly Remuneration in Taka	Date of approval in AGM	Remuneration Paid on 30.06.2019
1	Md. Nizam Uddin Chowdhury	Chairman	80,000	31.12.2017	960,000/-
2	Mrs. Ismat Jahan	Managing Director	70,000		840,000/-
3	Md. Fahim Chowdhury	Director	65,000		780,000/-
4	Md. Azmine Mahtab Chowdhury	Director	60,000		720,000/-

- (d) The board meeting attendance fees received by the director including the managing director along with the date of approval in AGM or EGM;

Approval in AGM of EGM;

Name	Position	30-06-2019		Date of approval in AGM
		Nature of transactions		
		No. of meeting attendance	Board meeting fee	
Md. Nizam Uddin Chowdhury	Chairman	8	20,000	31.12.2017
Mrs. Ismat Jahan	Managing Director	7	17,500	
Md. Fahim Chowdhury	Director	6	15,000	
Md. Azmine Mahtab Chowdhury	Director	5	12,500	
Ahmed Saheen Alrazi	Independent Director	8	20,000	

- (e) Any contract with any director or officer providing for the payment of future compensation;
There is no such contract between the company and any of directors or officers regarding any future compensation to be made to them.
- (f) If the issuer intends to substantially increase the remuneration paid to its directors and officers in the current year, appropriate information regarding thereto;
The Company reviews the remuneration of its all officers excluding Managing Director & other Directors during June every year as per Company's employment policy. However, the remuneration of the Managing Director is revised as per the discretion of the Board of Directors of the Company and subsequently approved on AGM.
- (g) Any other benefit or facility provided to the above persons during the last accounting year.
No director or officer of the Company received any other benefit or facility in the last accounting year except which is disclosed above.

CHAPTER-XI

OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES

Options Granted to Directors, Officers and Employees:

- 1. The following information in respect of any option held by each director, the salaried officers, and all other officers as a group, namely: -**
 - i. The date on which the option was granted;**
 - ii. The exercise price of the option;**
 - iii. The number of shares/stocks covered by the option;**
 - iv. The market price of the shares/stock on the date the option was granted;**
 - v. The expiration date of the option;**
 - vi. Consideration against the option.**

No options have been granted by the Company to any director, officers or employees.

- 2. If such options are held by any person other than the directors, and the officers of the issuer company, the following information shall be given in the prospectus, namely: -**
 - i. The total number of shares /stocks covered by all such outstanding options;**
 - ii. The range of exercise prices;**
 - iii. The range of expiration dates;**
 - iv. Justification and consideration of granting such an option.**

No options have been granted by the Company to any director, officers or employees.

CHAPTER-XII

TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM

- (a) **The names of the directors and subscribers to the memorandum, the nature and amount of anything of value received or to be received by the issuer from the above persons, or by the said persons, directly or indirectly, from the issuer during the last five years along with the description of assets, services or other consideration received or to be received;**

The Directors and subscribers to the memorandum of the association have not received any benefits except remuneration and board meeting fees during the last five years. Details are disclosed in Section IX (a).

- (b) **If any assets were acquired or to be acquired from the aforesaid persons, the amount paid for such assets and the method used to determine the price shall be mentioned in the prospectus, and if the assets were acquired by the said persons within five years prior to transfer those to the issuer, the acquisition cost thereof paid by them.**

Directors and subscribers to the memorandum have not transferred any asset to the Company. Besides, the issuer has not received any assets or other considerations from its Directors and subscribers to the memorandum except fund against allotment of shares.

CHAPTER-XIII

OWNERSHIP OF THE COMPANY'S SECURITIES

a) The names, addresses, BO ID Number of all shareholders of the company before IPO, indicating the amount of securities owned and the percentage of the securities represented by such ownership, in tabular form;

SL No	Name	Address	Position	BOID	Number of Shares Held	Pre IPO %
1.	Md. Nizam Uddin Chowdhury	Majid Chowdhury House, South Bhatiary, Sitakunda, Chattagram	Chairman	1606060067860558	6,861,600	8.58%
2.	Mrs. Ismat Jahan		Managing Director	1606060067858755	18,176,324	22.72%
3.	Fahim Chowdhury		Director	1606060067983295	1,963,940	2.45%
4.	Azmine Mahatab Chowdhury		Director	1606060067850759	2,122,322	2.65%
5.	Md. Mahim Uddin Chowdhury		Shareholder	1606060067862101	277,560	0.35%
6.	Tasbirul Hasan	Pilot House, 3 No. Fakir Hat, Pashchim Goshail Danga, Chattagram	Shareholder	1606060067859535	399,838	0.50%
7.	Hasan Yousuf Chowdhury	Hashem Manjil, Uttar Salimpur, Jaforabad, Sitakunda, Chattagram	Shareholder	1606060067856440	2,705,000	3.38%
8.	Mrs. Shamim Akter	Majid Chowdhury House, South Bhatiary, Sitakunda, Chattagram	Shareholder	1606060067983378	282,156	0.35%
9.	Md. Shahriar Hossain Chowdhury		Shareholder	1606060067857661	224,640	0.28%
10.	Sharmin Chowdhury		Shareholder	1606060067849950	90,000	0.11%
11.	Mr. Minhazul Hasan	Pilot House, 3 No. Fakir Hat, Pashchim Goshail Danga, Chattagram	Shareholder	1202400067070208	371,334	0.46%
12.	Salek Mohammad Nasir	285 Nasir's House, Mazir Ghat Road, Mawlana Akbor Shah Lane, Chattagram	Shareholder	1606060067968721	308,500	0.39%
13.	Mr. Kamrul Islam	Majid Chowdhury House, South Bhatiary, Sitakunda, Chattagram	Shareholder	1606060067858241	87,300	0.11%
14.	Md. Sarwar Hossain	Mafiz Contractor's House, Shitalpur, Sitakunda, Chattagram	Shareholder	1606060067851860	115,047	0.14%
15.	Syfuddin Ahmmed	A/3, Gril Nibash, CDA, Avenue, Nasirabad, Khulshi, Chittagong	Shareholder	1606060068946746	59,376	0.07%
16.	Syed Md. Monzur Hossain	63 Epic Suchana, 1No. Ispahani Park, South Khulshi, Pahartoli, Chattagram	Shareholder	1606060067963828	80,463	0.10%
17.	Kamruddin Ahmed Chowdhury	47 Alkaran, 4 No. Lane, 31 No. Alkaron, GPO-4000, Kawaitowali, Chattagram	Shareholder	1606060067963986	68,850	0.09%
18.	Md. Saidul Hosen	Mofezar Bari, Shitolpur, Chittagong	Shareholder	1606060068946754	84,000	0.11%
19.	A & A Shipyard Limited	BCIC Sadan (1 st Floor), 26 Agrabad C/A, Chattagram	Shareholder	1606060067885017	151,400	0.19%
20.	Omni Shipping Limited		Shareholder	1606060067885124	151,750	0.19%
21.	A & A Logistics Limited		Shareholder	1606060067972772	60,000	0.08%
22.	Mehreen Ship Re-Cycling	Modina Tower (5th Floor) 805/A CDA Avenue, GEC Circle, Chattagram	Shareholder	1606060067885373	60,270	0.08%
23.	MAS Ship Recycling Industries	P.C Road, Saraipara, Pahartali, Chattagram	Shareholder	1606060067885448	64,500	0.08%
24.	M/S. Tulip Steel	South Nhonachori, PO Shetolp 4314, Shetakunda, Chittagong	Shareholder	1606060067984455	36,000	0.05%
25.	Md. Foysof Alam	House-18, Road-15, Sector-14, Uttara, Dhaka	Shareholder	1202020068826665	14,136	0.02%
26.	Ayesha Akhter	113/ A Farhad Mazil, Ahmed Mia School Loan, Sholock Bahar, Ctg.	Shareholder	1201950067724909	202,650	0.25%
27.	Irfanur Hossain Chowdhury	Majid Chowdhury House, South Bhatiary, Sitakunda, Chattagram	Shareholder	1606060067862781	60,000	0.08%
28.	Md. Sohrab Hossain	113/A Shulakbahar, Ahmed Mia Primary School Road, Chattagram	Shareholder	1203470028005556	374,680	0.47%
29.	Md. Asaduzzaman Mia	17/A-B, Kabi Jashim Uddin Road, Kamlapur, Dhaka	Shareholder	1605760067975104	100,000	0.13%
30.	Md. Mizanur Rahman	R#414, 9F Motijheel, Dhaka	Shareholder	1605760067975725	100,000	0.13%
31.	Mohammad Mofizur Rahman	Suite#414, DSE Building, 3 rd Floor, Dhaka Stock Exchange Ltd, 9/F Motijheel, Dhaka	Shareholder	1605760004463341	100,865	0.13%
32.	Laila Kaniz	ICML, Head Office, BDBL Bhawan, Level-16, 8 Rajuk Avenue, Dhaka-1000	Shareholder	1605420047214382	450,000	0.56%
33.	Ahmed Tawfiqur Rahman Arnab	House#384, Flat#501, Road#10, Block#D, Bashundhara, Dhaka	Shareholder	1201960058384794	500,000	0.63%
34.	Md. Matiur Rahman	House#384, Flat#501, Road#10, Block#D, Bashundhara, Dhaka	Shareholder	1606060042223806	500,000	0.63%
35.	Global Max Packaging Industries Ltd.	H-34 & 36, Road#08, B-E, Nikaton, Gulshan-1, Dhaka	Shareholder	1605760066341566	200,000	0.25%
36.	Mohibullah Kabir	32/6 East Noyatola, Mogbazar-1217, Dhaka	Shareholder	1205000048578047	330,000	0.41%
37.	Jahir Ahmed	House JHA-50, PS- Gulshan, Badda- 1212, Dhaka	Shareholder	1203680013402672	210,000	0.26%
38.	Universal Equity Management Ltd.	Al-Razi Complex, 166-167 Shaheed Syed Nazrul Islam Sarani, Purana Paltan, Dhaka-1000	Shareholder	1205950064110189	2,816,316	3.52%

SL No	Name	Address	Position	BOID	Number of Shares Held	Pre IPO %
39.	Shahjalal Equity Management Limited	Al-Razi Complex, Suit-901, Block-C, 166-167 Shaheed Syed Nazrul Islam Sarani, Purana Paltan, Dhaka-1000	Shareholder	1606060065096141	6,551,000	8.19%
40.	LT GEN Md. Shamsul Haque	House-50, Road-1, Sector-9, Uttara, Dhaka	Shareholder	1201690000776633	100,000	0.13%
41.	Syeda Shapna Khanom	56 H, Azimpur Govt, Quarter, Lalbag, Dhaka	Shareholder	1606060025928337	1,000	0.00%
42.	Md. Ashiqur Rahman	4/4, Flat -1/ A, Block-C, Lalmatia	Shareholder	1202610057685803	200,000	0.25%
43.	Mohammad Obaidul Karim	153/154 Tejgoan I/A, Dhaka	Shareholder	1202610034182432	500,000	0.63%
44.	Salaman Obaidul Karim		Shareholder	1202610045134601	500,000	0.63%
45.	Mrs. Arzuda Karim		Shareholder	1202610034182440	500,000	0.63%
46.	Md. Akbar Hossain	275/1 Lalkhan Bazer, Chittagong	Shareholder	1201840013990551	400,000	0.50%
47.	Mohammad Fakhru Alam	58/E, Customs Officers Quarter, Banani Road no-02, Gulshan, Dhaka-1213	Shareholder	1205150062036961	100,000	0.13%
48.	Faas Asset Management Ltd	105/A, Kakrail, Dhaka-1000	Shareholder	1202610064842514	300,000	0.38%
49.	Manata Asset Management Ltd	36/1, North Begunbari, Tejgoan, Dhaka-1208	Shareholder	1202610064842522	300,000	0.38%
50.	Md. Mamunur Rashid	House: Ovizan-39, Road-Safuddin road, Auchpara, Nishat Nagar, Gazipur	Shareholder	1201830061893338	100,000	0.13%
51.	Md. Mahfuzur Rahman	Orion House, Chairman Section, 2 nd Floor, 153-154 Tejgoan I/A, Dhaka	Shareholder	1202610020269379	150,000	0.19%
52.	Md. Rasiduzzaman	5/3/C Middle Paik Para, Mirpur-1, Dhaka-1216	Shareholder	1205150054201081	150,000	0.19%
53.	Md. Riaz Haider	C/O Hannan Tareque, 17/A/A 2 nd Colony, Majar Road, Mirpur-1, Dhaka-1216	Shareholder	1605550063654091	20,000	0.03%
54.	Mohammad Nasar Uddin	Knit Concern Ltd, Daar-E-Shahi, DI Building, 69 Agrabad, Chattagram	Shareholder	1201960032064919	10,000	0.01%
55.	Md. Shahriar Hasan	House: Moulana Shamsuddins House, North Patenga, Kathgoar, Chattagram	Shareholder	1201950062692511	100,000	0.13%
56.	Md. Ashfaque Alam	Orion Pharma Ltd. 153-154, Orion house, Tejgaon, Dhaka	Shareholder	1202610009553974	200,000	0.25%
57.	Muhammad Abdur Rahman	Social Islami Bank Ltd, Board Secretariat, City Center, Level-20, Motijheel, Dhaka	Shareholder	1205200045738398	20,000	0.03%
58.	Global Shoes & Textiles Limited	Habirbari, Word-7, PO Habirbari, Valuka.	Shareholder	1606060066398721	2,745,500	3.43%
59.	Md. Mosharraf Hossain Bhuiyan	House: 09, Flat: 4/6, Road: 03, Dhanmondi R/A, P.S: New Market - 1205, Dhanmondi, Dhaka	Shareholder	1201830000858623	100,000	0.13%
60.	Mohammad Monjurul Alam	Marine Elysium 9/4,36/2MM Ali Road, Lalkhan Bazar, Chattagram	Shareholder	1204220066206515	100,000	0.13%
61.	Md. Nazmul Hasan	679, Jahaboz Lane, Moghbazar, Dhaka	Shareholder	1201580032600621	100,000	0.13%
62.	Bengal Assets Holdings Limited	Al Razi Complex, Suite#803, 166-167 Purana Paltan.	Shareholder	1205950067422023	3,584,500	4.48%
63.	Samaresh Banik	House-153, Flat-504, Crescent Road, New Market, Dhaka	Shareholder	1204230033656585	200,000	0.25%
64.	Fuad N.A. Rahman	36 Mintu Road, Ramna, Dhaka-1000.	Shareholder	1606060067725921	400,000	0.50%
65.	Md. Habibullah	House: 208, West Rampura, Wapda Road, Dhaka-1219	Shareholder	1204480020700554	50,000	0.06%
66.	Md. Fazlul Haque	Ka-31, Sarker Bari Road(1 st Floor), Nadda, Gulshan, Dhaka	Shareholder	1606060067240634	190,000	0.24%
67.	Dr. Sathi Khanom	48/1 E, Circuit House Road, Ramna, Dhaka	Shareholder	1201530043918769	50,000	0.06%
68.	Abu Raihan	Vill: Porachar, P.O: Porachar Madrasa, P.S: Islampur, Jamalpur	Shareholder	1203110043492670	300,000	0.38%
69.	Md. Mamun Howlader	218/3/A West Kafilul (4 th Floor), Begum Rokeya Sharani, Taltola, Sher E Bangla Nagar, Dhaka	Shareholder	1606060062875219	50,000	0.06%
70.	Md. Sydur Rahman	Ovijan-39, Road- Saifuddin Road, Auch Para, P.O: Nishatnagar, Gazipur	Shareholder	1201830066109657	50,000	0.06%
71.	Md. Majibur Rahman	HQ, Border Guards, Bangladesh Pilkhana, Gigatola, Dhaka	Shareholder	1605760066221003	250,000	0.31%
72.	Md. Tariqul Alam	House- 0278/1, Road- Beutha Bandutia, PO. Manikgonj, Manikganj	Shareholder	1205150064630545	50,000	0.06%
73.	Md. Nizamul Haque	206/1/Kha, Ahmed Nagar, Mirpur	Shareholder	1202210005096088	200,000	0.25%
74.	Md. Mijanur Rahman	Vill: Raghua Kazir Char, P.O: KazirChar -8251, Muladi, Barisal	Shareholder	1203020031659055	50,000	0.06%
75.	Md. Afjol Ahmad	Sonali -12, Mojumdar Para, Shibgon, Sylhet	Shareholder	1203590062852461	100,000	0.13%
76.	Ishtiaq Ahmed	Civil Acacia, Flat No-A1, 34 New Eskaton, Dhaka	Shareholder	1202490000226422	60,000	0.08%
77.	Khaled Mahmud	IDLC Investments Limited, D R Tower- 4 th Floor, 65/2/2, Purana Paltan, Culvert Road, Dhaka	Shareholder	1602510046749340	100,000	0.13%

SL No	Name	Address	Position	BOID	Number of Shares Held	Pre IPO %
78.	Nazia Akter	Orion House, 153-154 Tejgoan I/A, 2 nd Floor, Dhaka	Shareholder	1202610048464551	200,000	0.25%
79.	Mrs. Nusrat Manzoor	APT#A-3, (Bell Flower), House#1/6, Block#D, Lalmatia	Shareholder	1203060000942309	200,000	0.25%
80.	Mohammad Younus	House-47, Flat-3C, Road-5, Dhanmondi, Dhaka	Shareholder	1202580066175692	750,000	0.94%
81.	Aswat Aksir Mujib Wasi	82/2/A-1, North Jatrabari, Dhaka	Shareholder	1605760066332994	100,000	0.13%
82.	Md. Lutfur Rahman	Vill. + P.O.- Barangail, Shibabaya, Manikganj	Shareholder	1203600013625030	100,000	0.13%
83.	Mrs. Nazma Rahman	38, Mintu Road, Ramna-1000, Dhaka	Shareholder	1202210064479240	200,000	0.25%
84.	Kamrul Hasan	Office of the upazilla nirbahi officer, Baliakandi, Rajbari	Shareholder	1205950065921363	50,000	0.06%
85.	TM Jobaer	8/1, Upayan Azizpolli, Dhaka Cantonment, Dhaka	Shareholder	1606060066302545	100,000	0.13%
86.	Kazi Amdadul Hoque	Vill: Mohadan, P.O: Baroipatal, Sharishabari, Jamalpur	Shareholder	1605570062732560	100,000	0.13%
87.	Md. Abbas Ali Khan	Flat:C-5, Plot:39, Road:12-1, Block-F, Nektan, Gulshan, Dhaka	Shareholder	1204570062988909	100,000	0.13%
88.	Md. Golam Kabir	Shoptoneer Officers Apartment, NHB-24, A-3, Block-B, Lalmatia, Dhaka.	Shareholder	1202800017397301	200,000	0.25%
89.	Md. Abdur Razzak	House#22, Road#14, Sector#44, Uttara, Dhaka-1230	Shareholder	1606060067255840	50,000	0.06%
90.	Mohd. Mahbubul Alom	47, Santinagar, Paltan, Dhaka-1217	Shareholder	1606060067256259	50,000	0.06%
91.	Salena Akther Poly	Rajar Hat Nadirpar, P.O.- Pirojpur Sadar, Pirojpur	Shareholder	1201480064561845	100,000	0.13%
92.	Md. Ruhul Amin Mollah	House- 41/A, 41/2, Flat- 11-B, Road- Jigatola, Dhanmondi, Dhaka	Shareholder	1203260056900702	33,000	0.04%
93.	Zannatun Nessa	MTB Tower, Level-3, 111 Kazi Nazrul Islam Avenue, Banglamotor, Dhaka	Shareholder	1605070068110325	50,000	0.06%
94.	Abul Hasan	Sonali 30/A, Nazmul Villa, Shibgonj, Sylhet	Shareholder	1203590062584237	100,000	0.13%
95.	Md. Nurul Islam	Vill: Manikpur, Isamoti, P.S: Jakigonj, Sylhet	Shareholder	1203590062597246	100,000	0.13%
96.	Md. Liakat Ali	House#50, 15 th Floor, Room#01, Purana Paltan, Ramna, Dhaka	Shareholder	1201480066188139	50,000	0.06%
97.	Mohammad Jahurul Islam Sheikh	All Tex Industries Limited, 139, Motijheel C/A, Dhaka-1000	Shareholder	1606060018460914	200,000	0.25%
98.	Md. Alamgir Hossain	28/C, East Nayatola, Bora Magh Bazar, Dhaka	Shareholder	1201520058015599	100,000	0.13%
99.	Farabi N. Rahman	38, Mintu Road, Ramna, Dhaka	Shareholder	1606060067725467	400,000	0.50%
100.	Orion Footware Limited	Orion House, 153-154, Tejaon I/A, Dhaka	Shareholder	1202610066474996	1,000,000	1.25%
101.	Md. Shafiqur Rahman	House # 287/4, APT# A4, Road # 07, Cant. Bazer, Dhaka Cantonment, Dhaka	Shareholder	1606060062153110	100,000	0.13%
102.	Mohammad Ferdous Jaman	Orion House, 153-154 Tejgoan I/A, Dhaka	Shareholder	1203710048456909	200,000	0.25%
103.	Mamun Hossain	Ka-16, Rasul Bagh, Mohakhali, Dhaka	Shareholder	1204120026870188	100,000	0.13%
104.	Md. Hasan Imam	House No- 62, Road- 10, DIT Project, Merul Badda, Dhaka	Shareholder	1205590064186096	50,000	0.06%
105.	H. M. Saifullah	Social Islami Bank Limited, H/O: City Center (19-22 Floor), 103, Motijheel C/A, Dhaka	Shareholder	1203680062135843	27,000	0.03%
106.	A.F.M.Shafder Hossain	17, Chatteshwary Road (Ino Goli), Dampara, Chattagram	Shareholder	1203140064434182	20,000	0.03%
107.	Sazzadur Rahman	House-39, Road-01, Nurpur,Dania, Kadamtali, Dhaka	Shareholder	1201480066435595	50,000	0.06%
108.	Md. Saifuddin Khaled	Mawlana Shamsuddin House, West Katghar Para, Potenga, Chattagram	Shareholder	1201960066219583	100,000	0.13%
109.	Tasrin Mujib	House: 381/1/A, Road: North Goran, P.O: Khilgaon-1219, Khilgaon, Dhaka	Shareholder	1605760066332895	150,000	0.19%
110.	Md. Sazed Karim	Paltan Paradise, 63, Purana Paltan Lane, Flat:3-A, Dhaka	Shareholder	1201900016975464	200,000	0.25%
111.	Nasrin Akter	Ka-31, Sarker Bari Road (1 st Floor), Nadda, Gulshan, Dhaka	Shareholder	1201960063798191	100,000	0.13%
112.	Md. Masudur Rahman	Harun Shaber Building, 177 Hajee Emdad Ali Road, 1st Floor, Mohammadpur, Chattagram	Shareholder	1204220057496005	40,000	0.05%
113.	Md. Ahasanul Hoque	Abu Sufian Bari, Bacha Meah Road, West Nasirabad, Pahartali, Chittagong	Shareholder	1204500060616516	100,000	0.13%
114.	S.A.M Samiul Parves	Dhanmomi Securities Limited, Suite#903 (8 th Floor), Modhumita Building, 158-160, Motijheel, Dhaka	Shareholder	1606060007778429	185,000	0.23%
115.	Mohammad Golam Sabur	Bangladesh Building System, House#26, Road#03, Block#I, Banani, Dhaka	Shareholder	1606060016494177	115,000	0.14%
116.	Khandakar Arifuzzaman	53/A, Monipuripara, Firmgate, Dhaka	Shareholder	1606060066203016	200,000	0.25%
117.	Abaci Investments Limited (MDA)	Rupayan Prime (7 th Floor), Plot-02, Road-07, Dhanmondi, Dhaka.	Shareholder	1602770045524684	800,000	1.00%

SL No	Name	Address	Position	BOID	Number of Shares Held	Pre IPO %
118.	Parveen Sultana	D-1/B. Railway Officer's Quarter, Shahjahanpur, Dhaka.	Shareholder	1606060065060381	200,000	0.25%
119.	Md. Nizam Uddin	144, Shanti Nagar, Bidding No-2, flat No-3, Dhaka.	Shareholder	1606060016356272	50,000	0.06%
120.	BRB Securities Limited (Dealer)	House No-10/B, Road No-06, Dhanmondi, Dhaka	Shareholder	1203910038355843	1,000,000	1.25%
121.	Md. Khalid Hossain Khan	House#50, Road#03, Block#B, Nikaton, Gulshan-1, Dhaka	Shareholder	1606060043555015	300,000	0.38%
122.	Sadia Hossain	Hazi Bari Uttor Joshpur, Chhagalnaiya	Shareholder	1201960064988391	500,000	0.63%
123.	Md. Mosharraf Uddin Khaled	RF Johora Tower, 1401 SK Mujib Road, Agrabad, Chattagram.	Shareholder	1201960045102131	100,000	0.13%
124.	A.N.M Wahid Hossain	Sayed Golam Haider Mintu, 30 Joynagar North, Chawkbazar, Chattagram.	Shareholder	1201960043441538	100,000	0.13%
125.	Mohammad Matiul Islam	Agrani Bank Ltd, Rajuk Bhaban Branch, Dhaka-1000, Dhaka.	Shareholder	1201580020847765	110,000	0.14%
126.	Imran Ahmed	House-26, Road-04, Block-A, Banasree, Khilgaon, Dhaka	Shareholder	1203910065358373	25,000	0.03%
127.	Mohammad Kamal Uddin	House: Haji Ayub Ali Sowdagar Bari, Chnhora, P.O: Chanhora- 4370, Potia, Chattagram.	Shareholder	1606060067983568	2,000,000	2.50%
128.	Gazi Mukarram Ali Chowdhury	House No; 20, Vill/Road: Ice Factory Road, P.O: GPO-4000, P.S: Doublemuring, Chattagram.	Shareholder	1606060067983442	1,000,000	1.25%
129.	Motaher Hossain	113/A Shulakbahar, Ahmed Mia Primary School Road, Chattagram	Shareholder	1203330009275562	104,000	0.13%
130.	Mostafizur Rahman	Nazir Box Sarany Bari,Vill:Fathepur P.O: Madanhat, P.S:Hathazari, Chattagram.	Shareholder	1606060068000415	11,000	0.01%
131.	A.F. Mohiuddin Khan	House-32(New), 275 (Old)/KA, Road-16 (New), 27 (Old), Jigatola, Dhanmondi, Dhaka.	Shareholder	1201480065132802	100,000	0.13%
132.	Md. Shafiul Azam Khan	50, Khaje Dewan, 2 nd Lane, Lalbagh, Dhaka-1211.	Shareholder	1204910042626804	100,000	0.13%
133.	Mst. Salina Akter	Vill- Shivpur, P.O- Shivpur, PS- Araihaazar, Dist- Narayangong.	Shareholder	1202950048336421	250,000	0.31%
134.	Md. Masud Rana	105/C/7 Rajarbagh, Sabuzbagh, Dhaka-1214.	Shareholder	1202550037825261	200,000	0.25%
135.	Md. Nurul Islam	32/6, Progati Sharani, Shajadpur, Gulshan, Dhaka	Shareholder	1204570045588049	50,000	0.06%
136.	Mohsen Khawja Ahmed	Urban Scotia Garden, Flat-7D, 9 Eskaton Garden, Dhaka, Bangladesh	Shareholder	1201480000414101	50,000	0.06%
137.	Priota Refinery & Furnishing Ltd	132, Jamtala, East Rampura, Dhaka-1219	Shareholder	1204800065582937	300,000	0.38%
138.	Mostafa Shahriar	62/A, 3 rd Floor Shantibag, Masjid Road, Dhaka-1217	Shareholder	1203500022902711	100,000	0.13%
139.	Md. Siyamul Ahsan	1232, East Monipur, Mirpur, Dhaka-1216.	Shareholder	1204490064679968	140,000	0.18%
140.	Mohammed Jahangir Alam	Med-Com, 4812-A, Azimpur Atim Khana, Dhaka.	Shareholder	1205670058884859	30,000	0.04%
141.	Mohammad Shahin Dewan	3/2, Purana Paltan, Dhaka-1000.	Shareholder	1205670061672663	50,000	0.06%
142.	Arifa Begum Lucky	IL Capital Limited, Printers Building (14th Floor)5 Rajuk Avenueue, Dhaka.	Shareholder	1205000058547697	100,000	0.13%
143.	Abid Hossain	D-1/B, Railway Officer's Quarter, Shahjahanpur, Dhaka.	Shareholder	1205670044309378	200,000	0.25%
144.	Shaheda Aktar	H: Miyar Baper Bari Vill: Jobra, Hathajari, Chattagram.	Shareholder	1605760068946620	8,000	0.01%
145.	Shoaeb Ahmed	Holding-77, Road-4, Block-B, Gulshan-1212, Dhaka	Shareholder	1201480064783672	100,000	0.13%
146.	Khondaker Muinur Rahman	3/C, Hope Aperiment, 21-shideshwari Road, Dhaka	Shareholder	1201480064004541	100,000	0.13%
147.	Ziauddin Ahmed	48-49, kakrail,Flat-A-8,Ramna Dhaka, Bangladesh	Shareholder	1201480064560751	100,000	0.13%
148.	Md. Mehedi Hasan	48-49, kakrail,Flat-A-8,Ramna Dhaka, Bangladesh	Shareholder	1201480064813616	100,000	0.13%
149.	S.M Zahid Bin Faruque	48-49, kakrail,Flat-A-8,Ramna Dhaka, Bangladesh	Shareholder	1201480064561018	100,000	0.13%
150.	Shamim Ara Baby	Weast Katgar Hindu para, Post: Potenga-4204, Ctg	Shareholder	1201960061456338	100,000	0.13%
151.	Md. M.U. Pramanik	4/3 Reneta Ltd., Gazipur Depo, Gazipur	Shareholder	1603700061482620	200,000	0.25%
152.	Habiba Rahman	6315,Purana Paltan Line, Dhaka	Shareholder	1605760067975198	20,000	0.03%
153.	Soumen Saha	IIDFC Ltd. 122-124 Motijheel C/A, 6th Floor, Dhaka.	Shareholder	1605760064811922	30,000	0.04%
154.	Sazzat Hossain	House -201/2, Air Force Officers Quarter, P.O- Dhaka Cantonment, Dhaka.	Shareholder	1605760064861656	150,000	0.19%
155.	Jamil Uddin Ahmed	H-361/j, Shahin Quarter Nijhom Tejgaon, Dhaka Cantonment, Dhaka.	Shareholder	1605760064971748	100,000	0.13%
156.	Mohammad Fakrul Amin Patwary	F-12, R-12A, 33 Topkhana Road, Dhaka.	Shareholder	1605760065218397	50,000	0.06%

SL No	Name	Address	Position	BOID	Number of Shares Held	Pre IPO %
157.	Shohaly Parvin	H-809, R-3, Adabar, Mohammadpur Navana Glorly Building, Dhaka.	Shareholder	1605760065715739	50,000	0.06%
158.	Abullah Al Mamun	Siraj Bhaban, Jail Dig Road, Jessore.	Shareholder	1605760065722759	25,000	0.03%
159.	Md. Azmul Huda	407/D, North Shajahanpur, Dhaka.	Shareholder	1605760066582409	50,000	0.06%
160.	A KM Abdus Satter	6, Sonatongor, Tanarimor, Zigatola, Dhaka.	Shareholder	1605760066582540	100,000	0.13%
161.	Md. Jamal Hossain	H-27, R-02, B-C, Banasree, Rampura, Dhaka.	Shareholder	1605760066735700	35,000	0.04%
162.	Md. Sirazum Munir	House-2/H/1, Road-1, Shymoli, Dhaka.	Shareholder	1605760066749998	50,000	0.06%
163.	Md. Monjerul Islam	22/1, West and Street New Market, Dhanmondi, Dhaka.	Shareholder	1605760066776217	35,000	0.04%
164.	Md. Harunoor Rashid	66, Crescent Road, Flat-A/5, Kalabagan, Dhaka.	Shareholder	1605760067131737	30,000	0.04%
165.	Md. Ashaduzzaman	House-111/4 A, RosulBagh, Gulshan, Dhaka.	Shareholder	1605760067209877	30,000	0.04%
166.	Md. Mahmudur Rahman	Saima Mansion (3rd Floor), Old Passport Lane, Bottola, Barishal.	Shareholder	1605760067304752	25,000	0.03%
167.	Md. Rajib Ahmed	Vill- Andharmanik, Post-Harimrampur, Manikgonj.	Shareholder	1605760067975561	25,000	0.03%
168.	Sabbir Ahmed	House-54/6, Road-12, Shekher Tec Mohammedpur, Dhaka.	Shareholder	1605760067304861	10,000	0.01%
169.	Khandoker Khalilur Rahman	Barisal Sadar, Barishal	Shareholder	1605760067978547	25,000	0.03%
170.	Asim Kumar Roy	Madhabdi Plaza, 7D, Madhabdi, Narsingdi	Shareholder	1605760067975444	100,000	0.13%
171.	Mohammad Saiful Islam	914/2 B, Shahidbagh, P.O-Shantinagar, Dhaka.	Shareholder	1605760065278738	100,000	0.13%
172.	Md. Hafizur Rahman	H-18, R-1, Kuderabad Housing B#B, West Katashur, Mohammadpur, Dhaka.	Shareholder	1605760065722395	400,000	0.50%
173.	Md. Ariful Islam	House-1/1, Block-B (1st Floor), Section-14, Mirpur, Dhaka.	Shareholder	1605760067123086	100,000	0.13%
174.	Jayanta Kumar Podder	333/1Segun Baghicha (1st Floor) Dhaka	Shareholder	1602170033215148	100,000	0.13%
175.	F.A. Trading Corporation	Flat B-7, Firoza Rose, 12 Eskaton, Boro Magbazaer, Dhaka-1000	Shareholder	1203110063110187	379,514	0.47%
176.	NRB Equity Management Limited	Al-Razi Complex, Suite# G-602 (6 th Floor) 166-167, Syed Nazrul Islam Sarani, Purana Paltan, Dhaka-1000	Shareholder	1605760062455351	659,669	0.82%
177.	Md. Shaiful Islam	House#15/G, Flat#5(D), Road# 07, Block# G, Bashundhara R/A, Dhaka	Shareholder	1605760066168441	680,000	0.85%
178.	Md. Abdur Rahim	Lt col Rahim, 25 AD Reg Arty, Chittagong Cantonment.	Shareholder	1606060043753594	100,000	0.13%
179.	S M Khurshid-Ul-Alam	Vill- Kabariyabari, Post-Kabariyabari-2054, Sarishabari, Jamalpur.	Shareholder	1606060066439098	50,000	0.06%
180.	Javeed A Matin	House#02, Road#04, Gulshan, Dhaka	Shareholder	1606060068955377	200,000	0.25%
181.	Md. Momin Uddin Mozumder	House -222, Hazipara, P.O: Gulshan-121, Badda, Dhaka.	Shareholder	1605640068339949	200,000	0.25%
182.	Mohammad Sarwar Murshid	House No: 18/K, Tallabag, P.O: Mohammadpur-1207, Mohammadpur, Dhaka.	Shareholder	1605760062630913	100,000	0.13%
183.	Kazi Reashad Shahnewaz Usha	House-3/D, Road-2/A, Block-J, Baridhara Dhaka.	Shareholder	1605760064182841	50,000	0.06%
184.	Umme Habiba Sultana	House:1/11, Block-B, Lalmatia, Flat-A/1, Mohammadpur, Dhaka.	Shareholder	1205950068242453	50,000	0.06%
185.	Md. Ataur Rahman Mondol	House-13/7, Asa Niketon, 6/B, Shymoli, Road-2, Dhaka.	Shareholder	1205950067893877	50,000	0.06%
186.	Rifah Tamanna	House-1/11, BL-B, Lalmatia, Flat-A-1, Mohammadpur, Dhaka	Shareholder	1605760068946457	700,000	0.88%
187.	A.K.M Monzurul Kabir	588, Mazgam, West Kalimpur-8600, Barishal	Shareholder	1205590068607775	50,000	0.06%
188.	Md. Jahirul Islam Jewel	124/50, (1st Floor) West Dhanmondi, Housing Bosila	Shareholder	1205950068167374	50,000	0.06%
189.	Md. Ashaduzzaman	House- 10(F1), 5th Floor, L-2, Road-01, Sonali-R/A, Halishohor.	Shareholder	1201950068436063	50,000	0.06%
190.	Anjoman Ara Begum	House-6/Kha, Road-05, section-02, Block-E, Post- mirpur, Dhaka-1216.	Shareholder	1205590068164991	200,000	0.25%
191.	Md. Abul Kasem	158-159, Motijheel, Room-10, 9th Floor, Dhaka.	Shareholder	1202550068807871	100,000	0.13%
192.	Arifa Akhter	Building B/23, west Ferozshah Colony, Pahartali, Ctg.	Shareholder	1201960031598601	50,000	0.06%
193.	Md Amran	Chairman Bari, Mizan Market Road, Southpara, Bimanbandar, Ctg.	Shareholder	1201960064462656	100,000	0.13%
					80,000,000	100.00%

- (b) There shall also be a table showing the name and address, age, experience, BO ID Number, TIN number, numbers of shares held including percentage, a position held in other companies of all the directors before the public issue:

Name of the Directors	Address	Age	Experience (Years)	BO ID Number	TIN number	No. of shares held	Share hold(%) pre-issue	Position held in other companies	
								Name of the Company	Position
Md. Nizamuddin Chowdhury	Hashem Manjil, Uttar Salimpur, Jaforabad, Sitakunda, Chattagram	70	27 years	1606060067860558	3491029820	6,861,600	8.58%	Sonali Steel Enterprise Limited	Director
Mrs. Ismat Jahan	Pilot House, 3 No. Fakir Hat, Pashchim Goshail Danga, Chattagram	40	11 years	1606060067858755	3441087707	18,176,324	22.72%	Sonali Steel Enterprise Limited A & A Shipyard Limited A & A Logistics Limited	Director Director Chairman
Md. Fahim Chowdhury	Majid Chowdhury House, South Bhatiary, Sitakunda, Chattagram	20	3 years	1606060067983295	677926769983	1,963,940	2.45%	N/A	
Md. Azmine Mahtab Chowdhury		20	2 years	1606060067850759	136457862641	2,122,322	2.65%	A & A Shipyard Limited A & A Logistics Limited	Director Director

- (c) The average cost of acquisition of equity shares by the directors certified by the auditors:

CERTIFICATION REGARDING THE AVERAGE COST OF ACQUISITION OF EQUITY SHARES BY THE DIRECTORS

This is to certify that all the shares have been allotted to its Director in face value & in cash/bonus/other than cash and the average cost of acquisition of equity by the Director is Tk. 10 each, Necessary particulars of shareholdings, allotment dates and consideration are given below:

Date of Allotment	Nature of Transaction	Number of Share hold				Consideration	Face value of Share (Tk.)
		Md. Nizamuddin Chowdhury	Mrs. Ismat Jahan	Azmine Mahatab Chowdhury	Fahim Chowdhury		
27.07.2008	By Transfer	20,000	20,000			Transfer	10
20.04.2017	By Transfer	-	40,000	-		Transfer	10
28.04.2017	By Transfer			20,000	20,000	Transfer	10
20.12.2017	By Allotment	112,200	198,108	50,000	62,400	Cash	10
31.12.2017	By Allotment	264,400	516,216	140,000	164,800	Bonus	10
06.11.2018	By Allotment	6,465,000	17,827,000	1,912,322	1,291,740	Cash	10
27.12.2018	By Transfer	-	(425,000)		425,000	Transfer	10
Total		6,861,600	18,176,324	2,122,322	1,963,940		

N:B: The Company split its share from Tk. 100 to Tk. 10 at 06 July, 2017

Date: 12.10.2019

Place: Dhaka


SHIRAZ KHAN BASAK & CO.

Chartered Accountants

- (d) The detail description of capital built up in respect of shareholding (name-wise) of the issuer's sponsors/ directors. In this connection, a statement to be included:

Date of allotment /transfer of fully paid-up shares	Consideration	Nature of Issue	No. of equity shares	Face value	Issue price/ acquisition price/ transfer prices	Cumulative no. of equity shares	% pre-issue paid-up capital	% post issue paid-up capital	Sources of fund
Md. Nizam Uddin Chowdhury, Chairman									
27.07.2008	Transfer	Ordinary	20,000	10	200,000	200,000	8.58%	7.22%	Own Source
20.12.2017	Cash		112,200	10	1,122,000	1,322,000			
31.12.2017	Bonus		264,400	10	2,644,000	3,966,000			
06.11.2018	Cash		6,465,000	10	64,650,000	68,616,000			
			6,861,600		68,616,000				

Date of allotment /transfer of fully paid-up shares	Consideration	Nature of Issue	No. of equity shares	Face value	Issue price/ acquisition price/ transfer prices	Cumulative no. of equity shares	% pre-issue paid-up capital	% post issue paid-up capital	Sources of fund
Mrs. Ismat Jahan, Managing Director									
27.07.2008	Transfer	Ordinary	20,000	10	200,000	200,000	22.72%	19.13%	Own Source
20.04.2017	Transfer		20,000	10	200,000	400,000			
20.04.2017	Transfer		20,000	10	200,000	600,000			
20.12.2017	Cash		198,108	10	1,981,080	2,581,080			
31.12.2017	Bonus		516,216	10	5,162,160	7,743,240			
06.11.2018	Cash		17,827,000	10	178,270,000	186,013,240			
27.12.2018	Transfer		(425,000)	10	(4,250,000)	181,763,240			
			18,176,324		181,763,240				
Azmine Mahatab Chowdhury, Director									
28.04.2017	Transfer	Ordinary	20,000	10	200,000	200,000	2.65%	2.23%	Own Source
20.12.2017	Cash		50,000	10	500,000	700,000			
31.12.2017	Bonus		140,000	10	1,400,000	2,100,000			
06.11.2018	Cash		1,912,322	10	19,123,220	21,223,220			
			2,122,322		21,223,220				
Fahim Chowdhury, Director									
28.04.2017	Transfer	Ordinary	20,000	10	200,000	200,000	2.45%	2.06%	Own Source
20.12.2017	Cash		62,400	10	624,000	824,000			
31.12.2017	Bonus		164,800	10	1,648,000	2,472,000			
06.11.2018	Cash		1,291,740	10	12,917,400	15,389,400			
27.12.2018	Transfer		425,000	10	4,250,000	19,639,400			
			1,963,940		19,639,400				

** The Company split its share as on 06-07-2018 to 10 from 100 each.

(e) Detail of shares issued by the company at a price lower than the issue price:

All the shares are issued by the Company at face value of Tk. 10 before this issue.

(f) History of significant (5% or more) changes in ownership of securities from inception.

Date of Allotment/ Transfer	Nature of Transaction	Number of Shareholders			
		Md. Nizam Uddin Chowdhury	Mrs. Ismat Jahan	Azmine Mahatab Chowdhury	Fahim Chowdhury
27.07.2008	By Transfer	20,000	20,000	-	-
20.04.2017	By Transfer	-	40,000	-	-
28.04.2017	By Transfer	-	-	20,000	20,000
20.12.2017	By Allotment	112,200	198,108	50,000	62,400
31.12.2017	By Allotment	264,400	516,216	140,000	164,800
06.11.2018	By Allotment	6,465,000	17,827,000	1,912,322	1,291,740
27.12.2018	By Transfer	-	(425,000)	-	425,000
		6,861,600	18,176,324	2,122,322	1,963,940

CHAPTER-XIV

CORPORATE GOVERNANCE

- (a) A disclosure to the effect that the issuer has complied with the requirements of Corporate Governance Guidelines of the Commission:

**MANAGEMENT DISCLOSURE REGARDING COMPLIANCE WITH THE
REQUIREMENTS OF CORPORATE GOVERNANCE GUIDELINES OF
BANGLADESH SECURITIES AND EXCHANGE COMMISSION**

The Company declares that it is in compliance with the requirements of the applicable regulations of Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission in respect of corporate governance including the constitution of the Board and committees thereof.

Sd/-

Mrs. Ismat Jahan

Managing Director

Associated Oxygen Limited

- (b) A compliance report of Corporate Governance requirements certified by the competent authority:

Annexure-B

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

**REPORT TO THE SHAREHOLDERS OF ASSOCIATED OXYGEN LIMITED
COMPLIANCE ON THE CORPORATE GOVERNANCE CODE**

We have examined the compliance status to the Corporate Governance Code by **Associated Oxygen Limited** for the period ended 30th June, 2019. 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 Associated Oxygen Limited. Our examination was limited to the procedures and implementation thereof 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) Associated Oxygen Limited has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission;
- (b) Associated Oxygen 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 Associated Oxygen Limited required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the company is highly satisfactory.

Dated: 12.10.2019

Place: Dhaka

Sd/-

Ashraf Uddin & Co.

Chartered Accountants

**STATUS OF COMPLIANCE REPORT ON CORPORATE GOVERNANCE
ASSOCIATED OXYGEN LIMITED**

Status of compliance with the conditions imposed by the Commission's Notification No BSEC/CMRRCD/2006-158/207/ Admin/ 80 dated 03June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition No.	Title	Compliance Status (Put \checkmark in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.	Board of Directors			
1. (1)	Size of the Board of Directors. The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	\checkmark		
1. (2)	Independent Directors. All companies shall have effective representation of independent directors on their Boards, so that the Board, as a group, includes core competencies considered relevant in the context of each company; for this purpose, the companies shall comply with the following	\checkmark		
1. (2) (a)	At least one-fifth (1/5) of the total number of directors in the company's board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating the number of independent directors;	\checkmark		One independent director total numbers of directors on the board is 05(Five)
1. (2) (b)	For the purpose of this clause "independent director" means a director	\checkmark		
1. (2) (b) (i)	who either 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;	\checkmark		
1. (2) (b) (ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who hold one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above-mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	\checkmark		
1. (2) (b) (iii)	who has not been an executive of the company in immediately preceding 2 (two) Financial Years;	\checkmark		
1 (2) (b) (iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	\checkmark		
1 (2) (b) (v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	\checkmark		
1 (2) (b) (vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of a stock exchange or an intermediary of the capital market;	\checkmark		
1 (2) (b) (vii)	who 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 a special auditor professional certifying compliance of this Code;	\checkmark		
1(2)(b)(viii)	who is not an independent director in more than 5 (five)listed companies;	\checkmark		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1 (2) (b) (ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	✓		
1 (2) (b) (x)	who has not been convicted for a criminal offense involving moral turpitude	✓		
1 (2) (c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		Independent Directors has been appointed by the Board of Directors on 10 th June, 2019 and will be submitted for approved in the next AGM-19.
1 (2) (d)	The post of independent director(s) cannot 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) tenure only: Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]: Provided further that the independent director shall not be subject to retirement by rotation as per the, (Companies Act, 1994).	✓		
(3)	Qualification of Independent Director.-			
1 (3) (a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make a meaningful contribution to the business;	✓		
1 (3) (b)	Independent Director Shall has the following qualifications:			
1 (3) (b) (i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100 million or any listed company or a member of any national or international chamber of commerce or business association; or			N/A
1 (3) (b) (ii)	Corporate Leader who is or was a top-level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer 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 Tk. 100 million or of a listed company;			N/A
1 (3) (b) (iii)	A former official of the 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 a bachelor degree in economics or commerce or business or Law; or			N/A
1 (3) (b) (iv)	University Teacher who has an educational background in Economics or Commerce or Business Studies or Law; or			N/A
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	✓		

Condition No.	Title	Compliance Status (Put \checkmark in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			
1 (3) (c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	\checkmark		
1 (3) (d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			N/A
4	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.-			
1 (4) (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	\checkmark		
1 (4) (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	\checkmark		
1 (4) (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	\checkmark		
1 (4) (d)	The Board shall clearly define the respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	\checkmark		
1 (4) (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of the absence of the regular Chairperson shall be duly recorded in the minutes.	\checkmark		
(5)	The Directors' Report to Shareholders:			
	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):			
1 (5) (i)	An industry outlook and possible future developments in the industry;	\checkmark		
1 (5) (ii)	The segment-wise or product-wise performance;	\checkmark		
1 (5) (iii)	Risks and concerns including internal and external risk factors, a threat to sustainability and negative impact on the environment, if any;	\checkmark		
1 (5) (iv)	A discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin, where applicable;	\checkmark		
1 (5) (v)	A discussion on the continuity of any extraordinary activities and their implications (gain or loss);	\checkmark		
1 (5) (vi)	A detailed discussion on related party transactions along with a statement showing the amount, nature of the related party, nature of transactions and basis of transactions of all related party transactions;	\checkmark		
1 (5) (vii)	A statement of the utilization of proceeds raised through public issues, rights issues and/or any other instruments;	\checkmark		
1 (5) (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;	\checkmark		

Condition No.	Title	Compliance Status (Put \checkmark in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1 (5) (ix)	An explanation of any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	\checkmark		
1 (5) (x)	A statement of remuneration paid to the directors including ID	\checkmark		
1 (5) (xi)	A statement that 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;	\checkmark		
1 (5) (xii)	A statement that proper books of account of the issuer company have been maintained;	\checkmark		
1 (5) (xiii)	A statement that appropriate accounting policies have been consistently applied in the preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	\checkmark		
1 (5) (xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in the preparation of the financial statements and any departure therefrom has been adequately disclosed;	\checkmark		
1 (5) (xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	\checkmark		
1 (5) (xvi)	A 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;	\checkmark		
1 (5) (xvii)	A statement that there is no significant doubt 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 shall be disclosed;	\checkmark		
1 (5) (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	\checkmark		
1 (5) (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	\checkmark		
1 (5) (xx)	An explanation of the reasons if the issuer company has not declared dividend (cash or stock) for the year;	\checkmark		
1 (5) (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as an interim dividend;	\checkmark		
1 (5) (xxii)	The total number of Board meetings held during the year and attendance by each director;	\checkmark		
1 (5) (xxiii) (a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	-	-	N/A
1 (5) (xxiii) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	\checkmark		
1(5)(xxiii) (c)	Executives; and	\checkmark		
1 (5) (xxiii) (d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	\checkmark		
1(5) (xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5) (xxiv) (a)	a brief resume of the director;	✓		
1.5 (xxiv) (b)	nature of his or her expertise in specific functional areas; and	✓		
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's Discussion and Analysis signed by CEO or MD presenting a detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1 (5)(xxv) (a)	accounting policies and estimation for preparation of financial statements;	✓		
1 (5) (xxv) (b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in the absolute figure for such changes;	✓		
1 (5) (xxv) (c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for the current financial year with immediate preceding five years explaining reasons thereof;	✓		
1 (5) (xxv) (d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1 (5) (xxv) (e)	briefly explain the financial and economic scenario of the country and the globe;	✓		
1 (5) (xxv) (f)	risks and concerns issues related to the financial statements, explaining such risk and a concerns mitigation plan of the company; and	✓		
1 (5) (xxv) (g)	future plan or projection or forecast for the company's operation, performance and financial position, with justification thereof, i.e., the 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 the compliance of conditions of this Code as required under condition No. 9, shall be disclosed as per Annexure-B and Annexure-C .	✓		
1 (6)	Meetings of the Board of Directors	✓		
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 the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
1 (7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officers.	✓		
1 (7) (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		
1 (7) (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among	✓		

Condition No.	Title	Compliance Status (Put \checkmark in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with the environment, employees, customers and suppliers; and independence.			
2	Governance of Board of Directors of Subsidiary Company. -			N/A
2 (a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			N/A
2 (b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			N/A
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;			N/A
2 (d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			N/A
2 (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			N/A
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)	\checkmark		
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);	\checkmark		
3 (1) (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	\checkmark		
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;	\checkmark		
3 (1) (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	\checkmark		
3 (1) (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without the approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	\checkmark		
3 (2)	The requirement to attend the Board of Directors' Meetings			
3 (2)	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	\checkmark		
3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)	\checkmark		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3 (3) (a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	✓		
3 (3) (a) (i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3 (3) (a) (ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3 (3) (b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which is fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
3.3 (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4	Board of Directors, Committee. - For ensuring good governance in the company, the Board shall have at least following sub-committees:	✓		
4 (i)	Audit Committee; and	✓		
4 (ii)	Nomination and Remuneration Committee.	✓		
5	Audit Committee. -			
5 (1)	Responsibility to the Board of Directors.			
5.1 (a)	The company shall have an Audit Committee as a subcommittee of the Board;	✓		
5.1 (b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect the true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		
5.1 (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5 (2)	Constitution of the Audit Committee	✓		
5.2(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5.2(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5.2(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
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 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		
5.2 (e)	The company secretary shall act as the secretary of the Committee;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5.2 (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5 (3)	Chairperson of the Audit Committee			
5.3 (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
5.3 (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
5.3 (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and the reason for the absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	✓		
5 (4)	Meeting of the Audit Committee	✓		
5.4 (a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that an emergency meeting in addition to a regular meeting may be convened at the request of any one of the members of the Committee;	✓		
5.4 (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-thirds of the members of the Audit Committee, whichever is higher, where the presence of an independent director is a must.	✓		
5 (5)	Role of Audit Committee:	✓		
5.5 (a)	Oversee the financial reporting process;	✓		
5.5 (b)	Monitor choice of accounting policies and principles;	✓		
5.5 (c)	monitor the Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5.5 (d)	oversee the hiring and performance of external auditors;	✓		
5.5 (e)	hold a meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
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;	✓		

Condition No.	Title	Compliance Status (Put \checkmark in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5.5 (l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and the time required for effective audit and evaluate the performance of external auditors; and	\checkmark		
5.5 (m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.	\checkmark		
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.			
5.6 (a)(ii)	The Audit Committee Shall immediately report on its activities to the board.	\checkmark		
5.6 (a)(ii)(a)	report on conflicts of interests;	\checkmark		
5.6 (a)(ii) (b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance processor in the financial statements;	\checkmark		
5.6 (a)(ii) (c)	suspected infringement of laws, regulatory compliances including securities-related laws, rules and regulations; and	\checkmark		
5.6 (a)(ii) (d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			
5.6 (b)	Reporting to the Authorities If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board 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 for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			N/A
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 under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	\checkmark		
6	Nomination and Remuneration Committee (NRC).-	\checkmark		
6 (1)	Responsibility to the Board of Directors	\checkmark		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6.1 (a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓		
6.1 (b)	The NRC shall 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 executive as well as a policy for the formal process of considering remuneration of directors, top-level executive;	✓		
6.1 (c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at condition No. 6(5)(b).	✓		
6 (2)	Constitution of the NRC			
6.2 (a)	The Committee shall comprise of at least three members including an independent director;	✓		
6.2 (b)	All members of the Committee shall be non-executive directors;	✓		
6.2 (c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6.2 (d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
6.2 (e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	✓		
6.2 (f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	✓		
6.2 (g)	The company secretary shall act as the secretary of the Committee;	✓		
6.2 (h)	The quorum of the NRC meeting shall not constitute without the attendance of at least an independent director;	✓		
6.2 (i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		
6 (3)	Chairperson of the NRC	✓		
6.3 (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6.3 (b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of the absence of the regular Chairperson shall be duly recorded in the minutes;	✓		
6.3 (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and the reason for	✓		

Condition No.	Title	Compliance Status (Put \checkmark in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	the absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.			
6 (4)	Meeting of the NRC	\checkmark		
6.4 (a)	The NRC shall conduct at least one meeting in a financial year;	\checkmark		
6.4 (b)	The Chairperson of the NRC may convene an emergency meeting upon request by any member of the NRC;	\checkmark		
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 the presence of an independent director is must as required under condition No. 6(2)(h);	\checkmark		
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.	\checkmark		
6 (5)	Role of the NRC			
6.5 (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	\checkmark		
6.5 (b)	NRC shall oversee, among others, the following matters and make a report with a recommendation to the Board:	\checkmark		
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:	\checkmark		
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;	\checkmark		
6.5 (b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	\checkmark		
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 the company and its goals;	\checkmark		
6.5 (b) (ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	\checkmark		
6.5 (b) (iii)	identifying persons who are qualified to become directors and who may be appointed in a top-level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	\checkmark		
6.5 (b) (iv)	formulating the criteria for evaluation of the performance of independent directors and the Board;	\checkmark		
6.5 (b) (v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	\checkmark		
6.5 (b) (vi)	developing, recommending and reviewing annually the company's human resources and training policies;	\checkmark		
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.	\checkmark		
7	External or Statutory Auditors. -	\checkmark		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
7.1	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely: -	✓		
7.1. (i)	appraisal or valuation services or fairness opinions;	✓		
7.1(ii)	financial information systems design and implementation;	✓		
7.1(iii)	bookkeeping or other services related to the accounting records or financial statements;	✓		
7.1(iv)	broker-dealer services;	✓		
7.1(v)	actuarial services;	✓		
7.1(vi)	internal audit services or special audit services;	✓		
7.1(vii)	any service that the Audit Committee determines;	✓		
7.1(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		
7.1(ix)	Any other service that creates a conflict of interest.	✓		
7.2	No partner or employees 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; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓		
7.3	Representative external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
8	Maintaining a website by the Company. -			
8.1	The company shall have an official website linked with the website of the stock exchange.	✓		
8.2	The company shall keep the website functional from the date of the listing.	✓		
8.3	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9	Reporting and Compliance of Corporate Governance. -	✓		
9.1	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding the compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9.2	The professional who will provide the certificate on the compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		
9.3	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		

c) Details relating to the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committees operate:

Audit Committee Members	Nomination & Remuneration Committee Members
Advocate Nasima Akter Chowdhury	Advocate Nasima Akter Chowdhury
Md. Nizam Uddin Chowdhury	Md. Azmine Mahtab Chowdhury
Md. Fahim Chowdhury	Md. Fahim Chowdhury
Md. Nur E Elahi	Md. Nur E Elahi

The terms of reference of the audit committee are as follows:

- Oversee the Financial Reporting process;
- Monitor choice of accounting policies and principles;
- Monitor Internal Control Risk management process;
- Oversee the hiring and performance of external auditors;
- Review along with the management, the annual financial statements before submission to the board for approval;
- Review along with the management, the quarterly and half-yearly financial statements before submission to the board for approval;
- Review the adequacy of the internal audit function;
- Review statement significantly related party transactions submitted by the management;
- Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.

The terms of reference of the remuneration committee are as follows:

- To assist the Board in developing and administering a fair and transparent procedure for setting policy on the remuneration of directors and senior management of the Company;
- Determining the remuneration packages;
- Review the Annual Confidential Report (ACR) of senior management of the company;
- Review and oversee the Company's overall human resources strategy.

CHAPTER-XV

VALUATION REPORT OF SECURITIES PREPARED BY THE ISSUE MANAGER

- a) **The valuation report of securities to be offered shall be prepared and justified by the issue manager on the basis of the financial and all other information pertinent to the issue:**

The valuation report of the securities offers of Associated Oxygen Limited prepared by issue manager (BD Finance Capital Holdings Limited) on the basis of financial and other pertinent issues.

- b) **To prepare the valuation report, the issue manager may consider all qualitative and quantitative factors which shall be explained in details with a rationale to consider such factors, the valuation methods used, sources of information and authenticity of such information:**

Qualitative Justification:

1. **Quality Products:** We have to maintain producing quality products that increase our sales volume over the years.
2. **Modern Machinery:** We have been using modern machinery that increases our productivity.
3. **Market Share:** Our market share has been increasing rapidly.
4. **Remarkable Revenue:** We have been serving various types of Industries & Institutions.
5. **Management:** Management is highly experienced and their leading persons in their area.

Quantitative Justification:

Primary Valuation method for the Company is considered on the basis of Net Assets Value based valuation and Earnings based valuation per share.

- c) **While preparing the valuation report, the issue manager shall avoid exaggeration and biases and shall exercise independence and due diligence:**

The issue manager while preparing the valuation report, the issue manager shall avoid exaggeration and biases and shall exercise independence and due diligence.

- d) **The issue manager(s) shall, among others, consider the following methods for valuation of the securities:**

The valuation report of the securities is being prepared on the basis of the financial and all other information pertinent to the issue. The fair value is determined under different valuation methods referred to in clause no. Annexure-E (B) (14) of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 as amendments on July 06, 2017. The following table illustrates the calculation of the fair value of **Associated Oxygen Limited Ltd.**

Sl. No	Valuation Methods	Fair Value (BDT)
Method-1	Net asset value (NAV) at Historical or Current costs per Share (30 th June, 2019)	17.37
Method-2	i. Earning-based-value per Share (Considering average Sector P/E)	19.77
	ii. Earning-based-value per Share (Considering average Market P/E)	18.89
Method-3	Projected earnings for the next three accounting year with rationales of the projection, (if not in commercial operation)	N/A
Method-4	Average market price per share of similar stocks	423.86

The detail valuation working under the above-mentioned methods are furnished under the head of “valuation under different methods as prescribed in Clause No. Annexure- E (B) (14) of Bangladesh Securities and Exchange Commission (public Issue) Rules, 2015” described in this section.

METHODS OF VALUATION:

We have considered the following methods to determine the share price of Associated Oxygen Limited Ltd.:

THE DETAIL CALCULATION IS ILLUSTRATED BELOW –

The detail calculation is illustrated below –

METHOD 1: NET ASSET VALUE (NAV) AT HISTORICAL OR CURRENT COSTS PER SHARE

The NAV per share is based on the information of the latest audited Financial Statements as on June 30, 2019. The NAV per share at current costs is **BDT. 17.37** that has been derived by dividing the net assets at the end of the period by the number of outstanding shares before IPO as shown in the table below:

Shareholder's Equity	Amount in Taka
	30-Jun-19
Share Capital	800,000,000
Retained Earnings	589,860,666
Total Shareholders' Equity On 30th June 2019	1,389,860,666
No. Of Share Outstanding End of the year	80,000,000
Net Asset Value Per Share	17.37

N:B: Company Splits its Share Tk. 100 to Tk. 10 Dated: 06.07.2017

METHOD 2: (i) EARNING-BASED-VALUE PER SHARE SECTOR P/E

Earning-based-value per share based on historical information sourced from audited Financial Statements and statistics from Dhaka Stock Exchange Limited (DSE). The value was calculated by considering weighted net profit after tax for last 5 (five) years as per audited Financial Statements and market earnings multiple. The weighted average Earnings per share (EPS) is **BDT.1.36** and the three months average DSE Sector P/E is **14.54** Therefore Earning-based-value per share has been derived as **BDT. 19.77**.

Year	No. of Share	Net Profit After Tax	Weighted Average No. of Share	Weighted Average Net profit after tax
June 30, 2019	80,000,000	109,401,901	88.54%	96,864,555
June 30, 2018	9,994,538	107,498,411	11.07%	11,890,902
June 30, 2017	120,000	85,998,900	0.13%	114,215
June 30, 2016	120,000	68,204,193	0.13%	90,582
June 30, 2015	120,000	59,912,627	0.13%	79,570
Total	90,246,538	431,016,032	100.00%	109,039,824
Total Number of Share outstanding				80,000,000
EPS Based on Weighted Average Net Profit After Tax				1.36
Average Sector P/E (Average Sector P/E of May, June & July 2019) **				14.54
Historical Earning Based Value Per Share (WEPS X sector P/E)				19.77

N:B: The Company had subdivided the face value of its Ordinary Shares from Tk. 100 to Tk. 10 at 06.07.2017

(ii) EARNING-BASED-VALUE PER SHARE MARKET P/E

Earning-based-value per share based on historical information sourced from audited Financial Statements and statistics from Dhaka Stock Exchange Limited (DSE). The value was calculated by considering weighted net profit after tax for last 5 (five) years as per audited Financial Statements and market earnings multiple. The weighted average Earnings per share (EPS) is **BDT.1.36** and the three months average DSE Market P/E is **13.89** Therefore Earning-based-value per share has been derived as **BDT. 18.89**.

Year	No. of Share	Net Profit After Tax	Weighted Average No. of Share	Weighted Average Net profit after tax
June 30, 2019	80,000,000	109,401,901	88.54%	96,864,555
June 30, 2018	9,994,538	107,498,411	11.06%	11,890,902
June 30, 2017	120,000	85,998,900	0.13%	114,215
June 30, 2016	120,000	68,204,193	0.13%	90,582
June 30, 2015	120,000	59,912,627	0.13%	79,570
Total	90,246,538	431,016,032	100.00%	109,039,824
Total Number of Share outstanding				80,000,000
EPS Based on Weighted Average Net Profit After Tax				1.36
Average Market P/E (Average Market P/E of May, June & July 2019) **				13.89
Historical Earning Based Value Per Share (WEPS X Market P/E)				18.89

N:B: The Company had subdivided the face value of its Ordinary Shares from Tk. 100 to Tk. 10 at 06.07.2017

Information collected from DSE Monthly Review (May, June & July 2019)

Month	Sector P/E	Average Market P/E
May 2019	14.17	13.97
June 2019	14.72	14.25
July 2019	14.72	13.46
Average P/E Ratio	14.54	13.89

Source: DSE Monthly Review

METHOD 3: AVERAGE MARKET PRICE PER SHARE OF SIMILAR STOCKS:

We have considered comparable companies engaged in similar business listed on the Dhaka Stock Exchange to drive valuation on the average market price of the similar stock.

Sl. No	Date	Linde Bangladesh Limited	Titas Gas Transmission & Dist. Co. Ltd	Baraka Power Limited
1.00	31-Aug-18	1,198.10	39.90	31.40
2.00	30-Sep-18	1,160.10	39.50	30.20
3.00	31-Oct-18	1,119.20	38.20	27.20
4.00	30-Nov-18	1,224.00	36.80	27.60
5.00	31-Dec-18	1,198.40	36.40	28.00
6.00	31-Jan-19	1,279.90	40.70	31.40
7.00	27-Feb-19	1,348.10	38.90	30.40

Sl. No	Date	Linde Bangladesh Limited	Titas Gas Transmission & Dist. Co. Ltd	Baraka Power Limited
8.00	31-Mar-19	1,189.00	38.20	30.50
9.00	30-Apr-19	1,149.00	37.80	29.20
10.00	31-May-19	1,179.20	38.60	29.80
11.00	30-Jun-19	1,207.10	39.80	29.60
12.00	31-Jul-19	1,192.00	37.60	27.20
Average Price		1,203.68	38.53	29.38
Average Price of These 03 (Three stocks)				423.86

SOURCES OF INFORMATION:

1. Annual Report of the Issuer Company
2. Monthly review published by Dhaka Stock Exchange Ltd.

OFFER PRICE:

Based on the above-mentioned valuation methodologies as per Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 the management of the Company in consultation with the Issue Manager has set the issue price at **BDT 10.00** each at par value.

CONCLUSION:

Therefore, the issue manager & management of the Company believe that the Offering Price of Tk. 10.00 per Share is justified.

CHAPTER-XVI

DEBT SECURITIES

- (a) **The terms and conditions of any debt securities that the issuer company may have issued or is planning to issue within next six months, including their date of redemption or conversion, conversion or redemption features and sinking fund requirements, rate of interest payable, yield to maturity, encumbrance of any assets of the issuer of such securities and any other rights the holders of such securities may have;**

Associated Oxygen Limited has not issued or is planning to issue any debt securities within 6 (six) months.

- b) **All other material provisions giving or limiting the rights of holders of each class of debt securities outstanding or being offered, for example subordination provisions, limitations on the declaration of dividends, restrictions on the issuance of additional debt or maintenance of asset ratios;**

Associated Oxygen Limited has not issued or is planning to issue any debt securities within 6 (six) months.

- c) **Name of the trustee(s) designated by the indenture for each class of debt securities outstanding or being offered and describe the circumstances under which the trustee must act on behalf of the debt holders;**

Associated Oxygen Limited has not issued or is planning to issue any debt securities within 6 (six) months.

- d) **Repayment/ redemption/conversion status of such securities.**

Associated Oxygen Limited has not issued or is planning to issue any debt securities within 6 (six) months.

CHAPTER-XVII

PARTIES INVOLVED AND THEIR RESPONSIBILITIES, AS APPLICABLE

SL No.	Name of Parties		Responsibilities
(a)	Issue Manager	BD Finance Capital Holdings Limited	The Issue Managers will act as the manager of the issue for the public issue as described in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.
(b)	Underwriters	NRB Equity Management Limited	The Underwriters will act as the underwriters to the public issue as described in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.
(c)	Auditors	Shiraz Khan Basak & Co. Chartered Accountants	To express an opinion on these financial statements based on their audit. The auditor will conduct the audit in accordance with Bangladesh Standards on Auditing (BSA).
(d)	Cost and Management Accountant(s)	No	N/A
(e)	Valuer	No	N/A
(f)	Credit Rating Company	No	N/A

CHAPTER-XVIII

MATERIAL CONTRACTS

Major agreements entered into by the issuer;

	(a) Major agreements entered into by the Issuer	(b) Material parts of the agreements	(c) Fees payable to different parties
Issue Manag	Issue Management Agreement between Associated Oxygen Limited and the Manager of the issue, BD Finance Capital Holdings Limited	To do the entire task as mentioned in the Bangladesh Securities of Exchange Commission (Public Issue) Rules, 2015.	To BD Finance Capital Holdings Limited Tk. 2,000,000 Lac.
Underwriters	<p>Underwriting Agreement between the Company and the following underwriter:</p> <p>1. NRB Equity Management Limited (52,50,000 Shares)</p>	The issuer, in the event of under subscription, shall notify to the underwriter within ten days of the close of subscription calling upon them to subscribe the securities and pay for this in cash in full within 15 days of the date of said notice and said amount shall be credited to securities subscription account within the said period. The issuer shall within 7 days of the expiry of the period mention above, sent to the commission proof of subscription and deposit of the money by the underwriter.	Underwriting commission at the rate of 0.50% on 35% of the Total IPO amount. (i.e. Tk.5,25,00,000/-)

Copies of the above-mentioned contracts and documents and the consent order from the Bangladesh Securities and Exchange Commission may be inspected on any working day during office hours at the Company's Registered Office.

CHAPTER-XIX

LITIGATIONS, FINE OR PENALTY

A. The following litigation including outstanding litigations against the issuer or any of its directors and fine or penalty imposed by any authority:

There are no aforementioned outstanding following litigations against the issuer or any of its directors and fine or penalty imposed by any authorities:

- (i) Litigation involving Civil Laws;
- (ii) Litigation involving Criminal Laws;
- (iii) Litigation involving Securities, Finance and Economic Laws;
- (iv) Litigation involving Labor Laws;
- (v) Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes/duties);
- (vi) Litigation involving any other Laws.

B. Cases including outstanding litigations filed by the company or any of its directors

There are no cases including outstanding litigations filed by the Issuer or any of its Directors to any of the following types of legal proceedings mentioned below:

- (i) Litigation involving Civil Laws;
- (ii) Litigation involving Criminal Laws;
- (iii) Litigation involving Securities, Finance and Economic Laws;
- (iv) Litigation involving Labor Laws;
- (v) Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes/duties);
- (vi) Litigation involving any other Laws.

Any case under aforementioned laws has not been filed by the Company except as follows:

Contingent Liabilities:

There are no contingent liabilities regarding above mentioned matters.

CHAPTER-XX

RISK FACTORS AND MANAGEMENT'S PERCEPTIONS ABOUT THE RISKS

RISK FACTORS AND MANAGEMENT'S PERCEPTIONS ABOUT THE RISKS

The factors described below may conceivably materially affect investors' decisions as an investment in equity shares involves a high degree of risk. The company is operating in a globally competitive industry involving both external and internal factors having direct as well as indirect effects on the investments. Investors should carefully consider all of the information in this prospectus, including the risk factors, both external and internal, and management perceptions enumerated hereunder before making an investment decision. If any of the following risks actually occur, their business, results of operations and financial condition could suffer, the trading price of their equity share could decline, and investors may lose all or part of their investment.

I. INTERNAL RISK FACTORS:

a) Credit Risk:

The risk of loss of principal or loss of a financial reward stemming from or otherwise meets a contractual obligation. Credit risk arises whenever a borrower is expecting to use future cash flows to pay a current debt. This is the risk of default on a debt that may arise because of default by the borrower to pay the loan. In operating any business there is always credit risk lies in the business.

Management Perception:

Credit Risk mainly lies with banks and Financial Institutions. Associated Oxygen Limited is enjoying credit facilities from different financial institutions. A minimum Degree of credit risk as these obligations can be easily satisfied. A certain degree of credit risk lies because of this obligation but the management is well aware and efficiently manages through continuous supervision.

b) Liquidity Risk:

The risk of a company being unable to meet the short-term financial obligation. This usually occurs due to the inability to convert its current assets to cash without a loss of capital or income. Liquidity is a common phenomenon of the business.

Management Perception:

Associated Oxygen Limited is doing its level best to manage working capital management in an efficient way to maintain liquidity risk. Management is dealing with accounts payable and accounts receivable efficiently.

c) The risk associated with the issuer's interest in subsidiaries, joint ventures and associates;

The risk may arise when the issuer has subsidiaries, joint ventures and associates concern.

Management perception:

The Company does not have any interest in subsidiaries, joint venture and associates companies. So there are no such possibilities of arisen risk in this respect.

d) Significant revenue generated from a limited number of customers, losing any one or more of which would have a material adverse effect on the issuer;

There is risk involved in having a limited number of customers and losing that particular customer has a negative impact on the company's sales and Cash flow as well as the fuel & power sector.

Management Perception:

The Company is always keen to find out new buyers which boost up the sales. We are not dependent on any particular or limited number of customers to operate our business.

e) Dependency on a single or few supplier of raw materials, failure of which may affect production adversely;

An interruption in raw material supply may impendiment of the smooth production process.

Management Perception:

The Company is not depended on a single or few supplier of raw materials. AOL has a good number of vendors for each and every ingredient and services. Further, we assume that sourcing of raw material would be comparatively easier in times to come as due to globalization.

f) More than 20% revenue of the issuer comes from sister concern or associate or subsidiary;

Having 20% revenue generation from sister concern or associated or subsidiary makes issuer dependent on other companies. Hence, there is a dependency risk Revenue would be concentrated if it comes from sister concern or associate or subsidiary company.

Management Perception:

As the Company has no associate or subsidiary and no sales with any other sister concern, there is no such risk.

- g) **Negative earnings, negative cash flows from operating activities, declining turnover or profitability, during the last five years, if any;**

The Company's financial strength may abrade due to negative earnings and cash flow consecutively for more than five years.

Management Perception:

The company doesn't have any negative earnings, negative cash flows from operating activities, declining profitability, over the last five years.

- h) **Loss-making associate or subsidiary or group companies of the issuer;**

The Company may expose to the risk of contagion which refers that the financial problem, especially insolvency, of one member of a group will bring about the deterioration in the condition of all members.

Management perception:

We do not have any investment in a subsidiary, associates or group companies.

- i) **Financial weakness and poor performance of the issuer or any of its subsidiary or associates;**

Financial performance has a material impact on the sustainability of the Company as a going concern.

Management perception:

The Company's net profit after Tax and other business performance indicators show increasing trend due to the management dedication and suitable strategic action to face competition in the industry. Current and quick ratios are also in favor of the Company considering the industry.

- j) **Decline in value of any investment;**

Investment value might rise or fall because of market conditions (market risk). The corporate decision, such as whether to expand into a new area of business or merge with another company, can affect the value of the investment.

Management perception

Management is well aware of the risk of its investments. There is no such indication that may affect the value of the investment.

- k) **The risk associated with the useful economic life of plant and machinery, if purchased in second hand or reconditioned;**

There is obsolesces risk relating to plant & Machinery. If the machinery is purchased from secondhand or reconditioned there is high risk relating to the profitability of the company.

Management Perception:

Associated Oxygen Limited uses authentic patented machinery for overall operation hence; moreover there all types of machinery are fully covered with service warranty and insurance. Any disruption with the machine is being solved by expert technicians of the Company or manufacturer.

- l) **Adverse effect on future cash flow if interest-free loan given to the related party or such loans taken from directors may recall;**

There is an interest burden on the company if the company gives Loan to the director or related party other excluding Interest if the money taken as loan. On the other hand, if such loan is taken from a related party or Director there will have a negative impact on the cash flows to pay off the loan.

Management perception

No unsettled receipt and payment in case of related party transaction. No director was given to or taken from a loan from the Company. So, no risk shall arise or possibilities to arise in the future.

- m) **Potential conflict of interest, if the sponsors or directors of the issuer are involved with one or more ventures which are in the same line of activity or business as that of the issuer and if any supplier of raw materials or major customer is related to the same sponsors or directors.**

Conflict of interest between the issuer and its suppliers or major customer arise due to common management may create an impediment in the day to day business operational process.

Management perception

No sponsor or director hold any position or own any stake in the business of its supplier or customer. So, no conflict would arise in this respect.

- n) **Related party transactions entered into by the company those may adversely affect competitive edge;**

In many cases related party transaction is undertaken in the course of the normal business of an entity, in view of the nature of related party relationships and transaction they may carry a higher risk about the ability of the Company to continue in business as a going concern- if the entity's interest is constantly subordinated to that of related party.

Management perception

The Company provides adequate disclosures in the audited financial statements which are sufficient about its related party transaction. The above disclosure is presented in a true and fair view of the company's transaction with the related party. So, there are no such possibilities to arising from the conflict in this respect.

- o) Any restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement for debt or preference shares or any restrictive covenants of banks in respect of the loan/ credit limit and other banking facilities;**

The future business process or revenue may be hindered by any such restrictive covenants stipulated in the agreement with shareholders, with the sponsor or any loan agreement with the bank or financial institutes.

Management Perception

Associated Oxygen Limited is always aware of terms and conditions including any type of restrictive covenants before entering into and signing agreements. There are no restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement relating to debt or preference shares or any restrictive covenants of banks in respect of loan or credit limit and other banking facilities.

- p) Business operations may be adversely affected by strikes, work stoppages or increase in wage demands by employees;**

The future business process of revenue generation may be hindered by no-cooperation of employs.

Management Perception:

The management of the Company always believes that employees are the main strength of concern and if employees have job satisfaction then they will give their best effort to perform their respective duties are a profitable entity and the management of the Company provides a competitive package to employees and offer them different benefits. However, employee unrest like strikes, work stoppages or increase in wage demands is part of the business and is always well aware of managing labor unrest efficiently. The Company has different incentive packages for employees so that they can be beneficial to such a package.

- q) Seasonality of the business of the issuer;**

Revenue of the company would be affected if the business is seasonal or if the company is not doing business over the year.

Management Perception:

There is significant seasonal variations/aspect of the company's business. So, the management takes adequate measures to cope with the seasonal variations.

- r) Expiry of any revenue generating contract that may adversely affect the business;**

The revenue would be squeezed if any contract for which revenue generated had expired.

Management Perception:

The company did not enter into any contract with its customer and suppliers. Therefore, no such risk will arise.

- s) Excessive dependence on debt financing which may adversely affect the cash flow:**

The company may expose to a high degree of risk and its future cash flow from operation shall be squeezed due to financial expenses.

Management Perception:

Though there are some advantages of debt financing, it causes increased financial expenses and creates excessive pressure on free cash flow. In the case of dependence on debt financing is being reduced and the debt to equity ratio of the Company is declining. Presently, the Company has given more attention to equity financing and strives to go to the public.

- t) Excessive dependence on any key management personnel absence of whom may have an adverse effect on the issuer's business performance;**

Key Management personnel have a key role in the organization for the smooth operation of the company. If key management personnel Revenue is high that has an adverse impact on an organizational day to day activity.

Management perception:

Since the inception of the Company, the employee rotation rate is low. The organizational structure is well organized in such a way that any key management person if not in a job that's shall have no impact on Company's overall performance as other team members of his nearest position capable of taking the responsibility.

u) Enforcement of contingent liabilities which may adversely affect financial condition;

Contingent liabilities are likely to have a negative impact on a company's stock share price because they threaten to reduce the company's assets and net profitability. The extent of the impact on share price depends on the estimated probability of the contingent liabilities becoming actual liabilities.

Management Perception:

The Company does not have any other contingent liabilities which may adversely affect the financial condition.

v) Insurance coverage does not adequately protect against certain risks of damages;

The Company shall expose to significant loss if its assets are not properly covered by insurance.

Management Perception:

The company has different insurance coverage for all the relating issues that are risky to operate the business. The Company diversifies the risk of damage to its assets by taking insurance policies.

w) The absence of assurance that directors will continue its engagement with Company after the expiry of lock-in period;

The company may expose to certain risk to operate its day to day business operations if the current director's engagement shall not continue after the expiry of the lock-in period

Management perception:

As the directors of the Company are the owner so there is a reasonable guarantee that they will continue after the lock-in period.

x) Ability to pay any dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure;

Any future dividend payment depends on the future revenue generation. Any negative earnings in the future shall be hindered the future financial stability of the company.

Management Perception:

Associated Oxygen Limited is a profitable entity over a long period which is in an uptrend and it has sufficient profit in present capacity to pay a dividend. Besides, its cash flow is positive with good condition, PS is in positive growth, has a working capital surplus and return on equity is in positive growth. After going to IPO, it will repay the debt of good amount and fulfill the requirement of capital expenditure requirement and expand its business to meet the increased market demand of its product which will decrease financial expenses and increase the profitability. As a result, extra cash will be generated to pay more dividends in the future.

y) History of non-operation, if any and short operational history of the issuer and lack of adequate background and experience of the sponsors;

History of non-operation indicates weak operational management of the Company. Non-operation leads to negative cash flow, incurring of losses and bankruptcy in the worst-case scenario.

Management Perception:

As a manufacturer, take their operation very seriously. They know, if the operation is stopped for one day that can hamper supply to their customers. In any situation, they do not compromise with their operation. The company started commercial operation in 1992 and they are proud to state that the company has never been non-operative to date. Considering the paper industry at world perspective, our sponsors have adequate background and experience. We have own power supply back up and other required support for the uninterrupted smooth operation.

z) Risks related to engagement in a new type of business, if any;

Management Perception:

The company has no plan to be engaged in the new type of business as there is risk associated with starting it for different reasons. As such there is no such type of risk.

aa) Risk in investing the securities being offered with comparison to other available investment options;

The Company would be exposed to potential financial distress if the return on investment is low compared to alternative investment options they have.

Management perception:

Associated Oxygen Limited is a growing and profitable Company in the oxygen sector of Bangladesh. The demand for oxygen-enabled service is increasing day by day at the local, regional and foreign market as well. The company is efficient with experienced management and well-trained manpower with satisfactory skills and knowledge of their product and business. So, it is not risky in investment securities in with comparison to other available investment options.

bb) Any penalty or action taken by any regulatory authorities for non-compliance with provisions of any law;

The company shall have a risk to expose of eroded its brand name and goodwill in case of penalty or action taken by the regulatory authority.

Management Perception:

The Company did not expose to any such penalty from its inception. So, the management of the Company alleged that there is a little scope of arising such risk in the near future. So, the management of believes that it is highly unlikely of any penalty or action was taken by any regulatory authorities for non-compliance with provisions of any law.

cc) Litigations against the issuer for Tax and VAT related matters and other government claims, along with the disclosures of the amount, the period for which such demands or claims are outstanding, financial implications and the status of the case;

Any litigation in terms of unsettled tax, VAT or any other Govt. claims may hamper the business operation of The Company as well as may create future potential financial losses.

Management perception

The Company has no unsettled tax or VAT cases against which litigation was made in court.

dd) Registered office or factory building or place of operation is not owned by the issuer;

If the office and factory location is not owned by the Company business operation may hamper.

Management Perception:

The registered office is owned by the company where the factory building is owned by the Company. The corporate office is also owned by the company.

ee) Lack of renewal of existing regulatory permissions or licenses;

Non-renewal of the license may hamper day to day business operation of the company.

Management perception:

All of the regulatory permission and licenses are up to date and duly renewed time to time for smooth operation & production.

ff) Failure in holding AGM or declaring dividend or payment of interest by any listed securities of the issuer or any of its subsidiaries or associates;

There may have a legislative impact on the business operation of any Company by any judgment of Honorable High Court in case of failure of any listed company of the group for not comply with the state laws such as The Companies Act 1994 or payment of dividend to the shareholders in due course.

Management perception:

Associated Oxygen Limited has no listed securities or any of its subsidiaries or associates. Hence, this risk is not applicable to the Company.

gg) Issuances of securities at lower than the IPO offer price within one year;

If the issuer issued share at lower than the IPO offer price within one year, there have possibilities to arise misperception about IPO price.

Management perception:

Not applicable for Associated Oxygen Limited Ltd.

hh) Refusal of application for public issue of any securities of the issuer or any of its subsidiaries or associates at any time by the Commission.

Any refusal of an application for public issue of any securities of the issuer may hinder the confidence of the Company or convey a negative impression about the financial status to the shareholders.

Management perception:

The Company did not apply in past any such application to Bangladesh Securities and Exchange Commission. So no such refusal of public issue of securities through IPO has occurred in the past in this respect.

II. EXTERNAL RISK FACTORS

a) Interest Rate Risks:

Interest rate risk is the risk that the company faces due to unfavorable movement in the interest rates. Changes in the government's monetary policy, along with increased demand for loans/investments tend to increase the interest rates. Such rises in interest rates mostly affect companies having floating rate loans or companies investing in debt securities.

Management Perception:

The Management of the Company is always aware of the interest rate. If the interest rate increases the cost of the credit fund will increase. Associated Oxygen Limited has always been a cash-rich company and operates with low dependence on debt. As the company maintains the very low debt-equity ratio, the adverse impact of interest rate fluctuation is insignificant. Moreover, the company is confident of meeting its need for future expenses from its internal sources. In addition, the company emphasizes on equity-based financing to reduce the dependence on bank borrowings. Therefore, the management perceives that the fluctuation of interest rate would have little impact on the performance of the company.

b) Exchange Rate Risks:

Exchange rate risk occurs due to changes in exchange rates where a company is engaged in global trade as it receives as pays in foreign currency. Therefore, fluctuations in the related foreign currency rates may affect adversely to the Company's liquidity and profitability and expose a threat to the stability of the Company.

Management Perception:

The volatility of Taka against USD, GBP, and Euro and the recent trend of local currency devaluation may expose foreign currency risk. In such cases, the management of the company is confident to significantly cushion the foreign currency risk and price escalation risk through forwarding contracts if it is justifiable in terms of the cost-benefit analysis.

c) Industry Risks:**Market Demand Risk:**

Market risk arises mainly due to a decrease in demand for the products which would harm the performance of the company. Associated Oxygen Limited, like other companies, may face strong competition which might take place even after taking the best quality control measures.

Management Perception:

Globally the demand for oxygen products/solutions is increasing significantly and the trend is experiencing double-digit growth over the last decade. With businesses looking for oxygen solutions to increase efficiency and decrease operational expenditure, the industry is still at its nascent stage in meeting expectations and current demands. It is a similar case in Bangladesh, and learning from global best practices as well as avoiding industry mistakes made especially by our neighboring countries, the oxygen industry in Bangladesh is actually leapfrogging with meeting local demands and creating new opportunities for export of its services. Additionally, with Bangladesh becoming a middle-income nation, it is expected that more global brands and multinational companies will soon start their operations in Bangladesh thus increasing the demand and customer portfolio for Associated Oxygen Limited.

d) Economic and political risks:**Economic Risks:**

The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, commodity and energy prices and various other factors. Any significant changes may adversely affect our business and financials.

Management Perception:

Bangladesh economy is booming for the last few years. Consistent industrial growth along with increased production has made the Per Capita Income higher than that of recent years. In addition, favorable government policies and industry-friendly policies by other regulatory bodies have proved to be very favorable for the instrument.

Political Risks:

The performance of the company may be affected by political and economic instability both in Bangladesh and worldwide. Any instance of political turmoil and disturbance in the country may adversely affect the economy in general.

Management Perception:

The company can prosper in a situation of political stability and a congenial business environment. Political turmoil and disturbance are bad for the economy and so also for this sector. This is why the management of the company is always concerned about the prevailing and upcoming further changes in the global or national policy and shall response appropriately and timely to safeguard its interest.

e) Market and Technology-Related Risks:

Technology always plays a vital role in the existence of any industrial concern. The innovation of new and cost-effective technology may obsolete existing technology, which may cause a negative impact.

Management perception:

Management of Associated Oxygen Limited is aware of recent technological developments in the IT sector and keeps their employees up to date by providing necessary training. Further, Associated Oxygen Limited is marketing the latest technological equipment and also well equipped with the latest technology.

f) Potential or existing government regulations;

The Company operates under Companies Act, 1994, Income Tax Ordinance, 1984, Income Tax Rules, 1984, Value Added Tax (VAT) Act, 1991, Value Added Tax (VAT) Rules, 1991, Customs Act, 1969 and other related regulations. Any abrupt changes in the policies made by the regulatory authorities may unfavorably affect the business of the Company.

Management perception:

Unless any policy change that may negatively and materially affect the industry as a whole, the business of the Company is expected not to be affected significantly. The oxygen industry in Bangladesh is a sector with considerable local and International demand. Therefore, it is highly unlikely that the Government will initiate any fiscal measure having an adverse effect on the growth of the industry.

g) Potential or existing changes in global or national policies;

The Company is dependent on imported raw materials. Any scarcity due to changes in policy in the international market might dent the production level and profitability. The performance of the company may be affected due to unavoidable circumstances both in Bangladesh and worldwide, as such political turmoil and disturbance in the country may adversely affect the economy in general.

Management perception:

The management is always concerned about the prevailing and unforeseen future changes in the global or national policy and equipped them to respond appropriately and timely to safeguard its interest. Due to the strong equity of the company in the local market and with long and profound track experience, the Company will always endeavor to withstand the unexpected changes or any such potential threats. Nevertheless, political stability and a congenial business environment is definitely the best situation in which “Associated Oxygen Limited” is destined to achieve its maximum potential.

h) Statutory clearances and approvals those are yet to be received by the issuer;

To smooth running of the business operation statutory clearance is required.

Management Perception:

The company has collected all the statutory clearance and approval to operate the business. The necessary update and renewal are a continuous process. Hence, there is a limited degree of such risk associated with the company.

i) The competitive condition of the business;

Associated Oxygen Limited is operating in a free market economy regime. The company might have to face stiff competition from its competitors. Easily availability of global products in the local markets adds to the competition, challenging the profitability of the business.

Management Perception:

Bangladesh is the key source of economic labor in the world, gaining proportionally advantages for its industries over their global competitors. Other overhead costs are also low in Bangladesh. As a result, the company has been able to maintain the cost of products most competitive. Moreover, over the last few years the company has built a trustworthy relationship with its customers, which helps the company avoid competition with others.

j) Complementary and supplementary products or services which may have an impact on the business of the issuer.

Complementary and supplementary product may have an impact on the sale of the existing product of the Company.

Management Perception:

The company has not faced any challenges relating to supplementary and complementary products and management are concerned with the issue. In the future, if necessary, management may diversify the product to be competitive over the competitors.

CHAPTER-XXI

DESCRIPTION OF THE ISSUE

- (a) **Issue Size:** Total issue size of **15,000,000** Ordinary shares of **10.00** each at par totaling Tk. **150,000,000/-**
- (b) **Number of Securities to be issued;**
Public issue of **15,000,000** Ordinary shares
- (c) **Authorized Capital and Paid-up Capital;**
Authorized Capital: **Tk. 1,100,000,000/-**
Paid-up Capital: **Tk. 800,000,000/-**
- (d) **Face value, premium and offer price per unit of securities;**
Face Value: Tk. 10.00
Offer Price per unit of securities: Tk. 10.00

- (e) **Number of securities for be entitled to each category are given below:**

Category	Particulars	Number of Shares	Amount in BDT
Eligible Investors (EIs)	10% of IPO i.e. 1,500,000 Ordinary Shares shall be reserved for Mutual Funds.	1,500,000	15,000,000
	30% of IPO i.e. 4,500,000 Ordinary Shares shall be reserved for Other Eligible Investors (EIs)	4,500,000	45,000,000
General Public	10% of IPO i.e. 1,500,000 Ordinary Shares shall be reserved for Non- Resident Bangladeshis (NRB)	1,500,000	15,000,000
	50% of IPO i.e. 7,500,000 Ordinary Shares shall be reserved for (স্বতন্ত্র ক্ষুদ্র বিনিয়োগকারী) General Public (excluding NRB).	7,500,000	75,000,000
Total		15,000,000	150,000,000

- (f) **Holding structure of different classes of securities before and after the issue**

The Company has issued only ordinary shares. Holding structure of different classes of securities before and after the issue is as follows:

Sl. No	Name of Director & Sponsor	No. of Ordinary Shares Hold		Percentage of Holding	
		Pre-IPO	Post-IPO	Pre-IPO	Post-IPO
1	Sponsors & Directors	29,124,186	29,124,186	36.41%	30.66%
2	Institutional	21,160,419	25,660,419	26.45%	27.01%
3	Mutual fund	-	1,500,000	0.00%	1.58%
4	Individual	29,715,395	37,215,395	37.14%	39.17%
5	Non-Residential Bangladeshis (NRBs)	-	1,500,000	0.00%	1.58%
		80,000,000	95,000,000	100.00%	100.00%

- (g) **The objective of the issue including financing requirements and feasibility in respect of enhanced paid-up capital:**

Net proceeds from Initial Public Offering (IPO) will be used for New Plant & Store Shed; acquisition of new Machinery & Equipment for expansion unit, Partially Bank Loan Repayment and Acquisition of New Gas cylinder for expansion unit.

The Details of which is stated as under:

Sl. No	Particulars	Amount in Taka
1	Construction of Store Shed & New Plant Shed	68,156,250
2	Acquisition of new Plant & Machineries	42,400,250
3	Repayment of Bank loan (Basic Bank Ltd)	20,000,000
	Total	130,556,500

Feasibility Report of enhanced Paid-up Capital:

A. Statement of Financial Positions (Projected)

Particulars	30-Jun-19	Projected		
		30-Jun-20	30-Jun-21	30-Jun-22
Assets & Properties				
Non-Current Assets:	1,393,758,011	1,483,971,962	1,489,948,498	1,594,701,304
Property, Plant and Equipment	1,393,758,011	1,374,165,462	1,427,405,978	1,577,539,127
Capital work in Process	-	109,806,500	62,542,520	17,162,177
Current Assets:	208,413,348	398,726,395	542,336,845	626,997,881
Inventories	46,143,408	52,663,908	60,264,411	66,660,619
Trade and Other Receivables	146,643,461	154,658,210	201,584,585	251,689,542
Advances, Deposits and Prepayments	14,695,560	18,143,620	34,025,225	53,933,687

Particulars	30-Jun-19	Projected		
		30-Jun-20	30-Jun-21	30-Jun-22
Cash and Cash Equivalents	930,920	173,260,657	246,462,623	254,714,033
Total Assets	1,602,171,359	1,882,698,357	2,032,285,343	2,221,699,185
Shareholders' Equity & Liabilities				
Shareholders' Equity:	1,389,860,666	1,686,983,147	1,836,815,155	2,000,954,840
Share Capital	800,000,000	950,000,000	950,000,000	950,000,000
Retained Earnings	589,860,666	736,983,147	886,815,155	1,050,954,840
Non-Current Liabilities:	154,093,793	129,159,673	138,306,290	159,458,266
Long Term Loan (Non-Current portion)	20,786,852	10,914,852	-	-
Deferred Tax	133,306,941	118,244,821	138,306,290	159,458,266
Current Liabilities:	58,216,900	66,555,537	57,163,898	61,286,079
Trade and Other Payables	14,641,178	23,513,446	12,546,558	11,025,465
Long term Loan (Current Portion)	20,256,000	10,128,000	-	-
Liabilities for expenses	23,319,722	32,914,091	44,617,340	50,260,614
Total Shareholders' Equity & Liabilities	1,602,171,359	1,882,698,357	2,032,285,343	2,221,699,185
Net Assets Value (NAV)	17.37	17.76	19.33	21.06

B) Statement of Operating Result (Projected);

Particulars	30-Jun-19	Projected		
		30-Jun-20	30-Jun-21	30-Jun-22
Revenue	401,057,043	422,794,335	469,217,153	517,921,893
Cost of goods sold	(149,869,453)	(157,684,406)	(174,777,639)	(194,735,869)
Gross Profit	251,187,590	265,109,928	294,439,514	323,186,024
Operating expenses	(62,732,571)	(73,087,505)	(79,750,112)	(93,305,188)
Administrative Expenses	32,595,788	37,646,601	40,626,109	47,048,283
Selling & Distribution Expenses	30,136,783	35,440,904	39,124,003	46,256,905
Profit from Operation	188,455,019	192,022,423	214,689,402	229,880,836
Financial expenses	(9,754,178)	(11,184,820)	(5,038,697)	(224,786)
Other non-operating income	70,064	81,994	114,106	139,510
Net profit before tax & WPPF	178,770,905	180,919,597	209,764,811	229,795,559
Provision of WPPF	(8,512,900)	(8,615,219)	(9,988,801)	(10,942,646)
Net Profit Before Income Tax	170,258,004	172,304,378	199,776,011	218,852,913
Provision for Income Tax	(60,856,103)	(43,076,094)	(49,944,003)	(54,713,228)
Current Tax	14,900,202	20,050,517	29,882,534	33,561,252
Deferred Tax	45,955,901	23,025,577	20,061,469	21,151,976
Net Profit after tax	109,401,901	129,228,284	149,832,008	164,139,685
Total Comprehensive Income	109,401,901	129,228,284	149,832,008	164,139,685
Earnings Per Share (EPS)	1.51	1.36	1.58	1.73

**** EPS NAV NOCEPS are calculated with 95,000,000 shares.**

The Projected Financial Statement has been prepared on the underlying assumption

(Each year Calculation is made compared with the respective previous year)

Assumption Indicator	Assumption Basis	Assumptions Years (Amount in Taka)		
		2019-2020	2020-2021	2021-2022
Capacity in Pcs Per year	Capacity will be Increase due to Introducing new Capital Machinery & new Expansion unit.	10,748,124	11,740,000	14,375,000
Capacity Increase		8.23%	9.23%	22.44%
Utilization of the Capacity	Capacity Utilization will be almost same.	88.40%	89.81%	84.77%
Sales Revenue Increase	Sales Revenue will be Increased for Increasing Quality, Quantity & Unit Price of the Product.	5.42%	10.98%	10.38%
Operating Expenses	Operating Expenses will be Increase due to increase of the production & Sales Expenses will lead higher increase & decrease of the Operating Expenses in 2019 & 2020 respectively.	16.51%	9.12%	17.01%
Fixed Asset Addition	Fixed Asset will be increase for the purpose of production Increase to fill the demand, all the assets will be added by the AOL won generated source except Tk. 109,806,500. from IPO Proceeds for the new Capital Machinery, Store Shad & new Plant Shad	80,156,518	155,323,748	255,872,707

Assumption Indicator	Assumption Basis	Assumptions Years (Amount in Taka)		
		2019-2020	2020-2021	2021-2022
IPO Proceeds	Equity will be rise by Tk. 150,000,000 through IPO in 2020.	150,000,000	-	-
Loan Repayment	About 2.00 Crore will be paid from IPO Proceeds in 2020 for Overdraft Accounts of Basic Bank Limited & other payment of Loan will be as per regular payment by Associate Oxygen Limited from its own source to settlement of Bank Liabilities.	20,000,000	21,042,852	-
Cash Surplus	The investments are projected according to the IPO proceeds utilization. Without further decision of the board regarding investments the surplus of cash will be in any Non-Current Asset, if any will be kept in the form of short-term marketable securities, like govt. treasury bonds.	173,260,657	246,462,623	254,714,033
Dividend	Dividend is not considered on Projection.			

Place: Dhaka
Dated: 12.10.2019

Sd/-
Ashraf Uddin & Co.
Chartered Accountants

CHAPTER-XXII

USE OF PROCEEDS

a) Use of net proceeds of the offer indicating the amount to be used for each purpose with a head-wise break-up:

Sources of Fund

Issue Size (Number of Shares to be issued)	Issue Price	Amount in Taka
15,000,000 Shares	10	150,000,000
Less: IPO Expenses (Page No-65)		(19,443,500)
Net IPO Proceeds		130,556,500

Use of the net proceeds from the IPO:

Net proceeds from Initial Public Offering (IPO) will be used for New Plant & Store Shed; acquisition of new Machinery & Equipment for expansion unit and partially Bank Loan Repayment for expansion unit.

The Details of which is stated as under:

Sl. No	Particulars	Amount in Taka	Implementation Schedule
1	Construction of Store Shed & New Plant Shed	68,156,250	Within 24 Month after receiving IPO Fund
2	Acquisition of new Plant & Machineries	42,400,250	
3	Repayment of Bank loan (Basic Bank Ltd)	20,000,000	Within 3 Month after receiving IPO Fund
Total		130,556,500	

1. Construction of Store Shed& New Plant Shed

Details Cost of Estimated for New Store Shed & New Plant Shed (2,800sqft +3,800sqft) 6,600 beside Existing Factory Premises are given below:

Name of Works		Measurement		Rate	Amount
1	Pile Work				
	Cement	Bags	17,100.00	480.00	8,208,000
	Sand	Cft	32,000.00	75.00	2,400,000
	Brick Cheep	Cft	80,000.00	220.00	17,600,000
	Iron	Kg	22,000.00	60.00	1,320,000
					29,528,000
2	Pile Cap				
	Cement	Bags	1,000.00	480.00	480,000
	Sand	Cft	1,750.00	75.00	131,250
	Brick Cheep	Cft	350.00	220.00	77,000
	Iron	Kg	19,500.00	60.00	1,170,000
					1,858,250
3	Short Column				
	Cement	Bags	550.00	480.00	264,000
	Sand	Cft	1,000.00	75.00	75,000
	Brick Cheep	Cft	2,000.00	220.00	440,000
	Iron	Kg	18,500.00	60.00	1,110,000
					1,889,000
4	Sand Brick Chip Compaction				
	Sand	cft	25,000.00	75.00	1,875,000
	Brick Cheep	cft	25,000.00	220.00	5,500,000
					7,375,000
5	RCC Floor (Heavy Weight)				
	Cement	Bags	2,000.00	480.00	960,000
	Sand	cft	3,500.00	75.00	262,500
	Brick Cheep	cft	6,850.00	220.00	1,507,000
	Brick	Pcs	20,500.00	12.00	246,000
	Iron	Kgs	37,500.00	60.00	2,250,000
					5,225,500
6	Steel Part				
	MS pipe	kgs	49,000.00	120.00	5,880,000
	MS Beam	kgs	49,000.00	120.00	5,880,000
	MS I beam	kgs	8,500.00	60.00	510,000
	Profile Sheet	sft	47,500.00	120.00	5,700,000
	T Beam	kgs	22,500.00	60.00	1,350,000
	C Chanel	kgs	10,500.00	60.00	630,000
					19,950,000
7	Labor & Other Cost				
	Civil Works	sft	6,600	270	1,782,000
	Paint				297,000

Name of Works	Measurement	Rate	Amount
Architectural and Structural			200,000
Electric work			51,500
			2,330,500
A	Total Estimated Cost of New Plant & Store Shed		68,156,250

2. Acquisition of New Plant & Machinery:

A. Crankshaft and Complete Overhauling Spare Parts of Waukesha's Gas Generator:

Sl. No	Particulars	No's	Amount In Taka
1	Crankshaft STD	1pcs	1,150,000
2	Exhaust valve	24pcs	648,000
3	Inlet valve	24pcs	480,000
4	Exhaust Seat	48pcs	336,000
5	Exhaust Guide	24pcs	168,000
6	Inlet Guide	24pcs	168,000
7	Connecting rod bearing	12pair	312,000
8	Main Bearing	07pair	350,000
9	Cylinder head gasket kit	12pcs	300,000
10	Seal Valve exhaust green	48pcs	28,800
11	Seal Valve inlet black	48pcs	28,800
12	Service Charge	-	250,000
13	Engine lifting charge	-	100,000
Total			4,319,600

B. Oil-Free Air Compressor (Brand New)

B. Oil-Free Air Compressor (Brand New)									
Sl. No	Name of Supplier	Country of origin	Description	Model	Qty (pcs)	Unit price in USD	Total in USD	Ex. Rate	Total Amount In BDT
1	Atlas Copco	China	Atlas Copco Oil free Centrifugal Type Air compressor (water cooled)	ZH 450-9.5BAR	2	190,000	380,000	84.34	32,049,200
2		Germany	Spares for 7,000 hours normal operation		2	-	-		
3		Sea Freight (Estimated)			1	6,000	6,000		
Total Cost of Machinery									32,555,240
C. Installation & Other Cost:									
L/C Commission & Other Charges, Insurance, Other Customs Related Charges, C& F Commission & Other Charges									3,476,984
Civil Works, Electrical Works, Labor Charge, Expertise Charges, Loading Unloading Changes & Contingent Cost									2,048,426
Total Installation & Other Cost (C)									5,525,410
Total Cost of Machinery with Installation cost (A+B+C)									42,400,250

3. Partially Repayment of Bank Loan (Basic Bank Limited):

Particulars			Amounts in Taka
Rate of Interest	9%		
Tenor	24 Month		
Basic Bank Limited	Account Number	Balance as on 30 June, 2019	Payment of Loan from IPO Fund
	0802-01-0000256	9,140,271	50,00,000
	0802-01-0000331	25,697,743	10,00,000
	0802-01-0000211	6,204,838	50,00,000
Total Taka		41,042,852	20,000,000

**About 2 Crore will be paid from IPO Proceeds in 2020 for repayment of an above loan of Basic Bank Limited & other payment (if any) of Loan will be as per regular payment by Associated Oxygen Ltd from its own source to settlement of Bank Liabilities on due time.

The IPO proceeds will be utilized as per the above-mentioned schedule.

Sd/-

Mrs. Ismat Jahan

Managing Director

Associated Oxygen Limited

b) Utilization of the total amount of paid-up capital and share premium, if any, including the sponsors' contribution and capital raised of the issuer at the time of submission of a prospectus, in details with an indication of use of such funds in the financial statements:

About Tk. 798,800,000/- (Seventy-Nine Core Eighty-Eight Lac Only) has been raised through private placement prior to the public issue. This includes Bonus Share about Tk. 57,096,920 & Allotment of Shares Tk. 741,703,080. This Fund has already deployed by the issuer in the following manner.

Financial Year	Items	Amount	Reflected in Cash Flows
2008-2009	Land & Land Development, Building, Plant, Electric Ins, gas Line	58,641,520	This figure is included in the total amount of fixed Asset acquired under the head of Investing Activities.
2009-2010	Land & Land Development, Building, Plant, Gas Line, Furniture, Generator	49,541,240	
2010-2011	Land & Land Development & Electric Installation	409,053	
2011-2012	Land & Land Development, building, electric, gas, furniture, computer, fire	44,145,091	
2012-2013	Land & Land Development, building, Electric Installation, Computer Accessories & Fire Equipment	75,603,972	
	Working Capital	2,341,761	This Figure is included as Payment to Supplier and for expenses under the head of Payment to Suppliers & others.
2013-2014	Land & Land Development, building, Electric Installation, Office Equipment, Gas Line Installation, Furniture, Computer Accessories & Fire Equipment	12,099,688	This figure is included in the total amount of fixed Asset acquired under the head of Investing Activities.
	Working Capital	1,518,707	This Figure is included as Payment to Supplier and for expenses under the head of Payment to Suppliers & others.
2014-2015	Land & Land Development, Gas Line Installation, Furniture & Fire Equipment	2,267,000	This figure is included in the total amount of fixed Asset acquired under the head of Investing Activities.
	Working Capital	1,360,161	This Figure is included as Payment to Supplier and for expenses under the head of Payment to Suppliers & others.
2017-2018	Land & Land Development, Fire Extinguisher, Computer Accessories, Furniture, Electric Installation, Office Equipment, Plant & Machineries, Vehicle & Building	182,460,604	This figure is included in the total amount of fixed Asset acquired under the head of Investing Activities.
2018-2019	Land & Land Development, Fire Extinguisher, Furniture, Office Equipment, Plant & Machineries & Building	111,881,562	
	The investment made on Capital Work in Process	200,902,415	This figure is included in the total amount of Investment made in Capital Work in Process under the head of Investing Activities.
Total		743,172,774	

c) If one of the objects is an investment in a joint venture, a subsidiary, an associate or any acquisition, details of the form of investment, nature of benefit expected to accrue to the issuer as a result of the investment, brief description of business and financials of such venture:

The Company has no objects to investment in such type of ventures by using Use of IPO proceeds.

d) If IPO proceeds are not sufficient to complete the project, then the source of the additional fund must be mentioned. In this connection, copies of the contract to meet the additional funds are required to be submitted to the Commission. The means and source of the financing, including details of bridge loan or another financial arrangement, which may be repaid from the proceeds of the issue along with the utilization of such funds:

IPO proceeds are sufficient to complete the project.

- e) A schedule mentioning the stages of implementation and utilization of funds received through a public offer in a tabular form, progress made so far, giving details of the land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of the Board of Directors of the issuer:

Declaration about the Utilization of Funds Received Through Public Offer

The Company will utilize the total proceeds of BDT 150,000,000/- as mentioned head wise as per the following schedule:

SL.	Particulars	Process made so Far	Amount in BDT	Implementation Schedule	
				Approximate date of Completion	Projected Date of Commercial Operation
1	Land Acquisition	There is no Land Acquisition from IPO Fund	-	-	Within 03 months after completing of the project
2	Construction of New Plant Shed & Store Shed	Construction of New Plant Shed & Store Shed will be started after receiving of IPO fund.	68,156,250	Within 24 months after receiving IPO Proceeds	
3	New Plant & Machineries	Plant & Machinery for Expansion Unit will be started after receiving the IPO fund	42,400,250	Within 24 months after receiving IPO Proceeds	
4	Bank Loan Repayment	Repayment of Bank Loan will be done after receiving IPO Fund	20,000,000	Within 3 months after receiving IPO Proceeds	
5	IPO Expenses	On a turnkey contract basis	19,443,500	-	
			150,000,000		

Sd/-
Managing Director
Associated Oxygen Limited

Sd/-
Chief Financial Officer
Associated Oxygen Limited

Sd/-
Chairman
Associated Oxygen Limited

- f) If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of the contracts shall be enclosed as annexure to the prospectus:

There is no contract covering any of the activities of the issuer Company for which the proceeds of the sale of securities from IPO is to be used.

- g) If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long-term investments and an item wise break-up of last three years working capital and next two years projection:

There is no object of the issue is the utilization of the issue proceeds for working capital.

- h) Where the issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc. The total project cost activity- wise or project wise, as the case may be:

The proposed investment is for an expansion project to the existing product line of the company which has been mentioned in use of IPO proceeds and projects implementation schedule. The company is undertaking no other activities like diversification, modernization except this expansion.

- i) Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented:

The company is planning to implement the project independently, at a time, not in a phased manner.

- j) The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, Directors, key management personnel, associates and group companies:

There is no existing or anticipated material transaction in relation to utilization of the issue proceeds or project cost with sponsors, Directors, key management personnel, associates and group companies.

- k) Summary of the project appraisal or feasibility report by the relevant professional people with the cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal/ feasibility report:

FEASIBILITY STUDY REPORT OF ASSOCIATED OXYGEN LIMITED

EXECUTIVE SUMMARY

Associated Oxygen Limited was incorporated as a Private Limited Company on June 27, 1990 under the Companies act 1994 & subsequently started its Commercial operations on December 01, 1992. The main activities of the company are manufacturing and supplying of industrial and medical gases, welding products and equipment and ancillary equipment. In addition to Oxygen, AOL installed an additional facility for compressing waste Nitrogen into commercial grade Nitrogen and over the years upgraded all its facilities. AOL can now supply Oxygen and Nitrogen in liquid and gaseous forms to Industries and Hospitals through its own sales network. Associated Oxygen Limited is committed to the quality of our product & services. Our motto is to ensure optimum conditions in health, safety and the environment for employees, customers and stakeholders.

COMPANY AT A GLANCE

Name of the Company	Associated Oxygen Limited
Registered & Corporate Office	BCIC Sadan (1 st Floor), 26 Agrabad C/A Chittagong
Location of the Project	Madambibirhar, Khadim Para, Setakunda, Ctg
Legal Status	Public Company Limited by shares.
The market for the product	The principal activities of the company are manufacturing and supplying of industrial and medical gases, welding products and equipment and ancillary equipment.
Date of Incorporation	June 27, 1990
Commercial Operation	December 01, 1992
Date of Convert Private to Public Limited Company	25 April, 2018
Required Land Location	AOL has the required vacant land to complete the project from IPO Proceeds.

NATURE OF BUSINESS

The Company's principal activities are manufacturing and supplying of industrial and medical gases, welding products and equipment's and ancillary equipment's. In addition to Oxygen, AOL installed an additional facility for compressing waste Nitrogen into commercial grade Nitrogen and over the years upgraded all its facilities. AOL can now supply Oxygen and Nitrogen in liquid and gaseous forms to Industries and Hospitals through its own sales network.

BUSINESS EXPANSION AT A GLANCE

The total cost of the project: Tk. 130,556,500/-

The Details of which is stated as under:

Sl. No	Particulars	Amount in Taka	Implementation Schedule
1	Constriction of Store Shed & New Plant Shed	68,156,250	Within 24 Month after receiving IPO Fund
2	Acquisition of new Plant & Machineries	42,400,250	
3	Repayment of Bank loan (Basic Bank Ltd)	20,000,000	Within 3 Month after receiving IPO Fund
Total		130,556,500	

1. Construction of Store Shed & New Plant Shed

Details Cost of Estimated for New Store Shed & New Plant Shed (2,800sqft+3,800sqft) 6,600 beside Existing Factory Premises are given below:

Name of Works		Measurement		Rate	Amount
1	Pile Work				
	Cement	Bags	17,100.00	480.00	8,208,000
	Sand	Cft	32,000.00	75.00	2,400,000
	Brick Cheep	Cft	80,000.00	220.00	17,600,000
	Iron	Kg	22,000.00	60.00	1,320,000
					29,528,000
2	Pile Cap				
	Cement	Bags	1,000.00	480.00	480,000
	Sand	Cft	1,750.00	75.00	131,250
	Brick Cheep	Cft	350.00	220.00	77,000
	Iron	Kg	19,500.00	60.00	1,170,000
					1,858,250

3	Short Column				
	Cement	Bags	550.00	480.00	264,000
	Sand	Cft	1,000.00	75.00	75,000
	Brick Cheep	Cft	2,000.00	220.00	440,000
	Iron	Kg	18,500.00	60.00	1,110,000
					1,889,000
4	Sand Brick Chip Compaction				
	Sand	cft	25,000.00	75.00	1,875,000
	Brick Cheep	cft	25,000.00	220.00	5,500,000
					7,375,000
5	RCC Floor (Heavy Weight)				
	Cement	Bags	2,000.00	480.00	960,000
	Sand	cft	3,500.00	75.00	262,500
	Brick Cheep	cft	6,850.00	220.00	1,507,000
	Brick	Pcs	20,500.00	12.00	246,000
	Iron	Kgs	37,500.00	60.00	2,250,000
					5,225,500
6	Steel Part				
	MS pipe	kgs	49,000.00	120.00	5,880,000
	MS Beam	kgs	49,000.00	120.00	5,880,000
	MS I beam	kgs	8,500.00	60.00	510,000
	Profile Sheet	sft	47,500.00	120.00	5,700,000
	T Beam	kgs	22,500.00	60.00	1,350,000
	C Chanel	kgs	10,500.00	60.00	630,000
					19,950,000
7	Labor & Other Cost				
	Civil Works	sft	6,600	270	1,782,000
	Paint				297,000
	Architectural and Structural				200,000
	Electric work				51,500
					2,330,500
	Total Estimated Cost of New Plant & Store Shed				68,156,250

2. Acquisition of New Plant & Machinery:

A. Crankshaft and Complete Overhauling Spare Parts of Waukesha's Gas Generator:

Sl. No	Particulars	No's	Amount in Taka
1	Crankshaft STD	1 pcs	1,150,000
2	Exhaust valve	24 pcs	648,000
3	Inlet valve	24 pcs	480,000
4	Exhaust Seat	48 pcs	336,000
5	Exhaust Guide	24 pcs	168,000
6	Inlet Guide	24 pcs	168,000
7	Connecting rod bearing	12 pair	312,000
8	Main Bearing	07 pair	350,000
9	Cylinder head gasket kit	12 pcs	300,000
10	Seal Valve exhaust green	48 pcs	28,800
11	Seal Valve inlet black	48 pcs	28,800
12	Service Charge	-	250,000
13	Engine lifting charge	-	100,000
Total			4,319,600

B. Oil-Free Air Compressor (Brand New)

Sl. No	Name of Supplier	Country of origin	Description	Model	Qty (pcs)	Unit price in USD	Total in USD	Ex. Rate	Total Amount In BDT
1	Atlas Copco	China	Atlas Copco Oil free Centrifugal Type Air compressor (water cooled)	ZH 450-9.5BAR	2	190,000	380,000	84.34	32,049,200
2		Germany	Spares for 7,000 hours normal operation		2	-	-		
3			Sea Freight (Estimated)			1	6,000	6,000	
Total Cost of Machinery									32,555,240

Sl. No	Name of Supplier	Country of origin	Description	Model	Qty (pcs)	Unit price in USD	Total in USD	Ex. Rate	Total Amount In BDT
C. Installation & Other Cost:									
L/C Commission & Other Charges, Insurance, Other Customs Related Charges, C& F Commission & Other Charges									3,476,984
Civil Works, Electrical Works, Labor Charge, Expertise Charges, Loading Unloading Changes & Contingent Cost									2,048,426
Total Installation & Other Cost (C)									5,525,410
Total Cost of Machinery with Installation cost (A+B+C)									42,400,250

3. Partially Repayment of Bank Loan (Basic Bank Limited):

Particulars			Amounts in Taka
Rate of Interest	9%		
Tenor	24 Month		
Basic Bank Limited	Account Number	Balance as on 30 June, 2019	Payment of Loan from IPO Fund
	0802-01-0000256	9,140,271	50,00,000
	0802-01-0000331	25,697,743	10,000,000
	0802-01-0000211	6,204,838	50,00,000
Total Taka		41,042,852	41,042,852

MEANS OF FINANCE:

Issue Size (Number of Shares to be issued)	Issue Price	Amount in Taka
15,000,000 Shares	10	150,000,000/-
Less: IPO Expenses		(19,443,500)
Net IPO Proceeds		130,556,500/-

WEAKNESS:

- Limited Capital for expansion.
- Limited market penetration.
- Slow innovations
- Lack of brand name as a global off-shoring destination.

THREAT:

- A highly competitive market which may result in a squeeze of profit.
- Political disturbances like strike and violence's may disrupt production.

ORGANIZATION SET-UP:

The overall management of the Company's business will be vested in its Board of Directors. The Managing Director will be CEO the Company who will assume overall responsibility of day-to-day affairs of the Company. He will be closely assisted by the other Directors of the Company for efficient management of the Company. The organization structure of the Company will be based on online and staff method. The job responsibility of the Management and technical personnel will be clearly defined by the Managing Director and also the board of Directors of the Company.

DIRECTORS AND THEIR BACKGROUNDS:

Name	Position
Md. Nizam Uddin Chowdhury, Chairman	Chairman
Mrs. Ismat Jahan, Managing Director	Managing Director
Md. Fahim Chowdhury	Director
Md. Azmine Mahtab Chowdhury	Director
Advocate Nasima Akter Chowdhury	Independent Director

MD. NIZAM UDDIN CHOWDHURY, CHAIRMAN

Md. Nizam Uddin Chowdhury, Chairman of Associated Oxygen Limited was born in 1948, in a respectable Muslim family. His Father Name is Late Md. Gulam Hossain Chowdhury. He has completed B.Com from Chattagram. He has wide experience in oxygen plant & Re-rolling business from 2007. He is looking after the whole activities of the company.

MRS. ISMAT JAHAN, MANAGING DIRECTOR

Mrs. Ismat Jahan, Managing Director of Associated Oxygen Limited was born in 1979. She obtained a Masters of Business Administration and also looking after the business of the Company and trying to build up her business career gradually & she will be the full-fledged future leader of the Company She is looking after day to day operation of the company.

MD. FAHIM CHOWDHURY, DIRECTOR

Md. Fahim Chowdhury, Director of Associated Oxygen Limited was born in 1999, in a respectable Muslim family. His father name is Mohammad Mahim Chowdhury. He completed his A-level and O-level from British Council. He is very much skilled in speaking English. He is related with internal Audit division of AOL.

MD. AZMINEMAHTAB CHOWDHURY, DIRECTOR

Md. Azmine Mahtab Chowdhury, Director of Associated Oxygen Limited was born in 1999. His Father Name is Mohammad Jashim Uddin Chowdhury. He completed his S.S.C in 2015 from Nasirabad Govt. Boys High School and H.S.C in 2017 from South Asian College under Chattagram Board. He is related to Admin & HR Management of AOL.

ADVOCATE NASIMA AKTER CHOWDHURY, INDEPENDENT DIRECTOR

Advocate Nasima Akter Chowdhury, Independent Director of Associated Oxygen Limited was born in 1974, in a respectable Muslim family. Her father's name is Abdul Kalam Azad Chowdhury. She completed his SSC & HSC from Cumilla Board under Humanities Group. After completing BSS from National University, she completed her MSS from Dhaka University. Subsequently, she completed her LLB under National University in 1997. After completing LLB she started her career as a lawyer. During her successful career life, she worked as panel Lawyer at Bangladesh Legal Aid & Services Trust, Women Lawyers Association. She also an honorable member of Chittagong District Bar Association & Bangladesh Diabetic Association. At present she worked as an Advocate of Dhaka High Court Division. She is very much skilled Corporate Business Strategy, Business Management & Corporate Management.

MARKETING STRATEGY:

- Industry awareness through roundtables, discussion sessions and events.
- Circulating corporate newsletter and brochure.
- Showcasing company expertise in global forums and events.
- Participates in local & international trade fair.

PAST TRENDS:

Last 5 years sales are as follows:

FINANCIAL YEAR	REVENUE (AMOUNT IN TK)
2018-2019	401,057,043
2017-2018	311,420,858
2016-2017	268,929,929
2015-2016	225,626,092
2014-2015	193,158,289

FUTURE PROSPECTS:

The principal activities of the company are manufacturing and supplying of industrial and medical gases, welding products and equipment and ancillary equipment. We test for pressure and for integrity. We have labs for testing for Quality and safety in the factory. This is a service we provide to maintain our quality of services.

UPCOMING PRODUCTS:

There are some of the upcoming product lines like Based on our prolonged exposure in the health sector. They have established a clear understanding of the market need. This has enabled us to put together a product portfolio that can cater to our large customer base. In the Medical Gas Division, AOL most commonly manufactures liquid & gaseous Oxygen, liquid & Gaseous Carbon Dioxide, Emergency oxygen supply unit and liquid Nitrous Oxide, Gas mixture etc. The gases are then supplied in the high-pressure cylinders or the medical gas system.

PRODUCT MARKETPLACE:

Excellence in performance and expertise has gained AOL a significant client base, in the all over Sector. AOL has a total client base of the biggest client base is of the private sector.

FINANCIAL PROJECTION:

The financial Projection for the addition of AOL is highlighted in the table below. These figures account for projected production, Sales and additional staffing requirements. There are many ways to present the projections.

The Projected Financial Statement has been prepared on underlying assumption

(Each year Calculation is made comparing with respective previous year)

Assumption Indicator	Assumption Basis	Assumptions Years (Amount in Taka)		
		2019-2020	2020-2021	2021-2022
Capacity In M3 Per year	Capacity will be Increase due to Introducing new Capital Machinery & new Expansion unit.	10,748,124	11,740,000	14,375,000
Capacity Increase		8.23%	9.23%	22.44%
Utilization of the Capacity	Capacity Utilization will be almost same.	88.40%	89.81%	84.77%

Assumption Indicator	Assumption Basis	Assumptions Years (Amount in Taka)		
		2019-2020	2020-2021	2021-2022
Sales Revenue Increase	Sales Revenue will be Increased for Increasing Quality, Quantity & Unit Price of the Product.	5.42%	10.98%	10.38%
Operating Expenses	Operating Expenses will be Increase due to increase of the production & Sales expenses will lead higher increase & decrease of the Operating Expenses in 2019 & 2020 respectively.	16.51%	9.12%	17.01%
Fixed Asset Addition	Fixed Asset will be increase for the purpose of production Increase to fill the demand, all the assets will be added by the AOL won generated source except Tk. 109,806,500. from IPO Proceeds for the new Capital Machinery, Store Shad & new Plant Shad	80,156,518	155,323,748	255,872,707
IPO Proceeds	Equity will be rise by Tk. 150,000,000 through IPO in 2020.	150,000,000	-	-
Loan Repayment	About 2.00 Crore will be paid from IPO Proceeds in 2020 for Overdraft Accounts of Basic Bank Limited & other payment of Loan will be as per regular payment by Associate Oxygen Limited from its own source to settlement of Bank Liabilities.	20,000,000	21,042,852	-
Cash Surplus	The investments are projected according to the IPO proceeds utilization. Without further decision of the board regarding investments the surplus of cash will be in any Non-Current Asset, if any will be kept in the form of short-term marketable securities, like govt. treasury bonds. '	173,260,657	246,462,623	254,714,033
Dividend	Dividend is not considered on Projection.			

B. Statement of Financial Positions (Projected)

Particulars	30-Jun-19 (Audited)	Projected		
		30-Jun-20	30-Jun-21	30-Jun-22
Assets & Properties				
Non-Current Assets:	1,393,758,011	1,483,971,962	1,489,948,498	1,594,701,304
Property, Plant and Equipment	1,393,758,011	1,374,165,462	1,427,405,978	1,577,539,127
Capital work in Process	-	109,806,500	62,542,520	17,162,177
Current Assets:	208,413,348	398,726,395	542,336,845	626,997,881
Inventories	46,143,408	52,663,908	60,264,411	66,660,619
Trade and Other Receivables	146,643,461	154,658,210	201,584,585	251,689,542
Advances, Deposits and Prepayments	14,695,560	18,143,620	34,025,225	53,933,687
Cash and Cash Equivalents	930,920	173,260,657	246,462,623	254,714,033
Total Assets	1,602,171,359	1,882,698,357	2,032,285,343	2,221,699,185
Shareholders' Equity & Liabilities				
Shareholders' Equity:	1,389,860,666	1,686,983,147	1,836,815,155	2,000,954,840
Share Capital	800,000,000	950,000,000	950,000,000	950,000,000
Retained Earnings	589,860,666	736,983,147	886,815,155	1,050,954,840
Non-Current Liabilities:	154,093,793	129,159,673	138,306,290	159,458,266
Long Term Loan (Non-Current portion)	20,786,852	10,914,852	-	-
Deferred Tax	133,306,941	118,244,821	138,306,290	159,458,266
Current Liabilities:	58,216,900	66,555,537	57,163,898	61,286,079
Trade and Other Payables	14,641,178	23,513,446	12,546,558	11,025,465
Long term Loan (Current Portion)	20,256,000	10,128,000	-	-
Liabilities for expenses	23,319,722	32,914,091	44,617,340	50,260,614
Total Shareholders' Equity & Liabilities	1,602,171,359	1,882,698,357	2,032,285,343	2,221,699,185
Net Assets Value (NAV)	17.37	17.76	19.33	21.06

B) Statement of Operating Result (Projected);

Particulars	30-Jun-19	Projected		
		30-Jun-20	30-Jun-21	30-Jun-22
Revenue	401,057,043	422,794,335	469,217,153	517,921,893
Cost of goods sold	(149,869,453)	(157,684,406)	(174,777,639)	(194,735,869)
Gross Profit	251,187,590	265,109,928	294,439,514	323,186,024
Operating expenses	(62,732,571)	(73,087,505)	(79,750,112)	(93,305,188)
Administrative Expenses	32,595,788	37,646,601	40,626,109	47,048,283
Selling & Distribution Expenses	30,136,783	35,440,904	39,124,003	46,256,905
Profit from Operation	188,455,019	192,022,423	214,689,402	229,880,836
Financial expenses	(9,754,178)	(11,184,820)	(5,038,697)	(224,786)
Other non-operating income	70,064	81,994	114,106	139,510
Net profit before tax & WPPF	178,770,905	180,919,597	209,764,811	229,795,559
Provision of WPPF	(8,512,900)	(8,615,219)	(9,988,801)	(10,942,646)
Net Profit Before Income Tax	170,258,004	172,304,378	199,776,011	218,852,913
Provision for Income Tax	(60,856,103)	(43,076,094)	(49,944,003)	(54,713,228)
Current Tax	14,900,202	20,050,517	29,882,534	33,561,252
Deferred Tax	45,955,901	23,025,577	20,061,469	21,151,976
Net Profit after tax	109,401,901	129,228,284	149,832,008	164,139,685
Total Comprehensive Income	109,401,901	129,228,284	149,832,008	164,139,685
Earnings Per Share (EPS)	1.51	1.36	1.58	1.73

*** EPS NAV NOCEPS are calculated with 95,000,000 shares.*

PAY-BACK PERIOD:

The Pay Back period of the project is calculated to determine the period required to recuperate the original investment outlay through the profits earned by the project. The calculated payback period of the project is 3.32 years.

NET PRESENT VALUE (NPV):

Net Asset Value considering 5 years' operating result and discount rate 8% stands Tk. 549,597/- and considering discount rate 9% stands Tk. (2,366,668)/-.

INTERNAL RATE OF RETURN (IRR):

The project promises a financial rate of return about 8.19% if it completed on schedule.

SENSITIVITY ANALYSIS:

Sensitivity tests have done and the project withstands that tests.

BREAK-EVEN POINT:

The project is expected to break-even at 24.85% of the proposed Capacity utilization in the 1st Year.

CONCLUSION:

The feasibility of the project has been conducted and analyzed from the viewpoint of marketing, financial, management & economic aspects and found to be worthwhile. The projected financial results and the profitability estimated based on historical data show that the project is viable and lucrative. This projection will help the interested parties to have an idea of the Associated Oxygen Limited.

Place: Dhaka
Dated: 12.10.2019

Sd/-
Ashraf Uddin & Co.
Chartered Accountants

CHAPTER-XXIII

LOCK-IN

(a) Provisions for lock-in as per these Rules:

Ordinary shares of the issuer shall be subject to lock-in, from the first trading day at the exchange, in the following manner:

- 1 All shares held, at the time of according consent to the public offer, by sponsors, directors and shareholders holding ten percent (10%) or more shares, other than alternative investment funds, for 03 (three) years;
- 2 In case any existing sponsor or director of the issuer transfers any share to any person, other than existing shareholders, all shares held by those transferee shareholders, at the time of according consent to the public offer, for 03 (three) years;
- 3 All shares allotted to any person, before 4 (four) years or more of according consent to the public issue, other than the persons mentioned in clause (a) and (b), for 01 (one) year;
- 4 All shares held by alternative investment funds, for 01 (one) year;
- 5 All shares held by any person, other than the shares mentioned in clause (a), (b), (c) and (d) above, for 02 (two) years; Provided that ordinary shares converted from any other type of securities shall also be subject to lock-in as mentioned above;

(b) Statement of securities to be locked in for each shareholder along with BO account number, lock-in period and number of securities to be locked-in:

SL No	Name	Position	BOID	Number of Shares Held	Pre IPO %	Lock-In
1.	Md. Nizam Uddin Chowdhury	Chairman	1606060067860558	6,861,600	8.58%	3 Years
2.	Mrs. Ismat Jahan	Managing Director	1606060067858755	18,176,324	22.72%	3 Years
3.	Fahim Chowdhury	Director	1606060067983295	1,963,940	2.45%	3 Years
4.	Azmine Mahatab Chowdhury	Director	1606060067850759	2,122,322	2.65%	3 Years
5.	Md. Mahim Uddin Chowdhury	Shareholder	1606060067862101	277,560	0.35%	2 Years
6.	Tasbirul Hasan	Shareholder	1606060067859535	399,838	0.50%	2 Years
7.	Hasan Yousuf Chowdhury	Shareholder	1606060067856440	2,705,000	3.38%	2 Years
8.	Mrs. Shamim Akter	Shareholder	1606060067983378	282,156	0.35%	2 Years
9.	Md. Shahriar Hossain Chowdhury	Shareholder	1606060067857661	224,640	0.28%	2 Years
10.	Sharmin Chowdhury	Shareholder	1606060067849950	90,000	0.11%	2 Years
11.	Mr. Minhazul Hasan	Shareholder	1202400067070208	371,334	0.46%	2 Years
12.	Salek Mohammad Nasir	Shareholder	1606060067968721	308,500	0.39%	2 Years
13.	Mr. Kamrul Islam	Shareholder	1606060067858241	87,300	0.11%	2 Years
14.	Md. Sarwar Hossain	Shareholder	1606060067851860	115,047	0.14%	2 Years
15.	Syfuiddin Ahmed	Shareholder	1606060068946746	59,376	0.07%	2 Years
16.	Syed Md. Monzur Hossain	Shareholder	1606060067963828	80,463	0.10%	2 Years
17.	Kamruddin Ahmed Chowdhury	Shareholder	1606060067963986	68,850	0.09%	2 Years
18.	Md. Saidul Hosen	Shareholder	1606060068946754	84,000	0.11%	2 Years
19.	A & A Shipyard Limited	Shareholder	1606060067885017	151,400	0.19%	2 Years
20.	Omni Shipping Limited	Shareholder	1606060067885124	151,750	0.19%	2 Years
21.	A & A Logistics Limited	Shareholder	1606060067972772	60,000	0.08%	2 Years
22.	Mehreen Ship Re-Cycling	Shareholder	1606060067885373	60,270	0.08%	2 Years
23.	MAS Ship Recycling Industries	Shareholder	1606060067885448	64,500	0.08%	2 Years
24.	M/S. Tulip Steel	Shareholder	1606060067984455	36,000	0.05%	2 Years
25.	Md. Foysof Alam	Shareholder	1202020068826665	14,136	0.02%	2 Years
26.	Ayesha Akhter	Shareholder	1201950067724909	202,650	0.25%	2 Years
27.	Irfanur Hossain Chowdhury	Shareholder	1606060067862781	60,000	0.08%	2 Years
28.	Md. Sohrab Hossain	Shareholder	1203470028005556	374,680	0.47%	2 Years
29.	Md. Asaduzzaman Mia	Shareholder	1605760067975104	100,000	0.13%	2 Years
30.	Md. Mizanur Rahman	Shareholder	1605760067975725	100,000	0.13%	2 Years
31.	Mohammad Mofizur Rahman	Shareholder	1605760004463341	100,865	0.13%	2 Years
32.	Laila Kaniz	Shareholder	1605420047214382	450,000	0.56%	2 Years
33.	Ahmed Tawfiqur Rahman Arnab	Shareholder	1201960058384794	500,000	0.63%	2 Years
34.	Md. Matiur Rahman	Shareholder	1606060042223806	500,000	0.63%	2 Years
35.	Global Max Packaging Industries Ltd.	Shareholder	1605760066341566	200,000	0.25%	2 Years
36.	Mohibullah Kabir	Shareholder	1205000048578047	330,000	0.41%	2 Years
37.	Jahir Ahmed	Shareholder	1203680013402672	210,000	0.26%	2 Years
38.	Universal Equity Management Ltd.	Shareholder	1205950064110189	2,816,316	3.52%	2 Years
39.	Shahjalal Equity Management Limited	Shareholder	1606060065096141	6,551,000	8.19%	2 Years
40.	LT GEN Md. Shamsul Haque	Shareholder	1201690000776633	100,000	0.13%	2 Years
41.	Syeda Shapna Khanom	Shareholder	1606060025928337	1,000	0.00%	2 Years
42.	Md. Ashiqur Rahman	Shareholder	1202610057685803	200,000	0.25%	2 Years
43.	Mohammad Obaidul Karim	Shareholder	1202610034182432	500,000	0.63%	2 Years
44.	Salaman Obaidul Karim	Shareholder	1202610045134601	500,000	0.63%	2 Years
45.	Mrs. Arzuda Karim	Shareholder	1202610034182440	500,000	0.63%	2 Years
46.	Md. Akbar Hossain	Shareholder	1201840013990551	400,000	0.50%	2 Years
47.	Mohammad Fakhru Alam	Shareholder	1205150062036961	100,000	0.13%	2 Years
48.	Faas Asset Management Ltd	Shareholder	1202610064842514	300,000	0.38%	2 Years
49.	Manata Asset Management Ltd	Shareholder	1202610064842522	300,000	0.38%	2 Years
50.	Md. Mamunur Rashid	Shareholder	1201830061893338	100,000	0.13%	2 Years
51.	Md. Mahfuzur Rahman	Shareholder	1202610020269379	150,000	0.19%	2 Years
52.	Md. Rasiduzzaman	Shareholder	1205150054201081	150,000	0.19%	2 Years
53.	Md. Riaz Haider	Shareholder	1605550063654091	20,000	0.03%	2 Years

SL No	Name	Position	BOID	Number of Shares Held	Pre IPO %	Lock-In
54.	Mohammad Nasar Uddin	Shareholder	1201960032064919	10,000	0.01%	2 Years
55.	Md. Shahriar Hasan	Shareholder	1201950062692511	100,000	0.13%	2 Years
56.	Md. Ashfaqul Alam	Shareholder	1202610009553974	200,000	0.25%	2 Years
57.	Muhammad Abdur Rahman	Shareholder	1205200045738398	20,000	0.03%	2 Years
58.	Global Shoes & Textiles Limited	Shareholder	1606060066398721	2,745,500	3.43%	2 Years
59.	Md. Mosharraf Hossain Bhuiyan	Shareholder	1201830000858623	100,000	0.13%	2 Years
60.	Mohammad Monjurul Alam	Shareholder	1204220066206515	100,000	0.13%	2 Years
61.	Md. Nazmul Hasan	Shareholder	1201580032600621	100,000	0.13%	2 Years
62.	Bengal Assets Holdings Limited	Shareholder	1205950067422023	3,584,500	4.48%	2 Years
63.	Samareesh Banik	Shareholder	1204230033656585	200,000	0.25%	2 Years
64.	Fuad N.A. Rahman	Shareholder	1606060067725921	400,000	0.50%	2 Years
65.	Md. Habibullah	Shareholder	1204480020700554	50,000	0.06%	2 Years
66.	Md. Fazlul Haque	Shareholder	1606060067240634	190,000	0.24%	2 Years
67.	Dr. Sathi Khanom	Shareholder	1201530043918769	50,000	0.06%	2 Years
68.	Abu Raihan	Shareholder	1203110043492670	300,000	0.38%	2 Years
69.	Md. Mamun Howlader	Shareholder	1606060062875219	50,000	0.06%	2 Years
70.	Md. Sydur Rahman	Shareholder	1201830066109657	50,000	0.06%	2 Years
71.	Md. Majibur Rahman	Shareholder	1605760066221003	250,000	0.31%	2 Years
72.	Md. Tariqul Alam	Shareholder	1205150064630545	50,000	0.06%	2 Years
73.	Md. Nizamul Haque	Shareholder	1202210005096088	200,000	0.25%	2 Years
74.	Md. Mijanur Rahman	Shareholder	1203020031659055	50,000	0.06%	2 Years
75.	Md. Afjol Ahmad	Shareholder	1203590062852461	100,000	0.13%	2 Years
76.	Ishtiaq Ahmed	Shareholder	1202490000226422	60,000	0.08%	2 Years
77.	Khaled Mahmud	Shareholder	1602510046749340	100,000	0.13%	2 Years
78.	Nazia Akter	Shareholder	1202610048464551	200,000	0.25%	2 Years
79.	Mrs. Nusrat Manzoor	Shareholder	1203060000942309	200,000	0.25%	2 Years
80.	Mohammad Yunus	Shareholder	1202580066175692	750,000	0.94%	2 Years
81.	Aswat Aksir Mujib Wasi	Shareholder	1605760066332994	100,000	0.13%	2 Years
82.	Md. Lutfor Rahman	Shareholder	1203600013625030	100,000	0.13%	2 Years
83.	Mrs. Nazma Rahman	Shareholder	1202210064479240	200,000	0.25%	2 Years
84.	Kamrul Hasan	Shareholder	1205950065921363	50,000	0.06%	2 Years
85.	TM Jobaer	Shareholder	1606060066302545	100,000	0.13%	2 Years
86.	Kazi Amdadul Hoque	Shareholder	1605570062732560	100,000	0.13%	2 Years
87.	Md. Abbas Ali Khan	Shareholder	1204570062988909	100,000	0.13%	2 Years
88.	Md. Golam Kabir	Shareholder	1202800017397301	200,000	0.25%	2 Years
89.	Md. Abdur Razzak	Shareholder	1606060067255840	50,000	0.06%	2 Years
90.	Mohd. Mahbulul Alom	Shareholder	1606060067256259	50,000	0.06%	2 Years
91.	Salena Akther Poly	Shareholder	1201480064561845	100,000	0.13%	2 Years
92.	Md. Ruhul Amin Mollah	Shareholder	1203260056900702	33,000	0.04%	2 Years
93.	Zannatun Nessa	Shareholder	1605070068110325	50,000	0.06%	2 Years
94.	Abul Hasan	Shareholder	1203590062584237	100,000	0.13%	2 Years
95.	Md. Nurul Islam	Shareholder	1203590062597246	100,000	0.13%	2 Years
96.	Md. Liakat Ali	Shareholder	1201480066188139	50,000	0.06%	2 Years
97.	Mohammad Jahurul Islam Sheikh	Shareholder	1606060018460914	200,000	0.25%	2 Years
98.	Md. Alamgir Hossain	Shareholder	1201520058015599	100,000	0.13%	2 Years
99.	Farabi N. Rahman	Shareholder	1606060067725467	400,000	0.50%	2 Years
100.	Orion Footware Limited	Shareholder	1202610066474996	1,000,000	1.25%	2 Years
101.	Md. Shafiqur Rahman	Shareholder	1606060062153110	100,000	0.13%	2 Years
102.	Mohammad Ferdous Jaman	Shareholder	1203710048456909	200,000	0.25%	2 Years
103.	Mamun Hossain	Shareholder	1204120026870188	100,000	0.13%	2 Years
104.	Md. Hasan Imam	Shareholder	1205590064186096	50,000	0.06%	2 Years
105.	H. M. Saifullah	Shareholder	1203680062135843	27,000	0.03%	2 Years
106.	A.F.M. Shafder Hossain	Shareholder	1203140064434182	20,000	0.03%	2 Years
107.	Sazzadur Rahman	Shareholder	1201480066435595	50,000	0.06%	2 Years
108.	Md. Saifuddin Khaled	Shareholder	1201960066219583	100,000	0.13%	2 Years
109.	Tasrin Mujib	Shareholder	1605760066332895	150,000	0.19%	2 Years
110.	Md. Sazed Karim	Shareholder	1201900016975464	200,000	0.25%	2 Years
111.	Nasrin Akter	Shareholder	1201960063798191	100,000	0.13%	2 Years
112.	Md. Masudur Rahman	Shareholder	1204220057496005	40,000	0.05%	2 Years
113.	Md. Ahasanul Hoque	Shareholder	1204500060616516	100,000	0.13%	2 Years
114.	S.A.M Samiul Parves	Shareholder	1606060007778429	185,000	0.23%	2 Years
115.	Mohammad Golam Sabur	Shareholder	1606060016494177	115,000	0.14%	2 Years
116.	Khandakar Arifuzzaman	Shareholder	1606060066203016	200,000	0.25%	2 Years
117.	Abaci Investments Limited (MDA)	Shareholder	1602770045524684	800,000	1.00%	2 Years
118.	Parveen Sultana	Shareholder	1606060065060381	200,000	0.25%	2 Years
119.	Md. Nizam Uddin	Shareholder	1606060016356272	50,000	0.06%	2 Years
120.	BRB Securities Limited (Dealer)	Shareholder	1203910038355843	1,000,000	1.25%	2 Years
121.	Md. Khalid Hossain Khan	Shareholder	1606060043555015	300,000	0.38%	2 Years
122.	Sadia Hossain	Shareholder	1201960064988391	500,000	0.63%	2 Years
123.	Md. Mosharraf Uddin Khaled	Shareholder	1201960045102131	100,000	0.13%	2 Years
124.	A.N.M Wahid Hossain	Shareholder	1201960043441538	100,000	0.13%	2 Years
125.	Mohammad Matiul Islam	Shareholder	1201580020847765	110,000	0.14%	2 Years

SL No	Name	Position	BOID	Number of Shares Held	Pre IPO %	Lock-In
126.	Imran Ahmed	Shareholder	1203910065358373	25,000	0.03%	2 Years
127.	Mohammad Kamal Uddin	Shareholder	1606060067983568	2,000,000	2.50%	2 Years
128.	Gazi Mukarram Ali Chowdhury	Shareholder	1606060067983442	1,000,000	1.25%	2 Years
129.	Motaheer Hossain	Shareholder	1203330009275562	104,000	0.13%	2 Years
130.	Mostafizur Rahman	Shareholder	1606060068000415	11,000	0.01%	2 Years
131.	A.F. Mohiuddin Khan	Shareholder	1201480065132802	100,000	0.13%	2 Years
132.	Md. Shafiul Azam Khan	Shareholder	1204910042626804	100,000	0.13%	2 Years
133.	Mst. Salina Akter	Shareholder	1202950048336421	250,000	0.31%	2 Years
134.	Md. Masud Rana	Shareholder	1202550037825261	200,000	0.25%	2 Years
135.	Md. Nurul Islam	Shareholder	1204570045588049	50,000	0.06%	2 Years
136.	Mohsen Khawja Ahmed	Shareholder	1201480000414101	50,000	0.06%	2 Years
137.	Priota Refinery & Furnishing Ltd	Shareholder	1204800065582937	300,000	0.38%	2 Years
138.	Mostafa Shahriar	Shareholder	1203500022902711	100,000	0.13%	2 Years
139.	Md. Siyamul Ahsan	Shareholder	1204490064679968	140,000	0.18%	2 Years
140.	Mohammed Jahangir Alam	Shareholder	1205670058884859	30,000	0.04%	2 Years
141.	Mohammad Shahin Dewan	Shareholder	1205670061672663	50,000	0.06%	2 Years
142.	Arifa Begum Lucky	Shareholder	1205000058547697	100,000	0.13%	2 Years
143.	Abid Hossain	Shareholder	1205670044309378	200,000	0.25%	2 Years
144.	Shaheda Aktar	Shareholder	1605760068946620	8,000	0.01%	2 Years
145.	Shoaeb Ahmed	Shareholder	1201480064783672	100,000	0.13%	2 Years
146.	Khondaker Muinur Rahman	Shareholder	1201480064004541	100,000	0.13%	2 Years
147.	Ziauddin Ahmed	Shareholder	1201480064560751	100,000	0.13%	2 Years
148.	Md. Mehedi Hasan	Shareholder	1201480064813616	100,000	0.13%	2 Years
149.	S.M Zahid Bin Faruque	Shareholder	1201480064561018	100,000	0.13%	2 Years
150.	Shamim Ara Baby	Shareholder	1201960061456338	100,000	0.13%	2 Years
151.	Md. M.U. Pramanik	Shareholder	1603700061482620	200,000	0.25%	2 Years
152.	Habiba Rahman	Shareholder	1605760067975198	20,000	0.03%	2 Years
153.	Soumen Saha	Shareholder	1605760064811922	30,000	0.04%	2 Years
154.	Sazzat Hossain	Shareholder	1605760064861656	150,000	0.19%	2 Years
155.	Jamil Uddin Ahmed	Shareholder	1605760064971748	100,000	0.13%	2 Years
156.	Mohammad Fakrul Amin Patwary	Shareholder	1605760065218397	50,000	0.06%	2 Years
157.	Shohaly Parvin	Shareholder	1605760065715739	50,000	0.06%	2 Years
158.	Abullah Al Mamun	Shareholder	1605760065722759	25,000	0.03%	2 Years
159.	Md. Azmul Huda	Shareholder	1605760066582409	50,000	0.06%	2 Years
160.	A KM Abdus Satter	Shareholder	1605760066582540	100,000	0.13%	2 Years
161.	Md. Jamal Hossain	Shareholder	1605760066735700	35,000	0.04%	2 Years
162.	Md. Sirazum Munir	Shareholder	1605760066749998	50,000	0.06%	2 Years
163.	Md. Monjerul Islam	Shareholder	1605760066776217	35,000	0.04%	2 Years
164.	Md. Harunoor Rashid	Shareholder	1605760067131737	30,000	0.04%	2 Years
165.	Md. Ashaduzzaman	Shareholder	1605760067209877	30,000	0.04%	2 Years
166.	Md. Mahmudur Rahman	Shareholder	1605760067304752	25,000	0.03%	2 Years
167.	Md. Rajib Ahmmed	Shareholder	1605760067975561	25,000	0.03%	2 Years
168.	Sabbir Ahmed	Shareholder	1605760067304861	10,000	0.01%	2 Years
169.	Khandoker Khalilur Rahman	Shareholder	1605760067978547	25,000	0.03%	2 Years
170.	Asim Kumar Roy	Shareholder	1605760067975444	100,000	0.13%	2 Years
171.	Mohammad Saiful Islam	Shareholder	1605760065278738	100,000	0.13%	2 Years
172.	Md. Hafizur Rahman	Shareholder	1605760065722395	400,000	0.50%	2 Years
173.	Md. Ariful Islam	Shareholder	1605760067123086	100,000	0.13%	2 Years
174.	Jayanta Kumar Podder	Shareholder	1602170033215148	100,000	0.13%	2 Years
175.	F.A. Trading Corporation	Shareholder	1203110063110187	379,514	0.47%	2 Years
176.	NRB Equity Management Limited	Shareholder	1605760062455351	659,669	0.42%	2 Years
177.	Md. Shaiful Islam	Shareholder	1605760066168441	680,000	0.85%	2 Years
178.	Md. Abdur Rahim	Shareholder	1606060043753594	100,000	0.13%	2 Years
179.	S M Khurshid-Ul-Alam	Shareholder	1606060066439098	50,000	0.06%	2 Years
180.	Javeed A Matin	Shareholder	1606060068955377	200,000	0.25%	2 Years
181.	Md. Momin Uddin Mozumder	Shareholder	1605640068339949	200,000	0.25%	2 Years
182.	Mohammad Sarwar Murshid	Shareholder	1605760062630913	100,000	0.13%	2 Years
183.	Kazi Reashad Shahnewaz Usha	Shareholder	1605760064182841	50,000	0.06%	2 Years
184.	Umme Habiba Sultana	Shareholder	1205950068242453	50,000	0.06%	2 Years
185.	Md. Ataur Rahman Mondol	Shareholder	1205950067893877	50,000	0.06%	2 Years
186.	Rifah Tamanna	Shareholder	1605760068946457	700,000	0.88%	2 Years
187.	A.K.M Monzurul Kabir	Shareholder	1205590068607775	50,000	0.06%	2 Years
188.	Md. Jahirul Islam Jewel	Shareholder	1205950068167374	50,000	0.06%	2 Years
189.	Md. Ashaduzzaman	Shareholder	1201950068436063	50,000	0.06%	2 Years
190.	Anjoman Ara Begum	Shareholder	1205590068164991	200,000	0.25%	2 Years
191.	Md. Abul Kasem	Shareholder	1202550068807871	100,000	0.13%	2 Years
192.	Arifa Akhter	Shareholder	1201960031598601	50,000	0.06%	2 Years
193.	Md Amran	Shareholder	1201960064462656	100,000	0.13%	2 Years
				80,000,000	100.00%	

CHAPTER-XXIV

MARKETS FOR THE SECURITIES BEING OFFERED

Market for the Securities being offered:

The issuer shall apply to the following courses for listing shares within 7 (seven) working days from the date of consent accorded by the Commission to issue the prospectus:



Dhaka Stock Exchange Limited (DSE)
Stock Exchange Building, 9/F Motijheel C/A,
Dhaka, Bangladesh



Chittagong Stock Exchange Limited (CSE)
CSE Building, 1080, Sk. Mujib Road, Agrabad,
Chattagram, Bangladesh

Declaration about Listing of Shares with the Stock Exchange(s):

If none of the Stock Exchange(s), if for any reason, grant listing within **30 (thirty)** days from the closure of subscription, any allotment in terms of this Prospectus shall be void and the company shall refund the subscription money within **15 (fifteen)** days from the date of refusal for listing by the stock exchange, or from the date of expiry of the said **30 (thirty)** days, as the case may be.

In case of non-refund of the subscription money within the aforesaid **15 (fifteen)** days, the company directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of **2% (two percent)** per month above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due to compliance of the above-mentioned conditions and shall submit compliance report thereon to the Commission within **07 (seven)** days of the expiry of the aforesaid **15 (fifteen)** days' time period allowed for refund of the subscription money.

Trading and Settlement:

Trading and Settlement Regulation of the stock exchanges shall apply in respect of trading and settlement of the shares of the company.

The issue shall be placed in “N” Category with DSE & CSE.

CHAPTER-XXV

DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

Description of securities outstanding or being offered

All types of securities outstanding or being offered with a date or proposed date of such issue and to whom those are offered, number of securities and issue or offer price along with the following information:

a) Dividend, Voting, Pre-emption Rights:

The share capital of the company is divided into Ordinary Shares, carrying equal rights to vote and receive the dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles of Association of the company. All Shareholders shall have the usual voting right in person or by proxy in connection with, among others, the election of Directors & Auditors and other usual agenda of General Meeting – Ordinary or Extra Ordinary. On a show of hand, every shareholder present in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for every share held by him or her. In case of any additional issue of shares for raising further capital, the existing shareholders shall be entitled to Issue of Right shares in terms of the guidelines issued by the Bangladesh Securities and Exchange Commission from time to time.

b) Conversion and Liquidation Rights:

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are freely transferable. The Company shall not charge any fee for registering the transfer of shares. No transfer shall be made to a firm, an infant or person of unsound mind.

c) Dividend Policy:

- i. The profit of the company, subject to any special right relating thereto created or authorized to be created by the Memorandum of Association and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the capital paid-up on the shares held by them respectively.
- ii. No larger dividend shall be declared that is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of Net Profit of the Company shall be conclusive.
- iii. No dividend shall be payable except out of profits of the Company or any other undistributed profits. The dividend shall not carry interest as against the Company.
- iv. The Directors may from time to time pay the members such interim dividend as in their judgment the financial position of the Company may justify.
- v. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
- vi. There is no limitation on the payment of dividends to the common stockholders of the Company.

d) Other Rights of the securities holders:

In terms of provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering the transfer of shares. No transfer shall be made to a minor or person of unsound mind.

The Directors shall present the financial statements to the shareholders as required under the law & International Accounting Standard. Financial statements will be prepared in accordance with the International Accounting Standards consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and International Accounting Standard to the shareholders regarding the financial and operational position of the company. The shareholders shall have the right to receive all periodical statement and reports, audited as well as un audited, published by the company from time to time.

The shareholder holding minimum of 10% shares of paid-up capital of the company shall have the right to requisition extra ordinary General Meeting of the company as provided for the section 84 of the Companies Act 1994.

CHAPTER-XXVI

FINANCIAL STATEMENTS

- a) The latest financial statements prepared and audited by the Commission's panel auditors in adherence to the provisions of the Securities and Exchange Rules, 1987, the Companies Act, 1994, International Financial Reporting and Auditing Standards as adopted in Bangladesh from time to time and Financial Reporting Act;

**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** (the Company), which comprise the Statement of Financial Position as at 30 June 2019, and Statement of Profit or Loss & 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, the accompanying Financial Statements give true and fair view, in all material respects, of the Financial Position of the company as at 30 June 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations.

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 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 for our opinion.

Key Audit Matters

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

Risk	Our response to the risk
Revenue Recognition	
<p>At year-end the reported total revenue of Tk. 401,057,043/-</p> <p>The company generates revenue from the sale of Industrial & Medical Gases to customers around the country. The timing of the revenue recognized and realized increases the risk of exposure of revenue to discounted Bills.</p> <p>There is also a risk that revenue may be overstated /understated due to the timing differences Order date & delivery dates.</p> <p>We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company, which give rise to an inherent risk of the existence and the accuracy of the revenue.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> ➤ Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting period. ➤ Segregation of duties in invoice creation and modification and timing of revenue recognition. ➤ Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards. ➤ Obtain supporting documentation for sale transaction recorded either side of year-end to determine whether revenue was recognized in the current period. ➤ Comparing a sample of revenue transactions recognized during the year with the sale invoices and other relevant underlying documentation. ➤ Critically assessing manual journals posted to revenue to identify unusual or irregular items, and finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.
<i>Please see note no. 18 to the Statement of profit or loss & other Comprehensive Income.</i>	

Risk	Our response to the risk
Valuation of Inventory <p>As at 30 June 2019, the reported amount of inventory is Tk. 46,143,408/- held in plants, warehouses.</p> <p>On the reporting date, inventories are carried at the lower of cost and net realizable value. As such, the companies apply judgment in determining the appropriate values of Inventory in accordance with International Accounting Standards.</p> <p>Considering the risk as stated above the valuation of Inventory is a key audit matter to the Financial Statements.</p>	
<i>Please see note no. 06 to the Financial Statements</i>	
Valuation of Property, Plant and Equipment <p>The carrying value of the PPE is Tk. 1,393,758,011/- as at 30 June, 2019.</p> <p>The valuation of PPE was identified as a key audit matter due to the significance of this balance to the Financial Statements.</p> <p>The expenditures are classified as an asset, if it is probable that the future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.</p> <p>The useful lives of PPE items are based on management's estimates regarding the period over which an asset is expected to be available for use. The estimates of the useful life of the assets is a matter of judgments based on the experience of the entity with similar assets and also take into consideration the physical condition of the assets.</p>	
<i>Please see note no. 4 to the Financial Statements</i>	
Long Term Loan & Short-Term Loan <p>As at 30 June 2019, the reported amount of total long-term loan is Tk. 41,042,852/- (Current & Non-current portion).</p> <p>The company borrowed fund from Basic Bank Limited for the purpose of acquisition of non-current assets and working capital as well.</p> <p>The company may face difficulties due to unfavorable movement in interest rate, monetary policy and adverse variance between import & export that may result in short-term cash flow crisis.</p>	
<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> ➤ Evaluating the design and implementation of key inventory controls operating across the factory, warehouse. ➤ Attending inventory counts and reconciling the count results to the inventory listing to test the accuracy of data. ➤ Along with inventory count we checked whether the inventories were maintained in good condition and maintaining all compliances. ➤ Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year. ➤ Obtaining a detailed review with the subsequent sales to compare with the net realizable value. <p>Our audit included the following procedures:</p> <ul style="list-style-type: none"> ➤ We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent. ➤ We obtained a list of capital expenditures incurred during the year and, on a sample basis, checked whether the items were procured during the year. ➤ We verified the invoices and L/C documents on sample basis to segregate the capital and operating expenditure and found that the transactions are appropriately classified. ➤ We evaluated whether the useful lives determined and applied by the management were in line with the nature of assets, the physical condition of the assets and its uses. ➤ We checked whether the depreciation of PPE items was commenced from the date of ready to use and found the depreciation had been started accordingly. <p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> ➤ Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure the proper use of loan. ➤ We verified sanction letter, loan schedule and bank statements to confirm the loan outstanding and found that the balance had been reported in the Financial Statements accurately. We also submit the balance confirmation to the respective banks and financial institutions 	

Risk	Our response to the risk
	<ul style="list-style-type: none"> ➤ We also checked the financial expenses and classification of loan and repayment schedule as well. ➤ We had checked the recording date of transactions and found the recording date is in line with the loan disbursement date. We also confirmed that the company had paid its installments within due time.
<i>Please see note no. 13, 16 & 21 to the Financial Statements</i>	

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. 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 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. The Companies Act, 1994 require the management to ensure effective internal audit, internal control and risk management functions of the company.

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 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 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 accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our 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 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 event in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the Financial Statements we are responsible for the direction, supervision and performance of the company audit. We are 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, and The Securities and Exchange Rules 1987 and relevant notifications issues by Bangladesh Securities and Exchange Commission, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were 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 as required by law have been kept by the company so far as it appeared from our examinations of those books;
- c) The Statement of Financial Position, Statement of Profit or Loss & 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 accounts and returns; and
- d) The expenditure incurred was for the purpose of the Company's business.

Dated, Dhaka
09 October, 2019



Ramendra Nath Basak, FCA
Partner
Shiraz Khan Basak & Co.
Chartered Accountants

Associated Oxygen Limited

Statement of Financial Position

As at 30 June, 2019

Particulars	Notes	Amount in Tk.	
		30-June-2019	30-June-2018
Assets			
Non Current Assets		1,393,758,011	1,009,472,256
Property, Plant and Equipment	4.00	1,393,758,011	976,529,839
Capital Work In Process	5.00	-	32,942,417
Current Assets		208,413,348	138,752,401
Inventories	6.00	46,143,408	30,591,046
Trade and Other Receivables	7.00	146,643,461	75,350,607
Advances, Deposits & Prepayments	8.00	14,695,560	31,908,077
Cash and Cash Equivalents	9.00	930,920	902,670
Total Assets		1,602,171,359	1,148,224,657
Shareholder's Equity and Liabilities			
Shareholder's Equity		1,389,860,666	969,001,235
Share Capital	10.00	800,000,000	99,945,380
Retained Earnings	11.00	589,860,666	480,458,765
Share Money Deposit	12.00	-	388,597,090
Non Current Liabilities		154,093,793	114,639,526
Long Term Loan (Non-Current portion)	13.00	20,786,852	27,288,486
Deferred Tax Liability	14.00	133,306,941	87,351,040
Current Liabilities		58,216,900	64,583,896
Trade and Other Payables	15.00	14,641,178	13,577,166
Long term Loan (Current Portion)	16.00	20,256,000	20,256,000
Liabilities for expenses	17.00	23,319,722	30,750,730
Total Shareholder's Equity and Liabilities		1,602,171,359	1,148,224,657
Net Assets Value (NAV) per share (Basic)	25.00	17.37	58.07

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

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Signed in terms of our separate report even date annexed

Date: 09.10.2019
Place: Dhaka


SHIRAZ KHAN BASAK & CO.
Chartered Accountants

Associated Oxygen Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2019

Particulars	Notes	Amounts in Taka	
		July 01, 2018 to June 30, 2019	July 01, 2017 to June 30, 2018
Revenue	18.00	401,057,043	311,420,858
Cost of goods sold	19.00	(149,869,453)	(127,791,655)
Gross Profit		251,187,590	183,629,203
Operating expenses	20.00	(62,732,571)	(50,394,851)
Administrative Expenses	20.01	(32,595,788)	(26,992,944)
Selling & Distribution Expenses	20.02	(30,136,783)	(23,401,906)
Profit from Operation		188,455,019	133,234,352
Financial Expenses	21.00	(9,754,178)	(6,742,192)
Other non-operating Income	22.00	70,064	39,888
Net Profit Before Tax & WPPF		178,770,905	126,532,048
Less: WPPF Expenses		(8,512,900)	-
Net Profit Before Income Tax		170,258,005	126,532,048
Income Tax Expenses	23.00	(60,856,103)	(19,033,608)
Current Tax	23.01	(14,900,202)	(8,492,125)
Deferred Tax	23.02	(45,955,901)	(10,541,483)
Net Profit after tax		109,401,901	107,498,441
Other Comprehensive Income/(Loss)		-	-
Total Comprehensive Income for the year		109,401,901	107,498,441
Earnings Per Shares (EPS) (Basic)	24.00	1.51	3.26
Earnings Per Shares (EPS) (Diluted)	24.01	1.37	1.34

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

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Signed in terms of our separate report even date annexed

Date: 09.10.2019
Place: Dhaka


SHIRAZ KHAN BASAK & CO.
Chartered Accountants

Associated Oxygen Limited
Statement of Changes in Equity
For the year ended 30 June, 2019

(Amount in Taka)

Particulars	Share Capital	Retained Earnings	Share Money Deposit	Total
Opening Balance as at 1st July, 2018	99,945,380	480,458,765	388,597,090	969,001,235
Issued from Share Money deposit	700,054,620	-	(700,054,620)	-
Addition during the year	-	-	313,045,000	313,045,000
Refund during the year	-	-	(1,587,470)	(1,587,470)
Net Profit/(Loss) during the year transferred from Statement of Profit or Loss and other Comprehensive Income	-	109,401,901	-	109,401,901
Balance as at 30 June, 2019	800,000,000	589,860,666	-	1,389,860,666

For the year ended 30 June, 2018

(Amount in Taka)

Particulars	Share Capital	Retained Earnings	Share Money Deposit	Total
Opening Balance as at 1st July, 2017	1,200,000	430,057,244	247,775,550	679,032,794
Issued from Share Money deposit	41,648,460	-	(41,648,460)	-
Addition during the year	-	-	182,470,000	182,470,000
Issuance of Bonus Share	57,096,920	(57,096,920)		-
Net Profit/(Loss) during the year transferred from Statement of Profit or Loss and other Comprehensive Income	-	107,498,441		107,498,441
Balance as at 30 June, 2018	99,945,380	480,458,765	388,597,090	969,001,235

Signed in terms of our separate report even date annexed

Date: 09.10.2019
Place: Dhaka


SHIRAZ KHAN BASAK & CO.
Chartered Accountants

Associated Oxygen Limited

Statement of Cash Flows


For the year ended June 30, 2019

Particulars	1st July 2018 to 30 June 2019	1st July 2017 to 30 June 2018
A Cash flows from Operating Activities		
Received from Customers	329,764,189	283,070,829
Received from Other Income	103,644	63,738
Paid to Suppliers and Others	(96,311,505)	(87,762,264)
Paid to Employees	(26,937,127)	(20,958,236)
Paid for Operating Expenses	(20,965,808)	(22,625,035)
Income Tax Paid	(14,064,898)	(8,492,125)
Net Cash Generated from Operating Activities	171,588,495	143,296,908
B Cash flows from Investing Activities		
Acquisition of Property, Plant and Equipment	(271,050,023)	(298,678,536)
Proceed from sale of Fixed Assets	5,190,475	21,762,158
Increase/Decrease in Capital Work in Process	(200,902,415)	(32,001,417)
Net cash Used to Investing Activities	(466,761,963)	(308,917,795)
C Cash flows from Financing Activities		
Cash Paid for Financial Expenses	(9,754,178)	(6,742,192)
Long-term Loan received/(Repaid)	(6,501,634)	(9,724,806)
Receive Share Money deposit	311,457,530	182,470,000
Net cash Generated from Financing Activities	295,201,718	166,003,002
D Net Increase/(Decrease) Cash and Cash Equivalents (A+B+C)	28,250	382,114
Cash and Cash Equivalents at the beginning of the year	902,670	520,556
Cash and Cash Equivalents at the end of the year	930,920	902,670
Net Operating Cash Flow Per Share (NOCFPS) (Basic) (Note - 26.00)	2.37	4.34
Net Operating Cash Flow Per Share (NOCFPS) (Diluted) (Note- 26.01)	2.14	1.79

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

Signed in terms of our separate report even date annexed

Date: 09.10.2019
Place: Dhaka


SHIRAZ KHAN BASAK & CO.
Chartered Accountants

Associated Oxygen Limited
Notes, Comprising a summary of significant accounting policies and other explanatory information
For the year ended 30 June, 2019

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 address of the registered office is located at CDA Building 5th Floor, Court Road, 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
<u>Authorized Capital</u>	
110,000,000 ordinary shares of Taka 10/= each	1,100,000,000
<u>Issued, Subscribed, Called-up and Paid-up Capital</u>	
80,000,000 ordinary shares of Tk. 10/= each fully paid -up	800,000,000

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 Act 1991;
The Value Added Tax Rules 1991;
Bangladesh Labor Law, 2006 (Amended 2013);
Labor Rules, 2015;
Securities and Exchange Ordinance, 1969;
Bangladesh Securities and Exchange (Public Issue) Rules, 2015;
Bangladesh Securities and Exchange Commission Act, 1993.

In addition to, prior year financial statements were prepared in accordance with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs). 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 which is shown below:

**Impact on the statement of Financial Position
As at June 30, 2019**

	July 01, 2018 to June 30, 2019		
	As Reported	Adjustment (effect on IFRS-15)	Amount with adoption of IFRS-15
Assets			
Non-Current Assets	1,393,758,011	-	1,393,758,011
Current Assets	208,413,348	-	208,413,348
Total Assets	1,602,171,359	-	1,602,171,359
Shareholder's Equity and Liabilities			
Shareholder's Equity	1,389,860,666	-	1,389,860,666
Non Current Liabilities	154,093,793	-	154,093,793
Current Liabilities	582,168,997.76		58,216,900
Total Shareholder's Equity and Liabilities	1,602,171,359	-	1,602,171,359

**Impact on the statement of Profit or Loss and other comprehensive Income
For the year ended June 30, 2019**

	July 01, 2018 to June 30, 2019		
	As Reported	Adjustment (effect on IFRS-15)	Amount with adoption of IFRS-15
Revenue	401,057,043	-	401,057,043
Operating expenses	(62,732,571)	-	(62,732,571)
Profit from Operation	188,455,019	-	188,455,019
Profit Before Income Tax	170,258,005	-	170,258,005
Income Tax Expenses	(60,856,103)	-	(60,856,103)
Profit after Income Tax	109,401,901	-	109,401,901
Total Comprehensive Income for the year	109,401,901	-	109,401,901

**Impact on the statement of Cash Flows
For the year ended June 30, 2019**

	July 01, 2018 to June 30, 2019		
	As Reported	Adjustment (effect on IFRS-15)	Amount with adoption of IFRS-15
Net Cash Generated from Operating Activities	171,588,495	-	171,588,495
Net cash Used to Investing Activities	(466,761,963)	-	(466,761,963.23)
Net cash Generated from Financing Activities	295,201,718	-	295,201,718.09
Net Increase/(Decrease) Cash and Cash Equivalents	28,250	-	28,249.63
Cash and Cash Equivalents at the beginning of the year	902,670	-	902,670.32
Cash and Cash Equivalents at the end of the year	930,920	-	930,920

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 17.01 Provision 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.

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 period.

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 -26	Accounting and Reporting by Retirement Benefit Plans
IAS -33	Earnings Per Share
IAS -36	Impairment of Assets
IAS -37	Provisions, Contingent Liabilities and Contingent Assets
IFRS-5	Non-current Assets Held for Sale and Discontinued Operations
IFRS-8	Operating Segments
IFRS-9	Financial Instruments
IFRS-15	Revenue from Contracts with Customers

Changes in significant accounting policies

Except the changes following, the Company has consistently applied the accounting policies to all periods presented in these financial statements. The Company has initially adopted IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments from 1 July 2018. There is no impact on financial statements on initial application of the standards.

"IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. The Company has adopted IFRS 15 Revenue from Contracts with Customers. The adoption of this standard has no impact on the Company's financial statements. IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

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.

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 particulars of assets (i.e. Oxygen bottles). The company disposed some fixed assets on 01 July 2018. The derecognized of fixed assets and corresponding profit or loss is disclosed in the following Table as per IFRS-5 ‘Non-current Assets Held for Sale and Discontinued Operations’:

Description of assets (disposal)	Particulars
Name of Assets:	Oxygen Bottle (Plant & Machineries)
Fact for disposal:	The assets were not able to generate further revenue
Board of Directors meeting held:	01 July 2018
Time of disposal:	01 July 2018
Date of Sales:	20 July 2018
Ceased for depreciation:	30 June 2018
Cost of Assets in 2006-2007:	Tk. 1,33,33,952.00
Book Value of Assets as on 01 July 2018:	Tk. 52,24,055.00
Accumulated depreciation as on 01 July 2018:	Tk. 80,79,897.00
Sell value of assets:	Tk. 51,90,475.00

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 ended 30 June 2019 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 form 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's bank provides assurance by giving acceptance letter 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 using (in accordance with the "IAS-12") the Balance Sheet method. 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.

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.

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 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 2019.
- ii) Statement of Profit or Loss or Other Comprehensive Income for the year ended 30 June 2019.
- iii) Statement of Changes in Equity for the year ended 30 June 2019.
- iv) Statement of Cash Flows for the year ended 30 June 2019.
- v) Notes, comprising a summary of significant accounting policies and other explanatory Information as at and for the year ended 30 June 2019.

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.

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 2019 were authorized for issue in accordance with a resolution of the Board of Directors on 09 October 2019.

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 amortized 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.

4.00 Property, Plant and Equipment TK. 1,393,758,011
A. Fixed Assets at Cost

Opening Balance
Add: Addition during the year
Less: Disposal of assets (Oxygen Bottle)

Total Cost
B. Accumulated Depreciation

Opening Balance
Add: Depreciation for the year
Less: Adjustment for the year

Total Depreciation
Written Down Value (WDV) as at 30 June, 2019 (A-B)

Details of Property, Plant and Equipment have been shown in the **Annexure - A.**

Amount in Taka	
30-June-2019	30-June-2018
1,231,404,854	988,249,821
504,894,855	298,678,536
(13,313,952)	(55,523,503)
1,722,985,757	1,231,404,854
254,875,015	234,666,189
82,442,628	53,946,321
(8,089,897)	(33,737,495)
329,227,746	254,875,015
1,393,758,011	976,529,839

5.00 Capital Work in Process TK. 0

Opening Balance

Add: Addition During the year

A. Plant & Machineries
B. Building & Other Construction
C. Gas Line Installation
D. Generator & Motors

Total

Less: Transfer to Property, Plant and Equipment during the year

Closing Balance

32,942,417	941,000
89,001,380	32,001,417
59,900,690	-
27,000,230	-
25,000,115	-
233,844,832	32,942,417
(233,844,832)	-
-	32,942,417

6.00 Inventories TK. 46,143,408

Work in Process (Note 19.00)
Finished Goods (Note 19.01)
Consumable Stores (Note:19.02.1)

2,559,078	2,520,890
18,339,203	9,954,146
25,245,127	18,116,010
46,143,408	30,591,046

7.00 Trade and Other Receivable TK. 146,643,461

Opening Balance
Add: Sales During the year

Less: Realized During the year

Closing Balance
Aging of Trade and Others Receivables

Less than Six Month
More than Six Month

Total

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

Particulars	Amounts in Taka	
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.	146,643,461	75,350,607
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.	-	-
	146,643,461	75,350,607

8.00 Advances, Deposits & Prepayments TK. 14,695,560

Advance to Employee	4,158,063	4,475,621
Vat Current Account	332,347	131,713
Deposits (Note:8.01)	312,224	312,224
Advance Income Tax (Note 8.02)	9,892,926	26,988,519
	14,695,560	31,908,077

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

Particulars	30-Jun-19	30-Jun-18
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.	14,695,559.7	31,908,077
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.	4,158,063	4,475,621
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 TK. 312,224

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 TK. 9,892,926

Opening Balance	26,988,519	18,496,395
Add: Addition during the year	9,892,926	8,492,125
Add: Tax paid for the assessment year 2014-2015	2,173,230	-
Add: Tax paid for the assessment year 2015-2016	1,998,742	-
	41,053,417	26,988,519
Less: Adjustment for the assessment year 2014-2015	(3,901,361)	-
Less: Adjustment for the assessment year 2015-2016	(3,930,325)	-
Less: Adjustment for the assessment year 2016-2017	(6,768,783)	-
Less: Adjustment for the assessment year 2017-2018	(8,067,898)	-
Less: Adjustment for the assessment year 2018-2019	(8,492,125)	-
Closing Balance	9,892,926	26,988,519

9.00 Cash and Cash Equivalents TK. 930,920

Cash in Hand	896,002	503,425
Cash at Bank (Note- 9.01)	34,918	399,245
	930,920	902,670

9.01 Cash at Bank TK. 34,918

Bank Asia Limited
National Bank Limited
SBAC Bank Limited
NRB Bank Limited
United Commercial Bank Limited
Total

19,595	25,205
4,777	18,345
2,337	3,743
3,881	18,343
4,328	333,609
34,918	399,245

10.00 Share Capital TK. 800,000,000

10.01 Authorized Share Capital

110,000,000 ordinary shares of Tk 10/= each

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

80,000,000 ordinary shares of Taka 10/= each.

800,000,000	99,945,380
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Shareholders & their shareholding are as follows:

SL	Name	No of Share	Sharehold %	Nature of Shareholding	Amount in Taka	
					30-June-2019	30-June-2018
1	Md. Nizam Uddin Chowdhury	6,861,600	8.58%	Individual	68,616,000	3,966,000
2	Mrs. Ismat Jahan	18,176,324	22.72%	Individual	181,763,240	7,743,240
3	Fahim Chowdhury	1,963,940	2.45%	Individual	19,639,400	2,472,000
4	Azmine Mahatab Chowdhury	2,122,322	2.65%	Individual	21,223,220	2,100,000
5	Others	50,875,814	63.59%	Individual / Institution	508,758,140	83,664,140
		80,000,000	100%		800,000,000	99,945,380

N.B-The Company Split its Share on July 06, 2017 Tk. 10/- from Tk. 100/-

11.00 Retained Earnings TK. 589,860,666

Opening Balance
Add: Addition during the year
Less: Issuance of Bonus Share
Closing Balance

480,458,765	430,057,244
109,401,901	107,498,441
-	(57,096,920)
589,860,666	480,458,765

12.00 Share Money Deposit TK. 0

Opening balance
Add: Addition during the year
Less: Allotment during the year
Less: Refund during the year
Closing Balance

388,597,090	247,775,550
313,045,000	182,470,000
701,642,090	430,245,550
(700,054,620)	(41,648,460)
(1,587,470)	-
-	388,597,090

13.00 Long Term Loan (Non-Current portion) TK. 20,786,852

Opening Balance
Add: Addition during the year
Less. Adjustment during the year

47,544,486	57,269,292
9,675,366	6,792,194
(16,177,000)	(16,517,000)
41,042,852	47,544,486
(20,256,000)	(20,256,000)
20,786,852	27,288,486

Less: Long term Loan (Current Portion) (Note-16.00)

Closing Balance

Details are as follows:

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

14.00 Deferred Tax Liability TK. 133,306,941

Written down value as (Accounting Base)	1,393,758,011	976,529,839
Written Down value as (Tax Base)	(1,012,881,036)	(726,955,439)
Temporary Difference	380,876,975	249,574,400
Effective Tax Rate	35%	35%
	133,306,941	87,351,040

The DCT has calculated capital allowance giving maximum depreciation rate as per 3rd schedule of IT Ordinance 1984. But we have calculated capital allowances specified particularly at a fixed rate affixed in Para 3 of 3rd schedule of IT Ordinance 1984. But the DCT follow the other rules of the 3rd schedule of IT Ordinance 1984 to provide additional or under depreciation as per DCT's discretion. That is why the tax base WDV of the DCT has difference with the calculated tax base WDV of the company. The reconciliation between the DCT's tax base WDV and company's Tax base WDV is given below:

A. The reconciliation statement of DCT's Tax based cost and company's Tax base cost is given below

Particulars	DCT's Tax based cost	company's Tax base cost	Difference in Cost value
Land & Land Development	59,902,759	59,902,759	-
Building & Other Construction	347,988,546	347,988,546	-
Plant & Machinery	665,778,730	665,778,730	-
Electrical Installation	38,758,670	38,758,670	-
Office Equipment	16,898,772	16,898,772	-
Gas Line Installation	27,049,608	27,049,608	-
Furniture & Fixture	14,853,530	14,853,530	-
Computer & Computer Accessories	8,887,591	8,887,591	-
Generator & Motors	18,274,400	18,274,400	-
Vehicle	12,000,000	12,000,000	-
Fire Extinguisher	21,012,248	21,012,248	-
Total	1,231,404,854	1,231,404,854	-

B. The reconciliation statement of DCT's Tax based WDV and company's Tax base WDV is given below

Particulars	DCT's Tax based WDV	company's Tax base WDV	Difference in Written down value
Land & Land Development	59,902,759	59,902,759	-
Building & Other Construction	149,007,795	187,461,594	(38,453,799)
Plant & Machinery	388,193,016	383,542,071	4,650,945
Electrical Installation	25,260,161	24,717,508	542,653
Office Equipment	11,830,359	11,718,175	112,184
Gas Line Installation	11,915,983	11,375,974	540,009
Furniture & Fixture	10,235,425	10,183,724	51,701
Computer & Computer Accessories	3,350,185	4,802,936	(1,452,751)
Generator & Motors	10,400,014	10,126,985	273,029
Vehicle	9,600,000	9,600,000	-
Fire Extinguisher	13,735,756	13,523,714	212,042
Total	693,431,452	726,955,440	(33,523,988)

* Tk. 33,523,988 may have an effect in the long run profitability if government changes the Income Tax Policy in future. At this time there is no such contingency for which we need to make a provision.

15.00 Trade and Other Payables TK. 14,641,178

Al Hatim Trading Centre
Bhai Bhai Traders
Desh Power
Khan Eng Works
Khan Ajmiri Filter Co
Maa Motors
Marin commercial corporation
Mask Power
Nazmul H.Servicing
Power Man
Progressive Eng. Corporation
Mas ship recycling industries
Meehreen ship recycling industries
7B Associates & Brothers
Al Safa
Tulip Steel Co.

595,230	573,792
1,283,420	1,017,135
120,793	3,645,921
2,644,956	1,744,681
598,980	580,349
826,580	-
890,784	60,664
880,030	251,017
734,500	712,545
717,065	24,460
180,506	170,023
1,376,024	103,135
155,854	-
871,973	378,916
1,619,048	1,504,828
1,145,435	2,809,699
14,641,178	13,577,167

16.00 Long Term Loan (Current Portion) TK. 20,256,000

Basic Bank Ltd.

20,256,000	20,256,000
20,256,000	20,256,000

17.00 Liabilities for expenses TK. 23,319,722

Salary & Allowances
Directors Remuneration
Electricity Bill
Gas Bill
Audit Fees
Liabilities for Income Tax (Note:17.01)
Liabilities for WPPF (Note: 17.02)

1,840,050	1,498,561
275,000	275,000
231,879	581,838
1,656,663	1,356,811
75,000	50,000
10,728,230	26,988,520
8,512,900	-
23,319,722	30,750,730

17.01 Liabilities for Income Tax TK. 10,728,230

Opening Balance
Add: Addition during the year

Less: Adjustment for the assessment year 2014-2015
Less: Adjustment for the assessment year 2015-2016
Less: Adjustment for the assessment year 2016-2017
Less: Adjustment for the assessment year 2017-2018
Less: Adjustment for the assessment year 2018-2019
Closing Balance

26,988,520	18,496,395
14,900,202	8,492,125
41,888,722	26,988,520
(3,901,361)	-
(3,930,325)	-
(6,768,783)	-
(8,067,898)	-
(8,492,125)	-
10,728,230	26,988,520

17.02 Liabilities for WPPF TK. 8,512,900

Opening Balance
Addition during the year
Closing Balance

-	-
8,512,900	-
8,512,900	-

18.00 Revenue TK. 401,057,043

Sales (Net off VAT) Oxygen Gas

401,057,043	311,420,858
401,057,043	311,420,858

19.00 Cost of Goods Sold TK. 149,869,453

Work in process- Opening

Work in process- Closing

Manufacturing overhead (Note 19.02)

Cost of goods manufactured

Add: Opening finished goods

Cost of goods available for sale

Less: Closing finished goods (Note 19.01)

Cost of Goods Sold

2,520,890	2,405,429
(2,559,078)	(2,520,890)
158,292,699	128,720,631
158,254,510	128,605,170
9,954,146	9,140,630
168,208,656	137,745,801
(18,339,203)	(9,954,146)
149,869,453	127,791,655

19.01 Finished Goods TK. 18,339,203

Opening Balance

Add: Production during the year

Production available Sale

Less: Cost of goods sold

Closing Balance

9,954,146	9,140,630
158,254,510	128,605,170
168,208,656	137,745,801
(149,869,453)	(127,791,655)
18,339,203	9,954,146

19.02 Manufacturing Overhead TK. 158,292,699

Wages, Salaries and Allowances

Consumable stores (Note: 19.02.1)

Workers Entertainment

Medical Aid

Repair & Maintenance

Oil & Lubricants

Carriage Inward

Gas charges

Depreciation (Annexure-A)

18,580,722	14,556,434
27,794,508	22,353,548
1,597,596	1,526,183
1,063,604	992,687
8,871,489	8,754,455
19,587,494	17,173,536
12,075,137	11,684,200
19,256,572	19,311,794
49,465,577	32,367,793
158,292,699	128,720,631

19.02.1 Consumable Stores TK. 27,794,508

Opening Balance

Add: Addition during the year

Production available for Sale

Less: Closing Stock

Consumed during the year

18,116,010	13,596,525
34,923,625	26,873,033
53,039,635	40,469,558
(25,245,127)	(18,116,010)
27,794,508	22,353,548

20.00 Operating Expenses TK. 62,732,571

Administrative Expenses (Note- 20.01)

Selling & Distribution Expenses (Note-20.02)

32,595,788	26,992,944
30,136,783	23,401,906
62,732,571	50,394,851

20.01 Administrative Expenses TK. 32,595,788

Salaries and allowances	3,885,514	3,426,297
Directors Remuneration	3,300,000	2,550,000
Board Meeting Fees	85,000	70,000
Postage & Stamps	100,003	58,216
Entertainment	567,774	898,893
Printing & Stationary	726,550	698,082
Electricity bill	2,843,045	3,950,953
Travel, Communication & Conveyance	1,696,908	1,616,627
Telephone Mobile & Fax	459,926	393,043
Audit Fees	125,000	50,000
Donation and subscription	540,202	663,256
Liveries and Uniforms	214,733	252,030
Medical and Welfare Expenses	392,554	173,095
Depreciation (Annexure-A)	16,488,526	10,789,264
Rent, Rates and Taxes	726,000	1,100,672
Paper and Periodicals	70,089	68,101
Misc. Expense	189,203	175,916
Legal and Professional expenses	184,762	58,500
	32,595,788	26,992,944

20.02 Selling & Distribution Expenses TK. 30,136,783

Salaries and allowances	1,744,939	1,692,241
Tour & Conveyance	490,257	448,321
Carriage Outward	11,108,258	10,170,391
Conference and Meeting	211,512	212,585
Depreciation (Annexure-A)	16,488,526	10,789,264
Advertisement & Publicity	93,291	89,104
	30,136,783	23,401,906

21.00 Financial Expenses TK. 9,754,178

Bank Charge & Commission	129,312	33,939
Interest on Long Term Loan	9,624,866	6,708,253
	9,754,178	6,742,192

22.00 Other non-operating Income TK. 70,064

Misc. Income	103,644	63,738
Gain/(Loss) on Sale of Scrap of Oxygen Bottle (Note: 22.01)	(33,580)	(23,850)
	70,064	39,888

22.01 Calculation of Gain/(Loss) on Sale of Scrap of Oxygen Bottle

Cost as on 1 July 2018	13,313,952	55,523,503
Less: Accumulated Depreciation up to 30 June 2018	(8,089,897)	(33,737,495)
Carrying Value as on 1st July 2018	5,224,055	21,786,008
Sales Proceeds (as Scrap)	5,190,475	21,762,158
Gain/(loss) on Sale of Scrap Oxygen Botol	(33,580)	(23,850)

**During the year AOL is generated Loss of Tk. 33,580/- on Sale of Scrap of Oxygen Bottle which have purchased during the year 2006-2007 for Tk. 13,313,952 . Reducing Balancing Method of Depreciation have applied on the Assets @ 7.5% up to 30 June 2018 for Depreciation from the time of when available of the Assets. No Depreciation has charged during the year of disposal. The written down value of the above Assets as on 30th June 2018 was Tk. 8,089,897/- & Carrying Value Tk. 5,224,055/-. Sale Proceeds of the above Assets was Tk. 5,190,475/-. No other Assets are sold during the year ended on 30 June 2019.

23.00 Income Tax Expenses TK. 60,856,103

23.01 Current Tax: TK. 14,900,202

Profit before Income Tax

Add: Depreciation Expenses (Accounting Depreciation)

Less: Depreciation Expenses (Tax Depreciation)

Business Income

Less: Unadjusted Depreciation Allowance

Tax Rate

Current Tax Expenses during the year

Add: Short Provision for the Assessment year (2014-2015 to 2018-2019)

note: 23.03

Total Tax Expenses

170,258,005	126,532,048
82,442,628	53,946,321
(218,054,330)	(147,400,185)
34,646,303	33,078,184
(11,862,000)	(8,814,971)
22,784,303	24,263,213
35%	35%
7,974,506	8,492,125
6,925,696	-
14,900,202	8,492,125

23.02 Reconciliation of Unadjusted Depreciation Allowance is given below:

Unadjusted Depreciation Allowance carry forward from 2012-13	36,848,190
Add: Unadjusted Depreciation Allowance for the year 2013-14	2,193,211
Add: Unadjusted Depreciation Allowance for the year 2014-15	76,634
Add: Unadjusted Depreciation Allowance for the year 2015-16	856,696
Less: Adjustment of Unadjusted Depreciation Allowance for the year 2016-17	(19,297,759)
Less: Adjustment of Unadjusted Depreciation Allowance for the year 2017-18	(8,814,971)
Less: Adjustment of Unadjusted Depreciation Allowance for the year 2018-19	(11,862,000)
Closing Balance of Unadjusted Depreciation Allowance	-

23.03 Details of Short Provision are given below:

Assessment Year	Provision as per Financial Statements	Tax assessed by DCT	Short Provision
2018-2019	8,492,125	9,517,405	1,025,280
2017-2018	8,067,898	9,132,510	1,064,612
2016-2017	6,768,783	7,432,615	663,832
2015-2016	1,931,583	3,930,325	1,998,742
2014-2015	1,728,131	3,901,361	2,173,230
Total	26,988,520	33,914,216	6,925,696

23.04 Deferred Tax Expenses TK. 45,955,901

Deferred Tax as on 30 June 2019

Less: Opening Deferred Tax 01 July 2018

133,306,941	87,351,040
(87,351,040)	(76,809,557)
45,955,901	10,541,483

24.00 Earning Per Share (Basic) TK. 1.51

Net profit after WPPF & Income Tax

Weighted Average Number of ordinary shares (Note-24.02)

Earning Per Share (EPS) (Basic)

109,401,901	107,498,441
72,307,129	33,024,795
1.51	3.26

24.01 Earning Per Share (Diluted) TK. 1.37

Net profit after WPPF & Income Tax

Number of Shares outstanding at the end of the year

Earning Per Share (EPS) (Diluted)

109,401,901	107,498,441
80,000,000	80,000,000
1.37	1.34

24.02 Calculation of Weighted Average Number of Shares

Opening No. of Share (Allotted)

Issuance of Bonus Share (100% use)

Issuance of Share from SMD (100% use)

Share money Deposit Weighted Average (in Share)

9,994,538	120,000
-	5,709,692
-	4,164,846
62,312,591	23,030,257
72,307,129	33,024,795

25.00 Net Asset Value (NAV) Per Share TK. 17.37

Total Assets	1,602,171,359	1,148,224,657
Less: Total Liabilities	(212,310,693)	(567,820,512)
Net Asset Value/Share Holders Equity	1,389,860,666	580,404,145
Number of Shares outstanding at the end of the year	80,000,000	9,994,538
Net Asset Value (NAV) Per Share- Basic	17.37	58.07

26.00 Net Operating Cash Flow Per Share(NOCFPS) Basic TK. 2.37

Net Operating Cash Flows	171,588,495	143,296,908
Weighted Average Number of ordinary shares (Note-24.02)	72,307,129	33,024,795
Net Operating Cash Flow Per Share (NOCFPS)	2.37	4.34

26.01 Net Operating Cash Flow Per Share(NOCFPS) Diluted TK. 2.14

Net Operating Cash Flow	171,588,495	143,296,908
Number of Shares outstanding at the end of the year	80,000,000	80,000,000
Net Operating Cash Flow Per Share (NOCFPS)	2.14	1.79

27.00 Other Commitments, Contingencies and Relevant Information
27.01 Contingencies

There is no contingent event that may require recognition of contingent liabilities for the year ended 30 June 2019.

27.02 Capital expenditure commitment

There was no capital expenditure commitment or contract at 30 June 2019. There was no material capital expenditure authorized by the Board but not contracted for as at 30 June 2019.

27.03 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.

27.04 Credit Facility Not Availed

There was no credit facility available to the company under any contract, but not availed as on 30 June 2019, other than trade credit available in the ordinary course of business.

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

During the year ended 30 June 2019, there were Eight Board Meetings were held. The attendance status of all the meetings are as follows:

Sl No	Name of Director	Meeting Held	Attendance	Attendance Fees
1	Md. Nizamuddin Chowdhury	8	8	20,000
2	Mrs. Ismat Zahan	8	7	17,500
3	Mr. Fahim Chowdhury	8	6	15,000
4	Mr. Azmine Mahatab Chowdhury	8	5	12,500
5	Ahmed Shaheen Alrazi	8	8	20,000
Total				85,000

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

SL	Name of Director	Designation	Amount in Taka	
			30-Jun-19	30-Jun-18
1	Md. Nizamuddin Chowdhury	Chairman	960,000	960,000
2	Mrs. Ismat Zahan	Managing Director	840,000	840,000
3	Mr. Fahim Chowdhury	Director	780,000	390,000
4	Mr. Azmine Mahatab Chowdhury	Director	720,000	360,000
5	Ahmed Shaheen Alrazi	Independent Director	-	-
Total			3,300,000	2,550,000

27.07 Related party disclosures (IAS-24)

The Company carried out a number of transactions with related parties in the normal course of business on arms length basis.

Sl	Name of the Related Party	Opening Balance	Addition	Paid	Closing Balance
1	Md. Nizamuddin Chowdhury	80,000	980,000	(980,000)	80,000
2	Mrs. Ismat Zahan	70,000	857,500	(857,500)	70,000
3	Mr. Fahim Chowdhury	65,000	795,000	(795,000)	65,000
4	Mr. Azmine Mahatab Chowdhury	60,000	732,500	(732,500)	60,000
5	Ahmed Saheen Alrazi	-	20,000	(20,000)	-
Total		275,000	3,385,000	(3,385,000)	275,000

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

Salary range Monthly	Officers & Executive	Workers	Total Employee	
			30-Jun-19	30-Jun-18
Below 8,000	-	-	-	-
Above 8,000	18	263	281	278

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

Installed Capacity (Qubic Meter) (Yearly)

9,929,900

8,625,000

Actual Production (Qbic Meter) (Yearly)

9,035,298

7,398,037

Capacity Utilization (%) (Yearly)

90.99%

85.77%

27.10 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.

27.11 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-19	30-Jun-18
Managerial Remuneration paid or payable during the period to the directors, including managing directors, a managing agent or manager	3,385,000	2,620,000
Expenses reimbursed to the Managing Agent	-	-
Commission or Remuneration payable separately to a managing agent or his associate	-	-
Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company	-	-
The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial period.	-	-
Any other perquisites or benefits in cash or in kind stating, approximate money value where applicable.	-	-
Other allowances and commission including guarantee commission	-	-
Pensions etc.	-	-
(i) Pensions	-	-
(ii) Gratuities	-	-
(iii) Payments from a provident funds in excess of own subscription and interest thereon	-	-
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	3,300,000	2,550,000
(b) Post-employee benefits	-	-
(c) Other long term benefits	-	-
(d) Termination benefits and	-	-
(e) share- based payment	-	-
	3,300,000	2,550,000

As per Para 18, IAS- 24:

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

a) the amount of transaction	3,385,000	2,620,000
b) the amount of outstanding balance, including commitments	275,000	275,000
i) their terms & condition, including whether they are secured, and the nature of the consideration to be provided in settlement	Remuneration & Board meeting Fee	Remuneration & Board meeting Fee
ii) details of any guarantee given or received	-	-
c) Provisions for doubtful debts related to the amount of outstanding balance	-	-
d) the expenses recognized during the period in respect of bad or doubtful debts due from related parties	-	-

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

Directors Remuneration	3,300,000	2,550,000
Board Meeting Fees	85,000	70,000
Wages, Salaries and Allowances	18,580,722	14,556,434
Salary & Allowances	5,630,453	5,118,538
	27,596,175	22,294,972

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

Particulars	Amount in Taka	
	30-Jun-19	30-Jun-18
Net Profit Before Tax & WPPF	178,770,905	126,532,048
Adjustment:	-	-
Depreciation	82,442,628	53,946,321
Financial Expense	9,754,178	6,742,192
Increase/(Decrease) in Inventory	(15,552,362)	(5,448,462)
Increase/(Decrease) in Accounts Receivable	(71,292,853)	(28,350,029)
Increase/(Decrease) in Accounts Payable	1,064,011	(1,446,375)
Increase/(Decrease) in Liabilities	316,382	(1,247,666)
Increase/(Decrease) in Advance & Prepayment	116,924	1,037,152
Payment of Income Tax	(14,064,898)	(8,492,125)
Sale of Non Current Asset	33,580	23,850
	171,588,495	143,296,908

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

Turnover in Quantity	8,420,261	7,388,395
Turnover in Amount (BDT)	401,057,043	311,420,858

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

Consumable Store Consumed in Quantity	4,404,835	3,552,270
Consumable Store Consumed in Amount (BDT)	27,794,508	22,353,548

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

Consumable Store

Opening Quantity	8,758,450	6,535,543
Addition During the year	16,746,502	12,992,202
Closing at the end of the Year	12,110,385	8,758,450

Work in Process

Opening Quantity	298,612	303,126
Closing at the end of the Year	298,870	298,612

Finished Goods

Opening Quantity	749,714	740,261
Closing at the end of the Year	1,357,199	749,714

27.15 Significant Deviation

EPS is changed due to increase in Sales Revenue, Sales Volume, Sales Rate, Director Remuneration, Financial Expenses, Deferred Tax & Provision for WPPF. NOCFPS is changed due to increase of collection from Customer & reduction of payment to suppliers.

Associated Oxygen Limited
Schedule of Property Plant and Equipment
As at June, 30 2019

Annexure- A
(Amount in Taka)

Particulars	Cost				Rate (%)	Depreciation				Written down value at 30 June, 2019
	Balance as on 1st Jul, 2018	Addition during the year	Disposal during the year	Balance as on 30 June, 2019		Balance as on 1st Jul, 2018	Charge during the year	Adjusted during the year	Balance as on 30 June, 2019	
Land & Land Development	59,902,759	5,481,795		65,384,554	-	-	-		-	65,384,554
Building & Other Construction	347,988,546	75,954,281		423,942,827	5%	87,032,628	14,327,222		101,359,850	322,582,977
Plant & Machinery	665,778,730	346,289,261	(13,313,952)	998,754,039	7.5%	114,220,538	54,616,074	(8,089,897)	160,746,715	838,007,324
Electrical Installation	38,758,670	9,680,224		48,438,894	10%	12,527,725	2,847,015		15,374,740	33,064,154
Office Equipment	16,898,772	2,995,035		19,893,807	10%	4,449,480	1,298,228		5,747,708	14,146,099
Gas Line Installation	27,049,608	27,000,230		54,049,838	10%	15,128,518	2,042,528		17,171,046	36,878,792
Furniture & Fixture	14,853,530	5,391,062		20,244,592	10%	4,092,852	1,214,962		5,307,814	14,936,777
Computer & Computer Accessories	8,887,591	1,603,321		10,490,912	10%	2,667,123	612,467		3,279,590	7,211,322
Generator & Motors	18,274,400	25,000,115		43,274,515	10%	7,602,686	1,855,944		9,458,630	33,815,885
Vehicle	12,000,000	247,694		12,247,694	20%	400,000	2,151,728		2,551,728	9,695,966
Fire Extinguisher	21,012,248	5,251,837		26,264,085	10%	6,753,463	1,476,460		8,229,923	18,034,162
Balance as on June 30, 2019	1,231,404,854	504,894,855	(13,313,952)	1,722,985,757		254,875,015	82,442,628	(8,089,897)	329,227,746	1,393,758,011

Depreciation Allocated to:

Factory Overhead- Note- 19.02
Administrative Expenses - Note- 20.01
Selling & Distribution Expenses- Note-20.02

49,465,577
16,488,526
16,488,526
82,442,628

As at June, 30 2018

(Amount in Taka)

Particulars	Cost				Rate (%)	Depreciation				Written down value at 30 June, 2018
	Balance as on 1st July, 2017	Addition	Disposal	Balance as on 30 June, 2018		Balance as on 1st July, 2017	Charge during the year	Disposal	Balance as on 30 June, 2018	
Land & Land Development	51,822,759	8,080,000		59,902,759	-	-	-		-	59,902,759
Building & Other Construction	305,828,546	42,160,000		347,988,546	5%	75,147,229	11,885,399		87,032,628	260,955,918
Plant & Machinery	508,093,755	213,208,478	(55,523,503)	665,778,730	8%	114,761,882	33,196,152	(33,737,495)	114,220,539	551,558,191
Electrical Installation	33,683,670	5,075,000		38,758,670	10%	9,989,102	2,538,623		12,527,725	26,230,945
Office Equipment	11,838,772	5,060,000		16,898,772	10%	3,534,745	914,736		4,449,481	12,449,291
Gas Line Installation	27,049,608	-		27,049,608	10%	13,803,952	1,324,566		15,128,518	11,921,090
Furniture & Fixture	9,868,472	4,985,058		14,853,530	10%	3,266,484	826,367		4,092,851	10,760,679
Computer & Computer Accessories	5,772,591	3,115,000		8,887,591	10%	2,206,702	460,422		2,667,124	6,220,467
Generator & Motors	18,274,400			18,274,400	10%	6,416,940	1,185,746		7,602,686	10,671,714
Vehicle		12,000,000		12,000,000	20%		400,000		400,000	11,600,000
Fire Extinguisher	16,017,248	4,995,000		21,012,248	10%	5,539,155	1,214,309		6,753,464	14,258,784
Balance as on June 30, 2018	988,249,821	298,678,536	(55,523,503)	1,231,404,854		234,666,191	53,946,320	(33,737,495)	254,875,016	976,529,839

Depreciation Allocated to:

Factory Overhead- Note- 19.02
Administrative Expenses - Note- 20.01
Selling & Distribution Expenses- Note-20.02

32,367,792
10,789,264
10,789,264
53,946,320

- b) **Information as is required under section 186 of the কোম্পানি আইন, ১৯৯৪ relating to holding company;**
Not applicable to Associated Oxygen Limited as it is not a holding company.

c) **Selected ratios as specified in Annexure-D;**

We have examined the following earnings per share (EPS) and other ratios of for the year ended 30th June 30, 2019, 2018, 2017, 2016 & 2015 which have been produced by the management of the Company and provided to us.

The preparation of the EPS and the other ratios is the responsibility of the Company's management. Our responsibility is to review them and certify as to whether they have been properly prepared using stated principle on the basis of audited Financial Statements for the year ended 30th June, 2019, 2018, 2017, 2016 & 2015.

Based on the review, we certify that the Company has properly prepared the following EPS and other ratios using stated principles on the basis of audited Financial Statements for the year ended 30th June, 2019, 2018, 2017, 2016 & 2015. Ratios pertinent to the prospectus are as specified in rule 4 (1) (d) /Annexure D of the Securities and Exchange Commission (Public Issue) Rules, 2015.

Name of Ratio		For the year				
		30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15
A.	Liquidity Ratios					
1	Current Ratio (Times)	3.58	2.15	1.48	1.42	1.46
2	Quick Ratio (Times)	2.53	1.18	0.72	0.79	0.90
B.	Operating Ratios					
1	Accounts Receivable Turnover Ratio (Times)	3.61	5.09	5.93	5.43	5.68
2	Inventory Turnover Ratio (Times)	3.91	4.59	4.92	4.95	4.63
3	Assets Turnover Ratio (Times)	0.29	0.31	0.34	0.33	0.32
C.	Profitability Ratios					
1	Gross Margin Ratio (%)	62.6%	59.0%	59.0%	59.2%	59.0%
2	Operating Income Ratio (%)	46.99%	42.8%	42.5%	41.9%	40.8%
3	Net Income Ratio (%)	27.3%	34.5%	32.0%	30.2%	31.0%
4	Return on Assets Ratio (%)	7.96%	10.8%	10.8%	9.9%	10.1%
5	Return on Equity Ratio (%)	9.28%	13.05%	13.52%	12.2%	16.1%
6	Earnings Per Share (EPS)- Basic	1.51	3.26	2.81	2.23	1.96
7	EBITDA Margin	65.4%	60.1%	60.4%	59.4%	58.5%
D.	Solvency Ratios					
1	Debt to total Asset Ratio	2.56%	4.14%	6.72%	8.02%	6.88%
2	Debt to Equity Ratio (Times)	0.03	0.05	0.08	0.10	0.08
3	Times Interest Earned Ratio (Times)	19.32	19.76	17.54	15.78	13.15
4	Debt Service Coverage Ratio	1,159.31%	809.10%	1,295.15%	1,578.26%	1,314.76%
E.	Cash Flow Ratios					
1	Net operating Cash Flow Per Share Basic	2.37	4.34	4.83	4.03	3.27
2	Net operating Cash Flow Per Share/EPS Basic	1.57	1.33	1.72	1.81	1.66
** The Company split its share as on 6th July 2017 to 10.00 from 100.00 each and Restated EPS & NAV is Calculated on the basis of Share as on 30 June, 2019.						

Dated: 12.10.2019
Place: Dhaka


Shiraz Khan Basak & Co.
Chartered Accountants

Associated Oxygen Limited
Calculation of Ratio
For the year ended 30th June 2015-2019

Name of Ratio		Amount in Taka									
		30-Jun-19		30-Jun-18		30-Jun-17		30-Jun-16		30-Jun-15	
		Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result

A. Liquidity Ratios

1.00	Current Ratio (Times)	Current Assets	208,413,348	3.58	138,752,401	2.15	97,116,823	1.48	79,216,487	1.42	65,135,321	1.46
		Current Liability	58,216,900		64,583,897		65,841,812		55,732,253		44,464,452	
2.00	Quick Ratio (Times)	Current Assets- Inventory - Advance	147,574,381	2.53	76,253,277	1.18	47,521,134	0.72	44,267,542	0.79	39,816,712	0.90
		Current Liability	58,216,900		64,583,897		65,841,812		55,732,253		44,464,452	

B. Operating Ratios

1.00	Accounts Receivable Turnover Ratio (Times)	Sales	401,057,043	3.61	311,420,858	5.09	268,929,929	5.93	225,626,092	5.43	193,158,289	5.68
		Average Receivables	110,997,034		61,175,593		45,342,257		41,555,362		34,006,197	
2.00	Inventory Turnover Ratio (Times)	Cost of Sales	149,869,453	3.91	127,791,655	4.59	110,270,216	4.92	92,155,184	4.95	79,121,093	4.63
		Average Inventory	38,367,227		27,866,815		22,400,570		18,608,206		17,083,834	
3.00	Assets Turnover Ratio (Times)	Sales	401,057,043	0.29	311,420,858	0.31	268,929,929	0.34	225,626,092	0.33	193,158,289	0.32
		Average Total Assets	1,375,198,008		999,933,056		797,169,560		688,906,726		594,769,701	

C. Profitability Ratios

1.00	Gross Margin Ratio (%)	Gross Profit	251,187,590	62.6%	183,629,203	59.0%	158,659,713	59.0%	133,470,908	59.2%	114,037,196	59.0%
		Sales	401,057,043		311,420,858		268,929,929		225,626,092		193,158,289	
2.00	Operating Income Ratio (%)	Operating Profit	188,455,019	47.0%	133,234,352	42.8%	114,355,252	42.5%	94,474,720	41.9%	78,818,514	40.8%
		Sales	401,057,043		311,420,858		268,929,929		225,626,092		193,158,289	
3.00	Net Income Ratio (%)	Profit After Tax	109,401,901	27.3%	107,498,441	34.5%	85,998,900	32.0%	68,204,194	30.23%	59,912,626	31.0%
		Sales	401,057,043		311,420,858		268,929,929		225,626,092		193,158,289	
4.00	Return on Assets Ratio (%)	Profit After Tax	109,401,901	8.0%	107,498,441	10.8%	85,998,900	10.79%	68,204,194	9.9%	59,912,626	10.1%
		Average Total Assets	1,375,198,008		999,933,056		797,169,560		688,906,726		594,769,701	
5.00	Return on Equity Ratio (%)	Profit After Tax	109,401,901	9.3%	107,498,441	13.0%	85,998,900	13.5%	68,204,194	12.2%	59,912,626	16.1%
		Average Shareholders' Equity	1,179,430,951		824,017,014		636,033,344		558,931,797		370,985,613	
6.00	Earnings Per Share (EPS)- Basic	Profit After Tax	109,401,901	1.51	107,498,441	3.26	85,998,900	2.81	68,204,194	2.23	59,912,626	1.96
		Number of Shares	72,307,129		33,024,795		30,607,247		30,607,247		30,522,232	
7.00	EBITDA Margin	EBITDA	262,454,811	65.4%	187,220,561	60.1%	162,441,229	60.40%	133,987,336	59.4%	113,007,562	58.5%
		Net Sales	401,057,043		311,420,858		268,929,929		225,626,092		193,158,289	


D Solvency Ratios

1.00	Debt to total Asset Ratio	Total Debt	41,042,852	2.56%	47,544,486	4.14%	57,269,291	6.72%	59,577,353	8.02%	43,693,446	6.88%
		Total Assets	1,602,171,359		1,148,224,657		851,641,455		742,697,665		635,115,788	
2.00	Debt to Equity Ratio (%)	Total Debt	41,042,852	0.03	47,544,486	0.05	57,269,291	0.08	59,577,353	0.10	43,693,446	0.08
		Total Equity	1,389,860,666		969,001,235		679,032,793		593,033,894		524,829,701	
3.00	Times Interest Earned Ratio (Times)	Operating Profit	188,455,019	19.32	133,234,352	19.76	114,355,252	17.54	94,474,720	15.78	78,818,514	13.15
		Net Interest Expenses	9,754,178		6,742,192		6,521,420		5,986,022		5,994,907	
4.00	Debt Service Coverage Ratio	Net operating profit	188,455,019	1159.3%	133,234,352	809.1%	114,355,252	1295.15%	94,474,720	1578.26%	78,818,514	1314.76%
		Total Debt Service	16,255,812		16,466,998		8,829,482		5,986,022		5,994,907	

E Cash Flow Ratios

1.00	Net operating Cash Flow Per Share	Net operating Cash Flow	171,588,495	2.37	143,296,907	4.34	147,847,504	4.83	123,270,870	4.03	99,732,498	3.27
		Weighted Number of Shares	72,307,129		33,024,795		30,607,247		30,607,247		30,522,232	
3.00	Net operating Cash Flow Per Share/EPS	Net Operating Cash Flow Per share	2.37	1.57	4.34	1.33	4.83	1.72	4.03	1.81	3.27	1.66
		Earnings Per Share (EPS)- Basic	1.51		3.26		2.81		2.23		1.96	

Dated: 12.10.2019
Place: Dhaka


Shiraz Khan Basak & Co.
Chartered Accountants

Comparison with the Industry average ratios of the same periods:

Particulars	Industry Average***		Remark/ Explanation
	30/06/2018	30/06/2018	
	Ratio	Ratio	
1. Liquidity Ratios:			
Current Ratio (Times)	2.15	1.78	AOL's Current Ratio is better than the industry average current ratio because of relatively lower current liabilities.
Quick Ratio (Times)	1.18	1.08	AOL's Ratio is better than the industry average ratio of quick assets is relatively higher.
2. Operating Efficiency Ratios:			
Accounts Receivable Turnover Ratio (Times)	5.09	3.69	AOL's Ratio is satisfactory compared to Industry Average Ratio.
Inventory Turnover Ratio (Times)	4.59	46.55	AOL's Ratio is satisfactory compared to Industry Average Ratio.
Assets Turnover Ratio (Times)	0.31	0.58	AOL's Ratio is satisfactory compared to Industry Average Ratio.
3. Profitability Ratios:			
Gross Margin Ratio (%)	58.96%	33.06%	AOL's Ratio is better than the industry average ratio as higher Gross profit.
Operating Income Ratio (%)	42.78%	34.72%	AOL's Ratio is better than the average industry ratio.
Net Income Ratio (%)	34.52%	23.98%	AOL's Ratio is better than the average industry ratio.
Return on Assets Ratio (%)	10.75%	5.12%	AOL's Ratio is better than the average industry ratio.
Return on Equity Ratio (%)	13.05%	7.33%	AOL's Ratio is better than the average industry ratio.
Earnings Per Share (Basic)	3.26	2.51	AOL's Ratio is better than the average industry ratio.
EBITDA Margin	60.12%	41.99%	AOL's Ratio is better than the average industry ratio.
4. Solvency Ratios:			
Debt to Total Asset Ratio	4.14%	37.28%	AOL's Ratio is better than the average industry ratio.
Debt to Equity Ratio (Times)	0.05	0.74	AOL's Ratio is better than the average industry ratio.
Times Interest Earned Ratio (Times)	19.76	13.56	AOL's Ratio is better than the industry average ratio as operating profit is relatively sufficient to pay the financial expense.
Debt Service Coverage Ratio	809.10%	31.48%	AOL 's Ratio is satisfactory as Net Operating profit is sufficient to pay the financial expense and long-term debt.
5. Cash Flow ratios :			
Net Operating Cash Flow Per Share	4.34	0.23	AOL's Ratio is better than the average industry ratio.
Net Operating Cash Flow Per Share/EPS	1.33	0.23	AOL's Ratio is better than the average industry ratio.

Comparison with the Industry average ratios of the same periods:

Particulars	Industry Average***		Remark/ Explanation
	30/06/2017 Ratio	30/06/2017 Ratio	
1. Liquidity Ratios :			
Current Ratio (Times)	1.48	1.69	AOL's Ratio is satisfactory compared to the average industry ratio.
Quick Ratio (Times)	0.72	1.10	AOL's Ratio is satisfactory compared to the average industry ratio.
2. Operating Efficiency Ratios :			
Accounts Receivable Turnover Ratio (Times)	5.93	3.58	AOL's Ratio is satisfactory compared to the average industry ratio.
Inventory Turnover Ratio (Times)	4.92	39.36	AOL's Ratio is satisfactory compared to the average industry ratio.
Assets Turnover Ratio (Times)	0.34	0.60	AOL's Ratio is satisfactory compared to the average industry ratio.
3. Profitability Ratios :			
Gross Margin Ratio (%)	59.00%	32.64%	AOL's Ratio is better than the industry average ratio as higher Gross profit.
Operating Income Ratio (%)	42.52%	31.72%	AOL's Ratio is better than the industry average ratio as higher operating profit.
Net Income Ratio (%)	31.98%	23.74%	AOL's Ratio is better than the industry average ratio as a higher net profit.
Return on Assets Ratio (%)	10.79%	6.50%	AOL's Ratio is better than the industry average ratio as a higher net profit.
Return on Equity Ratio (%)	13.52%	9.36%	AOL's Ratio is better than the industry average ratio as a higher net profit.
Earnings Per Share (Basic)	2.81	3.53	AOL's Ratio is satisfactory compared to the average industry ratio.
EBITDA Margin %	60.40%	38.59%	AOL's Ratio is better than the industry average ratio as higher net operating profit.
4. Solvency Ratios :			
Debt to Total Asset Ratio %	6.72%	37.70%	AOL's Ratio is better as debt burden is lower than assets.
Debt to Equity Ratio (Times)	0.08	0.07	AOL's Ratio is satisfactory compared to the average industry ratio.
Times Interest Earned Ratio (Times)	17.54	49.17	AOL's Ratio is satisfactory compared to the average industry ratio.
Debt Service Coverage Ratio	1295.15%	29.90%	AOL's Ratio is satisfactory as Net Operating profit is sufficient to pay the financial expense and long-term debt.
5. Cash Flow ratios :			
Net Operating Cash Flow Per Share	4.83	0.48	AOL's Ratio is better compared to Industry Average Ratio of Net Operating Cash Flow per Share
Net Operating Cash Flow Per Share/EPS	1.72	0.22	AOL's Ratio is better compared to Industry Average Ratio.

Comparison with the Industry average ratios of the same periods:			
Particulars	Industry Average***		Remark/ Explanation
	30/06/2016	30/06/2016	
	Ratio	Ratio	
1. Liquidity Ratios :			
Current Ratio (Times)	1.42	2.25	AOL's Current Ratio is Satisfactory compared to the industry average ratio.
Quick Ratio (Times)	0.79	1.30	AOL's Current Ratio is Satisfactory compared to the industry average ratio.
2. Operating Efficiency Ratios :			
Accounts Receivable Turnover Ratio (Times)	5.43	3.93	AOL's Current Ratio is Satisfactory compared to the industry average ratio.
Inventory Turnover Ratio (Times)	4.95	29.47	AOL's Current Ratio is Satisfactory compared to the industry average ratio.
Assets Turnover Ratio (Times)	0.33	0.66	AOL's Current Ratio is Satisfactory compared to the industry average ratio.
3. Profitability Ratios :			
Gross Margin Ratio (%)	59.16%	32.46%	AOL's Ratio is better than the average industry ratio.
Operating Income Ratio (%)	41.87%	28.50%	AOL's Ratio is better than the average industry ratio.
Net Income Ratio (%)	30.23%	22.92%	AOL's Ratio is better than the average industry ratio.
Return on Assets Ratio (%)	9.90%	8.22%	AOL's Ratio is better than the average industry ratio.
Return on Equity Ratio (%)	12.20%	11.36%	AOL's Ratio is better than the average industry ratio.
Earnings Per Share (Basic)	2.23	4.69	AOL's Ratio is satisfactory compared to the industry average ratio.
EBITDA Margin %	59.38%	36.64%	AOL's Ratio is better than the average industry ratio.
4. Solvency Ratios:			
Debt to Total Asset Ratio %	8.02%	30.81%	AOL's Ratio is better than the average industry ratio.
Debt to Equity Ratio (Times)	0.10	0.05	AOL's Ratio is better than the average industry ratio.
Times Interest Earned Ratio (Times)	15.78	51.26	AOL's Ratio is satisfactory with the average industry ratio.
Debt Service Coverage Ratio	1578.26%	45.51%	AOL's Ratio is satisfactory as Net Operating profit is sufficient to pay the financial expense and long-term debt.
5. Cash Flow ratios :			
Net Operating Cash Flow Per Share	4.03	0.43	AOL's Ratio is better than the average industry ratio.
Net Operating Cash Flow Per Share/EPS	1.81	0.19	AOL's Ratio is better than the average industry ratio.

Comparison with the Industry average ratios of same periods:			Remark/ Explanation
	Industry Average***		
Particulars	30/06/2015	30/06/2015	
	Ratio	Ratio	
1. Liquidity Ratios:			
Current Ratio (Times)	1.46	2.12	AOL’s Current Ratio is satisfactory with the industry average current ratio.
Quick Ratio (Times)	0.90	1.27	AOL’s Current Ratio is satisfactory with the industry average current ratio.
2. Operating Efficiency Ratios:			
Accounts Receivable Turnover Ratio (Times)	5.68	3.14	AOL’s Ratio is satisfactory with the average industry ratio.
Inventory Turnover Ratio (Times)	4.63	21.47	AOL’s Ratio is satisfactory with the average industry ratio.
Assets Turnover Ratio (Times)	0.32	0.56	AOL’s Ratio is satisfactory with the average industry ratio.
3. Profitability Ratios:			
Gross Margin Ratio (%)	59.04%	34.50%	AOL’s Ratio is better than the average industry ratio.
Operating Income Ratio (%)	40.81%	28.48%	AOL’s Ratio is better than the average industry ratio.
Net Income Ratio (%)	31.02%	21.55%	AOL’s Ratio is better than the average industry ratio.
Return on Assets Ratio (%)	10.07%	8.78%	AOL’s Ratio is better than the average industry ratio.
Return on Equity Ratio (%)	16.15%	12.44%	AOL’s Ratio is better than the average industry ratio.
Earnings Per Share (Basic)	1.96	5.36	AOL’s Ratio is satisfactory compared to the industry average ratio.
EBITDA Margin %	58.51%	35.91%	AOL’s Ratio is satisfactory compared to the industry average ratio.
4. Solvency Ratios:			
Debt to Total Asset Ratio %	6.88%	29.37%	AOL’s Ratio is better than the Average Industry Ratio.
Debt to Equity Ratio (Times)	0.08	0.46	AOL’s Ratio is better than the Average Industry Ratio.
Times Interest Earned Ratio (Times)	13.15	89.35	AOL’s Ratio is better than the Average Industry Ratio.
Debt Service Coverage Ratio	1314.76%	42.75%	AOL’s Ratio is satisfactory as Net Operating profit is sufficient to pay the financial expense and long-term debt.
5. Cash Flow ratios:			
Net Operating Cash Flow Per Share	3.27	1.77	AOL’s Ratio is better than the Average Industry Ratio.
Net Operating Cash Flow Per Share/EPS	1.66	1.00	AOL’s Ratio is better than the Average Industry Ratio.

Comparison with the Industry average ratios of same periods:

ASSOCIATED OXYGEN LIMITED Particulars	Industry Average***		Remark/ Explanation
	30/06/2014	30/06/2014	
	Ratio	Ratio	
1. Liquidity Ratios :			
Current Ratio (Times)	1.22	2.68	AOL's Current Ratio is Satisfactory compared to the industry average ratio.
Quick Ratio (Times)	0.70	1.77	AOL's Ratio is Satisfactory compared to the industry average Ratio.
2. Operating Efficiency Ratios:			
Accounts Receivable Turnover Ratio (Times)	6.61	4.62	AOL's Ratio is satisfactory compared to Industry Average Ratio.
Inventory Turnover Ratio (Times)	4.48	45.56	AOL's Ratio is satisfactory compared to Industry Average Ratio.
Assets Turnover Ratio (Times)	0.33	0.99	AOL's Ratio is satisfactory compared to Industry Average Ratio.
3. Profitability Ratios:			
Gross Margin Ratio (%)	59.35%	35.20%	AOL's Ratio is better compared to the Industry Average Ratio.
Operating Income Ratio (%)	41.76%	29.03%	AOL's Ratio is better compared to the Industry Average Ratio.
Net Income Ratio (%)	33.12%	22.30%	AOL's Ratio is better compared to the Industry Average Ratio.
Return on Assets Ratio (%)	10.98%	15.15%	AOL's Ratio is better compared to the Industry Average Ratio.
Return on Equity Ratio (%)	26.36%	14.20%	AOL's Ratio is better compared to the Industry Average Ratio.
Earnings Per Share (Basic)	1.94	6.07	AOL's Ratio is satisfactory compared to the industry average ratio.
EBITDA Margin %	59.28%	37.24%	AOL's Ratio is better than the industry average ratio as higher net operating profit.
4. Solvency Ratios :			
Debt to Total Asset Ratio %	7.25%	31.10%	AOL's Ratio is better as debt burden is lower than assets.
Debt to Equity Ratio (Times)	0.08	0.48	AOL's Ratio is better as debt burden is lower than assets.
Times Interest Earned Ratio (Times)	10.61	87.18	AOL's Ratio is satisfactory compared to the industry average ratio.
Debt Service Coverage Ratio	1061.33%	41.25%	AOL's Ratio is satisfactory as Net Operating profit is sufficient to pay the financial expense and long-term debt.
5. Cash Flow ratios:			
Net Operating Cash Flow Per Share	3.22	0.03	AOL's Ratio is better compared to the Industry Average Ratio.
Net Operating Cash Flow Per Share/EPS	1.66	(0.00)	AOL's Ratio is better compared to the Industry Average Ratio.

*** The industry average has been calculated based on Audited Financial Statements and Industry average ratios are calculated based on financial data collected from the Annual Report of the Baraka Power & Titas Gas as publicly traded companies' corresponding accounting years.

** It is to be mentioned here that, Product Mix of AOL, Baraka Power & Titas Gas is not same that is why some ratio is very much irregular compared to the AOL. There are no Listed company which match with AOL Product Mix. As Power Sector Baraka Power have the low Inventory & Lower Receivable as well as lower Debt. On the Other hand, as a Gas Transmission Company Titas Gas has more Inventory & Lower debt than AOL that is why some of the Industry Average Ratio is very much differentiate compared to AOL.

- d) Auditors report under Section 135(1), Para 24(1) of Part II of Schedule III of the কোম্পানি আইন, ১৯৯৪. The report shall include comparative income statements and Financial Statements and the aforementioned ratios for immediate proceeding five years of the issuer. If the issuer has been in commercial operation for less than five years, the above-mentioned inclusion and submission will have to be made for the period since commercial operation;

**Auditors' Report Under Section-135(I), Para 24(I), of Part-II of
Schedule III to the Companies Act 1994**

We have complied the accompanying statement of Associated Oxygen Limited U/S 135 (1), Para 24 (1) Part II of Schedule III of Companies Act 1994. The Statement comprises of the financial information for the year ended 30th June, 2019 & 2018, audited by us and for the year ended 30th June, 2017, 2016 & 2015 audited by Mohammad Ata Karim & Co. Chartered Accountants. Our report is as under;

1. The Associated Oxygen Limited was incorporated as a private Limited Company as on 27 June, 1990.
2. The Associated Oxygen Limited was converted to public Limited Company as on 25th April, 2018.
3. The Financial Position of the Company over the last Five years is as follows:

A) Statement of Asset & Liabilities of the company as follows:					
Particulars	Amount In Taka				
	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15
ASSETS					
Non-Current Assets	1,393,758,011	1,009,472,256	754,524,632	663,481,178	569,980,467
Property, Plant& Equipment	1,393,758,011	976,529,839	753,583,632	662,540,178	569,039,467
Capital Work in Process	-	32,942,417	941,000	941,000	941,000
Current Assets	208,413,348	138,752,401	97,116,823	79,216,487	65,135,321
Inventories	46,143,408	30,591,046	25,142,584	19,658,556	17,557,857
Trade and Other Receivables	146,643,461	75,350,607	47,000,578	43,683,937	39,426,787
Advance, Deposits and Prepayments	14,695,560	31,908,077	24,453,105	15,290,389	7,760,753
Cash and Cash Equivalents	930,920	902,670	520,556	583,605	389,925
Total Assets	1,602,171,359	1,148,224,657	851,641,455	742,697,665	635,115,788
SHAREHOLDERS EQUITY AND LIABILITIES					
Shareholders' Equity	1,389,860,666	969,001,235	679,032,793	593,033,894	524,829,701
Share Capital	800,000,000	99,945,380	1,200,000	1,200,000	1,200,000
Retained Earnings	589,860,666	480,458,765	430,057,244	344,058,344	275,854,151
Share Money Deposit	-	388,597,090	247,775,550	247,775,550	247,775,550
Non-Current Liabilities	154,093,793	114,639,526	106,766,849	93,931,518	65,821,636
Long Term Loan (Non-Current portion)	20,786,852	27,288,486	29,957,292	30,937,353	16,381,446
Deferred Tax Liabilities	133,306,941	87,351,040	76,809,557	62,994,165	49,440,190
Current Liabilities	58,216,900	64,583,897	65,841,812	55,732,253	44,464,452
Trade and Other Payables	14,641,178	13,577,167	15,023,542	12,501,245	10,731,750
Long term Loan (Current Portion)	20,256,000	20,256,000	27,312,000	28,640,000	27,312,000
Liabilities for expenses	23,319,722	30,750,730	23,506,271	14,591,008	6,420,702
Total Shareholders' Equity & Liabilities	1,602,171,359	1,148,224,657	851,641,455	742,697,665	635,115,788
Net Assets Value (NAV) Basic	17.37	58.07	3,593.81	2,877.15	2,308.78

B) Statement of Operating Result of the company is as under;

Particulars	Amount in Taka				
	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15
Revenue	401,057,043	311,420,858	268,929,929	225,626,092	193,158,289
Cost of goods sold	(149,869,453)	(127,791,655)	(110,270,216)	(92,155,184)	(79,121,093)
Gross Profit	251,187,590	183,629,203	158,659,713	133,470,908	114,037,196
Operating Expenses	(62,732,571)	(50,394,851)	(44,304,462)	(38,996,188)	(35,218,681)
Administrative Expenses	(32,595,788)	(26,992,944)	(22,884,241)	(20,686,765)	(18,606,686)
Selling & Distribution Expenses	(30,136,783)	(23,401,906)	(21,420,221)	(18,309,423)	(16,611,995)
Profit from Operation	188,455,019	133,234,352	114,355,252	94,474,720	78,818,514
Financial Expenses	(9,754,178)	(6,742,192)	(6,521,420)	(5,986,022)	(5,994,907)
Other non-operating Income	70,064	39,888	48,358	38,254	66,887
Net Profit before Tax & WPPF	178,770,905	126,532,048	107,882,190	88,526,952	72,890,495
Provision of WPPF	(8,512,900)	-	-	-	-
Net Profit before Income Tax	170,258,005	126,532,048	107,882,190	88,526,952	72,890,495
Provision for Income Tax	(60,856,103)	(19,033,608)	(21,883,290)	(20,322,758)	(12,977,869)
Current Tax	(14,900,202)	(8,492,125)	(8,067,898)	(6,768,783)	(1,931,583)
Deferred Tax	(45,955,901)	(10,541,483)	(13,815,392)	(13,553,975)	(11,046,286)
Net Profit after tax	109,401,901	107,498,441	85,998,900	68,204,194	59,912,626
Other Comprehensive Income/(Loss)	-	-	-	-	-
Total Comprehensive Income	109,401,901	107,498,441	85,998,900	68,204,194	59,912,626
Earnings Per Share (EPS) Basic	1.51	3.26	2.81	2.23	1.96
Earnings Per Share (EPS) diluted	1.37	1.34	1.07	0.85	0.75

*** The Company split its share as on 06th July 2017 to 10.00 from 100.00 each and diluted EPS is Calculated on the basis of Share as on 30 June 2019 i.e. 80,000,000.*

C. Divident Declared

Particulars	For the Period & year ended				
	31-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15
Cash Dividend (Total TK)	Nil	Nil	Nil	Nil	Nil
Stock Dividend (Total No. of Shares)	Nil	Nil	5,709,692	Nil	Nil

4. Associated Oxygen Limited was incorporated in Bangladesh as a Private Limited Company with the issuance of Certificate of incorporation bearing no CHC-698/177 dated November 27, 1990 by the Registrar of Joint Stock Companies & Firms. The Company Converted into Public Limited Company and split of Share value from Tk. 100.00 to Tk. 10.00 dated July 06, 2017. Converted to Public Limited Company as of April 25, 2018.


5. The Company started its Commercial Operation on December 01, 1992.

6. The Company has no Subsidiary Company as on Financial Statements date.

7. No proceeds or part of the proceeds of the issue of shares would be applied directly by the Company in the purchase of any business.

Dated: 12.10.2019

Place: Dhaka


Shiraz Khan Basak & Co.
Chartered Accountants

e) Financial Spreadsheet analysis for the latest Audited Financial Statements;

1. Statement of Financial Positions

Associated Oxygen Limited
Statement of Financial Position
As at 30th June 2019

Particulars	Amount	Percent (%)	Grand Total
Assets			
Non-Current Assets	1,393,758,011		86.99%
Property, Plant and Equipment	1,393,758,011	86.99%	
Land & Land Development	65,384,554	4.08%	
Building & Other Construction	322,582,977	20.13%	
Plant & Machinery	838,007,324	52.30%	
Electrical Installation	33,064,154	2.06%	
Office Equipment	14,146,099	0.88%	
Gas Line Installation	36,878,792	2.30%	
Furniture & Fixture	14,936,777	0.93%	
Computer & Computer Accessories	7,211,322	0.45%	
Generator & Motors	33,815,885	2.11%	
Vehicle	9,695,966	0.61%	
Fire Extinguisher	18,034,162	1.13%	
Capital Work in Process	-	0.00%	
Current Assets	208,413,348		13.01%
Inventories	46,143,408	2.88%	
Work in Process	2,559,078	0.16%	
Finished Goods	18,339,203	1.14%	
Consumable Stores	25,245,127	1.58%	
Trade and Other Receivables	146,643,461	9.15%	
Advances, Deposits & Prepayments	14,695,560	0.92%	
Advance to Employee	4,158,063	0.26%	
Vat Current Account	332,347	0.02%	
PDB-Electric Line	210,000	0.01%	
T & T Department	2,000	0.00%	
BGSL-Gas Line	100,224	0.01%	
Advance Income Tax	9,892,926	0.62%	
Cash and Cash Equivalents	930,920	0.06%	
Total Assets	1,602,171,359		100.00%
Shareholder's Equity and Liabilities			
Shareholder's Equity	1,389,860,666		86.75%
Share Capital	800,000,000	49.93%	
Retained Earnings	589,860,666	36.82%	
Share Money Deposit	-	0.00%	
Non-Current Liabilities	154,093,793		9.62%
Long Term Loan (Non-Current portion)	20,786,852	1.30%	
Deferred Tax Liability	133,306,941	8.32%	
Current Liabilities	58,216,900		3.63%
Trade and Other Payables	14,641,178	0.91%	
Long term Loan (Current Portion)	20,256,000	1.26%	
Liabilities for expenses	23,319,722	1.46%	
Total Shareholder's Equity and Liabilities	1,602,171,359		100.00%

Associated Oxygen Limited			
Statement of Profit or Loss and Other Comprehensive Income			
For the Period from 01 July, 2018 to 30th June 2019			
Particulars	Amount	Percent (%)	Grand Total
Revenue	401,057,043		100.00%
Cost of goods sold	(149,869,453)		-37.37%
Opening Work in Process	2,520,890	0.63%	
Manufacturing Overhead	158,292,699	39.47%	
Closing Work in Process	(2,559,078)	-0.64%	
Opening Finished Goods	9,954,146	2.48%	

Particulars	Amount	Percent (%)	Grand Total
Finished Goods available for Sale	168,208,656	41.94%	
Closing Finished Goods	(18,339,203)	-4.57%	
Gross Profit	251,187,590		62.63%
Operating expenses	(62,732,571)		-15.64%
Administrative Expenses	(32,595,788)	-8.13%	
Selling & Distribution Expenses	(30,136,783)	-7.51%	
Profit from Operation	188,455,019		46.99%
Financial Expenses	(9,754,178)	-2.43%	
Other non-operating Income	70,064	0.02%	
Net Profit Before Tax & WPPF	178,770,905		44.57%
Less: Provision for WPPF	(8,512,900)	-2.12%	
Net Profit Before Income Tax	170,258,005		42.45%
Provision for Income Tax	(60,856,103)		-15.17%
Current Tax	(14,900,202)	-3.72%	
Deferred Tax	(45,955,901)	-11.46%	
Net Profit after tax	109,401,901		27.28%
Other Comprehensive Income/(Loss)	-	0.00%	
Total Comprehensive Income for the Year	109,401,901		27.28%

Sd/-

Chief Financial Officer

Associated Oxygen Limited

Sd/-

Managing Director

Associated Oxygen Limited

- f) **Earnings per Share (EPS) on the fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis. Future projected Net Income should not be considered while calculating the weighted average EPS;**

Particulars	Amounts in Taka 30-June-19
Net profit after Tax	109,401,901
Total Existing Number of Share	80,000,000
Number of Ordinary Share Outstanding Before IPO	72,307,129
Earnings per Share (EPS) Basic	1.51
Earnings per Share (EPS) Diluted	1.37

*** Diluted EPS is calculated with the Outstanding Share as on 30th June, 2019 i.e. 80,000,000.*

- g) **All extra-ordinary income or non-recurring income coming from other than core operations should be shown separately while showing the Net Profit as well as the Earnings Per Share;**

Particulars	Amount in Taka 30-June-19
Net profit Before Tax	170,258,005
Less: Other Income	(70,064)
Net profit before Tax except for other income	170,187,941
Less: Provision for Taxation	(60,856,103)
Net profit after Tax excluding Extra-ordinary Income or non-recurring income	109,331,838
No. of shares before IPO	80,000,000
Earnings per Share (EPS) excluding Extra-ordinary income or non-recurring income	1.37

- h) **Quarterly or half-yearly EPS should not be annualized while calculating the EPS;**

Associated Oxygen Limited has not annualized the quarterly or half-yearly EPS.

- i) **Net asset value (with and without considering revaluation surplus or reserve) per unit of the securities being offered at the date of the latest audited statement of financial position.**

Particulars	Amounts in Taka 30.06.2019
Share Capital 30th June, 2019	800,000,000
Share Premium 30th June, 2019	-
Retained Earnings 30th June, 2019	589,860,666
Total Share Holder's Equity	1,389,860,666
No. of Shares Outstanding as on 30th June, 2019	80,000,000
Net Assets Value Per Share (NAV)	17.37

*** Diluted EPS is calculated with the Outstanding Share as on 30th June, 2019 i.e. 80,000,000.*

*** Associated Oxygen Limited has not yet revalued its asset.*

- j) **The Commission may require the issuer to re-audit the audited financial statements, if any deficiency or anomaly is found in the financial statements. In such a case, the cost of the audit should be borne by the concerned issuer.**
It may not be applicable so far.

- k) Following statements for the last five years or any shorter period of commercial operation certified by the auditors:-
 (i) Statement of long term and short-term borrowings including borrowing from related party or connected persons with the rate of interest and interest paid/accrued;

Auditors certificate regarding long term and short-term borrowings including borrowing from related Party or connected persons with the rate of interest and interest paid/accrued of Associated Oxygen Limited

This is to certify that, Associated Oxygen Limited has long-term borrowings from Basic Bank Limited only and there is no other borrowing from a related party or connected persons. Details of Interest Accrued/Paid with applicable rate is mentioned below;

Name of the Parties	Nature of Relationship	Nature of Borrowings	Closing Balance	Interest Rate (%)	Interest Paid (BDT)	Interest Accrued (BDT)
For the year ended on 30-Jun-2019						
Basic Bank Limited	Lender	Long Term	41,042,852	9%	9,624,866	-
Grand Total			41,042,852		9,624,866	
For the year ended on 30-Jun-2018						
Basic Bank Limited	Lender	Long Term	47,544,486	13%	6,708,253	-
Grand Total			47,544,486		6,708,253	
For the year ended on 30-Jun-2017						
Basic Bank Limited	Lender	Long Term	57,269,292	13%	6,491,439	
Grand Total			57,269,292		6,491,439	
For the year ended on 30-Jun-2016						
Basic Bank Limited	Lender	Long Term	59,577,353	13%	5,983,912	
Grand Total			59,577,353		5,983,912	
For the year ended on 30-Jun-2015						
Basic Bank Limited	Lender	Long Term	43,693,446	13%	5,989,770	
Grand Total			43,693,446		5,989,770	

The company does not have any long-term and short-term borrowings from a related party or connected persons for the year from 01 July, 2014 to 30 June 2019 except mentioned above.

Dated: 12.10.2019

Place: Dhaka



Shiraz Khan Basak & Co.
Chartered Accountants

- (ii) Statement of principal terms of secured loans and assets on which charge has been created against those loans with names of lenders, purpose, sanctioned amount, the rate of interest, primary security, collateral/other security, repayment schedule and status;

Certification on the statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, the rate of interest, primary security, collateral or other security, repayment schedule and status of Associated Oxygen Limited


This is to certify that, Associated Oxygen Limited has long-term borrowings from Basic Bank Limited only. Details of principal terms of loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, the rate of interest, primary security, collateral or other security, repayment schedule and status are mentioned below;

Basic Bank Limited

Particulars	Amounts in Taka				
	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15
Names of lenders	Basic Bank Limited				
Purpose	For Importing, Procuring of raw materials of the company as well as import of Plant & Machinery/ Spare Parts under Cash L/C.				
Status of Asset Charged	Land & Building Mortgaged				
Sanctioned Amount	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
Rate of Interest	9%	13%	13%	13%	13%
Primary Security/ Collateral/ Other Security	112 Decimal Land Factory Building & Other Construction.				
Re-payment schedule	2 Years	2 Years	2 Years	2 Years	2 Years
Status (Current Balance)	41,042,852	47,544,486	57,269,292	59,577,353	43,693,446

The company does not have any long-term and short-term borrowings from a related party or connected persons for the period from 01 July, 2014 to 30th June, 2019 except mentioned above.

Place: Dhaka
Date: 12.10.2019




Shiraz Khan Basak & Co
Chartered Accountants

(iii) Statement of unsecured loans with terms and conditions.

Certification on unsecured loans with terms and conditions of Associated Oxygen Limited

Based on our scrutiny of the relevant Financial Statements of Associated Oxygen Limited, we certify that the Company has not taken any unsecured loan from any person/ body from 01 July, 2014 to 30th June, 2019.

Place: Dhaka
Date: 10.12.2019


Shiraz Khan Basak & Co
Chartered Accountants


(iv) Statement of inventories showing the amount of raw material, packing material, stock-in-process and finished goods, consumable items, store & spares parts, inventory of trading goods etc.;

Auditors Certificate regarding Inventories of Associated Oxygen Limited

Based on our scrutiny of the relevant Financial Statements of Associated Oxygen Limited, we certify that, the Company had the following amount of inventories as at the reporting date during the last five years:

Item	For the year ended (Amount in BDT)				
	30 June 2019	30 June 2018	30 June 2017	30 June 2016	30 June 2015
Work in process	2,559,078	2,520,890	2,405,429	2,011,833	1,716,963
Finished Goods	18,339,203	9,954,146	9,140,630	7,644,965	6,558,800
Consumable Store	25,245,127	18,116,010	13,596,525	10,001,758	9,282,094
Total	46,143,408	30,591,046	25,142,584	19,658,556	17,557,857

Place: Dhaka
Date: 12.10.2019


Shiraz Khan Basak & Co
Chartered Accountants


(v) Statement of trade receivables showing receivable from related party and connected persons.

Auditors certificate regarding trade receivable of Associated Oxygen Limited

After due verification we certify that the Statement of Accounts Receivables showing Receivables from Related Party and connected persons of **Associated Oxygen Limited** for the last five years were as follows:

Particulars	Amount in BDT				
	30 June 2019	30 June 2018	30 June 2017	30 June 2016	30 June 2015
General Party	146,643,461	75,350,607	47,000,578	43,683,937	39,426,787
From Related Party	-	-	-	-	-
From Connected person	-	-	-	-	-
Total	146,643,461	75,350,607	47,000,578	43,683,937	39,426,787

Place: Dhaka
Date: 12.10.2019



Shiraz Khan Basak & Co
Chartered Accountants

(vi) Statement of any loan given by the issuer including loans to related party or connected persons with the rate of interest and interest realized/accrued;

Auditors certificate regarding loan given by the issuer including Loans to Related Party or Connected Persons of Associated Oxygen Limited

This is to certify that, Associated Oxygen Limited did not give any loan to any Related Party or connected person from 01 July 2014 to 30th June, 2019.

Place: Dhaka
Date: 12.10.2019


Shiraz Khan Basak & Co
Chartered Accountants

(vii) **Statement of other income showing interest income, dividend income, discount received, other non-operating income;**

Auditors certificate regarding other income of Associated Oxygen Limited

Based on our scrutiny of the relevant financial statements of Associated Oxygen Limited, we certify that, the Company had the following amount of other Income as at the reporting date during the last five years:

Particulars	Amount in BDT				
	30 June 2019	30 June 2018	30 June 2017	30 June 2016	30 June 2015
Interest Income	-	-	-	-	42,446
Gain (Loss) from Sale of Assets	(33,580)	(23,850)	-	-	-
Misc. Income	103,644	63,738	48,358	38,254	24,441
Total	70,064	39,888	48,358	38,254	66,887

Place: Dhaka

Date: 12.10.2019


Shiraz Khan Basak & Co
Chartered Accountants

(viii) **Statement of turnover showing separately in cash and through banking channel;**

Auditors certificate regarding turnover of Associated Oxygen Limited

After due verification we certify that the turnover showing separately in cash and through banking channel of Associated Oxygen Limited 01 July 2014 to 30th June 2019 were as follows:

Particulars	Amount in BDT				
	30 June 2019	30 June 2018	30 June 2017	30 June 2016	30 June 2015
In Cash	-	-	-	-	-
Through Banking Channel	401,057,043	311,420,858	268,929,929	225,626,092	193,158,289
Grand Total	401,057,043	311,420,858	268,929,929	225,626,092	193,158,289

Place: Dhaka

Date: 12.10.2019


Shiraz Khan Basak & Co
Chartered Accountants

(ix) **Statement of related party transaction;**

Auditors Certificate Regarding Related Party Transaction of Associated Oxygen Limited

After due verifications, we certify that the status of related party transactions of Associated Oxygen Limited from 1st July, 2014 to 30th June, 2019 was as follows:

Directors Remuneration

Name	Position	Amount in (BDT)				
		2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
Md. Nizam Uddin Chowdhury	Chairman	960,000	960,000	-	-	-
Mrs. Ismat Jahan	Managing Director	840,000	840,000	444,000	444,000	444,000
Mr. Fahim Chowdhury	Director	780,000	390,000	-	-	-
Mr. Azmine Mahatab Chowdhury	Director	720,000	360,000	-	-	-
Ahmed Saheen Alrazi	Independent Director	-	-	-	-	-
Total		3,300,000	2,550,000	444,000	444,000	444,000

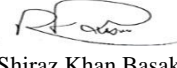
Board Meeting Fees

Name	Position	Amount in (BDT)				
		2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
Md. Nizam Uddin Chowdhury	Chairman	20,000	20,000	20,000	20,000	16,000
Mrs. Ismat Jahan	Managing Director	17,500	20,000	20,000	20,000	16,000
Mr. Fahim Chowdhury	Director	15,000	10,000			
Mr. Azmine Mahatab Chowdhury	Director	12,500	10,000			
Ahmed Saheen Alrazi	Independent Director	20,000	10,000			
Total		85,000	70,000	40,000	40,000	32,000

Ahmed Saheen Alrazi was resigned and Advocate Nasima Akter Chowdhury was newly appointed as an Independent Director on 10th June 2019 and subsequently approved by the Board of Directors Meeting held on 10 June 2019.

Dated: 12.10.2019

Place: Dhaka


Shiraz Khan Basak & Co.
Chartered Accountants

(x) Reconciliation of business income shown in tax return with net income shown in audited financial statements;

Auditors certificate regarding reconciliation of business income of Associated Oxygen Limited

This is to certify that the Income of Associated Oxygen Limited as per Audited Financial Statements and Income shown on a Tax Return are similar during the last five years. The reconciliation of Income shown in audited Financial Statement & Income Shown in Tax Return is shown below:

Particulars	Income Year (Amount in Taka)				
	30-Jun-19	30-Jun-18	30-Jun-17	30-Jun-16	30-Jun-15
Business income shown as per Financial Statement	170,258,005	126,532,048	107,882,190	88,526,952	72,890,495
Business income shown as per Tax Return	N/A	126,532,048	107,882,190	88,526,952	72,890,495
Tax Status		Assessment is Completed			

Place: Dhaka
Date: 12.10.2019

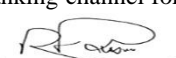

Shiraz Khan Basak & Co
Chartered Accountants

(xi) Confirmation that all receipts and payments of the issuer above Tk.5,00,000/- (five lac) were made through banking channel;

Certification on receipts and payment above Tk.500,000 (Five lac) were made through banking channel of Associated Oxygen Limited

This is to Certify that all Receipts and Payments of above Tk. 500,000/= (Five Lac) were made through banking channel for the year ended 1st July, 2014 to 30th June, 2019.

Place: Dhaka
Date: 12.10.2019


Shiraz Khan Basak & Co
Chartered Accountants


(XII) Confirmation that Bank Statements of the issuer are in conformity with its books of accounts;

Auditors certificate regarding the conformity of bank statements with books of accounts of Associated Oxygen Limited

This is to certify that the Books of Accounts of Associated Oxygen Limited for the period from 1st July 2014 to 30th June, 2019 are in conformity with Bank Statements.

Place: Dhaka

Date: 12.10.2019


Shiraz Khan Basak & Co
Chartered Accountants

(xiii) Statement of payment status of TAX, VAT and other taxes/duties;


Certification on Status of Payment of Tax, VAT and Others Taxes/ Duties of Associated Oxygen Limited

After due verification, we certify that the status of TAX, VAT and other taxes/duties payment of Associated Oxygen Limited for the last five years were as follows:

Particulars	Amount in BDT				
	30 June 2019	30 June 2018	30 June 2017	30 June, 2016	30 June, 2015
Tax (TDS)	14,064,898	8,492,125	8,067,898	6,768,783	1,931,583
VAT	26,113,662	21,186,220	17,592,487	14,775,418	12,883,582
Others Taxes/ Duties	-	-	-	-	-
Total	40,178,560	29,678,345	25,660,385	21,544,201	14,815,165

Place: Dhaka

Date: 12.10.2019


Shiraz Khan Basak & Co
Chartered Accountants

CHAPTER-XXVII

CREDIT RATING REPORT

As per clause (e) of sub-rule (4) of rule 3 of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015, A company is required to be rated by credit rating company registered with the Commission for a public offer under book-building method. As the company is offering under fixed price method, the aforementioned rule is not applicable for the issue.

CHAPTER-XXVIII

PUBLIC ISSUE APPLICATION PROCEDURE

Step-1 (Applicant)

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be the **25th (twenty fifth) working day** from the date of publication of abridged version of prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
 - a) Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stock broker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stock broker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.
 - b) Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to the concerned Stock broker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02 (two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains Foreign Currency account debiting the same account **and provide the customer with a certificate mentioning the FC account number which has been debited to issue the FDD. The applicant shall also submit the certificate with his/her application.** No banker shall issue more than two drafts from any Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stock broker/Merchant Banker.
 - c) Eligible investors shall submit application through the electronic subscription system of the exchange(s) and deposit the full amount intended to subscribe by the method as determined by the exchange(s).

Step-2 (Intermediary)

3. The Stock broker/Merchant Banker shall maintain a separate bank account only for this purpose namely “Public Issue Application Account”. The Stock broker/Merchant Banker shall:
 - a) post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;
 - b) accumulate all the applications/buy instructions received up to the cut-off date, deposit the amount in the “Public Issue Application Account” maintained with its bank within the first banking hour of **next working day** of the cut-off date;
 - c) instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.
4. Banker of the Stock broker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stock broker/Merchant Banker.
5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stock-broker/Merchant Banker shall prepare a list containing the bank draft (FDD) information against the respective applicant’s particulars.
6. The Stock broker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and within 03 (three) working days from the cut-off date, send to the respective Exchange, the lists of applicants in electronic (text format with “~” tilde separator) format, the certificate(s) issued by its banker, the drafts and certificates received from Non-resident Bangladeshi (NRB) and Foreign applicants and a copy of the list containing the bank draft (FDD) information.
7. **On the next working day**, the Exchanges shall provide the Issuer with the information received from the Stock broker/Merchant Bankers, the bank drafts (FDD) and certificates submitted by Non-resident Bangladeshi (NRB) and Foreign applicants and the list containing the bank draft (FDD) information. Exchanges shall verify and preserve the bankers’ certificates in their custody.
8. The applications/buy instructions shall be preserved by the Stock broker/Merchant Bankers up to 6 months from listing of the securities with the Exchanges.

Step-3 (Issuer)

9. The Issuer shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website and websites of the Exchanges. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.
10. **On the next working day**, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account and Bank Account information along with the verification report.
11. After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the Exchanges within **10 (ten) working days** from the date of receiving information from the Exchanges.
12. The issuer and the issue manager shall conduct category wise lottery with the valid applications within 03 (three) working days from the date of reporting on valid and invalid applications to the Commission and the Exchanges on any recognized and licensed digital platform along with the existing system to ensure physical and social distance due to COVID-19 pandemic situation.

Provided that IPO lottery shall be conducted on the licensed digital platform made by any of the following institutions under the supervision of Central Depository Bangladesh Limited (CDBL):

- a. Bureau for Research Testing and Consultation (BRTC), BUET;
 - b. Computer Science Department, Dhaka University; and
 - c. Bangladesh Computer Council.
13. The Issuer and issue manager shall arrange posting the lottery result on their websites **within 06 (six) hours** and on the websites of the Commission and the Exchanges within **12 (twelve) hours** of lottery.
 14. Within **02 (two) working days** of conducting lottery, the Issuer shall:
 - a) send category wise lists of the successful and unsuccessful applicants in electronic (text format with “~” tilde separator) format to the respective Exchange.
 - b) send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde separator) format to the Commission and the Exchanges mentioning the penalty amount against each applicant.
 - c) issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to the respective Exchange in electronic form.
 - d) send consolidated allotment data (BOIDs and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

Step-4 (Intermediary)

15. **On the next working day**, the Exchanges shall distribute the information and allotment letters to the Stock broker/Merchant Bankers concerned in electronic format and instruct them to:
 - a) remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;
 - b) send the penalty amount of other than NRB and Foreign applicants, who are subject to penal provisions, to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money;
16. **On the next working day** of receiving the documents from the Exchanges, the Stock brokers/Merchant Banker shall request its banker to:
 - a) release the amount blocked for unsuccessful (other than NRB and foreign) applicants;
 - b) remit the aggregate amount of successful applicants and the penalty amount of unsuccessful applicants (other than NRB and foreign), who are subject to penal provisions, to the respective 'Escrow' accounts of the Issuer opened for subscription purpose.

17. **On the next working day** of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's 'Escrow' account.
18. **Simultaneously**, the stock brokers/Merchant Bankers shall release the application money blocked in the customer accounts, inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts and send documents to the Exchange evidencing details of the remittances made to the respective 'Escrow' accounts of the Issuer. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stock broker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk. 5.00 (five) per withdrawal.
19. All bank drafts (FDD) submitted by NRB or Foreign applicants shall be deposited in the Issuer's respective 'Escrow' accounts and refund shall be made by the Issuer by refund warrants through concerned stockbroker or merchant banker or transfer to the applicant's bank account **(FC account which has been debited to apply by NRB or foreign applicants)** through banking channel within 10 (ten) working days from the date of lottery.

Miscellaneous:

20. The Issuer, Issue Manager(s), Stock brokers, Merchant Bankers and the Exchanges shall ensure compliance of the above.
21. The bank drafts (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.
22. Amount deposited and blocked in the "Public Issue Application Account" shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stock brokers/Merchant Bankers for any purpose other than public issue application.
23. The Issuer shall pay the costs related to data transmission, if claimed by the Exchange concerned up to an amount of Tk.2,00,000.00 (taka two lac) for a public issue.
24. The Stock broker/Merchant Bankers shall be entitled to a service charge of Tk.5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.
25. The Stock broker/Merchant Banker shall provide the Issuer with a statement of the remittance and bank drafts (FDD) sent.
26. The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
27. The concerned Exchange are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

All eligible Stock Brokers and Merchant Bankers shall receive the IPO subscription

Others:

The IPO subscription money collected from investors will be remitted in following bank accounts with BRAC Bank Limited, Gulshan-1, Dhaka:

SL No	Name of the A/C	Account Number	Type of A/C	Currency	Bank & Branch
1	Associated Oxygen Limited	1501204195399001	Current Account	BDT	BRAC Bank Limited Gulshan-1, Dhaka
2		1501204195399002	FC Account	USD	
3		1501204195399003		GBP	
4		1501204195399004		EURO	

APPLICATION FORM

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন”

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। বিনিয়োগকারীগণ প্রোসপেক্টাস পড়ে এবং ঝুঁকির বিষয়গুলি সতর্কতার সাথে অনুধাবন করে নিজ নিজ আর্থিক অবস্থা ও ঝুঁকিগ্রহণ করার সক্ষমতা বিবেচনা করে বিনিয়োগ সিদ্ধান্ত গ্রহণ করবেন।”

APPLICATION FOR PUBLIC ISSUE

Date:

Name of Applicant	:																	
Client Code	:																	
BO ID No.	:																	
Category of Applicant	:																	
Name of the Company/Fund	:																	
Number of Shares/Units	:										Shares of Taka					Each
Total Amount in Taka	:																	
Amount in Word	:																	
Mode of Payment	:																	
Cheque /Draft Information	:																	

Signature of
Applicants

Signature of
Authorized officer

CHAPTER- XXIX

OTHERS

MANAGEMENT DECLARATION:

STATEMENT REGARDING COST AUDIT

This is to certify that, as per Section 220 (1) of the Companies Act, 1994, Cost Audit by order “Cost and Management Accountant” —within the meaning of the Cost and Management Accountants Ordinance, 1977 (LIII of 1977) is not applicable for — “Associated Oxygen Limited”.

Sd/- Managing Director	Sd/- Chairman	Sd/- Director	Sd/- Director	Sd/- Independent Director
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MANAGEMENT DECLARATION REGARDING HOLDING ANNUAL GENERAL MEETING

We the management of Associated Oxygen Limited, declare that our company is holding Annual General Meeting (AGM) regulatory as per Section.81 of the Companies Act, 1994.

Sd/- Managing Director	Sd/- Chairman	Sd/- Director	Sd/- Director	Sd/- Independent Director
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MANAGEMENT DECLARATION REGARDING ANY MATERIAL CHANGE IN PAID -UP CAPITAL

We the management of Associated Oxygen Limited, declared that our company has not made any material change including raising of Paid-up Capital after the date of Audited Financial Statements as included in the Prospectus.

Sd/- Managing Director	Sd/- Chairman	Sd/- Director	Sd/- Director	Sd/- Independent Director
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MANAGEMENT DECLARATION CONSENT OF DIRECTORS TO SERVE AS DIRECTORS

We hereby agree that we have been serving as Directors of “Associated Oxygen Limited” and will continue to act as Directors of the Company.

Sd/- Managing Director	Sd/- Chairman	Sd/- Director	Sd/- Director	Sd/- Independent Director
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MANAGEMENT DECLARATION REGARDING USE OF IPO FUND AND CAPACITY UTILIZATION OF ASSOCIATED OXYGEN LIMITED

The expansion with IPO fund is mainly related to introducing new expansion factory unit of Associated Oxygen Limited, which includes New Factory Shed with Store Shed for expansion unit, acquisition of few Capital Machineries for the expansion unit, Repayment of partially Bank Loan and to mitigate IPO Expenses. This will be an additional production line which requires the additional construction of the factory shed other civil works and Capital Machineries. The management believes that is enough to run the business smoothly and successfully.

Moreover, the proposed expands the product line to promote sales of existing products along with the new products and will facilitate the company to attract more and more customers with diversified products. This will also reduce the risk of the business and enhance the image of the company. Also, the reduction of the working capital cost of Bank Interest will be reduced which will be helpful to generate more earnings. This will boost up Sales Production and acquired maximum Market demand with increasing profitability.

Sd/-
Mrs. Ismat Jahan
Managing Director

MANAGEMENT DECLARATION REGARDING DIRECTORS LOAN DEFAULTING

This is to declare that, Associated Oxygen Limited (The Company) and all the Directors of the Company are not loan defaulter in terms of the CIB report in Bangladesh Bank. Moreover, there is no shareholder who holds 10% shares of the Company except Managing Director.

Sd/- Managing Director	Sd/- Chairman	Sd/- Director	Sd/- Director	Sd/- Independent Director
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Management Additional Disclosure as per Requirement of BSEC

1. BSEC Requirement:

All import documents of plant and machineries including Bill of Entry, Commercial Invoice, Packing List, Bill of Lading, L/C, year-wise summary and Bank Statements for the last three years regarding the same;

Our reply:

We are submitting herewith all imported documents of Plant & Machineries including Bill of Entry, Commercial Invoice, Packing List, Bill of Lading, L/C in **Annexure-1(a)** and Year-wise summary in **Annexure-1 (b)** of the same for the last three years along with the Bank Statements in **Annexure-1(c)** as per your requirement.

2. Your requirement:

All updated documents regarding land including title deed, mutation and up to date rent receipts;

Our reply:

We are submitting herewith all updated documents including title deed, mutation & rent receipts regarding Land in **Annexure-2** as per your requirement.

3. Your requirement:

All valid Licenses;

Our reply:

We are submitting herewith all updated valid licenses of AOL in **Annexure-3** as per your requirement. We have shown the status of licenses of the company in the following **Table-1**:

Sl. No	Name of Certificate/License/Registration/NOC	License Issuer/ Issuing Authority	Certificate / License No	Expiry Date	Remarks
1.	Certificate of incorporation	Registrar of Joint Stock Companies and Firms, Government of Bangladesh	CHC-698/177, 1990	N/A	As a Private Ltd Company June, 27 1990 & converted to Public Ltd company on 25 April, 2018
2.	Certificate of Commencement of Business	Registrar of Joint Stock Companies and Firms, Government of Bangladesh	N/A	N/A	Incorporated as a Private Limited Company
3.	TIN Certificate	National Board of Revenue	782372820960	N/A	-
4.	VAT Reg. No.	Customs, Excise & VAT Commissionerate, Chattagram	24111000170	N/A	-
5.	Trade License	Chattagram City Corporation	134	30.06.2020	-
6.	Explosive License	Department of explosive	140-2(ঈ)-0022	31.12.2019	-
7.	BIDA License	Bangladesh Investment Development Authority	20090418-C	N/A	-
8.	Factory License	Factory and Organization Inspection Authority, Ctg.	2339/Ctg	30.06.2020	-
9.	CCCI Certificate	The Chattagram Chamber of Commerce & Industry	M.GEN/36/1668	30.06.2020	-
10.	Import Registration Certificate	The controller of Import & Export, Government of Bangladesh	e -0204570	30.06.2020	-
11.	Fire License	Bangladesh Fire Services and Civil Defense	2958/08-09	30.06.2020	-
12.	Environment Clearance Certificate	Department of Environment	19-24906	12.06.2020	For manufacturing
13.			19-21657		For using Gas Generator
14.	Group Insurance	American Life Insurance	921-12-307	25.08.2020	

4. Your requirement:

Submit prior approval of 'Department of Environment' regarding increase of production Capacity from utilization of IPO proceeds, if required;

Our reply:

We have obtained Digital Environment Clearance Certificate from the Department of Environment, Chattagram for our Oxygen Gas Manufacturing & Gas Generator on 19.03.2019. It has included the increased production capacity also. We have submitted herewith in **Annexure-4** the Environment Clearance Certificate from the Department of Environment as per your requirement.

5. Your requirement:

Certified copies of Income Tax Return along with receipts submitted to the Tax Authority from the year 2014 to 2018 are required to submit;

Our reply:

We are submitting herewith Income Tax Clearance Certificate & Assessment Orders for the years ended from 2014 to 2018 in **Annexure-5** as per your requirement.

6. Your requirement:

Provide copies of VAT return form 11 & MUSAK 19 along with month-wise summary (break down) for the period 2016 to 30-06-2018;

Our reply:

We have attached herewith month-wise MUSAK 19 for the period from July 2015 to June 2018 in **Annexure-6** along with a statement of month-wise VAT payment as per your requirement.

7. Your requirement:

The company is required to submit NOC for IPO from the lending banks and NBFIs, approved by the boards of directors of those banks and NBFIs;

Our reply:

We are submitting herewith NOC for IPO from the Basic Bank Limited in **Annexure-7** as per your requirement.

8. Your requirement:

Confirmation certificate from all lending institutions (short term & long term) that the company has never rescheduled loan of those lenders;

Our reply:

We are submitting herewith the status of Loan in **Annexure-8** as per your requirement.

9. Your requirement:

If rescheduled, mention the frequency of such rescheduling along with repayment behaviors;

Our reply:

AOL has never rescheduled its Loan of Basic Bank Limited except time to time amendments of the specific clause as per the Bangladesh Bank orders or Basic Bank guidelines.

10. Your requirement:

A declaration from the Board is required that no additional fund other than IPO is required;

Our reply:

We have submitted herewith Declaration from the Board regarding “no requirements of additional fund other than IPO” in **Annexure-9** as per your requirement.

11. Your requirement:

The company is required to submit a detailed Compliance report as per previous consent letter issued for raising of paid-up capital;

Our reply:

We are submitting herewith the Compliance report of the Capital raising of the Company is attached herewith in **Annexure-10** as per your requirement.

12. Your requirement:

The company is also required to submit utilization of fund as per previous consent letter of raising capital;

Our reply:

The BSEC has permitted us to raise capital Tk. 80 crore vice Consent letter No. BSEC/CI/CPLC-581/2018/601 dated: 27th August, 2018 as follows:

Particulars	Amounts in Taka
Existing Sponsor/Shareholders	600,000,000
Other than existing shareholders	200,000,000
Total paid-up Capital	800,000,000

Out of which the company has raised Capital through issue of Bonus Shares of **Tk. 57,096,920.00**. The Capital Raised funds of Bonus Share were utilized on day to day operation of the company partly and procurement of assets as when needed over the year of the company as a part of Retained Earnings. The remaining Capital (Tk.800,000,000.00-Tk.57,096,920.00) **Tk. 742,903,080.00** which was received from Shareholders through Cash (time of incorporation) & through Banking Channel. The aforesaid amount has been utilized for the Business of the Company as under:

Particulars	Amounts in Taka
Preliminary Expenses	450,000
Plant & Machinery	231,476,748
Capital Work In Progress	200,902,415
Computer & Accessories	6,582,290
Electric Installation	22,549,992
Factory Building & Other Construction	153,707,607
Fire Fighting Equipment's	15,499,605
Furniture & Fixture	9,922,918
Gas line Installation	27,049,608
Generator	7,454,400
Land & Land Development	41,231,370
Office Equipment	9,575,192
Vehicle	12,000,000
Gas, Fuel & Others	5,220,629
Total Utilization	743,622,773
Amount used from Share Money Deposit	(742,903,080)
Amount used from own Source	719,693

We have attached herewith the Auditors' Certificate against the utilization of Capital Raising fund of Tk. 80.00 Crore in **Annexure -11(a)** & Documents in support of Utilization of Capital Raising in **Annexure-11(b)** for your kind consideration.

13. Your requirement:

RJSC certified Special Resolution regarding conversion from Private to Public is required;

Our reply:

We are submitting herewith RJSC certified Special Regulation regarding conversion from Private to Public Limited Company in **Annexure-12** as per your requirement.

14. Your requirement:

Auditors' Certificate is required regarding plant & machineries were bought in Brand New Condition;

Our reply:

We are submitting herewith Auditors' Certificate regarding Plant & Machineries of the Company which was bought in Brand New Condition in **Annexure-13** as per your requirement.

15. Your requirement:

Documents regarding Tax Holiday are required;

Our reply:

The Company didn't avail any tax holiday from its inception. Therefore, we do not submit herewith any Tax Holiday Certificate of the company.

16. Your requirement:

Auditor's Certificate of existing paid-up capital is required;

Our reply:

We are submitting herewith the Auditors' Certificate regarding existing Paid-up Capital in **Annexure-14** for your kind consideration.

17. Your requirement:

In the Feasibility Report following matters have been observed;

- I. Operating expenses in the year 2020-21 is shown negative;
- II. Calculation of NPV & IRR is not shown;
- III. It is not mentioned whether sufficient land is available for the shed or not;

Our reply:

We are submitting herewith updated Feasibility Report describing the requirement as per above mentioned in (ii & iii) in **Annexure-15** as per your requirement. The Company has sufficient capacity of vacant land for making shed and establishes new plant in the existing plant. Operating expenses in the Financial year 2020-2021 will be reduced due to Charge of IPO Expenses in the Financial year 2019-2020 about Tk. 20,193,500/- which will not charge on the Financial year 2020-2021.

18. Your requirement:

Inventories (Consumable Store) shown in the accounts is not matched with the Auditors certificate under Rules 25(d) as on 31.12.2018. Explain the reason;

Our reply:

We are submitting herewith Auditors' Certificate regarding Inventories in **Annexure-16** as per your requirement.

19. Your requirement:

Trade Receivables shown in the accounts for the year 2015 is not matched with the Auditors certificate. Explain the reason;

Our reply:

We are submitting herewith Auditors' Certificate regarding Trade Receivable in **Annexure-17** as per your requirement.

20. Your requirement:

You have shown an entire amount of Other Income in the accounts from the year 2014 to 2017. But in 2018 you have shown net amount. Explain.

Our reply:

During the period 2014 to 2017 there is no other income from Sale of Scrap of Oxygen Cylinder. Due to adjustment of gain/(loss) from the sale of Oxygen cylinder with other Income in 2018 and Dec-2018 the net figure of Other Income has shown in the Audited Financial Statements. Now we are submitting herewith an updated Auditors' Certificate regarding Other Income in **Annexure-18** for your kind consideration.

21. Your requirement:

Board Meeting Fees shown in the accounts for the year 2018 are not matched with the certificate. Explain.

Our reply:

We are submitting herewith Auditors' Certificate regarding the Related Party Transactions in **Annexure-19** as per your requirement.

22. Your requirement:

All the boards of directors of the company are taking remuneration. Explain the reason for mentioning whether it is supported by the Articles of Association or not:

Our Explanation:

There are 5 directors out of which 4 (four) directors have been taking remuneration from the Company. The status of their monthly remuneration is shown as follows:

Name of directors	Remuneration Per month	Total As on 31 st Dec, 2018	Remarks
Md. Nizam Uddin Chowdhury	80,000	480,000	
Ismat Jahan	70,000	420,000	
Fahim Chowdhury	65,000	390,000	
Azmaine Mahtab Chowdhury	60,000	360,000	
Ahmed Shahin Alrazi	N/A	N/A	Retried on 10.06.2019
Advocate Nasima Akter Chowdhury	N/A	N/A	Appointed on 10.06.2019
Total		1,650,000	

The above remuneration was approved in the Board of Directors Meeting on 12 December, 2017 and in the AGM held on 31 December, 2017. The directors were also empowered by Clause number 109 of the Articles of Association of the Company to take remuneration. The above 4 directors were fully involved in the day to day operation of the company as under:

Name of directors	Designation	Departments/ Responsibilities
Md. Nizam Uddin Chowdhury	Chairman	To look after the whole activities of the company and members
Ismat Jahan	Managing Director	To look after the day to day operation
Fahim Chowdhury	Director	To look after the Internal Audit & Procurements Department
Azmaine Mahtab Chowdhury	Director	To look after the HR & Admin Department

23. Your requirement:

You are required to submit Board & AGM resolution regarding the increase of Board Meeting Fee;

Our Explanation:

We have submitted herewith the Extract Minutes of Board of Directors' and Minutes of the Annual General Meeting (AGM) in **Annexure-20** regarding the increase of Board Meeting Attendance Fees as per your requirement.

24. Your requirement:

An amount of Tk. 8,492,125 is shown as Income Tax Paid for the year ended June 30, 2018. You are required to submit supporting documents regarding the same;

Our Explanation:

We have attached herewith Collection & TDS certificate from Customers regarding payment of Advance Taxes for the year ended 30th June 2018 in **Annexure-21** as per your requirement.

25. Your requirement:

An amount of Tk. 28,30,70,829 is shown as Received from Customers for the year ended June 30, 2018. You are required to submit customer-wise detail along with bank statements;

Our Explanation:

We have attached herewith Customer wise collection statements along with the supported Bank Statements for the year ended 30th June 2018 in **Annexure-22(a) & (b)** as per your requirement.

26. Your requirement:

An amount of Tk. 20,48,62,812 is shown as Property Plant & Equipment for the period of December 31, 2018. All related documents of plant and machinery including Bill of Entry, Commercial Invoice, Packing List, Bill of Lading, L/C, customer-wise summary and Bank Statements regarding the same are required;

Our Explanation:

We are submitting herewith supporting documents including Bill of Entry, Commercial Invoice, Packing List, Bill of Lading, L/C in support of Acquisition of Property Plant & Equipment's for the period ended 30th June, 2019 in **Annexure-23 (a)**, Customer-wise summary in **Annexure-23 (b)** and supported Bank Statements in **Annexure-23 (c)** as per your requirement.

27. Your requirement:

An amount of Tk. 20,09,02,415 is shown as Capital work-in-process for the period of December 31, 2018. You are required to submit detailed reconciliation statements regarding the same;

Our Explanation:

We have attached herewith the supporting documents of the addition of Capital work in Process for the period ended 30th June, 2019 in **Annexure-24** along with the Bank Statements as per your requirement.

28. Your requirement:

In the accounts Tk. 25,50,000/= is shown as Directors Remuneration for the year ended June 30, 2018 which was Tk. 4,44,000/= in 2017. Explain the reason for the abnormal increase of Directors Remuneration;

Our Explanation:

During the year ended on June 30, 2017 there were 2 directors and only Ms. Ismat Jahan, the Managing Director of the Company was taking remuneration Tk. 37,000.00 per month (in total Tk. 444,000 per year) during the year ended on June 30, 2017. During the year ended on June 30, 2018 there were 3 additional directors who were also taking remuneration. That is why the remuneration of directors was higher in the period ended on June 30, 2018 than 2017. The year-wise break-up of the director's remuneration is given below:

Name of directors	June 30, 2018	June 30, 2017	Remarks
Md. Nizam Uddin Chowdhury	960,000/-	-	80,000/- per month from July, 2017
Ismat Jahan	840,000/-	444,000/-	70,000/- per month from July, 2017 which was 37,000/- up to June, 2016
Fahim Chowdhury	390,000/-	-	65,000/- per month from January, 2018
Azmaine Mahtab Chowdhury	360,000/-	-	60,000/- per month from January, 2018
Ahmed Shaheen Alrazi	-	-	Retried on 10 th June 2019
Advocate Nasima Akter Chowdhury	-	-	Appointed on 10 th June 2019
Total	2,550,000/-	444,000/-	

The above remuneration was approved in the Board of Directors Meeting on 12 December, 2017 and in the AGM held on 31 December, 2017. The four directors are fully involved in the day to day operation of the company as follows:

Name of directors	Designation	Departments/ Responsibilities
Md. Nizam Uddin Chowdhury	Chairman	To look after the whole activities of the company and members of the company
Ismat Jahan	Managing Director	To look after the day to day operation of the company
Fahim Chowdhury	Director	To look after the Internal Audit & Procurements of the company
Azmaine Mahtab Chowdhury	Director	To look after the HR & Admin of the company
Ahmed Shaheen Alrazi	Independent Director	Retried on 10 th June 2019
Advocate Nasima Akter Chowdhury	Independent Director	Appointed on 10 th June 2019

The above remuneration was also approved by Clause number 109 of the Articles of Association of the Company. We have attached herewith Extract of Board of Directors' Meeting, Articles of Association of the Company and copy of the Annual General Meeting (AGM) in **Annexure-25** as per your requirement.

29. Your requirement:

Revenue of the company has not increased in line with the amount deployed for the purchase of Plant & Machinery over the years. Explain;

Our Responses:

The management of the Company has invested its capital in procuring of capital machineries for production capacity enhancement, modification, development as well as has invested in its ancillary capital equipment's. The investment of capital machineries was made for both production capacity enhancements partly, partly for the continuation of the existing capacity and for ensuring smooth handling of production. To ensure the smooth operation of the production, the management of the company has to invest a major part of the capital machineries in ancillary equipment (like gas cylinder and spare parts also). The break-up of investment in Capital Machineries Tk. 738,500,455/- is given as follows:

Particulars	Amounts in Taka
Capital machineries related to the smooth operation of the production capacity	390,434,321/-
Capital machineries directly related with enhancement of production capacity	348,066,134/-
Total	738,500,455/-

Therefore, the management of the company emphasized both on the enhancement of production capacity and running of smooth operation through investing in capital machinery and thereby, Production capacity may not increase accordingly with the increase of investment in Capital Machinery. We are showing below year-wise investment in Plant & Machineries and enhancement of production capacity with its actual utilization of Capital Machinery through Table-2:

Table- 2 Plant & Machineries with production capacity:

Accounting year	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019 Half-year
Installed Capacity Qty (yearly)	5,413,600	5,997,200	6,868,900	8,226,600	8,625,000	4,954,950
Utilized Capacity Qty	4,121,150	4,623,091	5,374,736	6,450,500	7,398,037	4,404,993
Annualized Capacity	5,413,600	5,997,200	6,868,900	8,226,600	8,625,000	9,909,900
Utilized Capacity Qty (yearly)	4,121,150	4,623,091	5,374,736	6,450,500	7,398,037	8,809,986

Accounting year	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019 Half-year
Utilized Capacity %	76.13%	77.09%	78.25%	78.41%	85.77%	88.90%
Increase of Capacity in Qty	-	583,600	871,700	1,357,700	398,400	1,284,900
Addition of Plant & Machineries	43,808,292	93,883,089	103,672,137	90,705,646	213,208,478	193,222,812
(a) Capital machineries related with smooth operation of the production capacity	34,677,342	47,163,287	39,472,000	51,331,907	87,843,670	129,946,115
(b) Capital machineries directly related with enhancement of production capacity	9,130,950	46,719,802	64,200,137	39,373,739	125,364,809	63,276,697

The gas cylinder and spare parts have lifetime 8 to 10 years approximately and these need to keep 3 to 4 times in production line against each product for smooth operation. That is why it needs huge investment in ancillary capital machineries.

30. Your requirement:

In the certificate of Auditor, it is mentioned that no VAT amount is paid to NBR. Explain your position regarding the same;

Our Explanation:

We have attached herewith an Auditors Certificate regarding payment of VAT & Taxes in **Annexure-26** as per your requirement.

31. Your requirement:

Declaration from the Issue Manager that they are no way connected with the AOL except as an Issue Manager is required;

Our Explanation:

We have attached herewith Declaration of the Issue Manager that they are no way connected with the AOL except Issue Manager of the Company in **Annexure-27** as per your requirement.

32. Your requirement:

The company is required to submit Auditor's Certificate regarding Ratios of Annexure-D of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015.

Our Explanation:

We have attached herewith an Auditors Certificate regarding Ratio Analysis of Annexure-D is attached in **Annexure-28** as per your requirement.

33. Your requirement:

Detailed visit report by issue manger is required to be revised;

Our Explanation:

We have attached herewith the Physical Visit Report by Issue Manager in **Annexure-29** as per your requirement.

34. Your requirement:

RISC certified Schedule X for the year 2017 & 2018 are required;

Our Explanation:

We have attached herewith RJSC Certified Schedule X for the year 2017 & 2018 in **Annexure-30** as per your requirement.

35. Your requirement:

Banker's certificate to whom payment orders had issued from 02.04.2018 to 30.12.2018 by NRB Commercial Bank Ltd, 0 R Nizam Road Branch, Chittagong is required;

Our Explanation:

We have attached herewith Banker's Certificate in regards to payment orders which has issued from 02.04.2018 to 30.12.2018 by NRB Commercial Bank Ltd, 0 R Nizam Road Branch, Chittagong in **Annexure-31** as per your requirement.

36. Your requirement:

In Note 7.00 "Trade & Other Receivables" Tk. 28,30,70,829 is shown as Realized during the year. You are required to submit party-wise detailed along with Bank Statement regarding the same.

Our Explanation:

We have attached herewith day-wise/party-wise Receivables for the year ended 30th June 2018 in **Annexure-32(a)** and along with supported Bank Statements in **Annexure-32(b)** as per your requirement.

37. Your requirement:

In line with the above Tk. 75,350,607 is shown as "Trade & Other Receivables" which was Tk. 47,000,578 in the year 2017. Explain the reason for the abnormal increase.

Our Explanation:

The sales revenue was higher in 2018 Tk. 311,420,858/= than in 2017 Tk. 268,929,929/=. This is the main reason to increase receivable. The second reason to increase the receivable is to increase credit sales by increasing the credit limit of the existing customers. It is to inform you that the existing customers are very old and in regular to do the business with the Company. The receivables were subsequently realized and in regular.

Deficiencies in the Draft Prospectus:

1. Your Query:

The company is required to furnish information as per rule of Rule B(2)(iv) of Annexure-E of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 in the prospectus;

Our Explanation:

We have updated our Draft Prospectus page no: 03 to comply with the rule of Rule B(2)(iv) of Annexure-E of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 as per your requirements.

2. Your Query:

The company is required to furnish information of Rule B(2)(c) of Annexure E of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 in the prospectus;

Our Explanation:

We have updated our Draft Prospectus pages no: 7-14 to comply with the rule of Rule B(2)(c) of Annexure-E of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 as per your requirements.

3. Your Query:

Up to date information are not prepared as per rules (B) (2) (d) (a. c. e & f) of Annexure E of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 in the prospectus:

Our Explanation:

We have updated our Draft Prospectus pages no: 16-18 to comply with the rule of Rule (B) (2) (d) (a. c. e & f) of Annexure E of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 as per your requirements.

4. Your Query:

Under Description of Issuer of rules (B) (5) (b) (iii) of Annexure E of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 in the prospectus. Telephone no. Fax No & e-mail numbers of Directors are found the same. Explain;

Our Explanation:

We have updated our Draft Prospectus page no: 34 to comply with the rule of Rule (B) (5) (b) (iii) of Annexure E of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 as per your requirements.

5. Your Query:

Under Description of Issuer of rules (B) (5) (b) (iv) of Annexure E of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 in the prospectus. Telephone no, Fax No & e-mail numbers of CFO, Company Secretary & Advisor are found the same. Explain;

Our Explanation:

We have updated our Draft Prospectus page no: 34 to comply with the rule of Rule (B) (5) (b) (iv) of Annexure E of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 as per your requirements.

6. Your Query:

Information is not prepared as per rules (B) (5) (b) (vi) of Annexure E of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 in the prospectus.

Our Explanation:

We have updated our Draft Prospectus page no: 35 to comply with the rule of Rule (B) (5) (b) (iv) of Annexure E of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 as per your requirements.

7. Your Query:

You have not furnished information as per Rules 5(B)(5)(d)(iii, iv, v, ix & (4) of Annexure E of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 in the prospectus under Description of Business;

Our Explanation:

We have updated our Draft Prospectus pages no: 39-40 & 42 to comply with the rule of Rule 5(B)(5)(d)(iii, iv, v, ix & (4) of Annexure E of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 as per your requirements.

8. Your Query:

Of 281 employees, only 18 are permanents and remaining 263 employees are a daily basis worker which is risky for daily operation. Explain:

Our Explanation:

The company is mostly a capital-intensive industry. It needs a minimum of workers to run the factory. The majority of the workers were employed on contractual basis for production filling, loading, unloading, transportation, servicing etc. The factory is running 24 hours a day in 3 shifts on 8 hours basis per shift in 354 days in a year. That is why the permanent employees of the company are less than non-permanent employees. However, the numbers of permanent employees are also increasing day by day.

9. Your Query:

You are required to furnish information following the Rules 5 B 5 (e) (i) & (xv) of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 under Description of Property in the prospectus;

Our Explanation:

We have updated our Draft Prospectus pages no: 45 & 58 to comply with the rule of Rule 5 B 5 (e) (i) & (xv) of Annexure E of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 as per your requirements.

10. Your Query:

Cash Flows from Investing Activities for the year 2018 in not matched with the Audited Financial Statements of the same year. Explain;

Our Explanation:

We are sorry for the inadvertent mistake. We have updated our draft prospectus page no: 59 in regards of Statement of Cash Flows as per your requirements.

11. Your Query:

In the Personnel Related Scheme, it is observed that you have not taken any insurance policy for the employees. Explain;

Our Explanation:

AOL management has created Group Insurance as on 25.08.2019 to comply with the above requirements. We have attached herewith Necessary Supported documents regarding Group Insurance in **Annexure-33** for your kind consideration.

12. Your Query:

You have not included information as per Rules 5 B 5 (m); u(6); y(2); (cc) & (dd) of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 in the prospectus;

Our Explanation:

We have updated our Draft Prospectus pages no: 62 & 65-70 to comply with the rule of Rule Rules 5 B 5 (m); u(6); y(2); (cc) & (dd) of Annexure E of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 as per your requirements.

13. Your Query:

You have not included information as per Rules 5 B (6)(b) under Management Discussion of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 in the prospectus;

Our Explanation:

We have updated our Draft Prospectus page no: 72 to comply with the rule of Rule 5 B (6)(b) of Annexure E of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 as per your requirements.

14. Your Query:

You have appointed. Advocate Nasima Akter Chowdhury replacing Mr. Ahmed Shaheen vice Principal, Ispahani Public School & College as the Independent Director of the company. But you have not up to date it in the prospectus;

Our Explanation:

We have updated our Draft Prospectus regarding the appointment of new Independent Director as per your requirements.

15. Your Query:

You have not included information as per Rules B(7)(b),(e), (g), (i), (j), (m) & (q) under Directors & Officers of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 in the prospectus;

Our Explanation:

We have updated our Draft Prospectus pages no: 76-80 to comply with the rule of Rule B(7)(b),(e),(g), (i),(j),(m) &(q) of Annexure E of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 as per your requirements.

16. Your Query:

You have not included information as per Rules B(8)(a) of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 in the prospectus.

Our Explanation:

We have updated our Draft Prospectus page no: 82 to comply with the rule of Rule (B) (8) (a) of Annexure E of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 as per your requirements.

17. Your Query:

You have not included information as per Rules B(9)(a,b,c) under Executive Compensation of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 in the prospectus;

Our Explanation:

We have updated our Draft Prospectus page no: 84 to comply with the rule of Rule (B) (9) (a,b,c) of Annexure E of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 as per your requirements.

18. Your Query:

You have not included information as per Rules B(18) (a & b) of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 in the prospectus.

Our Explanation:

We have updated our Draft Prospectus page no: 121 to comply with the rule of Rule (B) (18) (a &b) of Annexure E of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 as per your requirements.

19. Your Query:

You have to revise information as per Rules B(19)(d)(i)(w&cc) under Risk factors of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015.

Our Explanation:

We have updated our Draft Prospectus pages no: 126-127 to comply with the rule of Rule B(19)(d)(i)(w&cc)of Annexure E of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 as per your requirements.

20. Your Query:

You have not included information as per Rules B(20)(e) under Description of the issue of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015.

Our Explanation:

We have updated our Draft Prospectus page no: 131 to comply with the rule of Rule B(20)(e) of Annexure E of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 as per your requirements.

21. Your Query:

You have not included information as per Rules B(21) (a, b, c, e, h, I & k) under use of proceeds of the Securities and Exchange Commission (Public Issue) Rules 2015;

Our Explanation:

We have updated our Draft Prospectus pages no: 135-145 to comply with the rule of Rule B(21) (a, b, c, e, h, i & k) of Annexure E of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 as per your requirements.

22. Your Query:

As per registered land deed the land was bought in 2001 but in the utilization of paid-up capital it has shown from 2008 to 2018. Explain;

Our Explanation:

AOL is continuing its operation with one unit up to 2007 from its start of Commercial process. Due to increasing demand for Oxygen Gas in local market AOL management has decided to increase its production capacity and started to increase paid-up capital in line of Increase of Capacity enhancement through Share money Deposit. For this reason,

utilization of Land was increased from 2008 due to capacity build-up & factory enhancement as well as other storage facilities. At present all land owned by AOL is fully developed & ready to enhance as per IPO proceeds utilization proposal.

23. Your Query:

You have not included information as per Rules B (25)(c) & (g) of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 in the prospectus;

Our Explanation:

We have updated our Draft Prospectus pages no: 176-183 & 187-188 to comply with the rule of Rule B (25)(c) & (g) of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 as per your requirements.

24. Your Query:

Auditors certificate regarding Inventories is not prepared as per rule B(25)(k)(iv) of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015;

Our Explanation:

We have updated our Draft Prospectus page no: 189 to comply with the rule of Rules B(25)(k)(iv) of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 as per your requirements.

25. Your Query:

Auditors certificate regarding Trade Receivables is not prepared as per rule B(25)(k)(v) of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015;

Our Explanation:

We have updated our Draft Prospectus page no: 190 to comply with the rule of Rules B(25)(k)(v) of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 as per your requirements.

26. Your Query:

Auditors certificate regarding Other Income is not prepared as per rule B(25)(k)(vii) of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015;

Our Explanation:

We have updated our Draft Prospectus page no: 191 to comply with the rule of Rules B(25)(k)(vii) of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 as per your requirements.

27. Your Query:

Auditors certificate regarding Related Party & Related Transaction is not prepared as per rule B(25) (k)(ix) of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015;

Our Explanation:

We have updated our Draft Prospectus page no: 191 to comply with the rule of Rules B(25)(k)(ix) of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 as per your requirements.

28. Your Query:

You have not included information as per Rules B (26) under Credit Rating of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015;

Our Explanation:

We have updated our Draft Prospectus page no: 193 to comply with the rule of Rules B (26) under Credit Rating of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 as per your requirements.

29. You have to furnish visit report as per requirement of rule of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 in the prospectus;

Our Explanation:

We have updated our Draft Prospectus page no: 54 to comply with the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015 as per your requirements.

Auditors Additional Disclosure as per Requirement of BSEC

1. Your Query:

As per the Cash Flow Statements for the year ended June 30, 2018 an amount of Tk. 8,77,62,265 is shown as Cash Paid to Suppliers whereas Tk. 29,86,78,536 has been shown as addition of Assets during the year which is contradictory. Explain. You are required to submit lists and statements of suppliers along with bank statement and reconciliation regarding the same;

Our Explanation:

Cash paid to suppliers includes the payment to Suppliers Tk. 28,319,408/- & Factory Overheads Tk. 59,442,857/- in total Tk. 87,762,265/-. It is a part of the Operating Activities. On the other hand, acquisition of Property Plant & Equipment is a part of Investing Activities and is excluded from Cash Paid to Suppliers & Others. The company has fully paid the expenses against acquisition of Plant & Machineries Tk. 29,86,78,536/= during the year ended on 30th June 2018 which is shown in Investing Activities separately in Cash Flow Statements. There is no contradiction between the payment to suppliers & others and payment against the acquisition of property, plant and equipment. The reconciliation of the payment to suppliers and others is given below:

A. Statement of Payment to Suppliers

Particulars	Opening Liability	Consumable Store Purchased	Payment During the year	Closing Balance
Al Hatim Trading Centre	-	1,854,239	1,280,447	573,792
Bhai Bhai Traders	1,258,745	2,251,553	2,493,163	1,017,135
Desh Power	6,985,745	1,746,747	5,086,571	3,645,921
Eicher Motors	52,642	1,827,366	1,880,008	-
Khan Eng Works	2,654,125	1,792,431	2,701,875	1,744,681
Khan Ajmiri Filter Co	-	1,572,072	991,723	580,349
M.Ahmed & Sons	56,987	1,445,769	1,502,756	-
Marin commercial corporation	-	1,410,834	1,350,170	60,664
Mask Power	56,889	412,405	218,277	251,017
M.R.Electro Mechanical Company	23,568	42,157	65,725	-
Nazmul H.Servicing	-	940,556	228,011	712,545
Power Man	23,956	1,117,918	1,117,414	24,460
Progressive Eng. Corporation	5,687	1,921,422	1,757,086	170,023
Mas ship recycling industries	98,565	983,553	978,983	103,135
Mehreen ship recycling industries	56,895	908,308	965,203	-
7B Associates & Brothers	-	1,150,166	771,250	378,916
Al Safa	3,749,738	1,601,633	3,846,543	1,504,828
Tulip Steel Co.	-	3,893,902	1,084,203	2,809,699
Payment to Suppliers Total (A)	15,023,542	26,873,031	28,319,408	13,577,165

B. Statement of Payment for Others (Factory Overhead)

Particulars	Payment during the year
Workers Entertainment	1,526,183
Medical Aid	992,687
Repair & Maintenance	8,754,455
Oil & Lubricants	17,173,536
Carriage Inward	11,684,200
Gas charges	19,311,794
Payment to Others Total (B)	59,442,856
Grand Total (Total Payment to Suppliers & Others) (A+B)	87,762,265

A. List of Payment to the Supplier

Sl	Date	Cheque No	Amount	Party Name
1	26 Jul 17	6171637	850,000	Al Hatim Trading Centre
2	17 Aug 17	6171651	1,211,431	Bhai Bhai Traders
3	20 Aug 17	6171653	865,000	Mehreen ship recycling industries
4	19 Sep 17	6171670	160,000	Khan Ajmiri Filter Co
5	16 Oct 17	6171695	2,103,000	Desh Power
6	26 Nov 17	1479516	735,200	7B Associates & Brothers
7	19 Dec 17	1479530	1,256,000	Progressive Eng. Corporation
8	28 Dec 17	1479540	1,880,008	Eicher Motors
9	08 Jan 18	1479544	1,441,000	M.Ahmed & Sons

Sl	Date	Cheque No	Amount	Party Name
10	08 Jan 18	1479545	2,701,875	Khan Eng Works
11	17 Jan 18	1479550	2,051,000	Al Safa
12	11 Feb 18	1479575	1,259,000	Marin commercial corporation
13	25 Mar 18	1479595	218,277	Mask Power
14	10 Apr 18	2471314	1,084,203	Tulip Steel Co.
15	06 May 18	2471327	430,447	Al Hatim Trading Centre
16	06 May 18	2471331	1,281,732	Bhai Bhai Traders
17	06 May 18	2471333	2,983,571	Desh Power
18	06 May 18	2471336	831,723	Khan Ajmiri Filter Co
19	06 May 18	2471334	61,756	M.Ahmed & Sons
20	10 May 18	2471335	1,117,414	Power Man
21	20 May 18	2471343	228,011	Nazmul H.Servicing
22	19 Jun 18	2471374	65,725	M.R.Electro Mechanical Company
23	24 Jun 18	2471377	91,170	Marin commercial corporation
24	24 Jun 18	2471378	501,086	Progressive Eng. Corporation
25	24 Jun 18	2471379	100,203	Mehreen ship recycling industries
26	24 Jun 18	2471381	36,050	7B Associates & Brothers
27	24 Jun 18	2471382	1,795,543	Al Safa
28	26 Jun 18	2471387	978,983	Mas ship recycling industries
Sub Total (A)			28,319,408	

B. List of Payment for Factory Overhead Expenses

Sl	Date	Cheque No	Amount	Expenses Head
1	21 Sep 17	6171673	1,480,000	Carriage Inward
2	18 Jan 18	1479554	1,850,000	Carriage Inward
3	24 Jan 18	1479558	1,718,553	Carriage Inward
4	19 Feb 18	1479577	1,860,000	Carriage Inward
5	01 Apr 18	2471303	1,800,000	Carriage Inward
6	06 May 18	2471325	700,000	Carriage Inward
7	13 May 18	2471340	880,000	Carriage Inward
8	10 Jun 18	2471360	1,395,647	Carriage Inward
Sub Total B(i)			11,684,200	
1	21 Sep 17	6171674	3,013,866	Gas charges
2	21 Jan 18	1479556	3,450,000	Gas charges
3	31 Jan 18	1479573	3,115,164	Gas charges
4	18 Mar 18	1479593	3,214,766	Gas charges
5	08 Apr 18	2471312	3,617,664	Gas charges
6	17 May 18	2471341	3,034,346	Gas charges
7	17 Jun 18	2471364	1,043,217	Gas charges
Sub Total B(ii)			20,489,023	
1	02 Aug 17	6171644	17,830	Medical Aid
2	09 Aug 17	6171649	100,000	Medical Aid
3	07 Sep 17	6171666	72,330	Medical Aid
4	28 Sep 17	6171678	50,000	Medical Aid
5	16 Oct 17	6171694	53,182	Medical Aid
6	02 Nov 17	1479504	75,000	Medical Aid
7	14 Nov 17	1479511	70,143	Medical Aid
8	16 Nov 17	1479513	75,000	Medical Aid
9	07 Dec 17	1479525	61,000	Medical Aid
10	27 Dec 17	1479539	60,000	Medical Aid
11	17 Jan 18	1479548	150,000	Medical Aid
12	20 Feb 18	1479580	118,202	Medical Aid
13	10 May 18	2471337	90,000	Medical Aid
Sub Total B(iii)			992,687	
1	20 Sep 17	6171671	4,800,000	Oil & Lubricants
2	16 Oct 17	6171696	4,800,000	Oil & Lubricants
3	16 Jan 18	1479547	2,113,243	Oil & Lubricants
4	11 Mar 18	1479591	2,560,293	Oil & Lubricants
5	18 Mar 18	1479592	2,900,000	Oil & Lubricants
Sub Total B(iv)			17,173,536	
1	10 Aug 17	6171650	800,000	Repair & Maintenance

Sl	Date	Cheque No	Amount	Expenses Head
2	19 Sep 17	6171669	1,223,818	Repair & Maintenance
3	15 Oct 17	6171690	700,000	Repair & Maintenance
4	03 Jan 18	1479543	746,550	Repair & Maintenance
5	31 Jan 18	1479571	870,000	Repair & Maintenance
6	11 Mar 18	1479559	800,000	Repair & Maintenance
7	24 Apr 18	2471319	1,550,000	Repair & Maintenance
8	10 Jun 18	2471357	2,064,087	Repair & Maintenance
Sub Total B(v)			8,754,455	
1	12 Jul 17	6171631	123,000	Workers Entertainment
2	16 Jul 17	6171633	224,000	Workers Entertainment
3	07 Aug 17	6171646	270,000	Workers Entertainment
4	11 Sep 17	6171667	159,000	Workers Entertainment
5	15 Oct 17	6171691	50,000	Workers Entertainment
6	28 Nov 17	1479522	132,000	Workers Entertainment
7	21 Dec 17	1479531	130,000	Workers Entertainment
8	11 Feb 18	1479574	41,464	Workers Entertainment
9	28 Feb 18	1479584	80,000	Workers Entertainment
10	02 Apr 18	2471306	55,000	Workers Entertainment
11	08 Apr 18	2471310	56,261	Workers Entertainment
12	20 May 18	2471345	80,000	Workers Entertainment
13	17 Jun 18	2471363	51,658	Workers Entertainment
14	19 Jun 18	2471372	73,800	Workers Entertainment
Sub Total B(vi)			1,526,183	The difference is arising due to adjustment of Liabilities regarding Gas Charge. Which was adjusted with Operating activities
Sub Total B (i-vi)			60,620,084	
Grand Total (A+B)			88,939,492	
Difference with Cash flows			1,177,227	

The Bank Statements regarding payments to suppliers & others as supplied by the Issuer is attached in **Annexure-A**.

2. Your Query:

As per the Audited Financial Statements for the year ended June 30, 2018 in Note 5.00 under Capital Work in Progress an amount of Tk. 3,30,01,417 is shown as Property & Machinery during the year where as in Asset Schedule an amount of Tk. 21,32,08,478 is shown as Addition of Property & Machinery which is again contradictory. Explain;

Our Explanation:

Fixed assets were included in CWIP when the management of the company needed pre-operational activities to run the capital machinery (like. Erection and electrical work with necessary installation work before running the capital machinery into operation/ available for use). Therefore, **Tk. 3,20,01,417/=** was included to CWIP. The break-up of the new CWIP is given below:

Particulars	Amounts in Taka
Oxygen Cylinder	9,629,692
Air Booster Compressor with Parts	18,315,164
Compressor Air Filter with Accessories	4,056,561
Total (Addition of CWIP) 2017-2018	32,001,417

On the other hand, when management has available space and necessary installation works for running certain capital machineries, or it has already completed necessary installation work during the period against new capital machinery or it has included certain machinery which does not need any erection or installation works for running the capital machinery into operation those machinery are included directly to Fixed Assets schedule. The break-up of the new capital machinery for Tk. 21,32,08,478 /- is given below:

Particulars	Amounts in Taka
Air Booster Compressor with Spare Parts	19,109,700
Air Separation Plant with spare parts	85,769,895
Cylinder Pressure Test Machine	22,107,200
Gas Cylinder	42,660,431
Oxygen Cylinder Rack with Mountain Bracket	4,920,000
Air Filter, Ring, Valve, Bearing, Seal Ring, Salve Kit. Heat Element, Thermostat, Plate, Let Box & Others	18,585,000
Oxygen Plant with Accessories	20,056,252
Total Plant & Machineries Addition in 2018	213,208,478

3. Your Query:

Details of capital work-in-progress incurred as shown in note 5.00 of the financial statements for the period ended 30th June, 2019 and subsequent status thereon;

Our Explanation:

A statement of Addition of CWIP for the period ended on 30th June, 2019 and their present status are given below:

SL	Particulars	Amounts	Status
1	BMRE Machinery	56,001,380	The CWIP has transferred to Fixed Assets during the period ended on March 31, 2019. The machinery is running satisfactorily in the production process.
2	Factory Building & Other Construction	59,900,690	
3	Gas line Installation	27,000,230	
4	Generator	25,000,115	
5	Gas Cylinder	33,000,000	
		200,902,415	

4. Your Query:

Trade Receivables shown in the accounts for the year 2015 is not matched with the Auditors certificate. Explain the reason regarding the same;

Our Explanation:

We certify regarding Accounts Receivable of Associated Oxygen Limited for the last five years & six months Period from 1st July, 2013 to 30th June, 2019 as follows:

Particulars	Amount in BDT					
	31 Dec, 2018	30 June 2018	30 June 2017	30 June 2016	30 June 2015	30 June 2014
General Party	95,085,582	75,350,607	47,000,578	43,683,937	39,426,787	28,585,608
From Related Party		-	-	-	-	-
From Connected person		-	-	-	-	-
Total	95,085,582	75,350,607	47,000,578	43,683,937	39,426,787	28,585,608

5. Your Query:

You have shown entire amount of Other Income in the accounts from the year 2014 to 2017. But in 2018 you have shown deduction amount. Explain;

Our Explanation:

We certify regarding Other Income of Associated Oxygen Limited for the last five years & Six Months Period from 1st July, 2013 to 30th June, 2019 as follows:

Particulars	Amount in BDT					
	31 Dec 2018	30 June 2018	30 June 2017	30 June 2016	30 June 2015	30 June 2014
Interest Income	-	-	-	-	42,446	5,609
Gain (Loss) from Sale of Assets	(33,580)	(23,850)	-	-	-	-
Misc. Income	62,241	63,738	48,358	38,254	24,441	38,248
Total	28,661	39,888	48,358	38,254	66,887	43,857

6. Your Query:

Board Meeting Fees shown in the accounts for the year 2018 are not matched with the certificate. Explain;

Our Explanation:

We certify regarding Related Party Transactions of Associated Oxygen Limited for the last five years & Six Months Period from 1st July, 2013 to 30th June, 2019 as follows:

A. Directors Remuneration

Name	Position	Amount in (BDT)					
		31.12.18 (Half year)	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Md. Nizam Uddin Chowdhury	Chairman	480,000	960,000	-	-	-	-
Mrs. Ismat Jahan	Managing Director	420,000	840,000	444,000	444,000	444,000	444,000
Mr. Fahim Chowdhury	Director	390,000	390,000	-	-	-	-
Mr. Azmine Mahatab Chowdhury	Director	360,000	360,000	-	-	-	-
Ahmed Saheen Alrazi	Independent Director	-	-	-	-	-	-
Sub Total (A)		1,650,000	2,550,000	444,000	444,000	444,000	444,000

B. Board Meeting Fees

Name	Position	Amount in (BDT)					
		31.12.18 (Half year)	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Md. Nizam Uddin Chowdhury	Chairman	12,500	20,000	20,000	20,000	16,000	14,000
Mrs. Ismat Jahan	Managing Director	10,000	20,000	20,000	20,000	16,000	14,000
Mr. Fahim Chowdhury	Director	10,000	10,000				
Mr. Azmine Mahatab Chowdhury	Director	5,000	10,000				
Ahmed Saheen Alrazi	Independent Director	12,500	10,000				
Sub Total (A)		50,000	70,000	40,000	40,000	32,000	28,000

7. Your Query:

In Note 4.00 “Property, Plant & Equipment” Tk. 5,55,23,503/= is shown as Sale of Scrap of Oxygen Bottle which has not been reflected in the Cash Flow Statements for the year ended June 30, 2018;

Our Explanation:

The Cash flow statement was shown Tk. 21,762,158/- of sales proceeds which was realized from sales of Oxygen Cylinder. It was shown under Investing Activities on Statement of Cash Flows for the year ended 30th June 2018.

8. Your Query:

Provide detail list of vehicle as shown in Annexure-A of the accounts for the year ended June 30, 2018;

Our Explanation:

We certify that, the Company has the following Vehicles in its operation as on 30th June 2018:

SL	Particulars	Registration No	Remarks
1.	Open Truck	TA-11-1981	Running Satisfactorily
2.	Open Truck	TA-11-2538	
3.	Open Truck	TA-11-2774	
4.	Open Truck	TA-11-2773	
5.	Open Truck	TA-11-2540	
6.	Covered Van	TA-11-2537	
7.	Covered Van	TA-11-2541	
8.	Covered Van	TA-11-2711	
9.	Covered Van	TA-11-2715	

9. Your Query:

Please mention whether you have physically verified the Inventories, Property, Plant & Equipment's as mentioned in the accounts or not;

Our Explanation:

We certify that, we have physically verified the Inventory & Property, Plant & Equipment's of Associated Oxygen Limited for the Period ended 30th June, 2019 which we have found physically in existence and recorded in the books of accounts of the company and matched with the audited Financial Statements for the period ended 30th June, 2019.

10. Your Query:

Break-up of cash payment to others in the Cash Flows Statement is to be provided;

Our Explanation:

This is to certify that the Payment of Cash paid to Suppliers & others comprises with the payment of Raw Materials & Factory Overhead expenses. The break-up of cash payment to Suppliers & others is given below for the year ended 30th June 2018:

Particulars	Amounts in Taka	
	Details	Amount
A. Paid to Suppliers		28,319,408
Al Hatim Trading Centre	1,280,447	
Bhai Bhai Traders	2,493,163	
Desh Power	5,086,571	
Eicher Motors	1,880,008	

Particulars	Amounts in Taka	
	Details	Amount
Khan Eng Works	2,701,875	
Khan Ajmiri Filter Co	991,723	
M. Ahmed & Sons	1,502,756	
Marin commercial corporation	1,350,170	
Mask Power	218,277	
M.R.Electro Mechanical Company	65,725	
Nazmul H.Servicing	228,011	
Power Man	1,117,414	
Progressive Eng. Corporation	1,757,086	
Mas ship recycling industries	978,983	
Mehreen ship recycling industries	965,203	
7B Associates & Brothers	771,250	
Al Safa	3,846,543	
Tulip Steel Co.	1,084,203	
B. Paid for Factory Overhead Expenses (Others)		59,442,857
Workers Entertainment	1,526,183	
Medical Aid	992,687	
Repair & Maintenance	8,754,455	
Oil & Lubricants	17,173,536	
Carriage Inward	11,684,200	
Gas charges	19,311,794	
Total Paid to Suppliers & Others (A+B)		87,762,264

Management additional disclosure regarding observation of DSE to BSEC

DSE Observation 1.

Non-compliance of clause 3(c) under rule 3 in connection with it offers at least an amount equivalent to 10% (ten percent) of its paid-up capital or Tk. 30 (thirty) crore at par value, whichever is higher: Provided that post-IPO paid-up capital shall not be less than Tk. 50 (fifty) crore.

It is observed from the draft prospectus that the company offered only Tk. 15.00 crore to raise fund from public issue instead of minimum offering of Tk. 30.00 crore. You are requested to clarify the same.

Our Explanation to DSE:

We have applied for IPO on 03rd April 2019 for Tk. 150,000,000/- as per Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 Notification No: BSEC/CMRRCD/2003-109/182/Admin/65, dated: 28 December 2015 of clause 2(c) under rule 3 in offers an amount of at least equivalent to 10% of its paid-up capital (including intended offer) or **Tk. 15 (Fifteen) Crore** at par value, whichever is higher. As we have applied before the publication of the amended Public Issue Rules 2015 the latest rules are not applicable for us.

Again, as per press release of BSEC dated 30 April 2019, close no. 02, “all application which has submitted before 29 April 2019, will consider under previous Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015” (i.e. Before the amendment of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 in 2019).

DSE Recommendation to BSEC:

Not Satisfactory, as clause 3(c) under rule no 3 of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 is applicable for Issuer.

Our Explanation to BSEC:

We have applied for IPO on 03rd April 2019 for Tk. 150,000,000/- as per Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 Notification No: BSEC/CMRRCD/2003-109/182/ Admin/65, dated: 28 December 2015 of clause 2(c) under rule 3 in offers an amount of at least equivalent to 10% of its paid-up capital (including intended offer) or **Tk. 15 (Fifteen) Crore** at par value, whichever is higher. As we have applied before the publication of the amended Public Issue Rules 2015 the latest rules are not applicable for us. Again, as per press release of BSEC vide reference no. বিএসইসি/মুখপাত্র (৩য় খণ্ড)/2011/88, dated 30 April 2019, close no. 02, “*all application which has submitted before 29 April 2019, will consider under previous Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015*” (i.e. Before the amendment of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 in 2019).

DSE Observation 2.

Regarding cash on hand and cash at the bank:

As per note no. 9.00 to the Financial Statements, the issuer has Cash on Hand Tk. 896,002/- and Cash at Bank Tk. 34,918/- as on 30 June 2019.

It is observed that the issuer has very little amount cash on hand and cash at the bank during the current year ended on 30 June 2019. This is the same scenario for the last five years. It indicates that the issuer has little or no capacity to meet up any future emergencies such as dividend payment to its shareholders, capital machinery purchase or any other foreseeable obligations.

You are requested to clarify its position for having such little amount of cash and cash equivalents. You are also requested to provide detailed disclosures along with necessary documents whether they have any policies/ measures in case of any future emergencies/obligation.

Our Explanation to DSE:

Cash & Cash Equivalents are necessary for immediate payments. There are Current Liabilities, which are payable over the year & current receivable or current inventory, which will be adjusted during the year as per the needs of the Company. The Current Liabilities are perfectly matched with Current Assets. The Company needs further capital machinery for which it has applied for Initial Public Offering (IPO). Since the Company has sufficient Retained Earnings it is not a problem for the Company to declare and payment of dividend.

DSE Recommendation to BSEC:

The reply of the company is **NOT SATISFACTORY** as the company has cash on hand Tk. 896,002 and cash at bank Tk. 34,918 as on 30 June 2019, which cannot be considered, anyhow, a suitable condition of the company to meet up its future obligation.

Our Further Reply:

The company has no outstanding liabilities to be paid off remain outstanding for shortage of immediate cash. However, the management of the company is aware of its minimum cash balance and will try to keep a suitable condition of cash and bank balances in future to pay its immediate liabilities.

DSE Observation 3.

History of Paid-up Capital:

Particulars	Shares	Amount in Taka	Aggregated	Remarks
27-06-90	45,000	450,000	450,000	MoA
05-04-08	75,000	750,000	1,200,000	
20-12-17	2,734,846	27,348,460	28,548,460	
31-12-17	5,709,692	57,096,920	85,645,380	Bonus
15-03-18	720,000	7,200,000	92,845,380	
17-04-18	710,000	7,100,000	99,945,380	
06-11-18	50,005,462	500,054,620	600,000,000	
06-11-18	20,000,000	200,000,000	800,000,000	
Pre-IPO Paid-up Capital	80,000,000	800,000,000		
Initial Public Offer (IPO)	15,000,000	150,000,000		
Post-IPO Paid-up Capital	95,000,000	950,000,000		

It is observed from the draft prospectus that the company raised capital of Tk. 741,703,080 (Seventy-Four crore Seventeen Lac Three Thousand Eighty) only within 11 months on various dates (from December 20, 2017 to November 6, 2018, cash consideration only). It is mentioned that the pre-IPO paid-up capital of the company is Tk. 800,000,000 among which Pre-IPO Placement portion are amounting to Tk. 51 (fifty-one Crore) except sponsors and Directors portion.

Our Explanation:

Firstly, the company keeps its capital more than 30% of its equity to its sponsors/directors as per BSEC Directive No. SEC/CMRRCD/2009-193/119/ADMIN/34, Dated: 22 November, 2011. So, the above allotment was justified and has follows the Public Issue Rules, 2015.

Secondly, the sponsors and directors have invested share money since 2012 as follows:

Financial Year	Amount Received
2008-2009	68,085,250
2009-2010	41,250,000
2010-2011	400,000
2011-2012	44,075,000
2012-2013	7,744,483
2013-2014	13,312,257
2014-2015	3,208,560
2017-2018	182,970,000
2018-2019	312,545,000
Total SMD Received	743,290,550

As per the Capital Issue Rules 2001, a company needs to apply BSEC for raising paid-up capital if the existing paid-up capital exceeds Tk. 10.00 crore. The paid-up capital of the Company was Tk. 99,945,380/= on 17.04.2018. On 06.11.2018 the Company has further issued capital Tk. 500,054,620/= and Tk. 200,000,000/= respectively vide BSEC approval dated BSEC/CI/CPLC-581/2018/601, Dated: August 27, 2018. Thus, the company didn't raised Capital Tk. 741,703,080/= only within 11 months on various dates, rather it has issued Share against its Share Money Deposited within these period through approval of Capital Raise by the BSEC consent Letter.

DSE Observation 4.

Regarding the absence of functional website of the company:

The company maintains a website in its name. The address of the website is <http://associatedoxygenltd.com>. But It is observed that the website maintaining by the company is not functional and updated, which is non-compliance with the clause no. 44 of Dhaka Stock Exchange (Listing) Regulation, 2015. For an acceptable and legitimate presentation of the website, the issuer needs to provide detailed information about the company in its website, at least as per clause 44 of Dhaka Stock Exchange (Listing) Regulation, 2015.

You are requested to clarify its position for such non-compliance and update the website providing detailed information about the company as per clause 44 of Dhaka Stock Exchange (Listing) Regulations, 2015.

Our Reply to DSE:

The company has made necessary updates in its website as per clause no. 44 of Dhaka Stock Exchange (Listing) Regulation, 2015. The website address of the Company is <http://associatedoxygenltd.com>. The website is fully functional. We are also assuring you that we will improve this website of the Company regularly.

DSE Recommendation to BSEC:

The reply of the company is **NOT SATISFACTORY** as the company has not yet updated the website as per the requirement of clause 44 of the Dhaka Stock Exchange (Listing) Regulations, 2015. For example, among others, annual report, the photograph of the independent Director is not yet updated as per the above-mentioned regulations.

Our Explanation to BSEC:

The company has made necessary updates in its website as per clause no. 44 of Dhaka Stock Exchange (Listing) Regulation, 2015. The website address of the Company is <http://associatedoxygenltd.com>. The website is fully functional. The Annual Report of the Company and photograph of the Independent Director updated duly as per requirement of DSE. We are also assuring you that we will improve this website of the Company regularly.

DSE Observation 5.

Regarding Workers' Profit Participation and Welfare Fund (WPPF):

It is observed in the five years financial summary that the company has kept provision only for the current year. The issuer has not kept provision for WPPF for the year ended on 30 June 2018, 2017, 2016 and 2015, which is non-compliance with the Paragraph Section 234 (1) (a) of Bangladesh Labour Act 2006 (as amended up to 2013).

You are requested to clarify its position for such non-compliance with the Section 234 (1) (a) of Bangladesh Labour Act 2006 (as amended up to 2013) and recognized WPPF for the year ended on 30 June 2018, 2017, 2016 and 2015 as well. You are further requested to provide detailed information along with supporting documents whether a separate bank account has been opened or not and board of trustee has been formed or not.

Our Reply to DSE:

We were recognized Workers' Profit Participation and Welfare Fund (WPPF) Tk. 3,338,532/- for the year ended on 30 June 2019. To ensure full compliance, the Company has formed a Trusty Board on 15.04.2018 as per the condition of the Section 232 Bangladesh Labor Act-2006 (As amendment up to 2013) and has also established WPPF accordingly. The Trust Deed was registered on 01.07.2018. A separate bank account was opened vide account number 011836000000092 in NRB Commercial Bank Ltd, O. R Nizam Road Branch, Chittagong. No retrospective effects in the Financial Statements are needed after incorporating the WPPF. In this relation, we have collected legal advice from Mr. Md. Sazad Hossain, Barrister-at-law on July 08, 2019 which is enclosed herewith in **Annexure-1** for your kind consideration.

In addition to above we are also giving below the Financial effect on Earnings (EPS) and valuation of shares (NAV) if WPPF was recognized since 2014-2015.

A. Summary of impact if WPPF was not considered from 2015 (as presented in Prospectus)

Particulars	Amounts in TK.			
	2017-2018	2016-2017	2015-2016	2014-2015
Audited Net Profit After Tax	107,498,441	85,998,900	68,204,194	59,912,626
Earnings per Share (EPS) without considering WPPF (Basic)	3.26	2.81	2.23	1.96

Particulars	Amounts in TK.			
	2017-2018	2016-2017	2015-2016	2014-2015
Earnings per Share (EPS) without considering WPPF (Diluted)	1.34	1.07	0.85	0.75
Net Asset Value (NAV) without considering WPPF	58.07	3,593.81	2,877.15	2,308.78

B. Summary of impact if WPPF was considered since 2015

Particulars	Amounts in TK.			
	2017-2018	2016-2017	2015-2016	2014-2015
Audited Net Profit After Tax	107,498,441	85,998,900	68,204,194	59,912,626
Less: WPPF Expenses	(6,025,336)	(5,137,247)	(4,215,569)	(3,470,976)
Net Profit After Tax considering WPPF	101,473,105	80,861,653	63,988,625	56,441,650
Earnings per Share (EPS) considering WPPF(Basic)	3.07	2.64	2.09	1.85
Earnings per Share (EPS) considering WPPF(Diluted)	1.27	1.01	0.80	0.71
Net Asset Value (NAV) considering WPPF	55.88	3,461.06	2,787.19	2,253.94

DSE Recommendation to BSEC:

The reply of the company is **NOT SATISFACTORY** as WPPF is a mandatory requirement by Law. The company has not kept WPPF for the year ended on 30 June 2018, 2017, 2016 and 2015 and it is non-compliance with the Paragraph **Section 234 (1) (a) of Bangladesh Labour Act 2006 (as amended up to 2013)**.

Our Explanation to BSEC:

We have recognized Workers' Profit Participation and Welfare Fund (WPPF) Tk. 3,338,532/- for the year ended on 30 June 2019. The Company has formed a Trusty Board on 15.04.2018 as per the condition of the Section 232 Bangladesh Labor Act-2006 (As amendment up to 2013) and has also established WPPF accordingly. The Trust Deed was registered on 01.07.2018. A separate bank account was opened vide account number 011836000000092 in NRB Commercial Bank Ltd, O. R Nizam Road Branch, Chittagong. The Company doesn't need to provide the retrospective effects in the Financial Statements for WPPF as opined by our legal advisor Mr. Md. Mazid Hossain, Barrister-at-law. We have collected his legal advice on July 08, 2019 and have enclosed herewith in **Annexure-1** for your kind consideration.

In addition to above we are also giving below the financial effect on earnings (EPS) and valuation of shares (NAV) if WPPF was recognized since 2014-2015:

A. Summary of impact if WPPF was not considered from 2015 (as presented in Prospectus)

Particulars	Amounts in TK.			
	2017-2018	2016-2017	2015-2016	2014-2015
Audited Net Profit After Tax	107,498,441	85,998,900	68,204,194	59,912,626
Earnings per Share (EPS) without considering WPPF (Basic)	3.26	2.81	2.23	1.96
Earnings per Share (EPS) without considering WPPF (Diluted)	1.34	1.07	0.85	0.75
Net Asset Value (NAV) without considering WPPF	58.07	3,593.81	2,877.15	2,308.78

B. Summary of impact if WPPF was considered since 2015

Particulars	Amounts in TK.			
	2017-2018	2016-2017	2015-2016	2014-2015
Audited Net Profit After Tax	107,498,441	85,998,900	68,204,194	59,912,626
Less: WPPF Expenses	(6,025,336)	(5,137,247)	(4,215,569)	(3,470,976)
Net Profit After Tax considering WPPF	101,473,105	80,861,653	63,988,625	56,441,650
Earnings per Share (EPS) considering WPPF (Basic)	3.07	2.64	2.09	1.85
Earnings per Share (EPS) considering WPPF (Diluted)	1.27	1.01	0.80	0.71
Net Asset Value (NAV) considering WPPF	55.88	3,461.06	2,787.19	2,253.94

DSE Observation 6.

In the page no.177, inventory turnover ratio (times) for the year ended on 30 June 2018 is 4.59 while industry average ratio is 46.55 times. Here the issuer has given opinion that this ratio is satisfactory for the company. However, now the concerned issue is how this ratio can be satisfied in comparison with the industry average ratio. You are requested to clarify the issue.

Our Reply to DSE:

Inventory turnover ratio (times) for the year ended on 30 June 2018 is 4.59 while industry average ratio is 46.55 times. The Company inventory ratio is more satisfactory than the Industry because of shorter inventory than the industry average. The Company maintains an optimum inventory level as its requirements. Titas Gas Industries Ltd. is using more inventory (92%) than the Company that is why the average inventory ratio is very much higher.

DSE Recommendation to BSEC:

The reply of the company is **NOT SATISFACTORY** as lower inventory turnover ratio (times) indicates that the company is not capable enough to turn its inventory to sales. So, the above-mentioned ratio is not satisfactory in comparison with the industry average.

Our Explanation to BSEC:

The major portion of the Inventory is Spare Parts and few some Finished Goods as storage capacity may like to store along with some of oxygen bottles. The company doesn't need to maintain any Raw Materials except water. The water is collected from own deep tube-well from surface of the earth. It needs very minimum work in process. Therefore, the quantity of inventory is very minimum than other industry. Titas Gas Ltd has to keep 92% Inventory because it needs to have maximum gas in its production process as reserve.

DSE Observation 7.

In 2021-2022 utilized capacity (M3) growth is 15.57% where revenue growth is 10.38% which is not justified. Moreover, revenue growth is very low in 2019-20 which is only approx. 5%. You are requested to clarify the same.

Our Reply to DSE:

The management of the Company approached conservatively in determining projected revenue. The revenue may increase more than the projection. For that reason, the management of the Company is emphasizing on marketing more.

DSE Recommendation to BSEC:

Not-satisfactory. Utilized capacity (MB) growth has a direct relationship with revenue growth. So anyone should be updated.

Our Explanation to BSEC:

The company has installed expanded capacity 2019-2020 which is yet to be materialized. The management of the Company is expecting to increase its production and thereby its revenue in near future.

DSE Observation 8.

In the page no. 177, debt to equity ratio (times) for the year ended on 30 June 2018 is 8.19 while industry average ratio is 0.74 times. Here, the issuer has given the opinion that this ratio is better as the debt burden is lower than assets. However, it is not clear how the issuer has compared this ratio with assets while it is debt to equity ratio. You are requested to clarify the issue.

Our Reply to DSE:

The debt to equity ratio (times) for the year ended on 30 June 2018 is 8.19 while industry average ratio is 0.74 times. The Company debt-equity ratio is more satisfactory than industry because of lesser debt in the Company than the Industry average. The Company needs to pay less fixed interest than the industry. Titas Gas Ltd (125.48%) and Baraka Power Ltd (23.33%) are using more debt than the Company (8.19%).

DSE Recommendation to BSEC:

The reply of the company is **NOT SATISFACTORY** as higher debt to equity ratio (times) indicates that the company holds a higher proportion of debt in relation to its equity. So, the above-mentioned ratio is not satisfactory in comparison with the industry average,

Our Explanation to BSEC:

We recalculated the debt-equity ratio with debt by total equity. The recalculated ratio is **0.08:1.00**. We have attached herewith the revised ratio calculation for your kind consideration.

DSE Observation 9.

EPS Calculation uses share money deposit amount which should be based on No. of Share Outstanding. You are requested to calculate EPS as per IAS 33.

Our Reply to DSE:

We have calculated EPS based on the full number of outstanding shares during the year ended 30 June 2019 in the face of the Statement of Profit or Loss and Other Comprehensive Income in accordance with IAS 33 and EPS has been presented in line with **Paragraph 66 of IAS 33** and the corresponding note number 24.01.

Recommendation:

Not-satisfactory. EPS calculation in years 30th June 2015 to 30th June 2018 uses share money deposit amount which should be based on No. of Share Outstanding.

Our Explanation to BSEC:

We have calculated EPS based on the full number of outstanding shares during the year ended 30 June 2015 to 2017 in case of, balance of share money deposit remains unchanged from 30 June 2015 to 2017. Therefore, we considered full number of share when calculated the Earnings per Share (EPS) in respective years. And for the year ended 30 June 2018, the Earnings per Share (EPS) have calculated in accordance with IAS 33 and EPS has been presented in line with **Paragraph 66 of IAS 33**.

DSE Observation 10.

Regarding Employees' Benefit:

In the note no. 3.22, the issuer has stated that the company maintains a defined benefit plan for its eligible permanent employees. But it is observed that the company did not make any provisions against employee benefits as per Section 26 & 27 of Bangladesh Labour Act, 2006. It is Noncompliance with IAS 19. Therefore, you are requested to clarify its position.

Our Reply to DSE:

Currently, the Company is paying short term employee benefits such as Wages, Salaries, Festival Bonus and Workers Profit Participation Fund. The management of the Company is also following the rules of Section 26 & 27 of Bangladesh Labour Act, 2006 in case of termination of the employees. The Company paying two months termination benefits at a time for early termination, if any. No record of termination was made by the Company during the year except normal leaving of the employees. Therefore, no provision was made in this respect.

DSE Recommendation to BSEC:

The reply of the company is **NOT SATISFACTORY** as the company has the policy to compensate an employee by 2 months. Termination benefit for any early termination, the company needs to maintain a provision.

Our Explanation to BSEC:

The Company is going to establish policy for termination of the employees and will keep necessary provision as per Section 26 & 27 of Bangladesh Labour Act, 2006 in Financial Year 2019-2020.

DSE Observation 11.

Additional observation of the Board:

- 1) As against the total equity investment of Tk. 80.00 crore, the company generated Tk. 40.11 crore turnover during the year ended June 30, 2019. So, there are huge uncertainties on revenue earning capacity of the company.
- 2) The company distributed a significant number of shares (63.59% of the existing shares) to the persons who are not sponsors/directors. Share money deposit of the company could not be verified through cross-checking banking documents.

Our Explanation to BSEC:

- 1) The nature of investment is capital intensive. Therefore, although the revenue is comparatively less the profitability of the investment is higher. Again, the management of company is expecting to improve its revenue further in near future.

The company keeps its capital more than 30% of its equity to its sponsors/directors as per BSEC Directive No SEC/CMRRCD/2009-193/119/ADMIN/34 Dated on 22 November, 2011. In addition of the above we are collected all of those Share Money through Banking channel as per BSEC Capital Raising Requirements. We are submitting herewith the supported Bank Certificate, Bank Statements and Auditors' Certificate in respect of Collection of Share Money in **Annexure-2** for your kind consideration.