# Annual Report 2017-2018

oimex

quality welding consumables

## Oimex Electrode Limited

SMARTSTOCK

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# Letter of Transmittal

To
All Shareholders,
Bangladesh Securities and Exchanges Commission,
Registrar of Joint Stock Companies & Firms,
Dhaka Stock Exchange Limited,
Chittagong Stock Exchange Limited.

**Subject: Annual Report for the year ended June 30, 2018.**

Dear Sir (s),

On behalf of the Board of Directors of Oimex Electrode Limited, the undersigned is pleased to present a copy of the Annual Report for the year ended June 30, 2018 together with the audited Financial Statements including Statement of Financial Position, Statement of Profit or Loss & Other Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year ended June 30, 2018 along with notes thereon for your kind perusal and record.

Thanking you.

Sincerely yours,

**Md. Mostafijur Rahman**
Company secretary (Current charge)

Dated: 28 October 2018

# Corporate Directory

**Chairman of the Board**
Mrs. Khairun Nesa Lucky

**Managing Director**
M A Maleque

**Director of the Board**
Mrs. Nawshin Tasnim

**Independent Directors of the Board**
Mr. Md. Abu Taleb
Dr. M. Farid Ahmed

**Executive Director**
Md. Kamrujjaman

**Chief Financial Officer**
Md. Ikramul Islam

**Company Secretary (Current charge)**
Md. Mostafijur Rahman

**Head of Internal Audit**
Md. Shiful Islam

## Audit Committee

**Chairman**
Md. Abu Taleb

**Member**
M A Maleque

**Member**
Md. Kamrujjaman

**Member**
Md. Shiful Islam

**Secretary**
Md. Mostafijur Rahman

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## Corporate Directory Cont...

| | |
|---|---|
| **Registered name of the Company** | Oimex Electrode Limited |
| **Incorporation number & date** | C-59061 (1067)/05 dated September 18, 2005 |
| **Commencement of commercial operation** | March 21, 2010 |
| **Legal Status** | Public Limited Company listed with Dhaka stock Exchange Ltd. and Chittagong Stock Exchange Ltd. |
| **Nature of Business** | Welding Electrodes, G. I. Wire and Nail (Parek) |
| **Registered Address** | 225/1, New Elephant Road, Dhaka-1205<br>Phone: +88-02-9665272, +88-02-9668572<br>Fax: +88-02-9661252<br>E-mail: contact@oimexelectrodes.com<br>Web: www.oimexelectrodes.com |
| **Factory Address** | Pipulbaria, Daulatpur, Kushtia, Bangladesh |
| **Statutory Auditor** | AHMAD & AKHTAR, Chartered Accountants<br>BCIC Bhaban (3rd Floor), 30-31, Dilkusha, C/A, Dhaka-1000. |
| **Corporate governance compliance auditor** | Shiraz Khan Basak & Co.<br>R. K. Tower (Level-10)<br>86, BirUttam C.R. Datta Road, Dhaka-1205 |
| **Bankers** | Pubali Bank Ltd<br>Mutual Trust Bank Ltd<br>Islami Bank Bangladesh Ltd |

## Corporate Vision, Mission and Core Values

**Our Vision**

Our conception of business germinated from our vision which sees it as a means to the well being of the investors, stakeholders, employees and members of the society at large by creating new wealth in the form of goods and services.

**Our Mission**

Our aim is to combine bold strategic marketing with quality products and services at competitive prices to provide the best value for consumers.

**Our Values**

OEL products affordable and accessible to our respected customers without sacrificing quality and build long-term relationship for sustainable growth.



## Company History

Oimex Electrode Limited was incorporated on September 18, 2005 vide registration number C-59061(1067)/05 as a private limited company under the Companies Act, 1913 now repealed and re-enacted as the Companies Act, 1994. The Company was converted into a Public Ltd Company on August 25, 2014. From November 06, 2017 it is a publicly traded company.

The registered office of the Company is located at 225/1 New Elephant Road (1st floor), Dhaka 1205 and Factory at Pipulbaria, Daulatpur, Kushtia, Bangladesh.

The Company is engaged in manufacturing and marketing of different kinds of Welding Electrodes, G. I. Wire and Nail (Parek).

# Products and Services

The Company is engaged in manufacturing and marketing of Welding Electrodes, Wire (G.I. wire) and Nail (Parek).

The Company has been using latest plant & machineries to produce high quality products. All the machineries are brand new when procured and are in good condition. Manufacturing process of the Company is heavily technology driven, dynamic in nature with cutting edge technology. Its total manufacturing process leads by trained professionals. Strict monitoring and true measurement provide competitive advantage to the Company.














# Company in the Capital Market

Oimex Electrode Limited plays a vital role in the capital market of Bangladesh with a sustainable economic growth. The Company also continues to have regular communication with Shareholders through the websites updates and media publications. The Company conducts Annual General Meeting and publication of Annual Report, Quarterly updates on financial performance. The top practices are monitored by the Company which supports investors to hold up their belief and confidence in the Company.

**Capital market-based figures**

| **Particulars** | | **For the year ended June 30, 2018** |
|---|---|---|
| Number of shares entitlement for the financial year | No | 50,481,200 |
| Year-end closing price | Tk. | 40.00 |
| Total dividend for the financial year | % | 12.50% (Stock) |

| **Information per share** | | |
|---|---|---|
| NAV per share | Tk. | 16.44 |
| Operating cash flow per share | Tk. | 0.25 |
| EPS | Tk. | 1.96 |



# Glimpses from 12th Annual General Meeting




The 12th Annual General Meeting of Oimex Electrode Limited held on December 20, 2017.



Shareholders in the 12th Annual General Meeting.




One of the shareholders speaking in the 12th Annual General Meeting.

# The Board of Directors



**Mrs. Khairun Nesa Lucky**
Chairman

Mrs. Khairun Nesa Lucky, daughter of Mrs. Zohura Abdullah & Late M Abdullah and wife of M A Maleque, was born in Mohammadpur, Dhaka in 1964. She is one of the sponsor directors of the Company having more than 23 years of experience in service and business. Mrs. Lucky obtained M.A. degree from the University of Dhaka. Mrs. Lucky looks after the finance of the Company.



**Mr. M A Maleque**
Managing Director

M A Maleque, son of late Mahbuba Khanom & late M. A. Khaleque was born in Mohammadpur, Dhaka in 1964. He was rewarded B.Ag (Eco) degree from Bangladesh Agricultural University, Mymensingh. Mr. Maleque is one of the sponsor directors of Oimex Electrode Limited. He is also the Managing Director of the Company. He has a vast experience of more than 24 years in the industry and has sound knowledge and technical quality in the relevant field. He is also the head of production of the Company. Mr. Maleque is involved in many social and cultural organizations.



**Mrs. Nawshin Tasnim**
Director

Mrs. Nawshin Tasnim, daughter of Mr. Faruk Ahmed & Nargis Begum, was born in Mohammadpur, Dhaka in 1995. She is one of the directors of the Company. Mrs. Nawshin has obtained Bachelor of Business Administration (BBA) from BRAC University, Dhaka.

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**Mr. Md. Abu Taleb**
Independent Director

Mr. Abu Taleb is one of the Independent Directors of Oimex Electrode Limited. He was born in 1960. He is son of Mr. Mujibul Hoque and Mrs. Aungkurun Nesa Begum. He is the Chairman of the Department of Banking, University of Dhaka. Mr. Abu Taleb has 30 years of working experience including 25 years of Teaching in the University of Rajshahi and in the University of Dhaka. He has vast experience in teaching and research in the diversified field of accounts, finance, banking, research etc. Lots of articles of Mr. Md. Abu Taleb have been published and to be published in different renowned journals.



**Dr. M. Farid Ahmed**
Independent Director

Dr. M. Farid Ahmed is one of the independent directors of Oimex Electrode Limited. He was born in a respected Muslim family of Munshigonj in 1953. Dr. Farid has 37 years of working experience. His vast working experiences include teaching in the University of Dhaka, Bangladesh and Nagasaki University, Japan. He has administrative experiences in different capacities like - Vice Chancellor of Bangladesh Open University, Treasurer of Open University, Chairman of the Department of Finance, University of Dhaka, Chairman of Bangladesh Bishwabiddyalaya Parishad etc. He has 04 published research monographs, 13 internationally published articles, more than 40 articles published in different journals.



# MESSAGE FROM THE CHAIRMAN

Dear Valued Shareholders,

It is my great pleasure to welcome you all on the occasion of 13th Annual General Meeting (AGM) of Oimex Electrode Limited on behalf of the Board of Directors. I want to thank our honorable shareholders for joining with us to make the event successful.

You know that Oimex Electrode Limited obtained its IPO permission on August 06, 2017 vide Bangladesh Securities and Exchange Commission letter No. BSEC/C1/IPO-252/20 15/389 and subsequently was listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited on October 31, 2017 and October 24, 2017 respectively. Trading of our shares started on November 06, 2017. In this short span of time our share made a good price trend and range.

On behalf of the Board, I would like to express my sincere gratitude to the respected shareholders for their confidence in the Board of the Company. I am also grateful to the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Registrar of Joint Stock Companies & Firms, Central Depository Bangladesh Limited, Banks and Financial Institutions for their support and patronage extended to the Company from time to time.

With warm regards,

**Mrs. Khairun Nesa Lucky**
Chairman



# MESSAGE FROM THE MANAGING DIRECTOR

Distinguished Shareholders,

It is a great pleasure for me to welcome all of you to the 13th Annual General Meeting (AGM) of Oimex Electrode Limited and to present the report of the Board of Directors, report of the Auditors, the Audited Statements of Financial Position, Statement of Profit or Loss & Other Comprehensive Income, explanatory notes to the financial statements and other Financial Statements and data of the Company for the year ended on June 30, 2018.

Dear shareholder, Oimex Electrode Limited is a growing and profitable Company and it will be better and will continue in upcoming days Insha'Allah. It has enormous opportunities and efficient management. So, it is not risky in investing securities in comparison with other available investment options. We hope that from we'll be able to achieve our optimum goal.

After utilization of IPO fund and capital investment from retained earnings the production capacity of our Company increased significantly. Some BMRE works are also under process and we hope that it will be completed soon. After successful implementation of the aforesaid BMRE it will grow further.

I believe that the dedication and commitment of all our employees towards our customers have been the main driving force in our successful performance. Accordingly, I would thank our devoted workforce and would expect their similar dedication in future. At the same time, I would also like to thank the members of the Board of Directors for their continued support to the Management of the Company. I also acknowledge with gratitude the cooperation of our stakeholders and earnestly thank them for their continued trust and confidence on us.

Wishing you all a successful year ahead.

Best regards,

**M. A. Maleque**
Managing Director

# Directors' Report

**Dear Shareholders,**

On behalf of the Board of Directors of Oimex Electrode Limited, I welcome you all to the 13th Annual General Meeting. The Board of Directors is pleased to take the opportunity to present you the Audited Financial Statements of the Company for the Year ended June 30, 2018, Auditors' Report and the Directors' Report thereon along with Company's performance and other matters in terms of Companies Act 1994, the guideline issued by Bangladesh Securities and Exchanges Commission and Bangladesh Accounting Standards.

**Background**

Oimex Electrode Limited was incorporated with the Registrar of Joint Stock Companies and Firms (RJSCF) vide registration no. C-59061 (1067)/05 dated September 18, 2005 as a Private Limited Company by shares namely and was converted in to a Public Limited Company on August 25, 2014 under the Companies Act, 1994. The Company obtained its IPO permission on August 06, 2017 vide Bangladesh Securities and Exchange Commission letter No. BSEC/C1/IPO-252/20 15/389 and subsequently listed with Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Ltd. on October 31, 2017 and October 24, 2017 respectively. The Authorized capital of the company is Tk. 1,200,000,000 (One Hundred Twenty Crore) ordinary shares of Tk. 10.00 each and 500,000,000 (Fifty Crore) Preference shares of Tk. 10.00 each. Its corporate office is situated at 225/1, New Elephant Road, Dhaka-1205 and factory at Pipulbaria, Daulatpur, Kushtia.

Welding, a very effective and economical process, finds wide application in various industries such as automobiles, building & construction, pipelines, and oil & gas. The growth of the welding industry is highly dependent on the consumption of steel in various end-use industries. The welding industry comprises welding equipment, consumables and welding services. The welding consumables market accounts for a significant share in the welding industry compared to welding equipment and welding services. Electrodes and filler metals are the key consumables used in various welding processes. Some of the key product types of welding consumables include stick electrode, solid wires, flux-cored wires, SAW wires and fluxes among others. Demand for welding consumables in Bangladesh has been experiencing significant growth due to the constant technological advancements and substantial growth in the end-use industries.

Galvanized Iron (G.I.) Wire products are one of the largest consuming items of Oimex Electrode Limited. G.I. Steel wires of standard quality are used for the manufacture of ropes for various applications, barbed fencing, binding of construction materials, support wall projections or paintings, for nails etc. The G.I. wires are manufactured from mild steel as starting material, range over a wide field which has the largest demand. There is a good scope for new entrepreneurs to venture into this field.

Parek (Nail) and dia are also contributing to our revenue significantly. Both have great demand and we are producing the best quality products and earned a good reputation in the market.

# Risks and Concerns

**a) Exchange rate risk and management perception:**
Most of the raw materials used by Oimex Electrodes Limited are imported from abroad against payment of foreign currency. Unfavorable volatility or fluctuations of foreign currency to BDT exchange rate may have an impact on the cost structure and profitability of the company.

The risk of foreign exchange cannot be eliminated fully as we require imported raw materials. However, the management is always alert in minimizing the negative impact of currency fluctuation cost by looking for new sources of raw materials and continuously negotiating with suppliers for reducing price. It always takes steps to hedge all major currency dealings to safeguard the interest of the company.

**b) Economic and political risks:**

**Economic risks and management perception:**
Bangladesh economy is booming for last few years. Consistent industrial growth along with increased agricultural 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 congenial to the economy of the country. The management of the company is aware of such risks.

**Political risks and management perception:**
In the post-independence period, Bangladesh has gone through a variety of political situations. But recently, a stable political atmosphere is prevailing in the country. Both the ruling and opposition parties are committed to the betterment of the country. Political parties are thinking for growth of the country.

**c) Industry related risks and management perception:**
**i. Market demand:**
World's top class raw materials, best quality products, attractive price, strong brand loyalty of the company's products to its customers has enabled the company to capture significant market share in the sector. The Company is continuously penetrating into the market and upgrading the quality of the products to minimize the market risks.

**ii. Raw materials and energy costs:**
Our management believes that efficient management of inventories, proper sourcing & timing, economic order quantity and efficient handling of credit facilities can reduce the cost of procurement. The Company meets its required power from Rural Electrification Board (REB). The total sanctioned electricity load for Oimex is 500 KVA. The Company has procured a high power electric transformer for smooth supply of electricity. The electricity cost is same for all other competitors. So, it will be adjusted with price accordingly.

**d) Market and technology related risks & management perception:**
Oimex has own research for market and new products to retain the existing market and to attract the new customers. OEL has setup its project with modern brand new imported machineries. It has a plan for required BMRE/ expansion regularly, if required. It will continuously upgrade its machines and technology as required and any new one comes. So, the risk of obsolete technology is mitigated.

# Company Secretary, CFO & Internal auditor

**As per Corporate Governance Guideline of BSEC, the Company has allocated the responsibilities as follows:**

| | |
|---|---|
| Company Secretary | : Md. Mostafijur Rahman (Current charge) |
| Chief Financial Officer | : Md. Ikramul Islam |
| Head of Internal Auditor | : Md. Saiful Islam |

**Audit Committee**

The Audit Committee, as a sub-committee of the Board, has been constituted with two Directors, one of whom is an Independent Director who is the Chairman of the Committee. The Company Secretary acts as Secretary to the Audit Committee. The Committee assists the Board in ensuring that the financial statements reflect a true and fair view of the state of affairs of the Company. Audit Committee is responsible to the Board of Directors and its roles and responsibilities are clearly set forth.

**Audit Committee has been formed as follows:**

| | |
|---|---|
| Md. Abu Taleb | : Chairman |
| M A Maleque | : Member |
| Md. Kamrujjaman | : Mamber |
| Md. Shiful Islam | : Member |
| Mr. Md. Mostafijur Rahman | : Secretary (Current charge) |

**Subsidiary Company**
The company has no subsidiary company.

**Duties of CFO**
The provision of BSEC regulation has been complied.

## Employee's benefits

The board of Directors believes that the employees are most valuable assets for the Company so that always they think of their better living at present as well as for their future security. The Company has been implemented Employees Contributory Provident Fund.

**Auditors**
Pursuant to Section 210, of the Companies Act, 1994, Ahmad & Akhtar, Chartered Accountants are the statutory auditors of the Company.

**Going Concern**
The Directors are of the opinion that the Company is a going concern and there are no significant doubts upon the Company's ability to continue as a going concern. Accordingly, Financial Statements are prepared on a going concern basis.

**Dividends**
The Directors of the Company recommended @ 12.50% stock dividend (bonus shares) [125 bonus shares for 1,000 shares held] for the year, subject to approval at the Annual General Meeting (AGM).

The Company has great growing prospects and demand for the products of the Company. Substantial expansions are almost done after utilization of IPO fund and other fund from the Companies internal and external sources. Some BMRE works are still under process to meet the additional demand of the customers. This is why the Board has recommended stock dividend and the retained funds instead of giving cash dividend are being utilized in the aforesaid purpose.

**Acknowledgment**
The Company expresses its sincere thanks and gratitude to the respected shareholders, valued clients, suppliers, banks and well-wishers home and abroad for their co-operation.

We are thankful to the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Registrar of Joint Stock Companies & Firms, Central Depository Bangladesh Limited and other stakeholders for extending co-operation and support to our Company.

I, on behalf of the Board of Directors, take the opportunity to inform you that we welcome any suggestions and opinion to improve our Company performance.

Thanking you.
On behalf of the Board of Directors



**M. A. Maleque**
Managing Directors

# Director & CFO's declaration

In Compliance with condition no.06 of Bangladesh Securities and Exchange Commission Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012, we do hereby certify to the Board of Directors that:

01. We have reviewed the financial statements for the year ended on 30 June 2018 and state that to the best of our knowledge and belief:

a) These statements do not contain any materially untrue statement or omit any material fact or contact statements that might be misleading.

b) These statements together present a true and fair view of the company's affairs and are incompliance with existing accounting standards and applicable laws.

02. There are to the best of our knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or in violation of the company's codes of conduct.

**M. A. Maleque**
Managing Director

**Md. Ikramul Islam**
Chief Financial Officer

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# Financial History

**Key operating and financial data of five years preceding the year ended 30 June 2018.**

| Particulars | | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|
| Revenue | Tk. | 494,752,023 | 440,297,050 | 410,164,512 | 386,709,515 | 126,540,200 |
| Profit before tax | Tk. | 114.354,849 | 99,354,269 | 96,294,637 | 92,300,266 | 18,267,848 |
| Taxation | Tk. | 21,108,792 | 27,099,996 | 23,722,385 | 30,089,861 | 6,393,747 |
| Deferred tax | Tk. | 1,956,752 | 7,673,999 | 8,365,484 | 3,291,609 | - |
| Earnings | Tk. | 91,289,306 | 64,580,275 | 64,206,768 | 58,918,796 | 11,874,101 |
| Dividend proposed | % | 12.50% | 10.00% | - | - | - |
| Share capital | Tk. | 504,812,000 | 308,920,000 | 308,920,000 | 82,000,000 | 1,000,000 |
| Shareholders' equity | Tk. | 765,145,573 | 523,856,267 | 459,275,992 | 378,969,224 | 138,230,428 |
| Net fixed assets | Tk. | 434,573,837 | 317,462,088 | 264,432,532 | 119,519,765 | 63,264,059 |
| Depreciation | Tk. | 137,394,009 | 93,096,300 | 61,754,036 | 43,202,085 | 30,745,641 |

| Particulars | | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|
| Earnings per share | Tk. | 1.96 | 2.09 | 2.44 | 2.01 | 118.74 |
| Gross profit ratio | % | 31.50 | 29.64 | 29.65 | 29.69 | 26.54 |
| Dividend percentage | % | 12.50 | 10.00 | - | - | - |
| Net asset per share | Tk. | 16.44 | 16.96 | 14.87 | 12.94 | 12.45 |
| Operating cash flow per share | Tk. | 0.25 | 2.52 | 0.27 | 0.87 | (34.94) |



**SHIRAZ KHAN BASAK & CO.**
CHARTERED ACCOUNTANTS
*(An associate firm of D. N. Gupta & Associates)*

R.K. TOWER (Level-10)
86, Bir Uttam C.R. Datta Road
(312, Sonargaon Road), Dhaka-1205
Tel :88-02-9635139, 0088-02-9673597
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E-mail :shirazkhanbasak@yahoo.com

# *Certificate on compliance of conditions of corporate governance guidelines to the shareholders of Oimex Electrode Limited*

We have examined the compliance status to the Corporate Governance Code by Oimex Electrode Limited for the year ended on 30 June 2018. This Code relates to the Notification No. Compliance of Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a 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) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission {Except 1(7)(b), 4(ii) & 6 of Annexure-C};
(b) The Company 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 the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
(d) The Governance of the company is satisfactory.

Dated: November 12, 2018
Place: Dhaka

**Shiraz Khan Basak & Co.**
Chartered Accountants

Annexure-C

# OIMEX ELECTRODE LIMITED
## CORPORATE GOVERNANCE COMPLIANCE STATUS REPORT
## UNDER CONDITION NO. - 9.00

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

| Condition No. | Title | Compliance Status | | Remarks (if any) |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| | **Board of Directors** | | | |
| 1(1) | Size of the Board of Directors | √ | | |
| 1(2) | Independent Directors | √ | | |
| 1(2) (a) | At least one-fifth (1/5) of the total number of directors | √ | | |
| 1(2)(b)(i) | Does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company | √ | | |
| 1(2)(b)(ii) | 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 holds one percent (1%) or more shares of the total paid-up shares. | √ | | |
| 1(2)(b)(iii) | Not been an executive of the company in immediately preceding 2 (two) financial years | √ | | |
| 1 | Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies | √ | | |
| 1(2)(b)(v) | Not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange | √ | | |
| 1(2)(b)(vi) | Not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market | √ | | |
| 1(2)(b)(vii) | Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code | √ | | |
| 1(2)(b)(viii) | Not independent director in more than 5 (five) listed companies | √ | | |
| 1(2)(b)(ix) | 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) | Not been convicted for a criminal offence involving moral turpitude | √ | | |
| 1(2)(c) | Independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM) | √ | | |
| 1(2)(d) | The post of independent director(s) cannot remain vacant for more than 90 (ninety) days | √ | | |
| 1(2)(e) | The tenure of office of an independent direct or shall be for a period of 3 (three) years | √ | | |
| 1(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, | √ | | |

| Condition No. | Title | Compliance Status | | Remarks (if any) |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 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. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association | | | N/A |
| 1(3)(b)(ii) | Corporate Leader who is or was a top level executive not lower than 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. 100.00 million or of a listed company | | | N/A |
| 1(3)(b)(iii) | Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale | | | N/A |
| 1(3)(b)(iv) | University Teacher who has educational background in Economics or Commerce or Business Studies or Law | √ | | |
| 1(3)(b)(v) | Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification | | | N/A |
| 1(3)(c) | The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause | √ | | |
| 1(3)(d) | In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission | | | N/A |
| 1(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 | √ | | |
| 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 | √ | | |
| 1(4)(c) | The Chairperson of the Board shall be elected from among the non-executive directors of the company | √ | | |
| 1(4)(d) | The Board shall clearly define respective roles andresponsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer | √ | | |
| 1(4)(e) | In the absence of the Chairperson of the Board, the remainingmembersmay elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes | √ | | |
| 1(5) | **Directors' Report to Shareholders** | | | |
| 1(5)(i) | An industry outlook and possible future developments in the industry | √ | | |
| 1(5)(ii) | The segment-wise or product-wise performance | √ | | |
| 1(5)(iii) | Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment | √ | | |
| 1(5)(iv) | A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable | √ | | |
| 1(5)(v) | A discussion on continuity of any extraordinary activities and their implications (gain or loss) | | | N/A |

| Condition No. | Title | Compliance Status | | Remarks (if any) |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 1(5)(vi) | A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions | √ | | |
| 1(5)(vii) | A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments | √ | | |
| 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 | | | N/A |
| 1(5)(ix) | An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements | √ | | |
| 1(5)(x) | Statement of remuneration paid to the directors including independent directors | √ | | |
| 1(5)(xi) | 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 | √ | | |
| 1(5)(xii) | Statement that proper books of account of the issuer company have been maintained | √ | | |
| 1(5)(xiii) | Statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment | √ | | |
| 1(5)(xiv) | Statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed; | √ | | |
| 1(5)(xv) | Statement that the system of internal control is sound in design and has been effectively implemented and monitored | √ | | |
| 1(5)(xvi) | Statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress | √ | | |
| 1(5)(xvii) | 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 | √ | | |
| 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 | √ | | |
| 1(5)(xix) | A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized | √ | | |
| 1(5)(xx) | An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year | √ | | |
| 1(5)(xxi) | Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend | | | N/A |
| 1(5)(xxii) | The total number of Board meetings held during the year and attendance by each director | √ | | |
| 1(5)(xxiii) | **A report on the pattern of shareholding :** | | | |
| 1(5)(xxiii)(a) | Parent or Subsidiary or Associated Companies and other related parties (name-wise details) | √ | | |
| 1(5)(xxiii)(b) | Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details) | √ | | |

| Condition No. | Title | Compliance Status | | Remarks (if any) |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 1(5)(xxiii)(c) | Executives; and | √ | | |
| 1(5)(xxiii)(d) | Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details) | √ | | |
| 1(5)(xxiv) | **Appointment or reappointment of a director:** | | | |
| 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) | **Management's Discussion and Analysis of financial statements** | | | |
| 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 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 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 concerns mitigation plan of the company; and | √ | | |
| 1(5)(xxv)(g) | Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM | √ | | |
| 1(5)(xxvi) | Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A | √ | | |
| 1(5)(xxvii) | The report as well as certificate regarding compliance of conditions of 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(7) | **Code of Conduct for the Chairperson, other Board members and Chief Executive Officer** | | | |
| 1(7)(a) | The Board shall lay down a code of conduct, | √ | | |
| 1(7)(b) | The code of conduct as determined by the NRC shall be posted on the website of the company | | √ | Will be comply with in 31 December 2018 |
| 2 | **Governance of Board of Directors of Subsidiary Company.** | **The Company has no subsidiary company** | | |
| 2(a) | Provisions relating to the composition of the Board of the holding 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 | | | N/A |

| Condition No. | Title | Compliance Status | | Remarks (if any) |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 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 | | | 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) | | | |
| 3(1) | **Appointment** | | | |
| 3(1)(a) | The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC) | √ | | |
| 3(1)(b) | The positions of the 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 | √ | | |
| 3(1)(c) | The MD or CEO, CS, CFO and HIAC of a listed companyshall not hold any executive position in any other company at the same time | √ | | |
| 3(1)(d) | The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS | √ | | |
| 3(1)(e) | The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board | √ | | |
| 3(2) | The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board | √ | | |
| 3(3) | **Duties of (MD) or (CEO) and Chief Financial Officer (CFO)** | | | |
| 3(3)(a) | The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements | √ | | |
| 3(3)(a)(i) | Do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading | √ | | |
| 3(3)(a)(ii) | 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 are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members | √ | | |
| 3(3)(c) | Certification of the MD or CEO and CFO shall bedisclosed in the Annual Report | √ | | |
| 4 | **Board of Directors' Committee.** | | | |
| 4(i) | Audit Committee | √ | | |
| 4(ii) | Nomination and Remuneration Committee | | √ | Will be comply with in 31 December 2018 |
| 5 | Audit Committee. | √ | | |
| 5(1) | Responsibility to the Board of Directors | | | |
| 5(1)(a) | Company shall have an Audit Committee as a sub-committee of the Board | √ | | |
| 5(1)(b) | Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company | √ | | |

# Audit Committee Report.

Oimex Electrode Limited established an audit committee as a sub-committee of the board of directors. The committee supports the board in fulfilling its oversight responsibilities. The audit committee is formed as follows:

| | |
|---|---|
| Mr. Md. Abu Taleb | : Chairman |
| Mr. M A Maleque | : Member |
| Md. Kamrujjaman | : Member |
| Md. Shiful Islam | : Member |
| Mr. Md. Mustafijur Rahman | : Secretary (Current charge) |

**Terms of Reference**
The terms of reference of the committee has been agreed upon as follows:

1. To review all internal and external audit report.
2. To recommend the statutory annual audited financial statements to the board of directors for approval.
3. To review the finding of the internal and external auditors.
4. To review and approve the Annual "Audit Plan" of the Internal Audit Department.
5. To monitor the implementation of the recommendations of the Internal and External auditors.
6. To review the performance of the external auditors and make recommendations to the board regarding their appointment and fees.
7. To review the quarterly, half yearly and annual financial statements before submission to the board.
8. To review the company's statement on internal control systems prior to endorsement by the board.
9. The company secretary shall be the secretary to the audit committee.

**Activities**
1. The financial statements of the first quarter, half year, third quarter and the full year were reviewed by the committee and subsequently recommended to the Board for consideration and approval.
2. The committee also reviewed the work of the internal audit department and made suggestions for improvement.

On behalf of the Audit Committee



**Mr. Md. Abu Taleb**
Chairman of the Audit Committee

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF OIMEX ELECTRODE LIMITED

**Report on the Financial Statements**

We have audited the accompanying financial statements of **Oimex Electrode Limited** (the company)**,** which comprises the Statement of Financial Position as at 30 June 2018 and Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information thereon.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs) and other rules and regulation and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

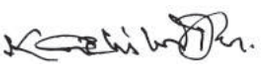
**Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of **Oimex Electrode Limited** as at 30 June 2018 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs) and other rules and regulation.

**Report on Other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994 and The Securities and Exchange Rules 1987, 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 purposes of our audit and made due verification thereof;
(b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
(c) the Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows dealt with the report are in agreement with the books of account; and
(d) the expenditure incurred was for the purpose of the company's business.



Dated: 28 October 2018
Place: Dhaka

**AHMAD & AKHTAR**
*Chartered Accountants*

**Oimex Electrode Limited**
Statement of financial position
As at June 30, 2018

| Particulars | Notes | 30 June 2018 (Taka) | 30 June 2017 (Taka) |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | **469,779,588** | **360,427,339** |
| Property, plant and equipment | 4.01 | 434,573,837 | 317,462,088 |
| Capital work in progress | 4.02 | 35,205,751 | 42,965,251 |
| | | | |
| **Current assets** | | **498,721,496** | **393,224,987** |
| Inventories | 5.00 | 260,389,476 | 203,743,792 |
| Accounts receivables | 6.00 | 210,080,026 | 168,029,335 |
| Advances, deposits & prepayments | 7.00 | 8,747,717 | 6,143,925 |
| Cash & cash equivalents | 8.00 | 19,504,277 | 15,307,935 |
| | | | |
| **Total assets** | | **968,501,084** | **753,652,326** |
| **Shareholders' equity and liabilities** | | | |
| **Shareholders' equity** | | **765,145,573** | **523,856,267** |
| Share capital | 9.00 | 504,812,000 | 308,920,000 |
| Retained earnings | 10.00 | 260,333,573 | 214,936,267 |
| | | | |
| **Non-current liabilities** | | **68,005,448** | **82,846,260** |
| Long term loan | 11.00 | 46,717,605 | 63,515,169 |
| Deferred tax liability | 12.00 | 21,287,843 | 19,331,091 |
| | | | |
| **Current liabilities** | | **135,350,062** | **146,949,799** |
| Accounts payable | 13.00 | 44,087 | 40,877 |
| Short term loan | 14.00 | 63,516,043 | 50,242,731 |
| Current portion of long term loan | 15.00 | 7,256,480 | 7,398,254 |
| Current tax liabilities | 16.00 | 56,067,167 | 81,639,698 |
| Workers profit participation fund payable | 17.00 | 5,717,743 | 4,967,713 |
| Liabilities for expenses | 18.00 | 2,748,542 | 2,660,526 |
| | | | |
| **Total shareholders' equity and liabilities** | | **968,501,084** | **753,652,326** |
| | | | |
| **Net asset value (NAV) per share** | 28.00 | **16.44** | **16.96** |

The annexed notes are integral part of these financial statements.

**Chairman** | **Managing Director** | **Company Secretary** | **Chief Financial Officer**

Signed as per our annexed report on even date

Dated: 28 October 2018
Place: Dhaka

**AHMAD & AKHTAR**
*Chartered Accountants*

**Oimex Electrode Limited**
Statement of profit or loss & other comprehensive income
For the year ended June 30, 2018

| Particulars | Notes | FY (2017-2018) (Taka) | FY (2016-2017) (Taka) |
|---|---|---|---|
| Revenue | 19.00 | 494,752,023 | 440,297,050 |
| Less: Cost of goods sold | 20.00 | 338,905,136 | 309,792,863 |
| **Gross profit / (loss)** | | **155,846,887** | **130,504,187** |
| | | | |
| **Less: Operating expenses** | | **29,244,819** | **18,447,802** |
| Administrative expenses | 21.00 | 25,707,697 | 10,772,138 |
| Selling & distribution expenses | 22.00 | 3,537,122 | 7,675,664 |
| | | | |
| **Operating profit/(loss)** | | **126,602,068** | **112,056,385** |
| Less: Financial expenses | 23.00 | 15,312,392 | 14,658,631 |
| | | **111,289,676** | **97,397,754** |
| Add: Other operating income | 24.00 | 8,782,916 | 6,924,228 |
| **Profit before WPPF & tax** | | **120,072,592** | **104,321,982** |
| Less: Contribution to WPPF (expenses) | 25.00 | 5,717,742 | 4,967,713 |
| **Profit before tax** | | **114,354,849** | **99,354,269** |
| | | | |
| **Less: Income tax expenses** | 26.00 | **23,065,544** | **34,773,994** |
| Current tax | | 21,108,792 | 27,099,996 |
| Deferred tax | | 1,956,752 | 7,673,999 |
| | | | |
| **Net profit for the year** | | **91,289,306** | **64,580,275** |
| Add: Other comprehensive income | | - | - |
| **Total comprehensive Income** | | **91,289,306** | **64,580,275** |
| | | | |
| **Earnings per share (EPS)** | 27.00 | **1.96** | **2.09** |
| **Earnings per share (restated)** | | - | **1.39** |
| | | | |

The annexed notes are integral part of these financial statements.

| Chairman | Managing Director | Company Secretary | Chief Financial Officer |
|---|---|---|---|

Signed as per our annexed report on even date

Dated: 28 October 2018
Place: Dhaka

**AHMAD & AKHTAR**
*Chartered Accountants*

**Oimex Electrode Limited**
Statement of cash flows
For the year ended June 30, 2018

| Particulars | FY (2017-2018) (Taka) | FY (2016-2017) (Taka) |
|---|---|---|
| **A. Cash flows from operating activities** | | |
| Cash receipts from customers & others | 461,484,249 | 410,639,407 |
| Cash paid to suppliers & others | (356,073,976) | (299,944,435) |
| Cash paid to employees & others | (15,716,142) | (15,210,281) |
| Cash paid for IPO expenses | (14,959,268) | - |
| **Cash generated from operation** | **74,734,863** | **95,484,691** |
| | | |
| Paid to finance expenses | (15,312,392) | (14,658,631) |
| Income tax paid | (47,910,145) | (3,084,074) |
| **Net cash from operating activities** | **11,512,326** | **77,741,986** |
| | | |
| **B. Cash flows from investing activities** | | |
| Payment for acquisition of property, plant & equipment | (119,399,458) | (34,371,820) |
| Payment for capital work in progress | (34,250,500) | (43,200,000) |
| **Net cash flows from investing activities** | **(153,649,958)** | **(77,571,820)** |
| | | |
| **C. Cash flows from financing activities** | | |
| Increase in Share capital | 150,000,000 | - |
| Increase/(decrease) of current portion long term loan | (141,774) | 482,059 |
| Increase/(decrease) of short term bank loan | 13,273,312 | (22,513,965) |
| Increase/(decrease) of long term loan | (16,797,564) | 13,055,397 |
| **Net cash flows from financing activities** | **146,333,974** | **(8,976,509)** |
| | | |
| **D. Net increase/(decrease) in cash and cash equivalent (A+B+C)** | **4,196,342** | **(8,806,343)** |
| E. Cash & cash equivalent at the beginning of the year | 15,307,935 | 24,114,278 |
| **F. Cash & cash equivalent at the end of the year (D+E)** | **19,504,277** | **15,307,935** |
| | | |
| **Net operating cash flows per share (Note-29.00)** | **0.25** | **2.52** |

**Chairman** | **Managing Director** | **Company Secretary** | **Chief Financial Officer**

Dated: 28 October 2018
Place: Dhaka

**Oimex Electrode Limited**
Statement of changes in equity
For the year ended June 30, 2018

*(Amount in Taka)*

| Particulars | Share Capital | Retained Earnings | Total Equity |
|---|---|---|---|
| Balance as on July 01, 2017 | 308,920,000 | 214,936,267 | 523,856,267 |
| Net profit after tax for the year | - | 91,289,306 | 91,289,306 |
| Share allotted | 150,000,000 | | 150,000,000 |
| 10% Bonus as on 30.06.17 | 45,892,000 | (45,892,000) | - |
| **Balance as on June 30, 2018** | **504,812,000** | **260,333,573** | **765,145,573** |

**Statement of changes in equity**
**For the year ended June 30, 2017**

*(Amount in Taka)*

| Particulars | Share Capital | Retained Earnings | Total Equity |
|---|---|---|---|
| Balance as on July 01, 2016 | 308,920,000 | 150,355,992 | 459,275,992 |
| Net profit after tax for the year | - | 64,580,275 | 64,580,275 |
| **Balance as on June 30, 2017** | **308,920,000** | **214,936,267** | **523,856,267** |

**Chairman** | **Managing Director** | **Company Secretary** | **Chief Financial Officer**

Signed as per our annexed report on even date

Dated: 28 October 2018
Place: Dhaka

**AHMAD & AKHTAR**
*Chartered Accountants*

**Oimex Electrode Limited**
Notes, Comprising Significant Accounting Policies and other Explanatory Information
For the year ended June 30, 2018

**1.00 The background and activities of the Company.**

**1.01 Legal status of the Company**

Oimex Electrode Limited was incorporated on September 18, 2005 vide registration number C-59061(1067)/05 as a private limited company under the Companies Act, 1913 now repealed and re-enacted as the Companies Act, 1994. The Company was converted into a Public Ltd. Company on August 25, 2014. From November 06, 2017 it is a publicly traded company.

**1.02 Registered office & location of the factory of the Company**

The registered office of the Company is located at 225/1 New Elephant Road (1st floor), Dhaka 1205 and Factory at Pipulbaria, Daulatpur, Kushtia, Bangladesh.

**1.03 Nature of business activities**

The Company is engaged in manufacturing and marketing of different kinds of Welding electrodes, G. I. Wire, Nail (Parek) and Black wire.

**1.04 Capital structure of the Company**

| **Authorized capital** | **Taka** |
|---|---|
| 120,000,000 Ordinary shares of Tk. 10.00 each | 1,200,000,000 |
| 50,000,000 Preference shares of Tk. 10.00 each | 500,000,000 |
| | **1,700,000,000** |

| **Paid-up capital** | **Taka** |
|---|---|
| 50,481,200 Ordinary shares of Tk. 10 each | 504,812,000 |
| | **504,812,000** |

**1.05 Board of Directors**

The composition of the Board of Directors is as follows:

| **Name** | **Position** |
|---|---|
| Mrs. Khairun Nesa Lucky | Chairman |
| M A Maleque | Director & MD |
| Nawshin Tasnim | Director |
| Md. Abu Taleb | Independent Director |
| Dr. M. Farid Ahmed | Independent Director |

**2.00 Basis of preparation of financial statements**

**2.01 Measurement bases and going concern**

The financial statements have been prepared on historical cost convention under mercantile system, accounting for all accruals and pre-payments, on the assumption that the Company will function as a going concern in the foreseeable future.

| | |
|---|---|
| **2.02** | **Reporting framework and compliance thereof** |
| | The financial statements have been prepared in compliance with the requirements of the Companies Act 1994, the Securities & Exchange Rules 1987 and other relevant local Laws as applicable, and in accordance with the applicable International Financial Reporting Standards (IFRSs) including International Accounting Standards (IASs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) based on International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs). |
| **2.03** | **Presentation of financial statements** |
| | The Presentation of these financial statements is in accordance with the guidelines provided by IAS: 1 'Presentation of Financial Statements'. |
| | (a) a statement of financial position as at June 30, 2018; |
| | (b) a statement of profit or loss & other comprehensive income for the year ended June 30, 2018; |
| | (c) a statement of cash flows for the year ended June 30, 2018; |
| | (d ) a statement of changes in equity for the year ended June 30, 2018; and |
| | (e) notes comprising significant accounting policies and other explanatory information for the year ended June 30, 2018; |
| **2.04** | **Risk and uncertainties for 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'. |
| | In particular, information about significant areas of estimation on uncertainty and critical judgments in applying accounting policies that have the most significant affect on the amounts recognized in the financial statements are included in the following notes: |
| | Note: 4 Properties, plant and equipment |
| | Note: 5 Inventories |
| | Note: 6 Accounts receivables |
| | Note: 7 Advance, deposit & prepayments |
| | Note: 13 Accounts payable |
| | Note: 18 Liabilities for expenses |
| | |
| **2.05** | **Reporting period** |
| | The financial statements of the Company cover one year from July 01, 2017 to June 30, 2018. |
| **2.06** | **Authorization for issue** |
| | The financial statements of the Company have been authorized for issue by the Board of Directors on October 28, 2018. |

| 2.07 | **Functional and presentation currency** |
|---|---|
| | The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the Company's functional currency. All financial information presented has been rounded off to the nearest Taka except where indicated otherwise. |
| **2.08** | **Statement of cash flows** |
| | The statement of cash flows has been prepared in accordance with the requirements of IAS-7: 'Statement of Cash Flows'. The cash generating from operating activities has been reported using the direct method as prescribed by the Securities and Exchange Rules-1987 and as the benchmark treatment of IAS-7, whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed. |
| **2.09** | **IASs and IFRSs adopted by the management** |
| | The following IASs and IFRSs are applicable and adopted by management for preparation of financial statements for the year ended 30 June 2018; |

| Sl. No. | Name of the IASs | IASs no. | Status |
|---|---|---|---|
| 1 | Presentation of financial statements | 1 | Applicable |
| 2 | Inventories | 2 | Applicable |
| 3 | Statement of cash flows | 7 | Applicable |
| 4 | Accounting policies, changes in accounting estimates & errors | 8 | Applicable |
| 5 | Events after the reporting period | 10 | Applicable |
| 6 | Construction contracts | 11 | Not Applicable |
| 7 | Income taxes | 12 | Applicable |
| 8 | Property, plant and equipment | 16 | Applicable |
| 9 | Leases | 17 | Applicable |
| 10 | Revenue | 18 | Applicable |
| 11 | Employee benefits | 19 | Applicable |
| 12 | Accounting of Government grants and disclosure of Government assistance | 20 | Not Applicable |
| 13 | The effects of changes in foreign exchange rates | 21 | Applicable |
| 14 | Borrowing costs | 23 | Applicable |
| 15 | Related party disclosures | 24 | Applicable |
| 16 | Accounting and reporting by retirement benefit plans | 26 | Not Applicable |
| 17 | Separate financial statements | 27 | Not Applicable |
| 18 | Investment in associates and joint venture | 28 | Not Applicable |
| 19 | Interest in joint ventures | 31 | Not Applicable |
| 20 | Financial reporting in hyperinflationary economies | 29 | Not Applicable |
| 21 | Financial instruments: presentation | 32 | Not Applicable |
| 22 | Earnings per share | 33 | Applicable |
| 23 | Interim financial reporting | 34 | Applicable |
| 24 | Impairment of assets | 36 | Applicable |
| 25 | Provision, contingent liabilities and contingent assets | 37 | Applicable |
| 26 | Intangible assets | 38 | Not Applicable |
| 27 | Financial instruments: recognition & measurement | 39 | Not Applicable |
| 28 | Investment property | 40 | Not Applicable |
| 29 | Agriculture | 41 | Not Applicable |

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| SL. No. | Name of the IFRS | IFRS No. | Status |
|---|---|---|---|
| 01 | First-time adoption of International Financial Reporting Standards | 1 | Not Applicable |
| 02 | Share based payment | 2 | Not Applicable |
| 03 | Business combinations | 3 | Not Applicable |
| 04 | Insurance contracts | 4 | Not Applicable |
| 05 | Non-current assets held for sale and discontinued operations | 5 | Not Applicable |
| 06 | Exploration for and evaluation of mineral resources | 6 | Not Applicable |
| 07 | Financial instruments: disclosures | 7 | Not Applicable |
| 08 | Operating segments | 8 | Not Applicable |
| 09 | Financial instruments | 9 | Not Applicable |
| 10 | Consolidated financial statements | 10 | Not Applicable |
| 11 | Joint arrangements | 11 | Not Applicable |
| 12 | Disclosure of interests in other entities | 12 | Not Applicable |
| 13 | Fair value measurement | 13 | Applicable |

The financial statements are in compliance with the International Financial Reporting Standards (IFRSs) which are adopted from the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).

**3.00 Significant accounting policies**

**3.01 Principal accounting policies**

The accounting policies and methods of computation used in preparation of the financial statements for the year ended June 30, 2018 are consistent with those adopted in the financial statements for the year ended June 30, 2017 except for a change in accounting policy.

**3.02 Revenue recognition**

In compliance with the requirements of IAS-18: 'Revenue', revenue represents the sales proceeds of finished goods which is recognized when delivery were made from factory go-down to carriers, that is, when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and there is no continuing management involvement with the goods.

**3.03 Property, plant and equipment**

**(a) Recognition and measurement**

Property, plant and equipment are capitalized at cost of acquisition and subsequently stated at cost or valuation less accumulated depreciation in compliance with the requirements of IAS-16: Property, Plant and Equipment. The Cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and taxes. Capital work-in-progress represents cost of effluent treatment plant & civil work-in-progress for such plant. No depreciation is charged on land and land development.

**(b) Subsequent expenditure**

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

**(c) Depreciation**

As per IAS 16: 'Property, Plant & Equipment', each part of an item of property plant & equipment with cost that is significant in relation to the total cost of the item has been depreciated separately. Depreciation is a systematically allocation of depreciable assets over its useful life and charge to profit or loss & other comprehensive income unless it is included in the carrying amount of another assets. Depreciation has been charged on additions of fixed assets on the day of available for use. Depreciation has been calculated using diminishing balance method at the following rates:

| Item | Rate |
|---|---|
| Land and land development | - |
| Building | 10% |
| Plant & machinery | 10% |
| Office equipment | 15% |
| Furniture & fixture | 15% |
| Vehicles | 15% |
| Generator | 10% |
| Electrical transformer | 10% |
| Fire equipment | 10% |
| Electrical equipment | 10% |

Depreciation is provided on all fixed assets except land and land development.

**(d) Retirement and disposal**

An asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gain or loss arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized as gain or loss from disposal of asset under other income in the statement of comprehensive income. There was no disposal of assets during the year.

**(e) Revaluation of assets**

The company has not been revalued its assets any time since inception.

| | |
|---|---|
| | **(f) Inventories** |
| | Inventories are valued at the lower of cost or net realizable value with cost determined by weighted average cost basis. The cost of inventories comprises of expenditure incurred (raw materials, work-in process, finished goods, packing materials, store and spares and stock-in transit) in the normal course of business in bringing the inventories to their present location and condition. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale. |
| | **(g) Impairment of assets** |
| | In accordance with the provision of IAS-36: 'Impairment of assets', the carrying amount of non-financial assets other than inventories of the Company involved in the manufacturing of the products. If any such indication exists, then the assets recoverable amount is estimated and impairment losses are recognized in the statement of comprehensive income. No such indication of impairment has been observed till the end of the year. |
| **3.04** | **Financial liabilities** |
| | Financial liabilities are recognized initially on the transaction date at which the Company becomes a party to the contractual provisions of the liability. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. Financial liabilities include payable for expenses, liability for capital expenditure and other current liabilities. |
| **3.05** | **Financial assets** |
| | Financial assets of the Company include cash and cash equivalents, accounts receivable and other receivables. |
| **3.06** | **Accounts receivables** |
| | Accounts receivables are created at original invoice amount less any provision for doubtful debts. Provision is made where there is evidence of a risk of non-payment, taking into account ageing, provision experience and general economic conditions. When an accounts receivable is determined to be uncollectible it is written off, firstly against any provision available and then to the statement of profit or loss and other comprehensive income. |
| **3.07** | **Advance, deposits and prepayments** |
| | Advance is initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads. |
| | Deposit are measured at payment value. |
| | Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to statement of profit or loss and other comprehensive income. |
| **3.08** | **Cash and cash equivalents:** |
| | Cash and cash equivalents are carried in the statement of financial position at cost and include cash in hand and with banks on current deposit and marginal deposits accounts which are held and available for use by the Company without any restriction. There is insignificant risk of change in value of the same. |

| | |
|---|---|
| **3.09** | **Provision** |
| | A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation. |
| **3.10** | **Taxation** |
| | **Current Tax:** |
| | The provision of taxation was made at 25.00 % on profit before tax. |
| | **Deferred Tax:** |
| | The Company has recognized deferred tax in accordance with the provision of IAS-12 " Income Taxes". Deferred tax asset/ liability is provided using the balance sheet method on temporary difference arising between the tax bases of assets & liabilities and their carrying amounts in the financial statements. Currently enacted tax rate is used in the determination of deferred tax. |
| **3.11** | **Earnings per share (EPS)** |
| | This has been calculated by dividing the earnings attributable to the ordinary shareholders by the number of ordinary shares outstanding during the year. The Company calculated earnings per share (EPS) in accordance with IAS 33: "Earnings per Share" which has been shown on the face of profit or loss & other comprehensive income and the computation of EPS is stated in Note: 27.00 |
| | **Basic earnings:** |
| | This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders. This earnings is divided by the weighted average number of shares to find out the basic earnings per share. |
| | **Restated earnings per share** |
| | Restated earnings per share has been calculated by dividing previous year's net profit atributable to the ordinery shareholders by recent year weighted average number of shares outstanding. |
| | **Diluted earnings per share** |
| | Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders by weighted average number of ordinary shares outstanding, for the effect of all dilutive potential ordinary shares. However, no dilution of EPS is applicable for these financial statements as there were no potential ordinary shares during the relevant period. |
| **3.12** | **Foreign currency transaction** |
| | Foreign currency transactions are translated into Bangladeshi Taka at the exchange rates ruling at the transaction dates according to IAS 21: The effect of changes in Foreign Exchange Rates". Foreign currency transactions translated at the financial position date are charged/credited to the statement of Profit or Loss and Other Comprehensive Income whenever arise. |
| **3.13** | **Financial expenses** |
| | Finance cost comprises interest expenses on bank loan, bank charge and other borrowings. All finance expenses are recognized in the Statement of profit or loss and other comprehensive income the requirement of IAS-23. |

| | |
|---|---|
| **3.14** | **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.<br><br>The company has accounted for and disclosed employee benefits in compliance with the provisions of IAS 19: Employee Benefits.<br><br>The cost of employee benefit is charged off as revenue expenditure in the period to which the contributions relate.<br><br>The company's employee benefits include the following: |
| | **Short term employee benefits** |
| | Short-term employee benefits include salaries, bonuses etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided. |
| | **Workers' profit participation fund (WPPF)** |
| | The Company makes a regular allocation of 5% on net income before tax to this funds and payment is made to the workers as per provisions of Labour Laws 2006 and subsequent amendments. |
| **3.15** | **Segment reporting** |
| | No segmental reporting is applicable for the Company as required by "IFRS-8: Operating Segment" as the Company operates in a single industry segment and within a geographical segment. |
| **3.16** | **Event after statement of financial position date** |
| | In compliance with the requirements of IAS 10: Events after the reporting period, events after the reporting period that provided additional information about the Company's position at the statement of financial position date are reflected in the financial statements and events after the statement of financial position date that are not adjusting events are disclosed in the notes when material. |
| **3.17** | **Related party disclosures** |
| | The information as required by IAS 24: "Related party disclosure" has been disclosed separately in notes to the accounts (Note 31.00). |
| **3.18** | **Comparative information** |
| | Comparative information have been disclosed in respect of the previous year for all numerical information in the financial statements including narrative and descriptive information when it is relevant for understanding of the current year's financial statements. |
| | **Re-arrangement** |
| | Comparative figures have been rearranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements. |
| **3.19** | **Going concern** |
| | The Company has adequate resources to continue its operations for foreseeable future. For this reason the directors continue to adopt the going concern basis in preparing the financial statements. The resources of the Company are sufficient to meet the present obligation of its existing businesses and operations. |

| | | 30 June 2018 (Taka) | 30 June 2017 (Taka) |
|---|---|---|---|
| **4.00** | **Fixed Assets** | | |
| | Property, plant and equipment (Note-4.01) | 434,573,837 | 317,462,088 |
| | Capital work in progress (Note-4.02) | 35,205,751 | 42,965,251 |
| | | **469,779,588** | **360,427,339** |
| **4.01** | **Property, plant and equipment** | | |
| | Opening balance of cost | 410,558,388 | 326,186,568 |
| | Add: Addition during the year | 161,409,458 | 84,371,820 |
| | | **571,967,846** | **410,558,388** |
| | Less: Accumulated depreciation | 137,394,009 | 93,096,300 |
| | **Written down value as on 30 June 2017** | **434,573,837** | **317,462,088** |
| | **Details shown in Annexure-A** | | |
| **4.02** | **Capital work in progress** | | |
| | Capital work in progress | 42,965,251 | 49,765,251 |
| | Add: Addition during the year | 34,250,500 | 43,200,000 |
| | | **77,215,751** | **92,965,251** |
| | Less: Transferred to fixed assets as per IAS-16. | 42,010,000 | 50,000,000 |
| | | **35,205,751** | **42,965,251** |
| **5.00** | **Inventories: (Quantity wise break-up is shown in Annexure - B)** | | |
| | Raw materials | 183,256,480 | 162,753,262 |
| | Work-in-process | 37,584,210 | 16,725,320 |
| | Finished goods | 39,548,786 | 24,265,210 |
| | | **260,389,476** | **203,743,792** |
| | a) The management of the company has conducted a test (physical verification/ stock taking) of above inventories as on 30.06.2018. | | |
| | b) Quantity reconciliation of products were done properly. | | |
| | c) The valuation of closing inventory has been made on the basis of lower of cost and net realizable value as per IAS-2. | | |

**6.00 Accounts receivable: (Break-up is shown in Annexure -C)**

| Name of Client & Purpose | Address | June 30, 2018 | June 30, 2017 |
|---|---|---|---|
| M/S Alam Hardware | Kadamtoli, Chittagong. | 2,825,460 | 256,950 |
| M/S Quantum builders' & eng. Works | Porabari, Salna Bazer, Gagipur | 3,126,475 | 116,280 |
| M/S Bhawal corporation | Sadar Bazer, Gazipur | 1,205,232 | 156,870 |
| Mr. Shujan, Bogra | Raja Bazer, 2 no. Railgate, Bogra. | 3,912,980 | 120,300 |
| Mr. Al-Aziz Hardware | Fulbaria Busstand, B. Baria | 2,812,000 | 1,850,240 |
| Mr. Kawsar, Chudanga | Chuadanga Sadar, | 3,233,000 | 132,500 |
| M/S Master Traders | Mailer Rasta, Jatrabari, Dhaka. | 2,905,000 | 187,400 |
| M/S Islam Hardware | Stationery Road, Comilla. | 4,266,000 | 1,179,210 |
| M/s Raida Traders | Faridpur Sadar, Faridpur. | 3,023,650 | 4,156,700 |
| M/S Haque Hardware | Chowmohani Chowrasta, Begamgonj. | 3,526,000 | 3,832,980 |
| M/S Kader Hardware | Gangni Sadar, Meherpur. | 1,282,000 | 178,250 |
| M/S Lubna Tools | Sadesh Bazer, Mymensing. | 2,192,000 | 165,390 |
| M/S Bul Bul traders | Satra Bazer, Neamatpur, Naogoan. | 4,324,000 | 5,466,710 |
| M/S Rk Machinery | Bandar Bazer, Mahajonpatti, Sylet | 3,227,000 | 1,121,422 |
| M/S Tamim Enterprise | Narail Sadar | 2,936,500 | 123,450 |
| M/S Marium Traders | Madrasha More, Natore. | 245,700 | 187,950 |
| M/S Bismillah Molding | Rabiul Market, Dilalpur, Pabna. | 4,100,000 | 4,296,325 |
| M/S Bokkor machinery | Belcuchi, Sirajgonj | 3,527,000 | 335,260 |
| M/S Sarker traders | Shirajgonj Road, Shirajgonj. | 5,642,000 | 2,525,640 |
| M/S Gulzar traders | Chakbazer, Chittagong | 4,212,000 | 123,540 |
| M/S Shimul enterprise | Madaripur Sadar, Madaripur. | 1,507,000 | 454,870 |
| M/S Gawsay Park | Kodomtoli, Chittagong | 2,563,200 | 465,890 |
| M/S Bari, Jessore | Jessore Sadar, Jessore. | 3,200,500 | 187,420 |

| | | | | |
|---|---|---|---|---|
| M/S Wazed | Shinggair, Manikgonj | 1,745,000 | 1,542,650 |
| M/S Manik | Pagla Bazer, Narayangong. | 2,468,000 | 125,390 |
| M/S Saifullah | Satkhira Sadar | 3,496,500 | 161,254 |
| M/S Masud Rana | Mugrapara, Sonargaon, N.Gong | 3,950,000 | 4,178,325 |
| M/S Arefin | Elengga, Tangail. | 4,235,500 | 2,125,600 |
| M/S Faruk Hardware | Kawran Bazer, Dhaka. | 2,954,800 | 2,325,680 |
| M/S Mollah Hardware & Tools | Paglabazer, Narayangong. | 685,900 | 252,166 |
| M/S Rang Bitan Hardware | Khulna Saqdar, Khulna. | 4,697,200 | 4,425,790 |
| Walton Hi-tech Indutries LTD. | Chandra, Kaliakoir Gazipur. | 3,892,467 | 1,515,282 |
| M/S M.H Enterprise | Kustia Sadar, Kustia. | 4,359,760 | 4,272,154 |
| M/S Mahi Enterprise | Puthia, Rajshahi. | 1,215,000 | 4,826,820 |
| M/S Al-Amin Hardware | Rail gate Bogra | 4,980,000 | 5,065,430 |
| M/S Rafique Enterprize | Manda, Naogaon | 4,726,000 | 4,882,475 |
| M/S Tiles point | Rani bazer, Rajshahi | 5,163,400 | 4,925,680 |
| M/S Meghna Treders | Iron market, Terminal, Pabna | 4,985,100 | 5,298,620 |
| M/S Eminence | Halishahar, Chittagong | 5,368,400 | 4,985,467 |
| M/S Dhaka Hardware | Laxmipur Shador | 2,122,300 | 5,396,240 |
| M/S Haque Paints | Noakhali Sadar | 5,143,000 | 4,963,242 |
| M/S Ahad & Brothers | Alamnagar, Rangpur | 4,687,000 | 4,723,657 |
| M/S Jholmol Electric & Video | Rohanpur, Chapainawabgang | 5,196,000 | 4,964,735 |
| M/S Masud Trading International | Amtola, Barisal | 4,857,000 | 5,257,624 |
| M/S Islam Traders | Borobazer, Gopalgang | 2,568,900 | 4,945,125 |
| M/S Bondhon Enterprise | Bokcor, Jessore | 4,572,000 | 4,885,625 |
| M/S Rokeya Traders | Chuto Bazer, Mymenshing | 5,974,600 | 5,762,370 |
| M/S Sirajgang Steel | Station bazer, Sirazgang | 2,542,600 | 4,870,387 |
| M/S Sohan Iron Store | Ekrampur, Kisorgong | 5,687,000 | 5,721,350 |
| M/S Ayon Traders | Chaula, Norshingdi Sodor | 4,621,300 | 4,542,780 |
| M/S R.K Machineries & Tools | Bondor Bazar, Sylhet | 5,244,500 | 5,398,762 |
| M/S Hakmot Hardware | Boraigram, Bonpara, Nator | 5,142,000 | 4,925,712 |
| M/S B Nagor Hardware | Faridpur, Pabna | 4,956,000 | 5,163,985 |
| M/S Mijan Hardware | Rajapur, Jhalokathi | 4,954,000 | 2,789,654 |
| M/S New Iron Store | Khulna Saqdar, Khulna. | 3,323,000 | 2,864,780 |
| M/s Jonoprio Iron Store | Norail, Jossore | 3,126,000 | 2,953,420 |
| M/S Othai Machineries | Dholauri, Sathia, Pabna | 3,596,700 | 4,478,968 |
| M/S Bismillah Enterprise | Kalihati, Bhuapur, Tangail | 3,048,402 | 4,890,589 |
| **Total** | | **210,080,026** | **168,029,335** |

No amount has been due by the Directors, Managing Director, Manager & other Officers of the company and any of them severally or jointly with any other person.

Disclosure as per Schedule-XI, Part-I, of The Companies Act, 1994

| **Particulars** | **June 30, 2018** | **June 30, 2017** |
|---|---|---|
| Dues within six months | 208,573,026 | 165,436,163 |
| Dues over six months but below nine months | 1,507,000 | 2,593,172 |
| **Total** | **210,080,026** | **168,029,335** |
| | | |
| Receivable considered Good & secured | - | - |
| Receivable considered Good without security | 210,080,026 | 168,029,335 |
| Receivable considered doubtful or Bad | - | - |
| Receivable due by Directors or other Officers | - | - |
| Receivable due from companies under same management | - | - |
| Maximum receivable due by Directors or Officers at any time | - | - |

| | | | | | |
|---|---|---|---|---|---|
| **7.00** | **Advance, deposit & prepayments** | | | | |
| | Salary advance (Note-7.01) | | | 2,032,500 | 1,849,980 |
| | Advance income tax (Note-7.02) | | | 4,074,455 | 2,845,632 |
| | L/C margin (Note-7.03) | | | 1,263,762 | 1,026,559 |
| | VAT current A/c | | | 730,000 | 174,754 |
| | Security deposit (Note-7.04) | | | 47,000 | 47,000 |
| | Advance to CDBL | | | 400,000 | - |
| | Advance against office rent | | | 200,000 | 200,000 |
| | | | | **8,747,717** | **6,143,925** |
| | a) There are no claims against the company, which can be acknowledged as bad debt. | | | | |
| | b) All advance and deposit amount considered good and recoverable. | | | | |
| **7.01** | **Salary advance** | | | | |
| | Employee-Factory | | | 1,582,500 | 1,524,580 |
| | Employee-Head office | | | 450,000 | 325,400 |
| | | | | **2,032,500** | **1,849,980** |
| **7.02** | **Advance income tax** | | | | |
| | Opening balances | | | 2,845,632 | 1,861,558 |
| | Add: AIT on Import stage & Others | | | 1,228,823 | 984,074 |
| | | | | **4,074,455** | **2,845,632** |
| | Less: Adjusted during the year (Note-16.01) | | | - | - |
| | **Closing balances** | | | **4,074,455** | **2,845,632** |
| **7.03** | **L/C margin** | | | | |
| | The amount paid to Islami Bank Bangladesh Ltd. against import of raw material and machinery. | | | | |
| | Islami Bank Bangladesh Ltd. | | | 1,263,762 | 1,026,559 |
| | | | | **1,263,762** | **1,026,559** |
| **7.04** | **Security deposit** | | | | |
| | Bangladesh Telecommunications Company Ltd | | | 12,000 | 12,000 |
| | Grameen Phone | | | 35,000 | 35,000 |
| | | | | **47,000** | **47,000** |
| **8.00** | **Cash & cash equivalents** | | | | |
| | Cash in hand (Note-8.01) | | | 18,887,750 | 14,385,847 |
| | Cash at bank (Note-8.02) | | | 616,527 | 922,088 |
| | **Closing balances** | | | **19,504,277** | **15,307,935** |
| **8.01** | **Cash in hand** | | | | |
| | Head office | | | 11,745,250 | 7,424,847 |
| | Factory office | | | 7,142,500 | 6,961,000 |
| | | | | **18,887,750** | **14,385,847** |
| **8.02** | **Cash at bank** | | | | |
| | Al-Arafah Islami Bank Ltd., A/C-4158 | | | 68,887 | 70,038 |
| | Pubali Bank Ltd., A/C-21374 | | | 483,809 | 771,980 |
| | Islami Bank Ltd., A/C-172712 | | | 29,583 | 52,834 |
| | Islami Bank Ltd., A/C-282107 | | | 6,997 | 8,147 |
| | Mutual Trust Bank Ltd., A/C-0735 | | | 13,092 | 14,772 |
| | Mutual Trust Bank Ltd., A/C-2811 | | | 3,167 | 4,317 |
| | Mutual Trust Bank Ltd., A/C-16184 | | | 10,992 | - |
| | | | | **616,527** | **922,088** |
| | Our cash & cash equivalent do not include any foreign currency which may vary with the exchange rate changes. | | | | |
| | Cash in hand was physically verified by the management. Bank balances were reconciled & confirmed. | | | | |

| | | | | | |
|---|---|---|---|---|---|
| **9.00** | **Share capital** | | | | |
| | **Authorized capital** | | | **1,700,000,000** | **500,000,000** |
| | | | | | |
| | 120,000,000 Ordinary shares of Tk. 10 each | | | 1,200,000,000 | 500,000,000 |
| | 50,000,000 Preference shares of Tk. 10 each | | | 500,000,000 | - |
| | | | | | |
| | **Paid up capital** | | | | |
| | 50,481,200 Ordinery shares of Tk. 10 each | | | **504,812,000** | **308,920,000** |
| | | | | | |
| | Opening | | | 308,920,000 | 308,920,000 |
| | Share allotted (IPO) | | | 150,000,000 | - |
| | Bonus Share allotted | | | 45,892,000 | - |
| | | | | **504,812,000** | **308,920,000** |
| | | | | | |
| | **Share holding position with (%) as on 30 June 2018** | | | | |
| | | | | | |
| | | **Sponsor Directors** | **Institutes** | **Genarel** | **Total** |
| | | 41.71% | 26.44% | 31.85% | 100% |
| | | | | | |
| **10.00** | **Retained earnings** | | | | |
| | Opening balance | | | 214,936,267 | 150,355,992 |
| | Add: Net profit/(loss) during the year | | | 91,289,306 | 64,580,275 |
| | | | | **306,225,573** | **214,936,267** |
| | Less: 10% Bonus as on 30.06.2017 | | | 45,892,000 | - |
| | | | | **260,333,573** | **214,936,267** |
| | | | | | |
| **11.00** | **Long term loan** | | | | |
| | HPSM (Mach) | | | 53,974,085 | 70,913,423 |
| | Less: Current portion long term loan (Note-16.00) | | | (7,256,480) | (7,398,254) |
| | **Long term loan (Non Current portion)** | | | **46,717,605** | **63,515,169** |
| | | | | | |
| **12.00** | **Deferred tax liability** | | | | |
| | Opening balances | | | 19,331,091 | 11,657,093 |
| | Add: Provision made during the year (Note-26.02) | | | 1,956,752 | 7,673,998 |
| | | | | **21,287,843** | **19,331,091** |
| | Less: Provision realized during the year | | | - | - |
| | **Closing balances** | | | **21,287,843** | **19,331,091** |
| | | | | | |
| **13.00** | **Accounts payable** | | | | |
| | M/S Immo Printing -Packing Expenses | | | 25,800 | 22,590 |
| | M/S J&K Printing - Packing Expenses | | | 18,287 | 18,287 |
| | | | | **44,087** | **40,877** |
| | | | | | |
| **14.00** | **Short term loan** | | | | |
| | MPI loan | | | 63,516,043 | 50,242,731 |
| | | | | **63,516,043** | **50,242,731** |
| | | | | | |
| **15.00** | **Current portion of long term loan** | | | | |
| | HPSM | | | 7,256,480 | 7,398,254 |
| | | | | **7,256,480** | **7,398,254** |
| | | | | | |
| **16.00** | **Current tax liabilities** | | | | |
| | Opening balances | | | 81,639,698 | 56,639,702 |
| | Add: Provision made during the year (Note-26.01) | | | 21,108,792 | 27,099,996 |
| | Less: Tax adjusted/paid during the year | | | 46,681,322 | 2,100,000 |
| | | | | **56,067,167** | **81,639,698** |

| | | | |
|---|---|---|---|
| **17.00** | **Workers profit participation fund payable** | | |
| | Opening balances | 4,967,713 | 4,814,732 |
| | Add: Provision made during the year (Note-25.00) | 5,717,742 | 4,967,713 |
| | | **10,685,456** | **9,782,445** |
| | Less: paid during the year | 4,967,713 | 4,814,732 |
| | **Closing balances** | **5,717,743** | **4,967,713** |
| | | | |
| **18.00** | **Liabilities for expenses** | | |
| | Salary & allowance payable | 403,255 | 389,220 |
| | Wages & salary payable | 1,224,565 | 1,377,250 |
| | Directors remuneration | 300,000 | 300,000 |
| | Office rent payable | 70,000 | 70,000 |
| | Office electricity bill payable | 7,929 | 5,256 |
| | Telephone & mobile bill payable | 6,579 | 9,200 |
| | VAT payable | 474,214 | 309,600 |
| | AIT payable | 62,000 | - |
| | Audit fee | 200,000 | 200,000 |
| | | **2,748,542** | **2,660,526** |
| | | | |
| | VAT Payable represents VAT with held from Customers after sales and AIT deducted on Gas bill Payable, which has been subsequently paid. | | |
| | | | |
| **19.00** | **Sales revenue** (Note - 20.01) | 494,752,023 | 440,297,050 |
| | | **494,752,023** | **440,297,050** |
| | | | |
| **19.01** | **Sales revenue (Item wise)** | | |
| | | | |
| | **Particulars** | **30-Jun-18** | |
| | | **Quantity (Kg)** | **Amount** |
| | Welding Electrode | 355,717 | 45,531,838 |
| | G.I. Wire | 1,457,793 | 276,980,717 |
| | Nail (Parek) | 2,026,347 | 172,239,467 |
| | **Total** | **3,839,857** | **494,752,023** |
| | | | |
| **20.00** | **Cost of goods sold** | | |
| | Raw material consumed (Note-20.01) | 279,129,867 | 227,965,570 |
| | Work-in-process- opening | 16,725,320 | 15,125,875 |
| | | **295,855,187** | **243,091,445** |
| | Work-in-process- closing (Note-5.00) | (37,584,210) | (16,725,320) |
| | Material consumed | **258,270,977** | **226,366,125** |
| | Add: Factory overhead (Note-20.02) | 95,917,735 | 85,306,337 |
| | Cost of goods manufactured | **354,188,712** | **311,672,462** |
| | Finished goods - opening | 24,265,210 | 22,385,611 |
| | Cost of goods available for sale | **378,453,922** | **334,058,073** |
| | Finished goods - closing (Note-5.00) | (39,548,786) | (24,265,210) |
| | | **338,905,136** | **309,792,863** |
| | | | |
| **20.01** | **Raw material consumed** | | |
| | Opening stock | 162,753,262 | 151,828,741 |
| | Add: Purchase during the year | 299,633,085 | 238,890,091 |
| | Raw material available for consumption | **462,386,347** | **390,718,832** |
| | Less: Closing stock (Note-5.00) | 183,256,480 | 162,753,262 |
| | | **279,129,867** | **227,965,570** |

| | | | |
|---|---|---|---|
| **20.02** | **Factory overhead** | | |
| | Wages & salary | 30,250,442 | 29,624,580 |
| | Over time | 2,654,890 | 2,536,932 |
| | Packaging expenses | 3,356,260 | 3,165,240 |
| | Auxiliary material consumed | 2,947,866 | 2,825,620 |
| | C & F charges | 2,725,682 | 2,641,500 |
| | Spare parts | 503,265 | 612,545 |
| | Daily labor | 4,325,652 | 4,215,682 |
| | Loading & unloading expenses | 1,712,488 | 1,612,386 |
| | Electricity bill | 5,914,094 | 8,212,870 |
| | General repair & maintenance | 316,580 | 375,265 |
| | Oil, Mobil and lubricant | 1,342,578 | 1,275,680 |
| | Depreciation (Annexure-A) | 39,867,938 | 28,208,037 |
| | | **95,917,735** | **85,306,337** |
| | | | |
| **21.00** | **Administrative expenses** | | |
| | Salaries and allowances | 1,675,500 | 1,635,490 |
| | Directors remuneration (Note- 22.01) | 3,840,000 | 3,670,000 |
| | Travelling and conveyance | 315,245 | 305,248 |
| | Environment certificate | 77,158 | 97,750 |
| | Stationery and photocopy charges | 212,780 | 206,560 |
| | Medical expenses | 116,690 | 114,254 |
| | Insurance | 244,940 | 1,064,695 |
| | IPO Expenses | 14,959,268 | - |
| | Fax, telephone and mobile call expenses | 322,254 | 320,136 |
| | Internet charges | 24,000 | 24,000 |
| | Postage & courier | 98,425 | 100,580 |
| | Renewal fees | 582 | 40,860 |
| | Electricity charges (Head office) | 71,722 | 63,568 |
| | Audit fee | 200,000 | 200,000 |
| | Office rent | 840,000 | 840,000 |
| | Office expenses | 68,840 | 66,580 |
| | Fooding | 167,265 | 164,587 |
| | Water expenses | 72,876 | 67,518 |
| | News paper, books & forms | 28,467 | 27,594 |
| | Entertainment | 109,300 | 106,975 |
| | Repairs & maintenance | 47,500 | 88,630 |
| | Depreciation (As per Annexure-A) | 2,214,885 | 1,567,113 |
| | | **25,707,697** | **10,772,138** |
| | | | |
| **21.01** | **Directors' remuneration** | | |
| | Chairman's remuneration | 1,200,000 | 1,200,000 |
| | Managing Director's remuneration | 2,400,000 | 2,400,000 |
| | Board meeting attendance fees | 240,000 | 70,000 |
| | | **3,840,000** | **3,670,000** |
| | | | |
| **22.00** | **Selling & distribution expenses** | | |
| | Salary | 555,220 | 4,012,350 |
| | Conveyance | 522,364 | 493,620 |
| | Business Promotional Expenses | 244,652 | 1,602,580 |
| | Depreciation (As per Annexure-A) | 2,214,886 | 1,567,114 |
| | | **3,537,122** | **7,675,664** |

| | | | |
|---|---|---|---|
| **23.00** | **Financial expenses** | | |
| | Interest on long term loan | 5,620,450 | 5,144,937 |
| | Interest on short term loan | 9,546,092 | 9,410,436 |
| | Bank charges and others | 145,850 | 103,258 |
| | | **15,312,392** | **14,658,631** |
| **24.00** | **Other operating income** | | |
| | Other income includes wastage sales and other product of the under stated scraped items against which no cost is ascertained. | | |
| | **Items:** | | |
| | Wastage goods and other products | 8,782,916 | 6,924,228 |
| | | **8,782,916** | **6,924,228** |
| | **Item, quantity and rate:** | | |
| | Mega Ferro 9030 Kg @ Tk.34.00 | 307,020 | 323,680 |
| | Mega Marine 25650 Kg @ Tk.38.00 | 974,700 | 903,260 |
| | Royal Speed 27950 Kg @ Tk.42.00 | 1,173,900 | 676,704 |
| | Jessore Royal 17458 Kg @ Tk.32.00 | 558,656 | 504,064 |
| | Hardmelt 9766 Kg @ Tk.80.00 | 781,280 | 669,600 |
| | Parek 52880 Kg @ Tk.22.00 | 1,163,360 | 1,052,920 |
| | Daya 19120 Pcs @ Tk.200.00 | 3,824,000 | 2,794,000 |
| | | **8,782,916** | **6,924,228** |
| **25.00** | **Provision for workers profit participation fund (WPPF)** | | |
| | The Company provides 5% of its profit before charging such expense as WPPF in accordance with the Bangladesh Labor Act, 2006. | | |
| | Net profit before charging WPPF & Tax | 120,072,592 | 104,321,982 |
| | **Provision made during the year @ 5%** | **5,717,742** | **4,967,713** |
| **26.00** | **Provision for income tax** | | |
| | Current Tax (Note-26.01) | 21,108,792 | 27,099,996 |
| | Deferred Tax (Note-26.02) | 1,956,752 | 7,673,998 |
| | | **23,065,544** | **34,773,994** |
| **26.01** | **Current tax** | | |
| | Net profit before Tax | 114,354,849 | 99,354,269 |
| | Add: Accounting depreciation | 44,297,709 | 31,342,264 |
| | Add: WPPF provision made during the year | 5,717,742 | 4,967,713 |
| | | **164,370,301** | **135,664,246** |
| | Less: Depreciation as per 3rd schedule of IT ordinance | 74,967,421 | 53,420,955 |
| | Less: WPPF paid during the year | 4,967,713 | 4,814,732 |
| | **Taxable income** | **84,435,166** | **77,428,559** |
| | **Income tax on profit for the year @ 25.00%** | **21,108,792** | **27,099,996** |
| **26.02** | **Deferred tax** | | |
| | Opening Balance | 19,331,091 | 11,657,093 |
| | Expenses/ (Income) of Deferred Tax during the year | 1,956,752 | 7,673,998 |
| | **Deferred Tax Liability /(Assets) as on 30 June 2018** | **21,287,843** | **19,331,091** |

| | | | | | |
|---|---|---|---|---|---|
| **27.00** | **Earning per share (EPS)** | | | | |
| | EPS is calculated by dividing the net profit after tax for the year attributable to ordinary shareholders by number of weighted everage number of shares outstanding. | | | | |
| | Total comprehensive income for the year | | | 91,289,306 | 64,580,275 |
| | Weighted average number of share (note-27.01) | | | 46,535,995 | 30,892,000 |
| | **Earnings per share (EPS)** | | | **1.96** | **2.09** |
| | **Earnings per share (restated)** | | | **-** | **1.39** |
| **27.01** | **Weighted everage number of shares** | | | | |
| | **For the year 30 June 2018.** | | | | |
| | **Particulars** | **No. of Share Outstanding** | **Weight** | **Weighted average no of Share** | |
| | Opening shares | 30,892,000 | 1.00 | 30,892,000 | |
| | Share alloted (Dated on 05.10.17) | 15,000,000 | 0.74 | 11,054,795 | |
| | Share alloted (Dated on 20.12.17) | 4,589,200 | 1.00 | 4,589,200 | |
| | **Total** | **50,481,200** | | **46,535,995** | |
| **28.00** | **Calculation of net asset value (NAV) per share** | | | | |
| | Share capital (Note-9.00) | | | 504,812,000 | 308,920,000 |
| | Retained earnings (Note-10.00) | | | 260,333,573 | 214,936,267 |
| | Total shareholders equity | | | **765,145,573** | **523,856,267** |
| | Weighted average No. of ordinary shares | | | 46,535,995 | 30,892,000 |
| | **Net asset value per share (Weighted average method)** | | | **16.44** | **16.96** |
| **29.00** | **Net operating cash flow per share** | | | | |
| | Net cash flows from operating activities | | | 11,512,326 | 77,741,986 |
| | Weighted average number of share (Note-27.01) | | | 46,535,995 | 30,892,000 |
| | **Net operating cash flow per share (NOCF)** | | | **0.25** | **2.52** |
| | Net operating cash flow per share compared to last year significantly deviated due to significant additional payment of income tax & IPO expenses. | | | | |

**30.00 Employees position:**

Employee Position of Oimex Electrode Limited as per requirement of schedule XI, part II, Para 3 as on June 30, 2018 is as under:

| Full time/ Part time | Head office | Factory | Total |
|---|---|---|---|
| Full time employees | 15 | 174 | 189 |
| Part time employees | 0 | 72 | 72 |
| **Total** | **15** | **246** | **261** |

None of the above employees get less than Tk. 5,992 per month.

**31.00 Related party transaction**

As per IAS 24: Related party disclosures and as defined in the Securities & Exchange Rules 1987 the related party transactions are as follows:

| **Directors' remuneration** | **30 June 2018 (Taka)** | **30 June 2017 (Taka)** |
|---|---|---|
| Managing Director's remuneration | 2,400,000 | 2,400,000 |
| Chairman's remuneration | 1,200,000 | 1,200,000 |
| Board meeting attendance fees | 240,000 | 70,000 |
| **Total** | **3,840,000** | **3,670,000** |

The board meeting attendance fees received by the director including the managing director are as follows:

| Name | Designation | No. of Meeting | Attendance | Fee (Taka) |
|---|---|---|---|---|
| Mrs. Khairun Nesa Lucky | Chairman | 7 | 7 | 56,000 |
| Mr. M A Maleque | Director & MD | 7 | 7 | 56,000 |
| Nawshin Tasnim | Director | 7 | 5 | 40,000 |
| Md. Abu Taleb | Independent Director | 7 | 5 | 40,000 |
| DR. M. Farid Ahmed | Independent Director | 7 | 6 | 48,000 |
| **Total** | | | | **240,000** |

**Transaction with key management personnel of the entity:**

| | | |
|---|---|---|
| (a) | Managerial Remuneration paid or payable during the year to the directors, including managing directors, a managing agent or manager. | 3,600,000 |
| (b) | Expenses reimbursed to Managing Agent | Nil |
| (c) | Commission or Remuneration payable separately to a managing agent or his associate | Nil |
| (d) | 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. | Nil |
| (e) | 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 year. | Nil |
| (f) | Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable. | Nil |
| (g) | Other allowances and commission including guarantee commission | Nil |

| | | |
|---|---|---|
| (h) | Pensions etc. | |
| | (i) Pensions | Nil |
| | (ii) Gratuities | Nil |
| | (iii) Payments from a provident funds, in excess of own subscription and interest thereon | Nil |
| | | |
| (i) | Share Based payments | Nil |
| | | |
| | **As per IAS- 24, Para 17:** | |
| | An entity shall disclose key management personnel compensation in total and for each of the following benefits: | |
| | (a) Short-term employee benefits | 3,840,000 |
| | (b) Post-employee benefits | Nil |
| | (c) Other long term benefits | Nil |
| | (d) termination benefits and | Nil |
| | (e) share- based payment | Nil |
| | | |
| **32.00** | **Proposed Dividend:** | |
| | The Board of Director of the company in their 59th board meeting held on 28 October 2018 have recommended stock dividend on paid up capital @ 12.5% for the period from 01 July 2017 to 30 June 2018. | |
| | | |
| **33.00** | **General:** | |
| a) | Figures of the current year have been rounded off to the nearest Taka. | |
| b) | Previous year's figures have been re-arranged wherever considered necessary to confirm the current year's presentation. | |
| c) | There was no brokerage/commission paid against sales during the financial year. | |
| d) | There was no claim against the company not acknowledged as debt on June 30, 2018. | |
| e) | There was no credit facilities available to the company under any contract nor availed of as on June 30, 2018 other than trade credit available in the ordinary course of business. | |
| f) | Other than the above amount, there was no expenses incurred in foreign exchange on account of Royalty, Technical Experts, Professional and Advisory Fee, Interest, Brokerage and Commission etc. | |
| g) | The Company has no associate/subsidiary/holding companies and thus no transaction was made during the year. | |
| h) | No amount of money was spent by the company for compensation to any member of the Board for special services rendered. | |
| i) | There was no bank guarantee issued by the company on behalf of their directors. | |

## Oimex Electrode Limited

Schedule of Property, plant & equipment

As at June 30, 2018

**Annexure-A**

| Particulars | Cost | | | Rate % | Depreciation | | | Written down value as at 30.06.2018 |
|---|---|---|---|---|---|---|---|---|
| | As at 01.07.2017 | Addition during the year | Total amount 30.06.2018 | | As at 01.07.2017 | Charged during the year | Total amount 30.06.2018 | |
| Land and land development | 41,421,642 | - | 41,421,642 | | - | - | - | 41,421,642 |
| Building | 115,841,687 | 42,010,000 | 157,851,687 | 10% | 17,745,177 | 14,010,651 | 31,755,828 | 126,095,859 |
| Plant & machinery | 213,451,956 | 104,112,958 | 317,564,914 | 10% | 61,408,150 | 25,615,676 | 87,023,826 | 230,541,088 |
| Office equipment | 3,865,265 | 266,000 | 4,131,265 | 15% | 1,713,987 | 362,592 | 2,076,579 | 2,054,686 |
| Furniture & fixture | 3,871,178 | 520,500 | 4,391,678 | 15% | 1,700,566 | 403,667 | 2,104,233 | 2,287,445 |
| Vehicles | 9,848,900 | - | 9,848,900 | 15% | 3,902,915 | 891,898 | 4,794,813 | 5,054,087 |
| Generator | 5,440,000 | - | 5,440,000 | 10% | 820,600 | 461,940 | 1,282,540 | 4,157,460 |
| Electrical transformer | 4,450,400 | 10,000,000 | 14,450,400 | 10% | 845,576 | 1,360,482 | 2,206,058 | 12,244,342 |
| Fire equipment | 1,123,450 | - | 1,123,450 | 10% | 213,456 | 90,999 | 304,455 | 818,995 |
| Electrical equipment | 11,243,910 | 4,500,000 | 15,743,910 | 10% | 4,745,873 | 1,099,804 | 5,845,677 | 9,898,233 |
| **Balance as on June 30, 2018** | **410,558,388** | **161,409,458** | **571,967,846** | | **93,096,300** | **44,297,709** | **137,394,009** | **434,573,837** |
| **Balance as on June 30, 2017** | **326,186,568** | **84,371,820** | **410,558,388** | | **61,754,036** | **31,342,264** | **93,096,300** | **317,462,088** |
| | | | | | | | | |
| * No depreciation was charged on land and land development. | | | | | | | | |
| | | | | | | | | |
| **Allocation of depreciation:** | | | | | | | | |
| | | | | | | | | |
| Note: Depreciation charged in the following manner: | | | | | | | | |
| Factory overhead 90% | | | | | | 39,867,938 | | |
| Administrative expenses 5% | | | | | | 2,214,885 | | |
| Selling & distribution expenses 5% | | | | | | 2,214,886 | | |
| **Total :** | | | | | | **44,297,709** | | |

# Notice of the 13th Annual General Meeting (AGM)

Notice is hereby given that the 13th Annual General Meeting (AGM) of the shareholders of **Oimex Electrode Limited** will be held on Thursday, December 20, 2018 at 09:00 am at Noboudoy Convention Hall, House # 20, Block #B, Main Road, Noboudoy Housing Society, Mohammadpur, Dhaka- 1207 to transact the following business.

1. To receive and adopt the Directors' Report to the Shareholders, Auditors' Report and Audited Financial Statements for the year ended June 30, 2018.
2. To declare Dividend for the year ended June 30, 2018.
3. To elect Directors in place of those who shall retire by rotation in accordance with the provision of Articles of Association of the Company.
4. To appoint Auditors of the Company for the year 2018-2019 until the conclusion of the next Annual General Meeting and to fix their remuneration.
5. To appoint the professional who will provide the certificate on compliance of the Corporate Governance Code and to fix their remuneration.

By order of the Board

**Md. Mostafijur Rahman**
Company Secretary (Current charge)

Dated: 28 October 2018

**Notes:**

01. The Record Date is November 26, 2018.
02. The Shareholders whose name will appear in the Share Register of the Company and in the Depository Register on the date will be eligible to attend the 13th Annual General Meeting and qualify for the dividend to be declared at the AGM.
03. A shareholder eligible to attend and vote at the Annual General Meeting (AGM) may appoint a proxy to attend and vote in his/her place by filling proxy Form. The proxy Form must be affixed with a revenue stamp of Tk.20/- and submitted to the Registered Office of the Company not later than 48 hours before the day of the Annual General Meeting.
04. Members are requested to update their respective BO Accounts with 12 digits Electronic Tax Identification Number (E-TIN), Bank Account, mailing address and contact number through their respective Depository Participant (DP) before the Record Date.
05. Shareholders' attendance counter will open at 7.30 am and to be continued till 9.30 am.

**N.B: Members may please note that in compliance to the clause (c) of the BSEC's Notification No.SEC/CMRRCD /2009-193/154 dated October 24, 2013 no gift or benefits in cash or kind shall be given for attending the AGM of the Company.**

AMARSTOCK

# Oimex Electrode Limited

225/1, New Elephant Road,(1st Floor) Dhaka-1205,Bangladesh.

## PROXY FORM

I/WE.....being a member(s) of Oimex Electrode Limited do hereby appoint Mr./Mrs..... of as my/our proxy to attend and vote on behalf of me/us at the 13th Annual General meeting of the company to be held on Thursday. The 20th December, 2018 at 9:00 am at Noboudoy Convention Hall, House # 20, Block #B, Main Road, Noboudoy Housing Society, Mohammadpur, Dhaka- 1207 and any adjournment thereof.

Witness my/our hand this.....Day of.....2018.

Revenue Stamp Tk. 20

(Signature of the Shareholder)

(Signature of Proxy)

BO ID NO. | | | | | | | | | | | | | | | |

NO of Shares held..... Dated.....

N.B: This Form of proxy, duly signed (as recorded with the company), stamped and completed must be submitted to the Registered office or Share Department (the company's Registered office225/1, New Elephant Road, (1st floor) Dhaka-1205, Bangladesh of the company at least 48 (forty Eight) hours before the meeting.

# Oimex Electrode Limited

225/1, New Elephant Road,(1st Floor) Dhaka-1205,Bangladesh.

## ATTENDANCE SLIP

I do hereby submit the Attendance Slip in connection with the 13th Annual General Meeting of Oimex Electrode Limited held today Thursday, the 20th December, 2018 at 9:00 am at Noboudoy Convention Hall, House # 20, Block #B, Main Road, Noboudoy Housing Society, Mohammadpur, Dhaka- 1207.

Full name of the member:.....

BO ID NO. | | | | | | | | | | | | | | | |

NO of Shares held..... Dated.....

Signature of proxy

Signature of the shareholder

Date.....

N.B.: i) please present this slip duly signed at entrance of the Meeting place.

ii) No gift or benefit in cash or kind shall be / offered to the shareholders as per Circular No. SEC/CMRRCD/2009.193/154 dated 24 October 2013 of attending the AGM.

VALUE STOCK




# Oimex Electrode Limited

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